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HOUSE OF REPRESENTATIVES—*Thursday, April 28, 1977*

The House met at 11 o'clock a.m.

Rabbi Chaim U. Lipschitz, Mesivta Talmudical Seminary, Brooklyn, N.Y., offered the following prayer:

Let us pray: God, who art the Creator, we offer unto Thee our gratitude for the favors that we received from Thee, and we ask with sincere desire that Thou will bring wisdom upon us, the servants of Thy people, that with understanding, sound judgment, and justice, we may act in behalf of all Thy people, and thus act for Thee and in the harmony of the symphony of life.

Man is not only master of his destiny by way of indeterminism. He is also a factor in the affairs of the entire cosmos. As King David says in Psalms: "The Earth hath He given to men." (Psalm 115: 16). We assumed responsibility for the lot of the universe. Our actions, our conduct can secure its existence or destroy it. The fate of the Earth depends upon our behavior. We can delay or accelerate the hour of erection of "heaven's kingdom" on Earth.

Blessed be Thy name, O Sovereign of the world. May it be acceptable before Thee to prolong our lives so that we may do good to our fellow men and follow in Thy path. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. RONCALIO. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 329, nays 13, not voting 91, as follows:

[Roll No. 166]

YEAS—329

Abdnor
Addabbo
Alexander
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
Badham
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonior
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cederberg
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Devine
Dickinson
Dicks
Dingell
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Ertel
Evans, Colo.
Evans, Del.
Evans, Ind.
Fary
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Flynt
Foley
Fountain
Frenzel
Frey
Gammage
Gaydos
Gephardt
Gilman
Ginn
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harrington
Harris
Harsha
Heckler
Hightower
Hillis
Hollenbeck
Holtzman
Howard
Hubbard
Hughes
Hyde
Ichord
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kildee
Kindness
Koch
Kostmayer
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Le Fante
Leach
Lederer
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Mahon
Markey
Marks
Marlenee
Marriott
Martin
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Natcher
Neal
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Quayle
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rosenthal
Rousselot
Roybal
Rudd
Runnels
Ruppe
Russo
Ryan
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Stockman
Stokes
Stratton
Studds
Symms
Taylor
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tsongas
Tucker
Van Deerlin
Vanik
Vento
Volkmer
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Wiggins
Wilson, Bob
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—13

Brown, Mich.
Cavanaugh
Derwinski
Erlenborn
Glickman
Holt
Jenrette
Maguire
Mattox
Pritchard
Sarasin
Steiger
Young, Fla.

NOT VOTING—91

Akaka
Allen
Ambro
Andrews, N.C.
Annunzio
AuCoin
Barnard
Bevill
Boggs
Bowen
Breaux
Brinkley
Brown, Calif.
Burke, Mass.
Burton, John
Chappell
Derrick
Diggs
Dodd
Evans, Ga.
Fascell
Fish
Flippo
Flowers
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Fraser
Fuqua
Giaimo
Gibbons
Goldwater
Gore
Gradison
Gudger
Harkin
Hawkins
Hefner
Heftel
Holland
Horton
Huckaby
Ireland
Jacobs
Jenkins
Jones, N.C.
Keys
Leggett
Lehman
Long, La.
Long, Md.
McCormack
McDade
Mann
Mathis
Milford
Montgomery
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Nedzi
Nichols
Obey
Pepper
Preyer
Price
Pursell
Rodino
Roe
Rooney
Rose
Rostenkowski
Sikes
St Germain
Stump
Teague
Tonry
Udall
Ullman
Vander Jagt
Waggonner
Walgren
Whitehurst
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Young, Alaska
Young, Mo.

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RABBI CHAIM U. LIPSCHITZ

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, Rabbi Chaim U. Lipschitz, who delivered our opening prayer, is a leader of New York's Jewish community and a man of multifaceted roles and achievements. Presently Rabbi Lipschitz is the executive director of the Community Service Bureau of the Yeshivah Torah Vodaath in Brooklyn, N.Y.—one of America's oldest and most distinguished rabbinical colleges. In addition, he serves as associate editor of the Jewish Press, the largest English language Jewish newspaper in the world.

The list of achievements by Rabbi Lipschitz is far too extensive to cite. However, to gage something of the rabbi's work, he has served as a member of the Advisory Council of the New York State Human Rights Commission; he has appeared in several CBS television network programs; he has served as an aide to the American Consul in Palestine in 1938; was an accredited press correspondent at the trial of Adolf Eichmann; authored a book for Jewish servicemen; contributed to the Encyclopedia Britannica; the American Educator Encyclopedia; and has written a variety of scholarly works on Jewish Talmudic law.

Rabbi Lipschitz is a man of great energy. I know him also, however, as one who possesses great concern for unknown and unheralded individuals who need a helping hand. The Rabbi, in his weekly columns in the Jewish Press, consistently articulates the achievements of Jewish leaders as reflected in their concern for the individual. Indeed, Rabbi Lipschitz's weekly Jewish Press cameo profiles carry messages of inspiration and encouragement.

Rabbi Lipschitz has succeeded in providing to his American audiences renewed meaning and understanding of the lives of great European Jewish leaders who died in the dreadful holocaust, but who served their communities and their people with an indescribable courage, dignity, and self-sacrifice.

In sum, Rabbi Chaim U. Lipschitz is a man of varied talents and accomplishments—a young man who grew up in America and has translated the American dream into his own unique blend of rabbi, writer, activist, scholar, and teacher. I am delighted to have the pleasure of Rabbi Lipschitz's visit with us and his inspirational prayer for the Members of the House of Representatives.

LAST NIGHT'S BUDGET WALKOUT AGAINST DEFENSE

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I want to commend you for the very forthright and eminently sensible leadership you exercised last night when a few disgruntled Democratic members of the Budget Committee threatened to turn the House into a midnight revival meeting.

What we saw last night was a walkout on the part of a minority of the House against the democratic action taken earlier in adding funds to the budget resolution to bring the defense total up to President Carter's original request. That was the real reason—and the only reason—for the walkout. Apparently if these Democratic Members cannot get their way in cutting defense they will take their marbles and go home.

This is precisely what Chairman PRICE was warning about in his speech read to the House last night: If the budget procedure turns into an exercise in inflating every other program at the expense of defense, then the budget process indeed cannot survive.

Mr. Speaker, last night's action was a bald attempt to blackmail the House into reversing its majority decision on defense funds. But those Democrats who engineered it still represent only a minority of the whole House. They may be able to hold up approval of the budget resolution, but they should not forget that they are not enough to pass it. When it comes to protest walkouts they should remember that two can play at that game as well as one.

SPEAKER O'NEILL'S COOL

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ICHORD. Mr. Speaker, I respectfully request a long John McCormack minute, because it is going to be exceedingly difficult for me to say what I have to say this morning in a very short minute.

Mr. Speaker, the Speaker is a slave driver, assisted by the gentleman from Kentucky, Mr. NATCHER, who permitted me to get home at 3 o'clock this morning and required me to get up at 8 o'clock to do some work I had to do in order to be here at this 11 o'clock meeting. Both of you are hard taskmasters.

I want to congratulate the Speaker. The Speaker kept his cool last night.

I want to congratulate the gentleman from Connecticut, who also kept his cool. The heat of the battle is now over. Tempers are now leveled. I am quite certain things were probably said last night that would not be said this morning.

Mr. Speaker, as one of the principals leading the fight for the Burleson amendment, I am jubilant this morning. It was a victory for the President of the United States. By an overwhelming vote of 225 to 184 we restored the request of the President for a defense authorization level of $120.1 billion. This was a compromise for the House as the House Armed Services Committee had recommended $120.9 billion and the House Appropriations Committee had recommended $121.1 billion. The House budget figure of $115.9 billion was out of step with the House and out of step with the people of this country. I recognize, Mr. Speaker, that this House is a very diverse, heterogenous group of peoples' representatives. Our views are so divergent that we range from those who would unilaterally disarm this Nation to those who would give the Pentagon everything it requests. I believe in a strong defense of the United States recognizing that I must act in terms of how the world is rather than what I would have it to be. I hope someday to live in a world that will not require us to spend $120.1 billion for defense. Hopefully the Soviet Union will in the months ahead work with us in attaining that kind of world. But we have no assurance that the Soviet Union is going to cooperate in that regard. This is not the time to cut back on defense, not at this crucial point in the SALT negotiations. This is why the President very wisely refused to cut the Ford budget more than $2 billion and this is why the President called you yesterday asking that we restore his budget to $120.1 billion. I congratulate the House for their support of the Burleson amendment and I hope that the Budget Committee will very wisely go back to the committee room and support their President.

PERMISSION FOR SUBCOMMITTEE ON EQUAL OPPORTUNITIES OF THE COMMITTEE ON EDUCATION AND LABOR TO SIT TODAY UNDER THE 5-MINUTE RULE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Equal Opportunities of the Committee on Education and Labor may be permitted to sit today while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERSONAL EXPLANATION

(Mr. RUSSO asked and was given permission to address the House for 1 minute.)

Mr. RUSSO. Mr. Speaker, on rollcall No. 165 on House Concurrent Resolution 195, I was not recorded, as a result of being on official business.

Had I been present, I would have voted against the budget resolution.

I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MARK DYMSHITZ

(Mr. EILBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EILBERG. Mr. Speaker, in June 1970, Mark Dymshitz was sentenced to death during the first infamous Leningrad trial on charges of treason, anti-Soviet agitation and propaganda, anti-Soviet organizing and the misappropriation of state or public property. Six months later, the sentence was commuted to 15 years at strict regime. A study of this case shows that these charges are trumped up and that he has been denied a fair trial.

Dymshitz is in poor health and is suffering from stomach problems and a heart condition. His diet is nonappetizing, and is eaten because the only alternative is starvation. Even though he is ill, he is still forced to work long hours at hard labor.

We cannot forget Mark Dymshitz in his hour of need. Without our help, there is little chance that he will live to the end of his sentence. We must do all that we can so that he will be free.

THE FRANK ALBERT STUBBLEFIELD FEDERAL BUILDING

(Mr. HUBBARD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HUBBARD. Mr. Speaker, subsequent to these brief remarks, I plan to introduce a bill, jointly sponsored by my six colleagues from the Commonwealth of Kentucky, to name the Federal building in Paducah, Ky., the only Federal building serving much of the First Congressional District, in honor of my distinguished predecessor, the Honorable Frank Albert Stubblefield, who served faithfully and effectively for 16 years in the House of Representatives.

The Federal building is located at 501 Broadway in downtown Paducah, and houses Federal agencies for that district. My predecessor is quite ill, and is a patient at Methodist Hospital, Memphis, Tenn.

My colleagues from Kentucky and I join together and are happy to introduce this legislation to name the Federal building in Paducah in honor of Frank Albert Stubblefield.

ELIMINATING BUDGET COMMITTEE MEANS CHAOS

(Mr. SIMON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SIMON. Mr. Speaker, after the lengthy session last night, there were some who concurred with one of our colleagues who said that we ought to get rid of the Budget Committee. If the Members thought there was chaos last night, get rid of the Budget Committee and we will see our expenditures and retraints really fly out the window.

What last night and the day before indicates is that we cannot let the buget process become a Christmas tree. It inevitably will become that if we do not make this something which theoretically I do not like, and that is the closed rule. I think what the Ways and Means Committee does on tax bills, inevitably the Budget Committee must do with the budget resolution.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT DURING 5-MINUTE RULE

Mr. NEAL. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs be allowed to sit during the 5-minute rule today on the strip mining vote to consider the bill H.R. 6405.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, and I will not object. This is now the fifth or sixth subcommittee or committee which has asked permission to sit this afternoon. That means that a great many Members will be away from the floor when we are considering the first major energy bill, the strip mining bill. There will be many amendments which Members will know nothing about and they will undoubtedly come to the floor and vote blindly but this is consistent with the policy we now have in this House.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

BASKETBALL CONTEST

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, last Monday night, an important diplomatic event took place at the Georgetown University Gymnasium. The U.S. Congress picked up a challenge leveled by the attachés of the Soviet Embassy to a basketball game in order to determine the comparative skill, discipline, and condition of the representatives of the two countries.

It was altogether appropriate that this contest should occur on the very evening that the House of Representatives passed its defense authorization bill, sending a clear signal to the Soviet Union that this country intends to maintain a strong national defense.

There was a striking resemblance between the Soviet team and Soviet military capability. Their members were bigger, stronger, more durable and, it must be conceded, had greater throw weight.

But the Congress, led by former Marine colonel, current maverick, "Pistol PETE" McCLOSKEY, unleashed a superior MIRT attack, deploying three multiple, independently targeted, reentry teams that zeroed in on target with incredible firepower and accuracy at computerized intervals.

In addition, Colonel McCLOSKEY rejected any diplomatic notion of parity or rough equivalency and may even have thrown détente to the wind as he released a cruise missile in the form of congressional employee Leroy Jones, who slipped and weaved his way under the heavy armed defense of the Soviets and honed in for some remarkable strikes.

The result of this effort by a truly bipartisan—12 Democrats and 3 Republicans—MIRT attack team was a 63–44 victory. Notwithstanding this heavy success, there was evidence that some of our manpower and guidance systems are approaching obsolescence. And as the captain of the Soviet team admonished at the close of the game: "Today, you were stronger. Tomorrow, who knows?"

On a serious note, it should be pointed out that there was no fallout following the confrontation between these two powers. In fact, the two teams held their hands high in a toast of mutual respect and admiration, and then arranged for a dinner together at a local restaurant.

Perhaps if we can learn to confine our skirmishes to the athletic courts rather than the combat zones, then maybe, just maybe, we can make our aspirations a reality—a world free from the evil of war.

HISTORY OF THE PRIVATE CALENDAR

(Mr. BOLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLAND. Mr. Speaker, I would like to take this opportunity to set forth some of the history behind, as well as describe the workings of the Private Calendar. I hope this might be of some value to the Members of this House, especially our newer colleagues.

Of the five House calendars, the Private Calendar is the one to which all private bills are referred. Private bills deal with specific individuals, corporations, institutions, and so forth, as distinguished from public bills which deal with classes only.

Of the 108 laws approved by the first Congress, only 5 were private laws. But their number quickly grew as the wars of the new Republic produced veterans and veterans' widows seeking pensions and as more citizens came to have private claims and demands against the Federal Government. The 49th Congress—1885 to 1887—the first Congress for which complete workload and output data is available—passed 1,031 private laws, as compared with 434 public laws. At the turn of the century, the 56th Congress passed 1,498 private laws and 443 public laws—a better than 3-to-1 ratio.

Private bills were referred to the Committee of the Whole House as far back as 1820, and a calendar of private bills was established in 1839. These bills were initially brought before the House by special orders, but the 62d Congress changed this procedure by its rule XXIV, clause 6, which provided for the consideration of the Private Calendar in lieu of special orders. This rule was amended in 1932 and then adopted in its present form on March 22, 1935.

A determined effort to reduce the private bill workload of the Congress was made in the Legislative Reorganization Act of 1946. Section 131 of that act banned the introduction or the consideration of four types of private bills: First, those authorizing the payment of money for pensions; second, for personal or property damages for which suit may be brought under the Federal tort claims procedure; third, those authorizing the construction of a bridge across a navigable stream; or fourth, those authorizing the correction of a military or naval record.

This ban afforded some temporary relief but was soon offset by the rising postwar and cold war flood for private immigration bills. The 82d Congress had 1,023 private laws, as compared with 594 public laws. The 86th Congress passed 360 private laws as compared with 666 public laws.

Under rule XXIV, clause 6, the Private Calendar is called the first and third Tuesday of each month. The consideration of the Private Calendar bills on the first Tuesday is mandatory unless dispensed with by a two-thirds vote. On the third Tuesday, however, recognition for consideration of the Private Calendar is within the discretion of the Speaker and does not take precedence over other privileged business in the House.

On the first Tuesday of each month, after disposition of business on the Speaker's table for reference only, the Speaker directs the call of the Private Calendar. If a bill called is objected to by two or more Members, it is automatically recommitted to the committee reporting it. No reservation of objection is entertained. Bills unobjected to are considered in the House as in Committee of the Whole.

On the third Tuesday of each month, the same procedure is followed with the exception that omnibus bills embodying bills previously rejected have preference and are in order regardless of objection.

Such omnibus bills are read by paragraph, and no amendments are entertained except to strike out or reduce amounts or provide limitations. Matter so stricken out shall not be again included in an omnibus bill during that session.

Debate is limited to motions allowable under the rule and does not admit motions to strike out the last word or reservation of objections. The rules prohibit the Speaker from recognizing Members for statements or for requests for unanimous consent for debate. Omnibus bills so passed are thereupon resolved in their component bills, which are engrossed separately and disposed of as if passed separately.

Private Calendar bills unfinished on one Tuesday go over to the next Tuesday on which such bills are in order and are considered before the call of bills subsequently on the calendar. Omnibus bills follow the same procedure and go over to the next Tuesday on which that class of business is again in order. When the previous question is ordered on a Private Calendar bill, the bill comes up for disposition on the next legislative day.

Mr. Speaker, I would also like to describe to the newer Members the official objectors system the House has established to deal with the great volume of private bills.

The majority leader and the minority leader each appoint three Members to serve as Private Calendar objectors during a Congress. The objectors are on the floor ready to object to any private bill which they feel is objectionable for any reason. Seated near them to provide technical assistance are the majority and minority legislative clerks.

Should any Member have a doubt or question about a particular private bill, he can get assistance from the objectors, their clerks, or from the Member who introduced the bill.

The great volume of private bills and the desire to have an opportunity to study them carefully before they are called on the Private Calender has caused the six objectors to agree upon certain ground rules. The rules limit consideration of bills placed on the Private Calendar only shortly before the calendar is called. The agreement is as follows:

> Reaffirming the policy initially adopted on June 3, 1958, the Members of the Majority and Minority Private Calendar Objectors Committee have today agreed that during the 95th Congress, they will consider only those bills which have been on the Private Calendar for a period of seven (7) calendar days, excluding the day the bill is reported and the day the calendar is called. Reports must be available to the objectors for three (3) calendar days.
>
> It is agreed that the majority and minority clerks will not submit to the objectors any bills which do not meet this requirement.
>
> This policy will be strictly enforced except during the closing days of a session when House rules are suspended.

This agreement was entered into by: The gentleman from Massachusetts (Mr. Boland), the gentleman from Minnesota (Mr. Oberstar), and the gentleman from Pennsylvania (Mr. Ertel); and the minority objectors: The gentleman from Maryland (Mr. Bauman), the gentleman from California (Mr. Rousselot), and the gentleman from Ohio (Mr. Wylie).

I feel confident that I speak for my colleagues when I request all Members to enable us to give the necessary advance consideration to private bills, by not asking that we depart from the above agreement unless absolutely necessary.

BETTER ORDER NEEDED ON THE FLOOR OF THE HOUSE

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, on several occasions last night I sought to speak out of order for a brief half minute or so, in the hope that I could help the Speaker and leadership restore order in the Hall of the House after the emotional conclusion of record votes.

Mr. Speaker, it is a most difficult thing, with nearly 400 Members on the floor, to maintain order. We have on the floor about 15 to 18 employees of the House, of the doormen, the Clerk of the House, the Sergeant at Arms. I would like to suggest that if all of the employees of this august body would just participate in helping leadership, immediately following the votes, by quietly suggesting to Members that they clear the aisles, or please sit down, or by leaving the Chamber, we would have order restored much sooner. It would surely save having so many calls for order after each vote.

POOR PEOPLE SHOULD NOT BE CHARACTERIZED AS "LITTLE PEOPLE"

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, during the course of the debate yesterday the term "little people" was used many times. This was made in reference to the poor. The less affluent people in my district are offended by being characterized as "little people." There are no lilliputians in my district. The poor stand just as tall as a Wall Street banker.

STATEMENT OF REPRESENTATIVE BARBER B. CONABLE ON THE BUDGET RESOLUTION

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I do not like to hear talk among my colleagues that the budget process is failing because we could not agree on a budget resolution last night. It is clearly in the interest of this body and of the country that we continue to struggle to make the budget process work.

The minority knows what it wants from such a fiscal effort and has worked in a unified way to achieve it. The substitute resolution to cut taxes and reduce the deficit embodied the minority's budget goals. The majority must get its act together, deciding whether it wants a lower or a higher deficit, more or less social programs, more or less defense.

The leadership must deal with several coalitions of support and opposition, just as it deals with other legislation involving a complex of different motivations. If the majority has difficulty setting priorities, that does not mean that we can go back to the old system of being for everything regardless of its fiscal impact. The will to govern must actuate this body, not the will to be all things to all people. Disarray can be overcome with good leadership and with the spirit of compromise which reflects the normal legislative tradition. I think the budget process is working exactly as it was intended to. Priority setting never was easy, but that does not mean that we can afford to do without priorities or that budgeting is a bad idea.

A MOCKERY OF THE BUDGET PROCESS

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. My Speaker, what happened last night, in my judgment, made a mockery of the budget control process. There may be a lesson in it, and rather than a closed rule, as was suggested a little earlier by the gentleman from Illinois (Mr. SIMON), may I respectfully suggest that we ought to consider amending the rules so that no program can be considered by the Budget Committee which has not been considered and authorized by an authorizing committee. The budget process was to be a control on spending. It seems to me that the purpose of the congressional budget process, no matter how laudable, is being frustrated by a procedure which allows the adding of pet programs without adequate prior consideration.

THE BUDGET PROCESS WORKED

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I think that my colleague, the gentleman from New York (Mr. CONABLE) is right. We do have to preserve the budget process, and I think it would be a mistake, as the gentleman from Illinois (Mr. SIMON) suggests, that we do this by means of a closed rule, because the budget process is the one chance we provide ourselves to have consideration in priorities in spending. I think the budget process is a very good one, but it does mean that the opinion of the majority of the majority of the Members of the House will have to be taken into account. On the majority side there are a preponderance of us who campaigned on the basis of reordering priorities. The President campaigned on a program of cutting $5 to $7 billion from defense and creating jobs.

Before the $4 billion increase in the military budget, the majority of the majority were prepared to go along with the constraints in social programs adopted by the Budget Committee on the basis that these were balanced by equivalent constraints in defense. We wanted more job programs and help for senior citizens and veterans, but the majority of us were willing to go along with the committee's balanced constraints.

Mr. Speaker, I believe it was the increase in the military budget anathema to a majority of the majority that caused these problems, and I think that will have to be taken into account in providing for a budget in the future.

Furthermore, the leadership represented by the Steering and Policy Committee is going to have to actively support the positions they endorse.

The budget process worked last night. It demonstrated that the majority of the majority cannot and will not be steamrollered by a coalition of a minority of the majority with the Republicans—only two of whom voted for passage of the budget.

BUDGET RESOLUTION SEEN AS UNFAIR WORK PRODUCT

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the vote last night on final passage of the first concurrent resolution on the budget, as reflected in the CONGRESSIONAL RECORD, shows only 84 votes in favor and 320 votes against the resolution.

That was no minority walkout. That was a demonstration by the vast, overwhelming majority of the membership of this body that there was something unfair about the final work product.

Mr. Speaker, I am new in this body, but I must say that last night reminded me of the old story about the emperor who wore no clothes. Under the guise of having a budget process that is fair to all, we in fact bloated the defense budget and at the same time we cut back on meeting domestic needs. That, it seems to me, is so unfair that I believe that it endangers the entire budget process. For we cannot, and we should not, expect that a majority of this body will continue to support a process that produces the kind of overreacting that was overwhelmingly rejected last night.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4049, REGIONAL RAIL REORGANIZATION ACT OF 1973 AMENDMENTS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–225) on the resolution (H. Res. 529) providing for consideration of the bill (H.R. 4049) to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the United States Railway Association, which was referred to the House Calendar and ordered to be printed.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S.J. Res. 16. Joint resolution to restore posthumously full rights of citizenship to Jefferson F. Davis; and

S.J. Res. 40. Joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day."

CONFERENCE REPORT ON H.R. 3843, SUPPLEMENTAL HOUSING AUTHORIZATION

Mr. REUSS. Mr. Speaker, I call up the conference report on the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 25, 1977.)

Mr. REUSS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. The gentleman from Wisconsin (Mr. REUSS) is recognized for 30 minutes, and the gentleman from Michigan (Mr. BROWN) is recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report to accompany the bill, H.R. 3843, the Supplemental Housing Authorization Act of 1977. This conference report embodies the supplemental housing authorization request of the Carter administration for the section 8 housing assistance program, increased operating subsidies for public housing agencies due to the increased utility costs brought on by the severe winter conditions of this year, an increase in the section 8 contract period from 20 to 30 years to encourage private lending institutions to provide permanent financing for assisted housing, and to increase the authorizations for the urban homestead demonstration program.

The only major item in disagreement with the Senate was a provision to establish a National Commission on Neighborhoods. As the Members will recall when this bill was on the floor on March 10, the House in its wisdom deleted a similar provision which provided for a 2-year life for this Commission at a $2 million authorization. The Senate version of this Neighborhood Commission establishes the Commission for only a 1-year period and with a $1 million request. In accepting this Senate provision, the House conferees believe that the reduced authorization and the shortened 1-year life of this Commission was a sufficient reduction to meet the objections that were raised on the House floor when we considered this bill originally.

This Commission, to be established independent of the Department of Housing and Urban Development, and with a congressional mandate to come forward with a fresh approach and a different view on the factors that have contributed to the decline of urban neighborhoods, and the factors necessary to neighborhood survival and revitalization, will represent an important contribution to the establishment of future housing and community development policies of Federal Government.

I also want to bring to the attention of the House the language which appears on page 9 of the statement of managers that addresses itself to the issue that was raised in the amendment that was offered by the gentlewoman from Ohio (Ms. OAKAR):

> It is expected that substantial efforts will be made in selecting Commission members to seek out and appoint qualified women and that, as a result of these efforts, a substantial number of Commission members will be women.

Mr. Speaker, I urge adoption of this conference report.

Mr. BROWN of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, because of my disappointment that the House conferees could not gain any significant concession from the Senate concerning the National Commission on Neighborhoods, I did not sign the conference report.

If the House conferees had stuck to the position of the House—as evidenced by the strong vote to strike the National Commission on the floor—I believe the Senate would have compromised. The National Commission may very well be a worthwhile effort, but the expressed wishes of the House should have been given greater weight in the conference.

It is in all other respects a good bill, and since the Senate has already acted upon the conference report, I intend to vote for it rather than to throw the whole question of fiscal year 1977 supplemental authorizations into a turmoil. The Members of the House will get another chance to express their wishes on this subject, since a separate appropriation will be necessary before the Commission becomes operational.

Mr. BROWN of Michigan. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I, too, as my colleague, the gentleman from Ohio (Mr. STANTON), has stated, did not sign the conference report. Not that our nonparticipation as conferee signatories made any big difference in the final conference bill, because it was obvious that H.R. 3843 was going to be approved anyway. However, I did not sign the conference report for the reason that I believed it was unfortunate for the well-established position of the House even though our conferees in the early stages did take a strong stand for the Goldwater amendment to eliminate a very unnecessary portion of the bill, the so-called new National Commission on Neighborhoods.

Mr. Speaker, the Goldwater amendment to eliminate that Commission was agreed to in the House by a vote of 243 to 166. Nonetheless, the other body kept insisting that we had to have this Commission on Neighborhoods which the Secretary has said she probably will not use. The reason Mrs. Harris gave in committee hearings was that she already has other machinery in the Agency to accomplish what we are trying to shove down her throat by creating another totally unnecessary commission.

Mr. Speaker, I think it is too bad that we were not able to reenforce the House position, which was very clearly stated.

Even though there will be all kinds of arguments about the overwhelming need for this new Commission, there was no commitment that half of this group would be women. Yet, it is the women of America who basically are involved in these neighborhood programs and problems.

Mr. Speaker, I think it is unfortunate that we should now back away from the Goldwater position that was very firmly taken in the House.

Mr. BROWN of Michigan. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Speaker, I am really disappointed in this conference report on the Supplemental Housing Authorization Act of 1977. I offered an amendment to this bill, H.R. 3843, which deleted the National Commission on Neighborhoods. The amendment was adopted by this body by a vote of 243–166.

The House conferees have seen fit not to enforce this clearly expressed position by the majority of the House that such a commission is not needed.

Past commissions and Presidential committees have left a trail littered with frivolous and/or ignored information on the subject of neighborhood decay and development. There are literally hundreds of private studies done on the problem of deteriorating neighborhoods. These studies, if stacked one on top of the other, would probably reach from the well of the House to the ceiling. They represent a classic example of overkill. It is no wonder the Library of Congress needed a new building. Regrettably, instead of producing any significant solution to urban decay, we have created a solid waste disposal problem. In retrospect, I should have offered an amendment to require the Commission's report be printed on recyclable paper.

There is some small consolation to be gained from the fact that funding for the Commission has been reduced by 50 percent, from $2 million to $1 million. I guess that means we are going to get the same results for half the money. I am sure that the taxpayers appreciate the reduction but, the evidence is clear, this subject has been studied to death and the expenditure of another $1 million is clearly not warranted.

Furthermore, both the new administration and this Congress have declared it their policy to reduce the size of the Federal bureaucracy, particularly with regard to the endless and growing number of commissions. The House by a majority vote clearly believed that this was a good place to start. It is a shame that the conferees did not accept the challenge.

Since Shakespeare's birthday was celebrated a few days ago, I guess the Commission's slogan could be "Much ado about nothing." It is for sure it will not be "All's well that ends well."

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to my colleague, the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I would like to commend the gentleman from California on the statement he has made and join with the gentleman in his opposition to the change in the conference with respect to neighborhood councils.

I should like to point out, and this has been alluded to indirectly but not directly, that the President has appointed Msgr. Geno Baroni as Assistant Secretary of Housing for Consumer Affairs and Regulatory Functions. Presumably he will have something to do; presumably he can do what this Commission would have done, and can do it far better. At least we ought to let him try, so I join the gentleman in the position he has taken.

Mr. REUSS. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Speaker, I rise in support of the conference report to accompany the bill H.R. 3843, the Supplemental Housing Authorization Act of 1977.

Title I of this act would authorize additional funds for housing assistance for lower income Americans in fiscal year 1977 agreed upon by the House without controversy. Specifically, it provides additional contract authority for the section 8 housing assistance program in the amount of $378 million. Together with unused authorization this new authorization will support an appropriation sufficient to bring the total number of housing units approved under the section 8 and public housing programs for 1977 to 400,000 units. The authorization for operating subsidies in existing public housing projects is also increased by $19 million in order to meet unexpectedly high utility costs this winter. Also, section 8 assisted housing contract terms would be increased from the present 20 years to 30 years with respect to privately developed, newly constructed housing units; Federal riot reinsurance and crime insurance programs would be extended to September 30, 1978, and authorization to cover losses incurred by the FHA general insurance fund would be increased to $1.341 billion. Finally, title I also amends miscellaneous provisions relating to FHA mortgage insurance programs and increases the fiscal year 1977 authorization for HUD's urban homesteading demonstration program.

Title 2 would authorize the creation of a National Commission on Neighborhoods, composed of 20 members. The Commission would undertake a comprehensive analysis of the factors that contribute to the decline of neighborhoods and are necessary to their survival and revitalization, and report its findings and recommendations for legislative and administrative action to the Congress and President within 1 year after funds became available—$1 million would be authorized to carry out the Commission's activities.

Of the issues in contention between the House and Senate the House prevailed with respect to the dollar amount needed to cover losses in the FHA general insurance fund; the dates to which the Federal riot and crime insurance programs should be extended; and on rejecting a special provision strongly urged by the Senate relating to special assistance under the Emergency Homeowner's Relief Act for Mashpee, Mass.

The House did accept two Senate provisions, both technical in nature and extremely limited in scope, amending sections 220 and 221(d)(4) of the National Housing Act.

The only significant Senate provision accepted by the House was the authorization for creating a National Commission on Neighborhoods. The House receeded with respect to this provision after extensive debate with an amendment deleting extensive cost benefit quantification studies which the Senate would require of the Commission.

I would like to point out that in receding on this issue the House is authorizing the creation of a commission which is virtually half, both in terms of the dollars provided it and in terms of the length of the Commission's life, of that originally considered and rejected on the floor of the House.

All in all, Mr. Speaker, I think that the House well maintained the basic provisions of the legislation approved by the House and I am pleased to endorse this conference report.

Mr. REUSS. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Speaker, I rise in support of the conference report. I would like to commend the conferees for working out this very difficult but important problem. I regret that there are Members of this House who do not feel that we should evaluate the impact of some of our housing programs on neighborhoods. There are many people who question whether our housing programs in some instances have been positive or negative. I think it is time we found out those that were negative and that we come up with some approach to save neighborhoods. Neighborhoods can grow, but only if the problems of deterioration in some areas is attacked and we approach the problem as a whole neighborhood rather than as isolated properties.

Considerable controversy has been engendered by the addition of title II, calling for the establishment of a Commission on Neighborhoods. I am convinced that this is an unfortunate situation—it is reacting to criticism of advisory committees in general, rather than to this one in particular. I think a distinction can be made and would like to offer some information to assist in making this essential distinction:

The condition of many of our major cities makes obvious the need for a comprehensive neighborhood policy which takes into account the diverse types of neighborhoods and the differing ways in which their needs must be met.

Early in 1976, President Ford signed into law the Home Mortgage Disclosure Act, which was designed to deal with the practices of redlining neighborhoods. In the investigation of this problem, both the Senate and House Banking Committees found that many mortgage lenders did not appreciate fully the attachment people have for their neighborhoods and that lenders often arbitrarily devalued older neighborhoods, thus exacerbating their decline.

Research carried out under the auspices of the National Center for Urban Ethnic Affairs indicated that the banks are not the only forces responsible for neighborhood decline. The report's findings suggest that although it may be far removed geographically, the greatest single influence on urban neighborhoods is the Federal Government. The impact which Federal policies and programs have upon neighborhoods for good or bad is extensive. Often it is indirect and, unfortunately, it is often unintentional. In some cases, mistaken policies involving large sums of money have had tragic effects for the residents.

Therefore, a rigorous and comprehensive review and evaluation must be undertaken of those Federal policies and programs which impact on neighborhoods. Ultimately, we must stop expending large sums of money, particularly in the form of Federal subsidies and grants, to patch up or quiet down neighborhoods, only to carry them through one crisis right into another. There is something wrong when there are no "sunset" procedures or policies which eliminate those programs responsible for neighborhood decline.

Toward this end, legislation was introduced providing for the establishment of a National Commission on Neighborhoods to evaluate the impact of Federal laws and programs on neighborhoods and to recommend a shift in the focus of subsidies and incentives to preserve neighborhoods. The bill has significant bipartisan support as well as the support of neighborhood groups and mayors throughout the country.

It is a step in the direction of developing a concept of community that hopefully will begin to permeate our thinking about Federal programs. It is a recognition that such programs will not work unless we take into consideration their effects on people with varied needs and wishes.

I would like to address specifically the issue of advisory committees:

According to the Fifth Annual Report of Advisory Committees, a total of 1,159 advisory committees were in existence in December 1976, 108 fewer than in December 1975. The phrase "Advisory Committee" covers everything from technical panels on research and peer review of grant programs to temporary study commissions on broad national problems.

Of the 1,159 advisory committees in existence in December 1976, there were 1,408 continuing committees; 50 Presidential committees, and 38 ad hoc committees. Of more interest, however, were the means by which these committees were created. Of those committees in existence during calendar year 1976, 288 or 20 percent were mandated by statute; 424 or 29 percent were specifically authorized by statute but did not necessarily have to be established; 20 or 1 percent were created by Presidential directive. Most importantly, 714, or 50 percent, were established under general agency or department authorities. During that timeframe, 287 committees were merged, abolished or expired.

It is also of interest to note that the number of advisory committees—regardless of procedure of establishment—has declined in recent years. In calendar year 1976, there were 180 committees created. In calendar year 1975, 272 advisory committees were established.

In summation, this Commission is not inconsistent with the goals of the majority of Members of this Congress nor with the expressed intent of the Carter administration to curb the expansion of the Federal bureaucracy. Rather, it takes into account the need for an overall assessment of Federal programs as they affect our neighborhoods. It provides for an independent commission to undertake a rigorous evaluation of these programs and affords the opportunity for neighborhood people, the people who have cared about their neighborhoods, to assess the impact of Federal programs. It builds on an existing neighborhood network—and thus takes advantage of a fortuitous chain of events—rather than providing another example of the Federal Government foisting an unknown and unwanted program upon our Nation's communities.

I urge you to support this measure—it deserves your support because it has broad bipartisan support, serves the needs of your constituents, and is consistent with the objective shared by many of us in Congress—to provide review procedures for those programs which are responsible for the decline of our neighborhoods.

If a commission is the only way we can accomplish our goals, I do not think we should turn away from this serious problem within our communities. On the other hand I agree we should do something about commissions. But this is not necessarily the way we should do that.

We have legislation for a sunset mechanism where we can have every commission terminate as this one does after it fulfills its purpose. I support that approach.

The SPEAKER pro tempore. The time of the gentlewoman from California has expired.

Mr. REUSS. Mr. Chairman, I yield the gentlewoman 3 additional minutes.

Mr. ROUSSELOT. Mr. Speaker, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding. I know the gentlewoman is always willing to discuss issues very openly. In both our committee hearings on this subject and in testimony of the new Secretary of HUD herself, we have been told that the Secretary feels she has adequate facilities already available, and a new Assistant Secretary of HUD Msgr. Geno Baroni, who is an advocate of the position the gentlelady takes, has stated that he has more than enough money in his particular area of expertise and responsibility plus the research and development area of HUD, which has additional funding. They feel this Commission would be unnecessary additional bureaucracy.

Mr. ASHLEY. Mr. Speaker, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I think inasmuch as the gentleman from California has referred to the Secretary, I thought I might enlighten him by reading a letter from the Secretary, Mrs. Harris, dated April 20, 1977, which reads in part as follows:

> I believe that the proposed Commission could make a useful contribution in this regard. I am also gratified to see that the bill passed by the Senate now provides for a one-year study, rather than the two-year study originally proposed. As indicated in my earlier letter, I believe that this shortened timetable will permit significant cost savings and a far earlier evaluation of the Commission's findings and recommendations.

So I think the gentlewoman perhaps unintentionally overstated the views of the Secretary.

Mr. ROUSSELOT. Mr. Speaker, will the gentlewoman yield?

Mrs. BURKE of California. Only after I have had an opportunity to add to what I think the chairman is saying to clarify the point. The appointment of Monsignor Baroni was with every intention and knowledge that he was in the forefront of this legislation. Certainly he is very eager to carry out the mandate of this legislation and will be working very closely to make sure it is effective.

Mr. ROUSSELOT. Mr. Speaker, will the gentlewoman yield further?

Mrs. BURKE of California. Yes, I yield.

Mr. ROUSSELOT. Mr. Speaker, as my good colleague, the gentleman from Ohio, also likes to be in the act, he knows our good Secretary of HUD also made it pretty clear that she did not need this machinery. There was even some doubt in the conference that she would spend the full $1 million that is in this conference report. I am not saying she wants to shut everything off. I am not saying that. All I have said from the beginning is that she testified that she already had the machinery to do what we were trying to accomplish. I believe it will be accomplished, whether we have the Commission or not; that it does, in fact, add unnecessary bureaucracy.

Mrs. BURKE of California. Mr. Speaker, I only have a moment left. I would like to conclude. I believe every Secretary has the machinery to do it. Unfortunately, they did not utilize that machinery, for many reasons, probably just the pressing nature of their work and also the difficulty of reacting to new programs as they come along.

Unfortunately, we have had a number of Secretaries.

Mr. Speaker, I support this concept and I again commend the conference committee.

Mr. BROWN of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 3843. The only controversial point in the report deals with the inclusion of the provisions establishing the National Commission on Neighborhoods, provisions similar to those included in the bill reported by the House Committee on Banking, Finance and Urban Affairs, but which were stricken by an amendment offered on the House floor.

While I firmly believe the House conferees should represent the wishes of the House, I feel we must recognize the compromises made by the Senate prior to our going to conference. The original Neighborhood Commission bill, which incidentally passed the Senate last year, was for $2 million and a 2-year study. Basically, the original Senate bill provisions were the same as those which were stricken on the floor of the House.

After the vote on the House floor, the Senate reduced the authorization from $2 million to $1 million and cut the duration of the Commission from 2 years to 1 year. This, in effect, could be considered a 50–50 compromise. The House conferees did, however, try to force further reductions in conference, but to no avail.

To my friends on this side of the aisle, let me remind them that the establishment of a similar commission was advocated in the 1976 Republican platform and, in fact, was supported by the Ford administration.

If I might add just one further thought on the National Commission, I would point out that the mission of this group is not to recommend new programs, but rather to critically review past and present programs to see what productive or counterproductive effects they may have had on the neighborhoods. This critical assessment we cannot get from the Federal Government itself, and I, for one, would hope that the Commission can begin its work before we add any new Federal programs to the current hodgepodge.

In view of some of the discussion which has gone on, let me reiterate that we expect this Commission to undertake an independent critical analysis of HUD and other programs and to do so it must be independent of any Federal agency and not dependent upon such agency for its funding. The success of this Commission will depend, to a great extent on its being composed of tough-minded practitioners of life under the Federal programs, as opposed to those who administer those programs.

As the gentleman from Ohio (Mr. ASHLEY) pointed out, the House conferees prevailed on a disproportionate number of items of difference in the conference.

Mr. Speaker, we have several important authorizations in this bill. I would hope the House could move expeditiously and pass the conference report on H.R. 3843.

Mr. REUSS. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Speaker, I want to make my position very clear on the National Commission on Neighborhoods. I am absolutely supportive of that. I am very happy that we made our point on the House floor and that the statement of the managers says that the conferees expect President Carter to appoint a number of qualified women to the Commission. That was the whole tone of what I tried to do.

We have never had, to my knowledge, a commission specifically designed to look to the needs of neighborhoods. One of the most important factors in our country today is the need to preserve our communities, and it is about time that we look in depth in terms of that need. I do not want people to exploit the issue of having women appointed to this Commission to the point that they would vote against it.

I think it is terribly ironic and absolutely unfortunate that some Members have chosen to say that the reason the title including a neighborhood commission was voted down was because of my amendment to guarantee female members of the Board. However, I am happy that the tone of the whole Commission is to appoint a substantial number of women. I support the bill.

Mr. BROWN of Michigan. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. PURSELL).

Mr. PURSELL. Mr. Speaker, I think it is a great disservice to the Commission that if we are going to adopt the conference report, that we are going to establish it only for 1 year. My experience with commissions and studies is that by the time they get organized and established and develop an appropriate report and study that is constructive to serve their purposes, the year is over.

We should have either left it in for 2 years, or concurred with the House and left it out. Quite frankly, I think that a $1 million expenditure on a 1 year commission will not serve the purpose of those who support, in concept, the Commission itself.

I am disappointed that we sort of compromised politically, and I think we are not going to achieve the basic results of establishing a commission that could be constructive.

Mr. BROWN of Michigan. Mr. Speaker, I feel it incumbent upon me to point out to the gentleman from Michigan that it was impossible to do that which he suggests, that is, have the Commission for a 2-year period, since the matter of difference was a 1-year program or none at all. So, it was beyond the authority of the conferees to adopt a 2-year program.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I am interested in the gentleman's colleague's comments, since he voted against a 2-year proposal when it was on the floor of the House. I am still confused on that, but I shall be happy to remain so.

Mr. REUSS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, reference has been made by our genial friend from California (Mr. GOLDWATER) to the plays of the Bard of Avon. Let me make a couple of points about this conference report, generally Shakespearean in flavor.

The Neighborhood Commission represents the culmination of years of work from the finest people in America, those who live in the neighborhoods, those who occupy the 75 million homes in this country. It has been written into the platforms of both of the political parties that there should be such a commission. The Secretary of HUD, Patricia Harris, vigorously supports it. That wonderful man, Msgr. Gino Barone, now Assistant Secretary of HUD, feels, as I do, that there could be no better joint work by Government and private people than to have this Commission of citizens backstopping and helping HUD for the next year. So it would truly be love's labors lost to forget about the Commission now.

Secondly, the Neighborhood Commission is merely one part of a very full and complex conference report. If Members want the housing industry of this country to get on, if they want our existing stock of housing to be adequately maintained, then I think you will find voting for this conference report will be very much: As you like it. I hope the conference report will be overwhelmingly adopted.

Mr. REUSS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GOLDWATER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the poit of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 355, nays 47, not voting 31, as follows:

[Roll No. 167]

YEAS—355

Abdnor
Addabbo
Akaka
Alexander
Allen
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Ashley
Aspin
Badillo
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Coleman
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frey
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gudger
Guyer
Hagedorn
Hamilton
Hanley
Hannaford
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Keys
Kildee
Kindness
Koch
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Le Fante
Leach
Lederer
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Rodino
Rogers
Roncalio
Rose
Rosenthal
Roybal
Rudd
Ruppe
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Thompson
Thone
Thornton
Tonry
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitley
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

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Archer
Armstrong
Ashbrook
Badham
Bauman
Bevill
Broyhill
Burleson, Tex.
Clawson, Del
Cochran
Collins, Tex.
Crane
Daniel, Dan
Devine
Edwards, Okla.
English
Flynt
Gammage
Goldwater
Grassley
Hall
Hammerschmidt
Hansen
Ichord
Jones, Okla.
Kelly
Ketchum
Lott
McDonald
Mattox
Miller, Ohio
Montgomery
Moorhead, Calif.
Mottl
Pursell
Quayle
Roberts
Robinson
Rousselot
Runnels
Satterfield
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Stump
Symms
Taylor
Waggonner
Walker

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Ambro
AuCoin
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Burton, John
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Conable
Derrick
Dodd
Fascell
Fish
Forsythe
Fraser
Gradison
Harkin
Ireland
Krueger
Leggett
Milford
Murphy, N.Y.
Myers, Ind.
Nolan
Pattison
Price
Roe
Rooney
Rostenkowski
Teague
Walgren
Whitehurst
Whitten
Wilson, Tex.

The Clerk announced the following pairs:

Mr. Teague with Mr. AuCoin.

Mrs. Boggs with Mr. Pattison of New York.

Mr. Price with Mr. Whitten.

Mr. Murphy of New York with Mr. Fraser.

Mr. Ireland with Mr. Krueger.

Mr. Fascell with Mr. Leggett.

Mr. Dodd with Mr. Harkin.

Mr. Rooney with Mr. Charles Wilson of Texas.

Mr. Rostenkowski with Mr. Chappell.

Mr. John L. Burton with Mr. Derrick.

Mr. Ambro with Mr. Whitehurst.

Mr. Fish with Mr. Walgren.

Mr. Milford with Mr. Nolan.

Mr. Roe with Mr. Conable.

Mr. Gradison with Mr. John T. Myers.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BLANCHARD. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the conference report to accompany the bill, H.R. 3843, the Supplemental Housing Authorization Act of 1977, just agreed to.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Michigan?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE CERTAIN PRIVILEGED REPORTS

Mr. DENT. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY SELECT COMMITTEE ON ASSASSINATIONS

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 465, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 465

Resolved, That, effective January 3, 1977, the expenses of investigations and studies to be conducted by the Select Committee on Assassinations, acting as a whole or by subcommittee, not to exceed $2,796,650, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $108,750 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation of the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Assassinations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

That, effective January 3, 1977, the expenses of investigations and studies to be conducted by the Select Committee on Assassinations, acting as a whole or by subcommittee, not to exceed $2,514,400, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $108,750 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)); but this monetary limitation of the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Assassinations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1978.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, the resolution we have before us, House Resolution 465, is very important. At the outset of this debate, I would like the Members to know that I will recognize anyone who has a question or comment on this resolution. House Resolution 465 authorizes funds in the amount of $2,514,000 for the House Select Committee on Assassinations. This is solely a funding resolution. House Resolution 465 authorizes funding at a substantially lower level than the original amount which was requested at the beginning of the year. The original request was $6,500,000 and I am pleased to say that through discussions with the chairman and ranking members of the Committee on Assassinations that figure was substantially reduced. Through the diligent efforts of the distinguished chairman of the committee and also of the chairman of the budget task force, the Select Committee on Assassinations arrived at a budget of $2,796,000. Furthermore, the select committee made additional reductions which they presented to the Subcommittee on Accounts in the amount of $2,639,200. I can say to the Members that the budget for the select committee is now lean, and still will provide adequate funds.

In the hearing before the Subcommittee on Accounts it was divulged that the former chief counsel for the committee had to make a decision in January on a matter of personnel. He decided at that time that in order to keep what he thought was the necessary personnel—and I have no way of knowing one way or the other whether that was proper or improper—that he would promise to these employees if they would take a cut in salary, he could keep more of the employees on to maintain the work of the committee during interim periods between renewal of the committee and the funding, and that after it was funded, he would reimburse those personnel for their pay cuts.

I explained, and the committee explained, to the present chairman, the ranking member, and other members of the committee that we felt that that would be a very bad precedent to set in this House. It is my understanding that Mr. Sprague did not have the authority to take such actions. Accordingly, the Subcommittee on Accounts cut $124,800 from the select committee's budget, which represented the figure which would have gone for back pay of those personnel who voluntarily took a cut in pay. The chairman and ranking member and other members of the Committee on House Administration agreed that that was probably the best way to handle the situation. Therefore, we cut from their request $124,800, making the present sum $2,514,400, which we have before us.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Maryland for purposes of debate.

Mr. BAUMAN. Mr. Speaker, I rise in opposition to this resolution. I know that the House of Representatives decided by a vote of 230 to 181 several weeks ago to continue the authorization for this committee. I know that decision came after a long and detailed fight over the matter of whether or not the House ought to engage itself at all in investigating these assassinations. I would have thought that in the interim there might have been some demonstration on the part of this select committee as to the responsibility that they will shoulder henceforth. But within 24 hours after we approved the authorization of the committee, they held a much publicized hearing, a sensational hearing, in which it was revealed that President Kennedy was assassinated by H. L. Hunt and Texas oil companies. That is, I understand, a simplification of a rather long and lengthy hearing in which a Dutch journalist purported to tell what a man now deceased had told him. Nevertheless that imaginary saga received a great deal of currency in the press.

Since that time we have also been informed by a member of the select committee that in his opinion it is entirely possible that members of the American press are actually CIA agents assigned to destroy this committee.

I must confess to the Members I think we will be treated to more of these titillating statements over the next 2 years if we go ahead and spend over $2 million of the taxpayers' money to finance this. I hope that we would take this one last chance to end what I think is an unnecessary, wasteful and counterproductive operation.

We have a Justice Department. It is in the hands of an administration that some people might say would be more sympathetic to these investigations. If there is one shred of evidence to support any criminal activity, that Justice Department could and should proceed on them in a proper manner.

I might add as far as former Chief Counsel Sprague, with whom I found myself in very little agreement, in recent days he takes essentially the same position I do, that this committee cannot possibly accomplish the objective of an open, rational, and fair investigation that will finally answer the questions about these assassinations.

I urge defeat of this resolution.

Mr. DENT. Mr. Speaker, I want to assure the House that the Subcommittee on Accounts of the full Committee on House Administration deliberated long and seriously and personally consulted with Members about whether to have open hearings. We were requested to have a closed session in which certain information could be given that the select committee thought ought to be given only to the committee so as to help us deliberate as to whether or not the committee should be funded at all. I took the position before the subcommittee that the House by a vote of 230 to 181 had determined that the select committee should continue. I also took the position that our function then is to carefully evaluate the select committee's budget and determine, based on the information provided to the Subcommittee on Accounts, what an appropriate level of funding should be to sustain the activities of the committee for the remaining 8 months.

Without any objection from the new chairman, Mr. STOKES, and the ranking minority member and other members of the committee, we agreed that was a proper procedure and that they would be glad to cooperate, and they did.

I can only tell the Members that the gentleman from Maryland used Mr. Sprague as an authority of some kind when he said he disagreed with him heretofore but after Mr. Sprague left the committee the gentleman agreed to some statements Mr. Sprague made.

Mr. Sprague had proposed a $6.5 million budget. This committee, after taking their sharp pencils and consulting with each other and laying out exactly the program they would have followed in all probability under Mr. Sprague, came in and themselves cut from $6.5 million to $2,639,200 and we gave them every cent they asked for, less the amount we cut based on the back pay issue, so that this Congress cannot be accused of stifling the select committee's endeavors to do a job that we now, after there has been an opening up to the public, feel has to be done.

At this time we must put to rest all of the surmises, all of the surprises, all of the guesses, and all of the wishes of those who would like to keep this kettle boiling. The select committee will have an adequate level of funding, so there can be no excuses for not getting the job done.

I ask that this body accept the recommendation of the Subcommittee on Accounts of the Committee on House Administration.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the ranking minority member and a member also of my committee.

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding.

This committee unfortunately has been shadow boxing for about 7 months because we have been so beset by administrative and personnel problems that we have not been in a position to go forward with the investigation to determine whether there are facts sufficient to question the findings of the Warren Commission and the findings of the Church Commission on the assassinations of either President Kennedy or Dr. Martin Luther King, Jr.

Now, this House has not expressed its will once, nor expressed its will twice. It has on three separate consecutive occasions expressed the will of the House of Representatives of the United States that they do, in fact, want the select committee to conduct the investigation. That has been decided three separate times. Our only purpose here today on this privileged resolution is to fund the investigation which the House has already authorized.

The Accounts Subcommittee of the House Committee on Administration has heard the testimony of our very respected Member, the gentleman from North Carolina (Mr. RICHARDSON PREYER) who was the chairman of the task force to determine what was an adequate budget for this committee.

We all recall last year they were talking about $6.5 million. The task force met and decided in its wisdom, after much soul-searching, on a total of $2.7 million, a substantial reduction from $6.5 million. The accounts subcommittee reduced it still further another $200,000, so that the resolution which the gentleman from Pennsylvania is so ably handling now is for $2.5 million.

Mr. Speaker, that is the issue, not whether the committee should exist. The House has expressed its will three separate times. So I rise, as the ranking minority member on the Accounts Subcommittee, as well as the ranking minority member on the select committee, and urge the House to go ahead, fund this committee; let us get on with the business and find out whether the House was right when it expressed its will to authorize the investigation of these two murders.

Mr. DENT. Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Ohio (Mr. STOKES).

I would like to ask the gentleman from Ohio (Mr. STOKES), in conjunction with our colleagues on the committee, does the gentleman feel that this sum of money will provide sufficient funds to perform the program that the gentleman has laid out for the committee to perform?

Mr. STOKES. Mr. Speaker, I would say to the distinguished chairman of the subcommittee and to my colleagues that when I assigned the gentleman from North Carolina (Mr. PREYER) the job of heading up the task force to give a fine tune to this particular budget and to bring it to the House, I assigned the responsibility of ascertaining whether, in fact, with the sum we were representing to the House we could, indeed, accomplish this job. When the task force reported, after having done a monumental job and expended a great deal of time searching through this entire budget to get out all the fat, they were able to say to the entire committee that they felt this job could be done so far as the investigations of both assassinations.

Mr. DENT. Mr. Speaker, I thank the gentleman from Ohio.

Mr. Speaker, I would like to ask the gentleman from North Carolina (Mr. PREYER), would the gentleman say that they can handle the Kennedy end of the investigation with the funds allocated?

Mr. PREYER. Mr. Speaker, we discussed this with the professional investigators and the former chief counsel and with our two dedicated counsels and we relied on their judgment as professionals that this budget would meet our needs and meet the needs of our investigation, so we did not substitute our political judgment for their political judgment. Their judgment was, and it is our judgment, that it will meet the needs of the investigation.

Mr. DENT. Mr. Speaker, I yield such time as he may consume to the delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Speaker, I would certainly have to agree with the statement just made by the gentleman from North Carolina (Mr. PREYER). We have consulted with our professional staff and are satisfied we can do the job assigned within the budget allowed.

Mr. DENT. Mr. Speaker, I yield 5 minutes for purposes of debate only to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am a member of the Subcommittee on Accounts of the Committee on House Administration. Quite frankly, I am an opponent of the exercise through which we are going now on these investigations; not that I am opposed to investigations, not that I am opposed to the amounts of money that are either needed or not needed for the situation in which we find ourselves today, namely, the $2.5 million or $2.6 million or $2.7 million to investigate this matter, but I question whether or not we should fund this investigation to any extent.

Is there, I would ask, a legislative purpose? After all, that is what legislative investigations are all about, I suppose, with the exception of this singular instance. The distinguished chairman of the select committee, in a closed session of the Accounts Subcommittee, attempted to demonstrate to us why it was of such great necessity that we pursue this investigation further. We were given a sealed envelope, ostensibly containing documents of all the information that was before the committee. Unfortunately, the bells rang and we got a scant look and were told, "Well, don't you see the necessity for pursuing this?" Frankly there was nothing that demonstrated the need for any further investigations.

My friend and colleague from California (Mr. JOHN L. BURTON) said that we really have but two alternatives, and I agree with my colleague and friend from California (Mr. JOHN L. BURTON) when he said that either we had better fund the select committee all the way or not fund it at all. Our agreement stopped at that point. He preferred to fund it all the way; I would prefer not to fund it at all for the simple reason that the committee admittedly said these things:

One, "We have spent most of the money that we have had in the budget since the inception of the committee just to keep the committee alive." That is hardly a reason and legislative purpose for organizing a committee and seeing it progress. The second thing is, as noted in the report, the amount of money, which is $4 million plus. It had the Warren Commission Report, 83 staff members, and what they came up with was buried for 75 years. I see nowhere in the resolution or the report the desire to dig up this information that is going to be buried for 75 years.

Perhaps even more serious is the fact that we have no legislative purpose for this and that once and for all we are going to set all the rumors and all the unanswered questions aside. I asked the distinguished delegate from the District of Columbia (Mr. FAUNTROY), "What is going to happen when you have all the unanswered questions investigated?"

Mr. FAUNTROY said he did not understand my question. I said, "After all the questions we now have on these two murders are answered, what are you going to do when somebody asks the next question? Are you going to start the committee over again?"

Answer: "We don't know. We don't know where we are going."

But perhaps the most serious thing of all this is the contention, when we of the committee asked about the unanswered questions relative to forensic research, ballistics, bullets, and striations, we were told, "We want independent research on the ballistics of the missiles that were used in both the Kennedy and King assassinations."

The question was asked, and I think legitimately so, in the committee, "Don't you trust the FBI?"

Answer: "Not really."

If this whole investigation is going to spend more than $2.5 million dollars of taxpayers' money in the United States of America to go on a witch hunt of the FBI then I believe we are doing a great disservice to the people of the country and to those who serve in the FBI.

I say that it is a sorry day for the House of Representatives of the United States of America when we pursue this course.

Mr. Speaker, I urge defeat of this resolution.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for 2 minutes?

Mr. DENT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I have the greatest respect for the gentleman from Ohio (Mr. DEVINE), who spoke earlier. Previously, we were on the same side in our opposition to the creation of this committee. Obviously, he has changed his position, and I can understand that.

But we are not only voting on the appropriation of money for the conduct of this investigation, we are also voting on the conduct of the committee since its recent authorization.

The point I tried to make in my earlier remarks was that we should not be encouraged by the conduct of the committee and should not endorse it.

I would like to ask the Delegate from the District of Columbia what proof he has that any member of the press corps, any journalist, or anyone else is operating as a member of the CIA, as a front for them, to discredit this committee. If he has that information, please tell us, or retract the statement, because I think it is a damaging statement.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the Delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. I thank the gentleman for yielding.

Mr. Speaker, I have clarified my position on this matter. The gentleman will find my statement in the extensions of remarks, on page 12575 of the CONGRESSIONAL RECORD.

Let me assure the gentleman that the House Assassinations Committee has no plans, current or future, to call news reporters before it for purposes of probing their coverage.

Mr. BAUMAN. That is some slight comfort to the gentleman from Maryland and to the framers of the first amendment to the U.S. Constitution.

Mr. FAUNTROY. I simply stated that I have a personal interest in finding out whether certain news reports have been influenced by reasons other than providing information to the public.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. FAUNTROY. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended.

The SPEAKER pro tempore. The Chair will state that the time is controlled by the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Does the gentleman from Maryland wish more time?

Mr. BAUMAN. If the gentleman is extending me additional time, I will yield to the Delegate from the District of Columbia for an answer. It might be an interesting answer.

Mr. DENT. The gentleman from Maryland is satisfied with the answer of the gentleman.

Mr. BAUMAN. Mr. Speaker, I did not say I am satisfied. I am not satisfied.

Mr. DENT. Mr. Speaker, I will yield 2 minutes to the Delegate from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Speaker, I simply stated that I have a personal interest in finding out whether certain news reports have been influenced by reasons other than that of providing information to the public. My concerns were based on the published reports in the Washington Star and in The Washington Post that the former Director of the CIA, William Colby, had reported that the CIA had employed some 40 journalists who doubled as cover agents or undercover contacts. And one of the two undercover contacts whom the article identified is currently assigned to covering and reporting on the probe today. I simply wanted to know how many of the unnamed former contacts are covering the probe. That is my interest. I wanted to be certain that the manner in which the news was reported was not influenced by past relationships, whether they be the relationships of reporters, feature writers, editors, or whatever.

I commend to the gentleman the finding of the Select Committee on Intelligence Agencies in the Senate, which called into question the results of the investigation conducted.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentleman for yielding.

The gentleman's response is that he has no information which proves that any individual member of the press is indeed operating as a CIA agent in order to discredit this committee; is that right?

Mr. FAUNTROY. Mr. Speaker, I have no information other than that provided by the former Director of the CIA, which is that journalists were formerly employed, one of whom is reporting in the press. That is my only source of information. He is now reporting on this probe.

My only question is: Are there others? And my only interest is in finding whether the other unnamed 38 include persons who are reporting about this, because that in my judgment questions the obligation of the feature articles, editorials, and statements that are being made.

Mr. DENT. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Speaker, some time ago I voted against this committee. I was one of the 181 Members who voted against it in the last vote. I felt sufficiently disturbed about it that I took the well of the House at that point and spoke against it.

As events transpired, I got appointed to the committee when a vacancy occurred. I have now had an opportunity to meet with the committee and to go over with a substantial number of its members what I thought had been wrong with the committee's operation.

As I stated before when I took the well, I am experienced in running grand juries, and I know the problems. Particularly, when we are operating with a leaky vehicle, I know the potential of damaging the reputations of innocent third parties, and so forth.

I am satisfied now after that meeting that the committee is fully aware of past errors in this respect. The committee has adopted rules of procedures that I am satisfied will protect against a recurrence of that sort of thing.

I have reviewed evidence and have been briefed on the evidence the committee has at hand. In my opinion, it thoroughly merits an investigation in depth. There is information which by its nature cannot be made public, because at this point in time we would be doing the same evil about which I complained before; we would be making statements that are not yet totally verified but which have enough potential that they certainly should be tracked down and either discredited or verified. But that must be done in a manner that protects against damage to innocent parties and, as I said before, prevent the providing of a national media stage to "kooks" who are attracted to this kind of thing.

Mr. Speaker, I believe the procedure has been tightened down to the point that this will not occur. I will assure the Members present that, given a review of what is on hand, this certainly does merit investigation, and I think under the rules now adopted this committee, under its able chairman, is very capable of tracking these things down and going a long way toward either resolving doubts or really setting them down in concrete terms.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

I commend the gentleman from Michigan (Mr. SAWYER) on his statement and also on his earlier statement. I am reassured by the fact that the gentleman has been named to this select committee and that with his participation the committee has the potential of doing a responsible job.

I am somewhat concerned myself, having served in the last Congress as the ranking member on the Select Committee on Intelligence, about guarding America's secrets and about not permitting this assassinations committee to play dangerously with classified and sensitive information that is vital to the security of this Nation. I feel reassured that the gentleman will in the carrying out of his responsibilities attempt to provide the kind of protection that I undertook to try to provide when I served on the Select Committee on Intelligence. I am sure I have the gentleman's assurance as to that.

Mr. SAWYER. Mr. Speaker, I thank the gentleman.

As I say, I expressed these very same deep doubts in the well of the House when I took a position against the committee and voted against it. I am sure the committee has now revised its procedures, and that this kind of thing will not happen in the future.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. SAWYER. I am pleased to yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, the gentleman from Michigan (Mr. SAWYER) has again put to rest for me the myth that none of us ever have our minds changed by discourse and an exchange of ideas on the floor of the House.

Mr. Speaker, because of the statements of the gentleman from Michigan this morning, I will be voting to support continuance of this committee.

I appreciate the gentleman's accepting this tough assignment. All of us who are new Members of the 95th Congress bring different talents and backgrounds to the office, and the gentleman's years as a prosecutor of known excellence allays any fears I have that the committee will be squandering money or engaging in glorification of itself or of "conspiracy zealots."

Mr. Speaker, I still have a strong feeling that if a deep conspiracy does come to light in the President Kennedy murder, it will be on the far left, tied to Oswald's trip to the Soviet embassy in Mexico City.

Again, Mr. Speaker, I look forward to the gentleman from Michigan contributing to the effectiveness of the committee with his investigative and prosecutorial skills.

Mr. SAWYER. Mr. Speaker, I thank the gentleman from California (Mr. DORNAN).

Mr. DENT. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I wonder whether the gentleman from Pennsylvania (Mr. DENT) can tell me one single thing that this committee can do that a grand jury could not do under the direction of the non-Watergate Attorney General Griffin Bell?

Mr. DENT. A grand jury cannot put to rest charges and countercharges in various periodicals because it can only determine, on the basis of a charge made, whether it is a true charge or a false charge.

On the other hand, we can go in depth into all of the rumors, and at least give the people, the citizens of the United States of America, a congressional report with authority to it. A grand jury may or may not be able to do that.

Mr. HYDE. We ought to revise the laws pertaining to grand juries, then, because I always thought they could investigate and issue reports and that proper secrecy was maintained during their deliberations, and furthermore, that a grand jury would not be a roadshow with a lot of headlines, which I feel will be the result of the efforts of this committee.

Mr. DENT. Mr. Speaker, I can assure the gentleman that it took 600 years for the British to find out what they did with respect to grand juries.

Mr. HYDE. Mr. Speaker, I thank the gentleman.

Mr. DENT. Mr. Speaker, I move the previous question on the committee amendment.

The previous question was ordered.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 213, nays 192, not voting 28, as follows:

[Roll No. 168]

YEAS—213

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Ashley
Aspin
Badillo
Baldus
Baucus
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Chisholm
Clay
Cleveland
Cohen
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Davis
Delaney
Dellums
Dent
Devine
Dickinson
Dicks
Diggs
Dornan
Downey
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
Emery
Fary
Fenwick
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fowler
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gore
Hamilton
Harrington
Harris
Hawkins
Heckler
Hefner
Hillis
Holland
Holtzman
Horton
Howard
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kemp
Kildee
Koch
Kostmayer
Krebs
Krueger
Le Fante
Lederer
Lehman
Levitas
Lloyd, Calif.
Long, La.
Long, Md.
Lundine
McCloskey
McDade

McFall
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Meeds
Metcalfe
Meyner
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moore
Moorhead, Pa.
Moss
Murphy, Ill.
Myers, Gary
Myers, Michael
Natcher
Neal
Nix
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pepper
Perkins
Preyer
Pritchard
Pursell
Rangel
Reuss
Richmond
Rinaldo
Rodino
Rogers
Rosenthal
Ruppe
Santini
Sarasin
Sawyer
Scheuer
Seiberling
Sharp
Shipley
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stark
Steers
Stokes
Studds
Thompson
Thone
Tonry
Treen
Tsongas
Tucker
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waxman
Weaver
Weiss
Whalen
Whitten
Wirth
Wolff
Wright
Yates
Yatron
Young, Mo.

NAYS—192

Abdnor
Andrews, N.C.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Breckinridge
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Corcoran
Cornell
Cornwell
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Dingell
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Findley
Fisher
Flippo
Flowers
Flynt
Ford, Mich.
Fountain
Frenzel
Frey
Gammage
Gaydos
Gephardt
Glickman
Gonzalez
Goodling
Grassley
Gudger
Guyer
Hagedorn
Hall
Hammerschmidt
Hanley
Hannaford
Hansen
Harsha
Heftel
Hightower
Hollenbeck
Holt
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jenkins
Jones, N.C.
Jones, Okla.
Kazen
Kelly
Ketchum
Keys
Kindness
LaFalce
Lagomarsino
Latta
Leach
Lent
Lloyd, Tenn.
Lott
Lujan
Luken
McClory
McCormack
McDonald
McKay
Madigan
Mahon
Mann
Marlenee
Marriott
Martin
Mattox
Mazzoli
Michel
Mikva
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Nedzi
Nichols
O'Brien
Pease
Pettis
Pickle
Pike
Poage
Pressler
Quayle
Quie
Quillen
Rahall
Regula
Risenhoover
Roberts
Robinson
Roncalio
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Satterfield
Schroeder
Schulze
Sebelius
Shuster
Sikes
Simon
Sisk
Skelton
Skubitz
Smith, Nebr.
Spence
St Germain
Stangeland
Stanton
Steed
Stockman
Stratton
Stump
Symms
Taylor
Thornton
Traxler
Trible
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitley
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—28

AuCoin
Boggs
Derrick
Hughes
Leggett
McEwen
Milford
Murphy, N.Y.
Myers, Ind.
Price
Dodd
Fish
Forsythe
Railsback
Rhodes
Roe
Rooney
Rose
Rostenkowski
Steiger
Fraser
Gradison
Harkin
Teague
Ullman
Walgren
Whitehurst
Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Teague against.

Mr. AuCoin for, with Mr. Milford against.

Mrs. Boggs for, with Mr. Gradison against.

Mr. Rostenkowski for, with Mr. John T. Myers against.

Mr. Price for, with Mr. Steiger against.

Mr. Rooney for, with Mr. Railsback against.

Mr. McEwen for, with Mr. Whitehurst against.

Until further notice:

Mr. Charles H. Wilson of California with Mr. Rose.

Mr. Ullman with Mr. Fraser.

Mr. Roe with Mr. Dodd.

Mr. Leggett with Mr. Fish.

Mr. Derrick with Mr. Harkin.

Mr. Hughes with Mr. Walgren.

Mr. HANLEY changed his vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNUAL REPORT OF ADMINISTRATOR, NATIONAL CREDIT UNION ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. FOLEY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs.

To the Congress of the United States:

I hereby transmit to the Congress the Annual Report of the Administrator, National Credit Union Administration, for the calendar year 1976.

This Report covers a period of time prior to the commencement of my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1977.*

MINING CONTROL AND RECLAMATION ACT OF 1977

Mr. MEEDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 523 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 523

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 7 of rule XIII to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to provide for the cooperation between the Secretary of the Initerior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment, and said amendment shall be read for amendment by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the Committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Washington (Mr. MEEDS) is recognized for 1 hour.

Mr. MEEDS. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such as as I may consume. yield myself such time as I may consume.

Mr. Speaker, House Resolution 523 provides for an open rule with 1 hour of debate on H.R. 2, the Surface Mining Control and Reclamation Act of 1977. This rule provides that the committee substitute shall be considered as an original bill for the purpose of amendment. The rule further provides for the reading of the measure by titles instead of by sections. The rule also waives points of order against the consideration of the bill for failure to comply with clause 7 of rule XIII. This waiver is necessary because the committee report failed to contain a statement of the committee's cost estimate.

The Surface Mining Control and Reclamation Act of 1977 would enact a set of national environmental performance standards to be applied to all coal mining operations. These standards would be enforced by the States with backup authority given the Department of the Interior.

The bill essentially would require strip miners of coal to restore the land to its original condition. Under the terms of the bill States would develop their own regulatory programs that met certain criteria established under the bill.

Additionally, H.R. 2 provides for a reclamation program to be funded by fees leveled on the industry. The bill also contains provisions for funding mining schools in our State institutions of higher learning to encourage the development of mineral and mining technique research.

As my colleagues know, this body has considered and passed similar legislation over the last few years. Each time the Committee on the Interior has modified and improved the bill. H.R. 2 is the product of a great deal of work and forethought and I believe it is an essential prerequisite to this Nation having a rationale and viable energy policy. I, therefore, encourage my colleagues to adopt House Resolution 523 so that we might debate and vote on H.R. 2.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 523 provides an open rule with 1 hour of general debate for the consideration of H.R. 2, the Surface Mining and Reclamation Act of 1977. This rule allows the committee amendment to be in order as an original bill for the purpose of amendment, and provides that the substitute be read for amendment by titles rather than by sections. In addition, the rule contains one waiver of points of order against the consideration of the bill for failure to comply with clause 7 of rule XIII since the committee report failed to include a committee cost estimate. The Congressional Budget Office cost estimate is included in the bill, but the Committee on Interior and Insular Affairs offered no estimate of their own.

Mr. Speaker, it should be brought to the attention of the House that the waiver which was granted by the Rules Committee was not the waiver which the chairman of the Committee on Interior and Insular Affairs, Mr. UDALL, had originally requested. Within the letter addressed to the Rules Committee on April 20, Mr. UDALL asked that the rule contain a waiver of points of order against the bill based on procedures adopted by his committee during its deliberations.

It is my understanding that the problem arose when Chairman UDALL asked unanimous consent that the bill be considered as read and open for amendment at any point. Mr. EDWARDS of Oklahoma and Mr. BAUMAN of Maryland objected, but after a short interlude, the bill was considered as read and open to amendment, in spite of the objections.

Mr. Speaker, the chairman of this committee apparently ruled in this instance in violation of the House rules. There is relevant precedent on page 412 of the CONGRESSIONAL RECORD of the 80th Congress. Mr. Rankin stated, and I quote:

> Mr. Chairman, I make the point of order that it is not in order to move to dispense with the reading of the bill. If it cannot be done by unanimous consent, it cannot be done at all. It is not in order to dispense with the reading of the bill.

Since the point of order was sustained in the precedent, Mr. UDALL was out of order by permitting this bill to be considered as read without unanimous consent. It is imperative, Mr. Speaker, that committee chairmen realize that they are not so powerful that they can act in violation of the rules that govern us all equally in this body.

Mr. Speaker, the signers of the minority views suggest that H.R. 2 would superimpose Federal standards and eventually could even preempt the statutes of the 38 States already in place for strip mining operation, force small coal producers out of business, invite endless litigation, increase bureaucracy, increase consumer costs—and reduce our annual output of coal. According to some views, H.R. 2 could cause the removal from mining of up to 8 billion tons of known coal reserves. It could reduce coal production by up to 200 million tons by 1985. Mr. WAMPLER of Virginia has testified that the enactment of this bill would virtually put to an end the surface mining industry in southwestern Virginia.

This piece of legislation is inconsistent with the national energy proposals which the President recommended last week. In his address to Congress he called for an increase in the production of coal from the current level of 650 million tons a year to 1 billion tons a year, a two-thirds increase by 1985. Mr. Speaker, there is no guarantee that H.R. 2 will produce 1 extra ton of coal. Its passage may only force us to become more dependent on other countries in order to meet our energy needs.

My concern is leveled at the current and future energy problems facing our country. For this reason, I recommend the referral of H.R. 2 to the recently established ad hoc Energy Committee. Strip mining legislation should be woven into the fabric of a national energy policy. This is the only way to assure the American public that we intend to formulate a realistic, workable energy program.

Mr. Speaker, I am opposed to the consideration of this legislation at this time and urge my colleagues to postpone any further deliberation by voting against the rule.

Mr. Speaker, I yield such time as he may consumer to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I think it is time that we as Members of this Congress should look at the forest rather than the trees. It is time that the Nation put things in perspective energywise. It is time that we produce more coal. It is time that we produce more nuclear energy. It is time that we make use of more solar energy. It is time that we produce more energy, more oil, more everything energywise for the benefit of all of the American people.

Today, as has happened over the past 4 years, we have the same bad bill before us, trying to hamstring strip mining in the Appalachian area, trying to bring it to a dead halt, trying to stop the production of coal, when we need more energy. And it is time that we look at the forest, the whole forest, rather than just a tree.

In the Committee on Rules I tried to get this measure postponed until June 1. I think the ad hoc Energy Committee ought to take a look at it, to see if it is in line with the President's proposals. But more than that, it is time that we stood up and faced the facts, to say that we are going to provide all of the energy necessary to bring down high electric rates and to bring down the price of gasoline and the price of heating fuel. We can do it. Certainly, if we can go to the Moon, we can accomplish this.

So I urge my colleagues in the House to vote against the rule, to postpone action until we can in fact look at the whole forest instead of a single tree.

Mr. MEEDS. Mr. Speaker, I yield 3 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker and my colleagues, this is the sixth year that I find my efforts largely devoted to enactment of this eminently necessary and important and altogether wholesome and beneficial legislation that will increase the production of coal, that will have some regard for the reclamation of the land being mined, that would stimulate coal production by resuming the leasing of tens of thousands of acres of rich coal fields in the public domain in the 11 Rocky Mountain States, and particularly in Wyoming, where most of it is located, frankly.

Mr. Speaker, I would recommend that the Members go over the report filed with H.R. 2. It is one of the best reports filed in recent years. It is well prepared, and this includes the separate minority views. Staffers are to be commended of the Committee on Interior and Insular Affairs, and I hope the Members read all the 199 pages of the report accompanying this bill. It is a textbook, a treatise, on this work of law. It is yours for the reading. I think it is unfortunate that some of us do not have the time to digest all of this report. If we could read it all, I am sure we would find it would warrant our support of this bill.

At lunch today I was disturbed to find there were members of the minority with whom I was eating who stated that they would probably vote for the legislation, recognizing that it is inevitable and a necessity, but that they are determined to vote again the rule. I find no real basis for such a position.

I appreciate consistency, and we should have reasons for our vote. If there is a principle to be upheld, a Member can vote against this bill and I can appreciate some Member who has a difference of opinion from mine—and then that vote against the bill may well eliminate the danger of enactment in his opinion. However, I suggest that our votes on the rule should be aye votes, and then we can proceed to a consideration of the legislation.

If any member of the minority believes that this is not good law, we have the amendment process. Amendments will be offered, including some from the administration, to which I take exception. Then let us put on the statute books once and for all a strip mine bill, but let use not vote against the rule.

To refer this legislation to a new ad hoc energy committee would be an absurdity. Let me remind my colleagues that all 47 members of the Committee on Interior and Insular Affairs have devoted countless hours to this bill. We have developed legislation during the past 2 years and, for the elders, for 7 years. We have gone down the road to see the passage of 3 bills; we have gone down the road to two vetoes.

Mr. Speaker, we ought not to take too

much time on the debate. I hope Members will vote aye on the rule.

Mr. DEL CLAWSON. Mr. Speaker, I yield 6 minutes to the gentleman from Virginia (Mr. Wampler).

Mr. WAMPLER. Mr. Speaker, I thank my distinguished colleague, the gentleman from California, for yielding to me.

Mr. Speaker, someone has aptly described this bill before us as the "same old coon but with a different ring around its tail."

I think it is basically the same bill that we have considered before. I believe this is perhaps the fifth time we have considered it.

Speaking for myself, I find it as objectionable today as I have on previous occasions.

I assume that every Member of the House has received, as I did, a telegram from two individuals who, I believe, are perhaps as knowledgeable about the production of coal as anyone in this country. I refer to Mr. J. Allen Overton, Jr., president of the American Mining Congress, and Mr. Carl E. Bagge, president of the National Coal Association. In these telegrams they set forth in some detail their specific objections to the bill that is before us, and they are asking the Members of the House to support substantial amendments to change these objectionable provisions in the bill, or, failing that, to vote against the enactment of H.R. 2.

Mr. Speaker, I think it is significant to note that despite the fact that the chairman of the Committee on Interior and Insular Affairs and other members of the same committee, if not directly, at least by implication in testimony before the Committee on Rules, indicated that most of the objections to this bill had been removed, there is still considerable opposition to this bill. I would cite the fact that the United Mine Workers of America, the international union that represents organized coal miners, both underground and surface miners, sent a resolution to the Committee on Interior and Insular Affairs, from their International Executive Board objecting to the enactment of this legislation.

The Governor of Virginia, sent testimony to the Committee on Interior and Insular Affairs objecting to this bill. The Commissioner of Taxation and the Commissioner of Employment of my State, as well as the Attorney General of Virginia, have all objected to this bill on sound grounds.

I believe it is rather ironic that we are considering this bill just 1 week after the President of the United States in addressing a joint session of the Congress in this very Chamber—for which he is to be commended—pointed out the seriousness of the energy crisis in this country. As I understand it, the keystone of his energy proposal is to increase the production of coal by at least two-thirds by the year 1985. It is ironic that the first major piece of legislation that this House is considering since that message is H.R. 2, a bill that by the most conservative estimates would dramatically reduce the production of coal in areas that I represent and in other areas where steep-slope surface mining is carried on in Appalachia. This bill for all practical purposes would eliminate steep-slope surface mining, with all the unnecessary environmental requirements.

Mr. Speaker, it would hamper surface coal production in all States. I am told that at least 38 States of the Union have surface coal mining to some degree or another; and those 38 States, through their elected representatives in their State legislatures, have passed legislation regulating coal surface mining, and reclamation.

Perhaps 20 years ago, 10 years ago, or even 5 years ago a case could have been made for Federal legislation to regulate surface mining; but I would say the one objection I hear from every segment of my constituency is, "Why does the Federal Government constantly have to involve itself needlessly in areas that more properly should be left to the several States?"

Mr. Speaker, in my State of Virginia most of the surface mine operators are small operators. With the exception of three, they mine less than 250,000 tons of coal a year.

In talking with them, with their representatives, with their reclamation association, and with officials of the State government of Virginia, there is no way in which they can comply with the many objectionable features of this bill.

Therefore, I would say, Mr. Speaker, how is this House going to address the problem of the shortage of energy in this country? Is it going to be with realism or with idealism?

I suggest that coal is the one fossil fuel whose production we should do everything reasonable to expand.

Mr. Speaker, we passed a bill in 1969, and I voted for it, the Federal Coal Mine Health and Safety Act; and under the provisions of that bill many of the small underground coal operators were unable or unwilling to comply. They are no longer in business.

Mr. Speaker, to the extent that we have competition in the coal industry today, it is afforded to a great extent in my district, at least, and in my State by the small surface coal mine operators.

I would say, Mr. Speaker, that the enactment of legislation like H.R. 2 can only have one inevitable result, and that is to reduce production and to drive up the cost of coal and thereby drive up the cost of energy and related products that are derived from coal.

Mr. Speaker, I have printed in the Record a number of amendments which I intend to offer at the appropriate time. I have others that I hope to offer, if recognized for that purpose.

It just seems to me that the legislation before us, H.R. 2, is overregulation; it is overreaction; it is needless legislation; and if this House is really serious about its desire to achieve self-sufficiency in energy, I suggest that one way to start is to reject this rule and to send this bill to the Ad Hoc Committee on Energy to get a meaningful readout on what the cost of the bill is and what it will do to the production of coal in this country, so that we can act then, hopefully, in an intelligent way.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Speaker, I would like to compliment the gentleman from Virginia (Mr. Wampler) for what I consider to be a very excellent statement filled with commonsense. I only hope that the House will take the advice of the gentleman from Virginia and defeat this rule here today and not waste our time further on this legislation, which is going to lower the standard of living of millions and millions of Americans in years to come.

Mr. Speaker, I think the OPEC cartel people must be delighted with what has been going on here in Washington, prohibiting the development of hydroelectric energy, prohibiting the development of nuclear energy, regulating the price of natural gas at the wellhead and of domestic oil to implement a disincentive program so that people will not want to produce petroleum products, and now interfering with coal mining.

Mr. Speaker, I have before me here Joint Resolution No. 1 from the Senate of the 44th Legislature of the State of Wyoming, 1977 session, dated March 4, 1977.

Mr. Speaker, it is a resolution providing for the recognition of the fact that it is in the best interests of the State of Wyoming to have authority over all surface mining of coal. I will not belabor the House with all of the resolution. I will just read the last paragraph, which is as follows:

> *Now, therefore, be it resolved by the Legislature of the State of Wyoming,* That the Congress of the United States resist impositions of Federal legislation or regulations which purport to grant the state enforcement authority but in effect mandate federal control of the mining of coal within the borders of the State of Wyoming

I think, Mr. Speaker, this speaks very well not only of the people in the West who are trying to produce coal, but of the people in the East, as has been pointed out.

This legislation will do nothing to help solve the energy crisis. It will do nothing to protect the environment of the Nation, which is already adequately protected by Federal and State regulations.

Mr. Speaker, I urge defeat of the rule.

Mr. MEEDS. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. Tsongas).

Mr. TSONGAS. Mr. Speaker, it is interesting that this Congress, in comparison to the past one, is spending a great deal of its time in trying to come to grips with the fact that man is not really understanding the finality of our natural resources. And this, of course, as time goes on, means that more and more time and deliberations are going to be spent in trying to understand just exactly what that all means.

We now have a new energy committee. Last Wednesday we were here when the President spoke to a joint session of the Congress on the subject of our energy crisis.

I testified this morning before the gentleman's committee on the long-term impact of water shortages and the increasing problems we will have in that regard.

One of the little known side effects of the strip mining problem is that it takes increasing amounts of agricultural land, yet one of the elements of our natural resources that we will have to deal with in the future is that of food and fiber.

One of the conditions expressed in H.R. 2 is that we should not go on to prime agricultural land unless absolutely necessary or unless we can restore that prime agricultural land back to its original productivity.

One of the problems with society and with Congress, really is that we suffer from tunnel vision. We look at things from a very narrow perspective, only worrying about tomorrow and the day after that. I believe we have the responsibility to consider these issues in terms of future generations, that we must have a much longer perspective. H.R. 2 not only protects land but it especially protects prime agricultural land from strip mining.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, this old turkey has been around for quite a little while. It is getting to be kind of like an old soldier: It never dies. Bad bills never go away either.

I had the privilege of serving on the Committee on Interior and Insular Affairs for quite some period of time, and in that period of time we did not have strip mining once—we had it four times. Four times we went up and down the hill on this particular piece of legislation. The second time that we took the bill up, we did it as a full committee despite the fact that it was a brandnew Congress and many of the people had never heard of many of the provisions of the bill. Throughout the 9 days of committee hearings there were no field trips that I know of to take a look at some of the strip-mined areas, which we did 4 years ago.

What really concerns me, however, is that at this point with this bill we can say that it does not need to be referred to the Select Committee on Energy, despite what the President told us here the other day. I am going to be most interested, Mr. Speaker, to see what happens when the Committee on Ways and Means gets through considering the energy tax package, the gasoline tax, the tax on automobiles, the tax credit for insulation, three of which have been considered by this House before.

Will we then come to the floor and say we can take this bill up, because there is no point taking it to the Select Committee on Energy and in the meanwhile leave the Select Committee on Energy sitting in limbo with absolutely nothing to do? That is probably going to be the sum of their activities if this sort of activity continues.

Mr. DEL CLAWSON. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, I appreciate the distinguished gentleman from California yielding.

Let me say I rise in support of this rule. I think that the bill is a very wise and a very balanced piece of legislation. I believe those of us who worked on the bill—and I believe all of the members of the committee worked on it long and diligently—have developed a piece of legislation that in large measure meets the requirements of the President's energy program in that we have made a number of changes that will make it easier to mine coal. We have eased up on many procedures and techniques in this legislation and I believe we can meet the President's goal under this legislation.

At the same time I believe it is fair to say that members of the committee resisted a number of efforts offered by the administration and others that in my opinion would have significantly reduced the amount of coal that could be mined under this legislation.

So basically we do have balance. We have recognized the energy needs of this Nation and we have materially changed the bill so coal can be mined more easily and readily than was the case in legislation of prior years and have as a committee resisted a number of amendments that would certainly have made it more difficult to mine coal in this country.

I am pleased to urge the passage of the rule.

The committee has worked long and hard. I do not believe it would be wise to refer this bill to the Energy Committee. I cannot believe that august group with all the responsibilities and challenges they will have before them will have the opportunity to put the same type and kind of care into this bill as this committee.

Mr. MEEDS. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Speaker, I thank the gentleman from Washington for yielding.

I rise merely to make one correction for the House. The gentleman from California I believe stated that this year the committee had not taken additional hearings or additional investigative field trips in the matter of strip mining. I want to make sure everybody understands we did have 7 more days of hearings and that we did have additional field investigations, particularly for the new members of the committee and for some of us who have been in this committee for 2 years but have not had a previous opportunity. One of the field investigations was to the district of the gentleman from Virginia (Mr. WAMPLER) and we learned about mining there, and also we visited the district represented by the gentleman from West Virginia (Mr. RAHALL), and there was a visit to strip mines in Pennsylvania. There was an additional field investigation that I was unable to make to the west. We want you to know that the committee went into this very carefully.

Mr. DEL CLAWSON. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, it was just 8 days ago that this House heard an eloquent appeal by the President of the United States describing the energy problem which has been with us now for 3 or 4 years as so serious that we must act in the same way as we would react to a declaration of war by a foreign power. That I believe was his comparison to the seriousness of the challenge facing us. President Carter is indeed right about the seriousness of this situation.

He very correctly referred in his address to the fact that our most abundant national energy resource, coal, will have to be looked to in the future as one of our major sources for producing energy in this country.

It therefore seems a contradiction in terms, indeed ironic, that we should be gathered here today discussing legislation which, by the estimate of all neutral observers, will significantly cut back on coal production in the short term, and in both the long and short term will significantly increase the costs of coal to consumers as well as the cost of all energy produced from coal including electric power.

It should be very difficult for us to go back home if we, indeed, pass this bill into law and explain to our constituents that the provisions of this legislation, for one example, could increase utility bills for an average family from $34 to $80 a year. That may seem like a small amount, but we have to consider that in the context of other laws we have enacted, this will place additional costs on energy production that consumers must pay.

I am certain a number of people will say that the gentleman from Maryland is known for his conservative views. I do oppose Government intrusion into any area, but do not take the word of the gentleman from Maryland or, for that matter, the word of the distinguished and able chairman of the committee, the gentleman from Arizona (Mr. UDALL).

I would hope that all Members would take the time to read both the dissenting and the majority views and discover what the taxpayers of the United States learned when they paid $200,000 for a massive study, a copy of which I have here two inches thick, commissioned by the Council on Environmental Quality and the Environmental Protection Agency. The study assesses the impact of legislation such as H.R. 2. In the pages of this report, which remains unrefuted, it is pointed out there will be, indeed, a loss of employment estimated to be at least 4,300 people. President Ford, when he vetoed the bill, predicted that 19,000 people would be put out of work. No one knows for sure.

The same report estimates that this type of strip mining legislation could permanently remove from coal production anywhere from 800 million tons to 8½ billion tons of coal. Immediately the bill will result in the loss of 54 million tons of coal production in Appalachia alone out of a national annual output of 600 million.

I know that the terms of this debate have been described as the environment versus coal companies. The truth of the matter is that we have on the books the Federal Coal Leasing Act Amendments, the Clean Air Act, the National Environmental Policy Act, the Federal Water Quality Act, all of which bear on the strip mining and protect the environment.

In addition, 38 States have already enacted statutes, many comparable to and many stronger than this Federal law that is proposed today.

I can only suggest that if this bill is enacted, despite slight improvements in some areas over past legislation, it will reduce greatly coal production; it will tie up in litigation, perhaps for years, those that seek production of coal under the terms of this bill; it will greatly increase unnecessary control of an energy source that we badly need. It will, indeed, remove States' rights over an area which has traditionally been theirs, and likely will go a long way toward defeating the very objectives that President Carter says he wants; energy sufficiency and an ability for this country to move away from foreign imports of petroleum.

Good men can differ, but I invite you to look at a new report issued by the General Accounting Office only 2 weeks ago. It in large part confirms many of the estimates in the previous report I mentioned earlier. If you want a massive decrease of coal production; if you want to raise coal and electric prices for our constituents and add environmental restrictions that we do not need. then support this bill. But every once in awhile logic prevails in the deliberations of this body. Perhaps it will today. America's energy crisis could well be deepened by what we do here today.

Mr. MEEDS. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, it is not my intent to get into the merits of this bill, but I would like to address myself to two points that have been raised with regard to the rationale of why one should vote against the rule.

First, it was suggested by the gentleman from California that there is some problem with this point of order that will lie against it. Let me assure my colleagues that when the chairman of the Committee on the Interior came before the Committee on Rules, the gentleman was suggesting a waiver of three points of order. We discussed very thoroughly the waiver of all those with the House Parliamentarian. With the exception of one which is granted in the bill, it was our feeling, and for that reason we gave no further points of order waivers, that points of order would not lie. If the gentleman wants to pursue that matter in the Committee of the Whole, the gentleman has every right to do so. Of course, any point may be made to the Speaker and the ruling on that will be determinative of that issue. So, I suggest that this is properly brought before the House and not at this time on the rule.

Second, the argument about postponing and combining this with the overall comprehensive energy program which the President is sending up, at first blush seems like a very good reason. But, when one looks at it closely, one can see that there are various segments to the program which the President is suggesting. These segments are in various stages of the legislative process.

Some of them have already been passed. The ERDA authorization which we passed last week or 10 days ago, was very much an integral part of the comprehensive energy program of the President. There are other parts of this program which are in transit now in the legislative process; in committees, receiving hearings, which are not a part of the so-called comprehensive package, but which are very much a part of the overall energy package. They are in committees and receiving hearings and other things. They are like this bill, they are being brought on independently and they still are very much a part of that overall package.

There are some which will be combined in the comprehensive package, and they will be heard all at once, or together, after they are reported out by the ad hoc Budget Committees and the ad hoc Committee on Energy. So, no one is suggesting, I think, that we go back and redo ERDA or slow down this bill so that we can make it a part of one bill. We have to take these in a logical fashion, and those that have started the legislative process should be heard in an orderly procedure, as we are suggesting we do with this bill.

President Carter wants this bill passed now; the Speaker of the House wants this bill passed now; the Secretary of the Interior wants this bill passed now; the chairman of the committee wants this bill passed now; and all of us on the Interior Committee who have marched up and down the hill with this legislation for the past 7 years want this legislation passed now.

I therefore suggest that the Members vote up this rule so that we can get on with the consideration of the bill and, hopefully, to its passage.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RONCALIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 340, nays 58, answered "present" 1, not voting 34, as follows:

[Roll No. 169]

YEAS—340

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, Dan
Danielson
de la Garza
Delaney
Dellums
Dent
Devine
Dickinson
Dicks
Diggs
Dingell
Dornan
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frey
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Goodling
Gore
Grassley
Gudger
Guyer
Hagedorn
Hamilton
Hanley
Hannaford
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Holtzman
Horton
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kemp
Keys
Kildee
Koch
Kostmayer
Krebs
Krueger
LaFalce
Lagomarsino
Leach
Lederer
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Luken
Lundine
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pritchard
Pursell
Quie
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Rogers
Roncalio
Rose
Rosenthal
Roybal
Ruppe
Russo
Ryan
Santini
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Stokes
Stratton
Studds
Stump
Thompson
Thone
Thornton
Tonry
Traxler
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walsh
Waxman
Weaver
Weiss
Whalen
White
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—58

Archer
Ashbrook
Badham
Bauman
Bevill
Brown, Mich.
Butler
Caputo
Carter
Clawson, Del
Coleman
Collins, Tex.
Crane
Daniel, R. W.
Davis
Derwinski
Duncan, Tenn.
Edwards, Okla.
English
Gammage
Gonzalez
Hall
Hammerschmidt
Holt
Ichord
Jones, Okla.
Kazen
Kelly
Ketchum
Kindness
Latta
Lott
Lujan
McClory
McDonald
Marriott
Poage
Quayle
Quillen
Risenhoover
Roberts
Robinson
Rousselot
Rudd
Runnels
Satterfield
Schulze
Shuster
Spence
Symms
Taylor
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Wydler

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—34

Boggs
Brown, Calif.
Cavanaugh
Derrick
Dodd
Fish
Flood
Forsythe
Fraser
Giaimo
Gradison
Hansen
Harkin
Hollenbeck
Howard
Le Fante
Leggett
McEwen
McKay
Meyner
Milford
Moakley
Myers, Ind.
Price
Roe
Rooney
Rostenkowski
Sarasin
Steiger
Stockman
Teague
Waggonner
Walgren
Whitehurst

The Clerk announced the following pairs:

On this vote:

Mr. Sarasin for, with Mr. Waggonner against.

Until further notice:

Mrs. Boggs with Mr. Brown of California.
Mr. Rooney with Mr. Fraser.
Mr. Teague with Mr. Leggett.
Mr. Walgren with Mr. McKay.
Mr. Le Fante with Mr. Hansen.
Mr. Howard with Mr. Fish.
Mr. Price with Mr. Steiger.
Mr. Giaimo with Mr. McEwen.
Mr. Flood with Mr. Gradison.
Mr. Cavanaugh with Mr. John T. Myers.
Mr. Derrick with Mr. Hollenbeck.
Mr. Harkin with Mr. Whitehurst.
Mrs. Meyner with Mr. Stockman.
Mr. Moakley with Mr. Forsythe.
Mr. Rostenkowski with Mr. Milford.
Mr. Roe with Mr. Dodd.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk commenced reading the bill.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. EDWARDS of Oklahoma. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, my parliamentary inquiry is this: This is just the first reading of the bill, is that correct?

The CHAIRMAN. It is.

Mr. BAUMAN. Was the request of the gentleman from Arizona (Mr. UDALL) that the first reading of the bill be dispensed with?

Mr. UDALL. Mr. Chairman, if the gentleman from Maryland will yield to me, I would now make that request, that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. EDWARDS of Oklahoma. Mr. Chairman, reserving the right to object, I have no intention of putting the Members of this House to further delay. I, too, along with all of the rest of the Members of the House, am tired after the long debate last night. However, Mr. Chairman, I do wish to make a point:

During the markup in the Interior Committee, the chairman, the distinguished gentleman from Arizona (Mr. UDALL) who is very sincerely presenting this piece of legislation, and who has been a very fair and I think very tolerant chairman, at one point, because of his desire, I believe, actually to get through with the bill, did not protect the rights of the Member from Oklahoma.

I had objected to a waiver of the reading of this bill in the committee. I did it to pursue a strategy using what few rights still are available to the Members of the minority. And when the chairman later decided that he would accept a motion to overrule the rights of the gentleman from Oklahoma, I decided it was necessary to make a demonstration on the floor to show that the Members of the minority will not be denied the right to protect the people they represent.

Mr. Chairman, I represent half a million people, and the minority members of the Interior Committee combined represent 7 million people, and the members of the minority in this House represent 70 million people. Mr. Chairman, we will not give up our right to insist that the people we represent be treated with fairness and in accordance with the Rules of the House.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona (Mr. UDALL)?

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from Arizona (Mr. UDALL) will be recognized for 30 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I yield myself 5 minutes.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield to me?

Mr. UDALL. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Mr. Chairman, while the gentleman from Arizona and I differ in our views on this bill, I should like the record to show that the distinguished chairman of the committee, the gentleman from Arizona (Mr. UDALL), and other members of the committee, plus staff members of the Committee on Interior and Insular Affairs, did visit southwestern Virginia during the past several weeks. They spent the better part of a day there looking on site at some of our problems in strip mining. I just want the record to show that I appreciate—and I am sure that those I represent here in Congress likewise appreciate—their coming to Virginia and seeing first-hand the problems that we have.

Mr. UDALL. I thank my friend, the gentleman from Virginia, for those comments, and I will tell him that he represents one of the most beautiful areas of the country. Maybe we will have a bill that will let us mine coal and protect that beauty.

Mr. Chairman, in the Committee on Rules I was telling one of my old political stories of the 1960's. It appears that Khrushchev died and his successors, Brezhnev, and others, were very worried about what to do with the body. They called John F. Kennedy, the President, and asked if they could bring the body of Khrushchev to the United States and bury him quietly here. President Kennedy said, No, it would probably cause great concern and apprehension. He would be attacked by the Republicans, and he was sorry but he could not help.

Brezhnev then called England's Prime Minister, Macmillan, and asked him, and Macmillan replied that he had a very fragile majority, and should the news of the arrival of the body get out, it would set up a great furor, and his government would go down.

Brezhnev then called Ben-Gurion in Israel and made the same request. Ben-Gurion said he would always like to help the leaders of friendly foreign countries and that if they came in the middle of the night, they could bury the body in a remote spot—he would give permission. He said, "However, I must warn you that this country has the world's highest resurrection rate."

The highest resurrection rate for legislation belongs to this surface mining bill. We are back today. The issue will not go away. The time has come, Mr. Chairman, for a decision on this issue. This month, this year, now we ought to resolve it.

The central substance of this bill I think can be summed up in three principles. We are saying to the country four basic things.

One is that we need coal. We have got to double the production of coal in the next 10 years. Coal buys time for developing solar energy and buys time to sort out the nuclear options, and buys the ability to get the Arab nations off our backs. We can do it.

The President's energy policy calls for

us to do it. Every energy policy has a strong reliance on coal in the next 20 years. This is a bill not to decrease the production of coal but to increase the production of coal.

The second guiding principle is that we are going to have uniformity. We are not going to have one set of rules about what can be done to the mountains of southwestern Virginia and another set of rules about what can be done to the mountains in Pennsylvania. There will be one set of rules, one program in the whole country so there will not be unfair competition. It is going to give us certainty.

Coal companies have got to invest in new mines, buy drag lines, get new equipment, and hire new men to open these mines they cannot do it when they do not know what the ground rules are going to be. For the next 20 years they have got to make financial arrangements with the banks and make long-term arrangements that need to be made if they are going to double the production of coal.

The third basic policy in this bill is that while we are going to mine more coal, this time we are going to do it right.

One can go to the beautiful mountains of Appalachia—the ones with trout streams and places that have had beauty forever—and one can see the streams poisoned. There is not any life in them. One can see these hills where for two or three decades these powerful machines pushed the rocks, gravel, and trees down the slopes.

We are going to mine coal and put the land back so we can use it 10 years from now or 1,000 years from now to grow trees and crops and serve the needs of the people of this planet.

The fourth and final principle of this bill is that we are going to go back and do something about the ravages of the past. There is a strip of land equal to a strip from New York to San Francisco a mile wide—just imagine that strip of land a mile wide—ravaged and damaged and lying exposed to the sun and wind, giving off acid drainage, and it stands there as a reproach to all Americans. This bill says we are going to have a modest reclamation fee and half of it is going to go back to the States from which the coal comes and we are going to begin the 30- or 40-year process of putting the land back in condition.

We will close old mines and stop acid drainage and make this land productive once again.

One of the main arguments in the set of arguments surrounding this bill for the past few years has been jobs.

It has been said that we are going to lose jobs. In the last administration the argument was made with a straight face that 36,000 people were going to be put out of work if the predecessor bill to this bill was passed. I was amused to find there are only 36,000 people engaged in the whole coal mining, strip mining industry in the country. Study after study has been made and one can get differing opinions, but I am here to tell the Members today we are not going to have fewer jobs, we are going to have more jobs. I will give $100 to any county in the district represented by the gentleman from Virginia 3 years from now if employment is not up instead of down in the coal business.

The Federal Energy Administrator Mr. Schlesinger, who is in the business of promoting more energy, gives his position on page 166 of the report. This administration through Mr. Schlesinger after careful review of all the facts said:

> The modest costs of reclamation should not noticeably inflate fuel prices. It is money well spent in terms of benefits to the Nation. And, with expanded deep mining and more intensive reclamation efforts, more, not fewer, jobs will result.

If we do it right we need a few more people to do it right, not many more people and not much more expense, but there will be more jobs out of this bill in my judgment.

This is basically the bill we brought here 2 years ago and lost by 3 votes on a motion to override a veto. We strengthened it from what we previously presented on environment. We put in some provisions about blasting so people will not have 300-pound rocks coming into their dining rooms through their windows. We tightened up the reclamation of land requirements and made a few necessary steps in the direction of tighter control.

But there is another main thrust in the changes in this bill, and that is to simplify the bill and to make it easier for industry to comply.

I must say that industry people in most States have been very good. They have come around and said:

> We want to do it right. Just give us a bill which is simple and easy to comply with.

This bill has strong support. It came out of our committee with a 33 to 9 vote and with the support of our friends on the other side, among them the gentleman from Michigan (Mr. Ruppe), the gentleman from California (Mr. Lagomarsino), the gentleman from California (Mr. Don H. Clausen), who supported it. It is supported by the President and the Secretary of the Interior and by most, not all, of the coal State Governors, by the Interstate Mining Compact, and by many of the environmental people and other groups across the country.

It is a long bill, longer than it ought to be. I could write a shorter bill, but when we try to accommodate the various views of all the people in the West and East and other coal-producing regions we find difficulty. We think we have a good bill.

Let us put this behind us. Let us put this one piece of our energy mosaic in place. We have to pass before Christmas a whole range of energy measures. This is an essential and key piece of our energy policy. With the help of my colleagues today we can get on with the other problems of energy and put this bill on the books where it should have been long ago.

Mr. RISENHOOVER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Oklahoma (Mr. Risenhoover).

Mr. RISENHOOVER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I, too, have some reservations about the provisions in this bill. I would like to point out that several Members of the majority of the Committee on the Interior also dissented in the writing of this legislation. My district in northeastern Oklahoma for the past decade has been an example of what can be done in the way of land reclamation; but unfortunately, prior to that time there are some examples of very bad strip mining that the provisions of this bill will help to reclaim and cure.

I just want to say simply, as I said before, I disagree with the provisions of the bill. I think all of us realize that the chairman had the votes in the committee to have written a much stronger and, in my opinion, more detrimental position than the legislation that has come forth.

Mr. Chairman, I commend the gentleman for his fairness.

Mr. UDALL. Mr. Chairman, the gentleman has been a great help as a Member of our committee. I thank the gentleman.

Mr. BAUMAN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the gentleman from Arizona has once again presented his well-known views on this legislation. Seven years of dealing with it has polished the gentleman's oratory. There is very little change in the factual statements as the gentleman presents them.

I noticed in presenting his views the gentleman did not address at all the points that I raised about the the EPA, CEQ study that states unequivocally that from 800,000,000 to 8½ billion tons of coal will be removed from our reserve base forever and that 200 million tons by 1985 will be precluded from production; that at least 4,300 jobs will be lost, all because of this bill. The gentleman talks in general terms. He predicts more jobs. The only possibility I can see in any of the reports about increased employment is that it may take more new bureaucrats to administer the programs in this bill than the number of people it will put out of work. That is hardly a laudable goal by any means. He offers no answer to the increased costs consumers must pay because of this bill. He accepts them, I gather, as desirable. But let us not fool the American people. We are faced today by the same kind of legislation that Congress has passed dealing with clean air, with clean water, all with laudable environmental goals. We know what the courts have done with this. This bill is another open invitation to tie up coal production for years at a time we must have energy.

President Carter demands a unified energy policy that will help America and its people. This bill should not be part of such a policy.

Mr. Chairman, I yield 2 minutes to the distinguished ranking Member, the gentleman from Kansas (Mr. Skubitz), who appears today with a slight infirmity.

Mr. SKUBITZ. Mr. Chairman, this is a better constructed and a more reasonable bill than presented to this committee last year.

There are still provisions in this bill—

particularly those relating to the distribution of reclamation fee funds—which I strongly oppose and will attempt to remedy by offering amendments when we reach the amending stage.

It is my belief that in view of President Carter's energy speech and the creation by this body of an ad hoc committee to review all energy producing legislation, it would be wise to defer action on this bill until the ad hoc committee has had an opportunity to review all energy legislation and present its recommendation.

However, having said all this, if, in the wisdom of this body my positions are not supported, I shall still support the bill and vote for it.

On April 25 I received a Dear Colleague letter from the chairman of our committee stating that Secretary Andrus and Mr. Schlesinger both supported this bill. I read from Mr. UDALL's letter:

> Endorsed by President Carter, Secretary of the Interior Andrus and Dr. Schlesinger—the strip mining bill is a vital part of the President's overall energy program in that enactment of the bill will finally put environmental rules in place and allow the industry to get on with the job of expanding coal production.

With this conclusion I cannot agree.

In the first place, Secretary Andrus appeared before our committee presumably to testify on the bill.

At that time I asked the Secretary if he was ready to give his views on the provisions of the bill, and he said that he was not. I read from the hearings of February 8, pages 16 and 17:

> Mr. SKUBITZ. I hope that our chairman will have you down here once again before the markup of this bill when you are thoroughly familiar with all of the provisions of the bill and can speak to them. I can not believe, Mr. Secretary, that in this short time you have been able to master all of the controversial qualities with respect to this bill.
>
> The CHAIRMAN. He is pretty quick.
>
> Mr. SKUBITZ. Will you assume that you are thoroughly familiar with every provision of the bill and are you ready to testify at this moment to questions?
>
> Secretary ANDRUS. Mr. Chairman, Congressman, No, I don't sit before you this morning saying I know.
>
> Mr. SKUBITZ. I wouldn't think so, Mr. Secretary.
>
> Secretary ANDRUS. No, sir.

I do not recall, nor can I find where Mr. Schlesinger appeared before the committee and testified.

Mr. Schlesinger did submit a letter on February 15, which stated, and I quote from the letter which urges "expeditious passage of the legislation which your committee has so effectively developed."

The point I am trying to make is that neither Secretary Andrus nor Mr. Schlesinger addressed themselves to the bill before us, but in fact were only endorsing the need for strip mining legislation, and on that point, none of us are in disagreement.

When I first came to the Congress of the United States, I became a member of the Interior Committee, and was placed on the Subcommittee on Mines and mining.

I immediately began exploring ways to legislate protection of the land and to receive some sort of tax from coal operations that could be used to restore open lands which scarred the area, so that these lands could once again be restored to production and placed back on the tax rolls.

I began working on remedial legislation long before some of the so-called champions of conservation and the environment were even Members of this body.

I am no stranger to the environmental damage resulting from strip mine operations. I have over 55,000 acres in my county and more in the adjoining county where I first started teaching school. I saw the school in which I taught close its doors when the coal was mined and the shovels left. No tax base, no school.

Eleven years ago, before most of the sponsors of this bill were Members of this body, I was seeking legislation that would levy a reclamation tax on coal that would be used to restore orphan lands.

I have always believed the objectives and purposes of H.R. 2.

It is true I supported President Ford's veto and I did so because I thought that in view of the critical shortage of energy and admonition of President Ford and the Federal Energy Administration that the bill at that time would cause unemployment and would affect coal production. I thought it was time to stop and take another look.

However, we have a new administration now and that administration feels that it is willing to assume the responsibility that this bill will not create unemployment, that it will not hinder the production of coal. I think it is in error, but I am not going to be an obstacle to its course of action.

Now, with regard to my major objection to this bill, the distribution of the reclamation fee. Section 401(h) relating to abandoned mine reclamation funds states, I quote from page 207:

> Up to 50 percent of the funds on an annual basis derived from coal production in a State or Indian reservation may be allocated to the State from which the reclamation funds are derived by the Secretary of the Interior for the implementation of an approved State reclamation program pursuant to section 404.

Now, let me point out that the bill carries the word that up to 50 percent may be allocated. I want to point out to the Committee that the bill initially provided that it "shall be allocated." Make no mistake, when we get into conference, the word "may" will be changed to "shall" making it mandatory for the Secretary to spend 50 percent in the States where coal is mined.

Now, the facts are, that most of this coal is going to be mined in the Western States and those States have little or no orphan lands to be reclaimed.

So, why 50 percent of the reclamation fee to that area? Well, this bill takes care of that. In section 401(c) of the bill, page 205, we find that the funds can be used for—and I quote:

> For the acquisition and filling of voids—and sealing of tunnels, shafts, and entryways under section 407.

Section 407 applies not only to abandoned coal mines, but to any kind of tunnel, or shaft, whether it be an abandoned gold, abandoned silver—or any kind of a mine. I submit that the reclamation collected from coal to be used to reclaim orphan coal lands should not be used for another purpose.

Let those industries take care of their own misdeeds. But that is not all. When you turn to section 402, page 208, entitled "The Primary Objectives of the Fund," we find this.

And I quote:

> The primary objective for the obligation of funds is the reclamation of areas affected by previous mining, but other objectives shall reflect the following priorities in the order stated:
>
> "The protection—construction—or enhancement of public facilities—such as utilities, roads, recreation and conservation facilities and their use."

Why should a reclamation fee on coal to reclaim abandoned coal land be used to build utilities, roads, and recreation, at the expense of the consumer of coal?

It is not right, it is not fair, it is not just, and it is not reasonable.

Mr. UDALL and the chairman of this committee made it quite clear to the committee that the reason for this process was a compromise used in order to get votes.

My amendment will be to strike these provisions so that the reclamation funds for orphan lands will be used to reclaim orphan lands.

I would like to point out to the committee that I offered such an amendment in committee and it was accepted but on the following day—for reasons I am not familiar with—the committee changed its position. I thank the committee for listening to me. I hope the Members will be present when amendments are submitted to this bill.

But whether these amendments are accepted or not, I reiterate that I will support the bill.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the gentleman from Kansas is a very constructive legislator. He is a pleasure to work with, and it is a loss to the country that he does not have his voice today so that he can help us in this bill. I want to say that we have a better bill here because of the gentleman from Kansas. He has helped us improve it, and I thank him very much for his help in voting this bill out of committee. I am very proud to have had his support.

Mr. SKUBITZ. I thank the gentleman.

Mr. UDALL. Mr. Chairman, I yield myself 2 minutes.

I have been asked by a number of my colleagues about our plans for trying to conclude consideration of this legislation. The Speaker and the leadership have advised me that it is their policy on Thursdays to conclude whatever measure is on the floor by 5:30, or 6:00 at the very latest. In the light of our experience last night, we might not all be standing on our feet much longer than that.

We will finish the general debate at about 3:30, and that will give us roughly 2 hours on amendments. A number of amendments have been proposed which will not be offered, and we have worked out modifications on some of the others.

My judgment is that there is about one chance in two or three of finishing tonight. If the speeches are kept short and we try to be harmonizing and agreeable, we might conceivably get through today. If we do not, the leadership tells me that it plans to come in tomorrow at 11 o'clock. I would think that within an hour or two we should wind up this bill tomorrow.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Perhaps potential Presidents might have greater power than just the leadership or the Speaker of the House. I would suspect that the House might wish to stay and finish tonight despite our late hour last night. I would hope that the gentleman would use his great influence in that direction.

Mr. UDALL. Let us see how we go. We are going to be rather careful of our time in general debate and move along as rapidly as we can on the amendments.

Mr. BAUMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, this afternoon I rise in support of this legislation. As I said during the discussion on the rule, I believe it is a very reasonable and very well-balanced piece of legislation. I think the bill and its sponsors do take into account President Carter's energy message, and I believe that there are a number of provisions in this bill that will make surface coal mining easier to undertake in the future than would have been the case with pieces of legislation that have been presented previously.

Also, I would like to say that in view of the fact that this legislation is apt to pass, and if passed will be signed by the President, it appears to me that the mining industry this time has made a number of constructive suggestions. I believe they are reasonably satisfied with this piece of legislation, recognizing, I suppose, that no one likes to have any intrusions into his own business affairs. At the same time, I do think that the members of the committee, recognizing that there would be no veto of this legislation, have not considered this as the political exercise that perhaps some people would have looked at it a year ago.

I think we recognize that it is most likely going to become law. Therefore, I compliment the committee for working very hard and very diligently to make this a good piece of legislation

It does set standards for surface coal mining in the United States. I think that should be done. Landowners, the public, and residents adjacent to mine areas should be protected. They deserve and have the right to the environmental standards we have in this legislation. At the same time, I believe for industry it does remove a great deal of uncertainty that has been in the air the last several years.

I am convinced a lot of mining starts in the United States, certainly in the West, have not been undertaken because companies were not certain of the ground rules under which they would operate. Now, I believe they have that certainty. Again, I reiterate we have gone a long way to meet the suggestions of President Carter that we increase by two-thirds our coal mining capacity in the next 2 years. We have provided for mountaintop removal, which previously was not provided for.

We also have changed the definition of "original contour" to meet the criticism of those who said it would be very difficult to achieve in all instances. We now provide for terracing in the definition of "original contour." That is flexibility we did not have in previous legislation.

We have also gone a long way to permit, for a time at least, the mining of alluvial valley floors. The alluvial valley floors are essential areas that should be protected, in most instances, against mining; but we said in this piece of legislation that if a company is operating in that area today, it can continue to operate in that alluvial area.

We also say that if a company has a State permit, it can continue ahead with its mining operation.

So I believe we have gone a long way toward making it easier for those companies who have present operations contemplated in the West to continue as planned. But I think we have done specific things to be proud of. We certainly do protect the alluvial valley floors in the West if they have been used for agricultural purposes and if mining would damage those alluvial valley floors. I think that is right. We should protect those areas and the people who live near them and could be affected by surface mining operations.

We do protect the prime agricultural lands in the Midwest, Indiana, Illinois, and Iowa, and we do protect the topsoils, the A, B, and C horizons. We do see to it that those lands have to be put back so that they can be put into production in the same fashion as they were before the mining operations so that these marvelous corn lands in the Midwest can be as productive after the mining operations as they were before.

Under the previous bill, if an individual owned surface land, and the Federal Government the minerals, he could sell the land for the best deal. If he decided just to live on that land, he had to live with a very convoluted formula.

Let me say, finally, that the chairman of the Coal Association said that last year there were 100 million tons of unused coal productive capacity in this country. So the country can stand this legislation.

Mr. UDALL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Wyoming (Mr. RONCALIO), one of our most valuable committee members.

Mr. RONCALIO. I thank the gentleman for yielding.

Mr. Chairman, I would like to take just a few minutes to discuss and get into the RECORD an item to make legislative history, on this legislation, on the effect of H.R. 2, this bill, upon the alluvial valley floor grandfather clause on Wyoming mines existing now and planned. I believe that a high percentage of coal to be strip mined in America will be coming from my own State of Wyoming.

Section 510(b)(5) of this bill contains a proviso which grandfathers certain mines from having to meet the alluvial valley floor criteria of paragraph (a) and (b) of section 510(b)(5). Specifically, mines would be grandfathered if they, first, produced coal commercially in the year prior to enactment of the act, or second, had obtained a State permit for the mine prior to January 4, 1977, or third, made substantial legal and financial commitments to the proposed mining operation prior to January 4, 1977.

I have contacted the Wyoming Department of Environmental Quality, Mr. Walter Ackerman, and several of the companies involved, and, thanks to my excellent staff, we have obtained the following information as to how the 510 (b)(5) language, as presently drafted, might affect existing or planned mines in Wyoming with State permits issued since late 1974.

Category 1 is the permitted mines now producing coal under the grandfather clause, and I will give the names, the county or location, the State permit issued, and the status of these mines. That will be included at the end of my remarks. These companies range from the Big Horn Coal Co. on the Tongue River to the Cordero-Sun Oil Co. in Campbell County. In the interest of time, I am skipping over those, but those names will be included in the RECORD.

Category 2 is a list of mines with permits but not yet producing. They will be grandfathered in under provisions of paragraph (2). This list begins with the Black Thunder—ARCO—Mine in Campbell County and runs down through six mines, through the Ash Creek Mining Co. in Sheridan County, which is not producing.

Category 3 consists of mines with no State permits but which may be grandfathered under test of paragraph (3) if the Secretary determines that they have made "substantial financial and legal commitments" to the project prior to January 4, 1977. This list includes the very highly controversial "Whitney Benefits" mines on the Tongue River in Sheridan County in northern Wyoming, the E. Gillette Mine, the Rochelle—Peabody Coal—Mine, another Peabody coal mine, the Coal Creek—ARCO—Mine, the Buckskin—Shell Oil—Mine, and the Consolidated Coal—Mobile Oil—Mine in Johnson County. Those are the mines in that third category.

Thus, there is a strong possibility that the Whitney Benefits Mine may be grandfathered under H.R. 2 as presently drafted. This result could be avoided by changing the "or" on line 19 of page 259 back to "and"—thus undoing the Runnels amendment which I offered for him in committee. This, of course, would affect all the mines listed under category 3, earn the praise of environmental groups and a general damnation from the companies involved.

Mr. Chairman, I do not propose to think that we can write a bill that will eliminate all litigation to take place in every State of the Union where coal may be strip mined in years to come. I do hope—and I believe that is the intent of this bill—that we can fashion a law which will permit the State licensing authorities to govern where there reclamation permits are more stringent.

The CHAIRMAN. The time of the gentleman from Wyoming (Mr. RONCALIO) has expired.

Mr. UDALL. Mr. Chairman, I yield 1 additional minute to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I would like to ask the chairman of the full committee if he would concur with me or tell me if that statement of mine is accurate. This bill allows the States to govern in this area when the State reclamation programs are more stringent?

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the gentleman is correct. Absolutely.

Mr. RONCALIO. Very good. The reason for this is that I hope this will settle the mining issue. taking place in alluvial areas. It will stop mining—or more accurately prohibit it—in such valleys as Clear Creek in Sheridan County, Wyo., and other places where, for the good of agriculture and the love of the land, as well as the general good of the area, strip mining has to be forbidden. Page 119 of the report elaborates on this.

Mr. Chairman, at this point I include the categories and the list of mines I mentioned previously, as well as other extraneous material, as follows:

CLASS I

1. PERMITTED MINES WHICH ARE NOW PRODUCING COAL (GRANDFATHER UNDER (1) ABOVE)

Name and company [1]	County/location	State permit issued	Status
Big Horn Coal Co	Tongue River	Jan. 31, 1975	Producing since 1944.
Welch Coal Co	Sheridan	Feb. 19, 1975	Producing.
Gunn Quealy	Sweetwater	Feb. 26, 1975	Do.
Columbine	do	Oct. 31, 1975	Do.
Pac. Power & Light	Converse	Mar. 25, 1975	Producing since 1958.
Muddy Creek	Freemont	Apr. 18, 1975	Producing.
Medicine Bow Coal Co.[1]	Carbon	May 13, 1975	Longtime producing.
Energy Development	do	do	Producing.
Bridger Coal	Sweetwater	May 22, 1975	Do.
Rosebud Coal Sales	Carbon	June 30, 1975	Do.
Arch Minerals	do	do	Do.
Kemmerer	Lincoln	do	Longtime producing.
Belle Ayr South	Campbell	Nov. 26, 1974	Producing.
Wyodak	do	do	Do.
Cordero-Sun Oil Co	do	Jan. 9, 1975	Producing December 1976.

CLASS II

2. MINES WITH PERMITS BUT NOT YET PRODUCING (GRANDFATHER UNDER (2) ABOVE)

Name and company [1]	County/location	State permit issued	Status
Black Thunder (ARCO)	Campbell	Dec. 3, 1974	Anticipated production November 1977 or early 1978.
Rawhide (Carter-Exxon)	do	Jan. 31, 1975	Producing July 1, 1977.
Caballo (Carter-Exxon)	do	June 21, 1976	Producing July 1977; no Federal permit yet.
Eagle Butte (AMAX)	do	May 5, 1976	Producing spring 1978.
Jacobs Ranch (Kerr-McGee)	do	Mar. 19, 1975	Producing late 1977.
Ash Creek Mining Co	Sheridan	Jan. 19, 1976	Not producing.

CLASS III

3. MINES WITH NO STATE PERMITS, BUT WHICH MAY BE GRANDFATHERED UNDER TEST OF (3) ABOVE IF SECRETARY DETERMINES THAT THEY HAVE MADE "SUBSTANTIAL FINANCIAL AND LEGAL COMMITMENTS" TO PROJECT PRIOR TO JAN. 4, 1977

"Whitney Benefits" (Peter Kiewit Sons).	Tongue River	No permit	State application withdrawn—to be resubmitted.
E. Gillette (Kerr-McGee)	Campbell	Feb. 15, 1977	Producing early 1979.
Rochelle (Peabody Coal)	do	No permit	Producing 1980.
Peabody Coal (no name)	do	do	Producing early 1980's.
Coal Creek (ARCO)	do	do	Do.
Buckskin (Shell Oil)	do	do	Do.
Consol. Coal (Mobil Oil)	Johnson	do	No current production.

[1] As indicated, many of these mines are long time producers whose permits were revised in 1974 and 1975 to comply with Wyoming's new laws. Mines with permits issued prior to late 1974 are all in production and would be grandfathered under (1) above.

OCCURRENCE OF ALLUVIAL VALLEY FLOORS[1] IN AREAS OF PROPOSED SURFACE COAL MINES WITH FEDERAL INVOLVEMENT: MONTANA, WYOMING, COLORADO, AND NEW MEXICO[2]

Name of proposed mine	Size of proposed mine area (in square miles)[2,3]	Size of alluvial valley floor in proposed mine area (in square miles)	Percent of proposed mine area classed as alluvial valley floor	Source of information	Agricultural activity in alluvial valley floor
Montana:					
1. Decker Coal Co.—Decker East	3.46	0.13	3.7	Open-file report 76-162	Deer Creek Valley used in places for cultivation of hay. Other agricultural activity limited to use as natural pasturage.
2. Decker Coal Co.—Decker North	2.13	.07	3.3	do	Agricultural activity limited to use as natural pasturage.
3. Shell Oil Co.—Youngs Creek	3.28	.03	1.0	do	Do.
Wyoming:					
4. Amax—Belle Ayr North	4.43	.07	1.6	Unpublished surficial geologic map (V.S. Williams, 1975).	Do.
5 Carter Oil Co.—Caballo	8.24	.23	2.8	Unpublished surficial geologic map (D.S. Fullerton, 1975).	Do.
6. Kerr-McGee No. 2 East Gillette	4.73	[4].02	.4	Unpublished surficial geologic map (V.S. Williams, 1975).	Do.
7. Peabody Coal Co.—Rochelle	3.21	.08	2.4	Unpublished surficial geologic map (D.A. Coates, 1975).	Do.
8. Sun Oil Co.—Belle Fourche (Cordero)	6.42	.13	2.0	Unpublished surficial geologic map (D.S. Fullerton, D.A. Coates, 1975).	Belle Fourche River Valley used in places for cultivation of hay and forage crops.
9. Arco—Coal Creek	9.42	.19	2.0	Unpublished surficial geologic map (D.A. Coates, 1975).	Do.
Colorado:					
10. Peabody Coal Co.—Seneca II-Yost (Area B).	.670	None	0	Photointerpretation, R. F. Madole, 1976	No alluvial valley floor.
Peabody Coal Co.—Seneca II-W (Area C).	1.11	None	0	do	Do.
11. Utah International—Yampa	10.50	None	0	do	Do.
12. W. R. Grace—Colowyo	1.92	None	0	do	Do.
New Mexico:					
13. Peabody Coal Co.—Star Lake	17.07	None	0	Photointerpretation, H. E. Malde, 1976	Do.

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[1] The term alluvial valley floor as used here includes alluvial valleys where width exceeds 25 ft (8 m) and includes stream channel, flood plain, and low alluvial terrace deposits. They may be subirrigated by underflow of near-surface water or irrigated by diversion of flood flow. Included are alluvial terraces generally not higher than 5 ft (1.5 m) above channel floor of small streams but as much as 8 ft (2.5 m) high along principal streams. Terraces have distinct boundaries along bordering alluvial fans or colluvium, either at a step a few feet (about 1m) high or, less commonly, along a line at which the ground surface begins to slope upward.

[2] Excludes proposed extensions of three operating mines: Western Energy—Colstrip; Utah International—Navajo (Wesco); and Westmoreland—Absaloka (Sarpy Creek); and proposed Burnham mine of El Paso Natural Gas for which detailed mining plan has not been filed.

[3] Total area likely to be surface-mined according to mining plans on file with the Conservation Division, USGS, data from Eastern Powder River EIS, and data from State agencies.

[4] Alluvial valley floor crosses extreme margin or corner of proposed mine or holdings.

Mr. BAUMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Arizona (Mr. Rudd), a valued member of our committee and a freshman Member.

Mr. RUDD. Mr. Chairman, I am opposed to this bill and strongly urge its defeat.

This proposed surface mining legislation is highly restrictive against the mining of coal on bottom land and most farmland.

It will add another level of Federal bureaucracy that is unnecessary and counterproductive to efforts of the 34 States that already have good strip-mining legislation on the books.

This new level of Federal bureaucracy will have the power to review and overrule each State program, and in effect will make State governments agents of the Federal bureaucracy to enforce Federal laws and regulations, which will often be against the best interests of the States themselves.

This bill will shackle coal production—which is hardly consistent with the President's energy proposals.

The President told Congress last week that the United States must look first to coal to reduce our massive dependence upon oil. As part of his energy goals, to be achieved between now and 1985, the President asked Congress to commit the Nation to increasing coal production on an annual basis by at least 400 million tons—to more than a billion tons of coal produced each year.

Mr. Chairman, to produce the additional quantity of coal envisioned in the President's energy program, it will require an estimated 40 additional surface mines producing five million tons of coal per year.

It will also require an estimated 75 new underground mines producing 1.5 million tons of coal per year. These underground mines would be over and above planned production and expansion of the coal mining industry.

Reasonable people should be staggered by the standards and controls which this bill will impose upon the surface mining of coal. They should also be numbed by the reality that the procedural impediments written into this legislation could indefinitely delay the recovery and use of coal resources.

Let us briefly review these requirements for overlapping and extremely time-consuming environmental impact procedures that will seriously impede and delay needed coal production:

First, section 702(d) of this bill requires the preparation of three separate environmental impact statements under section 102 of the National Environmental Policy Act of 1969.

These must be prepared before approval of State implementation programs under section 503 of this bill, before promulgation of Federal programs under section 504 of the bill, and before implementation of a Federal lands program under section 523 of the bill.

But these three separate environmental impact statement requirements under H.R. 2 are only the beginning.

A careful reading of this bill in light of court decisions interpreting Federal environmental statutes already on the books indicates that there are at least three additional environmental impact statements that must be completed in implementing H.R. 2—for a total of six separate environmental impact statements.

Federal court decisions have required environmental impact statements at any point of "significant Federal action."

This means that such impact statements would also be required under section 501 of the bill—environmental protection standards, section 506—permits, and section 522—designating areas unsuitable for surface coal mining.

Experience has shown that preparation of an environmental impact statement can take anywhere from 1 to 3 years.

The statement must be initially drafted, then circulated for review and comment by other affected agencies, States, and the public. It must then be rewritten in final form.

If there are any conflicts over alternative courses of action, studies must be made to develop or justify the final decision.

Assuming that the Government has the necessary manpower and resources to do all this work—and that there are no court challenges—implementation of H.R. 2 could consume up to 4 years.

And for what useful purpose should these extensive and time-consuming environmental impact statement requirements under the National Environmental Policy Act be imposed in implementing H.R. 2?

Under National Environmental Policy Act, such statements require Federal agencies to consider the environment and the alternatives to the proposed action.

H.R. 2 is itself a consideration of the environment. That is its whole purpose. And it does not permit the consideration of alternative courses of action to conduct strip mining, since specific action is mandated under its provisions.

Mr. Chairman, this legislation, which superimposes over already adequate State programs a new network of national surface mining and reclamation controls, will require no less than 20 Federal actions which could require individual environmental impact statements.

And these would be prepared and filed after some 27 public hearings are held to implement the terms and provisions of the bill.

I defy anyone to show how this bill will expedite the production of coal.

The President has asked for the production of a billion tons of coal a year. This will require a 65-percent increase in current coal production.

The American people want Congress to support a reasonable and good energy program to make the United States independent of foreign oil and to provide all our energy needs.

Members of the House should pass legislation that will strike a reasonable balance between our environmental concerns and our energy needs.

This body should not pass a bill like H.R. 2 that threatens to undermine and subvert needed energy production and priorities.

Proponents of H.R. 2—and those who are prepared to vote for this bill's passage—must justify to the American people their insistence on imposing restrictive legislation that refuses to strike the needed reasonable balance between environmental concerns and our energy needs.

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. Panetta).

Mr. PANETTA. Mr. Chairman, I rise in strong support of H.R. 2, as reported by the Interior Committee. We have gone through this issue with five bills in three successive Congresses, only to see four of those bills, all very similar to H.R. 2 defeated on a rule or vetoed. Now is the time, under the strong leadership of Chairman Udall and the support of the President finally to pass a strip mining bill.

I need not go into the details of why this legislation is necessary. The issue is a very basic one—will we make use of the technology we now have available to us to restore and preserve the beauty of thousands of acres of land in this Nation? I believe we must.

In fact, I would go so far as to say that there is no great debate about whether in fact we need a strip mining bill, but rather about what kind of bill we need. H.R. 2 was reported by the Interior Committee—a committee with a rather independent-minded and free-wheeling membership—by a vote of 39 to 3. Certainly, such support for the bill as it stands attests to the fact that the bill represents a fair and equitable compromise on the many complex details involved in regulating strip-mining.

I would also suggest that there is another hidden benefit in H.R. 2, beyond the simple preservation of our lands. The mining industry has been working for several years with a veritable sword of Damocles over their heads—when would there be a strip mining bill and what would be its provisions? Such doubts were an impediment to the full-steam-ahead kind of production of coal that we must have. Passage of H.R. 2 would put an end to those doubts and allow the mining industry to continue to make its vital and valuable contribution to our energy system.

On that note of conciliation, Mr. Chairman, I conclude by urging the support of every Member of this body for H.R. 2, as reported by the committee.

Mr. BAUMAN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. Don H. Clausen).

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of H.R. 2. In the past 5 years, Congress has engaged in a prolonged legislative effort to produce an acceptable strip mining law. Accordingly, H.R. 2 is better balanced and drafted than its predecessors, permitting orderly implementation and mitigating production and employment losses.

Although the major coal producing States have legislation to regulate surface mining, these laws vary greatly in procedure and enforcement. Federal legislation will alleviate these discrepancies, removing unfair competitive advantage of States with less stringent regulations.

Based on President Carter's energy address to the Congress, coal will play an increasingly important role in our total energy picture. As this shift to coal occurs, it is clear to me that we will have to have some form of uniform and minimum standards for the reclamation and rehabilitation of the lands which are mined. This legislation, H.R. 2, in my opinion, will apply these standards in a fair and equitable manner for all engaged in surface mining activities.

Considering the arid climate and lack of water in that region, land reclamation may be impossible following some surface mining operations. Under such circumstances, I believe it should be national policy that mining not be allowed. In other words: If reclamation is not possible, coal surface mining should not be permitted.

I continue to oppose section 510(b)(6) "consent of private surface owners to mine private coal." The committee's amendment to this section appears to confer new property rights on some surface owners in all States and to impose a new concept of Federal property law in an area traditionally reserved for the States. I believe this provision should be closely scrutinized and deleted.

With this reservation, I submit H.R. 2 to my colleagues for their approval.

Mr. BAUMAN. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have several objections to the bill we have before us now, H.R. 2, the Surface Mining and Reclamation Act of 1977. However, in the interest of brevity, I wish to address only two concerns, problems with this legislation which I find particularly troublesome.

My first concern is with the requirements for strip mined land reclamation. I do not mean to imply that such lands should be left as ugly, barren scars on the countryside. I do, though, feel it is unrealistic and counterproductive, in many cases, to require that strip mined lands be returned to their approximate original contours. Many strip mining areas, and this is certainly true of my own State of Tennessee, are located on hilly, generally commercially unusable lands—unusable except, of course, for strip mining. If, after the coal is removed, such lands must be restored to their original contours, most, if not all possible future economic benefits the land may provide are lost. Lands leveled through strip mining, if they could be restored but left level, would be suitable for farming and other economically productive pursuits.

I do not wish to disparage the value of aesthetically pleasing landscapes. However, such concerns do not mean much to a man who needs land on which he can support a family.

Another important consideration with regard to land reclamation involves increased costs from this activity. No one will dispute the fact that to return a strip mined area to its approximate original contours is a very expensive undertaking. These increased costs will have to be passed on to consumers somewhere along the line. In areas where coal is used extensively in the production of electricity, as it is in many sections of our Nation, the resulting increases in utility bills would mean an even greater burden being placed upon economically strapped homeowners and others who have already seen their utility costs skyrocket in the past few years.

The costs of this land reclamation would also place an undue burden on small strip mining operators. It is reasonable to assume that many of them, unable to meet these costs, would be put out of business.

My second major objection to H.R. 2 involves the authority this legislation grants to the Federal Government to dictate to the various States what should be done with their respective strip mined lands. I seriously question whether we in Congress have the wisdom necessary to create strip mining legislation which can be applied to every State fairly. Circumstances under which strip mining is conducted vary greatly from State to State, from one area of the country to another. There are also wide variances in the economic and social needs and values of the people involved. I am not convinced that any omnibus Federal legislation can address all these variables, and others, in an effective and equitable manner.

The problems associated with surface mining, and there are indeed problems, are, I believe, problems best left to the individual States to resolve. Many States, including Tennessee, have strong, effective, and enforceable surface mining laws. Federal legislation would be, in my opinion, unnecessary in many instances and in others would usurp powers which rightly belong to the States.

Mr. Chairman, I hope my colleagues will give serious consideration to these objections, and others, which, I feel, make H.R. 2 a bad piece of legislation.

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Maryland (Mr. SPELLMAN).

Mrs. SPELLMAN. Mr. Chairman, I would like to have just a little colloquy with the floor manager, the gentleman from Arizona, if I may.

As the gentleman knows, I have an amendment to section 502 to phase out strip mining operations on steep slopes, that is, slopes of 20° or more. As we all know, 19° is considered the angle of repose, that is, the angle above which matter has the greatest tendency to slide. Since strip mining entails drastic disturbance of the land in order to get at the coal underneath, there is a real danger on slopes or more than 20° that the disturbed matter will slide and create havoc.

Strip mining on slopes over 20° is the most damaging of all. The Stanford Research Institute, in a study done for the West Virginia Legislature, emphasized that when the slope is 20° and over, 3 to 5 acres are severely disturbed for every acre mined. When it rains on the steep slopes—and much of the steep slope that would be mined happens to be in areas of heavy rainfall—the environmental and property damage is severe—flooding, mud slides, landslides, acid drainage. In fact, the recent floods in southwest Virginia this spring, which caused severe damage, can be attributed, in great part, to the steep-slope mining operations in the area.

Mr. Chairman, we have seen some real devastation in Appalachia, in the State of Maryland, and in other States. We have seen homes slide away, boulders roll down into backyards, mud slide downhill and across town. This greatly concerns me and many of our colleagues.

I am advised that the committee has attempted to address itself to this problem.

Mr. Chairman, I would like to know what the committee has done in that regard.

I also have looked at the Pennsylvania experience, and have seen the revitalization of slopes well over 20°. I have seen restoration of enormously steep slopes in my own county and know it can be done successfully. Since the committee has provided this protection for steep slopes, that land which cannot be reclaimed cannot be mined, then I am willing to give those regulations for reclamation a chance. Because I know that the committee chairman, the distinguished gentleman from Arizona (Mr. UDALL) is very much concerned about this problem, and because I respect his judgment, I recommend that we give close and careful attention to the implementation of this section over the next few years. If it adequately protects against further damage, then we need not completely prohibit steep slope mining. If it does not work, then this body should demand that the law be amended to prohibit such mining. I thank Mr. UDALL for his assistance in clarifying the contents of the legislation and the intent of the committee.

Mr. UDALL. Mr. Chairman, I thank the gentlewoman from Maryland (Mrs. SPELLMAN) for her concern on this subject. I might say in reply to the gentlewoman that we have taken a different approach. We have said that the test is: Can they put the land back? There will be instances of slopes of 20° or more where this cannot be done because of the climate and because of the soil conditions and in other instances there can be slopes of 30° to 35° where this can be done.

So we have tough, rigid, mean kind of standards. We say to the operator: "Don't go in and take out the coal unless you can show us you can put the land back."

I visited one slope in Pennsylvania where there is a small operator who has less than 25 employees and very few pieces of equipment but who is one of the best in the business. He was operating on a 30° slope and, when finished, there were grass, trees, and good soil.

So, if they can put it back, then they can go in and get the coal out. If they cannot do that, then they should not be able to go in there.

So, as I say, we take a different approach.

Mr. BAUMAN. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Chairman, today we are considering H.R. 2, the Surface Mining Control and Reclamation Act. As a cosponsor of this bill, I would like to take this opportunity to discuss the need for the legislation and to urge my colleagues to support it without adding weakening amendments.

President Carter's energy message last week made it clear that our Nation must increase its production and dependence on coal in the coming years. This resource represents over 90 percent of our total hydrocarbon energy reserve. Yet, in 1973, coal comprised only 18 percent of the Nation's energy supply. Petroleum and natural gas combined to produce approximately 77 percent of that demand. Since 1973, two of the major factors contributing to the decreased use of coal—the low prices of natural gas and imported crude oil—have changed drastically. Through the year 2000, coal will become an important source of fuel for the Nation.

However, surface coal mining involves the degradation of vast tracts of land. It has increased the acidity of lakes and rivers, altered drainage patterns, and reduced water supplies. It has destroyed prime hardwood forests and wildlife habitats, degraded productive farmland, and contributed to recurent landslides.

With some exceptions, there has been little effort on the part of coal operators to restore these areas. Although some 34 States have enacted laws regulating surface coal mining, these have proven to be generally ineffective in bringing about the necessary reclamation of these lands. Most States are not inclined to impose tough standards on their own industries and put local businesses at a competitive disadvantage. Thus, State laws vary greatly in stringency and enforcement, and some States enjoy an unfair competitive advantage by allowing poorly regulated strip mining to continue.

Unless we act now, prospects for improved land reclamation in the future are dim. A report issued by the Soil Conservation Service concerning the status of disturbed lands indicates that—

> The present concerns about energy, combined with the knowledge about our huge coal reserves will make it quite likely that the annual rate of land disturbance will be even greater . . .

H.R. 2 addresses this environmental issue by establishing minimum, uniform Federal regulations for coal production and reclamation. The bill requires mining companies to regrade the land to its approximate original contour and to meet reasonable standards regarding the restoration of water supplies. Of course these requirements will not eliminate environmental disturbances. They will, however, insure that each State makes at least a minimum effort to reclaim mined land. It is hoped that State regulatory authorities will strengthen the provisions and require additional measures to meet local conditions.

The expense of reclamation efforts required by H.R. 2 will not be prohibitive to the coal industry. A review of available data on profits of coal companies and coal operating companies reveals a tremendous increase in profits. Bituminous coal prices rose over 50 percent between 1969 and 1971, according to a report issued by the National Coal Association. Federal Power Commission figures show an almost 100 percent increase in coal prices paid by utilities between 1973 and 1974. These increases cannot be fully explained by increases in the cost of production, for unit labor cost increases are of much smaller magnitude than price increases. Employment and output since 1967 have remained relatively constant. Thus, price increases have been translated into profits.

Industry spokesmen have indicated that reclamation costs are economically acceptable. The cost of advanced reclamation techniques is small compared to the market value of coal—only 3 to 9 percent of the price of coal at the mine. A report presented by the Continental Oil Co., the Nation's second largest producer of coal, states that—

> * * * even taking the largest of these reclamation costs would add only two to three percent to the average residential electric bill.

The Committee on Interior and Insular Affairs reports that—

> The industry can absorb any increased costs of reclamation consistent with the standards of the Act.

Thus, the requirements of H.R. 2 will not create an economic burden for the coal industry.

The current energy crisis painfully illustrates that we as a Nation cannot afford to waste any of our resources. In an effort to excavate our coal reserves, we cannot, and need not, exploit our land and water assets. Our efforts to increase coal production must be accompanied by action to insure the constructive, long-term use of our valuable land and water reserves. In view of this fact, and in light of the economic feasibility of reclamation efforts, I urge my colleagues to support H.R. 2.

Mr. BAUMAN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Illinois (Mr. Michel) the majority whip.

Mr. MICHEL. Mr. Chairman, I favor the principles of conservation and environmental concern underlying H.R. 2, the Surface Mining Control and Reclamation Act of 1977.

Federal minimum standards for strip mining it seems to me are necessary and desirable. A total of 38 States have already recognized the merit and need for mining regulation and sound reclamations programs. In my home State of Illinois the dual goals of environmental protection and greater coal recovery are being balanced effectively. The results overall have been good. Good for the people of Illinois and good for the country.

The key word here is balance. Out of need, we have had to put a very high priority on energy resources. Out of concern for the quality of life of future generations, we have had to put a very high priority on the natural environment from which we draw our energy.

At the Federal level, it is absolutely essential that we maintain that delicate balance. We cannot have it both ways. We cannot have all the coal we need and at the same time have the kind of "absolutely pure" environment that special-interest groups demand.

The task of the Congress is to write legislation that caters neither to the interests of the coal industry or the absolutist environmentalists but, instead, to the interests of the American people. H.R. 2, in its present form, has a number of defects which are not in the best interests of all the people.

Specifically, it is overburdened with the kind of bureaucratic redtape which could threaten all that the bill is designed to achieve. I am concerned that provisions of the bill usurp the State's primary responsibility for the regulation of mining and reclamation activities. This legislation should foster and encourage a partnership in which the Federal Government provides assistance, funding and expertise, but not, I repeat not, a string of endless executive and administrative rules and regulations.

H.R. 2 also contains a provision that would allow litigation at all stages of the permit process thereby opening up any operator to costly and time-consuming legal harrassment. Our society simply cannot afford this kind of obstructionism when the stakes are so high.

In general terms, however, H.R. 2 is founded on the sound and justifiable concept that we can extract the minerals from the Earth and preserve the beauty and productivity of the natural environment at the same time. I applaud that concept.

As I said there are some provisions of H.R. 2 which fly in the face of that concept and I hope we can weed out those undesirable elements before taking final action on this bill.

There is one other concern I have, and that has to do with the proposal or amendment that would place a 5-year moratorium on the stripmining of coal on prime agricultural land. Such a moratorium could literally wipe out coal production in some parts of the country. A moratorium would be senseless, destructive and totally unjustifiable. Contrary to one line of thought, there is little a 5-year moratorium can teach us about the actual damage done to the productivity of prime agricultural land as a result of mining operations. We do know that with proper reclamation procedures, good farmland can be returned to productive use. We are making progress with reclamation because of public recognition that reclamation is necessary and highly beneficial. But to slap an arbitrary moratorium on mining operations to dramatize environmental concerns is ridiculous, especially at a time when our precious coal reserves are of equal importance to the well-being of our society.

Mr. BAUMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I rise in opposition to H.R. 2, not that I am against every provision of the bill, because I think there are some very good provisions, and I am convinced that a uniform national guideline is necessary to support a national energy policy.

But there are four areas in this bill which I find unacceptable, and I believe they would have an adverse effect on the production of coal, which is necessary to achieve energy independence by 1985.

First is the surface owners' consent provision. I am in favor of protecting the rights of surface owners. If their rights are not protected, there is little value in owning property.

But the problem here is that the subsurface is owned by all of the people, and coal is essential, and surface owners should not have veto power over the subsurface, especially when they knew at the time they purchased the land that they only owned the surface rights.

It is estimated that by giving them veto power, we could lose up to 8½ billion tons of coal.

H.R. 2 does not equitably solve this problem. If it can be established that substantial reserves exist and that a reasonable level of production can be achieved, the subsurface must be made accessible through a process of fair negotiations, a fair price, a reclamation program, and a reimbursement for any future crop losses, which the existing bill does not even attempt to establish.

Second, the alluvial valley floors and hydrologics provision is indeed important to protect our water supply, to protect possible farmlands, to avoid toxic mine drainage.

There needs to be more flexibility. Too many areas are being restricted which need not be restricted and that have no real water problems.

The definition of alluvial valley floors is questionable, and even members of the committee and their legal counsels are hard pressed to define what is and what is not an alluvial valley.

In Utah we could lose up to 50 million tons of coal production in one area because of this ambiguous definition.

As a general rule much of the bill contains ambiguous language. For example, in section 510(b)(5)(B), it states: "not adversely affect the quantity or quality of water." What does "adversely affect" mean? Who is to judge what adversely affects one area and not another?

Third, I believe the reclamation fee has not been well thought out nor correctly calculated. The bill calls for a fee of 35 cents a ton for strip-mined coal and 15 cents a ton for underground coal. And the money goes to abandoned and orphaned lands, most of which are in the East, when most of the future coal reserves are in the West.

And if that is not enough, the Secretary of Interior can determine where the money goes, and completely avoid the West, if in his discretion it seems advisable.

We are all aware that there are thousands of acres of land and miles of streams that have been left damaged by strip mining. We know that lack of reclamation requirements has caused problems. But the fact is that the fee is grossly too high. It is only fair and equitable that the fee not be excessive. It should only be the amount required to adequately reclaim these abandoned lands in a reasonable manner. And it is further equitable that at least 50 percent of the funds be retained by the States who produced the coal.

Fourth, and finally, the biggest question that should concern us all is whether this bill will increase coal production or decrease production. And I believe it is fairly accurate to assume, based on the various studies made, that this bill would reduce the production of coal and increase unemployment.

The ICF study, which cost us $200,000, said very plainly that in Appalachia the loss in 1978 could exceed 54 million tons, and the surface owners consent provision could make as much as 8½ billion tons of known coal reserves unaccessible, and that the alluvial valley floor provision could remove 211 million tons from production, and in so doing eliminate thousands of jobs.

I will not make an issue of the fact that the ICF study was tampered with to lessen its impact, but as long as the possibility exists of less production, and the study says it does, we should not move ahead with this bill unless that situation is corrected.

Therefore, I urge the defeat of H.R. 2 at this time in hopes that we can come up with a bill which will fairly address these problems.

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. KREBS), a member of the committee.

Mr. KREBS. Mr. Chairman, it is rather difficult in 2 minutes to cover a subject as comprehensive as the one before us. I would like, however, to pay particular tribute as I stand here to the distinguished chairman of this committee. It has been said by some speakers who preceded me that this legislation has been before us on a number of occasions before. This is indeed factual. If it had not been for the tenacity, for the fairness, and for the constant attempts to achieve a reasonable balance in this legislation by the distinguished chairman of this committee, generations to follow would have asked with much justification how we could have permitted a situation to exist for so long that this legislation finally will cure.

We are, indeed, on the dawn of a new era. No longer will we be able to waste our limited energy resources as we have been accustomed to in the past. I think the timing of this legislation is, indeed, perfect. It comes on the heels of the President's address only about 8 days ago when he beseeched this Congress and, indeed, the Nation to start on the new era, to which I have alluded. I think this legislation represents a first step in this new approach to our energy problems. I think we would be deluding ourselves if we assume for only 1 minute that the conversion to coal from the other energy sources that we have been accustomed to is going to be easy. There are still some very serious environmental impacts that will result from the utilization of coal even with the adoption of this legislation, but I appreciate the work of our chairman and the work of those who have made this legislation possible.

Mr. Chairman, I urge all of the Members to vote in favor of this legislation.

Mr. UDALL. I yield 1 minute to the gentleman from Louisiana (Mr. HUCKABY).

Mr. HUCKABY. Mr. Chairman, I rise in support of H.R. 2. I think it is significant that Members of this body should realize that the coal output of this Nation has not significantly expanded in the last 3 years and we should ask why, for the demands have been going up in the past and they are going to go up astronomically in the next 3 years and in the next 10 years.

Why have they not expanded? It is because a cloud of mystery has been hanging over the industry as to what will happen and what rules they will have to live by and what they will be required to do. Industry has not expanded its commitment to the surface mining industry.

I have worked many long hours with representatives from industry in helping to get amendments to this bill that would make it more acceptable to them.

I commend our distinguished chairman. He has had a very open mind and certainly he is devoted to producing an energy policy for this country but he has given great concessions and I think on the whole we have a balanced bill here.

Mr. UDALL. I yield 1 minute to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I rise in strong support of H.R. 2. We think it deserves the strong support of this body. H.R. 2 represents a cogent response to what our energy needs are in this century and what our energy needs are in the seventies and eighties just ahead.

I commend the gentleman from Arizona (Mr. UDALL) for his devotion to this issue.

The bill provides minimum standards where they do not exist today and translates into specific actions a solid framework within which coal can be mined and utilized. It establishes realistic mechanisms for reviewing of coal mining and strip mining.

It requires the coal mining ventures to state in black and white what they are going to do in pursuit of mining this resource. It sets down a plan for utilization of the resource now and continued utilization of the land once the strip mining has occurred.

Mr. UDALL. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, I feel I may make the chairman seem like a flaming moderate because I think he has been only too fair.

With only 10 percent of our coal reserves being strip mineable coal it seems we could be far tougher on strip mining and not harm the coal mining industry or our energy policy of increased coal production at all.

In the future I hope the committee will not let its interest in strip mining die. I hope we will have to come back in future years as we gain experience with this act with tougher amendments.

I would like to make one further condemning observation about the bill. It is a poorly written bill. I feel sorry, frankly, for the small coal operator who will have to wade through the unreadable language of this bill. We will need to give time and attention to cleaning up the language in this bill so as to give the people who mine the coal fair, readable notice of what is required of them.

Section 501 of the bill states in part: "Such regulations, which shall be concise and written in plain, understandable language shall be promulgated and published. . . ." It is too bad that the bill itself does not take its own advice. The regulations that will be drafted to implement this bill will necessarily be only as "concise", "plain" and "understandable" as the congressional language under which they are promulgated.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I have the greatest respect for the opponents of this measure and for many of their arguments in opposition. For many of the same reasons that they oppose this bill I support it. They say it will cause delay and expense and result in less coal mining.

I think we need a national standard applicable to all lands to provide a level of certainty that the industry can rely on in making the decisions that will have to be made. We will have to have investments of millions of dollars to mine coal if we are going to achieve any energy policy at all.

Earlier in the debate mention was made of support of this legislation by Mr. Schlesinger, our energy Secretary. I would like to quote one paragraph from his letter:

> Years of controversy over this legislation have increased the uncertainties facing the coal industry and the prospects for relying on more coal in this country. One particular reason I am eager to see the bill pass is, finally to create a sense of certainty about the rules by which coal strip mining can take place.

I submit that while adjustments may have to be made to this legislation in the future, it is time, we got on with it and enact this long overdue bill.

Mr. BAUMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I thank the distinguished gentleman for yielding to me.

I commend the gentleman from Michigan (Mr. CARR) for his rather candid observation and appraisal of that section of this bill which deals with issuing of permits. The distinguished chairman of the Committee on the Interior and Insular Affairs in his appearance before the Rules Committee seeking a rule on this legislation acknowledged that it is an administrative nightmare and loosely written.

This bill, if it becomes law, is going to be a bonanza for lawyers because, quite frankly, it is going to precipitate an unlimited number of lawsuits in trying to determine what the committee meant.

Also, I think it is going to add needlessly to the cost of production of coal. Unfortunately, those small operators that have limited resources simply will not be able to follow the procedures that have been vaguely written into the bill.

The distinguished chairman of the Committee on the Interior stated earlier that if this bill becomes law it will not result in unemployment but, in fact, will result in increased employment. This is a rather interesting argument and it seems to me one has to strain his sense of reasoning to come to that conclusion. It certainly smacks of what the so-called ICF report concludes, and I refer respectfully to the minority views in the committee report. I would refer the chairman of the Committee on the Interior and others to the testimony before the committee, when the Commissioner of Employment of the Commonwealth of Virginia, when the Director of the Department of Taxation who studied this bill very carefully, concluded, in fact, that it would result in substantial unemployment in the Commonwealth of Virginia and would result in rather substantial loss of revenue to the Commonwealth of Virginia because of reduced production and because of loss of severance tax in the localities where coal is mined.

It just seems to me this bill puts into proper perspective the question: Is this Congress finally going to come to its senses and realize there are very few things that are absolute in this world? We are going to have to decide what our economic goals are in this country and particularly as it pertains to our ability to achieve energy independence and self-sufficiency on the one hand and what are achievable environmental goals on the other.

Quite candidly, in the bill before us we have not reached that goal of reasonableness and compromise. Adopting legislation like this, which is legislative overkill, and environmental extremism, is not the answer to the problem. As I indicated in my remarks in the discussion on the rule, it seems to me it is the height of inconsistency for the President of the United States to propose, on the one hand, that we increase the production of coal in this country by two-thirds by the year 1985, and then on the other hand to tell us he favors legislation like this, which unquestionably will make the production of coal more difficult and costly in this country.

Mr. BAUMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, I think it is important that we get this legislation passed. Many have said that this will stifle production. In fact, I think this will add to production, because we will, at least, establish the rules. We have to keep in mind that those who are contemplating opening coalfields need to know what kind of equipment to buy. Equipment decisions are affected by the kind of reclamation standards that will be applicable; so that by getting a Federal law to resolve this issue we insure there will be standards that people can measure the proposed mining operation by and, therefore, go forward in opening up new mining operations throughout this Nation, as well as expending the ones now in operation.

Second, I would like to say that the reclamation standards in the bill are good. They come up to the Ohio law. We have had excellent success with our law, as has been the case in the State of Pennsylvania.

I am somewhat concerned about some of the redtape involved in getting applications filed as provided in this bill. I would hope that the members of the conference committee, will give some thought to reducing the redtape. I say that because I have a concern that the smaller operators may be forced out of business by the impact of this bill. I think it is very important that we keep the small operators in business, because they provide the competitive edge that will result in lower prices for the consumer.

I think also that this brings the States in the Nation to an equalization in terms of the reclamation standards and removes the environmental competitive advantages of States that do not meet the standards such as required by Ohio.

I do hope that the committee will also look at section 508, paragraph (2) subsection (B), which speaks to the language of the capability of the land which reads as follows:

> (B) the capability of the land prior to any mining based on topography, vegetative cover, and, if applicable, a soil survey prepared pursuant to section 507(b)(16); and

This language in my judgment is ambiguous and needs a more precise standard.

The sections on cost sharing with the Soil Conservation Service are important to successful reclamation.

Likewise the abandoned mine reclamation fund provisions allowing a return to the States of up to 50 percent of the severance fees collected is a step in the right direction.

I testified before the committee urging a direct set off for State severance taxes to stimulate State efforts in reclamation. I hope if this bill passes that the conference committee will have an opportunity to enhance the State efforts in reclaiming abandoned mined lands.

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Chairman, first I want to commend the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL) for his hard and diligent work on this bill for the past 4 or 5 years. I have enjoyed my work with the committee and with my distinguished colleagues, some of whom represent coal mining districts and some of whom do not. I appreciate the fact that the gentleman from Michigan (Mr. CARR) and the gentleman from North Carolina (Mr. GUDGER) came to the State of West Virginia and viewed surface mining as we do it under West

Virginia laws, and as we will do it now under H.R. 2.

H.R. 2, in my opinion, establishes the minimum national guidelines that are necessary for bringing many of the neighboring States around West Virginia up to the tough standards under which we have been living. H.R. 2 establishes these minimum national guidelines at the same time it provides for reclamation of previously mined lands. The unfair competitive disadvantage coal producers in my State have faced over recent years, I believe, will be eliminated by the passage of this bill.

With regard to the concern I originally had for the small operator, I think the chairman and the members of the committee have been very reasonable and have taken this concern in mind in drafting this bill, in both the subcommittee and the full committee. There is 10 percent of the reclamation fund set aside for the small operator, one who produces 100,000 tons of coal or less per year, to help him meet some of these application requirements in H.R. 2.

In considering the law recently passed by the West Virginia Legislature, West Virginia has laws now on the books that are as stringent as H.R. 2. H.R. 2 takes this into consideration. It provides that States that do have tough laws, as stringent or more stringent than the Federal law, the responsibility will rest with the State.

I would like to take this opportunity to thank Chairman UDALL for visiting the State of West Virginia at my request so that the committee could observe the technique of the West Virginia reclamation program required by our State, and I would also like to commend the committee for its endeavors over the past 4 years in developing this legislation so that all States would be covered by national guidelines. The pictures of surface mining in West Virginia as included in the committee report on pages 98, 99, and 102 beautifully demonstrate the excellent job coal producers in West Virginia have done in returning land to approximate original contour.

Although West Virginia has a good law on reclamation procedures, I am well aware that many other coal-producing States have weak regulations on strip mining and therefore have an unfair advantage over coal producers in West Virginia.

Therefore, I will support this legislation because the purpose of this bill is to establish minimum national guidelines for regulating surface coal mining reclamation and surface impacts of underground mines, and it will encourage States to regulate mining in accordance with such standards and will establish a program for the reclamation of previously mined lands. Further, States will retain the right of enforcement and regulation when their laws are as tough or tougher than H.R. 2.

The State of West Virginia has already taken steps to insure that they are in compliance with H.R. 2 when it is passed and signed by the President.

The House of Delegates passed an amendment which will put the State of West Virginia in compliance with H.R. 2, therefore, there should be no Federal intervention in West Virginia as it relates to enforcement of surface mining regulations. In addition this amendment also eliminates all objections to the coal industry from an environmental standpoint because West Virginia will be in compliance with the Federal law.

In light of what has happened in West Virginia and other coal mining States, in recent weeks this legislation will provide the necessary laws and regulations to control and prevent spoil from inundating communities and disrupting lives.

H.R. 2 will protect the Nation's environment, while still providing the country with a much needed energy source, coal. This legislation will not conflict with President Carter's energy goal of increasing coal production by two-thirds.

Mr. BAUMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, in 2 minutes I can hardly begin to scratch the surface on the reasons why the Members of this House should vote against this bill today, but I would only point out that perhaps 20 years ago, or even 10 years ago, there might have been a need for strip mining legislation, but I would say that all of the sincere goals the people had, which were noble at the time, and are still noble, have been achieved over the present time.

I mentioned earlier during debate on the rule that a joint resolution was passed by the 44th Legislature of the State of Wyoming, a State that has a great deal of our coal. The State of Wyoming points out that pursuant to Wyoming statutes and other statutes, it has entered into a cooperative agreement with the U.S. Department of the Interior to provide that Wyoming will be principally responsible for the administration and enforcement of strip coal mining operations in the Federal coal leases. What this is saying is that we already have adequate protection for lands of the United States of America.

One of the primary reasons that this legislation is passing now is just to please the vanity of some of those who very sincerely have worked for the passage of this legislation, but I think most of the achievements have been accomplished.

The gentleman from Louisiana (Mr. HUCKABY) mentioned that coal production has not gone up, and I know that our good chairman makes the point that once this bill is passed, production will boom. I had the president of a large mining corporation tell me that they were not going to start mining coal with his big corporation until they knew exactly what the ground rules were. That makes the chairman's argument, but what we are doing is playing into the hands of the giant corporations in this country and cutting out the little guys, making it difficult for small people to get in and produce energy—that is not what I think is in the best interests of the country, particularly the consumers of energy.

I would say tonight that if this legislation passes, the celebrations will be held in Riyadh, Benghazi, Tripoli, Baghdad, Kuwait, Venezuela, the United Arab Emirates, and many other oil people will all be elated. They will say, "The Americans did it again; they are making it possible for us to raise prices on oil."

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. BAUMAN. I yield the gentleman 2 additional minutes.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I think the House is now following, if we pass this bill, a very consistent policy against energy production. We have created on the one hand an Ad Hoc Energy Committee. What we now appear to be doing is acting as an antienergy committee.

Mr. SYMMS. I thank the gentleman for his comments. I would just say, who is going to pay for this increased coal production and all this increased menagerie of restrictions?

It will be the consumers of electrical energy in this country. We are going to literally drive the price up, stop the small operators, put the coal production in the hands of a few giant corporations who have batteries of lawyers. And, as the minority views pointed out—I think the idea came originally from the gentleman from Maryland (Mr. BAUMAN)—this legislation is an energy-short citizen's nightmare, a bureaucrat's and a lawyer's dream. That is all this legislation is. I urge the defeat of the legislation, and I hope we have an opportunity later on in the day to show some of the reasons why the Members who vote against this will be voting for commonsense and a better environment for the people of this country, instead of for this ill-advised piece of legislation which will literally dim the lights of America.

Mr. BAUMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have listened very carefully throughout the munificent period of 60 minutes which we were granted by the Committee on Rules, and I have yet to hear one factual refutation of the presentation we made earlier, based on Government documents, which shows that this bill will not only increase the cost to consumers, it will significantly decrease the production of coal at a time when we are supposed to be increasing it, according to the President.

I honestly believe this is a triumph of environmental extremism not only over national needs but over simple logic.

If that is what the Congress wants to do, the American people will undoubtedly remember at some point in the future who has the responsibility for the damage the bill will do. They should be reminded that this bill will make utility rates highly expensive.

I hope the amending process provides a dose of sanity to this legislation. But I must confess that I find that doubtful.

Mr. UDALL. Mr. Chairman, I yield the remaining time to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, it seems like old times to be down here in the well debating the strip-mining bill again. Four times this House has, by overwhelming vote—in one case, only three short of overriding a veto—voted for a bill very, very similar to this one, except that this one has eliminated a lot of the problems that were brought up with respect to some of the earlier ones.

This is a brilliant committee report. All you have to do, if you want to see refutations of some of the charges that have been made on the other side, is to read the report. It is one of the finest committee reports I have ever seen in my years in Congress. This committee, in reporting out this bill, and the chairman, in shepherding it through, can count this a magnificent achievement. It is a well-written, well-conceived bill.

I would like to make a few specific points in refutation of some of the charges of the opponents. First of all, strip mining will remain under control of the States, so long as they meet the basic environmental standards in this bill. There is no question about that. That is the scheme of the bill.

The second point is that such standards are already in effect in several States and, in some cases, such as Pennsylvania, have been for over a decade. In those States, strip mining not only continues, but it is prospering.

If the Members want to see the figures, they can look on page 72 of the committee report and they will see that production is continuing there, even though the mining operators in those States are competing with other States which have very weak standards. If those operators can compete and still do the things that this bill says should be done to restore the land on steep slopes in mountain areas, et cetera, then certainly those in other States can compete too.

It is rather interesting that in some of the States, such as West Virginia and Kentucky, they have since tightened up their laws to impose standards comparable to those in this bill.

So hundreds of operators are continuing successfully to comply with those standards and stay in business. If you want to see further proof as to what they are doing, look at the pictures on pages 98 through 102 of the report.

Of course, constituents of the gentleman from Virginia (Mr. WAMPLER) who own and operate mining companies do not want this bill because they have to comply only with very weak standards. They want to go on competing with that advantage over coal operators from other States. I ask the Members, is that the way to get an intelligent land policy law?

We heard a lot of talk about unemployment and production losses today and also at the time President Ford vetoed the previous bill, which was very similar to this bill except much tougher. He tried to justify his veto with estimates showing projected production and job losses.

On the 15th of this month the GAO came out with an analysis of those claims. I have a copy here. It says that several methodological flaws existed in the administration's analysis, that unemployment was possibly overstated, and that there was no documentation as to the impact of existing State reclamation laws. It said that some of the production loss figures were based on a hurriedly conducted and undocumented telephone survey. Others were based on subjective engineering estimates with little or no documentation. Mr. Chairman, I invite the Members to read this GAO report.

The committee made a strenuous effort to streamline procedures, as suggested by the gentleman from Ohio (Mr. REGULA), to provide refined definitions and flexibility, and, indeed, to meet every constructive suggestion. Because we now have a President who has said he would sign the bill, we received constructive suggestions from the industry this time around and were able to adopt many of them and still protect the land and its population.

Now we have heard charges about locking up billions of tons of coal. On page 83 of the report it shows that the total reserve of high-grade coal in this country is 394 billion tons and the figure for low-grade reserves is 1.6 trillion tons. So when someone says that 6 billion tons from alluvial valley floors might not be mineable under this bill, they are talking about a tiny fraction of the total coal that is available for production in this country.

Mr. Chairman, this bill is a reasonable bill. It is one that protects the land and insures production. I urge its adoption.

Mr. McDADE. Mr. Chairman, I rise in support of H.R. 2, the Surface Mine Reclamation Act of 1977 and to urge its adoption by the House of Representatives.

Mr. Chairman, I am certain that the Members of this Congress who have been here for the past 5 years have heard all they need to know about strip mining in this country. There is little one can add to what has been a seemingly endless discussion of the pros and cons of this bill. This bill is, in essence, similar to bills which because of congressional inaction or Presidential veto have never been enacted into law. I am confident that such will not be the case here and that we can set about the task of defining for the first time what the minimum standards should be to mine coal in this country.

Mr. Chairman, this definition may be the strongest feature of H.R. 2 because I am certain that if we polled every Member of this House we would find objections to particular parts of the bill. Later I will offer an amendment to change what I consider to be its most unfortunate feature, the coal tax provisions of title IV. I hope the majority of Members here can support my amendment. I also earnestly hope that we will pass this bill and get on with the business of developing a national coal policy.

This bill is an important first step in the creation of such a national policy because without it we cannot possibly proceed to meet the goals of expanding coal production set forth by the President for a 65-percent expansion in production. It has been argued that rigorous environmental standards will inhibit production. That has not been the case in Pennsylvania where after enactment of our strip mine laws and our all surface mining laws production actually went up slightly. I am confident that this will be the case nationally.

This bill sets national standards which are more flexible than those under which we have been operating in Pennsylvania. We have proven that we can reclaim to approximate original contour, that we can reclaim lands mined on steep slopes, and that we can have a workable permit procedure that does not bog the operator down in needless details but lets him go about the business of mining coal. I am pleased that many of the standards we set in Pennsylvania are found as models in this bill and I am pleased that the committee solicited actively such a wide range of views from Pennsylvanians.

Mr. Chairman, I trust this bill will be the first step in getting our Nation toward the orderly development of our coal resources. It will not be an easy task. We are going to need manpower, we are going to need water, we are going to need major improvements in extraction technology to help us recover a greater percentage of the coal out of the ground. Unless the Government is willing to do these things, we are never going to maximize our coal production. I am deeply concerned that the administration's energy proposals did not specify how we are to achieve increased production. Subsequent meetings with the officials of the Interior Department and the Energy Research and Development Administration have proved equally fruitless in determining just how we are going to bring more coal on stream.

I trust that we will soon have passed this bill for the last time and that we can move ahead to the development of our coal resources.

Mr. KASTENMEIER. Mr. Chairman, for the fourth time in four successive Congresses, the House has the opportunity to endorse a piece of legislation which will begin a national policy to deal with one of the most insidious and exploitive practices that this Nation has had to endure. The congressional battle against strip mining has been a long, hard one. During the 92d Congress, the House passed a responsible regulatory measure. However, the Senate was not able to act and that bill died with the adjournment of that Congress. In the 93d Congress, both Houses passed a bill regulating surface mining only to have it pocket-vetoed by President Ford after the Congress had adjourned. In the 94th Congress, both Houses, once again passed a regulatory bill. This measure was successfully vetoed by President Ford.

Today, we are beginning consideration of another regulatory bill, H.R. 2, which I have cosponsored. This legislation presents us with yet one more opportunity to confront the strip-mining problem which has been crying out for Federal policy direction for decades. In passing H.R. 2, we can finally begin to put a halt to the present practice of allowing the indiscriminate raping of the land, in the name of profits, at the expense of the general welfare of the people of our Nation, at the expense of the integrity of the land, and at the expense of the quality of the waters.

H.R. 2 establishes a national policy for the regulation of the strip mining of coal and demonstrates a commitment to an environmentally acceptable method of mining surface coal deposits. This measure provides for a program of Federal and State cooperation to regulate strip mining and reclamation. The rights of surface landowners will be protected from strip mining, and an abandoned mine reclamation fund will be established to pay for the reclamation of abandoned strip-mined land. With the passage of this legislation, the Nation will be able to mine, in a responsible manner, its vast coal reserves which will enable us to meet our energy needs without destroying the land in the process.

Mr. Chairman, we have spent enough time over the past several years debating whether or not we should pass legislation regulating strip mining. We know that without regulations governing surface mining, the scars on the mountainsides and on the prairies will grow. In H.R. 2, there is the hope that the future will not be a repeat of the past. H.R. 2 contains some measure of justice for the people and the land that have been so abused by the evils of strip mining over the years. I strongly urge the House to pass H.R. 2.

Mr. McKAY. Mr. Chairman, I would like to place in the RECORD my qualified support of the Surface Mining Control and Reclamation Act of 1977, H.R. 2. I have been vitally interested in the surface mining bill for these several years it has been before the Congress. While I have never been in complete agreement with the bill, I have tried to work with the members of the House Interior and Insular Affairs Committee to improve many of its provisions.

This session I have worked with Chairman MORRIS UDALL to achieve an accommodation on the policy of surface mining in the national forest system.

Unlike most of the national forests in the eastern half of the country, there are some western national forest lands which are really not forests at all. The Forest Service administers thousands of acres of barren desert land in my State of Utah. There is no meritorious environmental need to exclude such areas from coal surface mining.

There are some 7 billion tons of potentially surface minable coal within the boundaries of the national forest system. The present language of H.R. 2 does not allow mining of all this coal but only so much as can be mined within carefully worded guidelines and restrictions.

The starting point of the committee language is the exclusion of all surface coal mining within the national forest system. Exceptions to this no strip-mining policy are allowed only when the following prerequisites occur:

First, the lands must be situated west of the 100th meridian or the Mississippi.

Second, the land must not have significant forest cover.

Third, there can be no significant recreational, timber, economic, or other values which may be incompatible with the surface mining operations, as such values are determined by the Secretary of the Interior.

Fourth, the Secretary of Agriculture must determine that such surface mining is in compliance with:

First. The Multiple-Use Sustained-Yield Act of 1960 and its regulations;

Second. The Federal Coal Leasing Amendments Act of 1975 which requires preparation of land management plans; and

Third. The National Forest Management Act of 1976 as it requires that land management plans comply with the National Environmental Policy Act of 1969.

Lastly, the bill entirely disallows surface mining operations within the boundaries of the beautiful and coal rich Custer National Forest.

In my opinion Mr. Speaker, the present language of section 522 is a well-thought-out, carefully worded compromise of the several interests involved with surface mining in the national forests.

H.R. 2 however, is a compromise measure and inevitably it has certain provisions I oppose. Specifically, I have supported an amendment to delete the tax on coal for the mine reclamation fund. In my opinion, this tax places upon the Western coal States the burden of paying for reclamation of lands orphaned years ago in the East. A better approach would be to fund the reclamation effort from Outer Continental Shelf lease revenues which have totaled over $3 billion per year.

On balance, I believe that H.R. 2 is a positive step toward proper management of coal as a mineral resource. Unless H.R. 2 is substantially modified on the House floor, my present intention is to vote in favor of its passage.

Mr. FRENZEL. Mr. Chairman, in the last three sessions of Congress we have considered legislation to establish a national policy on strip mining controls. All of the measures which we have discussed have been well motivated and had commendable goals. I have voted for the bills which passed in the last two sessions. However, I believe that today's bill, H.R. 2, is the most useful and reasonable proposal yet.

The need for a national policy is obvious. We now, as of May 15, have strict regulations on mining in Federal lands along with a myriad of differing requirements for operation on 38 producing States. If we are ever to reach the President's stated goal of raising production from a current level of 650 million tons to 1 billion, we must have a national standard. This is particularly important for the 2,300 small producers spread across the country who must comply with the present mass of conflicting regulations.

A number of substantial improvements have been made in this version of the bill. The interim regulations for mining and reclamation have been simplified and more thoroughly detailed. The permit system has greater flexibility and operates on the more reasonable schedule of 5 rather than 3 years. The citizen-suit provisions have been clarified, and the portions which struck terror into the hearts of even the most environmentally conscious producers have been stricken. Mountain-top removal, under specified conditions, is now permitted. The bureaucratic bonanza, formerly lurking in the regulations for alluvial valley floors, has been altered from "adversely affect" to "not materially damage." Surface-owner protections have also been clarified and the onerous permit burdens smoothed. All in all, some very useful improvements have been made.

By citing the improvements in the bill and measuring our progress over previous proposals, I do not mean to imply that this is perfect or even great legislation. It has a number of flaws. Some of which are quite serious.

Central to its problems is the bill's basic philosophy. This bill has been described as being "fraught with distrust." I must agree its authors impose massive congressional authority over the owners and operators, the States regulatory authorities and the Secretary of the Interior himself. Particularly representative of this "attitude" is the section dealing with violations of the regulations. If a State does not act on an unsubstantiated informant's report within 10 days, the Secretary shall, not may, send a Federal investigator to the site. This investigator may or may not have the informant with him and is himself subject to strenuous requirements. This philosophy seems to extend throughout the bill.

Three specific sections could be significantly improved. Section 601 provides for the designation of areas found to be unsuitable for the mining of minerals other than coal. This is absurd. We are not concerned here with sulfur mining in Florida or copper in Arizona. If we go beyond coal, then the ball should go back to committee. We could then draft forthright surface mining amendments to the 1872 act, rather than sniping from behind the protective skirts of the coal issue.

The abandoned mine reclamation fund is a neat idea but I am not convinced that we have sufficiently narrowed the shotgun approach of yesteryear. The provisions apply to all lands which were previously mined or were affected by such mining. The objective is to provide for the "protection, construction, or enhancement of public facilities such at utilities, roads, recreation and conservation facilities, and their use." The effect is to penalize unfairly the industry in general for the sins of a few, and to authorize the construction or utilization of almost anything for which any civic group or governmental body feels a current need.

The bill also strays from its stated intentions by creating certain standards for deep mining activities. The bill's provisions may be interpreted to require environmental inspectors underground, but it certainly states that digging will be monitored. The greatest problem faced by deep miners is in the shoring and construction of roof supports. The bill's requirement permitting no surface subsidence may rule out even the most careful of general support structures. All external evidence of the massive underground work must be eliminated. This is a tough provision and maybe worthy of passage but, again, it does not belong in a strip mining bill.

I will vote for amendments to modify these provisions and will also support other clarifications. However, I am pleased with the progress which the committee has made in H.R. 2. I shall vote for it and urge my colleagues to support it also.

The CHAIRMAN pro tempore. Pursuant to the rule, the Clerk will now read by titles the committee amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1977".

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TITLE I—STATEMENT OF FINDINGS AND POLICY

FINDINGS

SEC. 101. The Congress finds and declares that—

(a) extraction of coal and other minerals from the earth can be accomplished by various methods of mining, including surface mining;

(b) coal mining operations presently contribute significantly to the Nation's energy requirements; surface coal mining constitutes one method of extraction of the resource; the overwhelming percentage of the Nation's coal reserves can only be extracted by underground mining methods, and it is, therefore, essential to the national interest to insure the existence of an expanding and economically healthy underground coal mining industry;

(c) many surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural, and forestry purposes, by causing erosion and landslides, by contributing to floods, by polluting the water, by destroying fish and wildlife habitats, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property by degrading the quality of life in local communities, and by counteracting governmental programs and efforts to conserve soil, water, and other natural resources;

(d) the expansion of coal mining to meet the Nation's energy needs makes even more urgent the establishment of appropriate standards to minimize damage to the environment and to productivity of the soil and to protect the health and safety of the public;

(e) surface mining and reclamation technology are now developed so that effective and reasonable regulation of surface coal mining operations by the States and by the Federal Government in accordance with the requirements of this Act is an appropriate and necessary means to minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations;

(f) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

(g) surface mining and reclamation standards are essential in order to ensure that competition in interstate commerce among sellers of coal produced in different States will not be used to undermine the ability of the several States to impose and maintain adequate standards on coal mining operations within their borders;

(h) there are a substantial number of acres of land throughout major regions of the United States disturbed by surface and underground coal on which little or no reclamation was conducted, and the impacts from these unreclaimed lands impose social and economic costs on residents in nearby and adjoining areas as well as continuing to impair environmental quality;

(i) while there is a need to regulate surface mining operations for minerals other than coal, more data and analyses are needed to serve as a basis for effective and reasonable regulation of such operations;

(j) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner; and

(k) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to protect society and the environment from the adverse effects of surface coal mining operations and surface impacts of underground coal mining operations;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(c) assure that surface mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that surface coal mining operations are so conducted as to protect the environment;

(e) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(f) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being, is provided and strike a balance between protection of the environment and agricultural productivity and the Nation's need for coal as an essential source of energy;

(g) assist the States in developing and implementing a program to achieve the purposes of this Act;

(h) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public;

(i) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act;

(j) encourage the full utilization of coal resources through the development and application of underground extraction technologies;

(k) provide a means for development of the data and analyses necessary to establish effective and reasonable regulation of surface mining operations for other minerals;

(l) stimulate, sponsor, provide for and/or supplement present programs for the conduct research investigations, experiments, and demonstrations, in the exploration, extraction, processing, development, and production of minerals and the training of mineral engineers and scientists in the field of mining, minerals resources, and technology, and the establishment of an appropriate research and training center in various States; and

(m) wherever necessary, exercise the full reach of Federal constitutional powers to insure the protection of the public interest through effective control of surface coal mining operations.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Chairman, at this time, in order to accommodate a couple of our committee members who have time problems, I ask unanimous consent that the gentleman from California (Mr. LAGOMARSINO) be permitted, out of order, to offer an amendment to title VI of the bill, on pages 332 and 333.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Line 25, page 332, through line 4, page 333 in title VI, section 601(b), delete subsection (3) and substitute the following:

"(3) such mining operations on any Federal lands within the boundaries of any national forest would result in substantial irreversible damage to important historical or scientific values or natural systems, of more than local importance, or could unreasonably endanger human life and property."

Mr. LAGOMARSINO. Mr. Chairman, the language that I seek to amend; namely, subsection (3) of section 601(b) in title VI of this bill, relates to the designation of lands unsuitable for noncoal mining. It provides a procedure whereby the Secretary of Interior, under carefully prescribed conditions, may withdraw such lands from mining.

Although this language has been in every version of the bill that has come before the House since 1974, with one exception, and although it has passed the House on two occasions, only recently did it arouse any excitement or opposition or concern in the committee.

My colleague, the gentleman from Nevada (Mr. SANTINI), I think, made a very good point in committee concerning this provision. He pointed out that the language was overly broad. I agree, and I have, therefore, changed the language by the amendment in several significant ways.

No. 1, it would restrict the application of this subsection to certain lands within national forests rather than all national lands.

It would require the Secretary of the Interior to make a finding that mining "would" result in damage, rather than "could"; and it would require that such damage be substantial as well as irreversible.

It also deletes references to cultural or esthetic values.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I have studied the amendment; and it represents, in my judgment, a fair compromise of a difficult dispute between the gentleman from California (Mr. LAGOMARSINO) and the gentleman from Nevada (Mr. SANTINI), who is worried about this matter.

Therefore, Mr. Chairman, I urge that the amendment be adopted.

The CHAIRMAN pro tempore (Mr. BENNETT). The question is on the amendment offered by the gentleman from California (Mr. LAGOMARSINO).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there amendments to title I?

There being no amendments to title I, the Clerk will read title II.

The Clerk read as follows:

TITLE II—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 201. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall report directly to the Secretary and who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. Pursuant to section 5108, title 5, and after consultation with the Secretary, a majority of members of the Civil Service Commission shall determine the necessary number of positions in general schedule employees in grade 16, 17, and 18 to perform functions of this title and shall allocate such positions to the Secretary. The Director shall have the responsibilities provided under subsection (c) of this section and those duties and responsibilities relating to the functions of the Office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer the provisions of this Act. The Office may use, on a reimbursable basis when appropriate, employees of the Department and other Federal agencies to administer the provisions of this Act, providing that no legal authority, program, or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources or regulating the health and safety of miners under provisions of the Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742), shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations and reclaiming abandoned mines; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed material as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(3) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in title V of this Act;

(4) administer the program for the purchase and reclamation of abandoned and unreclaimed mined areas pursuant to title IV of this Act;

(5) administer the surface mining and reclamation research and demonstration project authority provided for in this Act;

(6) consult with other agencies of the Federal Government having expertise in the control and reclamation of surface mining operations and assist States, local governments, and other eligible agencies in the coordination of such programs;

(7) maintain a continuing study of surface mining and reclamation operations in the United States;

(8) develop and maintain an Information and Data Center on Surface Coal Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(9) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of the Act and, at the same time, reflect local requirements and local environmental and agricultural conditions;

(10) assist the States in developing objective scientific criteria and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of surface coal mining under section 522;

(11) monitor all Federal and State research programs dealing with coal extraction and use and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating adverse environmental and social impacts; and

(12) perform such other duties as may be provided by law and related to the purposes of this Act.

(d) The Director shall not use either permanently or temporarily any person charged with responsibility of inspecting coal mines under the Federal Coal Mine Health and Safety Act of 1969, unless he finds and publishes such finding in the Federal Register, that such activities would not interfere with such inspections under the 1969 Act.

(e) The Office shall be considered an independent Federal regulatory agency for the purposes of section 3502 and 3512 of title 44 of the United States Code.

(f) No employee of the Office or any other Federal employee performing any function or duty under this Act shall have a direct or indirect financial interest in underground or surface coal mining operations. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Director shall (1) within sixty days after enactment of this Act publish regulations, in accordance with section 553 of title 5, United States Code, to establish the methods by which the provisions of this subsection will be monitored and enforced, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this subsection and (2) report to the Congress as part of the annual report submitted under section 706 on the actions taken and not taken during the preceding calendar year under this subsection.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title II?

There being no amendments to title II, the Clerk read title III.

The Clerk read as follows:

TITLE III—STATE MINING AND MINERAL RESOURCES AND RESEARCH INSTITUTES

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

SEC. 301. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1978, $300,000 for fiscal year 1979, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, or center (hereinafter referred to as "institute") at one public college or university in the State which has in existence at the time of enactment of this title a school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction or which establishes such a school of mines, or division, or department subsequent to the enactment of this title and which school of mines, or division or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction wherein education and research in the minerals engineering fields are being carried out and wherein at least four full-time permanent faculty members are employed: *Provided*, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or mineral extraction, said advisory committee may allocate the State's allotment to one private college or university which it determines to have an eligible school of mines, or division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to: exploration; the extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other institutes.

RESEARCH FUNDS TO INSTITUTES

SEC. 302. (a) There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $15,000,000 in fiscal year 1978, said sum increased by $2,000,000 each fiscal year thereafter for six years, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses for purposes of:

(1) specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes, and

(2) research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project.

(c) The Secretary shall, insofar as it is practicable, utilize the facilities of institutes designated in section 301 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, and on the basis of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

(d) No grant shall be made under subsection (a) of this section except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

(e) No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction preservation, or repair of any building.

FUNDING CRITERIA

SEC. 303. (a) Sums available to institutes under the terms of sections 301 and 302 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title shall be available for expenses for research, investigations, experiments, and training conducted under authority of this title. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

SEC. 304. (a) The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 303(a) have been met as to each institute and State.

(c) The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reason therefor.

AUTONOMY

SEC. 305. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

MISCELLANEOUS PROVISIONS

SEC. 306. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources, of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work: *Provided*, That authority to make payments under this subsection shall be effective only to such extent or in such amounts as are provided in advance by appropriation Acts.

(d) No research, demonstration, or experiment shall be carried out under this Act by an institute financed by grants under this Act, unless all uses, products, processes, patents, and other developments resulting therefrom, with such exception or limitation, if any, as the Secretary may find necessary in the public interest, be available promptly to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent. There are authorized to be appropriated such sums as are necessary for the printing and publishing of the results of activities carried out by institutes under the provisions of this Act and for administrative planning and direction, but such appropriations shall not exceed $1,000,000 in any fiscal year: *Provided*, That no new budget authority is authorized to be appropriated for fiscal year 1977.

CENTER FOR CATALOGING

SEC. 307. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of Government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

SEC. 308. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research;

(b) identification and elimination of duplication and overlap between two or more agency programs;

(c) identification of technical needs in various mining and mineral resources research categories;

(d) recommendations with respect to allocation of technical effort among Federal agencies;

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort; and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

SEC. 309. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS–18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5, United States Code, be fully reimbursed for travel, subsistence, and related expenses.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title III?

There being no amendments to title III, the Clerk will read title IV.

The Clerk read as follows:

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) the reclamation fees levied under subsection (d) of this section: *Provided*, That an amount not to exceed 10 per centum of such reclamation fees collected for any calendar quarter shall be reserved beginning in the first calendar year in which the fee is imposed and continuing for the remainder of that fiscal year and for the period in which such fee is imposed by law, for the purpose of section 507(c), subject to appropriation pursuant to authorization under section 712 (b): *Provided further*, That not more than $10,000,000 shall be available for such purposes.

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 406, administration of the fund and enforcement and collection of the fee as specified in this section, implementation of a State program pursuant to section 404, acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 407, and for use under section 405, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Secretary of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitations: *Provided*, That no new budget authority is authorized to be appropriated for fiscal year 1977.

(d) All operators of coal mining operations subject to the provisions of this Act shall pay to the Secretary of the Interior, for deposit in the fund, a reclamation fee of 35 cents per ton of coal produced by surface coal mining and 15 cents per ton of coal produced by underground mining or 10 per centum of the value of the coal at the mine, as determined by the Secretary, whichever is less, except that the reclamation fee for lignite coal shall be at a rate of 5 per centum of the value of the coal at the mine, or 35 cents per ton, whichever is less. Such fee shall be paid no later than thirty days after the end of each calendar quarter beginning with the first calendar quarter occurring after January 1, 1977, and ending fifteen years after the date of enactment of this Act unless extended by an Act of Congress.

(e) Together with such reclamation fee, all operators of coal mine operations shall submit a statement of the amount of coal produced during the calendar quarter, the method of coal removal and the type of coal, the accuracy of which shall be sworn to by the operator and notarized.

(f) Any person, corporate officer, agent or director, on behalf of a coal mine operator, who knowingly makes any false statement, representation or certification, or knowingly fails to make any statement, representation or certification required in this section shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(g) Any portion of the reclamation fee not properly or promptly paid pursuant to this section shall be recoverable, with statutory interest, from coal mine operators in any court of competent jurisdiction.

(h) Up to 50 per centum of the funds on an annual basis derived from coal production in a State or Indian reservation may be allocated to the State from which the reclamation funds are derived by the Secretary of the Interior for the implementation of an approved State reclamation program pursuant to section 404: *Provided, however,* That if such funds have not been expended within three years after their allocation, they shall be available for expenditure in any eligible areas as determined by the Secretary. The balance of funds collected on an annual basis may be expended in any eligible area on a priority basis pursuant to section 402 at the discretion of the Secretary. Such funds may be expended directly or by making additional grants to approved State programs pursuant to section 404.

OBJECTIVES OF FUND

SEC. 402. The primary objective for the obligation of funds is the reclamation of areas affected by previous mining; but other objectives shall reflect the following priorities in the order stated:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation and conservation facilities and their use;

(d) the improvement of lands and water to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

SEC. 403. Lands eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws, except as provided for in section 407(c).

STATE RECLAMATION PROGRAMS

SEC. 404. (a) Each State having within its borders coal mined lands eligible for reclamation under this title, may submit to the Secretary a State Reclamation Plan and annual programs to carry out the purposes of this title.

(b) Each State Reclamation Plan shall generally identify the areas to be reclaimed, the purposes for which the reclamation is proposed, the relationship of the lands to be reclaimed and the proposed reclamation to surrounding areas, the specific criteria for ranking and identifying projects to be funded, and the legal authority and programmatic capability to perform such work in conformance with the provisions of this title.

(c) On an annual basis, each State having an approved State Reclamation Plan may submit to the Secretary an application for the support of the State program and implementation of specific reclamation projects. Such annual requests shall include such information that may be requested by the Secretary including:

(1) a general description of each proposed project;

(2) a priority evaluation of each proposed project;

(3) a statement of the estimated benefits in such terms as: number of acres restored, miles of stream improved, acres of surface lands protected from subsidence, population protected from subsidence, air pollution, hazards of mine and coal refuse disposal area fires;

(4) an estimate of the cost for each proposed project;

(5) in the case of proposed research and demonstration projects, a description of the specific techniques to be evaluated or objective to be attained; and

(6) an identification of lands or interest therein to be acquired and the estimated cost.

(d) The costs for each proposed project under this section shall include: actual construction costs, actual operation and maintenance costs of permanent facilities, planning and engineering costs, construction inspection costs, and other necessary administrative expenses.

(e) Upon approval of State Reclamation Program by the Secretary and the surface mine regulatory program pursuant to section 503, the Secretary shall grant, on an annual basis, funds to be expended in such State pursuant to section 401(h) and which are necessary to implement the annual reclamation program as approved by the Secretary.

(f) The Secretary, through his designated agents, will monitor the progress and quality of the program.

(g) The Secretary shall require annual and other reports as may be necessary to be submitted by each State administering reclamation projects with funds provided under this title. Such reports shall include that information which the Secretary deems necessary to fulfill his responsibilities under this title.

RECLAMATION OF RURAL LANDS

SEC. 405. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years with landowners (including owners of water rights), residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in questioin therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and outdoor recreation resources, and agricultural productivity of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land use and conservation treatment set forth in the agreement. Grants made under this section, depending on the income-producing potential of the land after reclaiming, shall provide up to 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than one hundred and twenty acres of land occupied by such owner including water rights owners, resident, or tenant, or on not more than one hundred and twenty acres of land which has been purchased jointly by such landowners including water rights owners, residents, or tenants under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement; except the Secretary may reduce the matching cost share where he determines that (1) the main benefits to be derived from the project are related to improving off-site water quality, off-site esthetic values, or other off-site benefits, and (2) the matching share requirement would place a burden on the landowner which would probably prevent him from participating in the program.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretray of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

SEC. 406. (a)(1) The Congress declares that the reclamation and, if necessary, acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes for the purposes of this title reclamation and, if necessary, acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so reclaimed or acquired as an open space or for recreation, or to resell, if acquired, the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, lease or otherwise, land, or any easement, license or other interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(3) Within six months after the completion of any work to abate pollution caused by past coal mining operations herein contemplated on any privately owned surface property, the Secretary, or the appropriate regulatory authority pursuant to an approved State program, shall itemize the moneys so expended and may file a statement thereof in the appropriate county courthouse office for the filing of documents in the county in which the land lies if the moneys so expended shall result in a significant increase in the property value. Such statement shall constitute a lien upon the said land as of the date of the expenditure of the moneys and shall have priority as a lien second only to the lien of real estate taxes imposed upon said land. The lien shall not exceed an amount determined, by the Secretary or appropriate regulatory authority to be the increase in the market value of the land as a result of the corrections of the conditions immediately prior to reclamation and the lien shall extend only to that portion of the premises directly involved in the work of the Secretary pursuant to this Act.

(4) If the Secretary, or the appropriate regulatory authority pursuant to an approved State program, makes a finding of fact that (1) a mine fire, refuse bank fire, stream pollution, or subsidence resulting from coal mining operations is at a stage where, in the public interest, immediate action should be taken; and (2) the owner or owners of the property upon which entry must be made to combat the mine fire, refuse bank fire, stream pollution, or subsidence resulting from coal mining operations, are not known, are not readily available, or will not give permission for the Secretary, political subdivisions of the State or municipalities, their agents, employees, or contractors to enter upon such premises, then, upon giving notice by mail to the owner or owners, if known, or if not known, by posting notice upon the premises and advertising in a newspaper of general circulation in the area in which the land lies, the Secretary, political subdivision of the State or municipalities, their agents, employees, or contractors shall have a right to enter upon the premises and any other land in order to have access to the premises to combat the mine fire, refuse bank fire, stream pollution, or subsidence resulting from coal mining operations and do all things necessary and expedient to do so. Such entry shall not be construed as an act of condemnation of property or of trespass thereof. The moneys expended for such work and the benefits accruing to any such premises entered upon shall be chargeable against such lands and shall mitigate or offset any claim in or any action brought by any owner of any interest in such premises for any alleged damages by virtue of such entry: Provided, however, That this provision is not intended to create new rights of action or eliminate existing immunities.

(5) States are encouraged as part of their approved State programs, to reclaim abandoned and unreclaimed mined lands within their boundaries and, if necessary, to acquire or to transfer such lands to the Secretary or the appropriate State regulatory authority under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands to be reclaimed or acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal or State department or agency which can assist him in the development or implementation of the reclamation program required under this title.

(7) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in their unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the funds.

(8) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such other regulations as he may promulgate to insure that such lands are put to proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(9) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(10) Where lands acquired pursuant to this title are located adjacent to or within the boundaries of any unit of the National Forest System, National Park System, or National Wildlife Refuge System, the Secretary may upon the request of the head of the Federal department or agency having jurisdiction over the unit, and after hearings described in paragraph (9) of this subsection, transfer such land if title in fee to that department or agency for administration. Such land shall thereafter be administered as part of and subject to the laws, rules, and regulations applicable to the unit.

(11) The Secretary shall utilize all available data and information on reclamation needs and measures, including the data and information developed by the Corps of Engineers in conducting the National Strip Mine Study authorized by section 233 of the Flood Control Act of 1970. In connection therewith the Secretary may call on the Secretary of the Army, acting through the Chief of Engineers, to assist him in conducting, operating, or managing reclamation facilities and projects, including demonstration facilities and projects conducted by the Secretary pursuant to this section.

(b)(1) The Secretary is authorized to construct those public facilities that are a necessary and integral part of a reclamation project or State reclamation program meeting the objectives stated in section 402.

(2) Expenditures under this subsection shall be limited to those reclamation projects which are for public use, are located entirely on public lands, and will remain in public ownership after completion.

FILLING VOIDS AND SEALING TUNNELS

SEC. 407. (a) The Congress declares that voids, and open and abandoned tunnels, shafts, and entryways resulting from any previous mining operation, constitute a hazard to the public health or safety and that surface impacts of any underground or surface mining operation may degrade the environment. The Secretary, at the request of the Governor of any State, or the chairman of any tribe, is authorized to fill such voids, seal such abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the Secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment.

(b) Funds available for use in carrying out the purpose of this section shall be limited to those funds which must be expended in the respective States or Indian reservations under the provisions of section 401(h).

(c) The Secretary may make expenditures and carry out the purposes of this section without regard to provisions of section 403 in such States or Indian reservations where requests are made by the Governor or tribal chairman and only after all reclamation with respect to abandoned coal lands or coal development impacts have been met, except for those reclamation projects relating to the protection of the public health or safety.

(d) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(e) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 408. Not later than January 1, 1978, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TRANSFER OF FUNDS

SEC. 409. The Secretary of the Interior may transfer funds to other appropriate Federal agencies, in order to carry out the reclamation activities authorized by this title.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. STEERS

Mr. STEERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEERS: Page 208, line 20, amend title IV, section 403 to read:

ELIGIBLE LANDS AND WATER

SEC. 403. Lands and water eligible for reclamation or drainage abatement expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws, except as provided for in section 407(c).

Mr. STEERS. Mr. Chairman, I am offering a clarifying amendment, I think it could be fairly said, to title IV, section 403, for the purpose of clearly authorizing expenditures of the abandoned mine reclamation fund created under title IV for abandoned mine drainage abatement projects.

Mr. Chairman, despite the language of the amendment as read, the amendment actually only adds five words to the bill. It makes clear that when the word "land" is used, it is to include water as well. Drainage from abandoned mines degrades thousands of miles of our Nation's streams, lakes, and other bodies of water.

Mr. Chairman, a 1969 report by the Appalachian Regional Commission found that approximately 10,000 miles of streams are adversely affected. In Maryland alone, the North Branch of the Potomac River—"the Nation's river"—and the mainstream of the Youghiogheny River, a proposed national wild river, both are degraded by mine drainage pollutants from abandoned coal mines. These pollutants are acid, sediment, sulfates, and iron. The single most significant pollutant is acid.

In addition, the Susquehanna and Allegheny Rivers, and the Monongahela and Delaware River Basins have experienced similar problems from acid waters from abandoned mines.

Title IV authorizes the collection of 15 cents per ton of deep mined coal as well as 35 cents per ton of surface mined coal. Acid mine drainage is the greatest adverse environmental affect of abandoned deep mines. It seems appropriate and equitable to authorize abandoned mine drainage abatement expenditures from title IV funds.

Several States have initiated abandoned mine drainage abatement programs. This is good economics because the costs of acid drainage to industrial, municipal, and navigational water users are significant. For example, the acid corrodes equipment, requires special water treatment, and kills fish and other aquatic life. In order for State programs to be successful, Federal financial participation is required to solve this pollution problem. In addition to my State of Maryland, West Virginia, Ohio, Pennsylvania, the other States in the Appalachian Region—as well as States that are faced with the problems of abandoned mine seepage—would benefit from this proposal. No State would suffer any loss of funds due to this amendment, rather it would provide greater flexibility to State programs.

The amendment to title IV which I offer is intended to clearly establish that the restoration of waters affected by abandoned mine drainage is an objective for the obligation of title IV funds.

Maryland has strong reclamation laws, but would still benefit from this bill and this amendment according to the Maryland Secretary of the Department of Natural Resources.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. STEERS. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the intent of the reclamation program has always been not only to finance the cleaning up of the land, but the cleaning up of waters. Acid mine drainage is a very serious problem.

Mr. Chairman, the gentleman's amendment simply makes explicit what has always been implicit in the section he refers to, and I believe the amendment ought to be adopted.

Mr. BAUMAN. Mr. Chairman, if the gentleman from Maryland would yield, do I understand that this amendment was requested by the Maryland Secretary of Natural Resources?

Mr. STEERS. Yes, it was.

Mr. BAUMAN. We certainly would accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. STEERS).

The amendment was agreed to.

Mr. UDALL. Mr. Chairman, we were moving a little fast a moment ago and a member of the committee, the gentleman from Pennsylvania (Mr. MURPHY) had an amendment to title III which the gentleman had intended to offer. Would it be in order for me to ask unanimous consent that we return to title III in order that the gentleman from Pennsylvania may offer the amendment? If so, I would ask unanimous consent to do so.

The CHAIRMAN pro tempore (Mr. BENNETT). It there objection to the request of the gentleman from Arizona?

Mr. SYMMS. Mr. Chairman, reserving the right to object, and I do so for the purpose of trying to find out what this amendment is all about.

Further, while I am making my reservation of objection, I would like to ask the chairman of the committee, the gentleman from Arizona (Mr. UDALL) about title III, with respect to the State mining portion of this bill. It is my understanding that this section is not in the legislation before the other body. I understand, through personal conversation with the Secretary of the Interior that the Secretary agrees with that position, being against funding the mining schools. I was hoping that we could have it on record that this body would stand firm to retain title III.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I stand firm on title III. I would hope the gentleman from Idaho will join me on the conference committee so that we can have a real strong title III and keep this in the bill.

Mr. MURPHY of Pennsylvania. Mr. Chairman, if the gentleman from Idaho will yield, on page 201 I would add an additional paragraph, subparagraph (e) which would require the State regulatory agency to bring about a program for the certification of those persons who would use explosives in strip mining. The rationale for this being that persons who use explosives are affecting the general public, and to other users of State highways, presenting hazards and affecting the safety of the traveling public. I believe there should be some certification of those people.

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

AMENDMENT OFFERED BY MR. M'DADE

Mr. McDADE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDADE: Page 205, strike out lines 4 through 14 and insert in lieu thereof the following new paragraph:

(3) amounts authorized to be appropriated under subsection (d) of this section: *Provided*, That an amount not to exceed 10 per centum of such amounts shall be reserved beginning in the first fiscal year in which such amounts are so authorized to be appropriated and continuing for the remainder of that fiscal year, for the purpose of section 507(c), subject to appropriation pursuant to authorization under section 712(b): *Provided further*, That not more than $10,000,000 shall be available for such purposes.

Page 206, strike out line 5 and all that follows through line 18, and insert in lieu thereof the following new subsection:

(d) There are authorized to be appropriated out of the sums deposited in the Treasury of the United States as miscellaneous receipts under section 9 of the Outer Continental Shelf Lands Act such amounts as are necessary to make the amount of the fund not less than $300,000,000 for the fiscal year ending September 30, 1978, and for the fiscal years 1979 and 1980. Amounts appropriated under this subsection shall remain in the fund until expended.

Page 206, line 19, strike out "Together

with such reclamation fee, all" and insert in lieu thereof "All".

Page 207, strike out lines 6 through 9 and, on line 10, strike out "(h)" and insert in lieu thereof "(g)".

Mr. McDADE (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I would ask the gentleman from Pennsylvania (Mr. McDade) whether this deals with the reallocation of funds from the Outer Continental Shelf lands?

Mr. McDADE. It does.

Mr. BAUMAN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania (Mr. McDade) to dispense with further reading of the amendment?

There was no objection.

Mr. McDADE. Mr. Chairman, I am offering an amendment to the abandoned mine reclamation fund which will eliminate completely the coal tax imposed by the committee bill.

My amendment will fund the reclamation trust through a direct appropriation of $300 million in Outer Continental Shelf leasing receipts.

Mr. Chairman, it is critical to mining States like Pennsylvania that we restore orphaned lands as quickly as possible. Our landscape is degraded by burning refuse banks, our waters are polluted by acid drainage, and rural and urban dwellers alike are continually plagued by subsidence. If another alternative were not available to pay for reclamation of these abandoned mine lands I would willingly support the committee proposal. But another infinitely more desirable alternative is available—the alternative offered in my amendment.

My major objection to the tax on coal is that it places the entire burden of abandoned mine reclamation not on the coal industry, but primarily on one class of consumers, those who utilize coal-generated electricity. I say "primarily" because there is one other consumer class who will pay this tax—those who heat their homes with coal. They are inevitably among our lowest income groups. Many elderly living on fixed incomes—and they will pay this tax twice, once for electricity and again for space heating. My amendment avoids the imposition of a new energy tax on consumers or anyone else. The committee report clearly indicated that the Federal Government has the obligation to repair the lands which fueled this Nation's industrial growth and the large thermal generating plants of the past decade. Why should consumers in States generating electricity by coal be forced to pay for the mining practices of the past? The reclamation tax forces one class of consumers to foot the entire bill for past mistakes.

Data on electrical generation by State in 1975 indicates that 11 States rely on coal for more than 75 percent of their electricity. Eleven additional States require coal for half or more of their electricity. With the President's expressed intention of increasing coal production by 65 percent and phasing out oil and gas, electrical generation consumers in additional States will also be included in this class paying for abandoned mine reclamation. Nonetheless, this burden is not shared equitably. In 1975 there were 24 States which utilized coal for less than 25 percent of their electricity. Thirteen of these States used no coal. Consumers in these regions will not share in the cost of abandoned mine reclamation.

If anyone truly believes these taxes will compel the coal industry to pay for its past mining practices, they are sadly mistaken and unfamiliar with the industry's history. Coal producers will pass on every charge we levy to their consumers.

Mr. Chairman, we have proposals before us which would impose excise taxes on oil and gasoline. These taxes are defended in the name of conservation. Yet today the majority of the committee recommends another tax, on our Nation's most abundant fuel resources. May I remind this body that only last Congress it said 3 cents tax on a gallon of gasoline was too much. We are looking today at a proposal which will cost consumers of electricity millions of dollars in the first year it is imposed.

Average figures compiled on tons of coal burned for electricity in 1975 indicate in that year alone consumers in my State of Pennsylvania would have paid $9.5 million in this new energy tax. Ohio electricity consumers: $12.3 million; West Virginia electricity consumers: $6.7 million; Indiana electricity consumers: $7.1 million; Illinois consumers: $8.4 million, and so on. New FPC data for 1976 indicates that coal generation of electricity increased more than 9 percent.

The committee report says the impact on the consumer will be minimal. Yet estimates prepared for my office by the Congressional Research Service based on current electricity usage indicate the cost to consumers in coal burning States may be up 1½ to more than 4 times greater than the committee estimate. I submit we should not impose this tax on the consumer when there is an alternative.

Some Members have argued that OCS receipts are not the proper source for reclaiming orphaned mine lands. I disagree. There is nothing sacred about OCS receipts. Already this year the House approved increases totaling $450 million for the land and water conservation fund in 1978 and 1979. Presently the balance of unearmarked OCS revenues are paid into and appropriated from General Treasury receipts for programs unrelated to our energy needs. My amendment directs a small portion of this balance into a program urgently needed to maintain our energy production. Additionally, land and water reclamation is certainly as meaningful a use of the receipts as land and water conservation.

There is some concern that the OCS revenues may not actually reach their projected fiscal year 1978 level of $3.4 billion and that this will impact on the stability of the reclamation fund. Presently, slightly more than $1 billion of the receipts are earmarked for land and water conservation and historic preservation. Should projected receipts drop as much as $1 billion there would still be a balance of close to $900 million, three times as much as my amendment calls for.

Finally, utilization of OCS receipts assures a stable and maximized effort at abandoned mine reclamation. While committee report estimates are that reclamation will cost $7 to $10 billion there is significant disagreement over this estimate. Data provided by the Bureau of Mines early this year demonstrates that costs could rise to $24 billion. Based on current estimates of coal production it will not be until 1981 that the coal tax revenues approach anywhere near the Bureau of Mines estimates of funding necessary to administer an aggressive reclamation program. My amendment puts maximum usable resources to work immediately on reclamation.

I urge the Congress to adopt my amendment and reject another tax on energy resources.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. McDade) has expired.

(By unanimous consent, Mr. McDade was allowed to proceed for 1 additional minute.)

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, why is it the gentleman would want to take money out of the Treasury to do this when actually it was the coal industry itself which caused these scars?

Mr. McDADE. It is absolutely true we had a bad ethic about coal. We are trying to cure that today in a way, I say to my friend, that uses the people's resources. This is all oil that belongs to the people, the oil on the Outer Continental Shelf, which is publicly owned land.

Mr. DENT. Mr. Chairman, I rise in support of the amendment. I do want it to be known that Pennsylvania is going to support this legislation to the fullest because we have had the most experience of the entire country in this matter. The first reclamation bill, the first strip-mining bill was passed in my State in 1947 and I happened to be a sponsor of it.

But we had many trials and errors. The biggest problem we have is reclamation of deep mine scars and gob piles and slag and stripping operations.

Now stripping operations in Pennsylvania are not to be compared with the stripping operations we have at this moment and which will increase in the future in the large land areas, the large operations. We operate in an entirely different manner and Members will hear about it later on from some of the Members from Pennsylvania about how we operate. But this I want the Members to know.

We discovered the serious problems and I believe the cost of reclamation ought to be given very serious consideration. Does anyone on the committee know how we paid for the reclamation of damages already done before we put the law into effect since the bill has been put in effect and since the law has been the law in Pennsylvania? I will tell the Members how we have done it. We passed a bond issue of $500 million in the State of Pennsylvania to pay for the land reclamation, to clean up our areas that were destroyed in the early days, because we knew that we could not possibly charge this generation of operators for the damage that was done in the past by the big operators who stripped and mined the virgin coal of Pennsylvania. We have only the smaller tracts there and it is a very difficult job to compete in that State with large mining in the newer coalfields.

We are going to protest very bitterly at having a 15-cent tax on deep mining, for instance, and a 35-cent tax on stripping for reclamation that we have already financed by the taxpayers of Pennsylvania, in order to give our operators a chance to compete in the open market. I do not think we ought to do that. I do not believe we ought to do that. We ought to leave that in the hands of the States as far as reclamation. They ought to have the courage to tax those who are stripping their land. But as far as those who are paying for it every day in Pennsylvania already, how can we say in good conscience that Pennsylvania ought to be taxed and ought to pay into this fund for reclamation for other States?

The first complaint that we have to work with and work against is this proposition. I think we have to realize this is a matter that takes a lot of time and study in each State how to best cope with it. Every State, you will find, will have a very different problem. There will be some similarities, but there will be enough difference that the States themselves will have to come to a conclusion how to reclaim their land.

We have gone even further to pay for our black lung in Pennsylvania, for our occupational diseases that come out of the mines, black lung and all the diseases. We charge 27 percent of the gross payroll in that State. I want to tell this House that we believe we have the very best obtainable law with the scientific knowledge we have on what to do in coal mining, both deep and strip.

I say to my good chairman, and I have before my eyes today the 2½-inch headline in the largest Pennsylvania paper in which the gentleman from Arizona (Mr. Udall) is quoted as saying that Pennsylvania law is adequate for the U.S. law; so Mr. Udall leave us alone in this task. If we are taking care of it, if we are paying it, why should we not be exempt? If they want to continue that in the rest of the country, I have no objection. They can put it in Wyoming or Montana or whatever; but I have an objection to it applying this feature in the State of Pennsylvania, when we are paying for it already.

I beg of this House to give consideration to the State of Pennsylvania in this matter, because we do not have that kind of mining. If we can get a 100-acre plot for stripmining, if we can get that much, that is considered a very good-sized operation. We buy it at 20 acres at a time or 15 acres at a time because of the high cost we have. We put up a $5,000 bond to pay grantee reclamation. This is not a cheap operation. We do not have the large amount of money or use the kind of equipment they can use in the West. We use smaller equipment. Some operators have three trucks, one clam shell, one shovel, and one bulldozer. That is an operation in Pennsylvania.

The CHAIRMAN pro tempore (Mr. Bennett). Does the gentleman from Maryland insist on his reservation of a point of order?

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of a point of order.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, there is no better Member in the Congress than the gentleman from Pennsylvania (Mr. McDade). The gentleman has supported us every time we have tried to get strip mining reclamation. There is a bill to reclaim the sins of the past in the State of Pennsylvania. The only question is how do we finance it. I do not have much quarrel with the gentleman's proposal. The gentleman has offered it every time we have been here and the gentleman's arguments have been vehement and persuasive to a lot of people; but we have now reached a point three times around the track where we have made a treaty between the House and the Senate on this in the way we have written it in the bill, the way we finance it with a reclamation fee, we have worked out a rather tenuous agreement between the Western and the Eastern States on how to spend it. I think the arrangement we have is a better one. We thought and others for the States of Texas and Louisiana, which furnished a lot of revenue to the OCS fund, they did not see, as the gentleman from Texas (Mr. Kazen) said, why that fund should be prorated to those in Pennsylvania. So I hope we stay with the bill. It has been at least three times around the track. We think it is a better proposal than the one by the gentleman from Pennsylvania (Mr. McDade).

Let me say one thing with regard to what the gentleman from Pennsylvania (Mr. Dent) said a moment ago. The impression is created that Pennsylvania will not be a net gainer, the way we have written the bill. The fact is that the Appalachian States, including Pennsylvania, will get their share of funds, as well as others, when we put the fee on the mining per ton and we immediately give back to the State of Montana 50 percent of the proceeds, which means that Pennsylvania, being one of the largest coal mining States, their chunk will be a big chunk. The other 50 percent is taken by the Secretary of the Interior and put anyplace in the country where there is damage, where there is a lot of damage in the last 50 years in Appalachia, not in Montana or Wyoming where they are just getting into strip mining.

The old damage is in the Eastern States, so the gentleman is going to get a double dip in Pennsylvania and probably get a lot more out of this than the coal production in the State puts into it. For these reasons, I would hope that the amendment will be defeated kindly. We will smile as we do it, because Joe McDade is a fine fellow.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. DENT. I am not being a fine fellow. I just want to say to the gentleman that we have already spent hundreds of millions of dollars reclaiming those old scars. The gentleman flew over Pennsylvania, and he saw darn few old scars in Pennsylvania. So, that second dip is not what the gentleman promises it will be. He ought to return all the money to Pennsylvania, because they have done it already and are paying the bill.

Mr. UDALL. There is enough to do in Pennsylvania to keep them busy for the next 10 or 15 years with acid mine drainage, as well as old orphan lands, mine fires, mine waste bank reclamation, and subsidence. There is plenty to be done in the gentleman's great State. We want to give him some assistance. I do not care if the gentleman wants to vote for the McDade amendment. That is one way to finish it up, but the Senate is not going to take it and we run a very great risk of losing the whole reclamation program.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think it would be helpful if we would all look at page 76 of the committee report, which shows the status of land disrupted by coal surface mining in the United States and needing reclamation, as of January 1, 1974, by States. As to the State of Pennsylvania, it shows 159,000 acres—which is more than any other State in the United States by far. It is twice as much as Missouri, which is the second largest in terms of the amount of area disturbed.

It seems to me that Pennsylvania is going to be a net gainer in terms of this fund, as the chairman has pointed out.

I would also like to invite the Members' attention to page 81 of the committee report. What has happened to the price of coal in the last few years? In October 1973, the price of coal averaged 42 cents per 1 million Btu's—41.9 cents, to be exact. In October 1974, it rose to 81 cents per million Btu's, or almost double. In October 1976, it was 87 cents per million Btu's.

Did the cost of mining the coal go up comparably during that period of time? No; the cost has risen less than 30 percent. What happened, as one can see from the same table, is that the price of oil has more than doubled. The price of coal rose because of increased demand and because the cost of competing energy, namely oil, rose.

The CHAIRMAN pro tempore (Mr. Bennett). The time of the gentleman from Arizona has expired.

(By unanimous consent Mr. Udall was allowed to proceed for 2 additional minutes.)

Mr. DENT. Will the gentleman tell me what the price of coal is in Pennsylvania today?

Mr. SEIBERLING. I have not got that information.

Mr. DENT. It is $13 a ton, against $56 a ton a year ago. They paid five times as much for it last year. They are still mining that coal. Let us get the facts straight.

Mr. SEIBERLING. And the price is going up again, is it not?

Mr. DENT. It is on oranges in California, but what has that got to do with it?

Mr. SEIBERLING. It has a great deal to do with it, because the point I am making is that the price of coal is not being determined by the cost of production, but by supply and demand in the marketplace. The addition of the reclamation fee to the cost of producing coal is not going to come out of the consumers of coal, but out of the coal operators.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield.

Mr. DENT. In this economy of ours, the price always depends on demand, always; not on the cost of production.

Mr. SEIBERLING. That is precisely the point I am making.

Mr. UDALL. Mr. Chairman, I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. McDade).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 22; noes 32.

Mr. McDADE. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN pro tempore. Are there further amendments to title IV?

AMENDMENTS OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer two amendments to this title, and I ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. Udall: Page 207, line 12, insert "or Indian reservation" after "State".

Page 211, after line 5, add the following new subsection:

(h) As used in this section, the term "State" includes an Indian reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. BAUMAN. Mr. Chairman, reserving the right to object. we do not have copies of the amendments. The amendments have been fluttering down here like snow, and it would be very helpful if we could have the amendments or a shovel.

Mr. UDALL. Mr. Chairman, I thought they were distributed. I do not think there will be any conflict on them.

Mr. BAUMAN. Mr. Chairman, I am sure the gentleman will forgive any natural suspicion I have.

Mr. UDALL. It is unlike the gentleman, but I will forgive him.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Chairman, under the reclamation program, a State which sets up a program to reclaim land in its own State can administer that program and receive funds out of the reclamation fund.

Mr. Chairman, a question has arisen in committee many times about how we treat Indian reservations. In most of the versions of this bill, we included Indian reservations and treated them like States so that they could have Indian reservation reclamation programs. In preparing the bill this time around, in several rewrites we left out Indian reservations. All these two amendments do is make it possible for the Indian reservation to apply and get an approved program and be treated like a State in handling the reclamation of lands in their State.

Mr. Chairman, I would ask that the amendments be adopted.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Arizona (Mr. Udall).

The amendments were agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title IV?

AMENDMENTS OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, on behalf of the gentleman from Kansas (Mr. Skubitz) I offer amendments to title IV, and I ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. Bauman: Page 204, line 15 after the word "abandoned" and before the word "mine" insert the word "coal".

Page 204, line 16 after the word "abandoned" and before the word "mine" insert the word "coal".

Page 204, line 19 after the word "abandoned" and before the word "mine" insert the word "coal".

Page 208, line 3 after the word "previous" and before the beginning of the word "mining" insert the word "coal".

Page 211, line 9 after the word "reclaimed" and before the word "mined" insert the word "coal".

Page 211, line 10 after the word "unreclaimed" insert the word "coal".

Page 211, line 11 after the word "by" and before the word "mining" insert the word "coal".

Page 215, line 10 after the word "unreclaimed" and before the word "mined" insert the word "coal".

Page 215, line 14 after the word "from" and before the word "mined" insert the word "coal".

Page 216, line 1 after the word "surface" and before the word "mining" insert the word "coal".

Page 222, line 11 after the word "previous" and before the word "mining" insert the word "coal".

Page 222, line 18 after the word "surface" and before the word "mines" insert the word "coal".

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BAUMAN. Mr. Chairman, I am offering these amendments on behalf of the ranking minority member of the committee, the gentleman from Kansas (Mr. Skubitz) who, unfortunately, suffers from the worst possible malady a politician could endure, laryngitis, and he is unable to speak. And since the gentleman from Maryland is rarely speechless, I would explain to the committee that throughout these hearings the gentleman from Kansas (Mr. Skubitz) expressed a very strong concern about the fact that the reclamation fees that will be imposed upon coal by this bill also can be used to reclaim lands that are not scarred or in any way defiled in the past by the mining of coal but by mining other minerals. It is his feeling that we should confine the use of funds that all of the users of coal will pay for to the reclamation of coal lands alone. The net effect of these amendments is to confine the use of funds in the reclamation process for the reclamation of coal lands only.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is some logic behind what the gentleman from Kansas (Mr. Skubitz) says, and I hate to oppose him. However, we have a basic treaty between the Eastern coal States and the Western coal States. This amendment would upset that arrangement.

What the gentleman from Kansas (Mr. Skubitz) says is "Let's not take the money we get per ton of coal and take it out and use it to repair damages done by an old gold mine or a lead mine or some other type of mine other than a coal mine."

The problem we have with that is this: As coal mining develops, much of it is going to take place in New Mexico, Arizona, Wyoming, and Colorado, in States which do not have the damage they have sustained in Pennsylvania. They do not have the history of coal mining over the last 40 or 50 years that the East has had.

So the Governors and the Congressmen from those Western States say, "Why should you tax our coal and take this money and put it where the coal damage is in Eastern States, in Appalachia?"

So we made a compromise with them. We said, "Look, in Colorado, if you have finished up reclaiming all the damages done by old coal mines—and you may have some—then you can take your 50 percent share of these funds and repair damages done by silver mines, lead mines, and other types of mines which have caused damage to your States."

Old mines represent a very real health problem and a very real safety problem in the Western States. They represent in some of our areas a drainage problem.

Mr. Chairman, this simply gives the Western States which will be contributing great sums of money to this fund an opportunity to use their funds to repair damage done by these other types of mining. We have a fairly well balanced treaty between the Eastern States and the Western States, and this amendment would upset that arrangement.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the committee chairman for yielding.

I think this is the second time today—maybe it is the second time ever—that I have agreed with the gentleman, and I compliment him for his position.

Mr. UDALL. Mr. Chairman, I thank the gentleman. If the gentleman is in agreement with me, perhaps it is possible that I should reexamine my position.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I want to compliment the gentleman from Arizona for his statement. He has stated exactly the case with these old abandoned mines that we have in Colorado. In many cases they are contaminating our streams and our land, and we simply cannot deal with the problem.

This provision, I think, will provide some help, and I support the gentleman's position.

Mr. UDALL. Mr. Chairman, I ask that the amendment be defeated.

Mr. SKUBITZ. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, a few moments ago the gentleman from Arizona (Mr. UDALL) said that 50 percent of the reclamation fee that is raised in any State mining coal will go to that State.

Here we have a bill that allegedly is to reclaim orphaned coal lands. We are going to give 50 percent of the reclamation fee to States like Montana, which has 300 acres of orphaned coal land, and Colorado, which has 4,000 acres of orphaned coal land, and Wyoming with 3,078 acres.

After they take care of the orphaned coal lands, then they can use the funds to seal up an old gold mine, a silver mine, a copper mine, or what have you.

Unfortunately, there is a provision in this bill that also allows these States to use reclamation funds not only to seal gold mines, copper mines, and coal mines, but also—after that has been done the moneys can be used to build public facilities—schools, water plants, hospitals.

Mr. Chairman, that was not the purpose of this bill at all. The purpose of this bill is to reclaim orphaned coal lands, and that is what it ought to do and nothing else.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, in the old bill of 2 years ago, at one point we had the use of that money for public facilities, but that provision is not in here. We cannot use it for schools and things like that.

Mr. SKUBITZ. Mr. Chairman, if my colleague will turn to page 208, he will find this language in the statement of objectives:

> The primary objective for the obligation of funds is the reclamation of areas affected by previous mining; but other objectives shall reflect the following priorities in the order stated:

In part (c) "the protection, construction, or enhancement of public facilities such as utilities, roads, recreation and conservation facilities," and so forth.

That was the major point that was raised by my colleagues from Montana and Wyoming. They argued that these extra moneys were needed to build facilities in the towns rather than charge it to the taxpayers that might move into the area. The rest of us all paid taxes when industry moved to our area and public utilities were needed. We were happy to do so. We voted bonds to take care of our schools, we voted bonds to take care of recreation, and to build hospitals.

Mr. Chairman, the coal we are talking about here is not actually the coal of the Western States. It is coal that belongs to the Federal Government. You own it, I own it, the 210 million people in this country own it.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to respond to what the gentleman from Kansas (Mr. SKUBITZ) has said. First of all, while that is the list of priorities as set forth on page 208 of the bill, those are priorities that relate to reclamation operations and the land that is being reclaimed and that money cannot be used generally for such facilities anywhere in the State.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, that is correct. That is the very point I am making. What I wanted to do was to make it very clear that the gentlemen from the West felt they needed this land in order to take care of facilities around the area where coal was being mined.

I submit that that is not the purpose of a reclamation tax, to take care of orphaned lands, lands that were mined in the past.

Mr. Chairman, I urge adoption of the amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to make the legislative history very clear.

In this bill in the last Congress we did have a provision at one point that would have given the Western States money for schools and hospitals and for general impact purposes.

Mr. Chairman, this is on page 170 of the report. We received this through the Pennsylvania procedure. If Pennsylvania reclaims an area, it makes a park out of it. If one wants to have rest facilities in that park or roads to get to that park or picnic facilities relating to that park, then it can be supported for that purpose.

Mr. Chairman, if the language is not clear in the bill itself, I am sure it can be cleared up in conference.

The purpose or the intention of the committee is as stated on page 170 of the analysis.

Mr. SEIBERLING. Mr. Chairman, I would like to point out further that on page 221, at the bottom of the page, subsection (b)(1), it reads as follows:

> The Secretary is authorized to construct those public facilities that are a necessary and integral part of a reclamation project or State reclamation program meeting the objectives stated in section 402.

It then goes on to say, on page 222:

> Expenditures under this subsection shall be limited to those reclamation projects which are for public use, are located entirely on public lands, and will remain in public ownership after completion.

Mr. Chairman, I was 100 percent in accord with the effort of the gentleman from Kansas, which succeeded in taking out the provisions that allowed any of this money to be used for development on private lands. I completely agreed with him. But suppose they go ahead and reclaim an area abandoned, and then they want to put a lake, a park, or a picnic ground or something on it. It does not make any sense to say one cannot use the money for the purpose of putting in a lake or a gravel road or some launching ramps or a picnic site on the reclaimed land.

What we are saying is that after they regrade and reclaim these areas, if someone wants to put in these additional things they must be on public land. And in so doing the priorities set forth in the section 402 have to be followed.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, what does public ownership mean? Is it not this land that is owned by the city or by the county or by the State? Are those not public lands? Then if they are, cannot someone build a public utility on public land when actually the land belongs to the city or some other branch of government?

Mr. SEIBERLING. To answer the question, I am not the chairman of the committee, but as the author of a great deal of this section, I would say that if a public utility owns a piece of land, that makes it private land, as far as the intent of this bill is concerned.

We are talking about reclaimed land that was injured by mining and that is still in the ownership of a government agency such as a local government, a school district, the State, or a park district.

Mr. SKUBITZ. Mr. Chairman, if the gentleman will yield further, when I submitted this amendment in committee, the amendment was accepted. Something happened between 4 o'clock in the afternoon and noon the next day, when it was taken out.

Mr. SEIBERLING. I accepted the gentleman's original amendment, but when we took a close look at its language, we found that it went a lot further than many of those that supported it thought. The evidence of that is the very fact that the committee voted to make the changes the gentleman from Kansas is referring to.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Let me say, Mr. Chairman, that we have safeguards built into this bill to take care of the problem the gentleman from Kansas refers to.

The bill states that the Secretary may have the discretion and that the funds may be allotted at the discretion of the Secretary for the implementation of an approved State reclamation program, pursuant to section 404. That is a safeguard.

I would ask: Is it bad to clean up the old gold mines that are such a hazard, or to clean up the old uranium mines? I think not.

Further, is it bad to protect the health and safety of the people? Is it bad to protect the environment from continued degradation and to conserve our land and water resources?

That is what we could use the funds for. I do not think that is bad in those areas, in view of the fact that they are going to turn the lands in Wyoming and Montana upside down through strip mining in order to get this coal.

Mr. Chairman, the people of Montana are very protective of their environment and the quality of life we have there. What the gentleman from Kansas proposes to do is divert all of the funds from the coal that will be mined in Montana to reclaim only the abandoned coal mined areas in the East. I think we in Montana will be willing to help reclaim those lands, because we recognize the importance of our land.

But we must object to what could be an almost total embargo on those funds. In the Western States we have contributed to the mineral wealth of this Nation. In Montana alone we have approximately 26,000 acres of mined lands of which very few are from coal mining. Yet, these lands, whether mined for copper, uranium or gold, are polluting the streams, and creating the same hazards as are coal lands in the East and Midwest.

Gentlemen, my State, along with Wyoming, will soon produce an unproportionate share of the coal needed to solve the Nation's energy problems. We will have to bear the dislocations of that mining. It will take money to solve the problems as development of coal is increased.

In addition, we fought this problem in both the subcommittee and full committee. My colleague, Mr. SKUBITZ, wonders out loud what happened in subcommittee after he succeeded in having the 50-percent provision for allocation to the States removed. What happened is that the members of the subcommittee recognized the merits of returning up to 50 percent to the individual States. I know because I worked directly with many of them after voting against his committee proposal.

Mr. Chairman, we need to defeat this amendment, because it would be most inequitable to States like Montana and Wyoming which will be producing much of the coal. This fund needs to have balance between the States so that all areas can support the worthy concept of reclamation and all States can move forward with reclaiming the lands that have been damaged by whatever kind of mining.

We have all made mistakes in the past. We need not make another here today by struggling to gain disproportionate advantages for our separate States.

I can assure the Members that we in Montana wish to preserve the beauty and productivity of our State for our citizens and for the many visitors who will come there in the future. If this amendment passes, Montana will lack the funds to get on with the job.

I urge the defeat of the amendment.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. SKUBITZ. Mr. Chairman, will the gentleman from Virginia yield?

Mr. WAMPLER. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, let me say to my colleague, Mr. MARLENEE that I certainly agree that we ought to reclaim the old gold mines and do the other things he mentions but the cost should not be charged to the reclamation fund. The reclamation fees should be used to reclaim orphaned coal lands and nothing else.

Mr. WAMPLER. Mr. Chairman, I wonder if I might have the attention of the chairman of the legislative committee, the gentleman from Arizona (Mr. UDALL).

Mr. Chairman, do I understand under the present language of the bill, not including the proposed amendment by the gentleman from Kansas (Mr. SKUBITZ), can we use funds from the reclamation trust fund to build a school? Specifically, can we or can we not?

Mr. UDALL. If the gentleman will yield, the answer is no.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to have the attention of the gentleman from Arizona (Mr. UDALL).

Is it not true that the people who use the electricity produced from this coal are going to be paying the reclamation fund?

Further, is it not true that the amendment offered by the gentleman from Kansas (Mr. SKUBITZ) would preclude, then, the reclamation of some mines, say, the gold mines, or some other kind of mines that existed 100 years ago when they were not actually taking care of the land and when some of the past mistakes occurred, but yet today, people, whether they have a coal mine or not, are still paying for it, and the gentleman is going to preclude them from reclaiming their coal mines.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, if the State of Kansas has any damaged or orphaned coal mines, 50 percent of the fund is available to the Secretary to help the areas that need it whether Kansas or anywhere else. Kansas gets its 50 percent share of the coal produced in Kansas. The other 50 percent is used wherever it is needed.

Mr. SYMMS. Or the Secretary can put it in a State where they mine no coal.

Mr. UDALL. The remaining 50 percent can be used by the Secretary wherever it is needed for coal mine damage, wherever the need is the greatest in the country. The only thing the 50 percent State's share can be used in that State for is not to the damaged gold mines and the copper mines but on the orphaned coal mines; the others can be assisted only after everything has been done for the coal mine areas.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. SEIBERLING. Mr. Chairman, if the gentleman would yield, I would like to say I believe the gentleman is thinking in terms of an earlier version of this bill, because we finally, in an effort to meet some of the objections the gentleman from Kansas raised, changed this language to say that up to 50 percent can be used by the State in which the coal is mined and the Secretary, in his discretion, may allocate the rest, which I think provides an additional degree of flexibility. He is worried, and I know what he is going to say. I am going to save his voice. He is worried that when we get to the Senate, the Senators will demand that we restore the language that says "50 percent" instead of "up to 50 percent." But let me assure the gentleman I will resist that as strongly as I can because I do not have any of these abandoned gold mines, unfortunately, in my part of the country. We have a lot of abandoned strip mines and coal lands. But, nevertheless, we have to recognize that some concession must be made to the States from which the coal on which the fee is paid is going to come.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I thank the gentleman for yielding.

The gentleman has stated my fear. My fear is when we first got this bill before our committee, it said that the Secretary "shall," and then when we struck the whole thing, it was supported by the committee. The next day the gentleman came forward with a little word "may" and said we will change "shall" to "may." There is not any doubt in my mind that when we get over to the Senate side we will find when we look at the fellows who will be the conferees over there, the one little word "may" will be changed back to "shall."

Mr. SEIBERLING. If the gentleman from Virginia will yield, I will say that if I am a conferee, I will assure the gentleman from Kansas that I will hold out as long as I can to keep the House position.

Mr. SKUBITZ. The gentleman from Ohio and I are not going to have much weight in that conference, I assure him.

Mr. MICHEL. Mr. Chairman, I move to strike the last word in order to ask a few questions of the distinguished chairman of the committee. The gentleman from Arizona is well aware that many of the States now have a severance tax upon coal. I would like to inquire of the gentleman as to whether or not the committee gave consideration to the possibility of encouraging the States to engage in this kind of tax? Within our own State of Illinois, for example, we could make the determination as to what to do with the moneys received as far as reclaiming old mines, or even restoration of current ones being mined.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

We debated this up and down and around several times, and we finally came to the conclusion that we ought to have one uniform national tax or fee, and that half of that ought to be available to the States that produced the coal so they will get back some of the benefit from carrying the burden. In addition, we did not think we should take a position one way or the other on a State severance tax. Montana has a 30-percent tax. They are bearing a very heavy burden out there, and they want the rest of the country to help them with the adjustment to becoming a major coal-producing area. If Illinois wants to do that, fine; Illinois will have that right.

Mr. MICHEL. If that is the case, then that which remains within the State, the balance of 50 percent, as I understand, would go to what—a national trust fund?

Mr. UDALL. If the gentleman will yield, it is a national fund, and the Secretary looks around the country and says, "Here is the worst damage, and here is what we are going to do."

Mr. MICHEL. That is what I want to ask the chairman. Who makes the specific determination of which State's damage is worse than another's, and how can they be absolutely sure that some of our really blighted mines of 15 or 20 years ago will qualify for their fair share of the national trust fund?

Mr. UDALL. The Secretary, I assume, would do like they do with the land and water conservation fund in the gentleman's State. Each community or area that thinks they have bad damage comes in with an application, and someone in the Secretary's office will sit down, just as the gentleman's Governor will have to, and look over the list of applications and say, "Here are the worst ones."

We suggest in the bill and in the report that those that involve public health and safety ought to come first. If there is an old mine bank burning and endangering a town, we will go there before we repair something which is merely unsightly or unseemly. The health and safety areas would probably take top priority.

Mr. MICHEL. Would the gentleman be willing to venture beyond that primary criterion of health and safety as to what would be the next area of priority?

Mr. UDALL. If the gentleman will yield, production. If we can get agricultural production out of land, I suppose that would come next.

Mr. MICHEL. I am happy to hear the chairman say that, because the land to which I obviously refer is the black, rich soil of the flat Illinois prairie which was at one time producing corn, soybeans, and the like. Frankly, under today's new technology, I believe this land could very well be restored to some measure of productivity and at the same time eliminate that unseemly, blighted, scarred land.

The guidance for the Secretary is in the list of priorities on page 208 of the bill. The gentleman from Kansas (Mr. SKUBITZ) referred to these earlier. It begins with the protection of health or safety of the public, and then it goes down the line.

Mr. MICHEL. I thank the gentleman for his response.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Maryland (Mr. BAUMAN).

The amendments were rejected.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I have a second amendment which the gentleman from Kansas would like to offer and which I offer in his behalf.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: Section 401(h), page 207, line 10 delete the whole subsection through line 24 on page 207.

Mr. BAUMAN. Mr. Chairman, again in deference to the ranking minority member of the committee, this amendment is offered on his behalf. It has two objectives.

One is to allow the Secretary of Interior the maximum descretion in the allocation of this fund. Two, it is to insure that the intent of this committee to make these funds available to all of the States which have orphaned lands occasioned by previous coal mining not be frustrated merely by changing the word "may" to shall.

Section 401(h) as it is presently written does not add any additional dimension for the Western States. As a matter of fact, this provision could be construed to limit the Secretary of the Interior's authority to expend more than 50 percent of the revenues raised in that State for this purpose.

It would appear the only practical utility of section 401(h) is to give "lip service" to a mystical agreement with the western Representatives of a previous Congress. Much of the initial support for a surface strip mining bill was attracted primarily to enable us to respond to the need to reclaim the orphaned lands. If we allow these funds to be diluted by using them for other than coal mine orphaned lands or for other than reclamation purposes, we are not keeping faith with the intention of some of our early supporters.

Mr. UDALL. Mr. Chairman, this is simply another facet of what we have been debating in the last 15 minutes or so.

The amendment offered strikes the entitlement to 50 percent of the funds which would be knocked out of the bill and second it destroys the compromise I mentioned earlier. The Western States would have no reason to support a tax on their coal if all the money is going to go where the coal damage already is.

Mr. Chairman, I recommend a vote against the amendment.

Mr. SKUBITZ. Mr. Chairman, I rise in support of the amendment.

The gentleman from Arizona (Mr. UDALL) has pretty well stated the case regarding the amendment. What I am attempting to accomplish by striking the 50-percent clause is to let the Secretary determine how much to spend in reclaiming orphan lands and get them back into production and onto the tax rolls.

I am glad to see, however, that we are learning a lot about legislation and the legislative processes of this place. It is, in many ways, simply a case of wheeling and dealing rather than a logical analysis to determine if legislation is in the best interest of the country or proper thing to do. We decide to do this thing for this guy in order to get his vote and we do that thing for that guy to get his vote, rather than just doing what is in the best interest of the taxpayer. I suggest that is a sad state of affairs.

Mr. Chairman, it has been estimated that over a 10-year period—1977-78—the total fees collected under section 401(d) of this bill will approach $3 billion. However, General Graves with the Corps of Engineers, in testimony on February 16 of this year, stated that—

> The cost for measures to correct the problem on the 800,000 acres of derelict land distributed by surface and subsurface mines for coal, clay, phosphates, iron and copper is about $1.5 billion.

The estimates cited in the committee report are in the range of $9 to $15 billion. There seems to be some discrepancies here that should be explained to the Members of this body. Unless, of course, this range of a $15 billion is meant to include reclamation of lands occasioned by other than the coal mining industry.

Now, with regard to my major objection to this bill—the distribution of the reclamation fee. Section 401(h) relating to abandoned mine reclamation funds states, I quote from page 207, that up to 50 percent "of the funds on an annual basis derived from coal production in a State or Indian reservation may be allocated to the State from which the reclamation funds are derived by the Secretary of the Interior for the implementation of an approved State reclamation program pursuant to section 104."

Now, let me point out that the bill carries the word that up to 50 percent may be allocated—I want to point out to the committee that the bill initially provided that it "shall be allocated." Make no mistake, when we get into conference, the word "may" will be changed to "shall" making it mandatory for the Secretary to spend 50 percent in the States where the coal is mined.

Now, the fact is, most of this coal is going to be mined in the Western States—and those States have little or no "orphan lands" to be reclaimed. So, why should 50 percent of the reclamation fee be returned to that area? Well, this bill takes care of that in section 401(c) of the bill, page 205, we find that the funds can be used for—and I quote "for the * * * filling of voids and sealing of tunnels, shafts, and entryways under section 407."

Section 407 applies not only to abandoned coal mines but to any kind of tunnel or shaft, whether it be an abandoned gold, abandoned silver mine, or any kind of mine. I submit that the reclamation fees collected from coal should be used to reclaim "orphan coal lands" and not for any other purpose. Let those industries responsible for unreclaimed, shafts, tunnels, and so forth, take care of their own misdeeds. Do not place this burden on the coal industry. But that is not all, when you turn to section 402, page 208, titled "objectives of fund" we find this and I quote: "The primary objective for the obligation of funds is the reclamation of areas affected by previous mining, but other objectives shall reflect the following priorities in the order stated." One of the objectives stated pertinent to this section is: "The protection, construction, or enhancement of public facilities, such as utilities, roads, recreation and conservation facilities and their use."

Why should a reclamation fee on coal to reclaim abandoned coal land be used to build utilities, roads, and recreation at the expense of the consumer of coal?

It is not right. It is not fair. It is not just. It is not reasonable.

I question that 50 percent of these reclamation funds be directed to the Western States which have a minimal number of orphaned coal mined lands. I would like to point out to my colleagues the following areas in which the Federal Treasury is already providing considerable revenues for these States:

First. Public Law 94-579 titled "Federal Land Policy and Management Act of 1976," provides that—

> All money received from sales, bonuses, royalties, and rental of the public lands . . . shall be paid into the Treasury of the United States; 50 percent thereof shall be paid by the secretary each year to the State . . . within the boundaries of which the leased land or deposits are or were located; said moneys paid to any such States . . . to be used by such State and its subdivisions, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased . . . for (I) planning (II) construction and maintenance of public facilities, and (III) provisions of public service; . . .

In addition, States which qualify for the "payment in lieu of tax law"—Public Law 94-565—now receive additional payments from the Federal Treasury based on the mere existence of public laws within their boundaries that are not on the State tax rolls.

Finally, several States currently impose a significant per ton severance tax up to 30 percent of the value of the coal produced. This severance tax, coupled with Federal payments in lieu of taxes, and the increased payments from royalty receipts, should be more than adequate to cure social and economic problems in addition to degradation of lands caused by mineral industries other than coal.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, I would like to say to the gentleman, if I am understanding correctly, this amendment is the one that passed in the committee, not the previous one. I supported the gentleman in his amendment. I think it made sense.

The purpose of this title is reclamation. If we put the 50-percent more money in, that does not meet it, we subvert the title. I can understand the chairman having to compromise to try to get a bill through, but I think conceptually the gentleman is correct.

PERFECTING AMENDMENT OFFERED BY MR. MARRIOTT

Mr. MARRIOTT. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

> Perfecting amendment offered by Mr. MARRIOTT: Page 207, line 12, strike out "may be allocated" and insert in lieu thereof "shall be allocated".

Mr. MARRIOTT. Mr. Chairman, in a recent interview with General Graves of the Corps of Engineers, on February 16, 1977, he said that the cost of reclamation problems could be done with about $1.5 billion over a 15-year period. What this 35 cents reclamation fee will collect is $2.6 billion in 10 years and well over $3 billion in 15 years.

Therefore, I think that the 35 cents is excessive and, therefore, will submit that if we simply let the Federal Government take their 50 percent of the reclamation fee and send it to those States where they would like to send it, that would be adequate to solve the reclamation problems and the other 50 percent should remain with the States who produce the coal.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, actually, this will average out to about 20 cents a ton. If we are producing, as we are at the present time, about 700 million tons of coal a year, what we are talking about is $150 million a year.

We have according to the Bureau of Mines an estimate which they derived in working with the Corps of Engineers that to reclaim all the abandoned land and correct all the subsidence and the acid and mine drainage from old mines would cost in terms of 1977 dollars about $9 billion; so at the rate of $150 million a year, we are talking about many, many years, before they can even begin. Instead of 10 years, as the gentleman indicated, we are talking about something like 60 years to correct these conditions with this fund.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, my colleague, the gentleman from Ohio, talks about the amount of coal mining today. I thought we were going to increase production. If the figures given to me by the Bureau of Mines are correct, in 1977, we will produce about 390 million tons of coal. We will collect about $136 million in reclamation fees. That builds up, according to their forecast, to $233 million by 1987, which is the figure just given, for a total of over $2 billion. When we add the anthracite coal, it is $2,668 million.

The gentleman talks about a $9 to $15 billion reclamation program. That is true if we are going to add all the coal mines and copper mines: but the fact is when the Corps of Engineers man was there he said there was about 800,000 acres of orphan land that could be reclaimed with $1,500 million. Here we are talking about nearly $3 billion.

I am not going to support the gentleman on that basis, because I want to see the 35 cents go into this fund to take care of this problem. What I am objecting to all the way through here is to use the money that should go to orphan lands for other purposes.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, the orphan lands are only one part of the problem. This fund is also to be used for acid and mine drainage, not only in strip mines, but underground mines, and for correcting the subsidence problem. That is where the biggest expense is going to lie. That is where the $9 billion came from. Even at 1 billion tons a year, which is what the President set as a goal, which will be perhaps 10 years from now, we would have $250 million a year in 1976 dollars.

Remember, it is still not going to be in terms of dollar amounts, but costs undoubtedly will increase, so it will take generations at this rate to clean up the problem.

The CHAIRMAN. The time of the gentleman from Utah has expired.

(At the request of Mr. SKUBITZ, and by unanimous consent, Mr. MARRIOTT was allowed to proceed for 1 additional minute.)

Mr. MARRIOTT. Mr. Chairman, look at what the reclamation cost will be at 35 cents, which is an arbitrary figure, until the $2 billion phases out, until the West gets its fair share of the money; they will be producing the coal over the next 50 years and if we have to go beyond the 50 percent for the Government, we should try to raise that some other way.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield further?

Mr. MARRIOTT. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I will read to my colleague what the general said:

> The cost measure to correct the problem of the 800,000 acres of derelict land disturbed by surface and subsurface mining of coal, clay, sulfates, iron and copper, is about $1,500 million.

That is not just for surface mines, it takes in all the other mines which are covered.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Utah (Mr. MARRIOTT).

The question was taken; and on a division (demanded by Mr. MARRIOTT) there were—ayes 15; noes 3.

So the perfecting amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 9; noes 24.

So the amendment was rejected.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I direct some questions to my colleague from Arizona, the chairman of the committee. I have to confess that there is some confusion on my part here, and I hope we can clarify this matter. I am concerned about subsidence. It is a problem in my district in southern Illinois, and it is going to be a greater problem.

I submitted an amendment and discussed it with the chairman of the committee. He indicated that he would oppose the amendment, which would have had the effect of an additional 1 cent fund for subsidence, and a fund specifically to be used for subsidence problems. As I read the act, the Secretary, under section 407, can reclaim surface impacts of underground or surface mines so that the Secretary can act. Then, when I look at what the States can do, I see that the States can protect from subsidence on page 210, section 404. But, it does not say what they can do after the subsidence takes place.

Then, there is a second part of the question, and I say this having come from a caucus of the Budget Committee, where we have a few problems also, but as I see the question, and in my brief conversation with the members of the staff, even if this protection from subsidence can be viewed as the impact from subsidence, yet funds cannot be used.

For example, for a school building in my district where there is a huge crack in the building and we want to get that fixed, it is a poor school district and they cannot get insurance.

Mr. UDALL. Let me take up the gentleman's questions in order. In the first place, I want to make the record clear. This is a broad gage fund. This is designed to help overcome all the devastations and different kinds of surface damages from underground mining. Those include subsidence, acid waste drainage, waste bank fires, the whole range of kinds of things, and not just going out and planting trees and putting topsoil back on.

With respect to the second point, we have found that time after time people want to get more and more into this fund. We had the people out West a few moments ago trying to get us to build schools, hospitals, roads, front end impact money. We had to draw a line.

What we are saying is that if we repair damage for the subsidence, cut back underground, do whatever is needed so that we do not have further subsidence, we do not think we ought to go beyond that to build the school for the gentleman. I recognize it is a serious problem, but we will set a precedent if we open the door here.

Mr. SIMON. So, again to clarify, the fund can fix the land, but it cannot repair the school?

Mr. UDALL. That is correct.

Mr. SIMON. So that those of us who feel that we ought to be repairing schools—and I see my colleague from Indiana who, if he has not had problems already, soon will be—those of us who feel something like this ought to be done will have to amend the act sometime in the future if it passes in its present form.

Mr. UDALL. Yes. And I did not think it would drain too much from the major purposes, which are to reclaim the land. This is a land reclamation program. If there were some excess, or enough of them in the fund to take care of these things. I am for education, too, and I would like to help.

Mr. SIMON. If this bill passes and is signed by the President, I may be back to the gentleman's committee for an amendment to the act.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from Arizona whether this legislation affects in any way the rights of owners of mineral rights situated below land owned by the Federal Government. In other words, where someone has sold to the Federal Government the surface rights, but yet they have retained the mineral rights, will they be allowed to strip mine? Will they be allowed to drill?

Mr. UDALL. Mr. Chairman, we attempt to deal, in title VII of this bill, with this whole problem of surface-owner consent. There are cases in which private people own the land and the Government owns the coal underneath. There may be a few instances where that is reversed, where the Government owns the land and the private people own the coal underneath.

Mr. MILLER of Ohio. There are instances of such.

Mr. UDALL. We do not attempt to deal with that situation. We have no constitutional right to upset the rights of private property owners in that regard. I do not believe we can take away from the private coal owners whatever rights they now have against the U.S. Government. We discussed this problem on the bottom of page 95 of the report. We do not attempt to set aside State law or to cover it in any way. We leave it where the States law leaves it today, in effect.

Mr. MILLER of Ohio. I thank the gentleman from Arizona for his reassurance that the legislation in question does not in any way purport to adversely affect the rights of those who have retained or retain mineral rights on Federal lands.

The CHAIRMAN. Are there further amendments to title IV? If not, the Clerk will read title V.

The Clerk read as follows:

TITLE V—CONTROL OF THE ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

ENVIRONMENTAL PROTECTION STANDARDS

SEC. 501. (a) Not later than the end of the ninety-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering an interim regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and conforming to the provisions set out in section 502(c) of this Act. The issuance of the interim regulation shall be deemed not to be a major Federal action within the meaning of section 102(2)(c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). Such regulations, which shall be concise and written in plain, understandable language shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than thirty days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.); and

(C) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

(b) Not later than one year after the enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations performance standards based on and conforming to the provisions of title V and establishing procedures and requirements for preparation, submission, and approval of State programs; and development and implementation of Federal programs under the title. The Secretary shall promulgate these regulations, which shall be concise and written in plain, understandable language in accordance with the procedures in section 501(a).

INITIAL REGULATORY PROCEDURES

SEC. 502. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State unless such person has obtained a permit from the State's regulatory authority.

(b) All surface coal mining operations on lands on which such operations are regulated by a State which commence operations pursuant to a permit issued on or after six months from the date of enactment of this Act shal comply, and such permits shall contain terms requiring compliance with, the provisions set out in subsection (a) of this section.

(c) On and after nine months from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated by a State shall comply with the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(11), 515(b)(13), 515(b)(15), 515(b)(19), and 515(d) of this Act or, where a coal surface mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill by removing all of the overburden and creating a level plateau of a gently rolling contour with no highwalls remaining, such operation shall comply with the requirements of section 515(c) (4) and (5) without regard to the requirements of section 515(b)(3) or 515(d) (2) and (3), with respect to lands from which overburden and the coal seam being mined have not been removed.

(d) Not later than two months following the approval of a State program pursuant to section 503 or the implementation of a Federal program pursuant to section 504 all operators of surface coal mines in expectation of operating such mines after the expiration of eight months from the approval of a State program or the implementation of a Federal program, shall file an application for a permit with the regulatory authority. Such application shall cover those lands to be mined after the expiration of eight months from the approval of a State program or the implementation of a Federal program. The regulatory authority shall process such applications and grant or deny a permit within eight months after the date of approval of the State program or the implementation of the Federal program, but in no case later than forty-two months from the date of enactment of this Act.

(e) Within six months after the date of enactment of this Act, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State as surface coal mining operations are required to comply with the provisions of this Act, until the State program has been approved pursuant to this Act or until a Federal program has been implemented pursuant to this Act. The enforcement program shall—

(1) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in violation of subsections (b) and (c) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(2) provide that the State regulatory agency responsible for regulating reclamation of surface coal mining operations shall be given notice prior to any Federal inspection and such State agency shall file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made; and

(3) provide that moneys authorized by section 712 shall be available to the Secretary prior to the approval of a State program pursuant to this Act to reimburse the State for conducting those inspections in which the standards of this Act are enforced and for the administration of this section.

For the purposes of this section, the term "Federal inspector" means personnel trained in the provisions of this Act, the regulations promulgated hereunder, and the accepted physical and scientific means of inspecting surface coal mining operations of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged by appropriate agreement with the Secretary on a reimbursable or other basis.

(f) Following the final disapproval of a State program, and prior to promulgation of a Federal program or a Federal lands program pursuant to this Act, including judicial review of such a program, existing surface coal mining operations may continue surface mining operations under the reclamation standards set forth in section 502 of this Act.

STATE PROGRAMS

SEC. 503. (a) Each State in which there are or may be conducted surface coal mining operations on non-Federal lands, and which wishes to assume exclusive jurisdiction over the regulation of surface coal mining and reclamation operations, except as provided in sections 521 and 523 and title IV of this Act, shall submit to the Secretary, by the end of the eighteen-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspensions, revocations, and withholding of permits, and the issuance of cease-and-desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the regulations issued under section 501(b) of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of areas as unsuitable for surface coal mining in accordance with section 522 provided that the designation of Federal lands unsuitable for mining shall be performed exclusively by the Secretary after consultation with the State; and

(6) establishment, for the purposes of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program or portion thereof. The Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

(d) For the purposes of this section and section 504, the inability of a State to take any action the purpose of which is to prepare, submit or enforce a State program, or any portion thereof, because the action is enjoyed by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under titles IV and VII of this Act or in the imposition of a Federal program. Regulation of the surface coal mining and reclamation operations covered or to be covered by the State program subject to the injunction shall be conducted by the State pursuant to section 502 of this Act, until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of section 503 and 504 shall again be fully applicable.

FEDERAL PROGRAMS

SEC. 504. (a) The Secretary shall prepare and, subject to the provisions of this section, promulgate and implement a Federal program for a State no later than thirty-four months after the date of enactment of this Act if such State—

(1) fails to submit a State program covering surface coal mining and reclamation operations by the end of the eighteen-month period beginning on the date of enactment of this Act;

(2) fails to resubmit an acceptable State program within sixty days of disapproval of a proposed State program: *Provided*, That the Secretary shall not implement a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) fails to implement, enforce, or maintain its approved State program as provided for in this Act.

If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months. Promulgation and implementation of a Federal program vests the Secretary with exclusive jurisdiction for the regulation and control of surface coal mining and reclamation operations taking place on lands within any State not in compliance with this Act. After promulgation and implementation of a Federal program the Secretary shall be the regulatory authority. If a Federal program is implemented for a State section 552 (a), (c), and (d) shall not apply for a period of one year following the date of such implementation. In promulgating and implementing a Federal program for a particular State the Secretary shall take into consideration the nature of that State's terrain, climate, biological, chemical, and other relevant physical conditions.

(b) In the event that a State has a State program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 521, of that part of the State program not being enforced by such State.

(c) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing in the affected State.

(d) Permits issued pursuant to a previously approved State program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines any permit to have been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(e) A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 503(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 503(a) (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine that the requirements of this Act and the approved State program are not violated. If the State regulatory authority determines any permit to have been granted contrary to the requirements of this Act or the approved State program, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of this Act or approved State program.

(g) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface mining and reclamation operations subject to this Act shall, insofar as they interfere with the achievement of the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program.

(h) Any Federal program shall include a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operation.

STATE LAWS

SEC. 505. (a) No State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation issued pursuant thereto, except insofar as such State law or regulation is inconsistent with the provisions of this Act.

(b) Any provision of any State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, which provides for more stringent land use and environmental controls and regulations of surface coal mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto shall not be construed to be inconsistent with this Act. Any provision of any State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, which provides for the control and regulation of surface mining and reclamation operations for which no provision is contained in this Act shall not be construed to be inconsistent with this Act.

(c) Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

PERMITS

SEC. 506. (a) No later than eight months from the approval of a State program pursuant to section 503 or the implementation of a Federal program pursuant to section 504, no person shall engage in or carry out on lands within a State any surface coal mining operations unless such person has first obtained a permit issued by such State pursuant to an approved State program or by the Secretary pursuant to a Federal program; except a person conducting surface coal mining operations under a permit from the State regulatory authority, issued in accordance with the provisions of section 502 of this Act, may conduct such operations beyond such period if an application for a permit has been filed in accordance with the provisions of this Act, but the initial administrative decision has not been rendered.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years: *Provided,* That if the applicant demonstrates that a specified longer term is reasonably needed to allow the applicant to obtain necessary financing for equipment and the opening of the operation and if the application is full and complete for such specified longer term, the regulatory authority may grant a permit for such longer term. A successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining operations covered by such permit within three years of the issuance of the permit: *Provided,* That the regulatory authority may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding such commencement or threatening substantial economic loss to the permittee, or by reason of conditions beyond the control and without the fault or negligence of the permittee: *Provided further,* That in the case of a coal lease issued under the Federal Mineral Leasing Act, as amended, extensions of time may not extend beyond the period allowed for diligent development in accordance with section 7 of that Act: *Provided further,* That with respect to coal to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel or generating facility is initiated.

(d)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to fulfillment of the public notice requirements of section 513 and public hearing when requested by any person having an interest which is or may be adversely affected unless it is established that and written findings by the regulatory authority are made that—

(A) the terms and conditions of the existing permit are not being satisfactorily met;

(B) the present surface coal mining and reclamation operation is not in compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(D) the operator has not provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 509; and

(E) the operator has not provided the additional revised or updated information required by the regulatory authority and necessary to carry out the purposes of this Act.

Burden of proof on the approved issues (A–E) shall be on the opponents of renewal. Prior to the approval of any extension of permit, the regulatory authority shall provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this Act: *Provided, however,* That if the surface coal mining operations authorized by a permit issued pursuant to this Act were not subject to the standards contained in section 510(b)(5) (A) and (B) by reason of complying with the proviso of section 510 (b)(5), then the portion of the application for renewal of the permit which addresses any new land areas previously identified in the reclamation plan submitted pursuant to section 508 shall not be subject to the standards contained in section 510(b)(5) (A) and (B).

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this Act. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 507. (a) Each application for a surface coal mining and reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee may be less than but shall not exceed the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The regulatory authority may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of record of any leasehold interest in the property; (D) any purchaser of record of the property under a real estate contract; and (E) the operator if he is a person different from the applicant;

(2) the names and addresses of the owners of record of all surface and subsurface areas adjacent to any part of the permit area;

(3) a statement identifying each surface coal mining permit in the United States currently held by the applicant and each pending application;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or persons performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record 10 per centum or more of any class of voting stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States within the five-year period preceding the date of submission of the application;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which in the five-year period prior to the date of submission of the application has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved;

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive

weeks, and which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) the applicant shall file with the regulatory authority on an accurate map or plan, to an appropriate scale, clearly showing the land to be affected as of the date of the application, the area of land within the permit area upon which the applicant has the legal right to enter and commence surface mining operations. The applicant must have the legal right to enter and commence surface mining on substantially all of the area within the boundaries of the proposed permit; however, as additional legal rights are acquired for tracts within the permit, they must be submitted to the regulatory authority prior to issuance of a permit for mining upon those tracts;

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the probable hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made by the regulatory authority of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availablity;

(12) when requested by the regulatory authority, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) accurate maps to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or 1:25,000 or larger, including all manmade features and significant known archeological sites existing on the date of application. Such a map or plan shall among other things specified by the regulatory authority show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross section maps or plans of the land to be affected including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a geologist (when specific subsurface information is deemed essential and requested by the regulatory authority), or other qualified personnel at State universities showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or refuse areas and topsoil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined except that the provisions of this paragraph 15 may be waived by the regulatory authority by a written determination that such requirements are unnecessary with respect to a specific application;

(16) for those lands in the permit application which a reconnaissance inspection suggests may be of prime agricultural land classification, a soil survey shall be made or obtained according to standards established by the Secretary of Agriculture in order to confirm the exact location of such prime agricultural lands, if any; and

(17) information pertaining to coal seams, test borings, core samplings, or soil samples as required by this section shall be made available to any person with an interest which is or may be adversely affected. *Provided*, That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) If the regulatory authority finds that the probable total annual production at all locations of any coal surface mining operator will not exceed 100,000 tons, the determination of probable hydrologic consequences required by subsection (b) (11) and the statement of the result of test borings or core samplings required by subsection (b) (15) of this section shall, upon the written request of the operator be performed by a qualified public or private laboratory designated by the regulatory authority and the cost of the preparation of such determination and statement shall be assumed by the regulatory authority.

(d) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a reclamation plan which shall meet the requirements of this Act.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except that access to information contained in the application pursuant to subsection (b) (16) of this section shall only be available as specified in that subsection.

(f) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations including use of explosives and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(g) Each applicant for a surface coal mining and reclamation permit shall submit to the regulatory authority as part of the permit application a blasting plan which shall outline the procedures and standards by which the operator will meet the provisions of section 515(b) (15).

RECLAMATION PLAN REQUIREMENT

SEC. 508. (a) Each reclamation plan submitted as part of a permit application pursuant to any approved State program or a Federal program under the provisions of this Act shall include, in the degree of detail necessary to demonstrate that relamation required by the State or Federal program can be accomplished, a statement of:

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought:

(2) the condition of the land to be covered by the permit prior to any mining including:

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining;

(B) the capability of the land prior to any mining based on topography, vegetative cover, and, if applicable, a soil survey prepared pursuant to section 507(b) (16); and

(C) the productivity of the land prior to mining, including appropriate classification as prime agricultural lands as well as the average yield of food, fiber, forage, or wood products from such lands obtained under high levels of management;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the reclaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any State and local governments or agencies thereof which would have to approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water acumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; a plan for soil reconstruction, replacement, and stabilization pursuant to the performance standards in section 515(b) (7) (A), (B), (C), and (D), for those food, forage, and forest lands identified in section 515(b) (7); an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 515;

(6) the consideration which has been given to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future can be minimized;

(7) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(8) the consideration which has been given to making the surface mining and reclamation operations consistent with applicable State and local land use plans and zoning requirements;

(9) all lands, interests in lands, or options on such interests held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(10) the results of test boring which the applicant has made at the area to be be covered by the permit, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided,* That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental contents which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record;

(11) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of (A) the quantity and quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process, and (B) the rights of present users to such water;

(12) a detailed description of steps taken to minimize adverse impacts on renewable resources; and

(13) such other requirements as the regulatory authority shall prescribe by regulations.

(b) Any information required by this section which is not on public file pursuant to State law shall be held in confidence by the regulatory authority.

PERFORMANCE BONDS

SEC. 509. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, and conditional upon faithful performance of all the requirements of this Act and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit; shall reflect the probable difficulty of reclamation giving consideration to such factors as topography, geology of the site, hydrology, and revegetation potential, and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by the regulatory authority in the event of forfeiture and in no case shall the bond be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 515.

The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(d) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the regulatory authority from time to time as affected land acreages are increased or decreased or where the cost of future reclamation obviously changes.

(e) In lieu of the establishment of a bonding program, as herein set forth in this section, the Secretary may approve as part of a State or Federal program an alternative system that will achieve the objectives and purposes of the bonding program pursuant to this section.

PERMIT APPROVAL OR DENIAL

SEC. 510. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 513, the regulatory authority shall grant, require modification of, or deny the application for a permit in a reasonable time and notify the applicant in writing. The applicant for a permit, or revision of a permit, shall have the burden of establishing that his application is in compliance with all the requirements of the applicable State or Federal program. Within ten days after the granting of a permit, the regulatory authority shall notify the local governmental officials in the local political subdivision governmental officials in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit or revision of permit application shall be approved unless the application demonstrates and the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant that—

(1) the permit application is accurate and complete and that all the requirements of this Act and the State or Federal program have been complied with;

(2) the applicant has demonstrated that reclamation as required by this Act and the State or Federal program can be accomplished under the reclamation plan contained in the permit application;

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 507(b) has been made and the proposed operation thereof has been designed to prevent damage to hydrologic balance outside permit area;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 522 of this Act or is not within an area under study for such designation in an administrative proceeding commenced pursuant to section 522(a)(4)(D) or section 522(c) (unless in such an area as to which an administrative proceeding has commenced pursuant to section 522(a)(4)(D) of this Act, the operator making the permit application demonstrates that, prior to January 1, 1977, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit);

(5) the proposed surface coal mining operations, if located west of the one hundredth meridian west longitude, would—

(A) not interrupt, discontinue, or prevent farming on alluvial floors but, excluding undeveloped range lands which are not significant to farming on said alluvial valley floors and those lands as to which the regulatory authority finds that the farming that will be interrupted, discontinued, or prevented is of such small acreage as to be of negligible impact on the agricultural or livestock production within the affected alluvial valley floors, or.

(B) not materially damage the quantity or quality of water in surface or underground water systems that supply these valley floors referred to in (A) of subsection (b)(5): *Provided,* That this paragraph (5) shall not apply to those surface coal mining operations located within or adjacent to alluvial valley floors which in the year preceding the enactment of this Act were engaged in the commercial production of coal, or which had obtained prior to January 4, 1977, specific permit approval by the State regulatory authority to conduct surface coal mining operations within said alluvial valley floors or for which substantial financial and legal commitments as determined by the Secretary had been made prior to January 4, 1977; and

(6) in cases where the private mineral estate has been severed from the private surface estate, the applicant has submitted to the regulatory authority—

(A) the written consent of the surface owner to the extraction of coal by surface mining methods; or

(B) a conveyance that expressly grants the right to extract the coal by surface mining methods; or

(C) if the conveyance does not expressly grant the right to extract coal by surface mining methods, other evidence that establishes that the conveyance was intended to authorize the extraction of coal by surface mining methods, it being presumed, for the purposes of this paragraph (6)(C), that in the absence of such evidence the conveyance was intended to limit the extraction of coal to methods customarily used in the State at the time the conveyance was executed.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the five-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

REVISION OF PERMITS

SEC. 511. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the regulatory authority for a revision of the permit.

(2) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State and Federal program can be accomplished under the revised reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the

scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided,* That any revisions which propose significant alterations in the reclamation plan shall, at a minimum, be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act shall be made without the written approval of the regulatory authority.

(c) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided,* That major revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

COAL EXPLORATION

SEC. 512. (a) Each State or Federal program for a State shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted in accordance with exploration regulations issued by the regulatory authority. Such regulations shall include, at a minimum, (1) the requirement that prior to conducting any exploration under this section, any person must file with the regulatory authority notice of intention to explore and such notice shall include a description of the exploration area and the anticipated period of exploration and (2) provisions for reclamation in accordance with the performance standards of section 515 of this Act of all lands distributed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment.

(b) Information submitted to the regulatory authority pursuant to this subsection as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the person or entity intended to explore the described area shall not be available for public examination.

(c) Any person who conducts any coal exploration activities which substantially disturb the natural land surface in violation of this section or regulations issued pursuant thereto shall be subject to the provisions of section 518.

(d) No operator shall remove more than two hundred and fifty tons of coal pursuant to an exploration permit without the specific approval of the regulatory authority.

(e) Coal exploration on Federal lands shall be governed by section 4 of the Federal Coal Leasing Amendments Act of 1975 (90 Stat. 1085).

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 513. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed by the applicant in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies may submit written comments within a reasonable period established by the regulatory authority on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person having an interest which is or may be adversely affected or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, or at the request of the applicant within forty-five days after the last publication date the regulatory authority shall then hold a public hearing, unless the objections are frivolous, in the locality of the proposed mining within a reasonable time of the receipt of such objections or request. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least one week prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with all the requirements of the applicable State or Federal program under this Act. Without prejudice to the rights of the objector or the applicant or responsibilities of the regulatory authority pursuant to this Act, the regulatory authority may establish an informal conference procedure to resolve any issues raised by the permit application or written objection thereto prior to holding a formal transcribed procedure as authorized by this Act. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority when requested by any party to the proceeding.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 514. (a) If a public hearing has been held pursuant to section 513(b), the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within sixty days of said hearings.

(b) If there has been no public hearing held pursuant to section 513(b), the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application, and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person with an interest which is or may be adversely affected who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within the time limits specified in this Act shall have the right to appeal in accordance with section 526.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 515. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(3) except as provided in subsection (c) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials,) and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this Act): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the over burden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a mini-

mum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or, if not utilized immediately, segregate it in a separate pile from other spoil and, when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which has been segregated and preserved;

(7) for all prime agricultural lands as identified in section 507(b)(16) to be mined and reclaimed, specifications for soil removal, storage, replacement, and reconstruction shall be established by the Secretary of Agriculture, and the operator shall, as a minimum, be required to—

(A) segregate the A horizon of the natural soil, except where it can be shown that other available soil materials will create a final soil having a greater productive capacity; and if not utilized immediately, stockpile this material separately from other spoil, and provide needed protection from wind and water erosion or contamination by other acid or toxic material;

(B) segregate the B horizon of the natural soil, or underlying C horizons or other strata, or a combination of such horizons or other strata that are shown to be both texturally and chemically suitable for plant growth and that can be shown to be equally or more favorable for plant growth than the B horizon, in sufficient quantities to create in the regraded final soil a root zone of comparable depth and quality to that which existed in the natural soil; and if not utilized immediately, stockpile this material separately from other spoil, and provide needed protection from wind and water erosion or contamination by other acid or toxic material;

(C) replace and regrade the root zone material described in (B) above with proper compaction and uniform depth over the regarded spoil material; and

(D) redistribute and grade in a uniform manner the surface soil horizon described in subparagraph (A);

(8) create, if authorized in the approval mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) plug all auger holes to a minimum of six feet in depth with an impervious and noncombustible material (such as clay) to prevent the flow of water in or out of such holes;

(10) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area, but in no event shall contributions be in excess of requirements set by applicable State or Federal law;

(C) cleaning out and removing temporary or large settling ponds or other siltation structures from drainways after disturbed areas are revegetated and stabilized; and depositing the silt and debris at a site and in a manner approved by the regulatory authority;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country: and

(G) such other actions as the regulatory authority may prescribe;

(11) with respect to surface disposal of surplus mine spoil, mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, assure:

(A) spoil, mine waste and other materials are transported and placed in a controlled manner in position for compaction and in such a way to assure mass stability and to prevent mass movement including sluffing, slipping, and creep;

(B) areas of disposal are within the permit area;

(C) appropriate surface and internal drainage in order to prevent spoil movement and erosion;

(D) the final configuration is compatible with the natural surroundings and suitable for intended uses;

(E) placement on the most moderate sloping and naturally stable areas available;

(F) construction in compacted layers and including the use of incombustible and impervious materials where combustion is a hazard;

(G) design by a registered engineer in conformance with professional standards; and

(H) all other provisions of this Act are met.

(12) refrain from surface coal mining within five hundred feet from active abandoned underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided,* That the regulatory authority shall permit an operator to mine closer to underground mines if (A) the nature, timing, and sequencing of the approximate coincidence of specific surface mine activities with specific underground mine activities are jointly approved by the regulatory authorities concerned with surface mine regulation and the health and safety of underground miners, and (B) such operations will result in improved resource recovery, abatement of water pollution, or elimination of hazards to the health and safety of the public;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes, and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid-forming materials, toxic materials, or materials constituting a fire hazard are treated or buried and compacted or otherwise disposed of in a minner designed to prevent contamination of ground or surface waters and that contingency plans are developed to prevent sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the regulatory authority, which shall include provisions to—

(A) provide adequate advance written notice to local governments and residents who might be affected by the use of such explosives by publication of the planned blasting schedule in a newspaper of general circulation in the locality and by mailing a copy of the proposed blasting schedule to every resident living within one-half mile of the proposed blasting site and by providing immedaite notice to resident/occupiers in surrounding area prior to any blast.

(B) maintain for a period of at least three years and make available for public inspection upon request a log detailing the location of the blasts, the pattern and depth of the drill holes, the amount of explosives used per hole, and the order and length of delay used in the blasts; and

(C) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations;

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to each channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective, and permanent vegetative cover of the same seasonal variety native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved post-mining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of agumented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: Provided, That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: Provided further, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exception to the provisions of paragraph (19) above;

(21) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations, and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area; and

(22) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this Act.

(c)(1) Each State program may and each Federal program shall include procedures pursuant to which the regulatory authority may permit surface mining operations for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a permit without regard to the requirement to restore to approximate original contour set forth in subsection 515(b) (3) or 515(d) (2) and (3) of this section may be granted for the surface mining of coal where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subsection (c)(4)(A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial, agricultural, residential or public facility (including recreational facilities) use is proposed for the postmining use of the affected land, the regulatory authority may grant a permit for a surface mining operation of the nature described in subsection (c)(2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed postmining land use is deemed to constitute an equal or better economic or public use of the affected land, as compared with premining use;

(B) the applicant presents specific plans for the proposed postmining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land use;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed use;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

(C) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(D) the regulatory authority provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the regulatory agency, in its discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(E) all other requirements of this Act will be met.

(4) In granting any permit pursuant to this subsection the regulatory authority shall require that—

(A) the toe of the lowest coal seam and the overburden associated with it are retained in place as a barrier to slides and erosion:

(B) the reclaimed area is stable:

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural watercourses;

(E) all other requirements of this Act will be met.

(5) The regulatory authority shall promulgate specific regulations to govern the granting of permits in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All permits granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in those general performance standards required by this section: *Provided, however,* That the provisions of this subsection (d) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional step slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) Insure that when performed surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut: *Provided,* That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraph 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation under subsection 515(c) may be permanently stored pursuant to section 515 (b)(11).

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however,* That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(e) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(f) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within one hundred and thirty-five days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal, and abandonment of new and existing coal mine waste piles referred to in section 515(b)(13) and section 516(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for review and approval of plans and specifications prior to construction, enlargement, modification, removal, or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 516. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under section 501 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence causing material damage to the extent technologically and economically feasible, maximize mine stability, and maintain the value and reasonably foreseeable use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided,* That nothing in this subsection shall be construed to prohibit the

standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent practicable return of mine and processing waste, tailings, and any other waste incident to the mining operation, to such exploratory holes;

(4) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not pollute surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to section 515(e), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated off-site areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, scaling, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area (but in no event shall such contributions be in excess of requirements set by applicable State or Federal law), and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines; and

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 515 of this title for such effects which result from surface coal mining operation: *Provided*, That the Secretary may make such modifications in the requirements imposed by this subparagraph as are deemed necessary by the Secretary due to the differences between surface and underground coal mining.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of title V of this Act relating to State and Federal programs, permits, bonds, inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permits application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall obtain the written concurrence of the Administrator of the Mine Enforcement Safety Administration, or any successor of his who has the responsibility of promulgating rules and regulations governing coal mine safety, in every instance where his regulations or modifications would require the doing of or omission of any act in an underground coal mine or where safety of miners may be at issue. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 501 of this Act.

INSPECTIONS AND MONITORING

SEC. 517. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as acquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and acquifers potentially affected by the mining and also directly below the lowermost (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation. The monitoring data collection and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one partial inspection per month and one complete inspection per calendar quarter for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act.

(d) Each permittee shall conspicuously maintain at the entrances to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection reports, materials, or information obtained under this title by the regulatory authority shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No employee of the State regulatory authority performing any function or duty under this Act shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of this subsection shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one year, or by both. The Secretary shall (1) within sixty days after enactment of this Act publish in the Federal Register, in accordance with section 553 of title 5, United States Code, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary and such State regulatory authority, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on actions taken and not taken during the preceding year under this subsection.

PENALTIES

SEC. 518. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this

Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 521, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. When appropriate, the Secretary shall consolidate such hearings with other proceedings under section 521 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in this section, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Upon this issuance of a notice or order charging that a violation of the Act has occurred, the Secretary shall inform the operator within thirty days of the proposed amount of said penalty. The person charged with the penalty shall then have thirty days to pay the proposed penalty in full or, if the person wishes to contest either the amount of the penalty or the fact of the violation, forward the proposed amount to the Secretary for placement in an escrow account. If through administrative or judicial review of the proposed penalty, it is determined that no violation occurred, or that the amount of the penalty should be reduced, the Secretary shall within thirty days remit the appropriate amount to the person, with interest at the rate of 6 percent, or at the prevailing Department of the Treasury rate, whichever is greater. Failure to forward the money to the Secretary within thirty days shall result in a waiver of all legal rights to contest the violation or the amount of the penalty.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 521 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States, or at the discretion of the Secretary, taken from the performance bond posted under section 509 of this Act.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this Act, or fails or refuses to comply with any order issued under section 521 or section 526 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or Federal enforcement of a State program pursuant to section 521 of this Act or fails or refuses to comply with any order issued under section 521 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plant, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 519. (a) The permittee may file a request with the regulatory authority for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the operator shall submit a copy of an advertisement placed once a week for three successive weeks in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type and the approximate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, and the appropriate local governmental bodies, in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the regulatory authority shall within sixty days, weather conditions permitting, conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.

(c) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied the reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area.

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the regulatory authority shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified for operator responsibility in section 515 of reestablishing revegetation. No part of the bond or deposit shall be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of the requirements set by section 515(b)(10) or until soil productivity for prime agricultural lands has returned to equivalent levels of yield as nonmined land by the same soil type in the surrounding area under high management practices as determined from the soil survey performed pursuant to section 507(b)(16).

(3) When the operator has completed successfully all surface coal mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 515:

Provided, however, That no bond shall be fully released until all reclamation requirements of this Act are fully met.

(d) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release.

(e) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which a surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality twice a week for two consecutive weeks.

(g) Without prejudice to the rights of the objectors or the responsibilities of the regulatory authority pursuant to this paragraph, the regulatory authority may establish an informal conference procedure to resolve such written objections in lieu of holding a formal transcribed hearing.

(h) For the purpose of such hearing the

regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

CITIZEN SUITS

Sec. 520. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

(1) against the United States or any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution which is alleged to be in violation of the provisions of this Act or of any rule, regulation, order or permit issued pursuant thereto, or against any other person who is alleged to be in violation of any rule, regulation, order or permit issued pursuant to this title; or

(2) against the Secretary or the appropriate State regulatory authority to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary or the appropriate State regulatory authority to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate State regulatory authority.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary or the State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act, or any rule, regulation, order, or permit issued pursuant to this Act, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, or to the appropriate State regulatory authority, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation of this Act or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, or the State regulatory authority, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including attorney and expert witness fees) to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief, except that this section shall be the sole basis of jurisdiction for suits under subsection (a)(2) of this section and failure to comply with the notice requirement of subsection (b)(2) shall require dismissal of the action.

ENFORCEMENT

Sec. 521. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section. Where the ordered cessation of surface coal mining and reclamation operations, or any portion thereof, will not completely abate the imminent danger to health or safety of the public or the significant environmental harm to land, air, or water resources, the Secretary shall, in addition to the cessation order, impose affirmative obligations on the operator requiring him to take whatever steps the Secretary deems necessary to abate the imminent danger or the significant environmental harm.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502, or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or authorized representative shall issue a notice to the permittee or his agent fixing a resonable time but not more than ninety days for the abatement of the violation.

If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section. In the order of cessation issued by the Secretary under this subsection, the Secretary shall determine the steps necessary to abate the violation in the most expeditious manner possible, and shall include the necessary measures in the order.

(4) When the Secretary's representative inspects and finds a serious violation of this Act, an approved State program or a permit condition required by this Act and that the permit holder knew or should have known of the violation, then in each instance the Secretary's representative shall issue a notice of violation including such findings. If three such notices are issued within ninety days of each other, the Secretary's representative shall issue a cessation order directing the permit holder to correct the violation. Each such notice of violation issued within six months of the issuance of a cessation order shall include another such cessation order. The Secretary's representative's cessation order may also order the permit holder to show cause why the permit should not be suspended. After the third consecutive cessation order the Secretary's representative shall order the permit holder to show cause why the permit should not be suspended for at least five days or revoked. If the permit holder fails to show cause why the permit should not be so suspended or revoked, the Secretary's representative shall suspend or revoke the permit.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representatives in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

(d) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the enforcement provisions thereof shall, at a minimum, incorporate sanctions no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 522. (a)(1) To be eligible to assume primary regulatory authority pursuant to section 503, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraphs (2) and (3) of this subsection but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) Upon petition pursuant to subsection (c) of this section, the State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not feasible.

(3) Upon petition pursuant to subsection (c) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing governmental land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for surface coal mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section, and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to January 4, 1977.

(b) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: *Provided, however,* That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 504, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section. Prior to designating Federal lands unsuitable for such mining, the Secretary shall consult with the appropriate State and local agencies.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resources of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(e) After the enactment of this Act and subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this Act shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest: *Provided, however,* That surface coal mining operations may be permitted on such lands if the Secretary finds that there are no significant recreational, timber, economic, or other values which may be incompatible with such surface mining operations and—

(A) surface operations and impacts are incident to an underground coal mine; or

(B) where the Secretary of Agriculture determines, with respect to lands which do not have significant forest cover within those national forests west of the 100th meridian, that surface mining is in compliance with the Multiple-Use Sustained-Yield Act of 1960, the Federal Coal Leasing Amendments Act of 1975, the National Forest Management Act of 1976, and the provisions of this Act: *Provided further,* That no surface coal mining operations may be permitted within the boundaries of the Custer National Forest;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the regulatory authority and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected; or

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

FEDERAL LANDS

SEC. 523. (a) No later than six months after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided,* That except as provided in section 710 the provisions of this Act shall not be applicable to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question. Where Federal lands in a State with an approved State program are involved, the Federal lands program shall, at a minimum, include the requirements of the approved State program.

(b) The requirements of this Act and the Federal lands programs shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this Act and the regulations issued pursuant to this Act.

(c) Any State with an approved State program may elect to enter into a cooperative agreement with the Secretary to provide for State regulation of surface coal mining and reclamation operations on Federal lands within the State, provided the Secretary determines in writing that such State has the necessary personnel and funding to fully implement such a cooperative agreement in accordance with the provision of this Act. States with cooperative agreements existing on the date of enactment of this Act, may elect to continue regulation on Federal lands within the State, prior to approval by the Secretary of their State program, or imposition of a Federal program, provided that such existing cooperative agreement is modified to fully comply with the initial regulatory procedures set forth in section 502 of this Act. Nothing in this subsection shall be construed as authorizing the Secretary to delegate to the States his duty to approve mining plans on Federal lands, to designate certain Federal lands as unsuitable for surface coal mining pursuant to section 502 of this Act, or to regulate other activities taking place on Federal lands.

(d) Except as specifically provided in subsection (c) this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on the Federal lands.

(e) The Secretary shall develop a program to assure that with respect to the granting of permits, leases, or contracts for coal owned by the United States, that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 524. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this Act shall comply with the provisions of title V.

REVIEW BY SECRETARY

SEC. 525. (a) (1) A permittee issued a notice or order by the Secretary pursuant to the provisions of subparagraphs (a) (2) and (3) of section 521 of this title, or pursuant to a Federal program or the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of subparagraph (a) (2) or (3) of section 521 of this title, the Secretary shall issue the written decision within thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by a United States district court pursuant to subparagraph (c) of section 526 of this title.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 521 of this title, a Federal program or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: *Provided*, That where the applicant requests relief from an order for cessation of coal mining and reclamation operations issued pursuant to subparagraph (a)(2) or (a)(3) of section 521 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial livelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 521, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

(e) Whenever an order is issued under this section, or as a result of any administrative proceeding under this Act, at the request of any person, a sum equal to the aggregate amount of all costs and expenses (including attorney fees) as determined by the Secretary to have been reasonably incurred by such person for or in connection with his participation in such proceedings, including any judicial review of agency actions, may be assessed against either party as the court may deem proper.

JUDICIAL REVIEW

SEC. 526. (a)(1) Any action of the Secretary to approve or disapprove a State program or to prepare or promulgate a Federal program pursuant to this Act shall be subject to judicial review only by the United States Court of Appeals for the circuit which contains the State whose program is at issue; any action by the Secretary promulgating standards pursuant to sections 501, 515(e), 516 and 523 shall be subject to judicial review only in the United States Court of Appeals for the District of Columbia. A petition for review of such action shall be filed in the appropriate court of appeals within sixty days from the date of such action, or after such date if the petition is based solely on grounds arising after the sixtieth day. Any such application may be made by any person who participated in the administrative proceedings and who is aggrieved by the action of the Secretary.

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States district court for the locality in which the surface coal mining operation is located. Such review shall be in accordane with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under the penalty section of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 520.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, including an order or decision issued pursuant to subparagraph (c) of section 525 of this title pertaining to any order issued under subparagraph (a)(2) or (a)(3) of section 521 of this title for cessation of coal mining and reclamation operations, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by a court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 520.

SPECIAL BITUMINOUS COAL MINES

SEC. 527. (a) The regulatory authority is authorized to issue separate regulations for those special bituminous coal surface mines located west of the 100th meridian west longitude which meet the following criteria:

(1) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(2) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal,

and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

(3) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(4) the amount of material removed is large in proportion to the surface area disturbed;

(5) there is no practical alternative method of mining the coal involved;

(6) there is no practicable method to reclaim the land in the manner required by this Act; and

(7) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and, because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of ths title.

(b) Such separate regulations shall also contain a distinct part to cover and pertain to new bituminous coal surface mines which may be developed after the date of enactment of this Act on lands immediately adjacent to lands upon which are located special bituminous mines existing on January 1, 1972. Such new mines shall meet the criteria of section 527(a) except for subparagraphs (3) and (7), and all requirements of State law, notwithstanding in whole or part the regulations issued pursuant to subsection (c) of this section. In the event of an amendment or revision to the State's regulatory program, regulations, or decisions made thereunder governing such mines, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(c) Such alternative regulations may pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regrading to the approximate original contour and shall specify that remaining highwalls are stable. All other performance standards in this title shall apply to such mines.

SURFACE MINING OPERATIONS NOT SUBJECT TO THIS ACT

Sec. 528. The provisions of this Act shall not apply to any of the following activities:

(1) the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; and

(2) the extraction of coal for commercial purposes where the surface mining operation affects two acres or less.

ANTHRACITE COAL MINES

Sec. 529. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of sections 515 and 516. Provisions of sections 509 and 519 are applicable except for specified bond limits and period of revegetation responsibility. All other provisions of this Act apply and the regulation issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect: *Provided, however,* That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above-cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1977, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. MURPHY OF PENNSYLVANIA

Mr. MURPHY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Murphy of Pennsylvania: Commencing on line 3 with the words "a hearing" delete the remaining section in its entirety through line 13 on page 266 the words "by this act." and insert the following: an informal conference requested, the regulatory authority may then hold an informal conference in the locality of the proposed mining, if requested within a reasonable time of the receipt of such objections or request. The date, time, and location of such informal conference shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least one week prior to the scheduled conference date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. In the event all parties requesting the informal conference stipulate agreement prior to the requested informal conference and withdraw their request, such informal conference need not be held.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURPHY of Pennsylvania. Mr. Chairman, I would basically ask my colleagues to understand that this amendment would merely provide that when one files for an application for a strip-mining permit, as is done in the Commonwealth of Pennsylvania, we provide any person who objects with the right to come in to an informal conference.

The bill as it is presently drafted requires a lengthy and cumbersome procedure. It provides for a public hearing to be held on each application. This amendment, however, would provide that an informal conference would be held by the regulatory authority of the State, and that following that they may or may not grant the permit. This obviates the necessity of going through the cumbersome process of a public hearing.

Mr. LEDERER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. LEDERER. Mr. Chairman, I rise in support of Mr. Murphy's amendments to H.R. 2, the Surface Mining and Reclamation Act.

Mr. Murphy's amendments to H.R. 2 serve a common need—to accommodate environmental safeguards amply provided for in H.R. 2 with the need for commonsense, and the elimination of unnecessary cost and delay, and unnecessary financial burden to coal operators and resulting curtailment of vitally needed coal production.

SECTION 507(b)(11)

This amendment seeks to remove an environmentally unnecesary mandatory requirement requiring a hydrologic imbalance study for each permit application. Pennsylvania has processed 1,200 permits a year for the last 10 years without ever requiring such a study for even one permit application. In fact, there are only three to five registered hydrologists in Pennsylvania qualified to perform such a study. This mandatory requirement could create a bureaucratic bottleneck crippling the surface-mining industry in Pennsylvania. While such a study may be necessary in the western mining States to protect our water resources, it is unnecessary for all or most applications in Pennsylvania. Because of varying geographical conditions in different coal fields, such studies should be left to the discretion of the local regulatory authority.

The proposed amendment seeks to make the study discretionary with the regulatory authority and in order to insure the proper use of discretion to require the regulatory authority to state in writing the basis for not requiring such a study. We cannot allow environmental safeguards to become blinding obstacles to commonsense.

SECTION 513(b)

H.R. 2 has imposed a mandatory requirement for public hearings on any objections to a permit. This can result in great delay and added cost to the permit process without allowing for the necessary administrative flexibility which has worked so well in the universally acclaimed Pennsylvania regulatory program. The proposed amendment to section 513(b) simply requires that any objections to permits be aired in informal administrative conferences which can be held more expeditiously. If, after a conference, the objectors are not satisfied with the position of the regulatory authority, they can request a formal hearing which can be held in the discretion of the regulatory authority.

The proposed amendment reflects the strong concern that public participation can aid the regulatory authority in its review while at the same time encourage informal expeditious resolution of objections. Such a system has been the foundation of the universally acclaimed Pennsylvania program.

Page 267, line 7, strike everything after the word "notified" down through the period on line 9, and insert the following:

"of the final decision of the regulatory authority on the permit application, the applicant or any person with an interest which is or may be adversely affected may request a hearing on the reasons for the final determination."

SECTION 519 (e) THROUGH (h)

H.R. 2 provides vast opportunity for public participation during the permit process, judicial and administrative remedies during the operational phase of mining as well as strong criminal and civil sanctions and enforcement procedures, including citizens suits. By the time of bond release, the operation has passed the minimum environmental standards or else sanctions including cessation of operations will have been imposed. The decision to release bond is a technical one especially suited for the regulatory authority, requiring a determination as to revegetation, original contour, and surface and groundwater quality. Public hearings and participation can only add unnecessary cost and delay. Delay at this stage can financially cripple an operator who must keep expensive equipment on site until the bond is lifted paying often $100,000 a month in equipment rentals.

The proposed amendment takes out the unnecessary public hearings at the bond release phase. Any regulatory authority certified by the Secretary under H.R. 2 must be recognized to have the expertise to determine if reclamation has been properly completed and bond release appropriate.

We cannot allow the panacea of public hearings and participation to serve as an excuse for delay in coal production and potential financial ruin to the coal operators.

SECTION 521(a)(5)

H.R. 2, as reported out of committee, allows an operator to be shut down entirely based on the judgment of a mine inspector without notice or opportunity for hearing, raising serious questions of due process and fundamental fairness. Nor does H.R. 2 guarantee a timely hearing after such an order is issued. The proposed amendment simply requires that a hearing be held at or near the site within 15 days of such an order so that it can be expeditiously determined if the drastic remedy of cessation of operations is justified. Such an order improperly issued without justification could financially cripple or destroy an operator and deprive us of vitally needed coal production because of the misguided erroneous judgment of a mine inspector.

Commonsense, due process, and fundamental fairness, and a rational energy policy cannot tolerate the risk of unsupported interruptions in coal production. If the drastic remedy of closure of operations is imposed, let us be certain within 15 days that it is necessary and justified. The proposed amendment serves such a critical need.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of Pennsylvania. Yes, I yield to the chairman of the committee.

Mr. UDALL. Mr. Chairman, the gentleman from Pennsylvania (Mr. MURPHY) is a new member of our committee and a new Member of our Congress. He comes from one of the most important coal-producing States, and he has been one of the important spokesmen in our committee for his State and for the coal-producing areas of Pennsylvania.

I want to commend the gentleman for offering this amendment, and I am indicating that it is acceptable to me.

We have strong provisions in the bill protecting citizens' rights, protecting their right to go to court, making sure that there are public hearings, and making sure that it is all done out in the open and that all sides have a chance to be heard.

This amendment builds on the proven Pennsylvania procedure which provides, instead of having all these formal hearings in the first instance, for an informal conference procedure, and then if for any reason protestors or citizens are not satisfied, they still have the right to be heard. Their rights are protected.

So, Mr. Chairman, this procedure of an informal conference is a simplifying and a constructive one, and we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURPHY).

The amendment was agreed to.

Mr. RHODES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have stated on several occasions that Republicans are willing to help President Carter enact those portions of his programs which we can support and are in the best interest of the country. We have done so in several specific instances and will continue to do so.

I supported the recent creation of a Select Committee on Energy in order to give the House an opportunity to develop a comprehensive approach to energy. I believe we need to take a rational look at our overall energy policy, and I am in hopes that the select committee can accomplish that goal. Unfortunately, the first energy program to come before this House since the creation of the select committee runs contrary to President Carter's goal of increasing coal production. In his recent message the President indicated his desire to double coal production and to encourage industries to convert to coal as a primary source of energy wherever feasible. H.R. 2 will result in a decrease in coal production and runs contrary to the President's goal and the best interest of the country. Even though there may be some disagreement over estimated production loss, it is generally accepted that H.R. 2 will have a negative impact. I think we would be remiss if the House did not give the Select Committee on Energy an opportunity to consider the impact of this legislation within the context of an overall energy policy.

I recognize the need for regulation of surface mining, and I am pleased that 38 States have adopted laws to control strip mining within their jurisdictions. I believe the Federal Government should make every effort to cooperate with the States and encourage their active enforcement of State surface mining laws.

As a nation we should conscientiously strive to protect our environment and to restore lands which may have suffered in the past from improper surface mining practices. At the same time, we must strike a judicious balance between those legitimate ends and the need to increase coal production and improve our domestic energy situation. In my opinion H.R. 2 does not strike that necessary balance.

At a time when we need to produce additional coal I cannot understand why we would try and pass a bill such as H.R. 2. In addition to decreasing production, it will increase costs to consumers. America uses coal to generate about one-half of its electricity. An increase in the price of coal is projected to raise the average consumer's electric bill by $34 to $80 a year. Is this another Carter energy tax?

In addition to the increase in price to consumers, H.R. 2 will wipe out or seriously jeopardize the small coal operators in the country and result in a job loss. The bill would also expand costly and burdensome paperwork, add stringent procedural requirements and increase Federal bureaucracy.

The provision for public participation in all procedural matters could greatly expand the administrative process and virtually hamstring new production efforts.

I think H.R. 2 is 10 years too late. Perhaps a Federal law was warranted some years ago, but now most States have acted responsibly in adopting laws and enforcing required surface mining controls. In addition, it is untimely to impose the nonproductive costs and bureaucratic burden contained in H.R. 2 on the coal industry at a time when we should be working toward increasing production within reasonable and acceptable environmental concerns.

AMENDMENTS OFFERED BY MR. MURPHY OF PENNSYLVANIA

Mr. MURPHY of Pennsylvania. Mr. Chairman, I offer additional amendments which are merely supplemental to the one that was just agreed to. These amendments pertain to sections 514(a) and (b), and they are technical in nature.

The Clerk read as follows:

Amendments offered by Mr. MURPHY of Pennsylvania: Page 266, line 15, strike "a public hearing," and insert "an informal conference". Page 266; line 22, strike "public hearing," and insert "informal conference."

Page 267, line 7, strike everything after the word "notified" down through the period on line 9, and insert the following:

"of the final decision of the regulatory authority on the permit application, the applicant or any person with an interest which is or may be adversely affected may request a hearing on the reasons for the final determination."

Mr. MURPHY of Pennsylvania (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MURPHY of Pennsylvania. Mr. Chairman, inasmuch as we are now referring to this term as an "informal conference" rather than a "public hearing," these amendments are offered to change that wording in the subsequent sections and also to provide that either aggrieved party, the applicant for the permit or other persons, may come in and request an official public hearing following issuance of the permit in the first instance.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of Pennsylvania. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, these are technical conforming amendments which are necessitated by the adoption of the previous amendment, and we agree to them.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania (Mr. MURPHY).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: On page 261, after line 6, insert the following new subsection:

(d)(1) For five years following the date of enactment, no application for a permit or revision thereof shall be approved unless the applicant demonstrates that prime farmland does not comprise more than 10 percent of the surface area to be disturbed pursuant to an applicant's mining plan. Such demonstration shall be based upon soils maps and data verified for accuracy by the Secretary of Agriculture; provided that nothing in this subparagraph shall apply to any permit issued prior to May 1, 1977, or to any revisions or renewals thereof including those authorizing contiguous expansion of such permitted areas.

(2) The regulatory authority may, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of the Interior with the concurrence of the Secretary of Agriculture, grant a variance from subparagraph (d)(1) if the operator demonstrates and the regulatory authority finds on the basis of data relating to prime farmlands comparable to those covered by the permit application that the operator can restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining.

(3) Within 60 days of the date of enactment, the Secretary of Agriculture shall publish a definition of "prime farmland" and a notification of methods for the determination thereof.

(4) Within four years of the date of enactment, the Secretary of Agriculture shall conduct such research, experimentation and studies as are necessary to determine whether, and with what reclamation procedures, prime farmlands should be made available for surface mining operations and based thereon make appropriate recommendations to the President.

Mr. JEFFORDS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. JEFFORDS. Mr. Chairman, this amendment is offered on behalf of myself and the distinguished gentleman from Minnesota (Mr. NOLAN), as well as the distinguished gentleman from South Dakota (Mr. PRESSLER).

This has the support of the Secretary of Agriculture and the support of the Secretary of the Interior, and it has been approved by the Office of Management and Budget. It is also my understanding that the majority does not object to the amendment.

First, I would like to explain a little bit what the amendment does.

Briefly, the amendment would apply only to permits issued after May 1, 1977, and would:

First, preclude issuance or revision of any surface mining permit for a 5-year period after enactment of the bill unless the applicant demonstrates that prime agricultural farmland comprises not more than 10 percent of the surface area to be disturbed;

Second, if, however, the operator can demonstrate that he "can restore the land affected to a condition at least fully capable of supporting the uses to which it was capable of supporting prior to any mining," he can begin operations. Thus, the 5-year period is primarily for review purposes, and operations may proceed as soon as the industry can demonstrate that it can both mine and restore.

The amendment was proposed by the Council on Environmental Quality, and has been endorsed on the record by the Secretaries of the Interior and Agriculture and the Director of the Soil Conservation Service.

As stated in a recent letter from Secretary Andrus—

> This nation has abundant coal resources and we can afford to be selective in deciding how they are used. Time and study are needed to find out whether and how strip mining of prime farmland should be permitted.

I would also like to point out that there are significant problems with the present language which this amendment will correct.

First, under 515(7)A language a surface miner is allowed to fulfill the top soil requirements if it can "be shown that other available soil materials will create a final soil having a greater production capacity." Thus a strip miner can qualify by buying a nearby farm, strip its topsoil off, make it useless, and put it on the mined land fulfilling the statute, but destroying an equal or greater amount of prime farmland.

Second, the Secretary of Agriculture is mandated to write regulations which he says he cannot do because the methodology does not exist. Thus the bill is left with the minimum requirements of (7) (A), (B), and (C), as to separation of layers, with no real expectation that the prime cropland will be thus restored. Let me quote from a letter of the Secretary of the Interior to Chairman UDALL:

> It has become increasingly clear that we lack information about how successfully strip mined lands can be reclaimed. This problem is particularly acute with respect to the rich prime farmlands of the Nation. As these lands are more and more subjected to coal development, it becomes essential to assure that they can be fully reclaimed and their long-term productive capability will not be lost.

Also the effect of 515(b)(7) may be to reduce the protection which might otherwise be afforded by 515(b)(2) because it implies conformance with the minimum standards in (b)(7) will suffice for (b)(2).

This amendment is needed.

The central purpose of the amendment is to retard the alarming rate of annual attrition of our prime farm acreage while the industry develops the necessary technology and techniques to permit acceptable restoration of the land after strip mining has occurred as stated by Secretary Bergland in a recent letter to Bert Lance:

> The reclamation of prime farmlands is, in our judgment, technically possible. It is not being done at this time, however, and it will take several years for the industry to gain equipment, technical skills, and operational capability. It is not wise, from the standpoint of national priorities, to encourage them to gain that experience on the prime farmlands of our Nation. It would be far better ... to call for a moratorium coupled with a grandfather clause that would allow those companies with ongoing operations or significant financial or legal investment in a site to continue that operation.

We are losing our agricultural base at an alarming rate. Recent studies by the Soil Conservation Service have shown that as much as 1.7 million acres of valuable cropland is being lost yearly to public works, industrial and urban uses. Considering that we have only about 25 million surplus acres of prime agricultural land left, it is clear that if we do not offer this protection, we will be helping replace one crisis with another.

The potential for significant additional attrition of one of our most precious resources, prime agricultural land, is quite serious—if we do not now take careful steps to protect it.

A prime example of the rationale for this protection is the situation in one of prime coal-producing States, Illinois. In Illinois, total strippable coal reserves lie under 3 million acres of land. Of these 3 million acres, 53 percent are prime agricultural land, so that 1.5 million acres of this prime land may well be directly or indirectly impacted by new surface stripmining.

It is also a fact that under present 1977 production rates there are 161 years of strip mining left on nonprime lands in Illinois. With this quantity of coal available, it would certainly be imprudent, in fact stupid, for us to allow strip mining with techniques that the Secretaries of Interior and Agriculture have said are untested, and presently unworkable in their ability to restore the land to their premined productivity.

I would point out, as well, that Illinois leads the Nation with 8.2 percent of all agricultural export shares for all agricultural commodities. The ability of this State to export agricultural commodities will become increasingly important in the next 25 years as world population doubles to approximately 8 billion people.

The problem is made more serious since it is obvious that it is easier for companies to stripmine under our prime flat lands. Thus there will be an obvious tendency for the coal producers to gravitate quickly toward these lands, with uncertain prospects for their ability to reclaim them, and with a more certain detrimental effect on the future of the Illinois commodity export trade.

At the same time, the SCS states that surface mining, "as practiced in much of the Nation today, either ruins farmland completely or reduces its production drastically."

The data is not available to show how much and what percent of recoverable coal lies under these lands. The amendment gives the Secretary of Agriculture the authority to set a definition of "prime farmland." We do know, however, according to the Soil Conservation Service, that tremendous quantities of coal exist in areas which are already in operation. According to a study coordinated by OMB, based on the projected surface production in 1977—and not counting the continuation of existing mines—the major coal States could produce all of their planned surface production from nonprime lands for many years.

The SCS concludes that "clearly, there are more than enough coal reserves associated with non-prime lands to avoid any depressing effect on coal production during the moratorium period."

The following points should be highlighted:

First. The increased production of coal from the Nation's abundant reserves during this interim period will not be constrained by the prime farmland restriction.

Second. Industry should have the necessary technology and techniques developed by the end of this period to enable the best of both worlds: stripmining of coal below prime farmland as well as preservation of that diminishing resource.

Mr. Chairman this amendment will significantly improve this bill.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, I would like to commend the gentleman for his initiative.

I was the author of the language in the bill, and I think that what people do not realize is that I, as one from the East, do not have any significant farmland in my district. Therefore, when we talk about reclamation, the assumption has been that we simply skim the top off, put it back, and somehow it is back to normal.

The fact is that that simply is not the case, that it is far more sensitive than one would assume, and that the land has to be put back in very careful strata, unlike what one would assume might happen, perhaps, out in the country.

Mr. Chairman, I think in terms of what we discussed earlier with something like 2 million acres a year, as the gentleman said, coming out of agricultural production and into various other uses, if we are going to take this land and make it, in essence, unusable in the future, I think we are doing a lot more damage than we realize.

Again, Mr. Chairman, I commend the gentleman for his initiative.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I think this amendment is consistent with what we already have in the bill. We have a structure to protect prime agricultural land, one of the greatest resources this country has.

Mr. Chairman, the gentleman's amendment, as I read it, would give us a little bit of extra protection in the interim period between the time and interim standards would apply in the State.

My inclination, Mr. Chairman, is to accept this amendment. I was opposed to a 5-year moratorium, which had first been suggested, because our bill says that one does not mine unless he puts the land back and gets an equivalent yield and has useful production from the land.

It seems to me that the amendment is now consistent with that position, and I support it.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Michigan.

Mr. RUPPE. Is this not a 5-year mortroum, in effect?

Mr. JEFFORDS. No, it is not.

Mr. RUPPE. How does it vary from a 5-year moratorium?

Mr. JEFFORDS. It varies in several ways. First, it grandfathers existing mining operations, including revisions or renewals. Secondly, it does not affect those operations which will affect 10 percent or less of prime agricultural land; and third, it does have a variance procedure. If they demonstrate they can do what needs to be done, then the Secretary of Agriculture can grant a permit.

Mr. RUPPE. If the gentleman will yield further, it does get the Secretary of Agriculture in the picture; and without his approval, in effect, we do have a moratorium; is that correct?

Mr. JEFFORDS. I suppose that is true with almost any situation where you have discretion. If an Administrator refuses to grant a permit, then of course there is a moratorium. But again it could not apply to existing mining operations. These operations would supply the learning necessary to allow for satisfactory reclamation.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment because I really do not see the reason for the amendment. I do not see the need for bringing the Secretary of Agriculture into the picture.

It seems to me that this is a bill generally regulated by the Secretary of the Interior, and I believe that is the way it should be.

Mr. Chairman, at the present time we do identify very clearly prime agricultural land. We say, first of all, that prime agricultural lands—and I want to repeat this once more—are those lands that have been used for intensive agricultural purposes and whose present agricultural use provides a significant contribution to the local economy. Consequently there is a very clear definition of what is prime agricultural land.

Then we say in the bill that one can mine in these prime agricultural lands, but he has to segregate the "A" soil, the prime topsoil. Then he has to segregate the "B" and "C" soil horizons. At the end of the mining process, he puts back the "A" or topsoil. He also puts back the "B" and "C" soil in whatever combination is best for the agricultural use of that land.

Let me remind the Members in this room that very often after mining these prime agricultural lands, these soils can be put back to more and better productive use than was the case before the mining itself. That is why we segregate very clearly the A or the No. 1 horizon. It is also required by the U.S. Soil Conservation Service, that the B and the C horizon soils are also segregated. The B and C horizon soil, at the time of being placed back on the top surface are placed back either individually, or collectively, or in combination, however is best determined by the U.S. Soil Conservation Service, so as to make the land as productive as possible at the end of the mining cycle.

Since it would seem to me under the bill before us we have a very clear definition as to what are prime agricultural lands: simply those lands in the country which are used for some type of agricultural purposes, those lands that provide a significant contribution to the local economy. Then we say, under that definition that you have to take care and give consideration to that land and you have to insure that you can put it back into productive use afterwards. So, it seems to me the safeguards are there.

Mr. TSONGAS. Mr. Chairman, if the gentleman will yield, the gentleman from Michigan's argument is that with the existing language, that that is sufficient, under the present bill's provision so that prime agricultural land could be protected and it could not be stripped unless you can restore the land?

Mr. RUPPE. That is correct.

Mr. TSONGAS. Under the amendment offered by the gentleman from Vermont (Mr. JEFFORDS), it could be mined if it could be shown that there were variances.

Mr. RUPPE. Why run through the variance procedure? Why make a whole new requirement? That is the problem, everybody can think of a variance. So I believe we ought to stick to the letter of the bill that identifies prime agricultural land. We say that where those lands are located you have to do certain things to insure the productivity of those lands, those soils, after the mining process has been completed. It would seem to me that that is what we want.

Mr. HUCKABY. Mr. Chairman, if the gentleman will yield, the Department of Agriculture considers prime agricultural lands as such lands in the Southeast and Southwest that are not capable like the rich farming lands of the Midwest where they grow corn, but down there they only grow pine trees or maybe Bermuda grass.

Mr. RUPPE. That is right. And I will say, very clearly, that we are opening up, in my opinion, a very broad definition because tree farming can be what the Secretary of Agriculture defines as prime agricultural land so, in effect, there is really no end to the land that can be covered under the definition.

Mr. HUCKABY. That is right, so that that possibly encompasses all the land in this country except for the deserts and for the mountaintops.

For instance, let me tell the Members what you can conceivably do here. The States of Louisiana and Texas have been called upon to give up all of their natural gas, so it can be used for home heating.

The States of Louisiana and Texas have a lignite coal industry that they would like to develop. It is just beginning to get off the ground, and if the land can be restored there then we are in fact just adding another layer of bureaucracy.

So, Mr. Chairman, I strongly object to this amendment.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this bill has a specific section written at the suggestion of the U.S. Soil Conservation Service officials and others, who appeared before the committee. It prescribes the manner of reclamation desirable for prime agricultural lands. It is a very appealing concept, particularly for one from a rural area, to decide to exempt prime agricultural land from any mining. There are roughly 380 million acres in this country that fall into the category of prime agricultural land and an almost infinitesimal part of that is touched by strip mining; less than one-half of 1 percent. But that one-half of 1 percent of land produces nearly 75 million tons of coal each year.

The worst possible case that we heard was a first year's production loss, if no prime agricultural land were permitted to be mined, of almost 75 million tons. A 5-year moratorium on new production alone would mean a loss of more than 10 million tons. Where are we going to make that up in other sources of energy?

We talked here today of increasing coal production and the need for an energy solution. We do have safeguards for prime agricultural land. We all have to be aware of where tradeoffs have to be made. As I read the gentleman's amendment, it brings the Secretary of Agriculture into this procedure. Also, while it pretends to allow mining of farmland that does not comprise more than 10 percent of the surface area, that would probably preclude most of the mining. We have got to make a basic decision.

I do not know why the gentleman from Arizona accepts this amendment now. I thought the committee had resolved this. This is a move literally, as the gentleman from Louisiana has said, to remove from production vast areas of this country, and I would hope that the gentleman from Arizona would reconsider, as he just apparently did, his past opposition to this kind of thing.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

I think we have surety under the bill when we say what has to be done. If an area is defined as prime agricultural land, under the amendment the definition of prime farmland will be made by the Secretary of Agriculture. This is a whole new layer, very seriously, of bureaucracy brought into the bill. This is essentially a Secretary-of-the-Interior-mandated bill, and why should we have a definition of prime agricultural land now decided by the Secretary of Agriculture.

We had the Soil Conservation Service in informal hearings before us, and we asked, "If you segregate the soils, the A and B and C in combination, can you restore the land to productivity after the mining process?" And their response was, "Yes." It was an affirmative response to our inquiry. "If you segregate the soils, can you restore the productivity?" Their answer was in the affirmative.

Mr. BAUMAN. I would just observe that the gentleman from Michigan is very much in support of this bill. Despite my opposition to the bill we happen to agree on this amendment. Throughout the committee consideration of this bill, the gentleman offered a great many amendments that would improve it. The gentleman from Arizona is ready to admit that, I am sure, but the net result is that we are both opposing this change, because this is very disruptive of the requirements that this Nation has for energy.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

Mr. Chairman, let me say I like what we have worked out, what the gentleman from Michigan and I have worked out. The gentleman from Massachusetts (Mr. TSONGAS) was the original author of good solid agricultural farmland in the amendment. I like it in the bill. I am perfectly content with the way it is now. I have not had such full court press as we have had in the last few days from the administration on this prime-land business. The reason I accept it is I have read it carefully, and I do not think it makes any difference.

Mr. BAUMAN. Mr. Chairman, if I can reclaim my time, if it makes no difference, why would not the gentleman oppose it?

Mr. UDALL. If the gentleman will yield further, apparently the authors of the amendment and some people in the administration who want to say they have a strong bill are using this as some kind of symbol as to whether or not we are going to have strong protection of prime agricultural land. It says in the amendment one can get a variance. What does one have to do to get a variance? One has to do what we have already provided in the bill. I do not think there is any great deal of difference whether it is in or not. The reason I do not like it is it adds another level of bureaucracy.

Mr. BAUMAN. Exactly. It creates more bureaucracy and a burden on the ultimate consumers and could reduce coal production.

Mr. UDALL. I do not see much difference.

Mr. HUCKABY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think our Chairman is so correct in the fact that, as I understand him, this is just going to add another layer of bureaucracy. It is going to create more time delay in opening new surface mining operations. It is nothing but window dressing. They started out with a 5-year moratorium. They saw they could not get that, so now they are coming back in here and saying that it really does nothing but provide a variance procedure. This is another layer of bureaucracy in order to open up new mining areas where they can restore the land to its original agricultural use, so I am very much opposed to this amendment.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I would hesitate to bring this up because obviously we are not going to get a bill or an amendment favorable to me without the support of the majority in the House, but I think in all honesty one has to look at in some degree just where the Secretary of the Interior wants us to go, because he did propose a number of amendments. I question whether the Members in this House are ready to accept the interpretation of the administration or of the Secretary of the Interior as to where this bill ought to go.

The Secretary proposed the complete banning of mining on alluvial valley floors and primary agricultural lands. He also offers other amendments.

I do not mean to be critical of the Secretary and his staff is new and they have offered also additional amendments which would require the applicant for any mining permit to give to any regulatory authority a long-range weather forecast in the area in which he is going to mine. Who can do that and stand before a regulatory authority and state what the future weather conditions are going to be in any area and satisfy that authority before one can get a mining permit? Also he has to get approval of all the fish and wildlife agencies in that area. Who can do that? I would say to the people in Texas they are going to have to get out of gas and get into coal in a couple of years and they cannot get all the fish and wildlife people to agree.

The people under the Secretary of the Interior who are working on this are going in an opposite direction from the President himself. I mean this seriously. The President said we should move in an environmentally safe manner and we have to use this land and its resources for the people of this country. The staff people in the Interior Department have come up with the exact antithesis of what the President has told us he wants. If we are going to accept the suggestions of the Secretary's people we will be flying in the face of the very specific commitments that President Carter has made to the Nation.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I was going to see if we can get to a vote on this.

I would ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 8 minutes.

The CHAIRMAN. Does the gentleman from Louisiana yield for that purpose?

Mr. HUCKABY. I yield.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. Chairman, I rise as a cosponsor and as a strong supporter of this amendment. After our people, our farmland is the most valuable resource to our Nation. The production of food is fundamental to the existence of the human race. This amendment will not slow down coal production; indeed, the studies that we have available have shown that it will not affect overall coal production. But it will protect our farmland.

Coming from a family farm, I have become increasingly concerned with the way we are using our prime farmland. I can cite examples of industrial expansion into areas of prime farmland when other alternatives are available. I need not mention the massive use of prime farmland in some programs of the Federal Government, such as the wildlife mitigation program. I am not totally opposed to this.

But in my State of South Dakota, for example, prime agricultural land is being taken for wildlife mitigation areas in sections of the State where less desirable land could be used. There are sloughs available; there are low areas; and there are other types of land that could be used for mitigation that, in fact, are more suitable for wildlife. This mitigation is occurring throughout South Dakota, in part because we are in a "flyway" for interstate birds. I am an environmentalist and am strongly in favor of preserving those birds, but I believe that if a program such as the national shelterbelt program were to be adopted, we would be much further ahead.

Insofar as this amendment is concerned, it would provide protection for some of our prime agricultural land. We presently enjoy an abundance of food in our country, but that day may change. Let us remember that one of our greatest natural resources is our prime agricultural land. We are down to approximately 5 inches of topsoil—when our country began we had approximately 30 inches of topsoil. Let us act now to take steps to ensure that a special procedure is used before prime agricultural land is destroyed, and let us be certain that it is restored after the mining is complete.

(By unanimous consent, Mr. PRESSLER yielded his time to Mr. JEFFORDS.)

The CHAIRMAN. The Chair recognizes the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I think the amendment is much more significant than is known at this particular point.

Right now we are running out of agricultural land. We have lots of coal under land which is not prime agricultural land. All we are asking in this amendment is to give some minimal protection to prime agricultural land and say we should mine somewhere else first until we have the techniques to reclaim that land, because unless we can reclaim the land, it is gone forever. With prime agricultural land disappearing at a rate of 1.7 million acres a year, in 10 years or 15 years we will have a crisis in agriculture.

This amendment does no harm. The Secretary of Agriculture and the Secretary of the Interior support it. I think we ought to defer to their judgment. Simple logic dictates this. If they are right and if the opponents of this are wrong, there is no way we can bring that land back and this Nation will suffer irreparable harm. Since there is plenty of coal under nonprime agricultural land, our energy supply will not be impaired. Simply stated you cannot go wrong with a "yes" vote. A "no" vote may lead to a national disaster.

The CHAIRMAN. The chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I want to commend the gentleman from Vermont. I think this is a reasonable amendment. The trouble is that we really do not know at this time whether we can restore prime agricultural land to its condition of previous productivity. In fact, we had quite a bit of testimony in our hearings that indicates it may not be possible at all with respect to some types of soil. It seems reasonable to require the coal operator to carry the burden of showing that it can be done. The amount of coal affected is very small. The loss of future food production capacity could be serious.

Therefore, I would support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. NOLAN).

Mr. NOLAN. Mr. Chairman, I rise in support of the amendment.

The administration's proposed 5-year strip-mining moratorium on prime farmlands is technically not a moratorium, Rather, the administration's language, being offered as an amendment to H.R. 2 by Mr. PRESSLER and Mr. JEFFORDS, establishes a specific review procedure for new strip-mining applications in a special category of lands, prime farmlands.

New applicants who show less than 10 percent prime farmland in their proposed mining plan will be permitted to mine, and applicants who can demonstrate, through substantiated data verified by the regulatory authority, the Secretary of the Interior, and the Secretary of Agriculture, that prime farmlands comparable to those proposed for mining have been restored to their full agricultural capability may also be issued a permit. In the absence of these showings, all new permit applications for a period of 5 years from the date of enactment of H.R. 2 which show 10 percent or more prime farmland in their mining plan will not be approved.

During the 5-year period, research and experimentation will take place to determine whether strip mining should proceed on prime agricultural land, with primary focus on soil reconstruction after strip mining to determine whether agricultural capabilities can be restored. All existing operations on prime farmland will be required to segregate and sequentially replace topsoil horizons. This provision is already in H.R. 2.

The proposed Pressler-Jeffords amendment differs from any requirement already in H.R. 2 in that it:

First, establishes a special permit review procedure for new strip mining on prime farmlands for a period of 5 years from the date of enactment of H.R. 2;

Second, activates the involvement of the Secretary of Agriculture in the review of all new permit applications in prime farmland areas;

Third, establishes criteria and special burdens of proof to be used to determine which strip mine operations will and will not be allowed to mine in prime farmland areas; and

Fourth, requires that a study of special reclamation practices and soil reconstruction procedures be conducted for prime-farmland mining operations, to determine whether, and with what reclamation procedures, prime farmland should be made available for future surface mining.

Prime farmland is generally defined by the SCS as "land available for growing crops that has the soil quality, growing season, and moisture supply needed to produce sustained high yields economically when treated and managed according to modern farming methods." To qualify as prime farmland, land must meet specific criteria established in 1975 by the SCS for moisture supply, water table, flooding, soil temperature, permeability, acidity, alkalinity, salinity, stoniness, and erosion hazard.

The percent of prime farmland in a given area can be determined through detailed soil types, soil associations, and soil surveys.

Illinois has upward of 9 million acres of prime farmland in its coal counties; Indiana, 1.6 million acres; western Kentucky, 800,000 acres. However, all of this acreage may not coincide with strippable coal reserves. Moreover, the issue is not strippable coal reserves affected, but new strip mine starts affected for the 5-year period, since conceivably, after the 5-year period, strip mining could proceed on prime farmland unfettered by any additional review process once it is learned how to restore such lands to their full agricultural capability and what technological performance will be required of the operator.

The purpose of this amendment then is to direct new strip mine starts to nonprime areas until it is determined whether strip mining should proceed on prime farmland. The available data indicate that there are more than ample coal reserves on nonprime land to meet the Nation's needs well into the foreseeable future.

Mr. Chairman, I urge adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. CORNWELL).

Mr. CORNWELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Vermont. Even though my district of Indiana has approximately 937 million tons of strippable coal on nonprime farmland, all information available to me shows that at the present 1977 production rate, this supply will be exhausted within 35 years. However, Mr. Chairman, the purpose of this act, in accordance with the urgency of the energy crisis, is to maximize our production of domestic fossil fuels. This will greatly speed up the stripping of coal in my district and will thus exhaust our supply at a much earlier date. The following counties have an abundance of prime agricultural land, under which lies an abundance of coal, all part of the extremely rich Illinois basin. The economy of this most depressed district in Indiana relies to a great extent on stripping of coal. I therefore encourage my colleagues to vote against this amendment, knowing full well that this problem is not unique to only 1 of 435 districts. The reclamation processes are available now at a minimal cost to the coal companies of an additional 2 cents per ton of mined coal. By the time of extinction of strippable coal in my district, technological capabilities will be available to go for the 8.9 billion tons of coal that my Indiana district holds in deep reserves. I therefore urge my colleagues to defeat this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. HUCKABY).

Mr. HUCKABY. Mr. Chairman, I rise in opposition to this amendment. I would like to point out that the overwhelming majority of our farmland today that is being taken away from surface mining, from urban sprawl and that the next biggest section is taken away from our highways. Just a minor percentage, less than 1 percent, is being taken away from surface mining. Less than 1 percent is being taken away from surface mining. We are restoring lands today that are considered prime agricultural land. These lands will not do anything but grow grass, this amendment would prohibit that.

Mr. Chairman, I speak very strongly in opposition to this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, this amendment basically puts a ban for a period of years on any mining on prime agricultural lands. There is talk of a variance, but a variance cannot be triggered until the Federal Government conducts a rather long mandated research program. The Soil Conservation Service told us directly if they mine prime agricultural lands in Illinois or Indiana, where they all are, and segregate them and put them back, it is the word of the Soil Conservation Service directly to us that those lands are just as subject to the same protections before the mining operations as they are after the mining operations.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I think we have to quantify in our minds before we vote on the amendment what the impact is. The amendment is not necessary. We can read on page 271 exactly how this bill prescribes the preservation of prime agricultural lands and also preserves continued surface mining. If this amendment passes, almost 20 percent of surface mining could be banned in this country. There could be an overall loss in deep and surface mining of 10 percent in our current 600 billion tons in the first year.

Mr. Chairman, the committee rejected this when the proposition was before it. Here today in the Committee of the Whole we should do the same.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, we have a pretty good bill on prime agricultural land. I became convinced this afternoon after a quick study of this that it really does not make much difference; that to get a variance they have to do what the bill requires for a permit. The amendment does give some protection in the interim.

The Senate bill does not have anything like this in the bill, as far as I am aware.

I do not want to do anything that will burden the bill. Personally, I will support the amendment, but I do not think it offers too much in addition to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The question was taken; and on a division (demanded by Mr. JEFFORDS) there were—ayes 16, noes 42.

So the amendment was rejected.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to ask my colleagues to assist me in deciding what to do about the problem tonight. The leadership had committed itself that we would quit this evening by 5:30 or 6 o'clock. The remaining amendments to title V that I am aware of are very few. I suspect if we could finish title V in the next 20 minutes or so, we could finish the bill by 6 o'clock and it would not be necessary for a session tomorrow. I do not want to infringe on the Members' time for adequate discussion of major amendments, but in just a moment I am going to ask unanimous consent that all debate on title V and all amendments thereto to close at 6 o'clock. It is my belief that if we do that, we can take the other two titles in 10 minutes and we would be ready for final passage by 6 o'clock or shortly thereafter.

So, that will be my position, and I wanted the Members to have a moment to think about it. If anyone feels that this plan would foreclose consideration of important amendments, they should understand this.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Maryland.

Mr. BAUMAN. I would just say to the gentleman that I think the bill could be finished tonight, but I did not want to preclude consideration of any important amendments this evening even if we had to go on. Of course, the leadership has to decide that. But, if we are going to get to the end of title V and then adjourn, and still have to be in tomorrow, I would not want any limitation placed on debate now. So, if we could have some guarantee that we could go on and finish the bill by 7 or 8 o'clock and not come in tomorrow, I would hope that could be done.

Mr. SEIBERLING. If the gentleman will yield, has the gentleman any idea of how many more amendments are pending?

Mr. BAUMAN. I know of only one or two amendments on this side. The slew of amendments are from the other side.

Mr. SEIBERLING. I was asking the chairman if he had any idea.

Mr. UDALL. There is a major amendment to be offered by the gentleman from Montana (Mr. BAUCUS). There are a couple of others over here. My guess is that on this colloquy, we probably cannot finish by 6 o'clock.

Mr. SEIBERLING. I thank the gentleman.

Mr. UDALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in connection with the debate this afternoon on H.R. 2.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORTS ON H.R. 4585 AND H.R. 4390

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight Friday, April 29, 1977, to file reports on the following bills:

H.R. 4585. To authorize appropriations for the Indian Claims Commission for fiscal year 1978; to facilitate the transfer of cases from the Indian Claims Commission to the United States Court of Claims; and for other purposes; and

H.R. 4390. To amend the Act of June 3, 1960 (74 Stat. 156), authorizing the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, California.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will make the following announcement:

It is the intent of the leadership to follow the procedure that we have been following. The House will adjourn at 3 o'clock tomorrow afternoon, so that we would ask the Members of the Committee to take cognizance of that fact. The House will adjourn tonight to meet at 11 o'clock tomorrow morning.

Mr. UDALL. Mr. Speaker, as I indicated earlier, I think we are very close to the end of consideration of this bill. I think we could have finished within another hour this evening, but that point has already been passed.

Beginning at 11 o'clock tomorrow, if there is no intervening business, I would feel quite confident that we would be out of here not later than 1:30 or 2 o'clock.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield, I will do my very best to cooperate with the gentleman.

MAKING IN ORDER CONSIDERATION OF FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1978, ON THURSDAY NEXT

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that it may be in order to consider the First Concurrent Resolution on the Budget for fiscal year 1978 on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, under the Budget Act, as the gentleman from Connecticut knows better than I, a 10-day layover is required after the filing of the budget resolution before the House may consider it. Also, because of the recent change in the rules of House, offered in the majority caucus by the gentleman from Iowa (Mr. SMITH), now when a budget resolution is brought up before the House it shall be considered as read and open to amendment at any point. That being the case, under our rules, it would allow a motion to limit debate, and severely restrict any Member's right to be heard. When the resolution was considered over the last two days, numerous amendments were offered, as we all know. Is there to be any attempt on the part of the majority to limit debate, or are we again to be allowed to consider changes in the defense, welfare and other categories with the right to full and open debate? If there are no ironclad assurances from the gentleman, this gentleman indeed would certainly object.

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, we certainly will have the opportunity to debate the various portions of the budget resolution and to amend them. It is not our intention to have any kind of strict limitation on debate other than the kind of limitation where, after a sufficient period of time, as happened yesterday, as the gentleman will recall, we asked unanimous consent to limit debate.

Mr. BAUMAN. The gentleman's assurance includes the ability of any Member to offer amendments?

Mr. GIAIMO. Yes.

Mr. BAUMAN. With a reasonable period of time for debate?

Mr. GIAIMO. Yes.

Mr. BAUMAN. There will not be an effort by the majority side to cut off debate on certain amendments?

Mr. GIAIMO. It will not be our intention, nor will I move to do that.

Mr. BAUMAN. Will the gentleman give us an estimate as to how long the consideration of this new concurrent resolution might require?

Mr. GIAIMO. I would think we would complete action on the budget resolution in 1 day.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for his assurance; and, with this understanding, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

ONE NEW DEFERRAL OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95-135)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one new deferral of budget authority amounting to $6.0 million for the antirecession financial assistance fund of the Department of the Treasury. In addition, I am reporting a revision in the basis for and a reduction in the amount of a previously transmitted Department of Commerce deferral.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1977.*

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 11, LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1977

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 11, the Local Public Works Capital Development and Investment Act of 1977.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Delaware (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Delaware. Mr. Speaker, because of a commitment in my State. I was compelled to miss the final two votes on H.R. 5970, Department of Defense Authorization. Had I been present, I would have voted "yea" on rollcall No. 150, the Treen amendment, and "yea" on rollcall No. 151, final passage of H.R. 5970.

SOME QUESTIONS ABOUT THE STRATEGY OF PRESIDENT CARTER'S SALT PROPOSALS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP), is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, since Secretary of State Cyrus Vance returned from Moscow, there has been considerable discussion concerning the implications of the Soviet rejection of the Carter proposals for breaking the deadlock on a new agreement on the limitation of strategic offensive arms. This deadlock has existed since the parties to the strategic arms limitation discussions, SALT, have been unable to agree to a formula for the implementation of the Ford-Kissinger-Brezhnev accords made at Vladivostok in November 1974.

The Vladivostok accords provided for a limitation on the total number of strategic delivery vehicles, SDV's, including bombers and ballistic missiles, both land and sea based. Included within the 2,400 SDV ceiling was a multiple independently targetable reentry vehicle, MIRV, missile sublimit of 1,320. The restrictions on silo size and upgrading were carried over from the 1972 SALT accords.

The conspicuous emergence of what some analysts call "gray area" systems; those nuclear delivery vehicles with a capability for intercontinental employment even if their primary arena of employment is the tactical field. The Soviets insist that their Backfire bomber should not be counted as an intercontinental system because they assert that they do not intend to use it as one. It remains a problem for SALT nevertheless, because it has an unambiguous capability to strike targets in the Continental United States. The American cruise missile program is primarily designed for limited range employment although the long range models may have a range of 2,000 miles when developed. The Soviet Union does not want the Backfire bomber counted as a strategic delivery vehicle, we do. The United States does not want its cruise missiles counted as strategic delivery vehicles, the Soviets do.

The Carter administration accepted the Vladivostok formula, and included reductions in the overall number of strategic delivery vehicles. The restrictions embodied in the Vladivostok formula including the intention to count all types of strategic systems in the SDV ceiling, permitting both sides the freedom to mix the various types of strategic systems as they see fit within the numerical SDV ceiling, as well as other more technical constraints. Concerning modernization and replacement of land-based ICBM's, the Carter proposals made some specific recommendations for dealing with the new generation of missiles currently in R. & D. or deployment. The Vladivostok formula agreed to in 1974 would have permitted the Soviet Union to deploy more than 12 million pounds of land-based ballistic missile payload capacity by the early 1980's—more than six times our own as a consequence of the modernization of their SS–9 and SS–11 missiles with the SS–18's, SS–17's, and S–19's. This development alone would place our land-based ICBM forces, as well as submarines in port, and manned bombers not on alert status, in mortal danger of being destroyed in a Soviet first strike. Such a possibility, if widely percieved, could erode the ability of any President to support our foreign policy objectives in a political crisis with the Soviet Union.

The subject of ballistic missile payload capacity or "throw-weight" is an extremely important one, too often discounted by those who stress agreement for agreement's sake with the Soviets. Throw-weight is the weight of payload on a ballistic missile which can be delivered to a target. It is the most important long-run figure to characterize the capability of a ballistic missile for it measures the upper limit in terms of weight that can be mounted on a ICBM or submarine-launched ballistic missile. Thus, as the Soviet capacity to design very small warheads improves, their heavy throw-weight missiles will enable them to deploy far more individual warheads on their ballistic missiles in the future. When the 1972 SALT accords were signed, the Soviet advantage in throw-weight was 4 to 1. With the new generation of missiles—far larger than those they replace—the Soviet advantage would increase to 6 to 1.

The aforementioned discussion does not take into account the implications of the upgrading of the Soviet submarine-launched ballistic missile force. The *Yankee*-class submarines deployed in 1972 when the SALT I accords were ratified carried 16 single warhead missiles with a range of less than 2,000 miles. The *Yankee*-class submarines are now being modernized with a new class of submarines known as the *Delta* class. Three variants of this type have been observed to date with the largest carrying 20 missiles, each capable of carrying multiple independently targeted reentry vehicle warheads at a range of 5,600 miles. This means that the Soviet Union may now launch their submarine-based missiles from their home port without risking an encounter with American anti-submarine-warfare forces. The United States will not have such a capability until well into the 1980's, assuming the antidefense attitudes in the Congress subside by then.

The deployment of the Backfire bomber is a further source of concern because it carries a modified AS–6 missile, a combination which enables an unrefueled Backfire with an AS–6 missile payload to approach the continental United States at high altitude—due to the absence of American air defense—and reach every important metropolitan area of the United States with a nuclear weapon. Thus, the Vladivostok formula virtually guaranteed that American strategic nuclear forces would become vulnerable to direct Soviet attack by the early or mid-1980's. Many critics of the Vladivostok formula, including myself, have long argued that reductions in strategic offensive forces would contribute to stability and are thus necessary if arms control measures are not to become a source of international instability rather than a means for achieving it.

President Carter has, I believe, begun to move in the right direction by proposing more equal reductions in Soviet and American strategic forces. The proposals advanced by the President still, however, fail, in my judgment, to meet the requirements established by the Congress for a reasonable arms control agreement to follow the Interim Offensive Agreement—IOF—which is to expire on October 3. According to reports published in the press drawn from spokesmen of the administration, the essential proposals made in Moscow are as follows:

Land-Based ICBMS.—Both the United States and the Soviet Union would be limited to 550 land-based MIRV-type ICBM's with no more than 150 "heavy" missiles of the SS9 or SS–18 type. Because the silo geometry constraints of SALT I would be carried over, the United States would not have any heavy ICBM's, however. The Soviets could fill out the balance of their force with their new MIRVed SS–17's and SS–19's up to a limit of 550 in total. All other land-based ICBM's would have to be of the single-warhead type such as the SS–11 which has been deployed since the late 1960's. The U.S. Minuteman III deployment is now at the 550 missile level.

MIRV sublimit.—It was proposed that the MIRV sublimit be reduced from 1320 to 1100–1200. Because all of the land-based missiles are MIRVed, this would in effect, permit each side to deploy 550–650 submarine launched ballistic missiles with MIRV warheads.

Strategic Delivery Vehicle Ceiling.—Whereas the Vladivostok accords called for a 2400 SDV ceiling, President Carter correctly proposed a reduction of SDV's to 1800–2000. This would allow each side to deploy 600–900 single warhead balistic missiles and heavy bombers. It is also possible that details ultimately negotiated would permit each side to deploy cruise missiles whose range exceeded 1550 nautical miles range—2500 kilometers—only if it was included in their strategic delivery vehicle ceiling.

Backfire-Cruise Missile.—The Backfire-cruise missile controversy has been at the vortex of the Soviet-American impasse on SALT. The Carter proposal offered to permit the Soviet Union to deploy the Backfire bomber without limit, provided they did not deploy it as a strategic weapon—an assertion the Soviets would be required to prove to American satisfaction could be vertified. In return, the United States would accept a ban on cruise missile deployment in excess of a 1,550-nautical-mile range. Only cruise missiles launched from heavy bombers—for example, the B–52 or B–1—with a maximum range of 1,550 nautical miles would be permitted; otherwise all cruise missiles deployed must have a range of 600 kilometers or less.

Other Issues.—A number of important detailed issues were also proposed including: a requirement for mutual agreement on a 10-category "data base" on the strategic delivery vehicle inventory on both sides—the Soviets have not heretofore revealed any detailed information as to the number of strategic delivery vehicles in their inventory—a limitation on the flight testing of new ICBM's; a ban on mobile ICBM deployments, and a ban on improvements to existing ICBM's. These proposals would eliminate the possible deployment of a mobile M–X system now under development as well as the mobile SS–16, but would not have an impact on the mobile SS–20 now being deployed in quantity by the Soviets, a shorter range missile capable of reaching targets only in the northern half of the United States with a reduced payload, and made from the upper two stages of the SS–16 MIRV-capable missile.

In examining the Carter proposals, one can identify two important criteria against which the proposals fail the test of congressional intent in the ratification process on the first round SALT accords in 1972. First is the asymmetric character of the results of the agreement weighing heavily against the United States—even if it is less onerous than the Vladivostok formula—and verification difficulties.

First with respect to the asymmetric character of the Carter proposals, let us examine the land-based ballistic missile case. The most important measure is not the number of missiles, nor is it the number of warheads which may be carried by a particular missile. Rather the relevant figure of merit is the throw-weight of the ballistic missile force. Although the Vladivostok formula with 2,400 SDV's would leave the United States with a 6-to-1 inferiority in the throw-weight of its land-based ballistic missile force, the Carter proposals would be only a slight improvement of perhaps 4-to-1. Not only would the Soviet first-strike threat to America's land based forces remain undiminished but congressional intent to achieve parity in SDV payload capacity is thwarted.

The United States would have to face the same crisis of a visible threat to its strategic forces in the early to mid-1980's it is likely to face under either present, "Vladivostok" circumstances, or it would face in the absence of any agreement should we elect to do nothing to offset the Soviet strategic nuclear buildup. The Soviet Union can threaten American land-based forces with less than half the ballistic missile payload permitted under the Carter proposals. Such a proposal defeats the very purpose of the SALT exercise; namely to permit each side to retain equal security at lower levels of forces. The payload asymmetry could not be offset even if the United States replaced all of its 550 Minuteman III missiles with the larger M–X missile now under a slowed development program. Only by making the M–X fully mobile, could we reduce the vulnerability of the land-based force sufficiently to assure its survival. This step too, is prohibited under the Carter proposal.

The problems of verification run deep through virtually all of the proposals made by President Carter. Most of them cannot be resolved by national technical means of verification, that is, those means by which we can verify Soviet compliance—or can identify noncompliance—with an arms limitation agreement. This perspective is perhaps understandable—the elimination of the Verification Bureau from the Arms Control and Disarmament Agency reflects the casual attitude of the Carter administration toward being able to verify compliance once an agreement has been made. The recent elimination of the Verification Bureau by the new Director of the Arms Control Agency, Mr. Paul Warnke has a chilling parallel to the attempts by British arms control enthusiasts in the 1930's to cover-up for German attempts to evade the naval arms limitation agreements to which they were a party.

The cruise missile proposal reinforces the image of disinterest on the part of the Carter administration toward verification. Limitation on the technical properties of a cruise missile's operation virtually defy definition, much less verification. A cruise missile limitation of 1,550 nautical miles range poses enormous problems. If the range of a cruise missile is calibrated at 1,550 nautical miles at an optimum cruise altitude—about 36,000 feet—its range at very low altitudes—necessary to penetrate hostile air defenses—may be less than one-third that at optimum altitude. If the reverse situation obtains, that is, the limitation is presumed to apply to low altitude flight, the range of the cruise missile at optimum altitude may exceed 4,000 nautical miles under some circumstances. Moreover, the limitations on cruise missiles cannot control sophisticated forms of upgrading such as improved propulsion systems, light-weight warheads, and high-density fuels which cannot be detected by the national technical means of verification by either party. The Soviets have constructed more than 5,000 cruise missiles of all types since 1955. We know that the volume—that is in cubic feet—of Soviet cruise missiles is very large when compared to our own. Presumably they now employ unsophisticated technology, but there is no national technical means of verification which would permit us to verify any important operational property of a Soviet cruise missile pertinent to a SALT agreement.

Constraints on Backfire bomber operations or deployments cannot preclude its employment as a strategic bomber. The crude engineering details of the Backfire bomber and the characteristics of the Soviet "Long Range Aviation" support structure to which the Backfire is assigned including an elaborate network of Arctic staging bases and at least two large civilian-type transport aircraft that are likely candidates for aerial tankers, make any operational constraint on the Backfire meaningless from a verification perspective. Under realistic wartime circumstances, the Backfire can deliver nuclear weapons on almost every important target in the United States. The Soviet assertion that it will only be employed as a "peripheral" bomber on the Eurasian landmass is unsatisfactory; it has an intercontinental capability. We cannot verify most collateral constraints on the Backfire; those which can be verified are not important if they are trying to conceal the character of their operations—for example, denial of deployments to Arctic region staging bases—because they may never employ them in such a role until the outbreak of war.

Limitation on flight tests, even if desirable, cannot be reliably verified because Soviet concealment techniques such as low altitude short-range flights within the Soviet landmass or other specialized techniques for concealing R. & D. programs the Soviets have employed in the past could preclude high confidence verification of such tests.

Bans on mobile ICBM deployments, while effective against the United States, cannot be verified against the Soviet Union with high confidence. The SS–20, a 4,000 nautical miles range mobile missile is already deployed. Both the SS–20 and the SS–16 from which it is derived have been tested in the MIRV mode. It is no longer possible to verify how many SS–20's the Soviets have deployed, nor can it be determined how many first-stages of the SS–16 have been built which could be mated with the SS–20 to form a mobile ICBM.

The Carter proposals are unacceptable as a means of resolving the SALT deadlock in a manner compatible with the intent of Congress, even if they are preferable to the Vladivostok formula.

The time is drawing near when we must face the moment of truth with respect to the future of strategic arms limitation as the sina qua non of bilateral Soviet-American relations. The Soviets appear to be unwilling to negotiate a permanent SALT agreement around the principle of equal throw-weight as a means of achieving equal security; indeed, they appear thus far to be unwilling to accept a 4-to-1 advantage in throw-weight. In the past 2 years we have made five detailed SALT proposals, the Soviets have made none. We must be prepared to accept the fact that no SALT agreement may be better than continuing asymmetries. We hope to achieve a fair and mutually beneficial one. We have postponed important measures to minimize the inventive for the Soviets to create an impression that they may have something to gain by striking first. We may have no choice but to abandon our restrained posture, and take prudent measures to restore the strategic balance to circumstances where our security is not threatened by Soviet strategic nuclear forces. Based upon our experience of the past three decades, the most stable periods have occurred when the dynamics of the arms competition process provided neither side with an incentive to strike first. Such a process may turn out to be a superior means of minimizing the risk of nuclear war. It should not be overlooked.

THE PLIGHT OF MIKHAIL MAGER

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. BRODHEAD) is recognized for 5 minutes.

Mr. BRODHEAD. Mr. Speaker, shortly after I came to Congress 2 years ago, several of my constituents brought to my attention the plight of Mikhail Mager of Vinnitsa, U.S.S.R. At that time, Mager's family had already been granted exit permission to emigrate to Israel. Mager, however, was arbitrarily refused exit permission for "security reasons," even though he stated that his job and army service were unrelated to security matters.

I wrote many letters to Soviet officials on Mr. Mager's behalf, urging that favorable consideration be given to his request for permission to join his wife and family. I also sought the assistance of the State Department in this matter, and spoke last year on his behalf, as I am doing now. Unfortunately, these efforts have so far been unsuccessful. Mikhail Mager remains in the Soviet Union, separated from his family.

Mr. Speaker, I bring Mikhail Mager's case to the attention of my colleagues in an effort to point out the Soviet Union's blatant violations of the human rights provisions of the Helsinki Final Act, by which the Soviet Union pledged to do everything possible to reunite families separated by political boundaries. The issue of human rights is one that transcends national boundaries, and I believe that the Congress should continue in every possible way to hold the Soviet Union to its commitments and insist that it relax its restrictive emigration policies and honor basic human rights.

LEGISLATION TO AMEND INTERNAL REVENUE CODE

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, I wish to introduce today a measure first submitted by my colleague from Arkansas, the Honorable JOHN PAUL HAMMERSCHMIDT. The bill, necessary to correct a glaring inequity created by the passage of the Tax Reform Act of 1976, would amend the Internal Revenue Code to exempt certain agricultural corporations from use of the accrual method of accounting.

Let me explain very briefly why the bill is needed. Section 207 of the Tax Reform Act of 1976 provided a new section 447 of the Internal Revenue Code. Section 447 generally requires agricultural businesses to use the accrual method of accounting. Exceptions are admitted, however, in that family-controlled agricultural businesses may use the more advantageous cash method of accounting. The problem can be stated succinctly: given the uneven way the exceptions are drawn, some such agricultural businesses are not exempt from use of the accrual method of accounting. The result will be very different conditions of competition for very similar business enterprises. The enterprises not exempt will suffer unfairly at the hands of their competitors. Simple justice obliges us to see that similar businesses ought to have available the same methods of accounting, whatever those methods may be.

The situation will be particularly grave in the highly competitive broiler industry. A recent study by a firm of certified public accountants has shown that only two family-controlled broiler companies among the top 36 companies in the industry are not exempt. Thus, two companies in an entire industry are being singled out and penalized.

I heartily agree with Congressman HAMMERSCHMIDT's observation that "a provision which extracts such a discriminatory toll cannot pass for tax reform."

The bill being introduced would, by redrawing the exceptions, correct this inequity in the broiler industry. The text of the bill follows:

H.R. 6725

A bill to amend the Internal Revenue Code of 1954 to exempt certain corporations from the provisions requiring the accrual method of accounting for corporations engaged in farming

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assmbled, That (a) section 447 of the Internal Revenue Code of 1954 (relating to method of accounting for corporations engaged in farming) is amended by adding at the end thereof the following new subsections:

"(h) TWO FAMILIES TREATED AS ONE FAMILY UNDER CERTAIN CIRCUMSTANCES.—For purposes of subsection (c) (2), if, on the date of the enactment of this subsection and at all times after such date of enactment—

"(1) members of 2 families (within the meaning of subsection (d) (1)) have owned (directly or through the application of subsection (d)) at least 65 percent of the total combined voting power of all classes of stock of a corporation entitled to vote, and at least 65 percent of the total number of shares of all other classes of stock of such corporation, and

"(2) such corporation has been engaged in the trade or business of farming,

then the members of such families shall be treated as the members of the same family.

"(i) CERTAIN CLOSELY HELD CORPORATIONS.—A corporation meets the requirements of this subsection if, on the date of the enactment of this subsection and at all times after such date of enactment—

"(1) members of 3 families (within the meaning of subsection (d) (1)) have owned (directly or through the application of subsection (d)) at least 50 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, and at least 50 percent of the total number of shares of all other classes of stock of such corporation; and

"(2) substantially all of the stock of such corporation which is not owned (directly or through the application of subsection (d)) by members of such 3 families is owned directly—

"(A) by employees of the corporation or members of the families (within the meaning of section 267(c) (4)) of such employees, or

"(B) by a trust for the benefit of the employees of such corporation which is described in section 401(a) and which is exempt from taxation under section 501(a).".

(b) Paragraph (3) of section 447(c) of such Code (relating to exception for small business and family corporations) is amended by inserting after "subsection (e)" the following: "or a corporation which meets the requirements of subsection (i)".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1976.

Mr. Speaker, we cannot call ourselves a fair-minded Congress if we let such inequities stand. Moreover, no one will take our claims to favor tax reform seriously if we fail to act. I urge my colleagues to support this worthy legislation.

IOWA PUBLISHER ASSAILS CHAIN STORE NEWS

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, a few weeks ago in a speech at the National Press Club and a statement in this House, I expresed my concern over the increasing domination of the newspaper industry by a few huge chain operations.

At that time, together with Representative KASTENMEIER, I introduced H.R. 6098, the Competition Review Act, which would mandate a thorough study of the state of competition in critical American industries, and the effect of Federal policies on promoting or discouraging the trend toward centralized control of our economy. The result of such a study would be prescriptions to enhance competition tailored to the needs and conditions in each industry. We included newspaper publishing and communications among the industries to be examined.

I have been very encouraged by the discussion, both pro and con, my proposals have set off among the public and within the journalistic profession.

One superb response I would like to share with my colleagues came from Mr. John McCormally, editor and publisher of the Hawk Eye in Burlington, Iowa. In a speech at the University of Iowa journalism awards banquet, Mr. McCormally took on the question of homogenized, standardized, devitalized chain-store news—and as a practicing journalist he spoke with far more experience, passion, and eloquence than any outsider could muster.

I was delighted that Mr. McCormally shared his remarks with me, and I take this opportunity to share them with my colleagues and the ladies and gentlemen in the press galleries.

Excerpts from Mr. McCormally's speech follow:

REMARKS OF JOHN MCCORMALLY

. . . All this has been an effort to tell you that I don't just have a job, or a profession. I have a love affair—with all the joy and exaltation, all the loneliness and pain, all the unfulfilled expectations that love affairs require.

And I wish you as well. When you go out of here, with your awards or without them, I hope you'll find the beginning as seductive and exciting, and the love affair as lasting, as I have.

And because I feel that for you, I hate all the more what I am going to say next.

Which is that I have terrible fears about the future of American journalism.

Let me go back a minute to William Allen White. Many of you may have gotten through journalism school without reading him. Fewer of you ever heard of Frank Munsey. Munsey was a bookkeeper disguised as a publisher. In the early years of this century he bought up newspapers like you shop at K-Mart. When their balance sheets weren't up to his expectations, he killed them off or merged them, throwing their printers and reporters out of work. That's why you probably have never heard of most of his papers—The New York Mail, the Daily Continent, The Baltimore Star, the Philadelphia Times, the Boston Morning Journal, the Washington Times.

In 1925 Frank Munsey died, startled, I'm sure, to discover he couldn't take his $20 million with him. It eventually all went to the Metropolitan Museum of Art in New York, since he'd never bothered to have a wife or children or anything else worthwhile.

Editors as a class are devout practitioners of the rule not to speak ill of the dead. Recall the wonderful eulogies for Mayor Daley last winter. I can hardly wait for Nixon to die, just to read the nice things the Washington Post will say about him.

But, in 1925, William Allen White broke that rule. He wrote this wonderfully short and blunt and honest editorial in the Gazette:

"Frank Munsey, the great publisher is dead. Frank Munsey contributed to the journalism of his day, the talent of a meat packer, the morals of a money changer and the manners of an undertaker. He and his kind have about succeeded in transforming a once noble profession into an 8 per cent security. May he rest in trust."

Poor White! He thought they'd almost succeeded in 1925! He should see the meat packers and money changers and undertakers in full cry today.

Nineteen Seventy-six was a historic year in the cartelization of the independent American press. Last year we went over the halfway mark, and when the lawyers and accountants and brokers had finished their work and collected their fees at the end of the year, fully 60 per cent of the 1,752 daily newspapers in the United States were now owned by chains. Or groups, as they like to call themselves. That's a 50 percent increase since 1970.

Gannett is the biggest, with 73 papers—now that it has gobbled up Spiedel. Lord Thompson has 53; Knight-Ridder 32; Newhouse 30; Freedom Newspapers 24; Scripps-Howard 17; Stauffer 15; Cox and Dow-Jones 14 each; The New York Times 10; Copley 9; Hearst 8, and Cowles 7.

No longer are chains merely buying single papers.

We have progressed through the second stage of conglomeration with the big chains buying the little chains, and on into the third stage with the big chains merging with one another. There is no reason to expect the trend to stop on its own, or to reverse itself. We are headed for the time—and at an accelerating rate—when two or three big publishing conglomerates will produce nearly all the daily newspapers, just as General Motors, Ford and Chrysler produce most of the cars.

Well, what's wrong with it? Its defenders can point to many locally-owned, independent papers, old family heirlooms, or the fiefdoms of penny-pinching, conservative businessmen, which are awful, and which are greatly improved by the infusion of money, talent and modern techniques by the new chain owner.

That's true, but you could say the same thing about the independent family. When you see shiftless parents fumbling with the lives of their unruly and unhealthy children, you have an urge to want to take the kids away from them and put them in an efficiently run state home. Judges frequently face that choice and nearly always rule in favor of leaving the kids with their natural parents. For the reason that independence and diversity, whatever their shortcomings, are essential to freedom.

(Let me say here, before someone else does, that I work for a chain. The Hawk Eye is one of 10 small papers in the Harris Group. I recognize that makes me both vulnerable and suspect. But I assure you I feel no more uncomfortable up here saying this than I do, as the father of seven, at a planned parenthood meeting.)

The chain owners, of course, are beyond reproach. They award one another prizes, reward one another's virtue by election to the boards of their various associations. They endow journalism schools, thereby making them partners in the crime. They reassure one another that they are bringing order and efficiency to what had always been a volatile, harum-scarum business.

The danger is insidious. It looks so good. All the bright new buildings of steel and glass; all the bright young men with their briefcases; all the humming computers. It is easier to get newsprint and IBM terminals, and to plan for pagination. And most of them boast of local autonomy for the editor.

But underneath, there is the inevitable pressure of bigness, and the devotion to profit and to conformity which is the nature of the corporate beast. The good newspaper does things that outrage the corporate mind. It spends money it can't hope to recover covering news simply because it has an obligation to do so; it deliberately offends good customers; it deprecates all institutions, including itself. Bookkeepers can't tolerate that very long, and it is the bookkeepers who are rising to the chief executive slots.

The papers will look good for a while. They will fearlessly attack the government—after all, all big business despises the government. But they will not attack the basic ills of the capitalistic system, nor combat the bigness, the homogenization of life, which is turning us all into interchangeable parts. You can't expect suicide.

I immensely enjoyed the movie "Network" because it savaged the enemy, television. But I was also uneasy, because it opened the door a crack and gave me a glimpse of the future of my own medium.

Why does it have to be this way? Why can't the New York Times just be a great New York Times? Why does it have to go out and buy nine other newspapers and keep looking for more?

Well, there's all this money. And this driving, irresistible urge to do something with it. And what you do, when you are in the grip of this obsession, is what you know best and what's most lucrative. So newspapers buy newspapers. They know how to run them and they know how profitable they can be when they're even reasonably well run.

And you can't just have the government stop them, can you? Well, why not? The reason group buying is so attractive is that the tax laws have been written to make it so. They enable a Gannett or a Knight-Ridder to pay 30 or 40 times earnings for a small paper, which is far more than any local buyer could get the financing for. To that extent the government is already in the newspaper business. What if the tax break were just reversed; so that the most attractive loopholes existed for single ownership, and that beyond a certain point, multiple ownership actually produced a tax penalty?

Were that the case, those surplus profits would have to be plowed back into the paper that produced them, and when it had absorbed all it could, they would find their way into housing, or solar energy or something else that desperately needed capital investment.

The problem doesn't directly affect me and I don't really expect it to, in the 10 years I have left until retirement. But I see glimmerings of it, and I sense the ease with which I could succumb to it.

I was at a meeting the other day where the featured speaker, a senior executive in a newspaper chain, lectured the assembled journalists on the value of caution. "Never get more than 10 degrees ahead of the public," he warned, "and you can be assured of a steady 10 per cent profit."

I winced, thinking of the times I've found it necessary to be 180 degrees from my public; and of the chore it is to convince stockholders that even 6 per cent is at least a little better than passbook savings.

And assure them their asset value is increasing.

I don't know the answer. Only the problem. And that, you can say, is a hell of a note.

It is. But you're going to have to live with it. Maybe you can change it. Or at least keep it from changing you. All over the world, young journalists are pitting their skill and integrity against dictatorial states and military juntas, laying their lives on the line. Your skill and integrity are going to be similarly tested. Only in your case, as Pogo would say, the enemy is us.

LEGISLATION TO HALT BUILDING ABANDONMENT AND NEIGHBORHOOD DETERIORATION IN NEW YORK CITY

The **SPEAKER**. Under a previous order of the House, the gentlewoman from New York (Ms. **HOLTZMAN**) is recognized for 30 minutes.

Ms. **HOLTZMAN**. Mr. Speaker, today I am introducing legislation to help halt building abandonment and neighborhood deterioration in New York City and other urban areas, by assuring that property insurance is available at reasonable rates in those places.

My bill would require that properties that have been "redlined" by insurance companies can obtain insurance from State insurance pools, Fair Plans, at private market rates.

Unless the cost of insurance on "redlined" properties is reduced, wholesale abandonment of buildings is likely to occur in New York City in the near future.

Insurance companies, like banks, practice "redlining"; they refuse to write insurance in particular areas that they consider to be "high risk," even if the properties themselves are in good condition. Such determinations about risk are often arbitrary; they may be based on the racial composition of the neighborhood, the deterioration of some buildings, the economic class of residents, or mere location in the inner city. Property owners, thus denied, are forced to go to the State Fair Plan for insurance.

Fair Plans are like assigned risk plans for auto insurance; they provide insurance to property owners who are redlined, in other words, they are denied insurance in the private market. These Fair Plans are insurance pools to which insurance companies contribute according to the share of property insurance they write in the State. Under a Fair Plan, property owners have a right to have their properties inspected and obtain insurance if their property meets normal safety standards for insurability.

In most States, the Fair Plan's rates are the same as insurance rates for other properties. In New York City, however, the Fair Plan rates average almost three times higher for apartment houses and almost four times higher for private dwellings. One landlord, who testified recently at hearings held by New York City Human Rights Commission, had private insurance canceled and had to pay rates 500 percent higher in the Fair Plan. These exorbitant Fair Plan rates have occurred because New York is the only State in the country with a "self rating" Fair Plan. This means the rates for properties in the Fair Plan are based only upon the loss experience of the properties in the Fair Plan rather than the statewide loss experience.

The rate base was further eroded when Hartford Insurance and several other companies raided New York's Fair Plan and solicited away the most desirable policies, reducing the population of the Fair Plan by about one-half. Theoretically only the "worst" risks remained in the Plan. These "risks," however, include well-kept, sound properties that happen to be in transition neighborhoods.

Unless New York's Fair Plan's rates are drastically reduced landlords will be compelled to abandon buildings; homeowners will have to face the frightening prospect of going without fire and other casualty insurance and, if they have mortgages, facing foreclosure.

It is intolerable to allow this to happen because of arbitrary "redlining" by insurance companies and misguided State policies.

The Department of Housing and Urban Development has taken the position that New York's self rating flies in the face of congressional intent and flouts the purposes and policy of Federal legislation, the Urban Riot Reinsurance Act, which established such plans. The Massachusetts State Insurance Commission just refused a request for Fair Plan rates 50 percent higher than standard rates saying this was contrary to congressional intent and would have a serious detrimental effect.

My bill would require that Fair Plan rates be no higher than the advisory rates set by the State licensed rating organization. The Secretary of Housing and Urban Development could allow a waiver for rates no more than 30 percent higher than the suggested rate upon a showing of extraordinary circumstances. The waiver provision intended to address the fact that both Wisconsin and Minnesota have Fair Plans with rates 25 percent higher than private insurance rates.

Under my bill, renovated and well-kept properties in urban neighborhoods would thus be assured of receiving insurance at reasonable rates and a significant disincentive to investment in such areas would be eliminated.

I urge swift passage of this bill.

The text follows:

H.R. 6749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1211(b) of the National Housing Act is amended by striking out "and" at the end of paragraph 9, by striking out the period at the end of paragraph 10 and inserting in lieu there of "; and", and by adding at the end thereof the following new paragraph:

"(11) on or after September 30, 1977, no risk within the plan shall be insured at a rate higher than the advisory rates set by the state licensed rating organization for essential property insurance in the voluntary market; provided, however, that the Secretary of Housing and Urban Development may allow a rate up to 30 percent higher upon a showing of extraordinary need."

WAYS AND MEANS SUBCOMMITTEE ON TRADE REQUESTS COMMENTS ON IMPLICATIONS OF ENERGY CRISIS FOR WORLD TRADE

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, since 1973, the world economy has been in a state of uncertainty due to the quadrupling in the price of oil and the resulting inflation, changes in comparative economies of production, and new problems in financing imports and exports which have resulted from the high price of energy.

A number of countries have had dramatically increased difficulties in financing imports and there is considerable controversy over the soundness of many international loans. There has been some comment that the demand for American exports has decreased as a result of the need for our trading partners to increasingly allocate their foreign exchange for the purchase of energy. In addition, the world energy crisis is considered a cause of increasing so-called protectionist sentiments in the United States and around the world.

While the present situation is already difficult, I am concerned about what the shape of the world economy and world trade will be in the future, if present trends continue. Of course, the entire goal of the President's energy message is to encourage change, so that present trends do not continue.

As chairman of the Subcommittee on Trade of the Committee on Ways and Means and as a member of the Ad Hoc Energy Committee, I believe I can help bring some special perspectives on problems in international trade to the coming debate on the energy legislation. If the international trade and financing problems created by high energy prices are as severe as I fear they are, then there are additional reasons for supporting the President's program or improving on it.

In addition, as chairman of the Trade Subcommittee, I am particularly interested in the ramifications of the plan for incentives in buying high-mileage, more efficient automobiles and how that will affect foreign auto sales. Today, we are importing 50 percent of our petroleum, yet the President plans to reduce the import of oil by 2 million barrels per day. How this will be accomplished is of interest to the subcommittee.

Therefore, during the Ways and Means Committee's hearings on the energy bill, I hope to ask a number of witnesses how the present high energy prices have affected our international trade and what the international trade situation will be if present trends of growing imports of high priced energy continue.

I hope that a number of experts on international trade and financing will request to testify.

Further, to obtain information on this subject for a possible subcommittee report or for possible future hearings of the Trade Subcommittee, I would like to invite comments to the subcommittee on the general subject of "Implications of the Energy Crisis for World Trade."

The subcommittee would welcome comments which would provide the best probable estimates of answers to the following types of questions:

Assuming 1976 conditions and trends, what will be the nature of world trade between now and 1982, and 1982 and beyond?

a. How will nations—the United States, other OECD, non-OPEC LDC's— finance their imports of energy?

b. What nations probably will not be able to afford sufficient quantities of energy to maintain their economies?

c. What will be the nature of world investment and ownership patterns? How much and where will OPEC investment be?

d. What will the situation of the nonoil producing developing nations be?

e. What will be the effect upon imports, exports, and the nature and volume of American trade?

The questions posed above are extraordinarily difficult to answer. But the subcommittee would like to receive expert comments on possible models of problems facing the world in trade during the coming years. Basically, the questions assume no major conflicts, no major changes in the world weather pattern and no major or lasting agricultural disruptions, present rates of population growth, continued general adherence to GATT, and generally open world trade principles. If possible, dollars should be expressed in terms of 1976; that is, no inflation. The questions relating to energy should consider the possible impact of the North Sea development.

The interaction of various factors would be of particular interest. For example, are there nations of the world whose projected population growth versus food supply over the next 10 years is expected to create special problems for their ability to continue their present patterns of trade?

In addition to receiving comments about the possible future picture of world trade, the subcommittee would like to receive thoughts on how various developments could change the nature of world trade during the next 5 and 10 years. For example:

What would be the world trade situation if there is the successful achievement by the United States and the other OECD nations of a 50-percent reduction of energy imports by 1982 or 1987 through the development of new sources of energy or conservation?

What would be the world trade situation if there is no substantial reduction in energy imports by the United States and the other OECD nations and OPEC prices increase 50 percent—above world inflation rates—by 1982 or 1987?

I believe that discussion of these questions can provide special assistance to policy planners. We welcome ideas from the public about additional questions and factors which might be considered in attempting to understand the picture of world trade and the world economy 5 and 10 years from now.

NEW POLICIES AND PROCEDURES OF CONSENT CALENDAR COMMITTEE

The SPEAKER. Under a previous order of the House, the gentleman from Utah (Mr. McKAY) is recognized for 10 minutes.

Mr. McKAY. Mr. Speaker, the members of the Consent Calendar Committee have agreed, for the 95th Congress, upon the following policies and procedures: First. Generally, no legislation should pass by unanimous consent which involves an aggregate expenditure of more than $1 million; second, no bill which changes national policy or international policy should be permitted to pass on the Consent Calendar but rather should be afforded the opportunity of open and extended debate; third, any bill which appears on the Consent Calendar, even though it does not change national or international policy, or does not call for an expenditure of more than $1 million, should not be approved without the membership being fully informed of its contents. If it is a measure that would apply to a majority of the Members of the House, in which case the minimum amount of consideration that should be given such a bill would be clearance by the leadership of both parties before being brought before the House on the Consent Calendar. Such a bill would be put over without prejudice one or more times to give an opportunity to the Members to become fully informed as to the contents of the bill.

It must be pointed out to the Membership that it is not the objective of the objectors to obstruct legislation or to object to bills or pass them over without prejudice because of any personal objection to said bill or bills by any one member or all of the members of the Consent Calendar Objectors Committee, but rather that their real purpose, in addition to expediting legislation, is to protect the membership from having bills passed by unanimous consent, which in the opinion of the objectors, any Member of the House might have objection to.

The members of the Consent Calendar Committee request that the chairmen of the standing committee of the House having responsibility for bringing legislation before the House take into account the contents of this statement before placing the bill on the Consent Calendar. While it is not absolutely necessary for the sponsors of the bill appearing on the Consent Calendar contact the objectors, to avoid the bills being put over unnecessarily, it is a good practice to do so. The committee members welcome the practice of getting in touch with them at least 24 hours in advance of the time the legislation is called up on the regular call of the Consent Calendar. In many instances, such courtesy on the part of the sponsors will clear away questions which the objectors may have and consequenty make for expeditious handling of the legislation.

This agreement was entered into by: the gentleman from Utah (Mr. McKAY), the gentleman from Texas (Mr. GAMMAGE), and the gentlewoman from Maryland (Ms. MIKULSKI); and the minority objectors: the gentleman from Florida (Mr. FREY), the gentleman from Pennsylvania (Mr. SCHULZE) and the gentleman from California (Mr. BADHAM).

GUNS OR PENSIONS

The **SPEAKER**. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, when we were recently considering the DOD authorization bill, our colleague from Wisconsin, Mr. ASPIN, did a great service by raising the issue of the military retirement system. No one disputes the fact that pension costs are the most rapidly growing part of the Defense budget. In 1954, our retirement costs were $1.2 billion; in 1978, they will be $9.1 billion. If we project to the year 2000, these costs are expected to reach an astonishing $34 billion. Senator EAGLETON addressed the problem succinctly when he noted that the classic economic question is the question of guns or pensions.

We have, over the years, provided for increases in military pay, but we have not modernized the pension system. The pension formula was established on the basis of a low salary. Now we have a much higher pay, but pensions computed under the same formula have resulted in a tremendous increase in expenditures to meet the cost. The result has been a most lucrative pension plan unmatched by any other public or private plan.

I did not support Mr. ASPIN's amendment to place military pensions under the congressional plan because it did not seem to me that this would be the best solution. Without the benefit of hearings and more discussion of this issue, it was in my judgment a premature move.

It was encouraging to note that the chairman of the Military Compensation Subcommittee, Mr. NICHOLS, acknowledged that it is time for the Congress to take a good, hard look at the military retirement system. I would hope that the subcommittee will address this important issue in this 95th Congress. It is our responsibility to revise the pension program and to address the issue through the legislative process of full hearings and discussion.

FOREIGN IMPORTS ARE STRIPPING THE CLOTHES OFF THE BACKS OF OUR OWN TEXTILE WORKERS AND MUST BE REDUCED

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 15 minutes.

Mr. KOCH. Mr. Speaker, on April 14 an angry crowd of some 10,000 garment workers assembled in New York's Herald Square to bring public attention to the alarming loss of jobs in recent years in the textile products industry. While New York is very dependent on this industry for employment, the problems of the textile products industry are not felt in New York City alone. The textile and apparel industry employs some 2.3-million workers nationwide, and the 10,000 workers assembled in New York were joined by an estimated 500,000 workers demonstrating simultaneously in 40 other States.

We all still wear clothes, Mr. Speaker, emperors and paupers alike, and the steady growth in our Nation's population would seem to assure a growing market for our textile products. That logical expectation has not been realized, however, because of the rapid and ill-controlled rise in textile imports.

Nor is the apparel industry the only one seriously threatened by imports from foreign countries. Domestic producers of shoes and televisions have recently filed with the International Trade Commission for protective relief under the Trade Act of 1974. While I believe that increased world trade will benefit all nations, I am concerned, Mr. Speaker, about the pattern that has evolved over the past several years whereby large companies, often multinational corporations, have moved parts of their manufacturing operations overseas to exploit cheap foreign labor, thereby increasing the level of imports into this country and decreasing the number of domestic jobs for our own workers. I believe the Congress must act now to limit what is, in effect, the importation of cheap foreign labor before our own labor-intensive industries suffer a decline from which they may never recover.

The direct connection between the rise in garment imports and the decline in domestic employment in the garment industry is too obvious to be ignored. In 1975, the U.S. Department of Commerce found that 39 percent of all sport coats sold in the U.S. were imports, up from 9.5 percent in 1968. In the same period, imports of trousers climbed from 16 percent to 37 percent of total sales in the United States, and imports of men's and boy's suits climbed from 2 percent to 18 percent. At the same time, Government employment statistics show that the number of workers employed in the production of men's and boy's tailored clothing dropped by more than a third, to a total of only 75,600 in 1975. In trouser manufacturing, employment suffered a 14-percent decline, and the number of persons employed in the manufacture of shirts dropped 10 percent in 1975 alone. Similar patterns can be observed in most other areas of domestic garment production.

One cause of this increase in imports are items 806.30 and 807.00 of the Tariff Schedules of the United States. These provisions allow U.S. firms to ship American components to foreign countries for further processing or assembly. When the goods are returned to the United States, an import duty is levied only on the value of the added improvements. In the case of textiles, U.S. companies can print and cut garments at home and then ship the pieces to another country, such as El Salvador or Haiti, for assembly at wage rates which are a mere fraction of the cost of labor here. Because the price of foreign labor is so low, importers pay duty on only one-third of the total value of textile products brought into this country under Item 807, according to statistics compiled by the U.S. International Trade Commission. The percentage of all textile product imports entering under this provision has skyrocketed from 1 percent in 1967 to slightly more than 10 percent in 1975.

This practice has been especially popular in the labor-intensive garment industry, since American manufacturers typically contract out for assembly of precut designs. With hourly wage rates of 13 cents in Columbia, 16 cents in Korea and 17 cents in Taiwan, a duty of 30 to 40 percent on that labor does not add much to the manufacturer's cost, compared to wages in the United States for similar work which average between $3 and $4 an hour, plus fringe benefits.

The net result of this practice is that the United States has become an importer of goods made by poverty-level foreign labor while workers in our own country are forced onto welfare. Too often, the low-skill textile worker forced out of a job remains unemployed, and the loss of these jobs is causing serious change in the character of our cities. These industries provide many young people, minorities and women with their first opportunity for obtaining employment and becoming productive members of society. The loss of job opportunities for these people is a loss in human as well as economic terms.

And are we really helping those countries where the new assembly plants are located by allowing our companies to seek out the cheapest, most docile labor force they can find? In the Republic of Korea, for instance, those labor unions that do exist are not permitted to strike. Prof. Baik Jae Bong of Seoul University, during a seminar on foreign investment, was quoted by the New York Times of March 20, 1976, as saying that "in Korea, multinational enterprises receive special favors in tax payments and labor laws despite the fact that such favors very much affect the basic rights of Korean laborers." As is too often the case with U.S. foreign aid programs, the benefits of business investment abroad do not reach into the lives of the poor, but stick to the pockets of the rich. Thus, in the Republic of Korea, the Office of Labor Affairs reported an average monthly income of $93 while Korea's Economic Planning Board itself has said that $142 per month is the minimum needed for an average family. And we must remember that Korea's wages are still higher than those in many Caribbean countries where textile assembly plants have been located in recent years.

Another alarming development which is encouraged by these tariff rules and which bodes ill for the future is exportation of U.S. know-how and technology, enabling foreign countries to develop products ranging from textiles to electronics and aerospace products, which then compete with our own in our domestic and foreign markets. This pattern begins with the construction of an assembly plant to use American components to produce clothing or television sets, or a number of other products. It is then a simple matter for companies to follow up assembly abroad with the step-by-step transfer of parts production abroad. The result is a total transfer of production to a foreign operation. In 1973, for example, the Commerce Department reported sales of foreign manufacturing operations of American-based multinationals totaling $140 billion, more than twice the value of our own manufacturing exports in that year.

The argument most often heard in support of foreign imports is that they lead to lower prices for consumers. This savings, however, while giving importers and enterprises using item 807 an important competitive advantage, is not necessarily passed on to the consumer. Last year, in hearings before the House Ways and Means Committee, sales slips for the purchase of garments at stores such as Sears and Macy's were brought before the committee. While the slips listed merchandise assembled in the United States, El Salvador, the Dominican Republic, and Mexico, the price for each item was the same, regardless of place of assembly. Not surprisingly, figures released by the National Retail Merchants Association show that department store markup for textile products has increased steadily from an average of 70 percent in 1966 to 89.4 percent in 1975. In other words, the savings realized by using foreign labor and the import duty advantages of item 807 often contribute only to higher retail profits, not to lower consumer prices.

While large multinational corporations with access to cheap labor markets may benefit from this glut of imports, our own domestic producers and the people they employ suffer. Although relief under the Trade Act is easier to obtain now than previous to the 1974 Trade Act, recommendations made by the International Trade Commission for higher tariffs for imports above an acceptable level have not been strong enough for those they are intended to protect, and most regrettably they have not been approved by the President. In the case of textiles, even a large increase in the duty paid on imports would not offset the competitive advantage of the extremely low wage rates paid in other countries.

President Carter has indicated that the most effective way to deal with disruptive levels of imports is to negotiate "orderly market agreements" with individual exporter nations, as outlined under the Trade Act of 1974. In the case of the shoe industry, he decided to reject recommendations of the independent International Trade Commission to impose a higher tariff for imports over a certain level, opting instead for agreements with Korea and Taiwan, two of the largest exporters for the American market, to limit shipments to levels that would not be disruptive. If that goal can be achieved by those means, then I would agree that bilateral agreements may help insure balanced international trade in the future. However, if satisfactory agreements cannot be reached, I will vote to reject the President's determination and to impose the recommendations of the ITC for tariffs and quotas.

In the area of textile products, there already exists a mechanism to effect a satisfactory international trade balance: The multifiber arrangement (MFA), an umbrella agreement under which the United States has negotiated bilateral textile trade agreements with 18 nations, accounting for roughly 75 percent of our textile product imports. The MFA is due for renewal this December, and I believe it needs to be strengthened in several ways. Last week I met with the Informal House Textile Committee, an unofficial group of concerned Congressmen, which adopted a resolution calling for changes to be incorporated into a new agreement. The major change to be negotiated is the abandonment of the arbitrary 6-percent limit on the growth of textile imports in favor of a growth rate tied directly to domestic market growth.

At present, import quotas are automatically expanded each year by 6 percent over the previous year's quotas, even when the previous year's quota has not been met. Thus, when an exporting country does not achieve its quota for exports to the United States 1 year, it is allowed to "borrow" on that quota in the next. That 6 percent growth rate remains in effect, even when domestic production drops during a recession, as was the case in 1975, a year when imports captured an even larger share of our domestic market. It is also crucial that agreements be reached with those textile exporting countries not yet included under the multifiber arrangement, and the administration, through its Special Representative for Trade Negotiations, must be encouraged to quickly negotiate such a bilateral agreement with any nation whose exports may seriously affect the U.S. market.

Mr. Speaker, I am appending a copy of the resolution adopted by the unofficial Informal House Textile Committee for insertion into the RECORD following my statement. I encourage my colleagues to support this resolution so that the President's Special Representative for Trade Negotiations will have a strong sense of the will of Congress while negotiating a new multifiber arrangement this fall and while renegotiating bilateral agreements this summer with key exporter nations such as Korea and Taiwan.

I believe, however, that the long-term problems with our balance of trade will require more than a simple adjustment of tariffs or quotas. The Congress must reevaluate the preferential tax treatment now extended to the foreign operations of multinational corporations, such as foreign tax deferrals and tax credits, which tend to encourage production abroad. The foreign operations of the multinational corporations must be closely monitoried to measure their effect on employment and investment at home, so that human and social goals such as providing jobs for workers with low entry skills will not be sacrificed in the name of greater corporate profits.

The resolution follows:

TEXTILE TRADE POLICY—A RESOLUTION OF THE INFORMAL HOUSE TEXTILE COMMITTEE, APRIL 20, 1977

The GATT Multifiber Arrangement (MFA) is presently scheduled to expire December 31, 1977. The President has endorsed the principle of orderly trade in textiles embodied in the MFA.

The Informal House Textile Committee is a bipartisan organization of Members working for a sound United States textile trade policy which will preserve the viability of the fiber-textile-apparel industry and the 2.3 million jobs it provides.

To that end, we:

(1) Support the MFA and its extension for a period of at least five years beyond 1977, with the present 6% quota growth factor reduced to a level no greater than domestic market growth; and with revision of those provisions which permit carryovers of unused ceilings to the following year, and "borrowing" from other categories.

(2) Urge that new bilateral agreements allow no quota growth in those categories of products already heavily impacted by imports, defining such impact in terms of total imports of a particular product from all countries; that such bilaterals limit year-to-year import growth when substantially unused quotas would result in excessively increased shipments; and that the provisions of the bilaterals be monitored and enforced more effectively.

(3) Request expeditious conclusion of a bilateral agreement with the Peoples Republic of China, the majority remaining uncontrolled low-wage supplier of textiles and apparel to the United States, and suggest a U.S. policy of prompt negotiation of such bilaterals with any nation whose imports threaten or significantly impact the U.S. market.

(4) Urge that textiles and apparel tariffs be cleanly and completely exempted from the present round of multilateral trade negotiations.

A BRIGHT DAY FOR HANDICAPPED CITIZENS

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I am pleased to learn that today the distinguished Secretary of Health, Education, and Welfare, the Honorable Joseph A. Califano, has issued regulations to implement section 504 of the Rehabilitation Act of 1973.

As one of the original sponsors of the Rehabilitation Act of 1973, I believe that today marks the beginning of a new era of opportunity for millions of handicapped Americans.

With his signing of regulations to implement section 504 of this act, Secretary Califano has put into action the first major Federal law guaranteeing the civil rights of disabled individuals.

In enacting this significant measure 4 years ago, Congress recognized that handicapped persons have too long been denied their right to lead productive, useful lives. Because of the inordinate amount of time which has elapsed since the act was signed into law in 1973 and the issuance of these regulations in 1977, I call upon the executive branch to enforce them expeditiously. With effective enforcement of these regulations, our country's promise to its disabled citizens can at last become a reality.

I support Secretary Califano in his stated intention to implement the Rehabilitation Act of 1973 promptly and with conviction.

This is a bright day for handicapped citizens of America.

REINTRODUCTION OF COLLEGE TAX CREDIT BILL

The SPEAKER. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, I am today reintroducing legislation to allow students and their parents to claim a tax credit for a portion of the expenses of higher education. This bill is identical to H.R. 9684, which I introduced in the 94th Congress.

My bill covers the broad spectrum of postsecondary education. More than 10 million students at a variety of institutions—public and private, 4 year and 2 year—would benefit from this legislation. Colleges, universities, community and junior colleges, business schools, trade schools, technical institutions, and vocational training centers are all eligible institutions under my bill.

NEED FOR ASSISTANCE

Middle-income families find it increasingly difficult to pay for college expenses. They need help. The average total cost of obtaining a college education at a 4-year public institution has climbed to $2,790 per year; and, the average total cost at a 4-year private institution has risen to $4,568 per year. Over the last 5 years, the cost of attending a 4-year public institution has increased by 39 percent; and, the cost of attending a 4-year private institution has increased by 36 percent.

With medical, food, and utility bills and other expenses for basic necessities greatly inflated, increased education costs cut into already tight budgets. High unemployment and underemployment have made it particularly difficult for many families and individuals to finance a college education. Is it any wonder that our students' parents, who typically pay about half of the cost of higher education, can no longer bear the burden of increasing education expenses?

DIRECT ASSISTANCE TO STUDENTS AND THEIR FAMILIES

My bill provides direct assistance in meeting the cost of higher education by allowing a tax credit for a portion of expenses for tuition, fees, books, supplies, and equipment. Specifically, a taxpayer under my bill could claim a tax credit of: 100 percent of expenses not exceeding $200; 75 percent of expenses over $200 but not exceeding $500; and 25 percent of expenses over $500 but not exceeding $1,500.

For a student whose expenses for tuition, fees, books, supplies, and equipment equal or exceed $1,500, the student could claim a tax credit of $675. The following table indicates the assistance a resident of Virginia attending one of the Commonwealth's public institutions would receive under my bill:

College	Expenses[1]	Tax credit	Percent[2]
George Mason University	$868	$517.00	59.6
Mary Washington College	970	542.50	55.9
Northern Virginia Community College	450	387.50	86.1
University of Virginia	884	521.00	58.9
Virginia Polytechnical Institute and State University	657	464.25	70.7
College of William and Mary	1,108	577.00	52.1

[1] Approximate annual expenses for tuition, books, and certain fees.

[2] Percent of expenses offset by credit.

Although the assistance provided to those attending the least expensive schools is greater in terms of a percentage of the cost of attending college, the assistance to those attending the more expensive schools is greater in dollar amounts.

HIGHER EDUCATION ENROLLMENTS

In the Eighth Congressional District of Virginia we have a large number of students attending schools of higher education.

Almost 40,000 students are enrolled in the Northern Virginia Community College and 8,700 students attend George Mason University. Additionally, many other students, living in my district, attend one of the many fine public and private schools within the Commonwealth or elsewhere in the United States.

Furthermore, a large percentage of high school graduates in the Eighth Congressional District of Virginia are deciding to continue their education. This year, 75 percent of the seniors who graduated from the Fairfax County public schools in 1976 are attending some form of postsecondary education. In the city of Alexandria, 67 percent of the 1976 graduates continued their education, as did 41 percent in Prince William County.

NO RELIEF NOW

My bill attempts to correct a major deficiency in our tax laws. Presently, the law provides relief only for educational expenses incurred for training required to maintain one's position of employment. No relief is provided for students who are pursuing education or training for their career. Thus, a $50,000-a-year business executive can take a tax deduction for the expenses of a refresher course in management techniques; but a young college student, struggling to make ends meet, cannot take a deduction for an equivalent course. The former is considered to be incurring a "business expense" whereas the latter is merely incurring a "personal expense." I believe it is unfair that those who need the assistance most are ineligible under our present laws.

SUMMARY OF BILL

The following is a summary of the major provisions of my bill. Our bright young men and women deserve the opportunity to achieve their potential. Let us make sure that they have that chance.

MAJOR PROVISIONS OF THE BILL

Amends the Internal Revenue Code to allow tax credits for the expenses of higher education for the taxpayer, his or her spouse and any dependents of the taxpayer as defined under section 152(a) of the Internal Revenue Code.

Provides that the credit allowed would be an amount equal to the sum of the following:

A. 100% of allowable expenses not exceeding $200.

B. 75% of allowable expenses over $200 but not exceeding $500.

C. 25% of the allowable expenses over $500 but not exceeding $1,500.

Provides that the credit allowable shall be proportioned according to the amount of expenses paid by each taxpayer in those cases where more than one taxpayer pays the educational expenses of an individual student.

Stipulates that the amount of the credit shall be reduced by an amount of 1% of the taxpayer's adjusted gross income that exceeds $25,000.

Defines the expenses of education as tuition, fees, books, supplies, and equipment. (Expenses for room and board are not included.)

Defines institutions of higher learning as those regularly offering education above the twelfth grade or those offering an accredited program of business, trade, technical or vocational postsecondary education.

Requires that the school be located in the United States including all U.S. possessions.

Stipulates that the total educational expenses for which an income tax credit may be claimed shall be reduced by the total amount of scholarships, fellowship grants and veterans' educational assistance allowances received by the individual student, prior to determining the net tax credit for which the taxpayer is eligible.

Requires that the student be a candidate for a baccalaureate or higher degree or attending school to fulfill an identified educational, professional or vocational goal.

Provides that any expense taken as a credit is thereby disallowed as a deduction.

Provides that the amendments would become effective only for tax years ending after the date of enactment of the Act.

SOME STRAIGHT FACTS ON BUDGET COMMITTEE "RESTRAINT"

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 10 minutes.

Mr. STRATTON. Mr. Speaker, yesterday during debate on the budget resolution, the proposed $4.1 billion cut which the Budget Committee made in defense was justified on the grounds that there would still be adequate real growth in defense, and that all functional areas in the budget were being asked to "tighten their belts."

I am inserting a chart into the record

which shows how inconsistently this so-called belt tightening was applied. For example, in the Budget Committee recommendation, its function 150—the international affairs budget—provided for 11.8 percent real growth; function 300—natural resources, environment and energy—provided for 11.7 percent real growth; agriculture, 15.8 percent; commerce and transportation, 30.4 percent; health, 7.7 percent; and national defense, 0 percent. No real growth at all.

I think this table will clear up some of the myths about real growth—and also about budget "restraint"—that were being floated around so airily here in the early hours of this morning.

We all recognize that a budget resolution has to be passed if our new process is to succeed. We all have had times when bills we have fought for have lost on the floor. But the budget process, as I have said on so many earlier occasions, cannot succeed if it is to be used simply to inflate all other programs at the expense of defense.

The chart follows:

COMPARISON OF REAL GROWTH FOR EACH FUNCTIONAL AREA OF THE BUDGET—CARTER BUDGET VS. 1ST CONCURRENT RESOLUTION 195

[In billions of dollars]

Functional category		Fiscal year 1977 budget in constant fiscal year 1978 dollars	Fiscal year 1978		Percentage	
			Carter budget	1st Concurrent Resolution 195	Real growth President's budget	Real growth in 1st Concurrent Resolution 195
050	National defense	115.1	120.1	116.0	4.3	0
150	International affairs	8.5	10.3	9.5	21.2	11.8
250	General science, space, and technology	4.8	4.9	4.9	2.0	2.0
300	Natural resources, environment, and energy	18.8	20.5	21.0	9.0	11.7
350	Agriculture	1.9	2.7	2.2	42.1	15.8
400	Commerce and transportation	15.8	19.5	20.6	23.4	30.4
450	Community and regional development	11.2	9.4	8.2	−16.1	−36.6
500	Education, training, employment, and social services	26.0	26.7	22.7	2.7	−12.7
550	Health	44.3	47.8	47.7	7.9	7.7
600	Income security	183.5	179.8	182.7	−2.0	0
700	Veterans benefits and services	20.3	19.1	19.9	−5.9	−2.0
750	Law enforcement and justice	3.8	3.8	3.6	0	−5.3
800	General government	3.9	3.8	3.9	2.6	0
850	Revenue sharing and general purpose fiscal assistance	9.9	10.7	9.8	8.1	−.1
900	Interest	40.0	41.8	43.0	4.5	7.5
	Allowances		2.9	1.1		
950	Undistributed offsetting receipts	−15.0	−16.7	−16.0		
	Total	492.8	507.3	500.8	2.9	1.6

A BILL TO MAKE GOVERNMENT ACCOUNTABLE

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today I am introducing a bill to improve the quality of services dispensed by Government agencies. A substantial number of Americans, perhaps the majority, have personal contact with the Federal Government only when they have a problem. For example, when a social security check is late in arriving or when there is a dispute about veterans' benefits. For these citizens, the satisfaction or dissatisfaction is largely determined by the quality of service they receive in response to that problem.

I think the relationship between the citizen and the Federal Government needs improvement. Citizens are more than taxpayers; they are also consumers of Government services. In the commercial world, the consumer usually has many alternatives available to him in order to express dissatisfaction, ranging from sending angry letters to the merchant or manufacturer to refusing to purchase the service or product. Unfortunately, the "citizen/taxpayer/consumer" does not have the luxury of seeking alternatives to the Social Security Administration—SSA, the Immigration and Naturalization Service—INS or the Veterans' Administration—VA. They are, in truth, the only games in town. And if one is not willing or able to play by their rules, then there is no game.

This bill will give the workers in these three Federal agencies a name and a face. It will make them personally accountable to the people they serve, and it will also give each Member of Congress the opportunity and responsibility to evaluate the service provided by the VA, the SSA, and the INS.

The bill is entitled the Congressional Action Line Liaison Act, or the acronym CALL. Whenever an individual either writes to or personally appears at one of these agencies to initiate a complaint or question, the individual will be provided with a CALL card. The CALL card asks for the name of the citizen, the name of the Government employee, and several other brief questions designed to measure the citizen's satisfaction with the work done on his or her behalf.

One portion of the CALL card will contain the address of the House of Representatives and a space to write in the name of the person's Representative and to affix a stamp for mailing. The other portion of the CALL card will have the name of an official within the agency to whom the citizen's evaluation will be sent.

In short, CALL card is intended to show that a citizen has called on an agency for assistance and is now calling on his or her Member of Congress to be aware of the quality of services being delivered by that agency. It allows for praise or criticism, as the matter warrants.

It is time that Americans had an opportunity for holding Government agencies and personnel accountable for delivering quality services. The citizen is paying for these services and ought to feel that the Government is at least trying to give him his money's worth.

Mr. Speaker, at this time I would like to insert the text of the bill in the RECORD:

H.R. —

A bill to require the Social Security Administration, the Veterans' Administration, and the Immigration and Naturalization Service to provide, in connection with any response to any person requesting information or assistance from any of such agencies, a card suitable for mailing inquiring into the opinion of such person concerning the promptness, courtesy, and fairness with which such request was handled by such agency, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Action Line Act of 1977".

SEC. 2. (a) The Secretary of Health, Education, and Welfare, the Administrator of Veterans' Affairs, and the Attorney General of the United States shall issue to any person requesting any information or assistance from the Social Security Administration, the Veterans' Administration, or the Immigration and Naturalization Service, as the case may be, a card (hereinafter in this Act referred to as a "Call Card") which inquires into (1) the promptness, courtesy, and fairness with which such agency handles such request and (2) whether such person is satisfied with the information or assistance received from such agency in response to such request. Any Call Card issued pursuant to the provisions of this section shall conform with the provisions of section 3. The provisions of this section shall apply only with respect to a request for information or assistance relating to any subject matter over which the agency receiving such request has jurisdiction.

(b) A Call Card shall be given to any person requesting information or assistance from any agency listed in subsection (a) at the time that such person requests such information or assistance if the request is made in person, or, in the case on which such person makes such a request by mail, a Call Card shall be sent to such person within eight days after the date of the receipt by such agency of the request.

SEC. 3. A Call Card shall not exceed one page and a duplicate of such Call Card shall be attached thereto. One side of the Call Card shall be addressed for delivery by mail to the United States House of Representatives with a space designated for the name of the Member of such House who represents the district in which the person filling out the Call Card resides. One side of the duplicate of such Call Card shall be addressed for delivery by mail to the agency which has issued the Call Card. A Call Card shall be drawn up in a manner so as to make it legally acceptable in the mails when proper postage is affixed thereto.

(b) A Call Card shall include spaces designated for the following information:

(1) The name and address of the person filling out the Call Card.

(2) The name of any individual within the agency concerned who handled the request of such person for information or assistance.

(3) A description of the information or assistance requested by such person.

(4) The opinion of such person concerning the promptness, courtesy, and fairness with which such request was handled.

(5) Whether such person is satisfied with the information or assistance rendered by such agency in response to such request.

(6) Any additional comments or observations which such person may have concerning the manner in which such agency operates.

A Call Card shall also clearly state that the completion of such Call Card or of the duplicate of such Call Card is not required and that such person may choose to mail, or otherwise deliver, only the Call Card, and not the duplicate of such Call Card.

Sec. 4. The Secretary of Health, Education, and Welfare, the Administrator of Veterans' Affairs, and the Attorney General of the United States shall keep a copy on file of each completed Call Card which has been returned to the Social Security Administration, Veterans' Administration, or the Immigration and Naturalization Service, as the case may be, and shall consider the responses on such Call Cards when evaluating the promptness, courtesy, and fairness with which such agency handles requests for information or assistance.

Sec. 5. For purposes of this Act, the term "information or assistance", when used with respect to any request therefor, shall include a determination by any agency listed in the first section of this Act involving the claim of any person to any status, benefit, or privilege provided under the laws of the United States.

Sec. 6. There are authorized to be appropriated, for the fiscal year ending September 30, 1978, and the fiscal year ending September 30, 1979, such funds as may be necessary to carry out the provisions of this Act.

Sec. 7. The provisions of this Act shall take effect with respect to any request for assistance or information received by the Social Security Administration, the Veterans' Administration, or the Immigration and Naturalization Service during the period that begins thirty days after the date of the enactment of this Act and ends on September 30, 1979.

ALASKAN NATURAL GAS

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, I take this means of announcing to other Members that at page 12557 of yesterday's Congressional Record I have submitted a short report summarizing the materials covered during oversight hearings by the Indian Affairs and Public Lands Subcommittee of Interior regarding the delivery of Alaskan natural gas to the lower 48 United States.

Several Members have asked me about this matter and I am pleased to direct their attention to this report which begins on page 12557 of the Record of April 27, 1977.

HASTY SUBCOMMITTEE ACTION ON CO-OP BANK BILL IGNORES RESPONSIBLE ALTERNATIVE

(Mr. ROUSSELOT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, yesterday when the Subcommittee on Financial Institutions of the House Committee on Banking, Finance and Urban Affairs met to consider a bill to establish a $1.25 billion national consumer cooperative bank, there was what I believe to be a serious breach of sound committee procedure. In a session that lasted a brief half-hour, the subcommittee voted to report H.R. 2777 to the full committee without benefit of fully debated subcommittee markup. This bill, which has been pushed by Ralph Nader of the Center for the Study of Consumer Law, Kathleen O'Reilly of the Consumer Federation of America and the Cooperative League of the United States, would place another drain on the taxpayers of America to establish more unnecessary Federal bureaucracy. The reason given for this excessive hast was to meet the May 15 budget resolution deadline, but this was not necessary. Too often in Congress we rush legislation through in a hurried frenzy created by some obscure time frame and disregard our responsibility to the taxpayers. This was particularly the case since there was a reasonable alternative at hand which would have been a practical substitute for the subcommittee bill.

On Tuesday, April 26, Roger C. Altman, Assistant Secretary-designate of the Department of the Treasury, testifying before our subcommittee on behalf of the administration, spoke in opposition to H.R. 2777 and stated that evidence is lacking to support the need for the proposed $1.25 billion Consumer Cooperative Bank. The administration has prepared a pilot-program plan to show how existing Government entities and existing Government programs might be expanded or better coordinated to help cooperatives, and a draft copy of a bill was sent over for the subcommittee's consideration. The administration's pilot-program plan appeared to be a more constructive—and far less costly—proposal to meet the legitimate needs of cooperatives without creating massive new Federal programs which require huge bureaucracies to administer them and I, therefore, sought to offer the measure as a substitute for H.R. 2777. Subcommittee chairman, Fernand St Germain, however, insisted that the subcommittee's bill be reported to the full committee without consideration of alternative proposals. This action by our chairman, Mr. St Germain, was taken over the objection of one Member of the majority who insisted the record show that the action taken to report the bill to the full committee without discussion did not necessarily reflect a concensus but was done in acquiescence to the wishes of the chairman. It surprised me greatly as it has always been the policy of the chairman to mark up complicated legislation at the subcommittee level before sending it to full committee. There would have been time to follow this procedure and still report the bill by May 15. It disappointed me very much to report a bill to the full committee without full consideration of the Treasury Department's recommendations and an examination of the bill which they had drafted. In this case, haste is bound to make waste.

Mr. Speaker, so that all Members of the House may become acquainted with the administration's position and proposal on legislation involving loans to consumer cooperatives, I am placing in the Record at this point the statement of Assistant Secretary Altman on H.R. 2777 as well as a discussion of the bill. These comments were provided by the Treasury Department as a technical service to the subcommittee.

The material follows:

STATEMENT BY THE HONORABLE ROGER C. ALTMAN, ASSISTANT SECRETARY OF THE TREASURY-DESIGNATE, BEFORE THE HOUSE BANKING SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE

It is a privilege to be here today to discuss with you legislation to assist consumer cooperatives.

We have noted the success of cooperatives in this country in broadening competition. The self-help nature of these enterprises has been popular, and we now have 50 million user-owners.

We also recognize the useful role which cooperatives can play in the further development of our private sector. We believe that Federal assistance to encourage them, particularly in under-developed or depressed areas, probably is preferable to government grants or other direct intervention in those areas. Furthermore, we support government efforts to assist the cooperative movement and we are open-minded concerning new methods of providing this assistance in a more effective way.

Yet, before this Administration can support H.R. 2777, we must have more evidence concerning the need for, and cost effectiveness of, creating a Consumer Cooperative Bank and the related entities proposed here. It seems to us that much remains to be learned about (1) the specific unsatisfied financial and nonfinancial needs of cooperatives which the Government should address, (2) the type of capital which cooperatives most require, (3) the existing government programs which might be expanded or better coordinated to help cooperatives and (4) whether an existing government entity, rather than a new one, is best suited to handle cooperative issues.

To answer these questions, the Administration proposes to establish an interagency task force on consumer cooperatives, chaired by the Treasury Department. It will be a balanced group and, in particular, will include Esther Peterson, the President's recently appointed Assistant for Consumer Affairs.

One of the principal tasks of this interagency group will be to establish, in an existing agency, a pilot project lending facility for consumer cooperatives. Such a facility will make a small amount of loans to consumer cooperatives and provide technical financing assistance to them. In addition, it will be specifically charged with collecting evidence concerning the financing needs of cooperatives. The results of this pilot project will be presented to Congress, of course, after a specified period.

We believe such a study and pilot project are needed because, today, there simply is not sufficient evidence to support a comprehensive commitment of the size and structure envisioned in this Bill. There is insufficient data concerning the unmet financing needs of consumer cooperatives, what form of financing assistance would be most effective, and how much of it is truly required.

As you know, Mr. Chairman, the President is committed to simplifying government and making it work more effectively. In this spirit, I believe that compelling evidence should be available before any broad new programs, major budgetary commitments, or new federal bodies are established. We do not yet have such evidence supporting this legislation and thus think that the first step should be to develop it. Pending that development, we propose that the major commitment embodied in H.R. 2777 be postponed.

On a more positive note, Mr. Chairman, let me discuss now the agenda of this interagency study group we have proposed. First, it will address the aggregate demand for financial assistance by all consumer cooperatives and how this demand is now being met by conventional, private financing sources. In particular, it will address the extent to which cooperatives have difficulty borrowing because they are cooperatives or for reasons which would make it difficult for any organization to borrow—small volume of business, little track record, etc. Second, it will develop data concerning the specific needs of cooperatives on an industry-by-industry basis and the availability of private financing to meet these specific needs. Third, it will determine the type of financing assistance which cooperatives need most—short- or long-term loans, equity capital, etc. A critical benefit in making these assessments, of course, will be the experiences gained through the pilot project loans.

Fourth, in a different vein, we will address which of their financing needs government could particularly help satisfy and whether this Bank is the best form of government assistance. In the past, government often has hurriedly created a new program and dispensed funds without sufficient regard to the most cost effective means of meeting the needs in question. We hope to avoid that here.

Fifth, the study would try to identify and better coordinate existing Federal programs under which cooperatives can already receive assistance. These loan programs, including housing and health maintenance programs, already exist to accomplish certain economic and social goals, and we shouldn't duplicate them. In particular, we shouldn't unnecessarily create a new housing finance entity, rather than expanding and/or improving those we now have.

Finally, as I have said, we will be making loans, on an experimental basis, to consumer cooperatives. For the first time, we will have first-hand information and experience on the types of cooperatives who seek loans, the size of their demand, the procedures for making loans, the coordination of loans with other federal programs, and the degree of technical assistance required.

We have not yet determined, Mr. Chairman, which agency would be best suited for carrying out this pilot project, but selecting that agency will be a first priority of our interagency task force. Essentially, this group's first job will be to set up the pilot project and the method of collecting the needed data. In addition, the group will determine how to include a technical assistance capability in the pilot loan program.

We suggest that the pilot project extend over two years. This should permit sufficient time to make a series of loans, assess their success, and collect the requisite data. Loans carrying maturities of more than two years, of course, probably will be made. If it is later determined that a Consumer Cooperative Bank should not be established, these loans then can be either sold to private lenders or maintained by the government until they mature.

We do not believe, Mr. Chairman, that this experimental facility should make the type of investment proposed for the Self-Help Development Fund. Doing so would be particularly premature until the results of the interagency study and pilot lending program have been evaluated. The government's risks in this activity particularly argue for developing more information concerning the capital needs of consumer cooperatives before providing capital of that type.

Concerning funding of the pilot project, the Administration proposes that $20 million be appropriated to cover the experimental loans, technical assistance and data collection. Obviously, this is a vastly lower amount than is contained in this legislation, but we think it is realistic for a pilot project approach and consistent with budgetary considerations.

I should emphasize, Mr. Chairman that this pilot project does not imply that a larger facility will be, or should be, forthcoming. The task force will evaluate the results of this project with a completely open mind. Those will be reported to Congress at the conclusion of the two-year period. At that time, Congress should have sufficient data with which to design an effective program for consumer cooperatives, if it wishes to do so.

The creation of the study group and pilot project as envisioned above will, of course, require substantial modifications to H.R. 2777. We will be happy to work with the Committee staff on these modifications.

Other than adopting this Bill to establish a pilot project, Mr. Chairman, there are a series of changes which we believe are appropriate for virtually every federal credit program, whether on a pilot basis or a full-fledged Consumer Cooperative Bank. I would like to discuss a few of them now.

First, we strongly believe that the proposed program should only be directed to creditworthy cooperatives who are unable to obtain loans from conventional, private sources. Those cooperatives which already receive credit from private lenders, or are able to do so, would not be accommodated through this facility. Confining Bank credit to those who are unable to receive assistance elsewhere will not only assure that credit is directed to where it is needed, but ensure that these loans complement, rather than replace, the resources of the private sector.

Second, there may be cooperatives in certain regulated industries which should be excluded from the loans of this facility. Otherwise, they might receive an unfair advantage over other members of that industry who would not have such access. Specifically, we suggest that financial cooperatives (e.g., credit unions) not be considered eligible for these loans since they are part of a distinct and separately regulated industry. Legislation has already been introduced to facilitate the operation of these entities, and we do not believe that they should be considered in this context.

Thirdly, we do not believe that this loan program should involve interest subsidies to cooperatives. We think it should make loans only at market interest rates. The legislation intends that these loans be to creditworthy cooperatives and that a profit be earned on them. Interest subsidies would be inconsistent with efforts to make a consumer cooperative bank self-supporting.

In addition, providing federal credit at below-market rates might place those businesses which compete with the cooperatives at a disadvantage. Many of these competitors would be small businesses which are not eligible for similar financial assistance. Moreover, cooperatives already possess some advantages over investor-owned businesses in their treatment in the tax code and under the anti-trust laws.

We would propose certain other technical changes to H.R. 2777, beyond those I have just mentioned. Some of these changes apply to sections of the Bill which are not pertinent to our pilot lending program. If our task force later recommends to Congress that a Consumer Cooperative Bank is advisable, we then would be pleased to work with the Committee on these technical amendments—many of which are standard in Federal programs.

We have not had sufficient time to develop all the amendments to this Bill which would be necessary to establish the pilot program. We look forward to working with the Committee staff, however, on those amendments.

Thank you.

FINDINGS AND DECLARATIONS OF CONGRESS

Section 2. The allegations contained in this section with regard to the economy have not been substantiated. Nor does the current body of knowledge on consumer cooperatives permit the definitive statement that access to credit facilities has been lacking. Therefore, we hesitate to include this section as is in the legislation.

TITLE I

Section 103(d)(1). The definition of cooperatives eligible to use a regional bank could cause confusion, since a cooperative's headquarters and predominant operations could be in different regions. We would suggest that either headquarters or predominant operations be used as the test, but not both.

Section 104(6). The protection provided in line 23, starting with the words "but no" and continuing to the end of line 25 is not appropriate for a non-governmental entity such as the Bank will become.

Section 104(14). Salaries of Bank employees should not be set "without regard to the Classification Act of 1949, as amended" as long as the capital of the Bank held by the U.S. Government has not been fully retired. The Federal Government is able to secure competent employees within the Civil Service salary schedule. There is no reason the Bank should not heed this schedule also, especially since in Section 105 the expenses of Bank Directors are to conform with Civil Service specification.

Section 104(15). As long as Federal capital is invested in the Bank, monies of the Bank should be kept with Treasury.

Section 104(16). After the Federal capital in the Bank is repaid, it may be appropriate for the Bank to be able to deal in commercial paper and Federal funds. Our prior experience with other agencies shows that it is not appropriate prior to retirement of Federal capital.

Section 104(18). The Securities and Exchange Commission should be consulted on this section. It is questionable that the securities of a private entity, such as the Bank will become, should be exempt to the same extent as U.S. Government securities.

Section 105(a). A Board of Directors of the size contemplated may be too large to be a working Board. Consideration should be given to reducing the number of directors. Moreover, the non-Federal directors should not be confined to persons with cooperative experience. There should be representation by financial experts in recognition that the entity to be established is, after all, a bank. The consumer protection office already in existence should be specifically named, until such time when Congress creates another agency. The National Credit Union Administration should not be represented, since credit unions should not be eligible for Bank assistance. Since the Farm Credit Administration is part of the Department of Agriculture, already to be represented on the Board no specific mention need be made of it.

Section 105(b). The language should be clarified to explain the reference to "the initial appointed directors."

Section 105(d). There should be substantially greater Federal representation on the Board at any time Federal capital is present in the Bank than is contemplated by this subsection.

Section 106. This section will of course need to be striken if a pilot project is approved.

The dividend on the Treasury held stock should not be limited to a portion of the Bank's income, as proposed in clause (1) of section 106(c), and should be determined by the Secretary of the Treasury "taking into consideration current market yields on outstanding obligations of the United States of comparable maturity" in order to reflect Treasury's cost of money. (The interest rate formula in clause (2) of section 106(c), taken literally, would place the Treasury in the position of investing long term at shorter term interest rates. Considering the current shape of the yield curve, this would involve a significant subsidy from the Treasury to the Bank.)

The language providing for accumulations of dividends should be amended to authorize deferrals of dividends with the approval of the Secretary, and any such deferred dividends should bear interest at the rate formula above. (Also, with the provision for deferred dividends, there is no need to short-change the Treasury by the limitations on dividends in clause (1) of section 106(c).)

Consistent with the FNMA precedent, there should be provision for a pro rata return of equity to Treasury at the time the Federal stock is completely retired. (This would also provide an incentive for early retirement of the Federal equity.)

Section (107)(a)(1). Delete "financing," on p. 21, line 21. As we testified, credit unions as a separately regulated industry should be considered separately from other cooperatives to whom this bill pertains.

Section 107(d). Delete ", or the National Credit Union Administration" on line 8, p. 24. Add the following language to this subsection: "Credit unions, mutual savings banks and mutual savings and loan associations are not eligible for assistance by the Bank."

Section 110(a). It is inappropriate for the Bank, as long as the Federal government holds its capital, to engage in private placements. The following language should be added at the end of the second sentence in Section 110(a): ", subject to the approval of the Secretary of the Treasury." This will assure that the Federal Financing Bank is appropriately used by the Bank. The Bank should not be involved in borrowing at all during a pilot period. If the Bank is later established on a more permanent basis, the permissible debt limit (line 1, p. 26) should be lower, in line with the Farm Banks for Cooperatives, whose debt/equity limit is 8 to 1. Some provision should be included to prevent the Bank from evading the debt limit by rediscounting loans.

Section 110(c). So long as the Government holds stock, the Bank would be authorized by Section 110(c) to borrow from Treasury in such amounts as may be provided in appropriation Acts, and the Secretary of the Treasury would be authorized in his discretion to purchase such obligations. The Treasury borrowing authority may be necessary to provide an effective backstop for the Bank's other obligations, but the authority should be limited to this purpose. Also, this purpose may not be served if the authority to borrow from Treasury expires when the Class A stock is retired. Finally, the language of 110(c) should be amended to make clear that the amounts authorized in appropriation Acts may be available without fiscal year limitation. Otherwise, a private investor in the Bank's obligations would require a higher interest rate to reflect the risk that the appropriations committees may not act each year to provide a timely source of funds to cover defaults.

Section 110. A subsection (d) should be added containing the following language: "The Bank shall insert appropriate language in all of its obligations issued under this section except those issued to the Secretary of the Treasury, clearly indicating that such obligations, together with the interest thereon, are not guaranteed by the U.S. and do not constitute a debt or obligation of the U.S. or any agency or instrumentality thereof other than the Bank."

Section 111. The Bank should also be required to charge interest at least sufficient to cover its borrowing costs and fees sufficient to cover administrative expenses and probable losses, which would help assure the financial soundness of the Bank. On lines 21–22 of p. 28 (Section 111[b]), delete "so long as the Bank makes loans from the proceeds of the sale of Class A stock." On line 29, p. 28 and lines 1–2 of p. 29, delete ", taking into consideration the cost to the borrower of required purchase of Class B stock in the Bank." This latter deletion will recognize that Bank borrowers can expect to receive patronage refunds from any surplus of the Bank, in consideration for their Class B stock. There should be added to Section 111 (b) and (c) provisions which would (1) limit the maturity of the Bank's loans and loan guarantees to less than the useful life of any physical asset financed, (2) limit the amount of the loans made or guaranteed to less than the cost of the physical asset or activity financed, and (3) require borrowers and creditors extending guaranteed loans to have a financial stake in the loan; i.e., a loan to value ratio or a loan guarantee to loan ratio less than one. Loan guarantee fees should be required to be sufficient to cover administrative costs and probable losses. To Section 111(c) there should be added the provision that fees, discounts, and terms of guaranteed loans, as well as the interest rate should be subject to control of the Bank. Section 111(c) should also prohibit Bank guarantees of tax-exempt obligations, in conformity with the current statutory requirement applicable to the institutions of the Farm Credit System. Section 111(e) is unnecessary, for under existing budget accounting concepts, the Bank's lending activities would be excluded from the budget once the Federal capital is required. However, language is needed to assure the amount of direct loans (which would automatically be included in Federal budget totals) and loan guarantees should be subject to approval in the normal budget review/appropriations process.

(NOTE.—Under the Administration's pilot project and study proposal, Titles II and III would be eliminated.)

TITLE II

Section 201. Appropriated funds should be limited to investment in Treasury securities.

TITLE IV

Section 404. The Bank should not be exempt from any Federal, state or local taxation even while a mixed corporation. The reason for this is to eliminate the indirect subsidy element resulting from tax exemption that masks the true cost of the Bank. Even though taxation will slow the rate of return of Federal capital, Congress should be allowed to directly assess the cost of the Bank when the initial commitment is made.

Section 405. The Bank should not be entitled to free office space. Here again, free office space would mask the true cost to the government of the Bank.

Section 410(a). The language used to update the Government Corporation Control Act in this subsection would apply to an earlier version of that Act. The language should be changed to reflect the Act as now amended.

Section 410(b) and (c). These subsections should be deleted. The Bank should not be exempted from Treasury approval of its borrowings, banking relationships and investments in Federal and federally guaranteed securities while Federal capital remains in the Bank.

FINANCIAL DISCLOSURE STATEMENT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am submitting today my complete net worth statement for publication in the CONGRESSIONAL RECORD. This statement has already been submitted as part of my financial disclosure report filed with the House Committee on Standards of Official Conduct and I have asked that the statement be made available in its entirety for inspection by the public. Since coming to Congress in 1969 I have filed an annual statement of my net worth because I believed then as I do now, that constituents have a right to know the sources of their Representative's income and stockholdings as well as his or her liabilities. In addition, since it is a benefit that ultimately accrues to me, I have also included in my net worth the year-end value of my pension with the civil service retirement fund.

For the past several years I have also furnished the Committee on Standards of Official Conduct with copies of my Federal income tax return with instructions that it, too, be available for public inspection. My 1976 Federal return is currently on file with the committee, and for the calendar year 1976, I paid $7,431 in Federal income tax; $3,067 to the State of New York, and $964 in New York City income tax payable to New York State, as collector for the city.

My net worth statement follows:

OLSHAN & OLSHAN,
CERTIFIELD PUBLIC ACCOUNTANTS,
Washington, D.C., March 14, 1977.

Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Washington D.C.

DEAR CONGRESSMAN KOCH: In accordance with your request we submit herewith your statement of net worth as of December 31, 1976.

Cash in checking and savings accounts was obtained from the reconciled year-end bank statement and savings passbooks and confirmed directly with the banks.

Amounts due from brokerage accounts were obtained from year-end brokerage statements.

Amounts due from the House of Representatives represent the December, 1976 gross salary paid January 3, 1977.

Marketable securities owned were obtained from year-end brokerage reports computed as of the close of business on December 31, 1976.

Cash surrender value of your $5,000 paid-up life insurance policy with the Veterans Administration and your $15,000 straight life insurance policies with the Mutual Benefit Life Insurance Company were confirmed directly with the insurers.

The value of the Civil Service Retirement

Fund was obtained directly from the Clerk of the House of Representatives.

Amounts due from the Federal, state and city income tax authorities are based on your 1976 income tax returns.

No recognition was given to the value of your personal effects or household furniture because it was not practical to obtain appraisals.

In our opinion this statement presents fairly your net worth as of December 31, 1976.

Yours truly,

ROBERT M. OLSHAN,
Certified Public Accountant.

Hon. Edward I. Koch, Statement of net worth, December 31, 1976

ASSETS

Cash in checking and savings accounts:	
Sergeant At Arms—checking account	$1,268.83
Seamen's Bank for Savings	7,461.79
Seamen's Bank for Savings	2,120.45
Total cash in checking and savings accounts	10,851.07
Salary due from House of Representatives (gross)	3,716.74
Due from brokerage account—Goldman, Sachs & Co	252.34
Marketable securities (see schedule)	38,545.87
Cash surrender value of life insurance policies:	
Mutual Benefit Life Insurance Co. (includes dividend accumulation)	7,507.90
Mutual Benefit Life Insurance Co. (includes dividend accumulation)	3,996.04
Veterans' Administration	2,888.10
Total cash surrender value of life insurance policies	14,392.04
Value of Civil Service Retirement Fund	26,731.43
1976 Federal income tax refund receivable	4,022.00
1976 New York income tax overpayment	908.00
Total assets	99,419.49

LIABILITIES AND NET WORTH

Liabilities: Miscellaneous personal trade accounts payable	680.03
Hon. Edward I. Koch, net worth	98,739.46
Total liabilities and net worth	99,419.49

HON. EDWARD I. KOCH, PORTFOLIO VALUATION OF SECURITIES, GOLDMAN, SACHS & CO., DEC. 31, 1976

Securities	Number of shares	Market price, Dec. 31, 1976	Total market value	1976 dividends
BassCraft Manufacturing Co	1,000	[1] 14.75	$14,750.00	$110.00
Dreyfus Liquid Asset	399.156	[2] 10.03	4,003.53	467.06
Intercraft Industries	1,250	[1] 9.00	11,250.00	287.00
T. Rowe Price Growth Stock Fund	376	[2] 11.26	4,233.76	86.82
Rowe Price New Era Fund	367	[2] 11.74	4,308.58	102.21
Total market value of securities			38,545.87	

[1] Bid.

[2] Net asset value.

Source: Wall Street Journal.

TRANSPORTATION SUBCOMMITTEE AGREES TO EVALUATE AND DEMONSTRATE LOW-PROFILE FLAT CAR TO BRING PIGGYBACK SERVICE TO THE NORTHEAST

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, day before yesterday I made a statement for the RECORD describing the many unfortunate consequences suffered by the Northeastern States due to the absence of "intermodal" or "piggyback" freight service, in which loaded trailers are shipped over long distances on flat cars and then delivered locally by truck tractors. This fuel-saving method of transportation is currently obstructed in the Northeast because the combined height of present-day flat cars and the trailers they carry is greater than the clearances of many railroad tunnels and overhead highway bridges.

As the situation now stands, piggyback trains from the South cannot go north of Washington, D.C., and those from the Midwest must be unloaded in New Jersey. Those trailers destined for New York and New England must then be pulled by truck the rest of the way on our overcrowded highways. In most cases shippers do not want the extra bother of unloading their shipments midway, so they sent their shipments the entire distance by truck. The resulting traffic congestion, pollution, noise, and wear and tear on the highways are well known to the people of the New York-New England area. Furthermore, the higher shipping charges place the region at an economic disadvantage, thereby adding another inducement for industries to relocate elsewhere.

With all this in mind, I made a proposal during this morning's markup of the fiscal year 1978 transportation appropriations bill, which the Subcommittee on Transportation agreed to, that promises a solution to the clearance restrictions. Specifically, the committee is directing the Federal Railroad Administration—FRA—to determine within 3 months whether a lighweight, low-profile car can be built to negotiate the Northeast's low clearances and whether efficient intermodal service is feasible in that region. If the answers to these questions are affirmative, and if a low-profile car is thought to be the best way to overcome the clearance restrictions, then the committee's language instructs the FRA to build and test three prototype lightweight, low-profile intermodal cars on the restricted Northeast railroad lines.

A maximum of $500,000 can be spent on the project, including the design, construction, and testing of the prototype cars, and these funds would come from existing FRA moneys. Money would not, however, be taken from the current allocations for the ongoing Federal freight intermodal demonstration program.

These impediments to rail shipping to the Northeast which my proposal addresses were brought to my attention several months ago by the New England Regional Commission, ConRail, the New York City Department of City Planning, and the Sierra Club. These government, business, and environmental groups have all expressed support for the development of a lightweight, low-profile car. Such a car would benefit the entire country as well as the Northeast by promoting more energy-efficient shipping, less damage to the Nation's rail beds and rail cargo, and the obvious environmental advantages of rail shipment.

Moreover, the economic pluses of establishing efficient intermodal service in the Northeast are significant. In testimony before the Transportation Subcommittee an FRA official, commenting on the low-profile car, told me:

> Not only would shipment of currently produced and consumed products be diverted to rail, but the area would be better able to attract new industry which would similarly boost rail revenues.

In letters to me supporting the concept of a low-level flatcar, both ConRail and the New England Regional Commission offered similar forecasts. I am appending the two letters:

CONRAIL,
April 26, 1977.

Hon. EDWARD I. KOCH,
Longworth Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: It has come to my attention that the Surface Transportation Sub-Committee of the House Appropriations Committee is about to consider the proposed budget for the Federal Railroad Administration. As part of this consideration, I understand that one of the issues to be discussed is the relative desirability of expanding the scope of FRA's operations to include the development of a lightweight, low level flat car for use in rail Intermodal transportation.

As you consider this matter, I want you to know that Conrail is quite interested in the development of such a rail car. As you may know, we are constrained from operating normal rail Intermodal or "piggyback" service into several parts of our system including New York City due to clearance constraints created by highway over-passes or tunnels.

For Conrail, "piggyback" is an important and growing phase of our business. With the introduction of a low level flat car, we believe that our capability to meet the demands of this transportation market can be significantly enhanced. With this expanded service capability, Conrail's route to economic self sustainability would be strengthened.

As a related benefit of this new equipment, tests already conducted by FRA show conclusively that low level flat cars permit the operation of significantly more energy efficient "piggyback" trains than at present. Lighter weight also means improved fuel economy. With low-level equipment operating throughout the country, a substantial improvement in national energy efficiency could be realized by transporting trailers in "piggyback" service rather than over the highways.

In closing, I want to reaffirm that Conrail would welcome any assistance that FRA might provide in designing and testing a new low level, lighter weight Intermodal flat car.

Very truly yours,

JAMES A. HAGEN,
Senior Vice President,
Marketing.

NEW ENGLAND REGIONAL COMMISSION,
Boston, Mass., April 27, 1977.

Hon. EDWARD KOCH,
Longworth House Office Building,
Washington, D.C.

DEAR MR. KOCH: New England has long been concerned with the need for quality rail service between its major production centers and the Southeast. The closing of first the New York Harbor Car Float, and more recently the Poughkeepsie Bridge over the Hudson River have deprived Southern New England of a convenient and effective route to the Mid Atlantic states and points beyond. Present service by ConRail through Selkirk, while an improvement over the service previously supplied by the Penn Central, still adds considerable circuitry and unreliability in the schedules of rail carriers. The impact has been a substantial diversion to trucking.

We are particularly interested in the introduction of an efficient intermodal service along the Northeast Corridor between Boston and Washington, D.C. This service would require a new generation of lightweight, low profile cars to negotiate the clearances through the tunnels in New York and other cities, and to minimize the damage to the high quality track structure to be provided for the passenger service.

We would appreciate support in obtaining such a service in whatever manner the Committee can provide.

Sincerely,

DAVID STEIN,
Transportation Director.

CONFERENCE REPORT ON H.R. 11—INCREASING AUTHORIZATION FOR LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1976

Mr. JOHNSON of California submitted the following conference report and statement on the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976:

CONFERENCE REPORT (H. REPT. NO. 95–230)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I

SECTION 101. This title may be cited as the "Public Works Employment Act of 1977".

SEC. 102. (a) Paragraph (2) of section 102 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "and American Samoa." and inserting in lieu thereof the following: "American Samoa, and the Trust Territory of the Pacific Islands.".

(b) Section 102 of such Act is amended by adding at the end thereof the following:

"(4) 'public works project' includes a project for the transportation and provision of water to a drought-stricken area.".

SEC. 103. Section 106 of the Local Public Works Capital Development and Investment Act of 1976 is amended by adding at the end thereof the following new subsections:

"(e)(1) No part of the construction (including demolition and other site preparation activities), renovation, repair, or other improvement of any public works project for which a grant is made under this Act after the date of enactment of this subsection shall be performed directly by any department, agency, or instrumentality of any State or local government. Construction of each such project shall be performed by contract awarded by competitive bidding, unless the Secretary shall affirmatively find that, under the circumstances relating to such project, some other method is in the public interest. Contracts for the construction of each project shall be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting established criteria of responsibility. No requirement or obligation shall be imposed as a condition precedent to the award of a contract to such bidder for a project, or to the Secretary's concurrence in the award of a contract to such bidder, unless such requirement or obligation is otherwise lawful and is specifically set forth in the advertised specifications.

"(2) No grant shall be made under this Act for any local public works project unless the State or local government applying for such grant submits with its application a certification acceptable to the Secretary that no contract will be awarded in connection with such project to any bidder who will employ on such project any alien in the United States in violation of the Immigration and Nationality Act or any other law, convention, or treaty of the United States relating to the immigration, exclusion, deportation, or expulsion of aliens.

"(f)(1)(A) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such project.

"(B) Subparagraph (A) of this paragraph shall not apply in any case where the Secretary determines it to be inconsistent with the public interest, or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

"(2) Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 per centum of the amount of each grant shall be expended for minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 per centum of which is owned by minority group members or, in case of a publicly owned business, at least 51 per centum of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts.

"(g) No grant shall be made under this Act for any project for which the applicant does not give assurances satisfactory to the Secretary that the project will be designed and construction in accordance with the standards for accessibility for public buildings and facilities to the handicapped and elderly under the Act entitled 'An Act to insure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped', approved August 12, 1968 (42 U.S.C. 4151 et seq.). The Architectural and Transportation Barriers Compliance Board established by the Rehabilitation Act of 1973 (P.L. 93–112) is authorized to insure that any construction and renovation done pursuant to any grant made under this Act complies with the accessibility standards for public buildings and facilities issued under the Act of August 12, 1968.".

SEC. 104. Section 107 of the Local Public Works Capital Development and Investment Act of 1976 is amended by inserting after the third sentence there of the following new sentence: "The Secretary, in consultation with the Secretary of Labor, and consistent with existing applicable collective bargaining agreements and practices, shall promulgate regulations to assure special consideration to the employment in projects under this Act of qualified disabled veterans (as defined in section 2011(1) of title 38, United States Code) and qualified Vietnam-era veterans (as defined in section 2011(2)(A) of such title 38).".

SEC. 105. Subsection (a) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 is amended to read as follows:

"(a) The Secretary shall allocate funds appropriated after the date of enactment of the Public Works Employment Act of 1977 under section 111 of this Act as follows:

"(1) 2½ per centum of such funds shall be set aside and shall be expended only for grants for public works projects under this Act to Indian tribes and Alaska Native villages. None of the remainder of such funds shall be expended for such grants to such tribes and villages.

"(2) After the set aside required by paragraph (1) of this subsection, $70,000,000 shall be set aside and expended only for grants for any public works project the application for a grant for which was made under this Act after the date of enactment of this Act and before December 24, 1976, and which application was not received, was not considered, or was rejected solely because of an error by an officer or employee of the United States. Any allocation made to an applicant pursuant to regulation shall be reduced by the amount of any grant made to such applicant under this paragraph.

"(3) After the set asides required by paragraphs (1) and (2) of this subsection, 65 per centum of such funds shall be allocated among the States on the basis of the ratio that the number of unemployed persons in each State bears to the total number of unemployed persons in all the States and 35 per centum of such funds shall be allocated among those States with an average unemployment rate for the preceding twelve-month period in excess of 6.5 per centum on the basis of the relative severity of unemployment in each such State, except that (A) no State shall be allocated less than three-quarters of one per centum or more than 12½ per centum of such funds for local public works projects within such State, except that in the case of Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands, not less than one half of one per centum in the aggregate shall be granted for such projects in all four of these jurisdictions, and (B) no State whose unemployment data was converted for the first time in 1976 to the benchmark data of the current population survey annual average compiled by the Bureau of Labor Statistics shall receive a percentage of such funds less than the percentage of funds allocated to such State under this Act from funds appropriated to carry out this Act prior to the date of enactment of the Public Works Employment Act of 1977.".

SEC. 106. Subsection (b) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 is amended by—

(1) inserting "(1)" immediately after "(b)"; and

(2) adding at the end thereof the following new paragraphs:

"(2) In making grants for projects for construction, renovation, repair, or other improvement of buildings, the Secretary shall also give consideration as between such building projects to those projects which will result in conserving energy, including, but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes, and projects using alternative energy systems.

"(3) In making grants under this Act, the Secretary shall also give priority and preference to any public works project requested by a State or by a special purpose unit of local government which is endorsed by a general purpose local government within such State.

"(4) A project requested by a school district shall be accorded the full priority and preference to public works projects of local governments provided in section 108(b) of this Act.".

SEC. 107. (a) The first sentence of subsection (c) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "three most recent consecutive months" each place it appears and inserting in lieu thereof at each such place "twelve most recent consecutive months".

(b) Subsection (c) of section 108 of such Act is amended by adding at the end thereof the following new sentence: "The Secretary may waive the application of the first sentence of this subsection to any State which receives a minimum allocation pursuant to paragraph (3) of subsection (a) of this section."

(c) Subsection (d) of section 108 of such Act is amended to read as follows:

"(d) Whenever a State or local government submits applications for grants under this Act for two or more projects, such State or local government shall submit as part of such applications its priority for each such project.".

(d) Subsection (e) of section 108 of such Act is amended by striking out "of direct benefit to," and all that follows down through and including the period at the end of the sentence and inserting in lieu thereof: "to be constructed in such community or neighborhood.".

(e) Subsection (f) of section 108 of such Act is hereby repealed.

(f) Section 108 of such Act is amended by adding at the end thereof the following new subsections:

"(h)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall not consider or approve or make a grant for any project for which any application was not submitted for a grant under this Act on or before December 23, 1976.

"(2) The Secretary may receive applications for grants for projects under this Act—

"(A) from the Trust Territory of the Pacific Islands;

"(B) from Indian tribes and Alaska Native villages;

"(C) from any applicant to use any allocation which may be made pursuant to regulation, to the extent necessary to expend such allocation, if a sufficient number of applications were not submitted on or before December 23, 1976, to use such allocation.

"(i) The Secretary may allow any applicant which has received a grant for a project under this Act to substitute one or more projects for such project if in the judgment of the Secretary (1) the Federal cost in the aggregate of such substituted project or projects does not exceed such grant, (2) such substituted project or projects comply with section 106(d) of this Act, and (3) such substituted project or projects will in fact aid in alleviating drought or other emergency or disaster-related conditions or damage. Section 106(a) of this Act shall not apply to projects substituted under this subsection.

"(j) Notwithstanding subsection (h)(1) of this section, grants may be made from appropriations made under section 111 of this Act after September 30, 1977, to States or local governments for projects for the construction, renovation, repair, or other improvements of health care or rehabilitation facilities owned and operated by private nonprofit entities.".

SEC. 108. The first sentence of section 109 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "by contractors or subcontractors".

SEC. 109. Section 111 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "$2,000,000,000 for the period ending September 30, 1977," and inserting in lieu thereof "$6,000,000,000 for the period ending December 31, 1978,".

SEC. 110. (a) The Secretary of Commerce is authorized and directed to study public works investment in the United States and the implications for the future of recent trends in such investment.

(b) The study authorized by this section shall include, but not be limited to, the following:

(1) The historical scope and nature of public works investment, including—

(A) shifts in the types of public facilities constructed over the last thirty years and the implications of such shifts;

(B) the patterns of regional distribution of investment;

(C) the role of the Federal Government, States, and local communities in funding public facilities;

(D) the impact upon unemployment in minority groups.

(2) The proportion of the gross national product devoted to public works investment over the last thirty years.

(3) Methods by which the aggregate need for public works can be determined.

(4) How public works are financed and how financing arrangements affect the pattern and type of investment.

(5) The level of maintenance or renovation of existing public facilities needed, compared to that provided.

(c) The Secretary of Commerce shall submit to Congress a report with respect to its findings and recommendations no later than eighteen months after the date of enactment of this section. A preliminary report putting forth the study design shall be submitted to Congress within four months after the date of enactment of this section.

SEC. 111. The Secretary of Agriculture and the Secretary of the Interior shall immediately initiate the construction of those Federal public works projects (A) which are the responsibility of their respective departments, (B) which have been authorized, and (C) which can be commenced within 60 days of the date of enactment of this section and completed no later than the 180th day after commencement of construction. No funds authorized by section 111 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) may be used to carry out this section.

TITLE II—FEDERAL PUBLIC WORKS PROJECTS CONTINUATION

SEC. 201. The Congress hereby finds and declares that:

(A) the construction projects listed in Public Law 94–355, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1977, and in Public Law 94–351, the Agriculture and Related Agencies Programs Appropriations Act, 1977, represent the foundation of our national public works activity. Such projects are essential to the reduction of unemployment;

(B) such projects provide long-term benefits to communities, to States, and to the entire Nation in terms of water management, flood control, navigation, recreation, and enhanced economic activity; and

(C) such projects have been authorized by the Congress after protracted hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93–344, the Congressional Budget and Impoundment Control Act of 1974.

SEC. 202. Notwithstanding the deferral and rescission provisions of Public Law 93–344, all appropriations provided in Public Laws 94–355 and 94–351 for construction projects or for investigation, planning, or design related to construction projects shall be made available for obligation by the President and expended for the purposes for which the appropriations are made, with the exception of those appropriations or expenditures relating to the Meramec Park Lake project in Missouri.

SEC. 203. With the exception noted relating to the Meramec Park Lake project in Missouri, section 202 of this Act shall be equivalent to and have the legal effect of a resolution disapproving any deferral of budget authority previously provided for construction projects in Public Law 93–355 or in any prior law appropriating funds for the United States Army Corps of Engineers or the Department of the Interior Bureau of Reclamation, or for construction projects in Public Law 94–351 or any prior law appropriating funds for construction projects in the Department of Agriculture as provided for in section 1013(b) of Public Law 93–344, the Congressional Budget and Impoundment Control Act of 1974. With the exception noted relating to the Meramec Park Lake project in Missouri, section 202 is also equivalent to a congressional statement of intent not to uphold any rescission of budget authority with regard to funds appropriated for construction projects in Public Law 94–355 or Public Law 94–351 or for construction projects in any prior law appropriating funds for the United States Army Corps of Engineers, the Department of the Interior Bureau of Reclamation, or the Department of Agriculture, as provided for in section 1012(b) of Public Law 93–344.

SEC. 204. It is hereby reiterated that the interest rates or rates of discount to be used to assess the return on the Federal Government's investment in projects of the United States Army Corps of Engineers or the Department of the Interior Bureau of Reclamation, shall be those interest rates or rates of discount established by Public Law 93–251, the Water Resources Development Act of 1974, or by any prior law authorizing projects of the United States Army Corps of Engineers or the Department of the Interior Bureau of Reclamation.

And the House agree to the same.

HAROLD T. JOHNSON,
RAY ROBERTS,
ROBERT A. ROE,
GLENN M. ANDERSON,
JOHN B. BREAUX,
HENRY J. NOWAK,
ROBERT W. EDGAR,
WILLIAM H. HARSHA,
DON H. CLAUSEN,
JOHN PAUL HAMMERSCHMIDT,
Managers on the Part of the House.
JENNINGS RANDOLPH,
EDMUND S. MUSKIE,
QUENTIN N. BURDICK,
FLOYD BENTSEN,
WENDELL R. ANDERSON,
DANIEL PATRICK MOYNIHAN,
ROBERT T. STAFFORD,
PETE V. DOMENICI,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of

1976, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text. The House amendment to the Senate amendment struck out the proposed substitute text and inserted another substitute text.

The Senate recedes from its disagreement to the amendment of the House to the amendment of the Senate with an amendment which is a substitute for the House bill, the Senate amendment, and the House amendment to the Senate amendment. The differences between the House amendment, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I

Projects which provide relief to drought-stricken areas

House provision

Amends section 102 of the Local Public Works Capital Development and Investment Act of 1976 (hereafter in this statement referred to as the "Act") to provide that the term "public works project" includes the transportation of water to drought-stricken areas.

Senate provision

Provides that the Secretary of Commerce, acting through the Administrator (hereafter in this Statement referred to as the "Secretary"), may permit any applicant who received a grant for a project to substitute one or more other projects (including those to provide water to drought-stricken areas) for the project for which the grant was made if the Administrator finds that (1) the total cost of the substituted projects does not exceed the grant for the initial project, (2) each substitute project is consistent with section 106(d) of the Act, (3) any substitute project meets the certain job creation and completion time criteria, and (4) each substitute project will aid in alleviating drought or other emergency or disaster related conditions or damages. In addition, the prohibitions of section 106(a) of the Act are inapplicable to any substitute project.

Conference substitute

Combines the House and Senate provisions except that the conference substitute does not contain the requirement that a substitute project meet the job creation and completion time criteria set forth in section 102(d)(7) of the Senate provision.

Definition

House provision

Amends section 102(2) of the Act to include the Trust Territory of the Pacific Islands within the definition of the term "State".

Senate provision

No comparable provision.

Conference substitute

Same as the House provision with the addition of a conforming amendment to section 108(a) of the Act to clarify that grants for the Trust Territory of the Pacific Islands are to be made out of the percentage of funds for the named territories and possessions. For purposes of the Act, Samoan villages are local governments.

Construction contracts

House provision

Amends section 106 of the Act by adding a new subsection (e) which would prohibit any project from being constructed by any State or local government through the use of its own employees. Construction would be required to be performed by private contractor through competitive bidding unless some other method of award would be in the public interest.

In addition, this provision requires an applicant for a project to certify that no contract will be awarded in connection with such project to any bidder who will employ on the project any alien illegally in the United States.

Senate provision

No comparable provision.

Conference substitute

Same as the House provision.

American supplies and materials

House provision

Amends section 106 of the Act by adding a new subsection (f). Paragraph (1) of the subsection requires all articles, materials, and supplies to be used in projects funded under the Act to be produced in the United States from articles, materials, and supplies mined or produced in the States, except in any case where the Secretary determines it inconsistent with the public interest, the cost to be unreasonable, or if the needed articles, materials, or supplies are not available in sufficient and reasonable commercial quantities and of a satisfactory quality.

Paragraph (2) of the subsection provides that, except to the extent the Secretary determines otherwise, no grant shall be made under the Act unless the applicant gives the Secretary satisfactory assurances that a minimum of 10 per centum of the amount of the grant will be expended for minority business enterprises.

Senate provision

Section 108 is the same as the new paragraph (1) of subsection (f) added to section 106 of the Act by the House provision.

Section 106 is the same as the new paragraph (2) of subsection (f) added to section 106 of the Act by the House provision, except that subsection (b) of section 106 provides that the Secretary will determine the correct level of minority participation with respect to any project in an area with minority population of less than 5 per centum.

Conference substitute

New paragraph (1) of subsection (f) added to section 106 of the Act is the same as Senate section 108.

New paragraph (2) of subsection (f) added to section 106 of the Act is the same as the House provision. This provision shall be dependent on the availability of minority business enterprises located in the project area.

Accessibility standards

House provision

Amends section 106 of the Act by adding a new subsection (g) which prohibits a grant for a project to be made unless the applicant gives satisfactory assurances to the Secretary that the project will be designed and constructed in accordance with the standards for accessibility to the handicapped and elderly under the Act of August 12, 1968.

Senate provision

Section 102(d)(8) is basically the same as the House provision, except that the Architectural and Transportation Barriers Compliance Board is authorized to insure that any construction or renovation carried out be accomplished in accordance with the assurances provided to the Secretary.

Conference substitute

Essentially the same as the Senate provision.

Funds for States and Indian tribes

House Provision

Amends subsection (a) of section 108 of the Act to provide that not more than 2½ per centum of amounts appropriated to carry out the Act shall be granted to Indian tribes.

In addition, subsection (a) is amended so that the minimum percentage to be granted for local public works projects within any State which has no Indian tribes within its borders is increased from one-half of one percent to three-quarters of one percent.

Senate Provision

Provides up to 2½ per centum of appropriated funds be set aside and be the exclusive source of funds available for grants to Indian tribes and Alaska Native villages.

In addition, section 102(c)(3) provides that no State shall receive under any allocation less than three-quarters of one per centum nor more than twelve and one-half per centum of the amount appropriated pursuant to section 102, except that no State whose unemployment data was converted initially in 1976 to the benchmark data of the current population survey annual average compiled by the Bureau of Labor Statistics shall receive a percentage of funds appropriated under this provision less than the percentage of funds allocated to the State from funds appropriated pursuant to title I of the Public Works Employment Act of 1976.

Conference Substitute

Same as the Senate provision.

Priority for energy conserving projects

House Provision

Amends section 108(b) of the Act to require the Secretary to give priority and preference as between building project applications made after the date of enactment of this amendment to those project applications which will result in energy conservation.

Senate Provision

Section 102(d)(10) is basically the same as the House provision except that this provision would apply to pending applications.

Conference Substitute

Essentially the same as the Senate provision.

Applicable unemployment period

House Provision

Amends subsection (c) of section 108 of the Act to change the timespan for the unemployment data to be used in making grants from the 3 most recent consecutive months to the 12 most recent consecutive months to avoid seasonal fluctuations in the unemployment rate to be applied. The Secretary may waive the priorities required by section 108(c) of the Act as to States which receive the minimum allocation of funds under section 108(a)(3).

Senate Provision

Section 102(d)(2) provides that the Secretary may require State and local governments that have submitted applications for funding under this provision to use unemployment data for the most recent twelve-month period for which data are available. This provision also permits the Secretary to require State and local governments to revise estimates of project costs as appropriate.

Conference Substitute

Same as the House provision.

In order to avoid an undue concentration of funds and to ensure a wider distribution of projects throughout a State, if the Secretary waives the priorities in section 108(c) the Secretary shall, in States receiving a minimum allocation of funds, select projects without regard to the priority provision in section 108(c).

States receiving the minimum allocation (of which there are 29) may contain several areas having unemployment rates in excess of those entitled to priority. As a general rule the greater part of the State contains communities in need of projects although their unemployment rate is below 6½ per centum. The Secretary, in an effort to achieve the widest distribution of funds, may award projects to areas having unemployment rates below 6½ per centum. This is not to say that a number of projects will not be located in areas of the State with the highest unemployment rate. This provision will actually aid the Secretary in locating projects in areas of highest unemployment within a State, especially those States with lower unemployment. However, a strict adherence to selecting projects in areas having an unemployment rate in excess of 6½ per centum might result in an undue concentration of funds in one or two communities. It is intended that the Secretary shall consider factors other than the rate of unemployment when necessary to ensure a wider distribution of funds in minimum States.

Funds to be granted based on unemployment in excess of the national average and state and local government priorities

House Provision

Deletes subsection (d) of section 108 of the Act which requires 70 percent of the funds appropriated pursuant to the Act to be granted for projects of States and local governments having an unemployment rate in excess of the national rate and the remaining 30 percent of the funds to be granted for projects in other areas and inserts in its place a requirement that a State and local government submitting more than one project for consideration must establish its own priority in regard to each project and submit it as part of the project application.

Senate Provision

Provides that in lieu of 70 percent-30 percent requirement in subsection (d) of the Act the applicable percentage requirement will be 85–15. The Secretary may waive application of the 85 percent ceiling in States with unemployment rates above the national average and the 15 percent ceiling in minimum allocation States.

Conference Substitute

Same as the House provision.

Unemployment data from adjoining areas

House provision

Repeals subsection (f) of section 108 of the Act which permits the Secretary upon request of the applicant to consider the unemployment rate in adjoining areas from which the labor force for a project may be drawn.

Senate provision

Section 102(d)(6) makes subsection (f) of section 108 of the Act inapplicable to project applications for funding under the Senate provision.

Conference substitute

Same as the House provision.

Projects for improving socioeconomic conditions

House provision

Amends subsection (g) of section 108 of the Act to have States and local governments where feasible make project requests which promote or advance longer range plans and programs for improving socioeconomic conditions.

Senate provision

No comparable provision.

Conference substitute

No comparable provision.

Applicability of Davis-Bacon

House provision

Amends section 109 of the Act to delete the words "by contractors or subcontractors" to make sure that all laborers and mechanics employed on projects assisted under this Act are paid in accordance with the prevailing wage provisions of the Davis-Bacon Act.

Senate provision

No comparable provision.

Conference substitute

Same as the House provision.

State allocation formula

House Provision

Adds a new section 111 to the Act which provides that subject to the minimum-maximum requirement contained in section 108 (a) of the Act the Secretary is to allocate the appropriated funds among the States on the basis that the average number of unemployed persons in each State for a specified 12-month period bears to the average number of unemployed persons in all the States during the 12-month period.

Senate Provision

Section 102(c)(3) contains a formula for allocation among the States providing that 65 percent of the funds be allotted on total numbers of unemployed and 35 percent on the basis of relative severity of unemployment, with States participating in the 35 percent allocation if their unemployment rates exceed 6.5 percent.

Conference Substitute

Same as the Senate provision.

Funds for correction of errors

House Provision

Adds a new section 112 to the Act which authorizes the Secretary to make grants for projects that were not received, not considered, or were rejected solely because of error made by an officer or employee of the United States. A sum not to exceed 1½ percent of the funds authorized by the Act may be used for this purpose.

Senate Provision

Section 102(c)(2) sets forth that one percent of the total authorization in such section 102 shall be set aside before the 65–35 percent formula allocation is made and that the amount set aside shall be available to fund projects that were not selected in the first round due to procedural errors.

Conference Substitute

Provides a $70 million set aside for grants to be made by the Secretary for projects that were not received, not considered, or were rejected solely because of error made by an officer or employee of the United States. Projects eligible for grants under this section must meet all of the requirements of the Act as in effect at the time of the error. In addition, any applicant receiving an allocation of funds for public works projects under the Act is to have that allocation reduced by the amount of any grant made to it from the $70 million set aside for these grants.

Standards for jail construction

House Provision

Adds a new section 112 to the Act to provide that whenever a State certifies to the Secretary that the State has standards for the construction of jails that such standards will be the criteria governing the approval of the grant application for jail construction under the Act.

Senate Provision

No comparable provision.

Conference Substitute

No comparable provision.

Authorization

House Provision

Not to exceed $6 billion is authorized to carry out the Act. This would increase the existing $2 billion authorization by an additional $4 billion which would be available for appropriation upon enactment of this provision.

Senate Provision

Basically the same as the House provision, except that the funds are only authorized through fiscal year 1978.

Conference Substitute

Basically the same as the Senate provision, except that the funds are authorized through calendar year 1978.

Project applications eligible for consideration

House Provision

No comparable provision.

Senate Provision

Section 102(b) limits consideration by the Secretary for the funding of projects to those projects for which applications were received prior to December 23, 1976, and not funded and those projects for which application were submitted prior to December 23, 1976, and not considered for funding because they were not received in a timely manner or were improperly rejected, except that units of local government which have projects pending, the grant total of which is less than 150 per centum of the residual benchmark for the unit, may submit projects not to exceed such per centum.

Conference Substitute

Provides that the Secretary may not consider or make a grant with respect to any project for which an application was not submitted after the date of enactment of the Act and on or before December 23, 1976, except that the Secretary may receive applications from (1) the Trust Territory of the Pacific Islands, (2) Indian tribes and Alaska Native villages, and (3) any applicant to use any allocation which may be made pursuant to regulation, to the extent necessary to expend such allocation, if a sufficient number of applications were not submitted on or before December 23, 1976, to use such allocation.

Undue concentration of funds

House Provision

No comparable provision.

Senate Provision

Section 102(d)(3) authorizes the Secretary, in determining whether certain grants for projects may result in an undue concentration of funds in a particular area, to consider grants made in the area under the Act relative to the severity of unemployment in the area.

Conference Substitute

No comparable provision

Endorsement of projects by units of local government

House Provision

No comparable provision.

Senate Provision

Section 102(d)(4) provides that if a general purpose local government endorses, upon request, a project proposed by a State or special purpose unit of local government the project for which the endorsement is received shall be given priority and preference as set forth in section 108(b) of the Act.

Conference Substitute

Basically the same as the Senate provision.

School district eligibility

House Provision

No comparable provision.

Senate Provision

Section 102(d)(5) provides that a project application for a school district shall be accorded equal priority with those of general purpose local governments under the Act.

Conference Substitute

Same as the Senate provision.

Project location

House provision

No camparable provision.

Senate provision

Section 102(d)(6) changes the application of section 108(e) of the Act by requiring that projects must be within the community or neighborhood whose unemployment rate is used in the project application.

Conference substitute

Basically the same as the Senate provision.

Immediate job-creating potential and time for completion

House provision

No comparable provision.

Senate provision

Section 102(d)(7) direct the Secretary in the case of projects submitted by different applications which are of equal priority, to consider the potential of each project to create immediate jobs and the length of time required to complete the project.

Conference substitute

No comparable provision.

Environmental impact assessment

House provision

No comparable provision.

Senate provision

Section 102(d)(9) requires an applicant for a project grant under the Act to give satisfactory assurances to the Secretary that the project will not have significant adverse effect on the human environment, except that these assurances are not required if the Secretary has, with respect to the project, previously complied with the provisions of the Environmental Policy Act of 1969 and the regulations of the Council on Environmental Quality thereunder.

Conference substitute

No comparable provision.

The Conferees wish to clarify that, in every case, the National Environmental Policy Act shall be implemented, to the fullest extent possible consistent with the time constraints imposed by the Local Public Works Development and Investment Act of 1976. The Secretary shall review each grant application, its potential environmental impacts, and the applicant's assurances regarding environmental effects in order to determine whether such assurances are adequate. This review must be accomplished without undue burden on the applicant to submit additional information, and without any delay in project consideration. The statutory limit on the period in which project selection decisions are to be made must be observed.

If the Secretary determines that a proposed project is likely to have significant direct or indirect adverse effects that would normally require full review in an environmental impact in an environmental impact statement, that project will ordinarily not be funded under the Local Public Works Development and Investment Act of 1976. If, however, the Secretary's review determines that the effect of a proposed project has been adequately evaluated in accordance with section 102(2)(C) of the National Environmental Policy Act the Secretary may fund the proposed project.

Consideration of certain other factors

House provision

No comparable provision.

Senate provision

Section 102(d)(11) provides that the Secretary in determining projects to be funded shall give consideration to projects which demonstrate a probability of reducing unemployment by (1) stimulating private investment, (2) generating construction in addition to the project, and (3) creating new long-term employment opportunities in accordance with long-range economic development plans.

Conference substitute

No comparable provision.

Health care and rehabilitation facility projects

House provision

No comparable provision.

Senate provision

Section 103 provides that if funds authorized in section 102 of the Senate provision are appropriated for the fiscal year 1978, projects eligible for grants from such appropriated funds shall include, as well as projects otherwise eligible for grants under the Act, projects for the construction, renovation, repair, or other improvements of health care or rehabilitation facilities owned and operated by private nonprofitmaking entities.

In addition, section 103 requires the Secretary to receive and consider new applications for grants under the section in addition to applications received under the Act. Applications submitted prior to the enactment of this provision shall be revised and new information shall be submitted, as appropriate.

Conference substitute

Provides that if any funds authorized by the Act are appropriated in fiscal year 1978, projects eligible for grants under the Act from such appropriated funds shall include projects for the construction, renovation, repair, or other improvements of health care or rehabilitation facilities owned and operated by private nonprofit entities.

Public works investment study

House Provision

No comparable provision.

Senate Provision

Section 104 authorizes a Presidential study of public works investment in the United States. A report on the findings and any recommendations would be transmitted to the Congress 18 months after enactment.

The Presidential study is to analyze public works investment over the last 30 years, including the types, location, and level of investment, and to assess the meaning of these trends.

The study is to also analyze the pattern of regional distribution of public works investment; the role of the Federal Government, States and local communities in funding public facilities; ways to determine our total public works needs; and how public works are financed and how financing arrangements affect the pattern and type of investment.

Conference Substitute

Same as the Senate provision except that the Secretary of Commerce is to carry out the study and report to Congress.

Employment of veterans

House Provision

No comparable provision.

Senate Provision

Section 105 requires the Secretary, pursuant to regulation and in consultation with the Secretary of Labor, to give special consideration to the employment of disabled veterans (as defined in section 2011(1) of title 38, United States Code) and those qualified Vietnam-era veterans (as defined in section 2011(2)(A) of such title) who are twenty-seven years of age, in projects carried out under this title.

Conference Substitute

Provides that the Secretary, in consultation with the Secretary of Labor and consistent with applicable collective bargaining agreements and practices, shall promulgate regulations to assure special consideration to the employment of qualified disabled veterans and Vietnam-era veterans.

Additional public works investment study

House Provision

No comparable provision.

Senate Provision

Section 109 requires a Presidential study of public works investment with a report to Congress 18 months after enactment which study is to be separate and independent of the study authorized by section 104 of the Senate provision. The study is to include, but not be limited to, an analysis of (1) economic stimulus created by public works jobs, (2) tax expenditure per job, (3) evaluation of the criteria for assessing public works needs relative to other national spending priorities, (4) impact on construction costs in the private sector, and (5) the comparison between public works and private sector construction costs on similar facilities.

Conference Substitute

No comparable provision.

Projects under the authority of the Secretaries of Agriculture and the Interior

House Provision

Provides that the Secretary of Agriculture and the Secretary of the Interior shall immediately initiate the construction of those Federal public works projects (1) which are the responsibility of their respective departments, (2) which have been authorized, and (3) which can be commenced within 60 days of the date of enactment of this section and completed no later than the 180th day after commencement of construction. No funds authorized by section 114 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94–369) may be used to carry out this section.

Senate Provision

No comparable provision.

Conference Substitute

Same as the House provision.

Short title

House Provision

No comparable provision.

Senate Provision

Provides that the title (relating to public works projects) may be cited as the "Public Works Employment Act of 1977".

Conference Substitute

Same as the Senate provision.

Program policies

Regulations implementing the revisions in the Act made by this conference substitute are to be prescribed within 30 days of the date of enactment of these revisions. The Conferees expect the next phase of the public works jobs program to be implemented in accordance with the following assumptions and policy directions. A project area will be a city; a county; the balance of a county in which such city is located; or a pocket of poverty under section 108(e) where the project is within an urbanized area. Unemployment statistics (as to total number of unemployed and rate) are to be determined for project areas, not for applications. It is intended that all communities, regardless of size, that otherwise qualify, are to be treated as applicants.

The Conferees are aware of the problems which exist in obtaining timely, accurate, and uniform measurements of unemployment for all areas of the country. However, the Conferees are also aware that the Bureau of Labor Statistics (BLS) cannot, at this time, provide unemployment data for all jurisdictions in the country. Unemployment statistics gathered by the Department of Labor through the BLS generally cover jurisdictions above 50,000 population and prime sponsor areas designated under the Comprehensive Employment and Training Act (CETA), unless special studies of a labor force have been undertaken at the request of a local jurisdiction or the State Employment Security Agency. Prior to August 1976, the BLS was unable to provide comparable unemployment statistics on a county-by-county basis. The BLS has assured that unemployment data is now available to the Economic Development Administration on a county-by-county basis.

Although the Conferees recognize the need to have comparable unemployment data from one source to assure uniform and accurate measurements of a community's distress, it is also important that a community not be denied assistance under the Act because national unemployment figures are unavailable for a local jurisdiction. In such cases as unemployment data is not available from the Bureau of Labor Statistics, the Secretary shall accept State or local data.

The BLS is currently engaged in establishing benchmarks for all States based on the current population survey method now used in calculating unemployment statistics nationwide. The Conferees urge the States to develop data on jurisdictions smaller than 50,000 as soon as possible so that eligible areas under both the Local Public Works Act and the Public Works and Economic Development Act can be qualified for assistance in a timely manner. To provide the optimum opportunity for participation in this program the Congress specifically provided in section 108(c) that information regarding unemployment rates may be furnished by the Federal Government, or by States or by local governments provided that the Secretary of Commerce determines that such unemployment rates are accurate. The Secretary is also required to provide assistance to the States or local government in the calculation of such rates to insure their validity and standardization. Where a State has already developed unemployment data for jurisdictions between 25,000 and 50,000 population this data shall be utilized by the EDA in qualifying local jurisdictions under the Act.

Under the Office of Management and Budget's Circular A-46, Federal agencies are required to use the unemployment data provided by the Department of Labor, Bureau of Labor Statistics. It is the Conferees' intent under section 108(c) that if the Economic Development Administration cannot obtain unemployment data from the BLS for a jurisdiction smaller than 50,000 population, or for other jurisdictions where the data is not available for the most recent 12 consecutive months, that the EDA shall request such unemployment information from the State employment security agencies. It is not the Conferee's intent to delay the updating of unemployment statistics for project applications on file at EDA in allowing the agency to obtain data from the States but the Conferees want to insure that EDA has the maximum flexibility in obtaining unemployment data in a timely manner for all eligible applicants under the Act.

Only project areas in excess of 6.5 percent unemployment may receive grants, except (1) where the State unemployment rate is less than 6.5 percent, in which case only project areas in excess of the State average unemployment rate may receive grants, and (2) in minimum allocation States where the Secretary waives the priorities of section 108 (c). A share of the State's allocation of funds shall be established for each such project area, based on numbers and rate of unemployment in such area, to serve as a benchmark or planning target.

The Secretary of Commerce shall assure equity, and a substantial portion of project awards, for each category of general purpose local government applicants and projects endorsed by such applicants, within each project area. An applicant may select projects for funding with its planning target only in the project area on which that planning target is based. A school district shall be treated on the same basis as a general purpose local government, for all purposes. New applications shall be received only where there are insufficient pending applications to use a State's allocation or a project area's planning target. In such cases applications may be received from any eligible recipient within the project area. Each applicant shall indicate its order of preference among its project applications.

The Conferees recognize the responsibilities of county governments. Accordingly, the intent of the conferees is for applicant counties to receive an equitable share of funds in any area which reflects their level of responsibility and unemployment.

In cases of projects of different applicants within a county or balance-of-county project area which are otherwise equal in priority, consideration shall be given to the relative unemployment statistics of the applicants, if recent comparable data is available, and, if necessary, to various criteria for differentiating the projects themselves, such as the job-creating potential and time necessary for completion of the project, the energy conservation potential of a building project under section 108(b)(2), the project's value in alleviating drought or other critical local needs, or the long-term economic benefits of the completed project.

Two cases where project funding was erroneously charged against a local benchmark have been called to the Conferees' attention. In one case, State projects located in Long Island were charged against the planning target for Albany, the State capital. In another case, the funding of projects was charged against the benchmark for Schenectady even though the projects were located outside the city.

The Conferees intend this type of error will be corrected in the next round of funding without penalizing local governments like these. In such cases the cities will receive a full planning target or allocation based on the $6 billion authorized program and projects funded in the first round will be charged against allocation of the area where the project was located.

TITLE II

Amendments to the Federal Water Pollution Control Act

House provision

Title II provides authorizations for the Federal Water Pollution Control Act for construction grants, as well as for educational, management, reimbursement, and other programs. In addition, it makes a number of amendments to the act to permit the use, under certain circumstances, of ad valorem taxes and industrial surcharges as a financing alternative to user charges, to extend the eligibility date for reimbursable Federal grants for advance construction of treatment works, to authorize the Administrator of the Environmental Protection Agency to certify States to assume administrative responsibility for construction of treatment works, and establishes a contingency fund to provide assistance for emergencies. It also authorizes extension on a case-by-case basis of the time for achieving the July 1, 1977, treatment requirements for publicly owned treatment works and other point sources. Additionally, it revises the section 404 permit program with respect to permits for the discharge of dredged or fill material into certain waters. It also includes a number of other lesser modifications to the Federal Water Pollution Control Act.

Senate Provision

The Senate provision provides authorizations for the Federal Water Pollution Control Act, for construction as well as for research, development, and demonstration programs, and educational, management, and other programs authorized by the act. In addition, the allotment formula for section 207 funds is established as in accordance with a table setting forth each State's proportional share. Certain other revisions of the Federal Water Pollution Control Act are contained in this Senate provision.

Conference Substitute

The conference substitute contains no provisions amending the Federal Water Pollution Control Act or otherwise related directly to the Federal water pollution control program.

TITLE III

Intentions and declaration

House Provision

No comparable provision.

Conference Substitute

Section 301 is a declaration of intent of Congress that the projects listed in Public Law 94-355, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1977, and in Public Law 94-351, the Agriculture and Related Agencies Programs Appropriations, 1977, represent the foundation of the national public works activity, that such projects are essential to the reduction of unemployment, and that such projects provide long-term benefits to communities, to States, and to the entire Nation in terms of water management, flood control, navigation, recreation, and enhanced economic activity. The Congress declares that such projects have been authorized by the Congress after hearings and consideration extended over many years. Appropriations have been made and are being made pursuant thereto. It is the judgment of Congress that such projects should not be discontinued except by following the legislative process provided by the Constitution of the United States and the provisions of Public Law 93-344, the Congressional Budget and Impoundment Control Act of 1974.

Conference substitute

Same as the Senate provision.

Expenditure of funds

House provision

No comparable provision.

Senate provision

Section 302 mandates that, except with respect to Meramec Park Lake project in Missouri, funds provided in the fiscal year 1977 budget shall be made available for expenditure before the end of the fiscal year. This provision is intended to prohibit the deferral or recision of such funds for that fiscal year.

Conference substitute

Same as the Senate provision.

Prospective disapproval

House provision

No comparable provision.

Senate provision

Section 303 is a prospective disapproval of any deferral or recision with respect to the water resource projects described in this title.

Conference substitute

Same as the Senate provision.

Interest rates

House provision

No comparable provision.

Senate provision

Section 304 provides that the interest rates or rates of discount used to assess the return on the Federal Government's investment in projects carried out by the U.S. Army Corps of Engineers or the Department of the Interior, Bureau of Reclamation, shall be those interest rates or rates of discount established by the Water Resources Development Act of 1974 or by the prior law authorizing projects by the U.S. Army Corps of Engineers or the Department of the Interior, Bureau of Reclamation.

Conference substitute

Same as the Senate provision.

Harold T. Johnson,
Ray Roberts,
Robert A. Roe,
Glenn M. Anderson,
John B. Breaux,
Henry J. Nowak,
Robert W. Edgar,
William H. Harsha,
Don H. Clausen,
John Paul Hammerschmidt,
Managers on the Part of the House.
Jennings Randolph,
Edmund S. Muskie,
Quentin N. Burdick,
Lloyd Bentsen,
Wendell R. Anderson,
Daniel Patrick Moynihan,
Robert T. Stafford,
Pete V. Domenici,
John H. Chafee,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows to:)

Mr. Breaux (at the request of Mr. Wright), after 3:30 today and for April 29, on account of official business of the Committee on Merchant Marine and Fisheries.

Mr. Latta (at the request of Mr. Rhodes), from April 29 until May 9, on account of medical reasons.

Mr. Lent (at the request of Mr. Rhodes), after 3:30 p.m. today, on account of official business.

Mr. Sebelius (at the request of Mr. Rhodes), on April 29, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Quayle) and to revise and extend their remarks and include extraneous matter:)

Mr. Evans of Delaware, for 5 minutes, today.

Mr. Sawyer, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Whitley) to revise and extend their remarks and include extraneous material:)

Mr. Brodhead, for 5 minutes, today.

Mr. Hamilton, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. Bingham, for 15 minutes, today.

Ms. Holtzman, for 30 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. McKay, for 10 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Koch, for 15 minute, today.

Mr. Brademas, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Stratton, for 10 minutes, today.

Mr. Bingham, for 15 minutes, April 29, 1977.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Quayle) and to include extraneous matter:)

Mr. Harsha in two instances.

Mr. Buchanan.

Mr. Ketchum.

Mr. Derwinski in three instances.

Mr. Rousselot.

Mr. Shuster.

Mr. Pursell.

Mr. Anderson of Illinois.

Mr. Abdnor in two instances.

Mr. Robinson.

Mr. Dornan in two instances.

Mr. Burke of Florida.

Mr. Duncan of Tennessee.

Mr. Edwards of Alabama.

Mr. Taylor.

Mr. Edwards of Oklahoma.

Mr. Snyder.

(The following Members (at the request of Mr. Whitley), and to include extraneous matter:)

Mr. Richmond.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Wolff.

Mr. Murphy of New York.

Mr. Teague in two instances.

Mr. Fowler in two instances.

Mr. Mottl.

Mr. Pease.

Mr. Jones of Tennessee.

Mr. Harrington.

Mr. Moakley.

Mrs. Chisholm.

Mr. Won Pat.

Mrs. Spellman.

Mr. Studds.

Mr. Skelton.

Mr. Long of Maryland in two instances.

Mr. Giaimo.

Mr. Markey.

Mr. Lehman.

Mr. Hawkins.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3843. An act to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 27, 1977, present to the President, for his approval, bills of the House of the following title:

H.R. 4877. An act making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes.

SENATE JOINT RESOLUTIONS REFERRED

Resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 16. Joint resolution to restore posthumously full rights of citizenship to Jefferson F. Davis; to the Committee on the Judiciary.

S.J. Res. 40. Joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. WHITLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Friday, April 29, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1364. A letter from the Secretary of Transportation, transmitting the annual report on the Northeast Corridor improvement project, pursuant to section 703(1)(D) of Public Law 94–210; to the Committee on Interstate and Foreign Commerce.

1365. A letter from the Secretary of Transportation, transmitting the 1977 annual report on the highway safety improvement programs, pursuant to section 203(e) of the Highway Safety Act of 1973 and sections 151(g), 152(e), and 153(e) of title 23, United States Code (H. Doc. No. 95–136); to the Committee on Public Works and Transportation and order to be printed with illustrations.

1366. A letter from the Secretary of Transportation, transmitting the annual report for fiscal year 1976 on the administration of the Deepwater Port Act of 1974, pursuant to section 20 of the act; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 529. Resolution providing for the consideration of H.R. 4049. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association (Rept. No. 95–225). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 334. Resolution providing for the continuation of the appointment of a special counsel to represent the House and the Committee on Interstate and Foreign Commerce in certain judicial proceedings (Rept. No. 95–226). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 489. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Congressional Operations; with amendment (Rept. No. 95–227). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6550. A bill to authorize certain appropriations for the territories of the United States, to amend certain acts relating thereto, and for other purposes; with amendment (Rept. No. 95–228). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 530. Resolution providing for the consideration of H.R. 6179. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes (Rept. No. 95–229). Referred to the House Calendar.

Mr. JOHNSON of California: Committee of conference. Conference report on H.R. 11 (Rept. No. 95–230). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule X–II, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. Fascell, Mr. Diggs, Mr. Nix, Mr. Rosenthal, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Harrington, Mrs. Collins of Illinois, Mr. Solarz, Mrs. Meyner, Mr. Pease, Mr. Beilenson, Mr. Buchanan, Mr. Whalen, and Mr. Winn):

H.R. 6714. A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that act, and for other purposes; to the Committee on International Relations.

By Mr. ULLMAN:

H.R. 6715. A bill to correct technical and clerical mistakes in the tax laws; to the Committee on Ways and Means.

By Mr. ANNUNZIO:

H.R. 6716. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. Hanley, Mr. Giaimo, Mr. Schulze, Mr. Vento, Mr. Panetta, Mr. Hughes, Mr. Johnson of California, Mr. Downey, Mr. Zablocki, Ms. Meyner, Mr. Carr, Mr. Brodhead, Mr. Nedzi, Mr. Archer, Mr. Mollohan, Mr. Ford of Michigan, Mr. Pike, Mr. Gilman, Mr. Hannaford, Mr. Lloyd of California, Mr. Baucus, Mr. Beard of Rhode Island, Mr. Solarz, and Mr. Edwards of Oklahoma):

H.R. 6717. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. Pepper, Mr. Mathis, Mr. Minish, Mr. Winn, Mr. Patten, Mr. John L. Burton, Mr. Duncan of Tennessee, Mr. Charles Wilson of Texas, Mr. Young of Florida, Mrs. Lloyd of Tennessee, Mr. Zeferetti, Mr. Bevill, Mr. Walsh, Mr. Caputo, Mr. Traxler, Mr. Devine, Mrs. Schroeder, Mr. Ottinger, Mr. Florio, Mr. Collins of Texas, Mr. Flood, Mrs. Spellman, Mr. Gaydos, and Mr. Rinaldo):

H.R. 6718. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. BOWEN (for himself and Mr. Mathis):

H.R. 6719. A bill to require the establishment of a price support program for soybeans; to the Committee on Agriculture.

By Mrs. Collins of Illinois (for herself, Mr. Weiss, Mr. Hawkins, Mrs. Fenwick, Mr. Neal, and Mr. Murphy of New York):

H.R. 6720. A bill to amend the Elementary and Secondary Education Act of 1965 to preserve the eligibility of certain children for assistance through grade 3, notwithstanding improvements in their reading aptitude; to the Committee on Education and Labor.

By Mrs. COLLINS of Illinois (for herself, Mr. Badillo, Mr. Corrada, Mr. Gilman, Mr. Jenrette, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Nix, Mr. Pattison of New York, Mr. Price, Mr. Scheuer, Mr. Simon, Mrs. Spellman, and Mr. Stokes):

H.R. 6721. A bill to amend chapter 4 of title 23, United States Code, to authorize the Secretary of Transportation to make incentive grants to any State which uses certain information relating to auto safety devices in its procedure for the issuance of motor vehicle operating permits; to the Committee on Public Works and Transportation.

By Mr. DICKINSON:

H.R. 6722. A bill to amend title 5, United States Code, to provide civilian employees of the National Guard certain rights of members of the competitive service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN of Oregon (for himself, Mr. Beilenson, Mr. Michael O. Myers, Mr. Blanchard, Mr. Neal, Mr. Harris, and Mr. Fithian):

H.R. 6723. A bill to establish a conservation corps in the Departments of Agriculture and Interior, and for other purposes; to the Committee on Education and Labor.

By Mr. FASCELL:

H.R. 6724. A bill to establish an agency for consumer protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. HAMILTON:

H.R. 6725. A bill to amend the Internal Revenue Code of 1954 to exempt certain corporations from the provisions requiring the accrual method of accounting for corporations engaged in farming; to the Committee on Ways and Means.

By Mr. HUBBARD (for himself, Mr. Perkins, Mr. Natcher, Mr. Carter, Mr. Snyder, Mr. Mazzoli, and Mr. Breckinridge):

H.R. 6726. A bill to name a certain Federal building in Paducah, Ky., the Frank Albert Stubblefield Federal Building; to the Committee on Public Works and Transportation.

By Mr. JEFFORDS (for himself, Ms. Holtzman, Mr. McHugh, and Mr. Pursell):

H.R. 6727. A bill to amend the Federal Nonnuclear Energy Research and Development Act of 1974 to provide for cooperative programs with less-developed countries for the development of unconventional energy technologies; jointly, to the Committees on Science and Technology, and International Relations.

By Mr. KREBS (for himself, Mr. Sisk, Mrs. Spellman, Mr. Neal, Mr. Bedell, Mr. Nolan, and Mr. Patterson of California):

H.R. 6728. A bill to reduce speculation in excess lands purchased under the Federal reclamation laws by imposing additional restrictions on sales and resales of such excess lands originally sold to qualify for water rights under such laws, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCLOSKEY (for himself, Mr. Emery, Mr. Pritchard, Mr. Van Deerlin, and Mr. Young of Alaska):

H.R. 6729. A bill to amend the Marine Mammal Protection Act of 1972 to allow the commercial tuna fishing fleet to continue operations while exercising due care to reduce incidental porpoise mortality to insignificant levels approaching zero; to the Committee on Merchant Marine and Fisheries.

By Mr. McCORMACK (for himself, Mr. Mazzoli, Mr. Patterson of California, and Mr. Sisk):

H.R. 6730. A bill to encourage energy conservation in residences and in use of electric vehicles; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. Crane, Mr. Devine, Mr. Edwards of Oklahoma, Mr. Frey, Mr. Hyde, Mr. Kelly, Mr. Pritchard, Mr. Ruppe, Mr. Sebelius, Mrs. Smith of Nebraska, Mr. Stangeland, Mr. Stockman, Mr. Taylor, and Mr. Trible):

H.R. 6731. A bill to reform the food stamp program by improving and strengthening various provisions relating to eligibility benefits and administration; improving the nutritional focus of the program; and redirecting benefits to those truly in need; to the Committee on Agriculture.

By Mr. MIKVA:

H.R. 6732. A bill to require the Social Security Administration, the Veterans' Administration, and the Immigration and Naturalization Service to provide, in connection with any response to any person requesting information or assistance from any of such agencies, a card suitable for mailing inquiring into the opinion of such person concerning the promptness, courtesy, and fairness with which such request was handled by such agency, and for other purposes; jointly, to the Committees on Ways and Means, Veterans' Affairs, and the Judiciary.

By Mr. MURPHY of New York (for himself, Mr. Kildee, Mr. Broyhill, Mr. Lehman, Mr. Trible, Mr. Slack, Mr. Murtha, Mr. Hammerschmidt, Mr. Leach, and Mr. Ammerman):

H.R. 6733. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

H.R. 6734. A bill to amend title 18, United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation; to the Committee on the Judiciary.

By Mr. PRESSLER:

H.R. 6735. A bill to amend the Small Business Act by authorizing the Small Business Administration to furnish reinsurance for property liability insurers for small business concerns which would not otherwise be able to obtain product liability insurance on reasonable terms, and for other purposes; to the Committee on Small Business.

By Mr. PRESSLER (for himself, Mr. Bedell, Mr. Corrada, Mr. Downey, Mr. Duncan of Tennessee, Mr. Emery, Mrs. Fenwick, Mr. Gudger, Mr. Hightower, Mr. Jeffords, Mr. Jenrette, Mr. Kindness, Mr. Marlenee, Mr. Mineta, Mr. Moakley, Mr. Nolan, Mr. Patterson of California, Mr. Pepper, Mr. Roncalio, Mr. Trible, and Mr. Vento):

H.R. 6736. A bill to amend title 38, United States Code, to provide that the "85–15" rule does not apply to courses which lead to a standard college degree; to the Committee on Veterans' Affairs.

By Mr. SARASIN (for himself, Mr. de Lugo, Mr. Duncan of Tennessee, Mr. Ertel, Mr. Fauntroy, Mr. Glickman, Mr. McKinney, Mr. Patterson of California, Mr. Pursell, and Mr. Quie):

H.R. 6737. A bill to provide a guarantee of part-time employment for disadvantaged youth from low-income families who pursue their education; to the Committee on Education and Labor.

By Mr. SOLARZ:

H.R. 6738. A bill to amend the Urban Mass Transportation Act of 1964 relating to the transportation of elderly and handicapped persons at reduced fares; to the Committee on Public Works and Transportation.

By Mr. STAGGERS (for himself and Mr. Rooney):

H.R. 6739. A bill to amend the Regional Rail Reorganization Act of 1973 and the Department of Transportation Act to extend for 15 months the period during which the Federal share of the cost of rail service continuation assistance is 100 percent; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE (by request):

H.R. 6740. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VANDER JAGT:

H.R. 6741. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly the private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means.

By Mr. WALSH:

H.R. 6742. A bill to prohibit the expenditure of Federal funds for the conversion to the metric system of measurements posted on highways without a direct authorization by the Congress for such expenditure; to the Committtee on Public Works and Transportation.

By Mr. BINGHAM (for himself, Mr. Badillo, Mr. Baucus, Mr. Breckinridge, Mr. Carney, Mr. Corman, Mr. Edwards of California, Ms. Holtzman, Mr. Koch, Mr. Mikva, Mr. Richmond, Mr. Solarz, Mr. Waxman, and Mr. Charles Wilson of Texas):

H.R. 6743. A bill to authorize the establishment of the Eleanor Roosevelt National Historic Site in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DELANEY (for himself, Mr. Beard of Rhode Island, Mr. Moorhead of California, Mr. D'Amours, Mr. Burke of Florida, Mr. Zeferetti, Mr. Edgar, Mr. Oberstar, Mr. Kemp, Mr. Mitchell of New York, Mr. Mazzoli, Mr. Young of Missouri, Mr. Steers, Ms. Mikulski, Mr. Fish, Mr. Lederer, Mr. Young of Alaska, Mr. Mollohan, Mr. Downey, Mr. Dan Daniel, Mr. Treen, Mr. LaFalce, Mr. Hyde, Mr. Long of Maryland, and Mr. Moakley):

H.R. 6744. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

By Mr. de LUGO:

H.R. 6745. A bill to amend the public assistance provisions of the Social Security Act to provide that benefits thereunder (including supplemental security income benefits) shall be made available and financed in the case of Guam and the Virgin Islands on the same basis as in the case of other States; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DORNAN (for himself, Mr. Howard, Mr. Whitehurst, Mr. Hyde, Mr. Regula, Mr. Madigan, Mr. Patterson of California, Mr. McDonald, Mr. Kelly, Mr. Tonry, Mr. Frey, Mr. Bauman, Mr. Burgener, Mr. Applegate, and Mr. Miller of Ohio):

H.R. 6746. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs of films depicting such exploitation; to the Committee on Education and Labor.

H.R. 6747. A bill to amend title 18, United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation; to the Committee on the Judiciary.

By Mr. HARRIS:

H.R. 6748. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 6749. A bill to provide that essential property insurance is available at reasonable rates under state FAIR plans; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LaFALCE (for himself, Mr. Ashley, Mr. Stanton, and Mr. Rousselot):

H.R. 6750. A bill to authorize a program for the study of the needs of consumer cooperatives and to create a pilot project for lending to cooperatives, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEHMAN:

H.R. 6751. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period for disability benefits; to the Committee on Ways and Means.

By Mr. MEEDS (by request):

H.R. 6752. A bill to amend the Water Resources Planning Act (79 Stat. 244) as amended; to the Committee on Interior and Insular Affairs.

By Mr. MOTTL (for himself, Mr. Corrada, Mrs. Fenwick, Mr. Jenrette, Mr. LaFalce, Mr. Murphy of New York, and Mr. Traxler):

H.R. 6753. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income winnings from State lotteries; to the Committee on Ways and Means.

By Mr. POAGE (for himself and Mr. Bedell):

H.R. 6754. A bill to foster conservation of critical lands in the Great Plains area of the United States; to the Committee on Agriculture.

By Mr. ROBERTS (by request):

H.R. 6755. A bill to amend title 38 of the United States Code to provide clarification of eligibility for and issuance of Service Disabled Veterans Insurance under section 722 and Servicemen's Group Life Insurance under section 767; to the Committee on Veterans' Affairs.

By Mr. RODINO:

H.R. 6756. A bill to improve existing tertiary eye centers, to examine the delivery of eye care to the general public, and to study the feasibility of implementing a system of tertiary eye care centers throughout the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 6757. A bill to provide for the efficient and regular distribution of current information on Federal domestic assistance programs; to the Committee on Government Operations.

By Mr. STARK (for himself and Mr. John L. Burton):

H.R. 6758. A bill to extend the age limitation before which certain passenger vessels can qualify for operating-differential subsidies from 25 to 30 years; to the Committee on Merchant Marine and Fisheries.

By Mr. BOWEN:

H.J. Res. 421. Joint resolution restoring citizenship to Jefferson F. Davis; to the Committee on the Judiciary.

By Mr. DORNAN:

H.J. Res. 422. Joint resolution to amend the Constitution of the United States to require a balanced Federal budget; to the Committee on the Judiciary.

By Mr. SCHULZE (for himself, Mr. Burgener, Mr. Stark, Mr. Winn, Mr. Devine, and Mr. St Germain):

H.J. Res. 423. Joint resolution proposing an amendment to the Constitution of the United States to provide for 3-year terms for Representatives to the Congress, to limit the number of consecutive terms Representatives may serve, and to provide an age limit for Representatives; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CORRADA:

H.R. 6759. A bill for the relief of Alberto Pacheco; to the Committee on the Judiciary.

By Mr. McEWEN:

H.R. 6760. A bill for the relief of Charles M. Metott; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2

By Mr. MURPHY of Pennsylvania:

Page 201, lines 14 and 15, insert between lines 14 and 15 a new subsection "(e)", as follows:

"(e) In conformation with Section 301 (b) of this Title, the Secretary of the Interior (or the approved state regulatory authority as provided for in Section 503 of this Act) shall promulgate regulations requiring the training, examination, and certification of persons engaging in or directly responsible for blasting or use of explosives in surface coal mining operations. However, the costs of training pursuant to this subsection shall be borne by those in need of certification, through such procedures as the Secretary or regulatory authority shall deem appropriate."

Between lines 4 and 5 on page 279, insert a new paragraph "(D)", as follows:

"(D) provide that upon the request of a resident or owner of a man-made dwelling or structure within one-half mile of any portion of the permitted area the applicant or permittee shall conduct a pre-blasting survey of such structures and submit the survey to the regulatory authority and a copy to the resident or owner making the request. The area of the survey shall be decided by the regulatory authority and shall include such provisions as the Secretary shall promulgate."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of April 20, 1977 (page 11487).

H.R. 1451. January 4, 1977. Judiciary. Provides that a certain individual be considered lawfully admitted to the United States for permanent residence.

H.R. 1452. January 6, 1977. Agriculture. Directs the Secretary of Agriculture to establish five year goals for various aspects of rural development and to submit an annual report to each House of the Congress accounting in qualitative and quantitative terms for the progress made and anticipated with respect to meeting the established goals.

Amends the Rural Development Act to require the President to appoint a new Assistant Secretary of Agriculture for Rural Development within 60 days after a vacancy in the post occurs.

H.R. 1453. January 6, 1977. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to grant broadcast licenses and license renewals for five year terms.

Revises the Act to allow certain appeals from orders or decisions of the Commission to be brought in the United States court of appeals for the circuit in which the broadcast facility is, or is proposed to be located.

Requires the Commission to examine its broadcast license renewal procedure to determine how it can be simplified.

H.R. 1454. January 6, 1977. Interior and Insular Affairs. Establishes Lake Clark National Park, Alaska.

H.R. 1455. January 6, 1977. Judiciary. Requires specified minimum prison sentences for any individual who uses or carries a firearm during the commission of a Federal felony and for whoever is convicted by a State court of a crime punishable by a term of imprisonment exceeding one year and used or carried a firearm transported in, or affecting, interstate or foreign commerce during the commission of such crime. Prohibits the court from accepting a guilty plea to a lesser charge.

H.R. 1456. January 6, 1977. Merchant Marine and Fisheries. Amends the Merchant Marine Act of 1936 to establish a national marine firefighting program. Directs the Secretary of Commerce to establish marine firefighting regions and to select regional and satellite firefighting units for each such region. Requires the Secretary to provide marine protection and firefighting training programs for regional and satellite units and marine seamen.

Requires all seagoing vessels operating in the foreign or domestic commerce of the United States to have on board a prefire contingency plan for the vessel.

H.R. 1457. January 6, 1977. Science and Technology. Directs the President to establish an earthquake hazard reduction program.

Establishes a National Advisory Committee on Earthquake Hazard Reduction to review and advise the President on matters regarding the earthquake hazard reduction program.

H.R. 1458. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase to $7,500 the amount of outside earnings which is permitted an individual each year without any deduction from benefits under such title.

H.R. 1459. January 6, 1977. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay (in addition to any pension already paid) a monthly pension of $150 to each veteran of World War I who meets specified service requirements, or to the surviving spouse of each such veteran, or when there is no surviving spouse, to the child or children of each such veteran.

H.R. 1460. January 6, 1977. Interstate and Foreign Commerce. Amends the Natural Gas Act to exempt transactions involving persons engaged in the production or gathering and sale of natural gas from regulation by the Federal Power Commission, provided such persons are not engaged in the transmission of natural gas.

H.R. 1461. January 6, 1977. Judiciary. Redefines "juvenile delinquency" for purposes of Federal court proceedings and subsequent treatment as: (1) the commission of a Federal felony by an individual who has not attained 15 years of age; or (2) the commission of any other Federal crime by an individual who has not attained 18 years of age.

Directs the States to treat as adult offenders all persons who have attained 15 years of age and have committed a violation of State law for which imprisonment over one year may be imposed.

H.R. 1462. January 6, 1977. Judiciary. Declares it the duty of appropriate Federal, State, and local authorities to maintain fingerprint records of juveniles found delinquent on the basis of acts which would constitute criminal offenses if committed by older persons.

Stipulates that information relating to juvenile proceedings involving such acts shall not subsequently be withheld from any criminal court trying a person who was a party to such proceedings.

H.R. 1463. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to delay, for one year, the implementation of the Tax Reform Act's increased minimum tax on tax preferences for non-corporate individuals.

H.R. 1464. January 6, 1977. Agriculture. Amends the Federal Meat Inspection Act to direct the Secretary of Agriculture to appoint inspectors to examine and inspect the method by which cattle, sheep, swine, goats, horses, mules, and other equines are slaughtered and handled in slaughtering establishments inspected under the Act.

Directs the condemnation and destruction for food purposes of all carcasses and parts thereof which are not slaughtered in accordance with the prescribed methods of humane slaughter.

Prohibits the importation of any carcasses and parts thereof not slaughtered in accordance with such humane methods.

H.R. 1465. January 6, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1466. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to provide a limited income tax credit for the purchase and installation of qualified insulation and heating improvements in the taxpayer's principal residence.

H.R. 1467. January 6, 1977. Interstate and Foreign Commerce. Amends the State Technical Services Act of 1965 to make municipal governments eligible for technical services under the Act, and to direct the Secretary of Commerce to establish: (1) a management information system to provide data concerning the operation of technical services programs; and (2) regional offices for the administration of the Act.

H.R. 1468. January 6, 1977. Rules. Amends the Legislative Reorganization Act of 1970 to require that a statement accompany every public bill or joint resolution reported by a congressional committee containing a copy of the probable matter and format of each new form or report or revision of any existing form or report that is required by or is likely to result from the enactment of such bill or resolution and which is to be completed by someone other than an officer or employee of the Federal Government or any State government.

H.R. 1469. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to remove the requirements that contributions terminate, and distributions commence, from individual retirement accounts and retirement plans for the self-employed when the covered individual attains the age of 70½ years.

H.R. 1470. January 6, 1977. Ways and Means. Amends title XVI (Supplemental Security Income Program) of the Social Security Act to extend benefits to Puerto Rico, the Virgin Islands, and Guam on the same basis as the States.

H.R. 1471. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to limit the application of the Tax Reform Act's elimination of the sick pay exclusion for persons who have not retired on total disability, to taxable years beginning after December 31, 1976.

H.R. 1472. January 6, 1977. Public Works and Transportation. Requires the Administrator of General Services to construct a 500-inmate correctional center for Federal detainees in Los Angeles County, Calif.

H.R. 1473. January 6, 1977. Judiciary. Revises the prohibition against the manufacture, sale, or possession of a switchblade knife in interstate commerce or the manufacture, sale, or possession of a switchblade knife within any territory or possession of the United States or within the special maritime and territorial jurisdiction. Encompasses within such prohibition any folding knife having an exposed blade of at least 3 inches.

Amends the provision declaring switchblade knives unmailable to: (1) prohibit the mailing of such knives to supply officers of a State or local government; and (2) include folding knives.

H.R. 1474. January 6, 1977. Judiciary. Makes any alien who becomes a public charge within 24 months of his arrival in the United States subject to deportation under the Immigration and Nationality Act.

Requires an affidavit of support by a citizen sponsor as a condition of admission of any alien excludable because he is likely to become a public charge.

H.R. 1475. January 6, 1977. Public Works and Transportation. Amends the Water Resources Development Act to remove appropriation limitations relating to the New York Harbor project.

H.R. 1476. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns.

H.R. 1477. January 6, 1977. Ways and Means. Amends the Social Security Act to allow Federal officers and employees to elect coverage under Old-Age, Survivors and Disability Insurance.

H.R. 1478. January 6, 1977. Armed Services. Makes it unlawful for any individual or entity to solicit to enroll or enroll any member of the armed forces in any labor organization or for any member of the armed forces to join, or encourage others to join any labor organization. Sets forth penalties for violations of this act.

H.R. 1479. January 6, 1977. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to exempt certain sales of natural gas from regulation by the Commission.

H.R. 1480. January 6, 1977. Judiciary. Amends the Gun Control Act of 1968 to increase the minimum prison sentences for the use or carrying of a firearm during the commission of a Federal felony. Prohibits a suspended or probationary sentence for first time offenders of such provision. Classifies offenders of such provision as dangerous special offenders for purposes of the Organized Crime Control Act of 1970.

H.R. 1481. January 6, 1977. Judiciary. Amends the Immigration and Nationality Act to eliminate the procedures for voluntary departure of illegal aliens and to set minimum penalties for entering the United States illegally and for bringing in or harboring an illegal alien.

Sets the border patrol force at a minimum of 3,800 officers. Requires the Attorney General to study the feasibility of requiring aliens to carry machine readable identification cards and of providing the border patrol with electronic sensing devices.

H.R. 1482. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase to $7,500 the amount of outside earnings which is permitted an individual each year without any deduction from benefits under such Title.

H.R. 1483. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1484. January 6, 1977. International Relations. Deems void any suit or judicial or administrative process against a person or the property of a person entitled to immunity under the Vienna Convention on Diplomatic Relations. Makes Presidential determinations of entitlement to immunity binding upon governmental authorities. Requires the President to publish a list of missions and personnel entitled to such immunity.

Repeals the criminal penalties for wrongful suit against an immune person. Repeals exceptions to suits against servants in the service of personnel of a foreign mission. Repeals the present criteria for determining eligibility for immunity.

H.R. 1485. January 6, 1977. Ways and Means: Government Operations. Establishes a Task Force on the Taxation of Real Property by State and Local Governments to study and evaluate such taxation, its effects on middle and fixed taxpayers and the feasibility of using Federal taxation or other methods to reduce the dependence of State and local governments on such taxation.

H.R. 1486. January 6, 1977. Government Operations. Requires the Office of Management and Budget to study the efficiency and effectiveness of each Federal agency every ten years and to recommend the President and Congress reorganization or abolition of each such agency as may be necessary to improve such efficiency and effectiveness. Abolishes each such agency upon the due date of such report unless during the ten-year period since the last report Congress has passed legislation continuing such agency.

H.R. 1487. January 6, 1977. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 1488. January 6, 1977. Post Office and Civil Service. Abolishes the Commission on Executive, Legislative, and Judicial Salaries established by the Federal Salary Act of 1967.

H.R. 1489. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to provide an income tax credit for expenses incurred in the conversion of farm and ranch land into qualified wind erosion control or wildlife habitat areas.

H.R. 1490. January 6, 1977. Agriculture. Requires the Federal Crop Insurance Corporation, under the Federal Crop Insurance Act, to reopen for 30 days the period during which insurance or reinsurance applications may be made by persons in counties in which the Secretary of Agriculture determines a state of emergency exists with respect to insurable crops.

H.R. 1491. January 6. 1977. Agriculture. Prohibits the importation of any dairy product into the United States unless it has been found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Agriculture.

H.R. 1492. January 6, 1977. Rules. Requires the Secretary of the Treasury to prepare and make public annual consolidated financial statements for all expenditures of the United States, utilizing the accrual method of accounting.

Amends the Congressional Budget Act to require that all public bills and resolutions introduced in Congress or reported by a committee contain an estimate of the average cost of such measure for each taxpaying family.

H.R. 1493. January 6, 1977. Ways and Means. Declares all income tax returns, and information in them, to be confidential. Increases the criminal penalties for unauthorized disclosure of such information. Establishes criminal penalties for knowing receipt of such information.

Amends the Internal Revenue Code to require an automatic cost-of-living adjustment in the income tax rates, standard deductions, personal exemptions, depreciation deductions, the corporate surtax exemption, and interest on certain obligations of the United States.

Provides identical income tax rates for single persons and married couples. Limits the earned income that must be reported by a married individual filing a separate return to the amount actually earned by that individual.

H.R. 1494. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to exempt farming vehicles owned by individuals from the highway motor vehicle excise tax.

H.R. 1495. January 6, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase to $3,000 the amount of outside earnings which is permitted an individual each year without deduction from benefits and decreases the rate of the deductions made from earnings above such amount.

H.R. 1496. January 6, 1977. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 1497. January 6, 1977. Interstate and Foreign Commerce. Repeals Titles XV (National Health Planning and Development) and XVI (Health Resources Development) of the Public Health Service Act.

H.R. 1498. January 6, 1977. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to construct the Little Cypress Lake and Reservoir in Texas.

H.R. 1499. January 6, 1977. Veterans' Affairs. Provides that the fees payable to agents or attorneys who represent veterans in allowed claims under the veterans laws shall be paid by the Administrator of Veterans' Affairs rather than deducted from amounts awarded under the claims.

H.R. 1500. January 6, 1977. Ways and Means. Amends the Tariff Schedules of the United States to prohibit the entry of meat imports produced or manufactured in foreign trade zones, possessions, or territories of the United States unless: (1) the quantity of such meat is within the import limitations on such imports established by international agreements or restrictions under the Tariff Schedules; or (2) the quantity is deducted from the quantity which may be entered under other quantitative import restrictions.

H.R. 1501. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under that program or under Title XVIII (Medicare) of such Act, in cases where claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants.

H.R. 1502. January 6, 1977. Banking, Finance and Urban Affairs. Establishes a Solar Energy Loan Administration to provide financial assistance for the purchase and installation of solar hardware. Requires that such solar equipment meet minimum standards prescribed under the Solar Heating and Cooling Demonstration Act.

H.R. 1503. January 6, 1977. Government Operations. Stipulates the circumstances under which executive agencies are to use procurement contracts, grant agreements and cooperative agreements to reflect a relationship between the Federal Government and a State or local government or other entity.

Directs the Office of Management and Budget to undertake a comprehensive study of alternative means of implementing Federal assistance programs and to determine the feasibility of developing a comprehensive system of guidance for such programs.

H.R. 1504. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the amounts paid or incurred to meet the higher education expenses of the taxpayer or the taxpayer's spouse.

H.R. 1505. January 6, 1977. International Relations. Amends the Export Administration Act of 1969 to direct the Secretary of Commerce to prohibit participation of domestic concerns in foreign restrictive trade practices or boycotts. Imposes a penalty for violation of such prohibitions. Authorizes civil actions for treble damages by persons aggrieved by violations of this Act. Repeals the authority of the President to allocate a portion of export licenses on factors other that exportation history.

H.R. 1506. January 6, 1977. Ways and Means. Amend Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1507. January 6, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, and physical examination, and related routine laboratory tests.

H.R. 1508. January 6, 1977. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Grants additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service.

H.R. 1509. January 6, 1977. Judiciary;

Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 1510. January 6, 1977. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 1511. January 6, 1977. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 1512. January 6, 1977. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations. Revises the conditions for approval of applications for licensing or license renewal.

H.R. 1513. January 6, 1977. Judiciary. Grants a Federal charter to the United States Submarine Veterans of World War II.

H.R. 1514. January 6, 1977. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to undertake the phase I design memorandum stage of advanced engineering and design for the channel deepening for navigation project at Gulfport Harbor, Mississippi.

H.R. 1515. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to increase from $1,000,000 to $10,000,000 the maximum size of small issues of industrial development bonds on which the interest qualifies for a tax exclusion.

H.R. 1516. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to allow joint employers of an employee to avoid duplicative tax payments under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act by agreeing that one employer shall have the primary responsibility of making such payments as before, with the other employers paying only so much tax as is payable on the excess, if any, of the maximum level of compensation taxable under the Acts over the compensation paid by the first employer. Requires the employer with primary responsibility to notify the Secretary of the Treasury of the agreement.

H.R. 1517. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 1518. January 6, 1977. Ways and Means. Revises Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to: (1) eliminate the five-month waiting period for disability benefits; (2) permit adopted children to qualify for benefits without regard to time of adoption; (3) eliminate the reconsideration stage in benefit determinations; (4) provide for the issuance of duplicate benefit checks where the initial checks are lost or delayed; and (5) provide for expedited benefit payments to disability beneficiaries.

Increases the amount of outside earnings which an individual may earn without a deduction in benefits under Title II of the Social Security Act.

H.R. 1519. January 6, 1977. Interstate and Foreign Commerce; Post Office and Civil Service. Amends the Public Health Service Act to entitle physicians employed by the Federal Government to professional allowance in addition to basic pay.

Authorizes Federal agencies to enter into service agreements with prospective government physicians whereby the physician is paid a bonus in return for agreeing to work a specified number of years in such agency.

H.R. 1520. January 6, 1977. Small Business. Amends the Small Business Act to allow the Small Business Administration to provide disaster loans to small businesses in areas which the Administrator declares to have been struck by impacted disasters.

H.R. 1521. January 6, 1977. Interior and Insular Affairs. Increases the amount authorized to be appropriated for the establishment of a metallurgy research center on the Fort Douglas Military Reservation, Utah, in replacement of the facility now located on the campus of the University of Utah.

H.R. 1522. January 6, 1977. Banking, Finance and Urban Affairs. Amends the Housing and Community Development Act to provide that units of general local government receiving grants under the hold-harmless provisions of such Act shall be entitled, after fiscal year 1977, to continue to receive at least the amount to which they are presently entitled.

H.R. 1523. January 6, 1977. Public Works and Transportation; Government Operations. Amends the Public Works Employment Act of 1976 to extend for five additional calendar quarters authorization for the appropriation of funds for payments to States and local governments for the maintenance of basic services to assure that Federal efforts to stimulate economic recovery are not hindered.

Increases the base amount authorized to be appropriated for each calendar quarter for such payments.

H.R. 1524. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to restrict the tax exclusion of proceeds on industrial development bonds to certain types of issues, the proceeds of which will be used within economic development areas. Allows national banks to deal in, and underwrite, such bonds.

H.R. 1525. January 6, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that whenever cost-of-living increases are made in benefits, such amounts shall be further increased for individuals residing in high cost areas by a formula set forth in the act.

H.R. 1526. January 6, 1977. Banking, Finance and Urban Affairs; Ways and Means. Authorizes the Secretary of the Treasury to invest public moneys. Allows Federal savings and loan associations to become depositories of public money.

H.R. 1527. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for new business property placed in certain economically depressed areas.

H.R. 1528. January 6, 1977. Banking, Finance and Urban Affairs. Amends the Federal Credit Union Act with regard to assets, loans, membership, management, including officers and directors, and required reserves. Reorganizes the National Credit Union Administration and establishes a Presidentially appointed, Senate-confirmed Board, the National Credit Union Administration Board, to manage the Administration. Creates the National Credit Union Central Liquidity Facility to maintain the liquidity of credit unions, and to provide for the orderly transfer of funds between and among credit unions and other financial institutions.

H.R. 1529. January 6, 1977. Interior and Insular Affairs. Reauthorizes the construction of the Glen Elder unit of the Pick-Sloan Missouri basin program in Kansas, to be constructed and operated by the Secretary of the Interior.

H.R. 1530. January 6, 1977. Interstate and Foreign Commerce. Amends the Uniform Time Act to establish the starting date of daylight savings time as Memorial Day, and the ending date as Labor Day.

H.R. 1531. January 6, 1977. Judiciary. Requires specified minimum prison sentences for any individual who uses or carries a firearm during the commission of a Federal felony and for whoever is convicted by a State court of a crime punishable by a term of imprisonment exceeding one year and used or carried a firearm transported in, or affecting, interstate or foreign commerce during the commission of such crime.

H.R. 1532. January 6, 1977. Education and Labor; Ways and Means. Amends the Federal Coal Mine Health and Safety Act of 1969 to revise eligibility criteria with respect to the black lung benefits program established under such Act.

Creates the Black Lung Disability Insurance Fund for the payment of claims, to be financed by the imposition of an excise tax on coal mine operators.

H.R. 1533. January 6, 1977. International Relations. Amends the Arms Exports Control Act to require the President to transmit certain information to Congress with respect to any proposed major arms sale to a non-NATO country.

Prohibits the issuance of any letter of offer for such sale if the Congress disapproves such letter by concurrent resolution, within the first period of 30 days of continuous Congressional session after receipt of Presidential certification of such offer.

H.R. 1534. January 6, 1977. International Relations. Amends the Arms Export Control Act, with respect to approval for the transfer of defense articles, training, or services under that Act, to delay the effective date of such approval until the end of the first period of 30 days of continuous Congressional session after the President has certified the proposed transfer to Congress, unless Congress disapproves such transfer by concurrent resolution within that period. Permits such proposed transfer to become effective immediately if the President certifies to Congress that a state of emergency exists which requires such transfer in the national security interests of the United States.

H.R. 1535. January 6, 1977. Judiciary. Makes the United States liable for the damages levied by any court against persons with diplomatic immunity if such judgment is deemed void by virtue of such immunity.

H.R. 1536. January 6, 1977. International Relations. Requires full and just compensation by the United States for any person or property injured by any ambassador, public minister, or servant of such minister who has diplomatic immunity.

Establishes an Assistant Secretary for Claims Against Foreign Ministers and Diplomats within the Department of State who shall award such compensation.

H.R. 1537. January 6, 1977. Banking, Finance and Urban Affairs. Amends the National Housing Act to authorize the Secretary of Housing and Urban Development to make expenditures to correct defects in any single and multi-family dwelling covered by a Federal Housing Administration insured mortgage.

H.R. 1538. January 6, 1977. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to entitle each State in the region to at least three percent of the rail service continuation subsidy funds appropriated under such Act.

H.R. 1539. January 6, 1977. Ways and Means. Authorizes and directs the Secretary of Labor, through the Bureau of Labor Statistics, to prepare, as part of the Consumer Price Index, the Consumer Price Index for the Aged and Other Social Security Beneficiaries designed to reflect the relevant price information for individuals, as a group, who are 65 years of age or older or are otherwise entitled to monthly benefits under the program of Old-Age, Survivors, and Disability Insurance of the Social Security Act.

H.R. 1540. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance Benefits) of the Social Security Act to increase to $3,600 the amount of outside earnings which is permitted an individual each year without any deduction from benefits.

H.R. 1541. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present).

H.R. 1542. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that an individual otherwise eligible for benefits may be paid full widow's or widower's insurance benefits at age 55, or reduced benefits at age 50 (age 45 in the case of disability).

H.R. 1543. January 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof.

H.R. 1544. January 6, 1977. Ways and Means. Amends the Internal Revenue Code to exempt farming vehicles owned by individuals from the highway motor vehicle excise tax, excepting vehicles registered in the name of a corporation with gross annual receipts exceeding $950,000, or which derives more than 50 percent of its gross receipts from nonfarming activities.

H.R. 1545. January 6, 1977. Ways and Means. Prohibits, except in cases of extreme emergency, sales and assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts to alleviate the causes of the need for such assistance, especially family planning programs to stabilize population growth.

H.R. 1546. January 6, 1977. Public Works and Transportation; Ways and Means. Authorizes the Secretary of Transportation to approve Federal participation in State projects to repair or replace unsafe highway bridges. Amends the Highway Revenue Act of 1956 to extend the appropriations authorized under such Act for the Highway Trust Fund through fiscal year 1990. Amends the Land and Water Conservation Fund Act to extend such fund through fiscal year 1990. Postpones specified excise tax reductions under the Internal Revenue Code of 1954.

H.R. 1547. January 6, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for prescription drugs under the supplementary medical insurance program.

H.R. 1548. January 6, 1977. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to specify when an adjustment in the rate of pay for Members of Congress proposed during any Congress shall take effect.

H.R. 1549. January 6, 1977. Armed Services. Authorizes the induction of individuals into the armed forces under the Military Selective Service Act beginning on July 1, 1977 and ending June 30, 1979.

H.R. 1550. January 6, 1977. Ways and Means. Amends the Tariff Schedules of the United States to reduce the customs duty on ceramic insulators used in spark plugs.

H.R. 1551. January 6, 1977. Judiciary. Grants the consent of Congress to an amendment to the Sabine River Compact between Louisiana and Texas which deletes references to pollution abatement and salt water intrusion as potential purposes of the agreement.

H.R. 1552. January 6, 1977. Judiciary. Provides that a certain individual be classified as a child under the Immigration and Nationality Act.

H.R. 1553. January 6, 1977. Judiciary. Provides that a certain individual be considered lawfully admitted to the United States for permanent residence.

H.R. 1554. January 6, 1977. Judiciary. Provides that a certtain individual be conditionally admitted to the United States for permanent residence.

H.R. 1555. January 1, 1977. Judiciary. Provides that a certain individual be conditionally admitted to the United States for permanent residence.

H.R. 1556. January 6, 1977. Judiciary. Directs payment of a certain sum to a certain individual in full settlement of a claim against the United States for loss of certain cattle owned by him which were auctioned by the National Forest Service without the individual's knowledge.

H.R. 1557. January 6, 1977. Judiciary. Directs the payment of a certain sum to a certain individual in full settlement of a claim against the United States for failure to pay a military separation allowance.

H.R. 1558. January 10, 1977. Education and Labor. Amends the Older Americans Act by establishing in any State real property tax relief programs by the Secretary of Health, Education, and Welfare for qualifying persons age 65 or older.

H.R. 1559. January 10, 1977. Judiciary. Amends the Provision of the Gun Control Act of 1968 imposing additional sentences on persons committing Federal felonies while carrying, or with the use of, a firearm to: (1) increase the penalties thereunder; (2) encompass State crimes; and (3) prohibit a suspended, probationary or concurrent sentence with respect to a first conviction.

H.R. 1560. January 10, 1977. International Relations Amends the Trading with the Enemy Act of 1917 to repeal the power of the President, during time of war or national emergency: (1) to regulate transactions in foreign exchange involving any banking institution and gold or silver coin or bullion, currency or securities; and (2) to regulate transactions involving any property in which a foreign country or a foreign national has an interest.

H.R. 1561. January 10, 1977. International Relations. Amends the Export Administration Act of 1969 to increase penalties for violations under such act. Revises Presidential authority to control exports. Prohibits support of foreign boycotts by domestic exporting concerns. Exempts petroleum products and agricultural commodities from export controls designed to regulate domestic supply and inflation. Revises export regulation policy with respect to national security. Directs the Secretary of Commerce to study the effects of the export of technical data.

Regulates the export of nuclear material, equipment, and devices.

Prohibits use of funds under the Foreign Assistance Act of 1961 for nuclear powerplants.

H.R. 1562. January 10, 1977. Interstate and Foreign Commerce. Amends the Natural Gas Act to terminate Federal Power Commission authority to regulate the sale or delivery of natural gas by producers of new natural gas

H.R. 1563. January 10, 1977. Ways and Means. Amends the Internal Revenue Code to repeal the carryover basis provisions enacted by the Tax Reform Act which provide that beneficiaries receiving property from a decedent's estate will retain the decedent's basis in the property. Restores prior law which "stepped up" or "stepped down" the property's basis to its market value at the time of death without imposing tax consequences on the appreciation or depreciation the property underwent while held by the decedent.

H.R. 1564. January 10, 1977. Judiciary. Amends the Clayton Act to prohibit persons engaged in the production and refining of petroleum or natural gas from acquiring or retaining any interest in coal, oil shale, uranium, nuclear reactors, geothermal steam or solar energy businesses.

H.R. 1565. January 10, 1977. Armed Services. Prohibits, except in cases of extreme emergency, sales and assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts to alleviate the causes of the need for such assistance, especially family planning programs to stabilize population growth.

H.R. 1566. January 10, 1977. International Relations. Prohibits, except in cases of extreme emergency, sales and assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts to alleviate the causes of the need for such assistance, especially family planning programs to stabilize population growth.

H.R. 1567. January 10, 1977. Interstate and Foreign Commerce. Amends the Clean Air Act to suspend motor vehicle emissions control in all parts of the United States except for certain designated air quality control regions.

Prohibits the Administrator of the Environmental Protection Agency and the States from enforcing motor vehicle emissions control standards in areas outside designated regions during the suspension period.

Stipulates that vehicles registered in areas outside designated regions shall not be required to be retrofitted or otherwise comply with emission control standards after the expiration of this Act.

H.R. 1568. January 10, 1977. Public Works and Transportation. Increases the maximum allowable Federal contribution to States and localities for shore restoration projects to 90 percent of the project costs.

H.R. 1569. January 10, 1977. Ways and Means. Amends Title I (Grants to States for Old-Age Assistance and Medical Assistance for the Aged), Title IV (Aid to Families with Dependent Children), Title XIX (Grants to States for Aid to the Permanently and Totally Disabled), and Title XVI (Supplemental Income for the Aged, Blind, and Disabled) of the Social Security Act to insure that recipients of aid or assistance under specified Federal-State public assistance and medicaid programs or recipients of assistance under any other federally assisted program will not have the amount of such aid or assistance reduced because of increases in monthly social security benefits.

H.R. 1570. January 10, 1977. Armed Services. Entitles individuals who have been discharged from the armed forces under conditions other than dishonorable and who are 50 percent or more disabled due to a service-connected disability to post exchange and commissary privileges. Grants such privileges to unremarried surviving spouses of individuals discharged under conditions other than dishonorable who died from a service-connected disability rated as permanently and totally disabling by the Veterans' Administration.

H.R. 1571. January 10, 1977. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to make the provisions, formerly applicable to persons between 40 and 65 years of age, applicable to anyone 40 years of age or older.

H.R. 1572. January 10, 1977. Education and Labor. Amends the Juvenile Justice and Delinquency Prevention Act of 1974 to authorize financial assistance to States and local educational agencies for alternative education programs and projects designed to reduce delinquency and crime and increase the safety and security of the students, employees and facilities of elementary and secondary schools.

H.R. 1573. January 10, 1977. Interior and Insular Affairs. Establishes in the State of New Jersey the Treasure Island National Historic Site.

H.R. 1574. January 10, 1977. Interstate and Foreign Commerce. Requires the Secretary of Health, Education, and Welfare to appoint a Committee on Uniform Adoption Regulations to review current conditions, practices, and laws relating to adoption and to propose to the Secretary uniform adoption regulations.

Directs the Secretary to make grants to States for allocation to State agencies and to public and private nonprofit adoption agencies to assist such agencies in meeting the cost involved in the adoptive placement of children.

H.R. 1575. January 10, 1977. Judiciary. Grants a Federal charter to the United States Submarine Veterans of World War II.

H.R. 1576. January 10, 1977. Judiciary. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to revoke a broadcast license or to issue a cease and desist order for the violation of the provision prohibiting transmission in interstate commerce of a communication containing a threat to kidnap or bodily injure any person. Limits the applicability of such provision to communications by newspapers or live broadcast.

H.R. 1577. January 10, 1977. Judiciary. Imposes a duty to report certain information to tax authorities of specified States upon a person selling or transferring for profit cigarettes in quantities exceeding 4,000 if the purchaser or transferee is not a distributor licensed or located in the States into which the cigarettes are transported.

Requires a person transporting more than 4,000 cigarettes to possess documents showing the name and address of the person or persons assuming liability for applicable State taxes.

Makes it a Federal offense to transport more than 4,000 cigarettes into a State in violation of State tax law.

H.R. 1578. January 10, 1977. Judiciary. Sets forth penalties for the robbery or attempted robbery of any narcotic drug from any pharmacy.

H.R. 1579. January 10, 1977. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to require that comprehensive State plans which must be submitted in order to receive certain assistance thereunder contain a comprehensive program relative to the special problems of prevention, treatment, and other aspects of crimes against the elderly.

H.R. 1580. January 10, 1977. Veterans' Affairs. Provides a yearly clothing allowance of $150 to each veteran with service-connected blindness in both eyes with 5/200 visual acuity or less.

H.R. 1581. January 10, 1977. Ways and Means. Amends the Internal Revenue Code to provide a $5,000 tax exclusion for persons aged 65 or over for amounts received as an annuity, pension, or other retirement benefit.

H.R. 1582. January 10, 1977. Ways and Means. Establishes a national lottery in the Department of the Treasury and creates a trust fund to be known as the Lottery Trust Fund. Provides that revenues from such lottery be used to render assistance to low-income senior citizens in paying their electric and telephone bills.

H.R. 1583. January 10, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code of 1954 to allow an individual who has attained age 65 to elect to treat any employment or self-employment performed by him as not covered for social security benefit purposes and exempt from social security taxes.

H.R. 1584. January 10, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase to $7,500 the amount of outside earnings which is permitted an individual each year without any deduction from benefits under such title.

H.R. 1585. January 10, 1977. Ways and Means. Amends the Internal Revenue Code to permit individuals to deduct contributions to a qualified fund, where the beneficiary is a dependent of the taxpayer, and where the distributions from the fund are to be made only to defray the cost of room, board, and tuition at an institution of higher education.

H.R. 1586. January 10, 1977. Merchant Marine and Fisheries. Authorizes and directs the Governor of the Panama Canal Zone, under the supervision of the Secretary of the Army, to construct specified bridge, approaches, and roads in the Canal Zone.

H.R. 1587. January 10, 1977. Merchant Marine and Fisheries. Authorizes and directs the Governor of the Canal Zone to proceed with work to change the lock and anchorage capacities of the Panama Canal.

Establishes a Presidentially-appointed Panama Canal Advisory and Inspection Board to supervise all efforts of the Governor of the Canal Zone in making changes to the Panama Canal.

Stipulates that this Act shall not take effect until the Congress has received written assurances from the President that no negotiations will be conducted, or plans initiated, for the surrender of the Canal Zone and the Panama Canal to the Republic of Panama or any international organization.

H.R. 1588. January 10, 1977. Merchant Marine and Fisheries. Provides that the United States Canal Zone shall be represented by a Delegate to the House of Representatives. Requires that a special election be held to elect a Delegate to serve until the regular election of 1978.

H.R. 1589. January 10, 1977. Post Office and Civil Service. Creates the Federal Employee Labor Relations Board to oversee and regulate labor relations between units of the Federal Government and Federal employees. Authorizes Federal employees to form, join, or assist labor organizations. Authorizes Federal employees to strike under certain circumstances. Enumerates unlawful labor acts and the powers of the Board to prevent such acts.

H.R. 1590. January 10, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1591. January 10, 1977. Education and Labor. Amends the Older Americans Act of 1965 to direct the Commissioner on Aging to establish a program to make supplemental food available to older persons determined to be nutritional risks because of inadequate nutrition and inadequate income. Directs the Commissioner to establish a program to make medical services and medical supplies available to older persons determined to be in special need of such services and supplies because of their medical condition and inadequate income.

H.R. 1592. January 10, 1977. Ways and Means. Amends the Internal Revenue Code to exclude from gross income the first $5,000 in income received by an individual for service during less-than-30 day periods as a member of the National Guard or a Reserve component of the Armed Forces.

H.R. 1593. January 10, 1977. Ways and Means. Amends the Trade Act of 1974 to extend the period for which workers eligible for relief from injury caused by import competition may receive trade adjustment allowances.

H.R. 1594. January 10, 1977. Ways and Means. Amends Title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1595. January 10, 1977. Public Works and Transportation. Amends the Appalachian Regional Development Act of 1965 to increase the Federal share of the costs of Appalachian development highway projects.

H.R. 1596. January 10, 1977. Interstate and Foreign Commerce. Amends the Federal Power Act to terminate Federal Power Commission authority over navigable bodies of water which lie within a single State.

H.R. 1597. January 10, 1977. Interstate and Foreign Commerce. Establishes national standards for State no-fault benefit plans for motor vehicle accident victims. Sets forth an alternative Federal no-fault benefit plan which shall be applicable when a State does not have an approved State plan. Creates a No-Fault Insurance Plan Review Board, in the Department of Transportation, to establish guidelines for and review State plans under this Act.

H.R. 1598. January 10, 1977. Veteran's Affairs. Increases from 10 to 12 years the delimiting period for a veteran to complete a program of education.

H.R. 1599. January 10, 1977. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to take action to insure employment in a Federal, State, local, or private nonprofit agency or institution to veterans with other than dishonorable discharges, who do not avail themselves of veterans' educational benefits, during the 24 month period following their discharge.

H.R. 1600. January 10, 1977. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide financial assistance in the form of grants to States to enable them to establish and maintain veterans' cemeteries.

H.R. 1601. January 10, 1977. Veterans' Affairs. Provides for the payment of pensions to certain veterans of World War I and their surviving spouses.

H.R. 1602. January 10, 1977. Interstate and Foreign Commerce. Amends the Securities Exchange Act to require specified issurers of registered securities to maintain accurate records. Prohibits issuers of stock or any domestic concerns to offer bribes to a foreign government office or party for the purpose of using his or its influence to help such issuer or concern in obtaining business with such foreign governments.

H.R. 1603. January 10, 1977. Interstate and Foreign Commerce. Provides for additional regulation of drug labeling and drug-related recordkeeping under the Federal Food, Drug, and Cosmetic Act.

H.R. 1604. January 10, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to increase the maximum acreage allotment under Federal reclamation laws for lands of lesser productive potential.

H.R. 1605. January 10, 1977. Interior and Insular Affairs. Amends the Indian Claims Commission Act of 1946 to empower the Court of Claims to review and enter judgment upon a decision of the Indian Claims Commission adjudging that certain Sioux lands were taken without just compensation.

Confers jurisdiction on the Court of Claims to hear and decide certain land claims presented by the Wichita Indian Tribe of Oklahoma against the United States.

H.R. 1606. January 10, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to terminate the Airlines Mutual Aid Agreement.

H.R. 1607. January 10, 1977. Agriculture. Amends the Consolidated Farm and Rural Development Act to make the farmers and ranchers of Guam eligible for loans: (1) for water and soil conservation and waste disposal programs; (2) for farm operating expenses; and (3) for disaster relief. Provides for the establishment on Guam of a Farmers Home Administration office, and extends to Guam and to the Virgin Islands eligibility to receive information and assistance in rural development.

H.R. 1608. January 10, 1977. Interior and Insular Affairs. Establishes a national historic park on the Island of Guam to commemorate the bravery of those who participated in the campaigns of the Pacific theater in World War II.

H.R. 1609. January 10, 1977. Interior and Insular Affairs; Public Works and Transportation. Amends the Mineral Leasing Act of 1920 to authorize the Secretary of the Interior to issue certificates of public convenience and necessity to aid in construction of certain pipelines. Allows certified pipeline carries to exercise the power of eminent domain in the United States district courts to acquire rights-of-way for coal pipelines.

H.R. 1610. January 10, 1977. Government Operations. Directs the release of a certain covenant contained in a deed to a certain corporation.

H.R. 1611. January 10, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1612. January 10, 1977. Judiciary. Directs the Secretary of the Treasury to pay specified sums to certain individuals in full settlement of such individual's claims against the United States.

H.R. 1613. January 10, 1977. Judiciary. Authorizes the Postal Service to release certain postmasters from liability for losses resulting from certain improper mailings.

H.R. 1614. January 11, 1977. Outer Continental Shelf. Amends the Outer Continental Shelf Lands Act to establish a policy of increased development of oil and gas resources on the Outer Continental Shelf while ameliorating any adverse impacts of such development.

Revises procedures for bidding, leasing, and exploration of Outer Continental Shelf lands. Requires consultation by the Secretary of the Interior with affected coastal States and regional advisory boards established pursuant to this Act.

Establishes an Offshore Oil Pollution Compensation Fund to ameliorate the effects of discharges of oil from offshore facilities and vessels. Details procedures for assessment of liability for oil spill damages and removal costs.

H.R. 1615. January 11, 1977. Appropriations. Makes supplemental appropriations for grants to improve museum services under the Museum Services Act and for payments to local governments based upon the amount of specified public lands within the boundaries of such locality.

H.R. 1616. January 11, 1977. Banking, Finance and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to make loans to homeowners and builders to assist them in purchasing and installing solar heating or solar heating and cooling equipment, and directs the Secretary to provide individuals with all current information on such equipment upon request.

Directs the Energy Research and Development Administration to: (1) establish procedures for inspecting and evaluating solar heating and cooling equipment; (2) review new equipment as developed; and (3) periodically review certifications of such equipment for validity.

H.R. 1617. January 11, 1977. Veterans' Affairs. Establishes a mortage protection life insurance program for veterans unable to acquire commercial life insurance because of service-connected disabilities.

H.R. 1618. January 11, 1977. Veterans' Affairs. Provides that recipients of veterans' pensions and compensation will not have the amount of such pension or compensation reduced because of increases in social security benefits.

H.R. 1619. January 11, 1977. Banking, Finance and Urban Affairs. Establishes a National Commission on Neighborhoods to study the factors contributing to the decline of city neighborhoods and to make recommendations for programs necessary to facilitate neighborhood preservation and revitalization.

H.R. 1620. January 11, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to require the Secretary of Health, Education, and Welfare, at least once each year, to conduct an audit of the books, accounts, and records of each hospital, skilled nursing facility, intermediate care facility, and other institutional facility certified for participation under a State plan pursuant to such titles.

H.R. 1621. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to waive the penalty for underpayments of estimated individual income taxes which are attributable to amounts received under wage continuation plans which were not includible in gross income until enactment of the Tax Reform Act's provisions relating to the inclusion of sick pay.

H.R. 1622. January 11, 1977. Public Works and Transportation. Authorizes the construction of the project for the enlargement of Greenville Harbor in Mississippi.

H.R. 1623. January 11, 1977. Armed Services. Makes it unlawful for any individual or entity to enroll, or solicit to enroll, any member of the armed forces or National Guard in any labor organization where the function of such organization is related to membership in the armed forces. Sets forth penalties for violations of this Act.

H.R. 1624. January 11, 1977. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on: (1) articles assembled abroad with components produced in the United States; and (2) certain metal articles manufactured in the United States and exported for further processing.

H.R. 1625. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to repeal the excise tax on trucks, buses, and tractors, and parts and accessories for such vehicles.

H.R. 1626. January 11, 1977. Banking, Finance and Urban Affairs. Establishes a National Commission on Neighborhoods to study the factors contributing to the decline of city neighborhoods and to make recommendations for programs necessary to facilitate neighborhood preservation and revitalization.

H.R. 1627. January 11, 1977. Post Office and Civil Service. Sets forth a time schedule for the required introduction of part time jobs in each grade in each Federal agency, at a rate of two percent each year for five years.

H.R. 1628. January 11, 1977. House Administration. Establishes uniform dates for the holding of all Federal primary elections.

H.R. 1629. January 11, 1977. Interstate and Foreign Commerce. Establishes a utility services stamp program to assist low-income and fixed income households in meeting monthly utility costs. Directs the Secretary of Health, Education, and Welfare to issue coupons and administer the program.

H.R. 1630. January 11, 1977. Post Office and Civil Service. Repeals the Postal Reorganization Act. Reenacts provisions relating to the postal service which were in effect immediately prior to the enactment of such Act.

H.R. 1631. January 11, 1977. Post Office and Civil Service. Designates Election Day, the first Tuesday after the first Monday in November in every even-numbered year, a legal public holiday.

H.R. 1632. January 11, 1977. Veterans' Affairs. Provides for the payment of pensions to certain veterans of World War I and their widows.

H.R. 1633. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 1634. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals to deduct from gross income $2.00 for each of the first 4,000 hours of volunteer work performed for a government agency or charitable organization.

H.R. 1635. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to provide a $5,000 tax exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

CONCURRENT RESOLUTIONS

H. Con. Res. 51. January 10, 1977. International Relations; Public Works and Transportation. Declares it the sense of Congress (1) that the President prohibit foreign assistance and suspend air services to countries granting sanctuary to terrorists; (2) that the President seek formation of an international commission to study terrorism; (3) that the President renew efforts to establish an international convention sanctioning countries which grant sanctuary to those committing unlawful acts against civil aviation; (4) that the President seek compliance with the Convention for Suppression of Unlawful Seizure of Aircraft; and (5) that the President should seek an international convention for the prevention and punishment of the taking of hostages.

H. Con. Res. 52. January 10, 1977. Veterans' Affairs. Directs the appropriate committees of the House and the Senate to take immediate action on the legislation currently pending before them relating to the problems of Vietnam veterans.

H. Con. Res. 53. January 10, 1977. Armed Services. Declares it the sense of Congress that, simultaneously with the issuance of a general amnesty of pardon for United States draft evaders of the Vietnam era, a Presidential Task Force on Prisoners of War and Missing in Action should be established to propose courses of action to achieve the fullest possible accounting for all Americans listed as missing in Southeast Asia, including the return of remains, and to make recommendations concerning Federal policies relating to prisoners of war and missing in action.

H. Con. Res. 54. January 11, 1977. Judiciary. Declares it the sense of Congress that a general or blanket amnesty or pardon for persons who committed draft or military absence offenses during the Vietnam era should not be issued or granted by the President.

H. Con. Res. 55. January 11, 1977. Veterans' Affairs. Declares it to be the sense of Congress that the Veterans' Affairs Committees of the House and the Senate consider and report without delay legislation eliminating the possibility of any reduction in veterans' pensions on account of increases in social security or railroad retirement benefits.

H. Con. Res. 56. January 12, 1977. Education and Labor. Expresses the sense of the Congress that all inspections under the Occupational Safety and Health Act of 1970 cease until the Supreme Court of the United States has determined the constitutionality of such inspections.

H. Con. Res. 57. January 12, 1977. Judiciary; Armed Services. Expresses the endorsement of Congress for the President-elect's pardon program for persons who, during the Vietnam era, failed to report for induction into, or refused induction into, the armed forces and have not been prosecuted for such violation. Requests the President-elect to extend his reconciliation program to other specified individuals.

H. Con. Res. 58. January 13, 1977. House Administration. Directs the Joint Committee on the Library to procure a bronze bust or statue of Martin Luther King, Jr. and to place it in a suitable location in the Capitol.

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H. Con. Res. 60. January 17, 1977. House Administration. Directs the Joint Committee on the Library to procure a bronze bust or statue of Martin Luther King, Jr. and to place it in a suitable location in the Capitol.

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H. Con. Res. 67. January 19, 1977. Rules. Specifies the days during the calendar year that the House of Representatives may meet.

H. Con. Res. 68. January 19, 1977. Ways and Means. Expresses the sense of Congress that: (1) the Internal Revenue Service should simplify the Federal income tax forms; (2) State and local governments should model their income tax forms on the Federal forms; and (3) Congress should simplify the language of the Internal Revenue Code.

H. Con. Res. 69. January 19, 1977. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions.

H. Con. Res. 70. January 19, 1977. International Relations. Declares it the sense of Congress that it shall be the policy of the United States to require repayment of delinquent debts of foreign nations.

Declares it the sense of Congress that the Department of the Treasury shall submit a list of such debts to the Congress and make arrangements with foreign nations for such repayment.

H. Con. Res. 71. January 19, 1977. International Relations. Declares it the sense of Congress that it shall be the policy of the United States to require repayment of delinquent debts of foreign nations.

Declares it the sense of Congress that the Department of the Treasury shall submit a list of such debts to the Congress and make arrangements with foreign nations for such repayment.

H. Con. Res. 72. January 19, 1977. International Relations: Public Works and Transportation. Declares it the sense of Congress: (1) that the President prohibit foreign assistance and suspend air services to countries granting sanctuary to terrorists; (2) that the President seek formation of an international commission to study terrorism; (3) that the President renew efforts to establish an international convention sanctioning countries which grant sanctuary to those committing unlawful acts against civil aviation; (4) that the President seek compliance with the Convention for Suppression of Unlawful Seizure of Aircraft; and (5) that the President should seek an international convention for the prevention of the taking of hostages.

H. Con. Res. 73. January 19, 1977. House Administration. Directs the Joint Committee on the Library to purchase a statue of George Washington executed by a certain sculptor and to place it in an appropriate location in the Capitol.

H. Con. Res. 74. January 19, 1977. House Administration. Directs the Joint Committee on the Library to procure a bronze bust or statue of Martin Luther King, Jr. which will be placed in a suitable location in the Capitol as determined by the Committee.

H. Con. Res. 75. January 19, 1977. International Relations. Declares it the sense of Congress that the President should: (1) convene the National Security Council to devise a strategy to combat the smuggling of heroin and opium produced from Turkish opium poppies; (2) report such strategy to Congress; (3) suspend all foreign assistance to Turkey until that Government implements adequate controls to prevent such drugs from entering the United States.

RESOLUTIONS

H. Res. 101. January 12, 1977. Commends President and Mrs. Ford for their dedicated public service and states that the House of Representatives looks forward to a continuation of the bonds of friendship and affection which exist between the Members of the House and their former colleague.

H. Res. 102. January 13, 1977. Rules. Amends the Rules of the House of Representatives to remove the 25-member limit to the number of sponsors of any House bill. Permits the addition or deletion of any Member's name as the sponsor of any legislation if a request on behalf of such Member is made by a Member to the Speaker.

H. Res. 103. January 13, 1977. International Relations. Declares it the sense of the House of Representatives that the United States should maintain existing limitations on diplomatic and economic relations with Cuba.

H. Res. 104. January 13, 1977. Rules. Requires that Members, officers, principal assistants to Members, and officers and the professional staff of committees of the House of Representatives be required to file with the Committee on Standards of Official Conduct a report disclosing certain financial interests.

H. Res. 105. January 13, 1977. International Relations. Condemns terrorists activities. Declares it the sense of the House of Representatives: (1) that terrorists should be punished; (2) that the release of Abu Daoud by France was premature and unjustified; and (3) that such release should be condemned.

H. Res. 106. January 13, 1977. House Administration. Creates a senior citizen intern program in the House of Representatives. Authorizes each Member of the House of Representatives to hire two additional employees for such program.

H. Res. 107. January 13, 1977. Rules. Amends the Rules of the House of Representatives to make specified changes in the operations of committees, subcommittees, and the Congress as a whole in considering proposed legislation.

H. Res. 108. January 13, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 109. January 13, 1977. Agriculture; International Relations. Declares the sense of the House that the Secretary of Agriculture study the impact of the foreign palm oil industry on domestic vegetable oil industry and, if justified, recommend that the administration negotiate agreements with the principal palm oil producing countries to restrain excessive imports of palm oil into the United States.

H. Res. 110. January 13, 1977. International Relations. Requests the President to express concern for Valentyn Moroz.

H. Res. 111. January 13, 1977. Rules. Creates a House Select Committee on Professional Sports to conduct an inquiry into the need for legislation with respect to the professional sports industry and to conduct a comprehensive study to determine the impact of current antitrust law and policy on all professional sports.

H. Res. 112. January 13, 1977. International Relations. Declares it the sense of the House of Representatives that the release of Abu Daoud by France was premature and unjustified, and that such release shall be condemned.

H. Res. 113. January 17, 1977. Provides for the House of Representatives to attend the inaugural ceremonies of the President and Vice President on January 20, 1977.

H. Res. 114. January 17, 1977. International Relations. Condemns terrorist activities. Declares it the sense of the House of Representatives: (1) that terrorists should be punished; (2) that the release of Abu Daoud by France was premature and unjustified; and (3) that such release should be condemned.

H. Res. 115. January 17, 1977. Post Office and Civil Service. Disapproves all recommendations regarding salary adjustment for Members of Congress, specified legislative, judicial, executive, and postal positions which were transmitted to Congress by the President in the budget for fiscal year 1978.

H. Res. 116. January 17, 1977. Judiciary. Refers H.R. 1429 to the Chief Commissioner of the United States Court of Claims.

H. Res. 117. January 19, 1977. Elects Members, Delegates and a Resident Commissioner to specified standing committees of the House of Representatives.

H. Res. 118. January 19, 1977. Elects Members, Delegates and a Resident Commissioner to specified standing committees of the House of Representatives.

H. Res. 119. January 19, 1977. Specifies the rate of pay for each of the six positions of minority employees authorized by the Legislative Pay Act of 1929.

H. Res. 120. January 1, 1977. Authorizes the U.S. Court of Claims to take copies of certain House documents requested in a specified case.

H. Res. 121. January 19, 1977. Judiciary. Expresses the sense of the House of Representatives that the incumbent Director of the Federal Bureau of Investigation be retained in that office and that the Directorship be viewed as a professional position untainted by political considerations.

H. Res. 122. January 19, 1977. Interior and

Insular Affairs. Disapproves a plan submitted by the Secretary of the Interior providing for the use and distribution of funds appropriated in satisfaction of an Indian Claims Commission award to the Tonawanda Band of Seneca Indians.

H. Res. 123. January 19, 1977. Rules. Establishes in the House of Representatives the Select Committee on Narcotics Abuse and Control.

H. Res. 124. January 19, 1977. Rules. Establishes in the House of Representatives the Select Committee on Narcotics Abuse and Control.

H. Res. 125. January 19, 1977. International Relations. Condemns terrorist activities. Declares it the sense of the House of Representatives: (1) that terrorists should be punished; (2) that the release of Abu Daoud by France was premature and unjustified; and (3) that such release should be condemned.

H. Res. 126. January 19, 1977. Post Office and Civil Service. Disapproves the recommendations of the President transmitted to Congress pursuant to the Federal Salary Act of 1967 recommending rates of pay for: (1) Members of Congress and the Resident Commissioner from Puerto Rico; (2) certain positions in the legislative branch; (3) specified judicial personnel; and (4) certain positions under the Executive Schedule.

H. Res. 127. January 19, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 128. January 19, 1977. Rules. Amends the Rules of the House of Representatives to remove the 25-member limit to the number of sponsors of any House bill. Permits the addition or deletion of any Member's name as the sponsor of any legislation if a request on behalf of such Member is made by a Member to the Speaker.

H. Res. 129. January 19. 1977. Post Office and Civil Service. Establishes the National Commission on Housing for the Elderly which shall have responsibility for investigating specified aspects of Federal housing for the elderly.

H. Res. 130. January 19, 1977. Rules. Amends rule XI of the House of Representatives to direct that no less than one-third of the funds for committee staff under primary and additional expense resolutions be allocated to minority party members.

H. Res. 131. January 19, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the Secretary of Health, Education, and Welfare should, by April 30, 1977, publish in the Federal Register proposed regulations governing all research involving recombinant DNA.

H. Res. 132. January 19, 1977. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Veterans' Affairs.

H. Res. 133. January 19, 1977. Rules. Amends rule X of the Rules of the House of Representatives to establish the House Committee on Health which shall have the responsibility for investigating health measures generally, health facilities, health care programs, national health insurance, public health and quarantine, and biomedical research and development.

H. Res. 134. January 19, 1977. Rules. Creates a Select Committee on Nuclear Proliferation and Nuclear Export Policy in the House of Representatives to investigate United States policies on nuclear exports, the transfer of nuclear materials, and nuclear proliferation.

H. Res. 135. January 19, 1977. Post Office and Civil Service. Disapproves that part of the recommendations transmitted by the President to Congress, pursuant to the Federal Salary Act of 1967, which recommend rates of pay for Members of Congress and the Resident Commissioner from Puerto Rico.

H. Res. 136. January 19, 1977. Interstate and Foreign Commerce. Directs that hearings be commenced as soon as possible by the committee with appropriate jurisdiction to consider and determine what should be the Nation's future telecommunications policy.

H. Res. 137. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 9, which would exempt motor gasoline from mandatory petroleum price controls.

H. Res. 138. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 8, which would exempt motor gasoline from petroleum allocation regulations.

H. Res. 139. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 9, which would exempt motor gasoline from mandatory petroleum price controls.

H. Res. 140. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 8, which would exempt motor gasoline from petroleum allocation regulations.

H. Res. 141. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 9, which would exempt motor gasoline from mandatory petroleum price controls.

H. Res. 142. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 8, which would exempt motor gasoline from petroleum allocation regulations.

H. Res. 143. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 9 which would exempt motor gasoline from mandatory petroleum price controls.

H. Res. 144. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 8, which would exempt motor gasoline from petroleum allocation regulations.

H. Res. 145. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 9, which would exempt motor gasoline from mandatory petroleum price controls.

H. Res. 146. January 19, 1977. Interstate and Foreign Commerce. Declares that the House of Representatives does not favor Energy Action No. 8, which would exempt motor gasoline from petroleum allocation regulations.

H. Res. 147. January 19, 1977. International Relations. Condemns terrorist activities. Declares it the sense of the House of Representatives: (1) that terrorists should be punished; (2) that the release of Abu Daoud by France was premature and unjustified; and (3) such release should be condemned.

H. Res. 148. January 19, 1977. Judiciary. Refers H.R. 1435 to the Chief Commissioner of the United States Court of Claims.

H. Res. 149. January 19, 1977. Judiciary. Refers H.R. 1435 to the Chief Commissioner of the United States Court of Claims.

H. Res. 150. January 19, 1977. Judiciary. Refers H.R. 1448 to the Chief Commissioner of the United States Court of Claims.

H. Res. 151. January 20, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate January 22 of each year as Ukrainian Independence Day.

H. Res. 152. January 24, 1977. Post Office and Civil Service. Disapproves the recommendations of the President transmitted by Congress recommending rates of pay for the: (1) Speaker of the House; (2) President pro tempore of the Senate; (3) Majority and Minority leaders of the Senate and House of Representatives; (4) Members of Congress; (5) Delegates to the House of Representatives; and (6) the Resident Commissioner from Puerto Rico.

H. Res. 153. January 24, 1977. House Administration. Authorizes monetary allowances for toll-free telephone service to the district of the Members of the House.

H. Res. 154. January 26, 1977. Elects a Member to the Committee on Standards of Official Conduct of the House of Representatives.

H. Res. 155. January 26, 1977. Rules. Amends the Rules of the House of Representatives to permit the House, by appropriate resolution, to direct the Committee on Standards of Official Conduct to undertake an investigation of alleged misconduct on the part of any Member, officer, or employee of the House. Requires the committee to file a written report on its findings and recommendations whenever it has undertaken an investigation.

H. Res. 156. January 26, 1977. Rules. Amends the Rules of the House of Representatives to permit the House, by appropriate resolution, to direct the Committee on Standards of Official Conduct to undertake an investigation of alleged misconduct on the part of any Member, officer, or employee of the House. Requires the committee to file a written report on its findings and recommendations whenever it has undertaken an investigation.

H. Res. 157. January 26, 1977. Rules. Amends the Rules of the House of Representatives to permit the House, by appropriate resolution, to direct the Committee on Standards of Official Conduct to undertake an investigation of alleged misconduct on the part of any Member, officer, or employee of the House. Requires the committee to file a written report on its findings and recommendations whenever it has undertaken an investigation.

H. Res. 158. January 26, 1977. Rules. Amends rule X of the Rules of the House of Representatives to limit certain standing committees, except the Committee on Appropriations, to no more than six subcommittees.

H. Res. 159. January 26, 1977. Rules. Amends rule X of the Rules of the House of Representatives to limit certain standing committees, except the Committee on Appropriations, to no more than six subcommittees.

H. Res. 160. January 26, 1977. Rules. Amends rule XI of the Rules of the House of Representatives to require that, insofar as applicable, the House rules which apply to standing committees shall also apply to any select, special, or ad hoc committee, commission, or other entity established by the House.

H. Res. 161. January 26, 1977. Rules. Amends rule XI of the Rules of the House of Representatives to require that, insofar as applicable, the House rules which apply to standing committees shall also apply to any select, special, or ad hoc committee, commission, or other entity established by the House.

SENATE—*Thursday, April 28, 1977*

The Senate met at 9:30 a.m. and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, to whom all hearts are open, all desires known, and from whom no secrets are hid, take this day's life and work into Thine own keeping. Control our thoughts and feelings. Direct our energies. Instruct our minds. Sustain our wills. Make us eloquent in testimony to Thy love and grace that we may devise a course for the Nation according to the pattern of Thy kingdom. Reward us with the peace and joy which abides with those who do the will of the Heavenly Father. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 28, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NUNN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of yesterday, April 27, 1977, be dispensed with.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

WORLD BANK

Mr. BAKER. Mr. President, a very well-written letter appeared in the Washington Post edition of April 13 entitled, "A Threat to World Bank Principles." Because I believe that this letter expresses a point of view worth considering by my colleagues, I ask, Mr. President, that it be printed at the conclusion of these remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAKER. The letter concerns an amendment adopted in the House to the international financial institution authorization bill which would require the United States to oppose World Bank loans to countries that violate human rights. Naturally I share, and I think all of us do, the concerns for human rights that motivated the passage of this amendment, but I am also constrained to note that I share the concerns of the writer of this letter.

If there is one single impression that I would retain from my service on the U.S. delegation to the U.N. this past fall, it is the futility of compromising the integrity of international institutions for political purposes. We have opposed that policy in UNESCO, in the International Labor Organization, and in the U.N. itself; and in all those organizations we have achieved a measure of success. Should this amendment become law I fear we will have taken a dramatic step backward.

The World Bank has more than proved itself as an institution and in its endeavors to assist in the economic development of the less developed nations, it has contributed significantly to the improvement of the human condition throughout the world. What we risk by these amendments is the frustration of the purpose, the very worthwhile purpose, of the institution without accomplishing the goal; and, more importantly, we may very well be degrading the possibilities of achieving the ends we seek.

Because I believe in the pursuit of human rights and the motives underlying the amendment passed in the House, I will continue to urge my colleagues to consider fully the ramifications of our actions in this area. I commend the letter to the attention of my colleagues.

Mr. President, I yield back the remainder of my time under the standing order.

EXHIBIT 1

A THREAT TO WORLD BANK PRINCIPLES

The adoption of the Badillo amendment to the bill authorizing U.S. participation in certain negotiated and agreed changes in the capital of the major international financial institutions, by a voice vote in the House, makes one despair of that body's ever growing up. The amendment requires that the U.S. executive director on the board of the World Bank be instructed to endeavor to force the bank to violate one of the most fundamental articles in the bank's charter, by opposing loans to countries that violate undefined "human rights."

This can only lead to embarrassment and bad feeling in a body remarkably free of contention for more than 30 years, and a decline in the standing and influence of the U.S. director on real issues of World Bank policy, despite his large (about 23 per cent) vote. It would, if it becomes law, require the U.S. executive director to force votes on loans in an intergovernmental body that is preeminent in the whole international field for conducting its affairs without any voting at all in 95 per cent of the matters that come before the board.

The World Bank "shall not" be influenced in its decisions "by the political character of the member or members concerned" (Article IV, Section 10). If one member decides to ignore this fundamental provision, others will surely do so, and the World Bank could easily become impotent in the resulting chaos.

In the days when the World Bank was still lending to Israel, the executive directors representing Arab governments never made more than proforma objections for the record, and the work of the bank proceeded without rancour. Is the U.S. going to show itself less willing to accept the nonpolitical character of the bank than those sorely pressed governments?

It should now become the urgent duty of the U.S. governor for the World Bank, Secretary of the Treasury W. Michael Blumenthal, to pull the administration together and see to it that the U.S. does not both make itself ridiculous and jeopardize the smooth functioning of the bank. It would be far better if the U.S. delayed its contributions to the changes in capital structure of the bank, damaging as this would be to the continuity of the bank's operations, rather than adopting a law that repudiates a principle consistently supported by the United States for more than a quarter of a century; namely, that "only economic considerations shall be relevant" to the operations of the World Bank.

There are plenty of other ways to make the world aware of the rather recent concern of the House of Representatives for the human rights of people in other lands.

MICHAEL L. HOFFMAN.

North Tisburn, Mass.

(The writer is former director of the International Relations Department of the World Bank.)

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma (Mr. BELLMON) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask for my time back under the standing order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask it be charged against my time without prejudice to Mr. BELLMON.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Under the previous order, the Senator from Oklahoma (Mr. BELLMON) is recognized for not to exceed 15 minutes.

ENERGY

Mr. BELLMON. Mr. President, President Carter is to be commended for bringing the energy dilemma to the American people when no crisis was perceived by a majority of them. Even in my own State of Oklahoma, where our production of oil goes down month by month, a great many of our citizens did not realize until the President brought it to their attention that the country is facing a future energy crisis.

His program addresses the need to conserve energy, and I strongly agree with him on that point.

The President's program also addresses the need to convert our utilities and industrial plants to the use of energy resources which are in the greatest supply, and I strongly agree with the program.

His description of the problem in the "sky is falling" speech stressed the need for immediate action, and I agree with him.

Mr. President, at that point I begin to take leave of the President's approach to solving the Nation's coming energy crisis. The President's program is based upon the apparent belief that there is not an adequate supply of fossil fuel available from domestic reserves to meet this Nation's reasonable energy requirements through the balance of this century or until other forms of energy are available to relieve our reliance upon oil, gas, and coal.

The fact is the United States is richly blessed with energy resources. The amount of fuel available from oil shale, coal and proven oil and gas fields is enough to last the country for hundreds of years. The problem is that much, in fact most, of this fuel cannot be brought to market at present prices.

The most serious flaw in the President's energy program is that he fails to recognize the relationship between economics and the availability of energy.

Reams of testimony by knowledgeable and credible authorities show that oil and gas can be synthesized from coal and oil shale. The technology is well known, the capital will be available when the economics indicate a reasonable return on investment and the equipment and manpower can be produced as rapidly as it is needed. The President's program, which locks oil and gas prices in at current levels for the indefinite future, has the side effect of halting developing of coal gasification and liquefaction plants and of stopping the production of oil from the oil shales. Also, the President's proposals bring an indefinite halt to plans for bringing on additional production of oil from old producing areas through secondary and tertiary recovery methods.

Mr. President, President Carter proposes to raise the price of gasoline by a total of 50 cents per gallon over the next 10 years. If Congress and the administration could agree on an energy program that would allow the wellhead prices of oil to go up in an orderly way by no more than 10 cents per gallon or one-fifth of what the President proposes to add to the cost the users pay, this Nation could have all the oil it needs within a relatively short time. This oil would come from our own resources. It could not be cut off by political action of a foreign government, it would avoid the balance of payments crisis that we face and its production would put hundreds of thousands of Americans to work.

Similarly, Mr. President, if Congress and the administration can agree on an energy program that will allow natural gas prices to reach the BTU equivalent of market priced crude oil we will soon have all the natural gas we need for the balance of this century and beyond. A necessary part of this approach would be substitution of other fuels for natural gas now being used for boiler fuel.

Allowing wellhead prices of oil and gas to increase by these relatively insignificant amounts would accomplish the President's objective without the enormously damaging and complicating side effects which the President's program mandates. There would be no need for increased gasoline taxes, no need for controls over prices, no need for utility fuels taxes or industrial fuels taxes. Nor will there be the need for an enormous bureaucracy to rebate these funds.

In addition, the conservation objectives which President Carter had in mind would be largely achieved. The 6-million-barrel-per-day objective for imported crude oil is impossible to achieve in any event.

Mr. President, Congress is faced with an energy program based on an erroneous assumption. In my judgment we in Congress have the responsibility of rewriting the President's energy package to accomplish his objectives in a less complicated and in a more orderly manner. Mr. Carter has shown his flexibility by changing his position on the $50 rebate, the farm program, and the reduction of the water projects he wishes to stop during recent weeks. As debate on his energy package develops, I am hopeful he will also show the willingness to accept a wiser program in energy development as Congress moves to develop such a program.

A comment repeatedly made over the past 10 days on "inventory profits" must be addressed also. The oil, gas, and coal reserves in the ground are not "inventory" in the classic sense. Additional expense and investment, in large amounts, must be spent to produce these reserves. This rhetoric must be corrected before it is repeated so often that it becomes accepted as fact by the American people.

Mr. President, President Carter gave the impression that so-called old oil is an inventory that can be sold without any additional cost of production. This simply is not true. Production of oil is an expensive proposition and the cost of that production goes up day by day; therefore, it is patently unfair to keep those prices locked in at the $5.25 level.

At the appropriate time, Mr. President, I intend to introduce several amendments to the President's energy proposals. Chief among these will be a change in and a scheduled removal of the proposed wellhead tax. I will propose that this tax be removed over a 50-month period so that by the end of this time the wellhead price of all crude oil in the United States will be at world market levels.

The adoption of this amendment will be the signal for American investors to proceed with plans to develop coal liquefaction plants, to begin production of oil from oil shale and for the initiation of wide-scale secondary and tertiary recovery projects. In addition, drilling for oil in the frontier areas can proceed with full knowledge that return from these investments will be commensurate with the risks taken.

A similar amendment will allow the removal of the ceiling price on natural gas. Natural gas is a premium fuel and so long as its cost is lower than costs of other types of fuel, its wasteful consumption is certain. My amendment will have the effect of discouraging overutilization and at the same time will signal investors that the time has come for construction of coal gasification plants and further initiation of production of gas from zones that are presently uneconomical.

These two minor simplifications will not only accomplish the objectives of energy policy, they will also put people to work in substantial numbers—thus, improving the economy, rather than causing stagnation.

Mr. President, as I stated earlier, there is much in President Carter's energy package which is commendable. In addition to the items mentioned previously, I strongly support his plans for full and complete reporting by the energy industry. I am convinced that this Nation's energy producers have served our country well and that their story, when fully understood, will gain them the respect which they deserve. The reputation and credibility of the industry has been seriously harmed by misinformation and downright misrepresentation by self-serving groups. Full reporting should help correct these distorted views.

Coming as I do from an energy State, I know that no group of entrepreneurs in our country has made a greater contribution toward the high level of prosperity which Americans enjoy than those who have developed the energy abundance upon which our society depends. The ill-advised consumer actions which have kept energy development from keeping up with growing demand have made us dependent upon costly, insecure imports. The removal of this policy will provide the means by which America's still abundant energy resources can be developed to keep America strong and prosperous into the indefinite future.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PEOPLE ASK FOR SACCHARIN AND THE ADMINISTRATION OFFERS MARIHUANA

Mr. CURTIS. Mr. President, it is very important that the Congress legislate in reference to saccharin. The very least that we should do should be to maintain the status quo for 2 or 3 years.

The action taken by the Food and Drug Administration was based upon alleged research outside the United States. It merits further study. The experiments and procedures connected therewith should be scrutinized and analyzed before saccharin as a food supplement is banned in this country. Mr. President, the proposed action of the Food and Drug Administration to ban the use of saccharin in food and beverages and allow saccharin to be sold by prescription is not the answer at all. Such action flies in the face of the wants and needs of the many thousands—yes, millions—of diabetics and other persons in the United States who are restricted in their sugar intake. It means that if the Food and Drug Administration has its way, it will, without adequate findings or without a scientific basis, have denied diabetics and others ice cream, soft drinks, cake, cookies, and countless other articles of food.

Mr. President, when are we going to get over the idea that the Government always know best? The Food and Drug Administration does not have a perfect record. I think it should be embarrassed by having a public poll taken as to its credibility.

We should also keep in mind that the Food and Drug Administration is not a super Government agency to which the Congress and the President must bow. It is a part of the executive branch that is answerable to the President. It is part of the administration.

Mr. President, it is very interesting to know that the very week this one agency of the administration took saccharin away from millions of Americans, a representative of the administration, Dr. Peter Bourne, appeared before a committee of Congress and recommended the decriminalization of marihuana. Mr. President, marihuana is not the answer to the need for saccharin. This Congress should move to let the people continue to have saccharin and we should continue to outlaw marihuana as we have in the past.

It is a poor trade to offer marihuana to those who want sugar-free foods and beverages.

Mr. President, I yield the floor.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL CREDIT UNION ADMINISTRATION—MESSAGE FROM THE PRESIDENT—PM 75

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I hereby transmit to the Congress the Annual Report of the Administrator, National Credit Union Administration, for the calendar year 1976.

This Report covers a period of time prior to the commencement of my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1977.*

REFERRAL AND REVISION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 76

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations; the Budget; Commerce, Science, and Transportation; and Finance:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one new deferral of budget authority amounting to $6.0 million for the antirecession financial assistance fund of the Department of the Treasury. In addition, I am reporting a revision in the basis for and a reduction in the amount of a previously transmitted Department of Commerce deferral.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1977.*

MESSAGE FROM THE HOUSE

At 4:10 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes.

ENROLLED BILL SIGNED

At 5:40 p.m., a message from the House of Representatives by Mr. Hackney, one of its clerks, announced that the Speaker has signed the enrolled bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1225. A letter from the Acting Director of the Council on Wage and Price Stability transmitting a draft of proposed legislation to amend the Council on Wage and Price Stability Act of 1974 (with accompanying papers); to the Committee on Banking, Housing, and Urban Affairs.

EC–1226. A letter from the Chairman of the Federal Home Loan Bank Board transmitting, pursuant to law, the Annual Report of the Federal Home Loan Bank Board for the calendar year 1976 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1227. A letter from the Assistant Secretary for Congressional Relations for the Department of State transmitting a draft of proposed legislation to authorize a United States Loan to Portugal (with accompanying papers); to the Committee on Foreign Relations.

EC–1228. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Audit of Financial Statements of the Federal Financing Bank—Fiscal Years 1975 and 1976" (GGD–77–36) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1229. A letter from the Deputy Director of the Administrative Office of the United States Courts transmitting, pursuant to law, the annual report of the Director of the Administrative Office of the United States Courts on applications for court orders made to federal and state courts to permit the interception of wire or oral communications during calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–1230. A letter from the Commissioner of the Immigration and Naturalization Service of the Department of Justice transmitting, pursuant to law, 609 reports covering the period April 1 through April 15, 1977, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification under the Immigration and Nationality Act (with accompanying reports); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-143. Senate Joint Memorial 3 adopted by the Legislature of the State of New Mexico requesting Congress and the President to take the steps necessary to effect the deregulation of the oil and gas industry; to the Committee on Energy and Natural Resources:

"THE LEGISLATURE OF THE STATE OF NEW MEXICO

"A joint memorial requesting Congress and the President to take the steps necessary to effect the deregulation of the oil and gas industry

"Whereas, the Federal Government has for years held tight control over the oil and gas industry; and

"Whereas, the control exercised by the Federal Government has resulted in marked decreases in exploration for new sources of oil and gas; and

"Whereas, the inability of the oil and gas industry to operate normally with the flow of supply and demand has contributed to a shrinking supply of these fuels on the open market; and

"Whereas, the shortage of these fuels has reached crisis proportions in many parts of the country; and

"Whereas, hard experience has clearly demonstrated that the Government's continued interference with the industry will not resolve this country's fuel shortage;

"Now, therefore, be it resolved by the legislature of the State of New Mexico that the Congress of the United States is respectfully requested to enact Legislation to effect the immediate, complete and permanent deregulation of the oil and gas industry; and

"Be it further resolved that the President of the United States is respectfully requested to use all the authority at his command to remove Federal controls inhibiting the production and availability of oil and gas to American consumers; and

"Be it further resolved that copies of this joint memorial be sent to each member of the New Mexico Congressional Delegation, to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate and to the President of the United States."

POM-144. Senate Memorial 5 adopted by the Senate of the State of New Mexico requesting the United States to do nothing to compromise the freedom or security of the Republic of China; to the Committee on Foreign Relations:

"THE LEGISLATURE OF THE STATE OF NEW MEXICO

"Requesting the United States to do nothing to compromise the freedom or security of the Republic of China

"Whereas, the United Nations has expelled the representatives of the Republic of China from membership and seated in their place a delegation from the communist government which occupies the mainland of China, despite the fact that the Republic of China was a founding member of the United Nations and has always been a law-abiding member of the community of nations; and

"Whereas, the people of the Republic of China have built a successful, prosperous, free economy out of the ashes of a half-century of revolution, invasion and civil war and now serve as a model to developing nations elsewhere as well as an important trading partner of the American people; and

"Whereas, the Republic of China is of great strategic importance in the defense of east Asia and the Pacific, especially in view of recent foreign policy reverses suffered by the United States in that part of the world, and has always utilized its military power in the interests of the free world; and

"Whereas, the people of the Republic of China have been among the most trusted friends and allies of the people of the United States since the founding of the Republic of China sixty-two years ago;

"Now, therefore, be it resolved by the Senate of the State of New Mexico that the government of the United States is strongly urged to do nothing which would compromise the freedom or security of the Republic of China or its people; and

"Be it further resolved that copies of this memorial be transmitted to the president and secretary of state of the United States, to the speaker of the house of representatives and the president pro tempore of the senate of the congress of the United States, to the members of New Mexico's delegation to the congress of the United States and to the ambassador of the Republic of China to the United States."

POM-145. Resolution No. 25 adopted by Legislature of the Territory of Guam relative to requesting the Commissioner of Education and the Congress to increase Federal aid to Guam under Public Law 81-874; to the Committee on Human Resources:

"FOURTEENTH GUAM LEGISLATURE, RESOLUTION No. 25

"Relative to requesting the Commissioner of Education and the Congress to increase Federal aid to Guam under Public Law 81-874

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Public Law 874, Human Resources, 81st Congress, provides financial assistance for local educational agencies in areas affected by Federal activities, which program has been extended to Guam since it is an area directly and substantially affected by Federal activities; and

"Whereas, the government of Guam, through the Department of Education, provides public educational programs to some 27,627 pupils of which 10,089, or over one-third are dependents of military or Federal employees; and

"Whereas, Guam currently receives from the Federal Government $657.19 for each student whose parents live and work on Federal reservation and or one of whose parents is in the uniformed services, and $328.59 for each student one of whose parents works but who do not reside on Federal property, while the territory's overall expenditure is $1,314 per student; and

"Whereas, Guam's immense distance from the Continental United States adversely affects the Department of Education's annual budget and its attempt to maintain a level of education equivalent to that maintained in other school districts in the rest of the United States because of some of the following factors:

"1. Recruitment of qualified teachers is made difficult because candidates have to cope with leaving their homes and residences.

"2. Deliveries of essential school supplies and equipment are often delayed for months at a time;

"3. Inaccessibility to continuing teacher training programs and facilities available in the mainland to other school districts;

"4. Shipping costs of books and educational supplies are extremely high; and

"Whereas, the Department of Education receives approximately $3.2 million from Public Law 81-874 while its operating budget for the Island's school system is currently averaging about $48 million, the Federal contribution representing a mere 6% out of the total budget and

"Whereas, it is obviously unfair for Guam to be given the same funding formula as other school districts within the Continental United States, which enjoy a much higher purchasing power per educational dollar budgeted to meet their funding need, and generally have a much smaller proportion of military pupils; and

"Whereas, the Guam School system is committed to promoting and maintaining equivalent educational standards as those existing in the Continental United States; now, therefore, be it

"Resolved, that the Fourteenth Guam Legislature does hereby on behalf of the people of Guam respectfully request the U.S. Commissioner of Education and the United States Congress to increase Federal allocations to Guam under the School Assistance in Federally Affected Areas Program; and be it further

"Resolved, that the Speaker certify to the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the U.S. Commissioner of Education, to the Speaker of the U.S. House of Representatives, to the President Pro Tem of the U.S. Senate, to Representative A. B. Won Pat, to the Chairman of the Territorial Board of Education, to the Director of Eduction, and to the Governor of Guam.

"Duly and regularly adopted on the 29th day of March, 1977."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration:

Without amendment:

S. Res. 155. An original resolution to pay a gratuity to Rayma J. Miles.

S. Res. 145. A resolution authorizing the printing of the report entitled "Special Bridge Replacement Program" as a Senate document (Rept. No. 95-107).

With an amendment:

S. 1031. A bill to amend the Act of July 2, 1940, to increase the amount authorized to be appropriated to the Smithsonian Institution for purposes of carrying out its functions under such Act (Rept. No. 95-108).

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Without amendment:

S. Res. 156. A resolution authorizing additional expenditures by the Committee on Foreign Relations for a study of matters pertaining to the foreign policy of the United States (Rept. No. 95-109). Referred to the Committee on Rules and Administration.

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Without amendment:

S. Res. 157. An original resolution authorizing additional expenditures by the Committee on Environment and Public Works for inquiries and investigations. Referred to the Committee on Rules and Administration.

PUBLIC WORKS EMPLOYMENT ACT OF 1977—H.R. 11—CONFERENCE REPORT (REPT. NO. 95-110)

Mr. RANDOLPH submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Frank Peter S. Libassi, of Connecticut, to be General Counsel of the Department of Health, Education, and Welfare.

Daniel H. Brill, of Maryland, to be an Assistant Secretary of the Treasury.

Roger C. Altman, of New York, to be an Assistant Secretary of the Treasury.

William J. Beckham, Jr., of Michigan, to be an Assistant Secretary of the Treasury.

Robert Carswell, of New York, to be Deputy Secretary of the Treasury.

Jerome Kurtz, of Pennsylvania, to be Commissioner of Internal Revenue.

Joseph Laitin, of Maryland, to be an Assistant Secretary of the Treasury.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs.

Ruth Prokop, of the District of Columbia, to be General Counsel of the Department of Housing and Urban Development.

William F. McQuillen, of Virginia, to be a member of the Renegotiation Board.

Harry R. Van Cleve, of Virginia, to be a member of the Renegotiation Board.

John Howard Dalton, of Texas, to be president, Government National Mortgage Association.

William J. White, of Massachusetts, to be a member of the Board of Directors of the New Community Development Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOYNIHAN:

S. 1410. A bill for the relief of the survivors of Brian Murray; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 1411. A bill to repeal certain Federal taxes on wagering; to the Committee on Finance.

By Mr. HUMPHREY:

S. 1412. A bill to provide grants to renovate existing structures for use as youth hostels in order to further the development of a national youth hostel system and increase the opportunity for outdoor recreation and educational travel to the Committee on Energy and Natural Resources.

By Mr. EASTLAND:

S. 1413. A bill for the relief of Isaias Berrones Reyes; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 1414. A bill to provide service credit for certain services in telephone operating units; signal corps; to the Committee on Veterans' Affairs.

By Mr. DOLE:

S. 1415. A bill to amend the Trade Act of 1974 to authorize certain credits or credit guarantees for the sale of agricultural products to nonmarket economy countries; to the Committee on Finance.

By Mr. McCLELLAN:

S. 1416. A bill to amend the Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes; to the Committee on the Judiciary.

By Mr. CULVER (for himself and Mr. WALLOP):

S. 1417. A bill to authorize appropriations for environmental research and development activities of the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GARN:

S. 1418. A bill for the relief of Mr. and Mrs. Blaine Johnson of Salt Lake City, Utah; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. BAYH, Mr. JAVITS, Mr. RANDOLPH, Mr. RIEGLE, Mr. WILLIAMS, Mr. GRIFFIN, Mr. METZENBAUM, and Mr. PEARSON):

S. 1419. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities; jointly, by unanimous consent, to the Committee on Commerce, Science, and Transportation and the Committee on Human Resources

By Mr. McGOVERN:

S. 1420. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to revise and extend the summer food program, to revise the special milk program, to revise the school breakfast program, to authorize the Secretary of Agriculture to carry out a program of nutrition information and education as part of food service programs for children conducted under such acts, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MELCHER:

S. 1421. A bill to amend title 38, United States Code, to provide counseling for certain veterans; to permit acceleration of monthly educational assistance payments to eligible veterans and dependents; to revise the criteria for nonaccredited courses; to provide alternative financial and educational assistance to peacetime post-Korean veterans affected by the expiration of their delimiting period; to provide for a conditional extension of the delimiting period for certain Vietnam era veterans; to provide for the development of additional educational, employment, and readjustment assistance programs for veterans; to provide for the correction and preclusion of, and protection against, abuses and misuse of veterans benefits; and to otherwise enhance and improve the effectiveness, integrity, and utilization of veterans readjustment assistance programs; to the Committee on Veterans' Affairs.

By Mr. BENTSEN:

S. 1422. A bill to exclude certain information in rape cases which relates to the victim's sexual behavior, and for other purposes; jointly, by unanimous consent, to the Committee on Governmental Affairs and the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOYNIHAN:

S. 1410. A bill for the relief of the survivors of Brian Murray; to the Committee on the Judiciary.

Mr. MOYNIHAN. Mr. President, I am today introducing a bill for the relief of the survivors of Brian J. Murray. Officer Brian J. Murray worked for the New York City Police Department as an expert bomb technician. On last September 11, at the age of 27, he was killed while trying to defuse a bomb planted by the Croatian group that hijacked a TWA jetliner to Paris. He worked under extreme pressure to dismantle this bomb, because it was believed that there was another such bomb somewhere in New York City, as well as on the jetliner, and he hoped to find out the workings of the mechanism so that other lives could be saved. The bomb exploded while he was working on it.

On September 29, 2 weeks after Brian Murray died, the public safety officers' survivors benefit bill was enacted into law. This bill was designed to provide for the survivors of people just like Mr. Murray, those who die in our service protecting our safety. Had this terrorist incident occurred 2 weeks later, Officer Murray's survivors—his widow and his two young children—would be protected. It seems clear to me that in this case—where the time factor is but 2 weeks, and where an international terrorist incident was the cause of Officer Murray's death—the Murray family is deserving of our consideration. I would urge that this is precisely the sort of circumstance which led the Congress to enact the survivors benefit bill. Therefore, I would urge that, in this case, we not allow the accident of the date of this tragic incident to bar Mrs. Murray from coverage under the act.

I would note, Mr. President, that Representative AMBRO of New York introduced similar legislation, H.R. 3459, in the House of Representatives on February 9, of this year.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for purposes of part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968, relating to public safety officers' death benefits, Brian Murray, of Rockville Center, New York, shall be deemed to have died from injuries sustained after the date of enactment of the Public Safety Officers' Benefits Act of 1976.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 1411. A bill to repeal certain Federal taxes on wagering; to the Committee on Finance.

Mr. CANNON. Mr. President, the bill that I introduce today with my colleague, Senator PAUL LAXALT, would repeal two Federal taxes on wagering that have created inequities and hardships for many Nevada employees and employers.

The first tax involved is an excise tax equal of 2 percent of the amount wagered in legalized betting parlors. Each person who is engaged in the business of accepting wagers is liable for and must pay the tax. The inequity arises because the 2-percent excise tax tends to encourage individuals to place their bets with illegal establishments that do not collect the tax for the Internal Revenue Service. Therefore, the establishment that makes a good faith effort to fully comply with the code finds itself losing customers to illegal operations which by their nature simply ignore all tax consequences. I might add that the Senate some time ago voted to eliminate the 2-percent tax, but unfortunately that was dropped in conference with the House.

The second tax we would have repealed is the special occupational tax of $500 per year to be paid by each person who is engaged in the business of accepting wagers. Most employers require their employees to pay this tax which by custom is deducted from the employees' paycheck over a period of time. I simply do not see how we can justify imposing this type of penalty on wage earners who are anxious to work. I might add that in our State gaming is the largest industry as well as the biggest employer we have and, therefore, this is a heavy burden for many of our constituents.

I might point out here, this bill does not make any changes whatsoever to the Federal occupational tax on coin-operated devices required by chapter 36 of the code.

There remains adequate jurisdiction for any oversight responsibility the IRS and the Justice Department may feel is required. I have often been assured by Federal officials in the past that the primary purposes of these taxes were not the revenue involved, but rather the opportunity for the Federal Government to have the basis for regulation of the gaming industry. Since that indeed is the case, there should be no objection to this legislation on the basis of loss of revenue to the Federal Treasury.

I might also add that I disagree with that often expressed opinion that the Federal Government should play an active role in overseeing the gaming activity of each State. Senator LAXALT and I were extremely pleased to see that the Commission on National Policy Toward Gaming in its final report to the Congress strongly recommended that the Federal Government get out of the gaming business and leave this function to the State where it rightly belongs. The legislation we offer here today is in keeping with the Commission's recommendation in this area. Equally important is an attempt to make the code more equitable for those who seek to fully comply with it, and at the same time, eliminate a heavy occupational burden to many working men and women.

By Mr. HUMPHREY:

S. 1412. A bill to provide grants to renovate existing structures for use as youth hostels in order to further the development of a national youth hostel system and increase the opportunity for outdoor recreation and educational travel to the Committee on Energy and Natural Resources.

AMERICAN YOUTH HOSTEL ACT OF 1977

Mr. HUMPHREY. Mr. President, today I am introducing the American Youth Hostel Act of 1977. This bill would create a cost-sharing program for the renovation of surplus buildings for use as youth hostels. It has been jointly introduced by Representative NOLAN.

In Europe, the dormitory-style youth hostel has become world famous for providing inexpensive accommodations to Europeans, Americans, and all other world travelers visiting the scenic countryside and historical and cultural places of interest. This vast system of hostels has been enjoyed by millions, and the potential for providing similar facilities in the United States is great. At the present time, the United States has only one hostel in a large city—Washington, D.C.

The low-cost program envisaged by this bill would be administered by the Department of Interior's Bureau of Outdoor Recreation. The cost would be minimal because no new construction would be authorized. The emphasis on renovation of existing structures would aid in conserving national resources while generating new vitality in many communities.

With the increased leisure of today and our desire to attract more foreign visitors to our country to see our way of life and to help the balance of payments, I believe that a good case exists for Government assistance to the youth hostel movement. This bill would accomplish that objective.

By Mr. DURKIN:

S. 1414. A bill to provide service credit for certain services in telephone operating units; signal corps; to the Committee on Veterans' Affairs.

Mr. DURKIN. Mr. President, almost 60 years ago a group of 223 women served in "Telephone Operating Units" of the Army Signal Corps in France during and after World War I. Sixty years later, only 60 of these women who served our Nation in time of war are still alive. The bill I am introducing today will provide recognition and veterans' benefits to these fine women who sacrificed periods of their lives, as did all veterans of World War I.

The names of French towns such as Verdun, Chaumont, and Ligny are now well-known in the histories of World War I. The women who served in the telephone operating units of the Army Signal Corps were placed in such towns. These signal Corps women were sworn into the Armed Forces with the same oath as all other military enlistees. They enlisted for the duration of the war and served as members of the Army. The women were subject to court martial under the Code of Military Justice, and one woman was in fact court-martialed and sent back to the States for discharge. I cite these facts to illustrate that the women of the telephone operating units were active members of the armed services, must be recognized as such and receive the same benefits.

Mr. President, the women who served in the telephone operating units of the Army Signal Corps rose to the occasion when they were needed in World War I. It is time that this Nation provides these valiant women with the recognition that they justly deserve.

Let me add that this bill is supported by the National Coalition for Women and Defense, which is comprised of the National Organization of Women, the American Civil Liberties Union Women's Project, and the Women's Equity Action League Fund.

I ask unanimous consent that the text of my bill and an excellent article from the Yankee magazine be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1414

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1014 of Chapter 53, Title 10 of United States Code is amended by adding at the end thereof:

"In computing years of active service of any female member of the Armed Forces, there shall be credited for all purposes, except the right to promotion in addition to any other service that might be credited, all services performed during World War I by any female citizen of the United States who was sworn in as a member of the telephone operating units, United States Army."

Section 106 of Title 38 is amended by adding a new subsection (f):

"(f) Service during World War I by any female citizen of the United States of America, as a member of the telephone operating units, signal corps, United States Army, shall be considered active duty for the purposes of all laws administered by the Veterans Administration."

I WAS A "HELLO GIRL"

(By Grace Banker Paddock)

What a strange thing the mind is—one minute absorbed in the present, the next racing down the years and pulling aside the curtains of the past to reveal scenes and people long forgotten.

Someone asked me about my work "overseas," and in a second it was the first week in March, 1918, and I was back in a house on River Street, Hoboken. Thirty-three Signal Corps girls were there awaiting orders to sail for France. The house in which we lived was once an immigrants' boarding house. It was a cold and cheerless spot, though the rooms, with their long lines of army cots, were clean enough. We shivered and resorted to setting-up exercises in the mornings to keep warm. Our meals were eaten in a funny little restaurant around the corner.

That first group of Signal Corps girls had come from all over the United States and from Canada. Some, like myself, were college girls; some came from public schools, and some from private schools. All spoke French, but almost none had had any telephone experience until they were trained for the overseas service by the Telephone Company. Their ages ranged from 19 to 35. There was only one of the latter. I had always heard that "old" people were set in their ways, and it was with some misgivings that I discovered I had someone in my care so aged! I was still so young.

March 6—sailing at last! Thirty-three Signal Corps girls in the trim navy-blue uniform and smart overseas cap prescribed by the Army War College at Washington. I was so proud of them. I was also very conscious of my heavy responsibilities. I had been put in charge of the unit.

Twelve days of life-boat drills on the old White Star liner *Celtic*, now a converted troopship. Three nights obeying orders and sleeping in our clothes. Stuck on a sandbar at the harbor of the Mersey River just outside of Liverpool, a target for German submarines all one moonlight night. Then a week in Southampton, adjusting ourselves to wartime rations—saccharine instead of sugar, roasted barley in place of coffee, and no sweets to be had at any price. Two days on a little channel packet caught in a dense fog between Southampton and LeHavre. Running into a submarine net and narrowly missing being rammed by a French cruiser. What good sports the girls were in that First Unit! They took everything in their stride. They were the pioneers.

In Paris we were divided into three groups: one to be stationed in Tours with the S.O.S., one to remain in Paris, and one to go with me to the Headquarters of the Advance Section at Chaumont sur Haute Marne.

The Chaumont office was in the stone military barracks called the Caserne. Those barracks had once been the headquarters of the Russian Army in France. Now they were General Pershing's headquarters. The telephone office was in a small room on the first floor. Corporal Farmer had been the chief operator and he now turned the work over to me.

Our home in Chaumont was a pleasant stone house on the Rue Brule near the edge of the town. Strange to say, it was more or less modern and boasted one of the few bathtubs in Chaumont. To be sure, during several water shortages there was not enough water to use it. Still it did give an air of respectability, and we were very proud of it.

General Pershing once made an inspection of our home while I was at Chaumont. Up and down three flights of stairs—he never missed a thing! With a wave of my hand and a "This is the kitchen," I would have passed it by, for there wasn't any extra room when the cook and the maid were inside. "I always like kitchens," he said and went in and looked around. "C'est très propre," he remarked to the old cook, whereupon she bowed low and nearly burst with pride. Once when some of us saluted the General as he passed by, he turned to Colonel B. and said, "Those girls are real soldiers."

Five months at Chaumont. More units of Signal Corps girls had arrived. Now offices had been opened in the Advance Section and more American lines had been built. The work settled down to a routine.

Suddenly, on August 25, 1918, I was ordered to proceed to the First Army Headquarters with Susanne Prevot and Esther Fresnel. Where those headquarters were I did not learn until after we had left Neufchateau, where we added Helen Hill, Mrs. Berthe Hunt and Marie Lange to the group. We found we were headed for the town of Ligny-en-Barrois.

Unlike Chaumont, Ligny lies in a valley ringed about with hills, but the same Rhine Marne Canal which we used to see near Chaumont flows through Ligny and we soon felt quite at home. All night long the streets of Ligny gave back the sound of marching feet and the camions and artillery added their rumble. They told us we were about five miles south of St. Mihiel; whether that were true or not, we certainly were not far off.

Our office was in a house on the main street. Sandbags piled high on the outside gave it a warlike appearance. Within, the office was bare enough—a few switchboards behind which were still piled rolls of wire and kegs of nails. A large packing box also stood there; for days it served as a combination chair-desk.

Only five girls besides myself—not enough to give 24-hour service except in emergencies. At first some of the Signal Battalion boys helped us out at night. The work was fascinating; much of it was in codes changed frequently. Ligny was "Waterfall." Toul might be "Podunk" one day and "Wabash" the next. The Fourth Corps was known as "Nemo," etc. Once in the mad rush of work I heard one of the girls say desperately, "Can't I get Uncle?" and another, "No, I didn't get Jam." It all sounded like the Mad Hatter in *Alice in Wonderland*.

I doubt if anyone else could picture how terrific the work was just before a drive started. Everybody worked hard, yet no one seemed to complain. The excitement carried us along. The night before the St. Mihiel drive opened, I sent two of the girls home in the early evening, and the last three at 10:30 p.m. I stayed on with the Signal boys, who were going to spell us off for a few hours. At 11:30 p.m. I started home. In bed by midnight, I was awakened about 1:30 a.m. by the low roar of the guns. Soon after 2:00 a.m. I was back in the office with the girls who had left on the earlier shift the night before. We took over the boards. Most of the Signal Corps officers—Colonel Hitt, Captain Keller, Lieutenants Piner and Burgess—were still there at 5:00 that morning. No one could tell what might happen next; it was like an exciting game—I couldn't leave. But at 9:30 that night Captain Keller pushed me out of the office, and I went home.

"Home" in Ligny was very French and very unpretentious. One entered a dark, narrow passageway off the main street. It led into a tiny, paved courtyard. From the center of one side of this court rose two well-worn stairways leading in opposite directions, one to two rooms over a shop, and the other to two rooms over an empty barn. The barn was used for storing herbs, old clocks and tables. My room was over the barn, in the rear. Strange to relate, it contained an old maroon-colored canopy bed. Over this hung, like a sword of Damocles, a cross of dried flowers at least a foot high.

On September 20 we left Ligny, traveling light with only suitcases. The First Army Headquarters were moving north of Bar-le-Duc to Souilly—not the Souilly so many knew at the time of the Armistice. The Army Headquarters in September were in the so-called Armée Adrienne Barracks, those ancient wooden sheds, relics of 1914 when the French held Verdun against the terrific assaults of the Germans. They were flimsy affairs set down in a sea of mud on the edge of the village. They looked dilapidated enough. Instead of glass windows they had frames covered with a sort of oiled paper. In the daytime these could be pushed out something like a window in a chicken coop. At night they were hooked down and covered with a black cloth called the "camouflage," lest a stray beam of light announce our presence to the raiding German planes. These funny old barracks proved to be fairly safe, though, for while the "Boches" came over us and bombed Bar-le-Duc and Ligny, we were spared. We had an "abri" for shelter, and there was another abri far down in the ground where a single switchboard stood ready for any emergency.

The barracks roof leaked in the autumn rains. The weather was cold, for winter comes early in the hills about Verdun. By October there was ice on the water pails in the morning. Once I froze my feet badly without even going out of the barracks. I had been working long hours with very little sleep. Before a drive I seldom had more than two or three hours of rest. Consequently, when I tumbled into bed at night, I never noticed anything until my feet began to swell and then I discovered that the bed covers were soaking wet from a leak in the roof overhead. It was a long time before I could wear shose again. Of course I moved the bed, but, although I moved it several times, I never found a place where there wasn't at least one leak. I kept thinking of the boys in the trenches. They were so much worse off. We didn't really suffer; we had plenty of warm food; we were happy in our work; and we had fine officers to work for. The Signal Corps officers at the First Army were very thoughtful—they watched over us carefully.

The office was in the center of Number 8 Barracks. It had only two switchboards of the portable army type. It had 24-hour service to G3, the "Operations Section." The codes changed more frequently than ever. We were "Widewing." Widewing 10 meant a call for the Chief Signal Officer at Souilly.

The girls had to speak both French and English and they also had to understand American doughboy French. "Benoity Vox" was the average American soldier's way of asking for the French town of Benoite Vaux. The wire chief helped me, and I helped him.

Day after day the ambulances drove past the headquarters and over to the evacuation hospital in the woods beyond. I once had to go over there for treatment. But I saw too much. There is no glory in war!

The great fire at Souilly broke out on October 30. Six or seven barracks including our own went up in smoke like so many tinderboxes. The men and officers worked like mad, but a bucket brigade was powerless. Only the smoldering embers remained of "Number Eight." Everyone offered us a home. The French boys offered to run our offices until we could get settled. G4 took us in for dinner. The office was saved, thanks to the Signal Battalion and the officers and others. Luckily for the office, it had been moved to another barracks across the way a few days before. Still, the new office had a narrow squeak. The men poured pails of water on the roof, but even then for a while it looked as though it were doomed. Wires went down—the telephone line was "out."

In November new travel orders came to me. I was to go forward with a tiny group of girls to Dun-sur-Meuse where the next headquarters would be. Mrs. Hunt was to be left in charge of the new girls who had arrived to take over the work in Souilly, but three days later the Armistice was signed and the orders were countermanded.

The night before the actual signing of the Armistice, I was on duty in the office. Suddenly the door opened. Half skipping, in a sort of lockstep formation, in came all the French boys from their office beyond. In answer to my expressed amazement le Sergent Alexandre said, "La guerre est finie!" Then in English, "I could jump up and hit the ceiling!"

Our work with the First Army was at an end. But first we were to have a "leave." After nearly three months of strenuous work when for days on end I was on duty anywhere from 12 to 20 hours a day, a "leave" sounded very attractive. I started for Nice. Alas! No sooner had I reached that delightful spot than I received orders recalling me to Paris. Tours and the S.O.S. had caught up at last!

Hotel life in Paris and all the comforts again, but we didn't appreciate it at all! We missed the First Army with its code of loyalty and hard work. We were back in the petty squabbles of civilian life where even chief operators had "tantrums," and where the wives of civilians attached to the Peace Conference spilled all over Paris in army cars.

President Wilson came back to Paris the second time. I was given charge of the work in his home on the Avenue des Etats-Unis. I was sorry to leave the girls at La Belle Epine where I had been on duty while I was in Paris. The work at the President's house was not particularly exciting; so when a choice came to stay or go to the Army of Occupation at Coblenz, Germany, I left Paris and went to the Rhine.

At Coblenz I received the Distinguished Service Medal, the citation reading: "For exceptionally meritorious and distinguished services. She served with exceptional ability as Chief Operator in the Signal Corps Exchange at General Headquarters, American Expeditionary Forces, and later in a similar capacity at First Army Headquarters. By untiring devotion to her exacting duties under trying conditions she did much to assure the success of the telephone service during the operations of the First Army against the Saint Mihiel salient and the operations to the north of Verdun."

Whatever glory may go with that medal I have always felt belongs in large measure to the very small, but very loyal and devoted group of First Army girls—Susanne Prevot, Berthe Hunt, Adele Hoppock, Esther Fresnel, Helen Hill and Marie Lange.

Early in September, 1919, when the Armistice was about ten months old, with three service stripes on my sleeve, I sailed for home. I had enlisted for the "duration of the war." For me that had meant 20 months in the Service.

New England Women in Signal Corps, World War I

*Adam, Melina J. (Mrs. Jack Converse), Swansea, MA
*Audet, Eulalie, Jamaica Plain, MA
Bickford, Christine (Mrs. Harold Newbert), Rockland, ME
Bourneuf, Pauline (Mrs. William Savard), Haverhill, MA
Broderick, Beryl (Mrs. Lester von Thurm), Lexington, MA
*Brousseau, Emma Marie, Haverhill, MA
Caron, Estelle (Mrs. Pheeney), Brockton, MA
*Couture, Jeannete, Lynn, MA
Couturier, Ruth (Mrs. Henri Simon), Westbrook, MA
de Montauzan, Rosemary (Mrs. Pleasants Pennington), Stonington, CT
Fairbrother, Sarah (Mrs. Harry Aldritch), Ellsworth, ME
*Fecteau, Sarah, Wilder, VT
Ford, Marie (Mrs. N. L. Newton), Worcester, MA
*Gangley, Mae Alice
*Gauthier, Yvonne, Billerica, MA
*Gifford, Irene, New Bedford, MA
Hamel, Vivian (Mrs. John Batschy), Nashua, NH
Hayes, Helen, Lincoln, MA
Henshaw, Martha, Worcester, MA
Houley, Agnes (Mrs. Leo H. O'Brien), Boston, MA
*Hunter, Elizabeth, Medford, MA
Keeping, Ruth (Mrs. Arthur J. Lacroix), Revere, MA
LaMoureaux, Leontine (Mrs. J. R. O'Connor), Lowell, MA
Langelier, Rose (Mrs. D. Lucey), Lynn, MA
*LaRiviere, Evelyn, Spencer, MA
LeBlanc, Marie (Mrs. Otto Drumm), Berlin, NH
Leguia, Celestine (Mrs. Marcel Zinty), Readville, MA
*Lewis, Mildred, Bridgeport, CT
*Lucier, Amelia, Nashua, NH
Macdonald, Mary Isabell (Mrs. Frank L. Oldroyd), Hartford, CT
Mitchell, Abbie E. (Mrs. Palmer), Thomaston, ME
McMullen, Maude, Fitchburg, MA
Nadeau, Minerva G., Boston, MA
Radicot, Eugenie, Lowell, MA
Richards, Minnie (Mrs. James Cyr), Van Buren, ME
Riendeau, Emma (Mrs. J. Riley), Providence, RI
Roby, Elizabeth R., Meriden, CT
*Sealey, Helen, Brookline, MA
Shaw, Olive, Boston, MA
*Sherin, Anna F., Somerville, MA
*Snow, Nellie F., Lowell, MA
*Steele, Mary A. (Mrs. J. C. Thomas), Portland, ME
Swan, Marion C. (Mrs. Powers), Fall River, MA
Theriault, Agnes (Mrs. James Kiley), Presque Isle, ME
Viau, Stella M. (Mrs. Henry L. Farwell), Fallsburg, MA
Villiers, Isabelle, Reading, MA
Wolloff, Elsie L. (Mrs. E. W. Sttig), Jamaica Plain, MA

By Mr. DOLE:

S. 1415. A bill to amend the Trade Act of 1974 to authorize certain credits or credit guarantees for the sale of agricultural products to nonmarket economy countries; to the Committee on Finance.

CCC CREDIT FOR WHEAT SALES TO CHINA

Mr. DOLE. Mr. President, the wheat situation is disastrous. Prices are at a very low level. Today, in Kansas City, May futures stand at about $2.46. Estimated planted acres for wheat totaled about 8.2 million acres with a carryover projected by the Department of Agriculture at 1.12 billion bushels and production at about 2.05 billion bushels. We have a tremendously large crop and large carryover with a total estimated disappearance of 1.72 billion bushels, which will increase next year's carryover. USDA's latest projections on price indicate a season average price of about $2.25 to $2.35 per bushel. With this large supply, low prices and seemingly adequate production in the rest of the world, we must do everything possible to increase our wheat export opportunities.

The People's Republic of China wants to import more wheat. But U.S. farmers' hands are tied. They cannot compete for these export sales. The People's Republic of China has contracted for about 5 million metric tons in the current fiscal year, and is expected to be in the market for an additional 1 million metric tons. So far, all of the People's Republic of China purchases have been wheat from other than U.S. suppliers. The reason is that other countries have been offering very favorable credit terms.

TRADE FAIR IN CANTON

Under the Trade Act of 1974, the U.S. Government is prohibited from offering Commodity Credit Corporation credit terms so that U.S. farmers could compete for this new market. I am, therefore, introducing today this bill to allow Commodity Credit Corporation credit for purchases of agriculture commodities on a nondiscriminatory basis.

There is a food trade fair going on right now in Canton and it is expected that the People's Republic of China will start negotiations for additional purchases of wheat. My bill today will enable U.S. wheat to compete for these new markets.

By Mr. McCLELLAN:

S. 1416. A bill to amend the act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes; to the Committee on the Judiciary.

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to amend the act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes. This legislation is known as the proposed Unfair Competition Act of 1977.

The bill would establish a uniform body of Federal unfair competition law by creating a Federal statutory tort of unfair competition affecting interstate commerce, and by establishing Federal jurisdiction over such tort claims within the framework of the Trademark Act of 1946. The crux of the bill proposes a new section 43(a) of the Trademark Act including in three subsections those torts generally acknowledged to give rise to the major part of the law of unfair competition. In a fourth subsection, provision is made for the Federal courts to deal with other acts which constitute unfair competition because of misrepresentation or misappropriation of goods or services.

The bill provides that all of the remedies set forth in the Trademark Act for infringement of trademarks would be available in respect to acts of unfair competition. However, the bill would not affect remedies which are otherwise unavailable or preempt the jurisdiction of any State in cases of unfair competition.

Other than for a technical amendment, this legislation is identical to S. 31 of the 94th Congress.

By Mr. CULVER (for himself and Mr. Wallop):

S. 1417. A bill to authorize appropriations for environmental research and development activities of the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

ENVIRONMENTAL RESEARCH AND DEVELOPMENT

Mr. CULVER. Mr. President, I am introducing today legislation authorizing appropriations for environmental research and development activities of the Environmental Protection Agency—EPA—for fiscal year 1978. This bill also would require certain changes in the structure and management of environmental research and development.

Last year as chairman of the Panel on Environmental Science and Technology of the Public Works Committee, I conducted a hearing on EPA's research and

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*Deceased.

development responsibilities to determine whether or not the Agency is developing the proper information base for anticipating environmental problems. This hearing occurred shortly after the Office of Technology Assessment—OTA—had released a major study of EPA's research plan for the next 5 years, and the testimony clearly indicated that improvements should be made in our environmental research and development programs.

We have learned over the past decade that environmental degradation has delayed consequences. A deleterious effect on health or the ecosystem may not be realized for several years after the pollution was first introduced, and by then the damage may be irreversible. An effective environmental protection strategy must have the capacity to predict adverse environmental consequences before widespread damage is done, and the essential element of such a capability is a well-funded, environmental research program that has an appropriate long-term perspective.

The Office of Technology Assessment's primary criticism of EPA's research and development effort last year was that it "Does not indicate a clearly defined commitment to long-range environmental research." As day-to-day regulatory problems occur, there is a strong tendency to transfer funds and personnel programed for long-term research to short-term immediate research on current problems. The demands of the regulatory program at EPA continually disrupt fundamental research, and it has by its very nature clearly defined goals whereas long-term research has more generalized, open-ended objectives.

To remedy this serious problem of competing long-term research and short-term regulatory needs, the bill that I am introducing today would authorize specific funding in the amount of $50 million for long-range anticipatory research. More importantly, it would set up an office of long-term environmental research within the Office of Research and Development. I am hopeful this structure will provide the appropriate focus for assuring the necessary anticipation of emerging environmental problems and, the Environmental Protection Agency will recommend to the Congress by September 30, 1977, the most desirable way for this office to develop into a national environmental laboratory or laboratories.

Environmental problems often appear on the scene with great suddenness, and it is not always possible to anticipate them. This fact of life also has a disruptive effect on environmental research and development because immediate crises have to be handled first. EPA must reorient its research to address the most pressing emergency, and this depletes funds for fundamental research. For instance, the recent Kepone disaster in the James River cost EPA at least $1.65 million, of which $1.25 million was taken from the Office of Research and Development. Unanticipated environmental emergencies put a real strain on the stability of environmental research. It is clear that EPA needs a contingency fund for coping with these short-term problems. Accordingly, this bill would authorize $5 million for the administrator to use as so-called firefighting research funds.

Environmental research is actually conducted by many agencies and departments throughout the Federal Government, and this research is often duplicative and overlapping. Federal environmental research and development activities amount to an investment of almost $1.5 billion annually. We must coordinate these activities if we are going to have adequate, effective environmental research. We must sort out the competing programs and determine in a rational manner the assignments for each agency. I believe the Council of Environmental Quality must report to the Congress identifying environmental research and development programs of all Federal agencies, with recommendations regarding improvements in the coordination of these activities. This legislation would provide for such a study.

Recently the National Academy of Sciences investigated the decisionmaking process in the Environmental Protection Agency, and one area of concern was the role of scientific and technical research in support of decisionmaking. The NAS concluded that the exchange of information between EPA's research and development efforts and its regulatory functions should be improved. This bill would make several changes in the authorization of funds for research and development to address this shortcoming. Sixty percent of the research and development funds would be authorized directly to activities funded through the program offices. These would control research money relating to the acts which they administer, although in most cases they would contract with or through the Office of Research and Development for the actual conduct of the research. The Office of Research and Development would directly receive 25 percent of the research funds in each area. This would provide ORD with a core staff and facilities which would then be available to conduct a base program in each program area. In addition ORD would be funded directly to conduct the interdisciplinary research functions of the Agency as well as most of the research management. Research and development in certain program areas has been or will be separately authorized in various legislative measures authorizing funding for EPA's regulatory programs themselves. These areas include air quality, water supply, noise control, and solid waste. Therefore, this bill does not include funding in these areas, although it does address the way in which research funds will be administered in these areas.

Mr. President, this bill addresses several shortcomings of our environmental research and development programs. As you know, environmental research is essential to our success in improving our environment, and I am hopeful this measure will receive full and expeditious support. I ask unanimous consent that the text of this legislation be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Environmental Research and Development Authorization Act of 1977".

SCIENCE ADVISORY BOARD

Sec. 2. (a) Establishment.—The Administrator of the Environmental Protection Agency, hereinafter referred to as the Administrator, shall establish a Science Advisory Board which shall provide such scientific advice as the Administrator requests.

(b) Membership.—The Board shall consist of at least nine members, one of whom shall be designated Chairman, and shall meet at such times and places as may be designated by the Chairman of the Board in consultation with the Administrator.

OFFICE OF LONG-TERM ENVIRONMENTAL RESEARCH

Sec. 3. (a) Establishment.—The Administrator shall establish within the Office of Research and Development an Office of Long-Term Environmental Research to conduct continuing and long-term environmental research. Such office shall be authorized to spend such sums as are provided by this Act and by other provisions of law for long-term environmental research.

(b) National Environmental Laboratory.—The Administrator, after consultation with the Science Advisory Board, shall submit to the President and the Congress a report concerning the desirability and feasibility of establishing a National Environmental Laboratory, or a system of such laboratories, to assume or supplement the functions of the Office of Long-Term Environmental Research created by subsection (a) of this section. Such report shall be submitted on or before September 30, 1977 and shall include findings and recommendations concerning:

(1) specific types of research to be carried out by such laboratory or laboratories,

(2) the coordination and integration of research to be conducted by such laboratory or laboratories with research conducted by existing Federal or other research facilities;

(3) methods for insuring continuing and long-range funding for such laboratory or laboratories; and

(4) other administrative and/or legislative actions necessary to facilitate the establishment of such laboratory or laboratories.

ALLOCATION OF ENVIRONMENTAL RESEARCH AND DEVELOPMENT FUNDING

Sec. 4. (a) General.—(1) Unless otherwise specified by law, any funds appropriated to the Administrator under this Act or other provision of law for environmental research and development related to regulatory program activities shall be allocated according to the following formula: 60 per centum to the appropriate program office, as defined in subsection (b) of this section; 25 per centum to the Office of Research and Development; and 15 per centum to the Office of Long-Term Environmental Research, established by section 3(a) of this Act.

(2) The regulatory research activity supported by the funds allocated to program offices pursuant to paragraph (1) of this subsection shall be planned and specified by these offices, but generally implemented and executed by the Office of Research and Development, unless the program office determines that another entity, including any

Federal agency, would be more capable of implementing and executing a particular project.

(b) Program Offices.—For purposes of subsection (a), the appropriate program offices are:

(1) the Office of Air and Waste Management, for air quality activities;

(2) the Office of Water and Hazardous Materials, for water quality activities and water supply activities;

(3) the Office of Pesticides, for environmental effects of pesticides;

(4) the Office of Solid Waste, for solid waste activities;

(5) the Office of Toxic Substances, for toxic substance activities;

(6) the Office of Radiation Programs, for radiation activities,

(7) the Office of Noise Control, for noise activities.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 5. (a) Environmental Research and Development.—There is authorized to be appropriated to the Administrator the following amounts for environmental research and development activities for fiscal year 1978:

(1) $148,800,000 for water quality activities authorized under the Federal Water Pollution Control Act;

(2) $10,800,000 for activities concerning the environmental effects of pesticides;

(3) $830,000 for radiation activities; and

(4) $8,200,000 for toxic substances control activities.

(b) Interdisciplinary Activities.—There is authorized to be appropriated to the Administrator for the Office of Research and Development $28,000,000 for fiscal year 1978, to be used for interdisciplinary activities. Of this amount, $4,000,000 shall be made available to the Office of Long-Term Research and Development.

(c) Program Management and Support.—There is authorized to be appropriated to the Administrator for program management and support related to environmental research and development for fiscal year 1978:

(1) to the Office of Air and Waste Management, $2,000,000;

(2) to the Office of Water and Hazardous Materials, $2,500,000;

(3) to the Office of Toxic Substances, $300,000; and

(4) to the Office of Research and Development, $14,000,000.

(d) Office of Long Term Research and Development.—In addition to other sums authorized by this section or other provisions law, there is authorized to be appropriated to the Administrator to the Office of Long Term Research and Development, $10 million.

(e) Training.—There is authorized to be appropriated to the Administrator through the Office of Research and Development $2,000,000, to be made available until expended, for training of health scientists, needed for environmental research and development in fields where there are national shortages of trained personnel.

(f) Unanticipated Research Needs.—There is authorized to be appropriated to the Administrator $5,000,000, to be made available until expended, for unanticipated environmental research needs.

COORDINATION WITH OTHER FEDERAL AGENCIES

Sec. 6. (a) General.—The Administrator shall coordinate and cooperate with other Federal agencies to minimize unnecessary duplication of environmental research programs projects and facilities.

(b) Report By the Council on Environmental Quality.—Not later than January 1, 1978 the Chairman of the Council on Environmental Quality shall submit to the President and the Congress a report identifying the environmental research and development activities of all Federal agencies, together with such recommendations as the Council deems appropriate regarding coordination of environmental research and development among such agencies.

MINIMIZATION OF PAPERWORK

Sec. 7. It is the national policy that to the maximum extent possible the procedures utilized for implementation of this Act shall encourage the drastic minimization of paperwork.

Mr. WALLOP. Mr. President, as the ranking minority member of the Resource Protection Subcommittee of the Committee on Environment and Public Works, I am pleased to join Senator Culver in cosponsoring the Environmental Research and Development Authorization Act of 1977. Environmental research and development is an important tool for shaping this Nation's policies affecting and enhancing our environment. These policies must be carefully formulated and coordinated throughout the Federal Government to insure proper emphasis and focus. The Congress daily makes far-reaching decisions affecting a broad crosscut of American society, and it is imperative that we know, to the maximum extent possible, the long-term implications of these decisions. Without reliable research data we cannot predict those effects and we cannot make wise policy decisions.

My support for the formation of effective and adequate environmental research and development does not, however, constitute a blanket endorsement of the specific provisions of this legislation. The Resource Protection Subcommittee will soon conduct hearings on these authorizations, and I reserve my final judgment on this bill until we have all had a chance to examine the provisions closely and hear from key witnesses. It is so very important that the job be done better than it has been in the past. Poor research, predetermined goals, and petty kingdoms have developed. They have impeded progress and in instances have laid heavy and unjustified burdens on many Americans. This bill contains elements which could begin to rectify these problems. Unless we do make this beginning, environmental concerns will collapse under economics and pure Federal redtape. I look forward to working with the subcommittee on these authorization measures, and feel confident that we will be able to address some of the problems and duplications of effort currently plaguing our environmental research and development program.

By Mr. HEINZ (for himself, Mr. Bayh, Mr. Javits, Mr. Randolph, Mr. Riegle, Mr. Williams, Mr. Griffin, Mr. Metzenbaum, and Mr. Pearson):

S. 1419. A bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities; jointly, by unanimous consent, to the Committee on Commerce, Science, and Transportation and the Committee on Human Resources.

A PROGRAM TO PUT PEOPLE TO WORK REBUILDING RAILROAD RIGHTS OF WAY

Mr. HEINZ. Mr. President, I am today introducing the Emergency Rail Transportation Improvement and Employment Act of 1977 with the cosponsorship of my distinguished colleagues, the Senator from New York (Mr. Javits), the Senator from New Jersey (Mr. Williams), the Senators from Michigan (Mr. Griffin and Mr. Riegle), the Senator from Indiana (Mr. Bayh), the Senator from West Virginia (Mr. Randolph), and the Senator from Kansas (Mr. Pearson). Let me state for the benefit of our Senate colleagues the background and circumstance that argues for prompt consideration and enactment of this legislation.

Mr. President, there are millions of people in this country who need work, and most observers agree that there is enough work to be done in both the public and private sectors to accommodate peoples employment needs. But translating work opportunities into real jobs remains a serious problem.

What this means is that the Congress must be more creative in facing the all-too-enduring problem of unemployment.

We must do more to attack unemployment in a way which will stimulate the economy and encourage the private sector to maximize employment opportunities. Industry is lagging and our economy has been hurt, most recently by severe weather conditions which have eroded the economic base of many States in this country. We can help get the ball rolling so that industry can pick up the momentum it has lost and once again be able to provide worthwhile jobs to the American people.

Mr. President, we began to do just that last year when the Senate by a vote of 79 to 10 passed legislation designed to put people to work rebuilding deteriorated railroad rights-of-way. The House also passed a similar version by a wide margin. Congress, at the same time, took the unusual step of appropriating $100 million pending the enactment of authorizing legislation. Unfortunately, a dispute between two labor organizations over who would receive the jobs created by this bill prevented further action by a conference and resulted in the stifling of a good jobs program.

I had hoped that by this time organized labor would have resolved the differences they had with the provisions in last year's bill. Labor apparently has not reached such an agreement. Time is running out and those people who are without jobs really do not care which union will benefit under this legislation. What people do care about is that Congress has the authority to act to create these jobs and has not done so.

If we enacted a rail jobs program last year we could have reduced the 25-percent increase in rail accidents—10,500 in 1976—prevented the 300-percent increase in injuries to Amtrak passengers, improved the efficiency of rail transportation and, most importantly, accomplish all this by employing people who are out of work. Last year train derailments and related injuries continued to soar while the unemployed sat idly by. In fact, Amtrak which transports our most precious commodity—people—continues to be hit with major derailments. Earlier this year a 10-car Amtrak derailment near Birmingham, Ala., sent over 149 people to hospitals.

I can think of no other more productive jobs program than one to help create a strong, viable rail transportation network for this country. The need for a rail rehabilitation jobs program is apparent when you consider that rail transportation can move most goods in volume between the same points with less than one-third the fuel, one-third the air pollution, one-sixth the casualties, and one-tenth the land as other forms of transportation. Our current economic, energy, and environmental problems should be a warning that this country may have a much heavier reliance on rail transportation in the future. Since part of our national energy policy includes more dependence on coal as a major source of fuel, our railroads must be in a condition to meet the transportation needs associated with the production of coal. The rehabilitation of rail track will allow railroads to deliver our valuable coal resources to consumers without drastically increasing the cost of the product.

A jobs program designed to rehabilitate rail roadbeds is different than most public works or CETA-type jobs programs. This particular approach has a built-in cost-sharing mechanism which requires participants to take an active role in purchasing materials and equipment and creates a unique ripple effect that provides jobs in the private sector with rail related supplying industry. On the other hand, Federal public works programs create jobs and permanent community improvements, but only a small percentage of the funds expended go directly for wages. Traditionally and historically less than 25 percent of public works project funds go directly for wages. This means that the $750 million authorization to rehabilitate deteriorated railroad rights-of-way that I propose today would put as many people to work as the $2 billion public works bill that we passed last year.

What is more, it has been estimated that the Federal Government would directly and immediately save one of every $3 expended because of offsets in unemployment compensation, welfare benefits, and tax revenue gains. Taking into account the indirect ripple effects of railroad material purchases, which are made by participating railroads, and the increased consumer purchasing power on reducing other unemployment and generating other taxable payrolls and business receipts, the Federal Government could actually break even on this type of jobs program.

I might add that this concept received widespread national support when it was under consideration during the last Congress and I would like to share some examples of that support with my colleagues. Mr. President, I ask unanimous consent that certain material and the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Rail Transportation Improvement and Employment Act of 1977".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) Adequate and safe rail transportation is essential to the public interest, and jobs which involve repairing, rehabilitating, and improving essential railroad roadbeds and facilities to increase the public service capability of railroads are important public service jobs.

(2) Unemployment can be reduced significantly by stimulating and expediting the repair, rehabilitation, and improvement of the Nation's railroad roadbeds and facilities, because there is a great need for such activity and because such activity is labor intensive.

(b) PURPOSE.—It is therefore declared to be the purpose of the Congress in this Act to authorize the Secretary of Transportation in consultation with the Secretary of Labor to provide financial assistance, from funds appropriated and made available under section 11 and in accordance with the provisions of this Act to eligible applicants, for programs aimed at reducing unemployment and at repairing, rehabilitating, or improving essential railroad roadbeds and facilities.

DEFINITIONS

SEC. 3. As used in this Act, unless the context indicates otherwise, the term—

(1) "eligible applicant" means any (A) State or political subdivision thereof, (B) railroad, (C) regional, State, or local transportation authority, or (D) regional commission;

(2) "government" means the Federal Government or the government of a State;

(3) "railroad" means a common carrier by railroad, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)); the term includes the National Railroad Passenger Corporation, the Consolidated Rail Corporation, and The Alaska Railroad.

(4) "regional commission" means the Appalachian Regional Commission, established pursuant to section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101), and the Regional Action Planning Commissions, established pursuant to title V of the Public Works and Economic Development Act (42 U.S.C. 3181);

(5) "roadbeds and facilities" means the physical assets of a railroad, other than rolling stock, that are necessary for the actual movement of rolling stock, including, but not limited to, tracks, ties, rails, switches, roadbeds, bridges, yards, stations and terminals, machines for loading and unloading, ferries and shoreside facilities for transporting rolling stock over water, signal systems, grade crossings, train monitoring systems, electrification and other power transmission systems, and structures and equipment necessary to the functioning of any of the foregoing;

(6) "Secretary" means the Secretary of Transportation; and

(7) "State" means any State of the United States and the District of Columbia.

GRANTS FOR EMPLOYMENT IN RAILROAD REPAIR OR REHABILITATION PROJECTS

SEC. 4 (a) GENERAL.—The Secretary shall, in accordance with this Act, provide financial assistance in the form of grants to eligible applicants for projects involving the repair, rehabilitation or improvement of railroad roadbeds and facilities as set forth in section 6 of this Act and that best fulfill the following three objectives:

(1) the reduction of unemployment in areas that are identified by the Secretary of Labor as areas of substantial unemployment;

(2) the improvement of severely deteriorated roadbeds and facilities that (A) constitute a significant risk to public safety or (B) seriously inhibit the expeditious movement of freight or passengers; and

(3) the improvement of roadbeds and facilities that (A) contribute significantly to a balanced national rail transportation system, and (B) meet national or regional transportation needs and policies.

In making such a grant, the Secretary shall obtain adequate assurances that the proposed project substantially meets the goals set forth in section 7 of this Act.

(b) GUIDELINES AND PROCEDURES FOR GRANT APPLICATIONS.—(1) To facilitate the rapid initiation of railroad repair, rehabilitation or improvement projects, the Secretary shall establish and publish within 30 days after the date of enactment of this Act, guidelines and procedures for making and evaluating applications for financial assistance pursuant to this section.

(2) Any such application shall be prepared and submitted to the Secretary pursuant to such guidelines and procedures. Such an application shall include, but need not be limited to, the following information and documentation in support thereof, with respect to the project for which financial assistance is requested:

(A) a description of the roadbed or facility to be repaired or rehabilitated or improved;

(B) a statement as to the number of persons to be employed;

(C) a description of the relationship between the applicant and the involved roadbed or facility, if such applicant does not directly own or control such roadbed or facility;

(D) an evaluation of the involved roadbed or facility, in terms of its present or potential significance for national or regional transportation; and

(E) a description of the way in which the goals set forth in section 7 of this Act will be realized, and the manner in which such realization will be monitored.

The Secretary shall act upon any complete application under this section within 15 days after it has been received.

(c) SUPERVISION OF PRODUCTS.—In administering this Act, the Secretary is authorized to establish objective criteria to aid in determining whether the recipient of a grant made pursuant to this Act is maintaining a good faith level of repair and rehabilitation, on the basis of past experience and the present financial capability of the recipient.

(d) LIMITATIONS.—Grants made to eligible applicants pursuant to this section shall be used solely to pay the wages, and other benefits earned by individuals employed in programs funded by this Act, and shall not be used by such applicants for any administrative expenses incurred with respect to any such programs. Funds made available under this section for roadbed and facility repair and rehabilitation are to be used by eligible applicants in addition to, and not as a partial or total substitute for, or as a replacement for, any other funds that the applicant would have been reasonably expected to utilize in the absence of this Act, for roadbed and facility repair, rehabilitation, and improvement.

EMPLOYMENT PRIORITIES

SEC. 5. The jobs created pursuant to financial assistance provided pursuant to this Act shall, after the recall of furloughed maintenance-of-way and signal system maintenance employees pursuant to applicable collective bargaining agreements, be made available, consistent with other provisions of this Act, to unemployed or underemployed persons as defined by section 701 of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 801 et seq.). In the selection of such persons, priority shall be given to unemployed persons who, within the 365-day period prior to the date of application (1) have exhausted all rights to benefits, allowances and assistance payable with respect to unemployment under any law or (2) have been unemployed for 15 or more weeks. The Secretary of Labor shall promptly establish such procedures, rules, or regulations as are necessary to provide for referral of eligible persons to eligible applicants receiving funds under this Act by State employment service agencies, by prime sponsors receiving funds under the Comprehensive Employment and Training Act, and by the Railroad Retirement Board. All jobs created under this Act, except those to which furloughed employees are being recalled must be listed with the State employment service at least 72 hours before such vacancies are filled.

ELIGIBLE ROADBEDS AND FACILITIES

SEC. 6. Roadbeds and facilities are eligible for project grants pursuant to section 4 if they:

(1) have been included in the final system plan;

(2) are used in a substantial way in a rail commuter passenger service;

(3) are utilized by the National Railroad Passenger Corporation pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.) for providing rail passenger service or are part of either the basic system or the experimental routes established pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.), or are utilized by any other railroad providing intercity rail passenger service;

(4) have been subject to track usage of at least 5,000,000 gross ton-miles per mile of road per year, during at least 1 calendar year following January 1, 1970;

(5) have been identified to the Secretary by any State, political subdivision thereof, or regional commission as significantly contributing to improvements in, or the continuation of, essential present or anticipated transportation needs if the Secretary concurs in such identification; or

(6) are owned by a State or public entity.

GOALS

SEC. 7. In order to receive financial assistance under this Act, a project shall be structured and administered so as to achieve substantially the following goals:

(1) the reduction of unemployment;

(2) the acceleration and expansion of a nationally balanced rail rehabilitation effort designed to improve railroad roadbeds and facilities that meet essential national and regional transportation needs or policies or that will eliminate serious safety hazards involving such roadbeds and facilities;

(3) the coordination of repair and rehabilitation work with other national transportation priorities, such as the elimination of grade crossings and similar safety problems, the improvement of rail passenger service, and the modernization of facilities, including the electrification of appropriate lines;

(4) the substantial completion of such project within 18 months after the date on which work is commenced; and

(5) the maximization of the chances for permanent employment by the railroad of the individuals employed on such projects.

LABOR PROTECTION

SEC. 8. (a) SUBCONTRACTING.—All work in connection with the projects funded under this Act which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the employees of the classes or crafts involved shall continue to be performed by the applicant's employees including employees on furlough. Such employees shall be paid at rates provided for such work by such contracts. Should the applicant lack a sufficient number of employees, including employees on furlough, and be unable to hire additional qualified employees from among the unemployed and underemployed persons specified under section 5 of this Act, to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees consistent with applicable collective bargaining agreements. Applicants shall be required, prior to contracting out work under this subsection, to secure certification from the Department of Labor that there is an insufficient number of furloughed maintenance of way employees, or of unemployed persons referred pursuant to section 5 of this Act, to perform the work required: *Provided,* That work to be performed with financial assistance received under this Act, which has not traditionally been performed by employees of the applicant, may continue to be performed by a contractor of the applicant.

(b) WAGES AND BENEFITS.—In the event that work subject to this subsection is contracted after meeting the requirements of subsection (a), wages and benefits paid shall be not less than those provided for in the collective bargaining agreements in effect for similar jobs and classifications: *Provided,* That the applicant shall take such action as may be necessary to insure that all persons employed by any contractor or subcontractor, in the performance of work done with the aid of financial assistance under this Act shall be paid wages and benefits at rates not less than those prevailing on similar work, as determined in accordance with the Service Contract Act (41 U.S.C. 351 et seq.), the Walsh-Healey Public Contracts Act (41 U.S.C. 35 et seq.), or the Davis-Bacon Act (40 U.S.C. 276a), as amended, to the extent that such Acts would be applicable to such work if it were done under contract with the United States. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions provided in such acts and in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 175(c)). No contract or agreement subject to this subsection for the performance of work receiving Federal financial assistance shall be entered into prior to the obtaining of adequate assurances that required labor standards shall be maintained in the performance of such work and that persons employed, whether by contractor or subcontractor of the applicant, shall be hired in accordance with the requirements and priorities, and procedures set forth in section 5 of this Act.

MISCELLANEOUS PROVISIONS

SEC. 9. (a) RECORDS AND AUDIT.—Each recipient of Federal financial assistance pursuant to this Act, regardless of form, shall maintain such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program or project in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after the completion of such program or project, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related to or pertinent to any such Federal financial assistance.

(b) COST AND BENEFIT ASSESSMENT.—The Secretary is authorized to conduct, or to cause to be conducted, cost and benefit assessment studies of various programs and projects receiving Federal financial assistance pursuant to this Act and of proposed projects to the extent necessary to assure that funds appropriated for purposes of this Act are expended in the manner most cost beneficial to the people of the United States, except that this provision may not be applied in any way which is likely to delay reduction in unemployment.

(c) REPORTS.—The Secretary shall submit to the Congress and the President periodic reports on his actions taken pursuant to this Act including statements as to progress made in reducing unemployment and in improving the Nation's rail transportation system in terms of reliability, safety, and energy efficiency.

(d) CONFORMING AMENDMENT.—Section 5108(c) of title 5, United States Code, is amended by adding, immediately after paragraph (11) thereof, the following new paragraph:

"(12) The Secretary of Transportation, subject to the standards and procedures prescribed by this chapter, may place an additional six positions in the Federal Railroad Administration in GS-16, GS-17, and GS-18 for the purposes of carrying out his responsibilities under the Rail Transportation Improvement and Employment Act of 1975, and related legislation.".

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 10. There are authorized to be appropriated not to exceed $750,000,000 to the Secretary for the purpose of providing financial assistance pursuant to section 4, of which not more than $7,000,000 shall be available to the Secretary for administrative expenses in implementing this Act.

FACTSHEET ON EMERGENCY RAIL IMPROVEMENT AND EMPLOYMENT ACT OF 1977

Why is a rail jobs bill necessary?

The Emergency Rail Transportation Improvement and Employment Act is designed to put unemployed people to work rebuilding deteriorated railroad rights-of-way. There are presently 7.3 million Americans on the unemployment rolls and this legislation provides the labor costs and other fringe benefits for the work that needs to be done. At a time when Congress is considering programs to create jobs, it makes sense to design these programs in a way which will also give the American people long-lasting economic benefits. Improved rights-of-way create an economical and efficient way to transport bulk commodities such as coal and agricultural products.

What condition are our tracks in now?

Presently, deferred maintenance on track is estimated to be about $2.5 billion, trains are operating under slow orders on over 44,000 miles of track, rail accidents increased 25% over last year (10,500 in 1976) and Amtrak reported a 300% increase in injuries last year. Work needs to be done and this country has the resources to accomplish it.

Who will the rail jobs bill help?

This legislation could result in 100,000 jobs. A $750 million appropriation will create

50,000 jobs directly repairing deteriorated rail roadbeds. The induced employment effects could result in an additional 50,000 jobs over a several year period in related supplying industries. According to the Federal Railroad Administration, for every dollar expended for employment in the maintenance and upgrading of yards and rights-of-way, railroads must spend up to two additional dollars for material and equipment such as rails, ties and crushed rock. The Library of Congress has estimated that the federal government would directly and immediately save one of every three dollars expended because of offsets in unemployment compensation, welfare benefits and tax revenue gains. Based on indications that a one percent reduction in the unemployment rate would result in a decrease in expenditures of $4.5 billion and an increase in revenues of $14 billion, the federal government would actually break even by enacting this legislation.

How does the rail jobs bill compare to other job creating programs?

While different federal jobs programs have different benefits they also vary in cost to the taxpayer. For example, one CETA job costs the taxpayer $8,300 per year and an average public works employment job costs approximately $20,000. Because of the unique cost sharing provisions of the rail jobs bill, the creation of one job would cost the taxpayer only $7,500 per year.

Will the railroads substitute jobs they would normally perform with the funds available under this act?

This legislation specifically forbids any substitution of funds. The funds authorized under this act are to be used solely for the labor cost incurred in projects to rehabilitate railroad rights-of-way and can not be used for administrative costs as a substitute for any other funds that the railroad would have been reasonably expected to use in the absence of this act. The taxpayer is also protected from profiteering by railroads. For example, if a railroad decides to transfer any property improved with government funds under this act, that railroad would be required to pay to the Secretary of Transportation an amount equal to the unamortized portion of the grant assistance given with respect to the project involved.

What rail lines will be eligible?

This bill is designed to assist those railroads that are operating with seriously deteriorated railbeds and facilities in areas of high unemployment. Generally, any railroad that contributes to a balanced rail-transportation policy, can complete a project within 18 months and can offer maximization of permanent employment would be eligible. ConRail, Amtrak and State and local transportation authorities are specifically mentioned as eligible facilities.

ENERGY AND TRANSPORTATION

The President and the nation are now looking at coal as a partial remedy to our energy problems. If we turn to coal for our energy needs we must also consider how we transport this valuable resource from the mine to the consumer. The need for improved rights-of-way are essential when you consider that rail transportation can move most goods in volume between the same points with less than one-third the fuel, one-third the air pollution, one-sixth the casualties and one-tenth the land as other forms of transportation.

[From the Dayton (Ohio) Journal Herald Forum, June 21, 1975]

REBUILDING RAILS

U.S. Rep. Charles W. Whalen Jr., R-Dayton, and Rep. H. John Heinz, R-Pa., have combined on a very sensible proposal that would put 60,000 persons to work rebuilding the nation's vital railroad track and roadbed.

The legislation, which was introduced this week, does not ask for the appropriation of new funds. Rather, it proposes that the 60,000 persons to be employed in public service jobs under legislation already approved be put to work repairing railroad track.

The bill includes safeguards that protect the public's interest and prohibits railroads from profiting from the improvements through the sale, transfer or lease of any properties. However, such safeguards would not be necessary if the federal government owned railroad right-of-way and track, and had responsibility for maintenance. This is still the step we believe economic circumstances will force the federal government to take.

In the meantime, however, railroad track and roadbed must be made serviceable. The nation cannot afford the collapse of massive segments of the railroad industry, or the prolonged interruption of service that surely will result if repairs and rebuilding of track and roadbed do not take place.

Public service employment is a reasonable and necessary national policy during periods of severe unemployment. But employment should be meaningful. The legislation introduced by Reps. Whalen and Heinz would, in Whalen's words, "help achieve our national goal of putting people to work on jobs that will stimulate the economy and expand work opportunities in private industry."

[From the Houston Post, April 20, 1975]

MAKING TRACKS

Railroad tracks need repair and modernization. Unemployed Americans need jobs. Obviously the practical solution to unemployment is to hire those who need jobs to do work that desperately needs doing. This idea is so good that it should be acted upon immediately.

Congress is now considering several proposals for hiring thousands of workers to rebuild tracks. Fourteen senators support a plan to spend $300 million for 20,000 public works jobs in fiscal 1975. Rep. Henry John Heinz III, R-Penn., has a proposal before the House to hire 50,000 workers at a cost of $2.5 billion through fiscal 1977. And the Department of Transportation is planning legislation of its own. This would not be the first time that public works jobs have come to the rescue of transportation in general and railroad tracks in particular. During the 1930s public works employes rebuilt much of the Pennsylvania Railroad.

Both the railroad industry and the railroad unions approve the idea, though the union leaders insist that furloughed railroad workers be given priority in hiring. We must hope that the legislation will not suffer from too many cooks trying to add seasoning to the broth. And hope that the important purpose of the legislation—to improve railroad tracks and provide jobs—does not get lost among so many proponents.

The American railroads offer a practical solution to some of the greatest problems of our day: Massive transportation with a minimum use of fuel, a minimum of pollution and no addition whatsoever to the growing traffic congestion on the highways. But so long as the scheduled trains are plagued with derailment, lives are being risked, property is being damaged, trains thrown off schedule as well as off the track.

If public service jobs did no more than modernize the American railroad network, they would have been worthwhile. Congress might even consider giving the railroads first priority claim on public works jobs to be financed.

[From the Locomotive Engineer, Apr. 11, 1975]

HEINZ BILL DESERVES SUPPORT

(By B. N. Whitmire, President)

Legislation introduced in the House of Representatives by Congressman H. J. Heinz of Pennsylvania which would put thousands of unemployed to work rebuilding this country's rails and roadbeds deserves the support of everyone who cares about our industry.

Congressman Heinz's bill—H.R. 4622—calls for the appropriation of $2.5 billion over a two and one-half year period, which is a lot of money. But the investment would pay important dividends.

The legislation contemplates that rail maintenance workers who are presently unemployed would be the first to be called back to work. After that, other unemployed rail workers would be put to work, with jobless workers from other industries then given employment.

It is estimated that passage of this bill would result in putting almost 50,000 men to work almost at once. Obviously such a massive work force would stimulate other industries, and the repair and rebuilding of substandard mainline and yard trackage would bring about stepped-up production in the steel industry.

In my opinion, anything that can be done to improve the condition of the rails over which BLE members operate their trains will be a welcome step, It is no secret that the deplorable condition of so many miles of track results in derailments, which result in injuries and even death, as we have seen so many times.

There is a provision in the Heinz legislation to assure that anyone put to work would be paid in accordance with the terms of collective bargaining agreements between the brotherhoods and the carriers. This is an important provision and one which must be retained when the legislation is passed.

According to the Congressman, this legislation would go a long way toward solving two vexing problems: the rebuilding of the railroads and the reduction of unemployment. I agree.

I strongly urge every member of this Organization to write his Congressman, asking him to approve H.R. 4622.

WTAE–TV EDITORIAL

(The following Editorial was presented by John G. Conomikes, Vice President and Station Manager, over WTAE–TV, Channel 4, from June 11, 12, & 14, 1975.)

It's obvious to all that the country needs railroads, and the railroads need help. There are scores of bills in Congress aimed at accomplishing this. One that impresses us favorably is House Bill 4622, introduced by Rep. John Heinz of Pittsburgh.

It would invest two and a half billion dollars over two and a half years into upgrading rundown railroad tracks. The Federal money would be earmarked for labor only. For every public dollar going into labor costs, the railroads would be required to spend two for materials.

Heinz believes his bill would carry the three-way benefit of upgrading the rail systems, creating 60,000 new jobs, and giving a healthy boost to supplier industries. It has so favorably impressed members on both sides of the House, that it has picked up 45 additional sponsors, including Rep. Joseph Gaydos of McKeesport. It goes into hearings next week.

The bill admittedly is a short term measure, just a first step toward the massive challenge of making the country's railroads do the job they should be doing. But it's a start. With better, safer tracks, railroads could move into a more competitive position with other carriers.

Do you know how fast the average loaded freight train moves today? Would you believe three point one miles per hour? That, as someone once remarked, is a terrible way to run a railroad.

[From Labor; Apr. 13, 1977]

RAILMEN DIE IN TRAIN-TRUCK CRASHES: NEW DERAILMENTS

Two recent train-truck collisions left a toll of at least six dead and several injured. Other derailments reported to LABOR led to one big explosion, some chemical pollution and various discomforts but no disasters. Here's a roundup from around the country:

Maryland, Okla.—An Amtrak passenger train collied with a gasoline tank truck at a rural crossing near here. Witnesses said the truck burst into flames and the train continued about a mile and a half before catching fire. Engineer Earl Hulse and fireman Junior Young died and so did the truck driver. None of the train's more than 100 passengers was reported injured.

Delphi, Ind.—An 80-car Norfolk & Western freight collided with a truck at a state highway crossing here, causing three deaths and several injuries. Brakeman G. W. McKnight, 47, was found dead by rescuers some six hours after the accident. His body was pinned under a steel panel in the mud-filled second locomotive unit. The driver and a passenger on the truck also perished.

The train's engineer, two brakemen, and a conductor were injured in the wreck. A second truck passenger was seriously hurt.

The fatal crossing is protected by flashers but no gates. Police said the truck stopped and then proceeded into the path of the train. The train's four locomotive units and 34 of its cars derailed. A fire broke out in the wreckage and firefighters watered it for nearly two days.

West Chicago, Ill.—Three persons were reported injured slightly on the Chicago & North Western's west line here when a 115-car westbound freight collided with the 29th car of a 145-car eastbound freight about 2 p.m. Four locomotive units and 15 cars derailed. The pileup forced some busing of C&NW commuters around the affected area.

Wenden, Ariz.—Three locomotive units and 20 cars of a 62-car Santa Fe freight derailed five miles east of here about 7 a.m. Two propane tank cars caught fire, the fire spread and about four hours later the train's eight propane tankers exploded. Wreckage flew as far as two miles and houses in this community shook, but no injuries were reported. Damage could reach $2 million.

Brickhaven, N.C.—11 cars of a 51-car Southern Railway freight left the tracks near here and one of them—a tank car filled with formaldehyde chemical—plunged over an embankment and ruptured. The 20,000 gallons of formaldehyde flowed into a canal, reportedly without doing harm.

Rockingham, N.C.—Four 16-ton containers of radioactive uranium fuel hit the ground when 29 cars of a 102-car Seaboard Coast Line freight derailed near here. Fortunately the containers did not leak, and no injuries were reported.

Edwardsville, Ill.—Eight cars of a 123-car Chicago & North Western freight derailed here, and a derailed tanker began leaking a toxic chemical. Fewer than 100 gallons were lost and early fears of a poisoning of the water supply were dissipated. No injuries occurred.

East St. Louis, Ill.—Two tankers carrying chlorosulfonic acid overturned when six Baltimore & Ohio cars derailed here about 1:30 a.m. One tanker sprang a slight leak but it was repaired by 10 a.m. with no reported ill effects.

Paw Paw, W. Va.—43 cars of an 89-car Chessie freight derailed near here and one tank car began leaking a chemical used in making mothballs. A Chessie spokesman said the chemical did no harm and no injuries took place.

Surf, Calif.—16 cars of an 80-car Southern Pacific freight derailed south of here on the SP's coastal line. Five of the jumbled cars carried potentially explosive liquefied petroleum gas, but neither explosions nor injuries occurred.

Hummelstown, Pa.—A 52-car Conrail freight suffered derailment near here, with 12 cars leaving the track.

Mr. JAVITS. Mr. President, I am pleased to join in introduction of the Emergency Rail Transportation Improvement and Employment Act of 1977. This bill, similar to legislation passed by the Senate during the 94th Congress (S. 1730), is an urgent and important addition to our national programs to reduce the intolerably high level of unemployment prevalent in the Nation today. This legislation is two-fold in purpose. First, it is designed to put people to work, and, second, it will rebuild badly deteriorated railroad roadbeds and facilities.

The bill we introduce today will put 50,000 unemployed workers back to work. It will provide an important supplement to the public service jobs program created under the Comprehensive Employment and Training Act of 1973 and it represents a highly desirable combination of public service employment with the critically needed rehabilitation of the Nation's railroads. It is an attempt untried since the Great Depression to put our people directly to work on a significant problem of national scope in a basic industry that can be substantially alleviated with federally funded employment.

The Emergency Rail Transportation Improvement and Employment Act of 1977 will provide jobs that will spur the nation's railroads to increase their maintenance and rehabilitation efforts resulting in improved railroad services and efficiency. This will prove greatly beneficial, especially in light of the increased efforts to reduce fuel consumption in our country. Rail transportation can move most goods in volume between the same points with less than one-third the fuel required by other modes of transportation.

The bill is carefully tailored to give to the Secretary of Transportation, the prime agency responsible for administration of this program, considerable discretion to choose, after consultation with the Secretary of Labor, those projects that will, at the same time, bring jobs to areas where they are most urgently needed and rehabilitation to those railroad lines and facilities that are most important to our national rail transportation system—and most in need of repair and improvement.

Furthermore, the hiring priorities section of the legislation is specifically designed to provide jobs to those unemployed who are most experienced at the work required and those most in need of employment. That is, the first priority goes to furloughed maintenance-of-way and signal-system workers who have been laid off by the railroads. These workers would need no training at all and could immediately begin the task of rebuilding the railroad roadbeds. After this group is offered employment, priority goes to the long-term unemployed—those who have had the most difficulty in securing employment. These include persons who have exhausted their unemployment benefits, and those who have been out of work for at least 15 weeks. Any jobs that have not been filled by these two groups would be open to others currently unemployed or underemployed persons. Thus, every job would go either to persons who are experienced at such work, which would be of value to the prompt restoration of deteriorated roadbeds, or to unemployed workers who are most seriously and adversely affected by the current recession.

Provision is included for prompt referral of these unemployed workers to the railroad hiring offices utilizing the Department of Labor, the Railroad Retirement Board, State unemployment service agencies, and prime sponsors of manpower programs under the Comprehensive Employment and Training Act of 1973.

Mr. President, the nature of the emergency work required on our Nation's railroads is ideally suited to the public service jobs approach. These projects, unlike basic rail line improvement work, do not lend themselves to highly mechanized equipment and methods. The principal manpower requirements are for unskilled labor and semiskilled operators of portable equipment. Most of the work required is highly labor intensive and can be performed by workers with a minimum of on-the-job training.

This legislation is a sound proposal which will not only put people back to work, but will also, when enacted give the American people long-lasting economic benefits in the form of improved transportation, reduced fuel consumption, reduced unemployment payments, and increased tax revenues.

Mr. President, this vitally needed legislation deserves early consideration.

Mr. HEINZ. Mr. President, I have a bill for myself and others, which I ask unanimous consent be referred jointly to the Commerce Committee and to the Human Resources Committee.

I would say to the leadership that I have discussed this joint referral with the chairman of both committees and with the ranking members of both committees and they are agreeable to that.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

By Mr. McGOVERN:

S. 1420. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to revise and extend the summer food program, to revise the special milk program, to revise the school breakfast program, to authorize the Secretary of Agriculture to carry out a program of nutrition information and education as part of food service programs for children conducted under such acts, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1977

Mr. McGOVERN. Mr. President, today I am introducing the National School Lunch Act and Child Nutrition Amendments of 1977.

This is not a major bill, in that no new food programs are created. The bill is, however, a comprehensive package which makes reforms, revisions, and updates in several of our food programs.

This bill, if enacted, will save over $1 million in Federal expenditures.

During the past 8 years or so, I, along with many of my distinguished colleagues, have attempted to bring a special focus on and attention to the problems of hunger and malnutrition in this country. The Congress has responded to these unmet human needs. We have established several food programs designed to reach the most vulnerable groups with special problems. We have also made significant steps toward combining the food aspects of our food assistance programs with an emphasis on the health, and preventive health, aspects of a nutritionally adequate diet. I believe the WIC program is an excellent example of our present ability to be very target specific, providing health support as well as food to those in need of nutritional supplements.

This is not to suggest, however, that our food programs are now perfect, or that they are reaching all those that are eligible and in need of the various program benefits. There is still much work to be done in making sure that programs reach and are available to those that they were intended for.

This bill which I am introducing is a no-cost bill. It is an effort to clean up some of the problems various programs are experiencing either administratively or in reaching those that are eligible. We have reached a point in time where we must evaluate our food programs and respond to their problems.

The Senate Select Committee on Nutrition and Human Needs monitors all our Federal food programs on a daily basis, is in touch with those who benefit from them, and those who administer them. The package I am offering today is a result of those monitoring efforts. I feel it is a bill that will assist recipients as well as administrators. It is our attempt to help various food programs operate more efficiently and effectively, while insuring access to the program and correcting administrative programs.

As I mentioned before, this is a no-cost bill. I believe that by correcting old problems we can afford to assist other programs. I am very pleased to say that the Congress can now offer a nutrition education program without increasing overall expenditures for food programs. Quite frankly, I believe that nutrition education is a sound investment in our future, and that in the long run it is worth its cost 10 times over. However, as a component of this bill, its cost is absorbed by savings elsewhere.

The bill makes revisions in the following areas: The summer food program, the special milk program, the school breakfast program, nonfood assistance, State administrative expenses; and adds a nutrition education component. I will speak of three of these areas, which involve the most significant changes.

SPECIAL MILK PROGRAM

In 1973, the Congress passed an amendment to the National School Lunch Act, the special milk program, which stated that—

> Children that qualify for free lunches under guidelines set forth by the Secretary shall also be eligible for free milk.

It seems that this provision has created serious administrative problems for schools and institutions participating in the special milk program.

These administrative problems revolve around the fact that children receiving free milk must be assured anonymity, which is exactly the same requirement as in the school lunch and breakfast program. School administrators and food service personnel claim that even after the administrative actions have been taken and costs incurred it is still quite obvious that some children receive two milks on their lunch tray and others receive only one. In addition, there is the question of whether children will actually consume two free milks at lunchtime.

The Department of Agriculture in a preliminary report entitled "Impact of the Free Milk Provision on the Special Milk Program," states that between January 1974 and January 1975, over 4,300 schools with a total enrollment of over 2.3 million students discontinued participation in the special milk program. Almost 80 percent of these schools were at the elementary level. This hurts not only those children eligible for free milk, but also those children paying a small price for milk.

We have worked closely with administrators in the USDA to develop legislative language which would correct the problem, while at the same time not excluding the free milk provision for schools which do not have a school lunch program.

These changes are projected to save about $28 million in fiscal year 1978.

NUTRITION EDUCATION

The first recommendation of the education panel of the White House Conference on Food in 1969 was to develop a comprehensive nutrition education program for the Nation's schools. It is 8 years later, and still we have no nutrition education program. In fact, in fiscal year 1977, the only direct line item appropriation for nutrition education was $1 million for nutrition education training and surveys.

All members of our society could benefit from greater dietary knowledge. Too many of us eat enough, but still are not well fed.

The malnourished include those who are overweight, who fill up on empty calories, and those of us who consume too many processed foods and an unbalanced diet. The malnourished can include most of us, most of our children, and too many of those whom we consider healthy.

The ever increasing ranks of the malnourished require a new program of nutrition education. This bill is a good beginning. It is the result of years of research and long hours of hearings and investigations. As chairman of the Senate Select Committee on Nutrition and Human Needs, I have listened to the range of experts. I have heard the mounting evidence of national malnourishment.

In testimony before the select committee in 1972, Dr. George Briggs, professor of nutrition at the University of California, Berkeley, estimated, based on a study by the Department of Agriculture, that improved nutrition might cut the Nation's health bill by one-third. The Department of Health, Education, and Welfare's "Forward Plan for Health, Fiscal Year 1978–82," reports that health care expenditures in the United States in fiscal year 1975 totaled about $118.5 billion and predicts the cost could exceed $230 billion by fiscal year 1980.

We end up, therefore, spending billions of dollars wastefully. We establish intensive coronary care units to take care of people after they have had a myocardial infraction; but essentially, spend no money on the prevention of cardiovascular disease. Health is not something to be achieved by buying medical care, it is something to nuture through good habits of nutrition, exercise, and sufficient rest.

I cannot think of any other program which would be as cost-beneficial as nutrition education, especially when combined with food programs. The total costs of the new malnourishment are beyond calculation. Numbers may be able to calculate the premature loss of productivity. No number can convey the human meaning of an early death or a debilitating illness.

A tax dollar spent to give consumers a sensible scientific guide to spending their food dollars is an investment as well as an expenditure. It is an investment in our schools and our children, in our system of health care, in ourselves, and in life itself. It is an investment with a dollars and cents return. Spending more for prevention now will mean less sickness and lower costs later.

This bill represents a major step forward. But it is also just the first step of many we must take. For example, any national health insurance system should reimburse schools for nutrition services to children, including nutrition education. Nutrition must be conceptually integrated with health care—for neither can be as effective separately as both could be together.

We must use the results of years of nutrition study and research to end the abuse and misuse of food. Industry advertises food out of self-interest. We can educate about food in the national interest.

We have the energy, the expertise, and the resources to start in the classroom. We can make the school lunchroom a laboratory for nutrition education. Nutrition education is among the most practical subjects the schools could teach. It is a skill that all Americans could apply everyday.

No American has to be undernourished or malnourished. Every American can be well and sufficiently nourished.

The Congress must choose nutrition education so consumers may choose nutritious foods.

SUMMER FOOD PROGRAM

I have always been a strong supporter of and advocate for the summer food program. I still am. This important child nutrition program, which enables children participating in the school lunch program to receive food benefits during the summer months, experienced serious administrative problems during last summer's operations.

We are all aware of the stories of maladministration, of abuse, and of fraud which occurred last year. Those problems were prevalent in the larger cities, especially New York City. The problems experienced in various programs, however, are not indicative of program performance across the Nation. The large majority of programs have been honest and have been doing a reasonably good job.

The legislation I am introducing today spells out the Federal, State, and local responsibilities for this program. The Secretary of Agriculture will have clear authority and direction to administer this program in a manner which will reduce the potential for fraud and abuse.

The Senate Nutrition Committee has focused special attention on the problems experienced in the summer food program. The committee has spent many hours with administrators, local officials, advocates, and vendors involved in the program. Visits have been made to various programs throughout the country. This legislation is a product of that concerted effort. Following are some of the major revisions and clarifications this legislation will make in the summer food program:

(1) Sponsors who have been seriously deficient in past program operations or who cannot demonstrate adequate administrative and financial responsibility will not be eligible for program participation. Sponsors must also offer a year-round service to the community, unless such sponsors are the only institutions available to serve needy children.

(2) Much stronger vendor controls are imposed. All vendors would be required to register with the state agency, disclosing their coroprate status, their meal production capability, their past relationship with the program, and to certify that local health, safety and sanitation standards have been met. The USDA will be required to keep a central registry of all vendors, so that states will have access to vendor performance records.

(3) USDA is given the authority to modify the reimbursement rate structure, which is now part of the program, after thorough study of food cost operations, site costs and administrative costs.

(4) Limitations are placed on the amount of advance credit any sponsor may receive.

(5) The funding formula for administrative expenses is restructured.

(6) A requirement for competitive bidding and a standard form of contract is imposed.

(7) A requirement that model meal quality specifications and food standards be included in all contracts is imposed.

(8) Priority is placed on sponsors who prepare meals on-site and in schools.

(9) Reimbursements for food costs to summer camps will be made only for those children eligible for free or reduced price meals.

(10) Earlier publication of regulations, guidelines and handbooks is mandated.

(11) Tough criminal penalties for fraud are implemented.

Many other revisions in the summer food program are made by this legislation.

I believe the legislation I am introducing today will make many needed reforms in several of our food programs. At the same time, this package offers Congress the opportunity to establish a comprehensive nutrition education component to the school lunch and breakfast, and child care food programs.

Mr. President, I ask unanimous consent that the National School Lunch Act and Child Nutrition Act of 1977 Amendments of 1977, along with a section-by-section analysis and an analysis of cost by section, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1977."

Sec. 2. Effective October 1, 1977, section 13 of the National School Lunch Act is amended to read as follows (except that the Secretary shall undertake the studies which he is directed to conduct pursuant to subsection (b) (3) of such section as soon as practicable following enactment of this Act):

SUMMER FOOD PROGRAM

"Sec. 13. (a) (1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal years beginning October 1, 1977, and ending September 30, 1982, to enable the Secretary to formulate and carry out a program to assist States, through grants-in-aid and other means, to initiate, maintain, and expand non-profit food service programs for children in service institutions. For purposes of this section, the term 'program' means the summer food service program authorized by this section, and the term 'sponsor' means nonresidential public or private nonprofit institutions, and residential public or private nonprofit summer camps, which provide an on-going year-round service to the community, and that develop special summer programs which provide food service for children enrolled in such institutions or attending such camps similar to the food service made available to children participating in the school lunch program under this Act or participating in the school breakfast program under the Child Nutrition Act of 1966 during the school year. The year-round eligibility requirement for sponsors shall not apply when the sponsor meets all other eligibility criteria and the children or area will not otherwise be served. To the maximum extent feasible, consistent with the purposes of this section, special summer programs shall utilize meals prepared at the facilities of the sponsor or at the food service facilities of public and nonprofit private schools. The Secretary is directed to assist States in the development of information and technical assistance in furtherance of encouraging increased utilization of meals prepared at the facilities of sponsors and at schools. A fund of $3,000,000 shall be established to enable the Secretary to formulate and carry out a program to assist institutions which offer federally subsidized food service year-round with equipment other than land and buildings, for the storage, preparation, and serving of foods to enable institutions to establish, maintain and expand on-site meal preparation.

"(2) Any institution which applies to participate in the program, which demonstrates adequate administrative and financial responsibility, and which has not been seriously deficient in operating the program in prior fiscal years shall be entitled to participate in the program upon a demonstration that all appropriate eligibility criteria are met. Sponsors may be churches, school boards, boys' and girls' clubs, YMCAs, YWCAs, Community Action Programs, Mayor's Youth Programs, or other non-profit organizations which offer a year-round service to the local community pursuant to paragraph (1).

"(3) To promote quality food service programs, the Secretary may develop guidelines for site size limitations applicable to sponsors. Sponsors eligible to participate under the program authorized by this section shall be limited to those which conduct a regularly scheduled program for children through age 20 from areas in which poor economic conditions exist, or which satisfy the eligibility criteria specified in parapraph (5) of this subsection, at site locations where organized recreation activities or food services are provided for children in attendance. The following order of priority shall be utilized by the administering agency in determining sponsorship where more than one institution proposes to serve the same area: (A) sponsors which have demonstrated successful program performance in a prior year; (B) sponsors which prepare meals at their own facilities or which operate only one site; (C) sponsors whch plan to integrate the program with other Federal, State, or local employment programs; (D) public or non-profit private sponsors which utilize local school food facilities for the preparation of meals; (F) other public or non-profit private sponsors which have demonstrated ability for successful program operation.

"(4) For the purposes of this section, the term 'poor economic conditions' means an area in which at least 33⅓ per centum of the children are eligible for free or reduced price school meals under the National School Lunch Act and the Child Nutrition Act as shown by information provided from model city target areas, departments of welfare, zoning commissions, census tracts by the number of free and reduced price lunches or breakfasts served to children attending schools located in the area of summer food sites, or from other applicable sources. The term 'State' means any of the 50 states, the Distirct of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(5) Residential camps shall be reimbursed for the cost of food service operations only for meals served to children eligible for free or reduced price school meals under the National School Lunch Act and Child Nutrition Act of 1966.

"(b) (1) The amount of financial assistance made available to sponsors shall be an amount equal to the full cost of food service operations, except that the amount of financial assistance to any sponsor shall not exceed: (A) 85.75 cents for all costs excepting administrative costs for each lunch and supper served; (B) 47.75 cents for all costs excepting administrative costs for each breakfast served; or (C) 22.50 cents for all costs excepting administrative costs for each meal supplement served. The amount specified in the preceding sentence shall be adjusted each February 1 to the nearest one-fourth cent in accordance with changes for the year ending December 31 in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. The initial such adjustment shall reflect the change in the series for food away from home during the period December 31, 1976, to December 31, 1977. The Secretary shall make recommendations and adjustments regarding any necessary changes in the reimbursement levels pursuant to the study prescribed in paragraph (3) of this subsection. The cost of food service operations (other than administrative or site costs) shall include the cost of obtaining, preparing, and delivering food. Sponsors shall be permitted to serve breakfasts, suppers, and meal supplements as well as lunches if the service period of different meals does not coincide or overlap and if the sponsor has the administrative capability to manage more than one meal service per day.

"(2) Every institution, when applying for the program, shall submit a complete budget for administrative costs related to the program, which budget shall be subject to approval by the appropriate State. The amount of financial assistance made available to sponsors shall be an amount equal to the full cost of such administrative costs incurred, except that such amount shall not exceed maximum allowable levels to be determined by the Secretary pursuant to the study prescribed by paragraph (3) of this subsection. The maximum allowable levels of assistance in the case of any sponsor shall reflect the number of sites managed by such sponsor, and, where applicable, the number of children served at such sites.

"(3) The Secretary is hereby directed to conduct a study of the food service operations carried out under this Act. Such study shall include, but shall not be limited to:

"(A) an evaluation of meal quality as related to costs;

"(B) the impact on the local economy of such operations;

"(C) a determination of whether a percentage of the food service operating reimbursement should be set aside for food costs only and whether different reimbursement levels should be established for on-site preparation and for vendored meals;

"(D) a determination of whether adjustments in the reimbursement levels for food service operation costs prescribed in paragraph (1) of this subsection should be made; and

"(E) a determination of whether all or a part of the site-related costs of sponsors should be included in the definition of administrative costs.

In conjunction with clauses (D) and (E) above, the Secretary is directed to analyze the administrative expenditures of sponsors participating in the program and to prescribe maximum allowable levels for administrative reimbursements based on the analysis of such expenditures. The recommendations regarding administrative reimbursement may provide for different maximum allowable administrative levels reflecting site-related costs, types of meal service, and number of children served for meals prepared at the service facilities of the sponsor, or at public or non-profit private schools, if the analysis demonstrates such action to be necessary. Any such study shall take into account reimbursement levels prescribed by the amendments made by the National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1977. The Secretary shall report his findings and recommendations to Congress on or before November 1, 1977, and shall promulgate regulations implementing this section in accordance with the timetable prescribed in subsection (i).

"(c) Financial assistance shall be made available to sponsors only for meals served during the months of May through September, except that the foregoing provision shall not apply to sponsors which develop food service programs for children on school vacation at any time under a continuous school calendar or prevent such sponsors, if otherwise eligible, from participating in the program authorized by this section.

"(d) Not later than April 15, May 15, and July 1 of each year, the Secretary shall forward to each State a letter of credit (advance payment) which shall be available to each State for the payment of meals to be served in the month for which the letter of credit is issued. The amount of the advance payment shall be an amount which the State demonstrates, to the satisfaction of the Secretary, to be necessary for advance payments to sponsors in accordance with subsection (e). The Secretary shall also forward such advance payments, on the first day of the month prior to the month in which the program will be conducted, to States which operate the program in months other than May through September (as provided in subsection (c)). The Secretary shall forward remaining payments due pursuant to subsection (b) no later than 60 days following receipt of valid claims therefor. Any interest earned on advance program payments by any sponsor shall be returned to the Secretary.

"(e)(1) Not later than June 1, July 15, and August 15 of each fiscal year, or, in the case of sponsors which operate under a continuous school calendar, the first day of each month of operation, the State agency shall forward advance program payments to each sponsor, but in no case shall (1) the State agency release the second month's advance program payment to any sponsor which has not certified that it has held training sessions for its own personnel and the site personnel with regard to program duties and responsibilities, or (2) any advance program payment be made for any months in which the sponsor will operate under the program for less than 10 days.

"(2) The amount of the advance payment for any month in the case of any sponsor shall be an amount (A) not less than the total program payment for meals served by such sponsor in the same calendar month of the preceding calendar year, (B) 50 per centum of the amount established by the State agency to be needed by such sponsor if such sponsor contracts with a food service management company, or (C) 65 per centum for such sponsor if such sponsor prepares its own meals, whichever amount is greatest. In no case shall the amount of the advance payment exceed the total amount estimated by the State agency to be needed by the sponsor for meals to be served in the month for which such advance payment is made or $40,000, whichever is less, except that a State may make a larger advance payment to a sponsor in circumstances where the State determines that such larger payment is necessary for the operation of the program by such sponsor and where the sponsor demonstrates sufficient administrative and management capability to justify a larger payment. The State shall forward any remaining payment due to a sponsor no later than 75 days following receipt of valid claims. If the State agency has reason to believe that a sponsor will not be able to submit a valid claim for reimbursement covering the period for which an advance payment has been made, the subsequent month's advance program payment shall be withheld until such time as the State agency has received a valid claim. Program payments advanced to sponsors which are not subsequently deducted from a valid claim for reimbursement shall be repaid upon demand to the State agency.

"(f) Sponsors to which funds are disbursed under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost to children attending institutions approved for operation under this section. To promote meal quality, States shall, with the assistance of the Secretary, prescribe model meal specifications and insure that all sponsors that contract for the preparation of meals with food service management companies include in contracts between such sponsors and food service management companies menu cycles and food safety and quality standards approved by the State and insure that such standards are complied with.

"(g)(1) Each State agency, with the assistance of the Secretary, shall establish a standard form of contract for use by sponsors and food service management companies. Any sponsor whose contract with a food service management company will exceed $10,000 in value shall use a competitive bid procedure in the selection of the food service management company. All bids totaling $100,000 or more shall be submitted to the State agency for approval before acceptance.

"(2) In order to participate, food service management companies shall register with the administering State agency. For purposes of this section registration shall include, at a minimum: (A) certifictaion that the company now meets applicable State and local health, safety and sanitation standards; (B) disclosure of past and present company officers and directors and the relationship, if any, to any sponsor or food service management company which received program funds in any prior fiscal year; (C) records of past contract terminations or disallowances in regard to program operations in prior fiscal years; (D) disclosure of information relating to its financial and administrative capabilities to provide an established number of meals; and (E) the address of its food preparation and distribution sites. The State agency shall, upon award of any bid, review the company's registration to calculate how many remaining meals the food service management company is equipped to prepare.

"(3) To insure that only quality of food service management companies be permitted to contract for services in all States, the Secretary shall maintain a record of all registered food service management companies and their program record for the purpose of making such information available to the States.

"(4) Positive efforts shall be made by the sponsor to utilize small business and minority-owned business sources of supplies and services. Such efforts shall allow those sources the maximum feasible opportunity to compete for contracts utilizing program funds.

"(h) Each sponsor whose total program payments under any program agreement are expected to exceed $50,000 shall have an audit conducted of its program claims and the supporting documentation for those claims by an independent certified public accountant. The sponsor's final claim shall not be eligible for payment until the audit has been completed and the results have been reviewed by the State, subject to review by the Secretary.

"(i) The Secretary shall publish proposed regulations relating to the implementation of the program by November 1 of each fiscal year, shall publish final regulations by January 1 of each fiscal year, and shall publish guideines, applications, and handbooks by February 1 of each fiscal year. In order to improve program planning, the Secretary is authorized to provide that sponsors be paid as start-up costs a percentage of the administrative funds provided for in the administrative budget approved by the State pursuant to the study prescribed in subsection (b)(3). Any payments made for start-up costs shall be subtracted from amounts otherwise payable for administrative costs subsequently made to sponsors pursuant to subsection (b)(2).

"(j) Each participating service institution shall, insofar as practicable, utilize in its food service under the program foods designated from time to time by the Secretary as being in abundance. The Secretary is authorized to donate to States, for distribution to participating service institutions, food available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 613C), or section 709 of the Food and Agricultural Act of 1965 (7 U.S.C. 1446a–1). Donations by the Secretary shall be made only to participating service institutions that can utilize commodities efficiently and effectively as determined by the Secretary.

"(k) If the State educational agency of any State is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any sponsor in such State, the Secretary shall disburse the funds directly to sponsors in such State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

"(l) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

"(m) There are authorized to be appropriated such sums as may be necessary for the Secretary's administrative expenses under this section.

"(n) The Secretary shall pay to each State for its administrative costs incurred pursuant to this section in any fiscal year an amount equal to (1) 20 percentum of the first $50,000 in funds distributed to that State pursuant to subsection (b) in the preceding fiscal year; (2) 10 per centum of the next $50,000 in funds distributed to that State pursuant to subsection (b) in the preceding fiscal year; (3) 5 per centum of the next $100,000 in funds distributed in that State pursuant to subsection (b) in the preceding fiscal year; and (4) 2 per centum of any remaining funds distributed in that State pursuant to subsection (b) in the preceding fiscal year. Such amounts may be adjusted by the Secretary to reflect changes in the size of State programs since the preceding fiscal year. The Secretary shall develop State staffing standards and effective dates which will ensure sufficient staff and time for the planning and the administration of program operations.

"(o) A food service management company entering into a contract with a sponsor pursuant to this section may not subcontract with a single company for the total meal, with or without the milk component, or for the assembly of the meal. Any food service management company entering into a contract shall, as part of the bid procedure, provide to the sponsor information as to its meal capacity. No food service management company shall enter into a contract which will cause it to exceed its meal capacity.

"(p) States, State educational agencies, and sponsors participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines is necessary.

"(q) Each State desiring to participate in the program shall notify the Secretary by November 1 of each year of its intent to administer the program the following summer; the State shall submit for approval by February 15 a Management and Administration Plan for the program for the fiscal year, which plan shall include, but not be limited to: (1) how the State plans to use program funds and funds from within the State to the maximum extent practicable to reach needy children, including the State's methods for assessing need, its plans and timetable for informing potential sponsors (especially potential sponsors that might operate small programs and/or might prepare meals at the facilities of the sponsor) of the availability of the program; (2) the State's plans and timetable for providing technical assistance and training eligible sponsors; (3) the State's timetable for sponsor application; (4) the actions to be taken to maximize the use of meals prepared by sponsors themselves and the use of school food service facilities; (5) the State's plans for monitoring and inspecting sponsors, feeding sites, and food service management companies; (6) the State's plan and timetable for registering food service management companies; (7) the State's plan for timely and effective action against program violations; (8) the State's plan for determining the amounts of program payments to sponsors and for disbursing such payments; (9) the State's plan to ensure fiscal integrity through the auditing of programs not subject to other audit requirements; and (10) the State's procedure for the granting of a hearing and prompt determination thereafter to any sponsor wishing to appeal a State ruling denying the sponsor's application for program participation, for advance payments, for equipment funds, or for program reimbursement.

"(r)(1) Whoever, in connection with any application, procurement, recordkeeping entry, claim for reimbursement or other document or statement made in connection with the program, knowingly and willfully falsifies, conceals or covers up by any trick, scheme or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, or whoever, in connection with the program, knowingly makes an opportunity for any person to defraud the United States, or does or omits to do any act with intent to enable any person to defraud the United States, shall be fined no more than $10,000 or imprisoned not more than five years, or both.

"(2) Whoever being a partner, officer, director, or managing agent connected in any capacity with any partnership, association, corporation, business or organization, either public or private which receives benefits under this Act, knowingly or willfully embezzles, misapplies, steals, or obtains by fraud, false statement or forgery, any benefits provided by this Act or any money, funds, assets or property derived from benefits provided by this Act shall be fined not more than $10,000 or imprisoned for not more than 5 years or both (but, if the benefits, money, funds, assets or property involved is not over $200, then the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both).

"(3) If two or more persons conspire or collude to accomplish any act made unlawful under this subsection, and one or more of such persons do any act to effect the object of the conspiracy or collusion, each shall be fined not more than $10,000 or imprisoned not more than five years, or both.

COMMODITY DISTRIBUTION PROGRAM

Sec. 3. Section 14(a) of the National School Lunch Act is revised to read as follows:

"(1) The Secretary shall use funds appropriated from the general funds of the Treasury to purchase agricultural commodities and their products of the types customarily purchased for donation under section 707(a)(4) of the Older Americans Act of 1965, as amended (42 U.S.C. 304f)."

(2) The Secretary is hereby authorized to appropriate such sums as are necessary to carry out the purposes of this section.

SPECIAL MILK PROGRAM

Sec. 4. Effective October 1, 1977, section 3 of the Child Nutrition Act of 1966 (7 U.S.C. 1772) is amended to read as follows:

"Sec. 3. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1970, and for each succeeding fiscal year, such sums as may be necessary to enable the Secretary, under such rules and regulations as he may deem in the public interest, to encourage consumption of fluid milk by children in the United States in (1) nonprofit schools of high school grade and under, and (2) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. For the purposes of this section, the term 'United States' means the fifty States, Guam, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the District of Columbia. The Secretary shall administer the special milk program provided for by this section to the maximum extent practicable in the same manner as he administered the special milk program provided for by Public Law 89–642, as amended, during the fiscal year ending June 30, 1969. Any school or nonprofit child care institution shall receive the special milk program upon its request. Children who qualify for free lunches under guidelines set forth by the Secretary shall also be eligible for free milk, when milk is made available at times other than the periods of meal service in outlets which operate a Department of Agriculture subsidized food service program. For the fiscal year ending June 30, 1975, and for subsequent fiscal years, the minimum rate of reimbursement for a half-pint of milk served in schools and other eligible institutions shall not be less than 5 cents per half-pint served to eligible children, and such minimum rate of reimbursement shall be adjusted on an annual basis each fiscal year thereafter, beginning with the fiscal year ending June 30, 1976, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Notwithstanding any other provision of this section, in no event shall the minimum rate of reimbursement exceed the cost to the school or institution of milk served to children.".

SCHOOL BREAKFAST PROGRAM

Sec. 5. Effective October 1, 1977, the last sentence of section 4(b) of the Child Nutrition Act of 1966 (7 U.S.C. 1773(b)) is amended to read as follows: "The Secretary shall make an additional payment of up to 45 cents for breakfasts served to children qualifying for free or reduced price meals in schools which are especially needy as determined by criteria to be established by the Secretary. The total reimbursement to especially needy schools for free and reduced price breakfasts shall be adjusted on a semiannual basis each July 1 and January 1 to the nearest one-fourth cent in accordance with changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for the most recent six-month period for which such data are available. The initial such adjustment shall reflect the change in the series for food away from home during the period July 1, 1976, to January 1, 1978.".

NON-FOOD ASSISTANCE PROGRAM

SEC. 6. Effective October 1, 1977, section 5 of the Child Nutrition Act of 1966 (86 Stat. 728, as amended; 42 U.S.C. 1774(e)) is amended as follows:

(a) by amending subsection (a) to read as follows:

"(a) There is hereby authorized to be appropriated for the fiscal year ending September 30, 1978, not to exceed $40,000,000, to enable the Secretary to formulate and carry out a program to assist the States through grants-in-aid and other means to supply schools drawing attendance from areas in which poor economic conditions exist with equipment, other than land or buildings, for the storage, preparation, transportation, and serving of food to enable such schools to establish, maintain, and expand school food service programs. In the case of a non-profit private school, such equipment shall be for use of such school principally in connection with child feeding programs authorized in this Act and in the National School Lunch Act, as amended, and in the event such equipment is no longer used, it may be transferred to another non-profit private school participating in any of such programs, or, failing either of these dispositions, that part of such equipment financed with Federal funds, or the residual value thereof, shall revert to the United States. For the fiscal year ending September 30, 1979, and for each subsequent fiscal year, the Secretary shall make available an amount equal to 2 per centum of the funds utilized by the States in the previous fiscal year under sections 4 and 11 of the National School Lunch Act and section 4 of this Act for the purposes of this section.".

(b) By striking the last sentence of subsection (b) and inserting in lieu thereof the following: "Payments to any State of funds apportioned under the provisions of this subsection for any fiscal year shall be made upon condition that at least one-fourth of the cost of equipment financed under this subsection shall be borne by funds from sources within the State, except that such conditions shall not apply with respect to funds used under this section to assist schools which are especially needy, as determined by criteria to be established by each State and approved by the Secretary. States shall apportion their share of funds under this subsection by giving priority to schools without a food service program and schools without the facilities to prepare and cook hot meals. After making funds available to such schools, the State shall make the remaining funds available to schools with a food service program and with the facilities to prepare and cook hot meals for the purpose of purchasing needed replacement equipment. For the purposes of this section, the term 'schools without the facilities to prepare and cook hot meals' means schools without the facilities both to prepare and cook hot meals at the school or at a kitchen that is operated by the local school district and that serves the school.".

(c) By amending subsection (e) to read as follows:

"(e) For the fiscal years beginning October 1, 1977, and ending September 30, 1982, 33⅓ per centum of the funds appropriated for the purposes of this section shall be reserved to the Secretary to assist schools without the facilities to prepare and cook hot meals. The Secretary shall apportion the funds so reserved among the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program and in schools without the facilities to prepare and cook hot meals to the number of children in schools without a food service program and in schools without the facilities to prepare and cook hot meals. In those States in which the Secretary administers the nonfood assistance program in nonprofit private schools, the Secretary shall withhold from the funds apportioned to any such State under this subsection an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service program or without the facilities to prepare and cook hot meals in such State. The funds so reserved, apportioned, and withheld shall be used by State educational agencies, or the Secretary in the case of nonprofit private schools, only to assist schools without a food service program and schools without the facilities to prepare and cook hot meals. If any State cannot so utilize all the funds apportioned to it under the provisions of this subsection, the Secretary shall make further apportionments to the remaining States for use only in assisting schools without a food service program and schools without the facilities to prepare and cook hot meals. If after such further apportionments any funds reserved under this subsection remain unused, the Secretary shall immediately apportion such funds among the States in accordance with the provisions of subsection (b) of this section to assist schools with a food service program and with the facilities to prepare and cook meals. Payment to any State of the funds provided to it under the provisions of this subsection shall be made upon the condition that at least one-fourth of the cost of equipment financed shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this subsection to assist schools which are especially needy, as determined by criteria to be established by each State and approved by the Secretary.".

(d) By adding at the end thereof a new subsection to read as follows:

"(f) Funds authorized for the purposes of this section shall be used only for facilities that enable schools to prepare and cook hot meals at the school or at a kitchen that is operated by the local school district and that serves the school, unless the school can demonstrate to the satisfaction of the State (or, in the case of non-profit private schools in States in which the Secretary administers the non-food assistance programs in such schools, to the satisfaction of the Secretary) that an alternative method of meal preparation is necessary for the introduction or survival of the school lunch or breakfast program.".

STATE ADMINISTRATIVE EXPENSES

SEC. 7. Effective October 1, 1977, section 7 of the Child Nutrition Act of 1966 (7 U.S.C. 1776) is amended to read as follows:

"SEC. 7. (a) The Secretary shall pay to each State agency for its administrative costs incurred pursuant to the administration of this Act and the National School Lunch Act for the fiscal year 1978 an amount equal to 1 per centum, for the fiscal years 1979 and 1980 an amount equal to 1½ per centum, and for the fiscal year 1981 and each subsequent fiscal year an amount equal to 2 per centum, of the funds utilized by each State agency in the second previous fiscal year under Sections 4, 11, and 17 of the National School Lunch Act and under sections 3, 4, and 5 of this Act; but in no case shall the payment to any State under this section be less than $75,000 per annum nor shall any State receive less than was allocated to it for fiscal year 1977. The aforementioned per centums shall be applied only to the first $100,000,000 in funds utilized under the prescribed sections of law. For those funds utilized which exceed $100,000,000, the Secretary shall pay an amount equal to 1 per centum of such funds.

"(b) Funds paid to a State under subsection (a) may be used to pay for the salaries, including employee benefits and travel expenses, for administrative and supervisory personnel; support services; office equipment; and for staff development.

"(d) In the event that any State agrees to assume responsibility for the administration of food service programs in private non-profit schools or child care institutions previously administered by the Department of Agriculture, an appropriate adjustment shall be made in the administrative funds paid to the State agency of such State in the succeeding fiscal year.

"(e) The State agency may use a portion of the funds available under this section to assist in the administration of the commodity distribution programs under section 6 of the National School Lunch Act.

"(f) Each State agency shall submit to the Secretary for approval by October 1 each year an annual plan for the utilization of State administration expense funds, including a staff formula for State personnel, system level supervisory and operating personnel, and school level personnel.

"(g) Payments of funds under this section shall be made only to State agencies which agree to maintain a level of funding out of State revenues for administrative costs in connection with their administration programs carried out under this Act and the National School Lunch Act not less than the amount expended or obligated in the fiscal year prior to the enactment of the National School Lunch Act and Child Nutrition Act of 1966 Amendments Act of 1977.

"(h) There are hereby authorized to be appropriated such sums as may be necessary for the purposes of this section.".

NUTRITION EDUCATION AND TRAINING
FINDINGS

SEC. 8. (a) The Congress finds that—

(1) the proper nutrition of the Nation's children is a matter of highest priority;

(2) the lack of understanding of the principles of good nutrition and its relationship to health can lead to the child's rejection of certain highly nutritious foods and consequent plate waste in school food service operations;

(3) many teachers and school food service operators have not had adequate training in the fundamentals of nutrition; and

(4) there is a need for a closer relationship and coordination between information on the principles of good nutrition taught to children in the classroom and the application of these principles in the school cafeteria.

PURPOSE

(b) It is the purpose of this section to encourage the dissemination of sound nutrition information to children participating or eligible to participate in the school lunch and related child nutrition programs by establishing a system of grants to State educational agencies for the training of food service and educational personnel in the principles of good nutrition and development of comprehensive nutrition education programs. Such comprehensive nutrition education programs shall fully utilize as a learning laboratory the existing school lunch and child nutrition programs.

DEFINITIONS

(c)(1) For purposes of this section, the term "nutrition information and education program" means a multidisciplinary program by which scientifically sound information about foods and nutrients is imparted in a manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices, both in the school lunchroom and in the community at large, consistent with optimum health. Nutrition education programs shall include, but not be limited to, the development and carrying out of institutional models, support programs, classroom materials, and curriculums.

(2) Any term used in this Act which is defined in the National School Lunch Act or Child Nutrition Act of 1966 shall, for purposes of this section, have the same meaning ascribed to such terms in such Act.

NUTRITION INFORMATION AND TRAINING

(d) (1) The Secretary is authorized to formulate and carry out a program, through a system of grants to State educational agencies, to provide for (A) the nutritional training of educational and food service personnel, and (B) the conduct of nutrition education activities in schools and child care institutions eligible under the National School Lunch Act and Child Nutrition Act of 1966.

(2) Such a program is to be coordinated at the national level with other nutrition activities conducted by education and health agencies. In formulating such a program, the Secretary shall solicit the advice and recommendations of the National Advisory Council on Child Nutrition, State educational agencies, the Department of Health, Education, and Welfare, representative members of the American Dietetic Association, the American Public Health Association, the American Home Economics Association, the Society for Nutrition Education, and other interested groups and individuals concerned with improvement of child nutrition.

(3) The Secretary, in carrying out the provisions of this subsection, shall make grants to State educational agencies, agricultural and mechanical colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419; 7 U.S.C. 321–326 and 328), and institutions of higher education for the training of teachers and school food service personnel with respect to the provision of nutrition education programs in schools. Such grants may be used by such agencies and institutions to develop and conduct training programs for early childhood, elementary, and secondary teachers and food service personnel with respect to the science of nutrition, methods and techniques, information, and current issues relating to nutrition education.

(4) The Secretary, in carrying out the provisions of this subsection, may make grants to State and local educational agencies, agricultural and mechanical colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419; 7 U.S.C. 321–326 and 328), institutions of higher education, and other public or private non-profit education or research agencies, institutions, or organizations to pay the cost of pilot demonstration projects in elementary and secondary schools with respect to nutrition education. Such projects may include, but not be limited to, projects for the development, demonstration, testing and evaluation of curriculums for use in early childhood, elementary, and secondary education programs.

APPROPRIATIONS AUTHORIZED

(e) (1) For the fiscal year 1978 and subsequent fiscal years, grants to the States for the conduct of nutrition education and information program shall be based on a rate of 50 cents for each child enrolled in schools or children in institutions within the State, except that no State shall receive an amount less than $75,000 per annum. Enrollment data used for purposes of this subsection shall be the latest available as certified by the Office of Education of the Department of Health, Education, and Welfare.

(2) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(3) In addition to the moneys otherwise available under this section, in the case of States which do not administer programs under the National School Lunch Act or the Child Nutrition Act of 1966 in eligible private schools and child care institutions, the Secretary is authorized to withhold funds from such States for the purpose of carrying out the program authorized under this section. Such withholding shall be based on the number of children attending private schools and child care institutions in such State.

AGREEMENTS WITH STATE AGENCIES

(f) The Secretary is authorized to enter into agreements incorporating the express provisions of this section, with State educational agencies and develop and issue such regulations as are necessary to implement the programs authorized under this section.

USE OF FUNDS

(g) (1) The funds made available under subsection (f) of this section may be used by State educational agencies for (A) the planning, development, and conduct of nutrition education programs and workshops for food service and education personnel; (B) coordinating and promoting nutrition information activities in local school districts, using as a learning laboratory existing child nutrition programs, including, but not limited to, the national school lunch program; (C) contracting with public and private educational institutions for the conduct of nutrition education programs relating to the purposes of this section; and (D) related purposes, including the preparation and distribution of visual aids and other informational materials.

(2) Such funds may be used by State educational agencies for the employment of nutrition information specialists and personnel of similar qualifications, including travel and related personnel costs, to carry out the purposes of paragraph (1) of this subsection.

(3) An amount not to exceed 15 per centum of each State's grant may be used for overall administrative and supervisory purposes in connection with the program authorized under this section.

ACCOUNTS, RECORDS, AND REPORTS

(h) (1) State educational agencies, participating in programs under this section, shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance under this section and the regulations thereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of three years, as the Secretary determines to be necessary.

(2) State educational agencies shall provide periodic reports on expenditures of Federal funds, program participation, program costs, and related matters, in such form as the Secretary may prescribe.

STATE COORDINATORS FOR NUTRITION AND STATE PLAN

(1) (1) In order to be eligible for assistance under this section a State shall appoint a State coordinator for nutrition education. It shall be the responsibility of the State coordinator for each State to prepare a State plan as provided in paragraph (2) of this subsection.

(2) Within one year after the appointment of the State coordinator in any State, such State coordinator shall develop, prepare, and furnish to the Secretary a comprehensive plan for nutrition education within such State. Each such plan shall describe provisions for (A) coordinating the nutrition education program carried out with funds made available under this section with any existing related programs being carried out within the State, including, but not limited to, such programs administered by the Department of Health, Education, and Welfare, and health education and nutrition education programs carried out with State funds; (B) the establishment of a State advisory council to assist and advise the State coordinator regarding the development of nutrition education curriculums and programs for the State, and shall provide that the members of such council, which shall be appointed by the State coordinator, shall include interested teachers, professionals, paraprofessionals, school food service personnel, administrators, representatives from consumer groups, parents, and other individuals from private life; and (C) utilizing on a priority basis the resources of the agricultural and mechanical colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301–305, 307 and 308), or the Act of August 30, 1890 (26 Stat. 413; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute.

RESOURCES CENTER

(j) (1) There is hereby established within the National Agricultural Library of the United States Department of Agriculture a Food and Nutrition Information and Education Resources Center. Such Center shall be responsible for (A) assembling and collecting food and nutrition education materials, including the results of nutrition research, training methods and procedures, and other materials related to the purposes of this section; (B) maintaining such information and materials in a library and providing for this dissemination on a regular basis to State educational agencies and other interested persons; and (C) providing original and ongoing training for the State coordinator, and for interdisciplinary personnel designed by the State coordinator who may be in need of special training relating to nutrition education.

(2) Not to exceed $1,500,000 of the funds appropriated to carry out this section shall be used for the purposes of this subsection.

Section-by-Section Explanation of the National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1977

SUMMER FOOD PROGRAM

Section 2 rewrites Section 13 of the National School Lunch Act by making significant substantive changes, designed to tighten up the program considerably and make both sponsors and vendors more accountable to the Department.

Section 13(a) (1) extends the authority for the Summer Food Program for 5 years, through fiscal year 1982. Sponsors must provide a year-round service to the community with equal priority being given to on-site preparation and on use of schools. An exception is provided to the year-round eligibility requirement if the children or area would not otherwise be served and all other eligibility criteria are met.

The Secretary of Agriculture is directed to assist states in the development of information and technical assistance in order to increase the utilization of meals prepared at the facilities of sponsors and at schools.

A fund of $3,000,000 is established to assist institutions offering a federally subsidized food service year-round with equipment, exclusive of land or buildings, for the storage, preparation, and serving of foods to enable institutions to establish, maintain and expand on-site meal preparation. It is hoped that this will help to improve food quality.

Subsection (a) (2) writes into law provisions of the current regulations which bar sponsors who were seriously deficient in prior program operations, who cannot demonstrate adequate administrative and financial responsibility, and who do not meet all other eligibility criteria provided for in this section.

Subsection (a) (3) establishes a priority system to be utilized when more than one institution proposes to serve the same area. Priority will be given in the following order: (1) sponsors which operated a successful program in a prior year; (2) sponsors which prepare meals at their own site; (3) sponsors which plan to integrate the program with other federal, state or local employment programs; and (4) public or non-profit private sponsors which utilize local school food facilities for meal preparation.

Subsection (a)(5) provides that residential camps will be reimbursed only for children qualifying for free or reduced price meals under the National School Lunch Program. Under current law, all of these children may receive free meals.

Subsection (b)(1) sets up reimbursement rates, to be adjusted annually. A restriction is added that sponsors may serve more than one meal per day only if they have the administrative capability to manage multiple meal service.

Subsection (b)(2) requires sponsors to submit administrative budgets for approval to the States. The current reimbursement scheme for administrative costs is replaced with a new formula to be prescribed by the Secretary after a study conducted pursuant to (b)(3). The new formula is to reflect the number of sites managed by a sponsor, and where applicable, the number of children served at such sites, in order to avoid giving sponsors a financial incentive to inflate the number of meals served.

Subsection (b)(3) directs the Secretary to conduct a study of (a) food service operators, (b) site-related costs of sponsors, and (c) administrative expenditures. The study is to take into account current reimbursement levels and the results of the study are to be reported to the Congress by November 1, 1977.

Subsection (d) requires the Secretary to forward a letter of credit to each state administering the program no later than April 15, May 15, and July 1 of each year. This subsection writes into law provisions of the regulations stating that advance payments must be based on state estimates, not sponsor estimates, and that states may withhold advance payments if they have reason to believe the sponsor will not be able to submit a valid claim. For those states operating the program other than during the months of May through September, the Secretary must make advance payments on the first day of the month, prior to the month in which the program will be operated.

Subsection (e)(1) requires the state agency to make advance program payments no later than June 1, July 1, and August 15. No state will release the second month's advance payment to any sponsor that has not held training sessions for its own personnel and site personnel, and to sponsors operating a program for less than ten days in a month.

Subsection (e)(2) provides that advance payments shall not be less than total program payments for meals served by a sponsor in the same calendar month of the preceding fiscal year, or 50 per cent of the amount established by the state agency to be needed by a sponsor contracting with a food service management company, or 65 per cent for a sponsor which prepares its own meals, whichever is greater. This subsection limits monthly advance payments to $40,000 per sponsor except in instances where a state determines that higher payments are necessary for the operation of the program that prepares meals on-site or at a school.

In addition, the state is required to forward to any remaining payment due no later than 90 days following receipt of valid claims.

Subsection (f) requires states to prescribe model meal specifications and to ensure that all vendor contracts contain menu cycles and food quality and safety standards approved by the state.

Subsection (g)(1) requires each state agency to establish a standard form of contract for use by vendors and food service management companies. Contracts exceeding $10,000 must utilize a competitive bid procedure. Any contract exceeding $100,000 must be approved by the state agency.

Subsection (g)(2) requires food service management companies to register with the state administering agency. Registration must include: (A) compliance with local health, safety and sanitation standards; (B) disclosure of past and present company officers and directors and the relationship of operators and employees to any aspect of the program; (C) its record of past contract terminations or disallowances, (D) its financial and administrative capabilities to provide an established number of meals; and (E) the address of its food preparation and distribution sites.

Subsection (g)(3) requires the Secretary to maintain a record of all registered food service management companies and their program record. This information is to be made available to the states.

Subsection (g)(4) requires that positive efforts be made by the sponsor to utilize small and minority owned business sources of supplies and services.

Subsection (h) requires sponsors whose program payments exceed $50,000 to have a claim audit conducted by an independent certified public accountant.

Subsection (i) requires the Secretary to issue proposed regulations by November 1, final regulations by January 1, and guidelines, applications and handbooks by February 1 of each fiscal year.

The Secretary is authorized to provide that sponsors receive as start-up costs a percentage of the administrative funds pursuant to subsection (b)(2).

Subsection (j) revises a provision of current law to state that the Secretary shall donate commodities only to sponsors that can utilize them efficiently and effectively.

Subsection (n) modifies the formula for distributing administrative funds to states. States would receive an amount equal to 20 percent of their first $50,000 in program funds distributed in the state in the previous year, plus 10 per cent of the next $50,000 in funds, 5 per cent of the next $100,000 in funds, and 2 per cent of all funds after that. The Secretary is authorized to adjust the amounts going to individual states to reflect changes in the size of state programs since the previous year. This new formula would provide states with small programs the greatest percentage increase. The larger states would receive an increase of $16,000. In total, the additional cost of the new formula would not exceed $500,000 per year nationwide.

Subsection (q) requires states desiring to participate in the program to notify the Secretary of its intent to administer the program. This subsection specifies that state plans must include how the state plans to utilize program funds to reach needy children, its timetables for training, informing potential sponsors—especially small sponsors who could prepare meals on-site, plans for monitoring and inspecting sponsors, feeding sites and food service management companies, plans for correcting violations, plans for registering vendors, appeal procedures, and how it plans to maximize the use of meals prepared by sponsors and the use of food service facilities.

Subsection (r) writes into law criminal penalties for fraudulent applications, fraudulent reimbursement claims, and actions to obtain excess reimbursements through circumventing federal or state procurement standards.

Estimated cost: Savings of $4.5 million.

COMMODITY DISTRIBUTION PROGRAM

Section 3 extends the commodity purchase authority of Section 14(a) of the National School Lunch Act for five years until 1982.

Estimated cost: No change.

SPECIAL MILK PROGRAM

Section 4 amends Section 3 of the Child Nutrition Act of 1966, to provide that children eligible for free school lunches shall also be eligible for the free milk program if milk is served at times other than periods of meals service in outlets which operate a USDA subsidized food service program. Current law provides that any child eligible for a free lunch shall receive a free milk upon request in addition to any milk served free with a meal. This procedure has proven very difficult to administer, and may lead to some milk waste. This amendment limits free second milks to non-lunch times, such as kindergarten meals and mid-morning snacks, except in outlets which do not have a regular school lunch program.

Estimated cost: Savings of $29.3 million.

SCHOOL BREAKFAST PROGRAM

Section 5 amends Section 4(b) of the Child Nutrition Act of 1966 by directing the Secretary to adjust the total reimbursement rate for especially needy schools for free and reduced price meals on a semiannual basis to reflect changes in the food away from home series of the Consumer Price Index. The initial such adjustment is to reflect the change in the series of food away from home during the period July 1, 1976 to January 1, 1978. While all other child nutrition reimbursement rates have been automatically adjusted in recent years, especially needy breakfast reimbursements have not. This section solves that problem.

NON-FOOD ASSISTANCE PROGRAM

Section 6 amends Section 5 of the Child Nutrition Act of 1966 by authorizing appropriations for the fiscal year 1978, not to exceed $40 million, to enable the Secretary to carry out a program of grants-in-aid to provide schools with equipment assistance. Beginning with the fiscal year 1979 and each subsequent fiscal year, the Secretary is directed to provide an amount equal to 2 per centum of the funds utilized by the States in the previous fiscal year under Sections 4 and 11 of the National School Lunch Act and Section 4 of the Child Nutrition Act of 1966 in order to carry out the Non-Food Assistance Program. This approach should stabilize the process of providing funds to states for food service equipment, help them plan better, and allow support for those remaining schools which do not now have programs.

Section 5(b) is amended by directing the States to give priority for non-food assistance funds to schools without a food service program and schools without the facilities to prepare and cook hot meals. This will enable schools with only convection ovens for heating prepared frozen meals, to have equal access to subsection 5(b) monies.

After making the funds available to schools without a food service program and schools without the facilities to prepare and cook hot meals, the Secretary is to make the funds available to schools with a food service program and with the facilities to prepare and cook hot meals for the purpose of purchasing needed replacement equipment.

"Schools without the facilities to prepare and cook hot meals" is defined to mean schools without the facilities to prepare and cook hot meals at the school or at a kitchen that is operated by the local school district and that serves the school, for the purposes of this section.

The Secretary is also directed to establish criteria for schools to be considered as "especially needy." All funds available through this subsection will be provided only if one-fourth of the cost is matched by the State, except in the case of "especially needy" schools.

Subsection 5(e) is extended for five years, through fiscal year 1982. Thirty-three and one-third per centum of the funds available under this section are reserved for the purpose of assisting schools without the facilities to prepare and cook hot meals.

The Secretary is to apportion the funds to the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program and in schools without the facilities to prepare and cook hot meals to the total number of children in schools without a food service program and in schools without the facilities to prepare and cook hot meals. In States in which the Secretary administers the program in nonprofit private schools, the Secretary is to withhold an amount which bears the same ratio as the number of children in nonprofit private schools without a food service program or without the facilities to prepare and cook hot meals.

When a State is not able to utilize all funds available to it under this subsection, the Secretary is to make further apportionments to the remaining States. If there are further remaining unused funds the Secretary is to make further reapportionments pursuant to subsection 5(b). All funds available under this subsection are to be provided only if one-fourth of the cost is borne by the State, except in the case of "especially needy" schools.

Section 6(d) adds a new subesction 5(f), which permits the Secretary to make funds authorized under this Section available only for facilities that enable schools to prepare and cook hot meals at the school or at a kitchen that is operated by the local school district and that serves the school. An exception is provided only to schools which demonstrate to the satisfaction of the State that an alternative method of meal preparation is necessary for the introduction or survival of the school lunch or breakfast program. This provision is intended to encourage on site preparation of meals.

Estimated cost: No change.

STATE ADMINISTRATIVE EXPENSES

Section 7 amends Section 7 of the Child Nutrition Act of 1966, by adding several new subsections to the law.

Subsection (a) prescribes a new formula for the distribution of state administrative expenses. Beginning with fiscal year 1978, the Secretary is directed to pay each State agency for its administrative costs incurred pursuant to administration of the National School Lunch Act and Child Nutrition Act of 1966, an amount equal to 1 per centum of the funds utilized in the second previous fiscal year under Sections 4, 11 and 17 of the National School Lunch Act and under Sections 3, 4 and 5 of the Child Nutrition Act. This percentage will increase to 1½ per centum for fiscal years 1979, and 1980, and to 2 per centum for fiscal year 1981 and each subsequent fiscal year.

A hold-harmless clause is included to ensure that no state receives less than it was allocated in fiscal year 1977, and that no state will receive less than $75,000. Any state which receives more than $100,000,000 in total monies available under the appropriate sections, shall be provided the aforementioned per centum on its first $100,000,000 in program funds, and shall receive 1 per centum of those funds which exceed $100,000,000.

Subsection (b) requires the Secretary to develop state staffing standards which will ensure sufficient staff for the planning and administration of programs covered by State Administrative Expenses.

Subsection (c) provides that funds available under this section may be used to pay for salaries, employee benefits, travel expenses, administrative and supervisory personnel; support services; office equipment; and staff development.

Subsection (d) allows for adjustments to be made in the administrative funds paid to each state, if the state assumes responsibility for administration of food service programs in private non-profit schools.

Subsection (e) permits the states to use a portion of their administrative monies to assist in the administration of the commodity distribution program.

Subsection (f) requires each state agency to submit for approval an annual plan for utilization of funds received under this section, its staff formula, and system level supervisory and operating personnel or school level personnel by October 1.

Subsection (g) requires states to maintain a level of state funding which is not less than that obligated in the fiscal year prior to enactment of this section.

Subsection (h) authorizes the appropriations necessary for this section.

Estimated cost: $2.4 million.

NUTRITION EDUCATION

Section 8 authorizes the Secretary of Agriculture to carry out a program of nutrition information and education as part of food service programs for children. This would be the first piece of federal legislation to provide funds to all states for nutrition education.

Section 8(a) details the findings of the Congress: (1) that the proper nutrition of the nation's children is of highest priority; (2) that the lack of understanding about the relationship of proper nutrition to good health can contribute to a child's rejection of nutritious foods and plate waste in food service programs; (3) that many teachers and school food service personnel do not have adequate training in nutrition or nutrition education so that children might be motivated to practice sound eating habits; (4) that a need exists to create opportunities for children to learn about the importance of nutrition and how the principles are applied in the school cafeteria.

Section 8(b) sets forth the purpose of this section: to establish a system of grants to state education agencies for the training of food service and educational personnel in the priciples of good nutrition and the development of comprehensive nutrition education programs. This is to encourage the dissemination of nutrition information to children participating or eligible to participate in the school lunch and child nutrition programs, while making full use of the school lunch and child nutrition programs as a learning laboratory.

DEFINITIONS

Section 8(c) defines "nutrition information and education program" as a program which utilizes scientifically sound information to facilitate an understanding of the principles of nutrition, both in the school lunchroom and in the community at large, through food consumption practices. Nutrition education programs include, but are not limited to, the development and carrying out of institutional models, support programs, classroom materials and curricula.

For the purposes of this section, any term defined in the National School Lunch Act is to have the same meaning when used in this section.

NUTRITION INFORMATION AND TRAINING

Subsection (d)(1) authorizes the Secretary of Agriculture to formulate and carry out a system of grants to state educational agencies, to (1) provide for the nutritional training of educational and food service personnel, and to (2) conduct nutrition education activities in schools and child care institutions eligible under the School Lunch and Child Nutrition Acts.

Subsection (d)(2) requires such a program to be coordinated at the national level with other nutrition activities conducted by education and health agencies. The Secretary is directed to consult representatives of the appropriate federal administrative agencies, and nutrition, public health, home economics, school food service associations, and other interested groups and individuals concerned with the improvement of child nutrition, in the formulation of such a program.

Subsection (d)(3) directs the Secretary to make grants to state educational agencies, agricultural and mechanical colleges, other public or private non-profit education or research agencies, and institutions of higher education for training teachers and school food service personnel in nutrition education.

Subsection (d)(4) authorizes the Secretary to make grants to states and institutions for the cost of pilot demonstration projects in elementary and secondary schools with respect to nutrition education. These projects may include, but are not limited to, the development, demonstration, testing and evaluation of curricula for use in pre-school, elementary and secondary education programs.

APPROPRIATIONS

Subsection (e)(1)(a) authorizes the appropriations for the program at a rate of 50 cents for each child enrolled in schools or children in institutions within the state. No state, however, will receive less than $75,000 per annum.

Subsection (e)(3) authorizes the Secretary to withhold funds from states which do not administer the school lunch and child nutrition programs. Such withholding shall be based on the number of children attending private schools and child care institutions in the state.

Subsection (f) authorizes the Secretary to enter into agreements with states and to issue regulations in order to carry out the provisions of this section.

USE OF FUNDS

Subsection (g)(1) permits state educational agencies to use funds available under subsection (e) for (1) the planning, development and conduct of nutrition education programs and workshops, for use in the classroom and cafeteria, for food service and educational personnel and for operation of the office of the state co-ordinator for nutrition education; (2) coordinating and promoting nutrition information and education activities in local school districts; (3) contracting with public and private educational institutions for nutrition education programs; (4) the preparation, testing and distribution of visual aids and other materials; (5) evaluation.

Subsection (g)(2) permits the use of funds for the employment of nutrition education specialists by the state educational agencies.

Subsection (g)(3) limits the amount of each state's grant which can be used for administrative and supervisory purposes to 15 per cent.

ACCOUNTS, RECORDS AND REPORTS

Subsection (h)(1) requires state educational agencies to keep accounts and records to demonstrate compliance with this section. The accounts and records must be available for inspection and audit by representatives of the Secretary.

Subsection (h)(2) requires the state educational agencies to provide reports on expenditures of federal funds, program participation and cost, in a form to be determined by the Secretary.

STATE COORDINATORS FOR NUTRITION AND STATE PLAN

Subsection (i)(1) requires the state to appoint a state coordinator for nutrition education. The state coordinator is responsible for the preparation of a state plan pursuant to (j)(2).

Subsection (i)(2) requires the state coordinator to furnish the Secretary with a comprehensive plan for nutrition education within the state. The state plan must include provisions for coordinating the nutrition education program with any existing related programs; provisions for the establishment of a state advisory council to assist and advise the state coordinator, to be appointed by the coordinator, and which shall include teachers, nutrition professionals, paraprofessionals, school food service personnel, administrators, consumer representatives, parents, and others; and the provisions for utilizing, on a priority basis, the resources of agricultural and mechanical colleges.

RESOURCES CENTER

Subsection (j)(1) establishes a Food and Nutrition Information and Education Resources Center within the National Agricultural Library of USDA. This center is responsible for: (1) assembling food and nutrition education materials, including nutrition research, training methods and procedures; (2) maintaining and providing for the dissemination, on a regular basis, of such information to state educational agencies, teachers, researchers, and other interested persons; (3) providing training (both original and inservice) for the state coordinator and for personnel designated by the coordinator as being in need of special training in nutrition education.

Subsection (j)(2) authorizes the Secretary to establish regional centers, utilizing land grant colleges, to carry out the responsibilities of the Food and Nutrition Information and Education Research Centers provided for in subsection (k)(1).

Subsection (j)(3) authorizes funds, not to exceed $1,500,000, for the purposes of the Resources Center provided for in this subsection.

Estimated cost: $27.5 million.

By Mr. MELCHER:

S. 1421. A bill to amend title 38, United States Code, to provide counseling for certain veterans; to permit acceleration of monthly educational assistance payments to eligible veterans and dependents; to revise the criteria for nonaccredited courses; to provide alternative financial and educational assistance to peacetime post-Korean veterans affected by the expiration of their delimiting period; to provide for a conditional extension of the delimiting period for certain Vietnam-era veterans; to provide for the development of additional educational, employment, and readjustment assistance programs for veterans; to provide for the correction and preclusion of, and protection against, abuses and misuse of veterans benefits; and to otherwise enhance and improve the effectiveness, integrity, and utilization of veterans readjustment assistance programs; to the Committee on Veterans' Affairs.

GI BILL OPPORTUNITIES FOR VIETNAM VETERANS

Mr. MELCHER. Mr. President, we have failed to make an adequate reward to the men and women who served their country honorably and faithfully during the Vietnam war. The circumstances for the benefits each of these veterans was entitled to for educational opportunity has passed many of them by. The value the Nation received from their service should be recognized by the assurance now that they have the opportunity to continue their education. It will pay them all their lives to do so and make our country stronger as they add to their knowledge and capabilities.

Recent GI benefit increases and program improvements have largely benefited the peacetime post-Vietnam veteran. It is necessary for the Nation and the Congress to look back to those tragic years from 1964 to 1972 when the Vietnam war raged so intensely; but therein lies one of the Nation's unfulfilled obligations. That obligation is to those who served in the time of war when the conflict dragged on in the jungles and rice paddies of Vietnam. On returning home they often found that our Nation and our Government were indifferent to their sacrifice and service and had not prepared for their return or their readjustment needs.

Today I am introducing legislation which will provide meaningful readjustment assistance for the first time to hundreds of thousands of Vietnam veterans who, for various reasons, could not use their GI rights at the time of discharge. The bill will reasonably honor a long overdue obligation to those who served their country during that period of armed conflict.

The 66-page Comprehensive Veterans Readjustment Assistance Act of 1977 has many important provisions; among the key ones are:

A provisional extension of the 10-year delimiting period governing entitlement to veterans benefits. This year 25 percent of all Vietnam veterans will have lost their entitlement to readjustment assistance. In less than 4 years 75 percent of all Vietnam veterans will be denied access to their readjustment entitlement by the delimiting period.

Ordinarily 10 years is sufficient time for a veteran to complete his education if he or she can begin that education and training in the first years of that 10-year period. However, low military pay, family obligations, and totally inadequate benefit levels preclude many of the most needy and deserving Vietnam veterans from entering GI bill programs at the time of their separation. Many will never have an opportunity to use their rightfully earned readjustment entitlement unless Congress acts favorably upon this legislation. The date extension is limited to those veterans who can demonstrate need, and could not reasonably initiate or complete a readjustment program within their initial 10-year delimiting period. It is in no way a budget-busting unlimited extension.

Second, the legislation provides for a conditional advance and prepayment of educational assistance allowances. Many veterans with family obligations and high educational expenses need additional financial assistance at the beginning of their school year to pay educational expenses, travel, books, fees, and supplies. For these veterans who demonstrate need, conditional advance and prepayment would be reinstitituted. For those veterans who demonstrate no need, the current payment system would remain in effect.

Third, the legislation provides for acceleration of readjustment entitlement. The current structure of the GI bill, by restricting access to total readjustment assistance to use over a 45-month period, discriminates against many of the most needy and deserving Vietnam veterans, denying them access to their rightfully earned readjustment entitlement. This was the deliberate policy of the previous administrations, and it has resulted in the tragically high unemployment, underemployment, unemployment compensation, and welfare recipient rates among Vietnam veterans. Acceleration would enable a veteran who demonstrates need, and can complete his education and training in less than the current 45-month entitlement period, to receive a greater monthly readjustment allowance over a proportionally reduced period of time. The provision has extensive safeguards against abuse and is specifically targeted toward the most needy and deserving Vietnam veterans. Acceleration would open up opportunities for trade, technical, vocational, professional, and career training currently denied many veterans.

Serious consideration has been given to the fiscal implications of this legislation. It has been drafted to insure the maximum target effectiveness to the most needy and deserving veterans and to preclude an abuse that has cropped up in the current readjustment program where GI dropouts have received benefits without their dedication to education. The cost of the legislation for fiscal year 1978 should not exceed the cost for readjustment programs for fiscal year 1976 and will substantially reduce Federal outlays for veterans unemployment and public service employment which contribute little to the veterans' productive readjustment and entry into meaningful careers.

A companion bill, H.R. 2231, by Congressman Lester Wolff, of New York, the ranking majority member of the Veterans' Affairs Subcommittee on Education and Training, is cosponsored by 74 Members of the House. I ask unanimous consent to have printed in the Record a detailed analysis of the provisions of the Comprehensive Veterans Readjustment Assistance Act, as well as the premises upon which the legislation is based.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. I strongly urge my colleagues to join me in this endeavor to provide rightfully earned readjustment and career opportunities to the deserving veterans of the Vietnam war. Our people have for two generations found the GI bill an investment in our finest and most deserving young veterans. It is a reward they earned and deserve and it is an investment in the country that has paid back much more to the country than costs incurred in funding the GI bill for more than 30 years.

Continuing the opportunities for the Vietnam veterans is in the tradition of the initial concept of the GI bill started for World War II veterans. If Ernie Pyle were alive today he, too, would advocate passage of this bill:

SUMMARY

TITLE I EDUCATIONAL ASSISTANCE PROGRAM AMENDMENTS

Section 101. Amends the Congressional declaration of intent of the purpose of the Veterans Educational Assistance program to reaffirm its function as a readjustment program, and to affirm that the program of Accelerated Entitlement is to be used for readjustment assistance and not income supplementation.

Many veterans denied effective readjustment assistance by the current structure of the GI bill are using their benefits to earn $292 to over $400 as tax free supplemental income, as a bonus, an alternative to working or as a form of unemployment compensation.

This section would add no additional cost to the budget and could result in fiscal savings if veterans abusing the GI Bill contrary to the intent of the program were to be denied access to benefits other than for their intended purpose.

Section 102. Redefines eligibility criteria for GI Bill benefits; separating peace-time post-Korean veterans from Vietnam era veterans who served their country during a period of armed conflict.

This section would add no additional cost, except that it would provide eligibility for alternative educational and financial assistance programs for Post Korean veterans who would otherwise be denied all educational assistance by the expiration of their delimiting date.

Section 103. This section authorizes post-Korean veterans affected by the expiration of their delimiting date to receive certain service, benefits, and assistance, so as to enable them to complete their initial program of education and training.

Its cost would largely be absorbed by currently appropriated funds and programs.

Section 104. Provides for a provisional extension of the delimiting date for needy Vietnam era Veterans. The provision requires that each veteran demonstrate:

(1) He or she was reasonably unable to initiate or complete their education and training within the original ten year delimiting period;

(2) that an extension of the delimiting date is necessary for a veteran to initiate or complete a program of instruction and that the veteran could not reasonably pursue Education and Training without GI Bill assistance.

(3) requires that a veteran accorded an extension of the delimiting date be in a program of instruction that offers effective readjustment assistance that is in compliance with the intent of Congress for the Purpose of the GI Bill. (This is to preclude the use of the GI Bill for supplemental income.)

(4) requires that the extension of the delimiting date not exceed the time required to complete the veterans initial program of instruction or two years whichever is the lesser period of time.

The cost is estimated at $100 to $150 million.

Section 105. Provides for comprehensive educational, vocational and personal adjustment counseling for veterans. The counseling would assist veterans in planning and choosing realistic career objectives and effective training programs.

Comprehensive counseling was an integral and important element of the World War II veterans readjustment assistance programs. Hundreds of millions of dollars have been lost because Vietnam era veterans have entered the wrong training programs or encountered personal adjustment problems that forced them to drop out of school.

Most of the counseling cost could be absorbed by effective utilization of existing resources and VA counseling services.

Section 106. Reaffirms that the GI Bill is a readjustment program and urges education and training institutions to consider and administer it as a readjustment program. It provides such assistance as is necessary and appropriate to insure its implementation as a readjustment program.

This could result in savings by effective use of the GI Bill for its intended function.

Section 107. Provides that the Administrator may disapprove applications from veterans who have demonstrated a pattern of misconduct or abuse of the GI Bill. It requires that decisions regarding approval for benefits be submitted to the veteran in writing, with the reasons for approval or disapproval clearly stated.

This could result in cost savings by weeding out veterans abusing the GI Bill.

Section 108. Authorizes the Administrator to disapprove a program of instruction in which less than half of the persons who start the course fail to complete their training.

It also authorizes the Administrator to disapprove a program of instruction whose principal use or attraction is for the purpose of using the GI Bill for supplemental income.

Section 109. Gives the Administrator greater authority to disapprove veterans for unsatisfactory progress while protecting the veterans rights. It allows continuation of benefit payments for thirty days if a school or program of instruction is disapproved, and the veteran is not at fault, in order to enable the veteran to seek alternative readjustment assistance.

It provides for greater safeguards in the use of "audit," "no credit," "withdrawal," and similar grades that do not lead to a degree.

Section 110. This section, permitting "Acceleration of Educational Assistance Allowance Payments" is the most important provision of the comprehensive bill. It will enable the most needy and deserving veterans, within the parameters of their existing educational entitlement, the first opportunity for equitable and effective readjustment assistance by allowing them to receive a greater monthly subsistence allowance while proportionately reducing their total entitlement period.

In other words, they can receive a greater amount of money per month but over a shorter period of time so that the total payments remain the same. The section requires that a veteran demonstrate need for accelerated entitlement; receive vocational and educational counseling; be able to complete his edducational objective within the time period benefits are accelerated, and numerous other safeguards. It establishes income ceiling guidelines similar to those imposed on World War II GI Bill users, and establishes an extensive series of guidelines as to persons most likely to be eligible to pursue a program of accelerated entitlement.

The section also requires that an eligible veteran initiate a program of accelerated entitlement within 18 months after the effective date of the provision (Oct. 1, 1977) and complete his training within five years. This would place a time limit on the program and allow accurate cost projections of the entire program within 18 months after its effective date.

Accelerated Entitlement is not a new entitlement but rather a necessary structural change in existing entitlement. It adds no new money to what a veteran is presently entitled by virtue of his or her military service.

Cost estimates await CBO and OMB analysis.

Section 111. Enables peacetime post-Korean veterans to continue to participate in VA work study programs as one means of enabling veterans affected by their delimiting date to complete their education.

The cost would be absorbed by the existing VA budget.

Section 112. Would make peacetime post-Korean veterans eligible for VA educational loans as another means of enabling them to complete their education.

The cost would be absorbed by monies in the existing VA loan fund.

TITLE II WAR ORPHANS AND WIDOW'S EDUCATIONAL ASSISTANCE PROGRAM AMENDMENTS

Section 201. Amends the delimiting date of the educational assistance program for the wives of totally disabled veterans to 10 years from the time they were determined totally disabled, or to ten years after the disabled veteran was married to the person using the educational assistance. This would provide equity to veterans who were single at the time they were totally disabled.

It would cost $3 million.

Section 202. This provision makes certain widows and war orphans eligible for a program of Accelerated Entitlement.

It would cost $10 million.

TITLE III ADMINISTRATION OF EDUCATIONAL BENEFITS AMENDMENTS

Section 301. Amends criteria for courses and schools approved for veterans benefits to require that branches and extensions be in compliance with the criteria of the State Approving Agencies under whose territorial jurisdiction they are operating.

This provision could substantially reduce abuses by ineffective and unscrupulous institutions and generally improve the overall quality of education and training, resulting in savings.

Section 302. Requires more extensive communication, consultation, and cooperation between the VA, the Office of Education, the State Approving Agencies, and the nationally recognized accrediting agencies and associations. This should improve the effectiveness of readjustment assistance and reduce abuses and improprieties, thus resulting in savings.

Authorizes the development of a "Consumer Protection" program and information service to better protect veterans (and other students) from unscrupulous and ineffective institutions.

Section 303. Provides for greater safeguards against abuse and improprieties by institutions recognized by National accrediting associations and agencies by (1) requiring more accurate records be kept of a veteran's progress toward his stated objective; (2) requiring that all aspects or portions of a program of instruction be approved by the approving agency having jurisdiction over that portion of the program; and (3) require that any residence-correspondence program clearly state what type of program it is and the actual time to be spent in residence training. Many correspondence programs pass themselves off as principally a residence program, when in reality the veteran is enrolled in a correspondence course with little actual residence training.

These provisions would eliminate a major source of abuse and substantially improve the quality and effectiveness of many education and training programs.

Section 304. Expands and improves the criteria for the approval of non-accredited courses.

This section would result in improved education and training and reduced abuse, resulting in cost savings and more effective readjustment assistance.

Section 305. Gives the Administration greater authority after consulting with the Office of Education, the appropriate nationally recognized accrediting agency, and the affected institution, to disapprove programs of instruction that are not providing satisfactory readjustment assistance.

This should result in improved education and training, and less abuse, and thus fiscal savings.

Section 306. Amends the current advance payment system to provide for a conditional advance payment program based upon need. This provision should eliminate the majority of abuse inherent in the advance payment program without adversely affecting those veterans who would truly need additional funds at the start of their training.

The provision gives the administrator the authority to determine whether a substance payment will be prepaid or paid at the end of the month for education completed. This will help reduce abuse in the prepayment program.

This provision should result in the savings of millions of dollars lost to overpayments and alleged "rip-offs".

Section 307. Requires the Administrator to establish regulations that will insure the veterans basic constitutional rights to appeal when contesting benefit decisions.

Section 308. Increases the reporting fees paid to institutions for handling veterans benefit claims from $3 to $8 in the absence of conditional advance payment, and from $4 to $10 when the institution must process a conditional advance payment. This should give institutions sufficient financial resources to handle the administrative requirements of veterans programs in a timely manner, and insure that institutions fulfill their administrative responsibilities fully and effectively.

The cost would be $5 million. However, this provision should substantially reduce overpayments and improve institutional services to veterans thus ultimately resulting in substantial cost savings.

Section 309. Requires the Administrator to submit significant acts of illegality and/or misconduct to the Justice Department for appropriate legal action.

Section 310. Significantly strengthens the safeguards and restrictions on the use of correspondence courses. It requires that the veteran be advised of alternatives to correspondence training and the liabilities inherent in a correspondence program.

This should result in savings by reducing the number of veterans entering ineffective correspondence programs (which over 530,000 veterans have failed to complete under the current GI bill).

Section 311. Gives the Administrator greater latitude to determine full and part-time training for payment of veterans benefits to facilitate unique situations.

Section 312. Removes the blanket exemption from public schools for approval for veterans benefits and gives the Administrator individual discretion. This should reduce abuse and improve the effectiveness of education and training.

Section 313. Authorizes the Administrator to notify a veteran of alternative readjustment assistance if his school or program of instruction has been disapproved through no misconduct of the veteran and to notify such veterans of any civil or legal recourse they might have in the case of illegalities on the part of the institutions.

Section 314. Authorizes the Administrator to take appropriate steps in the case of a discontinuance or interruption of a program of instruction, to determine if personal adjustment problems may have been a factor, and advise the veterans of the psychological and educational counseling services available to him.

This could result in substantial savings by helping many veterans overcome service related personal and/or family problems that are impeding their readjustment, or forcing them to drop out of educational and training programs.

Section 315. This section establishes an Interagency Veterans Task Force. The provision expands, and enhances the responsibilities, intent and effectiveness of the "Advisory Committee" to better plan, coordinate, administer, implement and preclude abuse in veterans' programs. It was the intent of Congress in the Korean War GI Bill that the educational "Advisory Committee" have a major role in veterans readjustment programs.

It includes a provision to facilitate the evaluation, recognition, utilization and accreditation of military training and experience. Billions of dollars in valuable military training are lost because there are few viable means of translating military training and experience into civilian terms.

It includes a provision that requires that studies and research be conducted to determine the readjustment needs of post Vietnam era veterans and to report to Congress within one year of their findings and recommendations.

It provides for a section within the Task Force dealing with enforcement and implementation of laws, regulations and directives. One reason for the massive abuse of the current GI Bill is that there is no effective legal enforcement mechanism, and little assistance available to investigators and prosecutors in cracking down on illegalities and sophisticated rackets which prey upon veterans and other students. This costs the taxpayers hundreds of millions of dollars a year.

The section establishes an Advisory Committee composed of persons eminent in the fields of education, labor, management, consumer protection, and representative of veterans, to assist the Task Force in carrying out its responsibilities. The provision specifies that areas or interests affected by the Task Force's actions be consulted in their decision-making process.

It requires that annual reports be made by the Readjustment Advisory Task Force; be made to the Congress; and authorizes subpena and other powers to the Task Force.

It would cost approximately $3 million. This Task Force should result in substantial savings through reductions of abuses and more effective implementation of benefits programs and services.

TITLE IV: MISCELLANEOUS VETERANS PROGRAM ADJUSTMENTS

Section 401. Requires the Administrator to consult with the Department of Defense to insure that VA criteria for determining eligibility for benefits for veterans with less-than-honorable discharges, is in compliance with, and no less lenient than, the military's criteria for upgrading other-than-honorable discharges. This brings the VA back into compliance with the original intent of Congress for the adjudication of veterans with other-than-honorable discharges.

Section 402. Authorizes the Administrator to recognize State and local veterans projects, self-help groups, and services for the purpose of representing veterans before the VA. It requires that they meet the same standards of competence as nationally recognized organizations, and that they charge the veteran no fee for their services.

TITLE V: VETERANS EMPLOYMENT AND TRAINING AMENDMENTS

This title creates an Assistant Secretary of Labor for Veterans Employment.

The title also repeals the 48-month restriction on special employment assistance to Vietnam veterans so as to entitle all Vietnam veterans to special employment assistance.

TITLE VI: VETERANS ADMINISTRATION: MISCELLANEOUS AMENDMENTS

Section 601. Requires the Administrator to seek maximum coordination effectiveness and interrelation of services to:

(1) assist veterans affected by the expiration of their delimiting date to obtain alternative means of completing their education and training;

(2) assist and inform persons eligible to pursue a program of Accelerated Entitlement;

(3) carry out the duties and functions of the Interagency Veterans Readjustment Advisory Task Force.

Section 602. Requires the Administrator to implement a comprehensive outreach and information program to inform and assist persons affected by the programs established by this Act.

Section 603. Same intent as section 602.

Section 604. Amends the responsibilities of the Veterans Representatives to include assistance;

(1) to veterans affected by their delimiting date;

(2) to veterans eligible for a program of Accelerated Entitlement;

(3) in the development and implementation of Post Vietnam veterans readjustment programs; and

(4) in the effective implementation and preclusion of abuse of veterans readjustment programs.

By Mr. BENTSEN:

S. 1422. A bill to exclude certain information in rape cases which relates to the victim's sexual behavior, and for other purposes; jointly, by unanimous consent, to the Committee on Governmental Affairs and the Committee on the Judiciary.

Mr. BENTSEN. Mr. President, today I reintroduce legislation that will provide increasing fairness for the victims of rape, and more successful prosecutions of the guilty. This bill, which I first introduced in 1975, will limit use of a rape victim's past sexual history; it will provide that her testimony need not be corroborated; and it will remove other barriers to successful rape prosecutions in the Federal jurisdictions and the District of Columbia.

It has been estimated that over half of all rapes go unreported. One major 1975 study showed that actual rapes were from three to nine times greater than the number reported. Among the reasons cited are the embarrassment and harassment expected and often experienced by women who report and testify. From the moment she enters the police station through the ordeal of cross-examination by the defense attorney, the rape victim may be subject to personal and often offending questions and may be forced to submit to physical examinations under the most humiliating circumstances.

Mr. President, when rapes go unreported, dangerous people are left free to stalk the streets. Not only are current rape laws unfair; they are inadequate law enforcement policies. They protect neither the victim nor the public. They are justified neither by fairness nor commonsense.

My bill will make several important changes. The defense will be prevented from introducing evidence of the victim's previous sexual conduct except when justified by specific reasons, limited to the issue of consent and whether the defendant was the cause of the victim's injury, and rebuttal of prosecution evidence initially introduced.

On the issue of consent, evidence of the victim's sexual conduct would be admissible only if the defense can show a pattern in her past conduct relevant to the facts in the particular case and relevant to the question of consent.

The bill provides a mandatory hearing away from the jury to determine all questions of admissibility concerning the victim's sexual conduct. It would require the court to send a rape case to the jury without corroboration of the victim's testimony. It would require the court to instruct the jury that physical resistance is not required to support a guilty verdict in a rape case.

Mr. President, the crime of rape is one of the most serious, dangerous, and harmful that can be committed. According to the most recent FBI statistics, at least 56,000 rapes were committed in 1975, a 48 percent rise during the past 5 years. This rate is not likely to slow down. In one incredible study the Chicago Crime Commission conducted in 1972, cited in the CONGRESSIONAL RECORD of March 23, 1976, in a statement by Representative HOLTZMAN, Chicago experienced approximately 35,620 rapes. Of those, about one-tenth, 3,562, were reported. Of those reported, there were 833 arrests and 204 indictments.

Of those indicted, 23 pleaded guilty and 8 were convicted and sentenced after trial. Whether or not one accepts the projections of the Chicago study, the results of current policy, which serve to discourage reporting of rapes and hinder prosecution of them, are to be expected. My legislation will change this policy in the Federal jurisdictions and the District of Columbia.

Mr. President, it will insure fairness to the victims of this shocking and unsettling crime. It will encourage increased reporting and prosecution of rape cases. It recognizes the extreme hardship faced by the victim, and the courage it takes to go through the legal channels to see that justice is done. It will lessen the degree of misery that rape victims must suffer at the mercy of a judicial system that often treats the victim harshly, at a time when compassion, fairness and decency are needed all the more.

I am pleased that a number of States are moving in the direction of the legislation I reintroduce today. It has been a long time coming.

Simply, we should change these laws that put an unfair burden on the victim, laws that cause rapes to remain unreported and rapists unapprehended. We should not admit evidence of previous conduct unless it pertains to the specific case at hand; unless it is required by the sense of fundamental justice that we must adhere to. We should not require corroboration of the victim's testimony, or evidence of resistance.

Let the jury see and hear relevant evidence, and only relevant evidence. Let the jury decide on that basis. Let the procedure be worthy of our respect and support. Besides providing justice for victim and defendant alike, it will provide an increased measure of justice and security for all of our citizens.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced today by the Senator from Texas (Mr. BENTSEN), relative to reforming trial standards for the crime of forcible rape, be jointly referred to the Committees on Governmental Affairs and Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 28

At the request of Mr. MATHIAS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 28, the Repeat Offenders Prosecution and Prison Improvement Act.

S. 264

At the request of Mr. DOLE, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 264, to increase Federal expense in meat inspection programs.

S. 364

At the request of Mr. HART, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 364, the Veterans Administration Administrative Procedure and Judicial Review Act.

S. 497

At the request of Mr. DOLE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 497, to amend the Federal Crop Insurance Act.

S. 514

At the request of Mr. RIBICOFF, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Nebraska (Mr. CURTIS) were added as cosponsors of S. 514, to amend title XVIII of the Social Security Act.

S. 519

At the request of Mr. MCGOVERN, the Senator from Alaska (Mr. GRAVEL), the Senator from Oregon (Mr. HATFIELD), and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 519, to amend the Older Americans Act of 1965.

S. 592

At the request of Mr. DOLE, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 592, establishing an advisory committee regarding grain inspection.

S. 743

At the request of Mr. DURKIN, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 743, relating to petroleum marketing practices.

S. 752

At the request of Mr. MCGOVERN, the Senator from Alabama (Mr. SPARKMAN) was added as a cosponsor of S. 752, to provide young farmers with assistance to purchase family farm units.

S. 794

At the request of Mr. BAYH, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 794, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974, cited as the "Juvenile Delinquency in the Schools Act of 1977."

S. 800

At the request of Mr. HART, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 800, the Conservation and Solar Energy—Federal Buildings Act of 1977.

S. 804

At the request of Mr. DURKIN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 804, relating to oil and gas resources.

S. 819

At the request of Mr. MATHIAS, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 819, relating to the appointment of interpreters for hearing-impaired individuals.

S. 896

At the request of Mr. MCGOVERN, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 896, to provide for a Great Plains conservation program.

S. 921

At the request of Mr. HART, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 921, the Tax Expenditure Review Act of 1977.

S. 972

At the request of Mr. NELSON, the Senator from Hawaii (Mr. INOUYE), the Senator from New York (Mr. JAVITS), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 972, a bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic international market development.

S. 1011

At the request of Mr. ROTH, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1011, to amend title 18, United States Code, to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation.

S. 1021

At the request of Mr. BAYH, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1021, a bill to extend the Juvenile Justice and Delinquency Prevention Act of 1974, for 5 years.

S. 1035

At the request of Mr. DOLE, the Senator from Arkansas (Mr. MCCLELLAN) was added as a cosponsor of S. 1035, to amend the Bail Reform Act of 1966.

S. 1040

At the request of Mr. ROTH, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1040, to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation.

S. 1119

At the request of Mr. YOUNG, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 1119, to amend the Food Stamp Act of 1964, as amended.

S. 1141

At the request of Mr. STONE, the Senator from Vermont (Mr. STAFFORD) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1141, to amend title 38 of the United States Code to assist veterans with a permanent and total service-connected disability due to a loss or loss of use of one upper and one lower extremity to acquire specially adapted housing.

S. 1321

At the request of Mr. EAGLETON, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1321, to extend the deadline for trans-

mittal of the U.S. Commission on Civil Rights report on unreasonable discrimination based on age in programs and activities receiving Federal financial assistance.

S. 1343

At the request of Mr. Hart, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 1343, relating to procurement of certain energy-intensive consumer products.

S. 1363

At the request of Mr. Hart, the Senator from Tennessee (Mr. Sasser) and the Senator from Minnesota (Mr. Anderson) were added as cosponsors of S. 1363, the Cogeneration and Waste Heat Utilization Act.

S. 1364

At the request of Mr. Hart, the Senator from Minnesota (Mr. Anderson) was added as a cosponsor of S. 1364, the Electrical Lifeline for the Elderly Act of 1977.

AMENDMENT NO. 185

At the request of Mr. McGovern, the Senator from Minnesota (Mr. Humphrey), the Senator from Iowa (Mr. Clark), the Senator from Kansas (Mr. Dole), the Senator from Vermont (Mr. Leahy), the Senator from Tennessee (Mr. Sasser), the Senator from Louisiana (Mr. Johnston), and the Senator from Montana (Mr. Melcher) were added as cosponsors of Amendment No. 185, intended to be proposed to S. 275, the Food and Agriculture Act of 1977.

AMENDMENT NO. 191

At the request of Mr. Danforth, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of Amendment No. 191, proposed to H.R. 3477, the Tax Reduction and Simplification Act.

AMENDMENT NO. 207

At the request of Mr. Proxmire, the Senator from Montana (Mr. Melcher) and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of Amendment No. 207, intended to be proposed to Senate Concurrent Resolution 19, the first budget resolution.

AMENDMENT NO. 222

At the request of Mr. Bentsen, the Senator from Kansas (Mr. Pearson), the Senator from Kentucky (Mr. Ford), the Senator from Florida (Mr. Stone), and the Senator from Texas (Mr. Tower) were added as cosponsors of Amendment No. 222, intended to be proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

SENATE RESOLUTION 155—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 155

***Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Rayma J. Miles, widow of Dudley D. Miles, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.**

SENATE RESOLUTION 156—ORIGINAL RESOLUTION REPORTED AUTHORIZING FUNDS FOR STUDY OF U.S. FOREIGN POLICY

(Referred to the Committee on Rules and Administration.)

Mr. SPARKMAN, from the Committee on Foreign Relations, reported the following original resolution:

S. Res. 156

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Foreign Relations, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $905,000, of which amount not to exceed $30,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of—salaries of employees paid at an annual rate.

SENATE RESOLUTION 157—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. RANDOLPH, from the Committee on Environment and Public Works, reported the following resolution:

S. Res. 157

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Environment and Public Works ,or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $938,500, of which amount (1) not to exceed $3,900 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500 may be expended for the training of the professional staff of such committee, or any subcommittee thereof (under procedures specified by section 202(j) of such Act).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE CONCURRENT RESOLUTION 21—SUBMISSION OF A CONCURRENT RESOLUTION THAT EMPLOYERS SHOULD RECOGNIZE THE VALUE OF VOLUNTEER WORK

(Referred to the Committee on Governmental Affairs.)

Mr. CRANSTON submitted the following concurrent resolution:

S. Con. Res. 21

Whereas many Americans who have acquired useful skills as a result of volunteer work have been precluded from gainful employment because most formal job application forms do not make adequate provision for a listing and description of relevant volunteer experience on employment applications forms;

Whereas individuals engaged in volunteer work are estimated to provide more than $68,000,000,000 in services to the people and communities of the United States each year, in addition to services provided in foreign countries through the activities of the Peace Corps and similar efforts;

Whereas many worthwhile and important projects would be unable to function without volunteer work;

Whereas volunteers often donate time which they could otherwise spend in gainful employment for remuneration;

Whereas volunteers, many of whom are women and youth, acquire useful and pertinent skills during the course of their volunteer work;

Whereas failure to provide for volunteer experience on job applications can result in discrimination against women, youth, and others who have gained the bulk of their experience as volunteers;

Whereas volunteer work provides important opportunities for personal growth, career exploration, and civic contribution;

Whereas the Federal Government, State and local governments, and charitable and service organizations increasingly recognize the value of volunteer work in connection with the development and operation of programs to meet the Nation's needs;

Whereas the number of individuals engaging in volunteer work and the variety of services provided through volunteer work increases each year; and

Whereas the United States Civil Service Commission, together with a limited number of State and local governments, charitable and service organizations, and private employers, have provided for a listing and description of relevant volunteer work on employment application forms: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that experience in volunteer work should be taken into account by the Federal Government, State and local governments, charitable and service organizations, and private employers in the consideration of applicants for employment, and that provision should be made for a listing and description of volunteer work on all employment application forms.

Mr. CRANSTON. Mr. President, today I submit for appropriate reference Senate concurrent resolution, expressing the sense of the Congress that experience in volunteer work should be taken into account by State and local governments, charitable and service organizations, and private employers in considering applicants for employment, and that provision should be made for listing and describing volunteer work on employment application forms.

Mr. President, I understand that a decision has been made by the Civil Service Commission to include on its revised and updated application forms—form 171—such a space for listing and describing, as a part of employment history, an applicant's volunteer work experience. I am hopeful that this decision will be implemented—and the proposed forms printed—during the current year. Such an action by the Federal Civil Service can serve as an example to all employers.

Mr. President, there are two groups that will be the principal beneficiaries of this resolution—women with families, and youth.

There are hundreds of thousands of women in the United States who engage in volunteer work during the years in which they are raising young families. Generally, many of these women are precluded from joining the regular 9 to 5 work force by their family responsibilities, and since our society only now is seriously exploring possibilities for alternative forms and hours of work, mothers who seek personal growth and want to make a social contribution often find that opportunity through volunteering.

The second group is comprised of the youth of our Nation—recent high school or college graduates who are continually faced with the admonition "only experienced applicants need apply." While the majority of this group is new to the work force, many thousands have gained valuable work experience and have demonstrated their ability through volunteer work.

In addition, Mr. President, I believe that employers—who can expect to bring into their work forces individuals of proven dedication, awareness, and involvement—will greatly benefit from the goals of this resolution.

Mr. President, it has been estimated that individuals engaged in volunteer work provide more than $68 billion annually in services to the people and communities of the United States. In addition, they provide services to foreign countries through the activities of the Peace Corps and similar international volunteer programs.

Volunteers acquire valuable skills, which, if remunerated, would no doubt be immediately marketable. But the unjust irony of volunteer work lies in our quickness to measure contributions and skills by the amount of money expended to secure them—we have overlooked and underrated the value of the contributions made and the skills developed by those dedicated enough to work for little or no pay.

My resolution seeks to turn around this situation, Mr. President, by encouraging employers to take a new look at whether they give sufficient consideration to volunteer experience in the information requested on their standard application forms, and to take positive action to improve the situation.

I believe strongly that failure to provide for volunteer experience on job applications and failure to consider volunteering as work experience actually is a form of discrimination against those women, who because of family responsibilities, gain the bulk of their experience as volunteers. It is unfair to those youth who, while new to the labor force, have worked extensively and gained experience as volunteers.

Mr. President, I believe that the adoption and implementation of this resolution will address these injustices. It should also serve to encourage the provision of needed services through volunteerism by providing incentives for persons to become more involved in volunteer work, knowing that the experience they gain has recognizable value to future employers.

SENATE CONCURRENT RESOLUTION 22—SUBMISSION OF A CONCURRENT RESOLUTION INVITING THE CHIEF JUSTICE TO ADDRESS THE CONGRESS

(Referred to the Committee on the Judiciary.)

Mr. KENNEDY (for himself, Mr. McClellan, Mr. Bayh, and Mr. DeConcini): submitted the following concurrent resolution:

S. Con. Res. 22

Whereas the Congress is aware of the increasing concern over the needs of the judiciary; and

Whereas the Congress is aware of the increasing workload at all levels in the court system of the Nation; and

Whereas the increasing problems of the Judiciary demonstrate the need for greater public concern for more adequate planning and coordination by the legislative, executive, and judicial branches of the Federal Government; and

Whereas it is believed that the Congress can meet its obligation to the judiciary more effectively, including the development of appropriate legislation, by having the benefit of a report of the Chief Justice of the United States as the head of the judicial branch of the Federal Government: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress cordially invites the Chief Justice of the United States to appear before a joint session of the Congress at an appropriate early opportunity to report on the state of the judiciary.

Mr. KENNEDY. Mr. President, today I am introducing in the Senate, on behalf of myself, Senator McClellan, Senator Bayh, and Senator DeConcini, a resolution inviting the Chief Justice of the United States to address a joint session of the Congress on the state of the judiciary.

The idea for a "state of the judiciary" address by the Chief Justice to the Congress is neither partisan nor new. It was originally proposed in the early 1950's by William P. Rogers, who later served with distinction as Attorney General under President Eisenhower and as Secretary of State under President Nixon. The resolution, which Senator Bayh and I introduced in the last Congress, would not establish an annual address, but would only provide for an invitation to the Chief Justice on a one-time basis.

This address will contribute to the development of legislation and more effective oversight in all aspects of the law enforcement and criminal justice system. It will enhance public awareness of the needs and problems of the judiciary, and will provide the Congress directly with the observations and recommendations of the chief officer of the judicial branch of Government.

All of us in the Congress, no matter what our political persuasion, our philosophy, or our regional pride and self-interest, are concerned about the criminal justice system in this country. It is a problem for all of us and our constituents. And we generally acknowledge that the criminal justice system has fallen hopelessly behind in apprehending, trying, and punishing offenders.

We frequently state our concern, but we do fall short of the appropriate and responsible actions that could begin to help us resolve the problems. In plotting our course, Congress needs the benefit of the information and counsel of the chief judicial officer of the United States. We need the benefit of his insight into the complexity of the judicial branch and the intricate relationships between its various parts.

We need a new awareness and new initiatives to help Congress find more satisfactory answers to the difficult problems of judicial administration and court reform. And we need it particularly in this Congress, since among our legislative priorities is legislation to increase the access to the courts and a major revision of the U.S. Criminal Code.

Mr. President, over the years we have heard addresses to joint sessions of Congress by generals, poets, foreign leaders, and astronauts. And, of course, each year we hear the annual state of the Union message from the President. It seems to me both timely and of direct relevance to much of our work for Congress to hear from the Chief Justice of the United States, so that we could obtain firsthand views of the Chief Justice on matters relating to our judicial system.

AMENDMENTS SUBMITTED FOR PRINTING

YOUTH EMPLOYMENT AND TRAINING ACT OF 1977—S. 1242

AMENDMENT NO. 230

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. DURKIN submitted an amendment intended to be proposed by him to the bill (S. 1242) entitled "The Youth Employment and Training Act of 1977."

TAX REDUCTION ACT OF 1977—H.R. 3477

AMENDMENT NO. 231

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY (for himself and Mr. DURKIN) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. DURKIN. Mr. President, as a result of action taken by Congress last session life insurance companies will be able to file consolidated tax returns with subsidiary property or casualty insurance companies. By allowing the major life insurance companies to offset the losses from one operation against the profits from another, Congress has provided substantial windfall benefits to a small group of corporate taxpayers. The amendment we are introducing will strike that provision which allows a tax shelter for the major life insurance companies. Elimination of this provision will insure competition for the small casualty companies within the insurance industry, and will save the Federal Treasury some $50 million a year.

The provision, as it passed Congress last session, provides an opportunity for 12 major life insurance companies to handle their casualty losses in a way that would allow them to increase their size, their strength, and their competitive advantage at taxpayer expense. The section will enable the large life insurance companies, with their substantial profits, to purchase small property and casualty companies with tax losses in order to be able to write these losses off. Further, this will allow the large life insurance companies to undercut competition by unfair trade practices. The revenue loss to the Federal Treasury will be $25 million in fiscal year 1978, and approximately $50 million a year thereafter.

The competitive structure of the life insurance industry is already tremendously weak. The industry is exempted from antitrust laws and other Federal laws. The five largest companies—Prudential, Metropolitan, Equitable, New York, and John Hancock—account for 50 percent of total life insurance at a price of $1.5 trillion.

The benefits of this provision to the 12 largest life insurance companies are obvious. Of the major life insurance companies, for example, Aetna paid $52 million in taxes in 1975 on its life insurance operations, and had $72 million in losses on property and casualty. Connecticut General paid $41 million in taxes in 1975 on its life operations, and had $37 million in losses on property and casualty. And Travelers paid $44 million in taxes in 1974 on its life operations, and had $129 million in losses on property and casualty.

Mr. President, the provision of which I have been speaking will benefit a small group of the most powerful and wealthiest corporate interests at a cost to the Treasury of $50 million a year, and at the expense of the competitive interests of the smaller companies and insurance agents. This provision has been opposed by the National Association of Mutual Insurance Companies, with 1,100 small members, the National Association of Independent Insurers, with 600 members, the American Mutual Insurance Alliance, with 100 members, and the National Association of Mutual Insurance Agents, with 24,000 independent insurance agents. The section can only result in an adverse effect on competition in an industry which is already overly concentrated. I hope that the Senate in its enlightened judgment will reconsider its decision and strike this highly inequitable provision.

I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 231

At the appropriate place insert the following new section:

SEC. . REPEAL OF NEW CONSOLIDATED RETURN RULES FOR LIFE AND OTHER INSURANCE COMPANIES

Title 15 of the Tax Reform Act of 1976 is amended by striking out section 1507.

AMENDMENT NO. 241

(Ordered to be printed and to lie on the table.)

Mr. BAYH submitted an amendment intended to be proposed by him to the bill (H.R. 3477), supra.

AMENDMENT NO. 242

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (H.R. 3477), supra.

AMENDMENT NO. 243

(Ordered to be printed and to lie on the table.)

Mr. ALLEN (for himself, Mr. SCHWEIKER, and Mr. HEINZ) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

AMENDMENT NO. 244

(Ordered to be printed and to lie on the table.,

Mr. MUSKIE (for himself, Mr. HATHAWAY, Mr. HUMPHREY, and Mr. WILLIAMS) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

AMENDMENT NO. 245

(Ordered to be printed and to lie on the table.)

Mr. TOWER (for himself, Mr. BARTLETT, and Mr. BELLMON) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

AMENDMENT OF THE CIVIL RIGHTS ACT—S. 995

AMENDMENT NO. 232

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to the bill (S. 995) to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy.

DEPARTMENT OF STATE AUTHORIZATIONS—S. 1190

AMENDMENT NO. 233

(Ordered to be printed and referred to the Committee on Foreign Relations.)

AMENDMENT FOR REFUGEE AND MIGRATION ASSISTANCE

Mr. KENNEDY. Mr. President, I am submitting today, for myself and the distinguished Senator from Iowa (Mr. CLARK), an amendment to the pending State Department authorization bill, S. 1190, to provide an additional $14 million to the refugee and migration assistance fund. This additional authorization is necessary to meet the needs of two separate sets of refugee problems not now adequately provided for in the bill.

The first relates to the growing problem of displaced persons and refugees in Africa. All across Africa refugees are on the move, outpacing the ability of governments and the international community to fully respond to their needs. Refugee problems are particularly acute in southern Africa, where growing tensions in South Africa, and escalating conflict in Zimbabwe, are producing a steady flow of refugees and displaced persons.

They are fleeing into neighboring African countries which simply are unable to cope with the problem, given their meager resources. Especially hard pressed today is Botswana, as well as Lesotho and Swaziland. Refugee problems are also growing in Zaire, Zambia, and Tanzania.

In other areas of Africa—especially in the western Sahara and in eastern Africa—serious refugee problems have emerged this year. The principal burden for helping refugees in all of these areas falls mainly upon the United Nations High Commissioner for Refugees, and U.S. contributions in support of his program are financed through the Department of State's refugee and migration assistance account.

Mr. President, this account—$25 million last year and $30 million proposed this year—is inadequate. This past year it failed to meet the full scope of refugee needs confronting the United States, and additional funds were provided. It will clearly be inadequate this next fiscal year to meet the growing number of refugee problems in Africa—unless we act now.

To date, the United States has provided very little support to the expanding UNHCR program in southern Africa, and we have contributed absolutely nothing to the UNHCR refugee program in the western Sahara—despite urgent appeals from the UNHCR. These needs, coupled with the emerging refugee problem in the Sudan and Ethiopia, and the escalating problem in Zaire, call for greater contributions by the United States.

Mr. President, we intend that $8 million authorized by this amendment should provide funds necessary to support the work of the UNHCR, as well as other international agencies, in responding to the growing needs of refugees and displaced persons throughout Africa. In addition, it should enable the United States to respond to an anticipated appeal by United Nations Secretary General Kurt Waldheim for emergency funds to meet the growing crisis of people in southern Africa.

Mr. President, the second purpose of this amendment is to provide needed funding for resettlement grants to private American voluntary agencies assisting in the resettlement of refugees in the United States.

Traditionally, most of the total cost of resettling refugees in the United States has been borne by the private voluntary agencies. However, in the recent instances of massive refugee movement into this country, beginning with the Cuban parole program and most recently with the Indochina refugee resettlement effort, the voluntary agencies have necessarily looked to the Government for assistance. The provision of resettlement grants has also been given in recent years to refugees from Eastern Europe and the Soviet Union, who have been the only refugees receiving resettlement grants on a regular basis.

Recently, however, the Appropriations Committee, during its consideration of the recent supplemental appropriations bill, broadened the scope of the refugee and migration assistance account as it relates to the resettlement of refugees in the United States. By eliminating language that restricted funding for refugee resettlement, the committee took an important step toward treating equally all refugees entering the United States.

However, funds now authorized in the refugee and migration assistance account are totally insufficient to help meet the anticipated needs of the voluntary agencies in resettling refugees now entering the United States. These refugees include refugees from Indochina entering under the conditional entry program, Kurdish refugees, Chileans and others from Latin America, and the continued movement of refugees from Eastern Europe and the Soviet Union—especially Soviet Jews. It is anticipated that some 20,000 refugees will enter the United States this coming year.

I understand that the Appropriations Committee, given its clear action on the recent supplemental appropriations bill, will look favorably toward the intent of this amendment to provide resettlement grants to the voluntary agencies.

Mr. President, I hope the Foreign Relations Committee will favorably consider this amendment during its markup of the State Department authorization bill.

AMENDMENTS NOS. 234 THROUGH 236

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. McGOVERN submitted three amendments intended to be proposed by him to the bill (S. 1190), supra.

AMENDMENT NO. 237

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. McGOVERN (for himself and Mr. BAKER) submitted an amendment intended to be proposed by them jointly to the bill (S. 1190), supra.

AMENDMENT NO. 238

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. McGOVERN (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them jointly to the bill (S. 1190), supra.

NUCLEAR NONPROLIFERATION ACT OF 1977—S. 897

AMENDMENT NO. 239

(Ordered to be printed and referred jointly to the Committee on Foreign Relations and the Committee on Governmental Affairs.)

MILITARY ASSISTANCE ACT OF 1977—S. 1160

AMENDMENT NO. 240

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. GLENN. Mr. President, on April 1, 1977, I introduced amendment No. 182 to S. 1160, the Military Assistance Act of 1977. An identical amendment was introduced to S. 897, the Nuclear Non-Proliferation Act of 1977. The amendment provided for a cutoff of military and economic assistance to any country that imports or exports a reprocessing facility, except if the President finds it is in the national interest to continue the assistance and his decision is not overridden by joint resolution.

Mr. President, logical consistency requires that if a cutoff of aid occurs because of the transfer of a reprocessing plant, it should also occur if a nuclear explosion takes place.

Accordingly, I am submitting today an amendment to S. 1160 and to S. 897, the effect of which is to keep my original amendment intact and add to it the provision that a cutoff would also be triggered by a nuclear explosion by any nation currently without nuclear weapons. The same exception to the cutoff would apply in this case as in the case of a cutoff triggered by transfer of a reprocessing plant.

On April 25, at the hearing on S. 897 of the Subcommittee on Energy and Nuclear Proliferation, Paul Warnke, Director of the Arms Control and Disarmament Agency, indicated his personal support for such a policy.

Mr. President, any nuclear nonproliferation policy should be made up of a collection of "carrots and sticks."

I have already introduced Senate Concurrent Resolution 17, which provides an appropriate "carrot" in the form of an assured fuel supply under international arrangements, a provision I believe is absolutely key to stopping the spread of reprocessing plants around the world.

The amendment I am introducing today provides a "stick" in a situation where it is most appropriate, namely, where an actual nuclear explosion has occurred.

Mr. President, I ask unanimous consent that the text of the amendment—as it modifies both S. 1160 and S. 897—be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 239

At the end of the bill, add the following new section:

MILITARY AND FOREIGN ASSISTANCE

SEC. 23. Section 669(a) of the Foreign Assistance Act of 1961 is amended by—

(1) inserting "(A)" immediately before "to any country which—";

(2) striking out "(A)" and "(B)" and inserting in lieu thereof "(i)" and "(ii)", respectively;

(3) striking out "(i)" and "(ii)" and inserting in lieu thereof "(I)" and "(II)", respectively;

(4) striking out "reprocessing or";

(5) striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(6) inserting at the end thereof the following new subparagraphs:

"(B) to any country which delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country; or

"(C) to any country which is not a nuclear weapon state as defined in article IX (3) of the Treaty on the Non-Proliferation of Nuclear Weapons and which detonates a nuclear explosive device.".

NOTICES OF HEARINGS

CHILD NUTRITION

Mr. McGOVERN. Mr. President, the Subcommittee on Nutrition of the Senate Agriculture Committee will hold hearings on May 5, from 11 to 12 noon, and on May 6, from 10 to 12 noon, to hear witnesses and to mark up pending child nutrition legislation. The hearings will be held in room 322 of the Dirksen Senate Office Building.

TIMBER SET-ASIDES AND SMALL BUSINESS TIMBER OPERATORS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold a public hearing on May 6, 1977, at 10 a.m. in room 424, Russell Senate Office Building, on timber set-asides and small business timber operators. The Senator from Oregon (Mr. PACKWOOD) will chair the hearing. Witnesses for this hearing will be announced at a later date.

Further information can be obtained from the offices of the committee, room 424 Russell Building, telephone 224-2130.

TREATIES

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Foreign Relations has scheduled hearings on a number of treaties, as follows:

Convention on the Prevention and Punishment of the Crime of Genocide, Ex. O, 81-1; May 24 and 26—contingent upon the submission of proposed implementing legislation by the executive branch.

Vienna Convention of the Law of Treaties, Ex. L, 92-1; June 7.

Treaty with Mexico on the Execution of Penal Sentences, Ex. D, 95-1, and the Treaty with Canada on the Execution of Penal Sentences, Ex. H, 95-1; June 15 and 16—contingent upon the submission of proposed implementing legislation by the executive branch.

International Covenant on Economic, Social, and Cultural Rights; International Covenant on Civil and Political Rights; and the International Convention on the Elimination of All Forms of Racial Discrimination; June 21 and 22—contingent upon their submission for Senate advice and consent and upon the submission of proposed implementing legislation.

Protocol to the Convention on International Civil Aviation, Ex. A, 95–1, and two related protocols to the Convention for the Unification of Certain Rules Relating to International Carriage by Air, Ex. B, 95–1; July 26.

The agreement with Canada concerning the transit pipeline, Ex. F, 95–1, and the protocol of amendment to the Inter-American Treaty of Reciprocal Assistance—Rio Treaty—Ex. J, 94–1; July 12.

Hearings on additional treaties will be announced shortly.

Any person who wishes to testify on any of these treaties should contact the chief clerk of the committee, Abner Kendrick.

REPORT OF THE COMMISSION ON POSTAL SERVICE

Mr. GLENN. Mr. President, the Commission on Postal Service, established last year by Public Law 94–121, was charged with identifying problems of the U.S. Postal Service and recommending solutions to them. The Commission's report, issued on April 18, will be the subject of hearings May 2 by the Subcommittee on Energy, Nuclear Proliferation and Federal Services. The Chairman of the Commission, Mr. Gaylord Freeman, Vice Chairman James Rademacher, Commissioners Rose Blakely, Kent Rhodes, and Paul J. Krebs will be witnesses.

Subsequent hearings will be scheduled on a broad range of postal subject areas. The May 2 hearing is the first of several planned by the subcommittee as we proceed to assess the Commission's recommendations on a matter I consider to be of great importance. At stake is the future of the Postal Service, a national institution which touches the life of every American.

ADDITIONAL STATEMENTS

CANADIAN NATIVES SAY THEIR RIGHTS COME BEFORE ANY PIPELINE

Mr. STEVENS. Mr. President, recently the Wall Street Journal published an article concerning the native land claims situation in Canada. This and other Canadian problems have been identified as factors that are likely to delay the construction of a gas pipeline through Canada if a trans-Canadian route is chosen by Congress. Congress has passed the Alaska Natural Gas Transportation Act which assures expedited construction of gas pipeline in the United States but, as this article points out, no such assurances can be expected in Canada. I commend this article to other Members of the Senate and ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Canadian Natives Say Their Rights Come Before Any Pipeline—Land Claims of Indians, Metis and Inuit May Peril Plans to Pipe Gas Out of Arctic

(By Dorothea Katzenstein)

Inuvik, Northwest Territories.—Though its midday temperature lingers below zero even in springtime, this outpost 200 miles north of the Arctic Circle is getting a lot of visitors these days. Inuvik lies on the route of a proposed pipeline from Arctic natural-gas fields, and increasing controversy about the pipeline plan is making the settlement of 3,300 a familiar spot to government officials, executives and engineers who until recently had never heard of the place.

Inuvik is also the base of a group called the Committee for Original People's Entitlement. It represents the region's Inuit, or Eskimos, one of three groups of Canadian natives who are claiming a fifth of Canada's land. The Inuit, the Indians and the Metis (people of mixed white and Indian ancestry) differ on some matters, but they agree that their land claims must be settled before any major development of the mineral-rich frontier can take place.

The Canadian government hasn't decided what to do about a pipeline, nor about the natives' claims. It will be strongly influenced, however, by a royal-commission report due next month that will recommend ways to protect the northern culture and environment if a pipeline is built. Another ruling coming out even sooner also will affect matters. The U.S. Federal Power Commission must say by May 1 whether it thinks a pipeline should run through the disputed land or elsewhere.

NATIVES ARE NOT UNITED

The Canadian natives are far from united about the pipeline. Leaders of Northwest Territories Indians adamantly oppose it, saying it threatens hunting, fishery, and trapping grounds. The Metis favor the project but insist that land claims be settled first. The local Inuit (they dislike the term Eskimo, which means eater of raw flesh) won't fight the pipeline if a land settlement first assures them of a share in its bounty. But this group has broken with the national Inuit organization over negotiating tactics. And the Indians of the Yukon, to the West, are bargaining separately.

Native leaders agree, however, that the push for a pipeline could give them the leverage to wring from the government a settlement of their long-standing land claims. "Before the pipeline, no one gave a damn about the North," says Sam Raddi, a blind ex-trapper who heads the Inuit Committee for Original People's Entitlement. "Now we have something to bargain with, and this time we aren't going to lose."

The 30,000 Canadian natives claim ownership of the land through native title as the region's first settlers. Indian groups contend that documents signed generations ago were understood by their ancestors as expressions of friendship, not treaties ceding land to Canada.

This concept of native or, as it sometimes is called, aboriginal right has gained some recognition in Canada. It was also such a claim that Alaskan natives pressed, holding up an Alaska pipeline, before Congress in 1971 promised 40 million acres and about $1 billion over 20 years. The Canadian natives acknowledge a debt to the Alaskans but say they wouldn't settle on the same terms because the Alaska Native Claims Act eventually extinguishes natives' special status.

RIGHTS "AREN'T FOR SALE"

"We want recognition of our rights, not an end to them," says George Erasmus, president of the 7,000-member Indian Brotherhood of the Northwest Territories. "They're not for sale."

The Northern natives also believe their cause has gained credibility from Quebec's recent election of a separatist government. "Quebec raised the question of whether two cultures, French and English, can exist within one country," Mr. Erasmus says. "We're asking the same question about the culture of Canada's original people."

The natives don't seek secession, however. Northwest Territories Indians want an "Indian nation" within Canada with "exclusive political jurisdiction," Mr. Erasmus says. The Inuit hope for a new territory to be called Nunavut, meaning "our land."

The various groups haven't said just what it would take to settle their claims to 750,000 square miles—more than Alaska and California combined—in the Northwest Territories and the Yukon. But they will insist on semi-autonomy and a voice in resource development. They also probably will demand mineral royalties and structures such as native corporations to ensure long-term economic benefits for the North.

While Canada tries to decide what to do about the Northerners' claims, its National Energy Board and the U.S. Federal Power Commission are weighing possible ways to bring natural gas south. One plan got an important boost in February when an FPC administrative law judge, Nahum Litt, recommended a Mackenzie Valley pipeline proposed by Canadian Arctic Gas Pipeline Ltd., a consortium of 15 U.S. and Canadian concerns. The $10.4 billion line would begin on the Alaskan North Slope, run southeast to the Mackenzie Delta to pick up Canadian gas and then head south. At a spot in Alberta near the U.S. border it would split, one leg going to the U.S. Pacific coast and one to the Midwest.

The FPC official rejected a plan by an El Paso Co. unit to transport only Alaskan gas, piping it through the state to the Pacific coast and taking it from there to California by tanker.

Mr. Litt also opposed a pipeline along the Alaska Highway corridor proposed by Alcan Pipeline Co., a unit of Northwest Energy Co. of Salt Lake City, and by the Canadian concerns. A Canadian panel recently began looking into the impact this plan would have on the Yukon Territory, through which it would pass. The three Canadian companies associated with Alcan also have proposed a separate pipeline through the Northwest Territories' Mackenzie Valley.

The FPC has to tell President Carter by May 1 which project it prefers. He then can take until Dec. 1 to choose a pipeline plan. His decision will be final for the U.S. unless Congress rejects it.

Once that decision is made, U.S. interests are likely to be impatient with delays in final approval stemming from land claims or other internal Canadian issues. The Arctic Gas consortium says that if it is chosen it will proceed with construction even if native land claims aren't settled. Alcan officials believe the claims must be settled before construction to ensure security, and they are considering offering natives some equity participation. The pipeline proposed by El Paso Alaska Co. wouldn't enter Canada.

Canada's government says it will make an independent ruling on the pipeline proposals based on its own economic and energy needs. It hopes to decide by September after weighing reports from the National Energy Board, from the panel looking at the Alcan plan's impact and from a royal commission studying social, environmental and economic effects of a Mackenzie Valley pipeline.

The royal commission, headed by British Columbia Supreme Court Judge Thomas Berger, has held 20 months of hearings, sometimes traveling to isolated northern settlements by dog sled or canoe for a first-hand look. Among hearing sites was the Yukon village of Old Crow, where investigators were told of an organized community dating back 1,000 years and of archaeological evidence that human beings had lived in the area 27,000 years ago.

"Many of us began to wonder," says Michael Jackson, a member of the commission, "whether we have the right to risk disappearance of a culture this old for a pipeline with a life span of 20 or 30 years that, in any case, offers no long-term energy solution."

The commission's staff recommended last fall that any pipeline be delayed for 10 to 15 years after a settlement of the Canadian natives' land claims. The delay would give natives time to set up institutions to guarantee a secure political, social and economic base, the staff members said. They cautioned that threats of sabotage against an unwanted pipeline should be taken seriously, and they warned that ignoring natives' wishes could turn the Canadian North into "an arena for a war of liberation." The commission isn't bound by its staff's views.

Not all Northern natives think their land claims are incompatible with developing natural resources. Richard Hardy, leader of the Metis, says most native people have left the land to live in villages, and what they need is economic independence. Metis view the proposed pipeline "as one of the economic projects we wish to take part in," Mr. Hardy says.

Sam Raddi, the Inuit ex-trapper, says of the pipeline: "We don't want it and we don't need it, but we realize those resources will be taken out. What we must do is prepare for development and try to gain from it as much as possible for our people." But if the Canadian government breaks its promise of a fair deal, he warns, native groups will sue to try to block the pipeline.

The Indian Brotherhood led by Georges Erasmus has emerged as the most militant group. If a pipeline company begins construction before the natives' land claims are settled "some of us will be very unhappy," the Indian leader warns. And he adds: "We're prepared to organize in any way necessary to protect our rights."

ENERGY

Mr. METZENBAUM. Mr. President, President Carter has struck a responsive chord among the American people with his energy message. I commend him for sounding the call to arms in a battle for survival.

Each day the volume of mail from Ohioans is increasing as citizens write to voice their support for a comprehensive energy program, and to pledge their cooperation in conservation efforts and in improving energy efficiency.

I, too, am in full agreement with the President about the need to conserve our precious energy sources and to make more efficient use of our limited supply. In addition, I support measures to expand the use of solar energy and to make increased utilization of our plentiful coal supply.

But I and my constituents are also concerned about implications of the proposed gasoline tax, the decontrol of gasoline prices, the wellhead tax on oil, and the sharp increases proposed in the price of natural gas. As the debate over this continues, I am confident my colleagues and I will pay close attention to the ramifications of these proposals as they affect all income groups in the Nation.

In the last few years of our energy dilemma, I have focused on the insensitive nature of the practices and business dealings of the major oil companies and some of our public utilities. As we work toward an overall energy program, I will continue to urge that we keep a watchful eye on the oil and public utility industry to insure that they not profit exorbitantly at the expense of an already overburdened public.

Every 5-cents-a-gallon gasoline tax increase means a $5 billion drain on consumer purchasing power.

In Ohio alone, it has been estimated that the increase in natural gas prices could result in some $235 million in additional costs to consumers in the first year, rising to a total of nearly $3 billion in the next 8 years.

Prominent economists have also projected a windfall of $1.5 billion per year to natural gas firms by 1980 if the price increase for renegotiated contracts becomes a reality.

Some of these concerns were voiced in two recent articles in the Washington Post on April 22 and April 27, 1977, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

OIL FIRMS SEEN WINNERS IN CARTER'S ENERGY PLAN

(BY J. P. SMITH)

The invisible winners in President Carter's energy message may be the nation's oil companies.

In a series of technical decisions that have gone largely unnoticed in this week of presidential television appearances, the oil industry has won from the administration what one senior industry official described as "a lot of pluses."

These pluses would add up to hundreds of millions of dollars in additional revenues for the industry by 1980, mostly in the form of subtle price increases that would occur from relaxations of oil price controls.

There would be no federal tax rebates to compensate the paying public for those increases, which show up in higher prices for gasoline and all other products made from oil.

The oil companies and industry trade associations such as the American Petroleum Institute have had an intense lobbying effort under way. It began before Carter's inauguration, and reached saturation level in recent weeks. One aide to presidential energy adviser James R. Schlesinger said, "We've been under carpet bombing by lobbyists of every stripe."

The lobbying continued even last weekend, as final details of the energy plan were being wrapped up. One decision of tremendous potential importance to the industry had to do with a definition—the substitution of the words "two and a half miles" for "five miles" in one part of the President's proposals. The President apparently did not finally decide to make this change until sometime Monday.

Under federal price controls, there are two basic categories of oil produced in the United States—old oil and new oil. New oil is essentially oil from wells drilled after 1972.

The price of old crude oil is frozen at $5.25 a barrel. New crude oil can be sold for as much as $11.28 per barrel.

What the Carter plan does for the industry—perhaps the most important thing—is quietly create a third category which would would not be subject to price controls at all, and could rise to the so-called "world" or uncontrolled price of more than $13 a barrel.

A second important plus for the industry is a provision under which the price of new oil would automatically rise each year with inflation, and the annual price increases would not be subject to congressional veto, as they are currently.

A third technical change involves the "decontrol" of gasoline prices, which are currently tied by law to the controlled price of crude oil. Experts estimate this gasoline decontrol could result in a 3-cent-a-gallon jump in gasoline prices when it takes effect, which under the President's plan it would do this coming fall.

Another aspect of the President's proposals was important to the industry and the subject of lobbying, even though it did not involve immediate or measurable advantage. This involved so-called horizontal divestiture—proposals to make oil companies give up their extensive interests in other fuels such as coal and uranium.

Carter indicated during last year's campaign that he favored this concept, but in his message to Congress Wednesday night he said he had decided to drop it for now, and instead have the oil companies give a greater public accounting of their holdings and activities.

A senior administration official yesterday defended the various changes in the oil pricing system as essential to stimulate increased production.

The changes "shift the incentive to go find new oil. It makes it more profitable for the companies," this official said.

The President's plan describes two kinds of oil that would not be subject to present price controls. One is oil produced from offshore oil tracts on which drilling rights are leased from the federal government after April 20 of this year—last Wednesday, the day Carter spelled out his plan to Congress. The other is oil from any well drilled from now on that is at least 2½ miles from any existing well.

The reason for having this distance in the proposal is to keep a producer from drilling a new well right next to an old one, thereby getting a higher price for the same deposit of oil. It was this distance that Carter agreed on Monday to reduce to 2½ miles from the 5 miles that had earlier been contemplated.

"Somebody tapped somebody on the shoulder," one senior industry official said, explaining how the administration position was turned around.

Another industry source said that "input sent by the National Petroleum Council" was the major factor. The National Petroleum Council is an industry-government advisory body headed by Kenneth E. BeLieu. BeLieu, according to NPC staff members, has known Schlesinger well for years.

According to documents obtained by The Washington Post, administration experts believe that by 1980 the industry could be producing an additional 1.1 million barrels of oil a day from uncontrolled wells.

This production alone could result in $1 billion in added revenues for the producers, according to the administration estimates.

Despite Carter's eleventh-hour decision to walk back the limits from 5 miles to 2½ miles, oilmen are still chafing at the impact the definition will have on new production.

During an intense series of meetings over the past week the Independent Petroleum Association of America argued that any kind of a regulatory limit would depress production. A. V. Jones, IPAA President, said that he stressed in sessions with the Carter energy planners that as recently as 1974, 90 per cent of new oil discoveries were within 2 miles of producing wells.

Jones and other industry leaders have already launched a lobbying effort with key members of Congress to strike the distance provision altogether, knocking out controls on all new wells.

CARTER ENERGY PLAN: $1 BILLION GAIN FOR GAS PRODUCERS

(By J. P. Smith)

The nation's natural gas producers would net about $1 billion a year in added revenues by 1980 under President Carter's energy legislation, an administration official said yesterday.

Leslie J. Goldman, who is drafting Carter's natural gas legislation, said that an administration proposal to place price ceilings on gas contracts that are to be renegotiated as they expire would be a major factor in these increased revenues.

The administration plan would allow gas from these expiring contracts to be sold for up to $1.75 per thousand cubic feet in the now unregulated intrastate markets, and $1.45 per thousand cubic feet in the regulated interstate market.

The net effect of these ceilings would be to raise the average price of natural gas in the interstate market and, in the near term, to slightly raise average intrastate prices. The higher prices that result would be passed on to industrial users, Goldman said, but would not affect residential and commercial users. This result would be achieved through a price allocation system.

The administration bill, which Carter's energy advisers hoped to send to Congress early this week, will not be ready until Friday, administration officials said.

Currently, about 8 per cent of the nation's natural gas supply contracts expire each year, and would be included under the new pricing mechanism.

David Foster, head of the Natural Gas Supply Committee, an industry trade group which advocates deregulation of new natural gas prices, conceded that the so-called "rollover" provision for natural gas from expiring contracts could, along with other factors, result in "some near term improvements in revenues."

He and other industry officials, however, believe that the Carter plan fails to offer necessary incentives for new production.

Goldman disagrees.

"The (new) $1.75 ceiling price," Goldman says, "is an incentive price which doesn't go beyond what we think the industry could invest on new supply."

A major debate is now under way in the petroleum industry on whether it should, as one leader said yesterday, "carve out a separate natural gas bill calling for some kind of deregulation of new gas prices, or work to improve this legislation."

The future of Carter's natural gas measures, another industry leader said, "is up for grabs."

Goldman said, "The whole question of natural gas pricing is one of the most controversial to be settled this year, it has to be a top priority."

The control and administration of natural gas pricing is one of the majar issues delaying early Senate action on Carter's energy reorganization bill, now before the Senate Governmental Affairs Committee.

Carter would give the principal authority for oil and gas price control to the head of his proposed new Energy Department—James R. Schlesinger Jr.

But Sen. Abraham A. Ribicoff (D-Conn.) says he objects to one-man rule over natural gas pricing. As chairman of the Senate Governmental Affairs Committee, he offered on Monday his own plan. He would create a semi-autonomous, three-member board to control gas prices.

Goldman said Ribicoff's amendment to the Carter plan could "mean that oil and gas pricing policy could go off in opposite directions." A major change to the administration's plan to integrate oil and natural gas pricing, Goldman continued, "doesn't lend itself to developing a clear energy pricing policy."

The Ribicoff committee yesterday agreed to delay final action on the reorganization plan until next Tuesday.

THE VERMONT LUNG CENTER

Mr. STAFFORD. Mr. President, I ask unanimous consent that two articles from the December 1976 American Lung Association on the Vermont Lung Center entitled "Vermont Lung Center Develops A New Concept In Respiratory Care" and "Is Problem Solving Something That Can Be Taught?" be printed in the RECORD at the end of my brief statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STAFFORD. Two years into its assignment by the National Heart, Lung and Blood Institute as the first national research and demonstration center in respiratory disease, the Vermont Lung Center is now receiving nationwide attention for the work that it is doing in the research on new methods in dealing with the problems of lung disease. The Vermont Lung Center is a cooperative venture of five independent medical institutions in Vermont: The University of Vermont College of Medicine, the Medical Center Hospital of Vermont, the Vermont State Department of Health, the Cooperative Health Information Center of Vermont, and the Vermont Lung Association, all of which are seeking to improve the understanding, management, and prevention of lung disease for the Nation.

The articles clearly show the worthwhile investment made by the Congress of the taxpayers money toward better health care for our Nation. I feel my colleagues and all Americans should be aware of what we can do.

Thank you, Mr. President.

EXHIBIT 1

VERMONT LUNG CENTER DEVELOPS A NEW CONCEPT IN RESPIRATORY CARE

(By Marge Lamy and Richard R. Sweeney)

Up in the Northeastern corner of the country, in a state known more for its Green Mountains, fresh air, independence and dairy farms, a number of medical "sacred cows" may be put out to pasture if a major experiment now underway proves successful. The Vermont Lung Center, located at the University of Vermont in Burlington, is attempting to develop a new concept in the advancement and delivery of respiratory health care.

As good as American medicine is, it sometimes takes as long as ten years for new discoveries in the laboratory, once proved worthwhile, to reach the patient. Busy physicians have to struggle to keep up with research and technological advances. Ever-present budget problems restrict even the most advanced medical centers from updating methods or equipment very rapidly.

Part of the problem also lies in the stratified, sometimes encrusted layers of organization which characterize many medical colleges and teaching hospitals, the usual locale for testing new ideas. By tying together related activities on many levels in research, education and medical care delivery, the Vermont Lung Center is trying to create an integrated system which can respond more rapidly and effectively to problems in respiratory care.

UNDER ONE UMBRELLA

The Vermont Lung Center is the first national research and demonstration center for lung disease, a pilot program established by the National Institutes of Health under the National Heart, Blood Vessel, Lung and Blood Program set up by Congress in 1972 and renewed in 1975. Only three centers have been funded out of the 30 originally called for: one for heart disease at Houston, one for blood resources at Seattle, and this one, which opened in December, 1974.

In Burlington, the Lung Center brings together under one umbrella the University of Vermont College of Medicine, the Medical Center Hospital of Vermont, the Cooperative Health Information Center, which is a private organization for assembling and analyzing health statistics, and the Vermont Lung Association. Almost 30 individual research and demonstration projects are underway in everything from biomedical research to public education, the special province of the lung association.

RESEARCH ON PNEUMONIA

The kind of interaction which is intended to take place probably is best illustrated by the pneumonia project. Respiratory illnesses account for nearly 10% of Vermont deaths, with pneumonia running second only to lung cancer as the leading cause. Even if this were a question solely of the way in which deaths are reported, the original Lung Center planning committee decided, pneumonia presented a problem which ought to be investigated.

"Deaths in pneumonia are not due to the infection per se," says Gareth M. Green, M.D., the founding director of the Center, "but to what pneumonia does to respiratory physiology in patients with chronic lung disease. That's the part we feel is not adequately understood or managed."

If the underlying chronic conditions are undetected or unsuspected, pneumonia becomes a lethal event rather than a transitory pulmonary infection, Dr. Green explains. "What are needed in every community hospital are up-to-date diagnostic and treatment methods for detecting chronic lung disease and for preventing or treating acute respiratory failure," he says.

HOW DIFFERENT HOSPITALS HANDLE PNEUMONIA

The first step undertaken in the pneumonia project was to determine what problems might exist in the way pneumonia is being handled in the hospitals. Here, the Respiratory Disease Management Committee becomes the contact with the community. Ideas concerning the pneumonia project can be funneled both from the community and out to the community. The committee is composed of physicians representing each of the hospitals in the state.

A detailed questionnaire concerning diagnosis and treatment of pneumonia was devised, and two hospitals were selected for the initial controlled study. The hospitals were chosen on the basis of size, staff, and their compatibility in the things being measured, like equipment. Another lung center group, the evaluation core, worked with the medical team in developing the project design.

Personnel in the two hospitals are being asked about their understanding of and attitudes toward the pneumonia procedures currently in use in their institutions. They will be given follow-up questionnaires at the end of the test period to measure whatever changes occur in their knowledge, attitudes, and behavior.

The demands of the evaluation procedure have delayed the gathering of data, but some interesting patterns are beginning to show, according to Sinclair T. Allen, M.D., principal investigator on the project. A significant point is that different people on the medical team—doctors, nurses, technicians and support personnel—may have quite divergent views on why and when certain procedures are used.

Bringing these perceptions into line with the most recent knowledge about diagnosis and treatment of pneumonia will be the next task. Here the education core of the Lung Center comes into play Using the latest techniques of the educational scientists, several approaches will be used to transmit expertise from the teaching level out to the professionals in the field.

The Respiratory Disease Management Committee will be asked for help in developing the educational materials as well as for advice on the best methods for conducting the actual training sessions. These may be seminars held at the Lung Center or conducted out in the communities.

SOPHISTICATED DIAGNOSTIC EQUIPMENT

The use of sophisticated diagnostic equipment is making a difference in the management of pneumonia. "In pneumonia, people rarely die because the bacteria or virus becomes overwhelming," Dr. Allen explains. "It's usually because the damage to the lung is such that the patient can't get enough oxygen or cannot get rid of the carbon dioxide.

"A competent physician is successful in maintaining the balance, in keeping the body going until the body defenses can take over," he continues. "Understanding the physiology of the lung is crucial in sustaining the patient. Sometimes the use of techniques such as vital capacity and blood gases measurements can make the difference in the survival of the patient." Technical assistance already being offered to the small hospitals by the program may, in the long run, effect a major change in the treatment of pneumonia, according to Dr. Allen.

Under a program initiated four years ago by the Regional Medical Program and absorbed by the Lung Center, Vermont's 17 hospitals and one in northern New York are hooked up to a master computer. The equipment is housed in the offices of the Vermont Lung Association.. The computer provides analyses of pulmonary function tests, including vital capacity, and is now being programmed to do the same for blood gas tests.

A technician in a hospital picks up the telephone. dials thè code numbers which activate the computer and then enters the information from the patient's tests. The computer sends back a printout of the patient's test result and compares it with figures for a healthy individual of the same size, weight, and sex.

On the basis of this comparison, the computer gives a reading on whether the patient is suffering from mild, moderate or severe restrictive or obstructive disease. The computer thus provides a consistent assessment of the tests done on site, according to protocols and measurements agreed upon by the Respiratory Disease Management Committee.

CLINICAL DEMONSTRATION PROJECTS

Clinical demonstration projects being conducted in the 38-bed respiratory care unit of the Medical Center Hospital of Vermont may also play a part eventually in the pneumonia project. William G. B. Graham, M.D., is supervising a study which will attempt to evaluate the effect of chest physiotherapy and intermittent positive pressure breathing on the outcome of pneumonia.

Chest physical therapy and intermittent positive pressure breathing (IPPB) have been given to two-thirds of the pneumonia patients at the hospital, yet a 25-year search of the medical literature has failed to turn up any evidence of its being effective in speeding the rate of progress. A controlled research project on the effect of physical therapy and IPPB on pneumonia patients will, it is hoped, provide definitive evidence one way or the other.

Like the pneumonia project, this study requires the cooperation of the community physicians, who were carefullly surveyed before the project was initiated. Most agreed to participate. The patients and/or their families also have to be advised in advance; less than a half dozen have declined to take part during the few months the study has been going.

Patient participation in the project is completely voluntary. Criteria have been established for removing patients from the study if their condition warrants it. In addition, certain exclusionary factors like malignancy and renal failure automatically remove a patient from being included at the outset. Post-operative pneumonia patients are not considered.

"IPPB is widely used in all sorts of clinical circumstances," says Dr. Graham, "yet in many of these, it's not evaluated in controlled clinical studies. This is one fairly traditional attempt to evaluate these forms of therapy for a specific type of medical problem."

BREATHING WORKSHOPS

Breathing workshops are another project of the Vermont Lung Center These are being organized for people suffering from chronic obstructive pulmonary disease; a number of components will be tested. The project is set up to test the patients' retention of knowledge concerning their disease.

The sessions offer demonstrations by trained medical personnel, group reinforcement, and an instructional handbook, in various combinations.

The development of individual skills in the use of self-help therapy procedures also will be studied; senior physiotherapy students at the University of Vermont, working on a one-student-to-five-patients ratio, will observe the patients' progress. Retention of knowledge will be checked at six-month and one-year intervals.

Packaged instructional aids have been reviewed, and those judged most effective have been selected for presentation in the workshops. Their use also will be tested, and new material will be developed.

The workshops are being coordinated with an in-hospital patient education program, too, and hospital and workshop materials will be shared. The investigating team, composed of nurses, therapists and educators working in consultation with the Lung Center doctors, are trying to discover when is the best time to teach the patient *what*. The aim is to improve future efforts in inpatient and outpatient education.

EVALUATION, A CRITICAL COMPONENT

The importance of the evaluation process, which has been structured into all 30 Vermont Lung Center projects, is stressed by its present director, John E. Craighead, M.D., chairman of the department of pathology at the University of Vermont College of Medicine.

"Many of our most highly regarded methods have not been subjected to critical scrutiny," he says. "Many dollars are being spent in education and the implementation of various forms of respiratory management. We don't have as much specific information about them as we would like concerning their effectiveness. One of the critical components of the Lung Center effort is to analyze these methods, using statistical approaches."

Not all the Lung Center projects combine elements of clinical practice, education of professionals at many levels, evaluation, and the use of modern technology in the way that the pneumonia project does. The working committees of the Center, however, bring the investigating teams together periodically to stimulate development of new ideas and possible areas of further cooperation. This exchange is also enhanced through the periodic visitation by teams of outside experts, part of the funding requirements of the National Heart, Lung and Blood Institute (NHLBI), which supervises the grant.

BROADER IMPACT

The concept advanced by the Vermont Lung Center may have coincided with an almost unstated need felt by NHLBI officials. Some of the pressures to reorganize the delivery of health care services in this country are surfacing as a result of the sharp scrutiny being given to many aspects of the medical field by lay writers and professionals alike. Economic problems are beginning to have their effect in altering the practices of hospitals of all sizes. Other forces for change in the society, like population growth and age shifts within the population, are still somewhat latent.

Nevertheless, the pressures are there. It is just possible that, for once, the methods for meeting those pressures and adapting to the changes may be devised before rather than after the fact, with savings of money, energy and time rather than the long, costly delays in regearing the system.

One might ask whether tiny Vermont is the place to mount an attack meant to be applied to such a gargantuan task as reorienting our national health care scene. But aren't they still telling the story of David and Goliath?

IS PROBLEM SOLVING SOMETHING THAT CAN BE TAUGHT?

(By Marge Lamy)

How does a physician decide what is really happening in a patient's body? Granted, there are physiological clues which signify that A or B isn't functioning, or that C is not performing as it should. Sometimes a doctor bases his decisions on interactions which he must deduce are taking place because certain things are or are not happening.

The process, of weighing the evidence, eliminating choices and selecting a plan of action—more simply known as problem solving—is a complex and somewhat subjective activity. Dr. Norman Alpert, professor of physiology and biophysics at the University of Vermont and one of the Lung Center project heads, believes that the way in which an individual solves problems—his "cognitive style"—is something which can be taught.

LIKE DEVELOPING A BETTER BACKHAND IN TENNIS

"There is nothing mysterious or magic about it," he says. "It's a matter of sharpening one's innate ability, much in the same way that one can develop a better backhand in tennis or learn to overcome a bad swing in golf.

"What educators have been able to do very well up to now is to impart information to people," says Dr. Alpert. "If I give a group of bright students a list of 100 unrelated things to memorize, they'll do it. And they'll do it just marvelously; most will repeat it back almost perfectly. However, when we say, 'All right, now we're going to use this information in a different context; we want you to solve a problem,' some people can do it and some people can't."

Using a computer model of the lung, Dr. Alpert has devised a system for teaching problem solving and, if his experiment proves successful, for measuring and qualifying an individual's capacity for learning the techniques. The ramifications for change in the educational field are enormous.

HOW THE TECHNIQUES WORKS

In the initial phase of the study, a simulated model of the lung was programmed on a computer, together with physiological data on normal lung functions. Given certain alterations in those functions, the student then responds to the changing evidence provided by the computer. He or she asks more questions or tries alternatives until a desired result is reached. Once the student decides what is wrong with the "patient," instructions which are the equivalent of taking certain clinical steps are entered into the computer to correct the malfunction.

The medical students are taken in game fashion through the four steps of cognitive behavior: Problem clues are given and evaluated, hypotheses are formulated, date to limit the hypotheses are collected, and conclusions are developed. Each step, Dr. Albert points out, requires different types of cognitive styles. Sometimes, individuals switch from one to another; sometimes they use all of them simultaneously. Individuals who are poor at problem solving may have a deficiency in one area or in all.

"The reason that we have students who go through educational programs and come out of them unable to solve problems is not because they're incapable of solving them," says Dr. Alpert. "Rather, it is because we educators never address ourselves to the matter of teaching them the skills of problem solving. If I put you through the right kinds of exercise as I analyze your problems, no matter how poorly you do initially, I believe I can improve your game, just as a golf pro can improve the skill with which you perform on the golf course."

STUDENT RESPONSE IS GOOD

Last year, 54 students out of a class of 83 signed up on a voluntary basis for the experimental program in problem solving. (They were paid for their time.) Although the number of students was too small to draw any final conclusions, it was large enough to test the experimental design and to begin to see some effects.

A percentage of any group of individuals has the innate ability to problem-solve, Dr. Alpert observes. For perhaps 20% of the medical students, the exercise was little more than a chance to sharpen skills they would have exhibited, once in practice.

All the medical students, however, responded remarkably well to the opportunity to make actual judgments and to interact on an individual basis with the "patient." "It may be one of the rare times in their educational careers," Dr. Alpert notes, "when students are shaken out of their passive roles as receivers and storers of information."

Their enthusiasm for the process is one of the most exciting aspects of the experiment, he states. It also is one of the compelling reasons why the department of physiology and biophysics is considering using the model to teach the entire respiratory course next year.

ADDITIONAL WORK ON THE PROJECT

The initial response has encouraged Dr. Alpert and his associates to go on refining their techniques for measuring the influence of personality factors on problem-solving ability. Repetitive exercises are being designed to sharpen an individual's sensitivity to cues, the ability to form hypotheses and to collect appropriate data for refining them, and the skill at drawing appropriate conclusions.

Once the design for teaching problem solving in respiratory disease has been more fully tested at the Vermont Lung Center, the procedures will be tried in other institutions, also under controlled situations, to obtain the larger numbers needed to verify the usefulness of the model. The entire computer program has been written in standard Fortran IV computer terminology for easy exportability.

There are other spinoffs from these experiments. An associate in the College of Education at the university, Dr. Charles Letteri, is working with Dr. Alpert to compare similar experiments which are being applied at the public school teaching level. The simulated model also may prove to be helpful in preparing programs for professionals who have been practicing for several years and who wish to update their knowledge. It is another example of the type of knowledge being developed at the Center which may be adapted to other fields besides respiratory disease.

THE SACCHARIN CONTROVERSY

Mr. McGOVERN. Mr. President, not surprisingly the recent decision by the Food and Drug Administration to propose a ban on saccharin has caused public uproar. Some have applauded the proposed ban as a rare case of the FDA protecting the American consumer. For many others, the proposed saccharin ban is a symbol of the inadequacy of animal testing to determine potential carcinogenicity in humans, and the rigidity inherent in the Delaney clause.

I am extremely concerned about the numerous issues raised by the potential saccharin restriction. Possibly most disturbing is the fact that the question of saccharin's safety has been unresolved for at least 70 years.

I am afraid that some of the debate, which has ensued since the proposed ban, has been overly emotional and is not conducive to a rational consideration of the issues involved. I am particularly worried that the Delaney clause will be diluted if the present excited climate continues.

In an attempt to provide some calming influence in the tempest, I request unanimous consent that three articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 3, 1977]

WHY SCIENCE IS EXPERIMENTING WITH ANIMALS TO LEARN ABOUT HUMANS

(By Richard D. Lyons)

WASHINGTON.—For more than two decades saccharin has been fed to laboratory rats and mice, producing bladder tumors in a small number of experimental rodents, yet only last month did the Federal Government propose a ban on the use of the artificial sweetener by humans because of Canadian tests involving huge doses of the chemical.

These seeming paradoxes—attention to the effects on rats rather than people, and the use of enormous doses rather than the small amounts contained in diet foods—have confounded many Americans and even enraged those who believe that no cause-and-effect relationship between saccharin and human cancer could possibly exist under normal conditions.

But animal tests are not capricious. They are used for valid reasons, not the least of which is the scarcity of volunteers for exposure to potentially dangerous materials. Rats and mice are favored because they are similar to man biochemically. Nearly every chemical known to cause cancer in humans causes cancer in rodents, and the converse is also true.

A further advantage is the short lifespan of the animals, ranging from one to three years. The incidence of cancer in humans, including bladder cancer, rises with age, indicating that it is not the initial exposure to carcinogens but their accumulated effects over decades that produce malignancies. Cigarette smoking is an example.

Therefore the effects of a cancer-causing agent in humans can be mimicked in an animal model, even though hundreds rather than millions of animals and huge doses of chemicals are used. According to statisticians and epidemiologists, the results of small doses of chemicals on large numbers of people can be validly extrapolated from the feeding of large doses to small numbers of animals.

Exactly the same techniques as were employed in the Canadian saccharin tests were used in recent experiments that first gave warnings that two other compounds could produce cancer in humans. In tests with the animal fattening agent DES and the packaging material vinyl chloride, huge doses of the chemicals were fed to rats. The animals developed tumors, leading to alerts of possible hazards. The dangers were subsequently proved real when similar tumors were found in humans exposed to the chemicals.

This does not mean, however, that huge doses of just any chemical will produce cancer in rats. At the International Agency for Research on Cancer in Lyons, France, high exposures to 4,000 chemicals exonerated 3,000 of the agents.

Such tests involve either the feeding or exposure of a substance under study to the same number of animals of the same type and the same genetic strain using an equal number of each sex. The Canadian study, which cost $100,000, used 50 males and 50 females, which then were matched with an equal number of the same types, strains and sex that were treated in exactly the same manner with one major difference: The second group was not exposed to the substance under study.

The second batch of animals, called the control group, is as important as the first. It is closely observed in case a contaminant in the food, water or even the air of the laboratory might cause cancer and thus, if not for the control group, skew the results.

In contrast to previous saccharin tests on animals, the Canadian work exposed some rats even before they had been conceived on the theory that if a substance is hazardous it might be even more so in the offspring.

The Canadian results verified this theory. In the original group of 100 rats, three males and no females developed malignant bladder tumors. But in 100 of their offspring, 8 of 50 males and 2 of 50 females developed such tumors. In contrast, only 1 of the 100 controls developed a tumor.

Thousands of such tests of drugs, vaccines and chemicals are routinely performed in the United States and elsewhere each year. American laboratories annually raise, sell, test, kill and autopsy at least 35 million mice, rats, hamsters, guinea pigs, rabbits, dogs, cats, pigs and other animals such as monkeys.

Saccharin feeding tests are being conducted on monkeys at the Albany Medical College in New York, but have failed to produce the same results as the rat tests even after six years. However, this does not prove the safety of saccharin; its effect on monkeys could be different from that on rats and even man.

At least a score of other animal feeding experiments failed to produce bladder cancer, but these have been challenged because the doses were not high enough, and the feedings did not continue long enough.

But the Canadian tests did produce cancers, and the Food and Drug Administration, which had been monitoring the experiments for three years, had little choice but to propose a ban on saccharin. The reason is the so-called Delaney Clause contained in the 1958 food additive amendments to the Federal Food, Drug and Cosmetic Act. The clause requires that substances found to cause cancer in either man or animal are to be taken off the market.

The Delaney Clause has been challenged as being unduly restrictive because it makes no attempt to set degrees of risk. Strictly speaking, the agency has only invoked the clause twice, in cases involving the food packaging adhesives Flectol H and methyl enedis; but it has been cited in at least a dozen other food additive cases that led to prohibitions.

Since the drug agency's announcement about saccharin, scientists from the National Cancer Institute have told Congressional investigating committees that saccharin is believed to be a mild carcinogen, responsible for perhaps 600 to 700 cases of bladder cancer in Americans every year.

The witnesses cited data compiled by the Connecticut Tumor Registry in Hartford, which is generally regarded as having the most accurate cancer statistics in the country. The registry's numbers suggest an enormous increase in bladder cancer among young people living in Connecticut in the last 40 years: 150 percent for men, 50 percent for women.

While most of the increase is believed to be due to increased cigarette smoking, some specialists believe that diet and environmental factors also may be involved. As an example, they point out that Americans now use 10 times as much artificial sweetener as they did 20 years ago.

[From the Washington Post, Mar. 31, 1977]

THE SACCHARIN BAN: A BITTERSWEET AFTERTASTE

(By Marian Burros)

". . . Last year . . . 'my firm of fruit packers saved $4,000 by using saccharin instead of sugar in sweet corn.'

" 'Yes, Mr. President,' I interjected, 'and everybody who ate that corn thought they were eating sugar, whereas they were eating a substance which was highly injurious to health.'

" 'You say saccharin is injurious to health? Why, Dr. Rixey gives it to me every day. Anybody who says saccharin is injurious to health is an idiot.' "

That exchange took place 71 years ago between the father of the Food and Drug Administration, Dr. Harvey Wiley, President Theodore Roosevelt, who was getting saccharin from his doctor (for only heaven knows what; it certainly didn't help him to lose weight), and the fruit packer. It is recorded in Wiley's autobiography. Wiley was a crusader against adulterants in food and believed in 1906 that saccharin was harmful. Today the controversy rages on.

It threatens to undermine the Delaney Amendment, a law that was so carefully drafted it protects the public in spite of the government.

On March 9—as almost everyone must know—FDA announced a ban on the only artificial sweetener permitted in the American food supply, saccharin. The agency was required to ban the substance because of the Delaney Amendment, which was added to the Food, Drug and Cosmetic Act in 1958. According to the amendment, which is named for New York Rep. James Delaney, any substance that causes cancer when ingested by man or animal must be banned.

Ironically, FDA has full powers to ban any harmful substance in the food supply without the Delaney Amendment. Exactly why it was invoked in this case is unclear since the Canadian rat study on which the saccharin ban was based clearly demonstrated that saccharin caused a significant number of bladder tumors in the test animals. With less clear results FDA has banned other substances without involving the Delaney Amendment, Red No. 2 food coloring which was banned in March, 1976, being a case in point.

Under the general food additive law, an additive that is not "generally recognized as safe" must be proven safe by the manufacturer. As Dr. Sidney Wolfe, director of Ralph Nader's Health Research Group, said in testimony given at congressional hearings last week on saccharin: "Once an additive is shown to cause cancer in animals, this burden of proof cannot be sustained.

"Changes in the language of the Delaney Clause would not affect the saccharin ban."

Testifying at the same hearing, Acting FDA Commissioner Sherwin Gardner said the dangers of saccharin were so clear that the agency would probably have proposed a ban even without the Delaney Clause.

Jim Turner, a lawyer and expert in food regulations, writing in the March 24 issue of the Community Nutrition Institute Report, said FDA's announcement of the ban was so poorly handled that it has led "some cynics to suggest that the agency wished to undermine its own anticancer authority."

Sen. Gaylord Nelson (D.-Wis.), who has held many hearings on FDA's role in regulating food additives and drugs, is one of the cynics. "Some members of FDA are trying to undermine the Delaney Amendment," Nelson said. "There is a tremendous anti-Delaney campaign on and it would be disastrous to eliminate it." Nelson agrees with Turner, who said: "The saccharin debate is being turned into a Delaney debate. This is a diversionary tactic designed to save diet sodas."

Several scientists are concerned about what one of them called "all the noise about Delaney." Dr. Marvin Schneiderman, associate director for field studies and statistics at the National Cancer Institute, said: "The people who have hollered about it before are hollering about it now—food manufacturers and chemical manufacturers."

But why the Delaney Amendment was made part of the food additive regulations is crystal clear; so that scientists would have no discretion whatsoever in deciding whether the benefits derived from a cancer-causing agent outweigh the risks. Charles Wurster, associate professor of environmental sciences at the State University of New York said: "The Delaney Amendment wisely allows no human discretion based on dosage in administering the act, since there is no valid scientific basis for such discretion."

It is an almost universal belief among scientists that there is no known minimal dose below which a carcinogen can be considered safe and the effects of repeated exposure to carcinogens, even in small quantities, may not show up for 40 years. But there is a well-established relationship between the dose of a cancer-causing agent and its effect. The higher the dose, the higher the risk. This rule is put to use in animal experiments, such as those conducted in Canada that confirmed what scientists have long suspected: saccharin is a carcinogen.

Massive doses are administered in order to minimize the number of animals needed to detect any possible effect. According to Dr. Schneiderman: "If we don't get a response at high levels, then the substance is probably safe in the amounts to which humans are exposed."

Anti-ban forces have been trying to undermine the validity of the Canadian test results by pointing out that the amount of saccharin the rats ate would be the equivalent of a human drinking 800 cans of diet soda a day. They say that if you drank 800 cans of anything in a day it would kill you or, put another way, if you consume anything in large enough doses it will cause cancer.

This is simply not true. Hundreds and hundreds of laboratory tests have shown just the opposite to be the case. While huge quantities of anything, including water, are likely to be toxic, few of them will cause cancer. Only a fraction of the compounds that have been studied, using the same techniques used in the Canadian study, cause cancer.

This method for determining the safety of food additives was not invented by the Canadians just for the saccharin studies. According to Wolfe: "A number of expert committees over the last two decades have formulated general principles for such testing and these committees have shown remarkable unanimity in their recommendations . . ." The committees represent such organizations as the U.S. Public Health Service and World Health Organization as well as FDA.

The Calorie Control Council, an Atlanta-based trade association for the $2-billion-a-year diet drink and food industry, which is spearheading the campaign against the saccharin ban, ridicules the studies because rats aren't people. But there is a very good possibility, according to Dr. David Rall, director of the National Institute of Environmental Health Sciences, that humans may be even more vulnerable to carcinogens than animals. Rall wrote: "One man may represent anywhere from a 160- to a 3,000-mouse experiment in terms of susceptible cells. And if there is a relationship between the initiation of a (malignancy) and the number of susceptible cells, then one man is certainly much more susceptible than one mouse."

What is more, of the "17 chemicals known to cause cancer in humans," according to Dr. Wolfe, "with the exception of inorganic arsenic . . . all cause cancer in laboratory animals."

But the anti-ban forces, with some assistance from scientists, point out that there has been no increase in bladder cancer among humans in the 80 years saccharin has been in use.

There are at least two probable reasons for this. Until very recently saccharin has not be consumed in significant amounts and it takes 20 to 40 years for tumors to show up in humans. In addition, as Dr. Wolfe explained, the percentage of cancer traceable to saccharin is not likely to be large enough to be detectable in human epidemiological studies.

Dr. Guy Newell, acting director of the National Cancer Institute, said at last week's congressional hearing: "We have no evidence that saccharin causes cancer in humans." Dr. Schneiderman noted that what Newell said is "literally true" because the relationship between saccharin and bladder tumors "would be pretty hard to detect in the human studies that have been conducted so far."

What "concerns" Schneiderman is that "if the animal studies are pointing in the right direction, we will be seeing increased bladder cancers in children born to mothers who used saccharin during World War II. Bladder cancers," Schneiderman said, "do not appear until about the age of 50 or after. Those children are 35 years old now."

In addition, he said: "The first 40 years saccharin was around very little was used in this country, even by diabetics. Not until World War II was it used in place of sugar and then its use fell off until the late '50s when diet drinks were introduced. "Today," Schneiderman said, "the use of saccharin is almost double what it was in World War II."

Schneiderman is also concerned because "diet drinks are consumed largely by adolescents, not fat old ladies or diabetics."

If, as the Canadian rat studies indicated, the population most vulnerable to saccharin is the unborn fetus, consumption of the artificial sweetener by those entering their child-bearing years poses the greatest hazards for those who have absolutely no control over it.

As the labels of most products containing saccharin state: "for use by those who must restrict their intake of ordinary sweets." This language was directed largely at diabetics.

But there is no evidence that saccharin has reduced the incidence of death from diabetes. On the contrary, Dr. Schneiderman points out, the mortality rate has increased in recent years for just two diseases—cancer and diabetes.

In addition, there is no evidence that saccharin controls weight. On the contrary, as Dr. Wolfe noted in his testimony: "Animal studies show weight gain caused by saccharin fed at doses comparable to human intake. The mechanism of this increased hunger with saccharin may well be its demonstrated ability to abnormally lower blood sugar which can induce hunger."

The American Diabetes Association has condemned the ban, but Dr. Jesse Roth, chief of diabetes at the National Institutes of Health, says: "Artificial sweetener has no special place in a diabetic's regime. The saccharin ban is of no consequence."

Dr. Lawrence Power, a professor at Wayne State University in Detroit whose speciality is treatment of diabetics, hasn't had his "diabetics using saccharin for the last 10 or 15 years. The notion that the poor diabetic is going to be badly abused (by the ban) is a terrible distortion," Power said. "The best thing a diabetic can do is lose his sweet tooth and saccharin doesn't help him do this." Power said that "over a period of six months or a year," a diabetic can learn to live without sweets.

Whether or not one agrees with the ban, FDA cannot be accused of acting precipitously as some have suggested. For at least the last six years the agency has been warning about the possible hazards of saccharin. It was concerned enough with an accumulation of findings to remove the sweetener from a list of safe additives in 1972 and place it in a special "interim" category, while further tests were conducted. There are several other saccharin studies with rats which indicate an increased incidence of tumors, including one study in which the artificial sweetener caused cancer when the equivalent of 1.6 cans of soda a day was fed to the rats.

Saccharin was not always considered safe. From 1911 to 1933 it was sold only as a drug because of concerns about its safety, based on crude human feeding studies conducted in 1906. As Turner wrote, the use of saccharin as a drug "preserved its legitimate functions and discouraged exploitations of a phony weight-loss market."

Turner suggests that once the controversy dies down legitimate uses of saccharin "could be preserved by subjecting it to the drug portion of the Food and Drug Act." Nelson said he "would have no trouble with that solution."

But he said: "The Delaney Amendment should not be modified until the scientists can agree on what a safe level of a carcinogen is."

No Mad Scientists

(By Steve Kelman)

To read the press accounts concerning the animal experiments that lay behind the decision by the Food and Drug Administration to propose a ban on saccharin, it would appear justified to conclude that the FDA had set a new record for government capriciousness. Newspaper stories widely trumpeted the fact that a human would have to drink 1250 cans of diet soft drink a day over an entire lifetime in order to ingest as much saccharin as the hapless Canadian rats were fed. It was also widely noted that although people have been using saccharin for 80 years, no case of human cancer had ever been associated with consumption of saccharin. Certainly much of the uproar over the FDA move is due to the view, created by press accounts, that saccharin is not dangerous at all.

Most of the press has behaved disgracefully in covering the proposed saccharin ban, swallowing industry propaganda without taking a moment to ask a few logical questions that might send a reporter looking for alternative versions of the relevance of the scientific evidence behind the FDA decision.

If I were a reporter, I would ask myself two questions before I repeated uncritically the stories about 1250 cans a day and no reported human cases of "saccharin cancer." First I would remind myself that animal experiments such as those implicating saccharin were conducted by trained experimental toxicologists according to test procedures used commonly in the profession. Is the profession of toxicology populated by "mad scientists," foolishly conducting tests whose avowed purpose is to provide evidence of cancer danger to humans, yet whose methods assure that whatever results they get will be irrelevant to the question they are seeking to answer?

Then, with regard to the "no reported cases" of cancer from saccharin, I would ask myself: How might such cases have come to be recorded? Do doctors ask cancer patients about their consumption of saccharin? Are there any records of which Americans eat saccharin and which don't, so the incidence of bladder cancer among the two groups can be compared?

The determination of whether or not various chemicals are carcinogenic is serious business. It is serious business because one of every four Americans dies an often-painful death from cancer, and because the incidence of cancer is growing. It is serious business for a number of government agencies—the Environmental Protection Agency, the Occupational Safety and Health Administration, the Food and Drug Administration, and the Consumer Product Safety Commission—whose responsibility is to regulate potential carcinogens as they appear in our lives.

It is also a difficult business. How does one determine whether a substance is carcinogenic in humans? The most reliable way would be to expose an experimental group of humans to the suspected cancer agent, follow their medical histories through death, and see whether the experimental group was more likely to develop tumors than a control group not exposed to the suspected carcinogen. It should be apparent why such a method is never used.

The next-best method is a so-called epidemiological study. Here one takes a group which for one reason or another has been exposed to a suspected carcinogen, and compares the incidence of cancerous tumors with their incidence in a control population. Epidemiological studies are what established that smoking cigarettes causes cancer. Epidemiological studies are typically difficult, time-consuming and expensive. The researcher can choose between two broad strategies. He may take the death records of people who already have died, and see whether those exposed to a suspected carcinogen more often died of some form of cancer than those not exposed. Here a problem is finding out whether people actually had been exposed or not to the substance in question.

* * * * *

Given the complications, and given the relatively recent explosion of interest in environmental carcinogens, it should not be surprising that few good epidemiological studies on suspected carcinogens exist. Most such studies involve workers exposed to carcinogenic chemicals on the job, where a high incidence of cancer in an identifiable population arouses the suspicion of company doctors or of the workers themselves.

If studies using humans are impractical, as they are in the case of widely used food products, studies on animals having a relatively short life expectancy are the only source of reliable information on suspected carcinogens. These experiments are conducted according to the basic principle of the scientific method: take a random group of test animals exposed to the suspected carcinogen, and a random group of nonexposed animals to act as a control group, and compare the incidence of cancer in the two groups to see if it is significantly higher in the experimental group than in the control group. The specially bred strains of laboratory animals used in toxicological testing are expensive. And toxicological testing on laboratory animals is very common. It is used for a wide variety of purposes besides testing items in the human environment for cancer-causing properties. All new drugs must go through toxicologic tests in animals, and many other chemicals go through such tests as well. For these reasons the number of animals used in these experiments is fairly small, say about 100 in the test group and 100 in the control group.

The next question is: what size dose should the test group of animals be exposed to? The fundamental principle of toxicology is that the toxic effect of any substance is dose-related: the higher the dose, the more likely it is that the effect in question (cancer, in this case) will appear; the lower the dose, the less likely. The fact that a substance is a carcinogen doesn't mean that everyone exposed to it gets cancer; only some do. Let's say (and these figures are purely hypothetical) that people who drink two cans of diet soft drink a day have a one-in-10,000 chance of developing bladder cancer from their exposure. Even at that very low risk (and, again, these figures are purely hypothetical) there would be 1000 cancer cases for every 10 million people exposed, which might reasonably be regarded as a cause for concern. The point is that if you exposed a test group of only 100 to a saccharin dose equivalent to two cans of soft drink a day, it is very unlikely that any members of the group would develop cancer from the exposure, simply because the test group is too small. The reason that experimenters expose animals to unusually high doses of substances being tested for cancer-causing properties is that by increasing the dose, they increase the risk to a point where possible carcinogenic effects may be observed in a small test group. At small doses, you might very likely "miss" substances which in fact are carcinogenic.

Now this doesn't mean that the interpretation of such animal test results is problem-free. First of all, we can never be sure whether animal results can be extrapolated to humans. But testing carcinogeneity directly in human beings is time-consuming, expensive and often problematic. So the FDA has only two choices: assume that if something causes cancer in rats it causes cancer in humans until proven otherwise; or assume that it doesn't, until proven otherwise. Since every known human carcinogen (except, possibly, arsenic) is also carcinogenic in animals, it seems prudent to assume that substances are guilty until proven innocent.

A second problem is that in some, but not all, cases, chemical carcinogens are metabolized by the body into non-carcinogenic substances. In such cases, results based on high doses may be misleading, because these doses overwhelm the body's ability to metabolize the substances. Unfortunately, however, scientists don't know too much about the nature and extent of such metabolization.

Finally, there are the issues of public policy raised by the Delaney amendment itself, which triggered the FDA action by requiring the banning of carcinogens in food. The Delaney amendment really was intended to deal with *additives* in food, such as red dye No. 2. Usually the consumer is not aware that the food he or she purchases contains these additives, and has little choice in the matter in any event.

Under these circumstances, a flat ban makes some sense. Saccharin is clearly in a different category, since it is purchased separately, or is the principle reason for purchasing a diet food item. The decision to purchase saccharin, if one knows the substance may cause cancer, involves a conscious assumption of risk far more voluntary than the risk assumed by a worker who takes a job exposing him or her to a carcinogen. Given this distinction, a better public policy might be to place a warning label on saccharin, similar to the one on cigarette packs, instead of banning the substance. An alternative the FDA is considering would be to permit the sale of saccharin as a prescription drug. Either approach, however, would of course require a change in the law. The Delaney amendment offers no alternatives to an outright ban.

But the public that might face the decision of whether or not to purchase saccharin, and the policy makers deciding, whether to amend the Delany amendment, are not well served if they make those decisions on the basis of press accounts that imply that saccharin poses no risks. The initial suspicions about saccharin arise from the fact that it is a coal-tar derivative, like a number of known human carcinogens. The animal tests substantiate these suspicions. With this information, I would not choose to consume saccharin. Others should have a right to judge differently. But they also have a right to judge on the basis of good information.

"1,001 YEARS OF NATURAL GAS"

Mr. STEVENS. Mr. President, approximately 10 days ago President Carter went before the American people to announce the administration's plans for implementing a comprehensive national energy program.

Since that time, careful attention has been focused on the major proposals of the program to determine whether or not the Carter administration has chosen the best possible solution to our energy problems.

As my colleagues well know, I have been a longtime proponent of deregulating natural gas and oil prices. It is my belief that deregulation holds the key to making natural gas available in this country.

The Carter energy program emphasizes the shortage of natural gas reserves, but this is simply not a proven case. There should be plenty of gas in our State; access to it, and proving it is there has been delayed only because we want to carefully choose the best route for transporting it.

Mr. President, yesterday's Wall Street Journal published an editorial which I feel merits the attention of my colleagues on this matter, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

1,100 YEARS OF NATURAL GAS

The conventional wisdom about President Carter's energy program seems to be that the gasoline tax won't fly in Congress, but that the other elements of the plan will sooner or later be enacted. Indeed, there is a deep suspicion among the political crowd that the gas tax was designed to lose, in the process drawing off the opposition's energies so the rest of the package could go through unmolested.

Our own estimate, though, is that the whole package will collapse a piece at a time. This estimate is not merely wishful thinking, although it certainly expresses our hopes. But it is more firmly based on the fact that the United States has been seriously thinking about energy for more than three years. Not only the general public, but also Congress and the press corps have developed a sophistication about energy issues, and we think we are now past the point of being vulnerable to blindly adopting scare scenarios and emergency solutions.

The notion that we may soon be freezing in the dark unless we sacrifice by paying higher taxes to Washington could not be sold to Congress by President Ford and Vice President Rockefeller when we were all relative greenhorns at the energy game. Yes, Mr. Carter certainly deserves his chance to scare Congress into action. But because he seems to learn quickly and is flexible rather than stubborn, there is a good chance Mr. Carter will discover the true shape of the energy problem in the process of failing to get any major portion of his package adopted.

Take natural gas, for example. Mr. Carter apparently thinks the United States is running out of the stuff. If that were true, we might be as scared as he seems to be. But in the course of the debates on his plan, the President will discover that while we are now consuming 20 trillion cubic feet of natural gas every year and that—if prices were only decontrolled—we have roughly 20,000 trillion cubic feet of natural gas at hand, with some estimates that there may be 50,000 trillion cubic feet of it. That is enough to last between 1,000 and 2,500 years at current consumption.

The President's energy advisers know this. It was explained to them recently in a briefing by specialists of the American Gas Association. Experts in ERDA have been trying to tell the White House too, but have been snubbed apparently on the ground that this news would take the sting out of the scare.

What Mr. Carter has been told is that we have only 216 trillion cubic feet of proven reserves of natural gas, 10 years' supply. But that number was developed by the U.S. Geological Survey in 1974 relating resources available at 1974 technology and 1974 prices, of 52 cents per thousand cubic feet. USGS does not and never has projected what resources would be available at higher prices.

ERDA, though, has unofficially estimated that at an uncontrolled price of $2.25 the nation would be awash with natural gas. It would bring in 230 trillion cubic feet of what USGS calls "inferred reserves," make economic the 285 trillion cubic feet of Devonian shale in Appalachia, the 600 trillion cubic feet of Western "tight sands" and between 200 trillion and 300 trillion cubic feet of coal-seam methane.

At somewhere between $2.50 and $3.00 per thousand cubic feet, the industry could tap the big deposit—geopressured methane that exists at depths of 15,000 feet, both onshore and offshore, in the Gulf region. This natural gas dissolved in water runs to between 20,000 and 50,000 trillion cubic feet. If you consider that 1,000 cubic feet of natural gas is roughly equivalent to one million British Thermal Units, this exotic natural gas is not all that expensive at $3 per million BTUs. Americans now pay about $2.05 per million BTUs of natural gas delivered at their homes, $3 per million BTUs of fuel oil and $10 per million BTUs of electricity.

The only conceivable way Americans would freeze in the dark anytime in the near future is if the government continues to keep the price of natural gas from getting into the ranges that would finance tapping these reserves. Holding down the price is of course precisely what President Carter proposes, a ceiling of $1.75 per thousand cubic feet.

We can't believe that President Carter genuinely desires that we freeze in the dark because of his policies. Instead, we assume it will take him a little time to get fully informed on the true nature of the energy problem. Perhaps some friend will call him up and tell him about this editorial, and we can begin thinking of dancing in the dark instead of freezing in it.

AIRLINE DEREGULATION

Mr. McGOVERN. Mr. President, one of the principal air carriers serving South Dakota is Western Airlines. A group of its employees, banding together in an informal committee to "Support Our Service"—SOS—has published an informative pamphlet with questions and answers on airline deregulation.

I believe that their comments will be of interest to everyone who shares their concern—and mine—on the pending legislation dealing with airline deregulation.

I ask unanimous consent that the text of the pamphlet be printed in the RECORD.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

HERE ARE THE FACTS

"Deregulate the U.S. airline industry", some highly-placed political forces are saying. They claim this would bring in new, innovative airlines, and bring about lower fares. Bills have been introduced, therefore, and are being considered in Congress now which would dramatically change our nation's airlines.

What would this "deregulation" mean to users of air service, to communities large and small, and to the taxpayers, as well as to the airlines and their personnel?

These questions are so vital and the issues so potentially damaging that the employees of Western Airlines, America's oldest and consequently most experienced airline, have studied the proposed legislation in detail. They have prepared this brochure in hopes of informing other airline personnel and the public of the facts before it is too late for them to take action and prevent deregulation from dismantling the finest air transportation system the world has ever known.

Q. What do the pending bills on deregulation propose to do?

A. The bills' sponsors want to bring more competition into the industry, which they represent would bring about lower air fares and better service. While the Civil Aeronautics Board would be maintained, it would be required to encourage the development of new airlines, and to encourage additional competition in established markets, whether or not those markets required additional service. The CAB's authority in determining reasonable fare structures would be almost removed, as carriers would be allowed to set fares which did not cover all their costs or raise fares without any justification required.

Q. Would such deregulation bring lower air fares?

A. A "rate war" might reduce fares for a short time on a few major routes as new carriers enter potentially lucrative markets. But it must be remembered that deregulation will not alter the cost of providing air transportation. Under deregulation, the price of jet fuel will not go down; the wages of skilled and experienced airline personnel needed for a dependable operation will not be less; airports will not lower their landing fees; other suppliers of goods and services will not reduce their charges. These hard economic facts will catch up with the new carriers as well, for as in any other business air transportation in the long run must be priced to cover the cost of producing it. Under the predatory pricing of a rate war, the financially weaker airlines will either be driven out of the market or out of business, and the remaining carriers could then set fares at whatever the traffic will bear.

Q. Are air fares excessive now?

A. No, air fares are not excessive by any standard. As compared with the price of other goods and services, for example, the average U.S. airline fare has gone up less than 30 per cent between 1950 and 1976. During that same period the Consumer Price Index increased 120 per cent. Moreover, U.S. airline fares are the lowest in the world. The coach fare (without the benefit of various discounts) between Salt Lake City and Chicago is 8.7 cents per mile. For that same distance of 1254 miles, the air coach fare in Canada is 15.4 cents per mile, in Australia it's 13.0 cents per mile, and in Europe 26.4 cents per mile. Our own company, Western Airlines, pioneered air coach service along the Pacific Coast in 1949, and today offers a wide variety of economy, communter, off-peak, excursion, tour-basing, group, and charter fares.

Q. Would deregulation result in more competition?

A. Only for a time and only on heavily traveled routes. Excessive competition on these routes as additional carriers entered the market, with the price wars that ensued, would ultimately drive out some airlines and probably result in less competition than there was originally. Smaller markets would get little or no additional competition as carriers serving them would have to concentrate their forces against the "cream-skimming" operations on more lucrative routes. This could also result in reduction of service in the smaller markets.

Q. Would small cities continue to have air transportation?

A. With deregulation many would not, unless taxpayers subsidized it. The major U.S. carriers went off public subsidy for serving small cities more than 20 years ago. At present, service by major airlines to smaller cities is based on the same public service philosophy under which telephones are provided. The telephone companies utilize the profits of their entire system to provide the best possible service at affordable rates to all customers, no matter where they are. Airlines are also public utilities and common carriers, and follow this same policy. Without the security of today's system of certificates of public convenience and necessity (or licenses), and faced with the necessity to concentrate on meeting intensified competition on their more profitable, high-volume routes, airlines would be compelled to abandon or reduce service to many smaller communities. Either the passenger, mail, and air freight services essential to such communities will be disrupted, or the nation's taxpayers will find themselves footing the bill.

Q. Would deregulation result in greater efficiency?

A. It's difficult to imagine. U.S. airlines have been very innovative with respect to efficient operation, new services, and promotional tariffs, to a degree unmatched in other industries. The sophistication of their equipment and the huge capital required for aircraft fleets have demanded that they keep ever alert to modern technology. Under deregulation, additional airlines and airplanes at the already crowded major airports would cause serious problems rather than create greater efficiency. This would even be wasteful of precious fuel supplies. And the carefully-developed national network of airline routes would be torn apart. Airline customers and communities alike would be facing the uncertainties of a guessing game as to service and rates.

Q. Would deregulation impair the ability of airlines to work together to provide better service?

A. Yes. For industry teamwork, deregulation would be a giant step backward. It would wipe out decades of progress during which systematic interline procedures were developed. These procedures today are directly related to customer convenience in being able to call one airline reservations center to obtain schedules and fares and book space on all carriers; to buy one ticket covering a trip on several airlines and check baggage which is automatically transferred. Cargo shippers benefit from the same intercarrier cooperation. Under deregulation, the whole working structure of interline relationships would come under a cloud, because the proposed legislation would remove the anti-trust immunities which have been provided so that this public transportation system could function as an integrated national network. Deregulation would require that literally thousands of interline agreements be reviewed and revised.

Q. How would deregulation affect the passenger?

A. Rate wars on major routes, leading to the offering of tickets at less than cost, would force the removal of in-flight and ground service features and conveniences that airlines could no longer afford. Schedules would be adjusted to get more equipment utilization at marginal times, frequency of flights would diminish, and seat configuration would be high-density. Service to and from many smaller communities would be considerably reduced or eliminated unless taxpayer-subsidized.

Q. How would deregulation affect users of postal service and airfreight?

A. Under the proposals, mail and freight could be carried on charters as well as scheduled flights, so on the surface it would appear initially to benefit users of these cargo services. However, these added flights might prove temporary and they would not be going into all the variety of cities that scheduled airlines serve today. Remember, about eight out of ten first class intercity letters go by air now and this has been made possible by the fact that airlines serve so many cities at such reasonable cost. Contract, subsidized mail flights would probably be required for many of the small cities. This would be a step back to the very beginning of the airline industry, for contract mail service was where the U.S. airlines started.

Q. How would it affect the travel agent?

A. The entire commission structure that compensates travel agents for the sale of airline tickets and tours, and all the Air Transport Association rules and resolutions that guide the complex working relationship between the airlines and the travel agents, would be scrapped by deregulation. Instead of a businesslike and uniform industry approach, each airline would be required to negotiate separate agreements on commissions and operating practices with 13,000 individual U.S. travel agencies. In 1976 these agencies produced more than $7 billion in airline revenues for which they earned nearly $600 million in commissions (at no added cost to the public). The continued functioning of this huge sales force under deregulation would become chaotic.

Q. How would it affect career airline personnel?

A. The airline customer today enjoys the benefit and security of years of training and experience offered by the nation's 300,000 airline professionals. No U.S. airline any longer "flies by the seat of its pants". New carriers entering the industry would have relatively inexperienced personnel starting at the bottom of the wage ladder. This would be the one area of operating costs where they would have an initial ability to reduce fares. But as a result of the rate wars that would rage in an atmosphere of unrestrained competition, there would be fewer airlines surviving and there would be fewer employees in the industry.

Q. Is the airline industry against "free enterprise"?

A. Not at all. But we see the airlines as public utilities—just like the telephone and electric company or radio/television stations. They are all vital public services. It is essential to the users of these systems that their reliability of operation and fairness of rates not be left to chance. It is just is important that the airlines' obligation to provide adequate service continue to be a statutory mandate. Those factors are assured for the nation's air transportation network by the present regulatory structure. There is certainly room for improvement in its rate-setting and rule-making procedures, but this can be accomplished within the framework of the present statute. The latter has worked remarkably well in fostering the development of the world's greatest air transportation system.

FINANCIAL DISCLOSURE OF SENATOR STAFFORD

Mr. STAFFORD. Mr. President, in each of the last 3 years, I have made public disclosures of my financial holdings, along with summaries of my Federal income tax returns. I have pledged that I would issue a similar financial report each year for the remainder of my time in public office.

In keeping with that promise, I am once again issuing a statement of financial disclosure to be placed in the CONGRESSIONAL RECORD.

The financial statement shows that my wife, Helen, and I had net assets of $338,000 on April 19 of this year, when the evaluation was made.

The statement I am making lists details of our holdings—including bank accounts, cash value of life insurance, real and personal property we own, and stocks and bonds. The majority of the stocks and bonds listed were owned by us before I entered public office, and there has been little change in our financial condition in terms of real dollars since I entered political life in Vermont 23 years ago.

The summary of our joint tax return shows that my wife and I had a gross income last year of slightly more than $58,000. Of that total, $44,600 came from my salary as a U.S. Senator. Our taxable income was slightly more than $38,200.

We paid $11,175 in Federal income taxes for the year, and $3,415 in Vermont State income taxes. Our total of State and Federal income taxes was $14,590.

As I have done in each of the last 3 years, I am making copies of the statement available to newspapers, radio stations, and other news services in Vermont.

This information is being made public because I remain convinced that those who serve in government, as well as government itself, must be as open and candid as possible with the public.

One significant change I have made since last year regards my stock holdings. I have sold all of my shares of Exxon and Texaco stock.

Although the amount of those holdings was small—about $2,000—it is my view that I should no longer have any financial interest in an oil company.

The energy issue is an overriding one for our Nation, and the big oil companies have a massive stake in whatever energy policies are designed by the Government.

My small holdings in Exxon and Texaco have never influenced my votes on legislation in the past, and they would not in the future. However, I think it is important for a Member of Congress to avoid even the appearance of any conflict of interest in this field.

That is the major reason I decided to sell my stock in the two oil companies. I might add that action probably will not bother either one of those companies a bit, since neither has been pleased with my voting record in the Senate.

The best way to enable Americans to judge whether their Government and their officials are acting properly is to provide full disclosure of all interests of Government and of those who make decisions in Government.

Thus, I invite all Vermonters—and all other Americans—to examine my financial interests and to match those interests with my record as a public official.

For some time I have been concerned over the loss of public confidence in Government and politics. I believe one of the reasons for public suspicion is that so much of the activity of Government and politics takes place away from public view.

I have hoped that, by this time, Congress would have enacted legislation requiring detailed public disclosure by Members of Congress and other senior Federal officials of their financial situations.

I continue to sponsor legislation designed to achieve that disclosure—and also to achieve more disclosure of lobbying activities and of Government actions.

Some progress has been made in this direction, but not enough.

The fact that such legislation has not been enacted, however, does not relieve me of what I feel is my responsibility to report our financial holdings to my fellow Vermonters.

I ask unanimous consent that the financial statement and the Federal income tax return summary referred to above be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Statement of financial condition of Senator and Mrs. Robert T. Stafford, April 26, 1977

SAVINGS ACCOUNTS

Bellows Falls Trust Co.	$5,000.00
Burlington Savings Bank	5,000.00
The Howard Bank	5,000.00
Rutland Savings Bank	5,000.00
Burlington Federal Savings & Loan	5,000.00
Total	25,000.00

CHECKING ACCOUNTS

Riggs National Bank	$2,900.00
First Virginia Bank	900.00
The Howard Bank	6,279.00
Total	10,079.00

LIFE INSURANCES

(Approximate cash value)

Travelers Insurance Co., MONY, NYLIC, NSLI, Connecticut General	17,694.50

REAL ESTATE

64 Litchfield Avenue, Rutland, Vt	50,000.00
27 Howard Avenue, Rutland, Vt	30,000.00
Total	80,000.00

ADDITIONAL PROPERTY

Real estate, house, 3541 Devon Drive, Falls Church, Va	80,000.00
Law library and office furniture, 27 South Main Street, Rutland, Vt	2,000.00
Contribution to Federal retirement (as of Apr. 30, 1977)	44,140.03
Boat and two cars	24,000.00
Personal property	20,000.00
Total	170,140.03

STOCKS

(As of April 19, 1977)

Name and shares	*Value*
American Finance System, 50 (3⅛)	156.25
A.T. & T., 100 (62⅞)	6,287.50
Bellows Falls Trust, 80 (60)	4,800.00
Book of the Month, 50 (26)	1,300.00
Cluett Peabody, 20 (9¾)	195.00
Con Edison of New York, 100 (22⅜)	2,237.50
Gillette Co., 20 (27⅞)	557.50
Greyhound, 20 (14⅛)	282.50
The Howard Bank, 1,003 (13)	13,039.00
International Harvester, 20 (35⅜)	707.50
Manufacturers Hanover Trust, 664 (35¾)	23,738.00
Monsanto, 40 (80½)	3,220.00
NL Industries, 40 (21⅝)	865.00
National Distillers, 40 (25⅜)	1,015.00
Outboard Marine, 20 (24)	480.00
Vendo, 10 (5¼)	52.50
Total	58,933.25
Total assets	361,846.78

LIABILITIES

Eastern Liberty Federal Savings and Loan Assn., Washington, D.C., first mortgage on house at 3541 Devon Drive, Falls Church, Va. (as of December 31, 1976)	11,269.53
The Howard Bank, Rutland, Vt	12,400.00
Total liabilities	23,669.53

RECAPITULATION

Total assets	361,846.78
Total liabilities	23,669.53
Net assets	338,177.25

Summary of 1976 joint Federal income tax return, Robert T. and Helen K. Stafford

Income:	
Salary	$44,600.00
Dividends (less $200 exclusion)	3,175.88
Interest	1,303.98
Other	8,970.38
Total income	58,050.24
Adjustment to income:	
Allowable congressional expenses not reimbursed	$5,925.84
Net loss on Vt. rental property	3,516.66
Total adjustments to income	9,442.50
Adjusted gross income	48,607.74
Itemized deductions:	
Medical	150.00
Taxes	7,233.02
Interest	1,123.49
Contributions	280.00
Miscellaneous	65.00
Total deductions	8,851.51
Exemptions claimed (2)	1,500.00
Taxable income	38,256.23
Federal income tax due and paid	11,175.30

ASSISTING THE ELDERLY

Mr. McGOVERN. Mr. President, I am pleased to cosponsor S. 1181, introduced by Mr. HATHAWAY. This bill is designed to encourage in-home alternatives to the institutional care of the elderly.

Just this past February, the Congressional Budget Office released a report underscoring our neglect of home health care for the elderly. Two consequences arise from this neglect. First, we have created an artificial dependency on the most expensive option, nursing homes. In effect, we have been saying, "If you want the Government to pay, enter a nursing home." The second consequence is more difficult to measure; this is the disturbing specter of a society which isolates its elderly. Many have commented on the youth-orientation of this country and on how the media emphasizes the "goodness" of youth and beauty. Nothing more exemplifies this problem than the way public policy treats the elderly; we have created a financial incentive to shun the elderly and the infirm.

S. 1181 would eliminate the current reduction in supplemental security income payments for those recipients living with their families. Changing the law in this way would make the SSI system consistent with the widely accepted social goal of maximizing our use of home health care. I urge my colleagues on the Finance Committee to give this bill their full consideration.

SOUTH DAKOTA LEGISLATURE ON OAHE PROJECT

Mr. McGOVERN. Mr. President, recognizing the critical importance of irrigation and municipal water stabilizing for the Dakotas, the 52d session of the South Dakota State Legislature has adopted a concurrent resolution in support of the Oahe irrigation project in South Dakota and the Garrison diversion unit in North Dakota.

This formal expression of support for these two important water development projects by the South Dakota Legislature sends a clear signal to the Congress and the administration that our State wants these two projects continued.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 517

A concurrent resolution, citing the legislative interest of South Dakota, and her sister state North Dakota, in, and their support of, Missouri River development in the form of the Oahe and Garrison projects, and memorializing the President and the Congress of the United States not to withdraw federal support from these projects

Be it resolved by the House of Representatives of the State of South Dakota, the Senate concurring therein:

Whereas, South Dakota and North Dakota recognize the importance of utilizing the waters of the upper Missouri River basin for their mutual benefit in meeting the basic needs for human consumption, for domestic uses, and to grow food, the very essentials of life sustaining activities; and

Whereas, North Dakota and South Dakota, two of the most agriculturally oriented states of the nation, are facing the very real and immediate problems of drought, problems which could have a significant impact not only in the United States, but also in the world's agricultural markets; and

Whereas, cities in North Dakota and South Dakota are in some instances being forced to implement water rationing as water supplies continue to dwindle at an alarming rate; and

Whereas, the citizens of the Garrison diversion conservancy district and Oahe conservancy subdistrict have expended significant amounts of money in preparation for the operation and maintenance of the project; and

Whereas, the state of South Dakota has suffered the loss of 509,000 acres of fertile river bottom farmland for the construction of Missouri River reservoirs necessary as a first stage to the development of the entire Missouri River basin; and

Whereas, the state of North Dakota has suffered a similar loss of 568,000 acres of river bottom farmland; and

Whereas, the states of South Dakota and North Dakota believe that the loss of 1,077-000 acres of agriculturally productive land can be fairly compensated for by federal support for the irrigation of other agricultural lands from Garrison and Oahe reservoirs; and

Whereas, the benefits from the reservoir construction on the mainstem of the Missouri River in the form of flood control, navigation, and power generation have accrued, to a great extent, to out-of-state interests; and

Whereas, the Oahe project in South Dakota and the Garrison project in North Dakota are projects of the Pick-Sloan Missouri Basin Program; and

Whereas, the proposed discontinuance of funding at the federal level for such programs would jeopardize the overall development of the water resources in the Dakotas; and

Whereas, South Dakota and North Dakota, as sister states, recognize the necessity of working together to protect our mutual inheritance of Missouri River water and to seek together appropriate modifications of either project to enhance the environmental and economic characteristics of the project:

Now, therefore, be it resolved, by the House of Representatives of the Fifty-second Legislature of the state of South Dakota, the Senate concurring therein, that South Dakota joins with her sister, North Dakota, to memorialize the President and Congress of the United States not to place a moratorium upon the development of the Garrison or the Oahe projects and to proceed with their completion with all deliberate speed; and

Be it further resolved, that the Chief Clerk of the House of Representatives send copies of this Resolution to the President of the United States, each member of the South Dakota and North Dakota congressional delegations, Secretary of Interior, the Governor of North Dakota, the Governor of South Dakota, and the North Dakota Senate and House of Representatives.

DIRECT ELECTION OF THE PRESIDENT—SENATE JOINT RESOLUTION 1

Mr. METZENBAUM. Mr. President, I rise to express my support for Senate Joint Resolution 1, the proposed amendment to the Constitution which would abolish the electoral college and institute a system for the direct election of the President and Vice President. First, I wish to commend my good friend and colleague, Senator BAYH, for his sustained efforts to reform our electoral system.

The electoral college is an arcane and outmoded institution. The purposes for which it was designed are no longer appropriate to our mode of government. The authors of the Constitution did not trust the judgment of the people to elect their top leaders. They insulated the most important offices in the land by creating the intermediary structure of the electoral college.

We know too well today the dangers of a Presidency insulated from the people. The electoral system developed by the founders of this Nation was a unique and brilliant one, but it was not meant to outlive its relevance. The founders wisely included provisions for amending the Constitution to deal with situations such as the one we face today.

Our Nation has evolved into a representative democracy that has benefited all of us and served as a model to the world. But our system is flawed in one overwhelming respect. The people do not elect their top leaders. This must be changed.

This Nation—its people and its constitution—have experienced unprecedented shocks in the last decade. The revelations of Watergate and related abuses of power have punctured our deeply held belief in the inherent integrity of our Government. We have seen a President resign under the threat of certain impeachment. We have seen a Vice President resign because of his criminal activities. We have had our first nonelected Vice President, and our first nonelected President. That we have survived these shocks intact is a tribute to the resiliency and strength of our free institutions.

The patience of our people cannot be relied upon forever. The retention of the electoral college extends the glaring potential for mass frustration and constitutional instability.

On three separate occasions men who have lost the popular vote became President; John Quincy Adams, Rutherford B. Hayes, and Benjamin Harrison—all were quirks of our electoral system. In the 19th century these aberrations were accepted despite some popular outrage. The Nation lacked the widespread commitment to the democratic philosophy we now hold so dear. Fortunately, there has not been a Presidential victor who lost the popular vote in nearly 90 years. Yet recently we have come far too close for comfort.

In 1960, a shift of less than two-hundredths of a percent in the popular vote would have given Richard Nixon victory in the electoral college, with John Kennedy still the popular winner. In 1968, a switch of seven-hundredths of a percent would have made HUBERT HUMPHREY President even though more Americans preferred Richard Nixon.

Our most recent election has underlined the danger of retaining the electoral college. In my own State of Ohio, a shift of 4,667 votes would have brought Gerald Ford within two electoral votes of victory. Had 3,687 votes also switched in Hawaii, Mr. Ford would have been elected President with less than a popular majority. A shift of only one-hundredth of a percent of the 79.7 million votes cast could have plunged us into another constitutional crisis.

A related flaw and potential source of instability is the "faithless elector" problem. In many States, electors are not bound to vote for the candidate who carried their States. In the past three Presidential elections, electors have cast their votes for a candidate other than the popular victor in their State. This situation removes the election of the President even further from the people's control.

No one wants to have a President rejected by the people. There is no rationale in favor of it, and there is no excuse for its occurrence. Tradition is no defense for irrelevance. The way to insure that this does not happen is to pass Senate Joint Resolution 1. The country needs it and the people want it. In fact, recent Gallup polls show that over 80 percent of the people favor direct popular election of the President.

In addition to insuring the popular election of the President, there are other advantages to abolishing the electoral college. We have accepted the egalitarian principle of "one man, one vote." Yet, under our present system, millions of votes do not count if they are cast for the loser in a particular State. A system of direct election of the President would give every vote the same weight, no matter what the size of the particular State or the choice of other people in that State.

Finally, one of the dangerous drawbacks of our present system is the power given to the House of Representatives to choose a President if no candidate receives an electoral college majority. It goes completely against the grain of the American spirit of the Presidency to be decided by a political bargaining process in the House. Had George Wallace's popular support been somewhat stronger in 1968, he could have brought the election into the House and negotiated for the candidate of his choice. No power brokers should tell us who will be President, except the ultimate power brokers—the people.

Senate Joint Resolution 1 provides a more rational system for choosing a President in the unusual case where there is no clear victor. If no candidate receives at least 40 percent of the popular vote, there will be a popular runoff between the top two choices. The people will decide, as they should.

Mr. President, the need for this constitutional amendment is clear. Our democratic spirit requires it. The stability of our institutions requires it. And the people call out for it. I urge swift passage of this proposed constitutional amendment.

ENHANCED RECOVERY METHODS HOLD PROMISE FOR MORE OIL AND GAS PRODUCTION

Mr. STONE. Mr. President, as Congress begins to review in detail President Carter's proposals for a national energy policy, it is important for Congress to understand and evaluate the assumptions on which the President's proposals were developed.

One of these assumptions, which the President has emphasized, is the decreasing reserves of recoverable oil and gas in the United States. While the President is generally correct in asserting that national and world supplies of oil and gas are finite and diminishing, I am not certain that we have done all we can to encourage greater development of existing oil and gas supplies. In this connection, I was interested in reading an article in the New York Times of April 28, 1977, "Physicists Hear Plan To Produce More Oil," which suggests that there are genuine opportunities for this country to increase substantially our oil and gas production through the use of already developed techniques of enhanced recovery. In my opinion, it would be a great mistake for the President and Congress not to study this potential for increased oil and gas production carefully in developing a national energy policy.

Mr. President, I ask unanimous consent that the article I refer to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PHYSICISTS HEAR PLAN TO PRODUCE MORE OIL—SPECIALISTS SAY FLUSHING METHODS COULD YIELD BILLIONS OF BARRELS FROM DEPLETED U.S. FIELDS

(By Walter Sullivan)

WASHINGTON, April 27.—Physicists were told today that, by using enhanced recovery methods, it might be possible to extract from currently depleted oilfields more oil than they originally produced.

The proposal was made at the American Physican Society's annual meeting as government and industry specialists discussed current efforts at such recovery. They said that 70 percent of the oil that originally filled the depleted reservoirs was still there, but was unavailable by conventional extraction methods.

The chairman of the meeting, Dr. Arnold Goldburg, senior engineer for the enhanced recovery program of the Gary Operating Company in Colorado, said that, from experiments conducted so far, between 15 and 60 percent of the remaining oil in such fields could be recovered. Extraction of 30 percent would equal all of the oil production in the United States to date.

In a $5 million project whose costs are being equally divided between owners of the field and the Energy Research and Development Administration, an effort will be initiated next year to see how much oil can be extracted from Unit A of the Bell Creek field in southeasteru Montana, using one of two methods based on flushing with detergents. The Bell Creek field is operated by Gary on behalf of more than 50 owners.

In one method, developed by the Union Oil Company of California, the injected detergents is mixed with oil. In the other, offered by the Atlantic Richfield Company, water is mixed with the detergent plus chemicals (Polymers) to make the mixture more "oil-like" in behavior.

The energy research agency has contracted for more than $50 million of developmental work in enhanced oil recovery in at least a dozen projects. Dr. Goldburg said that, in contrast to other and more exotic energy sources, all of the required "infrastructure" already existed—pipelines, refineries and a national distribution system. The environmental impact, he added, is virtually nil.

NEVER IN A PURE FORM

The reason that only about 30 percent of the oil in any reservoir is extracted by ordinary methods is either that the oil is too viscous—that is, it flows poorly—or that it is held within the pores of reservoir rock (typically sandstone) by surface tension. This prevents the oil from forming droplets small enough to escape the pores or from mixing with the salty water usually present in the reservoir. Sometimes, both viscosity and surface tension are limiting factors.

The participants said at the meeting at a news conference and in interviews that, contrary to popular belief, oil never accumulated in pure form as though in a giant tank. It is dispersed in porous rock often mixed with high pressure gas and brine—a relic of its marine origin.

Where viscosity is the problem, hot steam or hot air is sometimes injected with a view—in the case of hot air—to setting fire to some of the oil, creating enough heat and pressure to drive the rest of it out.

Detergents reduce surface tension and allow water to flush out the oil much as they do in a laundry. The problem is cost, and the challenge is to find ways to minimize the amount of detergent needed to extract a barrel of oil.

Industry participants predicted that enhanced oil recovery would cost at least $10 a barrel, and therefore would not be attractive unless they were allowed to sell it at world market prices rather than the lower price permitted for domestic production.

President Carter's recently announced energy program would allow the world price for oil recovered from "stripper" wells—those wells that each produce less than 10 barrels a day. The industry participants said it was not clear to what extent this would also apply to less fully depleted fields, where enhanced oil recovery would probably be more productive.

MANY FACTORS AT WORK

The world market price is about $14.50 a barrel, as against $9 a barrel for domestic production.

Harvey S. Price of Intercomp Resource Development and Engineering Inc. told of its efforts at mathematical representation of all the factors affecting success of a recovery effort. Whereas 80 to 100 percent of the oil in rock samples can be extracted in the laboratory, he said, the rate in field experiments has ranged from 15 to 65 percent, indicating that many factors—some still unknown—are at work.

There are wide variations as well from oilfield to oilfield. Industry specialists hope that the mathematical attack will bring into play the many factors affecting these variables, such as the role of certain types of rock in annulling the effectiveness of a detergent, aiding the oil companies in choosing the most effective method for a particular situation.

The mathematical modeling was initiated in 1973 with support from 13 major oil companies, Mr. Price said.

One of the more conventional extraction methods discussed today is the injection of high pressure carbon dioxide gas. This acts somewhat like a detergent and ejects the oil similar to the way fluid spurts out when a bottle of carbonated beverage is opened. It is applicable, however, only in limited situations.

Dr. Goldburg said the United States once had about 440 billion barrels of oil, of which 100 billion has been extracted and another 40 billion is accessible by conventional means. He believes that about one-third of the remaining 300 billion barrels can be obtained by flushing and other techniques.

15.2 BILLION-BARREL GOAL

According to Jerry D. Ham, assistant director for oil and natural gas in the Energy Research and Development Administration, that agency's goal for added recovery from existing reservoirs by the end of this century is 15.2 billion barrels. It is also hoped that the rate of extraction from all reservoirs can be increased from a current average of 32 percent of the original amount to between 34.5 and 38.4 percent.

Mr. Ham added, however, that industry enthusiasm is dampened not only by technological uncertainties, but also by such factors as price regulations, tax requirements and fear of antitrust action.

THE GENOCIDE CONVENTION: A FUNDAMENTAL HUMAN RIGHT

Mr. PROXMIRE. Mr. President, in 1949, President Truman transmitted the Genocide Convention to the Senate for ratification. At that time and throughout the remainder of his life he wholeheartedly supported the treaty, which was adopted by the United Nations in 1948. The Genocide Convention, very simply, would make the "intent to destroy, in whole or in part, a national, ethnical, racial, or religious group" an international crime. Little did President Truman know that the confirmation of so fundamental a human right would still not exist in his own country 28 years later. There is no reason for this.

What is keeping us from condemning the mass murders of any particular group? Our failure to stand on this issue leaves the United States in disgrace over one of our most basic human needs and rights: The right to live and believe as one chooses. Nowhere in the world do people believe in this freedom more than in the United States. And yet, the Senate continuously fails to publicly affirm that belief.

I have stated several times before that the American people believe in the premise of the Genocide Convention and that it is our responsibility as their elected spokesmen to ratify the treaty.

Mr. President, 82 other countries have passed the Genocide Convention, because they believe in the rights of everyone to live free of racial, ethnic, or national persecution. Many of these countries ratified the treaty more than 20 years ago, shortly after its introduction. It is shameful for a country like the United States, usually so ahead of the times, to be so far behind in such a basic issue. For the integrity of our country, our people, and ourselves we must ratify the Genocide Convention at once.

TESTIMONY OF GOVERNOR KNEIP ON OAHE PROJECT

Mr. McGOVERN. Mr. President, the President has now apparently accepted the recommendation of his water projects review panel and has ordered the Oahe irrigation project in South Dakota to be terminated.

It is important to recognize, however, that the President's action does not govern the consideration given Oahe and other important water developments by the Congress.

It has been the traditional responsibility of the Congress to make the basic judgments on water development in this country. I believe that regardless of the position taken by the administration the congressional responsibility in this area remains.

South Dakota Gov. Richard Kneip has long been an advocate of the Oahe project, along with other water development in our State.

On March 21 in Pierre, S. Dak., the Governor presented a strong defense of Oahe to a field team of the President's water projects review panel. On April 5, the Governor affirmed that position in testimony presented to the Congressional Appropriation Public Works Subcommittees. I believe that every person interested in the wise use of our land and water resources will benefit from the Governor's remarks.

I ask unanimous consent that the two statements by Governor Kneip be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TESTIMONY BY RICHARD F. KNEIP, MARCH 21, 1977

INTRODUCTION

We are convened here today for a historic review of a major water project that will affect the destiny of South Dakotans for generations to come. I am fully convinced that we are not discussing just the Oahe Irrigation Project, but rather a much broader aspect of how this State, this region and this Nation establishes its priorities and meets its future water crises.

This Legislative Chamber for the past 45 days as in previous years, has resounded with discussion and debate of opposing views, differing philosophies, and out-right conflicts. And yet those on opposite sides of a given issue have been able to pull together, reach consensus and move forward with the people's business in dignity. I hope this gathering today will do likewise. That is government under democracy, the kind of government that has upheld this Nation for the past 200 years.

We are now meeting before a special Water Projects Review Panel established by the Executive Branch of the federal government to glean facts and obtain views on the pros and cons of the Oahe Irrigation Project. It is hoped that we as South Dakotans, irrespective of our views on the project, can proceed to effectively and forcefully bring forth those facts and those views. It is also anticipated that as South Dakotans with our long tradition of respect and devotion to fair play and dignified debate that we can accept and respect differing views. It is also hoped that from those differing views a majority consensus can be forged and taken to the remainder of this Nation that will benefit the people of both the Nation and the State.

I ask each of us to listen carefully and with respect to the views and arguments brought forth in this review hearing. I believe in the long run it will provide for a better, more cohesive society for South Dakota and the Nation.

HISTORICAL BACKGROUND

Throughout the history of South Dakota, residents have faced the ravages of periodic drought. This has resulted in a boom or bust economy where people have done very well during the wet cycles but have been hard pressed to stay on the land during the drought periods. The State has suffered its highest population decline during these periods when the droughts hit hardest. Witness the historic loss of people in the 1890's and again in the 1930's. State population stagnated in the 1960's with urban increases offsetting rural population declines of about ten percent. Within the project area counties experienced losses as high as 23 percent with many in the ten to 15 percent loss range.

Since the 1890's, people have dreamed of diverting Missouri River waters in to the James River Basin to alleviate human suffering and property damages caused by drought. But the dreams went unanswered through cycle after cycle of wet and dry years until the decade of the thirties. During that severe drought period it was decided that something had to be done. The State of South Dakota, along with the Corps of Engineers and the Bureau of Reclamation and their supporters investigated separate plans for development of the Missouri River waters. The Corps examined ways of dealing with the flood problems of the Missouri River and the Bureau of Reclamation looked at ways of alleviating drought with reclamation programs. In 1944, the Congress put these two plans together in what was to be known as the Pick-Sloan Missouri Basin Program.

The passage of the 1944 Flood Control Act opened a new era in the development of the water resources off the Missouri River Basin. It meant development not only for flood control and irrigation, but also for hydroelectric generation, for navigation, to provide water for municipal and industrial use, and for recreation and fish and wildlife development.

It was recognized from the outset that this multipurpose approach would mean compromise and trade-off. Compromises were made. Trade-offs did take place. Maximization of certain functions was reduced in order to benefit other functions. At the end of this process through governmental means, a consensus was achieved and development of the basin's water resources was started.

To achieve the needed flood protection for downstream states meant the construction of dams and reservoirs in the upstream states. In South Dakota it meant the use of over one-half million acres of Missouri River valley lands for these dams and reservoirs. The trade-off was to be the development of the Oahe Irrigation Project and other irrigation projects along the main stem of the Missouri. The Oahe Unit was to be multipurpose in itself, providing water not only for irrigation but for fish and wildlife and recreational development and for municipal and industrial use. It was also to provide for pollution abatement and to maintain streamflow and to reduce flood damages in certain areas.

The Missouri River valley was a great resource not to be given up lightly. The environmental values of a natural river valley were sacrificed. Many economic benefits were also lost. The 509,000 acres of land required for the four main stem reservoirs on the Missouri River in South Dakota included 138,000 acres of fertile bottom lands, 238,000 acres of high quality grazing land and 133,000 acres of brushland and timberland, all of which also represented immense wildlife habitat values. South Dakota continues to expect new irrigation to offset this large sacrifice of agriculture land as well as mitigation of this wildlife habitat loss.

Many difficult decisions were made in those early years, but South Dakotans accepted the trade-offs along with the solemn and earnest pledge of the federal government to compensate for the Missouri River valley. Many events, including other pressing national priorities have combined over the years to delay the fulfillment of the promise by the federal government. Through it all, however, South Dakotans have been rather patient in the knowledge that eventually the promised water development would become a fact.

As time passed, new values and attitudes have developed. Technology has changed. What was once thought to be the ultimate design of a given irrigation project has now given way to the understanding that a flexible design in ultimate water use can adjust to present and future needs. This flexibility concept is recognized in South Dakota just as it is recognized that certain physical restraints prohibit the use of water from the water rich central part of the State to the water poor areas to the east and west. The passage of the National Environmental Policy Act, the Fish and Wildlife Coordination Act, the Endangered Species Act and others represent the public's will to achieve these somewhat intangible values in today's activities. With proper concern and modification as is being applied to the Oahe Project by field personnel and other state and local interest many of these intangible values are being incorporated into the project. A greater degree of flexibility on the part of federal construction agencies and Congress would allow for a better project to meet today's economic and environmental values and needs.

South Dakotans have traditionally honored their debts and they have expected others to honor theirs. We have always considered an Oahe Irrigation Project as a debt of the federal government to the people of South Dakota. We cannot understand how a debt so solemnly made can be so lightly dismissed. We hope and respectfully request that this review panel carry back to Washington our deep concerns and convictions about this project.

THE NEW CHALLENGE

On February 21, 1977, the President announced that scheduled funding for the Oahe Unit for Fiscal Year 1978 would be removed from his budget recommendation. This decision is under review. It is my understanding that criteria for the review involve three areas:

(1) Economic Soundness.
(2) Environmental Factors (Trade-Offs).
(3) Safety Factors.

We believe these concerns ought to be and can be addressed not by termination of the Oahe Project, but by modifications and flexibility in design and implementation. This is a very key point and I stress it.

I fully believe, and the evidence will show, that the Oahe Unit can again be made to pass all three tests. In those particular areas where legitimate questions are being raised, sufficient opportunity exists for satisfactorily meeting those concerns.

Before discussing these review criteria as they apply to the Oahe Unit in detail, allow me to point out that the project through the years, has withstood numerous official reviews. I would like to cite a few such examples:

(1) On August 4, 1939, specific authority was given to the Bureau of Reclamation to investigate full conservation, control and use of the water resources of the Missouri River Basin.

(2) On May 5, 1944, after necessary agency reviews, the initial concept and design of the Oahe Unit for irrigating 750,000 acres in the James River valley was reported to the Congress (Senate Document 191, 78th Congress 2nd Session)

(3) On December 22, 1944, Congress authorized the Oahe Unit as part of the Missouri River Basin Project in Section 9(a) of the Flood Control Act of 1944.

(4) An interim information report on the Oahe Unit was completed and given public distribution in 1956.

(5) In 1959 the South Dakota Legislature enacted the South Dakota Conservancy District Act with provisions to create Conservancy Sub-Districts with full authority to contract with the federal government for water development projects.

(6) In June 1960, another information report was completed and given public distribution.

(7) In November 1960, the Oahe Conservancy Sub-District was formed by an 85.5 percent favorable vote.

(8) In May 1965, the full feasibility report along with 15 appendices was completed.

(9) In June 1965, a Supplemental Report on the Oahe Unit, Initial Stage was developed at the request of local sponsors to provide for the project under discussion today.

(10) That same year, 1965, Irrigation Districts were formed in Brown and Spink Counties.

(11) In November 1966, the electorate granted the Oahe Conservancy Sub-District authority to enter into long-term sponsorship contracts.

(12) On August 3, 1968, Congress authorized the Initial Stage, Oahe Unit in Public Law 90–453.

Later, participating and security contracts were negotiated and approved by the Irrigation District members. Starting in 1970 the Members of the United States Congress provided initial funding for construction of the project.

ECONOMIC SOUNDNESS

The ratio of benefit to cost is an evaluation tool that has a valid purpose. However, there are limits to its rational use. Opponents of the project have tried continuously to go beyond those rational limits to use the ratio against the project.

A major limitation of the benefit-cost ratio, as applied to the Oahe Irrigation Unit, is that it evaluates the Unit in terms of economic efficiency only. This objective means that the Unit is judged by the amount it increases the nation's agricultural and non-agricultural production. But the objective of the Unit is not simply or even principally economic efficiency. Other economic objectives must be considered along with economic efficiency. Among these objectives for South Dakotans living in and near the Unit are:

(1) Redistribution of employment and income to unemployed and underemployed South Dakotans.

(2) Diversification and stabilization of agricultural production.

(3) Diversification and stabilization of non-agricultural production.

(4) Growth in the production of all goods and services.

(5) Improved balance of trade between the local economy and the rest of the national and international economies.

(6) Diversification, stabilization and growth of the tax base—property, income and sales—for financing the myriad of services provided our citizens by state and local governments.

(7) Retardation and perhaps reversal of out-migration of population from communities to other areas, including congested metropolitan areas.

(8) Increased rate of saving and investment by families and business firms.

All of these objectives address problems in South Dakota adjacent to Oahe Project facilities.

The benefit-cost ratio and these economic objectives for the Unit should be viewed collectively. They should be considered not only for the people living within the Oahe Irrigation Unit, but also for South Dakotans living near the canal corridor between the Oahe Reservoir and the lands to be irrigated and for our people living below the Unit in the James River Basin.

One fundamental weakness of the benefit-cost ratio is that it deals in "average" values for benefits and costs while these values can fluctuate widely because, for example, of wide variations in snowfall and rainfall. Also, the ratio does not consider the benefits to those South Dakotans who are not sure they will use any of the facilities and services of the Unit, but who will support the Unit in any event because they believe it is important to keep their and future generations' options open to use these facilities and services if they should subsequently decide to do so.

Other fundamental weaknesses of the benefit-cost ratio are that it concentrates on tangible and quantifiable factors and ignores or depreciates the importance of those factors which are intangible and unquantifiable.

For example, it ignores certain "fragile" values such as soil conservation and improved water quality. The ratio overlooks the esthetics of a free flowing, unchannelized James River and abundant fish, wildlife and recreation in and along the river. Lastly, it employs neutral and detached language in analyzing intensely moral issues; for example, livestock sell downs, farm and business foreclosures and outmigration due to severe drought conditions.

For these and other reasons, the Oahe Irrigation Unit must be reviewed and evaluated not only in terms of economic efficiency. Instead, the Unit must be reviewed and evaluated in terms of broad economic, environmental and social considerations and within the context of its trade-offs and compatibilities among economic, environmental and social impacts.

In 1974, Congress recognized the difficulty it would create if all water development projects had to be re-evaluated each year as the discount rate changed. Congress, in P.L. 93–251 (Section 80) established the procedure to determine the applicable discount rate and at the same time, provided that on those projects authorized prior to December 31, 1969, and for which local sponsors had signed repayment contracts the discount rate of December 23, 1968 would be fixed. This rate was to be used throughout construction of the project unless specifically changed by Congress.

As long as this law is on the books, I ask how can the executive branch ignore this specific procedure? We don't believe responsible people and organizations can ignore this statutory provision and say that the Oahe Project no longer meets the benefit/cost test.

In spite of these and other arguments against the Oahe Unit, it has always met the benefit/cost test. The most recent figures based on up-to-date costs and benefits and a discount rate established by law show a 1.6 to 1 ratio for direct benefits only. When indirect benefits are included, the ratio rises to 3 to 1. A case can certainly be made for the argument that these figures are very conservative. Even under a current discount rate of 6⅜ percent the direct benefit B/C ratio is 1.37 to 1. Thus, the project meets the test of economic efficiency.

Taking into account economic factors that are excluded from the benefit-cost ratio, the Oahe Project becomes even more desirable. In the period after World War II, South Dakota per capita income has averaged 80% of the national per capita income. Moreover, per capita income levels have been subject to sharp and unpredictable fluctuations because of unstable economic conditions in the agricultural sector. One key constraint on high income levels is the limited supply of water for agricultural, municipal and industrial users in major portions of eastern and western South Dakota. Improvements in the level and stability of per capita income depend crucially on the diversion of water from the Missouri River. The Oahe Project represents the best and most efficient prospect of delivering this water to eastern South Dakota for multiple uses.

The federal government has consistently assumed a responsibility for achieving balanced national growth policy by aiding development efforts in areas with lagging incomes. Areas with lagging incomes are not well equipped to "pull themselves up by their bootstraps." This is especially true where capital requirements are large, such as the case of water projects. The Oahe Project simply cannot be constructed without initial federal assistance. If that assistance is not forthcoming, incomes in South Dakota will continue to lag behind the rest of the nation, and outmigration to urban areas will be accentuated. The historic outmigration from rural South Dakota to urban America is neither in the national nor the state interest. One of the better solutions to the problems of urban America is to provide economic opportunities in rural America. The Oahe Project will provide such opportunities and will help provide for balanced national growth.

ENVIRONMENTAL, SOCIAL, AND ECONOMIC CONSDERATIONS

Before discussing such trade offs we should look at the present environmental problems of the project area.

As already mentioned, the area is a highly variable climate, which can go from relatively wet periods to extremely dry periods. The latter condition has prevailed for several years, with 1976 being the worst drought year on record over most of the area. Studies by state agencies and universities have measured the sensitivity of our agricultural economy to wet and dry cycles.

For the period 1958 through 1975, per capita income in South Dakota has been approximately 80 percent of the national average. The highest income level, in 1973, was 98 percent of the national average while for years following a drought, i.e. 1959, the level has dropped below 70 percent. In 1978, assuming a recovery from the current drought, income is projected at about 75 percent of the national average.

The historic result of this economic instability has been outmigration, not only of farmers and ranchers, but of people from our towns and cities. Water development can provide agricultural stability and economic diversity. It can stabilize the population of the immediate area and can provide urban employment for people from other agricultural areas within the state. This consequence is of value both to this state and to the beleagured, overcrowded cities to which our people would otherwise be forced to migrate.

ENVIRONMENTAL IMPACTS

A viable economy and a good environment in which to live are interrelated and together form what is commonly referred to as "quality of life." Having a good environment is not inexpensive; however, at the same time a good environment affords definite economic advantages to society. Reduced health care costs and long productive lives for people are examples.

And what of the land itself? There is a great deal of concern, valid concern, about what would happen to the land and water resources under the project. However, studies by South Dakota State University and by the Bureau of Reclamation show that most of the adverse effects (and certainly the worst of them) need not occur at all. Good planning and management, tempered by experience as the project progresses, can take care of these problems.

Drainage and management of the land to be irrigated has been the subject of research by South Dakota State University since shortly after World War II. These studies have shown that the land can be properly managed under irrigation. They have also shown that the drainage design equation used by the Bureau of Reclamation represents the latest state-of-the-art approach to drainage design. They have shown that the drainage plan will work.

The opportunities for better care of the land which will be provided by the project are often overlooked. These include such means as maintaining a vegetative cover on the land to protect it from erosion. Better opportunities will be provided for management of both cropland and grassland, including the maintenance of fertility of both. The availability of water can provide improved tree plantings and vegetation for protection of wildlife, as well as the soil. These techniques will be adopted. South Dakota is implementing a soil erosion and sediment control act and will seek other institutional and legal arrangements to insure the adoption of proper irrigation management techniques.

The upper James River, throughout the project area, represents a unique portion of the total James River ecosystem in South Dakota. Characterized by a continuous corridor of hardwood timber, interspersed with thickly vegetated marshes and brushy fields, it provides the diverse environment for a varied and abundant wildlife community. The terrestrial and aquatic habitat of the river supports dense populations of big game, small and non-game animals, furbearers, waterfowl, songbirds and numerous fish species. In addition, the James provides extensive recreational use for such outdoor activities as sightseeing, camping, photography, canoeing, snowmobiling, picnicking and bird watching, as well as hunting, fishing and trapping.

The aquatic habitat of the James River is directly related to the streamflow characteristics of the river. The James is an irreplaceable meandering prairie stream that reflects the climatic extremes and variations. Floods may occur during the same year it goes dry. Yet the river and its associated habitat with an abundance of fish and wildlife lives on as it has for eons of time.

Extreme low flows and drying of the James River is a relatively common condition. In fact, records show that the river within the project area is dry about 40 percent of the time and that it flows at less than 30 cfs about 75 percent of the time. A stabilized flow of water, provided some measures are taken to assure adequate quality, could provide great benefit to the fishery of the river as well as other agricultural, recreational and municipal uses.

Since the Oahe Unit offers only incidental and minor flood relief, and in its authorized form poses the hazard of extreme environmental degradation through channelization, we have established a federal-state technical team to seek an alternative to an excessive channelization of the James River. This team, composed of five federal and seven state agencies, is to evaluate the need for trade-offs, and to review and determine the best solution to the James River problems.

The Bureau of Reclamation has assured us on numerous occasions that they have five alternatives to channelization. We have taken them at their word. The federal-state technical team will examine all the alternatives and I expect them to make a recommendation to me on the final disposition of this problem. I am confident that we can adopt an alternative to channelization which is compatible with the irreplaceable natural values provided by the James River.

Water quality has been a major topic of discussion with the federal-state technical team. The Bureau of Reclamation has conducted water quality model studies resulting in projections of effects of Oahe Irrigation Unit return flows on the James River. The studies indicate that irrigation return flows from the Oahe Unit as proposed will result in both a degradation of certain parameters of the existing water quality of the James River and will violate certain water quality standards criteria of the State of South Dakota. The major parameters of concern as related to the classified beneficial uses of the James River are total dissolved solids, and constituent nitrates. It should be noted that total dissolved solids are an important consideration for the beneficial uses of domestic water supply, wildlife propagation and stock watering, irrigation, and commerce and industry while nitrates are an important consideration for the beneficial uses of domestic water supply and wildlife propagation and stock watering.

We are aware that in many cases, including the James River, that the quality of the water and the ability to support the classified beneficial uses are often directly related to quantity of water. The inter-dependency of water quality and water quantity is sometimes overlooked in administering water policy. Present water quality standards violations that do occur in the James River, occur predominantly during periods of low flow. In the James River basin manageable increased flows of good quality water could contribute significantly to improve water quality and increase capability of the James River to support the classified beneficial uses.

It is federal policy under the provisions of P.L. 92–500 and Executive Order 11752 and State policy under S.D.C.L. 46–25 that projects of this nature are to be designed, constructed and operated in such a manner so as to achieve and maintain intended beneficial uses and to enhance water quality. It should also be noted that the project as authorized requires compliance with State Water Quality Standards, and as planned contemplates flow augmentation during the operating season to improve water quality.

We feel that there are modifications available in design, construction, and operation of an Oahe project which will minimize negative and achieve positive impacts on water quality.

The Bureau of Reclamation has completed a water quality model study which the technical team is using in its discussions. Data from this study have been analyzed and show no indications of danger to the health of people involved, with one possible exception. The state has asked for further studies on nitrates. These studies are scheduled for completion soon.

There has been a tendency by some to focus on possible water quality degradation involving some quality parameters without examining the whole picture. Some quality parameters will be improved at the same time a few will be degraded. Of major importance, the flow of the James River will be stabilized by the Oahe Unit, and water of acceptable quality will be made available to municipalities and others for household use.

Environmental quality, particularly soil conservation, improved water quality, and mitigation and enhancement of fish and wildlife and recreation—provide benefits that are an essential part of a good quality of life. To achieve that living, we must plan, design, construct and operate the Oahe Irrigation Unit in a manner that provides increased production, employment and income for our people and is compatible with the limits of the environment's limited capacity to absorb the wastes generated by that production, employment and income. This compatibility can be obtained by our support of an Oahe Irrigation Unit that achieves *selective* growth in production, employment and income in the James River Basin and the rest of South Dakota. Selective growth takes account of the necessity of avoiding water pollution, of conserving nonrenewable soil resources, of mitigating and enhancing fish, wildlife and recreation and of meeting basic needs that enhance the quality of human life in and near the James River Basin and the rest of South Dakota. This we can do. This we are willing to do. This is our dream. We ask for a chance to make our dream a reality.

SAFETY FACTORS

We have, within state government, looked at the safety aspects of the project. I understand that people in Washington believe there are no unmanageable safety hazards with the Oahe Unit. In this we concur.

The size of the project facilities is rather small relative to many other federal projects. There are no large concentrations of people who could be affected by a possible failure.

The Bureau has used an extensive testing program to determine the geology and physical characteristics of the materials through which project facilities will pass. We believe they are doing a good job of designing for these materials.

State experince with highway construction under similar geologic and soil material conditions would indicate that adequate construction can take place with a relatively high degree of safety.

MODIFICATIONS OF THE OAHE UNIT

There is another aspect of the Oahe Unit which I would like to address. The possibility exists for many modifications or combinations of modifications in the project as development progresses. These could all hopefully be achieved within the existing Congressional authorization for the project.

An over-all examination of the project shows the efficiency of the planned delivery system for the Oahe Unit. It is highly energy efficient because of the location of the pumping plant adjacent to the electrical generation facilities and because of the low elevation of the Highmore Pass through which the Pierre Canal is routed. If this same amount of water were used by individual private uses, many pumping plants and delivery plants would be required. This would result in much higher capital costs and much higher energy requirements.

Regardless of the uses made at the end of the system, the same delivery system will be needed in the same location. Thus, the delivery system is neutral in its effects on any proposed modifications. It is not necessary or desirable to delay or stop the construction of the delivery system.

Modifications to the project might possibly include such things as:

(1) Increased canalside irrigation.

(2) Diversions to other areas, as through the proposed Sanborn Canal.

(3) Local changes in lands to be included or left out of the project.

(4) Changes in scheduling of construction between planned phases, i.e., the inclusion of the Missouri Slope area in the initial phase.

(5) The elimination of the eastern Dakota Plains portion of the project if experience with the western Dakota Plains should prove that portion unmanageable.

(6) Modification of the authorized plan for handling quantity and quality of return flows in the James River.

(7) The Diversion of return flows into the Big Sioux River Basin.

(8) The Use of underground pipelines wherever feasible to replace canals and laterals.

(9) The inclusion of more domestic and industrial water supplies in the plans, i.e., water to supply rural water systems.

(10) Conversion of all wildlife enhancement plans to wildlife mitigation plans.

(11) Revision of the recreation plan component to accommodate the state outdoor recreation plan.

(12) Flood control, and others.

These terms require a degree of flexibility in the Oahe Project that may not have been present in earlier Reclamation projects. It is this degree of flexibility that will allow for inclusion of the latest technical advancements of changes in the desires of local people. It is believed that with proper coordination and capability to work together; local, state and federal interests can be better served by the project.

In fact, the state of South Dakota would be willing to negotiate any needed supplements to the Master Contract to cover changes in use of water. This would facilitate the use of Missouri River water to meet the many potential needs of eastern South Dakota.

STATE POLICY ON THE OAHE UNIT

Just three days ago—on Friday, March 18th—the Members of the South Dakota State Legislature adopted a public law stating that it is the policy of the State of South Dakota to support continued funding of the Oahe Irrigation Project.

The new law says, in part, and I quote, "It is hereby declared to be the public policy and in the best interest of the state of South Dakota and its people that the Oahe Irrigation project be continued and completed, and that full funding for the project be appropriated by the Congress and the President of the United States."

This policy was embodied in Senate Bill Number 246. This Legislative proposal was debated for the past several weeks while the State Legislature was in session. The Legislature recently recessed, but not until this policy was adopted.

This was a joint effort of both the legislative and executive branches of state government. Members of the Senate and House of Representatives—both Democrats and Republicans—worked for hours in an effort to adopt language which was acceptable to all concerned, and that truly reflected the sentiment of the state's elected leaders on this all-important matter.

With the passage of this law, which takes effect immediately upon my signature, there is created a seven-member task force to monitor and examine the Oahe Project. It is charged with the responsibility of aggressively pursuing the need for modifications or changes in features of the project so as to improve it in line with the best interests of the people of the state.

True, the project is encompassed in a subdistrict area of only fifteen and one-half counties. However, the elected state representatives of all 67 of the state's counties felt that this project is of such importance to the future development of the state, that they joined together in a bipartisan effort to cement this policy into public law.

I commend this action to your attention and I think it forcefully reflects the views of South Dakotans on this matter. This is the first time in the history of our state, that we have actually put in statute a policy of support for the project.

CONCLUDING REMARKS

The points I have discussed here today have been the subject of many discussions occurring over many years. And we realize that with any project of this size trade-offs are required, and that not all will be satisfied with all the compromises that must be made. But we cannot accept the judgment of some—and particularly those of people from outside our state—that no compromise is acceptable. We have too much at stake to let others make that decision for us.

Again, I want to stress the importance of the entire Missouri River Basin development plan to the Nation. The Oahe Unit is a part of that entire plan and has become a serious moral obligation of the federal government. To not stand behind this obligation would be a vast disservice to the country, and would be wasteful of our natural resources and the investments that have already been made. Through the Oahe Irrigation Unit, we can achieve and maintain long term social and economic prosperity in the James River Basin and adjacent areas. Such prosperity means that we not only earn a living, but that we have a living worth earning.

Again (as many times before) we stand before you in review of the Oahe Unit. I believe this review can provide a forum for bringing diverse interests together. It can stop the polarization of people and unite them is the common goal of improving the economy and environment of South Dakota. And it should be the desire of all of us to improve the quality of life for all the State's and the Nation's citizens.

Finally in closing, allow me to quote from a portion of a January 26th speech which I gave to the Members of the South Dakota House and Senate in joint session on the matter of Water Policy. I quote, "The Oahe Irrigation Project has brought us to the crossroads in the history of our state. We have a valuable resource in the Missouri River water, which if utilized properly, can provide the economic stimulus needed in the state. The project can undoubtedly thrust our state into a position of dominance in the midwestern area. We must therefore, proceed boldly. . . . Virtually every human activity requires water and land. How wisely we develop, conserve and protect both our water and land will determine future opportunities for human achievement in South Dakota. Our joint responsibility for establishing water policies for this state is of enormous importance. Let us each dedicate ourselves to discharging this responsibility with foresight and with dedication to the public interest."

I thank you for coming to South Dakota and I thank you for your consideration of my views in this matter.

STATEMENT BY GOV. RICHARD F. KNEIP, APRIL 5, 1977

I hereby submit to you this statement urging continued appropriations to carry forward construction work on the Oahe Unit, Pick-Sloan Missouri Basin Program.

I urge the Members of Congress of the United States to fund the Oahe Project for Fiscal Year 1978 to the full $16,960,000 capability called for in the Bureau of Reclamation construction schedule.

While it is recognized that President Jimmy Carter and certain members of his Administration have initiated a review of the Oahe Project, along with other water projects, I am fully convinced that an objective review will support our position that funding of the main delivery system should be continued. I and many other South Dakotans testified to a Department of the Interior Water Projects Review Panel as to why the Oahe Project must be continued. A copy of my views are attached hereto for this Committee's consideration.

The importance of water to South Dakota has never been more dramatically expressed than in the losses and suffering that accompanied last year's drought. The loss of crop production, the sell down in foundation livestock herds, the lack of recreational water in streams and lakes, and the restrictions on municipal and industrial water use are a result of an imbalance in water availability. Proper water development and management can go far in alleviating these adverse impacts.

The Oahe Project is not a "Johnny come lately" to the field of water management. The great drought of the 1930's plus the floods of the early 1940's spawned what came to be known as the Pick-Sloan Missouri River Basin Program. An earlier session of Congress wedded the plans of the Corps of Engineers and the Bureau of Reclamation into an overall unit that would benefit both upstream and downstream states. It was recognized from the outset that this multipurpose approach would mean compromise and trade-off. Compromises were made. A consensus was achieved and development of the basin's water resources was started under the direction of Congress.

To achieve the needed flood protection for downstream states meant the construction of dams and reservoirs in the upstream states. In South Dakota it meant the use of over one-half million acres of Missouri River valley lands for these dams and reservoirs. The trade-off was to be the development of the Oahe Irrigation Project and other irrigation projects along the main stem of the Missouri.

In 1964 Congress again asked to review all unbuilt projects. The Oahe Unit was further studied and in 1968 Congress reauthorized the initial stage development. Subsequently, later Congresses in appropriating the construction monies again reviewed plans and designs. With changing technology, values and attitudes, flexibility in design and operation of water projects is necessary. State representatives recognize this and are willing to work with federal and local interests to provide the best project possible.

Water, and its proper conservation, development and management was the subject of a major policy speech I presented to the Members of the South Dakota House and Senate in joint session on January 26, 1977. In speaking on the Oahe Irrigation Project I said and I quote:

"The Oahe Irrigation Project has brought us to the crossroads in the history of our state. We have a valuable resource in the Missouri River water which, if utilized properly, can provide the economic stimulus needed in the state. The project can undoubtedly thrust our state into a position of dominance in the midwestern area. We must, therefore, proceed boldly . . . Virtually every human activity requires water and land. How wisely we develop, conserve, and protect both our water and land will determine future opportunities for human achievement in South Dakota. Our joint responsibilities for establishing water policies for this state is of enormous importance. Let us each dedicate ourselves to discharging this responsibility with foresight and with dedication to the public interest."

The importance of water policy and the Oahe Project in particular was recognized by the Members of the South Dakota Legislature. Before adjourning, the Legislature adopted a public law, not merely a resolution, but a public law specifically stating the policy of the State of South Dakota to support continued funding of the Oahe Irrigation Project.

The new law says, in part, and I quote, "It is hereby declared to be the public policy and in the best interest of the State of South Dakota and its people that the Oahe Irrigation Project be continued and completed, and that full funding for the project be appropriated by the Congress and the President of the United States."

This was a joint effort of both the legislative and executive branches of state government. Members of the Senate and House of Representatives—both Democrats and Republicans—worked for hours in an effort to adopt language which was acceptable to all concerned, and truly reflected the sentiment of the state's elected leaders on this all-important matter.

To further promote this policy, a seven member task force was created to monitor and examine the Oahe Project. It is charged with the responsibility of aggressively pursuing the need for modifications or changes in features of the project so as to improve it in line with the best interests of the people of the state.

In conclusion, I want to stress the importance of the entire Missouri River Basin development plan to the Nation. The Oahe Unit is a part of that entire plan and has become a serious moral obligation on the part of the federal government. To not stand behind this obligation would be a vast disservice to the country and would be wasteful of our natural resources and potentials. Through the Oahe Irrigation Project we can achieve and maintain long-term social and economic prosperity in the James River Basin and adjacent areas. Such prosperity means that we not only earn a living, but that we have a living worth earning. It should be the desire of all of us to improve the quality of life for all the State's and Nation's citizens.

Good sound water development investments as can be provided by the Oahe Project provides the means to achieve that quality of life. Again, I urge your serious consideration in funding continued construction of the Oahe Unit.

Finally, I am taking the liberty of attaching a copy of testimony in support of the Oahe Unit which I presented to the members of the U.S. Department of the Interior "Water Projects Review Panel" during their March 21st field hearings in Pierre, South Dakota. I have also attached a South Dakota Board of Natural Resource Development resolution relating to this matter.

I thank you for the opportunity to be heard and I wish you the very best in your deliberations on this all-important matter.

RESOLUTION NO. 77-2: RECOMMENDING TO CONGRESS CONTINUED FUNDING OF OAHE UNIT, BOARD OF NATURAL RESOURCE DEVELOPMENT

Whereas, drought is normal in South Dakota, and the state occasionally experiences severe drought such as the current one, and

Whereas, these droughts cause great hardships for people including loss of livelihood, loss of property, critical situations in domestic water supplies, and

Whereas, the state's natural and manmade lakes and streams dry up during drought periods which results in severe losses of fish and wildlife, and

Whereas, the state has a sufficient water resource in the Missouri River to relieve many of these hardships, and

Whereas, the Oahe Unit is the only major multipurpose project planned for South Dakota,

Whereas, the Oahe diversion is the key to water development of all types in most of the eastern part of South Dakota, and

Whereas, efforts are being made by some groups to kill the project, to the detriment of the entire state,

Now, therefore be it resolved that the Board of Natural Resource Development commends the Congress of the United States for its past support of the Oahe Unit, and

Be it further resolved that the Board asks the Congress to continue full funding of the Oahe Unit construction of main diversion facilities, at which point the various options for the use of the Missouri River water will be available for meeting the serious needs of the people.

EDUCATION FOR ALL HANDICAPPED CHILDREN ACT

Mr. RIEGLE. Mr. President, the Department of Health, Education, and Welfare is now considering proposed regulations to implement the Education for All Handicapped Children Act. This act is a long-overdue congressional attempt to enhance the learning process for handicapped children.

The education of handicapped children, who have specialized needs in addition to those met by the normal course of study followed by most schoolchildren, would be greatly enriched by the use of creative arts programs. Each individual, handicapped or not, is capable of creativity. Exposing handicapped children to the arts and guiding their creativity through art and music therapy programs are ideal methods through which educators can contribute to the mental, physical, and social well-being of these children. Fine arts education enables handicapped children to attain maximum growth and development.

Currently proposed HEW regulations do not prohibit or restrict the funding of fine arts programs. I sincerely hope that future HEW regulations will specifically authorize the sponsorship of fine arts programs for the handicapped. Even without such specific authorization in the regulations, I am hopeful that Congress' intent to aid educational programs such as those which involve creative arts will be implemented by HEW under regulations now being considered.

SOIL CONSERVATION

Mr. HASKELL. Mr. President, I would like to enter in the RECORD a perceptive warning which recently appeared in the St. Paul Pioneer Press in the form of an article entitled "Soil Conservation Efforts Destroyed" and an editorial entitled "Set Up for a Dust Bowl."

These excellent articles point out the absolute folly of abandoning the vital Federal soil and land conservation programs which we have learned, from sad experience, to be a necessary component of sound farming and ranching on the Great Plains of the United States. Without careful stewardship of these drought-prone lands, we will be committed to relieving the catastrophe of the Dust Bowl.

Eastern Colorado recently experienced the most devastating duststorms since the 1930's with winds reaching velocities of as high as 100 miles per hour. Coming in the wake of 3 years of deepening drought, the damage to cropland and grasslands was extensive. However, had we vigorously pursued the conservation policies and practices learned as a result of the Dust Bowl experience, we might have saved much of the damaged land. It is extremely unfortunate that Government policy conspired with the drive for all-out production to meet market demands, to encourage the abandonment and neglect of so many vital conserving practices just as the West and Midwest headed into what now appears to be a prolonged drought cycle.

I commend these sobering articles to my colleagues and urge that the Senate take the message to heart as we consider legislation to renew agricultural programs in the months ahead.

Mr. President, I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the St. Paul Pioneer Press, Mar. 15, 1977]

SOIL CONSERVATION EFFORTS DESTROYED

(By Lee Egerstrom and Gil Bailey)

WASHINGTON.—Three decades of soil conservation efforts, involving up to 28 million acres of trees and grasslands, have been destroyed since 1970, contributing greatly to the return of "Dust Bowl" of the 1930s.

Agriculture Department officials Monday, when questioned by the Pioneer Press Washington Bureau, said at least 20 million of those acres have been put back into food production, re-creating conditions which caused the Dust Bowl of the 1930s.

As a result, President Carter and Agriculture Secretary Bob Bergland will ask Congress to greatly increase soil conservation programs when a new farm program is outlined next week, Agriculture Department officials said.

It may be too late to prevent a 1930-style return of the Dust Bowl unless weather conditions change and arrest the drought in Western and Midwestern states.

From the late 1930s until 1970, the Agriculture Department shared the cost of building "shelter belt" rows of trees to hold back wind erosion in the Great Plains and Western states.

Marginal farmland was planted with erosion-resistant grasses during the Soil Bank days of Kennedy and Johnson administrations. Under former Agriculture Secretary Orville Freeman, 28 million acres was taken out of production in what was partly a conservation program, and also a subsidized effort to limit surplus grain production.

Former President Nixon and Agriculture Secretary Earl Butz asked Congress to stop funding the Agricultural Conservation Program (ACP) in 1970, arguing that farmers should not be paid for protecting their own property.

The Soil Bank program was stopped, and land which had lain idle was put back into production. The administration also opposed the shared cost payments for building shelter belt treelines and grass seedings to fight wind erosion.

Congress provided limited funds for the program over the administration's objections, pointing out the relatively low cost of the ACP program. Individual farmers could not receive more than $2,500 in federal help for conservation activities. The entire program cost under $200 million annually since the Johnson administration.

House Agriculture Appropriations subcommittee Chairman Jamie Whitten, D-Mass., and ranking Republican Mark Andrews, N. Dak., insisted that the farmers were contributing $3 to every $1 paid in federal subsidies.

President Nixon impounded the funds in 1973. A year later the federal courts ruled the impoundment unconstitutional and the Agriculture Department was ordered to administer the program now.

President Nixon didn't include ACP and REAP in his budget requests. President Ford included it only this year, prior to the inauguration of the Carter administration.

The lack of interest in the conservation program has been devastating, according to Agriculture Department officials.

"We know how much (trees and grass) was planted over the years, but we don't have any data on how much is on the ground right now," said King Ensmiger, ACP program analysis director.

He added that well over 20 million of the 28 million acres of western farm land, formerly involved in conservation programs, is now back under cultivation and vulnerable to erosion.

While fighting the program in Congress, former Secretary Butz found an ally in the Russians in 1972.

Butz told farmers he would find of wheat, soybeans and feed grains they could produce. The Russians were the new big customers.

Butz made good on that promise up until the past year when farmers, planting fence row-to-fence row as asked, produced a two-year surplus supply of wheat. And some of that winter wheat was planted where rows of trees stood for 30 years to combat the dust storms of the '30s.

Sens. Hubert Humphrey, D-Minn., and George McGovern, D-S.D., had predicted this winter's dust storms when fighting the impoundment of REAP funds more than two years ago.

Both McGovern and Humphrey shaped their political philosophies by watching crops and farms blow away during the '30s in eastern South Dakota.

Humphrey introduced an emergency assistance bill last month calling for an additional $10 million for soil conservation in the drought areas.

McGovern, a lifelong conservationist, had watched as farmers gave in to the temptation to turn the arid grazing land of central South Dakota into wheat production.

Thousands of virgin grassland acres, used for cattle grazing, from Miller, S.D., to the state capital at Pierre, went under the plow following the Soviet wheat purchases. Cattle prices were depressed, and huge Soviet purchases drove wheat prices up to $4.80 a bushel.

The scene has been repeated in state after state in the West.

"The previous administration was not in favor of the (ACP) program and it wasn't pursued actively," said Ensmiger, explaining why the Agriculture Department does not know how many acres of subsidized tree and grass shelter planting have fallen to the plow.

[From the St. Paul Pioneer Press, Mar. 16. 1977]

SET UP FOR A DUST BOWL

Agriculture policies of the Nixon years may prove to be that administration's most important legacy to America. It'll be a legacy of dust.

You could see it coming, in stories of fence-to-fence plowing, the destruction of windbreaks in order to get more land into crops, the the black snow of last winter and the dust storms of this.

A recent story by Lee Egerstrom and Gil Bailey of the Pioneer Press and Dispatch Washington Bureau pulled together the whole tale of the destruction of farm conservation efforts, as a deliberate policy—no doubt well intentioned—of former President Nixon and his secretary of agriculture, Earl Butz.

These policies, coupled with continued dry weather, may well bring on a return of dust bowl conditions of the 1930s.

The story is one of systematically doing away with soil conservation practices that were begun as a way of avoiding heavy erosion in time of drought.

The moves were not all unpopular at the time. The "soil bank" was an early victim, and millions of acres of "banked" land were put back into production. The trouble is, a lot of it was marginal land. In 1970, the president went after a share-cost program established to encourage shelter belts and other control measures. When Congress balked and provided the money anyway, he impounded it.

More than 20 million acres of 28 million once in various conservation programs are now back under cultivation, although Department of Agriculture officials really don't know how much tree and grass land has been moved into crop production. The Russian wheat purchases of 1972 provided the ultimate incentive toward quick profits and thousands of acres of virgin grassland were plowed up for wheat production.

An awful lot of that land is blowin' in the wind right now.

The anti-conservation attitude has ended. President Ford restored money for a pair of key programs in his last budget, senators such as Humphrey and McGovern are trying to play catchup—while keeping an eye on the weather.

U.S. AMBASSADORS AND THEIR MEMBERSHIP IN EXCLUSIVE PRIVATE CLUBS OR ORGANIZATONS

Mr. RIEGLE. Mr. President, the question of whether it is suitable for a U.S. Ambassador to retain his or her membership in a private club or organization with restrictive membership policies was raised by Senator JAVITS in confirmation hearings regarding the appointment of Philip Alston to be Ambassador to Australia and Anne Cox Chambers to be Ambassador to Belgium. I would like to register my support for the distinguished Senator from New York in posing this question.

I am not personally acquainted with either Mr. Alston or Mrs. Chambers, and so I have no intention of attempting to pass judgment on either's character. But I wish to state in the strongest possible terms that men and women who are honored with appointments such as these two individuals have received should review their memberships in private clubs and organizations. If they find that these groups maintain exclusive membership policies based on race, religion, or ethnic heritage, these people owe it to their country and their consciences to terminate their membership. The United States cannot pursue a foreign policy based on a respect for human rights if our representatives abroad stand as personal contradictions to that goal.

CARTER ADMINISTRATION'S APPROVAL OF SECTION 504 REGULATIONS HERALDS A BRIGHT NEW BEGINNING FOR THE HANDICAPPED

Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I am gratified to bring to the attention of the Members of the Senate information on the regulations involving section 504 of the Rehabilitation Act of 1973.

Secretary Joseph Califano of the Department of Health, Education, and Welfare, and the Carter administration have moved swiftly and positively toward eliminating the last official vestige of discrimination against the physically and mentally disabled. There has been almost 3 years of unnecessary delay in the development of regulations to implement this significant and far-reaching program.

During the last six decades of developing rehabilitation legislation by the Congress, we have strived to reach the goal of equal opportunity for the more than 35 million handicapped Americans. Section 504 would remove discrimination. Section 504 seeks to eliminate the physical, communicative, and attitudinal barriers which have deterred handicapped Americans from fulfilling their role as independent citizens.

I commend Secretary Califano and the task force which he created to develop this regulation. Under the leadership of Peter Libassi, the general counsel-designate, and Arabella Martinez, the Assistant Secretary for Human Development, this task force has acted in a constructive way. Three months of intensive study and review have been well used. We have anxiously awaited such understanding since the passage of the Rehabilitation Act of 1973. It is my hope that now we can work together with Secretary Califano and his staff to implement this significant mandate which I, with the other members of the Subcommittee on the Handicapped, had the privilege of sponsoring in the Senate.

NOMINATION OF JUDGE EDWARD D. RE AS CHIEF JUSTICE OF U.S. CUSTOMS COURT

Mr. DECONCINI. Mr. President, I rise on this occasion to speak favorably on the appointment of Judge Edward D. Re as Chief Justice of the U.S. Customs Court.

Judge Re has been on the Customs Court since January 10, 1969, and has served in that capacity in an outstanding manner. In fact, everything that Judge Re has done has been outstanding, from the days that he attended public schools in New York City, through his undergraduate days at St. Johns' University, and through his law school days at St. Johns' University Law School where he was valedictorian of his law school class.

Judge Re has served as a special hearing officer for the Department of Justice in conscientious objector cases and also as master in chancery and referee for the U.S. District Court for the Southern District of New York and the New York Supreme Court. His other accomplishments include outstanding service as a legal officer with the U.S. Air Force—where he is presently a colonel in the judge advocate's department of the Air Force Retired Reserve—as a consultant to the delegation of the Holy See, the United Nations Conference on Narcotic Drugs, member and chairman of various committees of the American Bar Association, the New York State Bar Association, the Association of the Bar, City of New York, New York County Lawyers' Association and Brooklyn Bar Association, and chairman of the Comparative Law Committee of the Association of American Law Schools.

Judge Re has also served as president of the American Farm Law Association, president of the Federal Bar Council and president of the American Justinian Society of Jurists. He is also a member of the Advisory Committee on Appellate Rules of the Judicial Conference of the United States and of the Planning Committee, Federal Appellate Judges' Conference of the Federal Judicial Center. Judge Re is also the President-elect of Scribes, the American Society of writers of un-legal subjects.

Judge Re's outstanding services also earned him many awards for his educational, legal, and civic contributions. His wife, Margaret Anne, and his 12 children can be proud of his many accomplishments.

The Customs Court will be well-served by Edward D. Re, as it has been in the past. I can only say that this is one of the finest and most deserving appointments.

OPPORTUNITIES FOR ADOPTION ACT OF 1977

Mr. CRANSTON. Mr. President, this morning, April 28, the Committee on Human Resources' Subcommittee on Child and Human Development, which I am privileged to chair, passed up to the full committee S. 961, the proposed Opportunities for Adoption Act, which I had introduced on March 9. Those cosponsoring the bill with me at the time of introduction included the chairman of the Human Resources Committee (Mr. WILLIAMS), a leader in the Senate in the field of adoption, the new majority member of the Subcommittee on Child and Human Development, the Senator from Michigan (Mr. RIEGLE); and fellow Human Resources Committee members, the Senators from West Virginia (Mr. RANDOLPH), and Rhode Island (Mr. PELL); as well as the Senators from New Hampshire (Mr. DURKIN), Massachusetts (Mr. BROOKE), Idaho (Mr. CHURCH), Minnesota (Mr. HUMPHREY), and Hawaii (Mr. INOUYE).

As reported to the full committee, S. 961 has two titles. Title I is essentially the provisions of the proposed Opportunities for Adoption Act of 1977, with changes made based upon suggestions made at the April 4 hearings on the bill and in informal discussions with HEW staff. Title II contains a 2-year extension of the authorization of appropriations for the Child Abuse Prevention and Treatment Act at the existing $25 million level, along with certain amendments also developed based on our hearings held April 6 and 7, and in informal consultation with HEW staff.

But my purpose today is to focus on the provisions for the proposed Opportunities for Adoption Act for the benefit of our colleagues who may be considering joining us as cosponsors of S. 961.

The purpose of title I of S. 961 is to facilitate the removal of barriers to interstate adoptions and the placement of children with special needs in permanent adoptive homes. The act has four basic sections:

First. Section 102 creates a Committee on Uniform Adoption Regulations to promulgate procedures to facilitate interstate placement of children.

Second. Section 103 provides for grants for adoption assistance and services to States for allocation to approved adoption agencies. These grants can be used for either or all of three purposes: Assisting adoption agencies in finding adoptive homes for children with special needs; assisting expectant women unable to meet the costs of prenatal, natal, and postpartum services—an alternative to abortion—who are voluntarily planning to place their children for adoption; and assisting in the provision of adoption subsidy agreements whereby the special costs required to meet the needs of children with special needs will be borne by the State as they would have been if the child had remained in a foster home. The act provides that no child receiving assistance under any other law prior to such child's adoption shall be deemed ineligible for continuation of such assistance solely by reason of the child's adoption if the adoption agency certifies the need for the child to continue to receive such assistance.

Third. Section 104 establishes a National Office of Adoption Information and Services in HEW to provide for adoption information exchange and to seek to coordinate programs as well as to carry out education and training programs.

Fourth. Section 105 requires a study of adoptive placement by persons or agencies not licensed by or subject to regulation by any Government agency.

Fifth. Section 106 of the bill provides for a 4-year authorization of appropriations at $20 million for fiscal year 1978 and such sums as may be necessary for the succeeding 3 years.

I was extremely pleased to see that Mary McGrory, in her nationally syndicated column, spoke favorably of my bill. And on Friday, April 22, the New York Times carried an editorial in favor of S. 961.

Mr. President, I ask unanimous consent that there be printed in the RECORD the text of these two articles.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Apr. 5, 1977]

THE U.S. GOVERNMENT SHOULD HELP SAINTS

(By Mary McGrory)

"You really are absolute saints," Sen. Alan Cranston, D-Calif., told the six people who were seated before him in the hearing room.

That is not something that senators usually say to witnesses, but there was nothing usual about the three young couples who had come to testify about his adoption subsidy bill—which is, incidentally, opposed by the Health, Education and Welfare Department because it would, as a spokesman said, "fragment the delivery of social services."

It is hard to see how the efforts of the adoptive parents could have been more "fragmented." Red tape, jurisdictional tangles and begrudged information had impeded seriously their quests to become parents of children nobody wanted.

The three couples, one from Pennsylvania, two from Virginia, had persevered, and insisted on taking children the professionals regarded as unadoptable, children whose afflictions ranged from sickle-cell anemia to functional blindness, deafness and severe emotional disturbance.

"My admiration for you," Cranston told them, "is matched by my outrage at the bureaucracy, so I find it hard to ask questions."

Allen and Meg Tucker of Great Falls, he a cheerful mathematics professor at Georgetown, she a lively, black-haired former French teacher, have adopted Brian and Jenny, and would have taken two more if they could have counted on some outside financial help.

Jenny, at age 3 could not see and would not talk when she came to them. She also had serious birth defects. She had been in eight foster homes, taken to a new one after each of the numerous operations required for her eyes and her deformed hands. The sight of a suitcase made her hysterical.

Jenny's medical bills were so high that the Tuckers "seriously" considered giving her up. The difficulty was that Jenny had been taken from New York and became ineligible for the state's adoption subsidies when she went to Virginia. Both states claimed she was the other's responsibility.

Jenny was initially diagnosed as retarded.

Her father diffidently took the microphone to boast to Cranston: "Despite the diagnosis of retarded, Jenny is now at the top of the second grade."

Ruthann and Henry Haussling have adopted five children, all but one of them with severe physical or emotional problems. They are black. The Hausslings are white. Mrs. Haussling is the president of the local Council for Adoptable Children.

The Flynns, Laurie and Joseph of Lancaster, Pa. are no less remarkable. They have five children of their own and acquired five more, including one 9-year-old black, half-Vietnamese boy, adopted "unexpectedly" during the Vietnam baby lift.

They insist that there are thousands of other Americans who are dying to take on the challenge—and rewards—of taking so-called "difficult" children home with them for good.

Two months ago, the Flynns tried to organize a modest service for would-be adoptive parents. They were not well received by the professionals. At the local Children's Bureau, Joseph Flynn said, he and his wife were viewed as "somewhat threatening." Besides, the prevailing social service wisdom is that children who have been in foster home care for three years are unadoptable. The Flynns have two teen-age boys who had been in foster homes for six years.

What emerged from the touching testimony was a pattern. Children are sent to foster homes almost casually, and moved around—"bounced around" is more like it—to whatever is available, then often forgotten. Adoption is still a rigid and difficult procedure, and subject to wild variations in rules and standards from state to state.

The federal government currently spends $700 million to provide foster care for children.

The Cranston bill would authorize $20 million in its first year, to promote adoption—impose federal standards, provide a subsidy for hard to place children, eliminate barriers on exchange of medical and personal information between states—and would retrain social service workers to think adoption for long-term foster-care children.

Mrs. Hausseling reported that 85 people turned up at a recent meeting sponsored by the Council on Adoptable Children in Arlington. But there is one social worker for adoption cases in Arlington County and the difficulties of making the necessary "case studies" prove sometimes insuperable.

The three couples say they are not so special in their desire for "special needs children". Cranston's bill would make it possible to prove it. The lack of administration support for his bill does not deter him. HEW wants to delay any action until it has completed its welfare reform study.

But Cranston believes that if people want to be saints the federal government should not only allow it but actively encourage them. The way it is now, the hard-to-place are shuffled around indefinitely.

"That only aggravates their problems, doesn't it?" asked committee member Don Riegle, D-Mich. The answer is yes, and nobody disputes it.

[From the New York Times, Apr. 22, 1977]

HOMES FOR THE "UNADOPTABLE"

The drop in the birth rate over the past twenty years has brought the number of "adoptable" children almost to the vanishing point. But there are still tens of thousands of children in need of the love and care that adoptive parents can provide. The problem is that they are not "adoptable" by the old standards established by social agencies.

Many of them are older children who have been bounced around various foster homes. The traditional view is that children who have been in foster care for three years or more are unfavorable candidates for adoption. Most are black or Oriental or Eurasian, very different in racial and religious backgrounds from the families that are able to adopt them. Many have serious physical disabilities and birth defects. Often they can be helped to lead more normal lives only by a series of operations or expensive specialized care.

Although many private adoption services and public agencies have tried to accommodate their rules to today's changed situation, prospective parents still encounter heartbreaking difficulties in trying to adopt these children. There are striking variations in the requirements, waiting periods and financial standards imposed by different states. If a child in need of special medical care is moved across states lines, for example, his adoptive parents can encounter troublesome delays in obtaining financial aid to pay for his treatment.

Senator Alan Cranston has introduced a bill to encourage the adoption of "special needs children." It would establish uniform standards for adoption, eliminate obsolete confidentiality rules that now restrict the exchange of medical and personal information between states, and subsidize some medical costs and other expenses. If the bill's provisions were now in effect, some 120,000 children could benefit immediately. There are men and women willing to stretch out their hands to these children. Government at every level has an obligation to make it as easy as possible for them to do so.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The PRESIDING OFFICER (Mr. JOHNSTON). Under the previous order, the Senate will now resume consideration of H.R. 3477, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island (Mr. CHAFEE) is recognized to call up an amendment.

Mr. CHAFEE. Thank you, Mr. President.

Before I proceed, I ask unanimous consent that Mr. Mark Gorman and Mr. Lee Verstandig, of my staff, be granted the privilege of the floor during the consideration and vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order, at any time, the yeas and nays on the amendment offered by Mr. CHAFEE.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 164

Mr. CHAFEE. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE) for himself, Mr. PELL, and Mr. MOYNIHAN, proposes an unprinted amendment No. 164.

The second assistant legislative clerk proceeded to read the amendment.

Mr. CHAFEE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 91, between lines 23 and 24, insert a new subsection:

"( ) SPECIAL RULE FOR STATES WITH HIGH UNEMPLOYMENT.—In applying the provisions of this subsection to aggregate unemployment insurance wages paid for employment in any State the rate of unemployment in which (as determined by the Bureau of Labor Statistics of the Department of Labor) for the preceding calendar year was 7.5 percent or greater—

"(1) '101 percent' shall be substituted for '103 percent' each place it appears in subsection (a) and subsection (c), and

"(2) '101 percent' shall be substituted for '105 percent' in subsection (b).

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, Mr. Chafee has agreed to a 1-hour limitation on his amendment, equally divided. Mr. LONG and Mr. CURTIS have agreed to the same. I ask unanimous consent that such an agreement be in order.

Mr. BAKER. Reserving the right to object, and I shall not object, may I have the attention of the majority leader for a second?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. We conversed earlier about the possibility of a delayed voting schedule. Does the majority leader have any further thoughts on that subject?

Mr. ROBERT C. BYRD. I have not had an opportunity to discuss that with the distinguished manager of the bill.

Mr. BAKER. If the majority leader would like to withhold that, I think that, as a matter of convenience, it might be possible to explore the stacking of votes until a later time this morning. If the distinguished manager of the bill cares to do that, I should certainly be willing to consider it.

Mr. ROBERT C. BYRD. The distinguished minority leader and I discussed this earlier. May I have the attention of the Senators?

The PRESIDING OFFICER. The Senator will suspend. Let there be order in the Senate.

Mr. ROBERT C. BYRD. The distinguished minority leader and I discussed earlier the possibility of stacking votes on amendments, if votes are ordered thereon, beginning at 12 noon today, so as not to disturb the operation of committees. Would this be possible?

Mr. LONG. Mr. President, it is all right with me to let the vote on the pending amendment go along with the vote on the subsequent amendment, but I do not want to pile votes on top of one another all day long. What I suggest we do is debate this amendment and then, when the time comes to vote, we can reserve the vote on it until the hour of 12 o'clock. Then we can vote on this amendment and go back to wherever we are with regard to the next amendment.

Mr. ROBERT C. BYRD. Very well.

Mr. BUMPERS. Mr. President, reserving the right to object, I must inject a personal note here. I have to leave for the airport no later than 12:15.

Mr. LONG. That is fine for the Senator.

Mr. BUMPERS. I am hoping, and I had understood, that our so-called "chicken" amendment would be up this morning at 10 a.m. I find that I was in error. I am going to ask the distinguished Senator from Massachusetts, when he arrives—I think he has the floor following Senator CHAFEE—if he will let us go next in the hope that we can get a vote on that around noon, or possibly before.

I have no objection to this as long as I can get out of here by 12:15.

Let me just object for the time being until the Senator from Massachusetts gets here.

Mr. LONG. Will the Senator please withhold that objection? We shall try to accommodate him in this matter. We need to get these unanimous-consent agreements. We shall try to put the Senator's vote ahead of the vote on amendment of the Senator from Rhode Island, if need be, but at some point, we need to start getting agreements rather than having these things continue to pile up.

Mr. BUMPERS. I am reluctant to bring this thing up because it is personal to me. Senator HUMPHREY, incidentally, will be leaving with me. If the Senator will consider voting on my amendment before that of the Senator from Rhode Island——

Mr. LONG. I am willing to consider that. But, if we get unanimous consent on this, it will help get unanimous consent on the "chicken" amendment.

Mr. BUMPERS. Will the majority leader state the request again?

Mr. ROBERT C. BYRD. I ask unanimous consent that the vote on the amendment by Mr. CHAFEE occur at 12 noon.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Reserving the right to object, and I shall not object, would this be possible, I ask the majority leader? My understanding is that there has been an order of amendments arrived at. May I understand the order of those amendments also to include another amendment, one I hope to offer, at a time that can be arranged here at this point, and get an agreement on the sequence at this point?

Mr. LONG. The problem is that at the moment, we are not in agreement on the sequence of amendments, except that we have this amendment of the Senator from Rhode Island pending. There will be an effort to change the sequence after we have debated this amendment for a while. But I can assure the Senator from Pennsylvania that we shall work to get his amendment voted on sometime today, in the early afternoon, hopefully.

Mr. HEINZ. I thank the distinguished chairman. I thank the majority leader.

Mr. BUMPERS. Mr. President, the distinguished Senator from Rhode Island, my very good friend, has just consented to let us bring up our amendment now.

Mr. ROBERT C. BYRD. May I say that, under the orders that have been previously entered, the Senator from Arkansas has no problem whatsoever. The order as previously entered gives Mr. CHAFEE 1 hour on his amendment. If the order I have just requested is agreed to, the vote will not occur on it until 12 o'clock. The order for Mr. KENNEDY's amendment is that it follow the vote on Mr. CHAFEE's amendment, which would mean that, after the expiration of the 1 hour on Mr. CHAFEE's amendment, we have a vacuum between that time and the hour of 12 o'clock.

Mr. BUMPERS. It is anticipated that the vote could occur on this amendment before the hour of 12?

Mr. ROBERT C. BYRD. If it is agreeable with the chairman and the other Senators, yes, that could be possible.

Mr. BUMPERS. I thank the Senator.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG. Mr. President, I believe that we can obtain unanimous consent that the pending amendment will be temporarily laid aside and that we shall let the Senator from Arkansas go ahead with his amendment in order to accommodate his time schedule.

The PRESIDING OFFICER. Does the Senator so request?

Mr. LONG. Yes, I so request.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, is there going to be a rollcall vote on this amendment?

Mr. LONG. I am sure there will be.

Mr. BUMPERS. I cannot answer that. I only know of one opponent to the amendment, but he may require a rollcall.

Mr. BAKER. Mr. President, I simply say that if there is going to be a rollcall vote, I may make a request later that the rollcall vote be stopped. I shall not at this time.

Mr. LONG. My understanding is that the agreement was that we could substitute this amendment for the Kennedy amendment. I could ask unanimous consent that we vote on the Kennedy amendment at 12 o'clock.

Mr. BAKER. There may be no need to do so at this time. Let us wait until we see if he has one.

Mr. ROBERT C. BYRD. May I inject my troublesome 2 cents' worth here?

Why not ask unanimous consent that, if there is a rollcall vote ordered on the amendment by Mr. BUMPERS, it occur at 12 noon? That would protect the committees and everyone would know it is coming up.

The PRESIDING OFFICER. Does the Senator so request?

Mr. ROBERT C. BYRD. Yes, I do.

The PRESIDING OFFICER. Does the Senator make that an amendment to the unanimous-consent request now pending?

Mr. CHAFEE. That is fine with me. Could my vote come first?

The PRESIDING OFFICER. Does the Senator so request?

Mr. CHAFEE. I do.

The PRESIDING OFFICER. Very well, the pending unanimous-consent request is that——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment by Mr. CHAFEE occur at 11:45 a.m. today, that it be followed by the vote on the amendment by Mr. BUMPERS, if such a rollcall vote is ordered.

The PRESIDING OFFICER. And that the pending amendment be temporarily set aside in favor of the Bumpers amendment?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, this is without——

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, under the order of yesterday, Mr. KENNEDY was to follow Mr. CHAFEE. I ask unanimous consent that under the present arrangement, as it has been changed, that Mr. KENNEDY follow Mr. BUMPERS.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Mr. President, reserving the right to object, would it be possible at this time to get as part of that agreement that my amendment might follow Senator KENNEDY's amendment?

Mr. ROBERT C. BYRD. I hope the Senator will not object to the request I have just made because, in what we have said, we have changed an order that prejudices Mr. KENNEDY without his presence on the floor, and I am trying to correct that.

Mr. HEINZ. I have no intention of trying to prejudice Mr. KENNEDY's amendment. What I am asking to do is to establish an order following.

Mr. ROBERT C. BYRD. What I am afraid of is that another Senator will come in the door in a moment and object.

Mr. HEINZ. If we hurry, if we get the agreement——

Mr. ROBERT C. BYRD. This is something the Senator would have to work out with both managers.

Mr. BAKER. Mr. President, reserving the right to object, what is the request?

Mr. ROBERT C. BYRD. Mr. President, my request, may I say to the distinguished minority leader, is that under the order entered yesterday, Mr. KENNEDY was to follow the vote on the amendment by Mr. CHAFEE.

We have now prejudiced Mr. KENNEDY by saying that the vote on the Chafee amendment will occur at 11:45 a.m. and that Mr. BUMPERS' amendment will follow the vote on the Chafee amendment, which shuts out Mr. KENNEDY.

I simply wanted to get consent that Mr. KENNEDY would not be prejudiced and would follow after Mr. BUMPERS.

Mr. BAKER. Mr. President, if the majority leader will yield, I am still not sure I understand.

The next order of business is the Bumpers amendment, according to this unanimous-consent request?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. The Bumpers amendment would be voted on at 12 o'clock, according to this request?

Mr. ROBERT C. BYRD. But Mr. CHAFEE at 11:45.

Mr. BAKER. And the Bumpers amendment would be followed by the Chafee amendment and that there would be a tabling motion to be voted on at 11:45 on the Chafee amendment; is that a correct recitation of it?

The PRESIDING OFFICER. No, there is nothing about tabling in the unanimous-consent request.

Mr. BAKER. Just that a vote—

The PRESIDING OFFICER. The unanimous-consent request would preclude a motion to table.

Mr. BAKER. Then the vote on the Chafee amendment will occur at 11:45?

The PRESIDING OFFICER. That is correct. And a vote, if any, on the Bumpers amendment would occur immediately thereafter.

Mr. BAKER. Twelve o'clock.

But under this agreement is there a time limitation on the Bumpers amendment?

The PRESIDING OFFICER. There is no——

Mr. BUMPERS. No. I would anticipate, unless there are more Senators speaking than I would anticipate, that we would finish it in 30 minutes.

Mr. BAKER. At the end of 30 minutes then, we would proceed to the Chafee amendment.

Mr. President, if I understand the request of the Senator from Pennsylvania, he simply wants to make sure his amendment comes next after the Kennedy amendment, is that correct?

Mr. HEINZ. Correct.

Mr. BAKER. Without any provision for when the vote occurs.

Mr. ROBERT C. BYRD. That is all right with me, if it is agreeable with the managers of the bill. I simply wanted to correct the situation.

Now we have Mr. KENNEDY in the Chamber. Yesterday we ordered his amendment to follow Mr. CHAFEE's. Now we have switched that around to where the vote on Mr. CHAFEE's amendment will precede Mr. BUMPERS' amendment. Mr. BUMPERS has taken the place of Mr. KENNEDY in following Mr. CHAFEE and I simply want to put Mr. KENNEDY behind the two.

Mr. BAKER. All right. And I would like to put Mr. HEINZ after the Kennedy amendment.

Mr. HEINZ. Assuming the Kennedy amendment is, in fact, offered.

Mr. ROBERT C. BYRD. Yes.

Well, it is fine with me, I do not know about the manager of the bill.

Mr. MOYNIHAN. That is agreeable with us, if that is agreeable with the majority leader.

Mr. BAKER. Mr. President, is that agreeable to the distinguished manager of the bill on our side?

Mr. CURTIS. Yes.

Mr. ROBERT C. BYRD. Mr. President, following the disposition of the amendment by Mr. BUMPERS at 12 noon today, I ask unanimous consent that Mr. KENNEDY be recognized to call up his amendment, and that upon the disposition of the Kennedy amendment, Mr. HEINZ be recognized to call up his.

Mr. BAKER. Mr. President, before the Chair rules, reserving the right to object, I think we have one more problem. If the Bumpers amendment has no time limitation, then there is a possibility that the distinguished Senator from Rhode Island might find himself without his full hour to debate before 11:45 arrived.

Mr. MOYNIHAN. Our arguments are so compelling we really do not need much time.

Mr. BAKER. The observation of the distinguished Senator from New York is reassuring, but it is not protection.

Mr. President, I think we could address that two ways. We could either establish a time limitation on the Bumpers amendment or slip the time to vote on the Chafee amendment in the event there is not a full hour for debate.

Mr. ROBERT C. BYRD. Mr. President, how much time has run on the Chafee amendment?

The PRESIDING OFFICER. No time has yet run on the Chafee amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that——

Mr. CURTIS. Mr. President, I ask for the regular order. Let us go ahead with this tax bill.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request.

The PRESIDING OFFICER. Very well, the request is withdrawn.

The Senator from Arkansas is recognized.

AMENDMENT NO. 219

Mr. BUMPERS. Mr. President, I send to the desk an amendment proposed by Mr. MCCLELLAN, for himself, Mr. BUMPERS, Mr. MUSKIE, Mr. SPARKMAN, and Mr. ALLEN. It is printed amendment No. 219 and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS), for himself, and others, proposes an amendment numbered 219.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . POSTPONEMENT OF EFFECTIVE DATE OF CHANGES MADE BY THE TAX REFORM ACT OF 1976 IN THE METHOD OF ACCOUNTING FOR CERTAIN CORPORATIONS ENGAGED IN FARMING.

Section 207(c)(2) of the Tax Reform Act of 1976 is amended to read as follows:

"(2) EFFECTIVE DATES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by paragraph (1) shall apply to taxable years beginning after December 31, 1976.

"(B) SPECIAL RULE FOR CERTAIN CORPORATIONS.—In the case of a corporation engaged in the trade or business of farming and with respect to which—

"(i) members of two families (within the meaning of paragraph (1) of section 447(d) of the Internal Revenue Code of 1954, as added by paragraph (1)) owned, on October 4, 1976 (directly or through the application of such section 447(d)), at least 65 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, and at least 65 percent of the total number of shares of all other classes of stock of such corporation; or

"(ii) members of three families (within the meaning of paragraph (1) of such section 447(d)) owned, on October 4, 1976 (directly or through the application of such section 447(d)), at least 50 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, and at least 50 percent of the total number of shares of all other classes of stock of such corporation; and substantially all of the stock of such corporation which was not so owned (directly or through the application of such section 447(d)), by members of such three families was owned, on October 4, 1976, directly—

"(I) by employees of the corporation or members of the families (within the meaning of section 267(c)(4) of such Code) of such employees, or

"(II) by a trust for the benefit of the employees of such corporation which is described in section 401(a) of such Code and which is exempt from taxation under section 501(a) of such Code,

the amendments made by paragraph (1) shall apply to taxable years beginning after December 31, 1977.".

Mr. BUMPERS addressed the Chair.

Mr. McCLELLAN. I yield to the distinguished Senator, my colleagues, Senator BUMPERS.

Mr. BUMPERS. Mr. President, this amendment is designed to correct what some of us consider an egregious error in the so-called tax reform bill which we passed in 1976.

Mr. McCLELLAN. Mr. President, will the Senator yield for just one moment for a unanimous-consent request?

Mr. BUMPERS. I yield.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Mr. Max Parrish of my staff have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I make a similar request for Richard Arnold.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, in that bill, for reasons which have always eluded me, there was a provision which said that all agricultural or agribusinesses would in the future change from a cash to an accrual accounting system.

Now, this can cost a considerable amount of money in taxes. But the real clinker in it was that the Ways and Means Committee of the House put a provision in which said that any business 50 percent or more of which is owned by one family—and one family is defined in the bill—will be exempt. Here is the net effect of that: you have a business, for example—and let us take Cargill, and I do not know whether Cargill is a family-owned business or not, it is not traded and it could very well be owned by one family—and they do over $5 billion a year, and are big in my State as they are in many States—but if Cargill is, in fact, a family business owned by one family they are exempt and they continue to use the cash accounting system whereas somebody, for example, who started out in the poultry processing business 15 years ago literally selling chickens in a wheelbarrow and they get up to a fairly respectable size of several million dollars a year, they are not exempt and they must go to the accrual accounting system at a very distinct disadvantage.

Mr. President, this provision in that law never made any sense, it never will make any sense.

Let me give another example: I know the distinguished Senator from Massachusetts, who has been on the cutting edge of most tax reform or what most of us think as tax reform in this body, has a very strong feeling about people who have literally pulled themselves up by their own bootstraps, not being treated in a discriminatory manner and disadvantageously.

But let us take the case of one of the gigantic agribusinesses in this country that may be owned by one family who, indeed, inherited the business, who never gave one thing to the origin or the perpetuation or the building of the business. They are exempt under the bill as it is presently written, whereas the same person who, as I say, started out 15 years ago, is not exempt and is, thereby, placed at a very distinct tax disadvantage and cannot compete.

Let me give another example: The ninth biggest poultry processing company in the United States is the Wayne Poultry Processing Co. It, in turn, is a subsidiary of Continental Grain which is the second biggest grain company. Continental is 100 percent owned by one man, and it is exempt and does not have to go on the accrual accounting system. It can stay on the cash accounting system.

Now, where is the justice in that? Yet we are saying to some of these other people who are relatively small—and I am talking about the 30th or 40th as poultry processors who are doing somewhere between, say, $20 million and $50 million a year, just a fraction of what some of these people who are going to be exempt are doing, where is the justice in that?

Mr. President, I want this body to understand one thing: Arkansas is indeed the biggest broiler processing State in the Nation. These are all friends of mine. I support and promote the broiler processing business. It is big business in our country. It is a good cash income for many farmers. All I want is for everybody to be treated alike. Either put them on the cash basis or the accrual basis, I do not care which. They would prefer the cash system as they have always been on it, and I prefer the cash system. But let us not discriminate against some and put them at a very distinct competitive disadvantage for no earthly reason.

Mr. President, my colleagues, we are asking in this amendment for minimal relief, minimal relief simply saying let us postpone the effect of that provision of the Tax Reform Act of 1976 for 1 year and let the President submit his tax reform bill. I will tell you one thing, the President of the United States will not send anything down here as foolish as that. All we are asking for is 1 year's relief.

I am not saying that Cargill is family-owned, but I am telling you one thing, nobody knows. I do know one thing they do over $5 billion a year. If it turns out, of course, that they are, in fact, family-owned, that is, 50 percent of the company is owned by one family, then they are exempt and they do not have to go to the accrual accounting system. It makes no sense, Mr. President.

At this time I yield to my distinguished colleague from Alabama who also favors this amendment. I was going to yield to the distinguished Senator from Arkansas but he has just left the floor.

Mr. ALLEN. Mr. President, will the Senator yield for a question before I speak? Does he feel that 1 year's delay would be sufficient in suspending the operation of the provision? The distinguished majority leader has said no tax reform measure would be brought up in the Senate this year.

I wonder if the Senator would feel that this should be modified to make it 2 years?

Mr. BUMPERS. Well, the Senator certainly makes a very valid point. Could the distinguished majority leader comment on that any further than he has already commented on it?

Mr. ROBERT C. BYRD. Mr. President, what is the question?

Mr. BUMPERS. The Senator from Alabama has made the point that the majority has been quoted in the press as saying the President's tax reform proposal, which was originally scheduled to come over here on September 1, may come over, but the majority leader was quoted as saying it would not be considered this year; is that correct?

Mr. ROBERT C. BYRD. I am not sure of the precise wording of my statement. I think I was trying to state a fact that that measure being tax reform must begin in the House. Generally, tax reform measures are very controversial, they take quite a while with hearings, et cetera, et cetera. The President has sent up his energy package, at least he has stated the principles. The package itself is not on the Hill as yet. It was my understanding the President would send up the tax reform measure in midsummer or just before the August recess or in the fall.

Taking into consideration the fact that tax measures do have to be initiated in the House, I did not see how it would be possible for the Senate to take up the energy proposals and dispose of those, and also take on the massive job of tax reform, and that was the reasoning behind my statement.

Mr. BUMPERS. I thank the majority leader.

Mr. ROBERT C. BYRD. I think what I am saying—and I do not want to attempt to impinge upon the turf of the chairman of the Committee on Finance—is I would seriously doubt the Senate could deal with tax reform this year if it is going to take care of the energy problem, plus the many other major pieces of legislation that will be coming to the floor, to wit, clean air, mine safety, and so on, and so on. We only have 12 weeks remaining between the end of this week and the August recess, and I just cannot see how the Senate can deal with the tax reform in a major way this year. This is not to say that there might not be some small amendments that would in themselves be in the nature of tax reform that could be adopted.

Mr. BUMPERS. I thank the majority leader.

To answer the Senator from Alabama, if he would give me an opportunity to discuss it with my colleague at least, we will modify it to extend it at least for 18 months.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. McCLELLAN. May I say the purpose of this amendment was simply to delay this in order to give the Committee on Finance an opportunity to consider the bill we have introduced which would be a vehicle for them to consider in order to eliminate this inequity.

Now, we just put in a year's time. If it cannot be reached by that time then it ought to be extended because this ought to be eliminated now and an opportunity provided for the Committee on Finance and the Congress to work out an equitable tax provision.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I would be glad to yield.

Mr. MOYNIHAN. I feel I can speak for the Committee on Finance in saying that the Senator's position is an entirely reasonable one and has our support, and we hope the Senate will work its will today in this matter.

Mr. McCLELLAN. I thank my colleague.

I may say, if my colleague will yield to me for a moment, so far as I know those members of the Committee on Finance with whom I have discussed this immediately recognized the inequity of it and are willing to correct it.

While I am speaking at the moment, I may say I am confident that had the Committee on Finance discovered this when they were considering the original legislation they never would have imposed it. Now that we know about it I am sure the members of the Committee on Finance and every Member of the Senate will want to correct it and not let it continue until we are given an opportunity to enact legislation that does justice.

Mr. President, I am proposing an amendment which is designed to correct an inequity created under section 207 of the Tax Reform Act of 1976—Public Law 94–455—with respect to corporations engaged in farming. Senators BUMPERS, MUSKIE, SPARKMAN, and ALLEN have joined as cosponsors of the amendment.

Section 207 provided a new Section 447 of the Internal Revenue Code which, in general, requires agricultural corporations to use the accrual method of accounting. Exceptions were provided from this treatment for some small corporations, corporations in which 50 percent of the stock owned by members of the same family, or corporations for which gross receipts were $1 million or less. These exceptions were intended to allow local family-controlled agricultural businesses to continue using the cash method of accounting.

Section 447, however, contains some serious inequities. For example, some locally owned family corporations are now required for the first time to follow the new accrual rule which adversely affects their competitive position. Of two companies in one town in my State, one with 3 times the gross sales of the other is permitted to remain on a cash basis while the smaller is required to shift to the accrual method.

Mr. President, I recognize that the provisions adopted in the Tax Reform Act were intended to prevent farming operations being used as tax shelters. However, I am concerned that the remedy may have, in some instances, created an even greater harm than the abuse it was designed to curb through its adverse impact on competition, especially in the broiler industry.

Changing the accounting basis to the accrual method for some when other companies in the broiler industry are permitted to remain on the cash method impairs the competitive posture of the companies required to make the change. On cash basis accounting, a company pays taxes on its actual, in-hand earnings for the year. On an accrual basis, a company is required to pay taxes on its accounts receivable, its inventory and cash on hand. With regard to accounts receivable and inventory, accrual basis accounting requires payment of taxes on money not yet received and on stock not yet sold. The effect is to place two family-owned broiler companies in the position of using their cash to pay taxes on income they have not received. This expenditure for taxes thereby reduces amounts available for expansion and other improvements. Other broiler companies continue on cash basis accounting paying taxes only on what they take in. This is an inequity that should be remedied.

On April 5, I introduced a study bill, S. 1227, that proposes a permanent change in the law to permit the two affected companies to remain on a cash basis and have requested hearings on the measure by the Finance Committee.

The amendment which I am proposing today would delay the application of section 447 to the affected businesses for 1 year to give the Finance Committee time to study this problem and to prevent any economic harm to the companies pending the committee's review. It is an equitable proposal—one that seeks a temporary solution to the problem until a permanent one can be found. I hope the committee will accept it.

Mr. KENNEDY. Mr. President, will the Senator yield for a very brief question?

Mr. BUMPERS. I yielded, Mr. President, to the Senator from Alabama.

Mr. ALLEN. I have no objection.

Mr. KENNEDY. It is to direct a question to the manager of the bill at the present time. It is my understanding that the sick pay extension is only for a year. Am I not correct in that?

Mr. MOYNIHAN. I believe the Senator is correct.

Mr. KENNEDY. And the foreign income exclusion is just for a year as well; am I not correct on that?

Mr. MOYNIHAN. The Senator is correct.

Mr. KENNEDY. So we already have a year extension on both of those matters which are of considerable importance and great deal of interest. Those matters affected a large number of taxpayers who could not reasonably be expected to be following what Congress was doing in 1976. But in the present case, involving a major tax shelter and some of the largest poultry businesses in America, with sophisticated accountants and lawyers who were watching very closely what Congress was doing.

Am I further correct that the House of Representatives now is considering a number of technical amendments to the 1976 act, in order to deal with the question of inequities in the act? And I would expect there are valid, justified, and worthwhile changes that should be made. But we have to make a record first.

Mr. MOYNIHAN. The Senator is essentially correct. The draft is being prepared and will be introduced in the House today.

Mr. KENNEDY. It seems to me that if we are to deal with sick pay and the foreign income exclusion, we are going to have to take some action on the tax measure again within a year's period.

I thank the Senator.

Mr. ALLEN. Mr. President, I have joined with the distinguished Senators from Arkansas and my distinguished senior colleague (Mr. SPARKMAN), and the distinguished Senator from Maine (Mr. MUSKIE), in offering an amendment to H.R. 3477, inasmuch as I too believe that the serious inequity suffered by certain poultry producers as a result of the adoption last year of section 207 of the Tax Reform Act of 1976—Public Law 94–455—ought to be corrected.

As Senators will recall, section 207 dealt with corporations engaged in farming and was designed to reduce the use of corporate farming operations for tax shelter purposes. To accomplish that purpose, section 207 forces agricultural corporations to use the accrual method of accounting. Appropriate exceptions were made to the section to permit relatively small sized, family-controlled corporate farming operations to continue without coming under the new requirements set forth in the section. These exceptions recognize that many family-controlled, small corporations are engaged in agriculture strictly for profit and are not utilized for sheltering of income earned from other nonfarm sources.

While there is probably general agreement in the Senate that the tax loopholes in corporate farming should have been closed, I doubt, Mr. President, that any Senator intended the result section 207 will have in actual fact when applied to certain owner-operated family corporations producing broilers and other poultry products.

In the highly competitive broiler industry, I am advised that section 447 will have disastrous consequences. It is my information that of the top 36 firms in the boiler industry, only 2 that are not publicly held will be adversely affected by this provision. Thus, the impact of the provision will simply be to penalize two firms in the entire industry. Surely, a provision which extracts such a discriminatory toll cannot pass for tax reform.

Mr. President, I am advised that the boiler industry is expanding at a rate of 5 to 7 percent annually. That fact alone makes the accrual method of accounting required by section 207 undesirable. Stated simply, the accrual method would require a company to pay taxes on accounts receivable, cash on hand, and inventory so that taxes will fall due on accounts receivable which are increasing at a rate commensurate with the general increase in broiler production and income. On the other hand, the cash method of accounting, which was permitted to all broiler producers prior to the enactment of section 207, requires the payment of taxes only on in-hand cash earnings so that the projected growth aspect of the accrual method does not penalize the taxpayer.

The result, Mr. President, of forcing some broiler companies to go to the accrual method while allowing others to remain on the cash method will be simply to put at a tremendous competitive disadvantage certain family-owned operations which in actual character differ not one whit from other corporations which fit the formal exceptions set forth in section 207. Since the disadvantaged corporations are uniformly not corporations utilized for tax shelter purposes, I do not see any reason that the inequity created should be allowed to go uncorrected.

Section 207 has been codified as section 447 of the Internal Revenue Code. I have also joined with Senator MCCLELLAN in introducing a bill which would permanently repeal the effect of section 447 on broiler companies. However, during the time that that measure is under study in the Committee on Finance, I believe the seriousness of the situation merits adoption of the amendment proposed today by Senator MCCLELLAN in that it would delay the application of section 447 for 1 year to permit time to complete a full study of this problem and to prevent serious damage being done to companies involved as a result of the failure of Congress to foresee the full consequences of our earlier action.

I wish to comment briefly on the equity involved in this bill.

The tax bill of last year did seek to put farming operations on an accrual basis rather than a cash basis. But as to poultry producers it sought to provide that certain poultry producers could remain on a cash basis.

The exemption that was written into the bill has resulted in, as to the top 36 broiler producers that are not publicly held, of 36 such corporations, 34 of them are exempt and remain on a cash basis. Only two companies are required to move to the accrual basis. That is based on a proposition of a family-owned operation.

There is a companion bill to this amendment that would be offered later or offered as an amendment to some of these bills that Mr. KENNEDY is talking about. But all this does at present is to postpone the operation of this bill for 1 year in order that this bill will have an opportunity to be considered by the Senate.

This presents a most inequitable situation because the broiler industry is highly competitive, and the impact of this provision, as it now stands, will simply be to penalize two firms out of the entire industry.

Surely a provision which extracts such a discriminatory toll cannot pass for tax reform.

So no rights are lost. That provision is not done away with by this amendment. All it does is to postpone the operation of it for 1 year in order that the inequity can be presented to Congress in the form of a bill, and that is all that this amendment does. I certainly hope that it will be passed with either the 1-year delay or 2-year delay.

I yield the floor.

The PRESIDING OFFICER (Mr. SPARKMAN). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask the attention of the managers of the bill and ask them whether they are prepared to accept this amendment and if so what is the rationale or justification for it?

Mr. LONG. Mr. President, there is a problem here. These companies compete with other companies which do qualify for the one-family exemption, and thus these companies are placed at a competitive disadvantage. Although these companies may also compete against publicly held companies which must go on the accrual method, the publicly held companies have the advantage of greater accessibility to market financing. The revenue cost of this amendment would be less than $5 million.

There is a problem here. There is an equity basis for recommending the amendment. On the other hand, I know that the Treasury has an objection to the amendment. The amendment deals with an inequity and an injustice which, in some respects, was created in the Tax Reform Act. The issue was not given adequate consideration at that time.

Unless we can work out some way to accommodate the Treasury objection, I doubt that the House of Representatives will accept this amendment. But my inclination is, if the Senator wishes my thought about it, to accept the amend-men and to go to conference and see if we can work this matter out in a way that will take care of the problem at least for the time being until we can study this problem in a broader context in connection with the tax reform bill which the administration is going to be recommending to us this year.

Of course, I will be guided by the Senate's judgment. I have not heard the Senator's argument yet.

In fairness, there are certainly two sides to this argument. On one hand, the Treasury does not like the amendment, but, on the other hand, there is clearly an inequity here that we should try to do something about.

Mr. McCLELLAN. Mr. President, will the Senator yield at that point?

Mr. LONG. I yield to the Senator from Arkansas.

Mr. McCLELLAN. Upon what premise does the Treasury Department object to correcting an inequity?

Mr. LONG. Basically, the Treasury simply does not like exceptions and they do not like to add one exception upon another exception.

Mr. McCLELLAN. It is the exception that has caused the trouble. If they do not like that exception we are trying to help them correct it.

Mr. LONG. Here is the Treasury comment, if the Senator wishes to read it. I am glad to read it to him.

Mr. McCLELLAN. I am glad to look at the letter. I am just asking.

Mr. LONG. Here is their statement:

> Most taxpayers in the business of selling products are forced to use the accrual method of accounting and to accumulate production costs in inventory until the products are sold. However, certain farmers are permitted to use the cash method of accounting in order to minimize recordkeeking problems.
>
> Access to sophisticated accounting and recordkeeping procedures is related primarily to the volume of business. This rationale is reflected in the current provisions exempting from the accrual accounting requirement those corporations with gross receipts of $1 million or less. This "gross receipts" exemption covers 93.6 percent of all farming corporations.
>
> Large subchapter S and family-owned corporations cannot fairly claim that they lack the sophistication necessary to employ accrual accounting procedures. To extend exemptions to large multi-family corporations is a further, unwarranted departure from the underlying justification for the cash method privilege.

That is the Treasury position on the matter, and I admit that there is a discrimination involved here. There is merit to the amendment, and I wish to work it out in justice to all.

But at this moment, Senator, I would think that if we want to do something about it, if the Senate votes an amendment, we can go to conference and hear the Treasury objections, and perhaps work it out. I cannot guarantee it, but we might manage to work out an answer that all would be willing to support in conference.

If the Treasury has a good case, I should think the House would insist on declining to accept the amendment.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KENNEDY. Mr. President, I believe I have the floor, but I am glad to yield to the Senator from Arkansas.

Mr. McCLELLAN. My interpretation of the letter makes it a rather weak case. If they are opposed to discrimination and inequities in the Tax Code it makes it a very weak case.

I have a letter I would like to insert in the RECORD from the Congressional Budget Committee. I shall read the last paragraph of it, and ask that it be printed in full in the RECORD.

The last paragraph reads:

> The other amendment would postpone the effective date of Section 207(c) for only two classes of corporations with family ownership defined in the amendment. Because the number of corporations which would qualify for this treatment is unknown—

As Senator ALLEN pointed out, there are just two.

> Because the number of corporations which would qualify for this treatment is unknown, no precise estimate has been made. However, it is very likely that the revenue effect of this alternative would be a small fraction of the estimate for the broader alternative discussed above.

As far as financing the Treasury is concerned, it is infinitesimal, almost, but it means a great deal to a competitor.

While I have the floor for a moment, due to the kindness of my friend from Massachusetts, let me make this further comment: I have no desire to prolong the matter, but in my State, one of those instances Senator ALLEN referred to, one of the companies affected is in competition with another one in the same city, in the same trade area. One company is about three times as large as the other one.

The smaller company, because there are two families involved in it instead of one—the larger company is owned by one family, and the smaller company by two families—while the smaller company is one-third as large as the other one, it has to compete, and it is placed in the position of being penalized here, while the other one, the exception to which the Treasury Department seems to object, is getting the benefit in advance.

As I said a while ago, these things happen in our complex tax system in this country. Inequities do develop. They occur; we cannot foresee everything in the consequences of every provision we may enact.

It is not the intention and was never the intention, I am sure, of the Finance Committee to create such an inequity. Now that it has been discovered, I think that the Finance Committee—and I appreciate very much the attitude of the chairman and the other members of the Finance Committee to whom I have talked, and their willingness to see this matter corrected—and now that it has developed and exists, I do not think the Finance Committee wants to perpetuate it; I do not think they want to impose it even for a single year, and I do not believe the Senate wants to impose it even for a single year.

That is all we are seeking, to establish an equitable basis. As the Senator from Alabama points out, some 40-odd companies will benefit, while 2, including 1 little company in my State, will be penalized at the same time that its larger competitor is favored.

Correction of that matter is all that we ask. The Finance Committee will have the opportunity to weigh the matter and find every opportunity to do equity, and I have every confidence they will do so.

I ask unanimous consent to have printed in the RECORD the letter to which I have referred from the congressional Budget Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 5, 1977.

Hon. JOHN L. McCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Chairman Muskie has asked me to respond to your request for estimates of the budgetary impact of two possible amendments to H.R. 3477.

One of these amendments would postpone for one year the effective date of Section 207 (c) of the Tax Reform Act of 1976 with respect to required changes in the method of accounting for corporations engaged in farming. A one-year postponement of that provision would reduce revenues in fiscal years 1977 and 1978 by $8 million and $10 million, respectively.

The other amendment would postpone the effective date of Section 207(c) for only two classes of corporations with family ownership defined in the amendment. Because the number of corporations which would qualify for this treatment is unknown, no precise estimate has been made. However, it is very likely that the revenue effect of this alternative would be a small fraction of the estimate for the broader alternative discussed above.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. LONG. Mr President, to react to what the Senator from Arkansas has just said, the Senator from Louisiana was the only Senator here to vote against the amendment to move the effective date forward with regard to the retirement income credit. I might say I was even criticized by my wife for doing that; she is very much interested in these aging people. I guess once in a while we ought to learn something, even from our mistakes. It was the view of the Senate that in making the retirement income credit effective on January 1, 1976, in an act which only became law late in 1976, we had acted in some respects retroactively with respect to these elderly people.

So the Senate decided that we ought to move the date forward to January 1 of this year. So we did that, adding an amendment which moves the date forward with respect to the sick pay provisions, and another amendment which moves forward to January 1 the effective date of section 911 with regard to the taxation of U.S. citizens working overseas.

Those amendments involved a lot of money. They involve about $400 million, all things considered. All we are talking about here is something involving about $5 million, having to do with an amendment involving discrimination on the face of it. The Senator is asking us to continue the old law for one more year while we take a look at the discrimination implicit in what exists at this moment, and try to work it out in an equitable fashion.

I personally think that is a fair proposition. As far as this Senator is concerned, it is perfectly all right with me, but I am willing to abide by the judgment of the Senate. If the Senate does not want to consider it, we will not consider it; it is just that simple.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, I want to yield the time in opposition to someone else, because I personally am willing to accept the amendment. I ask unanimous consent that I may yield the time in opposition to the Senator from Massachusetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. How much time remains, Mr. President?

The PRESIDING OFFICER. There is no time on this amendment.

Mr. KENNEDY. I sought recognition. but I will yield to the Senator from Maine, and make my comment later.

Mr. MUSKIE. Mr. President, I appreciate the attitude of the Senator from Massachusetts, and also that of the manager of the bill.

My attention was called to this inequity, and I am convinced it is an inequity because it impacts on a company in my State. I will describe the characteristics of that company in a moment. But first I would like to comment on the attitude of the Treasury Department.

As I understand the Treasury Department's position, in the name of opposing an exception it is defending an exception.

One of the problems in this country is that bureaucrats put blinders on when they are confronted with the real, down-to-earth problems of people impacted by Government policy. I would like to hear the Treasury Department take a position on this inequity. Just stating a general policy against making exceptions makes no impression on me, and I know it does not make any impression on the distinguished Senator from Louisiana.

I would like to hear the Treasury Department come to grips with the facts of these alleged inequities. I would be happy to meet with them off the floor in my office, to make the case that what I see as an inequity is not an inequity. Unless they are willing to do that, I am not impressed by the position of the Treasury Department.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. MUSKIE. I yield.

Mr. LONG. May I say to the Senator from Maine that I think I may be as well qualified as anyone here for considering, at least, the equities involved in this amendment, because I have, among my qualifications, the distinction of once having been a chicken farmer. When I was a little boy, we used to raise chickens in our backyard, and I used to get the eggs out from under the old hens. As a result of that early experience, I have great sympathy for chicken farmers. It is not as simple an occupation as it may appear to some people. It involves hard work; and those old chickens do not smell all that good after a while, especially if you have a lot of them around.

So I find it difficult to write a law that treats one chicken farmer one way and another chicken farmer in a different way. That is the way the law is now. If we are talking about discrimination, it is in the law now.

I must say that at the time we considered this last year, no one explained to me why it would treat one chicken farmer different than another chicken farmer. It was just a 2,000-page bill in conference. We were in no position to advise the House or the Treasury how we were going to justify this discrimination between two chicken farmers.

Mr. MUSKIE. I appreciate the Senator's comment. I might say to the Senator from Louisiana I have campaigned through many chicken processing plants.

I must say in terms of the environment, it is no different from one chicken processing plant to another. In my part of the country, they all do a pretty good job in terms of sanitation, safety, and all the rest, and they produce a good product. But I have seen nothing in all of those exposures to the business which convinces me that this inequity is justified in terms of what I see as I travel around my State.

As I understand the equity in terms of my area of the country, that is, the New England marketing area, the requirement of the law imposes the accural method on one company among the five major ones which compete in that area. The others are permitted to continue on a cash basis.

Let me tell the impact on the company in which I am interested. I am interested in it only because of the discrimination.

The effect of it is this: that company's tax liability this year is $2.5 million. The effect of the accrual requirement is to add $1.5 million to that tax liability each year for 10 years. Why? Because the accrual basis requires the company to pay a tax on its continuing inventory. One of its sales of about 83 million birds a year, there are 10 million in the field at any one time, roughly 10 million, which carry over from one year to another.

To pay a tax on those 10 million birds, which is inventory, along with tax on its accounts receivable involves a total tax liability of about $15 million. The effect of that is to severely limit the company's potential for expansion because it has been plowing its earnings back into the business to expand.

(Mr. MELCHER assumed the Chair at this point.)

Mr. MUSKIE. As a result of this accrual requirement which was enacted last year, the company is finding it difficult to borrow the money to expand because the potential sources of credit are disturbed that this $1.5 million additional tax liability will reduce the company's ability to repay whatever it borrows.

My State has an unemployment rate of 10 percent or more. Here is an area which needs new business; which needs the expansion of business. But here on the floor of the Senate where we are enacting tax provisions to provide incentives for business to expand we are imposing on this business, which is healthy, which has been in existence for a quarter of a century, a tax penalty of 60 percent more than its present tax liability, threatening its potential for expansion, wholly because of a tax discrimination.

As far as this company is concerned, if the accrual basis is applied across the board to its competitors, it will take that. It will take the cash basis, if it is applied across the board to its competitors. But it suffers an economic disadvantage, a competitive disadvantage, when it is picked out from the ranks of its competitors in this way.

Let me describe its characteristics in its present form. In its present form, it is 5 years old. The present principal owner created the business a quarter century ago. He sold it, went to another part of the country, retired, came back, and picked up the business again. At the present time that principal owner and his brother own 38 percent of the business. All the other stockholders own 62 percent and are employees. Two are plant managers owning 22 percent of the stock and the other 40 percent of the stock is held by other employees. It is the principal owner's intention, and he has set up an agreement, to turn total ownership of the company over to his employees. This objective I know is close to the heart of the distinguished floor manager of the bill, to encourage employee ownership.

Because he embarked on this program of employee ownership it is no longer a one-family-owned corporation which would qualify for the exemption.

If that is not an arbitrary, unintended, discriminatory result I never heard of one. To have anyone urge on this floor that it is wrong somehow to take that inequity into account and to try to eliminate it I find amazing.

Mr. LONG. Will the Senator yield at that point?

Mr. MUSKIE. I yield.

Mr. LONG. We have had some people suggest that people should not hire lobbyists, that they ought to take their chances or talk to their Senator when he is visiting around the State. They would just take their chance along with everybody else and not have anybody looking after their interests down here.

What we have here is a good example of somebody who does business that way. Here is somebody sitting up in Maine running a chicken business the best he knows how, with the employees joining up and buying stock in the company, working to produce these chickens. Then the Congress is talking about a tax reform law. Nobody has them in mind, but they are willing to take their share of the burden along with everybody else.

By the time Congress gets through, somebody has hired a lobbyist and it is worked out so that various and sundry concerns have had their problem properly considered and taken care of. Here is some poor soul who never knew anything about it but was willing to take his chance along with everybody else. He finds a law which takes care of almost everybody, except for a few who were not represented here in Washington. The result is that they got the worst of it.

So, this fellow comes in complaining about discrimination against him. Everybody else has been taken care of except him. At that point he says, "How about me? You took care of everybody else who was not represented up there." At that point he talks to his Senator and at that point I guess he can be accused of being a special interest. He wants to know how he can possibly be a tax shelter and, for the life of me, I do not see how he is one.

I am sympathetic to the Senator's position. I can understand the need for closing tax shelters, but the kind of thing in mind here does not sound like one of them.

Mr. MUSKIE. May I say that this amendment does nothing more than to defer the impact of the provision we enacted into law last year so that the Finance Committee and the Senate can look at the inequity and judge whether or not it warrants some remedial action. As far as this Maine company is concerned, if the result is an accrual basis requirement across the board, they will take that; if it is a requirement for a cash basis across the board to similarly situated companies, they will take that. They are not trying to influence that result one way or another. They might have a preference but they are not asserting that preference. They are simply asking for equal treatment.

It seems to me they have made their case for a deferral so we can look at what we did and consider what ought to be done to remedy it.

I must say to the Senator from Louisiana, it is a delight to have him on my side because he has such an articulated and effective way to present a point. If he gets me used to this kind of treatment, may I say, I may be tempted to join the distinguished Senator from Louisiana more often. [Laughter.]

Mr. KENNEDY. Mr. President, I would like to raise some questions about the pending amendment.

A little over a year ago, at the beginning of the Senate debate on the 1976 Tax Reform Act, we identified a number of special interest provisions, affecting only one or two individuals or companies. The Finance Committee held a special set of hearings on these provisions while the bill was actually on the floor, and a number of the provisions was deleted. We ought to have the views of the Finance Committee. We ought to hear the views of the Treasury Department and the Internal Revenue Service; in the orderly process, we ought to find out who the beneficiaries are going to be, and how much benefit they are going to get from this change.

That is a procedure which I am very hopeful will be adopted and followed by the Senate so that we would not be taking these various special provisions to the floor in the first instance as amendments to the Internal Revenue Code.

The House Ways and Means Committee is already following that procedure at the present time. They will make recommendations in the next several weeks on many of these provisions. They are considering a number of different special interest provisions and questions that have been raised about inequities of the 1976 act.

Mr. LONG. Will the Senator yield at that point?

Mr. KENNEDY. Yes.

Mr. LONG. We are trying to accommodate that point of view in the committee. Is the Senator really contending that a Member of this body should not be privileged to offer an amendment out here on the floor which he thinks promotes justice and equity, even though it has not been considered or recommended by the committee prior to the time he raises it?

Mr. KENNEDY. I ask the Senator back, does the Senator not believe, given what happened here last year in terms of the embarrassment over the special interest provisions, the midnight provisions that were placed in the committee bill in the 1976 act, that it is a wiser procedure for the committee process to work its will first, in considering changes in the Internal Revenue Code that are going to benefit particular individuals or companies? I would be surprised if the members of the Committee on Finance did not believe that would be a better way of proceeding.

I do not, obviously, deny the right of anyone to offer a floor amendment on any particular measure. There may be exceptional cases where we should act without the benefit of committee views.

Mr. LONG. Let me make this point: There is nothing that would please the Senator from Louisiana more than for the Senate to give the Committee on Finance a closed rule the way they do on the House side, so we could study these things, work them out the way we think they ought to be worked out, and bring out the measure so the Senate can vote it up or down without the power to amend. In fact, this Senator is anxious to have a germaneness rule so we can limit to germane matters the amendment of bills we report out, and only amend where we think we need it.

That procedure did not appeal to the Senator from Massachusetts. He testified against even the germaneness requirement. He did not think the Senate ought to trust to our committee the power to tell Senators that they cannot have their amendments considered.

Mr. KENNEDY. Mr. President, the chairman of the Committee on Finance may differ with the position which I am suggesting, but it does seem to me, given what happened in the case of various special interest provisions last year, that a wiser way of proceeding for the Committee on Finance, with all respect, is to consider these proposals in advance. We legislate in a broad and general way; we recognize that inequities and unfairness may result, and they ought to be remedied. But we have to know what we are doing. Senators who are raising particular issues should not have to come to the floor of the U.S. Senate and plead on special, narrow-interest issues, and have it appear that they are doing special-interest pleading. I think that demeans the position of a U.S. Senator.

The orderly way is to follow a procedure in which the Finance Committee considers the proposal in a thoughtful way, determines who the beneficiaries are, what the injustices are, and make a recommendation as to whether the matter is justified or not justified. That is the way we operate with private bills. Why should we not operate that way with private interest tax bills?

I have made this point. I should like to get into the merits. Then I shall be glad to answer any questions.

It does seem to me that there is a better way. The reason I believe that, Mr. President, is so that, first of all, we can understand who are the beneficiaries of these amendments, what are the tax implications of a particular amendment, and whether the committee, after an adequate examination, feels it is justified. With regard to this particular amendment, I understand it is going to mean that more than $1 million will go to a family-owned corporation.

Mr. President, on the merits of this provision, let us review very briefly, how this issue was handled in the 1976 act. As we debated the 1976 act, one of the major abuses was the area of farm tax shelters. It was deemed to be the better part of wisdom to attempt to deal with that complex issue. One of the ways of dealing with it was to move from the cash system of accounting to an accrual system. Use of the cash system produces a major tax shelter for farm businesses, because it provides what is essentially an interest-free loan from the Treasury. Artificial deductions are taken to reduce income. Congress went on record as saying, "We want to deal with this area of tax shelters, so we are going to require these large firms to adopt an accrual system of accounting, which properly balances income from farming and deductions used to produce that income."

Then, during the course of the debate, it was recognized that if we exact this requirement, we are affecting not only the largest farms and farm businesses, but we are also hitting the smaller farms as well. So, in an attempt to deal with that problem, we provided three exceptions to the accrual accounting rule.

One exception was for farms with gross receipts of $1 million a year or less, to try to exempt the small family farmer. The second exception was for so-called subchapter S corporations, which are entitled to be taxed as partnerships. Again, we were trying to target the exception for the small family farmer.

The third exception was for corporations in which 50 percent of the stock is owned by the members of the same family—again to try to help the small family farmer.

Now we have a situation, in this amendment, that the two Senators from Arkansas and Maine are here to argue that, because of these particular exceptions, we ought to enlarge the third exception from 50 percent of the stock owned by members of one family to corporations in which 65 percent of the stock is owned by two families.

Mr. MUSKIE. Will the Senator yield?

Mr. KENNEDY. Not just yet.

Mr. MUSKIE. That is not my position.

Mr. KENNEDY. I have not come to the Senator's part yet. I am saying what the effect of the amendment is that the Senator is cosponsoring. That happens to be the effect of it, I say.

Mr. MUSKIE. It does not.

Mr. KENNEDY. Does the Senator deny that that is included in the amendment we are considering here?

Mr. MUSKIE. The purpose of the amendment is to defer the effective date for 1 year. The amendment does not prejudge what the final policy result will be. I made very clear—I think the Senator heard me—that if the final result is accrual accounting for those in similar situations, I would accept that. If the final result is cash, I would accept that. That is a slightly different position from what the Senator has just described.

Mr. KENNEDY. It is to defer it for 1 year for one company in Maine and one company in Arkansas.

Mr. MUSKIE. For a specific reason.

Mr. KENNEDY. If the Senator will permit me to make my argument, then I shall be glad to answer questions.

The firm in Arkansas is a corporation in which approximately 65 percent of the stock is owned by two families. The exception in the 1976 act was for corporations in which 50 percent of the stock is owned by members of one family. Now, they want to broaden the exception to two families.

The second part of the amendment helps a corporation where 50 percent of the outstanding shares are owned by three families, and the remaining shares are owned by employees of the corporation. This is for Halifax Foods in Maine.

Mr. MUSKIE. Is that the Senator's understanding of that fact situation?

Mr. KENNEDY. I did yield for a brief comment.

Mr. MUSKIE. I just want to make sure that the description of the Maine corporation is accurate.

Mr. KENNEDY. All right.

Mr. MUSKIE. There was one family to begin with. There would be one family today, but for the fact that that one family decided to convert the corporation into an employee-owned corporation. The other two families that have been added are two of the employees, the plant managers. Those are the two families. The rest of the employees make up the other 40 percent. So 62 percent is owned by employees, two of whom are regarded as the families that the Senator counts as three.

Mr. KENNEDY. I am glad to be enlightened about that particular detail of the corporation in Maine. What we cannot get away from, Mr. President, no matter how we describe it, no matter how it is interpreted, is that in the Arkansas situation, we are not talking about a small family farm. What we are talking about is a huge chicken broiler firm that is doing $65 million of business a year in sales, processing 42 million chickens. It is the 24th largest firm in the industry. We are talking about a tax benefit which will be worth $1 million to a single company that has sales of $65 million.

Of the 36 top broiler companies in this industry, 8 were on a cash basis and are going to have to switch to accrual.

Of the top 36 broiler companies, 8 of these major corporations would have to shift from cash to accrual accounting. Mr. President, I ask unanimous consent that a table analyzing the top 36 broiler companies in the United States may be printed in the RECORD.

TOP 36 U.S. BROILER COMPANIES

Company [1]	Potential annual volume [2] (millions of birds)	Total sales volume, all products, for most recent reporting year available (millions)	Publicly or privately held	Cash basis accounting for tax or accrual [7]	Additional comments
*1 Holly Farms (Federal Co.)	229.0	[3,6] $539	Public, NYSE	Some operations cash, some accrual	Will be affected.[7]
2 Gold Kist	224.0	[4] 733	Co-op	Not available	
*3 Valmac	152.0	[3] 157	Public, AMEX	Some operations cash, some accrual	Will be affected.[7]
4 Tyson's	152.0	[3] 222	Public OTC	Cash	Arkansas company; not affected.
*5 J & M Poultry Packaging Co., Ltd. (Imperial Foods).	146.0	[8] ND	Public, England	Cash	Arkansas operations; will be affected.[7]
6 Central Soya	125.0	[3] 1,837	Public, NYSE	Accrual	
*7 Conagra	115.0	[3] 573	Public, NYSE	Cash	Will be affected.[7]
8 Perdue	110.0	[4] 179	Private	Cash	Not affected.[7]
9 Wayne (Allied Mills)	104.0	[4,6] 434	Private	Accrual	
*10 KFC (Heublein)	89.0	[3,6] 1,683	Public, NYSE	Cash	Will be affected.[7]
11 Swift (Esmark)	88.0	[3,6] 4,731	Public, NYSE	Not determinable	
*12 Corbett Poultry Products Co	83.0	ND	Private	Cash	Will be affected.[7]
13 Cagles, Inc	79.0	[3] 138	Public, AMEX	Cash	Not affected.[7]
14 Marshall Durbin Co	70.0	[4] 54	Private	Cash	Not affected.[7]
15 Wilson (Jones-Laughlin)	70.0	[3] 2,050	Public, NYSE	Accrual	
16 Lane Poultry Co	68.0	ND	Private	Cash	Arkansas company; not affected.[7]
17 Fieldale Corp	52.0	[4] 50	Private	Cash	Not affected.[7]
18 Sanderson Farms	54.0	[4] 43	Private	Cash	Not affected.[7]
*19 Bayshore Foods (Kane-Miller)	50.0	[3,6] 658	Public, NYSE	Cash	Will be affected.[7]
20 Rockingham Poultry	50.0	[4] 43	Co-op	Not available	
21 Foster Farms	46.0	[4] 75	Private	Cash	Not affected.[7]
22 Cargill, Inc	46.0	[4] 5,330	Private	Accrual	Arkansas operations.
23 MFC (Collinswood)	42.0	ND	Co-op	Not available	
*24 Hudson Foods	42.0	[4] 65	Private	Cash	Arkansas company; will be affected.[7]
*25 Armour Foods (Greyhound)	39.5	[3,6] 3,733	Public, NYSE	Accrual	
*26 Banquet (RCA)	37.0	[3,6] 4,790	Public, NYSE	Accrual	Arkansas operations.
27 Pilgrim Industries	35.0	[4] 60	Private	Cash	Not affected.[7]
28 Southeastern Poultry Co	33.0	ND	Private	Cash	Not affected.[7]
*29 Ralston Purina	33.0	[3] 3,349	Public, NYSE	Accrual	
30 State Pride Poultry	32.4	[5] 20	Private	Cash	Not affected.[7]
31 Herider Farms	27.0	[4] 25	Private	Cash	Not affected.[7]
32 O'Brien Foods	26.5	ND	Private	Cash	Not affected.[7]
33 Green Acres Farms	23.3	[4] 25	Private	Cash	Not affected.[7]
34 Zacky & Sons	19.8	ND	Private	Cash	Not affected.[7]
*35 Campbell Soup Co	19.7	[3] 1,635	Public, NYSE	Accrual	Arkansas operations.
*36 Empire Kosher	16.1	ND	Private	Accrual	

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[1] Companies listed are per "broiler industry." Companies in parentheses are parent companies of operating units listed.

[2] Per "broiler industry."

[3] Per published annual reports or value line reports.

[4] Per 1977 Dun & Bradstreet reports (1976 financial results).

[5] Per 1975 Dun & Bradstreet report (most recent available with this listing).

[6] Total revenues for consolidated operations of parent corporation, including poultry operations.

[7] Based upon information supplied to Jack Frost & Co. by company accounting personnel.

[8] ND—Not determinable.

Mr. KENNEDY. Mr. President, the amendment of the Senator from Arkansas and the Senator from Maine selects two of these eight firms and says, "We'll defer this reform for you for a period of 1 year." The language of the amendment is a fingerprint, written to fit these two firms. In one firm, two families own 65 percent of the stock; the other three families own 50 percent of the stock, and the rest of the stock is owned by the employees. We are lifting out two of the eight firms and giving them a tax break for 1 year. We closed a major tax loophole for farm tax shelters last year, but we left an exception for some firms; the exception was intended to be for small firms. And now two of the largest firms in the country are coming to Congress complaining that they are too big to fit through the loophole any more. They fall outside the exception we set.

They complain that some of their competitors still fit through the loophole and can use cash accounting, because they qualify for one of the exceptions in the 1976 act. But what about the other six firms who are left behind, if we grant the loophole to these two firms; can they not complain, too?

Why do we not simply close the loophole for all of these giant firms?

Why do not the Senator from Arkansas and the Senator from Maine say, "Well, all right, since we have some discrimination among some of these firms let us eliminate the discrimination for all and just establish a $2 million or $1 million sales limit as the exception," with the family ownership exception? I would support that approach. It would put all the big farms on accrual accounting, where they ought to be. That would meet the problems of discrimination against the Arkansas firm and the Maine firm. But they are not suggesting that. They want the loophole. They just want it opened up a little wider.

They are suggesting that two out of the eight firms should have the loophole until Congress can act again.

The other six firms, in different parts of the country, better get their Senators into action, because when they go home they are going to have to answer to those companies. They will say, "Look, fellows, you provided for the deferral for our competitors in Arkansas and Maine, but we need help, too. We are the other six. Why did you not look out for us?" Can we not have the loophole too? We, now have a two family 65-percent rule and a three family employee-ownership rule. Why not a three family 75-percent rule and a four family employee-ownership rule? Where will it end? We have to draw the line somewhere.

We do not know what additional kinds of discrimination this amendment will cause for other chicken broiler companies. No one talked about that.

Why are we saying 50 percent or three families? Perhaps there are four families that own 65 percent that would not be included.

Mr. President, in attempting to deal with this particular issue, there is a way to deal effectively with it in order to eliminate the discrimination against any of these various companies. What we could do is allow an exception for genuinely small firms, $1 or $2 million of sales. That will reach the smallest companies—which was really the purpose of the amendment last year. That would deal with the discrimination against the company in Arkansas and the Maine company that would treat them all across the board equally and equitably.

But the effect of what the Senator from Arkansas and the Senator from Maine are saying is, "We have a little change in the formula for you. We are going to select two firms from Arkansas and Maine and leave the others out."

Those companies may not have liked what was done in the U.S. Senate last year. But I imagine they say that that is the law. Congress drew the line, and they are prepared to comply with it in good faith.

Now, two of those companies say, "Well, we do not like the line there. We want to change it for our benefit." So we have this amendment to provide exclusions for them.

We can eliminate the concerns of those that propound this amendment by going to a gross sales limitation. That would treat all firms, including the Arkansas and the Maine firms, fairly. It would eliminate what the proponents of this amendment believe to be the imbalance in terms of competitive advantages or disadvantages that exist because of the 1976 act. That would be something which I believe should be supported and warrants our support.

But just even deferring action, which in one instance is going to mean in excess of $1 million to one large broiler firm, is unwise tax policy and unwise action by the Senate.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from Maine.

Mr. MUSKIE. Mr. President, it suits the Senator's indignation at one and the same time, words that Senators not be forced to special pleading, and in effect, to accuse me of special pleading.

Let me make the point to the Senate, he puts himself in the position of defending a discriminatory tax advantage for one company, or two.

The Senator stands on the floor here and gives us an emotional plea about the importance of having general tax policy and avoiding exceptions. But he is defending an exception.

Somehow he finds morality in that position and immorality in mine.

We are not proposing a final tax result. I must say, I do not know all I would like to know about the circumstances or the character of the other 36 major producers in this industry. Nor do I know, and I doubt that the Senator knows, what the impact on this industry would be of a $1 or $2 million threshold across the board. I do not know.

I tried to find out, and because I do not know I have asked for the year's deferral so that we can find out. But the Senator is so certain of the rectitude of his position that he wants to write the final policy now.

One of the reasons we have this problem is that this provision came over from the House. We knocked it out in the Senate and the House forced the conferees to take it in conference. It is because nobody knew what the consequences were that we are on this floor today, and the course that is advocated by this amendment is designed to let us know.

I do not know about the eight companies that the Senator has referred to on the list. It is my impression that all, or most of them, are publicly held companies. The exception we are talking about is a family-owned corporation exception and, as far as I know, the amendment of the Senator from Arkansas covers all of those.

Mr. LONG. Will the Senator yield at that point?

Mr. MUSKIE. Yes.

Mr. LONG. The best I can recall the history of this matter was that the House sent us a provision in this area, and various people, including the junior Senator from Arkansas (Mr. BUMPERS), came before the committee and told us what was wrong with it, that it was discriminatory, that it was unfair. They pointed out certain things that would have to be changed about it if it were going to become law.

Well, when the committee saw that and all the complexities involved in it, we just concluded the best thing to do would be to drop the whole thing. So we struck out the provision from the House bill on the basis that it involved all kinds of complications and was discriminatory on the face of it.

Now then, when we passed our bill—and,, incidentally, so far as I know nobody here complained about our just dropping out the whole thing because it looked to be unfair—we went to conference and the House insisted on what they had in their handiwork. So we brought back something of a compromise between what the House had started out with and the Senate judgment that we should not do anything.

So there is no doubt about it that those who were best represented, were those who had somebody up here to talk to people about how this thing was going, and to sit in that conference room and hear every decision and every discussion that went on, and to talk to people around the House and the Senate. Some had their problems considered, and those who did not have people here to have their problems considered now find themselves in the position of the Senator's little fellow producing those chickens up there in Maine.

Mr. CURTIS. Mr. President, will the Senator yield just briefly?

Mr. MUSKIE. Yes, I yield to the Senator from Nebraska.

UNANIMOUS-CONSENT AGREEMENT ON MR. CHAFEE'S AMENDMENT

Mr. CURTIS. I have followed this matter along. I think the amendment proposed is reasonable and should be adopted. I would like to ask the Senator to yield for a unanimous-consent request.

Mr. MUSKIE. I do.

Mr. CURTIS. I ask unanimous consent, notwithstanding the previous order, that following the disposition of the pending amendment that the amendment of the distinguished Senator from Rhode Island (Mr. CHAFEE) be in order; that the 1-hour limitation be reserved, and after the hour the vote occur.

The **PRESIDING OFFICER.** Is there objection?

Mr. **LONG.** And the vote scheduled to occur at 11:45 be postponed until that time.

Mr. **BUMPERS.** Mr. President, reserving the right to object—and I do not think I will—as I made the point earlier, I have to leave here at 12:15, and I am hoping we can get to vote in this before that time.

The **PRESIDING OFFICER.** The vote on the Bumpers amendment would still come at 12.

Mr. **CURTIS.** That would not interfere with the Senator's vote.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

Mr. **MUSKIE.** Mr. President, I shall take just a few more minutes. May I say to my good friend from Massachusetts he and I have no quarrel about the basic intent behind the provision which is, as I understand it, a provision that would require substantial corporations engaged in agricultural-related activities to use the same accounting rules as any other substantial corporation with inventory. Now, that is a general proposition with which I have no quarrel.

But the inequity of which we speak arises from several exceptions to this general principle and the Senator is against exceptions because it is the exceptions that have created the inequity. Those exceptions include family-owned corporations in which one family owns at least 50 percent of the share of the corporation.

Now, in preparing this amendment we did our best to identify all of the family-owned corporations or substantially those family-owned corporations which would be impacted. We did not examine those corporations that would fall under the general principle. We were trying to identify the companies that fell under the exception and, as far as we know, we have covered them. We have not excluded any of them, not that we know all of the corporate arrangements or the ownership arrangements of the 36 top producers. That has been difficult to get. Some of them are publicly financed corporations.

There are small family-owned corporations as to which we have no difficulty in operating in this business. But what we are talking about, and the best example of the inequity, is the biggest company in Arkansas which has the fourth biggest volume in the country. It is bigger than either of the two companies we are talking about. It does a volume of about, I think, 150 million birds a year, which is roughly twice the production of the company in Maine, and it gets the advantage of the cash accounting system.

The effect of the position of the Senator from Massachusetts is to defend that advantage for that company. I doubt very much that that is his intention, but that is the effect.

The best solution we could find, geared to the fact that we do not have all of the facts and understand all of the consequences, is the proposal of the Senator from Arkansas, and I think it is a fair proposal.

Mr. **KENNEDY.** Mr. President, I will not take much longer. We are not talking about small family farms. It is important that we understand we are not talking about the little mom-and-pop farm or the ordinary barnyard. We are talking about tens and possibly hundreds of millions of dollars operations in terms of the two firms helped by this amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article from the current issue of New Times Magazine, describing these giant chicken farms.

[From the New Times Magazine,
Apr. 29, 1977]

BRAVE NEW CHICKENS

(By Stephen Singular)

The Fish and Wildlife Service of the United States Department of the Interior keeps an up-to-date list of endangered species. Six hundred and eleven animals are now on it, including the Utah prairie dog, the Sonoran pronghorn, the gray wolf, the San Joaquin kit fox, the black-footed ferret, the Southern bald eagle and the Hawaiian hoary bat. None has much chance at survival. Were it not a domesticated animal, there is another creature that could be added to the list: the barnyard chicken. In 1910, there were 5.5 million farms in America with an average of 80 free-ranging chickens apiece. (In New York City, there was still one bird for every two people.) Today, 20 conglomerate businesses, each with millions of hens or broilers, dominate poultry production in this country. Many people under 25 have not only never seen a barnyard chicken, they have quite possibly never seen a live chicken.

The barnyard chicken, in other words, has gone the way of the barnyard itself. That spirited outdoor scavenger of table scrappings and night crawlers has given way to another chicken altogether, a research laboratory animal that is born in immaculate hatcheries, lives a truncated life in long, low windowless sheds and dies by machine. Today, the chicken is at the proud forefront of American agribusiness; instead of 80, the modern corporate farmer can now tend 75,000 birds at once. As the Department of Agriculture likes to put it, "During the last two decades, the U.S. poultry industry has become the most efficient producer of animal protein in the entire history of agriculture."

For consumers, this agribusiness revolution has brought about striking changes. Until quite recently, chicken had been a luxury. Herbert Hoover, running for reelection to the presidency in 1928, made the lavish campaign promise of "a chicken in every pot." Back then, meat birds—culled hens or capons or cockerels, raised only in the spring ("spring chickens")—were in limited supply. Chicken was frequently hard to get and. when it was in season, costly.

A Sunday chicken dinner carried more prestige than steak. This has, of course, all changed. Chicken is now abundantly available year round and, unlike almost everything else, costs roughly what it did 30 years ago; about sixty-five cents a pound. It is the poorer person's high-protein meat staple, offering more protein, less fat and less cholesterol than either lamb, pork or beef. The egg is similarly a blessing of nature—and inexpensive. The egg today sells for less than than it did in 1920. One egg provides a person with 70 calories, all vitamins except C and one-eleventh of his daily protein requirement. Egg yolk by itself can sustain human life indefinitely. This year, each of us will eat an average of over 300 eggs and 40 pounds of chicken meat. Man could easily live by the chicken alone—and it is not too much to say that the bird has perhaps become the most important animal in our lives.

But the Agriculture Department's claim for the "efficiency" of modern poultry production has another side. Because of the way chickens are now raised, there are those who would argue that not only the barnyard chicken but the chicken itself, as we have known it for the last 5,000 years, is an endangered species. In *The Chicken Book,* Page Smith and Charles Daniel put it most strongly. "Feathered bipeds," they write, "bearing a superficial resemblance to the chicken, will continue to exist under the auspices of our technological society, but, and one must insist on this, *they will not be chickens and their eggs will not be eggs.*" Smith and Daniel go on to say that agribusiness has adversely affected the quality and possibly even the health and safety of the poultry meat and eggs we consume; and that modern techniques have altered the behavior—the very nature—of the chicken. The authors imply that something else—more complex and harder to define and determine the significance of—has also changed; our relationship to a creature raised for food.

A century ago, chickens were selected and specially bred only for their beauty. Proud owners displayed their favorite breeds at poultry shows and county fairs. Agribusiness geneticists today can produce a ten-pound hen, flavored garlic, that lays an egg with a green yolk. In California recently, a farmer decided to breed chickens weighing 20 to 25 pounds. A fox broke into his chicken house one night and the birds quickly killed it. Robert Frost and Ogden Nash once wrote poetry to the glory and constancy of the mother hen. Currently, 280 million American hens live in wire-mesh cages. Beyond laying an unfertilized egg, they fulfilled no mothering functions. The Animal Welfare Act passed by Congress in 1970 set standards declaring that cages for animals "shall procide sufficient space to allow each animal to make normal postural and social adjustments with adequate freedom of movement." This law applies to animals in zoos, circuses, wholesale pet stores and laboratories but not to animals raised for food. In most instances the laying hens' cage is 15 inches wide and 20 inches long and there are five birds in each cage. A chicken's wingspan averages 30 inches. Also a chicken foot is not well-suited to wire mesh. The metal can cut into the toes and when this happens it is not uncommon for the wire to implant itself and for the bird to grow fast to the cage—with any luck, within reach of the food and water supply.

The transformation of the chicken began with the American "invention" of an incubator in 1844. (The ancient Egyptians had built incubators, capable of holding 15,000 eggs at once, that were surpassed technologically only 60 years ago.) A hen, left to herself, will lay about 115 eggs a year. She will lay an egg a day until there are as many in her nest as her feathers can cover. She then will sit on the eggs for 20 or 21 days, till the chicks hatch, and she will not begin laying again until her brood can fend for themselves several weeks later. Using today's incubator, the farmer can take the eggs, once laid, immediately away from the hen. If you separate a hen from her eggs, she lays more eggs. If you confine a hen, she will continue to lay regularly and you can also control her diet—to make her lay still more. In the 1930s, it was discovered that a hen's pituitary gland, located at the base of her brain, is stimulated by light. Once stimulated, this gland produces hormones, which in turn stimulate the ovaries, which produce an egg. It was believed that a hen would eat only in the light and that the more she ate, the more eggs she laid. So hens were soon being exposed to artificial light 21 hours a day.

The change from a natural and open environment to a synthetic and completely closed one followed rapidly. Hen houses were built without windows. Light bulbs and vitamins replaced the sun. Air conditioning became the wind. In place of the sprouts and worms she had once foraged for, the hen was now fed minerals and chemicals. If the bird seemed nervous or upset by all this, she was given a tranquilizer. A female chick was vaccinated for a variety of diseases at birth and debeaked soon after, to prevent her from cannibalizing her sisters in confinement. (In large-scale "egg" businesses, male chicks are nothing more than a nuisance. They are generally destroyed when born and fed to hogs.) The ageless pecking order of hens, which operates in flocks up to 90, disappeared. So, too, did countless varieties of chickens. Once it was discovered that a hybridized White Leghorn laid more and bigger eggs with thicker shells, other breeds were phased out of production. Next to go were the descriptive names. By the forties and fifties, White Leghorn had become K–42; Rhode Island Red, another survivor, was dubbed K–83. By the mid fifties, the Kimber Farms Lab in Fremont, California, had "invented" a hen guaranteed almost to double Mother Nature's egg production schedule, to 200 eggs a year. By the sixties, the average was 250, with some birds good for 300.

For chicken meat, Americans now kill, process and eat 3 billion birds each year. The evolution of the massproduced meat chicken, though it trailed behind automated egg production, is a parallel tale of agribusiness success. Forty years ago, research revealed that a Barred Plymouth Rock crossed with a New Hampshire Red produced a bird superior in the quality and quantity of its flesh. This hybrid chicken could be raised in confinement year round and fed a high-protein diet to make it eat less overall and still grow faster. When one discusses the meat chicken's diet these days, one talks in terms of feed-conversion ratios: How many pounds of chicken feed does it take to make a pound of chicken? Twenty years ago, it took about 15 weeks and 12 pounds of feed to get a 3.5-pound broiler. Now it takes only eight weeks or less and eight pounds of feed to bring a 4-pound bird to the slaughterhouse. From birth, between 95 percent and 98 percent of the broilers grown in this country are fed antibiotics for disease prevention and to make them eat more; many are given hormones to cause even more speedy growth; and some are fed the chemical xanthophyll and other dyes, which make their flesh yellow, the color most people associate with healthy chicken meat.

The most prestigious poultry science department in the United States is at Cornell University in Ithaca, New York. Jimmy Rice started this department in 1903 and Rice Hall, built in 1912, was the first building in this country devoted exclusively to the science of raising chickens. Because of the subsequent work done at Cornell in genetics, nutrition, physiology and food science, Rice is considered the father of the modern poultry industry.

In February, I visted Cornell and spent the day with two professors, Charles Ostrander and Robert Baker. The former is known for his work in light-control and waste management and the latter for his creation of many "convenience foods" made with chicken. Ostrander, who was to be my guide through Cornell's Poultry Research Farm, has been at the school 26 years. He now works in extension—"getting what we know out into the field." A stocky, square-faced man with shallow-set eyes, he wears steel-rimmed glasses and smokes a pipe. In his office are myriad pictures of chickens. A large silver egg sits on his desk, and a button on the wall says, "Think Manure."

As he drove out to the farm, Ostrander began talking about some of Cornell's recent research. "We used to believe," he said, "that a chicken would ovulate only in the light and that light affects the bird's pituitary gland through its eyes. Now we know that light affects the hypothalamus instead of the pituitary gland. The hypothalamus is a small gland at the back of the brain. You've got one, too, but we don't know nearly as much about yours. We put the chicken's head into a vice and then drill into it to find the hypothalamus. We can hit this little thing every time. Then we attach electrodes to it which measures all the bird's reactions to changes in heat and light. By stimulating the hypothalamus, our physiologists have found that we can completely control the bird's reproductive system. What we've discovered is that the bird will ovulate in the dark. It only needs a little exposure to light to trigger the hypothalamus. It's just a matter of timing the light in relation to the ovulation cycle to make the bird think it's another day. We're now keeping chickens practically in the dark and getting as many eggs as always."

At the farm, we entered a garage-like building. The room was mostly dark and cold. I heard a series of muffled moans, not sounds one would associate with a chicken. In front of us, 16 gray, square chambers were aligned in four rows. Ostrander explained that in each chamber were five cages with three birds to a cage. Inside the chambers, the lighting, food, water and air supplies are controlled by time clocks. The chickens would be kept here for a year and given five different "treatments." In this treatment, Ostrander said, the birds are given light for 2 hours, then darkness for 10, then light for 15 minutes, and then darkness for 12 more hours.

"Oops," he said, opening a chamber door. "We hit one with a mortality rate." One of the five cages was empty. Three birds had died and been removed for autopsies. The other 12 chickens looked confused, haggard. All were standing. Their combs were pale pink and their coloring seemed a little out of focus: dirty white, rather than the soft white of chicken feathers. The birds moved little because there was little room to move. They continued, only more loudly now, to make thin, eerie sounds. "The idea here," Ostrander said, "is to lower the use of electricity and food consumption. The theory is that the birds will use less energy in the dark because they will keep quiet and, hopefully, eat less. It seems to be working out well."

We left the garage and walked over to a long white shed. This building was normally lighted and held thousands of chickens, all in cages. The birds sent up waves of shrieks. The chickens looked similar to those we had seen earlier, except these were more ragged. Many had chests that were almost bare, as if they had been plucked by cagemates. As we walked down the aisle between the rows of cages, Ostrander would point out the various experiments. "These are dwarfs," he said, stopping in front of some small birds. "We select dwarf genes to make dwarf birds. Some people are getting interested in marketing this minibird because it's economical. It eats little. The problem is that it lays a small egg. We're now trying to reverse the genes and get a small bird that lays a large egg."

We observed other experiments with color patterns in chickens, with selective breeding—the rooster's back is massaged until he ejaculates and then his sperm is injected into the hen—and with the use of selenium in chicken feed. Selenium is a natural compound fed to caged chickens to prevent muscular distrophy and to promote growth. In large quantities, selenium is toxic to humans. The government allows it in the feed in small doses, and the experiments at Cornell are trying to find the maximum acceptable level of selenium use.

Ostrander told me that they can now grow a chicken on a "low-energy diet," down from 1,300 kilocalories a pound a few years ago to 1,000 kilocalories a pound today. "We know a lot more about the nutritional requirements of chickens than about human beings," he said. "If we regulated our own food as much as theirs, we'd be a lot better off." A chicken, he went on, doesn't need much energy now because it gets no exercise; yet even on this new diet, the hens are managing to lay a few more eggs than before. "One of the problems in poultry, though," he said, "is the loss of eggs through breakage. We're trying to put a better shell on the eggs but we're defeating our purpose by expecting the hen to produce more. She has to keep wrapping more eggs with calcium, and she only has so much calcium. This is still a management problem, a real hassle." One problem Ostrander didn't mention is that hens without enough calcium in their bones can't stand up. They go down in their cages and stay down.

We went next to the genetics house, where chickens breed naturally. This was an old-fashioned breeder house with windows full of sunlight, large open spaces and a dirt floor. I leaned on a wood fence and watched the birds. For the first time that morning, I observed chickens behaving as I assumed chickens always had. Nothing I had yet heard could approach the insistent, satisfied clucks and cackles of the hens. They were shapely, fully feathered birds, rich white in color, that looked in command of their bodies and of their environment as they roamed about freely and preened on the edges of their food troughs. Perhaps it was an illusion, caused by their freedom of movement, but the birds looked bigger than any I had so far seen. A huge rooster strutted across the pen, crowing vaingloriously as he pawed the ground. Standing behind a hen, he mounted her swiftly, then moved away, and crowed again. He continued to strut, making those funny, jutting head and neck movements a chicken makes. "Our work here," Ostrander was saying, "is to produce a more profitable bird. By line-crossing them, we get hybrid vigor, better eggshell quality, hatchability, livability and more production. We're now looking for between 50 and 75 breeder characteristics affecting production."

At the last stop at the farm, the Agricultural Waste Management Laboratory," Ostrander was conducting further experiments with light. We've got these birds on a half foot-candle," Ostrander said. This allows them to be stimulated but not cannibalistic. I'm convinced that we don't need more than two-tenths of a foot-candle to get maximum results." Many of the birds were naked of feathers and all looked and sounded sickly, straggly, lost, and cannibalized. Their cages sat up in the air, several feet above a cesspool. Connected to their cages were feed troughs, and below them egg troughs, for the birds to lay in. As we watched, the chickens ate and defecated continually. Their droppings fell into the cesspool and were churned up into a liquid. This liquid was then being pumped back up into their feed troughs. These birds," Ostrander said, are drinking waste water. And they're actually out-producing some of the other birds." I stared at this process for a minute or more. Ostrander then added, with a chuckle I could only interpret as nervousness, We call this recycling."

Back at his office, Ostrander and I discussed the taste of chicken today. Raising poultry quickly, in confinement, and on a high-protein diet has, some say, removed the flavor from the meat. The Department of Agriculture acknowledged this problem almost 30 years ago when their scientists tried to isolate the chemical compounds that give chicken its flavor and aroma. The scientists wanted, through feeds, to put that flavor and aroma back into the new, mass-produced bird. Dr. Robert Horvat, a research chemist at the USDA-funded Richard Russell Research Center in Athens, Georgia, worked on this project for nearly five years before abandoning it. "None of our combinations of compounds has so far made it," Horvat told me. "This will be a long-term and costly project."

I asked Ostrander his opinion of the new chicken. "If you want to be frank about it," he said, "the bird we eat today has very little flavor. It's bland. We hear this in the field all the time. The old barnyard fowl was an older bird with a hard fat full of flavors from the wild things it ate. Nutritionally, the bird we eat now is probably as good. And it's more sanitary. But these new birds don't get a chance to develop a flavor. We're eating eight-week-old infants. This causes other problems besides taste because the birds grow too fast for their muscles. They fall down and can't get up and then everything starts to happen to them. Genetic selection for better leg strength is the answer. The main gain we get from eating these young birds is that it's a cheaper product. Chicken is still the best buy on the market."

Dr. Robert Baker is the head of the Food Science Department at Cornell. For 20 years, he has been creative in poultry research, and I had been told by a USDA official that Baker's work with chicken had made him "known and respected world-wide." A large and middle-aged man, Dr. Baker, like Ostrander, is seldom far from his pipe. By the time I got to see him, it was getting late and Baker was ready to leave his office. We spoke as he drove me in his pick-up to a farmhouse near his own farm outside Ithaca. Without prompting, Baker began to talk about his work. "We've done a lot of research with the chicken," he said, "and I think we have all the bugs out of it now. In the sixties, the poultry industry was in pretty bad shape. Eggs were selling below cost. So was meat. It was terrible. It was due to a lack of convenience. The consumer today doesn't want to buy a carcas, she wants to buy a convenience. So we developed 38 convenience poultry products and marketed 23 of them.

The products Baker helped develop and market were chicken burgers; chicken sticks (Cayuga Frozen Chicken Sticks); chicken bologna (Chickalona); Western Egg; chicken chunk roll (Chunkalona); liquid eggs (Jiffi eggs, in a carton); Frozen French Toast; chicken chili; egg pies; cold cuts; chicken culets; chicken hash; chicken sausage (Cayuga Chic-A-Links); egg rolls; chicken salami; smoked chicken; TREN ("A Pleasant Combination of Fresh Apple Juice and Farm Fresh Whole Eggs"—"It doesn't sound too good," Baker told me, "but if you can get people to try it, it's OK"); Bake and Serve Chicken Loaf; chicken franks ("People," Baker said, "had a tremendous psychological barrier to chicken hot dogs. But they got over that pretty fast"); pickled eggs; One-Day Eggs; Hi-Pro Cookies; and Catskill Egg Omelet. "Convenience foods with chicken," Baker said, " are just starting."

Because so many of these new products contain eggs, I was curious about Baker's opinion on the cholesterol question. "Everybody's down on cholesterol now," he said. "We could change the cholesterol count in the chicken a little if we wanted to. But then the bird wouldn't perform as well. If you lower the fat content, you're going to lower the protein. It all adds up to a hundred."

I wondered if the new methods of growing chickens has changed them nutritionally in any significant way. "Not much research has gone into this," Baker said. "If a vitamin has been lost, you could easily find it and put it back in. But you wouldn't get much recognition for that." And the taste, I asked? "We don't hear those complaints about taste much anymore," Baker said. "Remember, we as humans change our taste. The younger generation prefers these younger, more tender birds, regardless of whether they're tasty or not."

At first, Baker had seemed a little uncomfortable being interviewed. But as we rode across snow-covered upstate New York, he began to loosen up, to tell me about his family, about the cost of educating his six children and about his solution: the invention and marketing of "Bob Baker's Bar-B-Que Chicken and Cornell Sauce," a successful product in the Ithaca area. He was smoking his pipe and looking out over the fields, when he said that a few backyard flocks, with only eight to ten chickens, were starting to reappear around the countryside. "I'd kind of like to do that myself," he said. "Get up in the morning and go out and feed a few chickens. You know, you like to hear them crow. My dad used to keep chickens, not for meat or eggs, but for their beauty. Chickens were his hobby. And those poultry shows were a tremendous thing. We used to rig up our own little incubators and heat the eggs with a light bulb. We'd hatch them and have 50 chicks running around the yard. That was fun."

The following morning, I visited C. B. Hering's farm just outside Genoa, New York. Hering is a tall, aging man, with dark hair and a lined, intelligent face. He graduated from the agricultural school at Cornell and has farmed ever since.

"I have been in chickens all my life," he said, as we walked from his house to a long, metal building out back. The building, which resembled a hangar, was enclosed. Inside, it was clean and ill-lighted. It held 30,000 hens. There were eight rows of cages, stacked three high, and each row was 215 feet long. Each cage held five birds and sat at an angle so that laid eggs would roll forward onto conveyor belts. The angle of the cage was also such that the birds would defecate, not on those below, but onto a metal plate, from which the feces would fall into a pit far below. In the pit, the manure was dried by fans and the fumes were shot out of the henhouse as exhaust. The place smelled fine to me. Hering said that the manure would eventually be used as fertilizer for his corn, which he feeds to his chickens.

All Hering's facilities were automated, run by "time switches, time fuses, magnetic starters and all kinds of other stuff." His chicken feed—a mixture of soybean meal, alfalfa meal and molasses to settle the dust—was fed into the henhouse from a large capsule outside. The feed troughs never stopped moving in front of the hens, and the hens rarely stopped bending over to peck at the passing meal. When the feed level in the troughs would get too low, this would trigger a large auger. Every few minutes, the auger would roar and begin grinding more grain for the troughs. The auger sounded like a gargantuan popcorn popper, making metal popcorn. The birds seemed inured to the racket. Here, as at Cornell, clucking was absent, replaced by something like rising and falling murmurs. Looking down the rows, I could see countless chicken heads protruding from cages, but I could see inside only a few of the wire boxes. In these, there was usually one bird who had gotten turned around in her cage and had, apparently, just given up. In the back-to-back batteries of cages, this hen would frequently be sitting face-to-face with a similarly situated bird across the way. As I was observing this, Hering told me that these chickens had been born in Indiana and sent to his farm at five months of age. He said that they would lay for a year or, at most, two—a chicken's lifespan is 20 years—and then be shipped either to Campbell Soup Co. in Baltimore or used as pet food.

Hering's building was well-insulated but had no heating system. The chicken is a hot-blooded animal, with a body temperature of 107 degrees. Each bird gives off between 50 and 55 Btu an hour. In Hering's henhouse, 1.5 million Btu were being generated every hour. "That's a pretty big furnace," he told me. "We've been able to keep it at 65 to 70 degrees in here all winter, and you know what January was like. Zero and below."

Good ventilation is critical to a chicken. The bird requires four times more air than a human. When the air in a henhouse starts to stagnate, the birds begin to suffocate. A chicken has no sweat glands, and if the temperature in a henhouse reaches 90 degrees, it will suffer. At 100 degrees, it will die. One of the features of Hering's farm was an automatic alarm system that rings if anything goes wrong. At a nearby hen farm, not long ago, the ventilating system stopped, setting off an alarm in the owner's kitchen. The alarm should have told the owner to flip another switch, substituting the back-up power supply. But the woman was out sitting by her swimming pool and never heard the alarm. Two hours later, 30,000 chickens were dead.

At another farm in upstate New York, the parents left their son home alone to tend the chickens for a day. The boy had one chore: to turn off the feed switch. He turned off the ventilating system instead, and his parents came home to a henhouse full of corpses.

As Hering and I were viewing his operation in motion, he said the birds were laying an average of 240 eggs apiece each year. "Watch this," he said, walking over to the wall and turning a light switch. Conveyor belts below the moving food troughs began to move. White eggs soon spotted these brown belts, which passed into another room beyond our view. We walked into this room where the eggs were being mechanically arranged on cardboard trays. From here, the eggs—untouched by humans—would be put in boxes and sent off to wholesalers. "There's a lot of advantages to this conveyor belt system," Hering said. "The chicken doesn't sit on the egg at all. It's kept away from the hen and her manure and this is definitely more sanitary than it used to be. I'm very conscious of making a food product here."

We went back to where the birds were and I began looking at them again. They seemed subdued and absolutely uniform in paleness of color, shape, sound and, for the most part, behavior. Hering saw me watching them. "How do those chickens look to you?" he said. "Not too unhappy? The measure of what you can do to an animal is in what you can get out of it. If there was too much wrong with this, we couldn't get this production. Birds treated this way produce as much as those raised on the floor. So it must be OK. It's economic this way and this business is all competitive. You got to get big and you got to get machinery. This mechanization throws people out of work, but the system works and that's the only test. The only danger is that you can become more of a mechanic than a farmer. You're dealing with livestock and you can't forget that. You've got to keep that hen healthy and happy so she produces. You can do anything with a chicken. If you do it right, she'll live and lay. If you do it wrong, she'll die. A lot of people in the business don't know this. It's got to be done within parameters. If you get them too hot or cold, they'll die. If you crowd them too much, they'll die. If you don't give them feed or water, they'll die. I think these birds here are pretty happy. And 90 percent production is high."

Hering's investment in the birds alone is $60,000. His equipment is worth $180,000, and he said that start-up costs were another $100,000. "Moneywise," he said, "I've been called stupid to get into this. I'm 62. Most people my age are thinking more about retiring than getting into the chicken business. But I don't feel like quitting. I took all the money I could get and borrowed some more and went back to it. If it all holds together for another ten years, then I can think about retiring. I like the business. Done it my whole life. I like chickens."

The first thing one notices about Salisbury, Maryland, is how flat the land is. Salisbury is the major city on what is known locally as the Delmarva Peninsula, an arm of land between the Chesapeake Bay and the Atlantic Ocean made up of parts of Delaware, Maryland and Virginia. Delmarva was once to broiler raising and processing what Cornell is to poultry research and development. The modern broiler industry began on Delmarva and for years it led the country in production. The area is still important but much of the industry has moved further south, to Georgia, Arkansas and even Mexico, in search of cheaper labor. Much, but not all; the second thing one notices in Salisbury is the proliferation of "Perdue" signs, Perdue cars and trucks and Perdue feed mills, farms, breeder houses and hatcheries. Frank Perdue is thriving, with a $40–50 million operation and an annual growth rate of 17 percent over the past five years. As his promotional literature says, "Build a Better Chicken and the World Will. . . ."

Perdue markets several kinds of birds, including the Rock Cornish Hen and the older, bigger roaster (or "Oven Stuffer"), but he is best-known for his specially bred strain of broiler, which he clams to be superior to all other broilers. In his extensive advertising campaigns, Perdue boasts that his chickens live in a "house that's just chicken heaven," and says, "If you want to start eating as good as my chickens, take a tip from me . . . Eat my chickens." One of the advertising posters seen throughout Perdue's plant in Salisbury shows three, pure white, beautifully built chickens, with napkins round their necks, sitting down to dine by candlelight over fine china and white wine. On each plate is a small mound of yellow meal. Another poster says, "If your husband is a breast or leg man, ask for my chicken parts."

Each week, 2.25 million Perdue chicks hatch. After one day in the hatchery, the birds are farmed out to local growers. They are immediately put on the Perdue diet: dehydrated marigold petals, corn, soybean meal, bluegrass pellets and fish meal or meat meal, which is ground-up poultry. To make them yellow, they also get doses of the cosmetic xanthophyll. On their tenth day, they are debeaked and vaccinated for Newcastle's disease and bronchitis. For three weeks, 25,000 birds are raised in one-third of an enclosed metal house, on a little over 5,000 square feet. Growers once put warm, pot-bellied stoves in these houses as surrogate mothers. Now they just keep the humidity at a level that leaves water on the surface of paper in ten seconds. The chicks spend their early days huddled together, looking like patches of shag carpet spread over a floor of wood chips, shavings and sawdust. At three weeks, they get more space, and at five weeks, they get the whole house, or 15,000 square feet. Their feeding and watering are automated. Occasionally, the grower will have to go inside the house and spread water to settle the dust, which at times makes the air no more than translucent. By seven to eight weeks, the birds weigh about four pounds and are ready for "processing."

Perdue processes 300,000 chickens each day. Chickens are quiet in the dark, so men come before dawn to catch them by their legs. They are stuffed into wooden crates and driven to plants in either Salisbury, Accomac, Virginia, or Lewiston, North Carolina. The head of personnel, Walton Layfield, showed me the plant in Salisbury. Magnets pick the crates off the trucks and place them on conveyor belts leading into the factory. Workers, all black men at this point, stand in the near dark and grab the chickens from the crates. Because of the low lighting, all one can see of this process are yellow hard hats, lighted cigarettes and chickens going up through the air and being bound, upside down, in steel shackles that move overhead. The shackles go by fast and the men must keep pace: a chicken must be in each shackle. The sound of conveyor belts, magnets, crates and shackles is deafening. The birds hang limp and mostly silent. As they go through the air their heads are dragged through an electrified solution that is supposed to stun them. They then move into a room where a rotating bicycle tire holds their backs and shoulders in place while their necks are fit tightly between two metal bars. They are steered into a blade that slits their throats. The blade kills five birds a second, 16,000 an hour. Not all the birds are killed by this blade. A black man, holding a knife and wearing a bloody, white smock and cap, stands on the other side of the blade and kills those birds that have survived. The entire plant has a stench that is slightly heightened here. The smell must be a mixture of fresh blood and stale urine. The birds' blood drops into a vat and the birds, still in shackles, move out of the room, their heads attached but dangling.

Watching this process of slaughter was mystifying. It looked like a macabre, curiously static ballet. An endless line of upside-down chickens entered the room alive through a hole in one wall and left dead through a hole in another wall. It all seemed not only completely surreal but, more disturbing, there was no evidence that people, beyond the black man with the knife—one more machine—had anything to do with what was happening.

Next, the birds are scalded and plucked by a machine with round, rubber fingers. Steam is everywhere here and the roar of metal and water incessant. The birds then move through flames that remove any remaining hairs. A machine cuts off their heads and feet and the naked birds pass in front of another line of standing workers: almost all of them black women, young, middle-aged and aging. Each person has a different job and a knife. Wherever people are working here, bloody, foul water runs by in troughs near their feet. One woman cuts off the chicken's oil gland. Another slits open the bird's back. The next woman widens the opening. The next reaches inside the bird and jerks out its viscera. Liver, gizzard, neck and heart are separated. A man holds a "lung gun," which sucks out the lung of the bird. Women down the line are either "liver trimmers" or "gizzard trimmers." The liver, gizzard, heart and neck are cut up and deftly wrapped together and stuffed back inside the chicken. Two women at the line's end do nothing but tag a small "Perdue" sticker on each carcass.

During dressing, USDA inspectors stand on line and check the birds. (Perdue claims that his own inspectors are better than the government's. He says that his people can look for 48 quality specifications in the 75 minutes the bird is in the processing plant.) The federal inspectors have a few seconds in which to examine, by sight, smell and touch, each chicken for tumors, breast blisters, fecal contamination, feathers, lung tissue, male sex organs and other unsanitary or diseased parts.

After dressing, the birds are plunged into ice water for 30 minutes. They are then graded, sorted, packed in ice and put back into crates. These are set on conveyor belts that take them to Perdue trucks. The chickens are ready for delivery. On each crate are the words, "Any Squawks? Call Perdue 1–800–638–0381."

On one wall of Frank Perdue's office in Salisbury hangs a photograph of Perdue and Spiro Agnew standing together on the court in their tennis togs. On the floor is a picture of Perdue with Jimmy Carter. In person, Perdue, with his longish, gray hair, appears much more sophisticated and soft-spoken than he does on television.

When Perdue and I began talking, I was surprised by his willingness to criticize the broiler industry. He said that some of the producers—he mentioned no names—tended to overscald their birds, thereby removing the epidermis and causing much of the flavor to be lost. Other companies, he said, cut economic corners in the chicken diet, lowering the birds' meatiness and nutritional value. Still others go in for cheap methods of packaging, which shorten the chickens' prime shelf-life on the supermarket counter. And still others prepackage their chickens by freezing them at their plants, a procedure Perdue is adamantly opposed to. Freezing chickens, according to him, costs the bird soluble protein and some of its natural juices; also, the bones turn black and the meat falls off. Finally, he did say, "Several other companies besides us produce a quality chicken. But there are far more that don't than do."

"Are you," I asked him, "making a better bird than was around 40 years ago?"

"Oh, God yes," he said. "Our nutritionists believe that you are what you eat, and my chickens eat better than anybody's. They are better fed now than they ever were. Their diet is computerized. We've done a fantastic job of making a meatier bird with a broader breast. We've got the broadest-breasted chicken in the business. We've got a $300,000 genetics research farm down in the Pocomoke Forest working on this. I have my own geneticists and my own gene pool. Nobody can touch my gene pool. We're trying to make a bird that's desirable in the eyes of the consumer, a bird with appeal, with meat, with good color. People will buy a yellow chicken before they will a pale, white one."

"Does this new bird taste as good as the old one?"

He took a long while to answer and, at first, spoke slowly. "There may be something to the cliche—I'm not sure what that word means—that the old bird who ran around and ate bugs and looked up trees was a better-tasting bird. There may be something to that. It took 16 weeks to grow that bird. I think I've been influenced in my thinking by our 'Oven Stuffer.' This 13-week-old bird has a better taste. So I'm not sure. Those older birds couldn't have tasted more tender. And people say our birds are cleaner than chickens used to be." He paused and seemed to be thinking about what he had been saying. Then he looked right at me and said, "How would you compare the old and new bird anyway? What are you going to do? Go back to the old methods? If the women want to pay a dollar twenty-five for chicken instead of sixty-five cents for taste. . . . This just isn't going to come to pass. She just won't want it. This fast-grown bird has resulted in great advantages for the consumer. Chicken is still a delicacy in many parts of the world. The industry is doing a fantastic job for the consumer."

That night I ate part of one of the Perdue chickens that were being served at the motel where I was staying in Salisbury. My dinner, listed as "Southern Fried Chicken," had a crust a quarter of an inch thick, flavored with salt and pepper and possibly another seasoning or two. The crust was tasty, and the meat itself tender and fairly moist. But it had the texture of mush. No discernible flavor came from the meat, either as I bit into it, chewed it, or let it linger in my mouth. Nothing reverberated on the palate. It wasn't at all unpleasant, just tasteless, and it passed through more or less unnoticed.

Concerns about today's chickens, of course, reach beyond matters of taste. While consumer savings in dollars and cents are impressive, less immediate costs in terms of nutrition and health call into question the marvels of agribusiness.

Over the years, a number of debatable drugs have been fed to chickens to expedite growth and lower cost-per-pound ratios. The most notorious of these was diethylstilbestrol (DES). In Sowing the Wind, Harrison Wellford, one of the five original Nader's Raiders, wrote, "DES is the only chemical widely used as an animal drug for which there is strong evidence that it causes cancer in both animals and man." DES causes adenocarcinoma, a rare cancer of the vagina. It also upsets human hormone balance. Farmers who have breathed DES dust in chicken feed have grown small, femalelike breasts and showed symptoms of sterility. DES pellets used to be inserted into the necks of chickens. For awhile, one unsuspecting New York City restaurant employee regularly made a supper of leftover chicken necks. He stopped when his breasts grew large, firm and round.

"We used to add DES to chickens," Robert Baker had told me earlier in Ithaca, "but it's been declared illegal now. We manipulated the male with DES, a female hormone, in order to give him more fat. If you ate a thousand pounds of chicken a day, DES might affect you. As a matter of fact, if you ate most of the things we eat 50 times over, it would do you in. If you ate 5 times the salt, it would knock you on your fanny.

"Now the government is down on nitrites. In very high quantities, these are supposedly carcinogenic. We're taking turkey thighs that don't sell too well and turning them into ham thighs. We have to use nitrites to give them color."

Almost every broiler in America is fed antibiotics—for disease prevention and cure and for growth—from birth to death, People eating these chickens consume not the actual antibiotic but antibiotic residue. If the chicken has been given, say, penicillin—only one of the many medications currently used—the penicillin will be broken down into penicilloic acid and other compounds while in the gut of the chicken. This acid is then absorbed into the meat tissue of the animal. A person buys, cooks and eats the chicken. Those parts of the drug that survive cooking are known as thermal degradations. The human stomach is normally full of bacilli called coliform organisms. The thermal degradations we eat in chicken don't kill or affect the growth of these organisms. But they do cause antibiotic-resistant coliforms to develop in the gut of a person. In other words, the human stomach develops resistance to penicillin and possibly to other antibiotics.

I had spoken about the effects of antibiotics in chicken feed with Dr. Stanley Katz, a professor in the Department of Microbiology and Biochemistry at Rutgers University. Dr. Katz has been working in antibiotic residue research for the past 18 years. "We know very little," he said, "about what these residues are or what their biological significance is, or could be. Everybody, in the back of his mind, says, 'Well, we really don't know what happens here and it would be nice to know but. . . .' Interest in any area is proportional to the available dollars. I think that this research is gaining in importance but it hasn't yet become a cause célèbre. It should. Simply because of the whole question of what this is doing to us."

There is yet another danger in the modern chicken—the possibly cancerous effects of stress and crowding on the bird. Most chickens carry the virus of avian cancer in their blood, though it is estimated that only 2 percent grow malignant tumors from it. Even so, cancer in chickens—called Marek's disease—has already cost the industry greatly. In 1969, 37 million chickens had to be exterminated because of it. In 1971, a doctor in Michigan discovered a vaccine for Marek's disease and the problem now seems more under control. But it is generally believed that the disease itself is related to the crowded conditions under which chickens are raised. "Anytime you stress an animal," says Dr. Katz, "you're increasing its susceptibility to all types of disease."

Shortly after visiting with Frank Perdue, I traveled to Washington, D.C., to interview Dr. George Mountney of the United States Department of Agriculture about various problems with modern chicken farming. Mountney, author of *Poultry Products Technology* and a research management specialist in poultry science at the USDA ("Anything to do with chickens comes across my desk," he says), took a direct but sanguine view of Marek's disease. "There's a very definite connection," he conceded, "between stress and Marek's disease. In fact, this is the whole name of the game in management today—to modify the stress so that chickens can use all their energy for production. Our geneticists are trying to make birds that can withstand the stress and go ahead and be productive. When you crowd these birds, you're going to get dominance problems, picking, emotional stress, that sort of thing, just like with people. So the name of the game is be able to get more chickens in less housing. We're producing a different kind of chicken now, one with different characteristics. We're always trying to improve the bird."

Mountney and I talked about another controversial aspect of agribusiness chicken farming—the increasingly popular technique of "deboning" poultry. Deboning is a misnomer. In this process, the whole chicken is ground up by machine, and the end product, an extrusion containing cartilege, flesh, connective tissue and bone, is used in chicken burgers, hot dogs and baloney. I had earlier talked with Rodney Leonard, executive director of the Community Nutrition Institute in Washington, about deboned poultry. Leonard is against the industry's method of marketing these products, because he believes there is a substantial gap between what the public perceives they're buying and what they *are* buying. Studies, Leonard said, have shown that the protein vitalization value of chicken is significantly lowered by mechanically deboning the bird. "Our traditional definition," he told me, "said that when bone was in meat, the meat was adulterated, and the only reason for this adulteration was economic fraud. The very least that we need now is a different labeling system. Deboned poultry should be marked and assigned a definite economic value that is lower than meat tissue."

Dr. Mountney had told me that the department was now spending annually about $30 million on 3,000 chicken research projects. It was funding, among others, Robert Baker of Cornell, creator of products using deboned poultry meat. Did Mountney think deboning a good idea, or one that needed regulating?

"I'd like to give a plug for it," he said. "We have a world food shortage, and if you want to save the world, you'd better look to the chicken. This shortage is indirectly seen in the U.S. in the higher prices we pay for food. There are two ways to attack this problem: by producing more or making more with what we've got. The quickest way is the second. And deboned poultry is one way to do this. The big advantage is that it sells for 29 or 30 cents a pound for pure meat, or almost pure meat. You can sure get a competitive product this way. When deboning is properly carried out, the meat is of high quality, is 'wholesome,' which means fit for human consumption. Deboning is already done under USDA regulations."

I left Washington with one unfulfilled curiosity concerning the chicken: I wanted to taste an old-fashioned bird. It seemed likely that the farmers' markets in Pennsylvania would be selling home-grown chickens. But I soon learned that the federal government, for reasons of sanitation, had begun requiring Pennsylvania farmers to pay an exorbitant health-inspection fee for the right to raise and sell chickens. Most farmers' markets nowadays, I was told, are offering chickens purchased from "people like Frank Perdue."

After searching, I was lucky enough to find Bob Hofstetter, a short, bearded, bespectacled man who lives with his wife Katherine and their two children on a 60-acre farm in southeastern Pennsylvania. He works at the Rodale Organic Farm in Kutztown and, as a hobby, raises antiquated breeds of poultry, which he exhibits at state and county fairs. At his farm, he showed me his prize-winning beauties: the Redcap, a large, strutting, chestnut-colored bird with a rose comb and a half-moon red lacing on each feather; the Golden Cantine, with gold neck hackles and black barring; the Silver Cantine, all silver except for black barring; the White Belgian, small and snow white with a heavy beard and muff; and the Quail Belgian, with a chamois-colored breast, chestnut hackles and a rose comb. The Quail Belgian walks with its wings down, almost dragging, and its chest straight out. "It's a very stately little thing," Hofstetter said.

Hofstetter and his family eat eggs from these chickens and, occasionally, one of the culled chickens. I asked Hofstetter if he thought there was any difference between supermarket and organically grown eggs. "I don't remember the last store-bought egg I ate," he said. "But when you eat an egg from a bird that's been pastured, that's eaten greens and scraps, the yolk has a definite flavor. It's bright orange and you can taste it."

For our evening meal, Hofstetter butchered a five-month-old Redcap not good enough for show. Katherine, a quiet, attractive woman with a ruddy complexion, roasted the bird. The children, Robby and Susan, joined us for a chicken dinner, with mashed potatoes, sweet corn, asparagus and broccoli, all from last year's garden. The chicken had the texture of meat: firm and not mushy, chewy and yet tender, juicy but not watery—it was light red instead of the color of chalk. The flavor was not at all harsh; rather, it slowly revealed itself as sweet and subtle and made a distinct, enjoyable impression.

During dinner Hofstetter said, "If you eat something that's raised properly, it will taste properly. If it is grown in an ecologically sound environment, it will also be good for you. If you think about it, it just stands to reason. I forbid my wife to buy chicken in the store. I've had supermarket chickens that were slimy, mealy and tasteless. The meat hasn't had a chance to muscle up. It's just flabbiness. The people who push this product are in a business. Most of them *know* this is not how to raise a chicken, but they're still in a business. It's all a matter of time, and they don't have time. It's a whole system. Rush, rush, rush. Make a buck."

Bob Hofstetter, like his barnyard birds, is probably a vanishing breed. The great majority of people who work with chickens today are still searching for ways, not to preserve the original animal, but to change, modify, "improve" it. The USDA's Mountney, for one, optimistically predicts more efficiency, streamlining and cleanliness ahead. As he recently wrote in a trade journal, "Broilers will be produced in cages by an assembly line automated system . . . and marketed at seven weeks of age in the same cage they started out in as baby chicks. Such birds will be under human surveillance 24 hours a day by employees who will wear sterile clothes and be required to shower before going to work in the house."

This may sound futuristic indeed, but it is not as advanced as the thinking at International Flavors and Fragrances (IFF) in New York. Chemists there have figured out a way to eliminate the chicken, while supposedly preserving its taste. They have already come up with chicken flavor, made of chemicals, which is marketed for soups, gravies, rices and bouillon. Now they are working on chicken analogs—that is, "chickens" made from soy. You take soybean or soy flour and work it, mixing in other ingredients, until it takes on a meatlike texture. Then add IFF's chicken flavor. Because chicken is so reasonably priced, these analogs are not yet widely marketed, but the chicken analog does seem to have a future. "In those areas where it's really an inconvenience to use a chicken," says Dr. Ira Katz of Research and Development at IFF, "you'll use a chicken analog instead. Say you want a chicken sandwich. You'll just slice the analog like a salami. There won't be any bone. You'll cut it, put it on bread, and have an *analog* chicken sandwich."

Mr. KENNEDY. Mr. President, it is always interesting to me when we come to the question of dealing with tax expenditures. We do not eliminate inequity by closing loopholes, reducing them and putting a limitation of $2 million on sales across the board, and treating all firms equitably and fairly. That would resolve the discrimination problem about which the Senators from Maine and Arkansas are so concerned. Rather, what we do is say we will make the exception a little larger. We will open up the loophole to those too fat to squeeze through it now. We will help an Arkansas or a Maine firm, in spite of the fact that there are a number of other companies in the same general range of sales that will not be helped by the amendment and may well be left at a competition disadvantage.

A number of those other firms are publicly owned. But as we heard so eloquently yesterday from the chairman of the Committee on Finance, they are people, too. They have shareholders who are ordinary Americans. If those firms are hurt, it is going to affect those individuals.

There is a way to deal with this particular problem in terms of the problem that exists for the companies in Maine and the companies in Arkansas. That way is to put a simple limitation on sales of $1 million or $2 million, and drop the family ownership exception, which is causing the problem here.

Let us try to reach out and actually get the small family farmer and give the exemption to that firm; $1 million or $2 million in sales is adequate. That would resolve the Arkansas problem and that would resolve the Maine problem, and that would treat all the large firms equitably and fairly as well.

But I cannot myself see how the Senate can say, "Well, there are 8 of these 36 that are caught by the 1976 act, that are going to have to shift from cash to accrual accounting. We are going to take 2 of those 8 out and let them keep the loophole, but not the other 6. For those two, action is going to be deferred, while the others must conform. That is what the amendment of the Senator from Arkansas and the Senator from Maine does, and I think that is the wrong way to write tax policy.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senator from Florida (Mr. STONE) be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I wish to spend 2 minutes summarizing our position on this amendment.

Mr. McCLELLAN. Mr. President will the Senator yield to me for just a minute?

Mr. BUMPERS. I yield.

Mr. McCLELLAN. I have to leave the Chamber.

I want to say the answer to all the Senator from Massachusetts has said is in this proposal to submit all of this to the Committee on Finance and let it work out equity for all instead of writing it here on the floor. I do have confidence this matter can be presented to the Committee on Finance, everybody will be heard, and that the committee, subject to the approval of the Senate, will solve this problem equitably for all.

I thank the Senator.

Mr. BUMPERS. Mr. President, two points: No. 1, the Senator from Massachusetts, I think, made a very compelling point when he said it is rather deplorable that Senators must come in here to make special pleas. I deplore it, and I regret it, and his point is well taken.

But I can tell you, Mr. President, when something as outrageous and as inequitable as this is brought to your attention, when it is so patently clear that it places innocent, hard-working people at a terrible competitive disadvantage because of some inequitable tax burden placed on them here through inadvertence or through design, I have no choice but to address it.

The Senator from Massachusetts, I believe, finds himself in the unique position. I said this morning he has been on the cutting edge of most of the tax reform that has been initiated here, but he finds himself this morning, for some sort of convoluted reason, defending one of the grossest inequities that has ever been perpetrated in this country. He says eight companies are being affected, and I do not know how he knows that. I can tell Senators we did quite a bit of research, and the only way one can find this information is if the stock is publicly traded. I can tell Senators that the 4th biggest poultry processing company in the United States and the 13th biggest processing company in the United States get to remain on the cash system because they are one-family owned.

Is that fair? Is that fair for a company, that my senior colleague pointed out a while ago, in the same city, in the same region, competing for the same growers and competing for the same markets? One of them that is three times as big as the other can stay on the cash system and the other one must convert to an accrual system at considerable tax burden to itself obviously placing it to a terrible competitive disadvantage.

The Senator from Massachusetts does not intend to defend inequities such as that. I know him too well. His point is well taken, and I agree with it. Everyone should be treated the same and the Finance Committee, after I presented this to them, said they agreed. Everyone should be treated the same.

All we are asking here is that we have minimal relief by postponing it for 1 year. I think it is fair.

I know that the Senator from Massachusetts and no other Senator in this body would feel comfortable if he thought the biggest grain company in the United States which is Cargo, with over $5 billion a year—we are not talking about peanuts; $5 billion a year—gets the advantage of this exception. I do not know whether they are taking advantage of it or not. I hate to say positively that they are. They are entitled to it. But our best information is that a substantial amount of the stock, over 50 percent, is owned by one family.

I do not intend to defend it, and I intend to try to do something about it, and that is the reason we offer this amendment.

I thank the Chair.

Mr. KENNEDY. Mr. President, I just make the comment that obviously, the intention last year was close the tax loophole for large firms, and provide some exemption for the small-family farmer. What has happened is that some large firms qualified for the exemption, and some did not.

But we cannot get away from the fact, Mr. President, that if the Senate accepts the amendment of the Senator from Arkansas and the Senator from Maine, of the 36 largest firms, 8, it is my understanding, have to move from the cash to the accrual method. This will single out two of those. The others may be publicly owned. But that does not take away from the interest of those firms being treated fairly and equitably as well. If they are competing against the two firms helped by this amendment, it does not help much to ease the discrimination to know that they are publicly owned firms.

It seems to me that this is the wrong way to deal with this problem. If we wanted to deal with the discrimination, we could put a simple ceiling on sales. That would solve the problem of Arkansas and the problem of Maine. It seems to me to be a sounder way of treating this issue.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, there is a present order on a unanimous-consent request that the vote will occur on this amendment at noon. I am reluctant to do this without the majority leader being here. But the Senator from Rhode Island has an amendment which is supposed to come up now. Perhaps he would prefer that we go ahead and vote on this amendment and get it over and then let him present his amendment.

Mr. LONG. Mr. President, there was to be a vote at 11:45 a.m. on the amendment of the Senator from Rhode Island. So I think Senators are on notice we will vote at 11:45 a.m. That being the case, I ask unanimous consent that we simply proceed to vote on the amendment now.

Mr. BAKER. On the Bumpers amendment?

Mr. LONG. Yes, on the Bumpers amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Arkansas.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. Church) is necessarily absent.

I further announce that the Senator from Illinois (Mr. Stevenson) is absent because of illness.

I also announce that the Senator from West Virginia (Mr. Randolph) is absent attending the funeral of David Johnson of Bridgeport, W. Va., the vice president of the Claude Benedum Foundation.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. Bartlett) is absent due to illness.

The result was announced—yeas 85, nays 11, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—85

Allen
Anderson
Baker
Bayh
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chafee
Chiles
Cranston
Curtis
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Eastland
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart
Hatch
Hatfield
Hathaway
Hayakawa
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Laxalt
Long
Lugar
Magnuson
Mathias
Matsunaga
McClellan
McClure
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Scott
Sparkman
Stafford
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—11

Abourezk
Clark
Culver
Haskell
Kennedy
Leahy
Morgan
Proxmire
Riegle
Wallop
Zorinsky

NOT VOTING—4

Bartlett
Church
Randolph
Stevenson

So Mr. Bumpers' amendment (No. 219) was agreed to.

Mr. McCLELLAN. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH subsequently said: Mr. President, on the four previous rollcall votes today, I was necessarily absent. I was in Bridgeport, W. Va., attending the funeral services for David Dean Johnson, a cherished friend and associate.

UP AMENDMENT 164

The PRESIDING OFFICER (Mr. Anderson). The Senate will now resume consideration of the amendment of the Senator from Rhode Island. There is a time limit of 1 hour on this amendment.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. Mr. President, on behalf of myself, Mr. Pell, Mr. Moynihan, Mr. Gravel, and Mr. Laxalt, I propose an amendment to H.R. 3477. I believe it is important, Mr. President, to remember the objective of H.R. 3477, the bill which is being considered. The objective of that legislation is to stimulate the economy and reduce joblessness. That is why it was originally presented.

There are two principal features of the bill as it remains with the rebate out of it. The first feature is an investment credit which helps the larger manufacturing companies, the larger employers, those with capital investment in machinery and equipment. The second principal feature of that bill is a jobs credit, a jobs credit which will help those companies which are smaller. As we will recall, there is the Haskell amendment which limits it to $100,000 maximum. So, this is principally directed to smaller companies, to companies which are labor intensive.

What it means with the Haskell amendment is that any company earning $200,000 profit in a year gets the maximum benefit from the $100,000 job credit.

I support both of these measures, both the investment tax credit and the jobs credit. But I think it is well to draw attention to the problems of those States which have a high unemployment and a low rate of growth. I think we want to give particular attention to those States. Many of those States have smaller businesses and many of those businesses are labor intensive.

As we will recall, under the jobs credit, before one can get the advantage from the jobs credit, in other words, can receive the credit provided for under the legislation, the company first must have paid 105 percent of the wages they paid in 1976, the total wages of the prior year; and, second, they must pay 3 percent more in unemployment compensation wages than in the prior year.

In other words, the way it is now designed, without my amendment, the company must have had a certain amount of growth. This means that in those States where they have not had this growth, the companies will not qualify.

What does my amendment do? My amendment provides that businesses in those States that had an unemployment rate of 7.5 percent or more in 1976 will not have to reach the 105-percent increase on wages paid or the 103-percent increase of the unemployment compensation wages. Instead, they will qualify if their payroll is 101 percent—in other words, if it gained a little bit—and if their unemployment wages are 101 percent of the prior year.

What we are trying to do in this legislation is to help those States with high unemployment and low growth rates as provided by the history.

Mr. President, I have distributed a sheet which demonstrates that in many States they just will not be able to qualify for this jobs credit, because history has proven that they have not had an annual growth rate of 3 percent over the past 10 years, in each of those years.

For instance, let us look at this list. In Connecticut, their average annual growth rate in the past 10 years for which statistics are available, 1965–75, was 1.7 percent.

That means that, if we can go by the past—and that is the only thing we have to go by—the manufacturers in Connecticut would just not be able to qualify for the jobs credit under this bill. This bill is designed to help with unemployment, to reduce joblessness; however, its goals will not be achieved, as it presently exists, in many States in the Nation.

Let us look at some other States. It is often said that the hard-hit areas are in the Northeast, but such is not always true. Ohio's growth rate, in the 10 years I have mentioned, was 1.8 percent; Missouri, 1.6 percent; and, of course, in the Northeastern States, none of them have had the 3 percent or greater growth. For instance, Maine had 1.9 percent; my own State, 0.8 percent; New York State, 0.4 percent.

So, Mr. President, the objective of this legislation goes right to the heart of the overall objectives of the principal legislation: to help those areas with high unemployment, to help reduce joblessness, to help them solve some of the problems that have been besetting many sections of our country.

I might say, Mr. President, there are some 22 States that had an unemployment rate of 7.5 percent or greater in 1976. Among them are West Virginia, Pennsylvania, Ohio, New York, New Jersey, Missouri, Massachusetts, Michigan, Connecticut, Arizona, and Alaska. So these are among the areas that we are attempting to take care of.

I am not going to suggest, Mr. President, that in any way, this is going to solve all our problems. It is not. What this legislation will do, and the amendment that I have proposed, is encourage the employment of the marginal employees—those employees that perhaps would not be added on under this legislation are encouraged to be added because of this tax credit.

Second, it will permit many small

companies in high unemployment areas to plow greater profits back into new equipment, new machinery, new employees, to grow and expand, and, in some fashion, be a source of new jobs in the future.

So, Mr. President, I urge the passage of this amendment, which will be important not just to the Northeast. So often, this type of legislation appears to be addressed to sectional matters. It will help many other areas of the country as well. I commend to the Senate the passage of this legislation.

Mr. DOLE. Will the Senator yield?

Mr. CHAFEE. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank my distinguished colleague and friend, the Senator from Rhode Island.

Mr. President, I rise to state my own strong support for the amendment the Senator from Rhode Island has proposed, an amendment which he has done me the honor of allowing me to cosponsor with him. I rise also to make two points to add to this debate, one more general than the other, which I think, however, may enlarge our understanding of the issue before us.

The first is a historical point, in a sense. It goes to the criterion which Congress and the executive have established for need with respect to economic development legislation. If I am not mistaken, the single largest event of this kind took place in the mid-1960's when President Johnson, following an earlier initiative of President Kennedy, established a task force to inquire into the nature and causes of poverty in the United States.

Mr. President, I served as a member of President Johnson's task force and, as has since been written in some detail in a number of works, including one of my own, one of the greatest decisions of the poverty program of the 1960's was whether there would be a jobs component, whether there would be a direct effort to create jobs as part of the poverty program.

In the end, the answer to that question was, no, we did not. We moved away from concentration on employment and, instead, began concentrating on questions of income. There was an unavoidable and not undesirable regional, sectional bias to a concentration on income as the main criterion of need, but it had as its unavoidable consequence, also, the avoidance of the problem of economic decline in many of the previously-developed regions of the Nation. I believe that in this Congress, with the support of President Carter, we are beginning to right the imbalance that resulted in the mid-1960's by devising programs which take, as a key measure of need, levels of unemployment which recognize that, whilst anyone unemployed is equally unemployed, no matter where he or she may be, equal measures will not create jobs, and special measures are required.

There was a measure which we debated at some length with respect to the Public Works Employment Act and which the Senate, by an overwhelming majority, endorsed. It endorsed the principle that high levels of unemployment create special needs and warrant special consideration. I think a large principle is being confirmed in Congress with the support of the administration. I very much support that principle.

I wish to make a second point, as I said, Mr. President, that does go to a regional concern. Although, as the Senator from Rhode Island has said, this is in nowise a regional measure, simply to give the Senate a sense of how different has been the experience of some regions as against others, I wish to describe a chart I have here. It was prepared by the Federal Reserve Bank of Boston. It describes the experience of employment in the Nation since the previous peak month of November 1973.

If that is taken as ground zero, as they say, we find that, during this time, we went along in a period of prosperity. Then, beginning in 1974, we entered the strongest recession this Nation has had since the great depression of the 1930's, which was accompanied by the New Deal. That recession was sharp. It was unprecedented in the decline involved. However, in June of 1975 the bottom was reached for the Nation as a whole.

After a decline altogether of some 2 percent of jobs in the Nation, the Nation itself has risen to the point where there is now almost a 3-percent increase in jobs, that magic 3-percent number to which we have been addressing ourselves. There are now more than 3 percent more persons working today than there were in the previous peak of 1973, up considerably from the trough of June 1975. But there are two regions in the Nation which, very simply, have not at all recovered from that strongest recession the Nation has known since the 1930's.

In New England today, although there has been some increase since the bottom of the recession, there are still fewer than 2 percent of the number of jobs there were in the previous peak; in the Middle Atlantic States, there has been no recovery from the recession of 1974 whatever. If you could see this chart which I am holding, you would see the employment data for the Middle Atlantic States peaking at the beginning of 1974 and declining regularly ever since.

In the Middle Atlantic States, we are still in the recession that began in 1974. There has not been any recovery. There are not even signs of a recovery.

The jobs bill before us, as the distinguished chairman of the Finance Committee has made clear, is a bill to create jobs. While we have the overwhelming support of this body for it, I think the measure does need the calibration which the Senator from Rhode Island's amendment would provide, such that it will have the same effect in areas that need jobs most and have them least as it will in more fortunate areas.

I congratulate the Senator from Rhode Island. I think he addresses himself to a point which, if we continue to affirm it in this Congress, will end by having a large and in my view wholly desirable effect upon national economic policy.

I thank the Senator.

Mr. CHAFEE. I thank the Senator from New York for a very eloquent presentation of the problems that have beset several sections of the country.

Again, he stresses that this is not a regional bill because, as illustrated, those areas hard hit are California, Washington, New Mexico, Oregon.

The 10-year rate of growth in all those areas is less than 3 percent targeted in the bill, as it stands without the amendment.

Mr. DOLE. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. DOLE. Mr. President, the Senator from Kansas supports the amendment. In fact, just a couple of days ago I offered an amendment to reduce the base to 100 percent because there are areas in this country which have slower than normal growth. These States and regions, primarily in the Northeast, have been indicated by both distinguished Senators.

If we are going to focus on where help is needed most, we should use an approach which will help companies and create jobs in all parts of the country whether in the Northeast or the Southwest. We ought to have a solution for unemployment in areas of high unemployment, a solution to help small business, a solution for areas of no or limited growth.

It seems to me that there is nothing magic about 103 percent. The magic is finding employment and creating new jobs that would stimulate the economy.

It seems to me that having offered an amendment with a 100-percent base combined with three or four other modifications in the legislation and having lost, certainly 101 percent is at least a step in the right direction.

I would be pleased to join as a cosponsor of the amendment, if there is no objection from the distinguished Senator from Rhode Island.

Let me emphasize that the lower employment base is particularly important to small businesses in America. Many of these companies have only a few employees. There is not a great deal of add-on in employment in a normal year. Often, they have not experienced a 3-percent rise for many years and there is no way these businesses are going to achieve a 3-percent rise in employment.

As the distinguished Senator from New York pointed out, if we take a 10-year average it will be very difficult for many areas to benefit at all with the present jobs tax credit. This does not in any way restrict the benefits of those who have expanded in the last few years.

The amendment would allow business to have the advantage of the credit even if they can afford to only hire one or two new employees.

Of course, the larger the business, the larger the number of additional employees that could be hired. A 101 percent base will even make this number larger.

It seems to me, if we are really concerned and really want to focus on the needs in America and the problem of all geographical araes of America, this is a step in the right direction.

Mr. CHAFEE. I thank the Senator from Kansas very much because, as he indicated, this transgresses geographical limitations. I notice from my chart that Kansas is less than the qualifying percentage.

The unemployment rate in Kansas was 4.2 percent. So his State would not benefit. This legislation is trying to assist the whole Nation on this program of joblessness and unemployment.

So Mr. President, I strongly urge that this measure be accepted by the Senate.

I believe that the distinguished Senior Senator from New York wishes to comment on this matter and pending his arrival I suggest the absense of a quorum.

Mr. LONG. Mr. President, may I ask why the Senator suggests the absence of a quorum?

Mr. CHAFEE. I was awaiting the arrival of the senior Senator from New York who wanted to speak on this issue. I did not know the Senator was prepared to speak.

I withdraw that.

The PRESIDING OFFICER. Does the Senator withdraw the suggestion?

Mr. CHAFEE. Yes; I withdraw that suggestion.

Mr. LONG. Mr. President, just by way of getting on with the business, I would like to explain briefly the position of the committee with regard to the amendment.

Mr. President, the big problem with the amendment is its impact on the budget. We have a budget resolution that has been drafted to give us enough fiscal slack to recommend the bill that the committee reported and for the fiscal year 1978, this bill would add tax cuts of $700 million.

That, of course, is not subject to a point of order, but it is contrary to the targets we have set for ourselves.

I discussed this matter with the chairman of the Budget Committee, who I hope will be here to discuss the matter before it is through. He felt, as I do, that because of the budget aspects of this matter we would be compelled to vote against it. In other words, we have no plans to cushion this additional $700 million of expense.

It may very well be that the Senate might want to do this. I have been voted down before on this very bill. I was the only man, the only lost soul, who voted against the amendment to give more money to grandma and grandpa when the extension of the date on the retirement income credit was voted a day or two ago.

So I know what it is to stand alone about fiscal integrity and say that this thing will cost money and it is not money that is in the budget.

We do have a further problem in that the credit will apply differently to different States. Some States would be entitled to have their employers get the benefit of it and some States would not.

It would apply in States where the unemployment exceeds 7.5 percent. I have complete sympathy with those Senators.

But I would point out the complexity for an employer who has a payroll in more than one State. He would be entitled to claim the benefit of the 101-percent base in one State and 103 percent in other States.

So far, the House has tried to keep this jobs credit proposal as simple as they can make it. We have so much complexity in the law now that we are trying to simplify it. The fact that this would apply in some States, but not in others, especially for employers who have payrolls in more than one State, would create some problems.

In addition to that, Mr. President, this would lower the adjustment based on statewide unemployment while unemployment may vary very substantially within States.

As I say, Mr. President, the amendment does present some problems. I realize that it also contains merit. The Senator, of course, is justifiably concerned about the high rate of unemployment in the State he represents so well here in the Senate.

I ask him also to understand it creates problems for those of us who are trying to stay within the budget, and it does put us over the budget figures by another $700 million for fiscal 1978.

Mr. CHAFEE. Well, Mr. President, I appreciate the eloquent remarks by the distinguished chairman of the Committee on Finance, but I point out that the budget provisions have not yet come to the floor and, of course, when they do come they are amendable.

I also heard the distinguished Senator speak the other day on the budget saying that, pointing out that, the Senator from Maine on some occasions was opposed to spending except on those occasions when he wanted the spending, and, perhaps, the Senator from Louisiana is sometimes in the same situation. Probably we all find ourselves in that situation.

But, Mr. President, the objective of the tax bill is to reduce unemployment. It is an economic stimulus package, and that is the way it was presented by the administration.

Yet under the bill as it currently exists it just is not going to help many sections of the country. Many sections of the country just do not qualify for the 103-percent growth, and those are the areas that have the highest unemployment.

If you look at the list I submitted, Mr. President, you will note that in so many instances not only does a given State have high unemployment, but it also has a low growth rate so it will not in any way benefit from the legislation as it is presently written unless we amend it here today.

So, despite the cogency, the eloquence, the reasoning behind the senior Senator from Louisiana's remarks, I urge that we do go ahead with the approval of this amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield to the senior Senator from New York.

Mr. JAVITS. Mr. President, I would like to express not only my support for this amendment, for which I shall vote, as advocated by my own colleague, Senator MOYNIHAN, and by the distinguished author of the amendment, but I would like to emphasize, Mr. President, this matter of the disparities in growth and in unemployment.

As you see in this table, my State has the great distinction of having double digit, not inflation but unemployment, and there are not many, Mr. President, on that list. Only New Jersey and New York have this very unenviable distinction.

Mr. President, the purpose of the legislation was to deal with those who were resourceful enough to produce for the Nation, but when they come on hard times to find some way of alleviating their problems.

It seems to me that is exactly the purpose of this particular measure. We have no hesitancy about saving the farmers of Mississippi from dead chickens or the people in a whole host of States from flood or other disasters. But when the worst disaster of all other than war, double-digit unemployment, strikes a State we say, "Oh, it is $700 million."

Members have gotten up here and in 30 seconds moved $2 billion or $3 billion just like that if it were farms, and that is fine. I voted for it.

But, Mr. President, let us not allow that to stick in our throats in the matter of doing justice where misfortune and lack of recovery, as Senator MOYNIHAN so brilliantly and so eloquently pointed out, has hit.

So I hope the Senate does in this case the right thing and follows the purpose of this bill and supports this amendment.

Mr. CHAFEE. I thank the Senator very much.

I will admit in our section of the country we do not seem to think big as far as Federal spending goes. We are not in the big leagues. Our sights are not raised, but we are getting there. We are learning. [Laughter.] We are learning to listen to proposals for the water projects that go through here—$1.6 billion to dig a river somewhere that does not exist, but that is fine. It teaches us, and so gradually we come forward with this minuscule appropriation today, $200 million for 1977.

I suppose in many sections of the country as they consider Federal public works programs——

Mr. LONG. Mr. President, will the Senator yield? Will he read the next year's?

Mr. CHAFEE. The next year reaching a higher level, we are hitting our stride, but in the following year we slack off. In the following year, we cannot seem to keep the pace up. It is $500 million the following year. We dip down, and I suppose that that leaves some slack for some water project somewhere in the country if everybody is alert. [Laughter.]

I would like to yield to my distinguished colleague from Rhode Island, the senior Senator, who is a cosponsor of this amendment and who has given me great support and encouragement as we take our faltering steps forward.

The PRESIDING OFFICER. The Senator from Rhode Island will proceed.

Mr. PELL. Mr. President, I thank the Chair and I thank my colleague from Rhode Island.

The purpose of the jobs credit provision of this tax bill is to provide business with an incentive to hire additional workers.

If the jobs tax credit is to work, and to work most effectively then it must be particularly effective in areas of high unemployment.

It is in areas of high unemployment that the bulk of our jobless Americans are, and it is in areas of high unemployment that business activity is most sluggish and most in need of effective incentives.

Unfortunately, as written, the bill places severe restrictions on the effectiveness of the job tax credit in economically depressed areas.

A business firm under the Committee bill would be eligible for no credit unless his total Federal Unemployment Tax Act payroll for 1978 is at least 3 percent greater than it was in 1976, and his total payroll is 5 percent greater. As the committee report states, this requirement is intended "to allow the credit only where an employer's employment growth exceeds normal increases in employment for the economy as a whole."

The problem is that in areas of high unemployment like my own State of Rhode Island, employment has not grown in step with the economy as a whole. That is why there is high unemployment. The 3 percent rule may work well in areas of average unemployment, but in high unemployment States, it virtually eliminates the credit as a real incentive to most business firms.

For this reason, I heartily support the amendment offered by my distinguished junior colleague.

Reducing the 3 percent and 5 percent rules in areas of high unemployment—where the jobless rate is 7½ percent or greater—will provide a real incentive for expansion of businesses and for an increase in jobs.

I commend and congratulate my colleague on presenting this amendment and I urge its approval by the Senate.

Mr. CHAFEE. I thank the Senator very much. I would like to thank my senior colleague for his eloquent remarks on this subject, and I would like to yield to the senior Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be included as a cosponsor of the amendment of the Senator from Rhode Island.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I want to join in commending the Senator from Rhode Island for putting this proposal before the Senate.

He is a new Member but he understands very quickly and very ably the importance of formulas and how they can work to treat a region of the country fairly and equitably, or how they can work to our disadvantage.

He recognized that under the jobs credit formula that had been devised, it would have worked in an unfair way against a particular region of the country, New England, and also to the Middle Atlantic States, where unemployment is high, but where firms would have difficulty meeting the 103 percent threshold in the formula. The Senator from Rhode Island has offered a well-tuned amendment, to improve the thrust and purpose of this legislation.

I want to commend him and congratulate him and say I look forward to supporting him.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator put me on the amendment as a cosponsor, as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I would like to thank the Senator from Massachusetts for his contribution to this debate, for his thoughtful addition.

I ask unanimous consent that Senator DOLE be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, unless somebody else chooses to comment, I am prepared to yield back my time on the amendment.

Mr. LONG. Mr. President, I had hoped I would have the chairman of the Budget Committee (Mr. MUSKIE) here to make an argument for fiscal integrity, but I think I have done the best that can be done at the moment on that issue. I wish to state that he shares my concern.

While I, of course, have some sympathy with what the Senator is seeking to do, I think I should state this is an over-the-budget expenditure, just as some of the others have been, and I am hopeful that the Senate will be willing to restrain itself and limit its activities in adding amendments which increase the cost of the bill.

I honestly think the President would like to sign this bill, but the more we add on to the cost of it the more that jeopardizes the prospect of the bill becoming law.

I do not for a moment take issue with the Senator from Rhode Island and his cosponsors and supporters in their feeling that they have a problem and that they seek to do something about it.

I just hope that they understand that we are doing what we can to try to protect the budget for fiscal year 1978 and in good faith trying to stay within those budget estimates.

Mr. MUSKIE. Mr. President, reluctantly, I oppose the amendment offered by the Senator from Rhode Island (Mr. CHAFEE). It is particularly difficult to vote against the amendment because I am sympathetic to the goal of the Senator to redress the discrimination in the present employment credit. The discrimination results from the credit now applying only for new employees over 103 percent of the prior year's employment level. Thus, the credit is unavailable to companies struggling to maintain their current employment levels—companies often located in economically depressed sections of the country, such as Maine and the rest of New England.

However, I do not believe that by dropping the 103-percent threshold to 101 percent in high unemployment areas, as the Chafee amendment would do, additional jobs would be created that can justify the very substantial budgetary costs of the amendment. As I said during the floor debate on the employment credit last week, I do not believe this credit is an effective means of stimulating employment. Business simply will not hire new employees costing $10,000 in wages a year with a $1,200 incentive—the approximate level of benefits now provided for most corporate employers under the credit provision approved by the Senate.

The Chafee amendment would cost approximately $200 million in lost revenues in fiscal year 1977, $700 million in fiscal year 1978, and $500 million in fiscal year 1979. The first budget resolution recently reported by the Budget Committee provides for tax rdeuctions of $18.4 billion in fiscal year 1978, and a net revenue reduction of $18.2 billion.

The tax bill as it has been amended so far by the Senate, contains revenue reductions of approximately $19.3 billion, or $900 million in excess of the reported resolution target. Moreover, 1978 revenues will be reduced by $1.7 billion as a result of lower economic activity stemming from deletion of the rebate from the tax bill. The Chafee amendment would increase these revenue losses by another $700 million to $3.3 billion. This is clearly an unacceptable figure. The Chafee amendment should be rejected to restrain any further expansion of the projected 1978 budget deficit.

Mr. DOLE. Vote.

Mr. CHAFEE. Mr. President, I admire what the Senator from Louisiana is doing, in all of these amendments, and everything that comes before us does present a problem here.

But I do feel that this amendment, presented with the excellent cosponsors I have, is really going to do something beneficial for the main goal of this principal legislation which is to reduce joblessness in the Nation.

With that, Mr. President, I yield the remainder of my time.

Mr. LONG. Mr. President, I see no point in dragging the debate out further. I yield back the remainder of my time.

Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Rhode Island.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Illinois (Mr. STEVENSON) is absent because of illness.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent attending the funeral of David Johnson of Bridgeport, W. Va., vice president of the Claude Benedum Foundation.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. STEVENS. I announce that the

Senator from California (Mr. HAYAKAWA) is necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 58, nays 35, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—58

Anderson
Baker
Bayh
Bellmon
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Chafee
Cranston
Curtis
Danforth
DeConcini
Dole
Domenici
Durkin
Garn
Glenn
Gravel
Griffin
Hansen
Hatch
Hatfield
Hathaway
Heinz
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Lugar
Magnuson
Mathias
Matsunaga
McClure
Metcalf
Morgan
Moynihan
Packwood
Pearson
Pell
Percy
Ribicoff
Riegle
Roth
Schmitt
Schweiker
Scott
Stafford
Stevens
Stone
Thurmond
Tower
Weicker
Williams
Young

NAYS—35

Abourezk
Allen
Bentsen
Byrd,
Harry F., Jr.
Cannon
Chiles
Clark
Culver
Eagleton
Eastland
Ford
Goldwater
Hart
Haskell
Helms
Hollings
Huddleston
Johnston
Long
McClellan
McGovern
McIntyre
Melcher
Metzenbaum
Muskie
Nelson
Nunn
Proxmire
Sarbanes
Sasser
Sparkman
Stennis
Talmadge
Wallop
Zorinsky

NOT VOTING—7

Bartlett
Bumpers
Church
Hayakawa
Humphrey
Randolph
Stevenson

So Mr. CHAFEE's amendment was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized to call up an amendment.

AMENDMENT NO. 205

Mr. KENNEDY. Mr. President, in behalf of myself, the Senator from New York (Mr. JAVITS), and the Senator from Minnesota (Mr. HUMPHREY), I call up amendment No. 205, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and others, proposes an amendment numbered 205.

The amendment is as follows:

On page 59, after line 10, add the following new subsection:

(d) AFDC AND OTHER RECIPIENTS' ELIGIBILITY FOR THE EARNED INCOME CREDIT.—Paragraph (1) of section 43(e) (defining eligible individual for purposes of the earned income credit) is amended by adding at the end thereof the following new sentence: "The determination of whether an individual maintains a household for the taxable year for purposes of this section shall be made by not taking into account any aid or assistance for any child of such individual under a Federal, State, or local governmental program, and by not taking into account that portion of any aid or assistance to the family under such a program which is based on the needs of any child of such individual.".

Mr. LONG. Mr. President, does the Senator desire the yeas and nays on his amendment?

Mr. KENNEDY. Yes.

Mr. LONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Does the Senator from Louisiana want a time limitation?

Mr. LONG. Yes, that is all right with me. How much time does the Senator desire?

Mr. KENNEDY. Why not make it 15 minutes to a side, half an hour evenly divided?

Mr. LONG. I ask unanimous consent for that limitation, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Mr. President, the earned income credit is a tax credit up to $400 for low-income workers. It is intended as a work incentive and as an incentive to welfare recipients to find work.

But the credit has certain restrictions. It is available only to taxpayers with dependents, not single persons or married persons without children. To qualify as having a dependent, the taxpayer must pay more than half the support of a child under 19, a student, or a disabled dependent.

Recently the IRS has ruled that AFDC and other welfare payments are to be counted as support not provided by a parent. This makes it harder for a parent on welfare to qualify for the earned income credit. He must receive more from his job than he receives in welfare payments for his child. As a result, some families on welfare are discouraged from seeking work, because the incentive of the earned income credit is not available.

This amendment was part of the House bill but was deleted by the Senate Finance Committee.

There was a similar problem last year of the so-called earned income credit disregard. Some States were taking the earned income credit into account for purposes of determining eligibility for State welfare programs. Congress passed a law excluding the credit from such calculations. The change was initially opposed by the Senator from Louisiana (Mr. LONG). Senator LONG's view is apparently that persons on welfare should not also be receiving the earned income credit. But I disagree.

Mr. President, I think this problem can best be illustrated by an example. Take a situation where a mother with two children is working full time at the minimum wage. She may earn between $4,000 and $5,000 a year. Depending on the State, she may be entitled to public assistance of $3,000. If she can only find work half time, she will have a problem, since the public assistance payments are greater than her earnings and she will not meet the support test. She will lose the earned income credit.

It is not just AFDC that is at stake, but also medicaid and other assistance. How does a mother know the costs of hospital and doctor services for her children? Will she lose the earned income credit if she takes a child to a doctor and receives treatment under medicaid?

Suppose she has a sick child and qualifies for medicaid. There is a substantial bill under medicaid which is being paid. She may very well lose her earned income credit, because of the amount paid under medicaid.

The sum may be true in terms of other programs that directly benefit the child. If the child is in a Head Start program, for example, or if the child is in day care services, there are payments for the services, while the mother works. She may lose the earned income credit, because the benefits of this public assistance payments count as support she does not provide the child.

Mr. President, a few years ago, in Lutter against Commissioner in the seventh circuit, the court ruled that a mother could not claim the personal exemption unless she paid one-half of the child's support. AFDC and the medicaid were ruled to be nonparental support. This is the basis of the IRS decision on the earned income credit.

Mr. President, we also have to ask, if we do not change this rule, how is the IRS going to enforce it? Will we ask the IRS to audit every poor person's tax form to check the medicaid and food stamps benefit?

When the earned income credit was initially adopted and made refundable, the idea was to get people off the welfare rolls and unemployment rolls and onto the job rolls by providing this additional work incentive. Yet the present rule denies that incentive to some parents, because their children may receive medicaid, or Head Start services, or other types of assistance. That frustrates the very valuable and worthwhile purpose of the credit.

If a mother is on welfare, she may decline to take a job, because the earned income credit will not be available. If he has a part-time job, she may lose the credit, because her child is sick and treated under medicaid.

Mr. President, I will yield to the Senator from New York for a comment.

How much time remains?

The PRESIDING OFFICER (Mr. RIEGLE). The Senator has 25 minutes remaining.

Mr. KENNEDY. I thought it was a half hour to each side.

The PRESIDING OFFICER. I stand corrected. The Senator has 10 minutes remaining.

Mr. KENNEDY. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, this is uniquely an amendment which says we cannot have it both ways. We cannot ask AFDC mothers to work in order to take the burden of the enormous welfare problem off the country and the States, and, in my own particular case, the cities—incidentally, this particular burden is literally breaking the back of the city of New York—and, at the same time, say to them, "If you do work, you are going to be penalized for it."

That is what Senator KENNEDY's amendment is trying to accomplish.

We are trying to extend the interest in working because it pays to work and the Federal Government encourages you to work rather than disinterest in working because they discourage you and they penalize you anyhow.

It just seems to me such an elementary proposition to feel that this definition which we are seeking to change should allow the very thing which we want so much to encourage rather than to disallow and discourage it, that it is almost self-answering.

As I understand it, Mr. President, it is practically a washout in terms of money. Budget arguments should not replace the argument of policy, which is here involved.

There is one other thing I would like to mention. I tried this before at the very end of the last session. At that time the chairman of the Finance Committee now handling this bill felt we would work it out. He implied there was certainly some element of sense in what we were trying to accomplish and that we would find a way of working it out in Congress.

Mr. President, there is now presented to us by this amendment a way of solving the problem. If we adopt this amendment it will go to conference and the problem can be resolved. The result will be a real inducement for hundreds of thousands—and there are some millions involved—of AFDC mothers because they will get a benefit through the tax credit, or part of it, to go to work instead of not going to work, to bring in some earnings, and not to feel that it is all fruitless because no matter what they earn it gets taken away from them anyhow, so there is not much advantage in it.

For all of those reasons, and that is the key—really, it is as simple as that because it really can have a profound effect upon the welfare system of our country—until such time as we get to reform the whole welfare system, Mr. President, I hope very much the Senate will see its way clear to support this amendment.

Mr. LONG. Mr. President, I hope this amendment will not be agreed to. The earned income credit was what we called the "work bonus" when it first came up while the Finance Committee was working on welfare reform. Our idea was to try to make it more attractive for someone to go to work than to live on welfare.

When people go to work they find that they lose out on their cash assistance payments. When earnings reach a certain point, they lose their right to be in a public housing project. They lose their right to food stamps. They lose their right to medicaid benefits. The Senator from Nebraska has pointed out that some people had as much as $10,000 in earned income and were still receiving welfare payments.

We tried to find some way to make work more attractive than welfare, to try to help recipients enter into the work force.

There are some who want to take this work bonus and make it another welfare benefit. Why? The recipients already have the cash assistance benefit. They have food stamps. They have medicaid benefits. They have subsidized housing. Why should we add this benefit?

The earned income credit recognizes that low-income people who work for a living and have children to support are not making enough money to pay an income tax but are paying a lot of taxes in other ways.

For example, they pay a social security tax. But they also pay a gasoline tax, and they pay other energy taxes. As consumers, they absorb a great many taxes levied on the producers of the products they buy. If we take into account the consumer taxes that they are paying, these people are absorbing a lot of taxes. We did not want to force people onto welfare by making welfare more attractive than work. So we put in something called the work bonus in the committee, the idea being that if you work, you are paying a social security tax and you are absorbing a lot of taxes on the income that you are earning. The work bonus would give you a 10-percent tax credit to take these things into account.

The Senator's amendment would make the earned income credit into just another welfare benefit. That negates our whole purpose of trying to get people off the welfare rolls and make work more attractive than welfare.

Perhaps this proposal should be considered in connection with a welfare reform bill. But, Mr. President, I do not believe that we are doing this country any favor by putting more and more people on the welfare rolls. I am one of those who is not ashamed of the fact that we resisted the family assistance plan. If that plan had passed, we would have at least three times as many people on the welfare rolls as we have now. We have more than 11 million people on the AFDC rolls now. But we would have had twice that many recipients, at a minimum, if some of us had not resisted that kind of plan. While I am willing, Mr. President, to provide amply for those who are needy, based on their need, I am not willing to provide what amounts to a happenstance benefit. When we provide something for working people not on welfare, I am not willing to give the same benefit to people who only work a little and who draw welfare benefits. As people earn something, we would like them to work themselves off the welfare rolls, not to find welfare more attractive.

The Senator's amendment discriminates between kinds of income. For a person to claim and get a tax benefit for someone who is a dependent means that that person must provide at least half the support of the dependent person. In this case, it is the Government that is supporting these children with Government funds through the welfare program, paid for by the taxpayers. This amendment reduces the value of work compared to the advantage of a person being on the welfare rolls. It will make the welfare rolls bigger rather than make the welfare rolls smaller. It will make it more difficult to achieve welfare reform.

There are those of us who believe that a proper welfare reform proposal is going to have to make it attractive enough to get people to work. We move in that direction in this bill, by the way. We are doing it with the jobs credit here, by making it so that more marginal jobs will be provided, with a tax credit to the employer to help put in jobs people who otherwise would be unemployed and on the welfare rolls. When they take the jobs, they will be entitled to the earned income credit on their income.

Mr. President, the earned income credit was never conceived as something to put more people on the welfare rolls or to sweeten up welfare benefits. It was intended to get people off the welfare rolls. We should wait until we take a look at the welfare reform bill that the President will be recommending to us. We shall be making a mistake just to take something that was intended to put people to work and get people off the welfare rolls and make it a welfare benefit.

Mr. CURTIS. Will my chairman yield?

Mr. LONG. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I wholeheartedly commend what the chairman has said. This particular section of the tax law was intended to do justice to individuals who make their own way. They have to live very modestly, with a small amount of income, and they work and make their own way. We must keep in mind that the social security tax is unlike the income tax. You are taxed on the very first dollar.

The distinguished chairman has mentioned all the other taxes, direct and indirect. We should keep in mind that for this group that are the beneficiaries of this particular provision, it is a bonus for working. Some of them are in that low-income group because, maybe, they are carrying on in spite of a handicap. Some of them, maybe, are carrying on in spite of age or lack of opportunity and training. Yet there is one thing that keeps them apart from some other people who are on welfare. That is that they have pride and they are willing to exert self-denial. They earn their way, but they get along on such a small amount of money that an ordinary income tax reduction does not help them. They forego a great many additional social benefits because they do not live on welfare. For that reason, as a matter of justice—not as any special privilege to them, but as a matter of justice—in their income tax, they get an earned income credit, a work bonus. If they do not have enough income, it is a refundable type of credit.

It has a great amount of justice in it. It should not be made a welfare program. It is for people who pay their own way. If there are additional needs for welfare people, we should consider those as welfare matters and not dilute this provision of the law which does a little something for those people who live very modestly, who practice self-denial, who go without, and earn everything they get to spend. We grant them some recognition on that. I think it is right and just that we should.

Mr. KENNEDY. Mr. President, how much time remains now?

The **PRESIDING OFFICER**. The Senator from Massachusetts has 7 minutes.

Mr. **JAVITS**. I ask the Senator to yield to me 2 minutes to make just one point.

Mr. **KENNEDY**. I yield to the Senator from New York.

Mr. **JAVITS**. Mr. President, this argument we just heard reminds me of the blind man feeling the elephant and making a description. In short, it is approached by the opponents on the theory that we are giving a bonus for work. But AFDC mothers do not even begin to work. We are approaching it from the point of view that the syndrome of poverty in which they have been trapped can be broken if we give them an inducement to begin to work. That is what this amendment is all about, an inducement to begin to work so they know they have a job, they get some work habits, they get some feeling of the joy of independence, of jingling a few bucks in their pockets that they themselves have earned.

That is the whole purpose. There is no claim that it costs any money. It seems to me to be an extremely desirable social purpose.

Mr. **KENNEDY**. Mr. President, what do I have left of time?

The **PRESIDING OFFICER**. The Senator from Massachusetts has 6 minutes.

Mr. **KENNEDY**. I yield myself such time as I may need.

Mr. President, the purpose of the earned income credit is to try to take people off welfare rolls and to put them on the job rolls. When it was initially adopted, we applied it only for single people who had children or for married people with children. We did not—for revenue reasons—give it to married couples or single persons without children. Now, we are denying it to some persons with dependents, who may want to work and are working, because they are receiving other assistance, too.

Mr. President, what we are basically talking about here is a situation in which a child receives payments that are not tied to the parent. Take, for example, a student who receives a scholarship or an educational opportunity grant program. A parent who is working at the bare minimum wage, whose child gets a scholarship, may lose the earned income credit. What sense does that make?

Or take a person who happens, again, to be receiving the minimum wage and has a sick child. He knows that if he brings that sick child to a hospital, he may lose the $400 credit. So he asks, is his child $400 sick?

How ridiculous. How ridiculous that particular requirement is. And it can be illustrated in instance after instance with these particular proposals.

If the purpose is to try and get people off welfare, it seems to me the incentive ought to be there to help them get off welfare. Why deny the incentive by arbitrary rules like this?

That is the purpose of the amendment. To put these restrictions on the credit seems to me to frustrate the thrust and purpose of the earned income credit. It contradicts the work incentive. It is the wrong way to deal with this problem.

Mr. **JAVITS**. If the Senator will yield for one other point, the fact is, is it not, that the person who is deprived of the credit does maintain a household, he or she actually maintains a household, and the only point is that by the Federal regulation, notwithstanding the maintenance of a household, because of the source from which some of the support comes, they are deprived of this income credit, and that is what it is?

Mr. **KENNEDY**. The Senator is correct.

Mr. President, I withhold the remainder of my time.

Mr. **LONG**. Mr. President, this amendment would confer further tax favoritism on one of the most favored groups that there is under the tax law.

The welfare benefits that are paid out are not taxable. I do not recall how much we would collect if we taxed welfare benefits, but it would be a very substantial amount of money. There are a lot of people drawing welfare benefits, and unemployment insurance money, whose income would be high enough for them to pay income tax. But the way it stands now, we do not count any of those benefits as taxable income. They get cash assistance benefits which we do not count for income tax purposes.

They get a subsidized housing benefit which we do not count for tax purposes. They get a food stamp benefit which we do not count for tax purposes. They have various other benefits they receive, such as medicaid, which are not taxable.

In addition to all this, Mr. President, if they go out and earn something, they can be, in effect, reimbursed for their work expenses and on top of that keep $30 per month plus one-third of additional earnings.

In addition to that, these departments have been so liberal in letting them take work expenses that we have had cases of people with income of $10,000, and even in some cases a lot more than $10,000, who pay us no tax of any sort and draw welfare benefits all at the same time.

They can keep the $30 and one-third of the income, plus all the money that they count for work expenses, on top of all this, the Senator would provide them the earned income credit, which is supposed to be for the people who are not getting all these welfare benefits—not getting the cash benefits, not getting subsidized housing, not getting medicaid benefits.

One of these days, we ought to consider, as the Finance Committee has considered on occasion, trying to give people a choice. They can either go one way and be a self-supporting citizen. We would like to encourage that, and this is about the only thing we have that does encourage it, by saying, "We'll give you a tax advantage because you're trying to support yourself and earn your own way." Or they can go the other way and receive these various benefits from the Government which would be phased out if they have a certain amount of income.

But I say, Mr. President, that the type of thing the Senator is trying to suggest should not be done and it ought not even be considered unless it is part of an overall welfare reform proposal. We do not have any proposal of that sort before us.

When we have it, I still think that it makes sense to have something for the people who work that we are not trying to provide for the people who either do not work or work very little and draw large amounts of welfare payments.

One would think people would be satisfied if they got cash assistance benefits, food stamps, medicaid, subsidized housing, and besides all that, not try to get in on something we provide for those people who are not getting any of that and who are trying to make their own way.

The **PRESIDING OFFICER**. Are there any more requests for time?

Mr. **KENNEDY**. Mr. President, all of the programs that the Senator from Louisiana points out would be eligible to people on welfare.

The purpose of the earned income credit is to get them off that, get them out of those particular areas so it is no longer necessary for them to observe it.

That is why the incentive was there, trying to get people on the job rolls. All the things the Senator points out will continue, and the hope of the earned income credit is to get them so they are not utilizing those programs.

If it makes sense to get them off welfare programs, then that is what would be the purpose of this particular amendment.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. **LONG**. Mr. President, I yield back the remainder of my time.

The **PRESIDING OFFICER**. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Massachusetts.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that the Senator from Illinois (Mr. STEVENSON) is absent because of illness.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent attending the funeral of David Johnson, of Bridgeport, W. Va., vice president of the Claude Benedum Foundation.

On this vote, the Senator from Minnesota (Mr. HUMPHREY) is paired with the Senator from West Virginia (Mr. RANDOLPH). If present and voting, the Senator from Minnesota would vote "yea" and the Senator from West Virginia would vote "nay."

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE) and the Senator from Utah (Mr. HATCH) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "yea."

The result was announced—yeas 35, nays 56, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—35

Anderson
Baker
Bayh
Brooke
Chafee
Clark
Culver
Danforth
DeConcini
Durkin
Eagleton
Glenn
Griffin
Heinz
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mathias
McGovern
Metzenbaum
Moynihan
Pell
Percy
Proxmire
Ribicoff
Riegle
Sarbanes
Schweiker
Stafford
Stone
Wallop
Williams

NAYS—56

Allen
Bellmon
Bentsen
Biden
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cranston
Curtis
Dole
Domenici
Eastland
Ford
Garn
Goldwater
Gravel
Hansen
Hart
Haskell
Hatfield
Hathaway
Hayakawa
Helms
Hollings
Huddleston
Johnston
Laxalt
Long
Lugar
Matsunaga
McClellan
McClure
McIntyre
Melcher
Metcalf
Morgan
Muskie
Nelson
Nunn
Packwood
Pearson
Roth
Sasser
Schmitt
Scott
Sparkman
Stennis
Stevens
Talmadge
Thurmond
Tower
Weicker
Young
Zorinsky

NOT VOTING—9

Abourezk
Bartlett
Bumpers
Case
Church
Hatch
Humphrey
Randolph
Stevenson

So Mr. KENNEDY's amendment (No. 205) was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 165

Mr. BELLMON. I have an amendment at the desk, and I ask that it be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes unprinted amendment 165.

The PRESIDING OFFICER. The clerk will suspend.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end thereof, insert the following new section:

SEC. . ELIMINATION OF RETROACTIVE INCREASES IN TAXES BY THE TAX REFORM ACT OF 1976.

(a) Any provision of the Tax Reform Act of 1976, as amended by section 1 of this Act, or any provision of any amendment made by the Tax Reform Act of 1976 which increases the liability for tax of any person under the Internal Revenue Code of 1954 for any taxable year beginning before January 1, 1977, shall not take effect with respect to any such taxable year.

(b) The Secretary of the Treasury or his delegate shall, as soon as is practical but not later than 30 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

(1) a list of all provisions of and amendments made by the Tax Reform Act of 1976 with respect to which subsection (a) applies; and

(2) a draft of any technical and conforming changes in the Tax Reform Act of 1976 and the Internal Revenue Code of 1954 which are necessary to carry out the provisions of subsection (a).

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Dick Tourtellotte of my staff be granted floor privileges during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, I shall be very brief.

The PRESIDING OFFICER. Will the Senator suspend until the Senate is in order.

The Senator from Oklahoma.

Mr. BELLMON. Mr. President, this amendment——

Mr. LONG. Mr. President, will the Senator be willing to agree to a time limitation?

Mr. BELLMON. I would be willing to agree to 30 minutes equally divided.

Mr. LONG. I ask unanimous consent that the time limitation be 30 minutes equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BELLMON. Mr. President, this amendment is directed toward basic fairness and equity for the American taxpayer.

On January 1, 1976, the citizens of this Nation proceeded to conduct their lives and businesses in accordance with the tax laws that were in effect at that time. For many of them, tax planning under existing law was essential. They had no way of divining what action Congress might take 10 months later. In short, the American taxpayer proceeded forward in business in reliance upon what was then the law.

On October 4, 1976, without warning Congress changed the rules of the game. We passed the Tax Reform Act of 1976 with retroactive dates. There was no way for American taxpayers to anticipate these changes and no way for them to adjust to the changes. It was as if the rules had been changed during the fifth inning of the third game of a World Series.

Nothing is more unfair to the people we represent than to place them in a position of suffering financial loss due, not to their failure or mistakes or shortcomings but strictly because Congress retroactively changed the law.

I am fully aware that the U.S. Treasury benefited from the retroactive feature of the 1976 law by collecting some $1.5 to $2 billion in added revenue. This was not a tax in the true sense of the word but a congressionally sanctioned raid upon the property of U.S. citizens.

Mr. PEARSON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BELLMON. As I say, Mr. President, this is not a tax in the true sense of the word but really a congressionally-sanctioned raid on the property of U.S. citizens. The revenues collected as a result of this retroactive tax increase should be returned to the rightful owners. It is true the U.S. Treasury needs revenue, but these funds can be raised——

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order. I would like to ask that conversations stop so that the Senator can be heard.

The Senator from Oklahoma.

Mr. BELLMON. As I was saying, it is true we need revenue, but surely we can find a more honorable way to raise funds than to go back and pass a retroactive tax law that takes money away from people when they had no way of knowing in advance of the action we were going to take. Also it is true that this amendment has a one-time budget impact but there is no talk of room to accommodate.

Mr President, the Senate has already recognized that the retroactive nature of the Tax Reform Act of 1976 is unfair when we passed legislation deferring the effective date on sick pay exclusion. The same reasoning which supports passage of that change supports passage by amendment. Let me quote from the report of the Committee on Finance on H.R. 3477 in reference to the provisions for postponement of certain provisions of the Tax Reform Act of 1976.

On page 81 under the section entitled "Reasons for the Change Requesting Postponement of the Sick Pay Provision of the Tax Reform Act of 1976":

> Although the Tax Reform Act of 1976 did not become law until October 4, 1976, the revisions in the sick pay exclusion were made applicable back to January 1, 1976.... Consequently, many taxpayers were surprised to learn, at the end of 1976 or early in 1977, that the sick pay exclusion was not available for 1976. For many of these taxpayers this change meant a large and unexpected final tax payment with their 1976 returns. For many taxpayers retired on disability pensions, such a large unanticipated cash payment represented a serious hardship.

Again, on page 84 of the report, in discussing the reason for change requesting postponement of the tax treatment on income earned abroad by U.S. citizens in private employment, the report states:

> The application of the changes to the earned income exclusion to all income earned abroad by individuals abroad beginning January 1, 1976, substantially increased the tax burden on many of these taxpayers. Prior to the enactment of the Tax Reform Act of 1976 on October 4, 1976, these individuals did not know that they would be liable for substantially higher taxes and thus many had not saved the money to pay the increased taxes. As a consequence, the changes in the exclusion caused a particular hardship for 1976.

Finally, Mr. President, the legislation currently before us requests relief from interest, additions to tax and penalties attributable to application to 1976 of provisions of the Tax Reform Act of 1976. The reason for this is set forth on page 85 of the report, which again I read for the RECORD:

> In prior legislation . . . which the Congress passed late in the year but which imposed tax increases from the beginning of the year, the Congress, as a matter of equity and custom, has relieved taxpayers of any liability for additions to tax, interest, and penalties with respect to increases in estimated tax resulting from increases in tax liability arising for that year under the legislation.

Mr. President, I submit that all the reasons which the committee has stated for postponement of sick pay, income earned abroad and relief from interest and so forth, are applicable to my amendment.

Making the tax laws retroactive was grossly unfair. Many taxpayers were faced with unexpected tax payments. These individuals did not know that they would be liable for substantially higher taxes and thus were injured by what can only be considered to be a dirty trick by their Government. The need for revenue is great but not great enough to justify such tactics by Congress against our own citizens.

Mr. President, last month we passed an amendment to the ethics legislation which deferred the effective date of certain provisions of that measure until January 1, 1979. This was done by us so that each of us could get our financial affairs in order prior to the law taking effect. It is hard for me to conceive that we could make that kind of concession to ourselves and at the same time place many American taxpayers in the position of having to suffer the financial pain due to the passage of retroactive tax laws.

Let us give the American taxpayer some consideration, Mr. President. The amendment does not call for advance notice. The amendment only calls for eliminating the ex post facto feature of the act by removing the retroactive nature of the Tax Reform Act of 1976.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. BELLMON. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, as I understand the Senator's approach, and let me try to form an example, if he and I and another friend joined, say, last year in September, or sometime, in a joint venture, under the existing laws then we would have been allowed some tax benefits for that venture. But if I understand the remarks of my friend, in October we changed the law.

Mr. BELLMON. The Senator is correct.

Mr. GOLDWATER. When it came around to making our tax returns on April 15 of this year we did not know that that law change in October applied to the new taxes, is that correct?

Mr. BELLMON. That is correct. We have no way of knowing in September that Congress is going to change the law on the 4th of October and increase or at least change our tax liability.

Mr. GOLDWATER. I thank the Senator for having introduced this amendment, and I certainly hope it passes.

Mr. BELLMON. Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. This amendment would cause a massive administrative nightmare for not only the IRS but for all the taxpayers in this country because it would require an entirely new set of forms, and instructions would have to be revised virtually on all provisions of the 1976 act which would then have to be sent to millions of taxpayers for them to file possibly amended returns.

The revenue costs for the fiscal year 1977 would be $2.5 billion.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. In response to the distinguished Senator from Connecticut let me simply say that the bill before us already changes and eliminates certain of the retroactive provisions of the 1976 act. I can see that it would cause no additional difficulty for the Internal Revenue Service to go ahead and eliminate the remainder of those retroactive provisions. The administration of this would appear to be very simple, and I am sure it is one that the IRS could cope with.

Mr. RIBICOFF. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. May I point out that the act only takes care of two limited specific categories, that is, those with the sick pay benefits and those with foreign earnings abroad. These are known. The IRS knows who they are and the recipients know who they are. So we have a limited number as against the impossibility of determining who the other taxpayers would be.

Mr. BELLMON. Mr. President, I yield myself 1 minute in response.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, as I understand the way the IRS would operate they would simply make provision for a taxpayer who is covered under my amendment to file for a refund. Those who felt they had been injured by the previous act would ask to get their money back, and the IRS could simply make the refunds if there were sufficient evidence that these refunds were due. It is not difficult to administer.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BELLMON. I yield to the Senator from Kansas.

Mr. DOLE. How many categories were covered? I was not here for the Senator's discussion.

Mr. BELLMON. The bill before us has excluded already three categories.

Mr. DOLE. All right.

Mr. BELLMON. The postponement of sick pay, income earned abroad, and relief from interest, and so forth. My amendment would take care of the remainder of the categories, all of them.

Mr. DOLE. Are there a number of them?

Mr. BELLMON. The amendment attacks the major ones.

Mr. DOLE. What are we talking about revenuewise?

Mr. BELLMON. The total impact of the retroactive tax increase is estimated to be between $1.5 to $2 billion. A good bit of that money has already been given back to the taxpayers by the amendments that have already been adopted. I do not have the breakdown as to what the revenue impact of my part of the changes would be.

Mr. DOLE. We do not violate any Budget Committee restraint by doing this because I think this may have been done, in part, bcause of Budget Committee recommendations that we cut out a couple of billion dollars in expenditures.

Mr. BELLMON. The Senator from Kansas well knows that due to the change in the President's $50 rebate program there is ample room in the budget for this and many other amendments.

Mr. HANSEN. Mr. President, will the Senator from Oklahoma yield for an observation?

Mr. BELLMON. I yield 2 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 2 minutes.

Mr. HANSEN. Mr. President, I think that there is merit in the proposal being offered by the distinguished Senator from Oklahoma. It is inherently unfair to impose retroactive effective dates, as did Congress in passing the Tax Reform Act of 1976.

I just have to say that there is merit, fairness, and equity in wiping out all of the retroactive provisions insofar as taxes go in last year's bill.

Mr. RIBICOFF. I have no more requests for time. I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Oklahoma wish to use any more of his time?

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida Mr. CHILES), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), and the Senator from Minnesota (Mr. HUMPHREY) are necesarily absent.

I further announce that the Senator from Illinois (Mr. STEVENSON) and the Senator from North Carolina (Mr. MORGAN) are absent because of illness.

I also announce that the Senator from

West Virginia (Mr. RANDOLPH) is absent attending the funeral of David Johnson, Bridgeport, W. Va., vice president, Benedum Foundation.

I further announce that, if present, and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from North Carolina (Mr. MORGAN) would each vote "nay."

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE) and the Senator from Utah (Mr. HATCH) are necesarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The result was announced—yeas 32, nays 55, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—32

Baker
Bellmon
Chafee
Curtis
Danforth
DeConcini
Dole
Domenici
Garn
Goldwater
Griffin
Hansen
Hatfield
Hayakawa
Helms
Lugar
McClure
Melcher
Nunn
Packwood
Pearson
Roth
Schmitt
Schweiker
Scott
Stafford
Stevens
Stone
Thurmond
Tower
Wallop
Young

NAYS—55

Allen
Anderson
Bayh
Bentsen
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Clark
Cranston
Culver
Durkin
Eastland
Ford
Glenn
Gravel
Hart
Haskell
Hathaway
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
Matsunaga
McClellan
McGovern
McIntyre
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Pell
Percy
Proxmire
Ribicoff
Riegle
Sarbanes
Sasser
Sparkman
Stennis
Talmadge
Weicker
Williams
Zorinsky

ANSWERED "PRESENT"—1

Laxalt

NOT VOTING—12

Abourezk
Bartlett
Bumpers
Case
Chiles
Church
Eagleton
Hatch
Humphrey
Morgan
Randolph
Stevenson

So Mr. BELLMON's amendment was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I wish to announce that the junior Senator from North Carolina (Mr. MORGAN) is absent for the remainder of the session of the Senate today, and for an indeterminate time in the future, because he is hospitalized in Bethesda Naval Hospital for knee surgery.

Mr. RANDOLPH. Mr. President, on the four previous rollcall votes today, I was necessarily absent. I was in Bridgeport, W. Va., attending funeral services for David Dean Johnson, a cherished friend and associate.

UP AMENDMENT NO. 166

Mr. HANSEN. Mr. President, on behalf of Senators LEAHY, CURTIS, PACKWOOD, and myself I send an unprinted amendment to the desk which would add a new section at the end of H.R. 3477, the Tax Reduction and Simplification Act of 1977. The provisions of this amendment are identical to those found in S. 737.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN), for himself and others, proposes an unprinted amendment No. 166.

The amendment is as follows:

At end of bill, add a new section:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Conservation Tax Incentives Act".

SEC. 2. AMENDMENT OF INTERNAL REVENUE CODE OF 1954.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 3. INSULATION AND OTHER ENERGY-CONSERVING ALTERATION OF PRINCIPAL RESIDENCE.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44B. INSULATION AND OTHER ENERGY-CONSERVING ALTERATION OF PRINCIPAL RESIDENCE.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of that portion of the qualified insulation and other energy-conserving component expenditures paid or incurred by the taxpayer during the taxable year with respect to any residence as does not exceed $750.

"(b) LIMITATIONS.—

"(1) APPLICATION WITH OTHER CREDITS.—In determining the credits allowed under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to retirement income),

"(C) section 38 (relating to investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to credit for personal exemptions),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44A (relating to expenses for household and dependent care services necessary for gainful employment),

the tax imposed by this chapter shall (before any other reductions except the reduction allowed under section 42) be reduced by the credit allowed by this section.

"(2) PRIOR EXPENDITURES TAKEN INTO ACCOUNT.—If the taxpayer made qualified insulation and other energy-conserving component expenditures with respect to any residence in any prior taxable year, then subsection (a) shall be applied with respect to such residence for the taxable year by reducing the $750 amount contained in such subsection by the amount of such prior expenditures allowed as a credit under this section for such prior taxable year.

"(3) VERIFICATION.—No credit shall be allowed under subsection (a) with respect to any qualified insulation and other energy-conserving component expenditures unless such expenditures are verified in such manner as the Secretary shall prescribe by regulations.

"(4) CERTAIN NEW EQUIPMENT.—No credit shall be allowed under subsection (a) for any amount paid or incurred for the installation of any entirely new heating system or for the installation of equipment designed to permit the use of alternative fuels.

"(5) SECTION NOT TO APPLY TO PROPERTY ACQUIRED WITH FEDERAL FUNDS.—This section does not apply to any property acquired by the taxpayer with amounts paid as a grant to the taxpayer by the United States (or any agency or instrumentality thereof), other than a grant made in the form of a loan or a loan guarantee.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED INSULATION AND OTHER ENERGY-CONSERVING COMPONENT EXPENDITURES.—The term 'qualified insulation and other energy-conserving component expenditures' means any amount paid or incurred by an individual for insulation and other energy-conserving components (including amounts paid or incurred for the original installation of such insulation but not including amounts paid or incurred for insulation and other energy-conserving components in connection with any reconstruction of a dwelling unit) installed after December 31, 1976, and before January 1, 1980, in a dwelling unit located in the United States which is—

"(A) used by the taxpayer as his residence, and

"(B) in existence on January 1, 1977.

"(2) INSULATION.—The term 'insulation' means any insulation (including the insulation of furnaces or boilers not so equipped, and the ducts or steam and hot water piping extending therefrom), storm (or thermal) window or door, or any other similar item—

"(A) which is specifically and primarily designed to reduce, when installed in or on a building, the heat loss or gain of such building,

"(B) the original use of which commences with the taxpayer,

"(C) which has a useful life to the taxpayer of at least 3 years, and

"(D) which meets the criteria and standards for energy conserving improvements prescribed by the Secretary of Housing and Urban Development under section 2 of the National Housing Act, or such similar criteria and standards as the Secretary may prescribe.

"(3) OTHER ENERGY-CONSERVING COMPONENT.—The term 'other energy-conserving component' means any—

"(A) retention head burner or comparable new burner at a reduced firing rate or such firing rate as is necessary to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(B) devices electronically or mechanically operated to provide prompt and effective ignition,

which meets such performance and safety standards, including having a useful life of at least three years, and which will materially increase the efficiency of operation of the unit, thereby conserving fuel, as the Secretary may prescribe by regulations after consultation with the Administrator of the Federal Energy Administration and the Secretary of Housing and Urban Development, and the original use of which commences with the taxpayer.

"(4) HEATING SYSTEM.—The term 'heating system' means the entire assembly of items, fixtures, equipment, or materials which is designed, when installed in or on a building, to provide the heating for such building, to provide for the heating of the water used within such building, and to provide for the automatic operation and control of such hardware. Such term includes, but is not limited to, all necessary fittings and related installations which are a part of such assembly.

"(5) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and is used during any calendar year as a residence, by two or more individuals—

"(A) the amount of the credit allowable under subsection (a) (after applying subsection (b) (2)) with respect to any qualified insulation and other energy-conserving component expenditures paid or incurred during such celander year by any of such individuals with respect to such dwelling unit shall be determined by treating all such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calender year ends (subject to the limitation of subsection (b) (1)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount paid or incurred by such individual during such calendar year for such expenditures bears to the aggregate of the amounts paid by all of such individuals during such calendar year for such expenditures.

"(6) TENANT STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual—

"(A) shall be treated as owning the dwelling unit which he is entitled to occupy as such stockholder; and

"(B) shall be treated as having paid his tenant stockholder's proportionate share (as defined in section 216(b) (3)) of any qualified insulation and other energy-conserving component expenditures pair or incurred by such corporation.

"(d) REDUCTION OF BASIS.—The basis of any property shall not be increased by the amount of any qualified insulation and other energy-conserving component expenditures made with respect to such property to the extent of the amount of any credit allowed under this section with respect to such expenditures.

"(e) CARRYOVER OF UNUSED CREDIT.—If the amount of the credit determined under this section for any taxable year (including amounts carried over to that year under this subsection) exceeds the liability of the taxpayer for tax under this chapter for that taxable year, the excess shall be carried over to the next taxable year.

"(f) TERMINATION.—This section shall not apply to any amount paid or incurred after December 31, 1979, except in the case of amounts paid after such date pursuant to a binding contract entered into before January 1, 1980.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44B. Insulation and other energy-
conserving alteration of principal residence.".

(2) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (20) and inserting in lieu thereof a semicolon and by inserting after paragraph (20) the following new paragraph:

"(21) to the extent provided in section 44B(d), in the case of property with respect to which a credit has been allowed under section 44B.".

(3) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

Mr. HATCH. Will the Senator yield for a unanimous-consent request?

Mr. HANSEN. I yield.

Mr. HATCH. Mr. President, I ask unanimous consent that Craig Roberts, of my staff, be granted the privileges of the floor during the debate and votes on H.R. 3477.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Stephen Entin, of the staff of the Joint Economic Committee, be granted the privileges of the floor during the debate and votes on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I would like to ask that the time on this amendment be limited to one-half hour, to be equally divided.

Mr. BROOKE. Reserving the right to object, I have some questions I would like to ask.

Mr. LONG. What time would the Senator want?

Mr. HANSEN. Instead of getting into a long argument over a time limitation, I would suggest 1 hour on each side. I do not intend to take nearly that long, Mr. President, but I think we might anticipate quite a number of questions.

Mr. LONG. Might I suggest 1 hour equally divided and I will yield some of my time.

Mr. HANSEN. Very good.

Mr. LONG. Mr. President, I ask that there be time limitation of 1 hour of debate to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, this amendment provides for a tax credit of 30 percent of the first $750 spent on residential insulation, up to a limit of a $225 credit.

This particular bill reinforces a policy suggested by the title of a recent Washington Post editorial; "Waste Not, Want Not." That editorial pointed out that we are often told that conservation means sacrifice and curtailment of many of our activities. Actually conservation does not mean we really need to go without. What we actually need to do is use our energy more effectively. We must do better; we need not do without.

Statistics vary as to the exact effectiveness of residential insulation. It is indisputable, however, that more efficient insulation would allow us significant energy savings. Today, 22 percent of our energy goes to homes. During the long cold winter here in the East, I know that many felt the bitter cold even while in their homes. Unfortunately, many of our American homes are simply leaky. Most of the leaks however can be plugged. Again, the figures vary, but it has been suggested that by adding insulation, we could save at least 30 percent of the energy which goes to heat our homes. Stated another way, figures have shown that residences consume 5.3 million barrels per day. Of this number, 3.2 million barrels are wasted daily. It is simply incontrovertable that we need to insulate our homes. If all homes had 6 inches of insulation in the attics only, we could save 600,000 barrels of oil per day. The Pacific Gas & Electric Co. estimates that for every five homes insulated enough gas is saved to heat a sixth house.

Mr. President, there is no reason for the Senate to delay in providing the American people with some incentive to insulate their homes. There is not, to my knowledge, a single person at all interested in the area of energy conservation who would deny the importance of providing this necessity for our homes.

President Carter, in his speech to the American people on April 18, pointed out the evils of delay. He said that conservation would be the cornerstone of his energy policy. He went on to say:

> Conservation is the quickest, cheapest, most practical source of energy. Conservation is the only way we can buy a barrel of oil for a few dollars. It costs about $13 to waste it.

President Carter urged prompt action in insulating homes across the Nation.

Now is the time for us to take that action. We need not wait until the President's larger tax program is considered here in Congress. We should act right now.

One reason it is very important to act right now is that the summer months are approaching. When we think of the need to insulate our homes, we think primarily in terms of sheltering them from cold. This past winter brought record cold and widespread suffering. People in all parts of the country were awakened to an urgent need for action. We know that the end of the age of cheap fossil fuels is in sight. Knowing all of this, it is imperative that we take some action to cut down the energy waste and to keep consumers from spending enormous parts of their income for fuel. We should not, however, think only in terms of cold weather when we think of insulation.

More and more of our population is concentrating in the South and Southwest areas. Anyone who has spent much time in Phoenix or in a surrounding area there knows that it is impossible to live without air conditioning. The temperature is simply too hot to make life bearable. Any of us who have endured the dog days of Washington in August know that the sultry climate here is virtually unbearable. In earlier, less complicated times during our American history, Members of Congress had the good sense and good fortune of being able to complete their work by June and leave town. Certainly the weather had some influence on their decision.

Many of us, especially those of us who live in the suburbs, are acquainted with the so-called brownout phenomena which occurs every summer. The demand for air conditioning becomes so great that powerplants are overtaxed and must cut back their service somewhat. Thus, in some parts of the metropolitan area, families must go without electric service simply because the demands are so great. Insulation would be a means to keep our houses cooler in the summer without using as much energy.

Members of the Senate have long been aware of the need for residential insulation. During February 1976, the Subcommittee on Energy of the Joint Economic Committee held hearings on energy conservation. At that time, testimony was taken from individuals acquainted with the insulation needs of our country. Mr. John S. Autry, director of public affairs for the Johns Manville Corp., testified that one of the most useful elements in any conservation effort is the insulation of our homes. He went on to point out that a major commitment to insulating our homes and businesses would reduce residential consumption of energy dramatically.

We need to cut down this consumption. The stakes are too high. Should our energy sources become too overburdened, economic disaster could be the result. Accordingly it seems wise to me that the Congress be willing to allocate the $200 million that residential insulation would cost. In actuality, this is a very small financial expenditure by the Government. We are not talking about any kind of a huge drain on Federal budget.

Moreover, there are a significant number of indirect financial benefits associated with insulation incentive programs. If the incentive to insulate homes is of any value, and I submit that it is of great value, then American industry will be required to expand to meet the need for insulation materials. This expansion will create jobs both for the construction workers who will build the plants and for workers who will run them. Additionally, construction workers of all kinds will be needed in great number to install the energy-saving insulation materials we will encourage people to buy. Representatives of the insulation industry testified that there are no precise figures on jobs available, but they do believe that the direction is favorable. One estimate, based on a retrofit rate of 4 million units per year, shows that 40,000 new jobs could be created within the insulation industry itself.

The insulation industry has capacity in place today to provide material for 1.5 million new home starts plus 4 million retrofitted units annually over the next 5 years. Mr. Sheldon Cady, executive vice president of the National Mineral Wool Insulation Association, testified before the Joint Economic Committee that not only is the capacity in place now, but additional expansion of manufacturing facilities can be accomplished if necessary to supply increased demands should retrofit rates exceed 4 million units per year.

We should not overlook the potential benefits to American consumers. In a time of rising costs and uncertain confidence in the immediate future of the business cycle, an attitude of caution has developed among all of us as to future, expensive investments which promise intermediate and long-run benefits, but no dramatic, immediate returns. Again, it seems wisdom to me that the Government allow this small tax credit so that the people will know that the Government is willing to invest its resources to change this attitude through incentives which encourage investment in insulation.

There will be major benefits to consumers who do carry through with this insulation project. By upgrading the thermal performance of our residential sector, we would reduce consumption 25 percent, and save $32 billion in heating bills. To put it another way, enough energy could be saved to heat and cool over 15 million living units for 10 years.

Mr. President, I suggest that the time to act is now. It is useless for us to continue talking about the need to take action. We must act now. We cannot rely on any delusions that some exotic energy source can come along in time to do the whole job for us. We must do the job now.

Mr. President, I ask unanimous consent to have printed in the Record two letters from a group of Senators written to the majority leader, Senator Mansfield, in 1976. These letters show the great support Senators gave for a similar proposal in 1976.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Washington, D.C.,
September 8, 1976.

Hon. Mike Mansfield,
Senate Majority Leader, U.S. Senate,
Washington, D.C.

Dear Mike: In late August several of our colleagues wrote to you to request that you call up H.R. 6860, The Energy Conservation and Conversion Act.

We would like to add our support to that request. If the Senate is able to act quickly on this legislation the chances will be enhanced for a timely and successful conference with the House on tax incentives for developing new and alternative energy forms. Accordingly, we ask that you schedule H.R. 6860 for floor consideration at your earliest convenience.

Sincerely,

Gaylord Nelson, Bill Brock, Bob Dole, Dick Schweiker, Edward W. Brooke, Howard Cannon, James McClure, Hiram Fong, Paul Laxalt, Mike Gravel, Harry F. Byrd, Daniel Inouye, James B. Allen, and Bill Roth.

Washington, D.C.,
August 27, 1976.

Hon. Mike Mansfield,
Majority Leader,
U.S. Senate,
Washington, D.C.

Dear Mike: This is to request you to call up at the earliest possible time H.R. 6860, the Energy Conservation and Conversion Act.

Our request arises out of difficulties the Senate is presently facing in the Conference on H.R. 10612, the Tax Reform Act. Title XX, which includes numerous incentives for increasing U.S. energy supplies, is regarded by the House Conferees as nongermane to the Tax Reform Act. However, Chairman Ullman indicated that if the Senate were to send back to the House a separate bill containing the tax incentives for increased energy production, he would be inclined to give it every consideration.

Inasmuch as time is short in the 94th Congress, that the Congress has yet to enact such incentives, and that doing so as part of the Tax Reform Act seems procedurally difficult, if not impossible, we would deeply appreciate your calling up H.R. 6860 in the very near future so that such measures may be passed and become law this year.

Sincerely,

Russell B. Long, Bob Packwood, H. E. Talmadge, Roman Hruska, Barry Goldwater, Hugh Scott, Paul Fannin, Clifford P. Hansen, Carl T. Curtis, James B. Pearson, J. Glenn Beall, Peter V. Domenici, J. Bennett Johnston, Sam Nunn, Lloyd Bentsen, Lawton Chiles, Dick Stone, Alan Cranston, Quentin Burdick, Jennings Randolph, Howard H. Baker, Henry Bellmon, Dewey Bartlett, Robert Morgan, Bill Scott, Abraham Ribicoff, Robert Taft, Jr., Clifford P. Case, Jake Garn, Gary Hart, John O. Pastore, John Sparkman, Frank Moss, Floyd K. Haskell, Charles H. Percy, Milton R. Young, Ted Stevens, John Tower, Robert Griffin, and Jesse Helms.

Mr. HANSEN. I do not think there is need to go through all of the details in the amendment, except to say that it contains the exact language that was in the tax bill last year.

The reason that it seems to me to be important to consider it now is simply this: It takes a while for home insulation to be accomplished. I am told there will be a similar measure attached to the energy bill, that the President intends to send to the Congress before too long. The only trouble, Mr. President, is that that energy bill is going to be debated. It is going to be examined by any number of people, I would think by every single Senator here.

With all the provisions that it contains, I predict that it is going to be late in the fall before it passes the Senate and the House and conferees agree upon its terms.

Unless we make provision now to make it possible for people to insulate their homes, most Americans are going to go another full year before we will do anything about insulation.

What does that mean? Newsweek magazine pointed out in a recent issue that private residences consume the equivalent of 5.3 million barrels of oil per day. The Newsweek story goes on to say that of that amount, that 5.3 million barrels per day, Americans waste, in their homes, 3.2 million barrels a day much of which could be saved if we would insulate our homes.

That insulation can be done. It can be done and I think that the incentives that this amendment offers will go a long way toward having that done.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HANSEN. I am happy to yield.

Mr. CURTIS. Is this the same proposition that the Senate has already approved in a previous session?

Mr. HANSEN. Last year, that is right.

Mr. CURTIS. Is it not also true that if this is going to result in the saving of any fuel, these home improvements must be done before winter?

Mr. HANSEN. That is exactly right. No one is going to open up his home, remove any windows or take a door off or open up the ceilings and try to insulate during cold weather. If it is going to be done, it has to be done now.

Mr. CURTIS. I have also read that, with the emphasis on insulation or improvements to save fuel, homeowners are in danger of being gouged on price if the whole country rushes into such a program. I am afraid that some of that will happen. People should be alert to it. But is it not true that if we act now, instead of just on the verge of winter, it will minimize that problem a great deal? They will have more time to look around, to make a reasoned decision, and to inquire into the supplier or the one who is going to do the work, to see just what they can do.

Mr. HANSEN. The Senator from Nebraska is precisely correct. I am delighted that our good friend from Vermont, who also lives in that part of the United States where cold weather has a very meaningful impact on people, recognizes that if we want to get the insulation job done and get it done properly, now is the time to make the job possible.

I shall yield in just one moment to my good friend (Mr. LEAHY). I want first, however, to say, let us talk just a moment about what 3.2 million barrels equivalent of oil per day amounts to. If we take that volume of oil on a daily basis which could be saved through insulation, and assume that we have to buy all of it at the going world price, the amount of dollars that could be saved if we were to bring about the insulation which this amendment will encourage could be the equivalent of more than $15 billion.

It has been estimated that the Treasury cost of this credit will be about $200 million. I know of no way that the Government could take an action which would be more helpful and beneficial than to give this credit now to encourage people to undertake those actions that hold the potential of saving as much as $15 billion annually at the present world price of oil.

I yield to my friend from Vermont.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Wyoming.

I come from a State where, as the Senator has mentioned, we have a lot of cold weather. I think it can probably be summed up by saying that one Vermonter referred to the fact that last year, summer was on a Wednesday. It is not really quite that bad. We are about the only State in the Union where we have 10 months of winter and 2 months of mighty poor sledding.

Mr. President, I think this is a necessary part of the tax bill. I have a somewhat similar amendment at the desk which I shall not call up. I ask unanimous consent that I be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I also realize that the administration may very well and, I expect, will have insulation credit or tax consideration in its energy bill for people who insulate their homes. If it is a tax or a tax method that is more liberal than this, if the benefits will be even more than this amendment, at that time, I shall vote for that as an add-on to this.

I agree with the distinguished Senator from Wyoming that we have to start now. We have to start encouraging people to insulate. I know that, in my own home in Vermont, a couple of years ago, I went through and insulated it thoroughly. I know what a difference it has made to our family in savings of oil.

I might add, incidentally, that this bill does not in any way apply to the insulation I did 2 years ago, so it has no personal effect.

This is a bill that is needed by the people in my part of the country. I shall support it on that basis. I shall not call up my own amendment. If the administration subsequently comes in with a plan that will encourage even more insulation of homes for fuel-saving purposes, then I shall also support that position.

I yield back to the Senator from Wyoming.

Mr. HANSEN. I thank my colleague from Vermont.

Will the Chairman yield some time to the Senator from Massachusetts?

Mr. BROOKE. Mr. President, I am opposed to the amendment.

Mr. LONG. I yield to the Senator from Massachusetts.

How much time does the Senator want?

Mr. BROOKE. Fifteen minutes.

Mr. LONG. I yield 15 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 15 minutes.

Mr. BROOKE. Mr. President, it is very difficult for me to rise in opposition to this amendment of the Senator from Woyming, for this is the amendment which I introduced in December of 1975. At that time I called upon the U.S. Senate to pass an insulation tax credit bill right then. The distinguished chairman of the Committee on Finance made certain compromises with the language of my amendment and in September 1976 we ended up with substantially the same amendment that Senator HANSEN is introducing at this time. The Senator from Wyoming has made that perfectly clear to me, and I appreciate the fact that he has done that.

Why, then, after I have been such a fighter for an insulation program, do I oppose this amendment, Mr. President? It is because the President of the United States is sending up his package on Monday next. That is 4 days from today. For 2 years, the Senate has not seen fit yet to pass an insulation tax. The tax package that the President is sending up has an insulation provision in it which is stronger than the amendment which is presently before us for consideration. This amendment would provide a $225 tax credit. The President's amendment will provide a $410 tax credit. The President's proposal will include as eligible more pieces of conservation equipment, new oil burners and what not, that I have always wanted to have included in this program and that I have worked with New England oil heat industries to get included in the past.

There is an even more compelling reason, Mr. President, that I stand in opposition to this amendment. It is that we ought to takeup the President's package as a whole.

I fear if we take the most popular part of the President's package and vote upon it, on this tax bill, that there will be less incentive to pass more controversial parts of the President's package.

Therefore, I believe, Mr. President, that as much as I would like to see an insulation tax credit bill passed, and as much as I have argued for it now for some 2 or 3 years, I still think we can afford to wait. We would not, in fact, be waiting because under the President's proposal the date of April 20, I understand, is the time which any eligible expenditure on residential energy conservation will be given a tax credit. So there would be incentive for homeowners to insulate their homes from now on.

In addition, the House amendment does not provide for insulation for small businesses and the administration proposal does. Small businesses need this insulation tax credit. They are being hurt, as well.

So I think we ought to wait for the President's proposal and if we adopt this now, I can tell you today what will happen in the Senate when the President's proposal comes.

First, it has to go to committee as has been said. We do not know how long the hearings will be. Even if it gets out of the committee, I think the chances of passing a comprehensive, meaningful tax policy program in this country may very well be lost because these attractive provisions will already be law.

For these very compelling reasons, I feel that I just cannot support the amendment of the Senator from Wyoming.

But I would like to ask him certain questions.

For example, does the Senator from Wyoming prefer this more limited tax credit to the President's proposal?

Mr. HANSEN. I am happy to respond to the Senator's question.

It is my understanding that the President's proposal is an incremental proposal.

While it is true when the whole thing is carried out it will amount to more money, the way this amendment begins, I am told, would provide greater incentive to do the things that we call for here than would be called for under the President's package.

I should say also, if I may take an additional moment, I am not against doing everything we can to save fuel and energy in this country. But I make the point that if we wait and depend on the adoption of this provision in the energy package, I am afraid the summer will, indeed, have come and gone, as was observed by Mr. LEAHY, and we will not get it done this year.

Mr. BROOKE. Does the Finance Committee, and even the distinguished chairman or the Senator as a distinguished member of that committee, expect to hold early hearings on the President's proposal when it comes before the Finance Committee? There is no intent to delay it, I assume.

Mr. HANSEN. No. I am sure that is the intention of all the chairmen of those committees that will examine that package. I know the chairman (Mr. LONG) intends to do precisely that.

Mr. BROOKE. If the Senator from Wyoming feels this is a first step in the comprehensive energy program, why is it that the administration is opposed to this amendment?

Mr. HANSEN. I would prefer to have my good friend from Louisiana respond to that question. I would be happy to, but I think he is more competent.

Mr. LONG. The administration is making its proposal for almost precisely the reasons which the distinguished junior Senator from Massachusetts has stated. The administration's amendment, as the Senator so well stated, would provide a maximum tax credit of $410 compared to $225 in this amendment. Yet although the administration favors the kind of credit proposed in this amendment, the administration's position is that if we are going to have an energy program we are going to have to have the courage and the fortitude to do some of the unpopular things along with the popular ones, such as to vote for a tax to pay for some of this.

If we cannot find the courage even to vote to put a tax on an oil well at the pump to help pay for some of this, then there is no hope for this country ever to solve its energy problems, because we have a deficit today of $50 billion. Surely, we ought to be willing to vote for the taxes it takes to pay for this insulation credit.

I think the Senate will do it if we can put the benefits together with the tax. But, as the Senator so well stated, if we put all the benefits through without any provision for paying some of this, then the chances are we will have a very difficult time, if, indeed, we ever succeed, to pay for some of it.

Mr. BROOKE. But if we take the benefits out, take the popular part out, then it will be very difficult, if not impossible, to get the unpopular part passed by the Congress.

Mr. LONG. Correct.

Mr. BROOKE. And we would have no energy policy.

Mr. LONG. That is exactly correct.

If we pass the sweeteners, all the good things everybody would like because it gives them a tax advantage and leaves money in their pocket, it would be the expedient and easy thing for people to do, especially people running for office next year, as all in the House are. If we vote for these goodies now, then when the tough part of it comes along, it will be hard to vote against all that, but it would be a political burden and not popular.

Mr. BROOKE. The chairman knows I have great respect for him and I know the difficult time he has as chairman of the Finance Committee to keep us fiscally responsible and get revenues.

If we pass this amendment, when we get to the President's energy proposals we are in trouble because, as he says, the sweeteners are taken out of it. Everybody is going to be for the insulation tax part. There is no question about that. Everybody wants that because there is a tax credit for residences and tax credit for small businesses. But few are going to want to vote for the gasoline tax. That is very unpopular, as the Senator very well knows, even though it is only 5 cents graduated to 50 cents.

I proposed it once and the Senator should have seen the mail I got from around the country. Gasoline was $2.65 in other countries around the world, but nobody here was yet ready to make that sacrifice and add to that gasoline tax.

So we can see that going down the drain.

I can go on with other parts of the President's proposal, even bringing natural gas prices to equivalency with oil Btu for Btu. We are going to see regional considerations enter in. It will be very difficult for the President's energy proposal no matter what.

I think he deserves credit for bringing it to the country and dramatizing the energy crisis, for trying to get a strong national energy policy through this Congress. But if we take out the sweetener, the one thing he has in there that clearly will be popular, and may allow some tradeoffs, I think he is doomed before he begins.

He is the Senator's party's President. I do not think the Senator wants to scuttle his program. But if we pass this amendment I think it will be a very difficult day for him when he brings the rest of that proposal up on Monday.

Mr. LONG. I think the Senator is correct.

Frankly, that is how the administration feels about it. If we take this amendment, which has tremendous appeal to it, and then try to pass the taxes to pay for it later, we would never be able to do it.

The House declined to accept this the last time we were in conference. They said if we took this back to find the money to pay for it, they would accept it. So we went back and proposed about one-half of 1-cent tax.

The Senator could not imagine all the opposition we found ourselves facing against just a one-half-cent tax on gasoline to pay for this and for a number of other things being suggested along this line which will be offered in another amendment to help move toward energy independence.

Obviously, if we cannot find what it takes even to vote for a half-cent tax on gasoline, or any tax at all, to pay for anything, then with a $50 billion plus deficit, the way we are running now, we will never make any headway to solve this crisis.

I applaud the Senator. He said far more eloquently than I could have what our problem is in regard to this.

We are far from what the Senator wants to do, but we are for it. It would be better to find an overall answer to the problem which includes the fiscal discipline to pay for some of these proposals, rather than just providing the goodies.

I know that the Senator has heard what has been said for many years around here: The way to be reelected is to vote for every appropriation, for every tax cut, and against every tax.

Mr. BROOKE. That is right.

Mr. LONG. Of course, if we did that all the time, we might help ourselves to be reelected, but the country would suffer. There would be no United States if all of us voted to cut taxes and voted to appropriate money and nobody had the courage ever to vote to increase taxes.

We have to face up to the challenge of statesmanship, and I am glad to see that the Senator from Massachusetts is doing that. I applaud his effort.

Mr. BROOKE. I thank the Senator.

It would be popular, as the Senator has said, to vote for all appropriations and to vote for all the tax cuts and never provide the revenue and let the country go down.

I think the American people are wiser than that today. They recognize that that is a lot of demagoguery and that it is time for us in the Senate and the House to stand up on these issues and lead. We have that responsibility to lead and not just to follow. We sometimes are privy to information that our constituents do not have, and they rely on us to give them sound advice and sound judgment and to cast sound votes.

I may or may not vote for everything in the President's package, but I think he has come forth, after a hundred days, with a strong, sensible energy tax package.

I believe that by voting for this portion we could scuttle if before it gets started. I have that great fear.

The Senator from Wyoming and I should be allies in this cause, because I remember that in the Finance Committee the Senator was very kind in accepting my amendment, with some modification cuts.

The President has gone further than the Finance Committee toward providing incentive because his list of eligible expenditures is much better than the one on which we finally compromised in 1976. It is a good, strong insulation tax proposal.

I hope that the Senate will see the wisdom, as unpopular as it may be today, of voting against it, as I will have to do, even though I originally proposed it. I will have to vote against it, in good conscience, because I intend to vote for the President's proposal when it is before us for a vote.

I hope the chairman understands my views on this.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HANSEN. I yield myself such time as I may require.

Mr. President, I think we demean the American people. If I understand correctly what is being said here by my very good friend and admired colleague the distinguished Senator from Louisiana (Mr. LONG) and my friend and distinguished colleague the Senator from Massachusetts, they are saying that the American people are completely oblivious to what happened last winter.

They are saying that the people—some 1 million or more who were out of work because we could not get enough energy—are not going to make any tough decisions. They are saying that the people who actually suffered in their homes last winter because there was a fuel shortage will accept this and will support candidates for office and for reelection only if the candidates offer them something that has a sweetener in it.

I do not think we read the American people very clearly when we make those kind of statements. I put a great deal more faith in the typical American than seems to be implied by the statements of my very good friends here this afternoon. I believe that Americans know and are willing to respond, and they understand that we are in a tough situation. Americans know that it is time to start the job now: Let us start now to save some energy.

The only trouble with the approach that has been suggested by my good friends is this: They say, "Let us not deal with this problem now. Let us make it part of the sugar coating on the President's energy package."

They do not say this, but I say it: I say that we are going to be in this Chamber in the fall, talking about the energy bill. It may be that we will not yet have been to conference. I do not know. I am on the Energy Committee. But I make the statement now that we are going to be here this fall, when it is too late, far too late, for most Americans to do anything about insulating their houses, and we still will be debating the energy package.

The sad part is that we could have saved 1.168 million barrels of oil if we were to do now what this amendment offers real encouragement to do now—to insulate.

I am dismayed that my friends would say that the American people are so unrealistic that we will have to put the sugar coating on the package before they are going to buy it.

As I said earlier, we could save as much as $15 billion worth of oil, at the world price of oil today, if we would give the American people the encouragement this amendment offers.

Mr. President, how much time does the Senator desire?

Mr. PERCY. Five minutes.

Mr. HANSEN. I yield 5 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I fully support what has been said by the Senator from Wyoming, and I appreciate his leadership in this field.

Certainly, no one could have listened to the President on Monday night, Wednesday night, and at his press conference on Friday without realizing the urgency of this matter, without realizing that the President wants to see some action.

I think the President should welcome initiatives from Congress that are aimed in the direction of fulfilling his goals for America. As the President said in that message, conservation energy is the cheapest form of energy available. It is readily available, immediately here. It is environmentaly perfect. It is available for $1.50 to $2 a barrel, as against $25 or $30 a barrel equivalent for many new discoveries.

We have to look at not only what it will do to save energy in the 90 million dwellings in which Americans live, but also at what effect it will have on the family budget.

Mr. President, if I may have the attention of my distinguished colleague, I should like to give him some figures. Throughout the course of this debate, in which the Senator from Illinois and other Senators have agreed with the Senator from Louisiana, we have been trying to take into account what we can do to put real income in the hands of Americans. I think the Senator from Louisiana will be interested in some figures I received today that were prepared for me by the Quincy Peoples Savings and Loan Association in conjunction with the Central Illinois Public Service Co.

I said to them, "Let's not deal in theory. Will you, who are going to be willing to lend money to people, and want to know what they are going to get for that money, get together with your own gas company and figure out, in dollars and cents, what it means to people if they will insulate?"

Mr. President, I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANALYSIS

Type of fuel used	No storm windows or doors: (1) Uninsulated	Moderate insulation: Storm windows and doors: (2) R–19 ceiling; R–11 walls; R–11 box sill; 1-in styrofoam	Fill insulation: Storm windows and doors: (3) R–30 ceiling; R–11 walls; R–11 box sill; 1-in styrofoam
Natural gas, in therms	3, 136	1, 085	943
LP, in gallon	3, 387	1, 172	1, 019
Oil, in gallon	2, 221	768	668
Electric furnace, in kilowatt-hours	40, 254	13, 982	12, 085
Heat pump, in kilowatthours	22, 140	7, 690	6, 647

	Annual operating cost—		
	(1)	(2)	(3)
Natural gas	$564. 48	$195. 30	$169. 74
LP (42.4$)	1, 436. 09	496. 93	432. 06
Oil (42.5$)	943. 93	326. 40	283. 90
Electric furnace	918. 60	319. 06	275. 77
Electric heat pump	505. 23	175. 49	151. 68

	Savings—		
	(2) over (1)	(3) over (1)	(3) over (2)
Natural gas	$369. 18	$394. 74	$25. 56
LP	939. 16	1, 004. 03	64. 87
Oil	617. 53	660. 03	42. 50
Electric furnace	599. 54	642. 83	43. 29
Electric heat pump	329. 74	353. 55	23. 81

	Years of payout on savings versus construction charges		Construction cost difference between (2) and (3) ($92)
	$1,735 [1]	$1,827 [1]	
Natural gas	4. 70	4. 62	3. 60
LP	1. 85	1. 82	1. 42
Oil	2. 80	2. 76	2. 16
Electric furnace	2. 89	2. 84	2. 13
Electric heat pump	5. 26	5. 17	3. 86

[1] These charges do not include storm windows and storm doors.

Note: Facts about home: Frame sided home 1,017 ft^2 with full basement; sidewall and ceiling lath and plaster; 128 ft^2 of window area; 2 21 ft^2 exterior doors.

Mr. PERCY. Mr. President, I will read only a few figures. They took a typical household, heated by natural gas, uninsulated. The annual cost to heat that home is $564.48. If that family will invest in moderate insulation—and they define that as storm windows and doors, and they define the technical details of what goes into the ceilings and walls—just a moderate investment, they reduce their gas costs per year from $564 to $195. That puts $365 right in the pocketbook of that family. That is a typical family in Illinois or in any other area across the country that has the temperatures that the State of Illinois has.

If they will go for full insulation, they can reduce their annual cost to $169. They would have $375 to $380 put back into their family budget. That is the kind of investment they should be making right away.

So I make the same point, that if we wait, then debate fully the Carter proposals—with many of which I concur completely—if we do that in the fall, the summer is gone, and we lose our opportunity, because people who are planning to install insulation may even wait, to be certain the credit is going to cover them.

No one is going to be absolutely certain, so they are going to delay. I know the President has said let us make it effective in April. But as you keep going and get into October, November, and December, going back to make that retroactive is going to be increasingly difficult. How much easier it is to do what we know should be done, proposed by a Democratic President, supported by Republicans in principle down the line now, except for a few, and I think we should go and do it.

Adoption of this amendment as it is proposed by Senator HANSEN would not preclude expanding it to include additional expenditures and a larger credit such as President Carter has proposed.

It will give people a head start on installing some of the less costly items. They can get going right now.

If the credit is not adopted until the fall, people may delay until spring because they will really not want to open up their walls and their ceilings, open up their doors and windows in the middle of winter, so they are going to wait until spring. Then we really lose a whole year of benefit to that family budget, and benefit to the national economy.

Can we afford when the President—I never in peacetime have ever known of a President who addressed himself with the urgency that President Carter did or use the unusual technique of absolutely dominating the media for an educational program. How much better it would be if instead of their just letting us go to the next crisis and the next crisis, health costs, and so forth, we say ,"OK, we listened on Monday, Wednesday, and Friday and we began acting."

The **PRESIDING OFFICER**. The Senator's 5 minutes are up.

Mr. **HANSEN**. I yield 3 more minutes to the Senator from Illinois.

The **PRESIDING OFFICER**. The Senator is recognized for 3 additional minutes.

Mr. **PERCY**. We began acting on this program and we did something about it, and we did not wait until summer, fall, or winter and then acted, delaying people for a year.

They ought to have the certainty that when we see an emergency we respond to it. They think we are calling and crying "wolf." We have a terrible time convincing them there is an energy crisis really. The President has done a miraculous job. If we do not back him up with action, it is just going to be more of the same old rhetoric, so I should think the President would welcome this.

If this amendment is adopted I think there still would be sufficient sweeteners in the comprehensive package to balance out some of the tax increases proposed. I think there are plenty of incentives to increase and improve this amendment later if we decide to go even further, and I would pledge myself to support—we are not trying to reduce or take away the President's suggestion which goes up higher than 30 percent and goes up higher than $225. He goes up to over $400, between $400 and $500, and I support that more generous investment which, I think, is a wise investment for the present.

But I really urge in this particular case that we move ahead. We have got leeway to do it. We are in agreement that, generally speaking, the stimulus ought to be the total comprehensive package originally announced. We have now cut out of it $11.5 billion in the rebate. Let us take a portion of that and if someone wants to increase the incentive here and substitute the President's percentages, 25 and 50 percent, and increase the ceiling, I, for one, would support that.

Let us go identically with what the President has proposed, but let us not do nothing. That, I think, would be a rejection of our responsibility and would be a signal to the country that we are really not serious about what the President said and that it was just more rhetoric and not calling for action. He called for action, and I commend my distinguished colleague for this amendment which I cosponsor and certainly fully support.

Mr. **HANSEN**. Mr. President, if I could just say a word, let me thank the distinguished Senator from Illinois for what he said.

As Senators know, he long ago perceived the need and the urgency for immediate action, and he got a bipartisan coalition put together, including the President of the United States, dedicated to the conservation of energy. We ought to heed what he is saying right here and now because he is exactly right. I agree with him.

If the President comes forth with recommendations that have merit, they will be endorsed and they will receive bipartisan support. I will support them, if they are meritorious. But this is something we can do now. It can be done in a timely fashion. It will assure that the savings resulting from the application of insulation start now and can be in effect for this year of 1977.

I predict if we fail to adopt this amendment now we will be talking late this fall about its being too bad about how sad it is that we did not take the action and we did not exhibit the foresight to approve this kind of a proposal now in order to start saving for America 3.2 million barrels of oil per day that can be achieved if we make possible the reaction of Americans that will result in their insulating their homes.

I thank my friend from Illinois for a most persuasive statement.

Mr. **LONG** and Mr. **KENNEDY** addressed the Chair.

Mr. **LONG**. I yield 4 minutes to the Senator from Massachusetts.

Mr. **KENNEDY**. Mr. President, I hope this amendment is defeated. I strongly support the positions which have been taken by my colleague, the Senator from Massachusetts, and the chairman of the Committee on Finance.

Mr. President, each time we have considered the tax credit on insulation I think basically we have moved a step forward, and I would hope that the careful examination that will be given to this issue and measure by the Committee on Finance and also by the Committee on Energy would move us even further forward toward a position of equity and sound policy.

What I am referring to here is the two-tier system the administration has proposed, which gives a greater incentive for the initial funds that are spent for insulation and then scales it down in terms of additional costs, as compared to the formula suggested by the Senator from Wyoming.

During the course of the hearing process it may be the judgment of the Committee on Finance as well as the Committee on Energy to provide even more incentives for the first costs, and to provide some kind of cap, such as we did in the $50 rebate, to scale the credit down for those in the highest income brackets, while providing additional incentives for those in the lower brackets. This device could be extremely helpful in achieving the goal of insulation and energy conservation and also the goal of equity and fairness.

So there are ways which, hopefully, as a result of the hearing process, we could improve on the concept before us recommended by the President, although I think there is a great deal to commend that proposal already.

The second point is that in considering the tax credit, we also ought to consider alternatives such as direct expenditures for insulation. There are millions of people in this country who cannot even afford the first $1,000 or the first $1,500 in order to obtain the full credit. They may need some front-end resources and funding with a payback program, which idea was included in our Energy Conservation Act last year.

We may want to balance these various tax and direct spending concepts and blend them in attempting to achieve the goal the administration has put forward.

Beyond that, Mr. President, hearings would reveal, I believe, another very basic and important fact, and that is that the major producers of insulation today are three large companies. They dominate the market. It would be unwise, I think, to accept the amendment of the Senator from Wyoming and then find that these companies have raised the cost of insulation and effectively captured whatever tax credit was made available. It would not do much good to adopt a tax credit of $225, if the cost of insulation goes up by $225.

So we want to know what the competitive impact will be, what the potential is for the production of insulation; whether the firms are going to be able to meet the demand, and what is going to be the future cost of insulation. We do not want to see a major price increase or a large windfall for a small group of companies that dominate the insulation market.

In 1975, in the tax bill that year, we adopted a tax credit for the purchase of a home. And we also adopted provisions to insure that the price of the home to be sold did not go up to capture the tax credit. We said the home had to be sold at its previously offered price. We recognized the problem that the tax credit could be inflationary.

This, I believe, is a serious matter that ought to be looked into by the appropriate committees. We will certainly take a look in the Antitrust Subcommittee at the implications of this issue.

Finally, Mr. President, we already have a strong incentive for conservation of energy, and that is the increased cost of energy itself. The tax credits may be just a windfall to people who are already insulating their homes. It may not be an effective additional incentive.

The cost effectiveness of these various proposals for the credit, the need for refundability of the credit, the need for a focus on the low income and lower middle income groups, a consideration of the route of direct expenditures—all of these matters ought to be reviewed, and then we can act. But certainly the reasons that have been outlined here, I think, make a compelling case for deferring action at this time.

Finally, Mr. President, the time is really not lost. As we know, the President's proposal will be effective as of the time that he sent the message to Congress, April 20. I would hope that any action that would be taken by Congress would hold to that date. I think the President and the administration would want it. I think a majority of the Members of this Senate would want it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Could I have just 1 additional minute?

Mr. LONG. I yield 1 additional minute.

The PRESIDING OFFICER. The Senator is yielded 1 additional minute.

Mr. KENNEDY. I think the people understand the problems we must examine. We will develop a better program, and one that is responsible in meeting the objectives of energy conservation.

For those reasons and the reasons that colleagues have outlined, I hope the amendment will be defeated.

Mr. HANSEN. Mr. President, I yield such time as required to the distinguished Senator from Idaho (Mr. McClure).

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I am a little surprised at the opposition of the amendment based on the idea that now is not the time that we should do it. I should think if we really want to do something we want to do it now. If we are really concerned we are concerned now.

One of the matters that must be kept in mind with regard to the tax reform that will be suggested by the President later, and certainly this is a part of the tax reform package, is that the timing of that will call for it to be submitted to Congress some time later in August or early September.

When Secretary Blumenthal was before the Budget Committee with Director Lance and the economist, Mr. Schultze, they were asked specifically: "When do you expect that this will take effect if you have these tax changes in your omnibus tax bill?"

And they confessed it would be fiscal 1979 before it would be effective.

I do not think we want to wait until fiscal 1979 to deal with a question of this kind if we are really concerned about energy conservation, if we are really concerned about getting on with the business of cutting down on the waste of energy and if we are really concerned with the jobs that will be created by a new energy conservation thrust. I think we could move and should move now, not then.

This amendment has my full support, Mr. President.

Energy conservation should be a vital part of any program intended to stimulate the economy and reduce oil imports, thereby improving our foreign trade balances. If designed properly and realistically—and I think this amendment is—an energy conservation program can reduce overall energy consumption without imposing needless economic burdens on workers and their families, and without harmful impacts on our overall standard of living. This amendment is designed to accomplish all those goals.

First, it would encourage increased residential insulation, by providing that 30 percent of the first $750 of funds spent to insulate a home would be a tax credit. Second, it would encourage residential solar or geothermal energy equipment use, by providing for a tax credit of 40 percent of the first $1,000 spent, plus 25 percent of the next $6,400. In addition, a tax credit of up to $1,000 would be provided for installation and use of a residential heat pump.

For commercial and business users of energy, the amendment would provide tax credits for insulation, solar, and geothermal equipment.

In general, therefore, this amendment would provide incentives for energy conservation, without imposing needless restrictions or controls on the individual or the economy. In fact, these incentives would provide a healthy stimulus for jobs and economic activity, by increasing demand for insulation, solar and geothermal equipment, and heat pumps. The economy would benefit and our demand for energy, particularly for imported oil, would be lower.

I urge colleagues to join in support of this amendment.

And if, as a matter of fact, there has to be payment incentives to those who will not be benefited by this, certainly that could be done later in similar legislation without waiting for the tax amendment legislation that will not take effect until 1979 at the earliest.

Mr. LONG. Mr. President, I believe I have 10 minutes remaining, is that correct?

The PRESIDING OFFICER (Mr. Metzenbaum). The Senator from Louisiana is correct.

Mr. LONG. I said I will yield some of my time to help the other side with the problem, and I ask that 3 minutes of my time be yielded to the Senator from Wyoming. That leaves me 7.

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG. Mr. President, when time on this amendment has expired, I will move to table the amendment because I feel that those of us who are not for the amendment wish to make it known that we are not for it for principally one reason. The reason is that we do not want the amendment on this bill. We are for what the Senator is trying to do as a part of an energy package. We think that the energy package which we pass should be similar to what the House of Representatives intends to do. The House leaders are going to ask their members to vote for the bitter along with the sweet. They intend to put in one package the discipline as well as the goodies.

Mr. President, we are not going to solve this energy crisis by passing out more lollipops. At some time we are going to have to call upon the American people to make a sacrifice.

I see by the polls that President Carter's popularity has gone down from 63 percent to 53 percent. It did not go down with me. I knew that if he were going to be a good President and a great President he was going to have to bite the bullet and face up to some of these tough decisions of asking the American people to make some real sacrifices along with the good things that could be provided to them.

But America has never been a welfare state. America has always been a nation where people expected, in the main, at least, to work for what they had and to pay for the good things that they received.

Mr. President, the chairman of the House Ways and Means Committee, Mr. Ullman, fought last Congress to try to pass a bill that would put a tax on gasoline to help pay for provisions like this one. The House of Representatives could not measure up. It could not meet that challenge of statesmanship. And yet when we went to conference with the chairman of that committee he told us that he would agree with this provision and the remainder of these so-called goodies for energy if we would find the revenue to pay for it. We thought surely we could do that. But I regret to say that it ran into more difficulty than we expected over here in the Senate and we have not measured up to the challenge.

Why can we not measure up? We run for a 6-year term. Two-thirds of our people do not run for 4 years. Only one-third of our people run at the next election. Why can we not be at least as courageous as the House of Representatives in saying that to solve this problem we are going to have to call upon the American people to pay something as well as to enjoy tax benefits, tax cuts, and other goodies that can be handed out at the expense of the Treasury.

Mr. President, this type thing, of course, will be done. We will do it. We want to do it and, when we do it, the effective date will be April 20, 1977, so that those who insulate now will get the benefit of it. To go back beyond that point is merely to pay for something that a person did not expect and has no right to expect. We will provide the incentives for people to do the things which the President has suggested. But we want the people to go along with us in a tax on gas guzzlers and a tax on oil at the wellhead.

Louisiana produces more oil a year than any other State in the Nation, but I fully expect to vote for that tax on oil at the wellhead to help find the money to pay for a program that will assure the future and the independence of this Nation.

We are not going to solve our energy problems just by taking everything the easy way, Mr. President. We are going to have to measure up to some discipline. Merely to go and pass all the goodies, all the tax benefits, all the tax cuts and leave out the proposals which are going to require a little bit of sacrifice on behalf of ourselves and our constituents is not the way to meet the energy problem.

I hope, Mr. President, that the amendment will not be agreed to.

Mr. HANSEN. Mr. President, if I may, we are expecting Senator Javits, a cosponsor of this amendment, to speak.

I am a little disturbed about one statement that our colleague from Louisiana made. He spoke about moving to table this amendment. It was my understanding that on the seven major amendments that Republicans had proposed, of which there is one, when we were talking earlier on about some time limitations I was under the impression that there would not be a tabling motion applied to any one of those seven amendments. I ask our colleague if that is not the situation?

Mr. LONG. My impression was that we had an understanding that I was not going to move to table those permanent tax cuts. But I thought we were reserving the right to move to table these energy amendments. If the Senator feels otherwise, if he feels we made him a commitment, I will be glad to review that with him. If I made a commitment I will keep it, but I was not aware that I had.

Mr. HANSEN. I will ask the Senator from Nebraska.

Mr. CURTIS. Very frankly I am unclear on that particular thing, but I am quite sure that due to the wide interest in the energy bill there would never have been an agreement on limiting time if we had realized there might be a tabling motion.

Mr. LONG. The point I have in mind is that if a motion to lay on the table were to carry, you could still offer the amendment again, or any variation, as many times as you want to offer it. This is only one amendment. But my thought is that the permanent tax cut amendment was completely germane to this bill, and if it was going to be agreed to, there was no reason why it did not belong on this measure. My objection is not to the Senator's amendment, but that it does not belong on this bill.

Mr. HANSEN. I am aware of that.

Mr. LONG. I will be happy to vote for this proposal, or perhaps even something more generous, on the bill that imposes a tax. But frankly it seems to me that it is difficult enough to get through a measure of this kind. I feel that the other side ought to accord us the privilege of a motion to lay on the table.

Mr. HANSEN. Mr. President, I think we are very courageous people, and I do not think anyone would shy away from making those hard decisions. But it was my understanding——

Mr. LONG. If the Senator wants to press the point, I will not make the motion to lay on the table, but I felt I had that right.

Mr. HANSEN. I do not mean for one moment to imply that the distinguished chairman of the committee is not a man of his word. I know he is. I just had the understanding that there was an agreement on the seven bills that we put in, of which this amendment, I think, is S. 737. I will leave it entirely up to the chairman of the Finance Committee. If that is not his understanding, I will say no more, and will not object to the motion to lay on the table.

Mr. LONG. As I said, I thought that agreement applied to those three big permanent tax cut amendments, but did not apply to these energy amendments. That was my understanding.

Mr. HANSEN. I am perfectly willing to abide by the understanding of the chairman.

Mr. President, have I 6 or 7 minutes left?

The PRESIDING OFFICER. The Senator now has 3 minutes remaining.

Mr. HANSEN. I yield to the distinguished Senator from New York, one of the moving forces on this amendment.

Mr. JAVITS. I will only take a minute.

Mr. President, this amendment has been with us a long time. I heard a little bit of the argument of the Senator from Louisiana (Mr. LONG). I must say, with all due respect, that I have had very bad luck with the "put it on another bill" theory. It seems to me that when you have a bill and you have a problem, and you have the President saying the greatest crisis this country is facing is energy, and the most effective way to immediately deal with that crisis is conservation, we ought to try to do it when we can, and we can do it now.

The originator of this whole proposition, as I recall it, was the Senator from Massachusetts (Mr. BROOKE). I understand, for whatever reasons, which I am not acquainted with at this moment, he does not take kindly to this provision; but I think he was right, and I think Senator HANSEN and Senator PERCY are right; and I think that while we have the opportunity we ought to act.

Let us be realistic, too, Mr. President: If in the conference it gets tossed out, it will have been voted on by the Senate, and we will have a lot better claim on another bill. But if it is not voted at all, my experience has not been too good with getting it through on another occasion.

So I hope very much the Senate will, while it has the opportunity, sustain the proposal now.

Mr. HANSEN. Mr. President, I am prepared, if no one wishes to speak further, to yield back the remainder of my time.

Mr. LONG. Mr. President, I yield back the remainder of my time. I move that the amendment be laid on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, I will vote to table the amendment offered by the Senator from Wyoming (Mr. HANSEN) for a home insulation tax credit. My vote does not signify opposition to the concept of a home insulation credit. Rather, I believe the insulation credit more appropriately should be considered as part of the forthcoming energy bill, not as part of the economic stimulus and tax simplification legislation now before the Senate.

The President included a $410 maximum insulation credit among his April 20 energy proposals. The maximum credit he has proposed is almost twice as high as the $225 maximum proposed by Senator HANSEN. The President's proposals are a combination of popular incentives, such as the insulation credit, and some much less popular provisions including higher taxes on energy consumption and production.

I agree with the distinguished chairman of the Finance Committee, Mr. LONG, that attractive incentives such as the insulation credit should be included in the forthcoming energy bill to offset the less politically attractive components of an effective national energy policy, and also to insure that the components of that policy constitute a balanced, consistent program. It may well be that upon careful analysis, a larger credit along the lines proposed by the President may prove more efficient in terms of conservation benefits than the lower credit now proposed by Senator HANSEN.

The first budget resolution reported by the Budget Committee has not taken into account the economic impact of the President's energy proposals. As I explained earlier today, the pending tax bill, as it has been amended by Senate action, would increase the deficit by $3.3 billion over the target reported by the Budget Committee. The Hansen amendment would increase this deficit by yet another $300 million.

The Congress should act on the President's energy proposals as a whole—including the insulation credit. If congressional action comes early enough, the impact of these decisions on the 1978 budget can be reflected in the second budget resolution later this summer, or, if not, then in the congressional budget for 1979.

The PRESIDING OFFICER. The question is on agreeing to the motion that the amendment be laid on the table. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I also announce that the Senator from Illinois (Mr. STEVENSON) and the Senator from North Carolina (Mr. MORGAN), are absent because of illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from North Carolina (Mr. MORGAN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE) is necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The result was announced—yeas 53, nays 38, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—53

Allen
Anderson
Bayh
Bentsen
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Clark
Cranston
Culver
Durkin
Eagleton
Eastland
Ford
Glenn
Gravel
Hart
Haskell
Hathaway
Heinz
Hollings
Huddleston
Inouye
Jackson
Johnston
Long
Magnuson
Matsunaga
McGovern
McIntyre
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pell
Proxmire
Randolph
Ribicoff

Riegle
Sarbanes
Sasser
Sparkman
Stennis
Talmadge
Weicker
Williams
Zorinsky

NAYS—38

Baker
Bellmon
Chafee
Curtis
Danforth
DeConcini
Dole
Domenici
Garn
Goldwater
Griffin
Hansen
Hatch
Hatfield
Hayakawa
Helms
Javits
Laxalt
Leahy
Lugar
Mathias
McClellan
McClure
Melcher
Packwood
Pearson
Percy
Roth
Schmitt
Schweiker
Scott
Stafford
Stevens
Stone
Thurmond
Tower
Wallop
Young

NOT VOTING—9

Abourezk
Bartlett
Bumpers
Case
Church
Humphrey
Kennedy
Morgan
Stevenson

So the motion to lay on the table was agreed to.

AMENDMENT NO. 194

The **PRESIDING OFFICER**. The Senator from Hawaii is recognized.

Mr. **MATSUNAGA**. Mr. President, I have an amendment at the desk, No. 194. I offer the amendment for myself, for Mr. PACKWOOD, Mr. RIEGLE, and Mr. STEVENS. I ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Hawaii, for himself, Mr. RIEGLE, Mr. STEVENS, and Mr. PACKWOOD, proposes an amendment:

On page 35, beginning with the matter following line 7, strike out through the end of the matter appearing before line 1 on page 36 and insert in lieu thereof the following:

"If the taxable income is:	The tax is:
Not over $2,400	No tax.
Over $2,400 but not over $2,900	14% of the excess over $2,400.
Over $2,900 but not over $3,400	$70, plus 15% of excess over $2,900.
Over $3,400 but not over $3,900	$145, plus 16% of excess over $3,400.
Over $3,900 but not over $4,400	$225, plus 17% of excess over $3,900.
Over $4,400 but not over $6,400	$310, plus 19% of excess over $4,400.
Over $6,400 but not over $8,400	$690, plus 21% of excess over $6,400.
Over $8,400 but not over $10,400	$1,110, plus 24% of excess over $8,400.
Over $10,400 but not over $12,400	$1,590, plus 25% of excess over $10,400.
Over $12,400 but not over $14,400	$2,090, plus 27% of excess over $12,400.
Over $14,400 but not over $16,400	$2,630, plus 29% of excess over $14,400.
Over $16,400 but not over $18,400	$3,210, plus 31% of excess over $16,400.
Over $18,400 but not over $20,400	$3,830, plus 34% of excess over $18,400.
Over $20,400 but not over $22,400	$4,510, plus 36% of excess over $20,400.
Over $22,400 but not over $24,400	$5,230, plus 38% of excess over $22,400.
Over $24,400 but not over $28,400	$5,990, plus 40% of excess over $24,400.
Over $28,400 but not over $34,400	$7,590, plus 45% of excess over $28,400.
Over $34,400 but not over $40,400	$10,290, plus 50% of excess over $34,400.
Over $40,400 but not over $46,400	$13,290, plus 55% of excess over $40,400.
Over $46,400 but not over $52,400	$16,590, plus 60% of excess over $46,400.
Over $52,400 but not over $62,400	$20,190, plus 62% of excess over $52,400.
Over $62,400 but not over $72,400	$26,390, plus 64% of excess over $62,400.
Over $72,400 but not over $82,400	$32,790, plus 66% of excess over $72,400.
Over $82,400 but not over $92,400	$39,390, plus 68% of excess over $82,400.
Over $92,400 but not over $102,400	$46,190, plus 69% of excess over $92,400.
Over $102,400	$53,090, plus 70% of excess over $102,400."

On page 48, line 22, strike out "$2,200" and insert in lieu thereof "$2,400".

On page 60, line 12, strike out "$2,950," and insert in lieu thereof "$3,150,".

On page 63, line 18, strike out "$2,200" and insert in lieu thereof "$2,400,".

Mr. **LONG**. Mr. President, I ask unanimous consent that there be a time limitation of 1 hour on the amendment, to be divided equally between the sponsors and the opponents.

Mr. **MATSUNAGA**. I have no objection.

Mr. **McCLURE**. Reserving the right to object, Mr. President, I ask unanimous consent that Mr. Tom Hill of my staff be accorded the privilege of the floor during all proceedings on this measure.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **McCLURE**. I withdraw my reservation.

The **PRESIDING OFFICER**. Without objection, the time limitation is agreed to.

Mr. **MUSKIE**. Will the Senator yield for a unanimous-consent request?

Mr. **MATSUNAGA**. I am happy to yield to the Senator from Maine.

Mr. **MUSKIE**. Mr. President, I ask unanimous consent that Al Fromm and Lee Lockwood of my staff may have the privilege of the floor during consideration of the bill.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MATSUNAGA**. Mr. President, the amendment which I offer seeks to preserve the existing $2,400 standard deduction for over 30 million single taxpayers. H.R. 3477, the 1977 Tax Reduction and Simplification Act as passed by the House of Representatives, made no change in the $2,400 maximum standard deduction for single persons. However, the Senate Committee on Finance reduced that maximum deduction to $2,200. The committee's action will increase the tax burden of 1.7 million single taxpayers by an average of about $54.

The present standard deduction for a single person is 16 percent of adjusted gross income, but no less than $1,700 and no more than $2,400. The present standard deduction for a married couple filing jointly is also 16 percent of adjusted gross income, but no less than $2,100 and no more than $2,800.

To simplify the tax tables for individual taxpayers, the House passed and the Senate Committee on Finance recommended the adoption of flat standard deductions for both single and married taxpayers. The House version established a $2,400 flat standard deduction for single persons and a $3,000 flat standard deduction for married individuals. The Finance Committee proposal would decrease the flat standard deduction for single taxpayers $200 below that set by the House. The Finance Committee proposal would also increase the flat standard deduction for married people by $200. In effect, the committee proposes to increase the existing maximum standard deduction for married persons by $400, while decreasing the existing maximum standard deduction for single taxpayers by $200. Consequently, the single taxpayers who now qualify for the maximum standard deduction will be the only taxpayers who suffer an increase in tax liability under this bill, and they number about 1.7 million.

The present rates and standard deductions discriminate against single individuals and married couples when both spouses are employed. The most equitable remedy, which the administration indicates it will study, would be to impose the same rate and allow the same standard deduction to all wage earners, irrespective of their marital status. Until such a provision is adopted, the inequity in the tax rates will persist.

The adjustment of the tax rate table or the standard deduction for one group of taxpayers will necessarily place the other groups in a less favorable situation, given the present tax rate structure. In the present instance, the committee has sought to decrease the so-called marriage penalty by raising the taxes of 1.7 million single taxpayers.

I do not wish to adopt a stopgap measure to salve over a fundamental structural inequity at the expense of 1.7 million single taxpayers. A single person already pays a higher rate than a married couple reporting the same amount of income. The tax table further imposes a 20-percent greater tax on the single person, and the committee's proposal only exacerbates this inequity.

Furthermore, the recommended reduction of the existing maximum standard deduction for single persons is counterproductive to the act's purpose. The measure is designed to provide economic stimulus to increase consumer spending and expand production of goods and services, thus increasing employment. Accordingly, the committee has increased the standard deduction for most taxpayers to leave more money in the hands of consumers. However, with regard to 1.7 million single taxpayers, the committee's version will increase their tax liability.

Such an action works against the expressed purpose of the act. The cost of this amendment has been estimated by the staff of the Joint Committees on Internal Revenue to be $668 million for calendar year 1976.

This is a large figure, granted. However, it should be compared with the cost of providing a flat $3,200 standard deduction for married people filing jointly, which has been estimated by the committee staff to amount to $3.5 billion.

If the Congress is willing to provide such a tax break to married couples filing jointly, it should also provide some break for all single taxpayers.

In the name of equity, I ask my colleagues to join me in this amendment to prevent further discrimination against single taxpayers.

Mr. President, I yield to the Senator from Oregon.

Mr. CRANSTON. Will the Senator yield to me for a unanimous-consent request?

Mr. PACKWOOD. Yes.

Mr. CRANSTON. I thank the Senator.

Mr. President, I ask that Jon Fleming of my staff be granted privilege of the floor during all stages of consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Senator DURKIN be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, what the Senator from Hawaii and I are trying to do is to stop a growing inequity in the tax code. I say "growing" because the group that is more discriminated against in taxation, more discriminated against in this country, are single taxpayers. They have a higher rate of tax levied on them than any other group.

They used to have the same standard deduction. Up until 1975, we had a uniform standard deduction for everyone, married, single, head of household—head of household being usually those widowed, often divorced and had dependents, but they had the same standard deduction.

In 1975, we started to change that, I think unfairly. Certainly, unfairly toward those who were single for whatever reason, just did not get married.

We started to widen that gap. The present law has a maximum standard deduction for singles of $2,400 and for those who are married of $2,800.

As this bill passed the House of Representatives, that was changed to a maximum of $3,000 for those who were married, but the maximum deduction for those who were single was left at $2,400, widening the gap, I think unfairly, to $600 from the existing unfair $400.

Now, the Senate went even further in the Finance Committee. We widened the gap to $1,000. We increased the standard deduction for those who were married to $3,200 and we lowered it—lowered it—for those who are single to $2,200.

So not only are we making the Tax Code more and more unfair in the standard deduction, I emphasize again that even with this discrimination, those who are single still pay a substantially higher rate of tax on the same income, a higher rate of tax than any other single group, now they are having the standard deduction in the Finance Committee bill changed to $1,000 difference. Not only changed, but now we are lowering.

Now, for those who were eligible for the $2,400 standard deduction, we are saying that we will lower it to $2,200.

One point seven million taxpayers may not sound like much, 1.7 million who will have their taxes raised on the average $54, raised in a bill whose initial purpose is designed to stimulate consumption in this country, stimulate the economy, place more money in the hands of consumers, and here, for a very significant number of people, we are going to take it away from them.

It is unwise economically. It is unfair morally. In any estimation the time has come for the Senate to stop this growing inequity whereby year by year we widen the difference between marrieds and singles, put more burden on the singles, tax them higher. In exchange, we are trying to trade off the rates of those who are married.

Mr. President, I ask the Senate to join the Senator from Hawaii and me, and others who have joined us to cosponsor this amendment, not in bringing back justice to singles, we can only do that if we raise back the standard deduction to the level of those who are married, but at least, not to change it so they actually lose, so that they actually have to retreat from a position they have gained and pay more taxes next year than they have to pay this year.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. Mr. President, I have no further requests for time on this side.

Mr. LONG. Mr. President, I have asked that the staff get a blackboard so I can explain this better to the Senators and they can see on a board how the numbers work out.

Mr. President, this is basic to the problem. Even under the committee recommendation, when we simplify the law so that no matter whether a man makes much or a man makes little they would get the same amount of personal exemption, we would start out, even under the committee bill, by saying that a single person would have an exemption of $2,200.

If two single people are living together—whether it is two men living together, two women living, or a man and a woman living together, two single people sharing the same roof, in the same room, perhaps, in the same household—those two people have the benefit of $4,400 of personal exemptions.

Now, if they are a man and woman and they marry, under the law which we propound, they will have a $3,200 exemption between the two as a married couple, whether they file separately or file as a couple on a joint return.

So even under what the committee suggested, there is a marriage penalty because the difference between the $4,400, which is $2,200 multiplied by 2, and the $3,200 is $1,200. The taxes on that $1,200 is what is known as a marriage penalty. That marriage penalty might be $840 or it might be less than that. It might be as low as $170.

But in any event, when a couple goes before the preacher and they take those marital vows—as I saw a young couple who worked in my office on this weekend—they will find in many cases that they have to pay at least $1 a day taxes as a marriage penalty when both husband and wife work to bring income into the home.

Furthermore, it seems to me we should keep in mind that because the wife has no cash income does not mean she is not contributing to the income of that family. She is saving that by washing dishes, looking after the children, doing all the household work, doing the shopping for the family, as well.

So that when a couple marries, under existing law, and even under the committee bill, they would sustain a marriage penalty, a tax increase, because they have done what society would like for them to do, sign a contract and go before a preacher or a justice of the peace and take on all the obligations that go to forming a family between a husband and his wife.

Mr. President, if these two Senators have their way and proceed under the theory that we should increase the standard deduction for single people, as did the House of Representatives, they are going to increase that marriage penalty.

So, instead of penalizing this couple by the tax on $1,200 when they go before the justice of the peace or the preacher, they would move that marriage penalty up to a tax on $1,600. That could be a tax of $230 or a tax of up to $1,120 penalty on a couple for doing the honorable, proper thing that society would ask of them—to assume the responsibility of supporting one another and of helping one another in good times and bad, of supporting their children, and doing what is right and proper. They take the burdens; they take it on the chin when they go before that justice of the peace.

People wonder why this is getting to be a maternal society and why mama has the children and papa will not even marry her. One reason is that Congress passes laws that are so foolish that they discourage people from doing the first honorable act. They say, "What is the matter with those fool Congressmen? They pursue the logic that they cannot vote to raise anybody's taxes."

The House of Representatives saw the same problem. They did not propose to give further tax advantage to the single people. They said, "Look at these single people. They get anywhere from $1,700 to $2,400 exclusion." They cannot pick a figure like $2,200, because they are all running for office next year. Although 90 percent of the single people would pay no more taxes, a few would pay a little more taxes, and they fear that somebody might not be happy. The only way to do it is to raise the amount that the married couples can deduct, and the cost is prohibitive to wipe out the injustice of doing it that way. It would cost $6.5 billion to correct this inequity without raising somebody's taxes.

Are we that timid? I am proud to say that we on the Finance Committee are not that timid. Now and then, we can measure up to the challenge of statesmanship and say that if we are going to have tax reform, at some point we have to raise a little more from one person in order to give a tax reduction to somebody else, in order to do justice. You have to tighten up on the loose ends and loosen up on the tight ends.

The logic in the House was very clear, and it was explained this way before the Finance Committee: It is all right to loosen up on the tight ends, but you cannot tighten up on the loose ends. So if someone is getting the better of it because he is single, you must not raise his tax. The only way you can get out of this trap is to have a tax reduction of a prohibitive nature so far as the fiscal solvency of the Government is concerned and get out the other way, by perhaps raising the deduction for married couples from $3,200 to $4,800.

That is no way to solve the problem. This is a small modicum of tax reform. Single people today get the exclusion of from $1,700 to $2,400. It is only those at the upper end of the scale, making more than $13,000, who would pay anything more, and the average they would pay would be $50 more, to put in an element of tax reform and help reduce this marriage penalty.

The President strongly supports this position. The Treasury has asked us to do this, and they strongly support this position. The question is, can we measure up to the challenge, to say that we should have a system that is fair and equitable and just to everybody, that one time we will vote for someone to pay a little more?

The Senator's amendment would cost $600 million. It is based on the theory that nobody ever must pay any more. Of the $600 million that the amendment would cost us, $500 million is an additional tax cut to people who already are getting the best of it. Only $100 million of it would go to see that nobody ever would pay any more.

Unfortunately, nobody knows how to work out all the complications of getting it down to where no one pays any more taxes under any conceivable set of circumstances. But if it could be done, perhaps we could solve that problem by saving the $100 million of revenue and only giving $100 million where the tendency is to see that nobody pays an extra amount of tax. Nobody knows how to work that out.

The point is, how big a marriage penalty do you want to place on people when they do the honorable, decent thing that society expects of people?

There are the figures on the board, which show how it works out under present law, with the marriage penalty from $185 to $1,400, depending on whether you are at the upper or lower end of the scale. The committee bill, as Senators can see, would reduce the marriage penalty by at least $15 and as much as $560 from what it is under present law.

The amendment sponsored by the Senator from Hawaii would increase the marriage penalty for many people, and in doing so it would lose $600 million of revenue for the Treasury.

Mr. President, I do not think it is asking too much of Senators—if the Finance Committee can bite the bullet and come up with a suggestion that would help solve the problem, if the President can recommend it and the Treasury would fight for it—that once we could vote for something that moves us to tax simplicity and tax justice and encourages people to do the honorable, decent thing.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Just because somebody does not want to get married does not make him or her immoral. Just because a couple happens to be married and one dies and the other becomes a widow or widower does not make the person immoral. The Senator is saying that in order to do the moral thing, the widow or widower has to get married again.

Mr. LONG. Mr. President, I have not uttered the words "living in sin." I have not said anything about that. All I have said is that when two people, because they feel that this is the right thing to do——

Mr. PACKWOOD. What if they do not feel it is the right thing to do?

Mr. LONG. All I am saying is that if they feel it is the right thing to do, they should not suffer because they did it, and it is what society recognizes with its laws.

Mr. PACKWOOD. And if they do not think it is right, we will tax the eyeballs off them?

Mr. LONG. I say to the Senator that I am not here to pass on their judgment and their morality, nor am I here to do that which was suggested. Somebody suggested that perhaps one way to solve this is to say that we will tax them if they are married when they are living together, even though they are not married. Think of how many investigators we would need to have somebody spying on every bedroom at night, to see whether people are living together as an everyday matter of habit or whether they are not. So that answer cannot meet the problem.

The only approach, as I see it, is to say that if you want to treat people fairly, you would move toward the solution that you would have the same tax advantage for two single people living together, without marriage, as you would have for a married couple living together.

Some years ago, the program "60 Minutes" highlighted this type of tax problem by showing a couple that went to the Caribbean Islands—I think it was the Dominican Republic. They found that by getting divorced in the last few days of December and marrying again right after the 1st of January, they could save enough money to have a Caribbean vacation every year and could pay for the divorce and for the marriage again.

Mr. PACKWOOD. Is it not true that in directive 76-255, the Internal Revenue Service has stopped that, and they no longer recognize those divorces for tax purposes?

Mr. LONG. They have done that, and now the people have to pay the marriage penalty and do not even have any fun out of it. [Laughter.]

So, Mr. President, if we want to move in terms of tax justice and tax uniformity, the Senate should reject this amendment.

Mr. MATSUNAGA. Mr. President, the Senator from Louisiana, the distinguished chairman of the Finance Committee, has made an eloquent argument, with which I agree: That we should not place any marriage penalty on any couple who choose to get married.

I am for giving equal treatment to married couples as well as to single people who happen to be living together. However, the assumption of the committee position is that there are millions of single people living together in sin. Of course, we have heard the statement of the President made to employees, I believe it was, of the Department of Defense, when he said, "All those of you who are living in sin go and get married."

But I have 16 single people working in my office, and not a single one of them is living with another of the opposite sex. [Laughter.]

Although living without sin, under the committee amendment they will suffer, that is those who are above the $13,750 income bracket, a penalty, a single penalty, if you will, of $54 a year.

My amendment will not in any way penalize a married couple. As a matter of fact, my amendment will decrease the marriage penalty as compared to the House version.

The House version would have a marriage penalty, if we can call it that, of $1,800. The amendment of the Committee on Finance will impose, I repeat will still impose, a marriage penalty of $1,200. My amendment seeks to strike a compromise and impose a $1,600 "marriage penalty."

The important thing to remember in considering this amendment is this: That every other taxpayer is enjoying a tax break under the bill as proposed by the committee except single taxpayers who earn in excess of $13,750 a year. They number 1.7 million people. Of the 1.7 million people, if the 16 single employees working in my office are to be taken as a valid sample, not a single one of them is living in sin so why should we penalize them to the extent of $54 a year when every other taxpayer will receive a tax break under this committee amendment, and will pay less taxes should the committee amendment be adopted?

So I say let us not penalize them. Let us leave the maximum standard deduction just as it is under present law, $2,400. Let us not reduce it to $2,200. That is all the amendment offered by the Senator from Oregon, the Senator from Alaska, the Senator from Michigan, and myself proposes to do.

So I ask your support in the name of equity for this measure.

I yield to the Senator from Oregon.

Mr. PACKWOOD. Before we close the debate, I just want to put in perspective the so-called marriage penalty so that it is clearly understood as to what it is. It does not apply to most people who get married, to begin with. It only applies if those who get married and happen to have reasonably equal incomes, normally in a higher bracket.

For example, if two people are each making $25,000 apiece and they get married and they are making $50,000, their collective taxes are likely to be higher because they were pushed into a very high bracket with a very high percentage of tax.

But if you have a woman who is a lawyer and is making $22,000 or $23,000, and she marries a man who is making $10,000, their taxes will go down, not up when they get married. Their taxes will go down.

Or vice versa if a man is making $22,000 and a woman is making $10,000 their taxes will go down because the person making $10,000 is in a very low income tax bracket, and when combined with the person he marries, they are pushed into a combined bracket that is lower than the two of them pay.

So what we are doing is trading off the single person who, for whatever reason, chooses not to get married, either because he or she is young, or they do not want to, or they are widowed, or they do not want to.

What this bill does as it came out of the Committee on Finance, is trade them off for the relatively well-to-do couple who get married where they are both making a very adequate income.

I do not think that is decent, I do not think that is fair. I do not think we should ask a particular segment of society, for whatever reason it chooses not to get married, to suffer a tax increase to benefit two people who do get married in order to have their taxes decreased, who already have been making comparable incomes at a reasonably high bracket. It is not fair, and I would ask the Senators to support this amendment.

Mr. MATSUNAGA. Mr. President, I send to the desk a modified amendment. It is more of a perfecting amendment to my amendment, and I ask unanimous consent for its approval to be modified. I have checked with counsel on the other side.

The PRESIDING OFFICER (Mr. NUNN). Is there objection? The Chair hears none, and it is so ordered. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 54, line 3, strike out "$2,200" and insert in lieu thereof "$2,400".

Mr. MATSUNAGA. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Thirty minutes. The Senator has 17 minutes.

Mr. LONG. Mr. President, I yield myself such time as I require at this moment.

Mr. President, as the chart behind me will show, single people today—look at the top left-hand column, single people today—have between $1,700 and $2,400 of exclusion depending upon what their income is. If they are at the low-income end of the scale they have a $1,700 personal exemption, and if they are at the high end of the scale they have $2,400. So it is only those making over $13,000 who would be adversely affected and pay more taxes in the event we agreed with the committee amendment.

When you pick a figure that is applied to all taxpayers, whether they are low-income or high-income taxpayers, the Committee on Finance recommended, on the Treasury's recommendation, that you put that figure at $2,200. Now that would mean a small increase at the high end of the scale.

To fail to do that would mean that we make the marriage penalty even worse than it is now, and that would not be wise. To try to solve a problem by reducing taxes for married couples would cost us $6.5 billion if we bought the $2,400 figure, and we felt we just could not measure up to do tax equity between the two.

Keep in mind if you agree to the Senator's amendment then two people, single, each get a $2,400 standard deduction and that works out to $4,800. If they marry they get only a $3,200 deduction, so they have a marriage penalty of $1,600.

So a couple in a 50-percent bracket—and you get there in a hurry nowadays, any Member of this body would get there, would be in that bracket—if you married someone who is working and making some income, you would then have yourself a marriage penalty of $800 when those people do what they think they ought to do.

Mr. President, this carries my mind back to the days when we were working in the welfare reform area. People would tell us about the man who would stand and say what a wonderful, dear, sweet person is the woman who was the mother of his children, and somebody would say to the man, "If she is as wonderful a person as that, why don't you marry her?" And the man would say, "I can't afford to do that. The old girl would lose her welfare check." [Laughter.]

That is the problem with welfare. If a person marries a person who is the mother of his children she would lose her welfare check. Well, are we not encouraging the same kind of conduct when we fix it up so that when two people do what we expect them to do, who do what society would expect them to do, join in a union and have children and bring them up the right away and assume all the burdens and obligations that go with it according to the pattern of the last 200 years of this Nation's history, would we not assume they should not be penalized? After all, when a person signs that contract he has a duty to support the partner, he has a duty that is burdensome for a lot of people, a lot of people shy away from that type arrangement just because of the burdens one undertakes, who takes on the financial obligations and the moral obligations that one undertakes when he does that.

Is it not enough of a marriage penalty to penalize them $1,200 of taxable income? Let us say $600 of additional tax. Must we make it $800 of additional tax? In my judgment, Mr. President, that would not be right. If the Senate will simply measure up to this challenge on the one occasion that we are asking Senators to do now, that will be the end of it. From that time on we will have a simplified procedure, and it will drastically reduce the penalty on couples getting married. It will make for a better tax system. I submit, Mr. President, that when those of us on the committee, at the urging of the President and the Treasury, come in and recommend something that expects a little political discipline of us, can we not measure up to that challenge and support the committee?

Otherwise, about the only alternative we have is to keep doing the kind of thing that we have been famous for as people in public life. The thing that "politicians" are famous for is they simply never can solve any problem the simple straightforward way. They have to find some way to maneuver and connive around where they try to solve it indirectly. To solve it will cost $6.5 billion, and the Government cannot stand that loss of revenue; we cannot afford that kind of tax reform. We can afford the kind of tax reform we are proposing here if we muster the courage to vote for it.

I hope very much the Senate can vote against the amendment so we can afford to simplify the bill. This will be a very popular bill in any event, even though out of a total of 70 million taxpayers we have 1.5 million who grumble a little bit. There is nothing new about having someone pay additional taxes with a bill that otherwise reduces taxes.

I was a manager of a big tax reduction bill some time ago where the depletion allowance of the oil industry was repealed. That industry sustained a very big tax increase on a bill that was named the Tax Reduction Act. There is nothing new about having some group that for justified reason might pay a few dollars more. In this event the most anyone will pay would be someone making over $13,000 might pay $50 in the event that this amendment of the committee were agreed to.

So I hope that the Matsunaga-Packwood amendment will not be agreed to.

Mr. STEVENS. Mr. President, I wish to add my support to the amendment offered by the distinguished Senators from Hawaii and Oregon (Mr. MATSUNAGA and Mr. PACKWOOD). When we first raised the deduction for single people to $2,400, many examples were presented in the press that married couples were not receiving the same tax break as single people and that, indeed, some husbands and wives were getting divorced each year to claim the higher personal deduction allowed for single filers. Notwithstanding that controversy, I feel that there are several valid reasons for providing differing allowances for the standard deduction which benefit unmarried taxpayers.

First, the great majority of unmarried taxpayers are young people just out of school. In my State of Alaska, more than half our population is under 25 years of age. Many who have completed post-secondary education face debt repayment schedules of up to 10 years for money they had to borrow to complete their education. Additionally, few in this age bracket own their own homes which means they cannot take advantage of the greatest tax deduction available to most families—the interest paid on a home mortgage. Indeed, most young taxpayers do not itemize deductions, but rather use the standard deduction when computing their taxes.

By providing a higher personal deduction to single taxpayers than to couples, we are not discriminating against those who are married, but are simply taking into account the facts that the tax advantages available to families are rarely applicable to the single taxpayers of this Nation.

I hope that my colleagues will support us in the effort to maintain the personal deduction at the level of $2,400.

Thank you, Mr. President.

Mr. RIEGLE. Mr. President, I rise in support of the amendment offered by my colleagues, Mr. MATSUNAGA and Mr. PACKWOOD, to preserve the present maximum standard deduction for single taxpayers. The Finance Committee's proposal would increase the existing tax discrimination against single taxpayers, who already pay a higher rate of tax than do married taxpayers, by lowering the maximum standard deduction for single taxpayers by $200 at the same time it raises the deduction for married couples by $400.

It is a matter of simple equity to preserve the existing maximum deduction for the Nation's single taxpayers, who already bear a disproportionate share of the country's tax burden. At a time when more and more people are living alone—as reflected by a report in the New York Times that the number of households grew by 15 percent since 1970, while population grew only 5 percent—it is particularly inappropriate to increase the inequities of our tax system. The contention that such relatively minor financial considerations will encourage single people to "live in sin" is specious. American citizens do not make solemn decisions regarding marriage on a strict profit-and-loss basis; surely no one truly believes that they do.

Mr. President, I sympathize with those couples who feel they suffer a "marriage penalty" because when both spouses have income, their combined tax liability may exceed what they would pay as two single persons living together. Increasing the tax liability of all single persons is not the way to deal with this problem, however: rather, the tax laws should be redrafted to treat equitably all taxpayers similarly situated as to income, dependents, and expenses, without regard to their marital status. At the very least, we should avoid penalizing all single persons using the standard deduction—who are likely to be those at the lower end of the income scale—at the same time we are increasing that deduction for married couples.

Mr. MATSUNAGA. Mr. President, I yield back my time and ask for a vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LONG. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Hawaii and the Senator from Oregon.

The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. STONE). The Senate will be in order. Senators will kindly clear the well and take their seats. The rollcall will not proceed until the Senate is in order. The Senate will be in order. The rollcall will resume as soon as the Senate is in order.

The clerk may proceed.

The call of the roll was resumed.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

The clerk will resume.

The call of the roll was resumed and concluded.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CULVER), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) and the Senator from Illinois (Mr. STEVENSON) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Iowa (Mr. CULVER) would each vote yea.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE), and the Senator from Arizona (Mr. GOLDWATER), are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote nay.

The result was announced—yeas 33, nays 55, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—33

Allen
Anderson
Baker
Chafee
Clark
Cranston
DeConcini
Dole
Durkin
Ford
Garn
Griffin
Hatch
Hatfield
Hayakawa
Heinz
Helms
Inouye
Jackson
Laxalt
Lugar
Matsunaga
McClure
McGovern
Packwood
Percy
Riegle
Roth
Sasser
Stevens
Stone
Thurmond
Tower

NAYS—55

Bayh
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Curtis
Danforth
Domenici
Eagleton
Eastland
Glenn
Gravel
Hansen
Hart
Haskell
Hathaway
Hollings
Huddleston
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pearson
Pell
Proxmire
Randolph
Ribicoff
Sarbanes
Schweiker
Scott
Sparkman
Stafford
Stennis
Talmadge
Wallop
Weicker
Williams
Young
Zorinsky

ANSWERED "PRESENT"—1

Schmitt

NOT VOTING—11

Abourezk
Bartlett
Bumpers
Case
Church
Culver
Goldwater
Humphrey
McClellan
Morgan
Stevenson

So the amendment was rejected.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield to me without losing his right to the floor?

Mr. HEINZ. I yield.

TIME LIMITATION AGREEMENT ON DESIGNATED AMENDMENTS

Mr. ROBERT C. BYRD. I take the floor at this time to inquire how many amendments remain to be offered, if Senators will indicate, so that we can get some indication of the number of amendments. Senator GRIFFIN has one, Senator DOLE has maybe one, Senator BENTSEN has one, Senator MOYNIHAN has one, Senator MUSKIE has one, Senator KENNEDY has one, and Senator CRANSTON has one. That makes a total of seven amendments.

Mr. CURTIS. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senate be in order?

Mr. ROBERT C. BYRD. And Senator TOWER and Senator HELMS each have one.

Mr. President, would it be possible, and it would be up to the distinguished managers of the bill, of course, to agree, to have some idea as to whether or not we could set a time limitation on these amendments, or at least some of them? I see Senator KENNEDY nodding in the affirmative.

Mr. KENNEDY. Ten minutes on each side.

Mr. LONG. A half hour would be better.

Mr. ROBERT C. BYRD. A half hour?

Mr. KENNEDY. That would be fine.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for a time limitation of 30 minutes on the Kennedy amendment, to be equally divided.

Mr. BENTSEN. Half an hour to be equally divided.

Mr. ROBERT C. BYRD. May I ask the manager of the bill if that is agreeable, 30 minutes on the amendment by Mr. BENTSEN?

Mr. LONG. Agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Thirty minutes on the amendment by Mr. TOWER. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Twenty minutes to be equally divided on the amendment by Mr. DOLE. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Thirty minutes on the amendment by Mr. MOYNIHAN. I make that request in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Not to exceed 20 minutes and probably less than that.

Mr. ROBERT C. BYRD. Twenty minutes on Senator Helms' amendment in the usual form. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Thirty minutes on the amendment by Mr. Heinz. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Thirty minutes on the amendment by Mr. Griffin. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Are there any others?

Mr. BAKER. Reserving the right to object, I count that gives us about 4 hours, being exclusive of rollcalls. May I inquire of the majority leader whether he plans to try to finish the bill tonight?

Mr. ROBERT C. BYRD. If it is agreeable with the manager of the bill, I think we ought to. Perhaps all that time will not be used, but he is the manager of the bill and has gone through all the travail and suffering.

UNANIMOUS-CONSENT REQUEST—ROLLCALL VOTES NOT TO EXCEED 10 MINUTES

Could we shorten the rollcall votes for the rest of the day? The first one would be 15 minutes, may I say to the distinguished minority leader.

Mr. BAKER. Let me check with one Senator who has a standing objection.

It is all right.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the next rollcall vote there be the usual 15-minute limitation but all rollcall votes after that today will be limited to 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. The minority will cooperate in trying to finish this bill tonight. We do not want to shut off anybody and certainly I want our distinguished chairman to have such time as he wants. But I think there is something to gain by winding the bill up so everyone can make their plans in committees and scheduling work for tomorrow, and other matters.

Mr. MATHIAS. Mr. President, reserving the right to object, I wonder if the majority leader would modify that to 10 minutes on all except the rollcall vote on final passage.

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. I would like to ask the distinguished majority leader, is it his intention to postpone the votes on all amendments until one time?

Mr. ROBERT C. BYRD. No.

Mr. BAKER. Mr. President, I doubt very much, judging by some of the conversation I have heard, that all of these amendments will require rollcall votes.

Mr. ROBERT C. BYRD. Well, let us try. Let us see if we can finish tonight.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Reserving the right to object——

Mr. ROBERT C. BYRD. I am not asking unanimous consent to finish tonight. I am asking, let us try.

Mr. HANSEN. Reserving the right to object, and it is not my intention to object, let me ask this: If there are amendments, as I believe such as mine, which have some particular merit which deserve to be voted up and down, I would like to know what the leadership proposes in that case, or will tabling amendments be in order?

Mr. LONG. Mr. President, I would think that a motion to table ought to be available to anyone who wants to make it, including the manager of the bill. We agreed, with regard to a certain amendment, which you might say was the Republican substitute for the rebate——

Mr. HANSEN. My point, as the distinguished chairman knows——

Mr. LONG. We agreed that with regard to the permanent tax cut, which was sort of a substitute for what was to have been the $50 tax rebate, that we would not move to table. In fact, the suggestion was made from the other side that they were not going to offer the amendment until they discussed it at considerable length because they did not want to be subject to a motion to table.

Any Senator, I believe, should have the right to make a motion to table, if he thinks it serves his purpose, but we are not trying to cut off the Senator's right to debate his amendment. He can offer his amendment. He can discuss it at considerable length.

I have only made one or two motions to table. I do not plan to make many, but with regard to an amendment that, from my point of view, is not really germane to the bill—it may be a tax amendment, but not strictly germane to the bill—it is appropriate that a motion to table be made on occasion. That is without trying, I say to the Senator, to keep a man from presenting his argument and having his say and having an equal chance to be heard.

Mr. HANSEN. Mr. President, let me say that I have, first, the greatest respect for my chairman. I just make this point: I agree with him that any Senator ought to have the right to move to table an amendment. I do not argue that. I do make the point that it does not take any longer to vote up or down on a bill than it takes to vote up or down on a tabling motion. If we are to cooperate as I propose to do, I hope that the chairman will realize that there are some of us who see some merit in affording Members the chance to vote up or down on an issue and to deny them the rather cozy, comforting excuse that they really did not vote against the proposition, they just voted to table it.

It is with that thought in mind—and I am not going to object—that I point out that I think there is some merit in voting up or down. As far as time is concerned, it does not take one bit longer. It might save time, because I suspect that if we had the assurance that I would like to have that, on some issues, we might be given the opportunity to vote up or down, we would be less reluctant to enter into the time constraints that seem very much in the interest of the Senate's getting some business done in an orderly fashion.

Mr. LONG. Mr. President, I think we ought to go by the precedents. The precedents are that a motion to table is in order if someone wants to make it. When there is a division of time and the time has expired, at that point, when both sides have had their say, a motion can be made. That is a precedent.

The Senator also knows that, many times, a Senator wants to vote on an amendment and he agrees to limit his presentation and abide by a limitation, provided that he has a definite understanding that no motion to table will be made. If the Senator wants to do that, of course, that is negotiable.

Mr. HANSEN. I was under the impression, and that is all water over the dam now, that we would have an up or down vote on my amendment that failed. I do not predict at all that it might have carried anyway, but I know that there were some Senators who would have chosen to have a chance to vote up or down on it.

Mr. LONG. In due course, the Senator's amendment is going to be the law. Maybe it will be a little more generous than he wants, but it will be the law in due time.

Mr. HANSEN. I hope that by that time we will not have run out of oil and frozen to death.

Mr. BENTSEN. Mr. President, I ask unanimous consent that Garry Bushell of my staff have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 168

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized to call up his amendment.

Mr. HEINZ. Mr. President, I have an unprinted amendment at the desk which I call up.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Heinz) proposes unprinted amendment No. 168.

On page 103, strike out lines 3 through 6, and insert in lieu thereof the following:

(d) Investment Credit Amendments.—

(1) Alternative increase in amount of credit.—Paragraph (2) of section 46(a) (relating to amount of credit for current taxable year) is amended by adding at the end thereof the following new subparagraph:

On page 104, line 22, strike out the closing quotation marks and the second period.

On page 104, between lines 22 and 23, insert the following:

(2) Treatment of certain pollution control facilities.—Paragraph (5) of section 46 (c) (relating to applicable percentage in the case of certain pollution control facilities) is amended to read as follows:

"(5) Certain pollution control facilities.—For purposes of this subsection and subsection (d), the useful life and basis of property with respect to which an election under section 169 applies shall be determined without regard to the treatment of such property under the provisions of section 169.".

The PRESIDING OFFICER. The time on this amendment is limited to 30 minutes, 15 minutes to a side.

Mr. ROBERT C. BYRD. Mr. President,

I thank the Senator for his courtesy and cooperation in letting us impose on his time.

Mr. HEINZ. I thank the distinguished majority leader.

Mr. President, the amendment that I am offering is extremely simple. I shall explain the goal in more detail in a moment. It is, simply, to give those taxpayers who now invest in pollution control equipment the full benefit of the investment tax credit, which they are now denied, if they use section 169 of the Internal Revenue Code, which provides for 5-year rapid amortization of such equipment. This particular amendment is really only a small part of the job that needs to be done to give a fair incentive for the amortization of pollution control equipment.

A few weeks ago, I introduced S. 1276, which would address all the problems that now exist for a taxpayer who seeks rapid amortization for his pollution control equipment and who also seeks to qualify, not only for the full investment tax credit, but for a more rapid writeoff.

I am not seeking to accomplish all those goals at this time. The only thing this amendment provides is that pollution control equipment and facilities qualifying for rapid amortization under section 169 of the Internal Revenue Code will also be eligible for the full investment tax credit. Current law provides that only equipment with useful lives over 7 years can receive the full credit. Since section 169 essentially provides for a 5-year useful life by permitting amortization over that period, pollution control equipment is excluded from the full benefit of the credit.

Further, when a taxpayer makes an election under section 169, only one-half of the basis for that investment will qualify for the investment tax credit. As a result, these exclusions, among others, have prevented section 169 from becoming as significant an incentive as it should be. Of the roughly $4 billion that will be spent this year on equipment qualifying for section 169 amortization, it is estimated that only $2.8 billion of that will actually be amortized under section 169. The rest will likely use the investment tax credit and a longer useful life. Combining the two will clearly make a more powerful incentive.

It seems to me, Mr. President, that if the intent of Congress was to provide a greater incentive for investment in pollution control equipment, the present law clearly does not meet that goal.

My amendment represents a very modest step in the direction of legislation I introduced on April 7. That bill S. 1276, would reduce the 5-year amortization period in section 169 to 1 year, essentially permitting the costs of such equipment to be deducted as business expenses in the year the investment is made. S. 1266 would increase the incentive both by reducing the amortization period and providing that it can begin immediately. Under present law the amortization period—and therefore the deduction—cannot begin until after the facility is completed.

I do not intend to address that problem today, Mr. President, but there is no question that this legislation is needed. Our growing public awareness of environmental problems over the past 10 years has produced a series of laws relating to air, water, solid waste, and noise, designed, in short, to clean up America. This recognition that the quality of our lives and our surroundings are as important as the quantity of our goods is a development that all Americans support.

We must recognize, however, that there is a cost to achieving that objective that has to be paid. One Pennsylvania firm informed me that, last year, 80 percent of its capital expenditures were for pollution control equipment, leaving little room for economic growth and increased employment. The ninth annual McGraw-Hill Survey on Pollution Control Expenditures estimated that a total of $30.6 billion would be necessary to bring all existing businesses into compliance with present pollution control standards. The development of new standards, including noise control standards, just now beginning to be promulgated, will increase that figure further.

This investment in pollution control equipment, beneficial as it may be, is not "productive" in the classic sense. Yes it certainly does produce cleaner factories and cleaner neighborhoods, cleaner air and water, but it does not, in the strictest sense, contribute to the economic growth of the companies installing it. These are not investments that earn a monetary return to the investor. To the contrary, in addition to the cost of capital, pollution control investments usually cost a considerable amount of money to operate and maintain. It goes without saying that the billions invested in pollution control are not available for other job creating investments.

That there is a price to be paid for our fight against pollution is unquestioned. Also clear is the fact that this is a price worth paying.

However, our efforts to clean up our air, our water, and our total environment, will be substantially more successful, much more quickly accomplished, and ultimately more consistent with economic growth, if we provide appropriate incentives to industry to install pollution control equipment promptly and effectively.

Ultimately I believe this problem must be treated comprehensively through such an approach as that contained in S. 1276. Since that bill was so recently introduced, no hearings have been held, and I do not think it appropriate to offer the entire bill as an amendment at this time. That opportunity may, however, occur at this time. That opportunity may, however, occur at some future time this year.

It is important, nonetheless, that in the tax bill we are considering today—intended to be a jobs and economic stimulus bill—we make some effort to deal with the problem of ever-increasing amounts of capital being diverted from growth to the installation of pollution control equipment.

The President's energy message of April 20 certainly included a major shift to coal implemented by a large scale coal conversion program for utilities and industries.

Coal conversion is not a new idea. In fact, there are laws on the books right now that we should be pursuing more aggressively to accomplish this. If we do accomplish a shift from oil and natural gas to coal, either under present laws or under new laws that the President proposes, it is going to impose some serious burdens on our economic infrastructure, notably an improved transportation structure and more sophisticated pollution control equipment. The latter, of course, brings us back to this amendment.

Since such coal conversion, as well as any other installation of pollution control equipment, benefits the general population, it is appropriate that the Nation, through its Government, share in the cost. To the extent that assuming a portion of the costs prevents them from being passed on to consumers as higher prices, we all benefit further.

As I said at the beginning, Mr. President, I think this amendment is, indeed, a modest step. Pollution control equipment is already eligible for less than half of the investment tax credit.

This amendment simply proposes permitting anyone installing such equipment to take advantage of the full investment tax credit.

I have talked to the Treasury Department about the estimated revenue loss and it is very modest, indeed. It is $161 million for this calendar year, assuming a full year. It is $163 million in 1978. It is $135 million in 1979. It is $167 million in 1980.

Year to year, these losses are modest, and in years after 1980 they would be in the same range, or slightly less. As I say, I think these are modest amounts and I think the amendment would do a great deal of good.

I urge the amendment's adoption.

Mr. LONG. Mr. President, we in the Senate have been considerate of pollution control. I think we certainly tried to help with it.

Keep in mind, Mr. President, there are a lot of things people do. We give them no tax advantage to fight pollution. For example, when we buy an automobile we pay for the pollution control as a part of the cost of the automobile and just treat it like anything else on the automobile.

But we have tried to help in this area. In 1969, we gave a 5-year amortization for the pollution control devices installed by factories because at that time there was no investment tax credit.

Then we came along 2 years later, in 1971, when the investment tax credit was reinstated and we gave people a choice, either the investment tax credit or they could have the 5-year writeoff.

Then we came along in the Tax Reform Act of 1976 and gave them the opportunity to take both the 5-year tax writeoff and 50 percent of the investment tax credit.

The committee was slightly more generous than that and tried to give two-thirds of the investment tax credit plus 5-year amortization. The House was very strenuously opposed to it. We finally settled for a one-half investment tax credit as well as the 5-year write-off.

Mr. President, this amendment will be opposed. If it gets to the House, it will be strenuously opposed. The Treasury is strongly opposed to it. It would cost $150 million a year.

It really should be considered in a broader context on a tax reform bill, rather than on this bill we have here, which is trying to streamline and provide some immediate simplification to the tax code.

I think, Mr. President, to try to give the entire 12-percent tax credit on top of the 5-year amortization is going very strongly, indeed. That is stronger than the Finance Committee was ever willing to recommend and it is stronger than the administration has ever been willing to recommend.

It seems to me, Mr. President, that is a case of just making it too much of a good thing for the time being. When we look at our tax reform bill later on this year, or next year, perhaps we can be more generous with pollution control devices. But I hope the Senate will not agree to this matter at this time. It would increase the deficit about $150 million a year and this is the kind of amendment which threatens the fate of the bill.

I realize the Senator's strong belief in this and I am willing to abide by the judgment of the Senate, but I hope the Senate will not insist on adding this to the bill at this time.

Mr. HEINZ. Will the Senator from Louisiana yield for a question?

Mr. LONG. Surely.

Mr. HEINZ. If what the Senator says is true about the very generous treatment Congress has accorded people under section 169, why, of the $4 billion that could be claimed under section 169, is only $2.8 billion being claimed? Further, could that have something to do with the fact that, while there is a 5-year amortization period, the clock on it does not start running until after the facility is completed, and it can be 2 or 3 years for this to take place? So if one adds the 2 or 3 years to the 5 we get 7 or 8; and then, since the useful life of the facility is 5 years, it is only entitled to 66⅔ percent of the investment tax credit under section 46(c)(2) of the Internal Revenue Code.

So we give them 5 years; yet, on the other hand, take all the advantages away. Would that be the Senator's rationale as to why a lot of people who could use section 169 simply do not?

Mr. LONG. My understanding is that there are certain items that have a fairly short life. In regard to others, the life of the device is, let us say, 8 years. A person would find it to his advantage to elect to take the entire investment tax credit on that device and to waive the benefit of the 5-year amortization.

So that because the investment tax credit in certain situations is relatively more advantageous than the 5-year amortization, there are situations where people prefer to take the benefit of the full investment tax credit and not claim the tax writeoff of 5 years.

But I realize, Mr. President, a good argument can be made for the Senator's amendment, and he has made a good argument.

I say that in time we will more and more come to view the pollution control aspects of a factory just as part of the cost of building a factory.

They build a factory. They are not permitted to pollute the atmosphere, not permitted to pollute the streams, so when they do these things, they put in devices to control the pollution they create. I think, in time, business will come to regard that more and more as part of their overall costs, not something the Government should pay for with a tax advantage.

But in the short run, we do want to help with that matter, and we have. Perhaps we cannot be as generous as the Senator would like us to be, but we want to cooperate. I think he will find this Finance Committee has been pretty sympathetic to that problem and we still are. But I think it would be better to treat this problem as part of the tax reform effort, which we are going to do, rather than on this bill.

The Senator may prevail, for all I know; and if he does, we will cheerfully take it to the House and see whether the House will agree. In the past the House has been very tough on this.

Mr. HEINZ. I thank the distinguished chairman for his comments.

It seems to me that the Senator does understand clearly that while a number of attempts have been made by Congress to give a more advantageous amortization treatment to people who invest in pollution control equipment, the fact is that we have not managed to do it. The intent of Congress in the 1969 law, the 1971 law, and subsequently has been to try to give a faster writeoff. But the fact is that we have not met that goal—at least, as this Senator sees it.

While I think everybody agrees that it is a good goal, because we have put language into the tax law on various occasions that is designed to achieve it, the fact is that statistically the people who are supposed to take advantage of this law do not do so. That is a pretty compelling argument.

Mr. President, I am happy to yield to the distinguished Senator from Nebraska (Mr. CURTIS).

Mr. CURTIS. Is it not true that since this provision in the law originally was written, there has been a greater national emphasis upon the need for antipollution devices?

Mr. HEINZ. The Senator is correct.

Mr. CURTIS. Is it not also true that during these years, the Government has placed more mandatory requirements and deadlines upon the economy of our country with respect to antipollution measures?

Mr. HEINZ. The Senator is correct. The EPA regulations are a case in point.

Mr. CURTIS. Is it not also true that many businesses, particularly small businesses, are finding it a hardship of some significance to meet these requirements and that they are doing so not only for the improvement of their own plants but also for the benefit of the surrounding area?

Mr. HEINZ. The Senator is correct.

Mr. CURTIS. I find in my State that there are businesses which may not even be incorporated, but requirements are laid down, and they are very expensive to cope with. At the same time they often do not add to the productivity of the man's business or to his profits, but it is done for the general public. Therefore, I think the Senator has made a case for consideration of this matter.

Mr. HEINZ. I thank my distinguished colleague.

Mr. KENNEDY. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. How much time does the Senator desire?

Mr. KENNEDY. Six or seven minutes.

Mr. LONG. I yield the Senator such time as he may require.

Mr. KENNEDY. I wonder whether the Senator from Pennsylvania can tell us who the beneficiaries are going to be with respect to this amendment. We have heard during the previous debate about the wealthy corporations that would be able to benefit under the investment credit. Seventy-some percent of the benefits go to the top 0.2 percent of corporations.

Earlier today, with respect to the poultry amendment of the Senator from Arkansas and the Senator from Maine, we knew who was going to benefit and how much they were going to benefit.

I wonder whether the Senator from Pennsylvania can give us some idea as to who the beneficiaries would be under this proposal.

Mr. HEINZ. The Senator from Massachusetts asks a perfectly reasonable question; but I cannot tell the Senator, because I do not know which specific companies would benefit, or whether they are large companies or not, which apparently he is interested in.

I can say this: Of the $4 billion that was invested in pollution control equipment in the most recent year for which we have estimates, only $2.8 billion was elected to be treated under section 169 I assume that more people would take advantage of section 169 if my amendment is adopted, and whoever is represented by the difference of $1.2 billion presumably would take advantage of this change.

I say to my colleague, further, that my argument here is based on a principle, and the principle is that Congress apparently has recognized that there is a need for the faster write-off of investment in pollution control equipment. My point is, that although Congress has agreed on the goal, we simply are not achieving it. We are pretending that we have a law on the books that reaches that goal, but it does not, and that is my concern.

Mr. KENNEDY. Am I correct in my understanding that there is a significant program for pollution control by United States Steel at the present time?

Mr. HEINZ. I say to the Senator from Massachusetts that I wish they were more involved in it. They seem to spend all their time in court.

Mr. KENNEDY. I am trying to find out who are the beneficiaries of this amendment. Because under the investment credit, they are already doing quite well. They already receive some $50 million a year for the investment credit.

In connection with the amendment, the present law already gives a privileged position to pollution control equipment. It permits amortization over 5 years. If the real life of the equipment is 50 years, it works out that the equivalent investment credit for that particular equipment is about 20 percent, which of course is an extraordinary tax expenditure. And on top of the fast write-off, they also get one-half of the investment credit for the purchase.

I wonder what the wisdom is in asking the average American taxpayer to pay for this extra benefit. We have to understand that every time we create another tax expenditure, we build up more of a deficit. Someone will have to make up for that and pay for it. Generally, the average taxpayer has to pay for it. We should ask ourselves whether the average taxpayer, in effect, should be underwriting this responsibility to the tune of $160 million. I believe it should be the responsibility of those who have been involved in polluting the air and polluting the water and have ben experiencing some very substantial profits in the meantime.

Mr. HEINZ. I will say this to the Senator from Massachusetts: First, he asks how the average American taxpayer will benefit. He will benefit directly from cleaner air and a healthier environment. What I have seen—and I do not like what I have seen—is company after company taking the EPA and others to court and litigating, at great cost to the United States, at great jeopardy to the public health, the clean air standards for years. If we would give them half of what we seem to think is the congressional policy in terms of encouragement to invest in pollution control equipment, we would not see all these companies trying to string out the Government through the courts.

Second, yes, we are investing about $160 million a year additional that will be returned to companies in making pollution control investments.

It is my intention, my hope, that this would go to creating more jobs through the expansion of the private sector.

I want to say, finally, that the Senator from Massachusetts may well know that I supported his amendment yesterday on the refundable tax credit which would broaden the investment tax credit to make it more useful to many businesses.

Mr. KENNEDY. I am delighted that he supported that particular amendment.

But I have to question whether we need this additional incentive, given the 5-year amortization already available for pollution equipment, plus half the investment credit. That is a privilege that no other area has. Even in the construction of child care facilities or low-income housing, the law only permits the 5-year amortization without any investment credit. So pollution control facilities are already in a very unique and privileged position.

We have to ask ourselves why we should go beyond this existing privileged position to the tune of $160 million on additional benefit to the major corporations.

Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania has 2 minutes remaining.

Mr. HEINZ. Mr. President, I do not intend to take those 2 minutes. I just want to observe that with respect to any investment tax credit change anybody is talking about here, two things can be said: First, if there is a competitive industry any investment tax credit claim should be passed along through reduced prices to the consumer.

Second, to those who object, as I think the Senator from Massachusetts does, to the investment tax credit, they are entitled to their objections. This does not happen to be an investment tax credit amendment. It happens to be an amendment to make those people who are eligible for treatment under section 169 eligible for the full investment tax credit.

The Senator's argument, it seems to me, is not so much with giving an incentive for pollution control as it is to the concept of the investment tax credit, and if that is the Senator's objection I can well understand it.

Mr. President, I do not see any other Senators interested in speaking, and I would be happy to yield back the remainder of my time.

Mr. LONG. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

Mr. HEINZ. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CULVER), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) and the Senator from Illinois (Mr. STEVENSON) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Iowa (Mr. CULVER) would each vote "nay."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) and the Senator from Alaska (Mr. STEVENS) would each vote "yea."

The result was announced—yeas 41, nays 47, as follows:

[Rollcall Vote No. 119 Leg.]

YEAS—41

Allen
Baker
Bellmon
Brooke
Chafee
Chiles
Curtis
Danforth
Dole
Domenici
Garn
Griffin
Hansen
Hatch
Hatfield
Hayakawa
Heinz
Helms
Inouye
Jackson
Javits
Laxalt
Lugar
Magnuson
Mathias
Matsunaga
McClure
Packwood
Pearson
Percy
Riegle
Roth
Schmitt
Schweiker
Scott
Sparkman
Stafford
Thurmond
Tower
Wallop
Weicker

NAYS—47

Anderson
Bayh
Bentsen
Biden
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Clark
Cranston
DeConcini
Durkin
Eagleton
Eastland
Ford
Glenn
Gravel
Hart
Haskell
Hathaway
Hollings
Huddleston
Johnston
Kennedy
Leahy
Long
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pell
Proxmire
Randolph
Ribicoff
Sarbanes
Sasser
Stennis
Stone
Talmadge
Williams
Young
Zorinsky

NOT VOTING—12

Abourezk
Bartlett
Bumpers
Case
Church
Culver
Goldwater
Humphrey
McClellan
Morgan
Stevens
Stevenson

So Mr. HEINZ' amendment was rejected.

AMENDMENT NO. 224

Mr. GRIFFIN. Mr. President, I call up my amendment No. 224.

The PRESIDING OFFICER. The amendment will be stated.

Mr. CURTIS. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. DECONCINI). The Senate will be in order. The clerk will suspend until the Sergeant at Arms is able to restore order.

The clerk will state the amendment.

The second assistant legislative clerk read as follows:

The Senator from Michigan (Mr. GRIFFIN) proposes an amendment numbered 224.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is this the amendment with the time limitation of a half hour?

Mr. GRIFFIN. Yes.

The amendment is as follows:

On page 64, between lines 10 and 11, insert the following new section:

"SEC. 206. COST-OF-LIVING ADJUSTMENTS IN RATES OF TAX, ZERO BRACKET AMOUNTS, AND PERSONAL EXEMPTIONS.

"(a) ADJUSTMENT IN RATES OF TAX.—Section 1 (relating to tax imposed), as amended by section 201(a) of this Act, is amended by adding at the end thereof the following new subsection:

" '(f) Cost-of-Living Adjustment.—

" '(1) Changes in amount.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the ratio which the price index for the preceding calendar year bears to the price index for the calendar year immediately prior to that preceding calendar year. Each dollar amount listed in the tables under subsections (a), (b), (c), (d), and (e) of this section shall be multiplied by such ratio and, as multiplied, shall be the amounts in effect under each such subsection for taxable years beginning in the calendar year in which such report is made.

" '(2) Definition.—For purposes of paragraph (1) the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.'

"(b) Adjustments in the Zero Bracket Amounts.—Section 63 (relating to the definition of taxable income), as amended by section 202(a) of this Act, is amended by adding at the end thereof the following new subsection:

" '(1) Cost-of-Living Adjustment.—

" '(1) Changes in amount.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the ratio which the price index for the preceding calendar year bears to the price index for the calendar year immediately prior to that preceding calendar year. Each dollar amount listed in subsection (d) of this section shall be multiplied by such ratio and, as multiplied, shall be the amounts in effect under such subsection for taxable years beginning in the calendar year in which such report is made.

" '(2) Definition.—For the purposes of paragraph (1) the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.'

"(c) Adjustments to Personal Exemptions.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

" '(f) Cost-of-Living Adjustment.—

" '(1) Changes in amount.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the ratio which the price index for the preceding calendar year bears to the price index for the calendar year immediately prior to that preceding calendar year. Each dollar amount in subsections (b), (c), (d), and (e) of this section shall be multiplied by such amount and, as multiplied, shall be the amounts in effect under each such subsection for taxable years beginning in the calendar year in which such report is made.

" '(2) Definition.—For purposes of paragraph (1) the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.'

"(d) Change in Filing Requirements.—Section 6012(a)(1) (relating to persons required to make returns of income), as amended by section 204 of this Act, is amended by adding at the end thereof the following new subparagraph:

" '(D) Each time the Secretary receives a report with respect to a cost-of-living adjustment under sections 63(i) and 151(f), the Secretary shall adjust each dollar amount—

" '(i) under subparagraph (A) to correspond to the cost-of-living adjustments made under sections 63 and 151, and

" '(ii) under subparagraph (B) to correspond to the cost-of-living adjustments made under section 151,

and such amounts, as adjusted, shall be the amounts in effect under each such subparagraph for taxable years beginning in the calendar year in which the Secretary receives the report.'

"(e) Withholding.—

"(1) Subsection (a) of section 3402 (relating to income tax collected at source), as amended by section 205 of this Act, is amended by inserting before the last sentence the following new sentence: 'Notwithstanding the previous two sentences, each calendar year the Secretary shall to the extent necessary modify the tables in effect under such sentences to reflect the full calendar year effect of the adjustments which the Secretary makes under sections 1(f), 63(i) and 151(f) during such year and such tables, as modified, shall apply with respect to wages paid during the period which the Secretary determines to be necessary to reflect such full year effect and the effect of the provisions of the two previous sentences.

"(2) Subparagraph (B) of section 3402(m)(1) (relating to withholding allowances based on itemized deductions), as amended by section 205(b)(2) of this Act, is amended—

"(A) by striking out "$3,200' and inserting in lieu thereof 'the dollar amount in section 63(b)(1)'; and

"(B) by striking out '$2,200' and inserting in lieu thereof 'the dollar amount in section 63(d)(2)'.

"(f) Technical Amendments.—

"(1) Section 21(e) (relating to effect of changes, as added by section 201(d)(2) of this Act, is amended by striking out 'and 202' and inserting in lieu thereof ', 202, and 206'.

"(2) Subparagraph (C) of section 402(e)(1) (relating to imposition of separate tax on lump sum distributions, as amended by section 202(b)(4) of this Act, is amended by striking out '2,200' and inserting in lieu thereof 'the dollar amount in section 63(d)(2)' ".

On page 64, line 11, strike out "206" and insert in lieu thereof "207".

On page 64, between lines 17 and 18, add the following new subsection:

"(c) Cost-of-Living Amendments.—

"(1) In general.—The amendments made by section 206 shall apply to taxable years beginning after December 31, 1976.

"(2) Reports.—The first report required to be made under sections 1, 63, and 151 of the Internal Revenue Code of 1954, as amended by section 206 of this Act, shall be made within 30 days after the date of the enactment of this Act and shall indicate the ratio which the price index for calendar year 1976 bears to the price index for 1975.".

On page 2, in the table of contents, strike out the item relating to section 206 and insert in lieu thereof the following:

"Sec. 206. Cost-of-living adjustments in rates of tax, zero bracket amounts, and personal exemptions.
"Sec. 207. Effective dates.".

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, I yield myself such time as I may consume.

INDEXING THE TAX RATES: AN INFLATION NEUTRALIZER

Mr. President, yesterday the Senate was offered the opportunity to vote on two amendments that would cut the existing tax rates. One amendment was offered by Senators Javits and Danforth, and the other was offered by Senator Roth. Both of those amendments were defeated.

This amendment does not go as far. It seeks instead to keep the tax rates we have from going up. It simply seeks to keep matters from getting worse.

I suggest that all who supported Senators Javits, Danforth, and Roth yesterday, and others who were not yet ready to vote for an actual reduction in tax rate should support this amendment which is designed to keep tax rates from rising—in effect and in fact.

The amendment I offer is a simple one—but it is one that can be of enormous importance to every taxpaying citizen in this country who is struggling to cope with unceasing hikes in the cost of living.

I call my amendment the "inflation neutralizer."

It would not end inflation. But it would neutralize the tax sting by automatically adjusting personal income rates, the personal exemption, and the standard deduction to reflect increases in the cost of living.

Enactment of my amendment would bring sensible relief in the future to millions of workers who are caught in the pernicious bind of getting a pay raise to keep pace with the cost of living, only to wind up in a higher tax bracket—with less purchasing power than before the raise.

As things now stand, the average American wage earner finds himself paying higher real taxes on less real income. In short, as he moves into higher brackets with no increase in purchasing power, he pays an inflation tax penalty which Congress does not debate or vote upon.

The unpleasant truth is that inflation—and the expectation of inflation—are on the rise again. When President Ford left office, the annual inflation rate was down to 5 percent—from a double-digit level of 13 percent when he took office.

Now, only 3 months later, inflation is climbing at a much faster note.

And who suffers when the cost of living rises? It is not the rich, who have the coupons to clip. It is not the big businessman, who has the resources and know-how to hedge against inflation.

Those who suffer most when the cost of living goes up are poor people; the widow living on social security; and others who try to live on a fixed or slowly rising income.

Sometimes I find that the impact of inflation is better understood if it is related to the sales tax.

When consumer prices go up one percent, for the average consumer, it is like adding another penny to the sales tax. And when the cost of living climbs 1 percent each month—which is almost the case right now—that is like slapping a 12-cent sales tax—in 1 year—on top of the sales tax we already pay—except that the regressive sales tax is less of a burden on lower income people because some items of purchase—usually food, drugs or services—are exempt.

The harsh penalty which inflation extorts, by itself, is bad enough. But our tax structure adds insult to injury.

While paychecks may look as if they have been increased—just because larger dollar numbers are written on them—we know that the value of those dollars has fallen, due to inflation. As those inflated numbers appear on the paycheck of the average worker, he is forced into higher tax brackets which require payment of a higher percentage of his income to the Government. As a result, the average worker actually ends up paying more real taxes with less real income.

A study done last year by the staff of the Joint Committee on Taxation clearly documents this trend. For example, the study indicates that—for each percentage point increase in the cost of living—the real burden of the personal income tax is hiked by 1.65 percentage points.

As our Federal tax structure is now designed, the Government actually profits by inflation—so much so that Federal tax revenues from all sources go up by 1.25 percent for every 1 percent increase in the cost of living.

That inflation profit for the Government—at current inflation rates—amounts to about $6 billion a year—money taken from our citizens almost by stealth, a nonlegislated tax hike.

Accordingly, the average workers of this country, those who pay most of the taxes into the Federal Treasury, are really snookered by inflation—even with an escalator clause in their wage contracts.

First, the worker loses because the Government is always a month or two late in reporting on the cost of living; then, his pay adjustments lag another 2 or 3 months behind that.

But the real "whammy" comes when he files his income tax return.

As the worker's pay goes up, three things happen: To begin with, larger and larger portions of his income become taxable. Second, a larger portion of his income becomes taxable at the highest marginal rate within his current tax bracket. And then, finally, the worker often finds that he has been bumped into the next higher tax bracket as well.

For example, a taxpayer with a $16,500 income in 1975 paid a 28 percent tax on the amount he earned over $16,000—in this case, on $500. If his income rises to keep pace with a 7 percent yearly inflation rate over the next 5 years, his total income will be $23,150.

But what will happen then? First, of course, he will still have to pay a 28 percent tax on all his earnings between $16,000 and $20,000. But now, those earnings, which had been just $500, will have risen to $4,000—all to be taxed at 28 percent. And, on top of that, he now will have to pay a 32 percent tax on anything he earns over $20,000 which will now amount to $3,150.

He has to pay all that extra tax—and yet his real income has not gone up a single penny.

So, you see, a politician who really favors more and bigger government—who would like to rake in more revenue for the Government to spend—without having to advocate a tax increase—can accomplish that purpose by merely pursuing economic policies that are inflationary.

As our former colleagues from Ohio (Mr. TAFT) phrased it last year, these extra revenues become a direct reward to Washington for producing the inflation in the first place.

Said Senator Taft:

> All a spending-oriented Congress has to do to get more money to spend is to spend more money. Then, it can sit back and wait for the resulting inflation to pay it handsome dividends.

Needless to say, the inflation dividend, which Government reaps through this process amounts to a burdensome inflation penalty for the taxpayer.

Of course, when wages go up to adjust for inflation, it should be expected that Government would receive proportionately more revenue. I agree that Government needs cost of living adjustments on its revenues when inflation pushes costs up. And that would be the case if it were possible for taxpayers to remain in the same tax bracket and pay the same tax rate. What I object to is an inflation bonus for the Government.

As our former colleague Senator Buckley has said:

> It is simply unconscionable that the Congress should permit the federal government to continue to reap a windfall profit from inflation while continuing to cause the inflation from which it profits.

So, I ask support for this amendment, which would adjust—or "index," as the economists call it—personal income tax rates, deductions and exemptions to compensate for increases in inflation.

In other words, if the cost of living goes up 10 percent in a taxable year, the tax brackets would also be adjusted automatically by 10 percent—so that you would not move into a higher bracket, just because you get a raise that merely allows you to stand still in terms of purchasing power.

The personal exemption and the standard deduction figures would also be adjusted by 10 percent. This is essential—as pointed out in an excellent study published last November by the Advisory Commission on Intergovernmental Relations—because the value of the personal exemption and standard deduction is eroded by inflation, particularly for those with low incomes or large families.

Such adjustments would still leave the Government with its own 10 percent "cost of living" increase in revenues. But it would deny the Government an extra 6½ percent "windfall profit" it gets now.

My amendment would become effective for the 1977 tax year. As soon as possible this year, and each January in succeeding years, the Bureau of Labor Statistics would report the increase in the Consumer Price Index over the preceding year. The Internal Revenue Service would then be required to adjust its tax tables and schedules accordingly.

My amendment would also require the necessary modification of the tables to adjust for taxes already withheld during 1977.

For a number of years now, tax experts have been recommending that we index our tax rates. Indeed, "indexing" the income tax has already been put into effect in a number of other countries including Canada, Brazil, France, West Germany, and Israel.

Let us look at another example—a married taxpayer with a 1975 adjusted gross income of $10,000 and four exemptions.

Filing a joint return, and using the standard deduction and all his allowable exemptions, Federal income tax liability for 1975 worked out to $709, for an effective tax rate of 7.1 percent.

But by 1980—assuming inflation increases by 7 percent a year, and that his salary exactly keeps pace by rising the same 7 percent a year, going up to $14,000—his effective tax rate will be up to 10.2 percent. More astonishingly, while his income will have risen 40 percent, his actual tax due will be more than double what he paid in 1975—leaving him $310—or more than 2 percent—poorer, in terms of real income, than he was 5 years before.

Thus, in just 5 years, this taxpayer will have suffered a severe double whammy—his real income will have declined 2½ percent, while inflation has soared 35 percent.

Similarly, a taxpayer earning $15,000 in 1975, whose income goes up to $21,000 by 1980, will find himself 3.1 percent poorer. A taxpayer with a $30,000 income in 1975, even with a raise to $42,000 by 1980, will be 5 percent behind where he was.

However, for the four-member family earning just $6,000 in 1975, the effects of inflation are the worst of all. After 5 years, they will suffer a 7.4 percent cut in real income.

What these taxpayers need—and millions of others like them, in every tax bracket—is an inflation neutralizer just to keep even.

That is what my amendment is all about.

No wonder the American taxpayer is baffled and resentful. No wonder he feels like the person who tried to climb a ladder in a bog. For every step the wage earner takes up the economic ladder, the ladder settled deeper into the bog—and with each rung he finds himself climbing not up, but sinking into the ground.

What are the nationwide economic consequences of our failure in Congress thus far to adjust tax rates for inflation?

Prof. Thomas Dernberg recently prepared a study on indexing for the Joint Economic Committee. He concluded that creeping tax rates, rising because of inflation, and uncorrected following the tax cut of 1971, overtaxed the public and actually contributed to the recession of 1974.

Professor Dernberg said:

> The various considerations discussed in this paper suggest that an indexed personal income tax would have helped to avert the collapse of 1974, that it would tend to stabilize the level of economic activity, that there is little presumption that it would contribute to inflation, and that it might, indeed, do the opposite if it relieved cost and supply pressures.

Thirty billion dollars in overtaxation occurred from 1971 to 1974. But the 1974 recession cost the Government over $100 billion in lost tax receipts and higher unemployment compensation, and cost the country several hundred billions of dollars in lost income.

Every year that we continue the failure to index taxes, effective tax rates go up—which drain about $6 billion out of the economy, causing GNP to grow less than it should. Therefore, over a period of time, Federal revenues grow less without indexing than they would if indexing were put into effect. Indexing would stabilize the economy by preventing unintended tax increases at the beginning of recessions. So, indexing would really save the Government billions of dollars more than it costs.

So long as we do not have indexing, the average taxpayer is likely to find himself each year in a higher tax bracket, paying a higher tax rate on his last few dollars of earnings. What does that do to his behavior? What does it do to the economy?

Higher tax rates on the last few dollars of income leave workers with less of their overtime pay to take home after taxes. The higher tax rates tend to discourage extra work effort and encourage leisure. The higher tax rates encourage the self-employed to work less and to take longer vacations. This reduces output, and that adds to inflationary pressures.

Higher tax rates on the last few dollars of income leave people with less of the interest earned on their savings. This encourages consumption and reduces the incentive to save.

It is a disturbing fact that the United States has the worst savings record of any developed nation. The Organization for Economic Cooperation and Development reports that household savings rates in the United States are between 6 and 8 percent of income. The rest of the developed world runs at rates ranging from 10 to 12 percent in Canada, to 24 to 26 percent in Japan.

The consequence of our low rate of savings is a low rate of investment. During the last 15 years, U.S. investment as a percent of GNP was the lowest in the West. Other developed countries invested at rates 15 to 50 percent higher than in the United States. We invested 14.8 percent of our GNP between 1960 and 1975. Japan invested 28.6 percent.

It may come as a surprise to many that, so far as the improvement of real wages is concerned, the record of the United States in recent years is the worst among Western countries. During the period 1967 to 1975, real wages in the United States rose 11½ percent. In Canada, real wages during the same period rose 27 percent, the next lowest gain. In Switzerland, Britain, Sweden, France, Denmark, the Netherlands, Belgium, and Germany real-wage gains ranged from 37 to 73 percent. In Japan during that period, real wages rose 98 percent.

I ask that a table documenting these numbers be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRIFFIN. The more we allow marginal tax rates to creep up because of inflation, the less we save, the less we invest, the less our wages rise, and the less chance we have of keeping our promised social security payments intact.

President Carter has said that our national tax system is "a disgrace." It certainly is. It raises tax rates without a vote in Congress. It penalizes work effort. It reduces savings. And as a result, it reduces job formation and retards wage increases.

In and of itself, my amendment would not solve the problem of inflation and lagging wages and employment—that is something we must address on a long-term basis in the months ahead.

But at the very least, my amendment would keep the tax rate situation from getting worse. If enacted, it would prove to be a measure of fairness and equity for the citizen who is not supposed to be taxed without representation.

Mr. President, I believe this is an amendment whose time has come. The Senate would do itself and the country great credit if it were adopted.

EXHIBIT 1

[In percent]

	Household savings ratios, 1976 (estimated) OECD	Investment as a percent of GNP excluding homebuilding 1960–75, BLS	Cumulative, real hourly compensation in manufacturing, increases 1967–75, BLS
United States	6–8	14.8	11.5
Canada	10–12	19.8	26.8
Japan	24–26	28.6	98.0
Belgium	NA	17.8	73.0
Denmark	NA	19.4	59.2
France	16–18	19.4	58.1
Germany	14–16	21.8	73.3
Italy	22–24	16.4	104.8
Netherlands	NA	21.4	70.3
Sweden	NA	19.2	47.2
Switzerland	NA	21.2	37.1
United Kingdom	12–14	16.9	40.2

NA=Not available.

Mr LONG. Mr. President, some taxes in relative terms tend to go down because of inflation. For example, the gasoline tax of 4 cents a gallon brings in, relatively speaking, less money because of inflation, although the income tax, which is the main government source of revenue, the number one source, brings in more because of inflation for the reasons the Senator has explained.

Mr. President, Congress is constantly adjusting these laws to take inflation and all other relevant factors into account. We did it last year with the Tax Reform Act. We did it in 1969 with the Tax Reform Act. We did it with revenue acts in 1975. In just about every Congress we pass a major revenue bill and we look at the changes in the cost of living, at our budgetary situation, and we adjust to take into account all the kinds of things the Senator has talked about.

Where is the big interest in that indexing amendment? It is with those who are in the high tax brackets because they have a lot of income. I can appreciate that situation. It is my good fortune to be in a high tax bracket because I have a substantial amount of income. Those are the people who feel if we index all this thing they will get a better break because, when Congress looks at it, Congress tends to favor the low income people and the middle income people, especially the lower part of the middle-income brackets, families with a considerable number of children, aged people, various and sundry people who are having a difficult time getting by and who are hardest hit by the inflation.

I do not know why, Mr. President, we need to pass something that would automatically assure those in the upper income brackets and the upper part of the middle income brackets that they will not be adversely affected by inflation. All kinds of people are adversely affected by inflation, including a lot of poor ones.

If this amendment is agreed to it will give us a constant problem of trying to balance our budget. Every time inflation hits us, with all the many curses it brings to us it at least does tend to ease our budgetary situation. It tends to bring in some additional money, more than expenses, at least temporarily. At least to that extent we get something to help offset some of the many problems that inflation brings to us.

If this amendment is agreed to, using the 5.8 percent increase in the cost of living that occurred between 1975 and 1976, it would cost $5 billion to the Treasury. We cannot stand that kind of loss of revenue. It would mean every time we turn around, as long as we cannot control inflation, the budget would be badly out of balance. There would be a tax advantage by protecting those in high income tax brackets from inflation to a greater extent than they would be protected by inflation by the action of Congress when the Congress reviews it.

I am in favor of reducing these ridiculously high tax rates. I think it is counterproductive to tax income on individuals more than 50 percent. The Treasury is going to recommend that the tax rates be reduced. I hope they will recommend reducing them at least to the extent I think fair. I think a 50-percent individual tax rate is as high as we ought to go unless we want to be just counterproductive, where we just meet ourselves coming back. We are going to have a reduction in rates and we are also going to have some tightening up in areas where some people, particularly the Treasury, feel that people are getting too many deductions and too many tax credits, more than they have coming to them.

All this business, Mr. President, ought to be considered in connection with the Tax Reform Act. To agree to this now is just to jump the gun and try to do something that would be well received by people in the upper tax brackets, but that is of no real interest to people in the lower tax brackets, or at least 50 percent of the taxpayers who are not doing very well.

Sure, we shall have to adjust the tax laws for inflation when inflation occurs, but to do it this way really means, in the last analysis, that those who are in the upper brackets probably will do a little better, and the lower half of the people—who, after all, are hurt by inflation like everybody else—will do a little worse. It creates fiscal problems for our Government.

Under those circumstances, Mr. President, this should not be agreed to. There is no way that this amendment could become law. I have not the slightest doubt that if it is passed by the Congress, the President will veto it. As a matter of fact, Mr. President, we had a conservative Republican and a conservative businessman, and a good man, whom I highly admire, heading the Treasury for the last several years, Mr. Bill Simon, a great Secretary of the Treasury, a fine man if you believe in the Republican philosophy.

Those are very fine people over there. They are right many times—not always, but every now and then they are right about some matters, sometimes even more right than some of us. But they could not even persuade Bill Simon, a conservative businessman and a Republican investment banker, to go along with this.

That being the case, why should we agree to it? What chance do we have for President Jimmy Carter to sign it if we could not persuade President Ford's administration to support something like this?

Mr. President, I am willing to consider it and talk about it as part of a tax reform bill, but it has no place in this bill, and I hope the Senate will not agree to it.

Mr. GRIFFIN. Will the Senator yield to me on his time?

Mr. LONG. I yield on my time.

Mr. GRIFFIN. Thereafter, perhaps he can yield a minute or 2 to the Senator from Nebraska (Mr. CURTIS).

It is always an appealing argument for an opponent to get up and say what that the proponent is really trying to benefit those in the high income brackets. But I challenge that argument. Let me refer to a study on indexing entitled "Inflation in the Federal and State Income Taxes." The study was published by the Advisory Committee on Intergovernmental Relations, set up by the Commission on Intergovernmental Relations, on which Senator MUSKIE and some of our other colleagues serve. I want to read from their report on this subject:

> Inflation is especially hard on low-income families and all families with many dependents because it erodes the value of personal exemptions, the low-income allowance, the maximum limit of the standard deduction and per capita credits. After one year of 7 percent inflation, the value (in constant dollars) of a $750 personal exemption falls to $701, the $1,600 low income allowance falls to $1,495, the $2,600 maximum standard deduction for married persons falls to $2,430. The income tax impact of the decline in the real value of personal exemptions increases with family size. The relative increase in tax liability because of the effect of inflation on all these variables will be greater for lower income taxpayers (with the exception that those with very low income may still owe no tax even after inflation erodes the value of these tax features).

Mr. LONG. Mr. President, I hope the Senator is not going to filibuster on my time.

I am going to say to the Senator from Michigan what the Master said to Pontius Pilate. He said, "Thou sayest it." I always construed that to mean, "That is your opinion. If you think that and it makes you happy, go right ahead and think it; it is all right with me."

That is not what even Mr. Bill Simon thought about the measure, a conservative investment banker. He would not go along with this. If he will not go along with it, why should we ask the Democrats to go along with it, or, for that matter, why should the liberal Republicans go along with it?

Mr. President, I am sympathetic to the Senator's intentions and I am going to try to help to reduce these ridiculously high rates, but I do not think it ought to be a part of this bill.

Mr. GRIFFIN. Will the Senator yield 2 minutes to the Senator from Nebraska?

Mr. LONG. Yes.

Mr. CURTIS. I thank my distinguished chairman.

Mr. President, I call attention to the fact that our objective in voting on every tax measure should be to do justice. Then, if it results in a loss of revenue, it should be picked up by taxing everybody evenly. We should never refrain from correcting things in the tax law because of the revenue involved. We should never collect revenue by an injustice. It is not right not to do something about this inflation gain to the Government.

Here is another thing: This will not reduce present revenues by 1 cent. What it will do is prevent the Government from unjustly gaining if the Government keeps the inflation fires going.

Mr. GRIFFIN. May I add another sentence to that? There would be no loss of revenue whatsoever if the Government pursued policies and programs that were not inflationary.

Mr. CURTIS. But even if they go on with their inflation program, this will not cut present taxes. It will just take the profit out of them for the Government.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I have a few questions. Will the Senator yield to me?

Mr. LONG. Yes, I yield.

Mr. KENNEDY. Since 1969, has not the Finance Committee expanded the standard deduction, increased the personal exemption, and has also provided the general credit to attempt to meet the problems of inflation for low-income and for middle-income people. I have two other very quick questions.

Second, if we are really interested in the problem of indexing, would we not, in order to keep the system in balance, have also to consider inventories, municipal bonds, other kinds of savings, in order that we not get the system completely out of balance? It seems if we are going to go part way on this, we would have to seriously consider going all the way, or will find ourselves seriously out of balance in other areas.

Finally, will the Senator not agree with me that if we are in an inflationary period, this might be exactly the wrong fiscal policy to follow. It might inflate the economy to an even greater extent, at a time when sound economic policy would call for no tax cut, or even a tax increase? I am interested in the observations the manager of the bill has.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LONG. I agree with the Senator that the answer is yes on all three questions. I think there are many reasons why the amendment should not be agreed to at this point.

Mr. MUSKIE. Will the Senator yield?

Mr. LONG. How much time does the Senator require?

Mr. MUSKIE. Thirty seconds.

Mr. LONG. Yes, I yield.

Mr. MUSKIE. I suggest that if we index all the spending programs and index all the tax programs, we could eliminate not only the Budget Committee but Congress, because 77 percent of the budget is now uncontrollable on the spending side. This would have a tendency to move us into lack of control on the revenue side.

Maybe that is the way to do it. We would have no more Christmas tree tax bills, no more Christmas tree appropriations bills. We could simplify the whole process. We would not have to think about it. But we do not know what kind of monster we are unleasing on the economy.

Mr. LONG. I am trying to keep this from being a Christmas tree bill, but if this amendment goes on here, I cannot say it will not be that. This is not the kind of thing that ought to be agreed to out here on the floor, after scant debate. It ought to be seriously considered, and the questions of the Senator from Maine and the Senator from Massachusetts cannot be resolved in just a few minutes on the floor. The amendment should not be agreed to.

Mr. MUSKIE. Will the Senator yield for another 15 seconds?

Mr. LONG. Yes.

Mr. MUSKIE. The estimate of the cost of this amendment depends upon the estimate of the rate of inflation. If we assume a 6-percent rate of inflation, the cost of this amendment will be $6 billion.

Mr. LONG. That is $6 billion next year, in addition to the other costs we have in this bill.

Mr. HATCH. Mr. President, I rise in support of this amendment to neutralize the harmful effect that inflation has on the tax burden of all Americans. The Joint Committee on Taxation has found that every time inflation drives up the price level by 1 percentage point, the personal income tax burden on the taxpayer rises by 1.65 percent. So the taxpayer is hit both ways. As the result of inflation, he gets higher prices and higher taxes.

It is true that inflation causes the costs of Government programs to rise too, and that the Government needs more money to cover these higher costs. But the way it is working now is that the Government benefits from the inflation. Its tax revenues do not just go up by 1 percentage point when inflation rises by one point. Instead, the tax revenues go up by 1.65 times the inflation. This means if prices rise by 10 percent, tax revenues rise by 16½ percent. So the Government always comes out ahead.

This indexing amendment will not stop the Government's tax revenues from rising with inflation. It just stops them from rising faster than inflation.

As long as the Government benefits from inflation, the big spenders have a stake in inflation. Without this amendment, inflation allows big spenders to raise additional tax revenues without having to legislate the increase in taxes. This Congress cannot get inflation under control as long as it has a stake in inflation. This amendment will end the stake that the big spenders have in inflation, and thereby return the American people to a stable price level.

This important amendment will make a second contribution to economic stability, because it will stop taxes from going up during recession. Recently we have had our worst inflation during periods of recession, and that means a triple-whammy for the taxpayer. At the same time that his cost of living and tax burden rises, his economic opportunities decline.

Mr. President, this amendment is in the interest of every American in the country, except for the big spenders in Washington. The outcome of the vote on this amendment will show whose interests are represented in Washington.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that, in connection with amendment No. 224, the Record show that Senators Roth, Hatch, and Goldwater are cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from Minnesota (Mr. Humphrey), the Senator from Arkansas (Mr. McClellan), and the Senator from Minnesota (Mr. Anderson) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. Morgan) and the Senator from Illinois (Mr. Stevenson) are absent because of illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Anderson), the Senator from Iowa (Mr. Culver), the Senator from North Carolina (Mr. Morgan), and the Senator from Minnesota (Mr. Humphrey) would each vote "nay."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. Case), the Senator from Arizona (Mr. Goldwater), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. Bartlett) is absent due to illness.

On this vote, the Senator from Alaska (Mr. Stevens) is paired with the Senator from New Jersey (Mr. Case). If present and voting, the Senator from Alaska would vote "yea" and the Senator from New Jersey would vote "nay."

The result was announced—yeas 24, nays 63, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—24

Baker
Chafee
Curtis
Danforth
Dole
Domenici
Garn
Griffin
Hansen
Hatch
Hatfield
Helms
Laxalt
Lugar
McClure
Packwood
Percy
Roth
Schmitt
Scott
Thurmond
Tower
Wallop
Young

NAYS—63

Allen
Bayh
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Clark
Cranston
DeConcini
Durkin
Eagleton
Eastland
Ford
Glenn
Gravel
Hart
Haskell
Hathaway
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pearson
Pell
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Sparkman
Stafford
Stennis
Stone
Talmadge
Weicker
Williams
Zorinsky

NOT VOTING—13

Abourezk
Anderson
Bartlett
Bumpers
Case
Church
Culver
Goldwater
Humphrey
McClellan
Morgan
Stevens
Stevenson

So Mr. Griffin's amendment was rejected.

UP AMENDMENT NO. 169

Mr. KENNEDY. Mr. President, I send to the desk an amendment on behalf of myself and the distinguished Senator from South Carolina (Mr. Thurmond).

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. Senators will please clear the aisles.

The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. Kennedy), for himself and Mr. Thurmond, proposes an unprinted amendment number 169.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

DISALLOWANCE OF FIRST-CLASS AIR TRAVEL AS A BUSINESS EXPENSE TAX DEDUCTION

Section .(a) In General.—Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting immediately after subsection (g) the following new subsection:

"(h) First-Class Air Travel Expenses.—Notwithstanding the provisions of this section or section 212 (relating to expenses for production of income), no deduction shall be allowed for any expense paid or incurred for the transportation of any person by commercial aircraft in excess of an amount which is equal to the lowest priced, generally available, unrestricted fare, tariff, or ticket for such person on the same aircraft to the same destination at the same time of day and at the same time of year, as determined by the Secretary or his delegate.".

(b) Disallowances of Travel by Supersonic Commercial Aircraft as a Business Expense Tax Deduction.—Notwithstanding the provisions of section 162 (relating to trade or business expenses) or section 212 (relating to expenses for production of income) of the Internal Revenue Code of 1954, no deduction shall be allowed for any expense paid or incurred for the transportation of any person by supersonic commercial aircraft in excess of an amount which is equal to the retail price of the lowest priced, generally available, unrestricted fare, tariff, or ticket for the transportation of such person by nonsupersonic commercial aircraft to the same destination at the same approximate time of day and at the same time of year, as determined by the Secretary or his delegate.

(c) Disallowance of First Class Travel by Officers and Employees of the United States Traveling on Appropriated Funds.—No funds appropriated by any Act of Congress may be obligated for the transportation of officers and employees of the United States by commercial aircraft in excess of an amount which is equal to the lowest priced, generally available, unrestricted fare, tariff, or ticket for such person on the same aircraft to the same destination at the same time of day and at the same time of year, as determined by the Secretary or his delegate. If there is no such fare ticket, the preceding sentence shall be applied in accord with regulations of the Secretary.

(d) Effective Date.—The amendments made by the section shall apply with respect to transportation that begins after December 31, 1977.

AMENDMENT IN THE SECOND DEGREE

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JOHNSTON. Mr. President, I ask unanimous consent—by agreement with Senator Kennedy—that it be in order for me to call up an amendment in the second degree; that debate be limited to 10 minutes, 5 minutes on each side on the amendment in the second degree.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSTON. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the conclusion of the Kennedy amendment add a new title.

TITLE : SACCHARIN CONTROL

This title may be cited as the "Saccharin Control Act of 1977".

Sec. 701. Congress hereby finds—

(a) that saccharin has been an important food supplement for approximately eighty years in the diet of many Americans;

(b) that the evidence suggesting a connection between saccharin and cancer in humans is inconclusive; and

(c) that removal of saccharin from the market based upon such inconclusive evidence would be unfair to the large number of Americans who have traditionally used this food supplement.

Sec. 702. (a) The Secretary of Health, Education, and Welfare shall conduct a study on the safety of saccharin. There shall be authorized to be appropriated such sums as shall be necessary for the conduct of this study, and the Secretary shall conduct the study over that period of time required for meaningful findings. In no case shall the study be concluded in a period of time less than one year from the date of enactment of this law.

(b) In conducting this study, the Secretary of Health, Education, and Welfare shall make available the opportunity to any and all interested parties to communicate their views on the subject to the Department of Health, Education, and Welfare, which shall consider such views.

(c) The Secretary of Health, Education, and Welfare shall insure that relevant literature on saccharin and on past research on this subject has been reviewed.

(d) The Secretary of Health, Education, and Welfare shall be authorized to consult and contract with such medical and scientific experts as he deems necessary in the course of conducting this study.

SEC. 703. The Secretary of Health, Education, and Welfare or any other governmental official shall be hereby prohibited from promulgating any proposed or final regulations limiting, restricting, or modifying the use of saccharin prior to the completion of the study required in section 2 and to the submission of a final report by the Secretary to the Congress. Such report will show detailed findings of the Secretary and shall make recommendations with regard to saccharin.

SEC. 704. Any final regulations submitted regarding limitation, modification, or restriction on the use of saccharin subsequent to the filing of the report required by section 3 shall not take effect for ninety days. During this time, either House of Congress may disapprove such regulations by a majority of those present and voting.

Mr. JOHNSTON. Mr. President, this amendment relates to saccharin. It would do five things. It requires a study by the Secretary of Health, Education, and Welfare on saccharin, including the original research and a review of the past research.

Second, at least 1 year would be set aside for such a study, because it would be virtually impossible to conduct new meaningful research in a shorter period of time.

Third, after the study, the Secretary would submit his findings to Congress.

Fourth, no regulations limiting, restricting, or modifying the use of saccharin would be lawful prior to the completion of this study and the submission of a report to Congress.

Finally, the final regulations, if there are any, would not take effect for 90 days, during which the regulations could be disapproved by a majority vote of either House of Congress.

Mr. President, the Members of the Senate, I believe, are well aware of the controversy surrounding saccharin. This amendment would provide an orderly process for determining the proper American policy with respect to the use of saccharin. It will provide for original research in this country. It will provide for a study of the Canadian findings, on which our initial findings were based. It would offer an opportunity to those who believe that the use of saccharin should be limited only on the basis of more definitive research an opportunity to be heard and to present the case both ways.

Mr. President, many Americans rely on saccharin as a dietary control mechanism. We have all heard about the Canadian findings and about what appears, at least to the layman, to be the inordinate amount of saccharin that was fed to rats. I will not make the usual jokes about how many cans of dietary cola a rat would have to drink to get cancer. Some people who are familiar with the scientific research say that it is perfectly acceptable scientific policy.

All I am saying is that before we undertake to ban saccharin or to allow it to be banned in this country, it should be done only following a very definitive study, one that would take a year to take place.

I might add for those who would say that we should ban saccharin now that saccharin has been on the market in excess of 50 years, and whatever harm it has done in the past is certainly not overwhelming. The evidence is certainly not so overwhelming of its harm, if any, that we need to rush into taking these steps. This kind of study would be the kind of scientific approach that I think this country owes to the American people. I hope this amendment will be accepted.

Mr. KENNEDY. Mr. President, I assure my friend and colleague, the Senator from Louisiana, that I share his very deep concern over the consequences of the recent FDA decision to prohibit the use of saccharin as a food additive. The FDA's announced intention to make saccharin available as an over-the-counter drug does not resolve the important public policy issues raised by the Agency action.

The Senate Health Subcommittee, both Democrats and Republicans, have requested that the Office of Technology Assessment set up a panel, to do a very extensive and exhaustive review of the methodology that was used in the Canadian experiment, the validity of extrapolating from large to small doses in projecting the consequences of saccharin use, and the validity of making inferences about human use from animal experiments. The panel has been established. At the present time, it has three Nobel laureates serving directly or as ex officio members. They are distinguished members of the research community. They have the talents necessary to accomplish the tasks stated above, and also to evaluate the potential benefits of saccharin use. This latter task is also extremely important. We expect to hear from the panel in early June. We are going to have a hearing at that time.

We are extremely mindful of our responsibilities in this area. We welcome, as any committee does, the recommendations, suggestions or comments of any of our Members as we attempt to deal with an extremely complex and involved issue affecting the public health and the well-being of the American people.

This is an extremely complex issue. It involves, on the one hand, billions of dollars for industry and, on the other hand, it involves a chemical which may constitute significant health threat to great numbers of American people. That threat may not be so obvious today or tomorrow. It might not become apparent until 10 years down the road. So we are mindful of these concerns. They have been expressed to us by thousands of Americans and have been expressed by our colleague.

I am delighted to have the opportunity to discuss the actions we intend to take and are taking in the Senate Health Committee, and we would welcome the opportunity to keep the Senator informed as well as to keep the membership informed as we proceed.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. Yes.

Mr. JOHNSTON. The Senator is telling me and assuring this body that OTA will make the kind of exhaustive study which my amendment requires?

Mr. KENNEDY. Well, I think very definitely, Mr. President. It will attempt a benefit-risk evaluation of saccharin use. It will also evaluate potential alternative artificial sweeteners, with the latest information that is available to the scientific community.

I think it will be very extensive indeed.

I want to assure you on that point.

I also assure you that under the procedures which prevail within the Food and Drug Administration—and I see here my good friend and colleague and our ranking minority member on the subcommittee, Senator SCHWEIKER, and I wish he would join in this colloquy as well—that the FDA will also be able to consider the OTA report, for the panel will report before final regulations are issued.

I would finally say that the establishment of this panel and the study itself have the support of the Secretary of HEW. We stayed in close contact with the Secretary, and we also act with the knowledge, understanding, and general support of the new Director of the Food and Drug Administration, Dr. Kennedy.

The PRESIDING OFFICER (Mr. DE CONCINI). The Senator's 5 minutes have expired.

There are 2 minutes remaining to the Senator from Louisiana.

Mr. JOHNSTON. I would like to ask two more questions and then I will yield to the Senator and be finished.

Is the Senator also telling me that based upon this study of OTA that the Committee on Human Resources, the Health Subcommittee, will then hold hearings and will make recommendations and, based on those recommendations, either in the form of legislation or in the form of no legislation, that this body will have time to work its will should we disagree with those regulations?

Mr. KENNEDY. That is certainly the intention of the Health Subcommittee and is the intention of the Office of Technology Assessment.

Mr. JOHNSTON. So that those who at least tentatively would disagree with the proposed ban on saccharin will have a chance to see the full study, to have the benefit of the recommendations of the Senator's committee, and then if we disagree, we can come back and work our will in this body through an amendment or through an original bill before the ban on saccharin goes into operation.

Mr. KENNEDY. Before the final effect of the ban.

The only question on which we cannot be certain, is whether the food industry will appeal the decision itself. It would be incomprehensible to me if they did not, if they simply let the ban go into effect. If they appeal, and appeal successfully, we are talking about a year and a half before the ban becomes effective.

We have been sensitive to the fact——

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. KENNEDY. Mr. President, I yield 3 minutes on the other amendment to myself.

We are sensitive to the industry's problems, we are aware of them. We have been in touch with various industries.

Mr. JOHNSTON. So those of us who suffer with weight problems and have to have Sweet 'N Low and Tab, whatever, to control that, we can be sure we have a year and a half probably within which to ingest saccharin and we will have a chance to see the study, to have the recommendations, and if we disagree to bring legislation to the floor?

Mr. KENNEDY. I cannot give the Senator assurances about what the industry may or may not do in the future, but I can assure him that we will have these hearings. We will work with the Senator, and I am sure we will have a vehicle that will be available at some time in the future for the Senate to work its will if the Senator is not satisfied.

I would ask my ranking member on the committee, Senator SCHWEIKER, who has been very, very involved, intimately involved, with both the request for the study and the nature of the hearings to make whatever comment he wishes, and I yield him 4 minutes for that purpose.

Mr. SCHWEIKER. I thank the chairman, the Senator from Massachusetts, for yielding.

I just want to pretty well confirm what he said to the Senator from Louisiana in that this is a question I have already asked the chairman of our subcommittee, and he has given me the same assurance he has given the Senator from Louisiana about having time to act when this panel reports, and after hearing has been held, before any precipitate action occurs by the Government.

I have been given that assurance by my chairman, by Senator KENNEDY.

I might say I share some of the same concerns the Senator from Louisiana has shown. I have put in a bill that would, in essence, give the Secretary the right to overrule a decision if the benefits of using a product outweigh the risks, so I hope maybe he will be a cosponsor of my bill.

I do intend to take some action of some nature after we hear from the CIA panel, so I assure him I share much of his concern.

We do have an assurance from the chairman that we will be given time to act in a logical way after we hear this report. I do not think this report will go into the detail and depth that the Senator has in mind for a study since the 60-day study is only a study and overview of the current studies that have already been made, but I think it will be helpful because it will address itself to the benefit and risk ratio, and it will give some scientific judgment about this study versus other studies. So I think it will be helpful.

Mr. JOHNSTON. Mr. President, will the Senator yield to me for just 1 minute?

Mr. KENNEDY. One minute.

Mr. JOHNSTON. Mr. President, based upon these assurances, I am prepared to withdraw my amendment, not because I am convinced that saccharin ought to be banned but because I am convinced that the committee is going about this with the kind of open mind and the kind of in-depth consideration that a decision of this depth and magnitude the American people deserve.

While the 60-day study does not fully satisfy me as to depth, breadth, and length, it will at least give the committee the opportunity toward a further study if that is indicated or to disapprove the proposed regulations. It will give the committee that full range of alternatives which, I believe, are open to them, and if this body then disagrees with the action of the committee or the action of the OTA, we will have time, as I understand it, within which to enact this kind of bill or the kind of bill that the Senator from Pennsylvania proposes.

So, based on that, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

All time has expired.

Mr. KENNEDY. I thank the Senator.

UP AMENDMENT NO. 169

Mr. KENNEDY. How much time do we have?

The PRESIDING OFFICER. How much time do we have?

The Senator has 10 minutes remaining.

Mr. KENNEDY. Well, I yield myself 4 minutes, and then I yield 4 minutes to the Senator from South Carolina.

Mr. President, this amendment is a very simple, a very basic, and a very fundamental amendment. It attempts to in a preliminary way deal with a matter which is of considerable concern to the American people, and that is the issue of expense account living. That has been troublesome to the American taxpayer for a number of years, and the problem is getting worse.

The purpose of the amendment is to disallow as a deductible business expense the excess of commercial first-class air travel fare over coach fare; coach fare would remain deductible. It would also prohibit the use of appropriated funds for first-class air travel by Members of Congress and Federal officers and employees.

Based on CAB estimates of first-class air travel in calendar year 1977, the amendment will produce a revenue gain of approximately $400 million a year.

Mr. President, the Internal Revenue Code allows a tax deduction for "ordinary and necessary" business expenses. Over the years, the deduction has been abused in some cases as a subsidy for "expense account living." Travel and entertainment expenses have been a particular and continuing source of controversy, confusion, and injustice in this aspect of the tax law.

With a corporate tax rate of 48 percent, each dollar of deductible expenses saves the corporation 48 cents in tax. In the case of first-class travel, the Treasury, and therefore the average taxpayer, pays half the cost of the first-class ticket. For high bracket individuals, the saving is even greater—the Treasury may pay up to 70 cents of each dollar of expenses.

It is a legitimate business decision to travel by air instead of by car or train or bus or ship. But once the decision is made to travel by air, the business objective is achieved by traveling in coach class. The front end and the rear end of the airplane arrive at the same time and in the same place. The additional cost of first-class travel is primarily a luxury item and should not be deductible.

There are many precedents for the amendment. The Internal Revenue Code and Regulations contain detailed rules limiting deductions for foreign travel and for luxury items like yachts, hunting lodges, gifts and entertainment. These areas of existing law denying business deductions are far more complex than the present proposal. In addition, in the Tax Reform Act of 1976, Congress enacted specific limits on the deduction for foreign conventions.

Since the amendment is likely to increase the demand for coach class seats, the airline industry will meet the demand and the traveling public will benefit. A first-class seat now takes up the space of 1½ coach seats. As airlines modify their cabin space, the total number of available seats per plane will increase, thereby relieving the crowded conditions and waiting lists that coach passengers now endure, and producing a more rational allocation of space throughout the entire airplane.

The amendment may well lead to lower air fares. In California and Texas, intrastate airlines have been offering all-coach service for several years at fares that often average 50 percent less than CAB-regulated interstate airlines. The all-coach configuration is a significant element in the success that intrastate airlines have had with low cost air transportation. To the extent the amendment facilitates this development, citizens will benefit as both taxpayers and travelers.

Thus, the amendment is justified on grounds of both tax equity and airline efficiency. The large annual Treasury subsidy for first-class air travel should be ended. Moreover, the revenue gain from the amendment can be used to offset the revenue losses from other amendments added to the bill during the recent floor debate.

I yield 4 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, this is a very simple measure with a simple, but beneficial, effect. Also, it is one of the very few legislative initiatives heard on this floor recently which has the effect of raising revenues.

This amendment does not affect travel by rail, ship, or private aircraft. It does not affect meals, hotels, or entertainment. It does not affect coach-class travel. It merely eliminates, as a business expense tax deduction, the difference between first-class and coach-class airfare.

Under current law, the American taxpayer is subsidizing business travel by up to 70 percent. The marginal tax rate for corporations is 48 percent. This means that the Treasury, and therefore the taxpayer, must foot the bill for up to 48 percent of corporate business travel. With high bracket individuals, the marginal rate goes up to 70 percent. Therefore, the Treasury subsidizes up to 70 percent of private business travel.

The elimination of first-class airfare business expense, based on estimates by the Civil Aeronautics Board, will result in an annual tax savings of $400 million. A large number of Senators are cosponsoring legislation which would require that the Federal budget be balanced.

President Carter has announced that balancing the budget is one of the primary goals of the administration. Now, there are many legislative provisions which create a revenue loss but which are necessary as economic stimuli. To offset these revenue losing measures, it is well to consider revenue raising measures. This amendment will create a revenue gain of approximately $400 million a year, and, thereby, advance the struggle for a balanced budget.

Mr. President, as the joint news release by the bills' authors accompanying the introduction of S. 1236 stated,

> It is a legitimate business decision to travel by air instead of by car or train or bus or ship. But once the decision is made to travel by air, the business objective is achieved by travelling in coach class. The executive travels on the same flight, and arrives at the same time and in the same place. This is all that is required to implement the valid business decision, and it is all that should be allowed as a deductible business expense. The additional cost of first class travel is primarily a luxury item and should not be deductible.

Another aspect of this amendment is that it also prohibits the use of appropriated funds for first-class air travel by Members of Congress and Federal officers and employees. It is quite proper that Federal officials should adhere to the same standards applicable to the private sector.

Additionally, Mr. President, it is estimated that this amendment is likely to increase the demand for coach-class seats, and, hopefully, the airline industry will meet the demand. It may well lead to lower airfares even for coach class as a result.

Mr. President, in this time of economic hardship, only those business expenses which are necessary to the American business system should be allowed. It is not necessary for a businessman to travel first class. When most Americans are finding that they have fewer and fewer dollars for what may be considered luxuries, it is not appropriate to allow luxury travel as a business expense. There is no stigma attached to coach travel, and even if there were, it is a small sacrifice to suffer to be granted the benefit of an expense deduction.

Mr. President, I strongly urge my colleagues to consider this amendment favorably.

As I say, this is one amendment that will raise revenue. This will increase the revenue $400 million. If the Senator rides on a coach or rides on first class we can readily see how other people feel. I think this Government should set the example. I think people working for the Government should travel by coach. If they want to travel first class, then let them pay the difference. If a businessman wants to travel first class, he will only take a business deduction on a coach fare. I think it is fair; it is reasonable. It will save almost a half billion dollars. I hope the manager of the bill will accept this amendment.

Mr. LONG. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. Mr. President, if this amendment is agreed to it will not just reduce the use of first class; it will abolish first class. There will not be any first-class seats for anyone to fly on. The business airplanes have been cutting back on the first-class seats anyway because there have been better services provided for the coach passengers. As a result, Mr. President, if businessmen cannot deduct their expenses of going first class they will find it so much more expensive that there will be very little demand for first class and there just will not be any first class, so just forget about first class. This is an amendment seeking to abolish all first class because it would work out that way.

Some people are big. It just happens to be that way. Some people are 4 feet taller than I am. Some people are big and cannot fit very comfortably in the coach-type seats so they need a first-class seat. It is a matter of human kindness to have enough space so they can spread out, and they need to have it where they buy that much space so they have enough foot space.

I know when I travel I oftentimes go first class because my wife is like my mother used to be. She is always bringing along strawberries for someone. To have foot space we need first-class seats with all the baggage Mrs. Long tends to bring aboard when she gets on the airplane to bring something back for a friend or something for the children or one thing and another, and we need a little extra space.

Furthermore, Mr. President, if we are going to tell people that they cannot fly first class then we should go the rest of the way and tell them when they get there they cannot take a taxicab; they have to take the bus; when they get to the hotel they cannot take a big room, they have to take a small room; and when they desire a restaurant they cannot go to the good restaurants, they have to go to the McDonalds, and so forth. I do not have anything against McDonalds; I eat there a great deal, but the point is once in a while a person should have a freedom of choice.

If we had gone along with the kind of recommendation that the Senator is making here we are taking one step toward what his brother the late John F. Kennedy recommended—just getting rid of all these expense accounts, not letting people entertain, not letting them deduct expenses of going to a convention, and all that. These fine old convention hotels like the Homestead and Greenbriar, and so forth, all would be gone. All these fine restaurants up there in New York City—half of them closed the way it is now—all of the rest of them would have been closed if we want to buy that kind of philosophy.

At least the Senator has this much to say for the point of view. At least he is fixing it so everyone will enjoy the best; when we get rid of everything that is good, that way we all enjoy the best that is left.

He would also, Mr. President, violate a commitment this Nation made in foreign policy. We promised those people in Europe that they would be able to fly this Concorde over here.

Here we have tried to live up to it. Even though it involved noise and inconvenience, we in this area have been willing to put up with the Concorde. I have a little mountain-top cabin, and I do not particularly like having the planes around, but at the same time, we agreed to it, and we should keep our commitment.

Now, this proposal shoots down the Concorde. You might as well put an antiaircraft gun under it, because the Concorde will be gone. It will be gone in spite of all this confidence of these American statesmen, the presidents and the rest of them, assuring the British and the French building the Concorde and spending those billions of dollars, saying, "Oh, yes, we will let you land it here." It looks as if they might get it worked up so Newark will let the Concorde in, but long before they get a runway long enough, the Senator from Massachusetts will have shot the Concorde out of the air by saying, "You cannot have a first-class seat."

So we will break our commitment to England and France, which they will not appreciate, and I do not blame them a bit. Here in the United States you would think Uncle Sam would keep his word. Not on your tintype; the amendment just takes them right out of business.

Mr. President, this amendment has been voted on before. The Senate did not see fit to go along with the amendment when we had a chance to vote on it on the tax reform bill, and I would hope we would not go along with it on this occasion.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Washington.

Mr. MAGNUSON. Another bad thing about it, it is going to make the Senator from Washington go to Seattle on the day coach. That is a long haul, and I am not about to do it.

Mr. LONG. Well, you would have no choice, Senator. You absolutely have to do it, because there will not be any first class. That will be gone.

Mr. MAGNUSON. It will be gone.

Mr. LONG. You will not have first class. Even if you can afford to pay for it, you cannot go first class; it will be a thing of the past.

Mr. MAGNUSON. Another thing, if your wife is like my wife, we have a lot of packages and stuff, so that we almost have to buy first class. That saves money, too; you do not have to pay for extra luggage.

I just hope the amendment will be defeated; I do not see any purpose to it.

Mr. LONG. Mr. President, I have traveled both ways many times, but it seems to me we do not have to abolish everything around here, all the finer things.

We ought to give a person freedom of choice. Everyone here has a right to go to McDonald's to eat if he wants to, or he can go to one of these expensive restaurants. If he wants to pay, he can go and pay.

With this amendment, the Senator from Massachusetts would do more than just make people pay more if they choose to go first class; he would deny them the right to go first class, because there will no longer be any first class.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 2 minutes, and the Senator from Louisiana has 8.

Mr. KENNEDY. Mr. President, last year the amendment also applied to first-class railroad travel. The Senator from Washington came on the floor when we considered that amendment, and he talked about sitting up in a coach all the way from here to Seattle for 3 days, and the amendment was defeated. Now he comes in with this long-flight argument, and I hope he is not equally persuasive.

Mr. President, the fact of the matter is that there is nothing in this amendment to preclude people from traveling first class. The only thing it precludes is the American taxpayer being required to subsidize the American businessman's traveling in this way.

Why not let the marketplace make the decision? If there is a demand for first-class service, the market will provide it. Why should it exist solely because of a tax subsidy? I think it will continue. But let the market decide.

The fact of the matter is that most Americans cannot afford to fly on the airlines of this country. If they can, they cannot afford to buy first-class tickets. They ask themselves, as they walk through the first-class cabin on the way to coach, why should they be subsidizing the people in the first-class section.

If a businessman wants to travel first class, let him travel that way. If he wants to pay for it, let him pay for it. But why should the individual taxpayer subsidize that trip. The subsidy amounts to up to 70 percent for some travelers, and 48 percent for corporate travelers. Why should the average taxpayer subsidize this first-class travel? Let the market forces work and be effective. But do not make the average taxpayer pay for it.

Finally, Mr. President, if we are to follow the logic of the chairman of the Finance Committee, let us give all those businessmen back their hunting lodges and yachts and other abuses that were eliminated with the stricter tax regulations. Sometime, somewhere, the average American taxpayer is going to say, "Enough of this expense-account living." We may laugh and joke about it this evening, but make no mistake, 87 million taxpayers know what we are talking about, and the thousands who do travel the airlines know what we are talking about.

Unless we take up the issue of expense-account living, I think we are failing to meet our responsibilities. This is an issue we have to deal with. The back of the plane gets there just as quickly as the front, and there is no justification for the average American taxpayer to be subsidizing first-class fares.

The PRESIDING OFFICER. All time of the Senator from Massachusetts has expired. The Senator from Louisiana has 8 minutes remaining.

Mr. LONG. Mr. President, the Senator from Massachusetts, in his presentation at the desk as well as in the statement he makes, suggests that since some people are in the 70-percent income tax bracket, the Government is doing them an unconscionable favor to let them deduct their business expenses at the 70-percent tax bracket.

I consider the problem somewhat the other way around. That tax bracket is so high it is counterproductive, and the logical answer is to reduce the tax rate below that level. I believe the President of the United States, who is an old populist himself by background, is going to recommend reducing tax rates. Maybe he will recommend eliminating all deductions, for all I know, but at least I think he will recommend that the rate come down below what it is now.

It is the fact that the Government permits such a high tax rate that is subject to criticism, rather than that a person is permitted to deduct such a business expense.

For the reasons I have stated, I do not believe the people of this country, or many of them, feel resentful that someone who can afford it, who has a legitimate expense and feels the need for a larger seat, takes a first-class seat. If they want to pay for it, they can buy it.

Some people do a lot of work when they are traveling, and need a first-class seat, with a little more space to spread out their papers and work while they are traveling. Some people do a great deal of traveling.

If this amendment carries and becomes law, they will not have any option to go first class and pay more for it. The option will be gone; there will not be any first-class seats, because the planes will have coach and that is all.

You could follow the same philosophy and disallow a deduction for going to conventions, and all the rest of it we have talked about down through the years, and a great many things people enjoy having about this country, that make it nice, will be gone.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from South Carolina.

Mr. THURMOND. How does this destroy first class? In other words, there would still be the choice. There is still a first-class fare.

Mr. LONG. Mr. President, the Senator asked me a question on my time, and I would like to answer it.

Mr. THURMOND. If you follow the Senator's reasoning——

Mr. LONG. Mr. President, I ask for the regular order. I have the floor. If a Senator asks me a question, I want to answer it.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG. The reason it destroys first class is that the great majority of the people take the less expensive seat the way it is now. I see a lot of planes that have a great many first-class seats and no more than six of them in use. There would be so little demand for it they would not be justified in having a separate compartment for first class. I thought everyone knew that. I thought the Senator from South Carolina knew that was a part of the problem. You would no longer have the choices.

I also hope the Senator from South Carolina realizes this would absolutely mean that our commitment to let the Concorde land here would be as dead as a doornail, because this is a very expensive flight, even more expensive than a first-class seat, to fly on the Concorde.

So that would be knocked out, too.

I know the Senator's amendment, of course, does not prevent people from flying on these private airplanes, which can be very plush in some cases and a great deal more expensive, but I am sure if he had his way about it he would try to take them out of the air, too. I am sure he would want to be consistent about that.

Mr. THURMOND. Is it not true that if we take——

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. THURMOND. To take the position that this is first class, that means that the people working for the Government would ride first class. That is the very thing we think ought not to be done. We think that people working for the Government ought to be willing to sacrifice and ride tourist. There is nothing wrong with riding tourist. If anybody wants to pay the difference, let him ride first class. There is no objection to that. They can do it. But why should we subsidize them to ride first class and make the taxpayers pay it?

I can say this, if a Senator gets on a plane and gets up in the first-class section and his constituents are in the tourist section, they will look at him in a funny way, and they have a right to.

Mr. LONG. This amendment, if I understand it, would say that nobody can deduct the expense of flying first class.

Mr. THURMOND. They can deduct the tourist. If they want to pay the difference, let them pay it. Do not let the taxpayers pay it. Ninety-five percent of the people now ride tourist class. Those are the people. Why should we be above the people?

Mr. LONG. I am contending that a person has the right to choose. I do not care if he is a Government employee or anybody else. If he wants to pay for a first-class ticket he ought to have the right to pay for a first-class ticket. Or this amendment he would not have that choice because there would not be any first-class seats on any airplanes. First-class seats have been reduced to the point so that if we fix it so that it cannot be deducted when a businessman travels, it would reduce the seats to the point where they would not be justified in having any first class at all.

This amendment is talking about eliminating the choice and having no choice whatsoever. Nobody could fly first class whether he could deduct it or not.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Arkansas (Mr. Bumpers), the Senator from Idaho (Mr. Church), the Senator from Minnesota (Mr. Humphrey), the Senator from Arkansas (Mr. McClellan), and the Senator from Iowa (Mr. Culver) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Stevenson) and the Senator from North Carolina (Mr. Morgan) are absent because of illness.

On this vote, the Senator from Minnesota (Mr. Humphrey) is paired with the Senator from North Carolina (Mr. Morgan). If present and voting, the Senator from Minnesota would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. Case), the Senator from Arizona (Mr. Goldwater), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. Bartlett) is absent due to illness.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) and the Senator from Alaska (Mr. Stevens) would each vote "nay."

The result was announced—yeas 43, nays 45, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—43

Allen
Anderson
Biden
Burdick
Chafee
Chiles
Clark
Cranston
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Ford
Hart
Haskell
Hatch
Hatfield
Heinz
Helms
Hollings
Jackson
Kennedy
Leahy
McGovern
Metcalf
Metzenbaum
Nelson
Nunn
Pell
Proxmire
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Sparkman
Stafford
Stone
Thurmond
Zorinsky

NAYS—45

Baker
Bayh
Bellmon
Bentsen
Brooke
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Curtis
Eastland
Garn
Glenn
Gravel
Griffin
Hansen
Hathaway
Hayakawa
Huddleston
Inouye
Javits
Johnston
Laxalt
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McIntyre
Melcher
Moynihan
Muskie
Packwood
Pearson
Percy
Ribicoff
Schweiker
Scott
Stennis
Talmadge
Tower
Wallop
Weicker
Williams
Young

NOT VOTING—12

Abourezk
Bartlett
Bumpers
Case
Church
Culver
Goldwater
Humphrey
McClellan
Morgan
Stevens
Stevenson

So the amendment was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON subsequently said: Mr. President, on the amendment by Senator Kennedy with respect to travel by Federal employees, I am recorded on the vote as having voted against the amendment. I favor the amendment and always have. That vote was 42 to 46.

I ask unanimous consent that I be recorded on that vote as having voted in favor of the Kennedy amendment. It will not change the results.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 222 AS MODIFIED

Mr. BENTSEN. Mr. President, I call up my amendment No. 222 as modified. This changes the effective date to taxable years beginning after December 31, 1976.

The PRESIDING OFFICER (Mr. Clark). The amendment will be stated. The second assistant legislative clerk read as follows:

> The Senator from Texas (Mr. Bentsen) proposes amendment No. 222 as modified.
>
> At the appropriate place, add the following new section:
>
> Sec. . Minimum Tax.
>
> (a) In General.—Section 57(a)(11) of the Internal Revenue Code of 1954 (relating to the minimum tax) is amended to read as follows:
>
> "(11) Intangible drilling cost.—With respect to all interests of the taxpayer in oil and gas wells, the excess of—
>
> "(A) the excess of the intangible drilling and development costs described in section 263(c) paid or incurred in connection with oil and gas wells (other than costs incurred in drilling a nonproductive well) allowable under this chapter for the taxable year over the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in subsection (d)) had been used with respect to such costs, over
>
> "(B) the aggregate amount of net income received or accrued by the taxpayer during such taxable year attributable to such interests. For purposes of this subparagraph, the term 'net income' means the excess of the aggregate amount of gross income from oil and gas properties over the sum of—
>
> "(i) the amount of any deductions (other than the amount of any excess intangible drilling and development costs, as determined under subparagraph (A), allowable for such taxable year) allocable to such properties, and
>
> "(ii) the amount of taxes imposed under this chapter (determined without regard to this part) allocable to such properties.".
>
> (b) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1976.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. BENTSEN. Yes, of course.

Mr. HELMS. Mr. President, I ask unanimous consent that Mr. Dick Bryan of my staff be accorded the privilege of the floor during consideration of this measure and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Senator from Texas.

Mr. BENTSEN. Mr. President, the cosponsors of this amendment are Senators Gary Hart, Walter Huddleston, Dick Stone, Bennett Johnston, Wendell Ford, James Pearson, and myself. For those Senators who might be leaving, there is a "Dear Colleague" letter on their desks which they might take with them as they go back to their offices, if that is where they are going. It is about a page-and-a-half explanation of this amendment.

What I am trying to do in this amendment, Mr. President, is carry out the recommendation of President Carter in his energy message to this body.

Last week the President recommended that a provision of the 1976 Tax Reform Act dealing with intangible drilling costs be modified to prevent this provision from imposing an unfair and counterproductive burden on independent oil and gas producers. The President's proposal would help meet our Nation's energy goals without conflicting with our important goals of tax reform and tax fairness.

It is essential that this amendment be enacted now so that exploratory drilling for oil and gas is not unnecessarily reduced during 1977. Some independent oil and gas producers are planning to reduce drilling activity by 20 to 30 percent in 1977 as a result of the recent tax changes. This is obviously counterproductive to our energy goals. Any delay in the enactment of the amendment will be a serious setback to our efforts to reduce our dangerous dependence on overseas sources of oil. One of the major principles of the President's energy program is to reduce our vulnerability to potentially devastating embargoes. This counterproductive and unfair 1976 tax change must be changed immediately to avoid a continuation of the cutbacks in 1977 drilling budgets that have occurred in recent weeks.

My amendment would simply adopt the Senate version of the 1976 Tax Reform Act with respect to the tax treatment of intangible drilling. The Senate version is equitable and consistent with both our national energy and tax objectives. Unfortunately, the counterproductive House version was adopted by the conferees and enacted into law last year.

The Senate version was formulated during extensive hearings, Finance Committee markup and floor action in the Senate last year.

Last week President Carter's energy message stated:

> A competitive problem has resulted from an effect of the Tax Reform Act of 1976, which changed the tax treatment of intangible drilling costs. Some independent oil and gas producers have been deprived of a portion of the tax reduction for such expenses, while the major corporate producers continue to enjoy the full deduction. This anomaly should be removed. As part of the President's program for extending oil and gas price controls, the Administration would urge that independent oil and gas producers receive the same tax treatment of intangible drilling costs as their corporate competitors, the major oil companies. Investors who finance oil and gas exploration in order to obtain a tax shelter for income earned in other occupa-

tions should not, however, receive such a benefit.

My amendment would provide independent producers with equal treatment compared to their corporate competitors, but at the same time would deny tax shelters to outside investors.

This amendment is needed for several reasons.

The 1976 tax changes may substantially reduce exploratory drilling by many independent oil and gas producers. In some instances, drilling budgets for 1977 are being cut back by 20 to 30 percent of previously anticipated levels. This is counterproductive to our energy goals. We must reverse this immediately.

Existing law with respect to intangible drilling deductions unfairly discriminates in favor of large corporate oil and gas producers compared to smaller independent producers. This is clearly anticompetitive and contrary to sound public policy.

Independent producers drill about 90 percent of the exploratory wells directed at finding new oil and natural gas reserves in the United States. According to the American Association of Petroleum Geologists, independents made 75 percent of the "significant" U.S. oil and natural gas discoveries in the years 1969–73. Drilling is an extremely high risk business. Only one exploratory well in nine produces anything.

This amendment simply incorporates the language adopted by the Senate last year after extensive hearings, markup, and floor debate. It will prevent wealthy doctors and lawyers from sheltering their professional salaries and thus the amendment is consistent with our tax reform goals.

Mr. President, this is a technical tax amendment which deals with what is known as the "minimum tax" provision, section 56 of the Internal Revenue Code. I would like to take a few moments to explain the details of this tax provision and my amendment.

The minimum tax was enacted in 1969. It is an additional tax which many wealthy Americans must pay in addition to any regular tax liability these taxpayers might owe. The purpose of this minimum tax is to help assure that all high income Americans pay their fair share of tax. A taxpayer computes the minimum tax by adding specified tax preference items and taking an allowable deduction and then multiplying the net figure by the applicable percentage. Thus, a taxpayer must pay the regular tax owed, based on the form 1040 computations, as well as any additional liability imposed by this minimum tax.

Prior to the 1976 Tax Reform Act the minimum tax equaled 10 percent of the sum of an individual's or corporation's tax preference items in excess of the sum of $30,000 and the taxpayer's regular income tax. Nine preference items were included in the minimum tax base including the excluded portion of capital gains, percentage depletion in excess of the adjusted basis of the property and several others.

The House and Senate voted to strengthen the minimum tax last year, because the prior provision had failed to insure that high-income individuals and corporations pay at least a minimum rate of tax on their tax preferences, including both exclusions from taxable income and deferrals of tax liability.

The Senate voted to increase the tax rate from 10 to 15 percent and to replace the $30,000 exemption with a new exemption equal to the greater of $10,000 or regular tax liability. The Senate also added several new preference items to the minimum tax including accelerated intangible drilling expenses on productive oil and gas wells in excess of related income. This was the first time that an item of expense—not an item of income—was subjected to a minimum tax. The inclusion of this item in the minimum tax would insure that wealthy doctors or lawyers, for example, who invested in drilling syndicates would pay some minimum tax on the intangible expenses and could not completely shelter their professional earnings. However, the offset for related income would avoid imposing an unnecessary penalty on those persons who were actively involved in the oil and gas business.

For this purpose, accelerated intangible drilling expenses are those in excess of expenses which could have been deducted had the intangibles been capitalized and either deducted over the life of the well as cost depletion—regardless of whether the taxpayer actually used cost depletion in computing his regular income tax—or deducted ratably over 10 years. In computing their accelerated intangible drilling costs, taxpayers may choose whichever of these two methods of capitalization is most favorable to them. The preference for accelerated intangible drilling expenses does not apply to taxpayers who elect to capitalize these costs, nor does it apply to nonproductive wells. Nonproductive wells are those that are not capable of producing oil and gas in commercial quantities. In some cases, it may be impossible to determine whether a well is productive until after the tax return is filed; thus, it may be necessary in these cases for the taxpayer to pay the minimum tax and, if the well subsequently proves to be dry, file an amended return and claim a refund.

Related income from oil and gas, which reduces the amount of intangible drilling costs included in the minimum tax base under the 1976 Senate bill, includes gross income from oil and gas production—as defined for purposes of computing the deduction for percentage depletion—less deductions other than the deduction for accelerated intangible drilling expenses. Related income is computed by deducting nonaccelerated intangible drilling costs; that is, the amount that could have been deducted had the costs been capitalized and either deducted ratably over 10 years or under any method used to compute cost depletion. Deductions for this purpose include percentage depletion—if it exceeds cost depletion, and the deduction for a long-term capital gains on oil and gas wells, but they do not include net operating loss deductions or capital loss carryforwards or carrybacks. Deductions in computing related income also includes those related to nonproductive wells.

The Senate provisions generally applied to both the minimum tax on individuals and corporations.

The House of Representatives, on the other hand, adopted a different formulation. The House increased the minimum tax rate from 10 to 14 percent, repealed the deduction for other taxes paid for purposes of computing the minimum tax and also reduced the $30,000 exemption to $20,000—and this exemption was phased out as tax preferences increased from $20,000 to $40,000. In addition, the House of Representatives added several preference items to the minimum tax base including accelerated intangible drilling costs, but did not provide the offset for related income. The House provisions applied exclusively to individuals.

For individuals, the conferees adopted a 15-percent minimum tax rate and reduced the exemption to the greater of $10,000 or one-half of regular tax liability. The conferees also added as a preference item accelerated intangibles, but did not provide the offset for related income.

For corporations, the conferees adopted the 15-percent rate and provided an exemption of the greater of $10,000 or other taxes paid.

Most important, however, for corporations the intangible drilling expense was not added to the list of tax preference items. This inexplicable result means that, retroactive to January 1 of 1976, independent producers of oil and gas suffer a penalty equal to 15 percent of their intangible expenses on successful wells, which will not be borne by the major oil companies. The result will obviously be a significant increase in the cost of drilling exploratory and development wells for independents, with no corresponding increase in cost for the major oil companies. It is particularly unfortunate that this penalty directly hits drilling activity since that is the one area where the independent producers have competed successfully with the major oil companies. Independents drill 90 percent of the onshore exploratory wells drilled in this country each year. The result from this new bias in favor of the major oil companies will obviously be a further contraction of the industry in the hands of a relatively few companies.

Although my colleagues have heard the term "intangible drilling deductions" many times, it would be useful to explain exactly what this means.

Perhaps the best description of intangible drilling expenses is found in the Treasury Department's regulations, which read as follows:

> This option [to deduct intangible drilling and development expenses] applies to all expenditures made by an operator for wages, fuel, repairs, hauling, supplies, etc., incident to and necessary for the drilling of wells and the preparation of wells for the production of oil or gas. . . . Examples of items to which this option applies are, all amounts paid for labor, fuel, repairs, hauling, and supplies, or any of them, which are used—
>
> (1) In the drilling, shooting, and cleaning of wells,
>
> (2) In such clearing of ground, draining, road making, surveying, and geological works as are necessary in preparation for the drilling of wells, and

> (3) In the construction of such derricks, tanks, pipelines, and other physical structures as are necessary for the drilling of wells and the preparation of wells for the production of oil and gas.
>
> In general, this option applies only to expenditures for those drilling and developing items which in themselves do not have a salvage value . . .

These expenditures are referred to as "intangible" to contrast them with "tangible" expenditures made in the acquisition of physical assets such as derricks, tanks, and other structures, the cost of which must be capitalized and recovered through depreciations over the life of the physical asset.

Intangible drilling expenses have been allowed as a deduction since 1917. They may not, as some assert, be properly equated to the costs of a building or other capital assets. First and foremost, they are normally cash expenditures—payments for fuel, labor, and similar items—as opposed to the cost of a building—which of course may include labor and related expenses—which can easily be financed through debt capital, because a physical asset with a reasonably predictable value results from the expenditure. Oil and gas reserves may be located as the result of drilling an oil or gas well, but in the usual case the value of the asset thus located is not determinable for a considerable period of time. Moreover, in the case of natural gas the reserves cannot be produced unless and until sufficient production is obtained to warrant the construction of a pipeline to the area. Usually this will require the drilling of several successful wells.

Intangible drilling expenses are, in short, a cash outlay which is not analogous to normal expenditures made in the acquisition of a capital asset, and for that reason they have not been treated in the same manner for economic purposes; that is, debt capital is normally not available to finance intangible drilling costs—or for Federal income tax purposes.

At his news conference last Friday, President Carter stated:

> We would like to do away with the special provisions under the tax shelter laws that permit doctors, lawyers, wealthy farmers, and others to invest in exploration for oil and receive benefits. But the present law does permit the intangible tax credit for corporations. It does not permit the same tax credit for legitimate partnerships or individuals who have a full-time profession of drilling oil. That needs to be equalized.

My amendment which passed the Senate last year would achieve that result.

I would now like to explain the necessity of my amendment in some detail.

PROMOTE COMPETITION

The 1976 minimum tax changes with respect to intangible drilling deductions give an unfair competitive advantage to large corporations compared to independent producers.

Even before this change, the number of independents had declined in recent years from 20,000 to 10,000. A study released by the Federal Trade Commission in 1974 indicated that between 1957 and 1970 the 20 largest major integrated oil companies purchased 106 substantial American oil and gas producers—7 of which were large integrated companies themselves.

It is counterproductive to place independent producers at a competitive disadvantage with respect to major oil companies. Without the existence of independent producers, we will find that independent refiners and independent marketers will find it more and more difficult to exist. We should be encouraging competition and not concentration.

The President's energy message stated:

> Since energy is an essential commodity for all Americans, effective competition in the energy industries is a matter of vital concern. The President's energy plan calls for continuous vigilance to ensure that the structure, behavior and performance of the energy industries are vigorously competitive.

REDUCTIONS IN EXPLORATORY DRILLING

Independent producers throughout Texas have indicated that drilling budgets in 1977 will be reduced substantially, because of the impact of the minimum tax. Some of my constituents have informed me that exploratory drilling will be reduced by 20 to 30 percent in 1977, because of the 15-percent penalty tax now imposed on each dollar of intangible drilling expenses under the minimum tax.

The costs of drilling and exploration have risen substantially in recent years. The greater depths required to find oil and gas translate into higher costs. The "easy" oil has been found. New discoveries produce smaller yields. The same level of investment in exploration and development yields progressively fewer barrels of oil. In fact, the costs of drilling a 12,000-foot well in Texas reportedly runs as high as $1 million today. It costs as much as $300,000 to just "crack" a well with the use of explosive devices. The 15-percent minimum tax on this intangible drilling cost of $300,000 results in the imposition of a $45,000 tax on this item of "expense."

We should not be discouraging domestic production at a time when our reliance on overseas oil has been dangerously increasing. In 1970, the United States was only 23 percent dependent on foreign sources of oil. Today our reliance has doubled. We are over 40 percent dependent on foreign sources of oil and it is estimated that our dependence may increase to close to 60 percent by 1980 in the absence of the President's energy program. Since the 1973 embargo our reliance on Middle East oil has increased more than 50 percent. Between 1970 and the present, domestic production of petroleum liquids declined by over 1 million barrels a day. Additional tax burdens only aggravate the situation and further jeopardize our national security.

IMPORTANT ROLE OF INDEPENDENTS

Independent producers account for over 80 percent of exploratory wells drilled. They are not only out looking for oil and gas, they find a great deal of it as well.

In the period 1969 through 1973, independent producers in the United States drilled 9 out of 10 exploratory—wildcat—wells, found 54 percent of the oil and gas discovered, and accounted for 75 percent of the "significant" petroleum discoveries as defined by the American Association of Petroleum Geologists.

Drilling is an extremely high risk business. Only one exploratory well in nine produces anything. Eight out of nine exploratory wells are dry holes. In addition, at least 20 percent of developmental wells are dry holes. Due to the extreme risk, private foundations are not allowed under Federal law to invest in oil and gas activities. In addition, trust funds of widows or orphans cannot be invested in drilling, again because of the extreme risk of these investments. In order to prevent increasing dependence on overseas oil, our tax laws must not discourage risk taking in the oil and gas business.

The 15-percent penalty tax on intangible drilling costs discourages active wildcatting which is so important to our energy needs.

EARLIER ADVERSE ENERGY LEGISLATION

Over the past 2 years, independent oil and gas producers have been confronted with the following adverse legislative and administrative action which reduced the funds available for drilling:

First. March 29, 1975: Enactment by Congress of Tax Reduction Act of 1975, substantially repealing percentage depletion for about 85 percent of domestic oil and gas. This long-standing tax policy has been left intact for some 100 other extractive industries;

Second. February 1, 1976: Rollback of approximately $1.50 per barrel for new crude oil;

Third. July 1, 1976: Imposition of a price freeze on all domestic crude oil;

Fourth. September 16, 1976: Enactment by Congress of Tax Reform Act of 1976, retroactively imposing punitive tax on expenditures—not on income—or independent oil and gas producers;

Fifth. December 31, 1976: A rollback of 20 cents per barrel for new domestic crude oil and continuation of existing price freeze on crude oil;

Sixth. February 1, 1977: A retroactive doubling of rental fees on most oil and gas leases on Federal onshore lands, and

Seventh. March 1, 1977: A rollback on U.S. crude oil prices of 45 cents per barrel on new oil.

The 10,000 independent producers and explorers who drill most of the wells should be making a maximum effort in developing new supplies. But they are not, because of the counterproductive effect of adverse Government policy. During 1975 and 1976, active rotary rigs were at a standstill, averaging about 1,650 rigs. Twenty years ago there were over 2,000 rigs active. We should be utilizing 3,000 rigs if we are to bring on new production adequate to reverse our intolerable dependence on foreign supplies.

We should immediately implement the President's recommendation to modify the 15-percent penalty tax on intangible drilling costs.

THIS AMENDMENT PREVIOUSLY PASSED THE SENATE

The exact language of this amendment except for two clerical and conforming changes passed the Senate last year as part of the 1976 Tax Reform Act. The amendment prevents wealthy outside investors—such as doctors and lawyers—from sheltering their professional salaries from tax. However, the amendment would avoid discriminating against independent producers compared to corporate producers.

Since there has been considerable discussion about independent oil and gas producers, I would like to briefly explain who is the independent producer, what he does and where he operates.

WHO IS THE INDEPENDENT PRODUCER?

He is essentially an explorer for, and producer of, crude oil and natural gas.

He is a risk-taker, since only one exploratory or "wildcat" well in nine that is drilled finds anything. The other eight, on the average are "dry holes."

He does not own refineries or gasoline service stations.

He runs his own business—he makes the decisions to drill or not to drill.

He is, in a word, the "little guy" in the petroleum producing industry.

WHAT DOES THE INDEPENDENT DO?

He drills 90 percent of all exploratory wells in the untested areas seeking new reserves of oil and natural gas.

He produces about a third of the total output of crude oil in the United States.

He operates some 366,000 small or "stripper" oil wells that produce an average of three barrels daily in 28 States. These "stripper wells" together produce 1.1 million barrels daily, an eighth of U.S. crude oil output, from fields representing a fifth of our total proved oil reserves in the lower 48 States.

He made 75 percent of the "significant" U.S. oil and natural gas discoveries in the years 1969–73, according to the American Association of Petroleum Geologists.

He sells his crude oil to a refinery, which in turn markets the refined products—gasoline, kerosene, diesel oil, jet fuel, and heating oil—through its own outlets or those of independent marketers.

He sells natural gas at the wellhead to natural gas pipelines, which in turn sell it to local gas utilities for distribuiton to consumers.

WHERE DOES THE INDEPENDENT OPERATE?

He explores and produces in some 32 States that produce crude oil and natural gas—and searches for new supplies in some States that do not now produce, but have geologically favorable sedimentary basins.

He usually lives in the area where he works, and meets payrolls and contributes to community life where he runs his business.

His activities have made important economic contributions that have given many American communities an "oil town" identity—communities from Bradford, Pa., to Bakersfield. Calif., and from Billings, Mont., to Lafayette, La.

One of 10,000 such wildcatters, he provides the multiplicity of exploration-drilling effort that is vital in finding critically needed new supplies of oil and natural gas in the United States.

In conclusion, this amendment was adopted by the Senate last year and reflects the recommendation made by President Carter last week.

I urge the Senate to adopt the amendment. Any delay in enacting this amendment will result in reductions in desperately needed exploratory drilling.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STONE. Mr. President, will the Senator yield for several questions?

Mr. BENTSEN. I am delighted to yield to the distinguished Senator, who is one of the cosponsors of the amendment.

Mr. STONE. Will the Senator confirm that this amendment will carry out, if adopted, substantially the same provision that the Senate adopted in the Tax Reform Act of 1976, last year, but which was modified in conference?

Mr. BENTSEN. That is absolutely right. We held extensive hearings on this provision. It was passed by the Committee on Finance and passed on the floor of the Senate with the language in which it is presented here.

Mr. STONE. The purpose of this amendment is to provide more alternative fuels to the imported fuels that we are so dependent on?

Mr. BENTSEN. The Senator is absolutely right. We have had an incredible increase in the amount of oil that is being imported into this country. In 1970, it was approximately 23 percent. Now it is up to almost double that amount.

Mr. STONE. And all it does is give the individuals and natural persons exactly the same treatment that the artificial persons, the corporations, now get under our Internal Revenue Code?

Mr. BENTSEN. That is correct. We have provided protection against its being used by wealthy persons and other businesses that might want to invest in it as a tax shelter. What we have tried to do is help the independent, the man who is drilling 9 out of 10 exploratory wells in this country, who is finding approximately 80 percent of the new fields in this country. This is a man who has been able to compete fairly well in this end of the business with the majors. Now we have placed him in a discriminatory situation.

John O'Leary, who is head of the FEA, says that it is a positive disincentive to drilling and that we should do away with it. I quote him directly:

> It is just plain discriminatory. My concern with this is the delivery of new reserves and new production. We have provided a positive disincentive to production.

Mr. STONE. I think the Senator from Texas has done a service in the cause of providing more fuel. I am proud to associate with his amendment.

Mr. BENTSEN. I appreciate very much the support of the Senator from Florida.

I am delighted to yield.

Mr. HANSEN. Mr. President, nothing further needs to be said to demonstrate the need for this piece of legislation. However. I ask unanimous consent that there be printed in the Record at this point a letter from Dudley J. Hughes, addressed to me, which was received in my office on March 8.

Mr. Hughes is a resident of Jackson, Miss. He points out precisely the fact that has just been disclosed through the exchange between the Senator from Florida and the Senator from Texas. That is that a gas well, which was drilled, had to be capped and abandoned simply because to have completed it under the way the tax law last year was changed, it would have resulted in that taxpayer being subjected to a greater tax drain than the income he could have gotten from a reasonable expectation of that gas well.

There being no objection, the letter was ordered to be printed in the Record, as follows:

PRUET & HUGHES CO.,
Jackson, Miss., March 7, 1977.

Hon. CLIFFORD P. HANSEN,
U.S. Senate, Washington, D.C.:

Last month my partners and I drilled a wildcat well in the southeastern United States that could have been completed as a marginal gas well, but we were forced to plug it as a dry hole due to an adverse provision in the Tax Reform Act of 1976. This well tested natural gas in low volumes, but still in sufficient quantities to have supplied the total gas needs of some 400 homes for several years.

If this well had been drilled prior to the passage of the Tax Reform Act of 1976 we would have completed it as a producer. The damaging portion of the Act is the provision classifying Intangible Drilling Costs (IDC) on producing wells as a tax preferred item. This provision has a severe impact on the economics of marginal wells and would have made it impossible for us to recover our cost if we completed this well as a producer. I know this sounds like an exaggeration, but let's analyze this specific case.

The drilling cost on this well (IDC) was $350,000 This money was spent whether the well produced or not, so we normally ignore this cost in deciding on the merits of completing the well. To complete the well it would be necessary to spend an additional $85,000 to run pipe, cement, and "frac" the well in a gas zone at 5,000 feet. The well would produce a gross income of approximately $6,000 per month at today's gas prices. The economics are as follows:

[Monthly]

Income from sale of gas (average)	$6, 000
State severance taxes expense (6 percent)	(360)
Royalty expense (18.75 percent)	(1, 125)
Operating cost (average)	(2, 000)
Interest expense (on $85,000)	(425)
Net monthly revenue from sale of gas	2, 090

With a net revenue of $2090 per month the $85,000 completion cost of the well should have paid out in approximately 41 months, or 3½ years, and, with an 8 year expected life for the well, it would have been worthwhile.

But not so since passage of the Tax Reform Act of 1976—now we must consider the added 15% tax on the IDC. If the well was completed as a producer, in our tax circumstance, we would have to pay an additional 15% of $350,000, or $52,500, as a "minimum tax." Also the minimum tax is not deductible, therefore, it must be paid with money which has already been taxed. We are in a tax bracket of 70% which means the well would have to recover the $52,500 out of the remaining 30% of net income after regular taxes are paid. In other words, the well would have to produce not just an additional $52,500, but actually $175,000 for us to recover the minimum tax charge.

Therefore, our marginal well then must recover the completion cost of $85,000, plus an additional $175,000, for a total of $260,000 to be worthwhile. At a net revenue of $2090 per month, this would take 124 months, or 10½ years, which is beyond the expected life of the well. So, we were forced to plug the well as a dry hole.

This is one of many wells that are being plugged over the United States due to the tax on intangible drilling costs. The additional money raised by this tax provision is insignificant compared to the reduction it is causing in development of new domestic oil and gas supplies.

I urge you to use your influence to help repeal this counter-productive tax. It's unbelievable that it could have been enacted into law in the first place.

Yours very truly,

DUDLEY J. HUGHES.

Mr. HANSEN. I commend the Senator from Texas for proposing the amendment. It is going to be helpful in making more energy available. I hope that the amendment can be passed.

Mr. BENTSEN. How much time does the Senator desire?

Mr. TOWER. Three minutes.

Mr. BENTSEN. I yield 3 minutes to my distinguished colleague from Texas.

Mr. President, how much time do I have remaining? I know it was only 15 minutes on a side.

The PRESIDING OFFICER (Mr. STONE). The Senator has 9 minutes remaining.

Mr. BENTSEN. I yield 3 minutes.

Mr. TOWER. I thank my distinguished colleague from Texas.

Mr. President, the changes made in the minimum tax by the 1976 act were substantial and devastatingly unfair to unincorporated oil and gas producers. Most important of these changes, from the standpoint of our national energy needs, was the addition of intangible drilling costs as an item of tax preference for purposes of figuring the minimum tax for individuals.

The applicability of this change was made retroactive, covering costs incurred in the 1976 tax year. These tax provisions were enacted into law in October of 1976 and yet were made effective from January 1, 1976.

Two features of the current minimum tax/intangible drilling cost provision deserve particular note. First, it applies only to individuals and unincorporated associations, and not to corporations. The provision thus impacts the independents, not the major oil companies. The second feature of particular importance is that this is a tax on expenditures. It is not a tax on income; rather, through this provision of the income tax law we are imposing a 15 percent tax on expenditures—expenditures incurred in drilling for the oil and gas which is so desperately needed in this country.

Mr. President, the impact of the inclusion of intangible drilling costs in the minimum tax base is just now being fully understood. This provision is having a significant adverse impact on much of the independent segment of the oil and gas industry since it increases a noncorporate driller's cash cost of drilling a productive well by up to 15 percent of each dollar spent for intangible drilling costs on such a well. Maybe that is what some Senators desired, but it is literally true that some producers are now finding that their 1976 tax liability is substantially in excess of their 1976 income.

The thing that is absolutely amazing to me is that this provision punishes most those producers who have done the most and expended the most to bring new oil and gas wells into production. I simply cannot bring myself to believe, Mr. President, that this is what the majority of the Members of Congress wanted and intended to do.

It is urgent that we act now to begin to correct this outrageous tax reform overkill.

Senator BENTSEN's amendment would correct the worst aspects of the 1976 provision, but it would continue to discourage the use of intangible drilling cost deductions for tax shelter purposes by outside investors not directly engaged in the production of oil and gas.

Frankly, Mr. President, I would like to repeal the whole 1976 intangible drilling costs/minimum tax provision. Nevertheless, this amendment would go a long way to correct the problems which have resulted from our actions last year.

It stacked more rigs than anything we have done in recent history.

I commend the Senator from Texas on his amendment and urge its adoption.

Mr. BENTSEN. Mr. President, I withhold the remainder of my time.

Mr. DOLE. Will the Senator yield?

Mr. BENTSEN. Yes.

Mr. DOLE. I ask for just 1 minute.

Mr. BENTSEN. I am glad to yield the Senator 1 minute.

Mr. DOLE. I will not take any time because the Senator from Texas was outstanding in presenting the amendment.

I would like to be made a cosponsor. I certainly subscribe to the views expressed.

Mr. President, the amendment offered by the Senator from Texas which I have cosponsored corrects an inequity in the Tax Reform Act of 1976. That act placed certain intangible drilling costs for independent drilling companies under the minimum tax. These independent drillers have been placed at a competitive disadvantage as compared to corporations. This amendment eliminates the uneven treatment of independent drillers and large corporate drilling operations.

The impact of the changes made by the Tax Reform Act has been to discourage the exploration for additional sources of oil and gas by independents. America needs all of the oil and gas that can be found. We also need a viable independent drilling industry. Congress should act to place these small and privately owned businesses on a competitive level.

In fairness to all oil producers and to help alleviate our energy shortage, this amendment should be adopted. The Senator from Kansas urges the Senate to act favorably on this amendment.

Mr. GRAVEL. If the Senator will yield, I would like to be a cosponsor.

Mr. BENTSEN. I ask unanimous consent that the Senator from Kansas and the Senator from Alaska be made cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I withhold the remainder of my time.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to make what is always, I should imagine, a difficult point in the Senate, but which is on occasion a very necessary one, and that is the question of procedure.

The Senator from Texas and his distinguished cosponsors are entirely correct that the measure they propose as an amendment to the Tax Simplification Act is one which President Carter has proposed in his energy program for the Nation.

They would be wholly correct in thinking that the Committee on Finance used this as an important element in that package and will support and will undoubtedly include this measure in the final proposed package in the energy proposal which will come to the floor of this Senate later in this session.

But we have to face, I say with the greatest respect, a question of our responsibility as a legislative body.

We know that there is no interest in the Nation, no economic interest nor any regional interest, but that will find some aspects of the President's program less agreeable than other aspects. Some will find particular aspects highly disagreeable. It will be the highest art of statecraft to assemble a complex proposal which, in its entirety, is, on balance, more desirable than undesirable, a proposal such that not only will the Congress adopt it, but the Nation will accept it.

That will be the task of our committee and of the Senate. Nothing would be more deleterious to that task than for us today to go to that great bowl of rice pudding and just pick out the raisins we like, just this raisin and that raisin, and leave nothing behind but the soggy mass of glutinous rice for the committee to deal with in its unappetizing and cold morning after.

The distinguished Senator from Wyoming, eager as he would necessarily be to see the President's program proceed, introduced in this same bill a proposal to provide credit for insulation, and he was right to have done so. He was right, certainly, to have observed this was part of the President's program. But the chairman of the Committee on Finance was forced to rise and with clear reluctance state, nonetheless, that this was a matter for the President's program.

It was one of those attractive features, particularly attractive to our latitudes, as the Senators will note, that was to be included in a bill which will undoubtedly include a tax on gasoline, a standby tax, a bill which would include a tax on gas guzzlers—gas guzzlers are those automobiles which about 70 percent of American families own—a wellhead tax, and a whole range of incentive and disincentive features drafted by the President, understanding that not any one detail can please everybody, but, on the balance, a program the Nation needs can be developed.

It is in this spirit that the committee asks, or this particular member of the committee asks, that the Senate show forbearance on this occasion, not adopt this amendment, await with firm expectation and warm anticipation its reappearance on this floor as a part of a general energy program which the President has asked us to enact and which our cherished majority leader has assured us is the very next business of this Congress, and to which purpose the Congress will address itself within a fortnight.

I thank the Chair.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, will the Senator withhold that?

Mr. MOYNIHAN. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, at an appropriate time, I will make a motion to table the amendment of the Senator from Texas. I wish to conform with the wishes of the manager of the bill in connection with the time. I intend to make that motion at an appropriate time.

Mr. President, I think we should review where we are in terms of the independent producers of oil and the Senate's action. When the Senate, in 1976, considered the question of the minimum tax, we asked, who are the people paying the minimum tax? They are the people who are not really paying their fair share of regular taxes, so they are caught by the minimum tax. So we included the independent operators in the minimum tax to make sure that at least a minimal amount of tax was going to be paid.

Since we included the independent operators, what has happened on this important question of the number of drilling rigs and the effort by the smaller independents to search for oil? Drilling has increased by 25 percent in the past year alone. We have seen a dramatic expansion since they have been covered by the minimum tax. And that expansion has been generated by the soaring cost of oil and the huge profits to be made. The minimum tax is simply not an economic factor. The issue here is good.

We mislead ourselves by thinking that we have been hampering the independents' production, by subjecting them to the minimum tax. They are not on hard times. We do not have to bail them out by reducing their taxes to zero.

What is the amount they pay under the minimum tax? Thirty-eight million dollars. The effect of the Bentsen amendment is to release them from approximately $30 million in taxes. To whom does this benefit go? The top two-tenths percent of the individuals in this country—persons with incomes of hundreds of thousands of dollars.

We have already increased tax expenditures by $1.6 billion since this bill came to the floor. Under the Bentsen amendment, it is proposed to add $30 million. To whom does it go? It goes to the top two-tenths percent of the individuals in this country, some of the wealthiest oil producers in America. That is the effect of the Bentsen amendment.

Mr. President, this amendment does not make sense in terms of the merits. It does not make sense in terms of procedure. We should defer action on this amendment until we have a chance to consider the recommendations of the administration later in the session. I hope that those who feel that there may be some basis for merit in this proposal would at least give the opportunity for the administration to have its proposal considered by the Senate.

A further point: It is said that what we are dealing with is individuals here, rather than corporations. Certainly we are considering individuals, because individuals in the 70 percent bracket would rather be able to get the tax breaks for that 70 percent bracket than the benefits at the 48 percent they would pay if they incorporated.

Let us not make any mistake about this discrimination between individuals and corporations, or as to why the taxpayers remain individuals and do not incorporate. The tax implications are very clear. They use these tax benefits to reduce their taxes to zero. The minimum tax is all that stands in their way between a completely free ride at the expense of the Treasury. I believe that the principles and the considerations are extremely clear.

So, Mr. President, I move to table the Bentsen amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. The motion is not in order until the time has expired.

Mr. KENNEDY. I will make the motion at the appropriate time.

Mr. MOYNIHAN. I thank the distinguished Senator from Massachusetts.

Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. Will the Senator withhold that, in the event we need a little more time?

Mr. MOYNIHAN. All right, I withdraw it.

Mr. BENTSEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. BENTSEN. Mr. President, this is the fourth month of the last 5 months that we have had a record in our trade deficit. The March deficit was $2.4 billion.

The time is past for us to be delaying this kind of action. This amendment is in line with what the President recommended in his energy message to Congress. It is in line with what John O'Leary, the head of the FEA, has recommended.

The Senator talks about drilling increasing. That is before these independent producers completed their April 15 tax returns. I have had innumerable statistics shown to me by independent drillers which show that they have a negative cash flow due to the 1976 tax changes. When you have a negative cash flow and since you cannot finance wildcat wells with loans at the bank, what do you do? You cut back on your drilling activity.

We are seeing a 20 to 30 percent cutback in drilling by many independents. We are going to see the corporate giants move in there because they are not hit by this provision. They have a tax advantage over the independent in this regard.

One of the problems we have in this country is trying to have more competition, and here we are talking about independents, who may be gobbled up because they are at a tax disadvantage.

The President said that this is a strange anomaly which should be corrected, and I agree with him; and the time to do it is now, while the independent producers are looking at their budgets for the remainder of this year, after they have made out their tax returns.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield the Senator 2 minutes.

Mr. KENNEDY. Mr. President, it is interesting that the Senator uses the tax returns as an example. First of all, we should understand that the Treasury is opposed to this amendment.

Mr. BENTSEN. The Treasury is only opposed on the question of timing, as I understand it.

Mr. KENNEDY. The Treasury is opposed to the Senator's amendment.

Mr. BENTSEN. On the question of timing, is it not?

Mr. KENNEDY. Whatever way the Senator wants to label it, they are opposed to his amendment on this bill.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. KENNEDY. I will not yield further.

The sample tax returns demonstrate that the independents paid less than 20 percent of the tax of a comparable taxpayer who has the same expenditures but is in a different industry. The other taxpayer, therefore, is paying five times the amount of taxes on the same expenditures in a different industry.

Now they are asking us to give them $30 million more. What rhyme or reason is there, even at 7:30 p.m., after a long day, and with the charitable attitude of this body, to justify that? What justification is there for it at this time, before we have even seen the proposal by the administration?

Mr. MOYNIHAN. Mr. President, I thank the distinguished Senator from Massachusetts. I should like to confirm his point. I think it is a less than happy resort for this Chamber continually to be invoking the views of the executive branch with respect to matters which we alone are entitled to decide.

Nonetheless, the Senator from Massachusetts is quite correct in stating the Treasury position. I have asked the indulgence of the Chamber to read the position. The Treasury strongly opposes any amendment to the minimum tax and IDC in the stimulus package. The Treasury would support an incentive as part of a total program. However, it strongly opposes any such amendment in separate legislation.

Mr. BENTSEN. I thank the Senator for stating the situation objectively and concisely. The Treasury is opposed to putting it on this bill. They stated their support for it in the future.

If the Senator is ready to yield back his time I am ready.

Mr. MOYNIHAN. I yield back the time.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time

has expired. The question is on agreeing to the motion of the Senator from Massachusetts. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from Idaho (Mr. CULVER), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Nevada (Mr. CANNON), the Senator from New Hampshire (Mr. DURKIN), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Illinois (Mr. STEVENSON) and the Senator from North Carolina (Mr. MORGAN) are absent because of illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. CASE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 33, nays 50, as follows:

[Rollcall Vote No. 122 Leg.]

YEAS—33

Anderson
Bayh
Brooke
Chafee
Clark
Cranston
DeConcini
Eagleton
Glenn
Hathaway
Jackson
Javits
Kennedy
Leahy
Mathias
McGovern
McIntyre
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Pell
Proxmire
Ribicoff
Riegle
Sarbanes
Sasser
Scott
Talmadge
Weicker
Williams
Zorinsky

NAYS—50

Allen
Baker
Bellmon
Bentsen
Biden
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Danforth
Dole
Eastland
Ford
Garn
Gravel
Griffin
Hansen
Hart
Haskell
Hatch
Hatfield
Hayakawa
Heinz
Helms
Hollings
Huddleston
Inouye
Johnston
Laxalt
Long
Lugar
Magnuson
Matsunaga
McClure
Melcher
Nunn
Packwood
Pearson
Percy
Randolph
Roth
Schmitt
Schweiker
Stafford
Stennis
Stone
Thurmond
Tower
Wallop

NOT VOTING—17

Abourezk
Bartlett
Bumpers
Cannon
Case
Church
Culver
Domenici
Durkin
Goldwater
Humphrey
McClellan
Morgan
Sparkman
Stevens
Stevenson
Young

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on the amendment. The yeas and nays have been ordered. The clerk will call the roll.

Mr. KENNEDY. Mr. President, if it is agreed to, the Senator from Texas will ask unanimous consent to have the yeas and nays vitiated.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question occurs on the amendment.

The amendment was agreed to.

Mr. BENTSEN. I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENT SUBMITTED ON H.R. 3477

Mr. METZENBAUM. Mr. President, I wish to address two issues which were acted upon by the Senate yesterday: Senator KENNEDY's amendment to eliminate the 2-percent increase in the investment tax credit and Senator DOMENICI's amendment providing a $250 credit to taxpayers with elderly dependents living at home.

Senator KENNEDY's amendment focused on the fundamental issue of the Tax Reduction and Simplification Act—the question of equity, the question of fairness. Last week, during a speech on the Senate floor, in which I expressed my opposition to increasing the investment credit, I asked:

> How can we on one hand take away $50, and in some cases as much as $200 per family, from the individual taxpayer and turn around in the same week and grant business an investment tax credit that will benefit the business community by as much as $1.4 billion a year?

That question, the question of equity, remains unanswered.

I will not reiterate my arguments against increasing the investment credit. It is enough to remind this body that the limited scope of the credit, benefiting the very largest capital-intensive industries, and the unnecessary drain on the Federal Treasury warranted my opposition to an increase of the investment credit. I believe the Senate erred in rejecting this amendment.

Senator DOMENICI's amendment, however, will provide a financial incentive to families that desire to share their homes with their parents. Nothing is more important to our society than the preservation of the family, and yet increasingly Federal policies reflect a high disregard for the impact that governmental programs may have on this vital institution. Federal expenditures and Federal tax policy must be made to reflect national priorities, and one of our highest national priorities is to strengthen and encourage the continuation of the extended family.

This past fall, I traveled throughout the State of Ohio. During that time, I talked to hundreds of senior citizens and the one thing they kept telling me was that they wanted to be able to live where they chose—not to be dependent on nursing home care. Senator DOMENICI's amendment goes a long way to preserve the family. It will provide families and senior citizens with a choice of where they may live. I am very pleased that this amendment will be included in H.R. 3477, the Tax Reduction and Simplification Act of 1977.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senate will be in order. Senators kindly take their seats.

H.R. 3477

Mr. ROBERT C. BYRD. Mr. President, I seek the floor at this time to inquire as to how many amendments remain to be called up. Mr. TOWER has one. Mr. DOLE has one.

Mr. DOLE. Maybe.

Mr. ALLEN. I have a minimum of one and maximum of two.

Mr. ROBERT C. BYRD. Mr. ALLEN has one or maybe two.

Senator CRANSTON has one. Mr. MUSKIE has one. Mr. MOYNIHAN has one. Mr. NUNN has one. Mr. HUDDLESTON has one.

Mr. President, I had hoped that we could complete action on the bill tonight. I guess we could if we stayed beyond midnight, but I do not believe that the manager of the bill——

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. I hope very much the distinguished majority leader will not keep us in trying to pass this bill tonight. If we had a whole big backlog of bills to vote on behind us that would be different. But I just do not think it accomplishes much, when we can finish up the pending business tomorrow, to keep these Senators very late, up to midnight, this early in the session.

We do not think as well, react as well, or legislate as well when we push ourselves that hard. When we have to do it, I am cheerfully ready to do it. But I think we would legislate more wisely if we had a little rest. We are not going to pass this bill if we stay here to 11 p.m. I just do not think we should be going to midnight this early in the session.

Mr. ROBERT C. BYRD. Mr. President, does the Senator suggest that we quit at this point?

Mr. LONG. I suggest we do. I do not think much will be achieved if we go longer.

Mr. ROBERT C. BYRD. Will the Senator be ready to begin by 10 a.m. tomorrow?

Mr. LONG. Yes, fine, 10 o'clock tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I suggest then that we go over until tomorrow on this bill. The manager of the bill has been going early and late, and Senators have certainly given their utmost cooperation, but I think that if we sought to complete it, as the manager of the bill has very appropriately pointed out, it would certainly take to midnight or beyond, and I believe we can complete action on it tomorrow.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. I wonder if the distinguished majority leader will allow me to call up my amendment and make it the pending business since it is the natural follow-up of the amendment of the junior Senator from Texas.

Mr. ROBERT C. BYRD. Yes. I will yield to the Senator in a moment or two.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PERCY. I realize the logic of what Senator Long has said, but, on the other hand, when we get these go and no-goes, stop and starts——

Mr. ROBERT C. BYRD. May we have order in the Senate?

Mr. PERCY. When we get these different signals all the time, we make our plans in accordance with the word that was put out. I canceled everything tonight and am scheduled to depart tomorrow afternoon sometime, feeling we would be finished on this tonight. We have to revise all those plans. Is there any sense of certainty we can get as to when we will finish this up and have a final vote? I would not imagine we want to have a final vote on this late on Friday, but certainly I was given the impression we were going to finish tonight and made plans accordingly, and I think many other Senators also made plans.

Mr. LONG. Mr. President, it is obvious we are not going to finish tonight. If we were going to finish tonight, let us say at 10 or 11 p.m., I would feel differently about it. But we are not going to finish by staying here tonight unless we stay past midnight. I do not think that is wise. I do not want to do it.

Mr. PERCY. Is it possible to take up a couple more amendments and finish by a time certain, 2 p.m. or 3 p.m. tomorrow afternoon?

Mr. LONG. I hope to finish by 2 o'clock tomorrow afternoon, but we can do it just as well by cooperating with one another tomorrow. I in fact would be willing to come in at 9 a.m.

Mr. PERCY. I much prefer that, to come in as early as possible, get going right away, and finish this bill at a time certain, 2 or 3 o'clock tomorrow afternoon so we know where we stand.

Mr. ANDERSON. I would, too.

Mr. ROBERT C. BYRD. Mr. President, I wonder if it would be possible to get an agreement as to the time to vote final passage tomorrow.

Mr. LONG. Mr. President, I do not think we can do that at this time. I am sorry, but I think I know what the amendments are going to be, and I think it would be an injustice to Senators if I tried to do that. We do not have a germaneness limitation. I am not going to ask for it, but I think Senators might be prejudiced if that were the case and they should know what the amendments are before they vote on them.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. LONG. Under the rule we are proceeding under, a Senator may offer anything, except a constitutional amendment, as an amendment to this bill. And we should not lock ourselves in to vote on something if Senators feel for some reason they do not want to let us vote or want to debate for a while.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we could do this: Could we agree to a sequence tomorrow on taking up amendments, and come in at 8:30 a.m.? We have two special orders of 15 minutes each. This would allow us to start about 9 a.m., very shortly thereafter, on the pending measure and have Mr. Tower lay his amendment down tonight. His would be the pending amendment in the morning.

If we could get an agreement as to a sequence by which we could call up other amendments, I think we have time on all of them with the exception of the amendments of Mr. Cranston, Mr. Muskie, and Mr. Nunn. I may have overlooked one or two others. But we could order them, and then we would know how much time there would be on each amendment. And there may be other Senators who would be willing to agree on time on their respective amendments. We can get that, and then we would know what tomorrow's format would be.

Mr. PERCY. Sure.

Mr. ROBERT C. BYRD. So let us begin. I believe we have a time limitation already on Mr. Tower.

Mr. TOWER. Thirty minutes.

Mr. CRANSTON. Thirty minutes. I wish to be second.

Mr. ROBERT C. BYRD. Senator Cranston would like to be second.

Mr. CRANSTON. Thirty-minute time limit.

TIME LIMITATION AGREEMENTS

Mr. ROBERT C. BYRD. I ask unanimous consent that Mr. Cranston follow Mr. Tower on tomorrow and that there be a time limit on Mr. Cranston's amendment of 30 minutes to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. Danforth and Mr. Moynihan have an amendment. They already have a time agreement of 30 minutes thereon. I ask unanimous consent that following Mr. Cranston on tomorrow Mr. Danforth and Mr. Moynihan be recognized to call up their amendment on which there is a 30-minute time limitation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. Dole would follow Mr. Moynihan's amendment. Do we already have a time limit on Mr. Dole?

The PRESIDING OFFICER. Twenty minutes.

Mr. ROBERT C. BYRD. Twenty minutes. I ask unanimous consent that Mr. Dole follow Mr. Moynihan.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. Nunn has an amendment on which he would recommend 10 minutes.

Mr. NUNN. More than one amendment, but they are technical amendments.

Mr. ROBERT C. BYRD. Ten minutes to the side?

Mr. NUNN. A total of 10 minutes.

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a time limit on certain technical amendments——

Mr. LONG. Mr. President, I am hopeful that the amendments of the Senator from Georgia (Mr. Nunn) can be agreed to without any substantial debate, but I think Senators would want to know what they are, so I think we ought to have a limitation of about 20 minutes, equally divided, on each one.

Maybe some of them there will be no objection to. If that is the case, we can dispose of them in a hurry.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Will Senators withdraw from the aisles, so that the unanimous-consent agreement can proceed? Senators will be seated.

Mr. ROBERT C. BYRD. Mr. President, may I ask the Chair who is the author of the last amendment on which we agreed to a time limitation?

The PRESIDING OFFICER. Senator Dole.

Mr. ROBERT C. BYRD. Following Mr. Dole on tomorow, I ask unanimous consent, then, that Mr. Nunn be recognized to call up his technical amendments, on each of which there will be—how much do you want?

Mr. LONG. I think there ought to be at least 20 minutes equally divided on each amendment, and then maybe some of those will not be objected to and we can agree to them in short order, so we will yield it back.

Mr. ROBERT C. BYRD. All right. Twenty minutes on each of the technical amendments, to be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, Mr. Helms, the Senator from North Carolina, has one that he says will take 20 minutes equally divided.

Mr. ROBERT C. BYRD. All right. I believe we already have 20 minutes on that.

The PRESIDING OFFICER. There is already an agreement for 20 minutes on the Helms amendment.

Mr. ROBERT C. BYRD. I ask unanimous consent that the amendment by Mr. Helms follow the amendments by Mr. Nunn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent to call up an amendment with 10 minutes.

Mr. ROBERT C. BYRD. For an amendment by Mr. Bayh, 10 minutes to be equally divided.

Mr. LONG. Can we have 10 minutes on each side?

Mr. BAYH. We have discussed this. I will be glad to have half an hour.

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a time limitation on the Bayh amendment for 20 minutes, equally divided in accordance with the usual form, and that it be the next amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if the majority leader will yield for a moment, can I inquire, for Members who are still on the floor, if the majority leader can tell me, are all these votes likely to be rollcall votes? Could we have some expression of how many might be done by voice vote?

Mr. LONG. People cannot tell. The reason is, every Senator hopes his amendment will be agreed to without opposition, and no one knows the possible sources of objection to his amendment.

Mr. BAKER. The Senator from Tennessee was hopeful the majority leader and the manager of the bill had already agreed on some of them. The amendments to be offered by the Senator from Georgia, for instance, were characterized as technical amendments.

Mr. LONG. There are several amendments I would be willing to take, if the Senate would let me take them, but that is up to the Senate to make the decision. Several Senators have amendments to which I personally would have no objection, but it may be someone else would have an objection.

Mr. NUNN. If it would help the Senator from Tennessee, if there are objections to these amendments, the ones there are objections to I will not ask for rollcall votes on, and it is not my intention to try to get anything through that is objected to. These are on deadlines on some legislation on garnishment that we have a real time problem with. If there are objections, the amendments will be withdrawn.

Mr. BAKER. I thank the Senator from Georgia; that is very helpful.

Mr. President, could I inquire as to what time tomorrow the majority leader intends to convene the Senate?

Mr. ROBERT C. BYRD. At 8:30. We have two special orders, if Senators still want to speak in the morning that early. Mr. Nunn is one of those Senators, and Mr. DeConcini.

Mr. BAKER. Do you have one for Mr. Dole, too?

Mr. ROBERT C. BYRD. Mr. Dole? Then we have to come in at 8:15.

I ask unanimous consent that after the two leaders have been recognized tomorrow morning under the standing order, the Senator from Georgia (Mr. Nunn) be recognized for not to exceed 15 minutes, and that Mr. DeConcini then be recognized for not to exceed 15 minutes. I had heard from them earlier, and I now ask unanimous consent that Mr. Dole be recognized for not to exceed 15 minutes, which means we come in at 8:15 a.m.

Mr. NUNN. Mr. President, approximately what time would the first recognition be, about 8:30?

Mr. ROBERT C. BYRD. No sir; I am not planning to use any of my time.

Mr. BAKER. And I have no expectation that I will use any time.

Mr. ROBERT C. BYRD. So the Senator could begin right after the prayer.

The PRESIDING OFFICER. Is there objection?

Several Senators addressed the Chair.

Mr. PERCY. Mr. President, reserving the right to object, could we have an idea as to what time the first vote would occur? Certain members of the Foreign Relations Committee have a breakfast in the morning in the French Embassy with the French Finance Minister. If we could delay the votes and have them back to back, it would be helpful.

Mr. GLENN. Mr. President, we have some important hearings in the morning, and if we have to have a vote every 20 minutes, it would make it virtually impossible to accomplish anything in the hearings. If we could have the debate, and then perhaps have the votes at 10-minute intervals about noon or 11:45, something of that kind, it would help.

Mr. BAKER. Mr. President, I do not object to stacking votes. I think it is a good idea, but I think it would be a good idea to start the votes before 12 o'clock. I think 11 o'clock might be a more desirable time.

Mr. ROBERT C. BYRD. Mr. President, will the Chair recapitulate the first half-dozen amendments and the times, so we will have some idea?

The PRESIDING OFFICER. Senator Tower, 30 minutes. Then Senator Cranston, 30 minutes.

Mr. CRANSTON. Mr. President——

The PRESIDING OFFICER. Then Senator Moynihan, 30 minutes. Then Senator Dole, 20 minutes. Then Senator Nunn, 20 minutes each on two technical amendments. Then Senator Helms, 20 minutes. Then Senator Bayh, 20 minutes.

Mr. ROBERT C. BYRD. Very well.

Mr. LONG. Mr. President, we may be able to stack these votes, but I am not willing to agree to it now. In other words, my thought about it is that I am willing to pair with people and accommodate people and that sort of thing, but I do not want to be in the position of a bunch of people who do not know what they are trying to do. I do not want the Senate to appear to be like a bunch of chickens running around with their heads cut off, not knowing what they are doing.

As long as we can have some feeling that we are proceeding in a fairly orderly fashion, I am willing, for instance, on the Tower amendment, to debate the second one immediately after the first one, and then vote on the two; but thereafter I do not want to run the risk that can result from that kind of procedure.

Several Senators addressed the Chair and the Chair addressed the Senate.

Mr. ROBERT C. BYRD. Mr. President, may we hear the Chair?

The PRESIDING OFFICER. The Chair wants to correct his statement of the unanimous-consent agreement. The Chair stated Mr. Nunn had two amendments, and he had five amendments.

Mr. BAKER. Mr. President, I understand the Senator from Kansas wishes to waive his special order in the morning.

Mr. NUNN. Mr. President, Senator DeConcini and I have an order tomorrow. We have a conflict in the morning. If the majority leader is willing, we will stay and make our comments tonight, and that order can be vacated, if that is agreeable.

Mr. ROBERT C. BYRD. Fine. I ask unanimous consent that the orders for recognition of Mr. Nunn and Mr. DeConcini tomorrow be vacated.

Mr. BAKER. And Mr. Dole also.

Mr. ROBERT C. BYRD. I ask unanimous consent that Senator Dole's order be vacated.

Mr. BAKER. Put one in for Mr. Thurmond.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Thurmond be recognized tomorrow morning after the two leaders under the standing order for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield to my senior colleague.

Mr. RANDOLPH. Mr. President, I respectfully request the majority leader and the minority leader as well to inform the Senate as to whether or not it will be possible tonight to call up the conference report on the Public Works Jobs bill, or, if that is impossible, to give us perhaps tonight the opportunity to know when it could be called up tomorrow.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished minority leader if he is in a position to respond as far as the Members on his side are concerned?

Mr. BAKER. Mr. President, I am sorry.

PUBLIC WORKS EMPLOYMENT ACT OF 1977—CONFERENCE REPORT

Mr. ROBERT C. BYRD. The distinguished Senator from West Virginia asked whether or not he could call up the conference report on the jobs bill yet this evening.

Mr. BAKER. Mr. President, I see the distinguished Senator from Vermont, the ranking member of the Public Works Committee, in the Chamber. May I yield to him?

Mr. STAFFORD. I believe if we can vote on it not prior to 8:30, we would be prepared to go ahead with the conference report between now and that time.

Mr. ROBERT C. BYRD. This evening?

Mr. STAFFORD. Yes.

Mr. JAVITS. Mr. President, if the Senator will yield, I inquired if they had a copy at the desk and I could not find any. If we have it, I am more than willing to proceed.

Mr. RANDOLPH. It is at the desk.

Mr. JAVITS. If it is at the desk, that is OK.

Mr. ROBERT C. BYRD. Mr. President, conference reports are privileged and, of course, the Senator can call the conference report. I wonder if we can get consent for a time limit on it so Senators would know if there will be a rollcall vote. Does the Senator expect a rollcall vote?

Mr. RANDOLPH. I do not.

Mr. ROBERT C. BYRD. Does anyone intend to ask for a rollcall vote on the conference report? If not, we can dispose of it this evening by a voice vote.

Mr. STAFFORD. If the majority leader will yield, it is possible that one of the conferees on our side may wish to comment.

Mr. ROBERT C. BYRD. Can we get a time limit?

Mr. CURTIS. Mr. President, I would not waive the right of a rollcall vote on a $4 billion bill. I do not think it would be sound.

Mr. ROBERT C. BYRD. Mr. President, could we get a time limit?

Mr. RANDOLPH. Yes. One hour would be agreeable, or 30 minutes will be agreeable.

Mr. LONG. Could I suggest this: Could we vote now and talk later? Frankly, I think that would accommodate us all.

Mr. RANDOLPH. I am trying to expedite a conference report on a priority of the administration and this Congress, which has nothing to do with the side of the aisle.

Mr. STAFFORD. The Senators on my side would want more time than a half hour.

Mr. BAKER. Mr. President, while we

are doing this, I must say I cannot agree to a vote on this measure until 8:30. So the time limitation should take account of that.

UNANIMOUS-CONSENT REQUEST TIME LIMITATION ON CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a vote on the conference report at 8:30 p.m. tonight and that the time between now and then, or once we get on the conference report, be equally divided between the two managers of the conference report.

Mr. BAKER. Could the majority leader withhold that request just for a moment, Mr. President?

Mr. ROBERT C. BYRD. Yes.

Mr. President, could we have order?

Mr. CRANSTON. Will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I temporarily withdraw my request. I yield.

Mr. CRANSTON. At least two Senators have left. When this discussion started they concluded there would be no more votes tonight and left the Chamber.

Mr. ROBERT C. BYRD. I would be willing to give one of them a pair. Maybe we can get some pairs. I am sure the Senator is correct. As a matter of fact, I told one that I thought that would be the last vote.

Mr. CRANSTON. I told two Senators, so I feel a sense of responsibility.

Mr. ROBERT C. BYRD. I will give Senator METCALF a pair. I told him.

Since that will be the last vote tonight, I would be very happy to extend it for 30 or 40 minutes, whatever is necessary to get the Senators back to the Chamber, or if we can get pairs for those who have gone.

Mr. CRANSTON. Would it be possible to discuss it now and vote on it early tomorrow morning, to set a time certain?

Mr. CURTIS. Let us have a 1-hour rollcall.

Mr. BAKER. I am perfectly willing to try to accommodate those who left in the expectation we would not have any further votes. If the Senator wants to extend it beyond the usual time, I will not object. I am prepared to say now we can agree to a record vote at 8:30, if the majority leader wishes.

Mr. CRANSTON. Senator PROXMIRE, with an unblemished record, is one who has left. I think we should vote tomorrow morning.

Mr. ROBERT C. BYRD. I would be very glad to extend the rollcall vote just as long as it requires to have Senator PROXMIRE return. If it is 2 hours, that would be fine. I do not want to see him harm the record.

Mr. CRANSTON. It is not certain that we can reach Senator PROXMIRE.

Mr. ROBERT C. BYRD. Mr. President, I think I would be constrained to object on my own on behalf of Senator PROXMIRE to having a vote tonight on the conference report. I regret to say that. We can take it up and vote the first thing tomorrow, or at 12 o'clock tomorrow, or at any time.

Mr. BAKER. This is the jobs bill conference report?

Mr. ROBERT C. BYRD. Yes. We can take it up tonight, have debate tonight, and have a vote at a time certain tomorrow.

Mr. BURDICK. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BURDICK. Has assurance been given to the Senate that there would be no further votes tonight? Was that assurance given earlier?

Mr. ROBERT C. BYRD. Not flatout assurance, no. I did not tell Senator METCALF there would be any other votes tonight. I said I did not think we would finish this tax bill tonight.

UNANIMOUS-CONSENT AGREEMENT—TIME FOR VOTE ON CONFERENCE REPORT

Mr. President, I ask unanimous consent that there be a vote on the conference report on the jobs legislation tomorrow at 12 noon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

Mr. ROBERT C. BYRD. Now, Mr. President, we had some other amendments on the tax bill.

Mr. CRANSTON. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. CRANSTON. It was uncertain as to when we were going to come in tomorrow. I would like to change places with the third amendment. I am second. The Danforth-Moynihan amendment is third. I ask unanimous consent to reverse the order of those two amendments.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object, the amendment of the Senator from Kansas is sort of a follow-on to the Danforth-Moynihan amendment.

Mr. CRANSTON. I will ask unanimous consent that I follow the Dole amendment.

Mr. ROBERT C. BYRD. And that the Dole amendment follow the Danforth-Moynihan amendment.

Mr. BAKER. Before the Chair enters the order, can we have one more recapitulation on where we stand?

Mr. ROBERT C. BYRD. Senator LONG said he would be willing to forgo the first vote. I do not recall that he said he would be willing to forgo it until noon. Beyond that, he was not disposed to say that tonight he would be willing to stack them.

Mr. PERCY. The first vote would occur at about what hour?

Mr. HUDDLESTON. At 10 o'clock.

Mr. PERCY. That is fine.

ORDER FOR NO ROLLCALL VOTES PRIOR TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur before 10 o'clock tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

PUBLIC WORKS EMPLOYMENT OF 1977—CONFERENCE REPORT

Mr. RANDOLPH. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RANDOLPH. I am only attempting to clarify. I know the majority leader wants that very much.

Mr. ROBERT C. BYRD. Yes.

Mr. RANDOLPH. Is it understood, then, that we would take what time we desire tonight in presenting the conference report, which might be a few minutes or it might be several minutes, and have that out of the way with the rollcall tomorrow at noon?

Mr. ROBERT C. BYRD. That is correct.

Mr. RANDOLPH. But we will call it up tonight?

Mr. ROBERT C. BYRD. Call it up tonight, get the debate out of the way tonight, and vote tomorrow.

Mr. RANDOLPH. I thank the leader.

ORDER FOR ROLLCALL VOTE ON PUBLIC WORKS EMPLOYMENT ACT OF 1977—CONFERENCE REPORT

Mr. ROBERT C. BYRD. I ask unanimous consent that it be in order at this time, Mr. President, to order the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. May I ask one question? I am not sure I fully understood the colloquy between the senior Senator from West Virginia and the majority leader. Is it clearly understood that all of the debate on the conference report on the jobs bill will occur tonight?

Mr. RANDOLPH. That was my understanding. I was attempting to clarify it.

Mr. BAKER. I favor that. I think we would be hard put tomorrow to try to finish. It is the debate tonight and the vote tomorrow at 12 o'clock.

Mr. RANDOLPH. That is my understanding.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

Mr. HUDDLESTON. Mr. President, I just wanted the leader to record my amendment to the tax bill tomorrow. It is not a controversial amendment. I do not expect there will be a vote but I just want it listed after those that are already ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the amendments which have already been ordered for tomorrow, Senator HUDDLESTON be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I would like to be included somewhere in the list. I am in no hurry but I do not want to be forgotten.

Mr. ROBERT C. BYRD. All right.

We have not answered the distinguished minority leader.

Would the Chair now very carefully recapitulate the sequence in which the amendments will be called up tomorrow and the time on each?

The PRESIDING OFFICER. The first amendment will be the amendment by Mr. TOWER, 30 minutes; then Senators MOYNIHAN and DANFORTH, 30 minutes; and Senator DOLE, 20 minutes; Senator CRANSTON, 20 minutes; the Nunn amendments, 20 minutes each; HELMS, 20 minutes; Senator BAYH, 20 minutes; Senator HUDDLESTON next with no time limit.

The last one listed is Senator HUDDLESTON.

The Chair corrects the time limitation on the Cranston amendment. That should be 30 minutes, not 20 minutes.

Mr. ROBERT C. BYRD. Would it be agreeable with Mr. CURTIS and Mr. LONG; does the Senator know?

Mr. CRANSTON. Maybe we had better leave it that way.

Mr. ROBERT C. BYRD. How much time does the Senator from Kentucky want?

Mr. HUDDLESTON. The minimum amount.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment of Mr. HUDDLESTON of 10 minutes, to be equally divided according to the usual procedure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators for their cooperation and understanding.

INTERNATIONAL COOPERATION TO CURB NUCLEAR PROLIFERATION

Mr. PERCY. Mr. President, I have an inquiry of the majority leader.

It is the understanding of the Senator from Illinois that Senator CHURCH apparently talked to the majority leader about Senate Resolution 94, unanimously reported by the Foreign Relations Committee. It is a resolution by Senator CHURCH and myself on nonproliferation, to back up and support the efforts of the President in this regard and to reaffirm that we intend to urge other countries to work on this.

Is that going to be brought up this evening—is the understanding of the Senator from Illinois correct—at the close of business today?

Mr. ROBERT C. BYRD. I have not been talked to.

ORDER FOR MUSKIE AMENDMENT TO BE CALLED UP TOMORROW AND TIME LIMITATION AGREEMENT

Mr. MUSKIE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. There seems to be some question as to whether or not I shall offer my amendment tomorrow. I shall. It is a countercyclical amendment. I am not on this list. I am willing to be added to anybody's list for almost any amount of time. I just want to make it clear that the amendment is pending.

Mr. BAKER. Is the Senator talking about the countercyclical amendment?

Mr. MUSKIE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I guess this is the appropriate time to lay it in the sequential order.

I ask unanimous consent that, upon the disposition of Mr. HUDDLESTON'S amendment—I believe that is the last one thus far—Mr. MUSKIE be recognized to call up his amendment.

Mr. BAKER. Is there a time limitation?

Mr. MUSKIE. I shall be glad to agree to one. I should not think more than an hour would be required from my perspective. Others might think more. I could take less.

Mr. CURTIS. I think it ought to be an hour. Will the request be in the usual form as to who controls the time?

Mr. ROBERT C. BYRD. Yes.

Mr. CURTIS. In cases where the manager of the bill favors the amendment, it will shift to this side?

Mr. ROBERT C. BYRD. Yes; I wonder if Senator LONG would be agreeable.

Mr. RIBICOFF. I think he would be if it would be at least an hour.

Mr. BAKER. Reserving the right to object, is there already a time limitation on the Muskie amendment?

The PRESIDING OFFICER. No; there is not.

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a time limitation of 1 hour on the amendment by Mr. MUSKIE and that the control and division of the time be in accordance with the usual form. That is for 1 hour.

The PRESIDING OFFICER (Mr. MELCHER). Without objection, it is so ordered.

INTERNATIONAL COOPERATION TO CURB NUCLEAR PROLIFERATION

Mr. PERCY. Apparently, Senate Resolution 94 had been cleared by the chairman of the Committee on Foreign Relations and, apparently, the ranking minority member on the committee, but they had not talked to the leadership. Could this be scheduled for tomorrow? It will not take more than 2 or 3 minutes. It could be read tonight and studied. If there is any controversy over it or any prolonged discussion, we can simply set it aside until next week. But if it could be done in a couple of minutes, I would appreciate and I know Senator CHURCH would appreciate its being taken up tomorrow.

Mr. BAKER. If I may respond briefly, if the majority leader will yield to me, I am sorry, I have not seen the resolution nor was I consulted about it. I shall be happy to read it tonight and, since it has been cleared with both sides on the Foreign Relations Committee, I think the prospects are good that it can be cleared tomorrow. I shall look into it.

Mr. ROBERT C. BYRD. I am informed that this measure has been cleared already for action by unanimous consent and was placed on the Unanimous-Consent Calendar yesterday, I believe.

Mr. BAKER. I thought it was just reported today. They are two different resolutions.

Mr. ROBERT C. BYRD. I am sorry.

Mr. BAKER. Mr. President, this was reported yesterday. This is the same resolution——

The PRESIDING OFFICER. Will the minority leader address the Chair, please?

Mr. BAKER. Mr. President, the resolution that the Senator from Illinois is speaking of is Senate Resolution 94, which I believe was reported previous to today because I find it on the Unanimous-Consent Calendar as Calendar Order No. 83, which is fully cleared on our side. If the majority leader wishes to dispose of it now, there is no objection.

Mr. ROBERT C. BYRD. I thought my memory was correct on that.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 83 on the Unanimous-Consent Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the resolution (S. Res. 94) relating to international cooperation to curb nuclear proliferation, which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 2, in the first paragraph of the preamble, the first line, strike "agreed in" and insert "party to";

On page 2, in the first paragraph of the preamble, the second line, following "Treaty" insert "agreed";

On page 2, in the second paragraph of the preamble, the second line, strike "enhances" and insert "would enhance";

On page 3, line 5, following "facilities" insert "to non-nuclear-weapon states";

On page 3, line 7, strike "energy" and insert "equipment or materials";

On page 3, line 10, strike "universal";

On page 3, line 11, strike "peaceful";

On page 3, line 11, following "activities" insert "by non-nuclear-weapon states";

On page 3, line 20, strike "to reach agreement on" and insert "to explore the feasibility of establishing international";

On page 3, line 22, strike "any nation which seeks to acquire a nuclear explosives option" and insert "any non-nuclear-weapon state which detonates a nuclear explosive device, or abrogates or materially violates any international nonproliferation controls".

Mr. PERCY. Mr. President, this resolution addresses an issue which is of growing concern to us all, nuclear proliferation. Senate Resolution 94 is an important reaffirmation of congressional support for the President's efforts to achieve cooperation from other nations in implementing tough, practical international measures to control the spread of nuclear weapons capability and to reduce the incentives for countries to acquire the bomb.

Such a reaffirmation is particularly important as we continue discussions among the principal nuclear supplier nations.

Specifically, Senate Resolution 94 commends the President for giving this matter high diplomatic priority, and urges him to engage in active consultations with world leaders on the highest level to achieve a number of nonproliferation goals. These goals include curbing the spread of reprocessing and enrichment to non-nuclear-weapon states, achieving broad acceptance of strengthened IAEA safeguards on all nuclear activities in nonweapon states, providing for improved nuclear waste handling and international storage of sensitive material, exploring ways to provide reliable fuel services to those who share our nonproliferation objectives, and establishing uniform international sanctions to be imposed against those who violate nonproliferation controls.

Finally, the resolution states that the Senate will act promptly to consider legislation containing a clear statement of U.S. nonproliferation policy and establishing a clear statutory framework for U.S. nuclear exports. S. 897, which I introduced with the cosponsorhip of Senators GLENN, RIBICOFF, JAVITS, and CRANSTON, is currently pending before the Governmental Affairs and Foreign Relations Committees. In addition, President Carter has recently proposed alternative legislation for our consideration. There are a number of differences between these bills, and I have reservations about some of the provisions in the President's proposal. However, I am hopeful that we can work closely to resolve our differences and enact a major nonproliferation bill before the August recess.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

The preamble, as amended, was agreed to.

The resolution, with its preamble, as amended, was agreed to as follows:

Whereas the proliferation of nuclear explosive devices poses a grave threat to continued international progress toward world peace and development;

Whereas the detonation of nuclear explosives, even by developing countries, underscores the urgency of this threat;

Whereas the Senate of the United States ratified the Treaty on the Non-Proliferation of Nuclear Weapons, which committed the United States "not in any way to assist, encourage, or induce any non-nuclear-weapon state to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices . . .";

Whereas non-nuclear-weapon states party to the Non-Proliferation Treaty agreed to accept international safeguards to prevent "diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices";

Whereas the proposed transfer of nuclear enrichment and reprocessing facilities to non-nuclear-weapons states would enhance their ability to construct nuclear weapons;

Whereas the accumulation of spent reactor fuel, containing potential weapons-grade material, under the sovereign control of non-nuclear-weapon states raises immediate dangers of further nuclear-weapons proliferation;

Whereas the continued indigenous development of nuclear facilities (including reprocessing and enrichment) beyond the reach of existing international controls emphasizes the imperative need to increase the scope, comprehensiveness, and effectiveness of international safeguards and other controls on the use of nuclear technology;

Whereas international efforts to control proliferation historically have failed to keep pace with world nuclear development, and

Whereas there is a pressing need for more concerted United States leadership to raise international awareness of the magnitude of the proliferation threat and to seek effective international action to curb proliferation: Now, therefore, be it

Resolved, That the Senate of the United States—

(a) commends the President of the United States for his stated intentions to give diplomatic priority to the pursuit of nonproliferation measures;

(b) endorses and strongly supports active consultations and negotiations with world leaders on the highest level—

(1) to curb the spread of nuclear enrichment and reprocessing facilities to non-nuclear-weapon states and otherwise discourage the diversion of nuclear equipment or materials from peaceful uses to nuclear weapons or other nuclear explosive devices;

(2) to achieve acceptance of international safeguards on all nuclear activities by non-nuclear-weapon states, as well as seek international cooperation to improve the packaging and handling of high-level wastes and to provide for international storage of plutonium, spent reactor fuel, and other sensitive nuclear materials;

(3) to explore possible international arrangements for the provision of nuclear fuel services to help meet the legitimate needs of cooperating states;

(4) to explore the feasibility of establishing international sanctions to be applied against any non-nuclear-weapon state which detonates a nuclear explosive device, or abrogates or materially violates any international non-proliferation controls; and

(5) to strengthen the safeguards of the International Atomic Energy Agency; and

(c) shall act promptly on legislation to enact a clear statement of goals for United States nonproliferation policy providing guidance and support to these Presidential diplomatic initiatives, and to establish a clear statutory framework for the development and implementation of United States nuclear export policy.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR THE COMMITTEE ON HUMAN RESOURCES TO MEET DURING THE SESSION OF THE SENATE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. KENNEDY. I yield.

Mr. ROBERT C. BYRD. Mr. President—I have cleared this request with the distinguished minority leader—I ask unanimous consent that the Committee on Human Resources may be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until tomorrow morning at 8:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 10-MINUTE ROLLCALL ON ALL VOTES AFTER THE FIRST VOTE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I say to the Senators that there will be several rollcall votes tomorrow. I ask unanimous consent that there be a time limitation on each rollcall vote of 10 minutes after the first rollcall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I hope that Senators will be able to yield back some of their time tomorrow on amendments. That would expedite the final action on the bill.

I also hope that Senators, when they can restrain themselves from doing so, will not ask for yeas and nays on amendments. Of course, this is their right under the Constitution.

TRANSFER OF MEASURES TO UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the General Orders Calendar which have been cleared for passage by unanimous consent. I merely ask at this time that those two measures be moved to the Unanimous-Consent Calendar, which does not require unanimous consent.

The PRESIDING OFFICER. Will the majority leader give us the calendar numbers?

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, they are Calendar Orders No. 85 and 86.

The PRESIDING OFFICER. They will be so transferred.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, there will be no more rollcall votes tonight.

PUBLIC WORKS EMPLOYMENT ACT OF 1977—CONFERENCE REPORT

Mr. RANDOLPH. Mr. President, the conference report will be brought to the Senate by the able chairman of our Subcommittee on Economic Development of the Committee on Environment and Public Works. The chairman of the Senate conferees is our colleague (Mr. BURDICK). He will call up the conference report and what debate there is tonight will, of course, be under his leadership.

Mr. BURDICK. Mr. President, I submit a report of the committee of conference on H.R. 11 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today.)

Mr. BURDICK. Mr. President, I ask unanimous consent that during consideration of and voting on the conference report on H.R. 11, the following staff members of the Committee on Environment and Public Works be granted the privilege of the floor: John Yago, Phillip Cummings, Bailey Guard, Richard Harris, Richard Greer, Judy Parente, Richard Herod, and Robert Van Heuvelen.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, the bill is by now well known as the $4 billion public works jobs program.

The conference committee met eight times before agreement was reached. I think nearly every Member knows that a serious disagreement between the Senate and House on title II, amendments to the Water Pollution Control Act, nearly killed the bill. Because of the importance of getting the jobs program into law in order to get projects started before this construction season vanished, the conferees agreed to remove the water pollution amendments from the bill.

I can report that it took but one meeting with the House on the jobs program to reach agreement. I think the Senate conferees did a creditable job of preserving the intent if not much of the language of the Senate-passed bill. In most cases in which it was agreed to drop certain language from the proposed statute, the direction and intent was preserved in the statement of managers.

Mr. RANDOLPH. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the Senate is not in order and this is a very important statement being made by our colleague on a most vital bill. I suggest that Members might converse, perhaps, away from the floor and give their attention to the Senator from North Dakota at this time.

The PRESIDING OFFICER. The point of order by the Senator from West Virginia is well taken and the Senate will be in order.

The Senator from North Dakota.

Mr. BURDICK. Mr. President, let me present in summary form the important features of conference report:

Four billion dollars was agreed to with the expectation that it would be appropriated immediately.

The Senate formula allocating funds among the states by a 65–35 percent division of funds with a 6.5 percent cut-off for the 35 percent portion was preserved.

The Senate provision that all states shall receive at least three-fourths of 1 percent of $4 billion was retained.

The Senate version of a 2½ percent set-aside for Indians was agreed to. The House bill contained a similar provision.

The Senate provision permitting the substitution of drought related projects was retained.

The provision in the 1976 act permitting gerrymandering was repealed.

The use of most recent 12-month unemployment data rather than 3 months as in the 1976 act was agreed to.

A compromise set aside of $70 million for projects not received, not considered, or rejected solely because of an error of Federal employees during the first round was agreed to.

School district applicants are given equal status with other local general purpose units of government, as contained in the Senate bill.

Only pending applications in the Economic Development Administration will be considered for this round, except new applications may be submitted by eligible applicants when a project area's benchmark or planning target exceeds the dollar value of projects now on file.

The modified Senate version authorizing the Secretary of Commerce to conduct a study of public works investment over the last 30 years was retained, although modified.

The Senate version requiring that building projects must be accessible to the handicapped and elderly was retained.

The House provision extending the Davis-Bacon act to all laborers and contractors was agreed to.

The "buy America" amendment in both bills was retained.

The Senate receded from its provision requiring the division of funds within States on an 85 to 15 percent breakout.

The House provision requiring that all projects must be submitted to competitive bidding by private contractors was accepted.

A provision for energy conservation in building projects was agreed to.

The House provision including the Trust Territory of the Pacific Islands was agreed to.

The House requirement that applicants must certify that contractors will not employ illegal aliens was accepted.

Modified the Senate provision permitting any 1978 appropriations under this act to fund health care or rehabilitation facilities of non-profit organizations if such projects are submitted by eligible governments.

The Senate provision to require applicants to certify that contractors will give special consideration to the employment of qualified disabled veterans and Vietnam-era veterans was agreed to with the modification that the age limit on Vietnam veterans be removed.

Both bills provided that 10 percent of project costs go to minority business enterprises. A conference substitute was adopted containing features of both.

Mr. President, the statement of managers in the conference report is a particularly important part of this legislative package. In it the conferees have set out certain program policies to guide EDA. Some of these relate to statutory timetables, project areas, sources of unemployment data, new applications, the distribution of project awards in States with minimum allocations, and certain criteria affecting priority of one project over another.

I encourage those interested in this legislation to give the statement of managers a close reading. An extremely important part of the administration of this public works jobs program by EDA is the system or set of procedures it proposes to carry out the intent of Congress. We have had tentative presentations of these proposed procedures during the period the conference met. I wish to assure Members that as chairman of the Subcommittee on Regional and Community Development I intend to scrutinize the proposed regulations and guidelines thoroughly before they are promulgated. I hope other Senators will also examine them.

Senators will be pleased to know that EDA is proposing to demote the computer. It will not select projects by some arbitrary and capricious scoring system. Competition between applicants has been removed. Local officials will have the opportunity to indicate their priorities—and EDA will be required to respect those priorities. Round I errors will be corrected. From what I know now about this proposed system, it appears to be a solid improvement over last year's and the one proposed in February of this year. I hope we can improve on it.

Finally, Mr. President, the conferees adopted without dissent the Johnston amendment on water projects. This will be title II of the conference bill. Members supporting this amendment will be pleased to know that House conferees showed strong sentiment in favor of this amendment.

In closing, I wish to commend and express my thanks to the diligent and able staff—both majority and minority—of the Committee on Environment and Public Works.

Mr. RANDOLPH. Mr. President, tonight we bring to the Senate the conference report on H.R. 11, the Public Works Employment Act of 1977.

I commend my colleagues who participated in the development of this important measure in the Committee on Environment and Public Works and the recent conference with the House of Representatives. Senator Burdick, who served as chairman of the Senate conferees, occupied a leadership position. The success of the conference and the form of this well-reasoned report also is a tribute to the diligence and hard work of our other conferees, Senators Muskie, Bentsen, Anderson, Moynihan, Stafford, McClure, Domenici, and Chafee. Each made important contributions to this bill which is designed to place hundreds of thousands of Americans in productive jobs.

Although there were differing views in the House and Senate versions of the bill, I believe the resulting legislation is a clear signal that the Congress is resolved to break the rising spiral of unemployment. This final product also has strong endorsement from the President and contains many of the suggestions in his economic stimulus package. This is a key feature of efforts by both the Congress and the administration to end the lingering impact of recession.

Unemployment levels, particularly in the construction industry continued to be unacceptable in the first quarter of 1977. Economic recovery on the national level has been deterred by the severe winter, with job layoffs and shortages of fuel. The average unemployment rate for calendar year 1976 was 7.69 percent of the labor force. In part unemployment in the construction section of the economy is reflected in the fact that State and local government outlays for new construction over the 10-year period since 1967 actually dropped in volume from $30.8 billion to $22 billion in 1972 dollars.

Mr. President, title I of H.R. 11, the Public Works Employment Act of 1977, seeks to extend the program of grants to State and local governments to continue to provide jobs through construction initiated with the $2 billion authorized in the 1976 act, which became available October 12, 1976.

Putting people back to work remains an issue deserving central priority in the remaining months of fiscal year 1977. The $4 billion in additional funds for local public works programs recommended by the Budget Committee in concurrent resolution 10 is complementary to amounts contained in the Public Works Employment Act of 1977. The conference report authorizes $4 billion to be available for appropriation from time of enactment until the end of fiscal year 1978, for the balance of applications already on file with the Economic Development Administration as a result of the 1976 act, and new projects necessary to use allocation of these funds. In the event that not all of the $4 billion authorized is appropriated by September 30, 1978, the legislation provides that applications considered by the Economic

Development Administration can include private, nonprofit health care and rehabilitation projects.

All grantees given a portion of this additional $4 billion authorization must assure that they will construct or renovate their projects so the projects will be accessible to the handicapped and elderly. Before a grant is made the Secretary of Commerce will notify all potential recipients of their responsibilities to conform with the Architectural Barrier's Act of 1968. In addition, the Conferees direct the Economic Development Administration to give special consideration to existing and new project applications which promote accessibility to all of our Nation's citizens.

The Senate Members participating in the conference also want to make clear that full consideration will be given to continuing waste water treatment construction grants as an integral part of a major examination of water pollution issues undertaken in the 95th Congress. We expect to begin that review in the Committee on Environment and Public Works some time in May.

In summary, Mr. President, I believe the Public Works Employment Act of 1977:

Attempts to simplify and clarify the program;

Limits the second round to the $22 billion backlog of applications to assure speedy implementation in order to take advantage of this year's construction season, with new applications received where necessary to use all the allocated funds;

Concurs in the procedures to consult local elected officials for their project priorities;

Provides a special set-aside of funds for projects erroneously excluded from being funded the first round;

Supports, in general, the administration's proposed administrative policies and procedures; and

Assures school districts equal treatment with other units of local government.

With these improvements included in this bill, I wish that I could state to my distinguished colleagues that this legislation would alone solve America's economic problems. No single piece of legislation will turn the economy around by itself. This bill will provide a much-needed stimulus to the economy, and particularly to the construction industry that still suffers ill health. That industry normally produces about 10 percent of our gross national product, rising as high as 12 percent in good years. It is now only about 8 percent of the gross national product.

The millions of unemployed, the millions of underemployed, and their families are looking to the Congress for help.

This public works jobs program before you today means employment for many thousands of workers. In the long run it will help pave the path toward restoring economic health. This program is an investment in America—a downpayment on prosperity, on the lives of unemployed workers and their families, and in public facilities for all Americans.

Mr. President, I believe my colleagues will look at this bill in the same way as members of the conference committee did during its consideration—as an investment in the future of this Nation. It is my conviction that this is a constructive program which provides Americans with the opportunity to go to work on needed projects which strengthen our national economy and provide long term benefits for both large and small communities.

Mr. STAFFORD. Mr. President, I would like to be associated with the excellent explanation of this conference report which the distinguished Senator from North Dakota, chairman of the Regional and Community Development Subcommittee of the Environment and Public Works Committe, has just given the Senate.

The conference agreement is essentially the bill passed by the Senate on March 10 with one major exception—the conference report does not include an authorization for the wastewater treatment program under the Water Pollution Control Act.

The public works jobs portion of the conference report includes several important provisions of the Senate passed bill. I am particularly pleased the conferees agreed to include Senate language giving schools equal treatment under the program. This provision, which I introduced, was adopted by a unanimous vote of the full Senate Committee on Environment and Public Works.

The conference committee also adopted the State allocation formula voted by the Senate. Under the formula in the conference report, 65 percent of the funds would be allocated to each State based on the number of unemployed persons residing in the State. The remaining 35 percent would be allocated among States which have a statewide unemployment rate above 6.5 percent. Each State would receive a minimum of three-fourths of 1 percent of the funds appropriated under the act.

Mr. President, it has been a pleasure to work with the members of the Environment and Public Works Committee on this bill and with the Senate conferees.

I especially pay tribute, not only to all members of the committee and the conferees from the Senate, but to Senator Burdick for his leadership. If this Senate has any champion on the appropriate use of public works as a constructive antirecessionary measure, it is our chairman, the Senator from West Virginia (Mr. RANDOLPH). His skill and insistence and friendly persuasion have been the key in our bringing this conference report to the Senate tonight.

All members of the committee contributed to the final product, but from his first day on the committee, Senator CHAFEE, has taken a particular interest in the bill and played an unusual role for a junior Senator. The senior Senator from New Mexico (Mr. DOMENICI) has also taken an active role in the development of this program, making several constructive contributions.

As I pointed out earlier, the conference report before us does not include any provision of funds for the sewage treatment construction program under the Federal Water Pollution Control Act, although the bill as passed on March 10 provided $4.54 billion for each of fiscal years 1977 and 1978.

The committee had originally proposed to make these funds a part of the public works jobs effort for two reasons. First, over half the States have, or will soon run out of construction grant funds from their allotments of the $9 billion released in February 1975. It is essential for the effective and efficient working of this nationwide program that funding be provided in a reliable, stable fashion. Both from the standpoint of the State and local governments' ability to plan and of the construction industry's ability to respond, the costs of widely fluctuating infusions of funds can be very great indeed. As testimony before our Subcommittee on Environmental Pollution pointed out, the failure to be consistent and dependable will result in materials shortages, price fluctuations, economic uncertainties, and a reduction in competition, all of which can contribute to delay and higher prices for waste treatment plants.

Second, as the Nation's largest public works program, the wastewater treatment construction program, employs many thousands of workers. It is estimated that every $1 billion in outlays for the construction grants program supports 40,000 primary and secondary jobs. If the construction industry and State and local governments can count on the availability of funds when projects are ready to go to construction there is a greater incentive to move projects along in the planning stages and to maintain the investment in equipment and workers to do the job. The goal of the public works jobs bill is, after all, to provide job opportunities in the construction and building trades sector. By including the sewage treatment authorization in this bill we had hoped to enhance that effort.

It was a disappointment, therefore, to many of us that the conferees were unable to reach agreement on amendments to the Federal Water Pollution Control Act. Whereas the Senate bill provided a 2-year authorization only, the House bill proposed a number of substantive amendments which would have significantly altered the clean waters program.

As one of the Senate conferees, I want to assure my colleagues that we made every effort to find areas of agreement with the House—as we did on section 208 areawide planning grants, and to compromise where necessary—as we did on municipal and industrial deadline extensions for point source controls, and in allowing ad valorem taxes to pay for the operation and maintenance of sewage treatment plants by residential and small commercial users. We also proposed significant modifications in the Corps of Engineers permit program for the discharge of dredged and fill material by exempting from these requirements all normal farming and forestry activities, by providing for general permits and delegation to the States, and by delaying the effective date of phase III of this program until we have a chance to evaluate its impact.

What we were not willing to do, however, was to overturn some of the big requirements of the clean waters program or accept any provision which would threaten our environmental progress or the fiscal soundness of this multibillion-dollar program.

Although the Senate was in the disadvantageous position of having no amendments corresponding to those in the House bill, our side made an honest effort to compromise. However, after 3 weeks it became obvious that little further progress could be achieved. We made a final offer to the House conferees, which included the option of dropping the water pollution authorizations and amendments entirely. The House accepted this option, in spite of the agreement on the many important points I mentioned earlier.

I want to make clear to my colleagues that the Senate conferees agreed to compromise on every critical issue involving a deadline, whether funding, extensions for reallotment, municipal and industrial point source control deadlines, or phase III of the section 404 permit program.

I regret that the House conferees insisted on more.

However, I am satisfied that the Senate conferees made it possible for the Public Works Employment Act to come to the floor for a final vote without further delay. As for the amendments to the Federal Water Pollution Control Act, I will reaffirm here the committee's commitment to early hearings—starting in May, and early consideration of a bill to provide long-term funding and corrective measures for the clean waters program in this session of Congress.

Mr. JAVITS. Mr. President, I have remained here to take just a minute to pay my respects to and to express my appreciation for the very forthright and statesmanlike way in which my colleagues have handled the effort to recognize the unemployment in my State and in a number of other industrial States.

This was one instance in which Members did not run down the aisle and consult a chart and vote accordingly, but really lent their attention to the real difficulty of the country, the inequities which exist in the stresses and strains on the various States, and gave them some consideration in the formula which was adopted.

I have spent many years here, struggling for just such an attitude. I could not fail to observe it and to thank my colleagues—Senator BURDICK, Senator STAFFORD, Senator MUSKIE, and Senator RANDOLPH, the chairman—for the statesmanlike attitude which was here manifested, and to express my pleasure that my new colleague from New York (Mr. MOYNIHAN) handled the matter with such outstanding capacity as to have brought about this result.

Also, I state to the managers of the conference report that their provisions respecting school districts are extremely constructive and helpful, as is their understanding of the problems of counties.

We now have a good many county governments in my State and other States, and they are concerned that, somehow or other, they will be overlooked and that they will fall between the stools. Again, the conferees have shown an admirable understanding of the development of the different levels of U.S. government in the counties, and have taken account of their situation.

It is a really statesmanlike job; and that, to my mind, is the highest word of praise for a legislative achievement. I am delighted that my colleagues have performed so magnificiently in regard to such a critical bill, and I thank them very much.

Mr. BAKER. Mr. President, I shall support the Public Works Employment Act of 1977.

As I said yesterday during the debate on the Danforth-Javits amendment to provide a permanent tax cut for low- and moderate-income families, the economy as a whole has shown improvement in the last several months. It is clear, however, that it is not improving at a rate which relieves us of the obligation to address ourselves to appropriate, cautious, careful, and prudent stimulation. Clearly the Danforth-Javits approach would have provided that stimulus in a less inflationary and more permanent manner than the present proposal. But the majority in the Senate rejected that approach, and we continue to be faced with difficult economic problems.

The bill before us will provide needed jobs and will provide valuable public works facilities that will continue to serve communities far into the future. While I am concerned with the potential inflationary impact of this legislation, in view of the need to provide a stimulus for the economic recovery and in view of the limited range of options now afforded Congress, I shall support this measure.

I would call special attention to one aspect of the conference agreement regarding the role of the counties in providing projects under the public works jobs program.

During Senate consideration of the measure I called attention to a potential problem with regard to evaluation of county eligibility.

The conferees have recognized the full responsibilities of the counties and their ability to play a valuable role in responding to unemployment needs throughout their area. The conference report directs the Secretary of Commerce in the implementation of the program to take into account the levels of unemployment throughout the county area.

The Senate Public Works Committee on which I serve will begin shortly a series of oversight hearings on EDA's policies and regulations. I shall urge the committee during those hearings to look carefully at EDA's policies as they affect all participating applicants.

Mr. MUSKIE. Mr. President, the Senate now has before it the conference report on H.R. 11, the Public Works Capital Development and Investment Act of 1977. This bill carries out an important component of the economic stimulus proposed in the third budget resolution in fiscal year 1977, and I urge the Senate to agree to the report.

Title I of the bill authorizes $4 billion for the local public works program of the Economic Development Administration of the Department of Commerce. This program provides grants to State and local governments for public buildings, roads, and other local public works that will quickly stimulate employment. Funds are targeted on areas of high unemployment. The Nation's unemployment rate is expected to be above the unacceptable level of 7 percent for this entire year. In fact, some areas are suffering unemployment rates of 15 percent and higher. Unemployment in the construction industry is almost that high nationally. The jobs that this program will produce have been estimated at between 200,000 and 300,000 in number. The projects are worthwhile, and those jobs are badly needed.

Mr. President, the bill before the Senate does not include any provision with respect to water pollution. It does not contain authorizations for continuing the construction grant program. These provisions were dropped by the conference.

We had a choice. If we were to have early action on a jobs bill, we would have had to make unacceptable concessions in the water pollution program or drop all water pollution amendments from the bill. It was clear that the House would persist in its opposition to allowing the construction program to continue unimpeded while we undertook a comprehensive review of the Clean Water Act.

The Senate conferees struggled for 7 weeks over a series of House water pollution amendments which involved major changes in the clean water program. The House refused to consider any compromise which would have allowed continued funding for the clean water construction grant program until the Senate could complete a comprehensive review of the act and respond to the substantive changes proposed by the House.

The Senate originally agreed to the $9 billion clean water proposal for this fiscal year and next because 34 States are expected to exhaust their construction money before September 30. As many as 11 States have already run out.

The rate of water pollution construction activity in Maine had already been slowed, because of the failure to enact a funding bill last year. And now, much of this year's construction season has been lost, because of our delay in reaching a conference agreement. Even if funding were provided this week, the effects of delay have already taken their toll on this year's construction season.

The price of continuing the program was unacceptable—the potential for damage to the water pollution control program was too great and a jobs bill was too important to delay any further.

The House insisted on 10 major changes in the water pollution program as the price of continuing the construction grant program. The Senate offered to concede to the House in whole or in part on 9 of these 10 items. I ask unanimous consent that a discussion of the final Senate offer to the House be included at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

The House told us that they were deeply concerned with the fact that municipal and industrial deadlines would pass before comprehensive amendments could be enacted. So we offered to extend those deadlines until the end of this Congress.

The House told us that communities needed flexibility with respect to the method of financing operation and maintenance of waste treatment plants—that ad valorem tax-based systems for raising revenues for operation and maintenance should be allowed because the cost of switching to user charge systems for residential users would be too costly. So we offered to exempt residential and small commercial users from the user charge requirement.

The House told us that the section 404 regulatory program placed unreasonable burdens on farming, ranching, and forestry activities and that the implications of the final phase of the program were unacceptable. So we offered to exempt normal farming and ranching and forestry activities from the entire section 404 program and to delay implementation of the final phase of the program until next year.

The House told us that the States needed assured funding as an incentive to take over management of certain aspects of the construction grant program. So we offered assured funding.

We accepted House proposals with respect to funding, reimbursement, combination grants, and a special project in Massachusetts, either as proposed or with slight modification.

We only rejected one proposal, the effect of which would be to relinquish all Federal interest in or control over the kinds of projects for which Federal funds were to be used—an amendment which would have prohibited the Administrator of EPA to have any role in the priorities for distribution of grant funds—an amendment which would have made irrelevant the relationship between Federal funds and the enforceable regulatory requirements of the act as they apply to publicly owned treatment works.

But the House wanted capitulation. The House wanted the substance of each amendment without modification. The House wanted to enact, this year, at a time when the Senate has not had an opportunity to consider the implications of major changes in the clean water law, amendments which could alter drastically the nature and the purpose of the law.

Mr. President, the clean water law took 3 years to enact. It was built on nearly 25 years of experience with Federal water pollution control effort. It merits a careful, not capricious review. And the Subcommittee on Environmental Pollution is committed to that review.

I hope that a way will be found to keep the water pollution construction grant pipeline flowing while we do our job. And I assure my colleagues that job will be done as quickly as reasonably possible. We will try to have a bill to the Senate this summer—and with the cooperation of the other body, to the President before the end of the fiscal year.

Mr. President, I am pleased that the conferees have adopted title II of the Senate version of the bill. Title II is the Johnston amendment which seeks to assure continued funding of water resources projects which the Congress had already approved. When the Senate passed the amendment, I supported Senator JOHNSTON's objectives. I support them now. The effects of terminating some of these water projects were not adequately considered before the President recommended terminating them. I commend the conference for accepting the Senate's position.

Senators RANDOLPH and BURDICK deserve our gratitude for their work on this bill. I urge its approval.

EXHIBIT 1

FINAL SENATE OFFER TO HOUSE CONFEREES ON WATER POLLUTION

1. Funding—The Senate accepts House offer on funding extensions for 18 months.

2. Section 404—The Senate offers a one-year moratorium on Phase III of section 404; gives the Secretary of the Army general permit authority; exempts normal farming, ranching, and silviculture activities from all phases of section 404; provides delegation to the States of certain freshwater lakes.

3. Ad Valorem—The Senate accepts House offer to permit use of ad valorem tax instead of user charge for residential users and small commercial users which discharge domestic type wastes. The Senate does not agree to permit use of ad valorem tax for industrial users.

4. Priority Lists—The Senate requests that this item be deleted.

5. Reimbursement—The Senate accepts House offer to extend eligibility for reimbursement for grantees who received grants under P.L. 84–660 before July 1, 1972, and who initiated construction before July 1, 1973.

6. Municipal and Industrial Time Extensions—The Senate offers to extend deadlines for municipalities and industrial tie-ins as of date of enactment to October 1, 1978. The Senate accepts House offer on a case-by-case extension of deadlines for direct industrial dischargers to October 1, 1978, on the basis of a good faith test.

7. State Certification—The Senate offers up to 2% of construction grant allotment to be used for State management of construction grant program.

8. Combined Step 2 and 3 Grants—The Senate accepts the House offer on combined step 2 and 3 grants for less than $1 million and for populations of less than 25,000.

9. Industrial Cost Recovery—The Senate accepts House offer on study of industrial cost recovery provision but requests deletion of deferral of payments provision.

10. Deer Island, Boston Harbor—The Senate accepts House offer to purchase secondary treatment site on Deer Island.

Mr. MUSKIE. Because of the very visible struggle which the Senate and House conferees had over the funding of the waste treatment program, we struggled for several weeks over a series of House water pollution amendments which involved major changes in the clean water program. The House refused to consider any compromise which would have allowed continued funding for the clean water construction grant program until the Senate could complete a comprehensive review of the act and respond to the substantive changes proposed by the House.

Mr. President, that leaves unfunded in some 34 or more States the waste treatment program for this construction season. That is a matter of great concern to me, as I am sure it is to Senators from those four States as well as representatives on the House side from those 34 States.

There is pending on the calendar the economic stimulus appropriation bill, with some money in it for the waste treatment program. I hope that that, in some fashion, may be accommodated to the needs of the States which are running out of money in this construction season. I take the floor at this time to emphasize the hope that a way can be found. I have discussed this with the distinguished chairman of the Committee on Public Works, Senator RANDOLPH, and with other Senators, including the manager of this bill, Senator BURDICK, who is equally concerned. I hope we can put together some kind of ad hoc program which will permit these States to continue with the program and not waste a year on their progress to the goal of the clean water bill.

Mr. BURDICK. Mr. President, I yield back the remainder of my time.

Mr. STAFFORD. I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the vote on the conference report will occur tomorrow at noon.

Mr. STAFFORD. Mr. President, there is a rollcall vote called for at that time, is there not?

The PRESIDING OFFICER. That is correct. The yeas and nays have been ordered for noon tomorrow.

Mr. STAFFORD. I thank the Chair.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—SENATE RESOLUTION 146

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a star print be made of Senate Resolution 146 in order to correct a clerical error as printed. The figure in line 4, page 2, should read "$1,684,000," instead of "$1,648,000."

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, the nominations on the Executive Calendar have been cleared, but I only seek to call up the first nomination thereon. I do this at the request of the majority whip, Mr. CRANSTON.

I ask unanimous consent that the Senate go into executive session to consider only the first nomination on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the nomination.

COMMUNITY SERVICES ADMINISTRATION

The legislative clerk read the nomination of Graciela "Grace" Olivarez, of New Mexico, to be director of the Community Services Administration.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The distinguished minority leader is recognized.

Mr. BAKER. Of course, the majority leader is correct. The nomination is approved on this side, and there is no objection to the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered, and the President will be notified.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. ROBERT C. BYRD. Mr. President, did Mr. TOWER lay down his amendment?

The PRESIDING OFFICER. The Tower amendment was not laid down.

Mr. ROBERT C. BYRD. Mr. President, would the distinguished minority leader lay down that amendment for Mr. TOWER?

AMENDMENT NO. 245

Mr. BAKER. Mr. President, I call up Mr. TOWER's amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) in behalf of Mr. TOWER, Mr. BARTLETT, and Mr. BELLMON proposes amendment numbered 245.

Mr. BAKER. Mr. President, I ask unanimous consent that the record show that the amendment was called up on his own behalf.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end thereof, add the following new section:

SEC. . Notwithstanding any other provision of this Act, Public Law 94–455 (301) (g) is amended as follows:

"(g) EFFECTIVE DATE.—

"(1) IN GENERAL.—Except as provided by paragraphs (4) and (5), the amendments made by this section shall apply to items of tax preference for taxable years beginning after December 31, 1975.

"* * * * *

"(5) The amendment made by subparagraph (11) of subsection (c) shall apply for taxable years beginning after December 31, 1975.".

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that there be a period for the transaction of routine morning business at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 8:45 a.m. tomorrow; is that correct?

The PRESIDING OFFICER. That is correct, under the previous order.

Mr. ROBERT C. BYRD. I believe, following the recognition of the two leaders under the standing order—and both leaders have indicated they will not take any time, certainly a minimum amount if they take any—that Mr. THURMOND will be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, I would like to make a unanimous-consent request.

ORDER FOR THE RESUMPTION OF CONSIDERATION OF H.R. 3477 TOMORROW

I ask unanimous consent that immediately after the order for the recognition of Mr. THURMOND has been completed that the Senate resume consideration of the tax bill, at which time Mr. TOWER's amendment would be the pending question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. As I understand the schedule now, we will come in at 8:45. Special orders will take us to 9 o'clock. There are 30 minutes on the Tower amendment which will take us to 9:30. Is there an order now that we will vote at 10 o'clock or not earlier than 10 o'clock? In any event, we have an agreement to stack the first two votes.

The PRESIDING OFFICER. The previous order is that there will be no rollcall votes prior to 10 o'clock.

Mr. BAKER. I thank the Chair. I was trying to figure out how we were going to do that.

If the Chair will permit me to inquire of the majority leader, it is clear then that the Tower vote, which otherwise would occur at 9:30, will not occur before 10 o'clock, and we will take up another amendment with that?

Mr. ROBERT C. BYRD. The Senator is correct. The distinguished manager of the bill, Mr. LONG, indicated he would be willing to do that on the amendment by Mr. TOWER. He retained his options insofar as further amendments were concerned, but he did indicate that he would at least consider stacking those together.

Mr. BAKER. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the previous order, that the Senate stand in recess until the hour of 8:45 a.m.

The motion was agreed to; and, at 8:45 p.m., the Senate recessed until tomorrow, Friday, April 29, 1977, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate April 28, 1977:

DEPARTMENT OF JUSTICE

Anthony G. Dirienzo, Jr., of Connecticut, to be U.S. marshal for the district of Connecticut for the term of 4 years, vice Ermen J. Pallanck, resigning.

James W. Byrd, of Wyoming, to be U.S. marshal for the district of Wyoming for the term of 4 years, vice George O. Houser, resigning.

James W. Garvin, Jr., of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years, vice W. Laird Stabler, Jr., resigned.

David V. Vrooman, of South Dakota, to be U.S. attorney for the district of South Dakota for the term of 4 years, vice William F. Clayton, resigning.

IN THE ARMY

The following officers for appointment in the Adjutant General's Corps, Army National Guard of the United States under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Charles Emerson Murry, 501–28–2941.

Brig. Gen. John Grady Smith, Jr., 260–01–2256.

IN THE NAVY

Adm. John P. Weinel, U.S. Navy, for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. William L. Read, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Vice Adm. John J. Shannon, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

CONFIRMATION

Executive nomination confirmed by the Senate April 28, 1977:

COMMUNITY SERVICES ADMINISTRATION

Graciela (Grace) Olivarez, of New Mexico, to be Director of the Community Services Administration.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

SINGAPORE TRIES UNUSUAL EXPERIMENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. SIMON. Mr. Speaker, while the Nation searches for innovative answers to our energy problems and our traffic problems in our central cities, Singapore has come across an idea that is intriguing at least, and it is an experiment that we ought to be watching closely.

Columnist Neal R. Peirce wrote the story which I am inserting in the RECORD because some of my colleagues will find it intriguing. It appears in the Chicago Sun-Times of Sunday, April 17:

HOW TO THROTTLE RUSH-HOUR TRAFFIC—A LESSON FROM SINGAPORE

(By Neal R. Peirce)

SINGAPORE.—Precisely at 7:30 each morning, warning lights flick on across signs above the 22 roads leading to the central business district of this fabled world trading city. They read: "Restricted Zone in Operation."

From that moment until 10:15 a.m., any auto entering downtown Singapore must have a prepurchased $1.60-a-day sticker on its windshield. Corporate cars have to pay twice as much. Not even diplomats or high government officials escape the net. The only exempt vehicles are buses, some delivery trucks and car pool vehicles with four or more persons inside.

Singapore's "area licensing system"—ALS—is the first major experiment by any city in the world to control the torrents of traffic that clog streets, pollute the air, and cause immense waste of fuels in central business areas.

The results in Singapore: The number of cars entering the downtown district during the morning rush hour has dropped by an astonishing 73 per cent. Car pooling has increased by 80 per cent. Buses run more frequently and on time through the unclogged streets, cutting commuters' delay and frustration. There has been a sharp drop in carbon monoxide air pollution. People who walk to work enjoy cleaner air and are less exposed to the hazards of heavy traffic.

The system has been in use for 22 months. World Bank economists, who have been monitoring it carefully, declare it a "clear success" that "might be a way to break the spiral of increasing congestion and decreasing public transportation service" in other cities.

The U.S. Transportation Department believes that Singapore's ALS is promising enough to warrant experimentation in American cities—and has some demonstration money to aid any city willing to try the system.

The stores and shops of downtown Singapore haven't suffered, because most don't open until 10 a.m.—just before the ALS system is lifted each morning. Shoppers aren't affected, except for higher parking fees. The only major disappointments have been the failure of fringe parking lots, served by shuttle buses, to attract many users, and less than a full "mirror effect" in reduced evening rush-hour traffic.

A public opinion poll sponsored by the World Bank showed that a great majority of Singapore residents approved of the ALS plan. They cited improvements in travel time and shopping conditions and a reduction in noise levels.

One attractive feature of the Singapore plan, recommending it to other cities, is its flexibility. The hours of travel restriction and the boundaries of the restricted area can be changed with ease. Another advantage is cost: The capital cost is minimal, and in Singapore, the monthly fees from drivers willing to buy the ALS stickers have been 10 times the cost of enforcement.

That means there are new funds to improve mass transit facilities. Singapore did improve its bus service, offsetting most of the cost through ALS sticker fees.

Auto commuters rarely recognize the immense cost their presence on clogged streets exacts from society at large—air and noise pollution, traffic hazards, reduced economic activity and immense waste of increasingly scarce petroleum. An ALS plan, backers say, brings them face-to-face with the costs they are imposing on others.

No one can tell whether an ALS approach would work in the United States until it is tried. Americans' love affair with their autos is so deep that sky-high fees might have to be imposed to reduce traffic substantially. But the Transportation Department remains willing to underwrite some of the costs if it receives a reasonable proposal from an American city willing to take the plunge with a pilot program.

BENNO C. SCHMIDT—REMARKS ON THE NATIONAL CANCER PROGRAM

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. ROGERS. Mr. Speaker, Benno C. Schmidt has been a significant contributor in this country's fight against cancer. He was a moving force behind the enactment of the National Cancer Act in 1971. Since then he has been very active in the national cancer program, serving on the President's Cancer Panel since its inception.

At recent dedication ceremonies for the comprehensive cancer center at Johns Hopkins University, Mr. Schmidt delivered remarks which I believe my colleagues will find rewarding reading.

Mr. Speaker, I insert Mr. Schmidt's remarks in the RECORD at this point.

ADDRESS BY BENNO C. SCHMIDT

Dr. Muller, Dr. Owens, members of the Board of Trustees of Johns Hopkins, distinguished guests:

These are interesting days for those of us responsible for the National Cancer Program. Questions, criticisms, and brickbats are coming from all directions, and these need careful listening to and even more careful sorting out in order to separate myth and misunderstanding from reality and to attempt to improve what we are doing. A prominent political cartoonist has said that he operates on the principle "if it is big, hit it" and the cancer program is big, both in importance and in dollars. It is big in importance because, when asked what they fear most, 65% of the American people respond "cancer." It is big in dollars because expenditures by the National Cancer Institute for cancer research have grown from $180 million in 1970 to $815 million in 1977.

What are we trying to do in the National Cancer Program? First, we are trying to support the best possible program in fundamental basic research designed to improve our understanding for cancer; for, if the truth be told, we are still profoundly ignorant about this disease. Despite the incredible progress in biomedical research that has occurred during the past twenty-five years, we still have so much to learn about the basic nature of cancer that our fundamental science base today must be measured more by what we do not know than by what we do know. We must look to cell biology, genetics, molecular biology, immunology, virology, membrane structure and physiology and other areas of basic biomedical science to provide us the science base we need to deal adequately with the problems of prevention, diagnosis or the cure of cancer. Therefore the first call on our support must be fundamental basic science to enhance our knowledge and this area has received about one half of our growing resources.

Secondly, at the same time we are endeavoring to enhance our basic knowledge, we must also support treatment research and clinically-oriented research in order to do as well as possible with today's knowledge in dealing with the cancer problem. We must also do whatever we can to find the causes of cancer and to attempt to remove those causes from our environment. This area is not as easy as it is sometimes made to sound because our scientific techniques for apprehending chemical carcinogens, viral influences and other causative factors are not as good as we would like them to be. There does not exist today for most substances a quick or easy way of determining carcinogenicity in man. Moreover, even when it has been determined that a substance is cancer-causing, it is not always easy to remove it from the environment. Lung cancer is the most rapidly increasing cancer today, and one of the most deadly, and we know for a certainty that the great bulk of the lung cancer that exists in our society is due to cigarettes. There is also strong evidence that cigarettes contribute to bladder and pancreatic cancer and it is beyond question that they contribute to respiratory, cardiovascular and other diseases. And yet we have met with virtually a total lack of success in removing this carcinogen and health hazard from our environment.

Treatment and clinical research have made great progress, and there is no question that the cancer patient today has a better chance in the hands of good cancer doctors than ever before in our history. Some diseases such as acute lymphocytic leukemia, osteogenic sarcoma, Hodgkin's disease and other lymphomas have been areas of enormous progress in just the last five to ten years. We are also learning that through combination therapy we can do much better than we had thought with many of the solid tumors such as breast cancer, colon cancer, and others. By combining local and systemic treatment, enormous progress is being made at our best medical centers such as the one here at Johns Hopkins in improving the effectiveness of cancer treatment today. Improved diagnosis and treatment are areas of research which we must continue to support until we have the kinds of scientific breakthroughs that enable us to deal with cancer on the same high plane of medicine to which the antibiotics have brought us in infectious diseases or the vaccines in smallpox, polio, typhoid, and the many other diseases that have been largely eliminated through vaccination.

A third area supported by the Cancer Institute, particularly under the Congressionally-mandated Control Program is the area of more widespread dissemination of the best technologies. Not only must we support the research that develops the best technologies, but we must try to see that those technologies get to more than a few percent of our population. This is a very difficult problem. Obviously, if Johns Hopkins, Memorial Sloan-Ketering, M. D. Anderson, or one of the comprehensive cancer centers develops a treatment that is more effective than those theretofore available for a particular type of cancer, it is highly desirable to get this treatment into widespread use as soon as possible. The Congress and the public tend to view this as a problem in communications or education. Unfortunately, it is often much more than this. The complex skills of the surgeon, the radiation therapist, the medical oncologist, and the researchers which are responsible for the good results can often be duplicated in comparable medical centers, but it is very difficult to duplicate them in less skilled centers, community hospitals, and doctors' offices. Nevertheless, we must do the best we can in this area. And there is no question we have made great progress in the past seven years.

What then are the problems that lead to the vast numbers of criticisms? The first is that the entire Cancer Institute budget could be spent in any one of the research areas I have described and still be inadequate to do what needs to be done in that area. Under those circumstances, it is inevitable that the basic researchers think basic research is being shortchanged and the clinical researchers and practicing physicians think clinical research and technology transfer are being inadequately supported. There are others that feel that if the funds were spent for environmental carcinogenesis, we could prevent 80% to 90% of the cancers and that this would be preferable to spending so large a fraction of the money trying to understand cancer or to treat it more effectively.

There are also a number of misunderstandings which we have had a singularly hard time putting to rest. Notable among these are that we are trying to target research before there is a proper science base—not true; that we are trying to apply business or systems techniques to biomedical problems that do not lend themselves to such techniques—not true; that we are putting too much money in contract research programs and that such funds would be better spent in the normal grant programs—a legitimate and I believe arguable opinion; that intramural research is not of the same high quality as the extramural research—not true; that some intramural researchers are given too much leeway to extend their own research by contracts in a way not open to extramural researchers—a highly legitimate inquiry that must be constantly monitored; that we are supporting second-rate research at places called "centers" while first-rate applications from other institutions of traditional excellence go begging—a complaint that I am sure I do not have to refute at this outstanding Comprehensive Cancer Center; that categorical research, i.e. cancer, means targeted or programmed research when it is undifferentiated research that is needed to solve the cancer problem. The fact is that categorical institutes, if they are properly administered, can support vast areas of undifferentiated research if that is what is needed to solve the problem with which that institute is concerned.

These are but a few of the questions that are raised, but they are typical of the problems that make our life interesting.

Among the things for which the administrators of the Cancer Research Program can be thankful are institutions like Johns Hopkins—institutions where we can support basic research, clinically-oriented research, training and educational programs, and programs for technology transfer knowing that there exists the talent and commitment to discharge your obligations well and to give the taxpayer far more than a dollar value for every dollar which you receive. We thank you for your commitment to the solution of the cancer problem.

PROPOSED AMENDMENT TO THE STRIP MINING BILL—ALLUVIAL VALLEYS (SECTION 510)

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. BAUCUS. Mr. Speaker, I plan to offer an amendment tomorrow to the strip mining bill, H.R. 2. My amendment, which has the support of the administration, deals with section 510(b) (5), the "alluvial valley" section. Western alluvial valleys are fragile, highly productive areas essential to water systems. Coal mining in those valleys can have severely adverse impacts, especially on the water systems. The effect of mining in the valley is likely to be particularly severe and to be difficult to determine in advance.

As introduced, H.R. 2 prohibited mining: first, in alluvial valley floors, except on undeveloped rangeland or where the effect on a farm's production would be negligible or; second, where there would be an adverse effect on underground water systems supplying these valleys. Mines already producing coal were exempted from the prohibition.

The reported bill changes the original in several respects:

First. The exemption for mining having a negligible impact on a farm's production was broadened by making the test one of negligible impact on "production within the alluvial valley floor";

Second. The no adverse effect test for water systems was changed to a "not materially damage test"; and

Third. The grandfather clause was broadened to include mines for which permits had been granted or substantial financial and legal commitments had been made prior to January 4, 1977.

My proposed amendment seeks to moderate those changes. First, it clearly and mandatorily place off-limits to mining all alluvial valley floors as defined in section 501. Thus it would simplify the language in the current bill and would not invite a long and costly process of litigation. Further, it would be much easier for the regulatory authority to administer.

Second, it would allow the regulatory authority with the discretion to determine on a site-by-site, specific basis whether mining operations located adjacent to valley floors will have a significant impact on these valley floors.

Third, it would "grandfather" existing operations, and those with permits as of January 4, 1977.

Fourth, it will also create a reserve of coal that cannot be mined. Currently, there are several mines located on valley floors in the West. The Environmental Protection Agency is now negotiating a contract with the State of Wyoming to study the effects of the Big Horn mine on the Tongue River alluvial valley. As this and other studies determine the full impacts of mining on valley floors, this section can be altered or not altered depending on the results of these studies.

My amendment would take out of production only a small portion of the western strippable reserves. Studies by the Environmental Protection Agency of 2,200 square miles of southeastern Montana determined alluvial valley floors overlay only 2.6 percent of the coal in that area. This figure compares favorably with the U.S. Geological Survey's analysis which indicated that of the proposed surface mines with Federal involvement, no proposed mine has greater than 3.7 percent of its land surface covered by an alluvial valley. Industry claims that this amendment would prevent mining in large areas of the west are, therefore, without factual foundation.

Mr. Speaker, the fundamental goal of my amendment addresses is to preserve the hydrologic balance in those areas where strip mining takes place. As the West faces serious drought conditions, surely we need not dispute the folly of tampering with a fragile relationship with the underground waters which nature has provided us.

One can hardly overestimate the importance of these valleys to Montana's agriculture. I would argue, however, that the bill as presented by the committee leaves some loopholes which we might live to regret. It seems to me that the current use of land, such as "undeveloped range land," is not nearly so important as the potential use of the land—we should not render unproductive land which offers potential for agriculture.

I urge my colleagues to support my amendment, the precise language of which follows:

BAUCUS AMENDMENT ON ALLUVIAL VALLEY FLOORS

Strike: All of section 510(b) (5): Page 258, lines 21–25 and page 259, lines 1–22 and insert in lieu thereof:

(5) the proposed surface coal mining operation if located west of the one hundredth meridian west longitude, would—

(A) not be located within an alluvial valley floor, or

(B) not materially damage the quantity or quality of water in surface or underground water systems that supply these valley floors referred to in (A) of subsection (B) (5) *Provided*, That this paragraph (5) shall not apply to those surface coal mining operations located within or adjacent to alluvial valley floors which in the year preceding the enactment of this Act were engaged in the commercial production of coal or which had obtained prior to January 4, 1977, specific permit approval by the State regulatory authority to conduct surface coal mining operations within said alluvial valley floors; and

INFLATION IS DANGEROUS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mrs. HOLT. Mr. Speaker, I am sure we are all delighted that the economy is growing at a brisk pace and unemployment is declining. The data for the first quarter of the year, and particularly for the last month, confirms these facts.

Unfortunately, the data also show that inflation is with us again, even discounting the effect of weather aberrations on food and fuel prices.

President Carter recognized the inflationary danger when he withdrew his plan for $50 rebates and handouts for nearly everybody. This action and other factors have reduced the estimated deficit for this fiscal year to something less than $60 billion, or even less than $50 billion if one accepts the administration's estimates.

Well, that is certainly better than the $70 billion deficit we were contemplating only a few weeks ago, but since when is a $50 billion or $60 billion deficit a cause for celebration? It is extremely high by historical standards.

It is normal for budget deficits to occur during recessions, when tax collections fall off. The response of the Congress to the recent recession was to add billions more for stimulus. Deficit spending amounted to $44 billion in fiscal 1975 and a record-shattering $65 billion in fiscal 1976 before settling to the $50 to $60 billion in this fiscal year.

There are those of us who warned that these deficits were wildly excessive, even for a recession, and that such excessive stimulation would be highly inflationary when economic recovery was in full swing. We are beginning to feel the inflationary impact.

There is absolutely no justification for authorizing deficit spending of more than $64 billion for fiscal 1978, as provided by this budget resolution, House Concurrent Resolution 195. The economy has been sufficiently stimulated, probably overstimulated. It is very possible that this budget for fiscal 1978 would stimulate an inflationary boom followed by a recession worse than the one we have already experienced. This is no time to be flooding the economy with upward of $64 billion in unearned dollars that represent nothing of value.

Mr. Speaker, the great inflation of 1974 caused the deep recession of 1975, from which we are recovering. We surely do not want to repeat that boom-and-bust scenario, but the spending being planned for fiscal 1978 seems destined to repeat it.

Now is the time to moderate Federal spending, to begin movement toward a balanced budget. The economy is building momentum for sustained growth. If we continue to pile on stimulus spending, we will be risking an inflationary explosion that could reduce our economy to rubble.

If we fail to exercise the necessary discipline at this critical stage in economic recovery, there is likely to be much suffering across this land next year.

I would remind the House that investment remains the weakest part of the economic recovery. I would remind the House that business investment for future production and jobs requires confidence in the future.

The best possible way to restore that confidence is to remove the threat of inflation. Unfortunately, this budget resolution will produce only alarm and caution if we fail to amend the spending downward by significant amounts.

EXPLANATION OF VOTE AGAINST THE EXPORT ADMINISTRATION AMENDMENTS OF 1977

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. DORNAN. Mr. Speaker, I did not support H.R. 5840, the Export Administration Amendments of 1977, in spite of the fact that I endorse the intent of title II which prohibits certain actions pertaining to foreign boycotts.

It is my belief that the anti-boycott provisions of H.R. 5840 are necessary and just. I am totally opposed to yielding to the boycott threats of any nation. Title II of H.R. 5840 would severely curtail—if not eliminate—the insidious practice of secondary and tertiary boycotts directed against friendly governments. Title II makes clear to the world that the United States not only refuses to cooperate with such discriminatory injustices but that this country will combat them with all means at her disposal.

I only regret that the dangers inherent in title I far outweigh the benefits which would accrue from title II.

The first title should be opposed by every Congressman who is opposed to aiding and abetting world communism and our avowed enemies. This title would permit export licenses to be granted without any consideration of the importing nation's Communist or non-Communist status. I am unalterably opposed to this provision and for this reason, opposed to H.R. 5840.

As I pointed out in my remarks of April 4, the Departments of Commerce and State and the National Security Council have approved the sale of millions of dollars worth of sophisticated computers, peripheral equipment and manufacturing expertise to the Communists. These computers are essential to all aspects of modern warfare. They are used for navigation and weapons guidance in modern missiles, aircraft, tanks, high performance satellite-based surveillance systems, ABM defense systems, and submarines.

The national policy which allows for the sale of American technology to our Communist enemies can only be described as suicidal.

I voted against H.R. 5840 because I believe that it will make that suicide all the more easily achieved.

AIR FORCE HELPS THE HANDICAPPED

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. TEAGUE. Mr. Speaker, recently I directed inquiries to all the executive departments and the Secretaries of our Armed Forces regarding their affirmative action procedures in employing handicapped Americans and asked for a report of their accomplishments in this area.

As you and my colleagues know, Public Law 93-112, the Rehabilitation Act of 1973, established a national commitment to employing handicapped individuals within the Federal Government.

The U.S. Civil Service Commission, in its third annual report to the Congress of June 30, 1976, entitled "Employment of Handicapped Individuals Including Disabled Veterans in the Federal Government," reports a 2.7 percent—average level of employment of handicapped individuals throughout the Federal Government.

I am happy today, to acknowledge the report of the U.S. Air Force in hiring the handicapped; and I am particularly pleased to report that the Air Force has attained a 6.3 percent level of employment of handicapped individuals in its personnel system. I congratulate the Air Force for its leadership in this area and commend the following report to my colleagues:

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., April 18, 1977.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Science and Technology, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your inquiry of March 31, 1977, concerning the Air Force Affirmative Action Program for the Employment of the Handicapped.

The Air Force plan for the employment of the handicapped (including disabled veterans) for 1977 embraces fourteen action items, states a method to achieve these goals, and sets a target date for their implementation. A copy of the Air Force Plan is at TAB A for your convenience.

The Civil Service Commission defines the Physical Handicaps to be used by agencies in Chapter 291, Appendix C, Federal Personnel Manual: TAB B represents the Air Force totals by Handicap Code. Code 00 represents employees with no reportable handicap; Code 99 represents a handicapping condition not otherwise defined. Of those categories other than 99, the greatest numbers represented are deformity/impaired function of the lower extremity or back or organic heart disease. We are pleased to report that all defined categories of handicapping conditions are represented within the Air Force.

At the present time, all Federal agencies are involved in changing and updating the Central Personal Data Base. All our employees are being requested to identify and code medical disabilities. As a result, all codes residing in Air Force Headquarters data base have been invalidated in order that the new code structure can be accommodated. Thus, it is not possible to answer questioin 6 at this time. The survey will be completed and the results transmitted to the Civil Service Commission by the end of May. At that time, a comprehensive list of occupations can be made available to you.

Many Air Force bases have made worksite modifications to enable the handicapped to successfully perform the duties of their positions. We do not require worksite modifications to be reported to the headquarters.

You may be further interested to learn that in addition to Coordinators for Selective Placement at each Air Force base, some 520 "Organization Coordinators," who function within the work environment, constantly assist first- and second-level management in fulfilling their obligations to our handicapped employees as well as applicants.

The Air Force is proud of its achievements in the hiring and advancement of the handicapped.

Sincerely,

JOHN J. STIRK,
Colonel, USAF, Deputy Chief, Congressional Legislation Division, Office of Legislative Liaison.

HANDICAPPED SELECTIVE PLACEMENT PROGRAM WORLDWIDE

	Handicapped code	NR employ	NR minor	NR women	Air reser	Handicap veterans			Other 10 ptv
						10 ptc	10 pt	5 pt	
No reportable handicap	00	204, 553	36, 176	64, 165	6, 613	5, 372	4, 817	92, 916	2, 365
Amputation, one extremity	10	328	55	32	----------	73	68	65	2
Amputation, 2 or more extremities	11	46	8	4	----------	12	11	7	----------
Deformity or impaired function—upper extremity	20	794	139	108	4	145	112	199	8
Deformity or impaired function—lower extremity/back	21	2, 687	484	399	7	482	356	737	32
Vision—best corrected vision of poor eye—no more 20/200	30	1, 047	173	119	5	98	61	406	5
Vision—best corrected vision of better eye—20/200	31	116	20	12	1	11	7	33	----------
Hearing—some in 1 ear, none in other	40	289	27	50	1	38	38	74	6
Hearing—in both ears but no more than 12/20—better without use of hearing aid	41	626	166	69	1	79	80	254	3
Hearing—0/20 in each ear, including speech malfunction	42	136	21	44	----------	9	13	15	----------
Hearing—normal hear with speech malfunction	43	8	----------	1	----------	1	1	3	----------
Tuberculosis, inactive	50	521	216	83	----------	115	122	124	3
Organic heart disease (compensated)	51	1, 184	216	174	3	97	93	447	11
Diabetes, controlled	52	868	288	148	1	79	62	320	6
Epilepsy, adequately controlled	53	204	34	48	----------	28	15	51	3
History of emotional or behavioral problems	54	337	61	69	----------	54	39	114	1
Mentally retarded	55	324	75	34	----------	2	----------	13	----------
Mentally restored	56	8	1	1	----------	3	1	1	----------
Any recurrent or chronic condition which may require selective placement	99	4, 300	829	703	19	476	249	1, 837	57
WW total		218, 376	38, 989	66, 263	6, 655	7, 174	6, 145	97, 616	2, 502
WW handicap total		13, 823	2, 813	2, 098	42	1, 802	1, 328	4, 700	137
Percent workforce:									
Handicapped		6. 3	1. 3	1. 0	. 0	. 8	. 6	2. 2	2. 2
Percent of handicap			20. 4	15. 2	. 3	13. 0	9. 6	34. 0	34. 0

COAL CONVERSION: TOUGHER THAN WE THINK

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. ROBINSON. Mr. Speaker, in a recent editorial, the Daily Progress in Charlottesville, Va., put in perspective a number of the obstacles we confront in carrying out the necessary task of switching more extensively to the use of coal in order to conserve scarce natural gas and oil supplies.

I am pleased this opinion-leader in my congressional district is helping to prepare the public for the unavoidably difficult, costly and painful period lying ahead. It would be a grave mistake a believe that conversion to coal can be accomplished easily or without challenge to many competing interests.

I insert the editorial in its entirety at this point for the benefit of my colleagues:

SHIFT TO COAL

President Carter's energy message Wednesday night may be a turning point. Until now talk rather than action has characterized most efforts to meet America's energy problems since the Arab oil embargo of 1973–74.

Nowhere has the inaction been more in evidence than in the shift from scarce oil and gas to plentiful coal in the generation of electricity—a change that is expected to take a decade to accomplish.

The new head of the Federal Energy Administration John O'Leary, notes "not a single drop of oil or a cubic foot of gas" has been displaced by coal at utility or industrial plants since an FEA program of conversion was begun three years ago.

The program seems to have a low priority. For example, only two attorneys had been assigned by the FEA to a regulatory program requiring that agency to show, plant by plant, whether conversion to coal could be achieved without insurmountable difficulties.

The FEA has not had in the past and does not have today a handle on the problems involved in conversion and no apparent timetable in coping with them. President Carter hopes to accomplish total conversion by 1990.

The conversion plan has been called "a great idea, except no one likes it."

Well it is a great idea and we like it. We have to. The oil and gas now being used each year to fire utility and industrial boilers are estimated to be the equivalent of 640 million tons of coal. That is about the amount of coal now being produced annually in the United States.

Obviously, converting substantial amounts of that energy production to coal would be helpful. It would do much to relieve a situation that finds us presently importing half of our oil and trying to cope with gas shortages that are certain to become more critical in the years ahead.

There are reasons why the massive conversion cannot take place overnight. From the supplier's standpoint an enormous increase in coal production will be required. Rail and highway facilities will have to improve to remove the coal from the mountain regions of Virginia, Kentucky, Tennessee and elsewhere.

There are additional obstacles at the other end of the conversion plan. Gas and oil-fired boilers aren't readily convertible to coal. The change in many cases amounts to totally replacing existing facilities. Some power plants near cities have the land necessary to store the coal. (An 800-megawatt power station requires 12 acres for coal storage and the equipment to handle it.)

The environmental problems may be the toughest. Even with the best available technology to reduce pollution, increased coal generation will add to already severe air-quality problems in some parts of the country. This would be especially true in urban areas where many of the oil and gas burners exist.

Organizations like the Sierra Club have failed to take clear stands on the conversion plan. They are painfully aware of the contradiction between goals of clean air and goals of total conversion to coal to conserve vanishing supplies of oil and gas.

The choices facing the Carter administration are tough. It looks as if governmental intervention will be necessary to set out a mandatory conversion timetable. The oil and gas cannot be replaced.

To the extent oil and gas are burned in industrial and utility plants, they won't be available to heat homes and stores and to meet our transportation requirements.

We may not like it, but it is going to be necessary to hold our noses and swallow our medicine. A sound energy policy will only be sound if it sees that supplies of fuel in this country don't run dry before the technology to produce substitutes is available.

PERSONAL EXPLANATION

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. ARMSTRONG. Mr. Speaker, I note that I am not recorded on the motion of the gentleman from Maine (Mr. EMERY) to reduce the budget figures in amount of $100 million for certain water projects. I was away from the floor at the time the motion came before the House and unfortunately, I did not learn of it until after the rollcall had been completed. Had I been present I would have voted against the amendment.

ENERGY PROPOSALS DISTURBING

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. DUNCAN of Tennessee. Mr. Speaker, on April 20, President Carter presented to this Congress and the American people his proposals for a comprehensive, long-range energy program. While I certainly agree that such a policy is needed, and has been needed for some time, there are certain aspects of the President's proposals which disturb me greatly.

Primary among these concerns is my feeling that the President's plan does not take into sufficient consideration the need for and the ability of this Nation to develop new energy technologies. I am also concerned about the President's nuclear energy policies. I am firmly convinced that the continued and expanded development of our nuclear energy capabilities is necessary to fulfill our long-range energy needs.

I would, therefore, like to commend to my colleagues the following article which appeared in the Knoxville News-Sentinel on April 22. In view of Dr. Seaman's eminent position in the field of energy, I feel his comments deserve our attention and consideration:

SEAMANS DISTURBED BY ENERGY PLAN

(By Don Kirkman)

WASHINGTON.—Dr. Robert C. Seamans Jr., director of the Energy Research and Development Administration (ERDA) in the Ford administration, is "deeply disturbed" by President Carter's energy program.

It not only fails to do much to solve long-range energy needs, he says, but it exhibits a lack of faith in the abilities of "American scientists and technologists to develop new fuel and power sources.

In an interview, Dr. Seamans criticized the Carter program for devoting too much emphasis to conservation and far too little on funding new energy technology.

"I think the Carter program gets us through the next 10 years pretty well," he said. "But then, after about 1985, the program drops absolutely dead."

The absence of—or minimal reference to—provisions for encouraging development of nuclear power plants, synthetic fuel plants, shale oil and natural gas production, the fusion process and other techniques are glaring errors, Seamans said.

If those technologies and other lesser energy sources were developed during the next 20 years, he added, the United States could easily overcome all its energy problems.

But basically he is dismayed by the overall lack of confidence he feels the President showed in America's intelligence and ingenuity.

"If you turn loose American genius, it will produce energy technologies just the way it produced the Manhattan (A-bomb) Project, sent men to the moon and solved the nation's rubber shortage during World War II." Seamans said.

"When you think of the enormous capabilities of American technology—of Westinghouse and General Electric and Exxon—there's almost nothing these people can't do.

"This nation is admired around the world for its technology, but I see no evidence in the Carter plan that it's going to be used."

"I really think Carter's a pretty bright guy," Seamans said. "But the advisers he has selected haven't given him a very accurate picture of the nation's energy problems and it's energy future."

Seamans said the best elements of Carter's plan are the request for harsh penalties on gas-guzzling cars, insulation of homes and commercial buildings, the commitment to increase the nation's use of coal, and the promotion of solar energy.

The biggest difference between the Ford administration's optimistic energy plan of 1975—which was developed under Seamans' leadership—and the Carter plan is the virtual abandonment of nuclear energy as a massive source of electricity, he said.

With Carter regarding nuclear power plants as an energy source of last resort, the nation is throwing away its biggest single energy trump card, he said—one that could provide huge amounts of power for 500 years.

Carter's order to halt the so-called "fast breeder" reactor program means the United States has decided to burn up all its nuclear fuel in about 30 years instead of making new supplies as it uses it.

"I think Carter has an irrational fear of nuclear power," Seamans commented. "I think his palace guard keeps dinning the dangers of nuclear power into his ears and he can't see its benefits."

Seamans, who is not an all-out nuclear advocate, said he has no fears that terrorists will steal enough plutonium to fabricate atom bombs or that the world will halt nuclear proliferation.

"We've had scads of plutonium scattered all over the country for more than 30 years," he said. We've handled it pretty well thus far and we could in the future."

Seamans thinks the American attempt to halt nuclear proliferation throughout the world is doomed to failure.

The biggest of all long-range gaps in the Carter plan, Seamans said, is the slowing down of the research effort to develop nuclear fusion reactors, the real centerpiece of the Ford energy proposal.

Viewed as the way of the future—for the 21st century and beyond—fusion plants some day will harness the same process that occurs in the sun to create the solar ball of fire.

The nation would have been far better served, Seamans said, by speeding development of the fusion process now being investigated by scientists.

NEEDS A HARD LOOK

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. ABDNOR. Mr. Speaker, as a Member of Congress most outspoken on reducing Government interference in business, I find myself between a rock and a hard place when it comes to deregulation of the airlines as presently proposed. My congressional district is located in what is considered the "most rural" State in the Nation. We have no rail passenger service and only limited bus service. Nine of our cities are served by scheduled airlines, a service we cannot afford to lose.

Recently KCAU-TV in Sioux City, Iowa, presented an editorial on current airline deregulation proposals. What they said applies not only to Sioux City, but to every community in South Dakota with air service. In fact, total deregulation would not only disrupt service to our small South Dakota cities, it could well end it completely.

As the editorial suggests, Members of Congress need to take a hard look at the impact on smaller towns.

The article follows:

AIRLINE DEREGULATION

Deregulation of the airline industry looks good at first, but it deserves a hard second look. Sponsors of deregulation bills in Congress are hoping to increase competition, improve service and lower fares through their efforts.

Initially, this would be the result, but primarily in larger cities. Deregulation could hurt service to smaller towns were operation is less profitable. Airlines would no longer be required to service them. Also, fares to smaller cities could be raised to subsidize lower fares between larger cities.

Some amount of deregulation could be desirable, especially in larger cities. But total deregulation would hurt the smaller cities right now and everyone in the long run. At least there should be some control on fares and some assurance of continued service for towns like Sioux City or smaller.

Total deregulation of the airline industry could disrupt service to Sioux City, and therefore, we oppose it. As Congress explores deregulation, we urge them to take a hard second look at its impact on smaller towns.

THE LATE REVEREND JOHN LEMBCKE, JR., OF INDEPENDENCE, MO.

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. SKELTON. Mr. Speaker, the Book of Common Prayer tells us that "in the midst of life we are in death." Nevertheless, there are some deaths that diminish the lives of the living so greatly that a moment must be taken to mark the occasion. It is with a truly heavy heart that I note the passing of Rev. John Lembcke, Jr., of Independence, Mo.

Father Lembcke was pastor of the Trinity Episcopal Church in Independence. He was personal pastor to the family of former President Harry S. Truman and delivered the eulogy at Truman's funeral in 1972.

Father Lembcke graduated from General Theological Seminary, New York, in 1954. His first pastorship was in Lexington, Mo., where he also served as chaplain and professor of Biblical literature at Wentworth Military Academy. He had served at the Independence Trinity Episcopal Church since 1961 and was elevated to the rank of canon in 1970.

In recent days, Father Lembcke was active in organizing a task force to discuss possible problems for Independence residents who live in the Kansas City School District should desegregation plans be carried out. In the late sixties he organized Kansas City Crisis and served on the board of Neighborhood Programing, both organizations designed to ease racial tensions.

Father Lembcke is survived by his wife, Mrs. Judith A. Lembcke, a daughter, Miss Eunice Elizabeth Lembcke, both of Independence, and his parents, Mr. and Mrs. John H. Lembcke, Sr., of Springfield, Mo.

"Father John," as he was known to his friends, was a close personal friend to my family and me. His exemplarly life set forth a shining example that all of us would do well to follow.

FEDERAL SURPLUS PROPERTY LEGISLATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. MOAKLEY. Mr. Speaker, I would like to file today revised legislation originally filed in 1974 to amend the Federal Property and Administration Services Act.

This legislation was refiled in 1975 and 1976 under your chief cosponsorship, Mr. Speaker, and with the support of 60 other Members of Congress. Today I and my colleagues who supported the original filing of this legislation are introducing this newly updated and revised version of that earlier legislation which we will "Dear Colleague" for cosponsorship next week.

The basic principle of this legislation, Mr. Speaker, is to provide for the transfer of surplus real property to states and their political subdivisions or nonprofit organizations at less than fair market value for the purpose of economic development reuse. Furthermore, this legislation provides that in no event shall the discounted price be less than 25 percent of the fair market value. This is a significant precedent and a key to the legislation. Operating responsibility for disposition of the property is placed with the Secretary of Commerce.

Revisions in the legislation made recently by House counsel tighten the language and add the necessary technical amendments to strengthen this legislation. Moreover, I am pleased to say, Mr. Speaker, that at the October 1975 hearings held in the Subcommittee on Government Activities and Transportation of the House Government Operations Committee, widespread support was expressed for this legislation. In this new Congress, my distinguished colleague, JOHN BURTON of California, new chairman of the subcommittee, also supports the concept of this legislation and has filed similar legislation. The key differences are the section regarding the discounted price and the section in our bill which allows redress for those communities which have suffered hardship under the present law—for example, Mineral Wells, Texas; Albany, Ga.; and Watertown, Mass.—by enabling them to apply to the Federal Government for a refund of all or any part of the purchase price.

As we enter the new year with unemployment still a major concern and economic revitalization a recognized priority by this Congress and the new administration, this legislation is timely and necessary. The increased attention to its merits by the committee and key House Subcommittee are a positive sign for attention in this Congress.

We can ill afford to continue to allow closed or cutback facilities to remain unused because of lack of capital. Valuable Federal property can be used for productive economic activity and jobs creation and this bill seeks to insure that a community seeking to utilize an ex-defense and other Federal facility for this purpose will not be tied up in red tape for years to do a job needed today. We cannot waste precious time when economically viable activity can take place now on available property.

I am, therefore, pleased to file this legislation along with my other colleagues and contemplate speedy action for its consideration and passage.

H.R. —

A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4)(A) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Secretary of Commerce for disposal such real property, including buildings, fixtures, and equipment situated thereon, as is determined by the Secretary of Commerce to be required to help multistate, State, and local areas meet special needs arising from actual or threatened unemployment arising from actions of the Federal Government in the process of closing Federal facilities.

"(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Secretary of Commerce of a proposed transfer of property for economic development purposes, the Secretary of Commerce, or his designee for this purpose, may sell or transfer surplus real property assigned to him under subparagraph (A)—

"(i) to any State or political subdivision thereof, or to any agency or instrumentality of such State or of such subdivision;

"(ii) to the Secretary of the Interior for the benefit of any Indian tribe located on a reservation under the jurisdiction of the Department of the Interior; or

"(iii) to any corporation, organization, or association which is exempt from taxation under section 501 of the Internal Revenue Code and which is designated by such a State, subdivision, agency or instrumentality for the purposes of this paragraph.

"(C) Any such sale or transfer shall be made only if the Secretary of Commerce (i) receives and approves a plan, submitted by an entity eligible to receive such property under subparagraph (B), containing such information and assurances as the Secretary shall by regulation require to assure reasonably prompt utilization of such property for economic development purposes, and (ii) determines that the attempt to dispose of such property at the estimated fair market value by the Administrator would prevent, discourage, or seriously delay the use of such property for economically and socially productive purposes.

"(D) In fixing the sale or transfer value of property to be disposed of under this subsection, the Secretary of Commerce shall take into consideration any benefit which has accrued or may accrue to the United States from the utilization of such property for economic development purposes, including, but not limited to, the extent to which Federal tax revenues may be increased and welfare and other expenditures decreased, the investments and contributions to be made by the recipient of such property in preparation of such property for redevelopment or reuse, and the recipient's expenditures and commitments made to proposed users and occupants in order to attract them to such site, except that in no event shall the discounted price be less than 25 per centum of the estimated fair market value. The Secretary may, in fixing the terms of such sale or lease, provide for payment by the recipient in installments established with due regard for the probable future receipts of such recipient from the use of such property.

"(E) The deed of conveyance of any surplus real property sold or transferred pursuant to the provisions of this subsection (i) shall contain such conditions and restrictions as the Secretary of Commerce deems necessary to assure that all such property shall be used for the economic development purposes for which it was conveyed, that such uses shall continue for a period of not less than twenty years, and, if during that period the property ceases to be used or maintained for such purposes, that all or any portion of the property shall, in its then existing condition, at the option of the United States, revert to the United States; and (ii) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Secretary of Commerce to be necessary to safeguard the interests of the United States.

"(F) In the event that any surplus real property had been disposed of by the Administrator between September 1, 1975, and the date of enactment of this Act, and the current or planned use of such property would, after such date of enactment, qualify for a disposition for less than estimated fair market value or without monetary consideration to the United States under this or any other provision of this Act or under any other Act relating to the disposition of surplus real property, the entity which purchased such property may apply to the Administrator for a refund. In determining whether to grant such refund and in determining the amount of such refund, the Administrator shall consult with the Secretary of Commerce and shall consider the factors identified in subparagraph (D) and consider the original purchase price of the property, plus any debt service which has resulted from the original purchase of the property, and any administrative expenses which have resulted from attempts to reuse the property, less any revenues which have been derived from the property since the original purchase. There are authorized to be appropriated to the Administrator such sums as may be necessary to provide the sums necessary to make such refunds.

"(7) As used in this subsection—

"(A) 'Economic development purposes' include, without limitation, private commercial or industrial activities which generate substantial employment and otherwise minimize adverse economic and social conditions in the area.

"(B) 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands."

SEC. 2. The paragraph redesignated (by the first section of this Act) as paragraph (5) of section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)(4)), is amended by deleting "or" at the end of subparagraph (C), deleting the period at the end of subparagraph (D) and inserting in lieu thereof "; or", and adding after the subparagraph (D) the following:

"(E) the Secretary of Commerce, in the

case of property transferred pursuant to paragraph (4) of this section to eligible recipients under such paragraph for economic development purposes,".

SEC. 3. The amendments made by this Act shall take effect as of ———, 1977.

MANDATORY RETIREMENT

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. RICHMOND. Mr. Speaker, I would like to enter into the RECORD an article entitled "Time to Rethink Compulsory Retirement," by Suzanne Seixas, published in the April 1977 issue of Money magazine. The article points out that mandatory retirement policies waste valuable and productive human resources and talent, and can be psychologically dangerous to workers. Moreover, the policy of forcing workers to retire at age 65 is becoming increasingly expensive for business and government.

Compulsory retirement, adopted by the U.S. Social Security Board in 1935 and based on a German program developed in the 1880's, is a program whose time has passed.

It has become an anachronism as human life expectancy has increased allowing more workers to be able to be productive later in life. This has also forced the aggregate cost of pension payments to rise as workers can be expected to collect payments longer. The article points out that lifting the mandatory retirement age could make it cheaper for employers to keep workers on their payrolls than to force them to retire. The longer workers remain on payrolls, the lower costs are to Social Security.

Many people over the age of 65 have a strong desire to remain active and continue working. Compulsory retirement arbitrarily forces workers into inactivity and onto pension rolls without consideration of physical or mental capabilities. This, I feel, should not continue.

The article is enlightening and informative, as it considers the various viewpoints regarding mandatory retirement. As a cosponsor of legislation to eliminate mandatory retirement, and as a sponsor of a bill to provide greater employment opportunities for the middle-aged and older worker, I urge my colleagues to read the following article:

TIME TO RETHINK COMPULSORY RETIREMENT

(By Suzanne Seixas)

On one of Gulliver's Travels, the hero of Jonathan Swift's satire comes across the Struldbruggs, a tribe of people who never die. Expecting to find them revered for their experience and wisdom, he learns instead that the larger community considers the Struldbruggs a nuisance, and treats them harshly during their endless dotage: "As soon as they have completed the term of 80 years . . . only a small pittance is reserved for their support, and the poor ones are maintained at the public charge . . . . They are held incapable of any employment of trust or profit."

Today, 250 years later, a fair number of the 23 million Americans who have reached 65 are getting the Struldbrugg treatment. Pushed from their jobs while they still have an average of 15 years to live (20 for women), they exist on Social Security and private pensions that together average half their pre-retirement income.

THAT PASTURE BIRTHDAY

The problems caused by mandatory retirement have begun attracting the attention of Social Security actuaries and administrators, congressmen and corporations, pensioners and planners. They are finding that the practice is becoming impossibly expensive for business and government, each of which is paying out heftier pensions for longer periods. It has spawned dissension in labor and discontent among taxpayers who must pay the ever-increasing maximum Social Security tax each year. And it is creating stress for retired people themselves, many of whom bitterly resent being put out to pasture on the basis of a birthday. It's beginning to look as if compulsory retirement is a good idea whose time has passed.

When it began, mandatory retirement was cheap. Pensioning off Germany's workers at 65 was part of a social-welfare program introduced in the 1880s by Chancellor Otto von Bismarck. "The catch," points out Harold Sheppard, a gerontologist at the American Institute for Research, "was that in those days hardly anyone lived very long after 65."

Advanced for its time, the German program became a model for other nations, and in 1935 the brand-new U.S. Social Security Board adopted the retirement age from foreign welfare systems. When World War II wage controls forced industry to turn to nonwage compensation to attract personnel, private pensions proliferated, most of them structured on the assumption that employees would retire at 65 as the "normal" retirement age.

Retirement was not always mandatory under such plans, but the compulsory aspect became popular with employers. The reasons were spelled out this January by Edward Reinfurt, a lobbyist for the 2,800-member Associated Industries of New York State, when he testified against a bill that would outlaw mandatory retirement in New York. "We said it gives the employer an objective criterion for retiring employees," Reinfurt recalls. "The employer doesn't create ill feeling when he retires a guy. Also, orderly retirement allows him to plan for recruitment, training new people and promotion. If he runs a big company, he probably has an affirmative-action program, and he must be able to promote minorities and women, especially into executive jobs—which are the jobs guys don't retire from. And while we don't like to pit the young against the old, mandatory retirement frees jobs for younger workers, who bring an infusion of new thinking and technological know-how into a company."

Sharon House, a researcher who studied the problem for the Library of Congress, says that younger workers are preferred by managers because they believe that older ones can't learn new skills easily. What's more, says Chris McNaughton, vice president in charge of employee relations of the Kellogg Co., "abolishing mandatory retirement would put industry under pressure to provide jobs at both ends of the age spectrum."

Because they represent workers young, old and in between, labor unions take a stand that is really more of a bob-and-weave. Larry Smedley, associate director of the AFL–CIO's Social Security department, puts it this way: "We don't normally favor mandatory retirement. However, we've never supported legislation to outlaw it. We feel it should be left to collective bargaining."

At the local level, union members respond to the compulsory retirement question on an industry-by-industry basis. According to Sidney Heller, president of Local 888 of the Retail Clerks International in New York City, "Resistance to it is greatest in furniture and carpet retail stores, where workers are older. The stores that want it most are ladies' wear. A youngster comes in to buy blue jeans, and the stores don't like a 60-year-old saleslady showing them to her."

Peter Voeller, administrative assistant to the Retail Clerks' president, says, "Most of our membership is in the supermarket industry. They usually start work at an early age and come 65, it's a pretty fast track for them to cut the mustard. They're glad to retire." Don Smith of the United Steelworkers says, "Most members in the basic-steel industry don't want mandatory retirement." The union's contracts with the 10 major steel companies, which cover 337,600 employees, specify no retirement age.

Many workers want to stay on the job because of inflation. Harold Sheppard of the American Institutes for Research says, "Soon a man won't be able to retire unless his pension plan calls for cost-of-living increases. But if it does, the company will balk at the expense."

CHEAPER ON THE PAYROLL

While many workers are finding it too costly to quit at 65, some employers are finding it increasingly expensive to allow them to. One reason is that people are living longer, which pushes up the aggregate of pension payments and can make comptrollers want to push up the retirement age as well. Murray Becker, an actuary with Johnson & Higgins, an employee-benefits consulting firm, hypothesizes that "if it went to 68, the employer would be paying the worker's salary for three more years and possibly giving him raises that could increase the amount of the eventual pension payments. But the company still has use of the pension money and its interest during those years. Assuming that the worker is worth what he's being paid, it would be cheaper to keep him on the payroll."

Even if a specific retirement age were eliminated altogether, employers wouldn't find pension payments fluctuating wildly. "You don't have to know when each person is leaving," says James H. Schulz, professor of welfare economics at Brandeis. "You work on averages. You would soon see how many people stayed on beyond 68 or 70. Then the actuary could make a new set of projections—that's what they do all the time anyway."

The government bears the chief financial brunt of compulsory retirement because of the Social Security benefits it must pay. And while the number of retired workers on Social Security is expected to grow—from 17.2 million in 1976 to 21.4 million by 1985—the agency's funds aren't keeping up.

Social Security payments are already creating a deficit (see the chart at right) because the system is more generous than it can afford to be. Social Security retirement benefits are adjusted annually to keep pace with inflation. In addition, the taxable wage base is being adjusted upward annually. That means that although current retired persons' benefits only go up with the cost of living, workers still in the labor force will get not only the cost-of-living hikes once they retire, but also the advantages of the higher wage base they will be paying taxes on by that time. In some cases benefits will be more than the pensioner's salary was.

Furthermore, there will be fewer taxpaying workers to foot the bill for the retired generation. Since birth rates have fallen, the ratio of beneficiaries to workers is expected to rise from 31 per 100 this year to 52 per 100 by 2035. This could cause a ground swell against mandatory retirement among younger workers who otherwise would be more concerned with getting old bosses out of the way.

THE PSYCHIC EXPENSE

Among various approaches to the problem now being talked about—revising the tax rate, dipping into general revenues—the idea of allowing the elderly to continue working and thus sharing the costs springs increasingly to planners' minds. Notes John L. Palmer, senior fellow at the Brookings Institution, "If Social Security were to move the retirement age up, it would have a major impact in causing companies to do the same." Palmer thinks the change will come, but not quickly—"it's probably 10 to 20 years down the road. The more immediate concern is for the mental health and outlook of the retired."

The psychic expense of mandatory retirement is a cause for disagreement among social scientists. The popular belief is that retirement hastens death. A soon-to-be-published study done by Suzanne Haynes at the University of North Carolina tends to corroborate the belief. She found that although the mortality rate for mandatorily retired employees of an Akron rubber company declined in the first two years of retirement, it shot up 30% higher than expected in the third year. She thinks the finding reflects "disenchantment." At first, she says, retired blue-collar workers are more satisfied than white-collar workers. "But a few years later it's the reverse, probably because they have fewer resources to cope with their situation."

On the other hand, a seven-year study by Gordon F. Streib of the University of Florida concluded that the only effect retirement has is perhaps to improve health. Streib attributes the hastened-death theory to the fact that many people who retire voluntarily do so because their health has already begun to fail.

A fight against mandatory retirement has been mounted by a handful of organizations, including the American Association of Retired Persons and the Gray Panthers, an activist group for the elderly. The Panthers want to get the upper age limit of 65 dropped from the Age Discrimination in Employment Act, because that would in effect outlaw discrimination against workers of any age. They are backing two House bills, one introduced by Florida Democrat Claude Pepper that would eliminate the age ceiling for federal employees only, and one sponsored by Paul Findley, Republican of Illinois, that would do the same for everyone. The Supreme Court recently agreed to hear a case that was brought against United Airlines by an employee mandatorily retired at 60. If the ruling of a lower court is upheld, no employee under 65 could be retired simply on the basis of his age.

Nobody gives the House bills much chance of passing this year—There's still too much fear of overcrowding the labor force. But many think that prospects will improve in a few years. Dr. Robert N. Butler, director of the National Institute on Aging in Washington, suggests that the age may be upped progressively, first to 67, then to 70. "It'll have to come," he says, "because it's inflationary to provide money to people who are not contributing to the economy."

GOING STRONG AT 78

Alternatives to mandatory retirement are engaging the attention of the more ingenious members of the business community. Some companies already have retirement plans that are flexible at the upper end. At Polaroid, an employee can stay on after 65 merely by going through a simple annual review with a supervisor. Tektronix, a major lab-equipment corporation in Beaverton, Ore., doesn't require retirement at 65. "We have people here 78 or 79," boasts Guy Frazier, manager of employee development. Texas Refinery, a Fort Worth petroleum products manufacturer, has been hiring over-65 salesmen since the company started in 1922. Says Texas Refinery's Bob Phillips, assistant personnel director: "We couldn't operate as efficiently without our over-65-year-olds. The mature salesman has the patience to stay with a customer until he's sold." Their man in Anchorage, Kelly Williamson, is 78 and has no plans to quit. "What do I think of mandatory retirement?" he snorts. "I think it's lousy."

FBI IS THE VICTIM OF INJUSTICE

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. HARSHA. Mr. Speaker, the Justice Department's relentless investigation of the Federal Bureau of Investigation gives one pause to wonder just who are the real enemies of this Nation and who constitutes the real threat to our security.

In the late 1960's and early 1970's, who would have considered the violent bomb-tossing members of the Weather Underground anything other than threats to the security of our Nation and the safety of our citizens?

Most Americans abhorred the violence of anti-Vietnam war terrorists and demanded that those criminals be apprehended and the violence stopped.

So, the FBI, in its vigilant pursuit of some of the most notorious terrorist fugitives, took actions which by today's standards were questionable, although they were not so construed at the time.

After a year of what has all the appearances of a witch hunt, the Justice Department has finally bagged a quarry. Is it Bernadine Dohrn, or Mark Rudd, both prominent Weatherman leaders missing since 1969?

No, indeed. It is one John Kearney, a retired FBI agent, who, in his middle supervisory post, followed orders that included conducting a secret mail-opening and wiretapping operation from 1970 to 1972.

Attorney General Griffin Bell has the satisfaction—for what it is worth—of getting a Federal grand jury indictment of the very man who was trying to catch Dohrn and Rudd. He was fighting for his country—and that is more than can be said for the radicals he was after.

It is also more than can be said for the draft dodgers and deserters who are so much in favor with President Carter these days. What a travesty of justice this administration is creating by granting amnesty to those who broke the law by turning their backs on this country or who deserted their comrades on the field of battle, while at the same time, seeking to jail those who 5 years ago employed tactics now considered wrong in efforts to protect the security of this Nation.

In a move equally as bad, the Justice Department has decided not to prosecute former CIA agent, Philip Agee, who has spilled CIA secrets and fingered CIA agents, much to their peril. After making a personal effort to destroy the CIA in this country, Agee moved his act to England, where he was swiftly deported.

Our Justice Department is ready to jail loyal dedicated FBI agents, but for the likes of Agee, its welcoming arms are opened wide. Never was there a more glaring double standard of justice.

There is even precedent for dropping this self-defeating harassment of the FBI. Former Attorney General Edward Levi declined to prosecute former CIA agents involved with opening mail from Communist China.

Those FBI agents now under the gun were engaged in similar activities. A report, hardly noticed by the press, reveals that the FBI was checking on links between Cuba, Libya, and the Weatherman Underground.

The current strategy of the Justice Department is to go after lower echelon FBI agents in order to get at top-level officials. Although the investigators say that they are not particularly concerned with middle and lower level officials, they have no qualms about holding these agents up to public ridicule and scorn.

Pain and anguish will be needlessly inflicted on these agents and their families. Furthermore, by their own admission, Justice Department officials are not certain that they can convict the top FBI officials they seek.

If agents, acting within the scope of their duties and at the instructions of their superiors, are crucified for sticking their necks out in the pursuit of criminals conducting a devastating nationwide bombing campaign, what protection and incentive remain for current and future agents?

It is difficult to determine which is worse—prosecuting retroactively loyal Americans following the orders of their Government, or granting amnesty to disloyal Americans who openly disobeyed the orders of their Government. The cause of justice is poorly served in either case.

DISTINGUISHED SERVICE AWARD TO ERWIN ZABIN

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. FOWLER. Mr. Speaker, I want to extend my personal congratulations to my friend in Atlanta, Erwin Zabin, who is being honored by the Atlanta Gate City Lodge of B'nai Brith. He will be recognized for his contributions to the community at a distinguished service award dinner, Sunday, May 1, in Atlanta.

Mr. Zabin is a lifelong resident of Atlanta and chairman of the board and president of National Service Industries, Inc. He has contributed significantly to the Atlanta area culturally, aesthetically, and financially. Among his many noteworthy accomplishments is a park, donated to the city in memory of his parents and continuing financial contributions to the Jewish Home for the Aged.

ROBERT STIGWOOD, AN OPTIMISTIC NEW YORKER

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. MURPHY of New York. Mr. Speaker, we hear much discussion about the future of New York City. We hear that some major corporations have abandoned the city. We listen to plans to halt the exodus of companies and what should be done to bring the city through its fiscal crisis.

In the light of so much talk of gloom and pessimism about New York, I should like to address your attention to one man—a foreigner to our shores—who should be lauded for his confidence in New York and for putting his dollars behind that confidence.

I refer to Robert C. Stigwood, a native of Australia who is chairman of the Stigwood Group of Companies. Mr. Stigwood heads an organization that encompasses the worlds of film, television and recordings.

If ever there was a man who has demonstrated a pro-New York spirit, it is he. Recently he arranged for the Bee Gees, a famous rock group, to donate its net proceeds from a Madison Square Garden concert—$36,000—to the city's Police Athletic League.

The performers and Mr. Stigwood, their management executive, presented the contribution to Mayor Beame and Robert M. Morgenthau, New York County District Attorney who heads the Police Athletic League.

The funds provided are being put to use to help thousands of underprivileged children in all of the city's five boroughs.

The donation was made because Mr. Stigwood and the performers felt it was time people began giving something back to the city which provides so much opportunity for so many. It was time, Mr. Stigwood felt, that "giving back" to the city should be in terms more concrete than lip service.

Because he has faith in New York's future, he selected the city as the site for shooting his latest film, "Saturday Night," starring John Travolta. He opted to do the film in Brooklyn because it was the perfect setting for what he wanted to say and because, again, he believed he owed New York a debt.

It is gratifying that an entrepreneur who produced such smash hits as "Tommy" and "Jesus Christ Superstar" has so much affection and concern for the city known as "The Big Apple."

The companies that Mr. Stigwood heads comprise a powerful force in the entertainment industry. Born in 1934 in Adelaide, Australia, he traveled to London when still in his early twenties and, after a series of jobs, formed his first company that launched the careers of the Bee Gees, Cream, and other major rock groups.

He moved on to the theatrical scene in 1968. His first musical, "Hair," ran for 5 years. He then added film and television to his repertoire. "All In The Family" is the American version of his British TV series, "Till Death Do Us Part" and his "Steptoe and Son" is the British original upon which our "Sanford and Son" is based.

In 1973 he founded R.S.O. Records and in 1976 formed a partnership providing for longterm expansion in film development, recording, management and television.

Although Mr. Stigwood's television series "Beacon Hill" was a program about Boston, he chose to shoot the series in New York.

So imbued with the spirit of New York is Mr. Stigwood, that he commutes weekly from his home in Bermuda to his apartment and offices in New York City.

In these days of difficulty where New York City can well use a spiritual lift, I am pleased to pay high tribute to Mr. Stigwood for telling the world that he believes firmly in the future of our city and that he is willing to invest his time, effort and money and love in it.

BROTHER ROBERTUS DUFFY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. MARKEY. Mr. Speaker, I am proud to share with my colleagues a letter I have written to honor Brother Robertus Duffy, headmaster of my alma mater, Malden Catholic High School. In his 12 years as headmaster, Brother Robertus Duffy has made invaluable contributions to his community and had a profound impact on the lives of many, including my own.

Soon another community will be honored by the presence of Brother Robertus Duffy. While we in Malden are sad to lose him, his good works will surely continue, for Brother Robertus Duffy stands as a model of integrity, intelligence, and honor for all men and women.

The letter follows:

WASHINGTON, D.C., *April 27, 1977*.

Brother ROBERTUS DUFFY, C.F.X.,
Headmaster, Malden Catholic High School,
Malden, Mass.

DEAR BROTHER ROBERTUS: It is with pleasure and pride that I present you with the Certificate of Special Congressional Recognition to "honor your invaluable service to your community."

This formal description, however, only begins to indicate the nature of your outstanding contribution.

It is with sadness that all friends of Malden Catholic High School have learned of your upcoming transfer. In your twelve years as headmaster, Malden Catholic High School has become the great institution it is today. Thanks to your leadership, the school has more than doubled in size, built and moved to its new facility, and seen its reputation justifiably grow.

These achievements, however, are small compared to the impact you have had on the lives of so many people. Your courage, leadership, integrity and dedication to excellence have served as a model to all those who have come to know you.

I say this and present this Certificate with a deep sense of personal gratitude for the effect you have had on my life, for I know how profoundly you have inspired me to strive for the highest standards and seek progressive social change. My debt to you is one that could never be repaid.

The "Friends of Brother Robertus" are many, and I know they join me in praising you, thanking you and wishing you all possible success in your future efforts.

Respectfully yours,
EDWARD J. MARKEY,
Member of Congress.

MARY CREWS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. JONES of Tennessee. Mr. Speaker, I want to take this opportunity to pay a tribute to someone in my own district who has contributed a great many years of service to her local community and to the principles of participatory government. She is Mary Crews, who has served as registrar of voters for the past 18 years in Henry County, Tenn.

In those 18 years, Mrs. Crews has seen a great deal of change in the elections of Henry County. She has been at the forefront of changes that were necessary to initiate more voter participation, a streamlining of voting precincts, and she has served under three separate election chairmen in effecting those changes.

Her retirement will become effective May 20, and with it the voters of Henry County will see a fine public servant leave her office in the courthouse for the last time. I want to take this time to enter into the RECORD, this recent newspaper clipping of Mrs. Crews announcement and in doing so, I want to wish her the best of health and happiness in her retirement:

[From Paris Post-Intelligencer, Paris, Tenn., April 15, 1977]

The courthouse worker who describes herself as "senior in years of living and of service at the courthouse," Mary Crews, announced this morning that effective May 20, she will retire from the voter registrar post she has held for 18 years.

She told the election commission today of the decision, which she laughingly said she's been thinking about since 1959, when she was first hired for the job.

The commissioners set noon, April 22 as the deadline for applications for the job, which they described as clerical. Resumes should include expected salary and when the applicant would be available for the job, the commissioners said. Qualifications include a knowledge of typing and, according to Mrs. Crews, "reading, writing and 'rithmatic."

Applications can be brought to the commission office in the basement of the courthouse or mailed to the office at P.O. Box 7, Paris. Commissioners said they anticipate to have Mrs. Crews' successor begin training for the job May 1.

The commissioners also re-elected Carl Ross Veazey chairman, and expressed gratitude to Mrs. Gordon Silvey, outgoing commissioner, for her service. Appointed to fill her vacancy was attorney, Lee Greer.

Mrs. Crews was the county's first voter registrar, employed after statewide voter registration began in 1951. She faced quite a task at the onset of her service.

"These books had never been purged," she said, "I removed 5,000 names (from the voter list) the first year I came." Mrs. Crews explained that names of persons who have not voted for four consecutive years are removed from the voter list every two years.

When she started her job, the election commission was also begun. It's first chairman was Ernest Greer. Since then, she's served three other chairmen.

Mrs. Crews, a staunch Democrat, twinkled and commented, "They've all been good chairmen, even the Republicans."

After going through the voter list in 1959, there were about 8,000 eligible voters in the county, she said, compared to the present list of about 14,000.

When she started her job, voters went to 28 polling places throughout the county, compared with the current 15.

And since she's been on the job, the system of paper ballots has been abolished in favor of voting machines. Indicating understatement, Mrs. Crews described the change, the most dramatic since she's been on the job, as "nice."

"It was a smooth transition, except for two incidents," she said, as she recalled separate humorous incidents in which two voters crawled under the curtain instead of opening it by lever for fear of cancelling their votes.

Other election law changes to come about while Mrs. Crews has been on the job include postcard voter registration and financial disclosure regulations, both of which she described as both necessary and "headaches."

"They were the biggest headaches," she said, "I was hoping they'd (the legislature) get rid of them this year but they didn't."

Part of her job includes being wary of pending election law changes and knowing when they actually come about. "It happens every two years," she said. "Every time the legislature meets. Well, it sorta keeps you on your toes."

The aspect of the job she enjoyed most, she said, is the contact she's had with the public.

And there's been nothing—well, almost nothing—she's disliked about it, aside from struggling to make it to the office in the bitter winter weather for this year's January city elections.

"I've liked every minute of it," she declared, "I've worked for four presidential elections and had nice people to work with every time."

Her retirement plans include working in her garden, and she jokingly added, "annoying people." Which people? "Why, all my friends, of course!" she replied.

OBERLIN HIGH SCHOOL CHOIR

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. PEASE. Mr. Speaker, tomorrow morning at 11, more than 50 high school students from Oberlin, Ohio, my hometown, will sing on the center steps of the east front of the Capitol.

I wish to commend this concert to the attention of my colleagues. Over the years, I have had the pleasure of hearing the Oberlin High School Choir many times, and while the faces change, the excellence of the group remains constant.

I am sure that this enthusiastic and talented group of young people, under the capable direction of Mrs. Jessie Reeder, will present a most enjoyable program. I hope that many of you will be able to attend.

CAN WE RELY ON THE CIA?

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. HARRINGTON. Mr. Speaker, it is probably difficult to determine when a candidate for a high government post is either well qualified because of his long experience in the field, or when he has reached that point when he is so set in his ways and views as to be stale. Few among us will find that someday they do not cross that line.

Certainly there is no agency in the Federal Government where fresh views, outlooks, attitudes, and opinions are so desperately needed as the Central Intelligence Agency. In the ideal, we would hope that the new director and his top deputies would bring a heightened sensitivity of what it means to run an intelligence operation within the parameters of a liberal democracy in the 20th century—what that means in terms of tactics, in terms of dealing openly with the Congress and the American people, in terms of moral behavior in the realm of public policy. At the least, however, we would expect that the new hierarchy at the CIA would bring an open mind about the world political situation, and some degree of creativity in formulating fresh options for the future.

I have held some personal reservations about the appointment of Admiral Turner as CIA director, until now privately held because I was willing to defer to the judgment of the new President. Yesterday, Admiral Turner testified at a hearing of the Senate Intelligence Committee on making public the total budget for U.S. intelligence operations, and stated that the administration favored making such a figure public. And I was most disappointed with the manner in which it was presented: Admiral Turner saying that the new position reflected the direct order of the President, and not his own conviction.

Added to that disappointment is the concern over Admiral Turner's top appointments, specifically in the area of national security estimates. The case of Robert Bowie—more aptly, the case against him—is set out in some detail in the recent issue of the New Republic, in an article by Roger Morris. Mr. Morris reports that, even among the old guard of the foreign policy establishment, Mr. Bowie is a "vintage antique"; a stale mind among minds which have been long made up; a cold weather chosen to lead the Nation's intelligence establishment out of the cold war mentality.

I recommend this article to the attention of all Members concerned about the CIA, and particularly those who shared my own concern last year: that the CIA may not just be underhanded, but also may be working from a narrow set of assumptions and values which prevents them from being objective, candid, and thorough in the analyses served up to policymakers. This very broad concern raises the fundamental question: can we rely on the CIA at all.

I include the Morris article, "Deputies Are Forever," in the Record for the benefit of my colleagues:

Deputies Are Forever

(By Roger Morris)

Even among the cold war and Vietnam relics who adorn the national security officialdom of the new administration, he is clearly the vintage antique. In his well preserved record hover ghosts we have forgotten without even trying. Not Dean Rusk or Walt Rostow, but even more venerable spirits of empire: John Foster Dulles and John J. McCloy and the phantom MLF flotilla with its multinational NATO crew and a nuclear warhead for every member nation.

Across nearly 30 years in the pattern of a classic in-and-outer of the foreign policy establishment, Robert Bowie is in Washington again. This time he will be CIA Deputy Director for National Intelligence, principally in charge of the "national intelligence estimate," a bureaucratic weapon that can be used so effectively against makers of policy on subjects as various as arms control, defense budgets and covert intervention. Once more, by clubby connection, perhaps, in part by default, in any case by a stunning lack of originality and insight, the Carter regime has chosen what the Washington Post's William Greider has aptly called "the painful past."

His countenance has changed remarkably little through the lengthening files of official photographs. The shock of wavy hair has gone a distinguished white but it is still atop the same doughy, slightly florid face. In 1968, when Bowie was counselor of the State Department, an admiring reporter described him in his seventh floor Foggy Bottom office as "gazing on the world out of wise pixie eyes." And his world at least has usually been congenial and uncomplicated, though seldom a matter of pixies or wisdom.

Carrying a patrician Maryland name, he went through Princeton while the rest of the country was in the depths of the Depression, and graduated from Harvard Law in 1934. There followed eight years in his own Baltimore law firm, brief tenure as an Assistant Attorney General of Maryland, and then wartime service in the Army, including staff work with the occupation government in Germany. When Bowie left the Army in 1946, he was a lieutenant colonel with a legion of merit and, more important, profitable contacts among the establishment civilians and gentlemen officers who would graduate from the occupation to inherit most of America's postwar foreign policy.

He began teaching at Harvard Law School in 1946, and in 1950 was back in Germany as general counsel to the U.S. High Commissioner in Bonn. Three years later he was appointed by John Foster Dulles as the State Department's director of policy planning in the first Eisenhower administration. Then 44, Bowie suffered from foreign policy credentials that were scanty at best, but enjoyed patronage of senior figures like McCloy and others that was impeccable. So from 1953 to 1957, by several accounts, he became one of Dulles's closest and most trusted aides. He is credited by some with earnest efforts to educate the "old man" on strategic policy. This education proceeded at an unavoidably glacial pace but ultimately resulted in the State Department's first lurching efforts toward the coherent arms control position it took at the London disarmament conference of 1957. For the most part, however, Bowie presided over drift and sterility, and indulged the parochial zealotry and impulsiveness of Dulles, just like the rest of Dulles's senior assistants.

The CIA handout announcing Bowie's appointment as deputy last month described him as an "eminent scholar." It was not a choice of words that will redeem the agency's soiled credibility. When Bowie returned from Washington to Harvard in 1957, and was promptly chosen over an ambitious young professor named Henry Kissinger as director of the new Center for International Affairs, he entered on an academic career as unremarkable as it was prestigious. His bibliography, fat only at first glance, reduces to a bland collection of articles and the obligatory editors' forwards. His teaching, according to former students and faculty peers, was seldom more impressive. He continued at Harvard, coming to occupy an endowed chair, by the familiar academic alchemy of "administration." Which is to say, he accepted the modest housekeeping chores at the Center—and the invisible lower-caste badge that went with them—while his mostly more gifted colleageus taught and wrote. Ironically, the directorship that lodged him at Harvard was also his undoing in the next oppotrunity for official power and position. On quiet Divinity Avenue in Cambirdge in the late 1950s, Bowie joined a bitter and lasting feud with Kissinger, his deputy director at the Center and an unforgiving opponent of Bowie's periodic and nebulous schemes for European sharing of the nuclear deterrent. Sparked by the policy disagreement, inflamed by personal animus and the inevitable bureaucratic rivalry both at Harvard and in the wider establishment arena beyond, the schism was one of those unseen family hatreds in the elite that can have historic effect on the men and politics of foreign policy in Washington.

Bowie seemed for a time to emerge unscathed. In the early 1960s he was the chief outside adviser to George Ball and others in the Kennedy Administration urging the adoption of the Multi-lateral Nuclear Force (MLF). The episode gave him lofty entree in Washington after his antagonist Kissinger had left the National Security Council staff under a cloud, having tried heavy-handedly to sink both McGeorge Bundy and the MLF (in the process learning some harsh lessons of power for later application). Even after Lyndon Johnson killed the MLF proposed for good in 1966, Bowie was appoined Counselor at State, where he served duly and dully under Rusk for the last two years of the LBJ regime. Again, it was hardly a notable success, and not as high a post as he might have expected after his Dulles position on the ladder. But by club standards Bowie was doing better than Kissinger, who was then skidding through abortive private efforts at some Vietnam mediation and anguishing over revelations of CIA-front financing of his Harvard International Seminar, a project Kissinger had nurtured in the first place in order to be independent of Bowie's Center.

When the Republicans returned to power with Richard Nixon in 1968, a man of Bowie's Eisenhower-Dulles cachet and apparent academic glitter might have expected a cabinet or at least subcabinet appointment. Indeed men at his level in other provinces of government in the 1950's, like William Rogers and Elliot Richardson, got those coveted jobs. Bowie was not called, chiefly because Kissinger was called first. Bowie thus spent eight trying years in a political wilderness—deflected from the natural cycle of succession—while his old foe became the most powerful and celebrated Secretary of State in history. It was from that bitter sentence of banishment that the Carter CIA appointment has now reprieved him in some measure, at the age of 67.

Unfortunately, there is nothing quite so poignant about Bowie's intellectual history. Despite a conventional establishment caution in coming out clearly with what he thinks and knows, Bowie has certainly been around long enough to plant some intellectual footprints. The trail often leads through jungles of insensitivity to events and diffidence toward folly, characteristics that will hardly bolster him as a guardian against similar institutional feelings at the CIA.

Under Dulles he displayed little sense of the gathering importance of the third world, and no visible readiness to expose or correct the regime's abysmal myopia on that subject with whatever vision he did possess. The MLF scheme was (as Kissinger rightly saw, perhaps for the wrong reasons) willful obliviousness to the historic presence of Charles de Gaulle and the political gravity of European nationalism. It was also a quaint misapprehension of the nuclear proliferation problem, and of American domestic politics on the subject. As one observer put it aptly at the time, Bowie and his disciples had decided to share the US bomb with Europe and convinced everybody but the White House and the Europeans.

Bowie was an early advocate of arms control in the 1950s, but the distinction was relative to primitive times and peers. Out of office, Bowie was just one more participant at the numberless genteel establishment "seminars" on disarmament, the meetings that droned on while the Joint Chiefs ran policy—ran it, that is, until Kissinger wrenched authority from them after 1969 and finally extracted our lone SALT agreement, however limited or flawed. Especially during his two-year tenure under Rusk, Bowie demonstrated an ample capacity to tolerate what he saw around him, to gaze bemusedly out the window, as a reporter saw him in 1968, with no trace of being repelled or even disturbed by the incompetence and deception of it all. The style, of course, is not Bowie's alone. It belongs to the larger postwar fecklessness of the boys at the council and the club—a mentality, Jimmy Carter promised us, our government would outgrow.

As the CIA deputy in charge of the national intelligence estimates, Bowie will be in the thick of the SALT policy fight inside the administration. There is nothing in his background to reassure us that he will fight for long against the loaded Pentagon intelligence and doomsday appraisals of Soviet strength that are the dominant sources of information for those making arms control strategy. Official sources say that a disputed NIE is responsible for much of the administration's disarray before the recent abortive Vance mission to Moscow. Eight years ago, the crucial intelligence lever on arms control was the first weapon Henry Kissinger seized. His successors, judging by the Vance failure and now Bowie's appointment, seem jauntily unaware that strategic sanity begins at home, that Washington's most dangerous adversary in the arms race is itself.

SALT is only the beginning of Bowie's new responsibilities. There is the future of the Middle East, the prospects for war in South Africa, the intentions of the OPEC cartel, the prognosis for West European communism, the internal unrest in Latin America and a dozen other important issues on which he will be expected to supply the decision makers a fresh, honest, perceptive analysis stripped of the usual bureaucratic distortion and enriched by the best, newest thinking in government. The administration has placed all this in the hands of a man whose career has been molded by the opposite impulses. The "new" CIA will thus be run by a novice admiral, Stansfield Turner; by Bowie in his post-Kissinger revival; and below by the usual handful of career bureaucrats and company men. The press barely drew a breath with Bowie's appointment. If they carried it at all, most papers did like the *Washington Post* and buried the boilerplate CIA announcement on an inside page. Apparently, there is a willing forgetfulness about how much CIA deputies can matter. The history includes Richard Bissell and the Bay of Pigs, William Colby and Vietnam "pacification," and of course Richard Helms, who needs no further introduction. In Bowie the administration will claim to have chosen silver-haired experience and tradition. But they have only made it likely that the CIA will continue, the worst of its experiences and traditions. It is another cause for disappointment in a leadership that pretended, and was elected, to do better.

THE B-1 BOMBER

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. PURSELL. Mr. Speaker, the House was recently called upon to vote on a defense appropriations package which included procurement of five B-1 bombers.

Realizing that this represents authorization of only five of eight B-1 bombers originally requested, I still find it disappointing that Mr. Carter, after opposing the B-1 in the 1976 Presidential campaign, now has requested appropriations for the B-1 bomber in this bill.

In light of our other national priorities such as energy, education, and local government needs, I do not support the B-1 bomber.

I am disturbed that the B-1 is not only excessively costly, but represents the wrong answer at the wrong time to our real security needs. Studies indicate that each plane eventually will cost about $100 million. Looking at this year's appropriations of $1.4 billion for the B-1 program, the same amount of money would build one Trident submarine with almost 200 warheads or over 100 F-15 fighters or 10 destroyers of the DD-963 class or six attack submarines of the SSN-688 class. So, even if we were to spend this $1.4 billion for defense, instead of other priorities as I have suggested, it could be spent much more wisely.

Although it may be startling to most Americans who have heard about the supersonic capabilities of the B-1 bomber, there are very few situations where this speed—built in at a cost of $3 billion—can be used.

Furthermore, I emphatically question congressional support of a program that could be obsolete by 1980. The B-1 flies to and from the U.S.S.R. at high altitudes and subsonic speeds to conserve fuel. Before it penetrates hostile airspace, it dips down close to the Earth to avoid detection by radar. However, since the B-1 cannot fly at supersonic speeds at low altitudes, again this capability cannot be used. Similarly, Department of Defense officials have stated that the Soviet Union has deployed a highly sophisticated air defense system consisting of thousands of radars, several thousand all-weather interceptor aircraft—including the mach 2 Mig-23 flogger—and about 10,000 surface-to-air missiles—SAM's. If the Soviets improve their MOSS airborne warning and control aircraft—similar to U.S. AWACS, making it capable of detecting low-flying aircraft over land and, most importantly, if the Soviets develop and deploy an interceptor equipped and armed with the so-called "look-down shoot-down" capability—as possessed by the U.S. F-14 and F-15 fighters—the B-1 will become more vulnerable.

The age of the manned strategic penetrating bomber is over. Flying missions into the heart of the U.S.S.R. with gravity bombs is virtually a suicidal flight.

Finally, the B-1 bomber has not been full tested. The B-1 go ahead decision will be made without testing a number of critical capabilities of that aircarft including all weather capability, weapons delivery, and defensive avionic. The failure to have a rigid and thorough testing before a production decision that is made by the Congress encourages concurrency—the simultaneous production and testing of equipment. In the past this has led to cost overruns since production models have to be refitted or modified to adapt to changes required by the testing programs.

In conclusion, the greater the threat to America's military defenses, the greater the need to spend our defense dollars in ways that will directly meet such threats. Every dollar spent on unnecessary weapons detracts from our ability to purchase the kind of defense we really need. And detracts from our capability to focus other Federal funds on human needs.

Meeting the urgent local needs of the American people is vital to our national security, as are military weapons systems. Even though the United States is still the leading military power, we Americans feel less secure than we did a decade ago. Unemployment, deterioration of the cities, hunger, and racial tensions all demonstrate our insecurity. The security of the United States depends on the quality of our lives as well as the weapons that protect that life quality.

ANNIVERSARY OF THE NATIONAL FAIR HOUSING LAW

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. HAWKINS. Mr. Speaker, as a result of our Nation's civil rights struggle in the 1960's, a monumental and historical piece of legislation was passed by the Congress in 1968, the national fair housing law, title VIII of the Civil Rights Act of 1968.

Since that time America has made reasonable strides in adhering to the tenets of this law.

This April marks the ninth anniversary of the national fair housing law, which was signed on April 11, 1968, by President Johnson. The law guarantees equal opportunity in housing to every American by providing that all actions necessary be taken to prevent discrimination on the basis of race, color, creed, and national origin in federally financed housing and related facilities.

Fair housing is a guaranteed right for every American, it is also an idea which embraces the spirit of equal justice and equal opportunity. But to fulfill this spirit, there must be a responsible national commitment to translate this ideal into reality.

It must be the goal and effort of our Nation to make sure that the provisions of the national fair housing law are practiced and complied with to assure Americans the right to live in an atmosphere free from discrimination. This is an important concept because discrimination involves a denial of justice and the denial of a measure of human dignity, and America is a nation which values justice and an individual's human pride. Our Nation has a responsibility to help communities provide adequate shelter and a respectable environment. The elimination of discrimination goes hand in hand with this responsibility. Each of us should resolve to combat discrimination in our everyday lives, as well as in the conduct of Government business. We must eliminate the barriers of discrimination if we are to act cooperatively as a nation at a time when America calls for unity of purpose and a willingness to join in common efforts to deal with the crisis around us. And, just as fair housing is a right guaranteed by law, it is also a principle that is right for America and its people.

EMMET WHITE, NOTED AMERICAN, CELEBRATES 91ST BIRTHDAY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. LONG of Maryland. Mr. Speaker, on Sunday, May 1, relatives and friends will celebrate the 91st birthday of Emmet White. I wish to bring Emmet White to the attention of this Congress to commend to the Nation the example of this Baltimorean's civic dedication and the high caliber of his achievements.

Born in North Carolina, Emmet White moved to Baltimore at age 5; there he received his education in law at the University of Maryland and later served in the Maryland House of Delegates, during the early 1900's. During his public service, he worked especially for passage of Maryland's Child Labor Law. Thereafter, he went on to found New Orleans' first chapter of the American Red Cross.

After serving in the Judge Advocate General Corps in World War I, Emmet White went to China, became one of this Nation's foremost experts on China, and was instrumental in the discovery of soybeans as a source of food for the Chinese people. Also during the period after World War I, he assisted Herbert Hoover in the distribution of food to war-torn Europe.

In World War II, Emmet White was active in the Oak Ridge project, the project which resulted in the United States obtaining the atomic bomb. It was through this direct experience that he became dedicated to the cause of nuclear power for peace instead of for war.

Throughout his life, Emmet has been a prolific writer and world traveler. He has thrilled many with his stories about his travels.

During the many years I have known Emmet White, I have become personally acquainted with his humanitarianism, his patriotism, and his compassion. The State of Maryland, and the entire country are indebted to Emmet White. I commend him on the occasion of his 91st birthday and wish him many more years of distinguished work on behalf of his fellow citizens.

MERITS OF SACRIFICE

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. SNYDER. Mr. Speaker, now that the President has unveiled his energy proposals and the discussion of solutions to our energy problems has gone into high gear, I think it is high time to discuss the merits of sacrifice.

President Carter made the altar call for sacrifice—warning the Nation that it will take some uncomfortable belt tightening to whip the energy problem. There is no doubt that he is right. Major reductions in the use of energy will require sacrifice, but I think the American people are willing to face up to it if it is necessary.

But it is also true, that we should not ask for more sacrifice than is necessary. We should not overlook energy savings that do not require higher taxes, higher prices, and more inflation. Mr. Carter was so intent on his message of sacrifice that he fell into this trap. He overlooked a way to reduce fuel consumption without sacrifice—without hardship.

Schoolbuses travel their appointed rounds every weekday—running up some pretty awesome mileage figures. Many of the buses are necessary; carrying children to school because they live too far away to walk. However in some areas of the Nation a good bit of unnecessary mileage is added to the total by the capricious policy of court-ordered busing.

In the Jefferson County, Ky., School District, for example, some 90,000 students ride buses to school. Of that figure, nearly 20,000 ride the buses because of court orders. The buses that carry these 20,000 students to and fro at the whim of the court, travel 10,623 miles a day; 10,623 court-ordered miles.

Strangely enough, court-ordered buses burn up gasoline just as fast as the normal kind—about 1 gallon every 5 miles. It means that every day in Jefferson County, forced busing consumes 2,124 gallons of gasoline. Repeat it 21 days a month and you end up using 44,604 gallons, at a cost in excess of $24,000.

The National Petroleum Refiners Association tells me that you can squeeze about 20 gallons of gasoline out of a barrel of crude oil. Based on that figure, the elimination of unnecessary busing for a single day in Jefferson County would save 100 barrels of oil. If busing were stopped for a month it would save 2,000 barrels.

Repeat that savings in every city; every county; every school district that is saddled with court-mandated busing, and the barrels would add up pretty quickly. It would be a fuel reduction causing no hardship—requiring no sacrifices—and would not only save money but would put the control of education back where it belongs—in the hands of the local officials.

I do not imply that stopping court-ordered busing would solve the energy crisis—but it would help. Best of all, it would be painless; requiring no sacrifice, no increased taxes, no higher prices. And maybe, just maybe, it would eliminate a little smidgeon of sacrifice further down the road.

Sacrifice may purify the soul but we should not overlook an energy saving alternative just because it does not require sacrifice. Putting an end to forced busing is such an alternative and deserves fuel consideration.

CITIZEN OF THE YEAR FOR 1977: HON. PETER BOZICK, MARYLAND STATE SENATOR

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mrs. SPELLMAN. Mr. Speaker, this Saturday evening, April 30, the Prince George's County Lodge of the Order of the Sons of Italy will formally honor its "Citizen of the Year" for 1977, the Honorable Peter Bozick, State Senator from Maryland's 27th District. To those acquainted with Mr. Bozick's distinguished career in public service, his selection by the OSI to receive its highest award comes as no surprise. To those unfamiliar with Senator Bozick's career, I could not in this space fully chronicle his accomplishments. But, my colleagues in the Congress, I take great pleasure in sharing with you the highlights of Senator Bozick's career.

Following university graduation, Peter Bozick worked as a reporter and editor for the Washington Star and is still a member of the White House Correspondents and White House News Photographers Association. In 1959 he established his own business, which is now thriving under his management. From 1965 to 1970, Peter served as a member, vice chairman, and finally chairman of the Washington Suburban Commission. In 1970, he was elected to the Maryland House of Delegates and, in 1971, was appointed to fill a vacancy in the Maryland Senate; the position he was elected to in 1974 and currently maintains.

The Senator continues to support and remain active in various social, religious, community, and veterans organizations in Prince George's County, a fact testified to by the following tributes: Named "Man of the Year" by the Suburban Home Builders Association; honored by Crossland High School in recognition of dedication and service to the school; honored by the National Capital Area Boy Scout Council for serving as chairman of its fund drive; Certificate of Appreciation for the Advancement of God and Country by the American Legion Post 109; recognition for scholarship donation by the Greater Council of Organizations of the Greater Clinton Area; and, by a Certificate of Appreciation from the Southern Prince George's County Board of Trade.

I would like to add that Peter Bozick is a fine family man married to my former neighbor, Carole Scuderi, and is a devoted father.

Many of my distinguished colleagues in the Congress have come here after serving in State legislatures and are very familiar with the unique challenges inherent in this level of government. One does not expect tributes while serving in the State legislature, and, indeed, considering the issues addressed, some feel the preservation of life and limb is sufficient reward for one's efforts. Thus, the impressive number of awards which Senator Bozick already has received and the prestigious honor to be accorded him this Sunday evening say a great deal about his approach to public service and about the way he is perceived by his fellow man. I am sure my colleagues in the U.S. Congress will join me in extending to the Senator from the 27th District of Maryland our warmest congratulations, best wishes, and deepest admiration for his remarkable record of contribution to our community good.

TRIBUTE TO THE ROSLYN NEWS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. WOLFF. Mr. Speaker, I rise today to pay tribute to the Roslyn News, a publication entering its 100th year. As one of Long Island's oldest weekly newspapers, the Roslyn News has sought to awaken its readership to local political issues and decisions which would have otherwise gone unnoticed. In providing this service the News has epitomized the ideal of a free press, professionally dispersing news vital to the wants and needs of its constituency.

In addition to disseminating important local news, the Roslyn News has also provided an unbiased forum in which citizens are encouraged to voice their opinions on a varied number of topics. As an editorial forum the News acts as an important link between voters and their representatives. In this way elected officials are better able to respond to the views and priorities of the constituents they have the privilege to serve.

Finally, the Roslyn News has faithfully devoted itself to the recognition of the excellence of unnoticed talent among its readership. Once again this service points to the paper's selfless dedication to the betterment of the community of greater Roslyn. So outstanding is the Roslyn News' commitment to the impartial reporting of noteworthy, but previously unpublished, local news items that it is now only fitting to read this tribute into the RECORD.

AMERICAN FEDERATION OF PHYSICIANS AND DENTISTS DISAGREE WITH HOSPITAL COST CONTAINMENT ACT

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. TAYLOR. Mr. Speaker, we have recently received the President's proposals to control hospital costs in the United States. While I agree that they are indeed high, as is every other segment of our economy, I am not certain that we can place a cap on the income of any business or industry and expect them to survive while considering higher Federal taxes on energy, increasing the minimum wage, and increasing bureaucratic redtape that raises hospital expenses.

I have received a statement from the American Federation of Physicians and Dentists, an organization headquartered in Springfield, Mo., That represents a substantial number of doctors and dentists in 22 States. The Federation offers a different point of view.

The statement follows:

STATEMENT OF AMERICAN FEDERATION OF PHYSICIANS AND DENTISTS

In adopting a plan to control hospital costs, the Federal Government as usual has adopted a plan which will be counterproductive when implemented. It is based on three fallacies which in the end will provide a plan which will reduce both the quality and quantity of health care.

First, the idea that there are vast quantities of "fat" (over-expenditures) in the program. Conscientious boards of very responsible and able citizens have been working on this area for a long time and we will find that only by reduction in services will people be removed from staffing or other items removed from the budget.

Second, that sharing of services will save money. This problem is already being dealt with and any savings resulting are already in motion.

Third, that people desire these savings. True in concept—but when the patient comes to the hospital for services he wants the best needed to care for him and not something less than he knows is possible. Note in fact, the support of community hospital fund raising drives by all sections of the people.

It should be noted that the hospital community is already subject to more control than the rest of the business community. Professional Standards Review Organization to control the length of patient stay and monitor care. Health Systems Agencies to cut duplication of services, Joint Commission on Accreditation of Hospitals to assure patient care, and a multitude of other agencies from Occupational Safety and Health Act to Internal Revenue Department. And now another bureau will further increase the cost of care without providing a single service for a sick patient.

By the government's own figures, the cost of hospital care has only risen 15%. This can easily be accounted for by the 10% resulting from inflation and the 5% accounted for by

> improved facilities. This last is little enough in a dynamic industry and must be maintained.
>
> We are now repeating a social experiment doomed to failure as it always has been without other activity—that is price controls on one industry without corresponding controls to make these work. Either we must go all the way with the price controls or release the hospitals from their controls or the patients will suffer needlessly.
>
> As for Mr. Califano's recommendations that the patients prescribe their own treatment as to going to the hospital for surgery in the afternoon or on weekends, perhaps he has forgotten that most people are hospitalized for illness when it occurs. Elective activities are all that can be scheduled, and these are not what causes the major portion of hospital expenses. He is right when he says the physician prescribes the treatment. This must not be lost to care by committee action from a group of people in Washington with little knowledge and no responsibility for patient care.

SIKORSKY AIRCRAFT'S LAMPS PROGRAM

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. GIAIMO. Mr. Speaker, the Connecticut-based Sikorsky Aircraft Division is responding to the Navy's request for a light airborne multipurpose system—LAMPS—air vehicle with the derivative of its winning UTTAS design, a high technology, twin turbine-powered helicopter developed and now in production for the U.S. Army.

In awarding the UTTAS production contract, Edward A. Miller, Assistant Secretary of the Army for R. & D., said:

> Sikorsky offers lower risk and greater maturity in terms of the helicopters that were tested. It offers lower risk in the technical area as a whole, lower risk in operational suitability, lower risk in the maturity phase cost, and lower risk in production costs. The Source Selection Board found that the Sikorsky Helicopter was clearly ready for production and the other was not.

Since Sikorsky's UTTAS has not only met, but in many instances exceeded, the demanding requirements set down by the Army for the UTTAS mission, it is ideally suited for LAMPS.

Sikorsky's LAMPS candidate retains the major UTTAS components including the rotors, transmissions, propulsion, control systems, and primary structure, and requires only modificaitons for the mission equipment and shipboard compatibility. There are provisions for automatic rotor folding and shortening the wheelbase to provide the necessary compatibility for operation from small ships such as fast frigates and destroyers, and a number of detailed changes aimed at protecting the helicopter in a saltwater environment.

The critical reliability, availability, maintainability, performance, and survivability features developed for UTTAS are retained in the Sikorsky LAMPS.

Noteworthy in the integration of Navy subsystems is the demonstrated capability and support of IBM, the system prime contractor, that Sikorsky brings to the project. The combination of advanced but proven helicopter design and manufacturing technology and demonstrated ASW experience can provide the Navy with the required capability based on proven technology that is in production.

Of extreme importance in the constant search for the most efficient use of defense dollars are the cost savings that are greatly enhanced by the high degree of commonality between the Sikorsky LAMPS and UTTAS. The first production LAMPS MK III helicopter is scheduled for delivery 4 years after the first UTTAS. The LAMPS, therefore, benefit from production efficiency attained by first producing over 400 of the UTTAS aircraft. Commonality savings also apply directly to the research and development and obtaining and support phases of the program, as well. Design commonality means the elimination of duplicated design, development, and testing. Production commonality means lower cost for spares, trainers, publications, overhauls, and support equipment. Program acquisition cost savings are estimated to be substantial compared to a LAMPS MK III air vehicle without a parent aircraft production base.

TRIBUTE TO PRESIDENT GERALD R. FORD

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. DON H. CLAUSEN. Mr. Speaker, on April 25, 1977, the House passed H.R. 2210, a bill to name a Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building." I commend my colleagues for their support.

President Ford has dedicated most of his life to serving the American people. He ably served in this body for 25 years reaching the position of Minority Leader.

At the outset of the difficult times we experienced in the past few years, our former President, through his able leadership and dedication, took firm control of the Government. He succeeded in healing the wounds of the country which was divided, but most important of all, he restored trust to the office of the Presidency and confidence in the Government as a whole. Further, our President led us out of a severe economic recession which had placed a heavy burden on the people. His superb service to the country will be noted well by historians.

Naming a Federal building in honor of Gerald R. Ford is but a small tribute to a great American who dedicated most of his life to public service for the people of Grand Rapids, Mich., the Nation, and all of humanity.

I am honored to support such a measure.

UPGRADING UNDESIRABLE AND GENERAL DISCHARGES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. TEAGUE. Mr. Speaker, on March 28, Secretary of Defense Harold Brown announced that the President had approved a plan to upgrade more than 432,000 eligible undesirable and general discharges issued to veterans who served during the period August 4, 1964, through March 28, 1973.

The chairman of the Committee on Veterans' Affairs, the distinguished gentleman from Texas, RAY ROBERTS, in expressing his opposition to the program, confirmed that service members presently living in Sweden, Canada, and elsewhere in a desertion status will be eligible to participate in the program.

I want to join my chairman and my other colleagues on the committee and in the House who have expressed opposition to this program.

Under current law, veterans with undesirable discharges are not automatically entitled to veterans' benefits. In fact, in the vast majority of cases the Veterans' Administration, when such applications are made for veterans' benefits, usually rejects them based on the individual's service record. Under the President's proposal, those with undesirable discharges would be automatically upgraded to general and would thus be eligible for full veterans' benefits. Frankly, I concur with many others who have suggested that to do this would be an insult to this Nation's veterans who have earned their benefits by full and honorable service to their country.

This program was based on "forgiveness." To forgive one for past offenses is one thing. To reward such individual with full benefits, which in the past have been only available to those who earned such benefits through honorable service, is an entirely different matter.

At a time when we are operating under tough budgetary constraints—a time when the administration is not willing to grant full funding for our VA hospital and medical care program in order to treat those with service-connected disabilities many of them received during combat in Vietnam—it is inconceivable to me that the administration would support an expenditure that could exceed a half a billion dollars to provide full veterans' benefits for those who served and were discharged under less than honorable conditions.

Mr. Speaker, it should also be noted that on January 19, 1977, former President Gerald Ford directed the Secretaries of the Army, Air Force, and the Navy and the commandant of the Coast Guard—

> To take all necessary action to insure that the other than honorable discharges of former service members who were wounded in combat or who received decorations for valor in combat in Vietnam and who applied to

> the clemency program are being reviewed on an individual basis.

He further directed that—

> These discharges be recharacterized as under honorable conditions, unless there is a compelling reason to the contrary in any case.

The Veterans' Administration has received more than 200 upgraded discharges from the various service departments. Should these individuals make application for veterans' benefits, they, too, will receive such benefits. The VA estimates that under the Ford proposal, approximately 500 to 800 veterans whose discharges have been upgraded will be eligible to full benefits administered by the Veterans' Administration.

I strongly oppose President Carter's program and I feel just as strong in my opposition to the program instituted by former President Ford. No upgraded discharges under President Carter's program have yet been referred to the VA; however, some 200 upgraded under President Ford's criteria have been reviewed by the Agency. I think everyone should be aware of the service records of some of the individuals whose discharges are being upgraded. At this point in the RECORD, I want to call to your attention five cases of veterans whose discharges have been upgraded and who thus will be entitled to benefits under President Ford's program. They are as follows:

UPGRADING UNDESIRABLE AND GENERAL DISCHARGES

CASE NO. 1

Served from February 13, 1967 to September 26, 1976. Upgraded discharge shows 2321 days lost.

CASE NO. 2

Served from October 31, 1966 to January 26, 1971. 501 days lost during 8 different periods of AWOL. Convicted by special courts martial, sentenced to 6 months confinement at hard labor and a bad conduct discharge. Escaped from confinement, but was returned to military control.

CASE NO. 3

Served from March 28, 1968 to October 12, 1971. 966 days lost. Blamed domestic troubles for AWOL. While AWOL, was involved in auto accident, charged with negligence, served 4 months in county jail while AWOL.

CASE NO. 4

Served from July 29, 1968 to December 14, 1973. 1036 days lost. Three short AWOL periods followed by 2½ years AWOL. He said, "The Army ain't for me, I want out."

CASE NO. 5

Served from July 7, 1966 to August 14, 1970, 805 days lost. He blamed domestic troubles for his AWOL. He said he would keep going AWOL and he wanted out, said he could not take the Army any more.

Mr. Speaker, the above cases are fairly typical of some 60 cases thus far reviewed.

A PROMISE IS A PROMISE

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. HARSHA. Mr. Speaker, the public outcry in Ohio has been great over the incredible about-face by President Carter on expanding the important ERDA gaseous diffusion plant near Portsmouth, Ohio.

The President's retreat from his previously announced support for this project, so vital to the southern Ohio area, can only be viewed as an enormous breach of faith with the people.

His commitment could not have been more strongly stated when, on October 29, 1976, while still a Presidential candidate, Jimmy Carter said:

> I have long supported full authorization and funding for enlargement of the government-owned uranium enrichment facility at Portsmouth, Ohio. If I am elected, I will ask the Congress on a first-priority basis to provide for the full $255 million in funding for the fiscal year 1977 phase of this construction. I will also ask the Congress to authorize the $4 billion in funding needed to complete construction of the Portsmouth addition. We must proceed promptly with enlargement of the Portsmouth facility, and you can depend on me to provide the leadership needed to insure full funding of this important program.

Editorial comment from leading newspapers in Ohio has been swift and stinging. They have called the President to account for his broken promises to the people of Ohio. They have taken him to task for rejecting, as President, the expansion of a project to which he gave his clear and unqualified support while appealing for some vital votes on the campaign trail.

I would like at this time to share with my colleagues the following excellent editorials dealing with this episode which appeared in several of Ohio's outstanding daily newspapers.

Their public interest in the future of the Portsmouth plant indicates quite dramatically that support for this project is not merely local in nature. Reaction to the President's action has taken the form of a consolidated effort from those in and outside the news media throughout the State to get Presidential approval for expansion of the Portsmouth facility, be it as a centrifuge operation or gaseous diffusion.

[From the Cleveland Plain Dealer, Apr. 24, 1977]

A PROMISE IS A PROMISE

On Oct. 29, 1976, candidate Jimmy Carter told a southern Ohio audience:

"I have long supported full authorization and funding for enlargement of the government-owned uranium enrichment facility at Portsmouth, Ohio. If I am elected, I will ask the Congress on a first-priority basis to provide for the full $255 million in funding for the fiscal year 1977 phase of this construction. I will also ask the Congress to authorize the $4 billion in funding needed to complete construction of the Portsmouth addition. We must proceed promptly with enlargement of the Portsmouth facility, and you can depend on me to provide the leadership needed to insure full funding of this important program."

Last week, President Carter's energy adviser, James R. Schlesinger, told reporters at an energy policy briefing that the administration was abandoning the uranium fuel enrichment process that had been planned for installation at the Portsmouth plant. And he added that a facility for a different uranium enrichment process might now be built at Oak Ridge, Tenn.

There is no earthly reason why the new technology uranium enrichment facility Schlesinger hinted might go to Oak Ridge could not and should not be built in southern Ohio.

Well, on second thought, there might be one reason it may go to Oak Ridge. Politics.

On April 8, President Carter pulled the plug on the breeder reactor project scheduled for construction at Clinch River, Tenn.

In so doing, Mr. Carter angered a lot of Tennesseans, including Sens. Jim Sasser, Democrat, and Howard R. Baker, Senate Republican leader.

Putting the new uranium enrichment plant in Oak Ridge would compensate for cancellation of the Clinch River project. Sens. Sasser and Baker would be grateful.

But it would also represent a flat repudiation of a specific and unqualified promise to the people of Southern Ohio.

To their credit, Sens. John H. Glenn and Howard M. Metzenbaum, Ohio Democrats, have jumped to the defense of this state and have pointedly reminded the President of his pledge.

Mr. Carter himself has made no public statement on the project since taking office Jan. 20. We hope and trust that he will choose to remain true to his word and support the Portsmouth location for a project that would create 6,000 new jobs for one of Ohio's most chronically depressed areas.

[From the Columbus Citizens-Journal, Apr. 25, 1977]

ACTION NEEDED ON A-PLANT

The Carter Administration's plan to cancel construction of a $4.4 billion uranium-enrichment plant near Portsmouth is a tremendous blow to that area.

It is estimated the plant would have provided construction jobs for 6,000 workers and 400 permanent jobs once operations began.

For an area with almost 19 per cent unemployment, Jimmy Carter's campaign promise to see the Portsmouth plant built held out high hopes for the future.

Those hopes were dashed with Carter's rejection of the proposed plant's gaseous-diffusion process. There still is a possibility that the Government will construct a different type of uranium-enrichment facility in the same area at a cost of $4.1 billion.

The Energy Research and Development Administration, which operates the atomic plant near Portsmouth, says the new plant could go to either that city or to Oak Ridge, Tenn.

The fact is that Portsmouth needs every job that can be brought to it.

If this were a pork barrel project, we would be against it no matter how many jobs it created for Ohioans. But a $4.1 billion plant is going to be built either in Ohio or Tennessee. We need it, and the jobs it will provide, here.

Senators Glenn and Metzenbaum, along with all other Ohio congressmen, should give the location of the new plant their highest priority. When the question comes down to getting jobs for Ohio, the people have a right to expect coordinated action—and results—from their representatives, no matter what their political parties.

CARTER ENERGY PROGRAM

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. KETCHUM. Mr. Speaker, I recently received a letter from one of my constituents. Like millions of Americans across the country she is greatly concerned about the newly proposed Carter energy program and what effect it will have on her and her family. I am sure that many of my colleagues also have received such letters from their own constituents during the past week.

These views must not remain unnoticed as we consider the merits or the failures of the program. In addition the Congress must solicit the viewpoints of industry, the public, congressional leaders, and energy experts alike to become fully aware of what this newly proposed course of action means to the country as a whole. Only then can we accept the great responsibility of coming to terms with the proposals and thus cast our votes in the knowledge that we have given serious thoughts to the consequences of our action.

In closing her letter my constituent expressed a thought which has undoubtedly crossed many peoples' minds:

> The government already gets 20-40% of your income. God only asks for 10%. Why should the government get more?

Why indeed? The following is a copy of the letter which my constituent wrote and which I hope will be read by all of my colleagues:

DEAR MR. KETCHUM: I am writing in response to Mr. Carter's proposed energy plan. I really feel that it is poorly thought out, unfair to the American population, and will be ineffective in alleviating an energy crisis. Placing heavier taxes on existing energy sources is rather like punishing a sick child for becoming sick. Americans are already being over-taxed, and no matter how high Mr. Carter raises the price of gas, people still have to drive to work, go to the grocery store and function in our society. Coming from Southern California you understand our situation of having inadequate public transportation.

As any child psychologist will tell you, reward is a better reinforcement for behavior than punishment. Instead of threatening the public with higher prices when families can barely get by now and create more resentment against the government, I would like to make the following suggestions for an energy program. Please consider them because I think they are good ideas and would actually be more effective than Mr. Carter's energy program.

In areas where coal is available, allow people a deduction on their income tax for the cost of changing their present heating systems with coal heating systems.

Allow people a deduction on their income tax for purchasing these battery or electrical charged cars for around town driving.

Several years ago there were news items on carburetors and other car parts that allowed a car to get 40 m.p.g., but either the big car companies or oil companies bought up the rights. Cause them to manufacture cars that will get this kind of mileage.

Provide adequate and efficient public transportation for areas without it.

I really feel like these are ideas worth considering. Another tax on the American public is totally unfair. My family and most of our friends struggle just to make a house payment, groceries, and doctor bills. The government already gets 20-40% of your income. God only asks for 10%. Why should the government get more?

Sincerely,

CHERYL TAYLOR,
Bakersfield, Calif.

CONGRESSMAN STUDDS' FINANCIAL STATEMENT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. STUDDS. Mr. Speaker, I wish to insert in the RECORD a copy of my 1976 financial statement:

CONGRESSMAN GERRY E. STUDDS' 1976 FINANCIAL STATEMENT

PART I—INCOME 1976 (SUMMARY)

Salary, $44,600.

Rental Income—Apartment, Provincetown, Mass., $2,700.

Dividends—See Part II for detailed explanation, $737.84.

Interest—See Part III for detailed explanation, $802.20.

Total income, $48,840.04.

PART II—DIVIDEND INCOME 1976

No. shares, security, and income derived, 1976:

40, Burlington Industries; $52.
87, Exxon, $472.34.
80, Gulf Oil, $138.
67, W. R. Grace, $42.50.
100, Middle South Utilities, $33.
Total, $737.84.

PART III—INTEREST INCOME 1976

Bonds, security, and income derived 1976:

$3,100, Loew's Theater 6⅞ Debenture, $213.13.
$3,333, AT&T 7¾, 1982, $258.34.
$3,333, U.S. Treasury 5⅞, Aug. 1976, $195.83.
$1,666, U.S. Treasury 7½, 1977, $125.

Savings:

First National Bank of Cape Cod, $1.89.
Cape Cod Five Cents Savings Bank, $5.56.
First National Bank of Boston, $2.45.
Total, $802.20.

PART IV—ASSETS

1. Beatrice Studds Irrevocable Trust: My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust. Colin A. Studds, III, Trustee, Beatrice Studds Irrevocable Trust, Under Agreement Dated August 1, 1973.

No. shares, security, and market value as of April 25, 1977:

Bonds

$3,333, Seaboard World Airlines cvt 5's due April 1, 1986, $2,128.50.

$3,333, B. F. Goodrich 9¾% notes, due 1982, $3,481.50.

$3,333, U.S. Treasury 7¾% note, due Jan. 30, 1979, $3,415.50.

Common stocks

67, West Point Pepperell, $2,278.
67, Chessie System, $2,847.50.
92, Liggett & Myers, $2,852.
80, Marine Midland, $986.

2. I own the following securities:

No. shares, security, and market value as of April 25, 1977:

Bonds

$3,100, Loew's Theater, 6⅞ Debenture, $2,356.
$3,333, AT&T 7¾, 1982, $3,415.50.
1,666, U.S. Treasury 7½, 1977, $1,666.

Common stocks

40, Burlington Industries, $1,020.
174, Exxon, $8,852.25.
80, Gulf Oil, $2,260.
100, Middle South Utilities, $1,600.
67, W. R. Grace, $1,926.25.

3. Our family home in Cohasset, Massachusetts, with an estimated market value of approximately $70,000, is owned jointly by my brother, my sister and me. My interest in the house, therefore, is roughly $23,333.

4. Savings Accounts:

a. NOW account, First National Bank of Cape Cod, $302.

b. Savings account, Cape Cod Five Cents Savings Bank, $108.

c. NOW account, First National Bank of Boston, $268.

5. Two bedroom house, Washington, D.C., estimated market value, $75,000.

6. Two room condominium apartment, Provincetown, Mass., $42,000.

7. 1975 Chrysler Newport Sedan.

8. 1974 Saab.

PART V—LIABILITIES 1976

1. Mortgage, two bedroom house, Washington, D.C., approximately, $60,000.

2. Mortgage, condominium apartment, Provincetown, Mass., Cape Cod Five Cents Savings Bank, approximately, $20,500.

3. Secured loan, T.O.N.N., Inc., Orleans, Mass., $21,000.

4. Automobile loan, Sergeant at Arms Bank, House of Representatives, approximately $4,000.

PART VI—1976 TAXES PAID

1. Federal Income Tax, $7,229.62.
2. Massachusetts Income Tax, $2,229.57.
3. Local Property Taxes, $1,314.46.
4. Automobile Excise Taxes, $211.20.

Total taxes, $10,984.85.

PART VII—CAPITAL GAIN ON SALE OF ONE BEDROOM APARTMENT, WASHINGTON, D.C.

(Reinvested in purchase of two bedroom house, Washington, D.C.), $7,080.

PART VIII—HONORARIA

Paid direct to Constituent Services Committee for printing of constituent newsletters. (Committee discontinued in 1976 because of new, more adequate congressional allowances for constituent communications.)

1. National Fisheries Institute, $1,000.
2. University of Oklahoma, $500.

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. LEHMAN. Mr. Speaker, this morning, I and a number of my colleagues from Southeastern States were at the White House, meeting with President Carter, when the vote on approving yesterday's Journal was taken. Had I been present in the Chamber for that vote, I would have voted "yea."

CONSUMER AGENCY: STILL A BAD IDEA

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. ABDNOR. Mr. Speaker, the last thing the Federal Government needs is an additional Federal agency, but sure enough. Talk of a proposed Consumer Protection Agency is being revived. The potential bureaucratic mischief possible if such an agency becomes reality confounds the imagination. Indeed, real consumer protection could well be lost in shuffle of new redtape and delayed decisionmaking.

What my South Dakota constituents have thought and continue to think about the notion that we need another "consumer protector" at the Federal level is well summarized in this editorial from the Sioux Falls (S. Dak.) Argus-Leader. I commend it to the consideration of my colleagues:

A NEW CONSUMER'S AGENCY IS IDEA WHOSE TIME HAS PASSED

There's another big push for Congress to set up a Consumer Protection Agency, which would involve the bureaucracy as a "consumer advocate" in shaping government decisions which affect American citizens.

Legislation of this type was passed by the Senate two years ago in May, and by the House of Representatives in November 1975. But the close vote in the House at the time meant that President Gerald Ford's veto couldn't be overridden, so no conference was ever convened to reconcile the differing House and Senate bills.

Since the agency was first proposed eight years ago, there have been many changes in government and also in the business picture which render a Consumer Protection Agency less needed now than when it was proffered as the answer to citizens' problems.

At present, the federal government has 33 agencies and approximately 400 bureaus and sub-agencies running more than 1,000 consumer oriented programs. There has been a revolution in consumer protection, legislation and reorganization. The measures taken to protect the consumer have encompassed everything from truth-in-lending to tighter scrutiny of medicines and commonly-used drugs. On the state scene, there is a Division of Consumer Protection.

Most American businesses have made an earnest effort to please the customer, who is still No. 1 in their way of doing things. Business firms and individual entrepreneurs are listening these days, as they have never listened before. Both individuals and businesses have resort to the courts. Everyone has an opportunity to change the system, if it doesn't work, by going through the South Dakota Legislature or to Congress.

President Carter, who has promised a more efficient and open government, has the benefit of a special consumer adviser, as well as the ideas of his own staff and his countrymen.

It seems pointless to establish still another layer of bureaucracy in Washington, with government spokesmen, government lawyers and government lobbyists jousting their ideas on behalf of the consumer through crowded commission dockets, and leaving American business and industry on the fence while this is done. A new agency could also hamstring existing agencies charged with consumer responsibilities.

The present bureaucratic system delayed the Alaska pipeline, is delaying resolution of decisions on new pipelines from Alaska and has tied federal government into knots undreamed of in simpler times a generation ago. Can Congress seriously vote for more of the same?

If Carter can make the present bureaucracy work better, as he promised, citizens will be benefited without a new addition to the government along with the Potomac. The new consumer agency is an idea whose time has passed.

EYELESS IN ASIA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. DORNAN. Mr. Speaker, ever since the gates to Red China were opened to Western visitors we have been inundated with panegyrics which praise the "awakening world power." We are told by those who have been given "the official guided tour" that the land is full of happy workers, surrounded by the most modern of machines and using the most modern of techniques. Repression is nonexistent—or so insignificant that it can be ignored. It is an efficient, flourishing China which is painted for us by the returning Sinophiles. All the houseflies have been patriotically squished.

Now if this all sounds strangely familiar, there is a good reason why it should. This is the same evaluation rendered by travelers to the Soviet Union 40 years ago. The words are different but the positive verdict is the same. The travelers are different but their inability to see the truth is the same.

In the 1930's, a seemingly endless flow of Americans gave forth with seemingly boundless praise of the Soviet system. Many of these visitors were considered intelligent, perspicacious commentators. Their blindness to the truth of communism was exposed only later. Reading their comments now, one wonders at their dim and undiscerning appraisal of the Communist system.

Lincoln Steffens, aging and bored with radical American reformers, beheld in Lenin the union of "intellect and will." Upon his return from the Soviet Union, Steffens announced, "I have seen the future, and it works."

John Dewey, the foremost figure in American pragmatic thought, wrote of the Soviet Union:

> The main effort is nobly heroic, evincing a faith in human nature which is democratic beyond the ambitions of the democracies of the past.

He further praised the Soviet scientists and intellectuals as "probably the first in the world to attempt scientific regulation of social growth."

Rexford G. Tugwell, pragmatic economist of the University of Chicago, discounted the misery which accompanied the revolution:

> The mass of peasants are not to be blamed for having dimly seen that the necessities for racial advance required a drastic change, and for bringing it about—with ruthlessness if need be.

And Stuart Chase in his book, "A New Deal" asked querulously, "Why should Russians have all the fun of remaking a world?"

Horace M. Kallen, American philosopher and coworker of John Dewey, lauded the treatment of the Jews in Soviet Russia. For the Jews, "more truly than for any people under the Soviets," wrote Kallen, "a new life is beginning."

How like our present commentators on Asian communism.

How like those who were relieved when the Communists conquered free South Vietnam and the silence of death enveloped that sad land.

How like those who look on the North Korean Communist dictatorship as the legitimate Government of South Korea.

How like those who praise the repressive Communist regime of Red China and tell America that it can "get there from here."

In the 1930's, apparently intelligent Americans were describing a Russia which has murdered millions of its own citizens to support a brutal dictatorship. It is a Russia which ignores the domestic needs of its people in order to support its massive military machine. It is a Russia which imprisoned Solzhenitsyn and drugged Bukovsky. It is a Russia which has enslaved its populace.

Would the statements of the 1930's be made with the knowledge we have today? In all honesty, I do not believe that they would be—at least not by anyone who was not blind to the reality of the Soviet system. The atrocities of the Communists are too well documented. There are too many open-eyed witnesses.

But in the 1970's, similar statements are being made by journalists, scholars, and other visitors to Red China and Communist Asia. It is only rarely that any criticism of the Communist system is heard.

Do our scholars and journalists only recognize repression when it is present in liberal democracies? It appears so.

Do they fear that their visas may not be reissued? That they will not be invited to return? It appears so.

Is communism in Asia so different than communism in Russia? It appears so—to those who are blind to what lies behind the guided tours.

I believe that most of my colleagues do want to know what lies behind the guided tours which are the basis of our news reports from Communist Asia. I believe that most of my colleagues do want to be made aware of the methods the Communists use to dupe naive travelers into believing that communism works. For these reasons, I insert the Reader's Digest story, "China Behind the Guided Tour," to be reprinted here:

CHINA BEHIND THE GUIDED TOUR

It was not until we reached the "Sinkiang Uighur autonomous region" in the far northwest corner of China that the elegant stage management of our journey finally broke down. Given the formal character of our tour, which was led by former Secretary of Defense James R. Schlesinger, it seemed natural enough that every detail would be carefully prepared. Riding each in our own car, with an interpreter and a personal escort assigned in strict order of seniority, we would arrive at village, workshop, army base or hospital to be met by the local dignitaries. First came the briefing, given in a reception room decorated with portraits of Marx, Engels, Stalin and Mao. Then we would walk around to observe "the work in progress."

As simulations of real life, these controlled glimpses were comparable to inspection parades by top army brass; except that, in our case, it was not only the shine on the boots and the gleam of rifle barrels that were suspect, but the boots and barrels themselves—as normal issue items, that is. When shown a computer in Tsinghua University, were we seeing the only computer, or one of many, as our guides insisted? But a single item can be revealing. Processions of uncritical Americans had spoiled our hosts, and they had become careless. In the very hospital that an American reporter had praised with such abandon a few years ago, we were all X-rayed by a machine which was recognized by one of our group as dangerously unshielded; another in our party recognized a primitive analog calculator when shown the university's "computer."

RIGGED SHOW

With a population fully controlled, and with very experienced briefing dignitaries who had already performed for dozens of Western delegations, there was a tendency to accept the stage management as part of the stately formalities of our tour. In Sinkiang, however, the stage management could not survive the intrusion of reality. Here, half of the locals are not Chinese; many are Kazak Turkic—proud, tough, and by no means cowed. One day, for example, we flew to the Ili Valley, the remotest corner of this region, quite near the Soviet Union and very far from Peking and China proper. Now all pretense was finally abandoned as our hosts resorted to a nakedly physical insulation to keep us from local contact.

In Kuldja, the only sizable town in the area, newly settled Chinese amounts to half the population, but it was not Chinese who lined the streets as we drove around. The local Kazaks, who look much like southern Italians, left their workshops, homes and farms to see the unique sight of people who looked like themselves riding in cars. Normally only high Chinese officials ride in cars. They cheered as no Chinese crowd would do, and their behavior was obviously unauthorized. Our Chinese escorts were soon in a state of panic, as more and more of the locals appeared in the streets during hours in which all were supposed to be at work.

We never did see Kuldja except through the windows of our cars. We went from the airport compound to carpet factory, shoe workshop, and local government compounds. When we said we wanted to go in the streets and photograph the people, our escorts became hysterical, and soon announced that "because of weather conditions," we would have to leave Kuldja at once.

Our one open-air visit to a Kazak horse-raising commune was farcical in the crudity of the simulation. After driving for many miles across the steppe, after passing several genuine nomad camps, we stopped near a meadow in which there stood three multicolored tents. That, we were told, was the commune. Inside, pretty Kazak girls served us food, while we were given a briefing on the commune, of which no evidence was in sight, neither tents nor horses nor barns. Then, someone in our group lifted one edge of the carpet in the polychrome trent (all the many tents we had passed on the road were dirty-brown) and found the grass quite green. The show had been rigged for us.

That night, I read an account of an American journalist who had visited the same commune. The article was written as if the whole thing were real—pretty tents and all. But then the same journalist had taken on faith much more, particularly about the status of women.

Everywhere we went in China, women were part of the reception committees and revolutionary councils of town, province, commune and factory. Hardly ever did we hear one say a word; they smiled and nodded, but did not speak. When asked whether all announcers on Chinese radios were women, one of our senior escorts said that most were, but "important announcements are made by men, of course."

Cardin and Mao. Actually, for all the disappointment of our Sinkiang visit, by then we had already seen a great deal of the real China, much more than is normally accessible. In Peking and Shanghai, though the visitor is housed in the center of town, he is part of a very crowded program which normally keeps him from seeing those cities for himself, as they really are. In our case, however, things were different: Mao had just died, and our hosts were forced to cancel all tours programs. We were free to explore Peking at our leisure for three days.

Immediately, we discovered that the broad boulevards through which we had driven back and forth and the shopping street near our hotel were utterly different from the rest of the city. Instead of asphalt and concrete, the real Peking was made of mud and sun-dried brick, its people working in narrow, unpaved alleys lined with low buildings. Instead of the neat factories of the tour circuit, we saw that much of urban China really works in miserably ill-equipped shanties. Many are classic sweatshops out of New York in the 1890s, with a roomful of women working elbow to elbow on sewing machines of ancient design.

We could also see how the Chinese lived; one evening, I passed a typical room, illuminated by a naked 30-watt bulb dangling from the ceiling. About six people were preparing to go to bed; there were two wide beds in the room and not much space in between. The only other furniture was a trunk-box, and a large 1930s-style radio.

We were, of course, never invited home by any of the officials we dealt with. But from the apartment of a diplomat friend one could look directly into an apartment house reserved for middle-ranking cadres: they, too, lived in standard 3-room apartments, but each housed only a single family. More senior cadres have their own small houses with a bit of garden around, but nobody has ever seen how the top echelon lives, for their housing is hidden behind the high walls of the elite residential compounds.

Perhaps the most transparent of all the simulations of social equality one sees in China is the mock equality of dress. Almost everybody wears the standard boiler suit, the Mao uniform. But some are made of rough cotton and others of delicate gabardine, and still others of good-quality wool. Senior party men would wear their equality in carefully tailored worsted wool, and their Mao suits had much more in common with Pierre Cardin than with the blue-cotton outfits of ordinary people. And yet, in the post-1972 reports on China, it is the theme of visible equality that is most insistently advanced.

"POSITIVE" CONTROL

Why have American journalists failed to convey to us such fundamental Chinese realities? After all, the miserable poverty of the country is everywhere in evidence. Why, moreover, have previous visitors not been revolted by the schoolrooms where children are taught from booklets replete with the brutal images of harsh class-war propaganda? Why have our "Asia scholars" failed to denounce the militarism of a system where the cheapest suit of clothing for little boys is a mini-uniform complete with toy rifle?

And, above all, how could they have missed the central phenomenon of Chinese life: its unique, almost pure totalitarianism? Indeed, the transparency of personal life to the party apparatus in every house and street is total and inescapable. For example, in our walks through Peking, during which we were followed only at a distance, if at all, we did not manage to have even one spontaneous street conversation, however casual. It became evident that in the capital even old women and young boys knew that it was forbidden to speak to any foreigner.

With all the petty martinets and authoritarian characters enrolled in the party, an incredible degree of control can be maintained. In essence, it is a new departure in the totalitarian experience, a system of *positive* instead of negative control. In the Soviet Union, one can do anything, except for the very long list of forbidden things. In China, there is no forbidden list at all. Instead, all activity is forbidden except that which is specifically permitted and promoted by the party.

ECONOMIC IRRATIONALITY

One would have thought that the total harnessing of popular energies in China would at least result in a high degree of economic effectiveness. But the statistics tell a different story, and even casual travel observation confirms the statistics. It is true that the Chinese economy does not waste resources on automobiles and television sets. But the Chinese have their own forms of waste.

In farm communes, or even in the smaller factories, the Chinese tradition of hard work results in high efficiency. But as soon as the resources are extracted from commune or local industry for investment under the provincial authorities, gross inefficiency and massive waste are commonplace.

One manifestation of the pervasive irrationality of the Chinese system was in evidence at the modern factory we visited in Shanghai. The factory made precision machine tools. Much of its equipment consisted of very elaborate precision machines which had been made in the plant itself, and were being used even for rough work because the factory could not exchange them for cheaper and simpler ones elsewhere. Hence a machine worth, say, $100,000 was doing the work of a machine worth, say, $20,000.

The Chinese consumer pays for economic irrationality by being poor, but China also pays by being militarily weak. Over the last ten years, while the Soviet Union has been modernizing its forces, the Chinese have fallen behind. Again, even the most casual exposure to China is sufficient to disprove the notion that one is dealing with an emergent superpower. China is, of course, a nuclear power in a small way (with less capability than Britain or France), but otherwise it has none of the attributes of a superpower; far from being able to project its military power on the global scene, it could not even defend its own borders. Nor is there anything to suggest that China will become a superpower in 10, 20 or even 30 years. Hence, the right-wing Sinophilia of those who abhor the Chinese system, but who see virtue in Chinese power as a counterweight to Russia, is as flawed as the left-wing Sinophilia of those who see virtue in a society which combines a maximum of unfreedom with a minimum of efficiency.

NO SECOND VISA

How could so much of this pass unobserved when all the signs are in evidence? Is it perhaps that too many of our scholars and journalists can only recognize repression when it is crude and requires the visible presence of armed men in the streets? Is it that they can recognize inefficiency and weakness only in liberal democracies? How could so many of those who have visited China fail to highlight the fact that they were denied contact with Chinese not specifically instructed to speak to them? Was it because their overriding professional need is to be re-invited?

Perhaps so. After all, that is how the Chinese try to control journalists who have fed us much of what we think we know about China. Resident Peking correspondents rarely file stories offensive to the Chinese because their jobs depend on their visas. Visiting correspondents and academics like to have periodic access. And so it is the newspaperman who makes his own prior decision that he will seek no second visa who can be most counted upon to serve us, and not the Chinese.

INSTANT VOTER REGISTRATION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. DERWINSKI. Mr. Speaker, one of the most controversial proposals of the Carter administration is H.R. 5400, which would provide for instant voter registration at polling places.

I direct the attention of the Members, especially those serving on the Committee on House Administration, to a statement issued by the Association of Election Commission Officials of Illinois.

In my judgment, the proposal would complicate rather than improve our election procedures.

The Association of Election Commission Officials of Illinois very effectively analyzes the various defects in this bill, and I insert their statement at this time:

STATEMENT FROM THE ASSOCIATION OF ELECTION COMMISSION OFFICIALS OF ILLINOIS

Whereas, at a meeting held at Springfield, Illinois on April 12, 1977, the Association of Election Commission Officials of Illinois, after a complete review, study and discussion of H5400, the Universal Voter Registration Act of 1977, unanimously voted its opposition to said Act for the following reasons:

1. In considering the Act, one should first examine the reasons for voter registration. It was determined many years ago that much controversy and confusion could be eliminated at the polling place on election day by determining prior to the election those persons who were qualified to vote in each precinct. The registration system is used to prequalify those eligible to vote and the names of those so qualified and a specimen of their signatures are sent to each polling place on the day of the election as a means of identifying those who apply for a ballot.

This procedure has practically eliminated disputes over the question of voter's qualifications at the polling places, and it plays such an important part in the orderly conduct of an election that the consequences should be carefully weighed before it is eliminated or changed.

2. Permitting registration at the polling place on the day of election will have a tendency to reduce the number of registrations prior to election day.

In addition to the tendency on the part of some to procrastinate in the matter of registering to vote, there will be those who, in the interests of saving time, will decide to register on election day rather than to make a separate trip to register in advance. Voting patterns indicate most people vote on their way to work or on their way from work, and when there is delay at the polls and long waiting lines, the precinct clerks and judges usually bear the brunt of this criticism.

Obviously, these complaints would be justified if those who were waiting in line had pre-registered and were required to wait because of a dispute between the clerk and a new registrant concerning which precinct he was in or some other qualification. It is the opinion of the officials of this association that if there were to be registration at the polls on election day, it should be handled by two bipartisan clerks who were trained in the matter of taking registrations. This would amount to an unwarranted increase in election costs.

3. Even though there has been a great reduction in the time required of precinct clerks and judges on election day by the use of voting machines, punch card balloting and other modern business methods, as well as an increase in compensation, it is some times extremely difficult to obtain and retain capable and reliable people to serve as precinct election clerks and judges. With all of the modern methods, judges and clerks must spend an absolute minimum of 13 hours at the polls on election day with no limit on the maximum. These clerks and judges are, for the most part, housewives who will only serve as election officials two or three days each year, and, although they usually attend an annual training session of four hours, most of them know just enough about election laws and procedures to carry out the duties of a precinct clerk or judge.

Dignified and orderly elections do not just happen; they are the result of the preliminary work done by election officials at election headquarters days and weeks in advance in order to simplify, as much as possible, the work of the precinct judges and clerks on election day. The additional forms, procedures, personnel training and substantial cost required to handle registration at the polls on election day would be entirely out of proportion to the benefits derived.

4. Registration at the polls will tend to increase election fraud. It is true that the proposed bill provides substantial penalties for those convicted of abusing the law; however, experience indicates that very few election fraud cases are ever prosecuted. The real tragedy in election fraud cases is that there is no way that the losing candidate, who has been cheated, can get justice by means of a recount since there is no way of identifying those ballots which were illegally cast.

5. Perhaps the most serious objection to the bill is the misconception that it will substantially increase the number of those voting and stimulate more interest in government affairs. In recent years most election authorities have gone to considerable additional expense to encourage registrations. In Illinois most election authorities send mobile vans to supermarkets, shopping centers, public housing projects and provide special facilities at schools, colleges and homes for the elderly. In down-state Illinois, precinct committeemen are now authorized to take registrations anywhere in the precinct. The number of people who would not avail themselves of one of the foregoing convenient means of registering but who would register on election day would be very small and would not justify the additional expense and the resulting confusion and delay to those who had taken a few moments of their time to register in advance.

We, therefore, respectfully urge a "no" vote on this bill.

END OF WAITING PERIOD FOR DISABILITY BENEFITS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. LEHMAN. Mr. Speaker, today I am introducing a bill to amend title II of the Social Security Act to eliminate the 5-month waiting period for disability benefits.

Many of my constituents have expressed their concern about the 5-month waiting period. They feel that it is unfair that they are required to wait for coverage, since the major burden of medical costs occurs immediately after the onset of disability.

In 1956, when the disability law was established, Congress had little experience in dealing with national disability insurance. It included many restrictions, such as the 5-month waiting period, in order to make the cost more reasonable.

We now have the experience and knowledge to make this system more equitable. I believe that my bill will end the detrimental effects caused by the waiting period and, at the same time, provide more immediate benefits to the approximately one million people who are expected to become permanently and totally disabled each year.

The text of my bill is as follows:

H.R.—

A bill to amend title II of the Social Security Act to eliminate the five-month waiting period for disability benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

ELIMINATION OF FIVE-MONTH WAITING PERIOD FOR DISBILITY BENEFITS

SECTION 1. (a) The first sentence of section 223(a) (1) of the Social Security Act is amended by striking out "(1) for each month" and all that follows down through "the first month in which he is under such disability" and inserting in lieu thereof the following: "for each month beginning with the first month during all of which he is under a disability and in which he becomes so entitled to such insurance benefits".

(b) (1) The first sentence of section 223 (a) (2) of such Act is amended by striking out "in—" and all that follows down through "and as though" and inserting in lieu thereof the following: "in the first month for which he becomes entitled to such disability insurance benefits, and as though".

(2) The second sentence of section 223(a) (2) of such Act is amended by striking out

"subparagraph (A) or (B) of such sentence, as the case may be" and inserting in lieu thereof "such sentence".

(c) (1) Section 223(c)(2) of such Act is repealed.

(2) (A) The heading of section 223(c) of such Act is amended to read as follows:

"Definition of Insured Status".

(B) Section 223(c) of such Act is further amended by striking out "For purposes of subparagraph (B) of this paragraph, when the number of quarters" in the last sentence of paragraph (1) and inserting in lieu thereof the folowing:

"(2) In applying paragraph (1)(B), when the number of quarters".

(d) (1) Section 216(i)(2)(A) of such Act is amended by striking out ", but only" and all that follows and inserting in lieu thereof a period.

(2) Section 222(c)(5) of such Act is repealed.

(e) The amendments made by subsections (a), (b), and (c) shall apply only with respect to monthly benefits under section 223 of the Social Security Act, or under section 202 of such Act on the basis of the wages and self-employment income of an individual entitled to benefits under such section 223, for months after the month in which this Act is enacted. The amendment made by subsection (d)(1) shall apply only with respect to applications for disability determinations filed under title II of the Social Security Act on or after the date of the enactment of this Act. Subsection (d)(2) shall take effect on the date of the enactment of this Act.

MINIMUM WAGE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, beginning with the enactment of the first minimum wage of 25 cents an hour in 1938, both the concept of the minimum wage and the level at which it should be set have been controversial topics. Over the years, the minimum has increased to the present level of $2.30 per hour and coverage has been expanded to include 85 percent of all nonsupervisory workers.

Each time Congress is confronted with the question of whether to increase the minimum wage, proponents and opponents marshall their arguments and supporting academic studies. The ensuing debates yield a welter of facts and figures on either side; but the basic arguments come down to this: Proponents maintain that they help insure adequate pay for all workers, while opponents counter that such increases fuel inflation and spur unemployment.

It is safe to say that these arguments, and perhaps others, will be raised again this year when Congress considers an increase in the minimum wage, the amount of the increase, and whether to "index" the minimum wage.

While in the past, partisan sentiments have pervaded the debate on this issue, we must not allow the conventional arguments to obscure as thorough as possible an examination of the questions surrounding the minimum wage. Why do we have a minimum wage? What has been the traditional role of the minimum wage? Who benefits and who suffers because of the minimum wage?

It might be helpful at this time to refer to the justification for the enactment of a minimum wage as stated in the Fair Labor Standards Act of 1938:

> SEC. 2. (a) It is hereby declared to be the policy of this Act, through the exercise by Congress of its power to regulate commerce among the several States and with foreign nations, to correct and as rapidly as practicable to eliminate the conditions above referred to in such industries without substantially curtailing employment or earning power.

While considering amendments to the Fair Labor Standards Act, we should be mindful of its original purpose, especially mindful of the need to improve the general well-being of workers without substantially curtailing employment or earning power. While I support the basic concept of the minimum wage, I believe that the time has come for a closer look at how well the minimum wage has served congressional intent as expressed in 1938 and reaffirmed periodically since then.

However equivocal the evidence may be with respect to the broad issue of minimum wage legislation, there is a growing body of opinion that at least one portion of our population is clearly not aided by Congress well-intentioned efforts to place a floor under the wage of American working men and women. I am speaking about our young people. While the overall U.S. employment rate—7.3 percent—is disconcertingly high, the unemployment rate for young Americans aged 16 to 19 is downright shocking: 18.8 percent. Even more alarming are the components of the youth unemployment tragedy: Unemployment for 16- to 17-year-olds is over 21 percent; for teenage high school dropouts, 19.9 percent; for nonwhite teenagers, 40.1 percent, and for nonwhite high school dropouts, 61.4 percent.

Let us take a look at the problem in another light. Only 10 percent of the U.S. labor force is comprised of teenagers, yet more than 20 percent of our unemployed workers are in their teens. Young people, aged 16–24, comprise about a quarter of the total labor force, yet 3–4 million are unemployed—half of the total number of jobless Americans. Clearly, if we are to reduce overall unemployment, the problem of youth unemployment must be addressed.

Historically, the picture is no brighter. Through the years, teenage unemployment has increased. For example, in the mid-1950's, teenage unemployment stood at about 11 percent; by the mid-1960's, it had risen to 15 percent; and by 1975, the figure was nearly 20 percent.

Even this statistical breakdown does not tell the full story. While overall teenage unemployment is a major national problem, even more pressing is the plight of blacks and other nonwhite tenagers who cannot find a job. Presently, 40.5 percent of our young black people are unemployed. Twenty years ago, the figure stood at just under 16 percent. This, too, tells only part of the story, for these statistics measure only those young people who are job hunting. There are millions of others who have stopped looking for work—or who never started: labor force dropouts. In a fascinating study which he shared with us in the RECORD of March 30, 1977, Representative RON DELLUMS points out that LPF—labor force participation—is a sadly neglected measure of an abused national resource—our youth. LPF rates underscore the urgency of the situation; 22 percent of our black high school graduates are not in the labor force, and 16 percent of their white contemporaries have dropped out. The figures for those who have dropped out of high school are even higher: 36.4 percent for whites, 45.6 percent for blacks. Even those young people still in high school, about half of whom would take jobs if they were available, according to the Department of Labor, have high nonparticipation rates: 54.3 percent for whites, 71.3 percent for blacks. It is an alarming state of affairs, one that we can no longer afford to neglect.

The situation is not hopeless. A variety of recent studies agree that the minimum wage discriminates against young people seking full-time employment. One of the most persuasive studies that has come to my attention was done by Prof. Edward Gramlich for the Brookings Institution. Dr. Gramlich examined a variety of phenomena associated with the minimum wage. The portion of his work that concerns me here is his conclusion that the minimum wage has a disemployment effect on teeangers. In particular, he studied the increases that went into effect in 1961, 1967, and 1974, and he found that high minimum wage increases tended to shift teenagers from full-time employment to part-time jobs, leading to a slight overall disemployment impact.

Dr. Gramlich's overall conclusion raises two important points regarding the minimum wage:

> The first is obviously how high the minimum wage should be set. While the results here do not give a precise answer . . . the basic facts are clear. As the minimum wage is increased beyond its historical range of 40 to 50 percent of the median wage, more and more workers confront the grab-bag combination of a higher wage but a reduced probability of having a job.
>
> The second important policy question is whether the minimum should be differentiated according to the age of the worker . . . If anything, minimum wages seem too low or about right for adults and too high for teenagers.

Both of Dr. Gramlich's points merit our attention. Supporters of a large increase in the minimum wage and opponents of a youth differential have yet to come forth to rebut Dr. Gramlich's finding. The only academic studies which indicate that the minimum wage has no effect on teenage unemployment were done before 1970. Current research, measuring the effects of the 1974 minimum wage change and using current economic and demographic data, yields different results. Since 1970, there have been at least six studies of the relationship between minimum wages and teenage unemployment that show an adverse effect on teenage employment. Although a massive Department of Labor study done in 1970 is largely inconclusive regarding the pre-1970 effects of the minimum wage, it does state that:

> The evidence from abroad indicates that low wages for youth are an inducement to employers to seek young workers eagerly . . . Reports from abroad to not indicate that adult employment has been affected adversely by lower minimum rates for teenagers.

DOL goes on to indicate that a lower minimum wage for young people, a "youth differential," might cause employers to hire more teenagers, although the effect could not be accurately predicted. However, the Labor Department study issued a statement of caution regarding their overall conclusion:

> Increases in both the level and coverage of the minimum wage may have contributed to the employment problems of teenagers, but it is difficult to disentangle such effects from numerous other influences. . . .
>
> A cautionary note should be added. If the minimum wage as a percent of average hourly earnings was more than the 50-percent range prevailing in the postwar period or if coverage was extended to new areas, past experience would not serve as an accurate guide to future employment effects.

Other academic reports tend to reinforce the conclusions of the Gramlich study. Jacob Mincer, affiliated with Columbia University and the National Bureau of Economic Research, discovered that the minimum wage creates substantial unemployment, especially for those aged 16 to 29—particularly nonwhites. Still another researcher, Dr. Finis Welch, of the University of California, examined 1970 figures, and concluded that the minimum wage increased the cost of employing teenagers, aged 14 to 15 by 37 percent, 16- to 17-year-olds by 19 percent, and 18- to 19-year-olds by 11 percent. In turn, these increased costs resulted in reduced employment for those teenagers: 46 percent for 14- to 15-year-olds, 27 percent for 16- to 17-year-olds, and 15 percent for 18- to 19-year-olds.

Finally, there is a study of unemployment statistics for 1954–65 by Douglas Adie of Ohio University, who reached three important conclusions: First, increases in Federal minimum wage cause unemployment among teenagers; second, the unemployment effects tend to persist for considerable periods of time; and third, the effects seem to be increasing.

Mr. Speaker, academic studies are as fraught with error as any human endeavor—our own included. Yet the current evidence leads me to believe that we have done our youth a tremendous disservice each time we have increased the minimum wage. And when our youth are ill-served, so, too, are we.

I think it is important at this time to recall what happened in this Chamber on May 11, 1972, when the House approved a bill increasing the minimum wage, and allowing youths to be employed at 80 percent of the applicable adult minimum wage. On that day, the House recognized the problems faced by young people: their lack of skills, their lack of work experience, and their tendency to switch jobs frequently.

We made an honest attempt to deal with the high rate of teenage unemployment. Unfortunately, politics got in the way of sound policy, and our bill was not sent to conference. At that time, the overall unemployment rate was 5.6 percent, while teenage unemployment was 16.2 percent. While it would be ludicrous for me to suggest that had we enacted a youth differential in 1972, there would be little teenage unemployment today, I ask this body if they believe that they actually have made enough of an effort to alleviate teenage joblessness. I think not.

It is for this reason, Mr. Speaker, that I intend to work again this year, as I have in the past, for a "youth opportunity wage"—or youth differential as it is sometimes called.

In addition to this effort, we must recognize that a change in the minimum wage law will not solve our great and complex teenage unemployment problem. There are no panaceas. We must look beyond the minimum wage bill that the House will be taking up in the near future to a variety of policies and programs to assist our young people in securing meaningful employment.

Despite our good intentions, as Representative Dellums' study shows, the current programs dealing with teenagers are failures. He calls CETA a holding action, "an aging vat." He indicates that insufficient time is given to youngsters in on-the-job training programs. He points out that summer youth programs do little to improve the employment prospects of youth, that they are merely designed to put income into youngsters' pockets. We are not now adequately dealing with teenage employment. We must do better.

I believe Representative Dellums is correct in claiming that proposed youth unemployment legislation, largely an expansion of the existing unsuccessful programs, will not work. Their outcome will be the same: Students will receive high priority, dropouts will be underrepresented, and young people in general will find not long-term gain, only a small financial benefit. The 95th Congress is dutybound to explore new ideas and new programs, in short, to pay more attention to the problems of our young people.

DISCRIMINATION AGAINST WOMEN

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mrs. CHISHOLM. Mr. Speaker, discrimination against women is still strongly in evidence at virtually every level of our society, and the pattern is apparent in everyday practice as well as in our system of laws. I have not come across a more concise and articulate description on the status of women than the speech delivered at the Women in the Law Conference in Madison, Wis., last month by our colleague, Elizabeth Holtzman. I would like to insert Congresswoman Holtzman's comments in the Record with the hope that all of my colleagues will seriously read her important statement and review her conclusions:

Speech by Representative Elizabeth Holtzman

Last year our country celebrated its 200th birthday. At least by then, and surely by now, we should have been able to say that women in the United States have achieved equality under the law. But America's failure to make good on its promise to more than half of its people—a promise of human dignity and individual worth implicit in the Declaration of Independence and the Constitution—is why we are all here at this conference: to understand how we can use our experience, our intelligence and our determination more effectively to remedy the wrong that has been done to women for far too long.

As lawyers, most of you have been trained to look to the courts for solutions to injustice. But this bias—which views litigation as the primary solution to our problems—needs to be corrected. The record of our courts on women's rights is not one that justifies that kind of confidence. The Supreme Court—which in the 19th century closed its own doors to women lawyers—took more than 100 years to decide that the 14th Amendment even applied to women. The court still has not gone far enough. It continues to refuse to rule that sex discrimination is automatically questionable and that classification by sex is automatically suspect.

Indeed, earlier this month, four Supreme Court justices proclaimed that the 14th Amendment prohibited only "invidious" sex discrimination—in other words the plain ordinary garden variety of paternalistic, misogynistic sex discrimination is all right. It seems that all the justices agree with this position since just this week they unanimously approved a law that discriminates on the basis of sex.

Not only has the Supreme Court withheld the full protection of the Constitution from women, but it has even refused to extend to us the explicit benefits of statutory law. The *Gilbert* decision, which claims that discrimination against pregnant women is not sex discrimination, should give us all pause in thinking about the Supreme Court as a vindicator of our rights. And we thought they were for motherhood! A court composed of nine women could never arrive at a decision that is so oblivious to biological reality.

In addition, the court's recent restrictions on standing, class actions and suits to enforce civil rights under section 1983 will make it extremely difficult for women's rights advocates to end systematic sex discrimination through court suits.

I would thus caution you against putting all your eggs in a litigation basket, especially one that seems to be so full of holes.

But that does not mean that women trained in the law should despair about using their special expertise effectively. There is an enormous role for women lawyers to play in formulating social policy, in shaping the laws that govern our conduct, in removing sex stereotypes from our laws, and in seeing that the laws on the books are enforced fairly.

We simply cannot afford to overlook the Congress or the Executive Branch of government in our efforts to improve the status of women. That is not to say that we can expect an unblemished record of performance from them either. After all, when the Supreme Court declared that women had a constitutional right to an abortion, it was the Congress (in an act of cowardice and callousness) that tried to restrict the availability of that right for poor women. Similarly, the Executive Branch has systematically failed to enforce many of the antidiscrimination laws on the books.

We have to recognize that we cannot expect real responsiveness from any Federal institutions unless and until women fully participate in them. This means we have to liberate the Supreme Court, the Senate, the Presidency, as well as increase the number of women who presently serve in Congress, on the Federal bench, and in executive agencies.

It is dismaying to realize that although the first woman was elected to Congress in 1916, today we have only 18 women in the House and none in the Senate. In fact, we seem to be going backwards. Four prior Congresses had more women members than the one that just began.

In the entire history of this country, we have had only nine women on the Federal bench and five cabinet secretaries. The first and only woman U.S. Attorney was appointed by Woodrow Wilson.

Obviously one of our central and urgent priorities must be changing these statistics, but we can't just sit back and wait for the situation to improve. We must move to increase the numbers of women in our government and simultaneously prod our institutions to take action on a host of crucial women's issues.

That is not as impossible as it seems. Congress, for example, has acted on some issues in the past. Although prompted by Southerners who hoped to torpedo the Civil Rights Act of 1964, Congress enacted Title VII which bans discrimination against women in employment. It adopted the Equal Pay Act mandating equal pay for equal work. In 1972, Congress passed the Equal Rights Amendment and called for its ratification by the States. Since then it has prohibited federally funded educational institutions from discriminating against women in employment and from segregating sports or other programs on the basis of sex. It has barred sex discrimination in credit and in the administration of crime control, public works, and public employment programs. It has provided a tax credit for day care expenses. It has opened the military academies to women, funded programs to combat sex stereotyping in careers, paid for the creation of non-sexist educational materials, set up a National Institute for Rape, developed programs to encourage women to enter scientific careers, and covered domestic workers under Social Security and the minimum wage laws.

While this list may sound impressive, don't be deceived. Given the seriousness of the problem and the pervasiveness of sex stereotypes in our laws and social programs, it represents only a small step toward what is needed.

First, we need to change the laws that assume women are dependent, homebound creatures—that thus discriminate against working women, and often against men, and actually provide no reliable protection to women either.

The Social Security laws are profoundly discriminatory. Drafted in the 1930's, they assume that most women will not work and that most men will. Consequently, they provided that women can automatically derive benefits from their husbands' earnings, but husbands cannot automatically derive benefits from their wives' work. The law also permitted a widow with young children to derive benefits for both her children and herself from her husbands' work but allowed a widower to receive benefits based on his wifes' earnings only for his children and not for himself. These provisions were stricken by the Supreme Court.

But there are other inequities remaining. Most married women who work receive the same benefits that they would have if they had never worked a single day. The reason for this is that most women who work earn less than men, as a result of discrimination and restrictions on career choices. Since benefit levels are geared to earnings, most wives receive their benefits on the basis of their husband's earnings. They receive no benefit at all from the Social Security taxes they pay. This is unfair to working women.

In addition, since the Social Security law assumes that wives will be dependent, we would expect homemakers to receive reliable protection. That is not, in fact, the case.

Homemakers receive no independent Social Security credit for their contribution to the family. Moreover, their Social Security benefits are conditioned upon the continued favor of their husbands, since a woman divorced before she has been married twenty years has no claim to benefits on her husband's record.

Our tax laws also reflect a bias about women that needs to be changed. Where both husband and wife work, they pay a severe tax penalty for their marriage, while a couple where the husband works but wife doesn't, pay no tax penalty.

The much maligned welfare system is also, I believe, a product of stereotyped thinking about women. The premise underlying welfare is that a man is always the bread winner—that a mother cannot be expected to support herself and her family. Therefore, in most states, welfare automatically gets cut off if the husband is present—even if he can't find a job. Similarly there is neither sufficient training for real jobs nor adequate day care so welfare mothers can find work. Our welfare system causes families to break up and makes the ideology of a woman's dependency a self-fulfilling nightmare.

Second, we need to offer some real help to America's working women and those who want the dignity of work and economic independence.

The fight for equal pay and equal job opportunities is far from won. In fact, the earning gap between men and women has widened in the past 20 years. As just one measure of how far we have to go, even if 50 percent of all new faculty members who are hired in our nation's colleges were women, by 1990 women would still only constitute a mere 30 percent of our nation's college faculties.

In the past few years, we have seen substantial gains in job opportunities for women through affirmative action recruitment. These gains are threatened, however, by a lagging economy, since women, as the last hired, are likely to be the first fired. Solutions to this complicated problem must be found.

Federal employment and training programs need to be redesigned and refocused so that they benefit more women. The first thing that should be changed is their name. It is no accident they are called "Manpower Programs" since they are heavily weighted toward construction and public works jobs that are more likely to employ men.

We should experiment with flex-time and part-time employment.

Adequate day care is needed if women are to be able to work. President Nixon vetoed a day care bill calling it "family weakening". Although Mr. Nixon has gone, Congress still refuses to pass comprehensive day care legislation. It simply won't come to grips with the reality that there are more than 61 million children with working mothers and that almost 18 million of those children are under 6. We also need to make sure that funds for day care actually go to benefit the children. Recent investigations in New York City revealed much of the money was going to pay inflated rents to politically connected real estate speculators.

We also need quickly to pass legislation reversing the Gilbert decision so that pregnant workers will not be singled out for discrimination in matters like hiring, firing, and insurance. The Supreme Court left pregnant women vulnerable to discrimination. Action is underway, and just 3½ months after the decision, bills have been introduced in both houses of Congress with the support of a broad coalition of labor, women, and civil rights groups.

Third, we need some protection for women who have chosen to be full time homemakers. Homemakers left single by divorce or by the death of their husbands need help in reentering the job market when their skills are rusty and so much time has passed that they face not only possible sex discrimination but age discrimination as well.

There must be ways to shelter, counsel, and assist battered wives who live in daily fear for their own and their children's safety but are afraid to leave because they do not have the economic means to make it on their own. There must be a change in our laws on every level to protect a woman from rape and brutalization whether from her husband or otherwise.

There must be effective measure to enforce child support orders so families do not become destitute when fathers desert them.

Congress can provide only part of the answer to the problems of women. The Executive Branch must also be monitored and pressured.

A starting point has to be the Equal Employment Opportunity Commission. Our mechanism for enforcing laws against employment discrimination is in disarray. A recent report on the EEOC revealed that it had a backlog of 127,800 discrimination charges including some that were nine years old. In the cases it acted on, half were closed without investigation.

Plainly, past administrations had no interest in seeking effective enforcement of the laws. The failure to enforce our laws against sex discrimination makes a mockery of them. This has to be changed.

Our other effort must be to ensure that the executive agencies will promulgate enforcement regulations that do not undermine the intent of good legislation. The Federal Reserve Board—which has no women on it—tried to gut the Equal Credit Act with weakening regulations. The Board was stopped—mostly by the efforts of women's groups and a coalition of Congresswomen—but this will be a continuing problem.

Revising our Social Security, tax and welfare laws; making day care readily available; seeing that the Equal Employment Opportunity Commission works—all of these are complex tasks. It is no easy matter to remove the old inequities without creating new ones.

This is where you come in. We need your talents and ability to help us fashion legislative remedies to these problems and to myriads of others as well.

You may ask, "Why is my help needed?" You probably will be surprised to learn that legislators don't have the staff assistance and the expertise they need to deal with all of the legislative tasks they face, much less to deal systematically with problems affecting women. For example, almost every Congresswoman has relied on outside experts to criticize, to draft or to propose new legislative solutions on women's issues. Your willingness to work for public officials, at every level of government, on a voluntary basis or otherwise could make an enormous difference in the quality of the solutions and how fast they come.

Give us the benefit of your experience with the various kinds of problems that women around this country confront and suggest solutions. In your law practices, you encounter women from different geographic areas, different economic and age groups, and different personal situations. You can educate us about women's problems that have been ignored or misunderstood.

Finally, you have to become political in the broadest sense of that term. Learn how this system works and make it work for you.

Start by confronting your own Representatives on issues of key concern to women and then link hands with or form organizations of women to act as broad-based pressure groups.

Lobbying can make an enormous difference. The women's movement has unfortunately still not learned to use the technique as effectively as possible. In the last Congress, we were able to win when women's groups lobbied well and lost when they didn't.

Thus, when a Congressman first tried to block a ban on separate physical education programs for boys and girls, raising hysterical objections that we would have topless bathing suits in high school swimming classes and income-producing sports would be destroyed, his amendment passed by one vote. Women's groups mounted an extremely well organized intensive counter effort and, two days later, the amendment was defeated by 37 votes.

Unfortunately, we didn't do as well in preventing the passage of the Hyde Amendment which prohibits the use of Medicaid funds for abortions. The major concern of most Congressmen and Senators, expressed privately, was that they would not be reelected if they voted in favor of abortion. Women's groups were unable to mount a successful lobbying effort to convince Members of Congress that an antiabortion vote could have re-election consequences as well.

Prospects this year are even worse. The Hyde Amendment will almost undoubtedly be included as an integral part of the relevant bills and only a massive grass roots lobbying effort by women will be able to stop this from happening.

The failure of women's groups to mobilize may mean that poor women in this country will be deprived of the right to have an abortion. Moreover, even if we are saved from the Hyde Amendment by the courts, its repeated passage in the Congress will encourage advocates of a constitutional amendment.

The same failure to mobilize grass roots support has stalled quick ratification of the Equal Rights Amendment. Women's rights groups have permitted a small vocal minority to capture the attention of state legislators and to convince these men, who are all too eager to listen, that this minority represents the views of most women.

The problem perhaps is that many women are unaccustomed to using the political process, to writing representatives, visiting them, and making their concerns heard. Women like you who have had the benefit of a legal education, who are articulate and well trained, have a special responsibility to help organize other women and to give voice to the concerns of the majority of women on the Equal Rights Amendment and other issues.

But, it is not enough for you to lobby, organize, speak out, and help Congresswomen get elected. Join the process itself. We need you in Congress, we need you in the Senate, we need you in the state legislatures, we need you in the city halls, we need you in the governor's mansions.

Remember the Congressional accomplishments I mentioned earlier. In almost every case, the prime mover was a woman. If there were more of us, just think what we could achieve!

Don't have any hesitation about your own abilities to get elected. If you need any inspiration, just look at the men who already hold office.

That's how I got started. When I was working in New York's City Hall, I looked around one day and said if *they* can get elected, so can I. And so can you.

DeToqueville observed more than 100 years ago that America was run by its lawyers. That is still the case, and perhaps that is one of our problems. But as long as it *is* the case, there is no reason that more of those lawyers shouldn't be women.

Much has been accomplished but much remains to be done. We are in much better position now to reach our objectives than ever before. I look out on an audience like this and see so many able and talented and articulate women, and I know that we will succeed if we can learn to work together and if we just try.

RESTORING IMPACT AID FUNDS FOR 4,300 SCHOOL DISTRICTS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. HARRIS. Mr. Speaker, as the Labor-Health, Education and Welfare Subcommittee nears markup of fiscal year 1978 education appropriations, I would like to share with my colleagues my recent testimony before the subcommittee on the critical need to restore cuts in impact aid for the coming school year:

HOUSE APPROPRIATIONS SUBCOMMITTEE ON LABOR-HEALTH, EDUCATION, AND WELFARE

(Testimony of HERBERT E. HARRIS, II, on FY 1978 Appropriations for the Federal Impact Aid Education Program April 19, 1977)

It is a pleasure to appear before the subcommittee today to discuss the need for appropriations for the federal Impact Aid program. I am appearing today to urge the subcommittee to restore Impact Aid "B" funds, for children whose parents live but do not work on federal property.

As you know, I wrote the subcommittee on March 22 urging restoration of the $395 million in reductions for "B" children in the Impact Aid program as proposed in both the 1978 budgets of President Carter and former President Ford. You will recall that 100 Members of the House joined me by signing that letter. Those Members represent a bipartisan coalition from 36 states.

APPROPRIATIONS COMMITTEE CANNOT AUTHORIZE

A major concern I have is the question presented to the Appropriations Committee by this budget request. In essence, the executive branch is asking the Appropriations Committee to make a substantive change in the authorizing law, an action I am certain the Appropriations Committee would not countenance.

The elimination of all "B" funds also flies in the face of the authorizing law. As you know, under the law, the program cannot be "partially funded." A tightly drawn payments schedule is set out in the law. And the law says that none of Tier II can be paid unless all of Tier I is paid and that none of Tier II may be paid unless all of Tier II is paid. The Impact Aid payments scheduled cannot be altered except by law. If an appropriations bill went to the House with such an alteration, I would expect it to be subject to a point of order, this jeopardizing all the funding. If portions of the program should go unfunded, I would also predict a court challenge.

GENERAL OPERATING FUNDS, ALREADY STRETCHED

Impact Aid fund—unlike most other federal education programs which are "categorical"—are used as general operating funds; and because of their unique nature in the federal funding scheme, they are particularly important to school districts at this time. These funds help pay teacher salaries, heating bills and buy supplies. I have gathered some data on recent cost increases our schools have had to face which I believe help support the need for Impact Aid funding to at least last year's levels.

The following table from the Federal Energy Administration shows increases in energy costs faced by school systems in recent years:

ENERGY COST INCREASES PER PUPIL MEDIAN SCHOOL DISTRICT

Energy	1972–73	1974–75	Percent change
Fuel oil	$5.52	$10.65	+92.9
Natural gas	4.79	6.75	+40.9
Coal	1.43	2.50	+74.8
Electricity	11.95	16.65	+39.3
Propane	.36	.61	+69.4
Total energy	20.07	29.77	+48.3

Note: FEA estimates that in the 1975–76 school year the cost of fuel oil and electricity increased an additional 20 to 25 percent.

The FEA figures thus show that from 1972 to 1975, the cost to median school districts for fuel per pupil increased 48 percent. During this time, the nation's public schools spent $514 million more for fuel—a figure which represents 43,000 teaching positions.

Some areas were hit worse than others. The following table from FEA shows costs increases by region:

MEDIAN ENERGY COST, BY REGION, FOR SCHOOLS

[Dollars per pupil, all fuel]

Area	1972–73	1974–75	Percentage change
Region 1 (Maine, Vermont, New Hampshire, Massachusetts)	$24.46	$47.14	+92.7
Region 2 (New York, New Jersey)	28.06	48.04	+71.2
Region 3 (Pennsylvania, District of Columbia, West Virginia, Virginia)	23.52	39.21	+66.7
Region 4 (Kentucky, Tennessee, South Carolina, North Carolina, Mississippi, Alabama, Georgia, Florida)	15.80	24.99	+58.1

MEDIAN ENERGY COST, BY REGION, FOR SCHOOLS

[Dollars per pupil, all fuel]

Area	1972–73	1974–75	Percentage change
Region 5 (Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio)	24.09	36.30	+50.6
Region 6 (Texas, New Mexico, Oklahoma, Arkansas, Louisiana)	15.06	20.89	+38.7
Region 7 (Nevada, Iowa, Kansas, Missouri)	21.33	26.13	+22.5
Region 8 (Montana, Wyoming, North Dakota, South Dakota, Utah, Colorado)	18.77	24.93	+32.8
Region 9 (Nevada, California, Arizona)	14.96	20.67	+38.1
Region 10 (Washington, Oregon, Idaho)	19.57	27.00	+37.9

In this survey of 10,000 school districts, covering 96.5 percent of all public school students, 60 percent of the school officials reported that their district lacks money to undertake changes and modifications in buildings and in their heating and ventilating systems needed to conserve fuel. Most often cited as obstacles to conservation were the age of buildings, lack of proper temperature controls and leaky windows.

LIBRARY BOOK COSTS RISING

Publishers Weekly has compiled the dollar figures listed below which show how inflation has affected the price of library books:

COST OF LIBRARY BOOKS

Type of book	1971	February 1977	Percentage change
Average hardcover children's book	$4.23	$5.87	+39
Average hardcover adult book	13.25	16.32	+2

These increases follow a doubling in prices the previous five years.

LUNCH PROGRAMS HIT BY INFLATION

The cost of school lunches too have moved upward. Food prices have gone up 47.4 percent in the last five years. And the amount of local dollars being spent on school lunches has jumped 35 percent nationally, going from $450 million in 1972 to $690 million in 1976.

EMPLOYEE COST UP

Inflation has boosted teacher salaries and teacher organizations and other school employees negotiate higher wages. Added to these woes are increased costs of employees health insurance. In one of my school districts health insurance premium rates will climb 60 percent in 1977–78. Furthermore, the new federal law requiring financing of unemployment compensation insurance by state and local governments will add to our schools' problems.

OVER 4,300 SCHOOL DISTRICTS AFFECTED

Impact Aid goes to 4,300 school districts in every state of the nation. There are those who like to paint the program as a "pork barrel" for a few "wealthy" districts that ring the nation's capital. I requested from the U.S. Office of Education a list of the top 25 school districts in the country that receive Impact Aid and would like to include that list in the subcommittee record at this point.

TOP 25 IMPACT AID SCHOOL DISTRICTS

State—Local school district	Impact aid entitlement	Percent of district's expenditure
Alaska—Alaska Unorganized Borough School District	33, 619, 093	92. 3
New York—New York City School District	25, 995, 635	1. 6
Hawaii—Hawaii State Department of Education	13, 922, 203	6. 3
Virginia—Fairfax County School Board	13, 747, 608	6. 9
Maryland—Prince Georges County Board of Education	10, 304, 728	4. 9
California—San Diego Unified School District	8, 039, 002	5. 1
Illinois—Chicago Public Schools, No. 299	6, 688, 647	. 8
Virginia—Virginia Beach City School Board	5, 792, 896	12. 1
Maryland—Montgomery County Board of Education	5, 584, 906	2. 6
Maryland—Anne Arundel County Board of Education	5, 503, 368	6. 1
District of Columbia—District of Columbia Public Schools	4, 855, 143	2. 4
Virginia—Norfolk City School Board	4, 764, 112	9. 9
Pennsylvania—City of Philadelphia School District	4, 716, 551	. 9
New Mexico—Gallup-McKinley County Public Schools	4, 435, 641	36. 1
Nebraska—City of Bellevue School District	3, 859, 254	35. 5
Texas—Killeen Independent School District	3, 791, 925	31. 2
Guam—Territory of Guam Department of Education	3, 553, 032	9. 2
California—Monterey Peninsula Unified School District	3, 539, 821	15. 1
Washington—Clover Park School District No. 400	3, 532, 558	17. 6
Florida—Okaloosa County School Board	3, 374, 118	11. 2
Texas—El Paso Independent School District	3, 236, 890	6. 0
Puerto Rico—Puerto Rico State Department of Education	3, 100, 318	1. 6
Florida—Brevard County School Board	3, 050, 647	4. 5
South Carolina—Charleston County School District	3, 039, 709	7. 2
Mew Mexico—Albuquerque School District No. 12	2, 919, 102	3. 7
Alaska—Greater Anchorage Area Borough	2, 915, 645	4. 9
California—Los Angeles Unified School District	2, 898, 290	. 4
Nevada—Clark County School District	2, 784, 138	3. 1
Florida—Duval County School Board	2, 776, 704	2. 2
New Mexico—Central Consolidated Schools	2, 472, 826	32. 3
Alabama—Huntsville City Schools	2, 450, 256	11. 0
Utah—Davis County School District	2, 428, 737	7. 0
North Carolina—Cumberland County Board of Education	2, 425, 804	7. 5
Florida—Hillsborough County School Board	2, 412, 127	1. 7
Oklahoma—Lawton Independent School District No. 8	2, 360, 289	14. 6
New Jersey—Pemberton Township Board of Education	2, 353, 381	26. 2
California—Oceanside Unified School District	2, 288, 457	14. 0
Maryland—Harford County Board of Education	2, 286, 270	5. 8
Virginia—Prince William County School Board	2, 200, 109	4. 8
Connecticut—Groton Board of Education	2, 167, 558	18. 8
Florida—Escambia County School Board	2, 155, 249	3. 8
Virginia—Hampton City School Board	2, 129, 762	6. 8
California—Lompoc Unified School District	2, 044, 251	14. 0
Virginia—Arlington County School Board	2, 031, 212	5. 3
Arizona—Chinle Community School District No. 24	2, 018, 291	31. 3
South Carolia—Berkeley County School District	2, 016, 280	17. 7
Colorado—Denver School District No. 1	1, 999, 590	1. 5
Colorado—Colorado Springs School District No. 11	1, 982, 673	4. 5
Virginia—Newport News City School Board	1, 890, 674	5. 6
California—Sierra Sands Unified School District	1, 862, 866	21. 1

I think the subcommittee will readily agree, after reviewing this list, that the program affects a wide variety of geographically-scattered districts. And this list is just the top 25 out of 4,300. There are 4,275 more receiving this assistance.

This list also shows the percent of school budget expenditures the district's Impact Aid allocation represents. As we all know, in many Impact Aid districts, particularly the smaller ones, these funds are very significant part of the total school budget. In the Fairfax County Public Schools, one of the country's larger school systems, Impact Aid payments that would be lost under the 1978 budget proposal are five percent of the total school budget. But this five percent is very important. These Impact Aid funds equal the school system's total utility bill for a year. It means 867 teaching provisions. These cuts are cuts into the very heart of the school program.

REPLACING THESE FUNDS MEANS PROPERTY TAX HIKES

Impact Aid cuts mean property tax increases. If these funds are cut there is nowhere else to go. Local school officials say their budgets are stretched to their limits; they have cut back on staff and supplies and curtailed programs as much as they can.

Added to these burdens are slashes in State support for education even though these same States and various court decisions have placed on the local schools certain standards of quality. The 94th Congress too set some high standards for our schools. For example, in the amendments to the Federal "special education" program, we mandated that all handicapped children from ages 3 to 21 should be provided a free, public, quality education. When we and State governments set these goals, we also have to remember at budget time to foot the bill. It is that simple. School districts cannot respond; cannot develop programs to meet these goals without money.

IS THE PROGRAM ITSELF MERITORIOUS?

Although this subcommittee does not have the responsibility of writing the basic Impact Aid law, I would like to say a few words about the merit of the program itself. In recent years the program has been held up by many as an unwarranted "gravy train" dumping extraordinary amounts of money into "rich" school districts. It is time to put that line of thinking to rest.

The program is very carefully structured to compensate school districts for revenues lost because of the presence of tax exempt federal property. This was the intent of the program when it was created 27 years ago and this is the intent today. I believe that intent is sound. The program was designed to fit into our total system of school financing. And because property taxes—the major source of school revenues—come from taxes on both property where student's parents live and property where they work—the Impact Aid formula reflects this fact in the way it reimburses school districts.

As you know, there is a calculation of the amount of local dollars a school system commits to educate each child, the "local contribution rate." The program says there are "A" children; their parents both live and work on federal property. And there are "B" children; their parents live or work on federal property. The Impact Aid law says that for "A" children, the entitlement (how much the school district will receive) is 90 percent of the amount calculated, while for "B" children the entitlement is 45 percent of the local cost. The point here is that the law is a precise, finely-tuned instrument that recognizes the degree of impact and the degree of lost tax revenues because of the federal presence.

Charges have been raised against the merits of the program and I believe these charges were addressed in 1974 when Congress revised the law. What is interesting about the proposal to eliminate all "B" funding is that it keeps coming up to Congress in the budget, but it has never been advanced as a serious legislative proposal by any Administration. And I would like to remind my colleagues that the Impact Aid law has been signed by every President since 1950—Presidents Eisenhower, Kennedy, Johnson, Nixon and Ford.

I would like to remind my colleagues too that the House Budget Committee has included restoration of these funds in the 1978 budget resolution, soon to be considered by the House. In fact, there was a vote on this particular item and the budget resolution includes $850 million for the total program.

I commend this subcommittee for its sensitivity to the need for these funds in the past. Over and over again you have recognized the merit of the program and the needs of our schools. The needs are as critical if not more so than ever before.

Thank you for the opportunity to testify this afternoon.

GUAM JUDGE SPEAKS OUT

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. WON PAT. Mr. Speaker, one of Guam's most distinguished jurists, the Honorable Paul J. Abbate, who is a presiding judge on Guam's Superior Court, recently provided the island with a highly detailed examination of the current state of our local judicial system.

In his most interesting statement, Judge Abbate spoke of the value of a refined judicial system to the maintenance of our way of life in this country. Judge Abbate rightly noted, to my way of thinking, that the "public (is) concerned today with the criminal who is let loose."

During his years on the bench, Judge Abbate has served with great dignity and is a leading proponent of a judicial system which considers the rights of the victim as strongly as we protect the right of the criminal.

Like many areas here on the mainland, Guam is becoming increasingly concerned about the rapid rise in crime. Judge Abbate notes that criminal court filings for 1974 showed 521 cases while in 1976 more than 914 cases were filed. More importantly, he said, a corresponding rise in serious offenses was also noted.

The judge calls on society to assume a stronger role in the fight against crime through new laws and a more positive effort on the part of families to correct problems before they become a matter for the courts. I congratulate Judge Abbate for his timely comments and submit his honor's comments to my colleagues for their attention. Thank you.

The material follows:

STATE OF THE JUDICIARY MESSAGE BY THE HONORABLE PAUL J. ABBATE

Mr. Speaker, Governor Bordallo, Lt. Governor Sablan, judges of the court, Bishop Flores, Senators, Admiral Carroll, General Jacobsen, members of the Consular Corps, distinguished guests, ladies and gentlemen.

Pursuant to Public Law 12–185, the Court Reorganization Act, I am deeply honored and privileged today to deliver this territory's 1st State of the Judiciary message. I welcome this opportunity as presiding judge of the Superior Court to report upon our judiciary, which I consider coequal in rank and status with the executive and legislative branches of our Government.

Historically, Guam has a young court system. The Organic Act of 1950, in establishing a territorial Government here, gave the U.S. District Court of Guam jurisdiction in matters arising under both Federal and territorial law. By 1953 the courts of justice on Guam included the Island Court, Police Court, and Commissioner's Court in addition to the U.S. district court. The Court Reorganization Act continued this evolutionary process, creating the Superior Court of Guam which has general jurisdiction of all local matters, and creating a Guam Supreme Court. The validity of the latter court, designed by the legislature to transfer appellate jurisdiction over local matters from the district court, continues to be debated in the U.S. Supreme Court which granted certiorari in People against Olsen to review the latest decision of the Ninth Circut Court of Appeals declaring our Supreme Court invalid. The U.S. Supreme Court heard oral argument on this matter on March 29, 1977, and we look forward to a decision in the next few months. Our own constitutional convention, to convene this summer, will have a decisive role in structuring Guam's court system.

In some respects the judiciary is a thermometer which overheats when problems increase within the social fabric of our territory. As family ties break down, church attendance declines, schools fail students, and respect for Government declines, traditional values and norms prove incapable of preventing deviant behavior. Unfortunately, many conflicts are being handled through judicial process rather than resolved in the home, church, school or village. Courts traditionally get these conflicts as last resort because all primary institutions have failed. It's too late then to patch things up or prevent the breaking of the laws—yet judges are often expected by media and the public to be magicians: Stamping out all evil lurking in society and changing it to good. These are unrealistic expectations which put unbearable pressure on judges, who often lack the discretion to act outside narrow parameters prescribed by case law, constitutional law, statutory enactment and disciplinary canons.

There is today a growing concern among many judges that criticism of the courts and court proceedings has gone well beyond the appropriate range of adverse comment. Public discontent has outdistanced public relations.

Despite public pressure, courts cannot respond to the popular will other than as provided in appropriate statutes and constitutional provisions. Often judges must make decisions which reject community demands and enforce guaranteed rights of individuals. The courts serve to weigh conflicting rights and interests of the individual and the territory; such decisions cannot be made on the basis of the popular demand. In a sense, this is a rejection of popular will, but it is implicit in our concept of government of restricted powers and expressed protection for the rights of individuals and groups constituting less than the majority. Should courts reject that function, our democratic government would turn into tyranny.

To strengthen and reinforce public acceptance of the necessity of independent judicial decisionmaking, we must make it clear that insulation from politics and citizen pressure is absolutely necessary if courts are to be able to fearlessly enforce the rights of the individual or the multitude, as the case may be.

Our courts sit in an exposed position at the culmination of the law enforcement process, where they naturally attract the lightning of unrest.

Public concern today is about the criminal who is let loose. Learned correctional theorists may argue about the advantages of rehabilitation over punishment and deterrence, but in the presence of crimes of violence, the public wants the dangerous person confined, separated from society for reasons of personal safety. This provides a strong impetus for mandatory minimum jail terms, which assure the community that at least for a known period of time a particular violent criminal will not be a threat.

Because of this public concern for protection, all sorts of criminal release programs have been subject to public criticism. Pretrial release, probation, parole and work release are all under scrutiny. The judges alone can never make any release program successful; we do not have complete discretion over whether to release defendants, nor do we have primary responsibility for supervision of the released criminal. Yet judges bear the brunt of public criticism. The public must be made to understand that decisions on confinement or freedom of defendants are being made in accordance with established rules, laws and constitutional requirements that must be followed whether the community accepts the law or not. The point must be made that any proposed changes must occur through legislative action on applicable law of punishment and rehabilitation, not by tampering with the integrity of our judicial system.

Bail is a troublesome area in our society because most people consider arrest tantamount to guilt. Many citizens and law enforcement officers tolerate the actual trial of an accused not as an examination of his guilt or innocence, but as a required ritual needed to validate a sentence.

Law is admittedly full of rituals, but this public misconception is an obstacle that can be removed by patient pubic education. Citizens of Guam must realize that without bail we have punishment without trial. Public acceptance of release on bail is hindered when an accused is charged with committing a crime while he or she is out on bail. The penalty for nonappearance or conviction of a crime committed while out on bail should be future disqualification for bail.

In the criminal area, public dissatisfaction springs not from an intellectual analysis of the judicial system's shortcomings, but from a creeping and pervasive escalation of fear—fear for personal and family safety. In the presence of such emotion, analytical reasoning diminishes as the fundamental instinct for self-preservation manifests itself. The desperation it engenders can, in its blind and unthinking strength, make a shambles of the structure of basic individual rights so hard won. Discontent is one thing, total rejection of our system of justice and our Bill of Rights another.

The conviction rate within the U.S. mainland averages 80 to 90 percent. Here on Guam, we have a 20 to 30 percent conviction rate. I am not here to criticize any Government agency. However, the people of this territory must be made aware of this rather dismal record. If agencies involved in the conviction process need additional assistance, they must be provided all types of resources necessary to the successful fulfillment of their legal responsibilities.

Without more consistent police work, better prosecution and better correctional programs, little improvement can be expected in law enforcement and rehabilitation of criminals. On a deeper level, Guam's crime problem will likely continue to rise unless our Government decreases unemployment, gives youth positive educational and recreational opportunities, invests more resources in effective drug treatment programs, and fosters respect for law.

The critical question is: What can the courts do in these areas that they are not already doing? In the interest of preserving our system, we want to do something. We judges invite your help and suggestions as we seek to make our judiciary better for all our community in 1977.

Our community has given many indications that it wants and appreciates a sound judicial system and good judges. Continuing education and training for judges must be made mandatory. The salary level of our judges is far below their professional earning capacity and some judges unduly burden their family by serving under our present salary structure. Considering the difficulties implicit in the judicial arena and the enormous daily responsibility of making decisions that affect individual lives, property, and liberty, it sometimes amazes me that so many men and women in judicial positions are willing to devote their lives to the task.

Judges serving our courts are appointed and, as a result of Public Law 12–189 and 14–2, are all subject to a retention election when their appointive terms end. The electorate, on a nonpartisan ballot, approves or rejects the judge by a simple majority vote. This process does provide for some independence from the political arena. Increasing judges' salaries to stateside levels and providing automatic annual increments would further aid the independence of our judiciary.

We, the judges, serve and are willing to subject ourselves to the strain, distress and disadvantage of carrying out our judicial functions under sharply increasing caseloads.

Our overall statistics indicate increased caseloads.

From calendar year 1974 to calendar year 1976, the number of new cases filed increased by 14 per cent, caseloads increased by 15 per cent, and the number of pending cases increased by 30 percent.

This trend may be attributed to three factors:

(a) Population increases;

(b) The recession which caused a rise in small claims and civil cases; and,

(3) The rise in the crime rate.

Criminal.—The criminal court filings for calendar year 1974 showed 521 cases. For calendar year 1976, our records reflected a total of 914 cases filed. More importantly, we witnessed an alarming increase in more serious offenses. As a caveat, it should be noted that the military bases achieved a commendable reduction in their crime statistics during 1976.

Civil.—978 civil cases were filed during calendar year 1974. The number of cases filed in this category increased to 1,087 cases in calendar year 1976.

Small claims.—In this category which covers claims up to $750, there were 779 cases filed during calendar year 1974. The number of cases filed under this category increased significantly to 1,836 cases during calendar year 1976.

Juvenile delinquents.—The caseflow in the juvenile court remained relatively stable; we monitored no substantial change in filings.

Domestic relations.—In the domestic relations field, we have experienced an alarming increase in divorce actions in the year 1976. I am therefore recommending to the judicial council the formation of a conciliation bureau which will provide mandatory counseling for divorce litigants prior to the commencement of any proceeding.

We have long been aware of all these statistics. It is my hope that both the Guam Legislature and the executive branch will intensify their efforts to develop measures to counteract these trends.

Capital improvements.—Increased caseloads have accentuated the pressure on space and facilities. Within the last few years, the Guam Court System found it necessary to lease space to alleviate the crowded condition within the Judiciary Building of Guam. However, even with this additional space the Superior Court found itself in a situation where existing office and courtroom facilities were not large enough to accommodate court personnel.

Since the U.S. District Court of Guam has elected to relocate in a nearby building, additional space will be available to the Superior Court of Guam. We will not have to resort to having two judges share the same courtroom.

In addition, it is my hope that capital improvement funds will become available so that the long planned judiciary building extension will become a reality. As a result, I foresee that our office space needs will be less than acute.

The year 1976 saw many innovations in our courts. A new sentencing alternative, the alternative community service program, enables first-time misdemeanants and juveniles to do voluntary work in the community rather than pay a fine or go to jail.

A continuing education program for court employees was developed. Several U.O.G.—accredited and federally funded courses—have already been given to our employees and seven (7) other courses are on the drawing board for the next twelve (12) months. All this is in accordance with the judiciary's policy of professionalizing its staff through on and off-island training. On this regard, I'd like to reiterate my strong belief in mandatory continuing judicial education, to include at least one (1) off-island training seminar each year for judges.

The Traffic Court has made great strides in computerizing its information system and in developing a uniform traffic citation.

We reached agreement with community mental health to hire an experienced forensic psychiatrist, whom we expect to be on island shortly, devoting 2½ days per week to assignments from the courts. In this regard, we wish to praise the Governor for his state of the territory commitment to improving mental health service and drug treatment facilities on Guam. This is urgently needed.

In the area of drug treatment, we are in dire need of nonincarceration alternatives for addicts. This island is long overdue for a modern drug treatment facility.

Perhaps the biggest challenge we face in the courts in the months ahead is preparing for and adjusting to the new Penal Code of Guam, Public Law 13–185 and 186.

We anticipate establishing a judiciary LEAA liaison office, enabling us to utilize to the fullest existing and potential Federal funding.

The program for Law Day, May 1st, 1977 will be directed at the problem of enhancing respect for law, and we hope for your support of that event, which we shall help organize.

Let me thank you once again for the opportunity to appear before you and for your continued interest in the administration of justice as evidenced by your many contributions to the improvement of the Guam judicial system.

With your continued support and hard work, and the dedication of the judges and other personnel in the system, we can meet and solve existing and anticipated problems. All of us, working together, can provide the citizens of Guam with even more efficient and effective administration of justice dedicated to the just and speedy determintaion of all matters, no matter how large or small.

We greatly appreciate the budget considerations given us by the Guam legislature and we recognize the many demands made upon you for funding—always greater than the money available—but I cannot urge too strongly that you give us the resources necessary for us to continue to provide the citizens of Guam with a judicial system of which we can all be proud.

For the courts do not belong to you and me or to the bench and bar; the courts belong to all the citizens and must be accessible to all the people for a ready resolution of their rights and remedies under the law.

Thank you.

PARK FOREST, ILL., ALL-AMERICAN CITY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. DERWINSKI. Mr. Speaker, I direct the attention of the Members to the fact that Park Forest, Ill., has been named the "All-American City" by the National Municipal League.

Park Forest also won this award in 1953, and thus became the 14th city to receive this recognition more than once.

Park Forest is a post World War II community which has long enjoyed a well-deserved reputation for their tremendous civic spirit.

I insert, as part of my remarks, an editorial from the Chicago Daily News of April 19, which properly compliments this fine community on their outstanding achievement. The article follows at this point:

AGAIN, PARK FOREST

The All American City designation again given to Park Forest, the suburb south of Chicago, seems particularly appropriate this year.

In making the award, the National Municipal League cited the village's dynamic program for "community improvement through citizen involvement," a program proving that the success of a municipality, no matter what yardstick is used, depends foremost on the people's determination to make their town a good place to live.

Specifically, the League noted the village's youth center, its clearing house for real estate sales and its grassroots fund-raising efforts—all effective programs operated by Park Forest residents for the good of the community.

Although Park Forest is small in population (only 33,000), its commitment places it among the biggest cities in the nation.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest prepares such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD. Beginning on May 2, 1977, this information will be printed only on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Friday, April 29, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 2

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Governmental Affairs

To hold hearings on the nomination of Alan K. Campbell, of Texas, to be a Civil Service Commissioner.

3302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1347, to establish a National Advisory Committee on Oceans and Atmosphere.
5110 Dirksen Building

Energy and Natural Resources
To continue markup of S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface mining operations.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee.
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Human Resources
To hold hearings on the nomination of Richard C. Atkinson, of California, to be Director of the National Science Foundation.
Until noon 4232 Dirksen Building

Rules and Administration.
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

Select Small Business
To hold hearings on proposed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building

10:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To receive testimony on a report of the Commission on Postal Service.
3302 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation, and Human Resources
To hold hearings jointly on S. 1350, increasing authorizations for programs under the National Sea Grant Program Act for fiscal years 1978 and 1979.
5110 Dirksen Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To resume hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.
4200 Dirksen Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

8:30 a.m.
Energy and Natural Resources
To receive testimony from Dr. Schlesinger on the President's energy proposals.
1202 Dirksen Building

9:30 a.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
1224 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To receive testimony from Federal Reserve Board Chairman Arthur Burns on U.S. monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1288, to authorize funds for the Federal Trade Commission through fiscal year 1980.
5110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To resume hearings on proposed authorizations for fiscal year 1978 for environmental research and development programs.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building

Human Resources
To mark up S. 717, to promote safety and health in the mining industry; to be followed by a Labor subcommittee hearing on the administration of the Black Lung Benefits program.
Until 1:00 p.m. 4200 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:30 p.m.
Appropriations
Labor, HEW Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Labor, to hear Secretary Marshall.
S-128, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of Fabian Chavez, Jr., of New Mexico, to be an Assistant Secretary of Commerce for Tourism.
6226 Dirksen Building

3:00 p.m.
Select Small Business
To continue markup on bills providing disaster relief for small businesses (S. 832, 1362, 1305, and 1306).
424 Dirksen Building

MAY 4

9:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
Room To Be Announced

9:30 a.m.
Environment and Public Works
To mark up S. 252, proposed Clean Air Act amendments.
4200 Dirksen Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 2 p.m. 4232 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

Rules and Administration
To hold hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 1288, authorizing funds for the Federal Trade Commission through fiscal year 1980.
235 Russell Building

Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on H.R. 5306, proposed Land and Water Conservation Fund Act amendments.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
5110 Dirksen Building

MAY 5

9:00 a.m.
Energy and Natural Resources
To consider proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.
5110 Dirksen Building

Governmental Affairs
To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building

Human Resources
To markup S. 602, to extend through fiscal year 1982 programs under the Library Services and Construction Act; S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages; S. 469, to establish a commission to study proposals for establishing the National Academy of Peace and Conflict Resolution; S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children; and proposed legislation to extend the Child Abuse Prevention and Treatment Act.
4232 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

11:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To mark up S. 1420, proposed National School Lunch Act and Child Nutrition Act Amendments of 1977.
Until noon 322 Russell Building

3:00 p.m.
Select Small Business
To mark up bills authorizing funds for the Small Business Administration and for certain SBA programs: H.R. 692, S. 1367, 1368, 1369, 1370, and S. 1371.
424 Russell Building

MAY 6

9:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 1303, authorizing funds for fiscal year 1978 through 1980 for the Legal Services Corporation.
Until 2:00 p.m. 4232 Dirksen Building

Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To continue markup of S. 1420, proposed National School Lunch Act and Child Nutrition Act Amendments of 1977.
Until noon 322 Russell Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
3302 Dirksen Building

Select Small Business
To hold hearings to investigate problems in development of timber set-asides.
424 Russell Building

MAY 9

9:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

MAY 10

9:00 a.m.
Energy and Natural Resources
To mark up proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

Human Resources
To mark up H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building

Environment and Public Works
To mark up proposed authorizations for fiscal year 1978 for environmental research and development programs.
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:00 p.m.
Human Resources
To mark up S. 705, to revise and strengthen standards for the regulation of clinical laboratories; and S. 621, 945, and 1217, to establish guidelines for regulating research relating to Recombinant DNA.
4232 Dirksen Building

MAY 11

9:00 a.m.
Energy and Natural Resources
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act; S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
412 Russell Building

MAY 12

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Environment and Public Works
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Human Resources
To mark up S. 1303, authorizing funds for fiscal years 1978 through 1980 for the Legal Services Corporation; Black Lung Benefits program legislation; and possibly other pending legislation.
4232 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 13

9:00 a.m.
Human Resources
To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director, both of the Office of Drug Abuse Policy.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 470 and S. 471, pertaining to lands on the Umatilla Indian Reservation, Oregon.
Room to be announced

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Indian Affairs
To hold hearings on S. 103, 667, and 785, to convey certain Federal land to the Ely Indian Colony, Paiute, and Shoshone Tribes.
Room to be announced

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

9:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold oversight hearings on the implementation of the Wild Horses and Burros Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 905, the Central Arizona Indian Tribal Water Settlement Act of 1977.
Room to be announced

MAY 24

9:30 a.m.
Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

Select Indian Affairs
To hold hearings on S. 660, seeking an agreement with the Cherokee, Choctaw, and Chickasaw Indian Tribes of Oklahoma for the purchase or lease of their rights in the riverbed of the Arkansas River.
Room to be announced

Veterans' Affairs
To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.
Until noon 318 Russell Building

10:00 a.m.
Select Small Business
To hold hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
235 Russell Building

1:00 p.m.
Governmental Affairs
Governmental Efficiency Subcommittee
To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
1224 Dirksen Building

MAY 26

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
235 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Small Business
To continue hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
424 Russell Building

JUNE 6

10:00 a.m.
Select Indian Affairs
To hold oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 7

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings to evaluate information upon which the FDA based its decision to propose regulations banning the use of saccharin.
4232 Dirksen Building

Select Indian Affairs
To continue oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 8

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue hearings to evaluate information upon which the FDA based its decision to propose regulations banning the use of saccharin.
4232 Dirksen Building

JUNE 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 421, to estab-

lish a program to educate the public in understanding climatic dynamics.

5110 Dirksen Building

JUNE 10

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.

5110 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

HOUSE OF REPRESENTATIVES—*Friday, April 29, 1977*

The House met at 11 o'clock a.m.

The Chaplain, Reverend Edward G. Latch, D.D., offered the following prayer:

Let us think of one another and how we can encourage one another to love and do good deeds.—Hebrews 10: 24 (Phillips).

Eternal God, our Father, who art above all and through all and in all, without whom life has no meaning but with whom life becomes a mission to do good in our world, we come to Thee as did our fathers in time past praying for strength and wisdom to make this a good day with good deeds done for the good of our people.

Abide with us all the day long and all will be well with us and with our Nation. At eventide may we hear the words—"Well done, good and faithful servant." Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

PERSONAL EXPLANATION

(Mr. **ALLEN** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **ALLEN**. Mr. Speaker, I notice from the CONGRESSIONAL RECORD of yesterday that I, along with 90 other Members of the House, were not present at the beginning of the session to vote on approving the Journal for the previous day's proceedings.

By way of explanation, I think it should be said that most of us were at the White House at the invitation of President Carter to discuss with him our legislative concerns. Our meeting with the President continued until 11:30 a.m., which is the reason for our not being present immediately at the time when the House convened and when this rollcall was taken.

PERSONAL EXPLANATION

Mr. **CONABLE**. Mr. Speaker, on the conference report on H.R. 3843, the supplemental housing authorization bill, yesterday, I am recorded as not voting. Pending a computer check, Mr. Speaker, I would like to state that it was my intention to vote for that. I was present. I am not sure why I am recorded as not voting, but I wish to make this statement for the RECORD.

THE BREEDER REACTOR POWERPLANT DECISION

(Mr. **SIKES** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **SIKES**. Mr. Speaker, I fear that we shall have reason to regret President Carter's decision to block construction of breeder reactor powerplants.

The reason given for the decision by the President is that the process creates plutonium, an essential ingredient in nuclear weapons. But the U.S. decision on this process will have no effect at all on the other nations of the world which have the capability and who seem intent upon going ahead with breeder reactor power generation. There is no advantage, only disadvantage, in being the only nation which denies itself the opportunity to produce a needed source of energy.

Environmentalists and antinuclear organizations support President Carter's decision. But, there are many who are expert, including the Government's Energy Research and Development Administration, who back plutonium power. They claim it would save the United States $50 billion in energy costs in a 30-year period. Some experts believe that nuclear weapons proliferation will not be retarded significantly even if breeders were curtailed worldwide.

Not too long ago, the world seemed to believe it had an almost unlimited supply of oil. Now we know better. Here in the United States we expected to use coal for generations to come, yet environmental and other problems have seriously limited the use of this source of power. The development of nuclear power has been seriously delayed by objections from environmentalists. With a bleak outlook for energy in the years ahead, it appears unsound to sacrifice any important source.

Hopefully, the President's decision is not irreversible. We can go along for a few years attempting to find other sources of energy, but I feel it would have been better that this be done without stopping the breeder reactor program. The need for energy will become critical before we are prepared to cope with the energy deficiency.

APPOINTMENT AS MEMBERS OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The **SPEAKER**. Pursuant to section 3(1), Public Law 94-304, the Chair appoints as members of the Commission on Security and Cooperation in Europe, effective January 4, 1977, the following Members on the part of the House: The gentleman from Florida (Mr. FASCELL), chairman; the gentleman from Illinois (Mr. YATES); the gentleman from New York (Mr. BINGHAM); the gentleman from Illinois (Mr. SIMON); the gentleman from Alabama (Mr. BUCHANAN); and the gentlewoman from New Jersey (Mrs. FENWICK).

FOURTH ANNUAL REPORT FROM SECRETARY OF COMMERCE DETAILING ACTIVITIES OF PAST FISCAL YEAR AS REQUIRED BY COASTAL ZONE MANAGEMENT ACT OF 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I am pleased to submit the fourth annual report from the Secretary of Commerce giving details of the activities of the past fiscal year as required by the Coastal Zone Management Act of 1972 (16 U.S.C. 1451). This report was prepared prior to the beginning of my administration.

JIMMY CARTER.

THE WHITE HOUSE, *April 29, 1977*.

MINING CONTROL AND RECLAMATION ACT OF 1977

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 309, nays 1, not voting 123, as follows:

[Roll No. 170]

YEAS—309

Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Baldus
Baucus
Bauman
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Blouin
Bolling
Bonior
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cornell
Cornwell
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Dingell
Dornan
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Fary
Fascell
Fenwick
Findley
Fisher
Flippo
Flood
Flowers
Flynt
Ford, Tenn.
Fowler
Frey
Gammage
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Harris
Hawkins
Heckler
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hyde
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Lederer
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McDonald
McFall
McHugh
McKinney
Madigan
Maguire
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Meeds
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Moss
Mottl
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Myers, Ind.
Natcher
Nedzi
Nichols
Nix
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pattison
Pease
Pepper
Perkins
Pettis
Pike
Poage
Pressler
Preyer
Pursell
Quie
Quillen
Rahall
Regula
Reuss
Rhodes
Risenhoover
Robinson
Rodino
Rogers
Richmond
Roncalio
Rosenthal
Rostenkowski
Rudd
Runnels
Russo
Ryan
Santini
Satterfield
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stangeland
Stanton
Steers
Stockman
Stratton
Studds
Stump
Thompson
Thone
Tonry
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vento
Waggonner
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitley
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki

NAYS—1

Symms

NOT VOTING—123

Abdnor
Addabbo
Andrews, N.C.
Ashley
Aspin
AuCoin
Badham
Barnard
Beard, R.I.
Beard, Tenn.
Biaggi
Boggs
Boland
Bonker
Breaux
Brinkley
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burke, Fla.
Cavanaugh
Cederberg
Chappell
Chisholm
Clay
Cleveland
Conyers
Cotter
Crane
Davis
Delaney
Dent
Derrick
Diggs
Dodd
Downey
Early
Eilberg
Evans, Ga.
Evans, Ind.
Fish
Fithian
Florio
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Fuqua
Gilman
Gradison
Hammerschmidt
Hansen
Harkin
Harrington
Harsha
Hefner
Heftel
Holland
Horton
Ichord
Ireland
Jones, Tenn.
Ketchum
Koch
Krueger
Latta
Leggett
Lent
Long, Md.
Lujan
McEwen
McKay
Mahon
Mazzoli
Metcalfe
Meyner
Milford
Mitchell, Md.
Moakley
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Neal
Nolan
Patterson
Pickle
Price
Pritchard
Quayle
Railsback
Rangel
Rinaldo
Roberts
Roe
Rooney
Rose
Rousselot
Roybal
Ruppe
Sarasin
Sawyer
Sebelius
Sisk
Snyder
St Germain
Stark
Steed
Steiger
Stokes
Taylor
Teague
Thornton
Vander Jagt
Vanik
Volkmer
Walgren
Whitehurst
Wiggins
Wilson, C. H.
Wydler
Zeferetti

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 2, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, April 28, 1977, title V had been considered as read and open to amendment at any point.

Are there further amendments?

AMENDMENT OFFERED BY MR. BAUCUS

Mr. BAUCUS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUCUS: Strike all of section 510(b)(5), page 258, lines 21–25 and page 259, lines 1–22 and insert in lieu thereof:

(5) the proposed surface coal mining operation if located west of the one hundredth meridian west longitude, would—

(A) not be located within an alluvial valley floor, or

(B) not materially damage the quantity or quality of water in surface or underground water systems that supply these valley floors referred to in (A) of subsection (B) (5): *Provided,* That this paragraph (5) shall not apply to those surface coal mining operations located within or adjacent to alluvial valley floors which in the year preceding the enactment of this Act were engaged in the commercial production of coal or which had obtained prior to January 4, 1977, specific permit approval by the State regulatory authority to conduct surface coal mining operations within said alluvial valley floors; and

Mr. BAUCUS. Mr. Chairman and members of the committee, I think that it is obvious to all of us that our Nation is embarking upon a tremendous coal rush that will last for the rest of this century. Certainly, the President's energy message told the country of the mandatory conversion of utilities to coal and industrial plants to coal.

There is no doubt that we in America, particularly the Western States, have been providing the bulk of America's energy needs. At the same time, I would like to point out to the committee that one of the most important resources, in addition to coal in the West, is alluvial valleys and water. I need not remind the committee of the arid conditions in the West, particularly the Great Plains, and I also need not remind the committee that, particularly this year, we in the West are experiencing a tremendous drought, which makes the value of our water resource even more precious.

The amendment which I am offering seeks to protect this resource, to help bring into balance the conflict between providing coal for America's energy needs and the necessity for protecting the most valuable resource in the West—water.

The problem is that alluvial valleys, which are unconsolidated aquifers and stream beds in the West, of silt and sand materials, are extremely fragile.

Alluvial valleys are those lowlands in the arid West where there is some water, not very much, but there is some. Alluvial valleys are those lowlands where there is water available for irrigation or subirrigation, that is, where there is water just below the surface of those lowlands.

The problem is that we do not have enough information to know if we can adequately protect them, because underneath these alluvial valleys we have underground water resources. We in the West are extremely concerned that if we proceed with mining of alluvial valleys not only are we going to destroy the cropland, the little cropland that is available for this part of the country, but also we will disturb the underground resources.

The amendment I am offering today is a ban on alluvial valley surface mining, with two grandfathers. Those companies which have a permit before January 1, are grandfathered and those companies which during the preceding year were in commercial production are grandfathered.

The main point I want to make is that this amendment is fair to America's energy needs. Only 2 percent to 3 percent of the total strippable coal presently lies in alluvial valleys. If we add in the grandfather, that even lowers that percentage. Again, on the other hand, 97 percent to 98 percent of total strippable coal in the West is outside of the alluvial valleys and is not covered by this amendment.

Further, this amendment only applies to those alluvial valleys west of the 100th meridian. That is western coal. It does not apply to Appalachian coal, Pennsylvania coal, or other coal that is found in the East.

Second, this amendment provides that those companies with permits before January 4 are grandfathered. Those companies which were engaged in commercial production the prior year are grandfathered.

Secretary Andrus informed me by phone today that he will make arrangements for those companies who would not be exempt or grandfathered to swap leases. Thus, their damage, if any, would be minimized.

Furthermore, I think my amendment constitutes a reasonable approach. We have to buy time. If we are going to be engaged in this pellmell headlong rush to develop coal, at least we can do it a little more reasonably. Let us back off. Let us protect this very fragile resource on the West.

If it turns out that alluvial valleys can be completely reclamined after mining, then we can at least revise the ban. If it turns out, on the other hand, that we are damaging this fragile system, then we have protected it.

I say, let us exercise caution, let us be reasonable, and let us adopt the amendment and take care of those competing needs with the proper balance.

Mr. RONCALIO. Mr. Chairman, I intend to seek additional time so we may have a rather long colloquy and put in the RECORD certain and definite facts dealing with this most important amendment, in my opinion, one of the most important we will consider.

I now refer to page 12639 of yesterday's CONGRESSIONAL RECORD, and I direct the attention of the gentleman in the well to the fact that I submitted schedules yesterday on said page covering three classes of coal mines in Wyoming. Some have already exceeded 1 million tons a year of production.

Some are now producing, others with permits but not yet producing, and class III mines neither licensed or producing, but on which substantial money has already been expended in preparing to mine.

The CHAIRMAN. The time of the gentleman from Montana (Mr. BAUCUS) has expired.

(On request of Mr. RONCALIO and by unanimous consent, Mr. BAUCUS was allowed to proceed for 5 additional minutes.)

Mr. RONCALIO. Mr. Chairman, will the gentleman yield further?

Mr. BAUCUS. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I ask, is my good friend familiar with the three categories of mines I have referred to?

Mr. BAUCUS. Yes, I am familiar with those.

Mr. RONCALIO. The third category are those mines with neither production nor permits granted prior to January 4, 1977, some with proposed mining in alluvial valley floors. Among Wyoming proposed mines in that category there are:

"Whitney Benefits" (Peter Kiewit); East Gillette (Kerr-McGee) .02 square miles; Rochelle (Peabody Coal) .08 square miles; Peabody Coal; Coal Creek (ARCO) .19 square miles; Buckskin (Shell Oil); Consol. Coal (Mobil Oil).

None of these had received a mining permit from the State of Wyoming prior to January 4, 1977, although each of the companies had made considerable investment and some have similar mines within the same or neighboring counties in Wyoming under similar conditions.

Under the gentleman's amendment, I would like him to show me how these corporations could continue to mine these class III leases on which they have already spent vast sums of money to acquire the property, to purchase the surface, or to purchase equipment. They do not have a permit on these class III acreages, and I want to know the intent of the author of this amendment—the gentlemen in the well, if they may be permitted to mine because they have made substantial legal and financial obligations.

Mr. BAUCUS. Mr. Chairman, first of all, it is my understanding that where there are mining plans included covering portions in alluvial floors, those are very, very small, compared with the total acreages.

Mr. RONCALIO. That is correct. But if the gentleman will yield, let me proceed further.

Does the gentleman's amendment preclude them from getting any permit in any area at all, because the amendment knocks out of the bill the fact that they may even be considered for a permit? They may be permitted to mine under the grandfathered provision under the bill in my opinion, but under the amendment may they be granted permits? The amendment, it seems to me, has knocked our picture askew.

Mr. BAUCUS. Mr. Chairman, the answer to the gentleman's question is that those portions that lie in alluvial valleys where the company does not have a permit or where the company has not engaged in prior commercial production are very, very small. Second, as I pointed out earlier, the Secretary of the Interior can make trades. He can trade those portions that would be banned by my amendment for other portions outside alluvial valleys that are adjacent to the other portion of the mining plan.

In no way is this amendment intended to exclude production permits.

Mr. RONCALIO. Then, Mr. Chairman, let me ask the gentleman this again specifically:

Regarding the Arco—Coal Creek site or coal mine, comprising the 9.24 square miles, there is 0.19 percent thereof—or about 2 percent alluvial valley—lies in the proposed alluvial valley floor.

Does the gentleman say that his amendment would deny a mining permit to only the 0.19 of an acre, and not the 9 square miles?

Mr. BAUCUS. That is absolutely correct. Even in that chance there is a good chance that the Secretary of the Interior could make an arrangement relating to that particular portion.

Mr. RONCALIO. And similarly then, as to the Belle Fourche mine of the Sun Oil Co., with 6.42 square miles in the alluvial valley and which is now under operation; and with the Carter Oil Co., Caballo, where only 2.8 percent of the mine is in the alluvial valley and a State permit has been granted, the gentleman's amendment would have no application?

Mr. BAUCUS. That is correct.

Mr. RONCALIO. And that is similarly true of the other mines in the list appearing on page 12639 in class III?

Mr. BAUCUS. That is correct.

Mr. RONCALIO. Mr. Chairman, the gentleman may well have converted some Members with his approach to this amendment, but let me ask him a few more questions.

If the gentleman's amendment is adopted, will all mines which produced coal in commercial quantities in the year prior to enactment of this act be exempt from having to meet the criteria of section 510(b) (5)?

Mr. BAUCUS. That is exactly one of the purposes of the amendment.

Mr. RONCALIO. If the gentleman's amendment is approved, will all mines which had received State permits prior to January 4, 1977, be exempt from having to meet the criteria of that section?

Mr. BAUCUS. That is correct.

Mr. RONCALIO. If the gentleman's amendment is approved, will mines located adjacent to alluvial valley floors be allowed permits if their operations would not materially damage the quality and quantity of water available for farming and ranching on these valley floors?

Mr. BAUCUS. Yes.

Mr. RONCALIO. Lastly, will the gentleman's amendment assure that the essential hydrologic functions of alluvial valley floors are preserved?

Mr. BAUCUS. Absolutely.

Mr. RONCALIO. I thank the gentleman very, very much.

Mr. BAUCUS. Mr. Chairman, I have two further points to make.

This amendment is strongly supported by the administration. Secretary Andrus favors this amendment. In fact, he appears to favor this amendment for the reasons I have outlined; but the second reason is that the present provisions in the bill restricting mining in alluvial valleys is a matter which also provides exceptions and is an administrative nightmare as well as being unworkable. The language is so vague as to be unintelligible.

The CHAIRMAN. The time of the gentleman from Montana (Mr. Baucus) has expired.

(On request of Mr. Bauman and by unanimous consent, Mr. Baucus was allowed to proceed for 2 additional minutes.)

Mr. BAUCUS. Mr. Chairman, the second point I want to make is that I also talked with Dr. Schlesinger. He supports this amendment. I asked him whether he does, and he does.

Mr. Chairman, if anybody is for providing energy through coal, I think it would be Dr. Schlesinger.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I am glad to hear the gentleman's belated concern about administrative nightmares. Every page of this bill contains that kind of potential.

The question I have is this: In the course of the gentleman's assurances in response to the questions of the gentleman from Wyoming (Mr. Roncalio), the gentleman made the rather surprising statement that if these coal companies are suffering by losing the right to mine certain lands, as a result of his amendment, the Secretary can somehow make provisions to alleviate the situation by allocating other nonalluvial lands to the company.

Mr. Chairman, I know of no authority under the Coal Leasing Act or under this bill that permits any transfer by the Secretary in a situation like that. Therefore, there is going to be a significant loss of coal production, at least in the areas affected by the gentleman's amendment. The impact of the amendment is much broader in scope than the gentleman has admitted today.

Mr. Chairman, will the gentleman respond to that. Where is the authority he describes to switch around coal lease areas in the West to meet the losses that your amendment is going to produce?

Mr. BAUCUS. Mr. Chairman, it is my understanding, from a conversation with the Secretary, that there is no authority to do that in certain areas.

I am not as familiar with this portion of the bill as is the gentleman from Maryland (Mr. Bauman). All I can go on is on the assurance that the Secretary gave me. Of course, there cannot always be a 100-percent certainty.

Mr. BAUMAN. If the gentleman will yield further, from what I know of the situation, there is no existing authority in law to do what the gentleman is talking about, despite Mr. Andrus' personal opinion.

The CHAIRMAN. The time of the gentleman from Montana (Mr. Baucus) has expired.

(On request of Mr. Roncalio and by unanimous consent, Mr. Baucus was allowed to proceed for 5 additional minutes.)

Mr. BAUCUS. Mr. Chairman, the Secretary is very aware that this will occur in very few instances, but there will be unwarranted hardships in certain cases. In those cases he is going to do what he can within the authority he now has, at least, to do what he can to help out. It is the Secretary's intention to do what he can to help out in those situations.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I would like the record to show that I place no faith in assurances by which the Secretary of the Interior will relieve any hardships. We have to go by strict statute from this day forward in the western areas.

Mr. Chairman, I have already observed the Secretary of the Interior refusing to take advantage of the very provisions of section 39, under which we gave him authority last year in the Coal Leasing Act, to alleviate hardships and cut bureaucratic redtape regarding coal lease modifications.

However, Mr. Chairman, I commend the gentleman in the well for his assurance on my questions today. If future applicants do not qualify for a permit, and there is one instance in which the Tongue River in Wyoming is involved, then it would appear they do not come under the provisions of the grandfather clause; is that correct?

Mr. BAUCUS. That is correct.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, one of the arguments used against this is that it will lower recovery capablities in terms of our energy needs.

The fact is that one could only get this from industry sources.

There are enormous supplies of coal in the West, that would probably last for 100, 200, or 300 years, an extraordinary period.

What the gentleman is attempting to do in the West and what the bill is attempting to do is to set the direction in which the companies must go in order to gain or get the coal we need.

Let me illustrate, to see whether the gentleman from Montana agrees.

The first area, as I understand, that would be used would be strippable coal on nonprime lands, nonalluvial valley coal. Second, after that has been depleted we would go into deep-mine reserves, and everybody is aware that deep-mine reserve coal is greater than strippable coal, even in the gentleman from Montana's State I believe the ratio is 2 to 1. And then, and only then, would we move into areas where we would upset the prime agricultural lands and alluvial valley floors, so that only in the last resort when the country would be to the point of desperation would we encourage the incursion of mining in those lands that are necessary for agricultural production.

Is that a correct analysis?

Mr. BAUCUS. Mr. Chairman, I think the gentleman from Massachusetts (Mr. Tsongas) has stated the situation very well; the gentleman has stated the categories and the priorities we will be pursuing as we mine coal. Obviously there is some coal that we should mine before we mine the other coal. The gentleman has outlined that very well.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, I would ask the gentleman from Montana whether the gentleman is willing to accept the definition of alluvial valley floor that is contained in the bill?

Mr. BAUCUS. Mr. Chairman, I must say that as a lawyer, I am never satisfied with any definition, but I believe the definition in the bill is workable.

Mr. MARRIOTT. Mr. Chairman, I must say to the gentleman from Montana that in Utah we have a lot of arid land which is erosioned and only gets water about 10 days out of the year. During the time that this land gets the water, of course, we do have this drainage, and it would appear to meet the requirements under the definition of this bill. Would it be the intent of the gentleman from Montana that that type of land would not be classified as alluvial valley floor land?

Mr. BAUCUS. Mr. Chairman, I wish that I could answer the gentleman from Utah with a definite yes or no but the decision has to be worked out. It is a problem that depends upon whether or not my amendment is agreed to. My amendment has nothing to do with the definition of alluvial valley floor but that is a question that will have to be worked out.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BAUCUS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I frankly do not understand why the gentleman from Montana feels that there is a need for this particular amendment since the bill contains a provision that says that there will be no mining in alluvial valley floors except in undeveloped range land which are not significant to farming on said alluvial valley floors and those lands as to which the regulatory authority finds that the farming that will be interrupted, discontinued, or prevented is of such small acreage as to be of negligible impact.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. Johnson of Colorado, and by unanimous consent, Mr. Baucus was allowed to proceed for 2 additional minutes.)

Mr. JOHNSON of Colorado. Mr. Chairman, if the gentleman will yield further, the bill already takes care of the impact of mining on farming land and agriculture and the gentleman from Montana is going a step further and says that there will be no mining whatsoever even in areas where there is no agriculture and where agriculture is not contemplated.

Why is the gentleman from Montana so restrictive about mining in areas that are essentially undeveloped range lands? What is so essential in the undeveloped range lands in those parts of the West where there is no farming of any kind going on?

Mr. BAUCUS. In the first place, the portion of the bill to which the gentleman from Colorado referred is very vague and actually the exceptions are larger than the rule.

Mr. JOHNSON of Colorado. Let me ask the gentleman from Montana what is vague about the term undeveloped range lands? I would assume that to mean range land that is not developed. That is not difficult to understand.

Mr. BAUCUS. The point is that a company could secure leases on the land of undeveloped range land and then develop that land and thus boot strap itself into an exception so it could mine.

The problem is that the exceptions could very easily be as large as the rule itself. That is why I believe this to be an administrative nightmare.

The second point is yes, I do want to cut down on the availability of strip mining in alluvial valley floors.

The point is that we have sufficient strippable coal anyway and let us not use the alluvial valleys. I believe that is all we are trying to do.

What is happening here is merely a microcosm of energy solutions in the entire country—East, West, North, and South. Each section of the country will have to accept a little bit of sacrifice and will have to give in a little bit. All I am asking is that all of us in the country realize that the proper balance is to restrict some of the mining in the alluvial valley floors.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(On request of Mr. RONCALIO, and by unanimous consent, Mr. BAUCUS was allowed to proceed for 5 additional minutes.)

Mr. BAUMAN. Mr. Chairman, the gentleman has suggested a scenario where the company will buy up these alluvial valley floors and not develop them for a long time and claim they are undeveloped range land and then they will be able to get exceptions.

The Department of the Interior can force them to develop that and if they are going to go through that sort of ruse the Department of the Interior can invalidate their leases.

Mr. BAUCUS. If we give a lot of exemptions or categories, for example, a coal company can find and there are all kinds of ways to skin a cat. I am trying for the sake of public policy and clarity to tighten these exemptions.

Mr. RONCALIO. Is the gentleman familiar with Clear Creek that flows through the area?

Mr. BAUCUS. I know the area.

Mr. RONCALIO. Would that not generally apply as an alluvial valley floor?

Mr. BAUCUS. I would say yes.

Mr. RONCALIO. Is the gentleman familiar with the Campbell County area and east thereof and would not the strip mining apply there?

Mr. BAUCUS. As the gentleman describes the area it sounds like this would be outside that alluvial valley.

Mr. RONCALIO. I regret very much that in the years we have been working on this complex matter we could not have taken ultra-high-elevation photos with infraray shots of the alluvial valley floors, and made precise definitions that mandated certain sections and townships as barred, and certain sections and townships could be mined. That would have been an appropriate way to write this law.

I am terribly uneasy with this amendment. I am proud of what the gentleman is trying to do but he must understand our situation. We have labored in committee with this for 4 or 5 years and then he comes in here on the last day of the legislation, and causes my concern.

Mr. BAUCUS. I thank the gentleman for his comments.

Mr. BAUMAN. Mr. Chairman, I rise in opposition to the amendment. There may be some question about an effete easterner standing up and defining what a western alluvial valley floor is but some Members may be in doubt. These areas in the West have infrequent rains but may have underground water supplies. There is at least enough water so there is a possibility of agricultural development and many areas in the West fall into this category.

Unfortunately from the point of view of some these areas also often contain deposits of minerals such as coal. I remember once passing over one such area in Kansas which was called the Republican River. Members on the other side of the aisle may be pleased to know it was bone dry, as is the situation around here sometimes.

But what the gentleman from Montana is suggesting by his amendment is a total banning of any mining in these alluvial areas. The committee considered this section at great length. The gentleman from Arizona (Mr. UDALL) and others worked on compromise language and they put into the bill—and I do not particularly like the language in the bill—what is almost a total ban right now. But as the gentleman from Colorado pointed out, there are two exceptions permitted.

The bill before us has more than adequate protective language covering alluvial valley floors and mining. The bill allows the regulatory authority to say no, you cannot mine. There is plenty of protection for these kinds of areas.

The gentleman is presenting an extreme position in this amendment. The real issue the amendment raises is in terms of current and future coal production. I refer again to the EPA-CEQ report which addressed itself to this kind of absolute ban. It would force up the utility rates in Cleveland and Chicago and New York. By 1985, the Environmental Protection Agency tells us, we will lose 211 million tons if a complete alluvial valley ban is imposed. That is current production. But more importantly it will probably remove permanently known reserves of 12.6 billion tons. I refer the Members again to a report which was prepared by these agencies which has been completely ignored in this debate. It says plainly that this kind of ban is not needed.

If this amendment is adopted it guarantees that we are going to have a significant loss in coal production with no great benefit to the environment as a balance. We will also have a significant rise in coal prices and utility prices. This position was rejected by the committee and ought to be rejected by the House. Certainly to come in at the last minute is not warranted.

What the gentleman from Montana is seeking in his amendment is a prohibition against mining in "alluvial valley floors." This proposed amendment is not unlike the "prime agriculture land" amendment offered yesterday and subsequently defeated by this body.

I would urge my colleagues to listen to some of the facts that have been developed from studies conducted by governmental agencies as well as private consulting firms:

The ICF study to which I referred yesterday points out that—

> There are indications that under site-specific circumstances, it is possible to mine on alluvial valley floors and still be able to preserve the hydrologic functions.
>
> The provisions could impact not only those mines on the alluvial valley floors, but also those mines which could affect the water flowing into alluvial valley floors. Thus, if a mine site contains (or is near) any alluvial valley floor, the entire mining operation could conceivably be impacted. To this end, a more meaningful indication of the portion of the industry which could be affected might be the percentage of the areas leased which contain any alluvial valley floors. Of the 88 sites examined by EPA, 62 sites (or 70 percent) contained alluvial valley floors.

Impacts on coal production and reserve impacts which would likely result if we approve the Baucus amendment would be "211 million tons by 1985" and "12.6 billion tons" respectively.

On page 4 of a letter to Chairman UDALL from Mr. John A. Green, Regional Administrator, EPA relating to alluvial valley floors, dated February 15, it states in part that—

> The information also shows that larger amounts of coal, ranging from ten percent up to one hundred percent of the coal in a mining operation intersecting an alluvial valley floor could be affected by an outright ban on any mining affecting an alluvial valley floor.

The amendment proposed by the gentleman from Montana would certainly impose such an outright ban. On page 7 of attachment II of the same letter it goes on to state that—

> Based on work we have supported in Montana, our close association with other scientists, and the effort conducted by this Regional Office of EPA, we believe that . . . areas of alluvial valley floors can be surface mined without adverse impact on the long-term productivity of those agricultural lands. Prevention of mining in all alluvial valley floors is, we believe, unwarranted.

Based on these statements by the EPA

and ICF, Inc., I would urge my colleagues to reject the gentleman's amendment.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I would like to point out that the language of the bill as presently written states, if anything, a slight discretion for the Secretary. When we are talking about the small acreage and negligible impact on agricultural livestock production, that gives the Secretary some discretion. I suppose we could argue that should be removed; but the other portion says there will be no mining on alluvial valley floors, except undeveloped rangelands which are not significant and farms or lands presently grazed only by cattle or sheep.

Why do we want to prevent mining in areas where there is only grazing for cattle or sheep? That makes no sense to me whatever.

I think the extension of the gentleman's amendment goes too far and is not warranted.

Mr. BAUMAN. Mr. Chairman, I would point out that the gentleman from Colorado is a sponsor of the bill and the gentleman takes the position that I take here.

I might say that the gentleman from Michigan (Mr. RUPPE) takes the same position. The gentleman has been a strong supporter of the bill and opposes this amendment.

The amendment goes too far. If we believe Mr. Carter when he says we need energy, this is the kind of amendment that ought to be stopped.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I stated I would support the bill, where we have a delicate balance. We have a situation where I agreed to go along. If we start this sort of thing, some of us will fall along the wayside.

Mr. MEEDS. Mr. Chairman, I move to strike the requisite number of words.

spond to that? Where is the authority he

Mr. Chairman, I rise in reluctant opposition to the amendment of the gentleman from Montana.

Let me point out at the outset that I have been one of the cosponsors of every strip mining bill which has come down the pike since 1970, the first one.

I strongly support this bill. I will vote for the bill, whether or not the Baucus amendment passes. I think it is essential that we have good strip mining legislation. I think this bill encompasses and brings us good strip mining legislation; but I have to say that I do think that this portion of the bill, if it is changed as the gentleman from Montana suggests it be changed, will become extremely unfair on some people.

Now, if we will look at the section with which we are dealing, as the gentleman from Colorado correctly pointed out, there are just two exceptions for mining in alluvial valleys. In those exceptions, we will note that the concept is that where people have invested money, invested capital and have started or have obtained permits, they are allowed to continue. As the bill now reads, if they have invested "substantial sums of money or made substantial legal commitments," they also may continue.

The concept of the substantial financial commitment and legal commitment is the same as the permit or as the development which has gone on. The purpose there is to give those people who have already changed their position and invested money and time and effort the opportunity to proceed. Those are the very limited exceptions that the bill allows.

I think those who have made substantial financial commitments because they felt they could mine those areas should not now be shut out by an amendment adopted on the floor, because it becomes very unfair to them; just as it becomes unfair to people who have made substantial legal commitments. Now, there are many instances where they are already mining. There are other instances where they have permits, and there are a few instances where people have made substantial financial commitments. They have gone and looked at these areas and made substantial legal commitments for leases because they expected to mine coal there.

The other parts of the act applies to them. They are not going to ravage the alluvial valley floors. They are not going to tear up the earth. They are going to do this in a proper manner. I would not be here supporting an amendment which I thought was going to undo the very fine work I think this committee has done, but if we change that "or" to "and," we make this bill very unfair to some people.

Mr. BAUCUS. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Montana.

Mr. BAUCUS. Mr. Chairman, first I would like to commend the gentleman for his work on this bill. He has worked long and hard for many years on it. The gentleman knows better than I the tortuous history of the bill, and I commend the gentleman for his very diligent and fair work on it.

I am wondering if the gentleman could tell me the number of companies or the amount of financial hardship those companies would incur if this amendment were adopted.

Mr. MEEDS. I tried to get that information and was unable to get it in the very short time that we have. I was just informed that this amendment would be presented yesterday, and the language "or" is in the act now. I am informed that there are not very many people involved, but we just made arrangements to exempt—it seemed to me—practically the whole State of Wyoming for the gentleman from Wyoming. Perhaps we could exempt the rest of the country, which I am sure is not very significant.

Mr. BAUCUS. The point obviously is that where there are a few companies—and the gentleman said there are only a few—the Secretary is going to make every assurance to alleviate those hardships. The Secretary is sympathetic with these problems in the few cases where there will be hardships. It seems to me where that is the case, the Secretary under his present authority, can help relieve that unnecessary hardship and burden. Yet, he cannot take care of everything. The bottom line of all this is, I think, that it is important to protect the alluvial valleys.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(On request of Mr. EVANS of Colorado and by unanimous consent Mr. MEEDS was allowed to proceed for 4 additional minutes.)

Mr. MEEDS. I have the same apprehension that the gentleman from Colorado and the gentleman from Maryland expressed. That is, No. 1, I do not know where the authority for those transfers exist of the Secretary. There may be some authority, but I am unaware of it.

Second, and very importantly, as the gentleman from Maryland stated, we passed the Coal Leasing Act, and under that act the holders of leasehold interests are required to proceed with diligence. A 5-year delay is going to put them into the position of not having responded to the Coal Leasing Act, and I am afraid they are going to be out of their leases.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I would like a clarification of the requirments of section 510(5)(A). Subsection (5) on page 258 appears to have two provisions; one in which it states, "the proposed surface coal mining operations . . ." and continues, "would not interrupt, discontinue, or prevent farming on alluvial valley floors."

That is subparagraph (A), and on page 259 subparagraph (A) ends with the word "or,". Then, you have a new subparagraph (B), which says, "not materially damage the quantity or quality of water in surface or underground water systems that supply these valley floors."

It is my understanding, in reading both subsections (A) and (B), that an applicant would have to satisfy both subsection (A) and subsection (B). It is not (A) or (B), but both (A) and (B), is that correct?

Mr. MEEDS. I agree with the gentleman. I do not want, by my position, to be understood to be opening alluvial valley floors for indiscriminate mining. I think they still have to, "not materially damage the quantity or quality of water in surface or underground water systems."

Mr. EVANS of Colorado. Even though they were not interrupting or discontinuing?

Mr. MEEDS. That is correct.

Mr. EVANS of Colorado. I thank the gentleman.

Mr. MEEDS. I think it should be interpreted very tightly, but I do not feel that those people who have made substantial investments should now, by an amendment on the floor, lose their rights.

And notice, also, that they have to

have acquired those rights and those substantial financial investments or legal obligations prior to January 4, 1977. So this is nothing that somebody is going to come in on. They have to have been there in January, of this year, before this bill was conceived.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Utah (Mr. Marriott).

Mr. MARRIOTT. I thank the gentleman for yielding.

Mr. Chairman, I applaud the gentleman in his opposition to this amendment. I think it is a bad amendment.

I would like to put in the Record the words of the distinguished Chairman of the EPA, and his remarks read as follows:

> Based upon work we have supported in Montana, our close association with other scientists, and the effort conducted by this Regional Office of EPA, we believe that selected areas of alluvial valley floors can be surface-mined without adverse impact on the long-term productivity of these agricultural lands.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent, Mr. Meeds was allowed to proceed for 1 additional minute.)

Mr. MARRIOTT. If the gentleman will yield further, this goes on to say:

> However, only the effort EPA has supported in Montana has begun to identify the true role of the alluvial valley floor in the agricultural economy. Prevention of mining in all alluvial valley floors is, we believe, unwarranted.

Mr. BAUCUS. Mr. Chairman, will the gentleman yield for a question?

Mr. MEEDS. I yield to the gentleman from Montana (Mr. Baucus).

Mr. BAUCUS. I thank the gentleman for yielding.

Mr. Chairman, that letter the gentleman quotes from is from an earlier time. Subsequent to that letter, the Administrator of EPA has checked off and agreed to this amendment.

Mr. MARRIOTT. This is a February 15 letter.

Mr. BAUCUS. Subsequent to that time the Administrator of EPA has agreed to the ban. It is a matter which the Administrator of EPA has checked off on. This is the administration's position. The Administrator wants this amendment.

Mr. MEEDS. Apparently the administration and EPA have given way to the giants in Wyoming also. But what about the smaller people who have made a substantial investment? If we accept the amendment, we miss them.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have the feeling that I have been here before. Nothing in these last 4 or 5 years has taken more time and controversy than the protection of these fragile alluvial valley floors, which are so critical out in the West. We have always had one position in the committee, and there was a much stronger and different position in the House.

The identical amendment offered by the gentleman from Montana (Mr. Baucus) was offered by the gentleman from Colorado (Mr. Evans) in the last two Congresses, and each time it carried on the floor. When we went to the conference committee, the Senate had a much weaker environmental position on this than the House did, and we had to make some accommodation.

I had thought that in the committee we did a pretty good job protecting these alluvial valley floors. I want to protect them. They are fragile; they are critical. But there we are again, in the same old situation. As for myself, I am going to vote for the Baucus amendment. I am going to vote for it because it has been the position of the House twice before, because this is not the final word. The final word will be written at conference committee. The administration, which I support as often as I can, feel that this is the single important remaining environmental issue to be resolved. So I am going to vote for this.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield at that point?

Mr. UDALL. I yield to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I thank the gentleman for yielding.

Can we characterize this as one of the gentleman's "I am not happy with this but" speeches?

Mr. UDALL. The gentleman can say that. I thought in the beginning that we did a pretty good balanced job in committee in protecting the alluvial valley floors. We have had a whole barrage of calls from environmental groups and calls from administrative officials, who think this gives more adequate protection.

Mr. Chairman, we think somehow this is going to give more protection. I do not think it gives very much more, and I do not view this as much of a lockup. We do not protect the whole valley; we protect the valley floor. In most cases this comprises a hundred yards. This is the subterranean stream, or this is where the alfalfa and forage crops are raised.

They can mine in the valley up to the floor, but they cannot mine in the floor itself.

Mr. BAUMAN. Mr. Chairman, does the gentleman from Arizona (Mr. UDALL) not admit that the hydrological preservation requirement of this particular section could extend the area of the ban which has been proposed miles and miles away from the valley floor?

Mr. UDALL. No, I do not think so.

Mr. Chairman, I think the amendment ought to be agreed to and I am going to vote for it.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. UDALL. Mr. Chairman, I promised the leadership last night, as well as a number of our brethren today, that we would try to get through by 1 or 2 o'clock this afternoon. We have already taken an hour on this amendment, and we have quite a few more to consider.

Therefore, Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 12:20 o'clock p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. SEIBERLING. Mr. Chairman, reserving the right to object, I believe the gentleman is too generous.

Let us make it 12:15 p.m.

Mr. RONCALIO. Mr. Chairman, I will object.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 12:20 o'clock p.m. That should give every Member enough time.

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I wonder if we could establish with the consideration of this amendment the fact that there will be none of this strawman business of standing up while Members yield to other Members. If we do that, I would have to object. I would hope that we can have an honest debate.

Mr. UDALL. Mr. Chairman, I will withdraw my unanimous-consent request and put it in the form of a motion.

Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 12:20 o'clock p.m.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will each be recognized for 45 seconds each.

The Chair recognizes the gentleman from Colorado (Mr. Johnson).

Mr. JOHNSON of Colorado. Mr. Chairman, the only reason I am taking this time to speak again on this subject is because I think the chairman of the commitee misspoke himself when he said something. I would like to correct it and give him the opportunity to correct it, unless I am wrong.

I thought the gentleman said that this was to try to prevent farming that was taking place. The gentleman gave the example when we were speaking of the amendment offered by the gentleman from Montana (Mr. Baucus) that this was to stop farming from taking place.

The bill already provides for that, and there will not be any farming operations which are interrupted except for that one narrow exception that I pointed out earlier. This would essentially stop mining in areas that are presently being grazed by cattle and sheep.

Mr. Chairman, I will ask the gentleman, is that not correct?

Mr. UDALL. Mr. Chairman, if the gentleman will yield, if it is in the valley floor itself, then there would be a ban in the valley floor.

Mr. JOHNSON of Colorado. That is where there is no present operation?

Mr. UDALL. That is right, where there is no mining in the valley floor.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont (Mr. Jeffords).

Mr. JEFFORDS. Mr. Chairman, you

may consider a question of risk and I strongly support the amendment.

If we vote for the amendment, we may prevent what the administration feels is a significant risk to the alluvial valley floors. If we do not vote for it, we will create that risk.

At the same time it has been demonstrated that we are not running any risk by voting for it, with respect to the energy crisis because there is not any significant amount of coal there, and there are much more substantial amounts of coal lying outside this area that can be mined without any hindrance to filling our energy needs.

These floors are particularly rich agricultural areas, and as many of my colleagues here know, we are facing a severe attrition in our prime agricultural lands. The Soil Conservation Service has stated that strip mining as it is currently practiced in much of the Nation either ruins or severely degrades the productivity of these lands. And it is still not clear that we have the ability to restore these prime lands satisfactorily after they are strip mined. I am aware that much of the land in question is used for cattle grazing, and is not presently under cultivation. But the underground water systems which would be endangered by strip mining present a long-term potential for crop cultivation, and with the annual attrition of prime lands, these floors may well be needed in the near to midterm future. They, therefore, represent an insurance policy which we need to retain.

We will find, I think, that husbanding these agricultural resources now, while we mine our coal outside prime lands will pay dividends many times over, and I commend my colleague for his far-reaching perspective in offering his amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Chairman, I am surprised that the chairman of the committee would be for this amendment when we have, I believe, in the bill struck a delicate balance and reached some sense of equity, as far as unified competition from State to State is concerned.

On the bottom line, Mr. Chairman, what this will do is preclude the mining of coal in many areas where we have low sulphur coal, areas in which the cowboys say the cattle have to do 30 miles an hour to keep from starving to death because the grass is so sparse, these are the areas that this amendment will deny Americans from mining.

Mr. Chairman, we are going to stop mining there and force mining of coal in areas like Ohio, where there is high-sulphur coal.

If we want a good environmental vote, let us vote against this amendment because it is only going to be a way to block mining in Wyoming and in Montana and in places where we have the most and biggest source of low-sulphur coal, the cleanest kind of coal, and the best kind to use to solve our energy crisis.

Mr. Chairman, I urge defeat of the amendment.

AMENDMENT OFFERED BY MR. RONCALIO TO THE AMENDMENT OFFERED BY MR. BAUCUS

Mr. RONCALIO. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Roncalio to the amendment offered by Mr. Baucus: at the end thereof, add: "or for which financial commitments for equipment or surface rights as determined by the Secretary of Interior had been made prior to January 4, 1977."

Mr. RONCALIO. Mr. Chairman, we have all heard my good friend, the gentleman from Montana (Mr. Baucus), say that if determinations were made by the Secretary which would warrant the granting of a permit for those areas which were elucidated in the prior colloquy here, the permit should issue.

That is all this amendment does, and I urge its adoption.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, I think the amendment which the gentleman from Wyoming (Mr. Roncalio) just offered points up the basic defect in the language of the bill which would be stricken by the gentleman from Montana (Mr. Baucus).

Mr. Chairman, we already moved the cutoff date for the grandfather clause January 4 of this year. The industry has known for 2 years of this potential ban on mining on alluvial valley floors and has had ample time to obtain permits.

If the Members will look at page 119 of the committee report, they will see that we are talking about 2 to 3 percent of the western coal reserves, which are only a fraction of the Nation's coal, that could be affected by a ban on stripping alluvial valley floors. Therefore, we are not talking about a lot of coal here.

Consequently, Mr. Chairman, it seems to me that the amendment offered by the gentleman from Wyoming is the wrong amendment. If I were offering an amendment, it would be to knock out the grandfather clause that covers substantial financial commitments, but retain the rest of the language of the section, which I think is reasonable language.

The CHAIRMAN. The Chair recognizes the gentleman from Utah (Mr. Marriott).

Mr. MARRIOTT. Mr. Chairman, our distinguished chairman indicated that this bill would not have a wide-range effect.

I would again like to quote from the EPA report of 15 days ago, on page 4:

> But the information also shows that large amounts of coal, ranging from 10 percent up to 100 percent of the coal in a mining operation intersecting an alluvial valley floor could be affected by an outright ban on any mining affecting an alluvial valley floor.

Mr. Chairman, I hope we will strike down both of these amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. Skubitz).

Mr. SKUBITZ. Mr. Chairman, I rise in opposition to the amendment.

As I pointed out a few minutes ago, this is one of the provisos in the bill or that was discussed by the committee for some time. We finally agreed upon the proviso found in the bill. What is happened to that so-called delicate balance which the gentleman from Arizona (Mr. Udall) speaks about when he agrees in principle with amendment presented but defends the bill?

I regret that the chairman of the committee, who I thought would support the committee bill as it came out of committee, is now supporting this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Montana (Mr. Baucus).

Mr. BAUCUS. Mr. Chairman, first I commend the gentleman from Wyoming (Mr. Roncalio) for trying to accommodate different purposes here, but I have to oppose his amendment because in my view it could exempt mining in alluvial valleys where expenditures for equipment or surface rights of any kind were made. Such an exemption may be too broad in certain circumstances.

I will have to oppose the amendment offered by the gentleman from Wyoming (Mr. Roncalio) because it basically would exempt any expenditures whatsoever for equipment or surface rights permits. I think that is too sweeping, and I will therefore oppose it.

With regard to the major amendment, I would like to remind the committee that the amount of coal in the alluvial valleys is very, very insignificant. At most it is 3 percent, and perhaps not even that much.

The fundamental point is that we are now engaged in a pellmell rush for coal in America in this decade and the next so let us protect at least the alluvial valleys where there is such a small amount covered by strip mines.

Let us buy time so that we can protect the underground water, the water tables. If we do not, we in the West where we have such an arid country, and which now is suffering from a drought, will be put in a very, very difficult position.

So, Mr. Chairman, I strongly urge that the Members adopt my amendment.

The CHAIRMAN. The Chair now recognizes the gentleman from Washington (Mr. Meeds).

Mr. MEEDS. Mr. Chairman, I might remind the Members of the House that when all else fails, support the committee.

I will have to say that I am opposed to both amendments. First of all, the amendment offered by the gentleman from Montana (Mr. Baucus) calls for an exemption of people who have made substantial financial and legal commitments. The amendment offered by the gentleman from Wyoming (Mr. Roncalio) goes too far because it includes everybody who has made any financial commitment.

This would really open the barn door. I do not think we ought to do that. I think we ought to support the compromise now in the committee bill that came to the floor of this House and not agree to either one of these amendments.

The CHAIRMAN. The Chair now recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, the debate on this amendment is a microcosm of the major issue that is raised by this bill. Less than 2 weeks after we heard the President of the United States state that we are engaged in a crisis comparable to war and that we have to depend on coal in order to meet our needs for energy, we are presented with the amendment offered by the gentleman from Montana (Mr. BAUCUS) that would result in the loss of 211 million tons by 1985 and would lock up forever 12.6 billion tons of coal reserves.

If that is what the Members want to do, go ahead.

There are plenty of environmental safeguards in the bill already. I do not think we ought to be going backward in what the President has described as a serious crisis. If we adopt these amendments, we do exactly that.

The CHAIRMAN. The Chair now recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I oppose the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) because it opens too wide a loophole. I think, for the reasons that I stated earlier, the amendment offered by the gentleman from Montana (Mr. BAUCUS) ought to be adopted. The final version of the bill, of course, will have to be that adopted in the committee of conference and we can take a look at these issues at that time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO) to the amendment offered by the gentleman from Montana (Mr. BAUCUS).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. BAUCUS).

The question was taken; and on a division (demanded by Mr. BAUCUS) there were—ayes 26, noes 41.

RECORDED VOTE

Mr. BAUCUS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 170, noes 149, answered "present" 1, not voting 113, as follows:

[Roll No. 171]

AYES—170

Akaka
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Applegate
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bingham
Blanchard
Blouin
Bolling
Bonior
Brademas
Brodhead
Broomfield
Brown, Calif.
Burgener
Burke, Mass.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Cohen
Coleman
Conte
Conyers
Corman
Cornell
Cornwell
Coughlin
Danielson
Dellums
Diggs
Dingell
Drinan
Eckhardt
Edgar
Edwards, Calif.
Emery
Ertel
Fascell
Fenwick
Fisher
Fowler
Gammage
Gephardt
Giaimo
Gibbons
Glickman
Goldwater
Gonzalez
Gore
Hagedorn
Hamilton
Hanley
Hannaford
Harris
Hawkins
Heckler
Hightower
Hollenbeck
Holtzman
Howard
Hughes
Jacobs
Jeffords
Kasten
Kastenmeier
Kazen
Keys
Kildee
Kostmayer
Krebs
Lagomarsino
Le Fante
Lehman
Levitas
Lloyd, Calif.
Long, Md.
Luken
Lundine
McCloskey
McDade
McHugh
Madigan
Maguire
Markey
Mattox
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Mottl
Myers, Gary
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pattison
Pease
Pepper
Perkins
Pike
Pressler
Pursell
Rahall
Reuss
Richmond
Rinaldo
Rodino
Rogers
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Skelton
Slack
Solarz
Spellman
Staggers
Steers
Stokes
Studds
Thompson
Traxler
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Weaver
Weiss
Whalen
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wylie
Yates
Young, Mo.

NOES—149

Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bauman
Bevill
Bowen
Breckinridge
Brown, Ohio
Broyhill
Buchanan
Burleson, Tex.
Burlison, Mo.
Butler
Caputo
Carter
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conable
Corcoran
D'Amours
Daniel, Dan
Daniel, R. W.
de la Garza
Dent
Derwinski
Devine
Dickinson
Dicks
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Colo.
Evans, Del.
Fary
Findley
Flippo
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Frey
Gaydos
Ginn
Goodling
Grassley
Gudger
Guyer
Hall
Hansen
Hillis
Holt
Hubbard
Huckaby
Hyde
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jordan
Kelly
Kemp
Kindness
LaFalce
Leach
Lederer
Lloyd, Tenn.
Long, La.
Lott
McClory
McCormack
McDonald
McFall
McKinney
Mann
Marks
Marlenee
Marriott
Martin
Meeds
Michel
Minish
Moore
Moorhead, Pa.
Moss
Murphy, Pa.
Murtha
Myers, Michael
Myers, Ind.
Natcher
Nix
O'Brien
Patten
Pettis
Poage
Quie
Quillen
Regula
Rhodes
Risenhoover
Robinson
Roncalio
Rudd
Runnels
Santini
Satterfield
Schulze
Shipley
Shuster
Sisk
Skubitz
Smith, Iowa
Smith, Nebr.
Spence
Stangeland
Stanton
Stump
Symms
Thone
Tonry
Treen
Trible
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitley
Whitten
Wiggins
Winn
Yatron
Young, Fla.
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—113

Abdnor
Addabbo
Ashley
Aspin
AuCoin
Badham
Barnard
Beard, Tenn.
Biaggi
Boggs
Boland
Bonker
Breaux
Brinkley
Brooks
Brown, Mich.
Burke, Calif.
Burke, Fla.
Cavanaugh
Cederberg
Chappell
Chisholm
Clay
Cleveland
Collins, Ill.
Cotter
Crane
Davis
Delaney
Derrick
Dodd
Downey
Early
Eilberg
Evans, Ga.
Evans, Ind.
Fish
Fithian
Florio
Ford, Mich.
Forsythe
Fraser
Frenzel
Fuqua
Gilman
Gradison
Hammerschmidt
Harkin
Harrington
Harsha
Hefner
Heftel
Holland
Horton
Ichord
Ireland
Jones, Tenn.
Ketchum
Koch
Krueger
Latta
Leggett
Lent
Lujan
McEwen
McKay
Mahon
Mathis
Mazzoli
Metcalfe
Meyner
Milford
Moakley
Montgomery
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Patterson
Pickle
Preyer
Price
Pritchard
Quayle
Railsback
Rangel
Roberts
Roe
Rooney
Rose
Rousselot
Ruppe
Sarasin
Sawyer
Sebelius
Snyder
St Germain
Stark
Steed
Steiger
Stockman
Stratton
Taylor
Teague
Thornton
Volkmer
Walgren
Waxman
Whitehurst
Wilson, C. H.
Wright
Wydler
Young, Alaska
Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Teague against.

Mr. Volkmer for, with Mr. Montgomery against.

Mr. Heftel for, with Mr. Eilberg against.

Mr. Rangel for, with Mrs. Boggs against.

Mr. Boland for, with Mr. Jones of Tennessee against.

Mr. Zeferetti for, with Mr. Price against.

Mr. Cotter for, with Mr. Roberts against.

Messrs. LOTT, FLOWERS, and FLIPPO changed their vote from "aye" to "no."

Mr. ERTEL changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: Beginning on line 23, page 302, through line 2, page 303, delete subsection (e).

Also, on page 303, line 7, in lieu of the word "last", put the word "first".

Also on line 7, page 303, delete the word "above" and insert "required by subsection (a)".

Also on lines 15 and 16, page 303, delete the phrase "twice a week for two consecutive weeks" and replace with the following phrase: "at least one week in advance of the date of the hearing."

Mr. SEIBERLING. Mr. Chairman, this is a very simple amendment. It is one that is aimed at simplifying procedures that mine operators have to go through with respect to bond release.

On page 302 of the bill, subsection (e) provides that before a decision is made to release an operator from a bond the regulatory authority must notify the municipality in which the coal mining operation is located by certified mail at least 30 days prior to the release of all or a portion of the bond.

It seems to me that that is an unnecessary procedure. The municipality is already required to be notified of the proposed bond release when the application is made for release, and from that point on it can follow the matter if it so desires. There is no need for adding a further 30 days delay, which only costs money.

Second, this would change the requirement that any person with a valid legal interest be notified of this proposed release 30 days after the last publication of the notice of the original application for release to 30 days after the first publication, and this saves about 10 days of additional time.

Finally, section (3)(f) on page 303 would require that public hearings, if they have to be held on the proposed release of the bond, instead of being advertised, as the committee print now requires, twice a week for 2 consecutive weeks, which means additional delay, would simply have to be advertised at least 1 week in advance of the date of the hearing.

Mr. Chairman, I believe that the Members want to see this provision further streamlined as far as redtape is concerned, and I believe they will want to support this amendment.

Mr. MURPHY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Pennsylvania, who I understand has a different approach.

Mr. MURPHY of Pennsylvania. Mr. Chairman, I thank the gentleman from Ohio for yielding.

Mr. Chairman, the gentleman from Ohio (Mr. SEIBERLING) has introduced an amendment which in part will make it more palatable for the release or partial release of bonding. However, I do not believe he goes far enough to make it expeditious.

I would, therefore, like to offer a substitute amendment for his amendment and then explain the ramifications of my substitute.

The CHAIRMAN. Does the gentleman from Ohio (Mr. SEIBERLING) yield back his time?

Mr. SEIBERLING. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. MURPHY OF PENNSYLVANIA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SEIBERLING

Mr. MURPHY of Pennsylvania. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURPHY of Pennsylvania as a substitute for the amendment offered by Mr. SEIBERLING: Section 519 (a), page 300 lines 4 through 22: Commencing on line 4 with the work "within" delete the remaining section in its entirety through line 22, and insert the following: "As a part of any bond release application, the applicant shall submit a copy of a letter which he has sent to the property owners, whose surface was affected and to the appropriate local governmental body, notifying them of his intention to seek release from the bond."

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURPHY of Pennsylvania. Mr. Chairman, the substance of my amendment is to adopt the Pennsylvania plan for the returning of bonds following the reclamation of land.

We have found over several years of experience that we have many small operators and they are doing a very good job of mine reclamation. When they apply to the Pennsylvania Department of Mines Bureau of Reclamation for a return of their bond in whole or in part, the inspector from the State goes out and views the site in accordance with their application. If the State inspectors are satisfied that reclamation has been fully complied with, the department then may order a refund of the bond and allow that miner, who is usually a small operator, to proceed then with his next application.

We have found that bonds are extremely difficult to get. Only the good operators are able to be bonded in Pennsylvania.

Only the good operators secure a release of their bond from our Bureau of Reclamation.

Mr. Chairman, this is the way it should be. However, the way the bill is presently drafted, it has a very, very cumbersome procedure in it that could stretch out from a minimum of 60 days to a maximum of 3 months to 100 days before that operator could receive the return of any part of his bond, thus precluding him from entering into the next job, because he has a certain limitation of the size or amount of the bond that he may secure.

Mr. Chairman, the way the bill is presently drafted, any person with a "valid interest" may object after the cumbersome procedure, causing a mandatory public hearing by the regulatory authority.

It is our belief in Pennsylvania and it is the belief of our Bureau of Reclamation that this will add a tremendous burden to the Bureau by frivolous objections being made, perhaps by competing operators, perhaps by people from across the State who have no interest or from people across the country who have no interest, thus mandating public hearings that our Bureau must hold.

Mr. Chairman, I remind my colleagues that under this bond provision in section 515 the regulatory authority must retain a portion of the bond for upward of 5 years so that revegetation can be secured. I am not so sure whether I agree that the 5-year period of time is necessary, particularly in Pennsylvania; but that is thought to be a safeguard in the bill.

Mr. Chairman, we feel that the cumbersome process set forth in this section before a bond may be returned will totally eliminate every small operator in the Commonwealth of Pennsylvania.

Let me tell my good colleague here that our experience with the small operators has been the best experience. They are the ones who are going out and competing for a lease on that farm next month and on that adjoining farm the following month. They know what they are doing. They know their work, and they know they must satisfy our Bureau of Reclamation or they will not be reissued a mining permit.

Our experience in Pennsylvania has been a good one, and we plead with the Members not to encumber us with this cumbersome section.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this section deals with a very important process, and that is the final moment when the revegetation has occurred, the 5 years have passed, and the last portion of the bond is about to be released.

Mr. Chairman, one of the big objections of people in the coal mining areas has been that at that point where we have the last remaining leverage on the operator, there has not been public participation. There is not a chance to make a case that an adequate reclamation job has not been done.

Mr. Chairman, we took a good, hard look at the Pennsylvania procedure. In the bill we have adopted a procedure including an informal conference, which can be used in lieu of public hearings. This is the Pennsylvania practice. We put in a strict time limitation at the instigation of the Pennsylvania operators.

Mr. Chairman, the amendment of the gentleman from Ohio (Mr. SEIBERLING) goes a little bit further to meet the legitimate concerns expressed by the gentleman from Pennsylvania (Mr. MURPHY), a very valuable member of our committee.

Therefore, Mr. Chairman, I think we would have a balanced bill and a balanced provision with respect to bond release if we would defeat the Murphy substitute and adopt the Seiberling amendment.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I would ask the gentleman, Does any State have a better history of reclamation than the State of Pennsylvania?

Mr. UDALL. No.

Mr. GOODLING. Then why should we do anything differently from what we are presently doing? If we have done so well, why could we not just model the bill after Pennsylvania?

Mr. UDALL. We are writing a national bill. There are variations in the situation around the country. We are trying to write a bill to serve the needs of all of the States.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, first of all, I want to emphasize that I understood the chairman is not opposing my amendment. He is opposing the substitute to my amendment.

Second, I want to comment on the questions just raised. We are dealing with a concept here that involves due process of law. The amendment of the gentleman from Pennsylvania (Mr. MURPHY) would say that the only people that need to be notified of an application for a bond release are the property owners whose surface is affected and the appropriate local government body. It does not even specify what sort of time and advance notice they are going to give and who are the property owners affected by the improper and premature release of bonds. The inability to correct a possible slide or water pollution can affect people downstream for many miles. It could affect people in areas far beyond the location of the immediate property owners.

Therefore, Mr. Chairman, what our bill does is to say that any party with a valid legal interest—and I stress "a valid legal interest"—can request a hearing.

That does not mean he is going to get a delay. It does not mean that he is going to be able to hold up the release of the bond.

But at least the regulatory authority should grant that person the right to be heard. The regulatory authority under the bill could decide that the request was frivolous, or that he did not have a valid legal interest, and that would dispose of it then and there. But, certainly, anyone who does have a valid legal interest should have the right to be heard. Indeed, I believe the Constitution guarantees that right, as a matter of due process of law.

Mr. GARY A. MYERS. Mr. Chairman, if the gentleman will yield, I believe that basically what we are being presented with here today is a bill to control the application of strip mining and its impact on the environment. In other sections of the bill there are other provisions that if, in fact, a State is not doing its job properly, then they can be taken to court or the Federal Government can come in and inflict certain controls on them. So that if a State has a pattern of giving the bond money back too soon, and where the basic law is not being adhered to, that can be handled. I repeat if, in fact, there is such a pattern that a State is releasing the bond money too early and not requiring the law to be abided by, that there is, in fact, such protection in this bill already.

All we are talking about in this particular instance is how do we get a small operator back into the position where he can go out and start another operation?

I agree that if, in fact, any State is not handling their responsibilities correctly that that should be corrected, but why hold it over the head of the small operators? That is what we are doing here.

Mr. SEIBERLING. Suspending a State's program for control of strip mining just because certain people are affected by premature bond release is like using an elephant gun to swat a fly. That is not the way to do it. Let us set up a procedure that makes sense, a procedure whereby we give anyone having a legitimate interest the opportunity to be heard. Then we will not have all these environmental lawsuits that bother some people so much.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is essential that I emphasize one thing. The gentleman from Ohio said something about it is like hitting something with an elephant. I did not understand exactly what the gentleman said.

Mr. SEIBERLING. I said it is like using an elephant gun to swat a fly.

Mr. GARY A. MYERS. I thank the gentleman from Ohio for his characteristic explanation.

The problem we are confronted with simply is this: We ask for a bond to be set aside so that the State can have leverage to make sure the cleanup job is done correctly. The bill already provides that the States have to make sure that certain criteria are fulfilled. But, if there is a pattern in any State along the line of the surveillance of this act which is not working properly, then they can be sued.

Mr. GOODLING. Mr. Chairman, if the gentleman will yield, the gentleman from Arizona (Mr. UDALL) talks about the delicate balance. I might say, Mr. Chairman, that I supported the bill before and supported overriding the Presidential veto, but it would appear, in fact, now, that we are trying to put the small operators in Pennsylvania out of business, where strip mining is a very difficult job and a very expensive business, and this at a time when we need all of the energy that we can get, and in a State like Pennsylvania where coal gasification is moving ahead rapidly, and I do not believe we should do that.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I do not know where this great issue came from, or who is stirring this up. We had a worse provision and a stronger position than this in the bill 2 years ago and in the bill 4 years ago and at the instigation of the Pennsylvania operators, I sat down with them and we made about three additional concessions in the bill.

Now we are being told that the last 10 percent of the bond release, that, somehow, that is the most critical. What is going on?

Mr. GOODLING. Because the energy situation has become critical.

Mr. GARY A. MYERS. I believe this is an unnecessary part of the bill and places an undue burden because the rest of the bill actually provides the protection in law that we want. The only question here is whether or not the States have an expeditious procedure for getting the money back to the small operators who really depend upon the bond issue release more than the large operators.

Mr. DENT. Mr. Chairman, I move to strike the last word.

I just want to say it is true that the chairman of the committee spoke with some of the coal operators. I am speaking for the State of Pennsylvania's government. I am speaking for the DER and the Surface Mining Bureau of the State of Pennsylvania.

We had this hit-or-miss situation in Pennsylvania for many years. Sometimes we were held up as much as a year trying to get a bond released. The situation is very simple. We have to bond every acre of coal land that we are going to strip, from $1,000 to $3,500 per acre. On a 100-acre plot the bonding costs $350,000. In order to be able to afford that we have to cut our operation up in such a manner that we can bond 20 acres, never more than 20 percent of the acreage we are going to strip. As we proceed with the stripping we follow with the reclamation.

When we are within two or three acres of finishing that particular strip operation, the DER sends their man in to the scene and inspects it, the bonding agent is called to the scene, and the operator and the owner are called to the scene, and the municipal officials are called to the scene. They agreed that the reclamation has been done as required by law. They can relieve the bonding necessity on the number of acres that have been approved. The operator then turns around and bonds that many more acres ahead.

Members must understand we are talking about something that has never been done before anywhere else in any stripping area in the country, and the bonding is based upon the overburden or what many people call high wall or the highest amount they have taken. The $1,000 an acre is all we charge for a 5-foot overburden, but when they get to 150 feet of overburden it goes up to $3,500.

In that particular instance we must understand we also have a very strict law as to how much high wall can be exposed at one time. We allow only 400 feet of high wall to be exposed at one time. They must never have unreclaimed more than 500 feet of high wall.

But when we get into this situation of paying $3,500 for retrieving, remember there are 3 to 5 tons of coal per acre-foot. If we are at the limit we can get in our areas at home, which is about 5 feet, and that is really good high coal, and they are taking up a 150-foot overburden, they are retrieving 750 tons of coal per acre. They are only getting out 250 tons of coal out of that particular split and taking off 350.

Out in the West they take out there, incidentally, at a mine that is operating that has no more than 150 feet of overburden, they have got it developed, it is known, and they have 30 feet of coal that they can take out.

But there is no feature in this bill whatsoever for bonding the reclamation part. If this bill supersedes the Pennsylvania law our operators cannot be forced to put a $1,000 or $3,500 bond on their operation.

Where is the bonding feature? What guarantee are we going to have? If we have that kind of a bonding feature, and they have admitted we have the best reclamation program in the whole country, it is better than any country that has strip mining. I have seen strip mining in South Africa. I have seen strip mining in Rhodesia. I have seen strip mining in England and I have seen strip mining in Czechoslovakia. None of these countries have any law like what we have. I defy anybody to ride over the State of Pennsylvania and see two hills anywhere together, one that has been reclaimed by reclamation and the other that has not.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. DENT was allowed to proceed for 2 additional minutes.)

Mr. DENT. Mr. Chairman, one has been reclaimed and the other has not. I defy anybody to tell me the hill that has been mined and which has not. I can tell, because the greener grass, the taller corn, is growing on land we have reclaimed.

All I ask this House to do is leave us alone. Let us go our way. It took us from 1947 to 1968.

I am also going to ask the chairman if the gentleman will accept an amendment to allow Pennsylvania to get back its $500 million bonded in 1968 to reclaim the old mines, not coal mines, but old coal mines. We are going to take money out of my State for reclamation and reclaim old coal mines. This House is not going to allow us to pay back the State of Pennsylvania the $500 million still owed at a high rate of interest and the taxes for our obligation.

I will offer that amendment, if the gentleman from Arizona will accept it.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I do not see how I could accept that in fairness to the other States, some of which have done reclamation, but none of which have done as good a job as the State of Pennsylvania.

Mr. DENT. All right, make it for any State that has a bonded indebtedness. Why are we going back and taking coal mines that have made no contribution to this? Why are we going back to reclaim those old mines? We reclaimed some of ours. We tried to make ours the prettiest State in the Union, as it once was, and we will if this House will let us alone.

Mr. Chairman, I am asking again, will the gentleman from Arizona accept that? What is the gentleman from Arizona (Mr. UDALL) doing in this bill? Is this a reclamation bill?

By the way, I want it clearly understood, I have been told right on this floor by a member of the staff of the gentleman from Arizona (Mr. UDALL) that the environmentalists are against our position. The Governor of the State of Pennsylvania and the Pennsylvania environmentalists have informed me they are for our position.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for three-quarters of a minute each.

The Chair recognizes the gentleman from Pennsylvania (Mr. ERTEL).

(By unanimous consent, Messrs. ERTEL and MURTHA yielded their time to Mr. MURPHY of Pennsylvania.)

Mr. MURPHY of Pennsylvania. Mr. Chairman, I just want to reiterate that my amendment does not weaken the reclamation portions of this bill. In fact, it does not touch it. This bill provides for a strong water and land reclamation program in every State, including my own, and I am in favor of and support those provisions.

This bill, including my amendment, requires a doubling of the bond now posted in Pennsylvania and restricts the return of that bond for up to 5 years and only 60 percent of it can be returned upon land backfill reclamation. All those procedures are contained and left by my amendment. The property owners must be notified. The municipality must be notified. The regulatory authority must fully inspect and guide. All these things my amendment does. It does not weaken the bill in one iota.

Mr. MURTHA. I would like to commend the chairman and the members of the committee who have done such an outstanding job on this particular piece of legislation. I think we can refine it a little better by accepting the Murphy of Pennsylvania amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, the issue is really very simple. My amendment cuts the time for the bond release and eliminates some of the redtape. What Mr. MURPHY's amendment would do would be to prevent notice being given to any other interested party except the property owner. I submit that would violate due process of law.

The bill says any person with a valid legal interest is entitled to notice, and I think under the Constitution he would be declared to have a right to have that. So, why take away that and raise a constitutional objection? The bill, as amended by my amendment, does not produce any greater delay, but merely provides that other people have a right to notice. The regulatory authority can find that their request is frivolous, and that they do not have a valid legal interest, and that would dispose of the matter; but if they do have such an interest they should be entitled to be heard.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, I rise in support of the remarks of the gentleman from Pennsylvania (Mr. DENT). I think Mr. DENT had a very good point when he pointed out the problem of this bill is that it is not just a reclamation bill, as the Members have been led to believe, but goes far beyond reclamation, and that, Mr. Chairman, is why I am going to oppose this bill.

(By unanimous consent Mr. EDWARDS of Oklahoma yielded the balance of his time to Mr. BAUMAN).

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I rise in support of the Murphy amendment. I am glad to see, as a result of the debate occurring here, that many of the Members who do not serve on the Interior Committee now perceive the extent to which many of the bill's provisions apply. This particular provision ought to be stricken since it will work great hardship on small coal companies.

Members have to understand one basic premise: The reason the big coal companies, the multinational corporations run by the oil companies, are not hollering too loudly against this bill is that they have the hundreds of millions of dollars which will be necessary, in many instances, to comply with the provisions of this bill. What we see here are provisions which are going to strike hard at the small companies with small capitalization, who cannot afford these bonds for extended periods of time.

I honestly believe that a broad effort has been made by the drafters of this bill to deal small companies out of the business simply because, many times, they have been the most offensive environmentally.

I do not happen to agree with this. I think we can bring them up to environmental standards, but this is one small help we might give to many small businesses processing a great deal of coal. Incidentally, they are providing a lot of jobs for people, and we do not want to see them unemployed.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I rise in support of the Murphy amendment. I think it is important to recognize that there are differences in mining in different parts of the country.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I'd like to ask a question of the author of the amendment. Could he give some idea of what his amendment would mean financially, in terms of saving per ton?

Mr. MURPHY of Pennsylvania. If the gentleman will yield, I have not made a financial estimate of that.

Mr. LONG of Maryland. Just approximately.

Mr. MURPHY of Pennsylvania. It unquestionably could cost far more per ton of coal if we have to go through the cumbersome proceedings before an operator——

Mr. LONG of Maryland. What does the gentleman mean, "far more"? Does he mean $1; $10?

Mr. MURPHY of Pennsylvania. No, it certainly would not be a dollar. I would say somewhat less than a dollar. The biggest thing is that it would cause the doubling of our Pennsylvania Bureau of Reclamation in staff personnel, and time in processing the paperwork.

Mr. LONG of Maryland. If the saving is less than a dollar per ton I find it hard to be impressed.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. I thank the gentleman for yielding.

Mr. Chairman, I just want to say that over 80 percent of the coal mined in Pennsylvania by strip mining is mined in plots of less than 100 acres.

Mr. UDALL. Mr. Chairman, Pennsylvania has the best law, it does the best job. In fact, the bond release program, a minor part of H.R. 2, is modeled on Pennsylvania.

We have gone the extra mile. We have adopted about nine features of the Pennsylvania plan, and the amendment offered by the gentleman from Ohio (Mr. SEIBERLING) adopts a couple more features.

I am for the small operator. I have stood on this hill in this photograph with those 35-degree slopes. The small operators are the ones who are doing a good job. I stood on the hill over here in West Virginia in this other photo. This operation is a subsidiary of Pittston, one of the largest companies in the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURPHY) as a substitute for the amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 35, noes 20.

So the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. WAMPLER

Mr. WAMPLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WAMPLER: On Page 227, following line 3, strike the period at the end of line 3 and add the following language, renumbering succeeding subsections accordingly; , "except as provided in subsection (d).
>
> "(d) All existing surface coal mining operations producing 250,000 tons or less per year on lands on which such operations are regulated by a State shall be allowed 30 months from the date of enactment of this Act to comply with the provisions of section 515 of this Act."

Mr. WAMPLER. Mr. Chairman, under subsection (c) of section 502 of H.R. 2, as it is presented to us, existing surface coal operations are given 9 months to comply with the environmental provisions of this act.

My amendment would give the small operations—and I classify and define a "small operation" as those producing 250,000 tons or less per year—additional time to comply with these provisions, or 30 months from the date of enactment of this bill.

Our small surface coal producers provide the largest percentage of our surface coal production in my State of Virginia. Many will most likely be forced out of business if H.R. 2 is enacted into law, as their financial resources for meeting the various provisions of the act required in this section are limited and they do not have the expertise necessary for the required tests and studies readily available.

Figures supplied to me by the Virginia Department of Conservation show that 13,873,000 tons of coal were obtained by surface methods in Virginia in 1976, and this included both strip mining and auger mining; 351 individual mine sites produced less than 250,000 tons, while only 3 individual sites produced in excess of 250,000 tons.

Of the companies involved in surface mining operations in Virginia, 248 had a production of less than 250 tons while only 34 had a production greater than 250,000 tons.

Mr. Chairman, very clearly, the bulk of our coal production comes from these small producers, the ones who will be hardest hit by the implementation of this act.

I simply ask in this amendment that we put them in a position which will hopefully keep them producing coal to meet our current and vital energy needs. If that is to happen, I feel this amendment is most necessary.

Mr. Chairman, in the hearings of the Legislative Committee there is a communication from the Governor of the Commonwealth of Virginia, the lieutenant governor, the attorney general, the commissioner of taxation, and the commissioner of employment, in which they state unequivocally from their study of H.R. 2 that it will have a substantial economic impact in Virginia. It will result in substantial unemployment, and I would say to the committee that to the extent there is competition in the coal industry today in Virginia it is provided largely by the small, independent surface miners and operators.

A typical surface mining operation in my district would employ 10, 15, and perhaps 20 employees. In many cases they are family-type operations.

I say to the committee that an amendment of this type will at least give the small operators an opportunity to comply with what I consider to be overly restrictive and unnecessary provisions as contained in H.R. 2.

I am also advised that the President of the United States today sent his specific recommendations to the Congress to meet the energy goals that he has set for this country. I repeat what I said yesterday, that I think it is the height of inconsistency for the President to suggest on the one hand that we increase production of coal by two-thirds by the year 1985 and then support unnecessary legislation such as we have before us which will unquestionably make it more difficult and more costly to mine coal to meet the critical energy needs of this country.

Mr. Chairman, I think it is unfortunate that H.R. 2, the bill before us, has been written on the basis of what the several States did not do 10 years ago rather than on the basis of what they are doing now. My State of Virginia has recognized this problem. They passed a meaningful surface mining regulatory statute in 1966, and it has been twice amended. There are regulations pending which hopefully will be fully implemented by July of this year. I am asking in the name of equity that we adopt this amendment to help preserve competition, to help keep the price of coal at a reasonable level, to help the consumer, and to help those of us who believe that this Nation should once again become self-sufficient in energy.

Mr. Chairman, I ask for an aye vote on my amendment.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of all the amendments that have been considered in this debate, this provides the biggest loophole. It is the biggest "granddaddy" of them all.

In effect, what this amendment says—and mark it well—is that for 30 months, for 2½ years, all of next year, the year after that, and the remainder of this year, these operators can go ahead and do exactly what they are now doing.

I respect the gentleman from Virginia (Mr. WAMPLER), but in my judgment the State that has the furthest to go, the State that has made the least progress toward coming into modern methods of mining coal, is the State of Virginia.

These people down in southwest Virginia are determined that they are going to go ahead and do this as long as they can.

The amendment has one very basic defect. It says, "existing surface coal mining operations." It does not say, "operators." It says, "operations." We could have Consolidation Coal, the world's largest coal company, covered by this amendment, and as long as no single operation produced more than 250,000 tons of coal a year—and many of them do not—they are exempt. Under this amendment the big operators are exempted for 30 months as well.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, would the gentleman accept a modification of the amendment if it were restricted to read, "operators?"

Mr. UDALL. I would say to the gentleman that would be an improvement. I do not want to be in the position of helping the gentleman clean up his amendment.

Mr. WAMPLER. But the gentleman will not support it even then?

Mr. UDALL. No. It would still give us the biggest loophole we have heard in this whole debate if this would occur. The committee defeated a similar amendment by a very large margin.

We do not have a very strong balance toward the environment in our committee; I do not believe it is even as strong as it is in the House as a whole.

Even if the change were made, the amendment would not fly. It would open the door; it would detract from the objectives of this bill. We would really be wiping this bill out for 30 months if we adopted this amendment.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. WAMPLER).

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 22, noes 27.

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. NOLAN

Mr. NOLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Nolan: After line 24, add the following new sub-section (f) to section 522: (f), Page 319:

For five years following the date of enactment, no application for a permit or revision thereof shall be approved unless the applicant demonstrates that prime farmland does not comprise more than 15% of the surface area to be disturbed pursuant to an applicant's mining plan. Such demonstration shall be based upon soils maps and data verified for accuracy by the Secretary of Agriculture; provided that nothing in this subparagraph shall apply to any permit issued prior to April 1, 1977, or to any revisions or renewals thereof including those authorizing contiguous expansion of such permitted areas. Provided, however that the regulatory authority may, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a variance if the operator demonstrates and the regulatory authority finds on the basis of data relating to prime farmlands comparable to those covered by the permit application that the operator can restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining. Within 60 days of the date of enactment, the Secretary of Agriculture shall publish a definition of "prime farmland" and a notification of methods for determination thereof. Within four years of the date of enactment, the Secretary of Agriculture shall conduct such research, experimentation and studies as are necessary to determine whether, and with what reclamation procedures, prime farmlands should be made available for surface mining operations and based thereon make appropriate recommendations to the President.

Mr. NOLAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Minnesota?

Mr. BAUMAN. Mr. Chairman, I reserve the right to object.

Mr. NOLAN. Mr. Chairman, I can clarify the amendment for the gentleman.

Mr. BAUMAN. Mr. Chairman, I will yield to the gentleman from Minnesota (Mr. Nolan) for that purpose.

Mr. NOLAN. Mr. Chairman, I thank the gentleman for yielding.

This is roughly the same amendment that was proposed by the gentleman from Vermont (Mr. Jeffords) and the gentleman from South Dakota (Mr. Pressler).

It does amend a different section of the bill, and it represents a modification in the amount of farmland that would trigger the special review procedure.

My purpose in offering the amendment at this point is not to delay the proceedings here in the Committee of the Whole.

I realize the matter has been fully debated. It is my hope that this modification of the amendment offered yesterday will make the amendment more acceptable and insure its favorable consideration.

The **CHAIRMAN.** Will the gentleman from Minnesota (Mr. Nolan) suspend until we hear whether there is objection to further reading of the amendment?

Mr. BAUMAN. Mr. Chairman, if we are going to plow back over all of the same ground we plowed over yesterday when we defeated a similar amendment, we may stay here all day.

Mr. Chairman, I object.

Mr. SYMMS. Mr. Chairman, I reserve a point of order against the amendment.

The **CHAIRMAN.** The Clerk will read the amendment first.

The Clerk concluded the reading of the amendment.

The **CHAIRMAN.** Does the gentleman from Idaho (Mr. Symms) wish to press his point of order?

Mr. SYMMS. I do, Mr. Chairman, I reserve a point of order against the amendment.

The **CHAIRMAN.** The gentleman from Idaho (Mr. Symms) reserves a point of order against the amendment.

Mr. NOLAN. Mr. Chairman and members of the committee, it is not my intention at this point to further discuss the merits of the amendment. I think that they have been amply discussed and were amply discussed in the Committee of the Whole yesterday.

Mr. SYMMS. Mr. Chairman, will the gentleman yield at that point?

Mr. NOLAN. I will be glad to yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, the gentleman from Minnesota says that they have been amply discussed in the Committee of the Whole. When was that?

Mr. NOLAN. Yesterday, because a similar amendment was offered at that time.

Mr. SYMMS. How similar was that amendment to this amendment?

Mr. NOLAN. It was exactly the same, with the exception of one modification. In offering the amendment. I would also like to ask for a recorded vote on it. We did not do so yesterday on the other amendment because we were trying to cooperate with the committee in its efforts to complete the proceedings yesterday without having to come back in for a session today. The committee having decided it wanted to come back in today, we decided to bring the amendment up, to modify it with the hope of getting additional support. In the amendment offered yesterday, the special review procedure was triggered when in excess of 10 percent of the land to be strip mined was established prime agricultural land. My amendment raises that triggering feature to 15 percent.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, do I understand the gentleman's amendment to provide that sometime in the future the Secretary would define what prime agricultural land is? Is that the provision in the gentleman's amendment?

Mr. NOLAN. It does provide for the involvement of the Secretary in a special review procedure for the prime agricultural land.

Mr. KAZEN. But my question is whether the definition of prime agricultural land is to be put off until some Secretary somewhere down the line defines what that term means. And the gentleman is asking the House of Representatives right now to vote on that proposition without knowing what is involved, what the definition of prime agricultural land is going to be?

Mr. JEFFORDS. Mr. Chairman, I believe the amendment is clear that the definition of prime agricultural land under the amendment and under the bill must be defined immediately or as soon thereafter as the Secretary can do it. It was my understanding the amendment does not postpone the definition of prime agricultural land at all.

Mr. NOLAN. Prime agricultural land is generally defined as land capable of producing sustained high yields of basic agricultural commodities.

Mr. HUCKABY. Mr. Chairman, if the gentleman would yield, would the gentleman consider as prime agricultural land nothing but grass?

Mr. NOLAN. No.

Mr. HUCKABY. According to the definition in the bill today, as it defines prime agricultural land, it includes virtually everything except deserts.

Mr. NOLAN. No. I do not believe that to be the definition. And from everything I know about the definitions of the Secretary of Agriculture, it has not included those kinds of lands in the past.

Mr. HUCKABY. For example, it says with a Phenyl factor of 4.5. One cannot find land with more acidity than this.

Mr. JEFFORDS. The definition of prime agricultural land is very explicit. It sets out a definition, and actually the 1975 studies shall determine what prime agricultural land is, and it certainly can be improved and reviewed by additional studies under the regulatory provisions mandated by this bill with or without this amendment. But it certainly is not a broad and all-encompassing definition as some would like us to believe. All of the different sections of the country have been mapped. My own State has been mapped, and it is definable and it has to be defined in this bill as it is now. You are raising a point that is not in this bill.

Mr. KAZEN. Mr. Chairman, will the gentleman yield for just one observation?

Mr. NOLAN. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, if that is true, why do we not put the definition in this bill, and let us not leave it to choice or to chance in the future?

The **CHAIRMAN.** The time of the gentleman from Minnesota has expired.

(On request of Mr. Jeffords, and by unanimous consent, Mr. Nolan was allowed to proceed for 5 additional minutes.)

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I would like to say to the gentleman from Vermont that despite his assurance, this amendment which I have before me says specifically that:

> . . . the Secretary of Agriculture shall publish a definition of "prime farmland" and a notification of methods for determination thereof.

I do not agree that we know what prime farmland is. This amendment says specifically the Secretary of Agriculture will define it for us.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield on that point?

Mr. NOLAN. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, obviously the term "prime agricultural land" implies what is meant by that and the Secretary of Agriculture does not have the authority in any law to go beyond the normal definitions but specifically he is to define it within the term used. I do not see any problem with this more than is already in the bill. Certainly it is regularly done with the regulatory agencies in order to make the law administrable.

Mr. NOLAN. The gentleman is quite correct.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I must say I share some of the distress that was mentioned by the gentleman from Maryland (Mr. BAUMAN) a while ago. Of all the amendments before us this amendment has had more discussion time today as well as yesterday, than almost any other. The gentleman is entirely within his rights in bringing up today this amendment in the bill but I hope we will not beat our heads off again today debating this and I hope that, the gentlemen having brought it up again, we can vote on it fairly soon.

Yesterday I voted fairly reluctantly for it. I thought we had done a good job in defining and protecting the prime agricultural land. Since then the administration and others have made such a fuss about this and they will not quit. I hope the majority can work its will. I just hope we will take a vote one way or the other on it.

Mr. NOLAN. That is also the hope of the sponsor of the amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to ask the gentleman from Arizona this question. I think there is a problem to be solved. I know he is anxious to vote on it, but I wonder whether he will vote for it on the grounds that have already been stated.

Mr. UDALL. If the gentleman will yield, I had limited enthusiasm for it yesterday and I must say I have less today.

Mr. BAUMAN. How does that translate into the terms of the gentleman's vote?

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, we voted on this once yesterday. The House is trying to cooperate and get through with this but at the rate we are mining and stripmining the agricultural lands, it will take 175 years at the rate we are going today without any Federal legislation to take over 1 percent of our prime agricultural lands. Perhaps we should go after the water projects like the central Arizona project, because they have to flood land to develop the projects, or urban lands they take up much more!

Mr. NOLAN. It is the intention of the sponsor to stop the use of prime agricultural land for a whole wide variety of commercial uses.

Mr. SYMMS. The gentleman intends to go after those too?

Mr. NOLAN. Certainly we do.

Mr. SYMMS. Today?

Mr. NOLAN. Not today. We will have to take them one at a time.

Mr. SYMMS. If my friend will yield further, I would say we voted on this issue once yesterday. Let us vote this amendment down.

Mr. Chairman, I reserved a point of order against the amendment offered by the gentleman from Minnesota and I find that it is exactly the same amendment, give or take where it applies to the bill and the percentage points, and we have already voted on this, but I am sure my point of order will be overruled, so I will withdraw it at this point. I hope the Members will realize we have already plowed this ground. Once is enough.

Mr. UDALL. Mr. Chairman, I move all debate on the pending amendment now cease.

The CHAIRMAN. The gentleman from Minnesota still has the time.

Mr. UDALL. I am sorry.

Mr. NOLAN. I yield to the gentleman from Arizona.

Mr. BAUMAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Minnesota still has the time.

Mr. NOLAN. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I had asked for the time for the purpose of making the motion to have the debate cease.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. BAUMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I said yesterday:

> Mr. Chairman, this bill has a specific section written at the suggestion of the U.S. Soil Conservation Service officials and others, who appeared before the committee. It prescribes the manner of reclamation desirable for prime agricultural lands. It is a very appealing concept, particularly for one from a rural area, to decide to exempt prime agricultural land from any mining. There are roughly 380 million acres in this country that fall into the category of prime agricultural land and an almost infinitesimal part of that is touched by strip mining; less than one-half of 1 percent. But that one-half of 1 percent of land produces nearly 75 million tons of coal each year.

The worst possible case that we have heard, if the amendment is adopted, was a first year's production loss of roughly 75 million tons. A 5-year moratorium on new production alone could mean even greater losses in coal. Where are we going to make up those losses in other sources of energy, if this amendment is adopted?

I will not burden the House by making the same remarks I made yesterday, but we can see the impact this amendment will have on our energy supplies.

Mr. Chairman, we debated this thoroughly. The bill has a provision that protects prime agricultural land. I do not see why we have to come in today, when we had this last night, and go over and over these amendments. I can see this bill never being finished.

Mr. UDALL. Mr. Chairman, I move that all debate on this amendment and all amendments thereto now cease.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. NOLAN).

The question was taken; and on a division (demanded by Mr. NOLAN) there were—ayes 9, noes 41.

Mr. NOLAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and six Members are present, a quorum.

Mr. NOLAN. Mr. Chairman, I renew my demand for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SEIBERLING: On page 283, after line 24, insert the following paragraph and renumber the succeeding paragraph accordingly:
>
> (E) Only such amount of spoil will be placed off the mountaintop bench as is necessary to achieve the planned postmining land use, ensure stability of the spoil retained on the mountaintop and meet the other requirements of this Act.

Mr. SEIBERLING. Mr. Chairman, the committee report on page 111 brings out the fact there is a very high potential for rapid water runoff and flooding in the central Appalachian region. Of course, within the month parts of Appalachia have experienced some very severe flooding.

Traditional strip mine practices in the mountains accelerate the runoff and increase flood hazards, both from the volume of water and increased siltation. The Kentucky Commissioner of Natural Resources, Robert Bell, for example, stated during the floods this April:

> Areas that have strip mining as a general rule are like a parking lot . . . it's natural that water will run off asphalt faster than sod.

However, under some conditions spoil can act like a sponge; that is, store water and release it slowly. Reclaimed and stable spoils in the Tradewater watershed of western Kentucky have such properties. They do reduce the size of peak runoff and increase in periods of stream flow duration. This is also documented on page 111 of the committee report.

On the other hand, I might say—and this is brought out on page 101 of the committee report—that the ultimate stability of West Virginia and Kentucky head of hollow fills—and that is true of other Appalachian States—is unknown. Yet, our bill authorizes mountaintop mining and authorizes fills to be made from spoil taken off the top of the mountain. All this amendment does is try to encourage the retention of as much of that spoil on top as possible, and still carry out the approved land use plan for the mountaintop and insure stability of the soil retained on top. I think it is a noncontroversial amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Arizona.

Mr. UDALL. One of the major concessions we made to the coal industry was that we would permit the technique known as mountaintop removal, where they mine clear though the mountain and replace it and revegetate it, in perhaps a more civil form. This clarifies on the environmental side that we are going to put as little of the spoil as possible in surplus spoil disposal areas and rearrange as much as possible on top.

Mr. SEIBERLING. Let me emphasize that this amendment is not intended to be used to block mountaintop removal under the provisions of this bill. If the post-mining land use plan is to take all the spoil off for some sort of industrial development on a rock plateau on the mountaintop, then that would be permissible. But, on the other hand, if the plan is for the mountaintop to be an area for grazing or agriculture, then it may be that only a little spoil needs to be taken off. In the latter case, most of it could be retained on the mountaintop, assuming the other requirements of the bill are met.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: On page 302, line 16, after the word "however," insert the following: "That the regulatory authority may retain that portion of the total bond covering areas affected by surplus spoil disposal under paragraph 515(b)(11) for a period of up to 10 years past the completion of stabilization and revegetation of such areas in order to provide adequate funding to correct any failure that may occur; and *further Provided*".

Mr. SEIBERLING. This amendment was also discussed with Mr. RUPPE's staff, and I understood that basically they had no problems with it.

Let me say that this also relates to the problem of the spoil that would be removed from the mountaintop under the mountaintop removal section of the bill. As is brought out on page 101 of the committee report, the stability of these fills over the long term is unknown. These are differences among professional engineers as to what is the best way to design and construct these fills in order to adjust in long term stability.

All this amendment does is direct the regulatory authority to retain a portion of the bond covering these spoil areas for a period of time past the completion of the fill area and its revegetation.

The bond is to cover the possible correction of any failure, that is, erosion of the surface, mass movement of the spoil pile or drainage that might occur during the period of responsibility. Otherwise, we could find that, since this is still an experimental process, we would end up with a huge spoil pile that was unstable.

I call the attention of the Members to the terrible tragedy at Buffalo Creek in West Virginia a few years ago from a similar situation. If there is a similar possibility with respect to these spoil piles, we ought to have a little longer period of time for the regulatory authority, so that the people injured by the spoil pile would not suffer the injury and expense or the State have to pay the expense of correcting a faulty spoil pile.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. I thank the gentleman for yielding.

Mr. Chairman, this is a good amendment, and I support it.

Mr. BAUMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I just want to point out that the bill already has a 5-year period of time during which companies remain bonded and are responsible for revegetation or stabilization. This amendment doubles it to 10 years. The worst possible impact is going to be, once again, on the smaller companies who are not going to be able to continue these bonds and tie up their finances with this kind of a provision. This is 100 percent worse.

The gentleman referred to the collapse which occurred in West Virginia. That was the collapse of a dam, in which water poured down the valley, not stabilized soil.

This is just another added period of time piled not just on the backs of these companies, but on the backs of the consumers who will ultimately pay the costs.

I think it is an unwise amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman for yielding.

Of course, I referred to the Buffalo Creek disaster only to show that there are things that we do not know enough about, from an engineering standpoint. This practice of disposing of huge amounts of spoil in hollows, where there may be springs, et cetera, is something on which the engineers are still experimenting. We ought to retain some sort of safety provision.

Mr. BAUMAN. I will say to the gentleman that we do. We have a 5-year period, and the gentleman is doubling it to 10 years.

Mr. SEIBERLING. This is not mandating anything.

Mr. BAUMAN. Nothing is ever mandated in the bill according to the gentleman. But I would guess it will be enforced in the worst possible manner. The gentleman lives in a dream world if he thinks otherwise.

Somewhere along the line, reason must intrude in these deliberations.

Mr. SEIBERLING. If the gentleman will kindly yield further, I will elaborate. This applies to the State regulatory authority. They may or may not exercise this discretion. Furthermore, we are only talking about the revegetation requirement which is only a fraction of the total bond. I cannot see that this is any great burden.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 18, noes 26.

So the amendment was rejected.

Mr. MARLENEE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like some clarification on section 510(b)(6), and I will address by question to the chairman of the Committee on Interior and Insular Affairs, who labored so hard and in such a dedicated manner to bring the bill to this point.

I will ask the gentleman from Arizona (Mr. UDALL) this: Is it the gentleman's interpretation that the provisions of this section provides surface order consent protection to farmers and ranchers who own land surfaces in ceded strips outside the exterior boundaries of an Indian reservation, but where the coal is either owned by an Indian tribe or held in trust for an Indian tribe?

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I have asked for permission to revise and extend my remarks so I may include a very careful answer to the gentleman's question.

Let me say now that the regulation of surface mining of Indian coal presents many unique and very difficult problems. In line with the overall concern with surface mining, the committee had to act expeditiously and did not have time to give the Indian tribes the needed protection.

We, therefore, adopted the approach of a 1-year study by the Secretary of the Interior, and in the meantime we provide basic, minimum environmental protection in Indian coal development.

The concern of the gentleman from Montana (Mr. MARLENEE) is evidently directed toward the Crow Ceded Area in Montana where the Crow tribe ceded certain lands to the United States and reserved the mineral interest. Most of the surface of that area is now owned by private non-Indian individuals and the State.

Section 510 provides that, where the private surface interest is severed from the private mineral interest, the applicant must obtain the written consent of the surface owner unless some other existing law, including the conveyance in which the two estates were severed, permits surface mining without the consent of the surface owner.

I believe that this holds true for the leasing and development of Indian coal. The applicant must obtain written consent of the surface owner to develop Indian coal, unless some other existing law, including the agreement by which the tribe ceded lands to the United States and reserved the mineral interests, permits surface mining without the consent of the surface owner.

As trustee for the resources of the Indian tribes, I think we should proceed very carefully before we cut off any existing right of the tribes to develop their subsurface rights. I am advised that there is some possibility that, should we abrogate or impair a mineral right which the tribes derive from a cession agreement or other Federal law, we may subject the United States to a fifth amendment taking claim.

Mr. MARLENEE. Mr. Chairman, I thank the gentleman.

Mr. UDALL. Mr. Chairman, I ask unanimous consent that all debate on title V and all debate on all amendments to title V close at 2:15 o'clock p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. KAZEN. Mr. Chairman, reserving the right to object, let me ask the gentleman, how many amendments are there?

Mr. UDALL. Mr. Chairman, if the gentleman will yield, I do not know of any major controversial amendments that are left. There are a couple of minor amendments that I am going to accept, and the gentleman from Ohio (Mr. Seiberling) wishes to engage in a colloquy.

Mr. KAZEN. Mr. Chairman, further reserving the right to object, may I inquire of the Chair how many amendments are at the desk on this title?

The CHAIRMAN. The Chair will inform the gentleman that there are nine amendments remaining.

Mr. KAZEN. Nine amendments remain to be offered.

Mr. UDALL. Mr. Chairman, if the gentleman will yield further, I am not certain that all of those amendments are going to be offered. There are a number of amendments, but I am sure that we can handle them in that time.

Mr. Chairman, if any Member strongly objects, I will not make a motion at this time.

Mr. KAZEN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The unanimous-consent request of the gentleman from Arizona (Mr. Udall) is that all debate on title V and all amendments to title V end at 2:15 o'clock p.m.

Is there objection to the request of the gentleman from Arizona?

Mr. WAMPLER. Mr. Chairman, reserving the right to object, I wish to direct a parliamentary inquiry to the Chair.

The CHAIRMAN. The Chair will hear the gentleman.

PARLIAMENTARY INQUIRY

Mr. WAMPLER. Mr. Chairman, the gentleman from Virginia has published at least three amendments in the Record. I would inquire of the Chair, since I have three amendments to title V published in the Record, whether my rights would be protected under the rules?

The CHAIRMAN. The Chair will inform the gentleman that under the rules the gentleman has a guarantee of protection.

Mr. WAMPLER. I thank the Chair, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous consent requested was agreed to will each be recognized for 2 minutes.

AMENDMENT OFFERED BY MR. HUCKABY

Mr. HUCKABY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Huckaby: Section 521(a)(5), on page 311, line 13, insert after "occurs", "; *Provided*, That any notice or order issued pursuant to this section which requires cessation of mining by the operator shall expire within 10 days of actual notice to the operator unless a public hearing is held at the site or within such reasonable proximity to the site that any viewings of the site can be conducted during the course of public hearing.

Mr. HUCKABY. Mr. Chairman, this amendment guarantees due process of law and fundamental fairness to the operator who has received notice of a cessation order issued without opportunity for a hearing.

As the bill is presently read, Mr. Chairman, an operator could receive a notice that he was in violation; and he might go for days, weeks, or months with his equipment and machinery tied up.

This amendment simply says that a hearing must be held within 10 days.

Mr. Chairman, I urge adoption of this amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, this amendment is addressed to an important matter. The gentleman has worked out an improved procedure that we had in the bill.

Therefore, Mr. Chairman, I think the bill is better with the amendment and I support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. Huckaby).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MURPHY OF PENNSYLVANIA

Mr. MURPHY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Murphy of Pennsylvania: On page 279, between lines 4 and 5, insert a new paragraph "(D)", as follows:

"(D) provide that upon the request of a resident or owner of a man-made dwelling or structure within one-half mile of any portion of the permitted area the applicant or permittee shall conduct a pre-blasting survey of such structures and submit the survey to the regulatory authority and a copy to the resident or owner making the request. The area of the survey shall be decided by the regulatory authority and shall include such provisions as the Secretary shall promulgate."

Mr. UDALL. Mr. Chairman, the gentleman from Pennsylvania (Mr. Murphy) has helped to strengthen this bill in the area of blasting.

This problem has been one of the most troublesome for individuals living in such areas.

The gentleman offered several amendments to protect homeowners and to provide notice in case of blasting. I think this is a good amendment and strengthens the bill.

Therefore, Mr. Chairman, I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Murphy).

The amendment was agreed to.

(By unanimous consent, Mr. Marriott and Mr. Edwards of Oklahoma yielded their time to Mr. Bauman).

AMENDMENT OFFERED BY MR. WAMPLER

Mr. WAMPLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wampler: Page 269, line 11, delete all following the colon in line 11 through page 270, line 22 and in lieu thereof insert the following: "*And provided further*, That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that the amount of overburden and other spoil and waste materials cannot be economically restored to the approximate original contour, the operator shall backfill, grade, and compact (where advisable) the overburden and other spoil and waste materials to the maximum extent possible in accordance with regulations of the regulatory authority and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region in accordance with the requirements of subsection (c)(3) and that such overburden or spoil shall be shaped and graded in such way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

Mr. WAMPLER. Mr. Chairman, in keeping with my strong belief that the regulation of surface mining should be left to the discretion of the several States, my amendment would allow optional reclamation methods for postmining uses where the amount of overburden and other spoil and waste materials cannot be economically restored to the approximate original contour.

Mr. Chairman, the Virginia Board of Conservation and Economic Development will meet in May to discuss and finalize regulations prepared by the Virginia Division of Mined Land Reclamation, the Virginia State Water Control Board, the U.S. Department of Agriculture Soil Conservation Service, the Extension Division of Virginia Polytechnic

Institute and State University, and representatives of the Virginia surface mining industry.

Mr. Chairman, included in these new State regulations is a new proposal which will limit the bench width on the initial cut as a function of slope, thereby requiring reduction of the high wall to the maximum extent feasible.

In my amendment it would still provide for achievement of an ecologically sound land use that would be compatible with the surrounding region, but would not require the strict conformation to original contour now present in H.R. 2, with the complete elimination of all high walls.

Mr. Chairman, the distinguished gentleman from Arizona (Mr. UDALL) in earlier debate alluded to the fact that in his judgment Virginia had the worst record of surface mining reclamation of any State in the Union. I respectfully disagree with the gentleman. I would have hoped that either the gentleman from Arizona or some member of his committee would have at least reviewed the proposed regulations that the State of Virginia has developed, because we do have a situation that I think is somewhat unique in that over 85 percent of the contour surface mining that occurs in Virginia occurs on slopes greater than 20 degrees.

H.R. 2 requires restoration to the approximate original contour. Experts in Virginia, who have studied this problem for many years, conclude that in many instances the best postmining use of surface mined lands would be denied if we were required to restore to the approximate original contour in every instance.

I think this points out that H.R. 2 in trying to apply the same reclamation standards to each of the 50 States simply will not work and will not achieve the desired results.

My amendment would provide the discretion of allowing optional procedures under which we can surface-mine coal over the country, and where we can properly reclaim the land. To require the restoration to the approximate original contour as H.R. 2 does, in my judgment, will be transferring the problem of erosion, water management, and revegetation to another site on the mountainside.

I ask for a yea vote on my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. WAMPLER).

The question was taken; and on a division (demanded by Mr. WAMPLER) there were—ayes 16, noes 27.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I wish to engage in a colloquy with the chairman of the committee. I wonder if the distinguished chairman of the committee would answer several questions about the Secretary's discretion to award costs of participation under section 525 (e). As I understand it, the Secretary is the one to make the determination. Is that correct?

Mr. UDALL. Yes; that is correct. In the initial administrative proceeding, the Secretary would have discretion to make the assessment. If the agency action is reviewed in the courts, then, of course, it would be appropriate for the courts to review the assessment and award, under the usual standards for review of an administrative action. In addition, the courts could assess and award costs for a person's participation in the judicial review.

Mr. SEIBERLING. Are there any standards or guidelines for the Secretary to use to determine which persons are to be awarded costs?

Mr. UDALL. The Secretary would have broad discretion. It would normally be appropriate for him to award costs to a person whose participation has contributed substantially to a full and fair consideration of the facts and issues involved in the proceeding, taking into account, where appropriate, the financial resources of the participant. In general, an award would be governed by the same kinds of considerations as would govern a court in a court action, as outlined in the last two paragraphs of page 90 of the committee report.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield, the gentleman from Arizona has just addressed himself to section 525(e) and I believe the gentleman from Maryland was the one who offered the language which allowed the Court to assess the costs against either party as the Court deemed proper. I am not quite sure, although I listened to the remarks the gentleman made, it was the intention of the offerer of that amendment that either party could receive compensation. That was the intention of the entire committee debate, and that the Court would have the right to determine that. It was never the intention that this section of the bill should expand the scope of the Secretary of the Interior's authority as defined by the Administrative Procedure Act.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, this is entirely consistent with that, and while I did not agree with the gentleman's amendment, I obviously have to recognize that the amendment does permit an award to either party, but the same principles of equity should be followed by the Secretary as would govern a court in deciding the extent to which the award should be made.

Mr. BAUMAN. It is my understanding the Administrative Procedure Act would govern the extent to which the Secretary could make an award of costs.

Mr. SEIBERLING. To the extent it does, but it does not go into detail as to the kinds of considerations that would enter into a decision by the Secretary.

Mr. BAUMAN. I am sure though that law provides general equity.

Mr. SEIBERLING. But the Secretary has discretion and there obviously has to be some way he is going to use his discretion and he is going to resort to the Court precedents, I presume, in a particular case to determine whether to award costs, for example, if somebody is bringing an objection purely for vexatious purposes, the Secretary ought to take that into consideration and not give him the award of costs.

Mr. UDALL. Mr. Chairman, if the gentleman will yield, the gentleman believes the intent of the author of the amendment was the same as mine.

Mr. BAUMAN. I have a strong feeling that the gentleman from Arizona's intention governs in all matters pertaining to this bill.

The CHAIRMAN. There being no further amendments to title V, the Clerk will read title VI.

The Clerk read as follows:

TITLE VI—DESIGNATION OF LANDS UNSUITABLE FOR NONCOAL MINING

DESIGNATION PROCEDURES

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if (1) such area consists of Federal land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain, or (2) such area consists of Federal land where mining operations would have an adverse impact on lands used primarily for residential or related purposes, or (3) such mining operations could result in irreversible damage to important historical, cultural, scientific, or esthetic values or natural systems, of more than local importance, or could unreasonably endanger human life and property.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within the State within a reasonable time and finding with reasons therefor upon the matter of their petition. In any instance where a Governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: Provided, however, That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary. The Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary designates an area of Federal lands as unsuitable for all or certain types of mining operations for minerals and materials other than coal pursuant to this section he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting from such designation would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States district court for the district in which the pertinent area is located.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. RONCALIO

Mr. RONCALIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RONCALIO: Under title VI, section 601(d), page 334, line 1, strike the following sentence: "Valid existing rights shall be preserved and not affected by such designation."

Mr. RONCALIO. Mr. Chairman, title VI, designation of lands unsuitable for noncoal mining, subsection 601(b), explains what lands under that title may be designated as unsuitable for noncoal mining. No. 3 under the subsection applies to a proposed limestone quarry on the edge of the small picturesque town of Story, Wyo.

If that limestone quarry is allowed to go into operation, the degradation to the neighboring vicinity would indeed be regrettable. The quarry location is in the Big Horn National Forest at the very edge of Story and only a few hundred yards from a Wyoming State Game and Fish Commission fish hatchery. It neighbors the site of the historic Wagon Box Indian fight where soldiers from nearby historic Fort Phil Kearney, the Army's defender of the old Bozeman Trail, stood their ground against Chief Red Cloud 110 years ago. It is a lovely place—and not the place for a limestone quarry.

The location meets every requirement under title VI for withdrawal. In fact, the adjacent lands have already been withdrawn from mineral entry by the Bureau of Land Management and the Forest Service. However, because a claim has already been established for the quarry, these administrative actions cannot prevent its moving ahead. Through adoption of my amendment, situations like Story will have some remedy.

Sufficient opportunities are provided under the title for in-depth review and hearings before any area is designated as unsuitable for noncoal mining. I do not foresee this title being used indiscriminantly against hard rock miners or against existing valid, though acceptable, mining claims.

There are those who may be reluctant to approve my amendment saying that this would amount to a "taking" and that the Government would in turn be liable for reimbursement and other associated costs. I would hope that the Secretary might facilitate an exchange whereby a location of similar mineral value might be received for whatever claim is to be withdrawn or if that may not be feasible, it very well may be in the public interest to negotiate payment. Each situation can and should be reviewed in total and on its own merits.

I urge adoption of the amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I would have to oppose the amendment, because it takes from the bill a statement that valid legal rights should be preserved. I do not think we should do that without paying compensation under the fifth amendment.

I recognize the problem the gentleman has in Wyoming. We have tried to set up a structure where the Governor can move in and protect the land and protect communities in the kind of situation the gentleman is talking about.

Mr. RONCALIO. Mr. Chairman, I believe the amendment is a valid one. I think we have to honor property rights in Wyoming. I think it would be a tragedy if this legislation will not give to a Governor the right to hold up strip mining for 3 years on noncoal property. These limestone quarries are really in the heart of a lovely town in Wyoming. There is no lovelier area in Wyoming than Story, Wyo., and the whole mountain is nothing but limestone, so there is no earthly reason—short of profits—for its location abutting the town.

Four years ago I asked the Forest Service to look to a swap of limestone and they said it could be done. It has not yet been done. Four years ago my opponent, for Congress, promised relief through a State agency. The people are still waiting for assurance. I feel they will be snookered with this limestone dread, if this amendment is not agreed to.

Mr. UDALL. Mr. Chairman, if the gentleman will stick with me this year, Mr. KAZEN will get a new mining law to handle this.

Mr. RONCALIO. We have heard all this before.

I urge passage of this amendment, which would restore the language in title VI that was in H.R. 24 last year and that was in the bill that the President vetoed twice before. This language is a new twist that was not to my liking.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO).

The amendment was rejected.

The CHAIRMAN. Are there further amendments? If not, the Clerk will read title VII.

The Clerk read as follows:

TITLE VII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 701. For the purposes of this Act—

(1) "alluvial valley floors" means the unconsolidated stream laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities;

(2) "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads, closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 515 (b)(8) of this Act;

(3) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(4) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands;

(5) "Federal lands program" means a program established by the Secretary pursuant to section 523 to regulate surface coal mining and reclamation operations on Federal lands;

(6) "Federal program" means a program established by the Secretary pursuant to section 504 to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act;

(7) "fund" means the Abandoned Mine Reclamation Fund established pursuant to section 401;

(8) "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement;

(9) "Indian lands" means all lands, including mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by an Indian tribe;

(10) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(11) "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands;

(12) "Office" means the Office of Surface Mining, Reclamation, and Enforcement established pursuant to title II;

(13) "operator" means any person, part-

nership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(14) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form;

(15) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program;

(16) "permit applicant" or "applicant" means a person applying for a permit;

(17) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 509 of this Act and shall be readily identifiable by appropriate markers on the site;

(18) "permittee" means a person holding a permit;

(19) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(20) "prime agricultural lands" means those lands so defined by the Secretary of Agriculture on the basis of such factors as moisture availability, temperature regime, chemical balance, permeability, and erosional characteristics and which historically have been used for intensive agricultural purposes and whose present agricultural use provides a significant contribution to the local economy of the area;

(21) "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 508;

(22) "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering this Act under a Federal program;

(23) "Secretary" means the Secretary of the Interior, except where otherwise described;

(24) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(25) "State program" means a program established by a State pursuant to section 503 to regulate surface coal mining and reclamation operations, on lands within such State in accord with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(26) "State regulatory authority" means the department or agency in each State which has primary responsibility at the State level for administering this Act;

(27) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this Act;

(28) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, the uses of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site: *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 512 of this Act; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities; and

(29) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care.

OTHER FEDERAL LAWS

SEC. 702. (a) Nothing in this Act shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder, including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742.)

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 66–666c).

(b) Nothing in this Act shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with the Secretary and the States in carrying out the provisions of this Act.

(d) Approval of the State programs, pursuant to section 503(b), promulgation of Federal programs, pursuant to section 504, and implementation of the Federal lands programs, pursuant to section 523 of this Act, shall constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein his findings and an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluation of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make finding of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

PROTECTION OF GOVERNMENT EMPLOYEES

Sec. 704. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section. Any person who shall, except as permitted by law, willfully resist, prevent, impede, or interfere with the Secretary or any of his agents in the performance of duties pursuant to this Act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both.

GRANTS TO THE STATES

Sec. 705. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 50 per centum of the total costs incurred during the first and subsequent years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

ANNUAL REPORT

Sec. 706. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

SEVERABILITY

Sec. 707. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ALASKAN SURFACE COAL MINE STUDY

Sec. 708. (a) The Secretary is directed to contract to such extent or in such amounts as are provided in advance in appropriation Acts with the National Academy of Sciences-National Academy of Engineering for an in-depth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this Act.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this Act.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this Act, whichever comes first, the Secretary is authorized to suspend the applicability of any provision of this Act, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this Act if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise his suspension authority only after he has (1) published a notice of proposed suspension in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed suspension in Alaska.

(e) There is hereby authorized to be appropriated for the purpose of this section $250,000: *Provided,* That no new budget authority is authorized to be appropriated for fiscal year 1977.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

Sec. 709. (a) The Chairman of the Council on Environmental Quality is directed to contract to such extent or in such amounts as are provided in appropriation Acts with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this Act can be met by such technology and the costs involved;

(2) identify areas where the requirements of this Act cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this Act which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this Act; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial postmining land use for areas affected by surface and open pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this Act; *Provided,* That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this Act: *Provided further,* That with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this Act.

(c) There are hereby authorized to be appropriate for the purpose of this section $500,000: *Provided,* That no new budget authority is authorized to be appropriated for fiscal year 1977.

INDIAN LANDS

Sec. 710. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purpose of this Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface mining of coal on Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1978.

(c) On and after one hundred and thirty-five days from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(d) On and after thirty months from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 507, 508, 509, 510, 515, 516, 517, and 519 of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this Act, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands existing on the date of enactment of this Act, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 712(a) shall be reserved for this purpose.

EXPERIMENTAL PRACTICES

Sec. 711. In order to encourage advances in mining and reclamation practices, the regulatory authority with approval by the Secretary may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 515 and 516 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operations approved for particular land-use or other purposes are not larger or more numerous than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

AUTHORIZATION OF APPROPRIATIONS

Sec. 712. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums; and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 502, 523, 405(b)(3), there are authorized to be appropriated to the Secretary of the Interior the sum of $10,000,000 for the fiscal year ending September 30, 1978, and $10,000,000 for each of the two succeeding fiscal years.

(b) Commencing in the fiscal year ending September 30, 1978, and for each fiscal year for a period of fifteen fiscal years thereafter, for the implementation and funding of section 507(c) there are authorized to be appropriated sums reserved by section 401(b)(3) for the purposes of section 507(c) and such additional sums, for the fiscal year ending September 30, 1978, and for each fiscal year for a period of fifteen fiscal years thereafter, are authorized to be appropriated as may be necessary to provide an amount not to exceed $10,000,000 to carry out the purposes of section 507(c).

(c) For the implementation and funding of section 705 for the administrative and other purposes of this Act, except as otherwise provided for in this Act, authorization is provided for the sum of $20,000,000 for the fiscal year ending September 30, 1978, and $30,000,000 for each of the two succeeding fiscal years and such funds that are required thereafter.

RESEARCH AND DEMONSTRATION PROJECTS OF ALTERNATIVE COAL MINING TECHNOLOGIES

Sec. 713. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of, research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep seams; and

(2) safety and health in the application of such technologies, methods, and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts to such extent or in such amounts as are provided in advance in appropriation Acts with and make grants to qualified institutions, agencies, organizations and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $35,000,000 for each fiscal year beginning with the fiscal year 1978, and for each year thereafter for the next four years.

(d) At least sixty days before any funds are obligated for any research studies, surveys, experiments, or demonstration projects to be conducted or financed under this Act in any fiscal year, the Secretary in consultation with the Administrator of the Energy Research and Development Administration and the heads of other Federal agencies having the authority to conduct or finance such projects, shall determine and publish such determinations in the Federal Register that such projects are not being conducted or financed by any other Federal agency. On March 1 of each calendar year, the Secretary shall report to the Congress on the research studies, surveys, experiments or demonstration projects, conducted or financed under this Act, including but not limited to, a statement of the nature and purpose of each project, the Federal cost thereof, the identity and affiliation of the persons engaged in such projects, the expected completion date of the projects and the relationship of the projects to other such projects of a similar nature.

(e) Subject to the patent provisions of section 306(d) of this Act, all information and data resulting from any research studies, surveys, experiments, or demonstration projects conducted or financed under this Act shall be promptly made available to the public.

SURFACE OWNER PROTECTION

Sec. 714. (a) The provisions of this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Lands Leasing Act of 1920, as amended.

(c) The Secretary shall not enter into any lease of Federal coal deposits until the surface owner has given written consent to enter and commence surface mining operations and the Secretary has obtained evidence of such consent. Valid written consent given by any surface owner prior to the enactment of this Act shall be deemed sufficient for the purposes of complying with this section.

(d) In order to minimize disturbance to surface owners from surface coal mining of Federal coal deposits and to assist in the preparation of comprehensive land-use plans required by section 2(a) of the Mineral Lands Leasing Act of 1920, as amended, the Secretary shall consult with any surface owner whose land is proposed to be included in a leasing tract and shall ask the surface owner to state his preference for or against the offering of the deposit under his land for lease. The Secretary shall, in his discretion but to the maximum extent practicable, refrain from leasing coal deposits for development by methods other than underground mining techniques in those areas where a significant number of surface owners have stated a preference against the offering of the deposits for lease.

(e) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(f) This section shall not apply where the surface owner is an Indian tribe or title to the land surface is held in trust for or by an Indian tribe.

(g) Nothing in this section shall be construed as increasing or diminishing any property rights by the United States or by any other landowner.

FEDERAL LESSEE PROTECTION

Sec. 715. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu thereof;

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this Act.

ALASKA COAL

Sec. 716. Nothing in this Act shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act: *Provided,* That such surface coal mining operations meet the requirements of the Act.

WATER RIGHTS AND REPLACEMENT OF SUPPLIES

Sec. 717. (a) Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources provided in advance in appropriation Acts.

(b) The operator of a surface coal mine shall replace the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where such supply has been affected by contamination, diminution, or interruption proximately resulting from such surface coal mine operation.

ADVANCE APPROPRIATIONS

Sec. 718. Notwithstanding any other provision of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that title VII be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDMENT OFFERED BY MR. MURPHY OF PENNSYLVANIA

Mr. MURPHY of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Murphy of Pennsylvania: Page 361, after line 22, insert a new section, "section 719," as follows:

"CERTIFICATION AND TRAINING OF BLASTERS

"Sec. 719. In conformance with this Act, the Secretary of the Interior (or the approved state regulatory authority as provided for in Section 503 of this Act) shall promulgate regulations requiring the training, examination, and certification of persons engaging in or directly responsible for blasting or use of explosives in surface coal mining operations."

Mr. MURPHY of Pennsylvania. Mr. Chairman, the amendment is self-explanatory.

Persons who are responsible for use of explosives in surface mining—the most extensive use of explosives nationally—should be knowledgeable about how to protect mine workers, the neighboring public and property from the inherent dangers of the use of explosives. This new subsection providing for the training and certification of blasters is designed to encourage safety and minimize unnecessary damages to health and property caused by unqualified or ill-prepared personnel engaging in blasting operations during surface strip mining. According to geologists, explosives manufacturers, engineers, and government officials, proper blasting technique is one of the most significant factors in preventing fly-rock and minimizing ground vibration. The more efficiently an explosive is used, the less its energy dissipates into the surrounding rock and air as vibration; operators and the public alike benefit from such maximum-fracture, minimum-vibration blasts.

An efficient method of controlling blasting problems would be through comprehensive training for those responsible for the use of explosives and blasting. Presently, very few States require the licensing of such persons. A program should also require passing an exam on information contained in an "explosive manual" dealing with the unique problems associated with surface coal mining and such activities near residential communities and water supply systems. Pennsylvania requires a 1-year training program under a "learner's permit" upon completion of a qualified course.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 355, after line 19, add the following new subsection.

"(d) For the implementation and funding of section 401, there are authorized to be appropriated out of the sums deposited in the Treasury of the United States as miscellaneous receipts under section 9 of the Outer Continental Shelf Lands Act, such amounts as are necessary to make the income of the fund not less than $300,000,000 for the fiscal year ending September 30, 1978 and for the fiscal year thereafter. Amounts appropriated under this subsection shall remain in the fund until expended, provided further that the reclamation fees authorized by subsection 401(d) shall not be levied or collected unless and until the funds authorized to be appropriated by this subsection are exhausted."

Mr. CONTE. Mr. Chairman, my amendment seeks to add to the level of justice in this proposed act. The amendment seeks to remove the penalty that the "captive body of consumers" must bear under the provisions of section 401 of the proposal. The proposed fees under section 401 call for a 35-cents-per-ton fee on surface coal and lignite, and 15-cents-per-ton fee for deep-mined coal. Such an oppressive tax will hit those consumers of electricity who, today, are facing enormous increases in their bills as a result of the increased cost of oil. I am speaking about the people of New England in particular. These people, and others in similar situations, have been paying for these increases as they are passed through to them in the form of the adjustment clause.

A recently released study, compiled by the Federal Energy Administration, demonstrated what these consumers have been forced to bear. The figures for calendar 1975 show that the cost for all forms of energy in New England was 31 percent higher than the rest of the Nation. This was in 1975, long before the tremendous increases in costs these people had to pay for energy this past winter, with its severe cold weather. As the figures clearly demonstrate, the people of New England carried more than their share of the energy burden over the years.

Mr. Chairman, the utilities in my State, as an example, rely on oil for 80 percent of the required boiler fuel energy. Under this proposal, as contained in the abandoned mine section—title IV—the cost to electrical consumers, in 1975 figures, would have amounted to $2.86 million annually. This is in addition to the high cost they have had to bear in comparison to the rest of the Nation. This is the minimum that these hearty people will have to bear. Added to this burden, the FEA has issued notices of intent Monday to 18 utility sites, seven of which are in New England. Additionally, FEA has stated that they soon will be issuing notices to large industrial consumers of oil.

These notices are to inform the recipients that they may have to convert to coal, from their present consumption of oil or gas, within the next 2 years. All of this is to assist our Nation in its attempt to conserve our dwindling supplies of petroleum. The residents of New England are happy to assist in this effort. However, it is unjust to require that these residents assume the burden that this tax will place upon them.

Mr. Chairman, we all agree with the objectives of the abandoned mine reclamation program, as desirable to correct our past unwise activities. With a new awareness of the effects this type of mining can inflict on our environment, this program assists our Nation in removing these past "scars." This is highly desirable as we embark on a new program of increased coal production. However, Mr. Chairman, I submit that it is unjust to require that the consumers automatically bear this burden, in the form of the proposed tax, when they have already suffered through so much.

My amendment is a rational alternative to the proposed funding of the abandoned mine reclamation fund. The amendment would require that a portion of the Outer Continental Shelf leasing receipts be earmarked for the funding of this worthy program. Current OCS revenues are projected to amount to $3.4 billion. A portion of these funds are earmarked for the funding of the land and water conservation fund, as well as the trust for historic preservation. However, there remains approximately $2 billion of unearmarked funds that currently go into the General Treasury funds annually. My amendment would earmark only $300 million of the $2 billion available, for the funding of the abandoned mine reclamation program. I certainly believe that $300 million is a very small piece of the big pie, in return for equitable treatment for the consumers who will be required to make the additional sacrifices if the proposed energy policy is enacted.

Mr. Chairman, my amendment would require that this $300 million be expended, for the reclamation program, before the tax could be levied. This would assure the funding of the program and protect the consumers of electricity from the adverse impact this tax would have on their family budgets. If the funding of the program was to exceed the proposed $300 million, the tax would be "triggered" and the program would continue just as is presently provided for in the bill.

In conclusion, Mr. Chairman, I believe this amendment is a balanced approach to the problem faced by the consumers, mining operators, and those who desire to protect our Nation's beauty. I strongly urge the adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. I thank the gentleman for yielding.

Mr. Chairman, may I properly infer from the gentleman's amendment that the Outer Continental Shelf off the coast of Massachusetts will be leased immediately for oil and gas?

Mr. CONTE. Mr. Chairman, I appreciate the piercing question of the gentleman from Texas. In answer to his question, I am not in a position to know when leases will be granted for oil and gas off the Outer Continental Shelf. I have long favored outer continental oil drilling with proper safeguards.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman if he understands that the reclamation fee is not a tax on the consumer, it is a fee paid by the producers of coal. I do not know whether the gentleman was present yesterday during the colloquy on the McDade amendment.

Mr. CONTE. Mr. Chairman, I wish to advise the gentleman that I have heard that story.

The gentleman from Arizona knows where I stood with him on this bill, against my President and against vetoes and everything else. This tax is going to be passed off. The gentleman from Ohio sold tires. And if the Federal Government put a tax on his tires, the gentleman from Ohio would have passed them off to the gasoline dealer. The gentleman from Ohio is a good businessman, and he knows as well as I know that the tax has to be passed on.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Pennsylvania (Mr. McDADE).

Mr. McDADE. Mr. Chairman, I could not agree more with what the gentleman from Massachusetts has said.

The people are going to pay this tax. That is exactly what it amounts to. It will be the consumers of the Nation who pay it.

We have a clear choice in front of us

today. We can eliminate the tax and take just a tiny part of the OCS receipts to repair the land.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take my full 5 minutes. I will just say to the Members that we have an option, and it is a reasonable one. Are we going to put this tax on and then go home and see our consumers and say, "Yes; your utility bills are going up, and we did nothing to stop it?" Or are we going to say, "Yes; we did at least one thing to keep these utility bills from rising"?

We take off this tax, and we earmark out of the estimates this year of $3½ billion in OCS receipts $300 million to repair the orphaned, abandoned lands in this Nation which need to be repaired so badly.

Mr. Chairman, there is precedence for this. There is precedence for it in the water fund and in the historic preservation section. We looked at the land and water conservation fund, and we raised that by $450 million this year alone. All of us in this House did that.

Mr. Chairman, we can do it one more time. Let us make it $300 million. Let us dedicate it to reclaiming these destroyed lands.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I hope the gentleman recognizes that if we are to survive we should look at this very carefully. We would be taking away half of the tax dollar that comes back to the local areas. These are important receipts in the Western States.

Mr. McDADE. Mr. Chairman, I would say to my friend, the gentleman from Wyoming, that this would put the energy issue where it belongs. It is up to all the people today, and this should come from the OCS receipts. It goes back to the land of this Nation, to the repair of the land, and it would encourage more reasonable utility rates. It would also, for once in our lifetimes, get a tax off the backs of the people. It would come from receipts from the Outer Continental Shelf which belong to all the people and dedicate it to holding down rates for electricity.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, some of us from the Northeast, from New England and Massachusetts, are very much concerned about this.

I would like to say that this amendment is a mistake. I would point out that there are people in other areas of the country who are going to be ravaged by mining. I think the responsibility is on the part of the consumers. If that is to be the case, the reclamation of these lands should come from the revenues of the particular product.

Mr. Chairman, this issue was discussed yesterday, and this idea was defeated. I hope the amendment will be defeated today as well.

Mr. McDADE. Mr. Chairman, I will say to the gentleman that there is no justification for the statement that the coal industry is going to pay for this. The people are going to pay for it, the people in Pennsylvania, in New England, in California, in Ohio, all across the Nation. Those States that are now getting their electricity from coal-fired grids will pay for this, and I say to my friend, the gentleman from Massachusetts (Mr. TSONGAS), that the people in Massachusetts will pay for it, too.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken; and on a division (demanded by Mr. CONTE) there were—ayes 33, noes 36.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 86, noes 226, answered "present" 1, not voting 120, as follows:

[Roll No. 172]

AYES—86

Ammerman
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashbrook
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Mass.
Butler
Carter
Clawson, Del
Cohen
Conable
Conte
Corcoran
Coughlin
Devine
Duncan, Tenn.
Emery
Erlenborn
Ertel
Evans, Colo.
Fenwick
Findley
Flood
Flowers
Gaydos
Giaimo
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Hansen
Heckler
Hillis
Hubbard
Hyde
Jones, N.C.
Kindness
Kostmayer
LaFalce
Leach
Lederer
Lloyd, Tenn.
McClory
McDade
McKinney
Madigan
Marks
Michel
Miller, Ohio
Mitchell, Md.
Moorhead, Pa.
Murphy, Pa.
Murtha
Myers, Michael
Myers, Ind.
Nix
Nowak
O'Brien
Ottinger
Rhodes
Robinson
Runnels
Satterfield
Scheuer
Schulze
Shipley
Shuster
Simon
Slack
Smith, Nebr.
Stanton
Steers
Symms
Trible
Vander Jagt
Walker
Walsh
Wampler
Whitten
Yatron
Young, Fla.

NOES—226

Akaka
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Applegate
Archer
Armstrong
Badillo
Baldus
Baucus
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bingham
Blanchard
Blouin
Bolling
Bonior
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Broyhill
Burgener
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Caputo
Carney
Carr
Clausen, Don H.
Cochran
Coleman
Collins, Tex.
Conyers
Corman
Cornell
Cornwell
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
de la Garza
Dellums
Derwinski
Dickinson
Dicks
Dingell
Dornan
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Evans, Del.
Fary
Fascell
Fisher
Flippo
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frey
Gammage
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gudger
Hall
Hamilton
Hanley
Hannaford
Harris
Hefner
Hightower
Holt
Holtzman
Howard
Huckaby
Hughes
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kildee
Krebs
Lagomarsino
Lehman
Levitas
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Luken
Lundine
McCloskey
McCormack
McDonald
McFall
McHugh
Maguire
Mann
Markey
Marlenee
Marriott
Martin
Mattox
Meeds
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Moffett
Mollohan
Moore
Moss
Mottl
Myers, Gary
Natcher
Neal
Nedzi
Nichols
Nolan
Oakar
Oberstar
Obey
Panetta
Patten
Pattison
Pease
Pepper
Perkins
Pettis
Pike
Poage
Preyer
Pursell
Quie
Rahall
Regula
Reuss
Richmond
Rinaldo
Risenhoover
Rodino
Rogers
Roncalio
Rosenthal
Rostenkowski
Roybal
Rudd
Russo
Ryan
Santini
Schroeder
Seiberling
Sharp
Skelton
Skubitz
Smith, Iowa
Solarz
Spellman
Spence
Staggers
Stangeland
Stockman
Stokes
Studds
Stump
Thompson
Thone
Tonry
Traxler
Treen
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vanik
Vento
Waggonner
Watkins
Waxman
Weaver
Whalen
White
Whitley
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Young, Alaska
Young, Mo.
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—120

Abdnor
Addabbo
Ashley
Aspin
AuCoin
Badham
Barnard
Beard, Tenn.
Bevill
Biaggi
Boggs
Boland
Bonker
Breaux
Brinkley
Burke, Calif.
Burke, Fla.
Cavanaugh
Cederberg
Chappell
Chisholm
Clay
Cleveland
Collins, Ill.
Cotter
Crane
Davis
Delaney
Dent
Derrick
Diggs
Dodd
Downey
Early
Edgar
Eilberg
Evans, Ga.
Evans, Ind.
Fish
Fithian
Florio
Forsythe
Fraser
Frenzel
Fuqua
Gilman
Gradison
Hammerschmidt
Harkin
Harrington
Harsha
Hawkins
Heftel
Holland
Hollenbeck
Horton
Ichord
Ireland
Jeffords
Jenkins
Jones, Tenn.
Ketchum
Koch
Krueger
Latta
Le Fante
Leggett
Lent
Lujan
McEwen
McKay
Mahon
Mathis
Mazzoli
Metcalfe
Meyner
Milford
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Patterson
Pickle
Pressler
Price
Pritchard
Quayle
Quillen
Railsback
Rangel
Roberts
Roe
Rooney
Rose
Rousselot
Ruppe
Sarasin
Sawyer
Sebelius
Sikes
Sisk
Snyder
St Germain
Stark
Steed
Steiger
Stratton
Taylor
Teague
Thornton
Volkmer
Walgren
Weiss
Whitehurst
Wiggins
Wilson, C. H.
Wydler
Zeferetti

Messrs. APPLEGATE, McDONALD, and REGULA changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. UDALL. Mr. Chairman, I move to strike the last word.

I take this time to advise my colleagues of the status of the debate and see if we cannot expedite and conclude our work this afternoon.

We are now on title VII, which is the last title of the bill. I know of no major amendments left. There is a one-sentence amendment by the gentleman from Wyoming (Mr. Roncalio), that I propose to accept, so it will be my purpose in just a moment to ask unanimous consent that all debate on title VII and any amendments thereto close in 10 minutes, after which the gentleman from Maryland (Mr. Bauman) may have a motion to recommit and we can vote on final passage and conclude our day's work.

Mr. Chairman, I ask unanimous consent that all debate on title VII and on the bill conclude in 10 minutes.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The **CHAIRMAN**. Members standing at the time the unanimous-consent request was made will be recognized for 2½ minutes each.

AMENDMENT OFFERED BY MR. RONCALIO

Mr. **RONCALIO**. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Roncalio: Title VII, section 714, page 359, line 19 through 21, strike subsection (f) and insert a new subsection as follows:
>
> (f) This section shall not apply to Indian lands.

Mr. **RONCALIO**. Mr. Chairman, to make a long story short, we are attempting in this legislation to treat Indians as much as humanly possible with respect, and particularly the request that they make for the management of their affairs in the West.

Mr. Chairman, this amendment is offered on behalf of the National Congress of American Indians, Inc.; the Crow Tribe of the Crow Reservation, Montana; the Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota; and the Arapahoe Tribe of the Wind River Reservation, Wyoming.

It would put back certain respect for the treaty relationship of the tribal reserves, subject to mineral rights and Indian development.

Mr. Chairman, I urge adoption of the amendment.

Mr. **UDALL**. Mr. Chairman, will the gentleman yield?

Mr. **RONCALIO**. I yield to the gentleman from Arizona.

Mr. **UDALL**. Mr. Chairman, we accept the amendment.

Mr. **RONCALIO**. Mr. Chairman, I am happy the gentleman has accepted the amendment. I thank the gentleman.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Wyoming (Mr. Roncalio).

The amendment was agreed to.

The **CHAIRMAN**. The Chair recognizes the gentleman from Oklahoma (Mr. Edwards).

Mr. **EDWARDS** of Oklahoma. Mr. Chairman, I want to first say, as a freshman member of the Committee on Energy, I have been very impressed by the expertise that the members of this committee on both sides of the aisle have brought to this complex issue.

I have also been very impressed by the chairman of the committee and a fairness with which the gentleman has handled this matter. This is not an easy issue for me, because I believe in reclamation. I have supported reclamation in my home State. If this was a reclamation bill, I would suport it without any question; but I think the issue goes beyond reclamation. The issue goes beyond environmental standards, which I think are necessary and which many of the States have moved to adopt.

I think the real problem here is that we have an energy question. There is a great need in this country for more energy. If we could achieve a program or a bill here where we could come up with adequate safeguards for energy production without unduly messing up the environment, I think that is what we would all want.

I believe this bill has gone a little bit too far to satisfy the environmental extremes, and I would urge that Members of this body, if they truly want to preserve the right, as the President has said, to increase coal production in this Nation, I would urge the Members to vote no; or alternatively, to vote to recommit, or to commit this bill to the Ad Hoc Committee on Energy.

The **CHAIRMAN**. The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. **BAUMAN**. Mr. Chairman, my colleagues, when we arrive at the point when the minority traditionally has a right to offer a motion to recommit this legislation, it is my intention to offer, not a motion to recommit, but to offer a motion to commit—to commit this legislation to the Ad Hoc Committee on Energy.

We have heard a great deal of discussion in the days since President Carter addressed the House of Representatives and the Senate, in joint session assembled, about the need for a coordinated energy policy. Indeed, when the gentleman from Texas (Mr. Wright), the majority leader, addressed the House on April 21 and presented the resolution creating the Ad Hoc Committee on Energy, he specifically referred to the need for—and these are his words—"one general, comprehensive overview" to solve our energy problems.

He said further:

> So, this is an effort to permit the House to look at the energy problem as one comprehensive problem, and to treat it as one problem.

That is all my motion will do. Whether Members are for or against this legislation, this is not an effort to delay a strip mining bill. Members will hear the argument that we have had this bill, or similar bills, before us for the last 6 years, but we have never considered a strip mining bill in the context that we consider it today, with more than 50 percent of our petroleum supply coming from abroad; with the Nation facing a critical energy shortage comparable to a national disaster such as a war, as the President said; when nuclear power is under attack and may be curbed. We have a bill before us today which in effect imposes the first Carter energy taxes, which every coal consumer and electric consumer will pay; a bill that will drive up electric costs and hamper the production of coal considerably.

The President has told us that coal must be our principal energy source, and if we have any responsibility in this House it is to consider that request in the context of all our energy needs.

My motion will instruct the Ad Hoc Committee on Energy to hold hearings promptly, consider this strip mining bill and all its ramifications, and return it to the House as part of a comprehensive energy package. It makes no sense to pass a bill which seriously impairs this Nation's ability to deal with its energy needs and pretend that we are dealing with it as it should be dealt with.

I appeal to the Members, support the motion. It will do no violence to the jurisdiction of this committee or its rights. They can bring it back within a reasonable period of time and tell us the true dimensions of what this bill will do and what its effect is. We owe that caution to the people we represent.

AMENDMENT OFFERED BY MR. UDALL

Mr. **UDALL**. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Udall: Insert a new section 719 on page 361, line 23:
>
> On and after the date of enactment no surface coal mining operation shall mine within five hundred feet from underground mines in order to prevent breakthroughs and to protect health or safety of miners: *Provided*, That the regulatory authority shall permit an operator to mine closer to such a mine provided it does not create hazards to the health and safety of miners and the mining activities are jointly approved by the regulatory authorities concerned with surface mine regulation and the health and safety of underground miners or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resources recovery, abatement of water pollution or elimination of hazards to health and safety of the public and such mining shall be consistent with the provisions of this Act.

Mr. **UDALL** (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record.

The **CHAIRMAN**. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. **UDALL**. Mr. Chairman, this is an amendment which I have worked out with the gentleman from West Virginia (Mr. Mollohan) to clarify the ramifications as between underground mining, handled by MESA, and surface mining, governed by this bill.

Mr. Chairman, surface coal mine and underground coal mine operations can be interspersed within the same local area. Provision needs to be made to assure that the activities of one type of operation do not endanger miners in the other type of mine. The regulatory agency concerned with the health and safety of underground and surface miners should approve the mine plan in order to assure the safety of miners.

This amendment stipulates that such an approval be obtained. The conditions of such an approval are to be determined on a mine-by-mine basis and are dependent upon the nature, timing, sequencing of the mine operations as well as the physical characteristics of the mine site.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL).

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, on the motion to recommit, the argument is made by the gentleman from Maryland that we ought to send this to the new Ad Hoc Energy Committee so that we can have it as a part of the energy package. The comprehensive energy policy consists of several things. Some of them will be laws that are already on the books. Some will be the laws that are in preparation, such as this one, in the legislative process. Some will be long-range things we have to do down the road.

The President of the United States, in the energy package he is sending to Congress, does not include the strip mine legislation. He asked in his message before the Congress that we pass this now. So, I do not want H.R. 2 to go to the Ad Hoc Energy Committee; the President does not want it there.

The Energy Director, Mr. Schlesinger, does not want it. The gentleman from Ohio (Mr. ASHLEY) does not want it. The Speaker does not want it. The majority leader does not want it. The only people who want this bill in the Ad Hoc Committee on Energy are people who are opposed to any strip-mining legislation.

Mr. Chairman, the motion to recommit ought to be defeated, and we ought to pass the bill as soon as we can.

Mr. BEVILL. Mr. Chairman, I rise in opposition to H.R. 2, the Surface Mining Control and Reclamation Act of 1977.

While I feel that I must oppose this legislation, at the same time, I would take this opportunity to commend Chairman UDALL and the House Committee on Interior and Insular Affairs for the improvements they have made in this bill over provisions contained in its predecessors.

These improvements considered, it remains my belief that Federal legislation, such as H.R. 2, is not the proper way to enforce an effective reclamation policy in our coal mining States.

It is my contention that reclamation enforcement should be the responsibility of the individual States. This contention is one of three major reasons why I oppose H.R. 2.

Enactment of this legislation would result in more redtape that would obviously be created by the establishment of a new Office of Surface Mining Reclamation and Enforcement. Such an office would be created if H.R. 2 becomes law.

The other reason behind my opposition to this legislation concerns the pressing need for an increase in the production of coal to help meet our energy demands as President Carter illustrated in his recent message to Congress.

Concerning the argument of Federal reclamation enforcement versus State enforcement, it should be noted that 38 States currently have surface mining laws that are being enforced. Adoption of one all inclusive piece of Federal legislation to oversee the reclamation process would weaken and eventually destroy the existing State enforcement programs, most of which have been vastly improved and strengthened in recent years.

The various State laws vary in enforcement procedures and this is as it should be. The State laws differ to take into account the widely differing climate, geology, terrain, biology, soil chemistry, and in some instances even social conditions which are unique to the individual areas.

It is my opinion that the States are doing, for the most part, an adequate job of enforcing existing reclamation laws. Because of the vast natural differences that exist, it seems much more sensible to allow the reclamation process to be handled at the State level. Such an approach seems the logical way to address problems presented by differences in land contours as opposed to trying to provide a single piece of Federal legislation that seeks to include provisions for every particular circumstance.

Approval of H.R. 2 will undoubtedly increase the bureaucratic network. Its approval could lead to years of regulatory delays, litigation, and uncertainty which certainly go against the best interests of our long-range environmental and energy objectives.

The proposed legislation, in present form, leaves itself open to numerous court cases which will have a negative effect on our drive for maximum production of all existing energy sources. Delays will occur as a result of litigation that is seemingly invited by the numerous ambiguities contained in the bill.

In his recent energy message to Congress, President Carter called for a concentrated shift from oil and natural gas as our major energy source to the more plentiful supplies of coal. Despite the helpful amendments that have been made to H.R. 2, unfortunately it still has significant potential for reducing coal production. The fact these production losses would come at a time when coal must be used as our primary energy source seems inconsistent with President Carter's proposed energy policy.

And it is not hard to figure that if a drop in coal production occurs, there will likewise be employment losses. And any measure that would directly or indirectly affect unemployment figures should be avoided.

In summation, H.R. 2 has the power to destroy existing State reclamation laws which are being enforced effectively, to reduce coal production, raise coal costs which will be reflected in higher utility bills for consumers, produce an enormous amount of litigation for the already overworked court system, and seriously impair the Nation's ability to successfully meet the challenge of the very real energy crisis.

For these reasons, all of which are related in some manner to both economic and energy questions, I urge my colleagues to oppose H.R. 2, the Surface Mining Control and Reclamation Act of 1977.

Mr. SAWYER. Mr. Chairman, I wish to add my support for H.R. 2, the Surface Mining Control and Reclamation Act. I have been favorably impressed that the legitimate concerns involved, both coal and environmental interests, have been reckoned with in fairness and sincerity to bring about the legislation before us today.

No one can argue over the basic need to minimize danger to the environment which has often times been overlooked and forgotten after coal has been extracted by strip mining. As we begin to look into the future where we will require increased emphasis on coal, it is essential we resolve the controversy on this issue to allow the orderly development of our Nation's coal reserves.

A workable strip mining bill will permit minor disruption of the environment and allow continued mining of coal. We cannot afford to restrict development of valuable coal resources. Presently coal accounts for only a small percentage of our national energy consumption, however, coal reserves promise to be our best alternative to dwindling oil and gas supplies.

The Congress will soon be considering incentives to encourage industrial use of coal as a primary energy source and we must, therefore, guarantee continued availability of coal at reasonable prices.

I believe H.R. 2 is a sound approach to a complex issue and I urge its passage without further delay.

Mr. STUMP. Mr. Chairman, I rise in opposition to H.R. 2, the Surface Mining Control and Reclamation Act.

We are continually hearing about the energy crisis, the cost of electricity and the need for jobs, particularly outside Phoenix and Tucson and on the Indian reservations.

I voted against H.R. 2 because those three matters have a higher priority for our immediate future than new controls on strip mining. Arizona must have coal to meet its energy needs. Within the next 5 years 80 percent or more of the electricity that our State needs will be produced by coal-fired generators. This bill not only throws up a major roadblock to getting and using new coal, but also establishes a regulatory structure that will raise the cost of coal in general, and electric rates in particular. High electricity rates are hurting every home and business.

We were told during the debate on this bill that H.R. 2 will eliminate uncertainty in the regulation of coal mining and expedite the development of this needed resource. These assertions bring to mind Ralph Waldo Emerson's observation:

"What can be thought can be written." This may be the case in literature but not in legislation.

For example, H.R. 2 would create a new Office of Surface Mining Reclamation and Enforcement with power to carry out extensive environmental controls, de facto Federal land use planning, detailed mining permit application forms and data requirements, unfounded monitoring and enforcement programs, and so on for 181 pages of fine print.

These Federal regulations usurp the rights of Arizonans to make their own decisions about how coal resources should be developed. H.R. 2, will require recruiting a new army of bureaucrats just to police the provisions in this legislation.

Mr. Speaker, I am disappointed that nowhere in the dialog have we talked about the cost of lawsuits to clear up the ambiguities of H.R. 2. I respectfully refer my colleagues to one specific finding in the report prepared for the EPA and CEQ that "imprecise and undefined terms create a high degree of uncertainty in predicting impacts and could likely lead to extensive litigation."

The President has called on the country to increase coal production at least 400 million tons per year. Yet, the EPA/CEQ study also concluded that the prohibitions in this bill could result in loss of more than 50 million tons of coal production during the first year of regulation and as much as 100 million tons each year after that.

In short, the costs and delays of the procedural requirements in this bill are obstacles to the needed expansion of existing surface mines and the development of new mines. These costs will be paid by the ultimate energy consumer. Make no mistake about it, these costs will be substantial, and the benefits alleged to accrue, in my opinion, without basis in either fact or need.

H.R. 2 makes about as much sense as trying to put out a fire by pouring gasoline on it.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, pursuant to House Resolution 523, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. WRIGHT). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BAUMAN. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. BAUMAN moves to commit the bill, H.R. 2, to the Ad Hoc Committee on Energy, with instructions to consider the bill in relation to the message of the President dated April 20, 1977 (H. Doc. 95–128) or any other messages or communications related thereto and to promptly hold hearings thereon.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I shall not take much time, except to say to the gentleman from Arizona (Mr. UDALL) that he is not totally accurate in his assertion that those who support this bill oppose this motion.

The gentleman from Kansas (Mr. SKUBITZ), the ranking minority member, supports this motion. The gentleman from California (Mr. DON H. CLAUSEN), a cosponsor of this bill, testified before the committee that he would like to see this considered as a part of a comprehensive energy policy before it is finally passed. Many others share that view.

Mr. UDALL. Mr. Speaker, if the gentleman will yield, I stand corrected with regard to the majority of the Members the gentleman mentions. I am sorry.

Mr. BAUMAN. I thank the gentleman.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 83, nays 228, answered "present" 1, not voting 121, as follows:

[Roll No. 173]

YEAS—83

Archer
Ashbrook
Bauman
Benjamin
Bowen
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burleson, Tex.
Butler
Caputo
Carter
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Corcoran
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Flippo
Flowers
Fountain
Gammage
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hansen
Hillis
Holt
Hubbard
Hyde
Jacobs
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Lott
McClory
McCormack
McDonald
Marks
Marriott
Martin
Michel
Miller, Ohio
Moore
Myers, Ind.
Nichols
O'Brien
Rhodes
Risenhoover
Robinson
Rudd
Runnels
Satterfield
Shuster
Skubitz
Slack
Smith, Nebr.
Spence
Stump
Symms
Treen
Trible
Vander Jagt
Waggonner
Wampler
Watkins
White
Wilson, Bob
Winn

NAYS—228

Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Armstrong
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Bennett
Bingham
Blanchard
Bolling
Bonior
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Buchanan
Burgener
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Cohen
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cornwell
Coughlin
D'Amours
Danielson
Dellums
Devine
Dickinson
Dicks
Dingell
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Emery
Ertel
Evans, Colo.
Evans, Del.
Fary
Fascell
Fenwick
Findley
Fisher
Flood
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frey
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gore
Gudger
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Harris
Heckler
Hefner
Hightower
Holtzman
Howard
Huckaby
Hughes
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Keys
Kildee
Kostmayer
Krebs
LaFalce
Lagomarsino
Leach
Lederer
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Luken
Lundine
McCloskey
McDade
McFall
McHugh
McKinney
Madigan
Maguire
Mann
Markey
Marlenee
Mathis
Mattox
Meeds
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Moss
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pattison
Pease
Pepper
Perkins
Pettis
Pike
Poage
Preyer
Pursell
Quie
Rahall
Regula
Reuss
Richmond
Rinaldo
Rodino
Rogers
Roncalio
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
Santini
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Simon
Skelton
Smith, Iowa
Solarz
Spellman
Staggers
Stangeland
Stanton
Steers
Stockman
Stokes
Studds
Thompson
Thone
Tonry
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vanik
Vento
Walker
Walsh
Waxman
Weaver
Whalen
Whitley
Whitten
Wilson, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—121

Abdnor
Addabbo
Ashley
Aspin
AuCoin
Badham
Barnard
Beard, Tenn.
Bevill
Biaggi
Blouin
Boggs
Boland
Bonker
Breaux
Brinkley
Burke, Calif.
Burke, Fla.
Cavanaugh
Cederberg
Chappell
Chisholm
Clay
Cleveland

Cotter
Crane
Davis
Delaney
Dent
Derrick
Diggs
Dodd
Downey
Early
Edgar
Eilberg
Evans, Ga.
Evans, Ind.
Fish
Fithian
Florio
Forsythe
Fraser
Frenzel
Fuqua
Gilman
Gradison
Hammerschmidt
Harkin
Harrington
Harsha
Hawkins
Heftel
Holland
Hollenbeck
Horton
Ichord
Ireland
Jeffords
Jenkins
Jones, Tenn.
Ketchum
Koch
Krueger
Latta
Le Fante
Leggett
Lent
Lujan
McEwen
McKay
Mahon
Mazzoli
Metcalfe
Meyner
Milford
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Patterson
Pickle
Pressler
Price
Pritchard
Quayle
Quillen
Railsback
Rangel
Roberts
Roe
Rooney
Rose
Rousselot
Ruppe
Sarasin
Sawyer
Sebelius
Sikes
Sisk
Snyder
St Germain
Stark
Steed
Steiger
Stratton
Taylor
Teague
Thornton
Traxler
Volkmer
Walgren
Weiss
Whitehurst
Wiggins
Wilson, C. H.
Wydler
Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Teague.
Mr. Ireland with Mr. Bevill.
Mrs. Boggs with Mr. Chappell.
Mr. Zeferetti with Mr. Montgomery.
Mr. Boland with Mr. Davis.
Mr. Le Fante with Mr. Milford.
Mr. Cavanaugh with Mr. Abdnor.
Mr. Cotter with Mr. Burke of Florida.
Mr. Harrington with Mr. Gradison.
Mr. Eilberg with Mr. Beard of Tennessee.
Mr. Sikes with Mr. Harsha.
Mr. Biaggi with Mr. Lent.
Mr. Florio with Mr. Crane.
Mr. Pickle with Mr. Jeffords.
Mr. Fithian with Mr. Wydler.
Mr. Koch with Mr. Fish.
Mr. Stratton with Mr. Horton.
Mr. Stark with Mr. Wiggins.
Mr. Metcalfe with Mr. Gilman.
Mrs. Burke of California with Mr. Taylor.
Mrs. Meyner with Mr. Cederberg.
Mr. Volkmer with Mr. Steiger.
Mr. McKay with Mr. Snyder.
Mr. Evans of Indiana with Mr. Frenzel.
Mr. AuCoin with Mr. Railsback.
Mr. Rangel with Mr. Quillen.
Mr. Krueger with Mr. Hollenbeck.
Mr. Weiss with Mr. Lujan.
Mr. St Germain with Mr. Sawyer.
Mr. Mazzoli with Mr. Mitchell of New York.
Mr. Dodd with Mr. Ruppe.
Mr. Diggs with Mr. Pressler.
Mr. Dent with Mr. Sarasin.
Mr. Delaney with Mr. Rousselot.
Mr. Breaux with Mr. Hammerschmidt.
Mr. Ashley with Mr. Badham.
Mr. Aspin with Mr. Rose.
Mr. Fraser with Mr. Steed.
Mr. Fuqua with Mr. Mahon.
Mr. Price with Mr. Mottl.
Mr. Roberts with Mr. Evans of Georgia.
Mr. Rooney with Mr. Early.
Mr. Sisk with Mr. Downey.
Mr. Bonker with Mr. Derrick.
Mr. Blouin with Mr. Cleveland.
Mr. Barnard with Mr. Brinkley.
Mr. Hawkins with Mr. Edgar.
Mr. Heftel with Mr. Forsythe.
Mr. Roe with Mr. Harkin.
Mr. Moakley with Mr. Holland.
Mrs. Chisholm with Mr. Pritchard.
Mr. Clay with Mr. Quayle.
Mr. Thornton with Mr. Sebelius.
Mr. Traxler with Mr. Walgren.
Mr. Charles H. Wilson of California with Mr. Whitehurst.
Mr. Ichord with Mr. Jones of Tennessee.
Mr. Jenkins with Mr. Ketchum.
Mr. Murphy of Illinois with Mr. Latta.
Mr. Moorhead of California with Mr. Leggett.

Mrs. SMITH of Nebraska and Mr. WHITE changed their votes from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. UDALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 241, nays 64, answered "present" 1, not voting 127, as follows:

[Roll No. 174]

YEAS—241

Akaka
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Armstrong
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bingham
Blanchard
Bolling
Bonior
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Caputo
Carney
Carr
Clausen, Don H.
Cohen
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Coughlin
D'Amours
Danielson
Dellums
Dicks
Dingell
Dornan
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Fary
Fascell
Fenwick
Findley
Fisher
Flippo
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frey
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goodling
Gore
Gudger
Guyer
Hagedorn
Hamilton
Hannaford
Harris
Hefner
Hillis
Holtzman
Howard
Huckaby
Hughes
Hyde
Jacobs
Jenrette
Johnson, Colo.
Jones, N.C.
Jordan
Kasten
Kastenmeier
Keys
Kildee
Kostmayer
Krebs
LaFalce
Lagomarsino
Leach
Lederer
Lehman
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Luken
Lundine
McClory
McCloskey
McDade
McFall
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Mattox
Meeds
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Moss
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Myers, Ind.
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pattison
Pease
Pettis
Pike
Preyer
Pursell
Quie
Rahall
Regula
Reuss
Richmond
Rinaldo
Rodino
Rogers
Roncalio
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
Santini
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Simon
Skelton
Skubitz
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stangeland
Stanton
Steers
Stockman
Stokes
Studds
Thompson
Thone
Tonry
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walker
Waxman
Weaver
Whalen
White
Whitley
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—64

Archer
Ashbrook
Bauman
Bowen
Burleson, Tex.
Butler
Carter
Clawson, Del
Cochran
Collins, Tex.
Daniel, Dan
Daniel, R. W.
de la Garza
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edwards, Okla.
English
Flynt
Gammage
Goldwater
Gonzalez
Grassley
Hall
Hansen
Hightower
Holt
Hubbard
Johnson, Calif.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Lott
McCormack
McDonald
Mann
Marriott
Mathis
Miller, Ohio
Moore
Natcher
Perkins
Poage
Rhodes
Risenhoover
Robinson
Rudd
Runnels
Satterfield
Shuster
Slack
Spence
Stump
Symms
Treen
Trible
Waggonner
Wampler
Watkins
Whitten
Young, Tex.

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—127

Abdnor
Addabbo
Alexander
Ashley
Aspin
AuCoin
Badham
Barnard
Beard, Tenn.
Bevill
Biaggi
Blouin
Boggs
Boland
Bonker
Breaux
Brinkley
Burke, Calif.
Burke, Fla.
Cavanaugh
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cotter
Crane
Davis
Delaney
Dent
Derrick
Diggs
Dodd
Downey
Early
Edgar
Eilberg
Evans, Ga.
Evans, Ind.
Fish
Fithian
Florio
Forsythe
Fraser
Frenzel
Fuqua
Gilman
Gradison
Hammerschmidt
Hanley
Harkin
Harrington
Harsha
Hawkins
Heckler
Heftel
Holland
Hollenbeck
Horton
Ichord
Ireland
Jeffords
Jenkins
Jones, Tenn.
Ketchum
Koch
Krueger
Latta
Le Fante
Leggett
Lent
Lujan
McEwen
McKay
Mahon
Mazzoli
Metcalfe
Meyner
Milford
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Patterson
Pepper
Pickle
Pressler
Price
Pritchard
Quayle
Quillen
Railsback
Rangel
Roberts
Roe
Rooney
Rose
Rousselot
Ruppe
Sarasin
Sawyer
Sebelius
Sikes
Sisk
Snyder
St Germain
Stark
Steed
Steiger
Stratton
Taylor
Teague
Thornton
Traxler
Tucker
Volkmer
Walgren
Walsh
Weiss
Whitehurst
Wiggins
Wilson, C. H.
Wydler
Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Teague against.
Mr. Ireland for, with Mr. Bevill against.
Mr. Rangel for, with Mr. Roberts against.
Mr. Le Fante for, with Mr. Montgomery against.
Mr. Eilberg for, with Mr. Jones of Tennessee against.
Mr. Zeferetti for, with Mr. Milford against.
Mr. Cotter for, with Mr. Davis against.
Mr. Gradison for, with Mr. Sebelius against.
Mr. Frenzel for, with Mr. Taylor against.
Mr. Steiger for, with Mr. Badham against.
Mrs. Heckler for, with Mr. Lujan against.
Mr. Boland for, with Mr. Volkmer against.

Until further notice:

Mr. Rooney with Mr. Aspin.
Mrs. Boggs with Mr. Abdnor.

Mr. Biaggi with Mr. Fish.

Mr. Fuqua with Mr. Gilman.

Mr. Price with Mr. Whitehurst.

Mr. Pepper with Mr. Horton.

Mr. Sikes with Mr. Burke of Florida.

Mr. Heftel with Mr. Ruppe.

Mrs. Burke of California with Mr. Hollenbeck.

Mr. Delaney with Mr. Latta.

Mr. Dent with Mr. Lent.

Mr. Mazzoli with Mr. Mitchell of New York.

Mr. Traxler with Mr. Sarasin.

Mr. Charles H. Wilson of California with Mr. Ketchum.

Mr. Weiss with Mr. Cederberg.

Mr. Krueger with Mr. Patterson of California.

Mr. Sisk with Mr. Forsythe.

Mr. St Germain with Mr. Hammerschmidt.

Mr. Murphy of New York with Mr. Quayle.

Mr. Florio with Mr. Cleveland.

Mr. Downey with Mr. Wiggins.

Mr. Dodd with Mr. Snyder.

Mr. McKay with Mr. Crane.

Mr. Derrick with Mr. Pressler.

Mr. Diggs with Mr. Quillen.

Mr. Clay with Mr. Harsha.

Mrs. Chisholm with Mr. Rousselot.

Mr. Chappell with Mr. Sawyer.

Mr. Cavanaugh with Mr. Wydler.

Mr. Breaux with Mr. Pritchard.

Mr. Bonker with Mr. Walsh.

Mr. Jenkins with Mr. Railsback.

Mr. Ichord with Mr. Tucker.

Mr. Hawkins with Mr. Thornton.

Mr. Harrington with Mr. Stratton.

Mr. Harkin with Mr. Steed.

Mr. Ashley with Mr. Evans of Georgia.

Mr. Holland with Mr. Fraser.

Mr. Blouin with Mr. Hanley.

Mr. AuCoin with Mr. Koch.

Mr. Beard of Tennessee with Mr. Fithian.

Mr. Early with Mr. Jeffords.

Mr. Edgar with Mr. Leggett.

Mr. Evans of Indiana with Mr. Mahon.

Mrs. Meyner with Mr. Metcalfe.

Mr. Barnard with Mr. Moorhead of California.

Mr. Moakley with Mr. Mottl.

Mr. Murphy of Illinois with Mr. Roe.

Mr. Pickle with Mr. Rose.

Mr. Stark with Mr. Brinkley.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BAUCUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous matter, on H.R. 2, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished acting majority leader as to whether or not he is in a position to inform us as to the program for the balance of the week and for next week.

Mr. BRADEMAS. Mr. Speaker, if the distinguished minority leader will yield, I will be happy to respond to the gentleman's inquiry.

Mr. RHODES. I yield to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, on Monday the House will meet at noon. We will call the Consent Calendar. Under suspension of the rules, there are six bills scheduled. They are:

H.R. 6550, omnibus territories;

H.R. 4390, San Luis unit Central Valley project authorization;

S. 35, ERDA, R. & D. authorization, fiscal year 1977;

H.R. 5025, construction of VA medical facilities;

H.R. 4007, income tax amendments for State legislators; and

H.R. 4962, to extend Defense Production Act of 1950.

Votes on suspensions will be postponed until the end of all suspensions.

Following the suspensions, there are two House committee funding resolutions schduled:

House Resolution 334, Funding for Legal Intervention in A.T. & T. Cases, and House Resolution 489, Select Committee on Congressional Operations.

On Tuesday the House meets at noon. We will call the Private Calendar, which will be followed by one suspension, H.R. 6415, Export-Import Bank Act extension;

Conference report on H.R. 11, the public works jobs bill.

H.R. 6179, Arms Control and Disarmament Agency authorization, under an open rule with 1 hour of debate;

H.R. 4049, U.S. Railway Association authorization, under an open rule with 1 hour of debate.

On Wednesday the House will meet at 3 o'clock.

Resolutions on certain contested House seats are scheduled. They are:

House Resolution 525, Saunders against Kelly (Fifth District, Florida);

House Resolution 526, Paul against Gammage (22d District, Texas);

House Resolution 527, Young against Mikva (10th District, Illinois); and

House Resolution, 528, Pierce against Pursell (Second District, Michigan).

The House will also consider H.R. 6689, Foreign Relations Authorization Act for fiscal year 1978, subject to a rule being granted.

On Thursday, the House will meet at 11 a.m. and we will consider the first budget resolution for fiscal year 1978, subject to a rule being granted.

On Friday, the House will meet at 11 a.m., and we will consider H.R. 6655, Housing and Community Development Act of 1977, subject to a rule being granted.

The House will adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. RHODES. Would the distinguished acting majority leader tell us whether or not it might be possible that the majority leadership would ask to meet at 10 o'clock on Thursday instead of 11 o'clock?

It is my understanding that it is desired that we not be in session late on Thursday, and because of the material that will be before the House there is going to be considerable time consumed. It just strikes me that it might be better to meet at 10 a.m. so we can be fairly sure—at least we hope we can—of finishing the budget resolution on Thursday.

Mr. BRADEMAS. Mr. Speaker, although I am not in a position to give the distinguished minority leader that assurance, I shall be glad to call his suggestion to the attention of the Speaker and the majority leader.

Mr. RHODES. Mr. Speaker, I understand that the rule providing for consideration of the first budget resolution will be a rule very similar or, hopefully, identical to the rule which was asked for previously.

Mr. BRADEMAS. Mr. Speaker, I can only give the minority leader my understanding. I can give him no assurance of that because I was not involved in that particular conversation, but I understand that that is the attitude of the chairman of the Committee on the Budget.

Mr. RHODES. Mr. Speaker, I thank the gentleman.

PERMISSION FOR COMMITTEES TO HAVE UNTIL MIDNIGHT, MONDAY, MAY 16, 1977, TO FILE REPORTS ON BILLS AUTHORIZING NEW BUDGET AUTHORITY

Mr. BRADEMAS. Mr. Speaker, since May 15 this year falls on a Sunday, I ask unanimous consent that for the purposes of section 402 of the Budget Act the committees of the House may have until midnight, Monday, May 16, to file reports on bills authorizing new budget authority for fiscal year 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 2, 1977

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

IS PAUL WARNKE A SALT-SHAKER?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, reports in recent columns by Evans and Novak and William Safire state that chief American SALT negotiator, Paul Warnke, agreed to a 600 kilometer—373-mile—limit on cruise missiles in discussions with the Soviet Union's negotiators on March 28, 1977.

If it were not for the reports of these dedicated journalists we would have no knowledge of this concession for no one in the administration has said a word about it. Evans and Novak report that perhaps Presidential Security Adviser Zbigniew Brzezinski and quite possibly the President himself were not immediately notified of the proposed limitation. As the columnists point out:

> The Soviets are far behind the United States in cruise missile development so such limitations hurt them less. Moreover, the 600-kilometer limit cannot be verified—supposedly a no-no in SALT.

Declarations of American intentions to give up important negotiating positions are bad enough—but when such a declaration is made without the immediate notification to the President, our entire position on SALT is shaken to its foundations. Warnke, it would seem from these reports is exactly the kind of SALT-shaker his critics said he would be. Columnist Patrick Buchanan has suggested that Warnke would be a "loser" in SALT negotiations. Recent events appear to justify Buchanan's claim.

Later in the day I will insert into the RECORD the Evans and Novak, William Safire, and Patrick Buchanan columns.

EXPRESSING GRATITUDE TO JIMMY DEAKINS

(Mr. **BENNETT** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, I take this moment to call attention of the House to the fact that a beloved employee of our committee, Jimmy Deakins, this month completes 30 years of service to the Armed Services Committee.

Jimmy Deakins has been a clerical assistant to the committee since April of 1947, shortly after the Armed Services Committee was formed. He is a familiar figure around Capitol Hill. All of us on the Armed Services Committee appreciate his faithful service and I am delighted to have this opportunity to express our gratitude.

LET US DO WHAT HONOR DEMANDS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. HYDE) is recognized for 5 minutes.

Mr. HYDE. Mr. Speaker, 1 month ago I introduced a resolution directing the Secretary of Defense, at the earliest opportunity, to inter an Unknown Soldier from the Vietnam war at Arlington National Cemetery.

Today I am pleased to reintroduce my resolution with 59 cosponsors.

The 93d Congress passed the National Cemeteries Act—Public Law 93-43—which contained a provision for the interment of an unknown from the Vietnam war in Arlington National Cemetery.

The act further provided that—

> The implementation of this section shall take place after the United States has concluded its participation in hostilities in Southeast Asia, as determined by the President or the Congress of the United States.

Since then, the war in Vietnam has been concluded, but the crypt, built between the tombs housing the World War II and Korean war unknowns and completed in 1974, remains vacant.

The Vietnam war was unusual in nature, with few set battles and little conventional enemy artillery, and because of our advanced state of forensic and pathological science, all bodies, with the exception of six now at the Army Identification Laboratory in Hawaii, have been identified.

Of the six unknown remains in Hawaii, four have been associated with an action and eventual identification is almost certain. Of the remaining two, there is no real evidence that they were American servicemen.

Nevertheless, because of the existence of remains in Vietnamese hands, it is entirely possible that there may someday be an unknown American serviceman from the Vietnam war.

Until an Unknown Soldier from the Vietnam war is placed in the crypt at Arlington Cemetery, there cannot, under present regulations, be a display of medals, ribbons, and tributes to honor the Vietnam veterans.

My resolution, therefore, is a symbolic gesture to the families and loved ones of those who answered their country's call in Vietnam.

Mr. Speaker, as I pursued this matter further, I felt that it was inadequate to offer my resolution solely as a symbolic gesture.

Never has a war been less popular with Americans, and never have the servicemen who fought for their country received so little recognition and support from their fellow citizens. This country has not yet honored the servicemen who made the supreme sacrifice.

We can still do what honor demands, and I urge each and every one of my colleagues to join me as cosponsors of the bill I am introducing today that will show to all people that the United States of America pays tribute, now, to the men who answered their country's call to serve in Vietnam.

My bill directs the Secretary of Defense to cause to be placed, with an appropriate symbolic ceremony—

First, a permanent display of representative medals, ribbons, and tributes of the Vietnam era; and

Second, a plaque, bearing an inscription, on the crypt in the Memorial Amphitheater in the National Cemetery at Arlington, Va., which has been prepared for the remains of an American who was a member of the Armed Forces of the United States, who served in Southeast Asia, who lost his life during the Vietnam era, and whose identity has not been established.

The plaque shall bear the inscription:

> Let all people know that the United States of America pays tribute to the men who answered their country's call to serve in Vietnam.

My bill further provides that, at such time as the remains of an American Vietnam unknown are placed in the crypt, the above-mentioned plaque shall be removed and an appropriate inscription, as determined by the Secretary of Defense, shall be placed in the crypt.

The men who answered their country's call to Vietnam are entitled to the same recognition accorded those who served in other wars. The courage and conviction, determination and devotion that these men displayed in a strange, distant and unpopular war must place them in the very front ranks of all the heroes in our history to whom the concept of "duty" was more than a word.

The President has granted a full pardon for Vietnam-era draft evaders, and called for upgrading undesirable and general discharges, as a program of "forgiveness and compassion."

It is uniquely appropriate that Congress do what honor demands and put itself on record by honoring those who, at great sacrifice, served in obedience to the law, above and beyond the call of duty.

My bill does not detract in any way from the appropriate ceremony that will take place when a Vietnam unknown is selected.

I urge you to join me—to cosponsor my bill for a Vietnam memorial at Arlington National Cemetery.

Let us do what honor demands.

MILITARY MUST MOVE FORWARD IN WEAPON DEVELOPMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, I strongly believe that one of the key issues facing our Nation in the months ahead is national defense. Unless we are willing to make the necessary financial commitment, we risk becoming a second rate military power.

The Soviet Union is presently engaged in a massive military buildup. This buildup is taking place in all facets of the Armed Forces, including the Army, Air Force, and Navy. The Soviets are also moving ahead with development of nuclear forces.

While the United States has been voluntarily cutting back on military expenditures, the Soviet Union has followed another course. Soviet actions have been designed to increase her overall military strength. The incredible rate of growth in Soviet military strength is far beyond defensive needs. This should be of concern to all Americans.

The newly formed Committee on the Present Danger, an independent and nonpartisan organization, has warned that Soviet militarism poses a major threat. According to the committee:

> The principal threat to our nation, to world peace, and to the cause of human freedom is the Soviet drive for dominance based upon an unparalled military buildup.

Yet the United States has been steadily decreasing its military expenditures. Taking inflation into account, the decrease has been at the rate of about 3 percent a year. Consequently U.S. defense spending, as a percentage of our total gross national production, is now the lowest that it has been in the past 25 years.

The Soviets, on the other hand, have been increasing military expenditures at a rate of 3 to 4 percent annually. This is rapidly moving them toward a position of military dominance. The Committee on the Present Danger puts it this way:

> The experts disagree as to whether the Soviet Union is already ahead of the United States in military strength, either overall or in particular theatres. However, we are convinced, and there is widespread agreement among knowledgeable experts, that *if past trends continue, the USSR will within several years achieve strategic superiority over the United States.*

Some experts believe this has already happened. Lt. Gen. Daniel O. Graham, in a speech delivered several months ago, summed up the great Soviet advances made during the past decade.

The Soviets—Graham asserts—

> have come from far behind and forged ahead of the United States in strategic weaponry.

And here are the statistics from a Library of Congress study that he cites to back it up.

In intercontinental missiles we have gone from 600 ahead to about 600 behind.

In Polaris-type submarines we have gone from 16 ahead to 13 behind.

In intercontinental bombers we have gone from 500 ahead to 300 ahead.

In tactical aircraft we have gone from 2,900 ahead to 350 behind.

In ground force divisions we have gone from 130 behind to 150 behind.

In major surface ships we have gone from 130 ahead to 70 behind.

In strategic defense missile launchers we stand at 10,000 to zero.

In medium and intermediate range missiles we stand at 500 to zero.

In antiballistic missile launchers we stand at 64 to zero.

In men under arms we stand at 4.8 million to 2.1 million.

And the Soviet Union is outspending us on military capabilities by $50 billion a year.

Thomas H. Moorer, admiral, U.S. Navy, retired, takes an equally dim view of the situation. Moorer believes:

> The strategic balance is definitely shifting in favor of the Soviet Union . . . the Soviet threat is real—and it is growing.

Speaking in regard to naval forces, Moorer points out that Soviet naval capabilities have increased significantly over the past decade while the U.S. Navy has been cut back. According to Moorer:

> In naval manpower the U.S. has experienced a 23 percent reduction over the last decade; a 50 percent reduction in ships; a 31 percent reduction in aircraft; and the total tonnage of the Navy has been reduced 22 percent.

These are disturbing figures. We cannot allow this trend to continue without imperiling our national security.

One important step would be to give a go-ahead to full production of the B–1 bomber. Our Nation needs the B–1 bomber as soon as possible. To run the production line at a snail's pace only adds to the cost of the program and postpones this valuable addition to our national defense.

The B–52 aircraft fleet has done an outstanding job for our Nation. It is, however, growing old. We should be rapidly replacing the aging B–52 bomber fleet with the B–1 bomber. I strenuously oppose any attempt to halt or further delay production of the B–1.

I also support moving forward at top speed with the Trident ballistic missile submarine. The Trident, which is needed to replace the older Polaris, is a vital part of our future strategic capabilities. Its long-range missiles and quiet running offer a highly survivable nuclear deterrent. Any attempt to cut back on this program should be rejected.

In addition, we should reject the proposal to eliminate 41,600 Navy Selected Reservists. Such a cutback would have an adverse impact on the overall readiness of the Navy. The readiness capabilities of these people have an important role in our present defense strategy.

In the defense appropriation bill H.R. 4950 and the budget fights earlier this week, I voted for full defense funding and for research and development in military hardware to keep the United States strong and free.

LOBBY REFORM PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, today I am joining as a cosponsor of the Public Disclosure of Lobbying Act of 1977. This measure is the lobby reform proposal authored by Mr. RAILSBACK and Mr. KASTENMEIER, and is similar to the bill overwhelmingly passed by the House last year. The bill has been modified, and the changes constructively address many of the objections to this legislation which were raised during last year's debate on lobby reform.

Last year's 307 to 34 vote on final passage of lobbying reform legislation shows the virtually universal agreement that the present law is inadequate. Existing legislation is encumbered by loopholes and ambiguities so that many organizations have escaped coverage. Presently, the two key elements which are necessary for proper regulation of lobbying activities, complete coverage of all interest groups, and an enforcement mechanism, are lacking. These problems would be corrected by the legislation which I am cosponsoring. The definition of lobbyist is expanded to include all except for the smallest groups, and the information which must be reported will provide a better summary of lobbying activities. Additionally, the Comptroller General is given the power and responsibility for enforcement of the regulations. This is crucial if we are to avoid a recurrence of our present problem of a law which is virtually useless.

In addition to my interest in opening the lobbying process to public scrutiny, I am concerned that the right of individuals and groups to petition their Government not be restricted. Last year, objections were made that the lobby reform bill would infringe on the first amendment right to petition the Government. However, this year's bill has been improved to insure that regulation of lobbying does not become restrictive. No reporting requirements are placed upon communications with home district representatives, personal communications, communications made at the request of Government agencies, or groups which would be so burdened as to be restricted in their efforts to make their views known to the Government. The safeguards contained in this legislation will enable the decisionmaking process to be open to public scrutiny without limiting access to the Government.

If our Government is to be representative, then it is essential for interest groups with a wide range of views to have the opportunity to make their ideas known. Groups representing virtually every facet of life should be able to make their views known at all levels of government. In addition to providing a healthy competition of ideas, these groups provide much valuable information to public officials which might not otherwise be available. Certainly we in Congress are better able to act, because of the information we receive from lobbyists.

But if we are to restore public confidence in Government, then it is essential that we act promptly to fully disclose the activities of lobbyists. Only in this way will it be possible to dispel the mysterious, sometimes sinister image of lobbyists that many Americans hold. The Railsback-Kastenmeier proposal provides a fair balance between the public's right to know and a citizen's right to petition his Government. This measure does not restrict legitimate lobbying. Rather, it assures accountability.

I am pleased that the Subcommittee on Administrative Law and Government Relations of the House Judiciary Committee is concluding hearings on lobby reform proposals tomorrow, and will begin the markup process next month. Quick action on this measure is necessary so that the new reporting requirements can be implemented as soon as possible. It is my hope that the committee will continue to expedite its consideration of this matter so that it may be brought to the House floor in the near future.

PRESIDENT CARTER'S ENERGY PROPOSALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr.

Speaker, President Carter has placed his energy program at the doorstep of Congress and you can be sure that his proposals will be the subject of great study and debate.

I agree that we are facing a crisis situation and that a national policy is badly needed. In fact, I have been calling for such a national policy for years. But the question at hand is, do President Carter's proposals offer the best solutions to our problems?

I will be looking at each of his proposals carefully in the days ahead. They merit serious consideration.

There are several committees of the House that handle energy-related matters. Because this can create considerable confusion, we have formed a special committee on energy to coordinate the overall package.

By far the most controversial aspects are the provisions which could boost fuel prices for consumers and encourage motorists to drive smaller cars. The proposals affecting motorists could increase gasoline prices by 57 cents in 10 years and boost the price of a large automobile by almost $2,500 by 1985.

Many economists fear that the President's proposals would limit economic growth and worsen unemployment problems. Billions in tax dollars would be transferred from middle-income taxpayers to low-income groups.

In general, the program will attempt to induce conservation through use of taxes on gasoline, on fuel inefficient cars, and on industrial use of natural gas and oil. Quite frankly, I have doubts as to whether a tax on gasoline will have any great effect on consumption. In some European countries where the price is already exorbitant, I have not noticed any great collective conservation. As long as gas is available, it most likely will continue to be used.

At the same time, these taxes do nothing to increase the production of gas and oil. They also discriminate against rural and suburban areas where a greater distance has to be traveled daily, and they discriminate against large families and groups that already carry a heavy share of the tax burden.

In my opinion, the free market should determine the price of gas and oil. The only tax should be on the excess profits of those who try to take advantage of the consumer.

The President's tax program places more reliance on forced restraint and overemphasizes collecting taxes rather than giving tax credits. The use of the tax and debate mechanism is an inefficient use of our resources in that the administrative cost of collection and redistribution of funds is enormous and adds to the already large cost of Government.

Oil and gas decontrol should have been included in the program as an incentive to the exploration and production of new sources. Secondary—such as we have going in our Citronelle field in Alabama—and tertiary recovery of old oil are essential to total recovery of oil and gas. But you cannot have secondary and tertiary recovery if you put a ceiling on the price of oil. These processes are just too expensive.

In order to save oil and natural gas, the President has proposed that industry convert to coal as a basic fuel. That makes sense. Because of our clean air requirements, much of our coal is below EPA standards. So even today we find that we are exporting hundreds of thousands of tons of coal, while at the same time we are importing about the same amount of coal that does meet our standards.

It is all very confusing. But we must try to solve the problem. If we do not face up to the problem now, the future of this country could be bleak.

SUGAR PROCESSOR PAYMENTS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, all winter and spring I have been following the rumor and gossip concerning the inauguration of direct Government payments to sugar processors under dubious legislative authority.

It has come to my attention today that such sugar processor payments are imminent due to a decision by the White House. I have sent the following telegram to President Carter to protest this action:

APRIL 29, 1977.

Hon. JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It has just come to my attention that your administration is about to announce a subsidy of two cents a pound to sugar processors. I wish vigorously to protest this action for five reasons: (1) It is of dubious legality; (2) It is unfair to taxpayers to subsidize sugar companies with million dollar payments at a time when there are adequate supplies and profits for these firms; (3) It is inequitable to corn producers and processors; (4) It is untimely, as sugar prices have recently increased; (5) It is contrary to recent assurances given to Congress on the public record by Agriculture Secretary Bergland.

The two-cent subsidy is expected to cost at least $250 million this year—an amount neither budgeted nor considered by the Congress.

I respectfully urge that you suspend further action until Congress can hold hearings.

PAUL FINDLEY,
Member of Congress.

It is incredible to think, in light of the colloquy I had with Secretary Bergland during House Agriculture Committee farm bill hearings on March 24, 1977, that such action could be taken. I quote from the official transcript of the committee hearing:

Mr. FINDLEY. Could you give us assurance that, if a processor payment is to be put into effect, you would first ask approval of the Congress?

Secretary BERGLAND. I am not even sure that we can make a processor payment. Can we?

I am told we can. That is one legal option we have.

From a policy perspective, it is not one that I think I could recommend, however.

We have some unique problems in sugar which we do not have time to go into today. I have been rather upset to hear the criticism of some of our proposals that have been leveled at us by certain elements of the industry.

The refining margins of imported sugars have doubled in the last four years—doubled, from $3 a hundred to $6 a hundred. They are really not in a position to criticize the sugar producers of this country.

The payment program is grossly unfair to producers and processors of corn, and for this reason alone it should be rejected.

In this connection, a review of the corn refining industry and its importance to the Nation's economy is timely.

By any numerical standard, corn is the most important single crop in the United States. Any factor affecting production and demand influences the income of millions of farm families.

Other than sales for feed, the most important domestic user of corn is the corn refining industry. Most significantly, this industry, a nonsubsidized user of domestically produced corn, has been expanding its demand steadily for grain. Witness the following USDA data on corn utilization by corn refiners:

	Million bushels
1968	207
1969	216
1970	242
1971	246
1972	284
1973	295
1974	315
1975	345
1976	365

This corn utilization is about 10 percent of the corn sold by farmers.

It should be noted that this study expansion in utilization and demand affected the prices farmers received for their sales of corn. I would estimate conservatively that this demand in the current year increased the price farmers received by some 25 to 30 cents per bushel. This increased value of sales was between $1 and $1.2 billion. In terms of value of the corn crop, it amounted to between $1.5 to $1.8 billion.

Due to the high prices generated by the steadily increasing corn refinery demand, 1976–77 export earnings from corn sales will have increased by about $450 to $500 million. In addition, there were export sales of products of corn refining amounting to about $250 million, estimated for 1976–77.

It must not go unnoticed that in addition to the direct and indirect contributions to export earnings, the corn refining industry has reduced the import demand for sugar. The February 1977 USDA sugar and sweetener report states as follows:

Preliminary information indicates corn sweetener shipments for food use in calendar 1976 totaled about 3.3 million short tons (dry basis), up about 10 percent from 1975 according to trade sources. Conventional corn sirup shipments totaled less than 2 million tons (dry basis), about the same as in 1975, while dextrose shipments for food use totaled over 500,000 tons in 1975, up slightly from the previous year.

If we use the 3.3 million ton figure, the import savings were of the order of

$600 million. For high fructose corn sweetener alone, the import foreign exchange savings were about $200 million. The net contribution of this industry to a favorable balance of trade is in the area of $1 billion to $1.5 billion.

Another value of this industry is that it is unaffected by longshoremen strikes.

The location of the corn refining plants is close to the source of production—in the North Central "Corn Belt" States. This is making a contribution to the general policy of rural development of USDA.

Employment in this industry amounts to 15,000.

Somewhere there has emerged a myth regarding potential expansion to 4 million tons of high fructose corn sweetener. Based on the best industry estimates, the capacity by the middle of 1978 will be only about 2 million tons. There is a very high cost involved in expanding this industry—$1,500 to $2,000 per bushel of daily capacity. There is no likelihood of a doubling of the capacity by 1980. The additional fructose projected would require an additional 80 million bushels.

The wet milling of corn is a continuous process—all parts must be run as an integrated whole. No one product can be produced without corn grinding, finishing, and byproducts departments running at the same time. It is impossible to produce some critical or essential products without also producing some of the other items of the corn refining industry. The activity, therefore, cannot be fractionalized on a product-by-product evaluation, but must be considered on an industrywide basis.

NBC ADDRESSES IMPORTANT QUESTIONS ABOUT THE 1980 OLYMPIC GAMES IN MOSCOW

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. **KEMP**. Mr. Speaker, last week questions were raised concerning NBC's agreement with the Soviet Union to carry the 1980 Olympics via satellite from Moscow to the American viewing audience. Those questions, all valid and pertinent, had been raised initially in nationally syndicated news and sports columns. Those questions and columns can be found in the RECORD of April 21, at pages 11611-11612.

I had an opportunity yesterday to meet in my office with an executive of NBC about this matter. We had a thorough discussion, including what NBC has and has not agreed to.

I indicated in my remarks last week that I—that my concern was over what Moscow had insisted upon and the way in which some of its reported terms for an agreement might constitute a flagrant Soviet propaganda offensive.

The concerns which I expressed are shared by NBC. They have gone into this with open eyes as to what Soviet intentions may be, and they have assured me that if the Soviets play games—trying to prevent coverage of certain events, excluding participants from the games, et cetera—NBC will report them fully. They have also assured me that NBC will have total control of program content and transmission and will leave no sophisticated electronics equipment behind.

NBC said that it was fully aware the Soviets will probably clear from Moscow, Leningrad, Tallinn, Kiev, and Minsk—the cities where parts of the games will be held—those people who do not toe the party line or who may try to bring attention to human rights issues, et cetera. But that is not the fault of NBC. If it is anyone's fault, it is the International Olympics Committee for having put the games in a repressive, closed Soviet. And that is true with respect to the concern that the Soviets will use the event as a propaganda offensive, trying to show the world that they and their society are just like all others. These questions are addressed best at the site selection committee level. We will have to wait and see what the Soviet propaganda offensive is and how much of it they manage to get on the air.

NBC left with me a factsheet on its agreement, and I wish to include that in the RECORD for the benefit of my colleagues. I can assure them that if additional questions arise from this factsheet or subsequent columns, they will be similarly addressed to NBC.

The factsheet follows:

NBC FACTSHEET XXII OLYMPIAD

Opening Ceremonies for the 1980 Olympic Games in Moscow are scheduled for Saturday, July 19. Closing Ceremonies will be held Sunday, Aug. 3.

These 16 days of the 22nd Olympiad will mark the biggest event in sports history. NBC intends to make it the biggest event in television history.

The attached information is designed to answer the questions being asked about NBC's planned coverage, the events that led up to the agreement, how much NBC paid, etc.

For your convenience, the material is divided into three sections:

(1) How NBC will cover the Olympics;
(2) Chronology and background; and
(3) Terms of the agreement.

HOW NBC WILL COVER THE OLYMPICS

During the 16 days of what will be the biggest international sports event in history, the NBC Television Network will present an unprecedented 150 hours of coverage. This will double the 75 hours of coverage ABC provided last year at Montreal and permit for the first time extensive coverage of all events.

Olympic plans include 24 sports involving approximately 200 separate events in Moscow, Leningrad, Tallinn, Kiev and Minsk with more than 12,000 athletes and team officials.

An NBC first will be presentation of Olympic coverage every day in every day part—morning, afternoon, prime time and late night. The seven-hour summer time differential between Moscow and New York will permit live coverage of certain major events.

There will be prime-time coverage every night that will total more than 65 hours. In addition, there will be several hours of coverage each day during morning and afternoon time periods and a late-night wrapup.

NBC will operate a Broadcast Center in Moscow, from which television programming will be fed via microwave circuits to the Moskva Intelsat transmitting station 200 kilometers from Moscow, then sent via the Intelsat satellite to a receiving station in the United States and then fed via AT&T circuits to New York and the NBC Television Network facilities.

In addition to the cameras provided by the Soviets at all events (each of which will feed signals into NBC Broadcast Center), NBC will have its own cameras at all major venues—track and field, gymnastics, boxing, swimming, basketball and wrestling. This will allow NBC to provide more in-depth coverage than ever before of American teams, plus interviews by NBC commentators.

The Soviets are purchasing 196 color cameras and 40 "slo-mo" videotape recording machines to supplement the equipment they already have. Every press venue and many other locations in the Olympic complex will have television monitors—1740 monitors in all.

NBC will add to this massive equipment array enough mobile cameras of its own to provide a "flying squad" for additional exclusive NBC coverage at all locations.

All these pictures from all these cameras, the "raw material" of NBC's Olympic coverage, will be fed into NBC Broadcast Center—up to 15 different feeds at a time from each of the locations where Olympic competition is taking place—for editing into program packages that will be fed to the United States in finished form.

NBC will have 250–300 people in Moscow. Names of the NBC Olympic broadcasting team—including experts in each sport—will be announced later.

NBC is organizing an Olympic Task Force, composed of executives from all areas of the company. Many will begin immediately to work fulltime on the Olympics, supporting the efforts of NBC Sports, widely praised for the excellence of its coverage of NFL Football, Major League Baseball, NCAA Basketball and other major events.

With the record 150 hours of planned coverage, NBC expects to make a profit on its coverage of the Olympics. That coverage will provide a unique service to the NBC affiliates, because of the enormous public interest in these events and the participation of some 400 American athletes from all parts of the United States. The NBC affiliates will also realize very substantial additional revenue from local sales in the Olympic coverage.

CHRONOLOGY AND BACKGROUND

Negotiations for the United States television rights for the 1980 Summer Olympics began after the 1976 Olympics in Montreal. Several meetings took place prior to that time between the Soviets and each of the networks. NBC representatives met with members of the Soviet Olympic Organizing Committee and the Radio and Television Broadcasting Committee in September, 1975, in Moscow. The Soviets informed NBC that in addition to an agreement for the Olympic broadcast rights themselves, a separate technical service contract might be required.

Additional meetings—attended by broadcast representatives from North America, Asia, Europe and other parts of the world—took place April 1–3, 1976, in Moscow. Here, the Soviets stated that, subject to approval of the International Olympic Committee, they would require two separate contracts: a television rights contract and a technical service contract, under which the Soviets would provide such technical facilities as cameras, tape machines, control rooms, studios, and office space.

NBC executives met again with members of the Soviet Organizing Committee in New York in May, 1976, and in Montreal during the Summer Olympics in July 1976. On August 26, 1976, in response to a telegram from the Soviet Union requiring NBC's written financial proposal prior to September 1, NBC forwarded a written bid to the Soviets for exclusive United States television rights.

In a telegram dated December 8, 1976, the Soviets invited NBC to participate in further negotiations in Moscow. NBC responded in a wire dated December 9, 1976, and accepted the Soviet invitation for a meeting on December 17.

Prior to the December 17 meeting, the NBC negotiating team, headed by Robert T. Howard, President of the NBC Television Network, attended a meeting on December 16 with the Organizing Committee to determine any pre-conditions to obtaining the United States television rights. The NBC negotiators were informed that in order to qualify for the right to bid for the 1980 Games, a network must agree to pay the U.S.S.R. at least $50 million for technical services, with 40 percent of the payment to be made in 1977 and the remaining 60 percent in 1978. As a result, the NBC team in Moscow reassessed its position. ABC and CBS apparently made similar assessments.

On December 16, 1976, the three networks announced that they had suspended negotiations with the Soviets pending discussion with the Department of Justice concerning joint assumption of the costs and risks of televising the Olympics.

On December 22, 1976, after network negotiators had left Moscow, news stories appeared announcing that the Soviets had completed a "protocol" arrangement with an American trading company, SATRA Corp. SATRA reportedly had had no broadcasting experience but had been engaged in the export-import business between the Soviet Union and the United States. The SATRA arrangement was described by the Soviets as "an agreement on cooperation," and the Soviets stated that the "rights have not been sold to anyone." The Rules of the International Olympic Committee require that television rights be granted "directly to television organizations."

On January 13, 1977, attorneys for the three networks requested from the Department of Justice a business review clearance of joint negotiations for television rights to the 1980 Summer Olympics.

While that procedure was still underway, CBS, on January 25, announced publicly that it was withdrawing both from the joint effort and from any pursuit of the Olympic telecast rights.

After learning of the CBS action, NBC said publicly that it still believed in the principle of joint negotiations. However, that same day, ABC announced that it viewed the joint effort as "no longer applicable." It shortly became apparent that ABC intended to pursue its negotiations on an individual basis.

NBC thus had the option of either competing for the rights or yielding them to ABC. The Soviets had already indicated that they were prepared to resume negotiations with the United States networks during the month of January. NBC determined it would negotiate for the United States television rights to the Olympic Games and made plans to return to Moscow.

NBC retained Mr. Lothar Bock of LBA Associates, a producer of television programs for international distribution, who has had extensive experience in producing programs in the Soviet Union, to assist in its Olympic project. Mr. Bock, who had worked for CBS during the preceding two years when CBS was pursuing negotiations for the Olympic broadcast rights, had produced such programs as the Mary Tyler Moore program with the Bolshoi Ballet, televised on the CBS Television Network in the summer of 1976. He is currently producing other programs for that network and others, including the BBC.

After CBS decided to withdraw from joint or individual negotiations, Mr. Bock advised NBC that he had been released from his CBS representation. He also advised that he had stayed on in Moscow after the network representatives had left and during that time had worked out significantly improved terms of a new arrangement which he felt might be acceptable to the Soviets. He offerred to work with NBC in its efforts to obtain the rights on the basis of these improved terms for a fee of $1 million, to be payable only if NBC succeeded in obtaining the rights. This would represent a commission of less than 2%. NBC also agreed to buy three programs a year through 1981 from LBA Associates which NBC will select from the entertainment and sports programs produced by LBA for the international syndication market and distributed in more than 100 countries. NBC has complete rights to edit the international version for the United States market in its sole discretion.

Among the first programs to be considered are the ballet, "The Nutcracker," and the Moussorgsky opera, "Boris Godunov."

Many of these programs, as adapted by NBC, will be hosted by American entertainment personalities in the manner of the Mary Tyler Moore Bolshoi special. Other programs will include circuses and athletic events. NBC has also retained Mr. Bock to act on a continuing basis as its adviser during the next four years in connection with matters relating to preparation for the Olympics. Mr. Bock will work from offices in Munich and Moscow.

The team of NBC negotiators which went to Moscow on January 27 consisted of Robert T. Howard, President of the NBC Television Network; Carl Lindemann Jr., Vice President, Sports, NBC Television Network; and Benjamin D. Raub, Vice President and Assistant General Attorney.

The Soviets had discussed many of the details of the technical service agreement with each of the networks during the December negotiations. On its arrival in Moscow on January 28, the NBC team went directly into negotiations with the Soviets. These continued during the next two days and the agreements were put into final form January 31. Formal contracts granting exclusive United States television rights to NBC were signed in Moscow February 1.

TERMS OF THE AGREEMENT

1. The Soviet Union, as host country, will receive a total of $72,366,667. This consists of $22,366,667 for United States broadcast rights and $50 million for the supply of production facilities, services and world signal necessary for the planned extensive broadcast coverage.

2. The International Olympic Committee will receive $12,633,333 for the United States broadcast rights.

3. Installment payments will begin in 1977 and run through 1980.

4. NBC shall have exclusive rights for United States television coverage of the Moscow Olympic Games.

5. It is of the essence of the agreement that the Games shall actually be held. Any disputes which may arise under the agreement are to be arbitrated before the Stockholm Chamber of Commerce in accordance with procedures established in January 1977, by the U.S.S.R. Trade Office and the American Arbitration Association.

(NOTE.—In addition to payments by NBC under these agreements, NBC will have its own costs for talent, transportation and housing, satellite feeds, network production teams, and additional manpower and equipment. These costs are projected at $12–15 million.)

During the January negotiations, the Soviets agreed to a more gradual schedule of payments and reduced substantially the amount of prepayment to be made by the end of 1978.

For the broadcast coverage NBC will be able to provide under these agreements, NBC considers the financial arrangements to be fair to all parties.

Madame Monique Berlioux, Director of the IOC, formally signed the television rights agreement as a witness, with formal IOC Assembly approval to be given in Prague in June.

IT IS TIME FOR NO-FAULT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, I have joined a number of colleagues—including the other two immediate past chairmen of the Subcommittee on Consumer Protection and Finance—in introducing legislation to provide comprehensive, equitable, and rapid compensation for the victims of automobile accidents. The bill would accomplish these goals by setting basic standards for State implementation of no-fault benefit plans.

While chairman of the Consumer Protection and Finance Subcommittee in the last Congress, I moved from a position of neutrality to one of strong support for enactment of this legislation. My experience was similar to that of almost every person who has examined this issue in depth—except for those with an obvious economic stake in seeing that good no-fault laws are not enacted.

The issue of how best to compensate automobile accident victims has been studied, restudied, and overstudied, in massive detail. The Department of Transportation spent 4 years and $2 million in producing a 26-volume indictment of the fault and liability system. It concluded that the traditional system is inefficient, incomplete, and slow; that it allocates benefits poorly, discourages rehabilitation, overburdens the courts, and does little, if anything, to minimize crash losses. These conclusions were almost identical to those of the Stewart report to Governor Rockefeller, entitled "Automobile Insurance . . . For Whose Benefit?", a 3-year study of New York's system.

The DOT recommended replacement of the fault and liability insurance system with a no-fault system which was outlined as follows:

> This system . . . should be based on universal, compulsory first-party insurance for all motor vehicle owners covering all economic losses above voluntarily accepted deductibles. . . . Victims should retain their present right to sue in tort for specific intangible losses, but the right should be restricted to the truly serious cases.

In suggesting State experimentation, the study noted that—

> State experience with diverse plans will provide us with that opportunity for pilot project testing which must precede massive reform.

In furtherance of the DOT directive, the National Conference of Commissioners on Uniform State Laws drafted a model State law in 1972 for a no-fault reparations system. Although 24 States have modified their traditional fault systems since the initial DOT study, only one law—that of the State of Michigan—even remotely resembles the drafted model. To Michigan's credit, that law is working extremely well to achieve the humanitarian objectives of no-fault, and to retain fiscal integrity. The other State laws—while an improvement over their traditional tort insurance systems—have failed, in varying respects, to provide sufficient no-fault benefits to meet the needs of seriously injured victims. In addition, these States have failed to achieve the proper balance necessary for fiscal integrity of a no-fault system, because the amount of benefits being offered by the system is disproportionately higher than the limitation being placed upon the tort system.

New York is an example of a State with an inadequate threshold. The New York law permits people to sue for their pain and suffering if their medical bills exceed $500. This threshold has become a target for the unscrupulous. In his April 23, 1977 statement before the Subcommittee on Consumer Protection and Finance, the Honorable JOHN M. MURPHY noted the Trial Bar's attempt to circumvent the threshold. The following excerpts are quoted from a letter sent to a physician by a law firm in New York concerning that firm's representation of the doctor's patients in a possible tort claim:

> Since the patient(s) would not be able to recover for pain and suffering beyond the actual out-of-pocket expenses of his medical care, unless the medical care exceeds $500, may we strongly ask you to constantly consider and remain aware of the fact that the medical care given will be promptly paid by the insurance carrier upon the presentation of your bills. Would you also send the patient(s) for x-rays, hospital care, diagnostic tests for treatment, orthopedic, neurological or other specialist consultations to aid in treating the patient(s). These other medical costs will also be promptly paid, should the severity and seriousness of the injuries warrant your utilization of all or some of the other medical care and consultants, etc.
>
> You will be aiding the patient(s) in not only giving them the best and complete available medical care the insurance policy can buy but you will also be aiding the patients in assuring them that they will have their day in court when they can sue for pain and suffering resulting from medical benefits. . . .
>
> Of course, we, as attorneys, can only benefit the patient when and if his individual case exceeds $500, when we will accept the case. You can now readily see why we will collect your medical bills for you if we accept the case. Since we expect to make a fee from the patient's claim when successful in his auto liability claim, as a courtesy to him and to you, we will process his claim for medical bills as we have done in the past.

It should not surprise anyone that New York's inadequate threshold and its more-than-adequate legal profession have combined to push premiums up. Under New York's so-called no-fault system, one-third of the bodily injury premium goes to pay no-fault benefits to victims, while two-thirds of the premium is used to pay for the expenses of cases that break the threshold. It is not much of a no-fault system when two-thirds of the premium is being spent on fault determinations through lawsuits. Unfortunately, this type of law, which effectively supports both a fault and a no-fault system, is being repeated time and again throughout the country.

The American Trial Lawyers Association—whose members earn more than $1.5 billion a year from automobile personal injury litigation—has been especially forceful in resisting State efforts to adopt strong no-fault laws. Having successfully undercut some of the essential features of the no-fault concept from laws in the State legislatures, the trial lawyers now wring their hands at the result. Cataloging the problems of individual State no-fault plans, the lawyers strike the pose of a delinquent who, having slain his parents, asks the mercy due an orphan. Try as they may to confuse the issue, they cannot obviate the unmistakable clarity of the no-fault concept: Attorneys would no longer siphon 20 cents from each premium dollar to litigate the issue of fault in auto accidents; instead, the money would go toward paying medical bills and otherwise compensating accident victims.

Unfortunately, there appears to be little chance that the States can overcome the lobbying of the trial lawyers and enact decent no-fault legislation. The line is now drawn. It is impossible any longer to believe people who say they favor no-fault, but on a State level. If one is for no-fault, Federal basic standards legislation is the only place to be. Kemper Insurance Cos. put it most graphically last year:

> With prospects at the state level dim . . . one must ask how we who support no-fault can continue to oppose federal legislation. The answer is quite simply and directly that we can no longer oppose the principle of federal standard legislation.

Thus, it is with great urgency that I direct my colleagues' attention to the serious issue before us today. We can retain an insurance system which provides no reimbursement for 52 percent of automobile accident victims and tardy reimbursement for the other 48 percent—grossly overpaying the least seriously injured and meanly underpaying the more seriously hurt.

Or, we can have a no-fault system which reimburses victims promptly for their reasonable medical expenses and a substantial part of their lost income, while still providing those seriously injured an opportunity to pursue their claims for pain and suffering through the tort system. Experience has shown that the States either will not reform their outmoded tort laws, or will revise their laws in ways that more often than not benefit the trial lawyers rather than the premium-paying motorists.

Mr. Speaker, the time for major reform of the automobile insurance system is now. If we do not succeed soon, the brilliantly innovative concept of no-fault may vanish from the scene, the victim of bad so-called no-fault laws foisted upon the public by those who stand to lose the most under good no-fault legislation.

The bill which I am cosponsoring provides the following benefits:

Medical expenses up to $100,000 with the option to purchase additional coverage up to $1 million at a higher premium rate; or unlimited medical benefits for the first 2 years after the accident occurs with a ceiling of $250,000 on all medical services supplied after the 2-year period for those expenses incurred in sustaining the life of a victim or enabling the victim to complete a program of medical or vocational rehabilitation services.

Work loss benefits up to $12,000.

Replacement services benefits up to $7,300.

Funeral and death benefits up to $1,000.

In addition, the bill places a limitation upon the utilization of the tort liability system by permitting lawsuits for pain and suffering only in cases of death, serious and permanent injury or 180 days of continuous disability.

The bill also contains provisions to prevent and control fraud, excessive costs and overutilization of services under an approved State no-fault plan. First, the bill requires States to establish a mechanism whereby fraudulent claims can be investigated. Second, the bill requires States to issue prospective guidelines relating to the cost and quality of all medical and rehabilitation services and procedures for the treatment of auto accident victims. Third, the bill authorizes an insurer to require a victim, under carefully circumscribed circumstances, to submit to an independent medical examination.

The legislation also provides for the subrogation of insurance claims between insurers where the operator of a motor vehicle involved in an accident was guilty of manslaughter, negligent homicide, driving while under the influence of alcohol or drugs, or any action which constitutes a felony in the jurisdiction involved. Thus, the demonstrably irresponsible drivers will not go unpenalized under the no-fault reparations system. In this regard, the bill provides for the establishment of State and local programs to deter driver negligence—fines, suspension and/or revocation of drivers licenses, and compulsory driver education. The penalty system will remain in force under the control of local and State authorities while the compensation system—which is the subject of this legislation—will operate on a no-fault basis.

Mr. Speaker, this new no-fault legislation is being introduced by Members of both the House and the Senate. In addition, broad-based support among labor and consumer groups as well as in the insurance industry has given further impetus to this legislative reform. Such widespread endorsement demonstrates the clear recognition of the relative merits of the no-fault system of compensation over the tort liability reparations system.

GASOLINE EFFICIENT AUTO SALES MUST INCREASE—BUT PUBLIC SHOULD NOT COUNT ON REBATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the administration is announcing that its plan for rebates on gasoline efficient automobiles will be retroactive to late April. It is understandable that the administration would make this announcement in order to prevent a decline in new car sales while the public waits for a rebate law to be passed.

But there are serious problems with the rebate idea. I do not think that the administration should be promising any rebates at this time nor should the public be counting on such a bonus.

As a member of the tax-writing Ways and Means Committee, I am deeply concerned about the cost of the proposal. I also do not understand why people should be paid with funds provided by the general taxpayer to do something in their best interest—that is, buy a car which gets good mileage. If the price of gasoline rises, as it will under the President's program, and if there is a tax on inefficient gas guzzlers, then there should be no need to give rebates. The way the tax-and-rebate schedule is set, there will be billions more paid out in rebates than collected in taxes on gas guzzlers. In view of the size of our Nation's deficits and the many other pressing needs of our society, why provide rebates? Rebates for car purchasers are also unfair to those who rely on public transportation, bicycle, or walk to work.

As chairman of the Ways and Means Trade Subcommittee, I am especially concerned about the international trade consequences of the rebate scheme. I do not believe that we can succeed in applying the refund to only American-made cars. There are constitutional questions as well as likely violations of America's international trade agreements, particularly the general agreement on tariffs and trade—GATT.

The detailed factsheet provided by the White House on the President's plan states that—

> Rebates would be available for vehicles manufactured in other countries on the basis of treaties or executive agreements entered into between these countries and the United States. The President's Special Representative for Trade Negotiations will work with other nations to develop equitable rebate agreements.

These "treaties" will not be easy to achieve. To the extent that we ask foreigners to restrict their imports of autos to this country, they will demand a quid pro quo in other areas. Whether such agreements would be approved by the Congress or accepted by foreign nations is a gamble.

On the other hand, a rebate applying to both foreign and domestic automobiles would result in a surge of imports which are substantially competitive on energy conservation. Foreign auto imports presently constitute 14 percent of the American market. American workers do not need any higher level of imports.

For both these financial and these international trade reasons, I oppose the auto rebate scheme. The rebate proposal will be a subject of considerable debate in the Congress. The administration should not be counting its chickens before they hatch—it should not be promising the public a rebate which may never be enacted.

I would hope that the public keeps buying gasoline-efficient automobiles. The potential car buyer should consider the certainty that gasoline prices are going up and buy a fuel efficient automobile. He should not rely or count on the rather complicated and questionable rebate being proposed by the administration.

SOLIDARITY SUNDAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, this Sunday, May 1, 1977, has been designated "Solidarity Sunday" by the Greater New York Conference on Soviet Jewry in consultation with other interest groups. On this day, people of all faiths will participate in marches in several major cities across the country to protest the Soviet Union's policy of restricting emigration of Jews to Israel and of harassing those Jews who attempt to do so. I, along with many of my colleagues will be taking part in this demonstration of solidarity and support for the 3 million Jews in the Soviet Union.

This day is a chance for all of us to voice our outrage at the failure of the U.S.S.R. to honor its commitments to the principles of the Helsinki accord which it signed. We cannot stand by silently while such repression and anti-Semitism is being carried out. The United States has an equal commitment, along with the other signers of the Helsinki accord, to insure that the principles of the document are carried out to their fullest. President Carter has denounced the Soviet Union for its consistent violation of basic human rights. He serves as a symbol of America's concern for those who are oppressed. I am hopeful that through his work and through demonstrations such as "Solidarity Sunday," we may arouse international opinion against the horrors being committed by the Soviet Union.

Along with 62 cosponsors in the House, I have introduced House Resolution 36, a resolution calling for congressional support of "Solidarity Sunday." We must do our part so that one day the Jews and all other peoples of every religion, culture, and ethnicity in the Soviet Union will be free. A copy of the bill and a list of cosponsors follow:

H. RES. 36

Whereas May 1, 1977, has been designated as "Solidarity Sunday" by the Greater New York Conference on Soviet Jewry;

Whereas New Yorkers of all faiths will join in a giant march on that day to express their solidarity with the three million Jews in the Soviet Union;

Whereas Solidarity Sunday will voice the protests of Americans against the Soviet Union's policy of restricting the emigration of Jews to Israel and harassing, punishing, and imprisoning Soviet Jews in connection with their efforts to leave the country or to exercise their religious rights.

Resolved, That it is the sense of the House of Representatives that—

(1) the leaders of the Soviet Union remove all obstacles to the free emigration of Soviet Jews and others who wish to leave to live in other countries and all obstacles to the free exercise of religious beliefs and cultural expression;

(2) the Congress supports Solidarity Sunday in an effort to achieve this goal.

COSPONSORS OF H. RES. 36

1. Joseph P. Addabbo.
2. Jerome A. Ambro.
3. Glenn Anderson.
4. Bill Archer.
5. Alvin Baldus.
6. Mario Biaggi.
7. Jonathan Bingham.
8. William M. Brodhead.
9. Phillip Burton.
10. Shirley Chisholm.
11. Elford A. Cederberg.
12. James C. Corman.
13. Larry Coughlin.
14. James J. Delaney.
15. Christopher J. Dodd.
16. Thomas J. Downey.
17. Robert F. Drinan.
18. Don Edwards.
19. Joshua Eilberg.
20. Don Fraser.
21. Benjamin A. Gilman.
22. Albert Gore.
23. Bill Gradison.
24. Herbert E. Harris II
25. Elizabeth Holtzman.
26. James J. Howard.
27. Henry J. Hyde.
28. Peter H. Kostmayer.
29. Jack F. Kemp.
30. Robert J. Lagomarsino.
31. John J. LaFalce.
32. Norman F. Lent.
33. Elliott Levitas.
34. Clarence Long.
35. Edward J. Markey.
36. Matthew F. McHugh.
37. Abner J. Mikva.
38. Norman Mineta.
39. Joe Moakley.
40. Anthony Toby Moffett.
41. Austin Murphy.
42. Robert C. Nix.
43. Henry J. Nowak.
44. Richard Ottinger.
45. Jerry M. Patterson.
46. Claude Pepper.
47. Charles Rangel.
48. Frederick W. Richmond.
49. Matt Rinaldo.
50. Benjamin Rosenthal.
51. James Scheuer.
52. Paul Simon.
53. Richard A. Tonry.
54. Paul S. Trible, Jr.
55. Paul E. Tsongas.
56. Bruce F. Vento.
57. Henry A. Waxman.
58. Ted Weiss.
59. Charles Wilson.
60. John W. Wydler.
61. Lester Wolff.
62. Leo Zeferetti.

A TRIBUTE TO JOHN W. McCORMACK, FORMER SPEAKER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, John McCormack once said on this floor:

> If you have occasion to refer to my origins and call me an Irishman you do me a great honor, but you will do me a greater honor if you refer to me as an American of Irish blood.

Without doubt one of the most outstanding Americans of Irish blood to serve in this body is our distinguished former Speaker John W. McCormack of Massachusetts. John McCormack is not only a credit to all Irish Americans but will be long remembered as one of the greatest Speakers of this House ever to serve here. John McCormack is a good man, a great man and I am very proud to be his friend. Mr. Speaker, I include in my remarks a fine column on John McCormack which recently appeared in the South Boston News Digest:

THE CELTIC COLUMN

(By Maureen Connelly)

This past fall, I was asked by Boston 200 to help choose our city's most outstanding Irish-American (living or deceased) for the January Finale of Festival Bostonian. At first I considered Curley, Cushing and Kennedy. Then I remembered O'Casey's "Juno and the Paycock" when Mrs. Boyle asked: "Have none of you's any respect for the Irish people's National regard for the dead?" Her answer made me change my mind: "Maybe it is time we had a little less respect for the dead, and a little more regard for the living." And so I chose John W. McCormack and wrote the following:

There is something special about being an Irish Bostonian. And yet, there is something even better—to have been born in that part of the city across the sea from the land of one's ancestors. John McCormack was born in the Andrew Square section of South Boston in 1891. He attended the local public schools, married his childhood sweetheart Harriet Joyce, and in 1920 became a member of the Massachusetts House of Representatives.

From that point on, his life evolved around the political arenas of Boston and Washington as Congressman, Democratic Whip, Majority leader, and Speaker of The House of Representatives.

John McCormack isn't as colorful a Celt as was Richard Cardinal Cushing. Nor does he have the shamrock style of the legendary James Michael Curley or the celtic charisma of our much loved and missed President John Fitzgerald Kennedy. John McCormack possesses the best of these three beloved Irish Bostonians and something more—a humanism wider than that stretch of ocean between Castle Island and Connemara. We honor John McCormack for his character, his commitment to this city and our country, and his contribution to our heritage.

The City Hall opened the day after Boston was belted with a snowstorm and Mr. McCormack did not attend the ceremony. Recently, on another snowy day (March 22), I stopped by Post Office Square and asked his assistant, Arthur O'Keefe, if he could obtain an autographed photo of Mr. McCormack for my nephew who had hoped to meet him on January 8th. I got the photo and something more; an hour chatting with himself, the Most Honorable John W. McCormack.

First, I must describe "Mr. Speaker's" headquarters: three small rooms (one with a splendid view of the harborside) packed with photographs, posters, books, a small pieta and a few wilting plants. The posters and the pieta poignantly reminded me of Mr. McCormack's strong religious convictions: he is opposed to abortion ("Adoption not Abortion") and is for prayer in the schools ("I'm sorry Lord; there's no room for you there today!").

Rooms without pictures are rooms without memories. 1406–08 overflow with both. All twelve walls are stamped with history. "Four Presidents sat in the chair you're in," Mr. McCormack reminded me. A huge photo of F.D.R. and his New Deal smile were nearby. (William Shannon called McCormack "Roosevelt's most effective and dependable lieutenant in the House of Representatives.") And there were many of L.B.J. (It was McCormack who got Rayburn elected Majority Leader in 1937 and three years later, when Rayburn became Speaker, McCormack took his place.)

But there was one presidential photo that made me want to weep—not just because it was one of Boston's John Kennedy and John McCormack. It was the mood the photographer captured: the young president looking up to the elder statesman as if to say: "I'm afraid there might not be time for me to find that New Frontier for all." A line from yet another Irish play came to mind.

It was said by the mother in Synge's "Riders to the Sea" when she learns of her last son's death: "In the big world the old people do be leaving things after them for their sons and children, but in this place, it is the young men do be leaving things behind for them that do be old."

"Mr. Speaker" then showed me a book that just arrived that week from Dublin; in it is a large photo of himself with his friend "Dev", Eamon DeValera, who McCormack has christened "The Father of Modern Ireland" (It was "Dev" in 1937 who gave the Irish Free State a new Constitution and officially changed its name to Eire, the Gaelic form of Ireland). "Dev's" devotion to his country's language, culture, history and religion is kept alive by his South Boston friend. John McCormack is proud of the fact that he was the first Catholic Speaker of the House and that Tip O'Neill has taken his place. He then showed me more photos: the awarding of an Honorary Degree at Trinity College, Dublin, "to John W. McCormack for his outstanding contribution to American and Irish History."

"Ireland is the only foreign country I have ever visited. And it was after Harriet's death (remember L.B.J. at her funeral?) and my retirement that I first went over." I then asked him where his folks were from: "My father's parents were from Cork and Kerry and Harriet's clan, the Joyces, hail from Galway." "My last trip was the saddest—I represented this country at my friend "Dev's" funeral. He was a great leader and a dear friend."

As I sat in that special chair listening to this most learned man talk with celtic pride about his "clannishness" (his love for kin, church, community, country), I was reminded of his importance, not by himself, for he is the most humble of men, but by all those omnipresent photographs.

John McCormack has walked and talked with Captains and commoners, Presidents and kings. From Andrew Square to the House of Representatives, he has come a long way in a half century in politics. Yet he has never lost what I call the "Shamrock Senses"—humor, integrity and compassion. I'm sure St. Peter is at work, though in no rush, on a special chair for "Mr. Speaker". After his hundredth birthday, (Dec. 21, 1991), he may want to take Roll-call ("Curley, Cushing, Kennedy . . .") and tell "Dev" all about the wonderful view of Connemara from Castle Island!

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to thank my good friend and colleague, the gentleman from Massachusetts (Mr. BURKE) for yielding to me.

Let me say, Mr. Speaker, that both of us served in the legislature in Massachusetts together. We have served in the House of Representatives together for 19 years. In that period of time I got to know the former Speaker of the House very well.

John W. McCormack was my good friend. He was not only a good friend, but he was like a father to me. I remember the first time I came down here along with the gentleman in the well and I met the former Speaker in the Speaker's dining room. He gave me a word of advice at that time.

He said:

You know, Silvio, I have been here so many years and I have never once gone out to a banquet or to a cocktail party or to a reception because I have had dinner with my wife every single night of the week. Let me give you advice, with your four young children, remember that your home and your family come first and then and only then the social engagements that you must attend come in second.

As I say, Mr. Speaker, John W. McCormack was more than a friend, he was like a father to me. He was a great Speaker. He will go down in history as one of the greatest Speakers of all time. He was a great legislator. He was a great American. In my book there is no one finer than John W. McCormack.

So, Mr. Speaker, I just wanted to take this opportunity to congratulate my good friend, the gentleman from Massachusetts (Mr. BURKE) for bringing up this great award and this well-deserved award to the distinguished former Speaker of the House of Representatives.

Mr. BURKE of Massachusetts. Mr. Speaker, I want to thank my good friend the gentleman from Massachusetts (Mr. CONTE). The gentleman and I have served together in the Massachusetts State House. We came here to Washington together. Together we get along very well and have done so all during these years. The gentleman and I may only run another five or six more times but we will run together.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I am happy to yield to the gentleman from Texas (Mr. WRIGHT) our distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, I appreciate the gentleman from Massachusetts yielding to me.

In the very intricate fabric of American political life there is not now nor has there been, a more honorable man than John W. McCormack. He has been to me a friend, a mentor, and an exemplar. We could look everywhere and never discover any American whose personal standards were more exemplary than those of John W. McCormack.

On a recent occasion when I had the pleasure to visit the city of Boston to speak at a dinner which was being held in honor of John W. McCormack, I marveled at the resilience and the vibrant youth that still shines in his eyes and that speaks so clearly in his voice. When the dinner had ended, it was about 11 o'clock in the evening and Mr. McCormack said: "Jim, it is much too early to retire, why don't you come up and visit with me?"

So we went to the apartment where Mr. McCormack resides in a building owned, I believe, by his nephew. We visited until quite late in the evening. On one occasion when Mr. McCormack had left the room, his nephew, Edward McCormack, told me an interesting episode.

He said that recently he had employed

a new maid to look after the rooms and look in on his uncle and see to it that things were tidied up. The maid, not having known Mr. McCormack, commented to Edward, after a day or so: "Your uncle must be terribly ill."

Edward replied in astonishment: "Uncle John? Well, certainly not; he is in perfect health. Why would you make a comment of that kind."

The young woman then replied: "Well, I see so many medicine bottles. I have never seen so much medicine in any apartment."

To which Edward replied: "Don't you understand? That is because he collects it. He has never taken a drop of it. He has been collecting those bottles for 40 years."

Surely the love affair between John W. McCormack and his beloved wife, Harriet, is one of the most inspiring stories in American life. In all the years he served in the Congress, John McCormack had dinner every evening with Mrs. McCormack.

So I join my friend, the gentleman from Massachusetts (Mr. Burke) in taking this opportunity to pay a richly deserved tribute to one whose valiant spirit is a testimony to us all.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I thank my good friend, the gentleman from Massachusetts, for yielding.

Certainly I congratulate him and I am pleased that he took this time so that the Members of the House could pay their respects once again to a man who deserves the respects which would be paid every day if we could.

Certainly I do not know any man with whom I served in the House who thought any more of the House of Representatives than did our former Speaker, John McCormack. He often used to say when he was making a speech and often in the time when he would assume the speakership, which he did several times, that he thought one of the prime jobs of the Speaker was to protect the rules and also the prerogatives of the Members of the House. The House of Representatives, next to his wife, I think, was the dearest thing to his heart and probably still is.

His service as Speaker encompassed many years of very great importance. He served as Speaker of the House during much of the time we were involved in the Vietnam struggle and certainly during times when the country was on courses which could have been disastrous if they had not been handled correctly. His counsel was always wise and certainly the ability he showed during the time when he was Speaker to turn the course of events in the House was an ability which I think is second to no individual who ever served in this body.

He is, I am proud to say, one of my really close and valued personal friends. I regard my friendship with him as one of my prized possessions.

I am again pleased to have the opportunity through the courtesy and foresight of my good friend, the gentleman from Massachusetts, Jimmy Burke, with whom I came to Congress a few hundred years ago, to say these words just to try again to indicate how much I honor and how much I respect our former great Speaker John W. McCormack of Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to thank our fine minority leader for his statement.

When I think back over the years of service that Speaker McCormack gave to this Congress and the hard decisions which were made during World War II and after World War II and during the Depression years and during the Korean conflict and during the difficulties of Vietnam, I remember that John W. McCormack had one creed, and that creed was this country could only negotiate through strength. It is a creed we should all remember.

ISRAEL'S ANNIVERSARY CELEBRATED AT AIPAC DINNER

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. Phillip Burton) is recognized for 5 minutes.

Mr. PHILLIP BURTON. Mr. Speaker, this week marks the 29th anniversary of the independence of Israel. That Israel has not only survived, but prospered in the face of five wars waged against her by hostile neighbors, reflects the courage and greatness of her people. Since Israel's rebirth, the Congress has consistently shown its support for Israel by word and deed. We can be proud of this fine record.

As part of the celebration of Israel's 29th anniversary, the American Israel Public Affairs Committee—AIPAC—held a dinner here in Washington during its 19th annual policy conference attended by hundreds of community leaders from all over the country. Many Members of Congress, myself included, attended this dinner not only to celebrate Israel's anniversary, but to express our appreciation for the work of the American Israel Public Affairs Committee. Over the years AIPAC has gained the respect of the Congress for its authoritative information, as well-expressed views on issues of concern to American friends of Israel. AIPAC's executive director, Morrie Amitay, and his legislative director, Ken Wollack, are familiar and welcome figures on Capitol Hill and their expertise on Middle East policy is sought by so many of us.

Among those addressing the AIPAC dinner was Senator Frank Church of Idaho, the ranking Democrat on the Senate Foreign Relations Committee. During Senator Church's long and distinguished record in the field of foreign policy, he has consistently displayed his understanding of Israel's special needs. I commend Senator Church's eloquent and perceptive address at the AIPAC dinner to all who follow developments in the Middle East, and I request that the text of the Senator's remarks be inserted in the Record, along with the message to the dinner sent by President Carter:

Israel: Twenty-nine Years of Independence—A Celebration of Life

(By Senator Frank Church)

We are here to celebrate the 29th year of Israel's independence. It is, of course, true that Israel has lived so precariously that every added year becomes a cause for celebration. But I think it is particularly appropriate this year to review the basic considerations which underlie the relationship between the United States and Israel.

For this is a year in which, under the leadership of President Carter, the United States itself is seeking to reestablish a better balance in its foreign policy between principle and pragmatism. For too long, our foreign policy had been dominated by so-called "hard headed" assessments in which immediate and purely material advantages were sought. Now we are rediscovering that the American character demands that our foreign policy reflect a due regard for principle. And principle, the principle of justice, was from its inception the heart of the American commitment to Israel.

Thus, the Jewish demand for a national state, even before Israel was established, called forth a universal response. Orde Wingate, the famous guerrilla leader who died in Burma in World War II, may have said it best:

"When I was at school . . . I was looked down on, and made to feel that I was a failure and not wanted in the world. When I came to Palestine I found a whole people who had been treated like that through scores of generations, and yet at the end of it they were undefeated, were a great power in the world, building their country anew. I felt I belong to such people."

But in our own State Department, there were many who feared that the establishment of a Jewish state would prejudice American relationships with the Arab world and therefore urged a postponement of Jewish national independence. These objections were steadfastly overridden by President Truman. On May 14, 1947, the same day that David Ben-Gurion officially proclaimed "the establishment of the Jewish state in Palestine, to be called the State of Israel," President Truman extended de facto recognition to the fledgling government. In effect, principle won out over "hard headed" pragmatism, which I believe to have been as misguided then as it is today. And this is what I want to review with you: the proposition that where Israel is concerned, a principled policy is the only suitable one for a people like our own.

From its inception, Israel has not had an easy existence. No sooner was the new state proclaimed than it was invaded by the armies of its Arab neighbors, under the mistaken assumption that they would gain an easy victory over the citizen army assembled by the new nation. In 1967, Gamal Abdel Nasser dismissed the United Nations troops stationed in a buffer zone between Israel and Egypt and, then, closed the straits of Tiran at Sharm El Sheik, a move which would have denied Israel access to the Red Sea. That move led to the Six Day War in which Israel prevailed; it is important for us to remember this sequence of events, for the territorial disputes between Israel and its neighbors would not exist today if Nasser had not initiated his provocative act at Sharm El Sheik.

Behind Nasser's move in 1967 lay a vision of a Pan Arab nation stretching from Egypt through Syria, with no room for the interloper Jewish state. And this is the basic issue which lies at the roots of the Arab/Israeli question: Do Israel's neighbors now accept the legitimacy, the right—not the privilege—of Israel to live in peace as a fully sovereign and legitimate state in the Middle East? That is the issue on which there can be no equivocation, no ambiguity, no discrepancy between private and public statements.

The PLO has never yet revoked the cardinal points of the Palestine National Covenant of 1968: that the "Zionist presence" must be purged by "armed struggle"; that the "partitioning of Palestine and the establishment of Israel is fundamentally null and void"; and that only Jews permanently settled in mandated Palestine by 1917 have the right to remain there after "liberation."

Nor did the March 20 Cairo declaration reveal any softening of these harsh provisions. The Cairo statement rejected UN Resolution 242 as a framework for peace; promised an "uncompromising determination . . . to continue the military struggle," an escalation of fighting in the occupied land," the rejection of "all forms of American arrangements"; and a continuing designation of Zionism as "racism."

In the aftermath of Sharm El Sheik, the 1973 Arab offensive on Yom Kippur, and the most recent Cairo declaration, it is imperative to secure tangible evidence that the fundamental premise which underlies the PLO covenant and which led to the closing of Sharm El Sheik, namely, the premise that Israel is an illegitimate presence in the Arab crescent, has been abandoned. Peace, in other words, must be for this and not another generation, and it must be manifested in the normalization of relations: the exchange of Ambassadors, commercial intercouse and cultural contacts, so that over time both Arab and Jew may adjust to "normality."

Is this utopian, mere fantasy? I think not. Former Washington Post correspondent, Dan Kurzman, described in his book, Genesis 1948: The First Arab-Israeli War, a unique relationship which had developed on the battlefield between Yeroham Cohen, then an aide to Yigal Allon, the Commander of the Southern front, and then General Nasser:

"In February, 1950, Gamal Abdel Nasser and Yeroham Cohen met in El Aujer and drove together to Fahya so that Nasser could point out the location of Israeli graves. As they walked among the graves, Nasser asked, 'Do you remember, Yeroham, when we sat on the grass, and I told you I didn't think I would ever see my wife and daughter again?"

"'Yes, Gamal. And I told you that you would not only see your daughters, but would have a son as well.'

"'Well, I've got a son.' That night, Cohen, on returning to Tel Aviv, sent a package of baby clothes to his Egyptian friend."

It was too bad, he reflected, that a man like Gamal Abdel Nasser was not running Egypt.

In a sense, we can sum up the basic Middle East dilemma with this question: Can the gap be bridged between the unremitting hatred reflected in the PLO covenant and the human dimension represented by the delivery of baby clothes for Nasser's son?

In bridging that gap, the United States has an important role to play. But it must make it clear that, in providing its good offices, it is facilitating, not substituting, for direct negotiations between the parties. For, if real peace is to be achieved over whatever period of time, it must begin as it has historically begun in other conflicts—the Franco-Prussian War. World Wars I and II—with direct face to face negotiations in which the opposing sides implicitly acknowledged the legitimacy of each other.

We cannot wipe out 29 years of history. During that time, Israel has been beleaguered. It has come to rely upon its own defense capability rather than to ask, as other countries have, for the deployment of American troops or the establishment of American bases as a security shield. Consequently, Israel has had to develop strategic and tactical military doctrines to compensate for its small geographical area and before 1967, its precarious borders, which at one time made it potentially possible for an enemy to cut the country in half merely by overruning ten miles of Israeli territory. In direct negotiations between the parties, this border alignment will inevitably and, rightfully so, become a prime source of concern to Israel. Similarly, we must expect the Arab states, in the process of negotiation, to seek a resolution of the Palestinian question. But this is the stuff of genuine negotiations, in which the United States ought not to substitute for the parties.

Once before the United States interposed itself. As George Ball notes in his recent article in Foreign Affairs, the Eisenhower Administration, back in 1957, obtained the withdrawal of Israeli troops from the Sinai with a "private American commitment to preserve Israeli access through the Gulf of Aquaba." In George Ball's words, "This commitment was at best waffled on during the May, 1967, crisis" which followed Nasser's closing of Sharm El Shiek. In short, where another nation's survival may be at stake, the United States should not itself assume the responsibility of settling the vital issues, giving in return commitments well meant at the time, but not possible to fulfill by later Administrations in other circumstances. So, while we have a role to play in facilitating negotiations, it is a role which calls for a large degree of discipline in restraining our natural impatience to get on with the job by doing it ourselves. This is one case where we should keep our do-it-yourself kit at home.

Yet, I think we must be realistic and recognize that the pressures to achieve a settlement at virtually any price will be very great. Looming in the background of Middle East negotiations is the spectre of economic coercion. The wealthiest governments in the world today are the oil-rich Persian Gulf countries, fortified with the economic and financial power that a sixfold increase in the price of oil has given them. American companies and banks want in on the financial bonanza, and too many of them are willing to do virtually anything to get their share, including compliance with the Arab boycott of Israel.

Two years ago, I was the first to make the boycott list public because I thought we could never deal with it unless we brought it up from under the table and placed it out for all our citizens to see. I think it important that we understand what is, and what is not, at issue. What is not at issue is the right of an Arab state, in belligerency with Israel, to boycott Israeli goods. What is at issue is the right of an Arab state to reach into the United States and (a) impose a secondary boycott by directing an American firm not to do business with Israel as a condition of doing business in the Arab country, or (b) impose a tertiary boycott by directing an American firm to have no transactions with another American firm which does business with Israel or has Zionist connections, whatever that may mean.

The economic gains of acquiescence may be enormous, but so is the moral cost. Once we admit the principle that another country has amassed the economic power to dictate the terms upon which American firms do business with each other or with nations friendly to us, then we have conceded a cornerstone of our independence. And I fear that it will not stop there. Subtly at first, more overtly later, we will find American firms governing their hiring and promotion policies and determining with whom they do business, in accordance with what they think will please the Arabs, rather than ordinary commercial criteria. The time to stop the rot is now, before it tears into the very fabric of American society.

If there was ever a test of principle and morality in American foreign policy, this is it. There was a time, of course, when this country would never even have hesitated as to its behavior. On December 17, 1911, back in a time when moral principles mattered more to the government than has been true in the recent past, President Taft abrogated a lucrative trade agreement with Czarist Russia which was shortly to go into effect because the latter refused visas to American Jews. And earlier than that, clear back in May of 1885, the United States was informed by the Austrian Government that Mr. Anthony Reiley would be unacceptable as envoy plenipotentiary to Vienna because, in the words of the Imperial Government, "The position of a foreign envoy wedded to a Jewess by civil marriage would be untenable, even impossible, in Vienna." Let me read you what our Secretary of State Bayard said in reply. He wrote:

"It is not within the power of the President nor the Congress nor of any judicial tribunal in the United States to take or even hear testimony, or in any mode to inquire into or decide upon the religious belief of any official, and the proposition to allow this to be done by any foreign government is necessarily and *a fortiori* inadmissable.

'To suffer an infraction of this essential principle would lead to a disenfranchisement of our citizens because of their religious belief, and thus impair or destroy the most important end which our constitution of Government was intended to secure."

Oh, how much we need to have that kind of forthright language used again by those who lead this land!

I come from a state where there are very few Jews. I don't suppose there are more than a couple of hundred Jewish families in the whole of Idaho. Still, I've always felt very strongly about our bond with Israel, because I think that it serves the interests of the United States to preserve in that part of the world a bastion of friendship in a little land that has demonstrated its determination to live and its capacity to defend itself when necessary. But also because I think it is morally right for us to do this. In a way I expect that the vitriolic feeling against Israel in the Middle East among the Arab countries is due, in part, to the same considerations that led our own infant country to be isolated in the world of the 18th century. In his introduction to the Federalist Papers, Clinton Rossiter, the American historian, noted that one of our early leaders, James Madison, won his honored place in our history as Secretary of State by guiding the then friendless Republic through the dangerous waters of international hostility. It may be difficult to conceive today that the United States, in her early years, stood alone. But as an anomaly in a world composed of entrenched autocracies, the new Republic was at first suspect and then feared by the great monarchs of Europe, not because of power, for we had none, but because of the force of the ideas which impelled its creation. And I suspect today that much of the venom directed against Israel in the United Nations and in the Middle East is a reflection of the resentment that this small nation engenders because it is an oasis of freedom in the midst of a desert of authoritarian governments. As Prime Minister Rabin observed, "There are all too few nations in the world that uphold these democratic forms and objectives."

In the 1930's, we saw unprincipled great powers sacrifice the interests of small powers and in the process fan the winds of war. If we in the United States remember the fateful lessons of the Second World War, if we steadfastly uphold our own principles against whatever pressures may be mounted against them, then truly we shall have heeded the words of Leviticus: "To proclaim liberty throughout the land, and justice to the inhabitants thereof."

So, as we celebrate Israel's independence here tonight, let me conclude with a toast reserved for occasions such as this, L'Hyaim—to life—for this small country, this courageous people, and the enduring principles of justice, freedom and democracy.

EXCESSIVE PROPERTY INSURANCE RATES IN URBAN AREAS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Holtzman) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, I have introduced a bill April 29, 1977, excessive rates for property insurance in urban areas. The following article from the New York Times explains, in detail, the problem in New York.

I commend it to my colleagues' attention:

High-Risk Urban Insurance Is Under Attack in State

(This article is the work of Gelvin Stevenson, an economist with Commons, an urban planning group, and Robert Magnuson, a journalist who writes on economic topics.)

Morton Olshan owns 26 buildings in Washington Heights and Inwood. On March 30, his insurance company of more than 20 years dropped all his property insurance policies. The reason: Some of Mr. Olshan's buildings are located in what insurance companies call "high-risk" areas.

He now insures half of his buildings with the New York property insurance pool—the FAIR (Fair Access to Insurance Requirements) plan. The average cost for these policies is four to five times what he was paying last month. Under the FAIR plan, the combined premium for two of Mr. Olshan's buildings jumped from $5,000 to $25,000 a year.

"I survived rent control and have always maintained my buildings," he says. "But if this insurance problem continues, it will create the greatest rush to abandon, the city has ever seen."

Jeannette Bowen, a 40-year-old widow with three children, cannot afford to insure the two frame buildings she owns in the Northside section of Brooklyn. Her insurance company dropped her policy five years ago because she lives in a high-risk neighborhood. Mrs. Bowen left the FAIR plan last November because the rates were beyond her means. Her average annual premium of about $60 for the two buildings rose to $583 a year under FAIR.

"I have never made a claim in 19 years," Mrs. Bowen said last week, sitting in the dining room of her basement apartment in one of the buildings. "I never had even the slightest accidental kitchen fire. But I can't afford to pay a premium that is nine times what I used to pay."

These two property owners share a problem common to 77,000 other New Yorkers throughout the state. If they want property insurance, they must get it from the FAIR plan, established seven years ago to provide insurance for property owners shunned by the private market.

FAIR-plan policy holders pay rates that are astronomically higher than standard insurance premiums. Both in New York City and statewide, FAIR rates currently average more than 250 percent of normal rates. Dwelling rates are nearly four times the dwelling rates in standard plans. For the owner of a $25,000 home in Queens, this translates into a yearly premium of about $385 for average homeowners coverage, compared to a normal rate of around $100 a year.

Now, high FAIR-plan rates, set by a method largely unknown to the public, are beginning to stir controversy. New York's FAIR plan is a self-rating system, which means that premiums are based only on the loss experience of the FAIR plan itself, not on the performance of the entire insurance industry. Private-company rates are based on the loss experience for all insured properties throughout the state.

The rating method of the New York FAIR plan stands in sharp contrast to the 25 other statewide FAIR plans, where premiums are lumped together with all other insurance premiums. In Minnesota, FAIR rates are 25 percent higher. In Wisconsin, rates on dwellings are 25 percent higher; on business, 35 percent.

Critics of the New York FAIR plan say that insurance companies use the rating method to pool bad risks and that high rates for FAIR policies become a self-fulfilling prophecy. They say FAIR rating has created serious problems for property owners and whole neighborhoods, and that the plan is inconsistent with Congressional intent, which encouraged nondiscriminatory FAIR plan rates.

But defenders of the FAIR plan say that self-rating is necessary to prevent discrimination against regular, voluntary policy holders. If the plan were not self-rating, supporters say, then policy holders not in FAIR would have to pay higher rates to compensate for the FAIR-plan losses that their companies eventually bear.

"We defend self-rating," Richard G. Breuckner, president of the New York FAIR plan, says. "The bad risks should be made to pay. Nobody wants to pay for somebody else's insurance."

A major critic of self-rating is J. Robert Hunter, acting Federal Insurance Administrator.

"We are very concerned about the self-rating system," he said in an interview last week. "Whether you make insurance unavailable by not providing it or by making it too expensive, the effect is the same." While the Federal Insurance Administration has broad oversight responsibility over the FAIR plan, it possesses no direct operational authority over state-run FAIR pools.

The New York City Human Rights Commission, in a report based on hearings held last November, recommended that FAIR plan rates "be based on rates established by the Insurance Services Office," which sets rates for the private market.

The New York FAIR plan, known formally as the New York Property Insurance Underwriting Association, was established in 1968 to provide insurance on property not covered in the voluntary market. In response to problems brought to light by the urban riots of 1967 and 1968, former President Lyndon B. Johnson established the National Advisory Panel on Insurance in Riot-Affected Areas, headed by then-Gov. Richard J. Hughes of New Jersey.

The Hughes panel found serious problems of insurance availability and cost in urban areas. A survey of six major cities showed that 41 percent of businesses and institutions and 29 percent of dwellings in poverty areas had insurance problems.

The Hughes panel recommended the establishment of state-by-state insurance pools to which companies contributed according to their share of the property insurance business in the state. To induce private companies to take part, the Federal Government agreed to provide riot reinsurance on all relevant policies held by companies participating in the FAIR plan. This meant that the Federal Insurance Administration would insure the insurance companies against riot losses.

In developing its recommendations, the Hughes panel stated a clear intent to maintain the parity of FAIR plan and voluntary rates. "Insofar as possible," the panel said, "the level of rates generally applicable in a state also apply to properties insured under FAIR plans."

On the basis of the recommendation of the Hughes panel, Congress passed the Urban Property Protection and Reinsurance Act of 1968, calling for insurance to be available to property owners at reasonable cost."

In its first two years of operation, the New York FAIR plan lost money. But by 1971, when it wrote its high of $66 million in premiums, it turned a profit. About that time, the International Telephone and Telegraph Company had completed its takeover of the Hartford Insurance Company. Hartford and several other companies then began a process known in the industry as "depopulation." This means they removed what they considered the better risks from the plan and wrote these policies themselves.

According to Mr. Breuckner, the FAIR president, Hartford hired a New York agency that actively solicited policies away from the FAIR plan. Other companies also contributed to this depopulation. By 1974, as Mr. Breuckner put it, FAIR had "half the volume and half the policies." Premiums written declined from the 1971 high of $66 million to a low of $26 million in 1974.

Depopulation left very bad risks together with many risks that are not so bad—like Mrs. Bowen's houses and Mr. Olshan's apartment building. But if property owners cannot get insurance in the private market for any reason—if, for example, the companies have decided they live in a high-risk area—they are left with either the FAIR pool, and skyrocketing rates, or no coverage at all. From 1973 to 1976, with the full effect of depopulation, the average premium per policy more than doubled—from $254 to $551.

While the debate over self-rating is just now becoming public, it has been an issue in the insurance industry for some time. In 1975, Mr. Hunter, the acting Federal insurance administrator, told state insurance commissioners: "We deem [self-rating] to fly in the face of Congressional intent and to flout the purposes and policy of the Urban Property Protection and Reinsurance Act."

The debate over FAIR-plan rates goes to the heart of the meaning of insurance. Insurance is by definition the spreading of risk, a kind of subsidy in which the property owner with no losses subsidizes the owner who does suffer loss. The question is who subsidizes whom and for how much?

Proponents of self-rating say that the subsidization of others' losses should occur only within similar classes of property—what the industry calls "homogeneous risk classes." In other words, "good" risks should not subsidize "bad" risks.

A recent in-house study by FAIR, however, casts doubt on the homogeneity of the plan's risk groupings. The study disclosed that 33 percent of the bad risks "produced 70 percent of all loss dollars and about 60 percent of the loss incidents." This means that many property owners are forced into FAIR for reasons beyond their control, pushing "good" risks into the "bad" FAIR pool. Mr. Hunter pointed out that this could happen to someone "because his agent has been canceled or because he simply lives in the "wrong" part of town."

The high FAIR plan rates become, according to Mr. Hunter, "a symbol of red-lining." Redlining occurs when companies refuse to write insurance in a particular area. According to the Princeton professors Chester Rapkin, a former member of the City Planning Commission, and Michael Munson, in their recent study "The Social and Economic Consequences of Fire," insurance redlining often accompanies or precedes the decline of an area. As the Hughes panel put it, "Communities without insurance are communities without hope."

Even with self-rating and rising premiums, the New York FAIR plan has been losing money. Rapidly rising rates have not been sufficient to offset revenue lost through depopulation. By the end of 1976 the plan had a deficit of $42.8 million.

Proponents of self-rating conclude from these figures that rates are not high enough. They argue that rates should cover the deficit. Mr. Hunter, on the other hand, views FAIR losses in the larger context of the entire New York insurance industry. In Congressional testimony earlier this year, he said that Federal calculations had established that from a profit point of view the property insurance business had fared better overall in FAIR plan states than in states without FAIR plans.

Where the debate goes from here is not clear. Because self-rating is written into state law, any changes must be legislated. And while FAIR-plan rates are currently not a high priority in Albany, it is one area in which landlords and community groups agree. And they could become a powerful coalition.

TIME IS RUNNING AGAINST THE UNITED STATES IN TURKEY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, if the United States adheres to its present unfriendly attitude toward our NATO ally Turkey, the effect may be to topple a government friendly to us and replace it with one which has dropped broad hints of rapport with radical elements in the Middle East and with the Russians.

Two years ago, the Congress took it upon itself to enter into the diplomatic arena by taking sides in the conflict over Cyprus then raging between Greece and Turkey, two close allies of ours. Congress acted to prohibit further military sales to Turkey and that ban stands today, forcing the Turks to seek weapons that are essential to their security and spare parts for American equipment from other nations.

A critical election is scheduled for Turkey on June 5. The present government wants to regain the close ties it once enjoyed with the United States. It wants to obtain the supplies which were long available from the United States. It is reported that the government would like to see the American military bases in Turkey regain their once strong and important stature. These bases, including those which gather very important information, are critical to our own defense and the defenses of our allies in Europe.

The opposition in Turkey points to the record of the United States in failing to keep agreements with the Turks. They say America cannot be believed and our word is no good.

The present government in Turkey asked President Carter to end pressure on Turkey and to restore the old friendship. Until differences of the Turkish Government are resolved, the Western Powers face the prospect that an increasingly unfriendly government will assume power in Turkey. If, as a result of the American attitude, Turkey pulls out of NATO, our southern anchor is gone and our southern flank is seriously endangered. In the meantime, Russia, as usual, is seeking to take full advantage of the situation.

It is not necessary that the Congress give up its historic friendship with the Greeks or cease to urge that accord be reached between Greece and Turkey. These are important and desired considerations. Active support by the President in the entire matter is needed. Without his help, commonsense may not prevail in this issue. With his help, it may still not be too late to keep a friend and preserve the anchor of southern NATO.

Action must be taken soon or it may be too late.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. Cederberg (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Gilman (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Ketchum (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Miller of Ohio) and to revise and extend their remarks and include extraneous matter:)

Mr. Hyde, for 5 minutes on April 29.

Mr. Ashbrook, for 15 minutes, today.

Mr. Whalen, for 5 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Findley, for 10 minutes, today.

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Baucus) and to revise and extend their remarks and include extraneous matter:)

Mr. Van Deerlin, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Koch, for 10 minutes, today.

Mr. Burke of Massachusetts, for 5 minutes, today.

Mr. Phillip Burton, for 5 minutes, today.

Ms. Holtzman, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Miller of Ohio) and to include extraneous material:)

Mr. Lent.
Mr. Martin.
Mr. Steers.
Mr. Symms in two instances.
Mr. Broomfield.
Mr. Ashbrook in three instances.
Mrs. Holt in two instances.
Mr. Shuster.
Mr. Derwinski in two instances.
Mr. Lagomarsino in four instances.
Mr. Whalen in two instances.
Mr. Crane.
Mr. Michel in two instances.
Mr. Kemp.

(The following Members (at the request of Mr. Baucus) and to include extraneous matter:)

Mr. Fowler.
Mr. Jones of Tennessee.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. McDonald in five instances.
Mrs. Schroeder.
Mrs. Boggs.
Mr. Phillip Burton.
Ms. Jordan.
Mr. Baucus.
Ms. Oakar.
Mr. Yatron.
Mr. Kildee.
Mrs. Spellman.
Mr. Nolan.
Mr. Mann.
Mr. Long of Louisiana.
Mr. Badillo.
Mr. Krebs.
Mr. Bennett.
Mr. Edwards of California.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 3843. An act to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes.

ADJOURNMENT

Mr. BAUCUS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until Monday, May 2, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1367. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1977 and budget amendments for fiscal year 1978 (H. Doc. No. 95–137); to the Committee on Appropriations and ordered to be printed.

1368. A letter from the President of the United States, transmitting a draft of proposed legislation to establish a comprehensive national energy policy (H. Doc. No. 95–138); to the ad hoc Committee on Energy and ordered to be printed.

1369. A letter from the Secretary of Housing and Urban Development, transmitting the 11th report on implementation of the Emergency Homeowners' Relief Act, pursuant to section 111 of the act; to the Committee on Banking, Finance and Urban Affairs.

1370. A letter from the Chairman, Federal Home Loan Bank Board, transmitting the Board's annual report for calendar year 1976, pursuant to section 17(b) of the Federal Home Loan Bank Act; to the Committee on Banking, Finance and Urban Affairs.

1371. A letter from the general manager, Washington Metropolitan Area Transit Authority, transmitting WMATA's 10th annual report, covering calendar year 1976, pursuant to section 6(b) of Public Law 89–774; to the Committee on the District of Columbia.

1372. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles and services to Sudan (Transmittal No. 77–27), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1373. A letter from the controller, Boys' Clubs of America, transmitting an audited financial report of the organization for the 3 months ended December 31, 1976, reflecting a change in its fiscal year to a calendar year basis, pursuant to section 14 of Public Law 84–988 and section 3 of Public Law 88–504; to the Committee on the Judiciary.

1374. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

1375. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of the Navy's attack submarine in the direct support role (PSAD–77–89, Apr. 29, 1977); jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL: Committee on International Relations. H.R. 6689. A bill to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes (Rept. No. 95–231). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 4962. A bill to extend the Defense Production Act of 1950 (Rept. No. 95–232). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4390. A bill to amend the act of June 3, 1960 (74 Stat. 156), authorizing the Secretary of the Interior to construct the San Luis Unit, Central Valley project, Calif.; with amendment (Rept. No. 95–233). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4585. A bill to authorize appropriations for the Indian Claims Commission for fiscal year 1978; to facilitate the transfer of cases from the Indian Claims Commission to the U.S. Court of Claims; and for other purposes; with amendment (Rept. No. 95–234, pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GAYDOS (for himself and Mr. Sarasin):

H.R. 6761. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. ANDERSON of California (for himself, Mr. Heftel, Mr. Rahall, Mr. Skelton, Mr. Stockman, Mr. Trible, Mr. Traxler, Mr. Ireland, and Mr. Vento):

H.R. 6762. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California (for himself, Mr. Badillo, Mr. Boland, Mr. Bonior, Mr. Buchanan, Mrs. Chisholm, Mr. Conte, Mr. Cotter, Mr. Coughlin, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Pike, Mr. Price, Mr. Purcell, Mr. Richmond, Mr. Rinaldo, Mr. Seiberling, Mrs. Spellman, Mr. Stokes, Mr. Vento, Mr. Bob Wilson, Mr. Charles Wilson of Texas, Mr. Wirth, and Mr. Zeferetti):

H.R. 6763. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries, Interstate and Foreign Commerce, and the Judiciary.

Mr. BRADEMAS:

H.R. 6764. A bill to strengthen the surplus commodities provision of the Older Americans Act of 1965, and for other purposes; to the Committee on Education and Labor.

By Mr. JOHN L. BURTON:

H.R. 6765. A bill to amend title 10, United States Code, with respect to crediting certain service of females sworn in as members of telephone operating units, Signal Corps; to the Committee on Armed Services.

By Mr. DENT (for himself, Mr. Ammerman, and Mr. Goodling):

H.R. 6766. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Oregon (for himself, Mr. Ullman, Mr. Weaver, Mr. Andrews of North Dakota, Mr. AuCoin, Mr. Conte, Mr. Dan Daniel, Mr. Fuqua, Mr. Glickman, Mrs. Meyner, Mr. Murphy of Pennsylvania, Mr. Rahall, Mr. Vento, Mr. Walker, and Mr. Sisk):

H.R. 6767. A bill to increase and extend the authorization of the Federal-aid primary system, to increase the Federal share for Federal-aid primary systems projects, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. EVANS of Delaware (for himself and Mr. Stanton):

H.R. 6768. A bill to permit the review of regulatory rules and regulations by the Congress; to the Committee on Government Operations.

By Mr. EVANS of Delaware (for himself, Mr. Mineta, and Mr. Stanton):

H.R. 6769. A bill to amend title II of the Social Security Act to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65; to the Committee on Ways and Means.

By Mrs. FENWICK:

H.R. 6770. A bill to permit the enlistment of Vietnamese and Cambodian refugees into the Armed Forces of the United States under certain circumstances; to the Committee on Armed Services.

H.R. 6771. A bill to authorize the changing of the status of refugees from Indochina from that of a parolee to that of a permanent resident alien; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.R. 6772. A bill to amend the Internal Revenue Code of 1954 to provide that certain income from a nonmember telephone company is not taken into account in determining whether any mutual or cooperative telephone company is exempt from income tax; to the Committee on Ways and Means.

By Mr. FISHER (for himself, and Mr. Rosenthal):

H.R. 6773. A bill to amend the Internal Revenue Code to provide renters with a credit against income tax; to the Committee on Ways and Means.

By Mr. FORD of Michigan (for himself, Mr. Perkins, Mr. Quie, Mr. Thompson, Mr. Brademas, Mr. Biaggi, Mr. Blouin, Mr. Simon, Mr. Mottl, Mr. Cornell, Mr. Heftel, Mr. Buchanan, and Mr. Erlenborn):

H.R. 6774. A bill to make certain technical miscellaneous amendments to provisions relating to higher education contained in the Education Amendment of 1976; to the Committee on Education and Labor.

By Mr. GILMAN:

H.R. 6775. A bill to amend title 38, United States Code, in order to entitle veterans to 54 months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON:

H.R. 6776. A bill to promote the rights of individuals who take standardized educational tests; to make such individuals, educational institutions, and other persons more aware of the uncertain reliability of such tests, and the problem of using such tests; and for other purposes; to the Committee on Education and Labor.

By Mr. HUGHES:

H.R. 6777. A bill to amend the Marine Protection, Research, and Sanctuaries Act to prohibit the ocean dumping of sewage sludge after 1981 and to establish a program for compensating persons for damages resulting from the migration into coastal areas of sludge so dumped; to the Committee on Merchant Marine and Fisheries.

By Mr. HYDE:

H.R. 6778. A bill to have an inscription and appropriate medals, ribbons, and tributes placed upon the crypt at the National Cemetery at Arlington, Va., reserved for an American soldier who lost his life in Southeast Asia during the Vietnam era, and whose identity is unknown; to the Committee on Veterans' Affairs.

By Mr. HYDE (for himself and Mr. Pressler):

H.R. 6779. A bill to amend title 18 of the United States Code for the purpose of prohibiting the sale of children in interstate or foreign commerce; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 6780. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. KEYS:

H.R. 6781. A bill to establish in the Energy Research Development Administration an Energy Extension Service to oversee the development and administration of State plans for the development, demonstration, and analysis of energy conservation opportunities, for the promotion of energy research, and for the development of educational programs to encourage the acceptance and adoption of energy conservation opportunities by energy consumers; to the Committee on Science and Technology.

By Mr. KREBS (for himself, Mr. Sisk, and Mr. Jenrette):

H.R. 6782. A bill to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion; to the Committee on Agriculture.

By Mr. LaFALCE (for himself and Mr. Stanton):

H.R. 6783. A bill to authorize a program for the study by an interagency task force, led by the Small Business Administration, of the needs of consumer cooperatives; to create a pilot project, to be administered by the Small Business Administration, for lending to cooperatives; and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCLOSKEY:

H.R. 6784. A bill to encourage an international regime to govern the use of the oceans and their resources; jointly, to the Committees on International Relations, Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. MINISH:

H.R. 6785. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. MOSS (for himself, Mr. Edwards of California, Mr. Ertel, Ms. Mikulski, Mr. Fountain, Mr. Steers, Mr. Cohen, and Mr. Frenzel):

H.R. 6786. A bill to exercise the power of the Congress under article IV of the Constitution to declare the effect of certain State judicial proceedings respecting the custody of children; to the Committee on the Judiciary.

By Mr. MURPHY of New York (for himself and Mr. Ruppe):

H.R. 6787. A bill to amend the Merchant Marine Act, 1936, as it applies to certain passenger vessels of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. GARY A. MYERS:

H.R. 6788. A bill to amend title 23, United States Code, to expand the special bridge replacement program, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. NOWAK:

H.R. 6789. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PATTEN:

H.R. 6790. A bill to establish an agency for consumer protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. RICHMOND (for himself, Mr. Applegate, Mr. Baucus, Mr. Flood, Mr. Glickman, Mrs. Heckler, Mr. LaFalce, Mr. Leach, Mr. McHugh, Mrs. Meyner, Mr. Nowak, Mr. Ottinger, Mr. Smith of Iowa, Mr. Tucker, Mr. Winn, and Mr. Wirth):

H.R. 6791. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

By Mr. ROONEY (for himself, Mr. Metcalfe, Mr. Mikulski, Mr. Santini, Mr. Florio, Mr. Howard, and Mr. Skubitz):

H.R. 6792. A bill to amend the Regional Rail Reorganization Act of 1973 and the Department of Transportation Act to extend for 1 year the period during which the Federal Government pays 100 percent of the cost of rail service assistance programs involving rehabilitation, maintenance, and improvement of rail properties; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLARZ:

H.R. 6793. A bill to amend the Solid Waste Disposal Act to provide grants for the purchase of sanitation vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. Dingell, Mr. Ottinger, Mr. Sharp, Mr. Krueger, Mr. Moffett, Mr. Gammage, Mr. Russo, and Mr. Moorhead of California):

H.R. 6794. A bill to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act, to authorize appropriations for the Federal Energy Administration for the 1978 fiscal year, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STANGELAND:

H.R. 6795. A bill to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes; to the Committee on Post Office and Civil Service.

Mr. TEAGUE:

H.R. 6796. A bill to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes; to the Committee on Science and Technology.

By Mr. THONE:

H.R. 6797. A bill to amend section 1448 of title 10, United States Code, to provide survivor benefits in case of death of certain members or former members of the Armed Forces who die before becoming entitled to retired pay for non-Regular service, and for other purposes; to the Committee on Armed Services.

By Mr. WEISS (for himself, Mr. Waxman, Mr. AuCoin, Mr. Badillo, Mr. Carr, Mrs. Collins of Illinois, Mr. Corrada, Mr. Drinan, Mr. Fauntroy, Mr. Harkin, Mr. Hawkins, Mr. Lent, Mr. Lloyd of California, Mr. Luken, Mr. Maguire, Mr. Mathis, Ms. Mikulski, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Oberstar, Mr. Patterson of California, Mr. Richmond, Mr. Rosenthal, Mr. Santini, and Mrs. Spellman):

H.R. 6798. A bill to amend the Age Discrimination in Employment Act of 1967 to extend the protection against discrimination in employment to individuals who are 65 years of age or older, and to make unlawful those seniority systems and employee benefit plans which require the retirement of individuals who are 40 years of age or older; to the Committee on Education and Labor.

By Mr. WEISS (for himself, Mr. Waxman, Mr. Zeferetti, Mr. Scheuer, Mr. Solarz, Mr. Brown of California, Mr. Bingham, Mr. Sisk, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Florio, Mr. Kastenmeier, Mr. Lehman, Mr. Tonry, Mr. Panetta, Mr. Charles Wilson of Texas, Mr. Roybal, Mr. Charles H. Wilson of California, Mr. Harrington, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Cornell, Mr. St Germain, Mr. Caputo, and Mr. Gephardt):

H.R. 6799. A bill to amend the Age Discrimination in Employment Act of 1967 to extend the protection against discrimination in employment to individuals who are 65 years of age or older, and to make unlawful those seniority systems and employee benefit plans which require the retirement of individuals who are 40 years of age or older; to the Committee on Education and Labor.

By Mr. WHALEN:

H.R. 6800. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. BROOKS (for himself, Mr. John L. Burton, Mr. English, Mr. Preyer, Mr. Evans of Indiana, Mr. Fithian, Mr. Thone, Mr. Walker, and Mr. Stangeland):

H.J. Res. 424. Joint resolution to authorize the Administrator of General Services to accept land, buildings, and equipment, without reimbursement, for the John Fitzgerald Kennedy Library, and for other purposes; to the Committee on Government Operations.

By Mrs. COLLINS of Illinois (for herself, Mr. Fascell, Mr. Conyers, Mr. Mitchell of Maryland, Mr. Cavanaugh, Mr. Pepper, Mr. Price, Mr. Harrington, Mr. Dellums, Mr. Clay, Mr. Fary, Mrs. Burke of California, Mr. Patterson of California, Ms. Holtzman, Mr. McCloskey, Mr. Studds, Mr. Reuss, Mr. Roybal, Mr. Tsongas, Mr. Mineta, Mr. Rangel, Mr. Nix, Mr. Hawkins, Mr. Badillo, and Mr. Simon):

H.J. Res. 425. Joint resolution to require a review of U.S. practices with respect to the embargo on arms shipments to the Republic of South Africa in order to insure that such embargo is effective; to the Committee on International Relations.

By Mr. NOLAN:

H.J. Res. 426. Joint resolution authorizing the President to proclaim the third week of July of 1977, 1978, and 1979, as National Architectural Barrier Awareness Week; to the Committee on Post Office and Civil Service.

By Mr. HYDE (for himself, Mr. Badham, Mr. Bafalis, Mr. Baldus, Mr. Baucus, Mr. Benjamin, Mr. Bevill, Mr. Bonker, Mr. Butler, Mr. Don H. Clausen, Mr. Cleveland, Mr. Coleman, Mr. Corcoran of Illinois, Mr. Devine, and Mr. Dornan):

H. Con. Res. 210. Concurrent resolution directing the Secretary of Defense to inter a Vietnam Unknown Soldier at Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. HYDE (for himself, Mr. Downey, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Emery, Mr. Ertel, Mr. Frenzel, Mr. Gilman, Mr. Gore, Mr. Horton, Mr. Ireland, Mr. Hughes, Mr. Ketchum, Mr. Kostmayer, and Mr. Lagomarsino):

H. Con. Res. 211. Concurrent resolution directing the Secretary of Defense to inter a Vietnam Unknown Soldier at Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. HYDE (for himself, Mr. Lent, Mr. McEwen, Mr. McHugh, Mr. Mann, Mr. Marriott, Mr. Mazzoli, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of California, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nolan, and Mr. Ottinger):

H. Con. Res. 212. Concurrent resolution directing the Secretary of Defense to inter a Vietnam Unknown Soldier at Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. HYDE (for himself, Mr. Panetta, Mr. Patterson of California, Mr. Quayle, Mr. Rose, Mr. Simon, Mrs. Spellman, Mr. Stanton, Mr. Stockman, Mr. Treen, Mr. Walker, Mr. Walsh, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wydler, and Mr. Young of Florida):

H. Con. Res. 213. Concurrent resolution directing the Secretary of Defense to inter a Vietnam Unknown Soldier at Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. ASHLEY:

H. Res. 531. Resolution to provide for the expenses of investigations, and studies to be conducted by the ad hoc Committee on Energy; to the Committee on House Administration.

By Mr. KOCH (for himself, Mr. Addabbo, Mr. Ambro, Mr. Anderson of California, Mr. Archer, Mr. Baldus, Mr. Beilenson, Mr. Brodhead, Mr. Phillip Burton, Mr. Cederberg, Mr. Corman, Mr. Coughlin, Mr. Dodd, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Eilberg, Mr. Fraser, Mr. Gilman, Mr. Gore, Mr. Gradison, Mr. Harris, Mr. Howard, Mr. Hyde, and Mr. Kostmayer):

H. Res. 532. Resolution expressing support for Solidarity Sunday; to the Committee on Post Office and Civil Service.

By Mr. KOCH (for himself, Mr. Kemp, Mr. Lagomarsino, Mr. Levitas, Mr. Long of Maryland, Mr. Markey, Mr. Mikva, Mr. Mineta, Mr. Moakley, Mr. Moffett, Mr. Murphy of Pennsylvania, Mr. Nix, and Mr. Nowak):

H. Res. 533. Resolution expressing support for Solidarity Sunday; to the Committee on Post Office and Civil Service.

By Mr. KOCH (for himself, Mr. Patterson of California, Mr. Pepper, Mr. Richmond, Mr. Rinaldo, Mr. Scheuer, Mr. Simon, Mr. Tonry, Mr. Trible, Mr. Tsongas, Mr. Vento, Mr. Waxman, Mr. Weiss, Mr. Charles Wilson of Texas, and Mr. Wydler):

H. Res. 534. Resolution expressing support for Solidarity Sunday; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

113. By the SPEAKER: Memorial of the Legislature of the State of Tennessee, relative to section 14(b) of the Taft-Hartley Act; to the Committee on Education and Labor.

114. Also, memorial of the Legislature of the State of Hawaii, relative to continuing Federal subsidies for American cruise ship fleets; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. CONTE introduced a bill (H.R. 6801) for the relief of Hye Jin Wilder, which was referred to the Committee on the Judiciary.

SENATE—*Friday, April 29, 1977*

(Legislative day of Thursday, April 28, 1977)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by Hon. Robert C. Byrd, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Where two or three are gathered together in my name, there am I in the midst of them.—Matthew 18: 20.

Let us pray:

Eternal Father, we thank Thee for the promise that whether we be few or many Thou art always with us and will never leave us or forsake us. Hear us as we pray throughout the day:

"O Master, let me walk with Thee
In lowly paths of service free;
Tell me Thy secret; help me bear
The strain of toil, the fret of care.
"Teach me Thy patience; still with Thee
In closer, dearer company,
In work that keeps faith sweet and strong,
In trust that triumphs over wrong;
"In hope that sends a shining ray
Far down the future's broadening way;
In peace that only Thou canst give,
With Thee, O Master, let me live."

—Washington Gladden, 1879.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 29, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Robert C. Byrd, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. ROBERT C. BYRD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. BAKER. Mr. President, with the permission of the distinguished occupant of the chair, I ask unanimous consent that the Journal of the proceedings of Thursday, April 28, 1977, be approved.

The ACTING PRESIDENT pro tempore (Mr. Metcalf). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are various nominations on the Executive Calendar, all of which are cleared with the exception of the following: Calendar Order No. 178 at the top of page 5 and Calendar Order No. 180 also on page 5.

Is that correct? Is that what the distinguished minority leader has?

Mr. BAKER. Mr. President, that does agree with my calendar.

We have no objection to the confirmation of all of the items on the Executive Calendar with the exception of the two correctly noted by the majority leader.

Mr. ROBERT C. BYRD. Mr. President, with the exception of those two, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

The assistant legislative clerk proceeded to read nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, with the exception of Calendar Orders numbered 178 and 180, all nominations on the Executive Calendar be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, all nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

Philip Henry Alston, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

Anne Cox Chambers, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

Kingman Brewster, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

U.S. AIR FORCE

The following officer to be placed on the retired list in the grade indicated:

Lt. Gen. Warren D. Johnson, 448-05-3925FR (major general, Regular Air Force), U.S. Air Force lieutenant general.

The following officer to be placed on the retired list in the grade indicated:

Lt. Gen. Ray B. Sitton, 260-22-9821FR (major general, Regular Air Force), U.S. Air Force lieutenant general.

The following officers to be placed on the retired list in the grade indicated:

Lt. Gen. James M. Keck, 039-09-7364FR (major general, Regular Air Force), U.S. Air Force lieutenant general.

Lt. Gen. Joseph G. Wilson, 229-01-5510FR (major general, Regular Air Force), U.S. Air Force lieutenant general.

Lt. Gen. Maurice F. Casey, 334-18-3434FR (brigadier general, Regular Air Force), U.S. Air Force lieutenant general.

The following officer to be placed on the retired list in the grade indicated:

Gen. Russell E. Dougherty, 406-34-6763FR (major general, Regular Air Force), U.S. Air Force general.

The following officers to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

Lt. Gen. Lew Allen, Jr., 456-26-7478FR (major general, Regular Air Force), U.S. Air Force general.

Lt. Gen. James R. Allen, 403-82-2495FR (major general, Regular Air Force), U.S. Air Force general.

The following officer to be placed on the retired list in the grade indicated:

Gen. Louis T. Seith, 545-28-8317FR (major general, Regular Air Force), U.S. Air Force general.

The following officer to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

Maj. Gen. Abbott C. Greenleaf, 117-18-0310FR (major general, Regular Air Force), U.S. Air Force lieutenant general.

U.S. ARMY

The following-named officer for reappointment to the active list of the Regular Army and Army of the United States, with grade as indicated, from the temporary disability retired list, for a period of 1 day, under the provisions of title 10, United States Code, sections 1211, 3442, and 3447:

Henry Augustine Miley, Jr., 031-30-1192, major general, Regular Army and general, Army of the United States.

The following-named officer to be placed on the retired list in grade indicated:

Henry Augustine Miley, Jr., 031-30-1192, general.

The following-named officer to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

Maj. Gen. DeWitt Clinton Smith, Jr., 578-22-0205, Army of the United States (brigadier general, U.S. Army) lieutenant general.

The following-named officer to be placed on the retired list in grade indicated:

Lt. Gen. Harold Gregory Moore, 401-16-2390, Army of the United States (major general, U.S. Army) lieutenant general.

U.S. NAVY

Vice Adm. Jon L. Boyes, U.S. Navy, for appointment to the grade indicated on the retired list: vice admiral.

[New Reports]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Frank Peter S. Libassi, of Connecticut, to be General counsel of the Department of Health, Education, and Welfare.

DEPARTMENT OF THE TREASURY

Robert Carswell of New York, to be Deputy Secretary of the Treasury.

Daniel H. Brill, of Maryland, to be an Assistant Secretary of the Treasury.

Roger C. Altman, of New York, to be an Assistant Secretary of the Treasury.

William J. Beckham, Jr., of Michigan, to be an Assistant Secretary of the Treasury.

Joseph Laitin, of Maryland, to be an Assistant Secretary of the Treasury.

Jerome Kurtz, of Pennsylvania, to be Commissioner of Internal Revenue.

RENEGOTIATION BOARD

Harry R. Van Cleve, of Virginia, to be a member of the Renegotiation Board.

NEW COMMUNITY DEVELOPMENT CORPORATION

William J. White, of Massachusetts, to be a member of the Board of Directors of the New Community Development Corporation.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Ruth Prokop, of the District of Columbia, to be General Counsel of the Department of Housing and Urban Development.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

Air Force nominations beginning Gerald Strohmeyer, to be captain, and ending Charles E. Wilson, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on March 30, 1977.

Army nominations beginning Bruce C. Abbott, to be second lieutenant, and ending David C. Baatz, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on March 30, 1977.

Navy nominations beginning Richard R. Van't Hof, to be ensign, and ending Larry D. Cordell, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on March 29, 1977.

Marine Corps nominations beginning Clarence T. Anthony, Jr., to be first lieutenant, and ending John D. Winchester, to be first lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on March 30, 1977.

Mr. ROBERT C. BYRD. Mr. President, that leaves only two nominations on the calendar. With the exception of those two, I ask unanimous consent that the President be notified that the nominations on the Executive Calendar have been confirmed.

The ACTING PRESIDENT pro tempore. Without objection, it is to ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMON CAUSE, ET AL., VERSUS BENJAMIN BAILAR, ET AL.

Mr. ROBERT C. BYRD. Mr. President, on the Unanimous Consent Calendar there is a resolution, Calendar Order No. 85, Senate Resolution 136, that was cleared for passage by unanimous consent yesterday. I ask unanimous consent that the Senate now proceed to the consideration of that resolution.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 136) authorizing the furnishing of copies of certain documents of affidavits for in camera inspection by the court in the case of Common Cause, et al., against Benjamin Bailar, et al.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment on page 2, beginning with line 16, to strike all through page 3, line 2, and insert in lieu thereof:

Sec. 3. In response to matters, not previously disposed of by resolution of the Senate, arising in connection with subpenas previously issued by the United States District Court for the District of Columbia in the case of Common Cause, et al., against Benjamin Bailar, et al., which were pending as of April 4, 1977, the counsel for the subpenaed Senate employees is authorized to furnish the following information or affidavits with respect thereto for in camera inspection by such court:

(1) information on volume of mail for the year 1972 with the identity of the Senators coded, set out in the same fashion as the information previously authorized to be submitted to the court and to the plaintiffs for 1973, 1974, and 1975;

(2) those copies of what are known as computer code counts, identifying the categories of codes maintained in the Senate computer by each Senate office and the number of names in each category, which were retained by the Computer Center in 1975, and the computer code count made near the close of 1976 for the Senate offices not included in the 1975 group, in each case with the identity of the Senators coded: and

(3) each administrative assistant is authorized to submit by such counsel in a form that the identity of the Senator is coded consistent with the manner in which earlier information was submitted in this case, the meaning assigned to such codes to the extent that he may have that information in his possession, as well as such general or specific instructions which he has in his possession with respect to the use of the code categories maintained by that office, again with the identity of the Senator coded.

In the event the documents authorized to be submitted to the court for in camera inspection are determined to be relevant by the district court and not within the Senate's privileges and immunities, they may either continue to be retained by the court in camera pending final judicial determination of these issues on an appeal of that determination, or be returned to the subpenaed Senate employees in order that an appeal may be had of any final order the district court may enter imposing a sanction under the rules and procedures of the court relating to discovery.

Sec. 4. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

Mr. ALLEN. Mr. President, on April 5, 1977, just before the Easter recess, a resolution which would authorize certain information subpenaed from Senate employees to be submitted to the three-judge court for a determination of its relevance in Common Cause against Bailar was referred to the Rules Committee for consideration at the request of a member of the committee the Senator from Alabama now speaking. The resolution involves information with respect to the use of Senate facilities by the various Senate offices. In March of this year, new regulations were adopted by the Rules Committee concerning the use of the Senate computer facilities in order to assure that the use of these facilities conforms to the provisions of the franking law and official business usage.

The computer mailing facility had been originally established to prepare address labels as the lowest cost means of addressing newsletters and other franked mass mailings by which Members of the Senate, as part of their official duties as Senators under the Constitution of the United States, disseminate information to their constituencies concerning legislation proposed or enacted by the Congress, as well as the administration of such legislation by the executive branch and the review of such matters by the courts.

In the course of our recent consideration of the use of this computer facility, it became apparent that it was also being used by Senate offices to accumulate information about their constituencies for use in assessing the impact of proposed legislation and issues on their constituencies and analyzing the policy options. To that end, many Senate offices utilized a significant number of categories, expressed in coded form, to identify interests and characteristics of their constituencies, which they would not have maintained as categories merely for mailing purposes. It was pointed out to us that this information was of great value to Senate offices, however, in ascertaining, by the distribution of such code categories in the mailing list, whether, for example, constituents of different age groups felt the same way on particular issues which might have a more direct impact on one age group than another; whether, for example, farmers in one part of a State were as concerned about a given matter as farmers in other parts of the State, and whether, for example, small businessmen, labor union members, suburban, urban and rural constituents felt the same or differently on various issues.

Because of this fact, the Rules Committee determined that even though such code categories were maintained by the various Senate offices for purposes other than mailings under the frank, they were a permissible use of the Senate computer mailing facility as part of the official business of Members of the Senate to represent their constituencies effectively by having the greatest amount of information possible concerning the interests and characteristics of the people they represent.

We did, however, impose one limitation on the computer code categories which could be maintained in the Senate computer. That limitation was that no categories could be maintained which would be ineligible for mailings under the authority of the franking statute. This limitation was further spelled out in Senate Rule XLVIII (48) adopted by the Senate on April 1, 1977. Section 5 of that rule prohibits the use of the Senate computer facilities to process any lists or categories of names which identify the individuals included in such lists as campaign workers or contributors, as members of a political party, or by any other partisan political designation.

Thus, it is now clear that under the Rules Committee regulation and Senate Rule XLVIII (48) that whether a particular code category is maintained in the computer with the intention that it will be used for franked mail purpose, or is maintained only with the intention that it be used for information purposes concerning the interests and characteristics of the constituency of a Senator, it must not be of a type which is for personal or political use. With these limitations which are now imposed under the new rules of the Rules Committee and the Senate, all computer code categories as hereafter maintained in the Senate computer must be eligible for franked mailings whether the code category is actually used for franked mailings or not.

There are other reasons, as well, for not restricting Members of the Senate to a single newsletter mailing code category. Permitting a variety of codes to be maintained in the Senate computer allows Senators to use them to disseminate information to their constituencies at the lowest possible cost where the information concerned is likely to be of interest to limited groups of citizens by directing that the mailing go only to specified categories of names. Under the limitations imposed by Senate rule XLVIII(48) which limits a Member of the Senate to the use of the official funds of the Senate to purchase paper, to print or to prepare any mass mailing which is to be sent out under the frank, and the maximum paper allowance of one sheet of paper per year per voting age constituent for Senators from the larger States, it was found both necessary and proper for a Senator to be able to efficiently utilize that paper allowance to disseminate information on particular issues only to those whom the issue concerned or to whom it was likely to be of interest. A variety of code categories identifying constituent interest and characteristics permits this to be accomplished.

Furthermore, the use of computer code designations to identify the source of names and addresses also makes it possible to update the names and addresses obtained from such sources at the lowest possible cost in computer time because the computer need search only for names bearing a particular code identifying the source of the names in order to compare such names and addresses with the names and addresses on the current list and make any necessary updating corrections.

With this background on the needs of the Senate and its Members with respect to the categories of information associated with names and addresses maintained in the Senate computer, the Rules Committee reports to the Senate a modified resolution with respect to the information which counsel for the Senate employees is authorized to tender to the court for in-camera examination as to the Senate's privileges and immunities and as to relevancy in Common Cause against Bailar. It specifically identifies this information as:

First, information on volume of mail for the year 1972 with the identity of the Senators coded, set out in the same fashion as the information previously authorized to be submitted to the court and to the plaintiffs for 1973, 1974, and 1975;

Second, those copies of what are known as computer code counts, identifying the categories of codes maintained in the Senate computer by each Senate office and the number of names in each category, which were retained by the Computer Center in 1975, and the computer code count made near the close of 1976 for the Senate offices not included in the 1975 group, in each case with the identity of the Senators coded; and

Third, it authorizes each administrative assistant to submit in a form that the identity of the Senator is coded consistent with the manner in which earlier information was submitted in this case, the meaning assigned to such codes to the extent that he may have that information in his possession, as well as such general or specific instructions which he has in his possession, with respect to the use of the code categories maintained by that office, again with the identity of the Senator coded.

It should be emphasized that this information is tendered to the court for in camera inspection as to relevancy and the Senate's privileges and immunities in order to substantiate the assertion of the Senate that code categories have been maintained in the Senate computer mailing labels for newsletters and other mass mailings, and that such code categories are not relevant to Common Cause against Bailar and are within the Senate's privileges and immunities. It is anticipated that an adverse ruling would be appealed in order to obtain a final judicial determination on the issues of relevancy and privileges and immunities. Only if the information is found in such final judicial determination to be relevant and not within the Senate's privileges and immunities would it be turned over to the plaintiffs. This procedure is consistent with the respective roles of the judicial and legislative branches of our Federal Government under the Constitution.

Therefore, in order to permit such appeal the resolution provides that, should the documents now submitted to the court for in camera inspection be determined to be relevant by the district court and not within the Senate's privileges and immunities, they may either continue to be retained by the court in camera pending final judicial determination of these issues on an appeal of that determination, or be returned to the subpenaed Senate employees in order that an appeal may be had of any final order the district court may enter imposing a sanction under the rules and procedures of the court relating to discovery.

The dissemination of information by Members of the Senate to their constituencies as well as the gathering of information concerning their constituencies is within the article I duties and responsibilities of Members of the Senate to effectively represent the interests of their constituencies. The decision of the Senate that its computer mailing facility may be used for both purposes, only one of which is relevant to Common Cause against Bailar, is within the privileges and immunities which protect this duty and responsibility. Should it be necessary, it is a final judicial determination on these issues which the Senate seeks in the circumstances of this case, in which the Senate and its subpenaed employees are not parties.

Mr. DANFORTH. Mr. President, as a member of the Ad Hoc Committee on Legislative Immunity, it has been my duty to study the questions raised by Common Cause, et al. against Bailar, et al., a case of considerable complexity. I should therefore like to associate myself with the remarks made by the junior Senator from Alabama, and note my concurrence with the resolution offered today by the Rules Committee.

However, because of the complexity of the issues presented by this case, I wish to call attention to the fact that there are questions raised by the resolution which are deserving of clarification—not only for the benefit of the Members of the Senate, and their administrative aides, but for other interested parties as well. In particular, I note subparagraph 3 of section 3 of the resolution, which provides that—

> Each administrative assistant is authorized to submit by such counsel in a form that the identity of the Senator is coded consistent with the manner in which earlier information was submitted in this case, the meaning assigned to such codes to the extent that he may have that information in his

possession, *as well as such general or specific instructions which he has in his possesion with respect to the use of the code categories maintained by that office,* again with the identity of the Senator coded.

Some confusion has arisen as to the scope of the provision which I have emphasized—and, for what benefit it may offer, I should like to state my understanding of that provision. It is not the intent of this provision that each administrative assistant be directed to seek out any and all memoranda in which anyone ever offered a suggestion as to the possible use of the frank. Besides imposing enormous burdens on the time of Senate offices, such a search would provide information of no utility. What we must provide are manuals or memoranda governing the use of the codes—information which speaks to general or specific policy guidelines actually adopted for the use or maintenance of computer code categories in connection with franked mailings. It is instructional material—directives—which is the subject of the subpenas—not mere ideas or suggestions set out in written memoranda but ideas or suggestions which were acted upon and took the form of instructions, or became office policy.

I hope that this explanation is of some assistance to my colleagues and to Senate staffs as they seek to comply with the Court's request for an in camera inspection of this information.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-105), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUMMARY

Senate Resolution 136 was introduced by Senator Lee Metcalf, chairman of the Ad Hoc Committee on Legislative Immunity, on April 4, 1977, and on April 5, 1977, was referred to the Committee on Rules and Administration.

Testimony was taken on the resolution by the Committee on Rules and Administration on April 27, its first meeting following the introduction of the resolution. Mr. Cornelius B. Kennedy, counsel for the Senate employees deposed in the case, outlined before the committee the procedure now incorporated into the amendment adopted by the committee. The procedure was approved by the Ad Hoc Committee on Legislative Immunity at its meeting on April 25, wherein the current status of the legal situation involving the Senate employees was the topic.

The text of a letter approving such procedures from ad hoc committee chairman Metcalf follows:

U.S. SENATE,
COMMITTEE ON ENGERY
AND NATURAL RESOURCES,
Washintgon, D.C., April 26, 1977.

Hon. HOWARD CANNON,
Chairman, Senate Committee on Rules and Administration, Russell Senate Office Building, Washington, D.C.

DEAR CHAIRMAN CANNON: The Ad Hoc Committee on Legislative Immunity met Monday, April 25, 1977, and agreed—on advice of counsel—to a procedure for *in camera* examination of disputed materials sought by the plaintiff from the Senate in *Common Cause* v. *Bailar, et al.*

It is our understanding that the procedure is to be attached as an amendment to S. Res. 136 which I introduced on April 4 and which is pending before the Committee on Rules and Administration.

Let me explain why we believe the approval of such a procedure, which, to the best of my knowledge, is without precedent, is necessary to protect the interests of the Senate at this time.

As you know, while the Senate is not a party to *Common Cause* v. *Bailar*, the Senate has gone to extraordinary lengths to serve the needs of justice in responding to discovery actions initiated by the plaintiff. The Senate has done so not only to insure that the Court has before it the information necessary to decide the case on the merits, but also to avoid any confrontation with the Court over the closely related issue of senatorial privileges and immunities.

By resolution of March 24, 1976, the Senate has authorized the deposition of its employees and the production of comprehensive information pertaining to actual use of the frank and the Senate's mailing facilities. The file of information which has already been made available to the Court and plaintiff is voluminous. Its production has required months of effort and has involved depositions or affidavits by more than 100 Senate employees.

But as I informed the Court on April 4, 1977, after thorough review of the plaintiff's current demands—in subpenas served on, among others, the administrative assistant to every Senator—this committee found no demonstrable connection between the additional materials sought and the actual use of the frank for mailings by Senate offices. Thus, the committee did not then—and does not now—recommend that the Senate authorize the subpenaed administrative assistants to furnish these materials to the Court and to the plaintiff.

Why, then, are we recommending a procedure for the production of the disputed materials by the Senate—a burdensome process involving further disruption of every Senate office—and only for their *in camera* examination by the Court?

This committee approved such a proposal because of the peculiar legal circumstances of this lawsuit. The basic issue with respect to the materials subpenaed from Senate employees and not previously supplied to the Court, and the plaintiff, is whether it is within the privileges and immunities of the Senate, as part of its internal operations and its Members' duties and responsibilities under Article I of the Constitution, and, further, whether it is relevant to *Common Cause* v. *Bailar*.

To refuse to permit this material to be supplied to the Court for *in camera* examination could give rise to the imposition of sanctions on the subpenaed Senate employees. An appeal from the imposition of such sanctions necessarily would focus on the refusal to produce it.

In order to strengthen the Senate's case on appeal, if an appeal should be necessary, it would be advantageous to have the rulings of the Court on the specific materials to which the Senate has claimed its privileges and immunities and lack of relevance. This is particularly true because the Senate and its employees are not parties and cannot appeal the final decision on the merits.

Nevertheless, it should be emphasized that the Committee has approved *in camera* examination of the disputed material by the Court only because of the legal situation and the desire of the Senate to protect its privileges and immunities to the greatest possible extent by avoiding legal decisions based on surmise rather than on concrete facts. Thus, the decision to supply the material to the Court should not be considered a precedent for other situations that may arise in the future.

We believe it should also be made clear that the information which each Senate administrative assistant is authorized to supply is limited to—

(1) Any working document or documents in his possession which identify the meanings of codes maintained by his office in the Senate computer facility; and

(2) Any working manuals and operating instructions governing the general policies applied by his office for the use of codes maintained in the Senate computer facility for franked mass mailings.

Finally, Mr. Chairman, we hope that the production of this information and its submission in this manner will facilitate a ruling upholding the position of the Senate as described above. It is the conviction of this committee, however, that—if the ruling should be adverse—the Senate must appeal to contest the relevance of these additional materials sought by the plaintiff and to assert the privileges and immunities of the Senate in order to preserve and protect the powers and prerogatives granted and reserved to the Congress by the Constitution.

Very truly yours,

LEE METACLF.

BACKGROUND

In *Common Cause v Bailar*. Common Cause seeks to have the Postmaster General enjoined from carrying franked mail and the Secretary of the Treasury enjoined from paying for franked mail on the ground that the franking statute is unconstitutional. The litigation, therefore, directly involves duties of Members of the Senate under Article 1 of the Constitution to disseminate information to their constituencies concerning legislation proposed or enacted by the Congress, the administration of such legislation by the executive branch and the review of such matters by the courts.

In connection with this litigation, Common Cause served subpenaes on Senate employees in the Senate Service Department and Senate Computer Center to compel their testimony and the production of various Senate records, and on all administrative assistants to individual Senators to compel the production of records in the offices of individual Senators. The records subpenaed included not only information relating to the actual use of the frank by Senate offices for mass mailing processed by the Senate Service Department and Senate Computer Center, but also information concerning the the interests and characteristics of their constituencies maintained in the Senate computer for use in assessing the impact of proposed legislation and issues on their constituencies and analyzing policy options in order to effectively represent their constituencies.

The Senate resisted the subpenas in court on the grounds of lack of relevance, burdensomeness and constitutional immunity. However, while the Senate is not a party to *Common Cause* v. *Bailar*, the Senate has gone to extraordinary lengths to serve the needs of justice in responding to discovery actions initiated by the plaintiff. The Senate has done so not only to insure that the court has before it the information necessary to decide the case on the merits, but also to avoid any confrontation with the court over the closely related issue of Senatorial privileges and immunities.

Thus, by resolution of March 24, 1976, the Senate has authorized the deposition of its employees and the production of comprehensive information pertaining to actual use of the frank and the Senate's mailing facilities. The file of information which has already been made available to the court and plaintiff is voluminous. Its production has required months of effort and has involved depositions or affidavits by more than 100 Senate employees.

At a hearing on April 4, 1977, the court offered to reconsider its determination on the relevance of the materials which the Senate has declined to authorize its employees to supply to the court if the materials were supplied to it for *in camera* examination. A resolution of the Senate is required to authorize such action by its employees.

SCOPE OF RESOLUTION

The resolution involves information with respect to the use of Senate facilities by the various Senate offices. In March of this year, new regulations were adopted by the Rules Committee concerning the use of the Senate computer facilities in order to assure that the use of these facilities conforms to the provisions of the franking law and official business usage.

The computer mailing facility had been originally established to prepare address labels as the lowest means of addressing newsletters and other franked mass mailings by which Members of the Senate, as part of their official duties as Senators under the Constitution of the United States, disseminate information to their constituencies concerning legislation proposed or enacted by the Congress, as well as the administration of such legislation by the executive branch and the review of such matters by the courts.

In the course of the committee's recent consideration of the use of this computer facility, it became apparent that it was also being used by Senate offices to accumulate information about their constituencies for use in assessing the impact of proposed legislation and issues on their constituencies and analyzing the policy options. To that end, many Senate offices utilized a significant number of categories, expressed in coded form, to identify interests and characteristics of their constituencies, which they would not have maintained as categories merely for mailing purposes. It was pointed out that this information was of great value to Senate offices, however, in ascertaining, by the distribution of such code categories in the mailing list, whether, for example, constituents of different age groups felt the same way on particular issues which might have a more direct impact on one age group than another; whether, for example, farmers in one part of a State were as concerned about a given matter as farmers in other parts of the State. and whether, for example, small business, labor union members, suburban, urban and rural constitutents felt the same or differently on various issues.

Because of this fact, the committee determined that even though such code categories were maintained by the various Senate offices for purposes other than mailings under the frank, they were a permissible use of the Senate computer mailing facility as part of the official business of Members of the Senate to represent their constituencies effectively by having the greatest amount of information possible concerning the interests and characteristics of the people they represent.

The committee did, however, impose one limitation on the computer code categories which could be maintained in the Senate computer. That limitation was that no categories could be maintained which would be ineligible for mailings under the authority of the franking statute. This limitation was further spelled out in Senate Rule XLVIII (48) adopted by the Senate on April 1, 1977. Section 5 of that rule prohibits the use of the Senate computer facilities to process any lists or categories of names which identify the individuals included in such lists as campaign workers or contributors, as members of a political party, or by any other partisan political designation. Thus, it is now clear under the Rules Committee regulation and Senate Rule XLVIII (48) that whether a particular code category is maintained in the computer with the intention that it will be used for franked mail purposes, or is maintained only with the intention that it will be used for information purposes concerning the interests and characteristics of the constituency of a Senator, it must not be of a type which is for personal or political use. With these limitations which are imposed under the new rules of the Rules Committee and the Senate, all computer code categories as hereafter maintained in the Senate computer must be eligible for franked mailings whether the code category is actually used for franked mailings or not.

There are other reasons, as well, for not restricting Members of the Senate to a single newsletter mailing code category. Permitting a variety of codes to be maintained in the Senate computer allows Senators to use them to disseminate information to their constituencies at the lowest possible cost where the information concerned is likely to be of interest to limited groups of citizens by directing that the mailing go only to specified categories of names. Under the limitations imposed by Senate Rule XLVIII (48) which limits a Member of the Senate to the use of the official funds of the Senate to purchase paper, to print or to prepare any mass mailing which is to be sent out under the frank, and the maximum paper allowance of one sheet of paper per year per voting age constituent for Senators from all but the smaller States, it was found both necessary and proper for a Senator to be able to efficiently utilize that paper allowance to disseminate information on particular issues only to those whom the issue concerned or to whom it was likely to be of interest. A variety of code categories identifying constituent interests and characteristics permits this to be accomplished. Furthermore, the use of computer code designations to identify the source of names and addresses also makes it possible to update the names and addresses obtained from such sources at the lowest possible cost in computer time because the computer need search only for names bearing a particular code identifying the source of the names in order to compare such names and addresses on the current list and make any necessary updating corrections.

PURPOSE OF AMENDMENT

The Rules Committee amended the resolution with respect to the information which counsel for the Senate employees is authorized to tender to the court for in camera examination as to the Senate's privileges and immunities and as to relevancy in *Common Cause* v. *Bailar*. It specifically identifies this information as:

(1) Information on volume of mail for the year 1972 with the identity of the Senators coded, set out in the same fashion as the information previously authorized to be submitted to the court and to the plaintiffs for 1973, 1974, and 1975;

(2) Those copies of what are known as computer code counts, identifying the categories of codes maintained in the Senate computer by each Senate office and the number of names in each category, which were retained by the Computer Center in 1975, and the commuter code count made near the close of 1976 for the Senate offices not included in the 1975 group, in each case with the identity of the Senators coded; and

(3) It authorizes each administrative assistant to submit in a form that the identity of the Senator is coded consistent with the manner in which earlier information was submitted in this case, the meaning assigned to such codes to the extent that he may have that information in his possession, as well as such general or specific instructions which he has in the possession with respect to the use of the code categories maintained by that office, again with the identity of the Senator coded.

It should be emphasized that this information would be tendered to the court for in camera inspection as to relevancy and the Senate's privileges and immunities in order to substantiate the assertion of the Senate that code categories have been maintained in the Senate computer mailing system for purposes other than the preparation of mailing labels for newsletters and other mass mailings, and that such code categories are not relevant to *Common Cause* v. *Bailar* and are within the Senate's privileges and immunities. It is anticipated that an adverse ruling would be appealed in order to obtain a final judicial determination on the issues of relevancy and privileges and immunities. Only if the information is found in such final judicial determination to be relevant and not within the Senate's privileges and immunities would it be turned over to the plaintiffs.

This procedure is consistent with the respective roles of the judicial and legislative branches of our Federal Government under the Constitution. Therefore, in order to permit such appeal the resolution provides that should the documents now submitted to the court for in camera inspection be determined to be relevant by the district court and not within the Senate's privileges and immunities, they may either continue to be retained by the court in camera pending final judicial determination of these issues on an appeal of that determination, or be returned to be subpenaed Senate employees in order that an appeal may be had of any final order the district court may enter imposing a sanction under the rules and procedures of the court relating to discovery.

The dissemination of information by Members of the Senate to their constituencies, as well as the gathering of information concerning their constituencies, is within the Article I duties and responsibilities of Members of the Senate to effectively represent the interests of their constituencies. The decision of the Senate that its computer mailing facility may be used for both purposes, only one of which is relevant to *Common Cause* v. *Bailar*, is within the privileges and immunities which protect this duty and responsibility. Should it be necessary, it is a final judicial determination on these issues which the Senate seeks in the circumstances of this case. in which the Senate and its subpenaed employees are not parties.

CONCLUSION

It was the committee's judgment that the production of this information and its submission in the manner provided in this resolution, as amended. will facilitate a ruling of the court upholding the position of the Senate. In any event, the procedure this resolution as amended recommends should provide a record upon which the Senate could appeal an adverse decision by the U.S. District Court for the District of Columbia as to relevance of the material and the Senate's privileges and immunities.

The **PRESIDING OFFICER**. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to.

The resolution, as amended, with its preamble, reads as follows:

Whereas, as in the case of Common Cause et al. against Benjamin Bailar et al. (Civil Action Numbered 1887-73), pending in the United States District Court for the District of Columbia, subpenas have been issued and served upon employees of the Senate, including employees serving in the office of a Senator, directing them to appear and give testimony and produce documents, papers, or records; and

Whereas the dissemination of information by a Senator to his constituency concerning legislation proposed or enacted by the Congress, the administration of such legislation by the executive branch, and the review of such matters by the courts is a part of the official business of a Senator under the Constitution of the United States: Now, therefore, be it

Resolved, That by the privileges of the

Senate and by rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce documents, papers, or records of the Senate but by order of the Senate and information secured by officers and employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate.

SEC. 2. When it appears that testimony of an officer or employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers, or records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 3. In response to matters, not previously disposed of by resolution of the Senate, arising in connection with subpenas previously issued by the United States District Court for the District of Columbia in the case of Common Cause, et al. against Benjamin v. Bailar, et al., which were pending as of April 4, 1977, the counsel for the subpenaed Senate employees is authorized to furnish the following information or affidavits with respect thereto for in camera inspection by such court:

(1) information on volume of mail for the year 1972 with the identity of the Senators coded, set out in the same fashion as the information previously authorized to be submitted to the court and to the plaintiffs for 1973, 1974, and 1975;

(2) those copies of what are known as computer code counts, identifying the categories of codes maintained in the Senate computer by each Senate office and the number of names in each category, which were retained by the Computer Center in 1975, and the computer code count made near the close of 1976 for the Senate offices not included in the 1975 group, in each case with the identity of the Senators coded; and

(3) each administrative assistant is authorized to submit by such counsel in a form that the identity of the Senator is coded consistent with the manner in which earlier information was submitted in this case, the meaning assigned to such codes to the extent that he may have that information in his possession, as well as such general or specific instructions which he has in his possession with respect to the use of the code categories maintained by that office, again with the identity of the Senator coded.

In the event the documents authorized to be submitted to the court for in camera inspection are determined to be relevant by the district court and not within the Senate's privileges and immunities, they may either continue to be retained by the court in camera pending final judicial determination of these issues on an appeal of that determination, or be returned to the subpenaed Senate employees in order that an appeal may be had of any final order the district court may enter imposing a sanction under the rules and procedures of the court relating to discovery.

SEC. 4. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate with the exception of the Committee on Energy and Natural Resources.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Parks and Recreation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today between the hours of 10 a.m. and 1 p.m. to hold hearings on S. 1125, the Eleanor Roosevelt Historic Site, and on this matter only.

The PRESIDING OFFICER. Is there objection. The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have cleared this with the distinguished minority leader. I ask unanimous consent that the Committee on Energy and Natural Resources may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON PUBLIC WORKS EMPLOYMENT ACT OF 1977 CONFERENCE REPORT TO OCCUR AT 12:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the distinguished minority leader and the distinguished Senator from Pennsylvania (Mr. SCHWEIKER), who is personally involved. I have cleared it on this side of the aisle. I ask unanimous consent that the vote on the conference report on the jobs bill occur today at 12:45 p.m. rather than 12 noon.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. Reserving the right to object, I have a parliamentary inquiry. How long does the leader expect that to take? Will there be debate?

Mr. ROBERT C. BYRD. No; the debate took place last night.

Mr. GOLDWATER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I waive the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee?

Mr. BAKER. Mr. President, I have no requirement for nor requests for time, and I yield back my time under the standing order.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from South Carolina (Mr. THURMOND) is recognized for not to exceed 15 minutes.

PROSECUTION OF FORMER AGENTS OF THE FEDERAL BUREAU OF INVESTIGATION

Mr. THURMOND. Mr. President, as most of my colleagues are probably aware, the U.S. Department of Justice has decided to go forward with the prosecution of a former supervisor in the New York City office of the Federal Bureau of Investigation who was recently indicted on charges of illegal wiretapping, mail opening, and conspiracy in connection with surveillance activities in the early 1970's against the Weathermen, an underground terrorist organization.

This recent decision to pursue the prosecution of John J. Kearney, the special agent presently under indictment, has dealt a devastating blow to the already faltering morale of the FBI. The most unfortunate result of this decision is, of course, the fact that agents of the Nation's oldest and most respected Federal law enforcement agency are being prosecuted for carrying out orders which, at the time, they believed to be lawful and authorized by their superiors.

There has never been any doubt throughout the investigation of these matters that the agents were acting within the scope of their employment and not for personal gain or with criminal intent. The only question that may be at issue here is whether the policy and regulations of the FBI were properly constituted and whether the agents carrying out their assignments were within the purview of these regulations.

Mr. President, there should be no question that the surveillance of the Weathermen, a known terrorist organization having a close alinement with foreign revolutionaries, was within the national security powers of the executive department and particularly the FBI. It may be one thing, Mr. President, to question the national security powers of the executive department as the Select Committee on Intelligence has, and is doing, but to make special agents of the FBI the scapegoats is an entirely different thing. It deeply disturbs this Senator and I think it would disturb many of my colleagues who recognize the legitimate need for the surveillance of known terrorist groups operating within this country.

One of the most unfortunate results of the impending prosecutions is the failure of the Justice Department to provide counsel or to reimburse agents for legal costs who are under investigation. These agents, if further decisions to prosecute are made, face the specter of financial ruin because of the legal fees incurred. These men are dedicated, hardworking professional with families and the financial responsibilities shared by all Americans. These men have devoted their entire professional lives to the enforcement of the Federal laws and have built a record unequalled by any other law enforcement agency.

Mr. President, the agents currently under investigation by the Civil Rights Division of the Justice Department cannot continue to bear these legal costs unassisted. Since the Department has decided not to reimburse them for the legal costs they are facing, financial help is desperately needed. One group, the special agents' defense fund, has been established to receive contributions from concerned citizens to assist these men. Anyone interested in making a contribution should send it to the following address: Special Agents' Defense Fund, Security National Bank, 2000 M Street NW., Washington, D.C. 20036.

Mr. President, I bring this fund to the attention of my colleagues and the American people because I strongly believe that these brave men deserve our support. I would also encourage anyone who feels as I do to write the President and the Attorney General expressing their feelings about this unfortunate situation. These agents are being forced to bear the brunt of the so-called post-Watergate mentality. They are being thrown to the lions for carrying out orders they believed to be properly authorized under the executive department's national security powers. At a time when FBI morale is at an all time low, these agents are being deserted by the very Government they have worked so hard to uphold. I cannot stand idly by while this happens, and I hope my fellow citizens will not do so either.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of H.R. 3477, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment (No. 245) by the Senator from Texas (Mr. Tower), on which there is to be 30 minutes of debate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent—I am sure the minority leader shares with me in this request—that the time for the quorum call not be charged against Mr. Tower or the manager of the bill.

Mr. BAKER. Mr. President, I appreciate that. I was on my feet about to make the same request. I notice by the clock in the Chamber it is a minute or two before 9 o'clock If we could have this time for the quorum call, I will attempt to locate Senator Tower.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that, contrary to the previous order, the Senator from Georgia (Mr. Nunn) be allowed to precede me without prejudicing my right to offer my amendment following him.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Georgia.

UP AMENDMENT NO. 171

Mr. NUNN. I thank the Senator from Texas. I have about a 5-minute explanation on each of these five amendments. All of them are technical amendments, having nothing to do with taxation. They are amendments which are necessary and urgent as far as welfare provisions which passed this Senate in previous years.

Mr. President, these amendments would amend title IV—D of the Social Security Act relating to the child support program which was established in Public Law 93-647. With a few modifications that are just technical in nature, these amendments passed the Senate during the 94th Congress. However, they did not receive final congressional approval. I have discussed these amendments with the able chairman of the Finance Committee and the ranking minority member. These amendments are agreeable to them. In fact, the amendments have been prepared by the staff of the Finance Committee. I am assisting them in getting some technical changes made in the law.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. CURTIS. These amendments are in the nature of refining amendments to that which is already in the law, is that correct?

Mr. NUNN. That is correct; yes.

Mr. CURTIS. To implement that which has already been done?

Mr. NUNN. That is right, particularly the garnishment section on Federal employee wages.

Mr. CURTIS. Is it not true that this matter was presented to the Finance Committee and approved by that committee on a previous date?

Mr. NUNN. In the previous Congress, that is correct.

Mr. CURTIS. Has every one of these technical amendments which the Senator is now presenting passed the Senate?

Mr. NUNN. That is correct, with a few minor modifications. It is not the precise wording but it is the same intent.

Mr. CURTIS. Yes. This has no budget impact whatever. In fact, if there is a budget impact, it is in favor of the Treasury, is that correct?

Mr. NUNN. That is correct. I shall give a very brief explanation of these amendments, if the Senator would like. It would demonstrate the nature of them. One of them relates to garnishment. We now have a law which says Federal employee salaries can be garnisheed for child support purposes.

There is no authority for the agencies to issue regulations to implement this. This was simply an omission in the original law. One of the amendments is directed to that authority.

Another amendment gives authority to the agencies to specifically exempt a portion of a Federal employee's salary. Now 100 percent can be taken. That was not the intent of the original law.

Mr. CURTIS. Mr. President, the Senator from Nebraska is somewhat familiar with this. As far as I am concerned, I favor the amendment. I see no reason for any contest. I am sure the amendments will have adequate explanation in the Record. They will portray the intent of the Committee on Finance.

Mr. MOYNIHAN. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. MOYNIHAN. Mr. President, I thank the distinguished ranking minority member of the Committee on Finance, the Senator from Nebraska, whose understanding of this matter is entirely in accord with my own. These are technical amendments. They are not technically tax amendments. They have been prepared by the staff of the committee, working with the Senator from Georgia. The committee desires that they be accepted and expects that they will be.

Mr. ROBERT C. BYRD. Mr. President, may I just be assured that the chairman of the committee (Mr. Long) is fully aware of the content of the technical amendments and agrees to accept them?

Mr. NUNN. I say to the Senator from West Virginia that these amendments were prepared by the staff of the Finance Committee. They were specifically reviewed by Mr. Mike Stern, who is one of the top staff people on the Finance Committee. One of the amendments that might have been somewhat controversial to the House conferees was eliminated. The remaining amendments have been approved by the staff of the Finance Committee and the people who are most familiar with this.

Mr. ROBERT C. BYRD. So the chairman would be in agreement with them.

Mr. NUNN. The chairman is aware of all of that. The chairman, last night, indicated that he is in favor of these amendments, that will be shown in the Record. He assured the Senator from Georgia that he is in favor of the amendments.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. NUNN. Mr. President, I send the amendments to the desk. There are five, and I ask unanimous consent that they be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. Nunn) proposes UP amendments No. 171.

At the end of the bill, add the following new title:

"TITLE VII—CERTAIN SOCIAL SECURITY ACT AMENDMENTS

"CLARIFICATION OF GARNISHMENT PROVISIONS

"Sec. 701. (a) In General, Section 459 of the Social Security Act is amended—

"(1) by striking out '(including any agency or instrumentality thereof and any wholly owned Federal Corporation)' and inserting in lieu thereof 'or the District of Columbia (including any agency, subdivision, or instrumentality thereof)'; and

(2) by inserting "or the District of Columbia" immediately after "United States" where it appears the second time.

(b) Service of Process.—Section 459 of such Act is further amended—

(1) by inserting "(a)" immediately after "Sec. 459.", and

(2) by adding at the end thereof the following new subsections:

"(b) Service of legal process brought for the enforcement of an individual's obligation to provide child support or make alimony payments shall be accomplished by certified or registered mail, return receipt requested, or by personal service, upon the appropriate agent designated for receipt of such service of process pursuant to regulations promulgated pursuant to section 461 (or, if no agent has been designated for the govermental entity having payment responsibility for the moneys involved, then upon the head of such governmental entity). Such process shall be accompanied by sufficient data to permit prompt identification of the individual and the moneys involved.

"(c) No Federal employee whose duties include responding to interrogatories pursuant to requirements imposed by section 461(b)(3) shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of any of his duties which pertain (directly or indirectly) to the answering of any such interrogatory.

"(d) Whenever any person, who is designated by law or regulation to accept service of process to which the United States is subject under this section, is effectively served with any such process or with interrogatories relating to an individual's child support or alimony payment obligations, such person shall respond thereto within thirty days (or within such longer period as may be prescribed by applicable State law) after the date effective service thereof is made, and shall, as soon as possible but not later than fifteen days after the date effective service is so made of any such process, send written notice that such process has been so served (together with a copy thereof) to the individual whose moneys are affected thereby at his duty station or last-known home address.

"(e) Governmental entities affected by legal processes served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary their normal pay and disbursement cycles in order to comply with any such legal process.

"(f) Neither the United States, any disbursing officer, nor governmental entity shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if such payment is made in accordance with this section and the regulations issued to carry out this section.".

(c) REGULATIONS.—Part D of title IV of such Act is further amended by adding at the end thereof the following new section:

"REGULATIONS PERTAINING TO GARNISHMENTS

"SEC. 461. (a) Authority to promulgate regulations for the implementation of the provisions of section 459 shall, insofar as the provisions of such section are applicable to moneys due from (or payable by)—

"(1) the executive branch of the Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the government of the District of Columbia), be vested in the President (or his designee),

"(2) the legislative branch of the Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Government, be vested in the Chief Justice of the United States (or his designee).

"(b) Regulations promulgated pursuant to this section shall—

"(1) in the case of those promulgated by the executive branch of the Government, include a requirement that the head of each agency thereof shall cause to be published, in the appendix of the regulations so promulgated, (A) his designation of an agent or agents to accept service of process, identified by title of position, mailing address, and telephone number, and (B) an indication of the data reasonably required in order for the agency promptly to identify the individual with respect to whose moneys the legal process is brought,

"(2) in the case of regulations promulgated for the legislative and judicial branches of the Government set forth, in the appendix to the regulations so promulgated, (A) the name, position, address, and telephone number of the agent or agents who have been designated for service of process, and (B) an indication of the data reasonably required in order for such entity promptly to identify the individual with respect to whose moneys the legal process is brought,

"(3) provide that (A) in the case of regulations promulgated by the executive branch of the Government, that each head of a governmental entity (or his designee) shall respond to relevant interrogatories, if authorized by the law of the State in which legal process will issue, prior to formal issuance of such process, upon a showing of the applicant's entitlement to child support or alimony payments, and (B) in the case of regulations promulgated for the legislative and judicial branches of the Government, or the person or persons designated as agents for service of process in accordance with paragraph (2) shall respond to relevant interrogatories if authorized by the law of State in which legal process will issue, prior to formal issuance of legal process, upon a showing of the applicant's entitlement to child support or alimony payments.

"(c) In the event that a governmental entity, which is authorized under this section or regulations issued to carry out this section to accept service of process, pursuant to the provisions of subsection (a), is served with more than one legal process with respect to the same moneys due or payable to any individual, then such moneys shall be available to satisfy such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such process which have been previously served.

(d) DEFINITIONS.—Part D of title IV of such Act is further amended by adding after section 461 (as added by subsection (c) of this section) the following new section:

"DEFINITIONS

"SEC. 462. For purposes of section 459—

"(a) The term 'United States' means the Federal Government of the United States, consisting of the legislative branch, the judicial branch, and the executive branch thereof, and each and every department, agency, or instrumentality of any such branch, including the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, any office, commission, bureau, or other administrative subdivision or creature thereof, and the governments of the territories and possessions of the United States.

"(b) The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which such individual has such an obligation, and (subject to and in accordance with State law) includes but is not limited to, payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children; such term also includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(c) The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of such individual, and (subject to and in accordance with State law) includes but is not limted to, separate maintenance, alimony pendente lite, maintenance, and spousal support, such term also includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to his spouse or former spouse in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(d) The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes such person not to be subject to legal process.

"(e) The term 'legal process', when used in the context of section 459, means any writ, order, summons, or other similar process in the nature of garnishment, which—

"(1) is issued by (A) a court of competent jurisdiction within any State, territory, or possession of the United States, (B) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor such process, or (C) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law, and

"(2) is directed to, and the purpose of which is to compel a governmental entity which holds moneys which are otherwise payable to an individual, to make a payment from such moneys to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments.

"(f) Entitlement of an individual to any money shall be deemed to be 'based upon remuneration for employment', if such money consists of—

"(1) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to, severance pay, sick pay, and incentive pay, but does not include awards for making suggestions, or

"(2) periodic benefits (as defined in section 228(h)(3) of this Act) or other payments to such individual under the insurance system established by title II of this Act or any other system or fund established by the United States (as defined in subsection (a)) which provides for the payment of pensions, retirement or retired pay, annuities, dependents or survivors' benefits, or similar amounts payable on account of personal services performed by himself or any other individual (not including any payment as compensation for death under any Federal program, any payment under any Federal program established to provide "black lung" benefits, any payment by the Veterans' Administration as pension, or any payment by the Veterans' Administration as compensation for a service-connected disability or death, except any compensation paid by the Veterans' Administration to a former member of the armed forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation), and does not consist of amounts paid, by way of reimbursement or otherwise, to such individual by his employer to defray expenses incurred by such individual in carrying out duties associated with his employment.

"(g) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(1) are owed by such individual to the United States,

"(2) are required by law to be, and are, deducted from the remuneration or other payment involved, including but not limited to, Federal employment taxes, and fines and forfeitures ordered by court-martial,

"(3) are properly withheld for Federal, State, or local income tax purposes, if the withholding of such amounts is authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402 (1) of the Internal Revenue Code of 1954 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding).

"(4) are deducted as health insurance premiums,

"(5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage), and

"(6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).".

(e)(1) Consumer Provisions.—Subsection (b) of section 303 of the Consumer Credit Protection Act (15 U.S.C. 1673(b)) is amended—

(A) by inserting "(1)" immediately after "(b)",

(B) by redesignating clauses (1), (2), and (3) thereof as clauses (A), (B), and (C), respectively, and

(C) by adding at the end thereof the following new paragraph:

"(2) The maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment to enforce any order for the support of any person shall not exceed—

"(A) where such individual is supporting his spouse or dependent child (other than a spouse or child with respect to whose support such order is issued), 50 per centum of such individual's disposable earnings for that week; and

"(B) where such individual is not supporting such a spouse or dependent child described in clause (A), 60 per centum of such individual's disposable earnings for that week;

except that, with respect to the disposable earnings of any individual for any workweek, the 50 per centum specified in clause (A) shall be deemed to be 55 per centum and the 60 per centum specified in clause (B) shall be deemed to be 65 per centum, if and to the extent that such earnings are subject to garnishment to enforce a support order with respect to a period which is prior to the twelve-week period which ends with the beginning of such workweek.".

(2) The provision of section 303(b) of the Consumer Credit Protection Act which is redesignated under paragraph (1) as clause (A) is amended by striking out all that follows "any order" and inserting in lieu thereof the following: "for the support of any person issued by a court of competent jurisdiction or in accordance with an administrative procedure, which is established by State law, which affords substantial due process, and is subject to judicial review.".

(3) Section 303(c) of such Act is amended by inserting ", and no State (or officer or agency thereof)," immeditaely after "or any State".

(4) Section 305 of such Act is amended by inserting "and (b)(2)" immediately after "section 303(a)" each place it appears therein.

(5) The amendments made by this subsection shall take effect on the first day of the first calendar month which begins after the date of enactment of this Act.

BONDING OF CERTAIN STATE OR LOCAL EMPLOYEES HANDLING OF CASH RECEIPTS

Sec. (a) Section 454 of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (12),

(2) by striking out the period at the end of paragraph (13) and inserting a semicolon in lieu thereof, and

(3) by adding at the end thereof the following new paragraphs:

"(14) comply with such bonding requirements, for employees who receive, disburse, handle, or have access to, cash, as the Secretary shall by regulations prescribe; and

"(15) maintain methods of administration which are designed to assure that persons responsible for handling cash receipts shall not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of cash receipts (except that the Secretary shall by regulations provide for exceptions to this requirement in the case of sparsely populated areas where the hiring of unreasonable additional staff would otherwise be necessary).".

(b) Effective Date.—The amendments made by this subsection shall take effect on the first day of the first calendar month which begins after the date of enactment of this Act.

Sec. 703.—Incentive payments to states and localities.—

Sec. 3. (a)(1) Section 458(a) of the Social Security Act is amended by striking out "parent—" and all that follows and inserting in lieu thereof "parent an amount equal to 15 per centum of any amount collected and required to be distributed as provided in section 457 to reduce or repay assistance payments."

(2) Section 458(b) of such Act is amended by striking out "paragraphs (1) and (2) of".

(b) Effective Date.—The amendments made by subsection (a) shall be applicable with respect to amounts collected on and after October 1, 1977.

Sec. 704.—Annual report of the Secretary.—

(a) Report.—Section 452(a)(10) of the Social Security Act is amended to read as follows:

"(10) not later than three months after the end of each fiscal year, beginning with the year 1977, submit to the Congress a full and complete report on all activities undertaken pursuant to the provisions of this part, which report shall include, but not be limited to, the following:

"(A) total program costs and collections set forth in sufficient detail to show the cost to the States and the Federal Government, the distribution of collections to families, State and local governmental units, and the Federal Government; and an identification of the financial impact of the provisions of this part;

"(B) costs and staff associated with the Office of Child Support Enforcement;

"(C) the number of child support cases in each State immediately prior to the effective date of this part and the number of such cases added each quarter thereafter, and the disposition of such cases;

"(D) the status of all State plans under this part as of the end of the fiscal year last ending before the report is submitted, together with an explanation of any problems which are delaying or preventing approval of State plans under this part;

"(E) data, by State, on the use of the Federal Parent Locator Service, and the number of locate requests submitted without the absent parent's social security account number;

"(F) the number of cases, by State, in which an applicant for or recipient of aid under a State plan approved under part A has refused to cooperate in identifying and locating the absent parent and the number of cases in which refusal so to cooperate is based on good cause (as determined in accordance with the standards referred to in section 402(a)(26)(B)(ii); and

"(G) data, by State, on the use of Federal courts and on use of the Internal Revenue Service for collections, the number of court orders on which collections were made, the number of paternity determinations made and the number of parents located, in sufficient detail to show the cost and benefits to the States and to the Federal Government; and

"(H) the major problems encountered which have delayed or prevented implementation of the provisions of this part during the fiscal year last ending prior to the submission of such report.".

(b) Effective Date.—The amendment made by subsection (a) shall be effective in the case of reports, submitted by the Secretary of Health, Education, and Welfare, after 1976.

(c) Supplemental Report.—The Secretary of Health, Education, and Welfare shall submit to the Congress not later than June 30, 1977, a special supplemental report, with respect to activities undertaken pursuant to part D of title IV of the Social Security Act during the fiscal year ending June 30, 1976, and during the transitional period beginning July 1, 1976, and ending September 30, 1976. Such report shall, with respect to such transitional period, contain all the data and information specified in clauses (A) through (H) of section 452(a)(10) of such Act (as amended by subsection (a) of this section), and with respect to the fiscal year ending June 30, 1976, contain all such data and information which was not included in the report made by such Secretary to the Congress on June 30, 1976, pursuant to section 452(a)(10) of such Act as in effect on such date.

Sec. 705. Certain AFDC Payments.—For purposes of determining the amount payable to the State of Georgia under section 403(a) of the Social Security Act on account of expenditures made by such State as aid to families with dependent children under its State plan approved under part A of title IV of such Act during calendar quarters, beginning after June 30, 1975, and prior to January 1, 1977, there shall be included as an offset against such expenditures amounts which—

(1) were collected as child support by the State pursuant to a plan approved under part D of such title IV, and

(2) were retained by the State pursuant to, and in accordance with the provisions of, section 457(a)(2) or section 457(b)(1).

On page , at the end of the table of contents, insert the following:

TITLE VII—CERTAIN SOCIAL SECURITY ACT AMENDMENTS

Sec. 701. Clarification of garnishment proceedings.
Sec. 702. Bonding of certain state or local employees, handling of cash receipts.
Sec. 703. Incentive payments to states and localities.
Sec. 704. Annual report of the Secretary.
Sec. 705. Certain AFDC payments.

Mr. NUNN. Mr. President, I am today proposing these amendments to the Tax Reduction and Simplification Act of 1977 which would amend title IV–D of the Social Security Act relating to the child support program which was established in Public Law 93–647. With a few modifications, these amendments passed the Senate during the 94th Congress; however, they did not receive final congressional approval. I have discussed this amendment with the able chairman of the Senate Finance Committee, and he is willing to accept them.

The Federal child support program is based on the belief that all children have the right to receive support from their fathers. This law has been on the books for only 2 years and full implementation has been slow; however, thousands of children have already benefited from the child support collected by this program and the taxpayers have already received some relief through the reduction of the welfare rolls.

Data is still incomplete on the first full year of operation of the child support program; however, available information shows that 23,000 families left the AFDC rolls as a result of child support collections in the first three quarters of fiscal year 1976. The majority of these were in six States, therefore, indicating enormous potential for the program when other States have their programs fully implemented. Other statistics for this period show that support was collected for 325,000 families and 106,000 absent parents were located.

The child support enforcement program became operational on August 1, 1975.

The total reported AFDC child support collections was $208 million for fiscal year 1976 and $76 million for the transitional quarter, a total of $284 million for the period. This amounts to a monthly average of $20.3 million for the 14 months. These reported AFDC collections are about $80 million less than what the States actually received in child support collections primarily due to delayed reporting by California and to support payments made directly to the families. The States also reported collections of $383 million for children not on welfare during this 14-month period, an average of $27 million a month.

The administrative costs for the Federal, State, and local agencies for this period was $178 million.

These figures do not show the savings which result from families having been completely removed from dependency on AFDC or not needing to apply for AFDC as a result of the child support program.

The estimated AFDC collections for fiscal 1977 amount to $414 million at a cost of $235 million. In fiscal year 1978, the States expect to collect $525 million for AFDC child support at a cost of $227 million.

In my view, these figures are evidence that this program is beginning to work as Congress intended. The intent of these amendments that I am introducing today will be to clarify the garnishment provisions, to provide for administrative improvements and to aid in the evaluation of the program. I feel that these amendments will only add to the efficiency and effectiveness of the program.

Briefly, these amendments will accomplish the following:

First. A new section is added to title IV–D to authorize the issuance of garnishment regulations for the executive, legislative, and judicial branches. This title is also clarified to include employees of the District of Columbia under the garnishment provisions. It also establishes reasonable limits on the amount that can be garnished from a person's wages so that an individual, and his second family if there is one, will not be forced into financial ruin.

Second. Bonding will be required of State and local employees who handle collection or accounting of child support payments. The accounting and collecting procedures must also be handled by different individuals.

Third. The incentive payment to political subdivisions which collect child support for another governmental unit is simplified to a standard 15 percent of the amount retained by the governmental unit where the family lives. This should relieve administrative complications as well as encourage governmental units to continue to pursue older cases.

Fourth. The annual reporting requirements are amended to specify the kind of information that Congress needs from HEW to properly oversee and amend the program when necessary.

Fifth. A provision is also included to allow the State of Georgia time to resolve a problem regarding the treatment of child support collections for the purpose of reimbursement.

These amendments, which have only been slightly modified, received Senate approval during the 94th Congress. I hope that the Senate will adopt these amendments so that the needed clarifications and improvements can be enacted into law.

Mr. President, I ask unanimous consent that a general explanation of the provisions of these amendments be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL EXPLANATION OF THE AMENDMENT

A. CLARIFICATION OF GARNISHMENT PROVISIONS

(Section 701 of the amendment)

The child support legislation enacted by the 93rd Congress (Public Law 93–647) provides for the garnishment of Federal payments for purposes of child support and alimony. Although the garnishment provision has been in effect since January 1, 1975, it has not yet been fully implemented by Federal agencies.

The following provisions in the amendment are designed to authorize the issuance of regulations, clarify congressional intent and establish procedures to be followed in carrying out the law.

Inclusion of District of Columbia.—Section 459 of the Social Security Act provides that moneys due from, or payable by, the United States, including any agency or instrumentality thereof, shall be subject to legal process brought for the enforcement of legal obligations to provide child support or alimony payments. It was intended that employment with the District of Columbia be included. However, because a question has been raised about whether the language of the statute adequately states the intent of the Congress, section 1(a) of the bill would add specific reference to the District of Columbia.

Conditions and procedures.—The amendment provides specific conditions and procedures to be followed under section 459. It specifies that service of legal process brought for the enforcement of an individual's obligation to provide child support or alimony is to be accomplished by certified or registered mail, or by personal service, upon the person designated to accept the service for a government entity. The process must be accomplished by sufficient data to permit prompt identification of the individual and the moneys which are involved. These provisions will permit inexpensive and expedited service and will enable the agency to respond in an efficient way.

Federal employees whose duties include responding to relevant interrogatories made prior to the issuance of legal process and authorized by law would not be subject to any disciplinary action, or civil or criminal liability or penalty for, or on account of, any disclosures of information made in connection with the answering of such interrogatories.

The amendment also provides that the head of a governmental entity or his designee shall have 30 days (or a longer period if provided by applicable State law) from the effective date of service within which to respond to interrogatories or to legal process seeking the payment of child support or alimony obligations. The Federal Government is so large and its activities and offices are so numerous that a reasonable time for response is required to permit identification of the proper account, ascertainment of the sufficiency of process, and consultation with counsel.

As a protection to the employee, however, the amendment also would require that the person who is served must, as soon as possible but no more than 15 days after the date of service, send written notice that the process has been served (together with a copy thereof) to the individual whose moneys are affected at his duty station or last known home address.

To avoid the problems which might ensue if Federal agencies were compelled to alter their disbursement cycles to accommodate payments due for child support or alimony, the amendment specifically provides that government entities shall not be required to vary their normal pay and disbursement cycles in order to comply with any such legal process. Generally, disbursements of regular periodic payments of remuneration for employment are computerized. Process served upon an agency may unreasonably require that a pay check of a certain date be held up when in fact such process was not received in time to permit the reprogramming of the computer run affecting that particular check. In other instances a writ may call for deductions which are more or less frequent than the times the individual is actually paid. The provision in the amendment would avoid very substantial additional costs to the Government and serious inconvenience or hardship to thousands of others affected by the computerized payrolls.

The amendment provides that neither the United States, any disbursing officer, nor governmental entity shall be liable with respect to any payment made from money due an individual pursuant to legal process regular on its face, if the payment is made in accordance with the section and the regulations issued thereunder. This provision would protect the United States and its employees with regard to actions they are required to perform.

Issuance of regulations.—Section 459 has no provision specifically authorizing the issuance of regulations by the three branches of Government charged with administering the garnishment law. At this time, more than two years after the effective date, there are still no final regulations relating to this statutory provision. The General Accounting Office has recommended that the law be amended to provide specific authority to issue regulations, commenting in a recent report that "the garnishment provision in section 459 should be expanded to specifically provide authority to one or more organizations to issue implementing regulations."

The Attorney General sent to the 94th Congress a legislative proposal aimed at clarifying the regulatory authority. The amendment would add a new section 461 to title IV which would vest the authority to issue regulations for section 459 in: (1) the President (or his designee) for the executive branch, including the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the Government of the District of Columbia; (2) the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees) jointly for the legislative branch; and (3) the Chief Justice of the U.S. Supreme Court (or his designee) for the judicial branch.

The amendment also provides that regulations issued for the three branches of Government are to include a requirement that the head of each governmental entity involved shall cause to be published in the appendix of the regulations (1) the designation of the agent or agents to accept service of process, identified by title of position, mailing address and telephone number, and (2) an indication of the data reasonably required in order for the governmental entity promptly to identify the individual with respect to whom legal process is being brought. This provision will eliminate the problems private attorneys have had in determining how to effect service of process in order that their clients may obtain the benefit of the garnishment statute. They will make it possible for the private attorney to easily locate the person who is to receive the process, and to know the kinds of information which must be provided to enable the Government entity to identify the employee concerned.

The amendment would require that heads of governmental entities or their designees respond to relevant interrogatories, if authorized by the law of the State in which legal process will issue, prior to formal issuance of the process, upon a showing of the applicant's entitlement to child support or alimony payments.

The amendment also makes clear the procedure to be used in case of disputes which may arise when two or more parties seek to attach the same payments with legal process issued from more than one source. It provides that if a governmental entity is served with more than one legal process with respect to money payable to any individual, then the money shall be available on a first-come-first-served basis. This simple approach to such situations should expedite agency action and eliminate the need for lengthy procedures during which the individual concerned will not have his income subject to garnishment from any source. Subsequent process will be satisfied out of money remaining after satisfying a prior process.

The amendment does not include any specific requirements for reports by the separate branches of Government on the garnishment provision. However, in order to have information by which to evaluate the provision in the first years of its implementation, the committee requests that sufficient data be kept by each branch of Government so that a close estimate of the garnishment activity may be made and submitted to the Congress in a form which would enable the Congress to evaluate the impact and operation of the garnishment provision.

Definitions.—The amendment would add a new section 462 to define the terms used in section 459.

(1) *United States.*—Present law provides that moneys due from or payable by "the United States * * * shall be subject to legal process brought for the enforcement of legal obligations to provide child support or alimony as though the United States were a private person." Because questions have been raised about what the term "United States" means for purposes of the provision, the amendment adds a definition which makes clear that the term includes all three branches of Government—legislative, judicial and executive, and each and every department, agency, or instrumentality of any such branch, including the U.S. Postal Service, the Postal Rate Commission, any wholly-owned Federal corporation created by an act of Congress, any office, commission, bureau, or other administrative subdivision, and the Governments of the territories and possessions of the United States.

(2) *Child Support.*—The amendment provides a definition of the term "child support" which states that it means, when used in reference to the legal obligations of an individual to provide such support, any periodic payment of funds for the support and maintenance of a child, and (subject to and in accordance with State law) includes (but is not limited to) payments to provide for health care, education, recreation, clothing, or other specific needs. Uncertainty as to whether agencies may pay court-ordered attorneys' fees, interest, and court costs is removed. These are included when and to the extent they are recoverable pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

(3) *Alimony.*—The amendment would define "alimony" for purposes of section 459, when used in reference to the legal obligations of an individual to provide the same, to mean periodic payments of funds for the support and maintenance of the spouse (or former spouse). It includes (subject to and in accordance with State law) separate maintenance, alimony pendente lite, maintenance, and spousal support. This definition is in keeping with the increasing State use of "support" terminology instead of "alimony". The same provisions relating to attorneys' fees, interest, and court costs as are provided with regard to "child support" are also included with regard to alimony. The amendment also clarifies the committee intent that "alimony" does not include payments or transfers of property made in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses.

(4) *Private person.*—The definition provides that "private person" means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

(5) *Legal process.*—This term is defined for purposes of section 459 to mean under normal circumstances any writ, order, summons or other similar process in the nature of garnishment which is issued by a court of competent jurisdiction, or by an authorized official pursuant to a court order or pursuant to State or local law, and which is directed to, with the purpose of compelling, a governmental entity which holds moneys otherwise payable to an individual to make a payment to another party in order to satisfy a legal obligation for child support or alimony payments. Thus, legal process includes the statutory remedy for recovery of support and maintenance under the Aid to Families with Dependent Children program which is provided in the law of the State of Washington, and other States which have similar statutes. The reference to domestic courts in the definition "legal process" is not, however, intended to preclude the United States from honoring its obligations under Article 34 of the German Supplementary Agreement to comply with writs of garnishment, or other similiar process in the nature of garnishment, issued by the courts of the Federal Republic of Germany for the purpose of enforcing the legal obligations of military members or civilian employees of our forces stationed in Germany to pay child support or alimony.

(6) *Moneys, the entitlement to which is based on remuneration for employment.*—When the Finance Committee made its report on the child support amendments in 1974, it stated:

"The committee bill would specifically provide that the wages of Federal employees, including military personnel, would be subject to garnishment in support and alimony cases. In addition, annuities and other payments under Federal programs in which entitlement is based on employment would also be subject to attachment for support and alimony payments. This provision would be applicable whether or not the family upon whose behalf the proceeding is brought is on the welfare rolls. It would also override provisions in various social insurance or retirement statutes which prohibit attachment or garnishment." (S. Rept. 93-1356)

Although the intent of the Congress would appear to be clear from this report language, questions as to the applicability of the statute to social insurance and retirement statutes have arisen. Other questions as to the kinds of remuneration which are covered by the statute, such as commissions or bonuses, have also been raised. To remove the possibility of confusion, the amendment adds a definition of "remuneration for employment" which covers compensation paid or payable for personal services of an individual, whether as wages, salary, commission, bonus, pay, and includes, but is not limited to severance pay, sick pay and incentive pay, but does not include awards for making suggestions. It also includes periodic benefits (as defined in section 228(h)(3) of the Social Security Act) or other payments to an individual under the insurance system established by title II, or any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents or survivors' benefits, or similar amounts payable on account of personal services performed by any individual. It excludes any payment as compensation for death under any Federal program, any payment under any program established to provide "black lung" benefits, any payment by the Veterans' Administration as pension, or any payment by the Veterans' Administration as compensation for service-connected disability or death. Such exclusion, however, does not apply to any compensation paid by the Veterans' Administration to a former member of the armed forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation.

Thus, the provisions of section 459 would apply, in addition to those already mentioned, to payments under: (1) The civil service retirement program; (2) the retirement and disability system established for employees of the Foreign Service; (3) the various retirement, annuity, and survivor benefit plans and programs established for members of the Armed Services or employees of the United States; (4) the Railroad Retirement Act, and the Railroad Unemployment Insurance program; (5) beneficiaries of life insurance policies provided under Government programs where the amount of coverage is directly or indirectly based (wholly or in part) on the amount of remuneration for the employment involved; (6) the Federal program for compensation for work injuries of Federal employees (but not death benefits thereunder); and (7) the Longshoremen's and Harbor Workers' Compensation Act (but only in cases where the payments are made by the United States).

The provision would not apply to reimbursement of expenses incurred by an individual in connection with employment or allowances in lieu thereof, e.g., per diem, mileage allowance, travel and transportation allowances, cost-of-living allowances, military quarters and subsistence allowances, uniform and clothing allowances, overseas station allowances, Armed Frces health profession scholarship stipends, and other similar work-related expenses or allowances.

It would not apply to State or locally administered programs even though such programs have been established under Federal auspices and there is Federal participation in the costs thereof simply because the benefits paid out are paid by the Federal Government. The State unemployment compensation programs are prime examples of this category.

It should be emphasized that the fact that section 459 is applicable to particular moneys does not necessarily mean that those moneys will be subject to legal process; it merely means that the question of whether such moneys will be subject to legal process will be determined in accordance with State law in like manner as if the United States were a private person.

The amendment would also provide for exclusions which are to be made in determining the amount of money due from or payable by the United States to any individual for purposes of section 459. Thus there would be excluded from garnishment any amounts which are owed by an individual to the United States are required to be, and are, deducted from the remuneration or other payment involved, including, but not limited to, Federal employment taxes, survivor benefit program contributions, fines and forfeitures ordered by court-martial; and are properly withheld for Federal, State or local income tax purposes, if the withholding is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402 (i) of the Internal Revenue Code of 1954 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding); are deducted as health insurance premiums; are deducted as normal retirement contributions (without supplementary coverage); and are deducted as normal life insurance premiums (without supplementary coverage).

Limitation on percentage of wages subject to legal process.—There is no limit in Federal law on the percentage of wages or other employment-related income which may be garnished for child support or alimony under court order. Many States allow garnishment of 100 percent of earnings and others provide that 100 percent of wages may be subject to wage assignment. Because of the arrearages that have resulted through incomplete payments (or no payments) of child support and alimony orders, the wages or the annuities of a number of people have been garnished at 100 percent for periods of many months and even years. This has sometimes caused the second families of the fathers in those cases to face financial ruin. It would be of questionable equity to place a limit on section 459 which affects only Federal employees and do nothing for other persons faced with financial ruin which cannot be avoided even under the bankruptcy provisions since both child support and alimony are exempt from bankruptcy. To provide equal treatment to all persons who are subject to garnishment under State laws, including persons affected by section 459, the amendment would, therefore, modify the provisions of the Consumer Credit Protection Act (15 USC 1673 (b)) which now permit 100 percent of earnings and other employment-related income to be garnisheed for child support and alimony, by setting a limit of 50 percent on the amount which is subject to garnishment for child support and alimony for a person supporting a second family and 60 percent for a person who is not—plus an additional 5 percent in each situation if there are outstanding arrearages over twelve weeks old.

The Consumer Credit Protection Act would also be modified to cover garnishment provided under State administrative procedures, as well as under court orders for child support. The administrative procedures would have to be established by State law, afford substantial due process, and be subject to judicial review. At present, the Act refers only to garnishment under court orders. However, in recent years, the legislatures of at least six States—Florida, Georgia, Maine, Utah, Virginia and Washington—have enacted legislation providing for the use of certain administrative procedures for the enforcement of support for financially dependent minor children. States have enacted these laws generally because they have found existing common law and stautory remedies to be insufficiently effective and efficient. These procedures are clearly included in the definition of "legal process" for purposes of section 459 of the Social Security Act. In the view of the Finance Committee, these procedures are equally appropriate for inclusion under title III of the Consumer Credit Protection Act and will make the two laws consistent.

The amendment to the Consumer Credit Protection Act would become effective on the first day of the first calendar month beginning after the date of enactment.

A spokesman for the Department of Justice stated before the Finance Committee on September 22, 1976 that his Department strongly endorsed the enactment of the garnishment provisions.

B. BONDING OF STATE AND LOCAL EMPLOYEES

(Section 702 of the Amendment)

The new child support legislation is expected to result in the collection by State and local agencies of increasingly large amounts of money. Although normal procedures would seem to call for the bonding of employees who are responsible for handling this money, it appears that this is not the case in all instances. My amendment would therefore require bonding of all State and local employees, or employees of contractors used by agencies, who handle the collection of or accounting for child support payments.

The amendment would also provide for the separation of functions of collection of money from accounting by requiring that individuals responsible for handling the money not be the same individuals who are responsible for the accounting of such money. The principles, standards, and related requirements prescribed by the U.S. Comptroller General concerning control over collection of funds require that persons responsible for handling cash receipts should not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuses of cash receipts. Again, however, these procedures are not always followed.

The amendment would make clear in the law that this kind of precaution must be taken in all States and localities, with only limited exceptions. The Secretary of HEW would be required to prescribe by regulation exceptions to this requirement for sparsely populated geographic areas where the hiring of unreasonable additional staff would otherwise be necessary.

C. INCENTIVE PAYMENTS TO STATES AND LOCALITIES

(Section 703 of the amendment)

Section 458 of the Social Security Act provides for incentive payments to States and localities for the purpose of encouraging broader participation in the child support program. It provides that if a political subdivision of a State or another State collects the child support payment, it is entitled, for the first 12 months of collections, to 25 percent of the amount retained by the State in which the recipient family lives. This 25 percent is paid from the Federal share. After the first year the collecting unit of Government is entitled to 10 percent of the amount retained. This provision has two potentially negative features: it encourages States to concentrate on new cases in order to get the higher percentage payment at the expense of older cases; and it creates serious administrative complications in calculating the amounts payable. The amendment would change this provision to allow the payment of a single uniform percentage of 15 percent for all incentive payments, without regard to the time period of collections.

D. REPORTING REQUIREMENTS

(Section 704 of the amendment)

Present law requires that the Secretary of HEW submit an annual report to the Congress on all activities under the child support program. The law does not specify, however, the kinds of information which should be included in these reports. The amendment spells out in the law some of the kinds of information which are necessary for program evaluation. Examples are data (for both AFDC and non-AFDC families) on program costs, collections, court support orders, paternity determinations, and parents located in sufficient detail to show the cost and benefits to the States and Federal Government of child support programs; costs and staff associated with the Office of Child Support Enforcement; and data showing use by States of the Federal Parent Locator Service, use of provisions for IRS collections, use of Federal courts, and the number of cases by State in which AFDC applicants and recipients refuse to cooperate in identifying and locating the absent parent.

The amendment also provides that annual reports be submitted to the Congress within three months of the end of each fiscal year to assure the possibility of prompt and current evaluation of program developments. The second annual report would be due December 31, 1977, three months after the end of fiscal year 1977.

Due to the various problems encountered in establishing the new child support enforcement program, the first annual report submitted to Congress on June 30, 1976 did not show a complete picture of the first year's total activities. The amendment, therefore, has provided that a special supplemental report on fiscal year 1976 be provided by June 30, 1977 which will also include a report on the transitional quarter July 1 through September 30, 1976.

E. EXCEPTION TO THE DISTRIBUTION OF COLLECTIONS PROVISIONS RELATING TO CURRENT MONTH CHILD SUPPORT COLLECTIONS

(Section 705 of the amendment)

The amendment also includes a provision which would give the State of Georgia until the end of calendar year 1976 to straighten out a problem of interpretation that State has concerning the treatment of child support collections for purposes of reimbursement.

It validates a letter of exception by HEW to Georgia dated January 22, 1976 and its scope is the same as authorized in that letter.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

Mr. CURTIS. I move to reconsider the vote by which the amendments were agreed to en bloc.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion was agreed to.

AMENDMENT NO. 245

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized for 30 minutes.

Mr. TOWER. Mr. President, I call up my amendment and ask that it be stated.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER), for himself, Mr. BARTLETT, and Mr. BELLMON, proposes an amendment: At the end thereof, add the following new section:

SEC. . Notwithstanding any other provision of this Act, Public Law 94–455 (301) (g) is amended as follows:

(g) EFFECTIVE DATE.—

"(1) IN GENERAL.—Except as provided by paragraphs (4) and (5), the amendments made by this section shall apply to items of tax preference for taxable years beginning after December 31, 1975.

"* * *

"(5) The amendment made by subparagraph (11) of subsection (c) shall apply for taxable years beginning after December 31, 1975.".

Mr. TOWER. Mr. President, adoption of this amendment will complete the job we began yesterday with adoption of the amendment offered by my colleague from Texas (Mr. BENTSEN).

By our adoption of Senator BENTSEN's amendment, we have provided that intangible drilling costs incurred in oil and gas production operations are to be subject to the minimum tax to the extent that these expenses exceed net oil- and gas-related income.

That is what President Carter proposed in his April 20 energy message. It is also what the Senate adopted in August of 1976 in its version of the Tax Reform Act of 1976. The amendment by my distinguished colleague from Texas restores a measure of equity and responsibility to these provisions which are so critical to development of our domestic oil and natural gas resources.

My amendment, Mr. President, is consistent with our action yesterday in adopting Senator BENTSEN's amendment. His amendment would affect the tax years of 1977 and following. My amendment would make the modified IDC/minimum tax provision effective for 1976 as well.

The need to modify the effective date of these provisions occurs for several reasons. First, simply as a matter of tax equity, we should recognize that our actions last year imposed a devastatingly unfair tax burden on unincorporated oil and gas producers. We made our October 1976 tax law changes retroactive to January 1, 1976. That is, in October 1976, we imposed a substantial tax on IDC expenditures incurred beginning January 1 of that same year.

In my judgment, the 1976 IDC/minimum tax provisions should not have been enacted in the first place. Certainly, we should not have imposed these kinds of tax retroactively.

The result of our action in 1976 is that many unincorporated independent oil and gas producers are liable for a 1976 tax liability substantially in excess of their 1976 net income. Ironically, those who are now suffering the most are those who have done the most to add to this Nation's domestic supply of oil and gas.

It should surprise no one to learn that this kind of tax impact has caused these independents to cut back on their drilling budgets. Hopefully, through our adoption of the Bentsen amendment, we have alleviated the worst of these problems for the future. To correct the mistakes of the past, we should make the substantive changes of the Bentsen amendment effective for the 1976 tax year.

Mr. President, I urge the adoption of this amendment. It is consistent with what we did yesterday. I think we should not wait. If this is adopted later on, it is going to cost the Government money to rebate taxes that have already been paid and should already be invested in drilling.

Again I point out that this has compelled some independent producers to pay more tax than they receive in income. This is money that will not go into the additional production of oil and gas. It has stacked more rigs than any legislation we have passed in recent history.

Mr. CURTIS. Will the Senator yield for a question?

Mr. TOWER. I yield to the Senator for a question.

Mr. CURTIS. What does his amendment do in the way of going beyond the Bentsen amendment that we adopted last evening?

Mr. TOWER. The Bentsen amendment applies to 1977 onward. My amendment would simply take out the retroactive provision of the 1978 bill that made it apply retroactively back to January 1 of last year. The Bentsen amendment has already immunized now the independent producers from beginning intangible drilling costs under the minitax, but it did not go back a year to take care of the retroactive aspect. Some of these producers have a tax bill in excess of what their income was. That is money that should be going back into the ground.

Mr. CURTIS. Were they subject to this provision which they found to be so harsh for the years 1975 and prior?

Mr. TOWER. No, in 1975 and prior, of course, they had the full intangible drilling immunity.

Mr. CURTIS. So, what the Senator is trying to do is something that will make for consistency of the tax law so we shall not have 1 year standing out there as an island, when the tax law was different than the years before and the years after?

Mr. TOWER. That is right. Of course, the law is tighter now than it was in 1975 because it only applies to the unincorporated producers, not to third parties—lawyers, doctors, professors, and so on—who want to get into the act. They are still covered by the minitax provision. What we are doing now is simply cleaning up this whole problem by making the Bentsen amendment retroactive to last year. It does not have complete immunity, in that some people who had to pay the retroactive costs still have to pay it, but not the producers.

Mr. CURTIS. I thank the Senator. I can see that, if the Bentsen amendment were justified, and I certainly believe it was and the majority vote in the Senate so indicated, that this amendment ought to be accepted.

Mr. TOWER. Mr. President, I ask unanimous consent that Senator BENTSEN be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, has the Senator from Texas completed his statement?

Mr. TOWER. No, but I shall wait.

Mr. MOYNIHAN. Mr. President, I rise on this occasion in the same spirit and with the same purpose that I spoke in this Chamber last evening to say that the substance of the amendment before the Senate involves a proposal the President has included in his energy program which he has asked the Senate and the Congress to take up with the greatest of speed and concern and which is, of necessity, a complex, balanced program. It is a program which requires sacrifices on the part of most economic interests of the Nation. It provides advantages for some, disadvantages for others.

Certainly, it is in the national interest. But our prospects of adopting it depend very much on it coming before this Senate as a complete and rounded measure with all of the advantages and disadvantages combined in a way that can make a large public interest visible and avoid the appearance of special and singular interests.

This case was made last night. Of course, it was reinforced by a statement from the Treasury which stated that the Treasury strongly opposes any amendment to the minimum tax in IDC in the economic stimulus package which we are dealing with today.

Mr. President, I add one further point. I think it cannot be avoided that the Senate did not greatly add to its reputation on these matters yesterday by spending such a large amount of time on very narrow interests. We spent a large portion of our time yesterday morning, as the front page of the Washington Post informs us today, dealing with two—or is it three—chicken farms.

We spent, not a great deal, but we concluded the day with a long discussion of the tax interests of a very small number of persons of relatively high income.

If we recall the amount of money involved in the amendment which the junior Senator from Texas introduced, it was estimated at $30 million; $30 million for a very few people, and they are very much the finest people because they are unincorporated businesses.

Having involved ourselves with providing $30 million for a small number of persons at the end of a day which began by extended debate concerning three chicken farms, we are now asked to consider making the advantage of that independent unincorporated oil producer retroactive.

I am afraid, in addition to the general point, that this is something we should not be dealing with in this particular piece of legislation.

I must raise the question of whether it really is appropriate for the Senate at all to be concerned with the tax advantages of a very small number of persons who, in no conceivable sense, commend themselves to our concern by virtue of their deprived circumstances.

Mr. TOWER. Mr. President, if we fail totally to correspond with what we adopted by substantial margin last night and do not adopt this provision, which wipes out, in effect, the retroactivity of the bill of last year as it applies to the people that were exempted by the Bentsen amendment yesterday, it is going to cost us more, if we do not adopt this now, and if it is adopted later on, to go through administrative costs of having to rebate all this money which should have gone into programing activity this year.

I do not know why it is that some people would rather buy Arab oil for $13 than buy domestic oil at a much lower price. It does not make much sense to me that people would rather do this. This keeps the price of oil, in a composite sense, down.

The fact of the matter is that the retroactivity of that provision causes some people to pay more tax than they get in income.

They have already programed this money to go into drilling activity, so they are stacking rigs—it does not make sense—and they will stay stacked until we let them have this money back.

It does not make any sense for a man to pay 174 percent of what he actually earned, which has been the impact on one or two producers.

Mr. CURTIS. Will the Senator yield further?

Mr. TOWER. Yes.

Mr. CURTIS. It should be pointed out that there is, perhaps, a logical argument that if any material, an entirely new type of approach, were being advanced and just one part of the President's program left out, a strong argument would be made, "Let's wait and consider it all at once."

What the Senator from Texas proposes is not in that category at all. The Senate has already acted. There is no substantive change. It is merely that, as it stands now, 1 year is treated different than all the others. It does not do violence to the President's program to take care of that 1 year.

I also say that I greatly admire our learned friend from New York. But I disagree with him on one matter of philosophy.

I think that if there is only one chicken farmer, or one individual, or one retired person that is subject to an injustice in our tax law, he ought to have attention.

Whenever we take the attitude, "Well, there are just a couple of people involved," we are saying in reverse, "Don't move unless the high and mighty are involved."

Therefore, I am not disturbed when well-meaning journalists ridicule us when we take some time to take care of two Americans, or one.

If our tax law is made to give justice in one case, that philosophy and that direct action are good in other cases.

I thank the Senator for yielding.

Mr. TOWER. Mr. President, it is my understanding that it is the desire of the leadership to postpone this vote until later and that the Senator from New York is next up in the lineup of amendments.

What I am prepared to do is to withhold the remainder of my time, set my amendment aside, and let the Senator from New York proceed on his, since they wanted to postpone the vote on this anyway, and reserve the remainder of my time until prior to the time that the vote is set.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. KENNEDY addressed the Chair.

Mr. TOWER. I have not couched this in a consent request.

Mr. KENNEDY. I have no objection. As a matter of fact, I welcome the opportunity to have a few more Senators hear about this further raid on the Federal Treasury.

I have no problem in delaying this. But I reserve the right to object, until the leader spells out how he recommends we proceed.

Mr. ROBERT C. BYRD. Yes.

Mr. KENNEDY. So those of us who have some interest in this amendment will be able to be here.

Mr. ROBERT C. BYRD. Very well.

Mr. President, in response to the distinguished Senator from Massachusetts' inquiry, Senator Long indicated last night it would be agreeable with him to delay the action on the amendment by Mr. Tower until Mr. Moynihan called up his amendment, thus making the first rollcall vote not occur before 10 o'clock a.m. today.

So, in the light of that statement by the manager of the bill last night, I ask unanimous consent, if agreeable to the distinguished Senator from Massachusetts, that the Senate now proceed, without prejudice to Mr. Tower's amendment, to take up the amendment by Mr. Moynihan, with any time that remains on either side on the Tower amendment to be reserved.

Mr. KENNEDY. I have no objection, Mr. President. I just want assurances from the manager of the bill that we will have some time to comment on this amendment.

Mr. ROBERT C. BYRD. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Texas has 9 minutes remaining; the Senator from New York has 7 minutes remaining.

Mr. KENNEDY. That is fine.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent request is agreed to.

AMENDMENT NO. 191

Under the previous order, the Senator from New York (Mr. Moynihan) is now recognized to call up an amendment on which there will be 30 minutes of debate.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Moynihan), for himself, Mr. Danforth, Mr. Chafee, and Mr. Griffin, proposes amendment No. 191.

The amendment is as follows:

On page 114, between lines 5 and 6 insert the following new section:

SEC. 303. ACCELERATED DEPRECIATION ALLOWANCES FOR INVESTMENTS IN HIGH UNEMPLOYMENT AREAS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 192. ACCELERATED DEPRECIATION ALLOWANCES FOR INVESTMENTS IN HIGH UNEMPLOYMENT AREAS.

"(a) ALLOWANCE OF DEDUCTION.—Every person, at his election, shall be entitled to a deduction for depreciation on the eligible basis of any qualifying equipment (as defined in subsection (d)(2)) or the eligible basis of any qualifying facility (as defined in subsection (d)(1)) computed on the basis of a useful life which is equal to one-half of its useful life determined under section 167. Any method of computing depreciation which is permissible for the qualifying equipment or qualifying facility under section 167 may be used in computing the deduction allowed by this subsection. The deduction allowed by this subsection with respect to any month is in lieu of the depreciation deduction with respect to such equipment or facility for that month allowed by section 167.

"(b) ELECTION OF ACCELERATED DEPRECIATION.—The election of the taxpayer to compute a depreciation deduction under subsection (a) shall be made by filing a statement with the return for the taxable year in which the qualifying equipment or qualifying facility was placed in service, in such manner and in such form as the Secretary may by regulations prescribe.

"(c) TERMINATION OF ACCELERATED DEPRECIATION DEDUCTION.—

"(1) TAXPAYER'S ELECTION TO TERMINATE.—A taxpayer who has elected under subsection (b) to compute an accelerated depreciation deduction under subsection (a) with respect to any qualifying equipment or qualifying facility may, at any time after making such election, discontinue the use of this method with respect to the remainder of the adjusted basis of such equipment or facility. The discontinuance shall begin on the first day of any month specified by the taxpayer on his return for the taxable year in which such month falls. The depreciation deduction allowed by section 167 shall then be allowed, beginning on that specified first day, and the taxpayer shall not be entitled to any further deduction under this section with respect to such equipment or facility.

"(2) CONSTRUCTIVE TERMINATION.—If at any time during the period during which an election under subsection (b) is in effect any qualifying equipment or qualifying facility ceases to meet the requirements of subsection (d) of this section, the taxpayer shall be deemed to have made an election under paragraph (1) to discontinue the use of the computation method provided by this section with respect to the facility or equipment for the month following the month in which such cessation occurs.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFYING FACILITY.—The term 'qualifying facility' means a building and its structural components (other than an elevator or escalator) which is of a character subject to the allowance for depreciation provided under section 167, which is located in a high unemployment area, and which constitutes a new facility, or, in accordance with regulations prescribed by the Secretary, either—

"(A) a distinct addition to an existing facility, or

"(B) a substantial renovation of an existing facility.

"(2) QUALIFYING EQUIPMENT.—The term 'qualifying equipment' means section 38 property as defined in section 48(a), other than a qualifying facility as defined in paragraph (1), which when placed in service is located and used exclusively in a high unemployment area and which constitutes new equipment.

"(3) HIGH UNEMPLOYMENT AREA.—

ployment area' means an area inside an eli-

"(A) IN GENERAL.—The term 'high unemgible standard metropolitan statistical area (hereinfter referred to as an SMSA).

"(B) Balance of state.—For purposes of this section, all areas inside the political boundaries of a State and not in an SMSA shall be treated as an SMSA.

"(4) Eligible SMSA.—

"(A) In general.—An eligible SMSA is an SMSA which, for the three calendar years immediately preceding the calendar year in which the equipment or facility is placed in service, has an average unemployment rate of 7 percent or more of the labor force as determined by the Secretary of Labor on the basis of the most reliable unemployment date.

"(B) Special rule for 1977.—For calendar year 1977, the average unemployment rate under subparagraph (A) shall be determined solely on the basis of average unemployment rates for 1976.

"(C) Special rule for 1978.—For calendar year 1978, the average unemployment rate under subparagraph (A) shall be determined by—

"(i) multiplying the average unemployment rate for 1976 by two;

"(ii) adding the rate determined under clause (i) to the average unemployment rate for 1977; and

"(iii) dividing the sum determined under clause (ii) by three.

"(5) Substantial renovation.—The term 'substantial renovation' of an existing facility includes only a renovation for which the expenditures result in an increase of at least 50 percent in the adjusted basis of the facility.

"(e) Eligible Basis.—

"(1) General rule.—For purposes of this section, the eligible basis for any qualifying equipment or qualifying facility is the adjusted basis (for determining gain) of such equipment or facility (or addition thereto or renovation thereof).

"(2) Special rules.—

"(A) Late additions or improvement.—The eligible basis of any qualifying facility with respect to which an election has been made under subsection (b) shall not be increased, for purposes of this section, for amounts chargeable to capital account for additions or improvements made more than 2 years after the taxpayer has placed the qualifying facility in service.

"(B) Nonqualifying basis.—The depreciation deduction provided by section 167 shall, notwithstanding subsection (a), be allowed with respect to the portion of the basis which is not taken into account in applying this section.

"(f) Special Rules for Public Utility Property.—In the case of a taxpayer who makes an election pursuant to subsection (b) with respect to public utility property (as defined in section 167(l)(3)(A)), the allowance of deductions pursuant to this section shall be considered to be a method of depreciation described in section 167(l)(2)(B).

"(g) Life Tenant and Remainderman.—In the case of any qualifying equipment or qualifying facility held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the facility and shall be allowable to the life tenant.

"(h) Cross Reference.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see sections 1245 and 1250.".

(b) Conforming Amendments.—

(1) The last sentence of section 46(c)(2) (relating to applicable percentage) is amended by striking out the period and adding at the end thereof a semicolon and the following: "however, in the case of property for which a taxpayer makes an election under section 192, the useful life of such property shall be determined without regard to section 192.".

(2) Subsection (a) of section 57 (relating to items of tax preference) is amended—

(A) by inserting immediately after paragraph (11) the following new paragraph:

"(12) Accelerated depreciation of qualifying equipment and qualifying facilities.—With respect to any qualifying facility—

"(A) for which an election is in effect under section 192, and

"(B) with respect to which subparagraph (2) or (3) does not apply,

the amount of which the deduction allowable for the taxable year under such section exceeds the depreciation deduction which would otherwise be allowable under section 167"; and

(B) by striking out "section 167(k)" in paragraph (2) and inserting in lieu thereof the following: "section 167(k) or section 192)".

(3) Subsection (a) of section 1245 (relating to gain from dispositions of certain depreciable property) is amended—

(A) by inserting before the period at the end of the last sentence of paragraph (2) a comma and the following: "and any deduction allowed under section 192 with respect to section 1245 property shall be treated as a deduction allowable for depreciation"; and

(B) by adding at the end thereof the following new paragraph:

"(5) Special rule for section 192 property.—If in the taxable year or a prior taxable year a taxpayer has claimed a deduction under section 192(a) with respect to section 1245 property and such property is transferred from a high unemployment area (as defined in section 192(d)(3)) to area which (for the year in which such property is transferred does not qualify as a high unemployment area, the transfer shall be treated as a disposition referred to in paragraph (1)(B)(ii).".

(4) Subsection (b) of section 1250 (relating to definition of additional depreciation) is amended by adding at the end thereof the following new paragraph:

"(5) Special rule for section 192 depreciation.—The term 'additional depreciation' includes, in the case of any property described in section 192(d)(1), the deduction allowed under section 192(a) with respect to such property. In the case of property held for more than 1 year, the term refers only to so much of the sum of such deductions as exceed the sum of the depreciation adjustments which would have been made if such property had been depreciated on a straightline basis over its useful life (determined without regard to section 192).".

(c) Clerical Amendment.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following:

"Sec. 192. Accelerated depreciation allowance for investments in high unemployment areas."

(d) Effective Date.—The amendment by this section shall apply to —

(1) qualifying equipment (as defined in section 192(d)(2) of the Internal Revenue Code of 1954) acquired pursuant to a binding order placed after February 28, 1977, and before December 31, 1982, and placed in service not later than three years after such order is placed, and

(2) a qualifying facility (as defined in section 192(d)(1) of such Code) the construction, reconstruction, or erection of which is commenced by the taxpayer after February 28, 1977, and before December 31, 1982, placed in service not later than three years after such commencement.

Mr. MOYNIHAN. Mr. President, on behalf of Mr. Danforth, Mr. Chafee, Mr. Griffin, Mr. Javits, Mr. Heinz, and myself, I offer an amendment this morning designed to address the fundamental question with which we are concerned in the measure now before the Senate, which is the creation of jobs, particularly the creation of jobs in areas of high unemployment. In particular and specifically, we addressed the question of investment in job creating enterprise in the United States.

One of the most striking and troubling of all the economic statistics with which we have come to be accustomed in recent years is the revelation—and it has a quality of revelation about it—that over the past quarter century the United States has had the lowest rate of investment, as a portion of gross national product, of any member of the Organization for Economic Cooperation and Development. The United States has a lower rate of investment than the United Kingdom.

The reasons for this are many, but the consequences are indisputable.

By an inexorable arithmetic progression, we are going to reach the point, in not many years distant, where the amount of investment per worker in the United States will be lower than that of any number of competing industrial countries; and when that day arrives, the standard of living of the American people will be equally and inexorably lower as well.

The principal reason this happens is that the economic return from investment has not been high enough in this Nation; and, in turn, one of the reasons for that has to do with our tax structure and the curiously somnolent, grudging way in which capital equipment is allowed to be depreciated under our tax schedules.

Particularly in a time of high inflation, I think it is generally accepted that few businesses are able to take the true value of investment as a deduction from business costs, and even those which do must extend this over a very long and counterproductive period of time.

The proposal now before the Senate, offered by myself and Senators Danforth, Chafee, Griffin, Javits, and Heinz, has a very simple, easily understood, and operable purpose. It is to cut in half the time that is now required for the depreciation of any capital assets under the existing tax laws.

It applies to the period between now and 1982, and it applies to those areas of the country with an especially high level of unemployment. It has as its great advantage that it addresses itself to a known and working tax system. No company that would be involved in this exercise is without the available knowledge as to how to do this and what to do. The Internal Revenue Service knows full well how to manage these laws. It simply takes an existing tax schedule—whether 7½ years, 9 years, 2 years, 12 years—and cuts it in half.

This benefit is concentrated in areas of high unemployment. A matter of great and particular concern in the end is that there will be no cost—at least, no cost of any consequence—to the Treasury by this action.

What we have done, in effect, in this

measure is to provide an interest-free loan to businesses in areas of high unemployment—businesses which wish to invest in job-creating capital assets. We address a large concern of the Nation. We address a specific and powerful concern of the regions involved.

We remind Senators that no true cost to the Treasury is involved in the end. All that is postponed in the beginning is repaid at the end of the sequence. We have here an efficient, a targeted, and a much-needed measure for economic stimulus for the program which the President has asked us to provide.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to my distinguished colleague from Missouri.

Mr. DANFORTH. Mr. President, I am delighted to be a cosponsor of this amendment.

It is important to recognize that we are winding up amendments on the tax bill; that, although many of the amendments in the last 2 days have had to do with technical problems in the Internal Revenue Code, the whole purpose of the bill as it was originally designed was to create jobs for the American people during a period of high unemployment.

The projections in the years immediately ahead are that, while there may be some upturn in employment statistics, we are still going to be faced with a substantial amount of unemployment in America. This unemployment varies from region to region and even within areas in a particular State. Nationally, unemployment now is 7.3 percent. However, there are some areas in America where unemployment now is 12 percent, 13 percent, or even more. There are more fortunate areas where unemployment is 3 or 4 percent.

This amendment recognizes the fact that there are pockets of particularly high unemployment and that programs should be targeted to provide more jobs for those areas.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. DANFORTH. I yield.

Mr. MOYNIHAN. Am I correct in my understanding that the areas of high unemployment to which the Senator refers, while concentrated in those terms, are not concentrated in regional terms; that, in fact, there are 37 States in the Union in which at least one standard metropolitan statistical area would be eligible for this form of assistance and investment?

Mr. DANFORTH. That is correct.

Mr. MOYNIHAN. Thirty-seven States.

Mr. DANFORTH. That is correct. And there are 14 entire States which would qualify under this amendment.

As the Senator has pointed out, the amendment provides that in so-called SMSA—standard metropolitan statistical areas—or the remainder of the State areas where there is unemployment of 7 percent or more, there would be accelerated depreciation, which means that the useful life would be cut in half for plants and equipment, for depreciation purposes. The point of this is to provide incentives for the private sector to invest in plant and equipment, in job opportunities, for areas of high unemployment—of 7 percent or more unemployment.

The amendment recognizes that the lasting solution to the unemployment problem is not simply public works programs or Government programs of one kind or another. Those tend to be short in life, as a matter of fact. The real solution has to be to try to induce the private sector to build plants and invest in equipment, in order to put areas of high unemployment back to work.

Mr. President, one final word on the question of revenue loss because, obviously, this is going to be called into question. I would like to point out, and I think the point has already been made by the junior Senator from New York, that there really is no revenue loss in the long run. Businesses that invest in plant and equipment are entitled over a period of years to deduct for tax purposes the cost of that plant and equipment. The question is over how long a period of time such a deduction is to take place.

This proposal would mean that in areas of high unemployment they get to write it off more quickly than is the case under the present law, so it would shift the revenue loss countercyclically so that in the present time, in the immediate future, of high unemployment there would be some revenue loss which would be picked up in future years.

I also think it is important to point out in this particular proposal that really the Government gets full measure for what it has put off in revenue because the measure of success is precisely the degree to which this will be taken advantage of. If the businesses do, in fact, invest in job opportunities in areas of high unemployment, that is what would trigger this particular mechanism and, therefore, it would be a measure of success.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. DANFORTH. I yield.

Mr. MOYNIHAN. The point I understand the Senator is making is that not only is this countercyclical in the large sense, but it will provide for investment in periods of high unemployment which will recede by the time revenues flow back into the Treasury. Also, each specific area that is eligible, when the moment comes that unemployment drops below 7 percent per a 3-year moving average, that area automatically drops out of eligibility in the program. It is self-enforcing. It is an efficient, understandable, operable process which has great flexibility in that the minute it ceases to be needed it ceases to be provided.

Mr. DANFORTH. That is exactly correct.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. DANFORTH. Yes.

Mr. CURTIS. What degree of unemployment has to be attained before an area can take advantage of what the Senator is proposing?

Mr. DANFORTH. Seven percent.

Mr. CURTIS. Is that statewide or regional?

Mr. DANFORTH. That is on a standard metropolitan statistical area basis as computed by the Bureau of Labor Statistics.

Mr. CURTIS. Is that the same as existing law?

Mr. DANFORTH. With the rest of the State included.

Mr. CURTIS. Is it the same as existing law?

Mr. DANFORTH. Yes, it is the same as SMSA, yes.

Mr. CURTIS. If they qualify, what additional depreciation allowances are made?

Mr. DANFORTH. The only change in depreciation is in the computation of useful life. The useful life would be cut in half.

Mr. CURTIS. For a facility that had a useful life of 20 years that could be depreciated over a period of 10 years?

Mr. DANFORTH. Whatever depreciation method is permitted by law. They can use straight-line or double-declining-balance or whatever, but they cut in half the useful life for depreciation purposes.

Mr. CURTIS. Are there any other benefits provided other than the depreciation for this particular amendment?

Mr. DANFORTH. No. This is the only point of the amendment.

Mr. CURTIS. Does the Senator have a Treasury estimate of the cost?

Mr. DANFORTH. Yes. Over a period of years, that is several decades, it would be a plus figure because really what you are talking about in Treasury estimates is what year the deduction is being taken. So it would mean that more deductions would be taken in the next 5 years or so and less in future years, and there would be a shift for revenue purposes. But the immediate revenue losses in 1977 would be $.6 billion; in 1978 $2.2 billion——

Mr. CURTIS. How much, billion?

Mr. DANFORTH. Billion. In 1979——

Mr. CURTIS. $0.6 billion, not 6 billion.

Mr. DANFORTH. $0.6 billion in 1977; $2.2 billioin in 1978; $4 billion in 1979; $5.2 billion in 1980; and then it would begin declining, $4.9 billion in 1981; $3.6 billion in 1982; $2.3 billion in 1983; $1 billion in 1984. Then it reaches plus figures; plus eight-tenths of 1 billion dollars in 1985; plus $2.4 billion in 1986; plus $3.9 billion in 1987; plus $4.6 billion in 1988, and so forth.

Mr. CURTIS. The reason for that plus is after it is depreciated out, and it is later sold, the selling price becomes ordinary income; is that right?

Mr. DANFORTH. Well, the reason for this is that presently it is simply a question of when you recover the cost of the investment; and when you accelerate depreciation, the recovery is faster for tax purposes than if you have a more spread-out period of time, so that the deductions for depreciation purposes are taken in the early years. Therefore, fewer deductions are taken in later years.

Mr. CURTIS. I thank the Senator.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. DANFORTH. Yes.

Mr. MOYNIHAN. As I am sure the distinguished ranking minority member of the Committee on Finance, the Senator from Nebraska, knows, there is no more conspicuous, singular or alarming reality about the American economy than the continued lag in investment in our economy by comparison with any other industrial economy in the world. The United States, since 1950, has consistently invested a smaller proportion of its total product in industrial equipment than any other industrial nation.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). All time of the Senator from New York has expired.

Mr. MOYNIHAN. I thank the Chair.

Mr. LONG. Mr. President, I want the Senator from New York to note that I am not unaware of his eloquent pleas with respect to the situation in the Northeast and, particularly, in New York, and I want to help with those problems. But I regret, Mr. President, that I cannot support this amendment. In my judgment, this is not the way to do the job. In full operation this amendment would cost $5 billion a year to the Treasury.

Furthermore, Mr. President, we have had a lot of criticism about tax shelters, criticism of wealthy people and corporations succeeding in getting tax shelters by paying little or no taxes even though they make a lot of money in economic terms.

One of the prime ways that people have avoided paying taxes is to claim depreciation far in excess of their actual depreciation. This amendment doubles the potential in that respect. In other words, people now use the double-declining-balance method that is in the law to claim depreciation in excess of actual depreciation as a tax shelter today. That was one of the principal things we struck out with the the tax reform law, and even in the 1969 law. This would double the double declining balance and leave the investment tax credit in place as well.

Furthermore, Mr. President, if you want to help the areas such as New York, this is not an efficient way to do it. In fact, it is a very inefficient way to do it, because the place where the jobs tend to be created when you provide a greater incentive for people to buy machinery often is not at the same place as where you put the machine. Oftentimes you are reducing the number of jobs that exist there by putting in a machine which permits one man to do the work of five.

Where you create the jobs with things like the double declining balance and the investment tax credit is where the machines are manufactured, and in many cases the place where the machines are manufactured will not be the area where the unemployment is at a high point. Oftentimes that will be the area where there is a complete shortage of manpower.

For example, Mr. President, in Morgan City, La., anyone who can handle a welding torch can get a job because there is tremendous pressure to try to produce more energy and at Morgan City they fabricate those big platforms for use all over the world. If they can get a worker who can handle the welding torch, he can get a job, without teaching him how to use a welding torch to put him to work.

While this amendment would place enormous demand for manufacturing, the kind of machinery that can be used at a place like that where there is a labor shortage, for all we know the equipment would be put in place and taxpayers would get the credit in the area where the jobs are not to be created. It might be a very sophisticated piece of machinery that reduces the number of jobs rather than increases them. So, it is not really the efficient way to do it.

Mr. President, the Treasury is very strongly against this. They see in this a potential of vast additional tax shelters which I am sure the Senator would not want to create. They look at this very high cost, and they point out that they have their package before us already. They recommended the investment tax credit of an additional 2 percent, and I think that they are going to go along reluctantly in the end, grudgingly I suspect, with the jobs credit voted in the House of Representatives.

So the parts that the House believes should be done and the parts that the Treasury thought should be done would be here in the bill, and this is not offered as a substitute for those things; this is offered as an add-on and an addition to it. We talked about an unbalanced bill. I have defended the balance we have in this bill, but if we add this $5 billion tax cut a year, when in full operation, in there for business this would be an unbalanced bill. Frankly, Mr. President, it will create a lot of tax shelters with a lot of tax avoidance for wealthy people that no one here, including the sponsors would want to have.

Under the circumstances, Mr. President, I would urge that the Senate should not agree to this amendment. I wish to work with the Senator. There are things we can do that will help with the situation in New York, specifically targeted to New York, and I want to help with some of that. But we cannot do it with this.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. LONG. I hope very much that we can get together on some of the things I have been suggesting to the Senator that will help create more jobs in that area because in the long run we want to help with his problem.

I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise with some reluctance to indicate that I intend to vote "nay" on this amendment.

First of all, I applaud the objectives of the amendment and I commend the Senator from New York for raising this issue and focusing attention on it. I indicate to him my complete and wholehearted support in attempting to find means and devices to help our lagging industrial regions. But I have reservations as to whether this amendment would achieve the objective the Senator intends. I believe that the refundable investment credit approach would be a more effective way. In order to benefit from this program, a firm is going to need profits and tax liability. Firms hurt by the recession—and we have many of those—may not be helped at all.

Also, the general definition of SMSA areas includes both the central city and neighboring communities and suburbs, where these benefits could be used. I have some doubt whether this would bring new investment into the heart of Boston and into Roxbury or into other areas where there is the most significant unemployment, and where the need is greatest. Given the profit picture in SMSA's, the benefits may well be going to the suburbs, not the cities.

I also share the serious concerns about the amendment's very large budget cost, and that it may also create abuses involving new tax shelters.

So I reluctantly oppose this amendment, but I do warmly commend the leadership of the Senator from New York in this matter and his leadership on the Finance Committee. I look forward to working with him to fashion a means to address this question of bringing jobs and capital into the inner-city areas where we have such high unemployment and such weak growth. We need a variety of new approaches, but with our scarce budget resources, I have serious concerns that this is the most cost efficient and the most cost effective way to reach our goals.

I reserve the remainder of my time.

Mr. LONG. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Louisiana has 5 minutes remaining.

Mr. LONG. How much remains on the other side?

The PRESIDING OFFICER. The other side has no remaining time.

Mr. LONG. Does the Senator desire some additional time?

Mr. MOYNIHAN. I believe the Senator from Rhode Island wishes to speak if the Chair will be generous enough to yield him time.

Mr. LONG. I yield 2 minutes to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished chairman of the Finance Committee a great deal for yielding me these 2 minutes.

I rise in enthusiastic support of the amendment presented by the Senator from New York and the Senator from Missouri.

I commend them for their pursuit of an innovative solution to a problem that is besetting many areas of the country.

I can recall, Mr. President, in law school when the distinguished dean of the law school, Dean Griswold, was teaching a tax course. It was his theory, which I think was absolutely correct, that industry should be able to depreciate their equipment at any rate they wanted to as long as they were consistent. They could not in 1 year depreciate it 50 percent and the next year stretch out the depreciation. His rationale was that in the long run it is all going to work out because if they take rapid depreciation today, Mr. President, then the depreciation is not going to be available for tomorrow and the days thereafter.

But what this bill does, Mr. President, is it permits those areas in the country which have had a history of high unemployment to make these large capital investments at this present time in order that they can obtain new and better equipment and new and better plants. I do not share the concern of the Senator from Massachusetts, that it would solely be new construction in perhaps the outlying areas of route 128 and other sections like that outside of Boston because this applies to equipment as well as to buildings. I think what it would do is to encourage areas such as Pawtucket, Woonsocket, Lowell, Lawrence, Haverhill, and other areas such as that to invest and upgrade their plants and thus increase their employment. As perhaps Senators know this has been strongly supported by Mr. G. William Miller, who is chairman of Textron, in his statement before the House Finance Committee.

Mr. President, thank you very much.

Mr. **LONG.** Mr. President, have the yeas and nays been ordered? Does the Senator desire the yeas and nays?

Mr. **CURTIS.** Mr. President, will the Senator yield time to me?

Mr. **LONG.** I yield the Senator 2 minutes. I only have how much?

The **PRESIDING OFFICER.** The Senator has 3 minutes remaining.

Mr. **LONG.** I yield the Senator 2 minutes.

Mr. **CURTIS.** I shall ask the authors of the bill some further questions.

How does their proposal differ from S. 735? Can the distinguished Senator from Missouri advise me on that?

Mr. **DANFORTH.** S. 735, first of all, uses not SMSA but CETA regions as the geographical area. It also provided the 7 percent test as this particular amendment did but the geographical areas using 7 percent were smaller. On equipment, as I remember, in S. 735 the method was limited to straight-line depreciation.

Mr. **CURTIS.** On equipment a straight-line depreciation for how long a period?

Mr. **DANFORTH.** It was 1 year rather than 5 years.

Mr. **CURTIS.** Does the Senator mean a straight 5 years on equipment?

Mr. **DANFORTH.** No, I am sorry. The period of time in which the program would be in existence was 1 year under S. 735, and it is 5 years under this amendment.

Mr. **CURTIS.** And equipment could be depreciated over a straight 5-year period; is that the Senator's understanding of S. 735?

Mr. **DANFORTH.** No, I am sorry. Under S. 735, equipment was limited to a 5-year equal life. It was a straight 5 years.

The **PRESIDING OFFICER.** The Senator's time has expired.

Mr. **LONG.** Mr. President, I ask for the yeas and nays on the amendment.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **LONG.** Mr. President, while, of course, I know the Senator has good intentions, this amendment would discriminate against certain sections of the country. But more than that, Mr. President, if this amendment is agreed to and stays in the bill, we are not going to help anybody; the bill just will not become law. The President will veto it, and we will not have the votes to override.

The President will say it is a big business bonanza. I get my share of criticism for that, for voting for things to help big business. I hope the Senator knows what it feels like to have someone say of one of his proposals, "This is a big business tax shelter and bonanza." Mr. President, that could happen with this amendment, and I would hope, therefore, it will not be agreed to at this point.

Mr. **HEINZ.** Mr. President, I support the Moynihan-Danforth amendment. This amendment is designed to meet needs generally ignored in President Carter's economic stimulus program. The President's proposals deal primarily with general short-term stimulus rather than with the more difficult problems of structural unemployment and sustained economic growth. They can be expected to soak up the frictional and recession-related unemployment currently accounting for a significant proportion of total unemployment. That is the easiest part of the problem to deal with. This amendment concerns itself with the hardcore unemployed, those with little work experience, few skills, and no opportunities, who pose a far greater challenge. Short-term stimulus programs will not make a dent in this portion of our unemployment statistics, and it is, therefore, imperative that any program we adopt be broader in scope, more extended in duration, and more directly applicable to those that have the greatest difficulty in finding a job.

Often such unemployment is particularly severe in chronically depressed areas—inner cities or rural communities where industry or commerce have left, eroding the tax base and leaving behind only the unemployed with fewer opportunities that ever.

It is axiomatic that any meaningful effort to increase jobs and sustain that increase over the long term must deal with structural unemployment, and it is clear that the President's proposals do not adequately get to this problem. The employment tax credit is helpful, but it will not sufficiently deal with the peculiar problems of impacted areas, nor will it provide the needed long-term effect.

One useful alternative is embodied in the amendment we are now discussing. Its operation is simple. The amendment provides for accelerated depreciation for new plants or equipment located in areas with over 7 percent unemployment—as determined by the Department of Labor—for the 3 years preceding the year when the property is placed in service. Specifically, the amendments permits depreciation for buildings and equipment over a period equal to one-half their useful lives. Any method of depreciation permissible for the facility may be used to compute the deduction.

To insure a rapid startup of such projects as well as their quick completion, the benefits of the amendment are restricted to projects begun after February 28, 1977, and before December 31, 1982. This provides a moderate time period, during which we will also be able to assess the impact of this kind of incentive.

This kind of proposal is neither new nor unique to the United States. During the Korean war our Government made provision for special depreciation for firms locating in labor-surplus areas. Seventy-four firms were certified for such depreciation by the Office of Defense Mobilization, and it is estimated they accounted for 17,000 jobs. That case was not strictly comparable to today's situation for a variety of technical reasons, but we can conclude from it that there is precedent for this kind of location incentive and that it can be effective.

Another precedent for this approach occurred in Great Britain, which for some years provided accelerated depreciation for firms locating in "development areas," meaning areas in which the unemployment rate and the rate of economic growth were worse than the national average. When the Labor Party came to power in 1965 it abandoned these incentives in favor of direct grants to firms locating in development districts, but in both cases the Government made a sustained effort to influence industry location so as to benefit areas of high unemployment.

Nor is such an approach new in this country. In 1967 the late Senator from New York, Robert F. Kennedy, and the Senator from Kansas (Mr. PEARSON) introduced the Urban Employment Opportunities Development Act which provided for a variety of tax incentives, including accelerated depreciation for firms locating in poverty areas. At the time, Senator Kennedy summarized the purpose of the bill as follows:

> The specific purpose of the bill is to stimulate investment—the creation of new jobs and income—in poverty areas. The entire program is to be carried out, not by Government agencies, but by private enterprise. The Federal Government provides only a system of tax incentives, carefully designed to enable private enterprise to make its investments and carry out its operations in the urban poverty areas.

Shortly afterwards Senators PEARSON and HARRIS and 22 additional sponsors introduced the Rural Job Development Act which used a similar tax incentive approach to promote economic development in rural areas. Neither of those bills were enacted, but they helped to keep in the public consciousness an important concept—the idea that Federal tax incentives can be used to stimulate the activities of private enterprise, and that such an approach can be preferable to direct Federal job creation under certain circumstances. This is not to say that direct Federal intervention has no role. The Congress has already passed major public jobs legislation which is now in conference. But the many diverse problems with which our economy is confronted demand a variety of tools, and I continue to have confidence that the private sector—acting on its own—must inevitably play a major role in our efforts. The amendment under consideration today would help achieve that objective by using the Tax Code to encourage business to locate its activities in areas of need.

We should also keep in mind the fact that many high unemployment areas are urban centers of the Northeast, an area already hard hit by declining employment, declining opportunities, and a continuously eroding tax base as more and more companies relocate to the South and the Southwest. In part this has been due to the energy crisis and wage rate differentials, but in part it has also been the result of Federal funding formulas skewed in favor of other regions of the country. This is a problem that has been thoroughly documented over the past year and has resulted in the formation of Northeast and Midwest Economic Development Coalitions in both the House and the Senate which will try to redress the balance of Federal funding and channel more money into the older urban areas of the Northeast, Mid-Atlantic, and upper Midwest regions.

In closing, let me reemphasize several key points about this amendment:

First. It is designed as a specifically targeted approach to insure long term growth;

Second. In locating firms in areas of high unemployment it will encourage the hiring of the hard-core unemployed, rather than just those temporarily without work;

Third. It emphasizes the role of private enterprise rather than Government intervention;

Fourth. It will be of major assistance to hard-pressed urban areas, particularly those in the Northeast.

Mr. President, these are necessary goals, not merely worthy objectives. I want to take this opportunity to commend the Senator from New York (Mr. MOYNIHAN) and the Senator from Missouri (Mr. DANFORTH) for the thoughtful work and sensitive understanding embodied in this amendment, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York (Mr. MOYNIHAN). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from North Carolina (Mr. MORGAN) and the Senator from Illinois (Mr. STEVENSON) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. CASE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) and the Senator from Alaska (Mr. STEVENS) would each vote "yea."

The result was announced—yeas 30, nays 52, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—30

Anderson
Baker
Brooke
Byrd, Robert C.
Chafee
Danforth
DeConcini
Griffin
Hatch
Hathaway
Hayakawa
Heinz
Jackson
Javits
Laxalt
McClure
Moynihan
Packwood
Pearson
Pell
Percy
Ribicoff
Riegle
Schmitt
Schweiker
Stone
Thurmond
Tower
Weicker
Williams

NAYS—52

Allen
Bartlett
Bayh
Bellmon
Bentsen
Biden
Burdick
Byrd,
  Harry F., Jr.
Chiles
Clark
Cranston
Culver
Curtis
Dole
Eagleton
Eastland
Ford
Garn
Glenn
Goldwater
Hansen
Hart
Hatfield
Helms
Hollings
Huddleston
Kennedy
Leahy
Long
Lugar
Magnuson
Matsunaga
McIntyre
Melcher
Metcalf
Metzenbaum
Muskie
Nelson
Nunn
Proxmire
Randolph
Roth
Sarbanes
Sasser
Scott
Sparkman
Stafford
Stennis
Talmadge
Wallop
Young
Zorinsky

NOT VOTING—18

Abourezk
Bumpers
Cannon
Case
Church
Domenici
Durkin
Gravel
Haskell
Humphrey
Inouye
Johnston
Mathias
McClellan
McGovern
Morgan
Stevens
Stevenson

So the amendment was rejected.

The PRESIDING OFFICER. Next is the amendment of the Senator from Texas. Who yields time?

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Steinberg and Babette Polzer may have the privilege of the floor through the next four amendments.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. KENNEDY. Mr. President, will the acting floor manager for the bill yield me 4 minutes?

Mr. NELSON. I yield 4 minutes to the Senator from Massachusetts.

Mr. KENNEDY. While we have the attention of the membership, I understand that we are going to vote in a few minutes on the Tower amendment. I should like the attention of the membership on this issue.

Last evening, we accepted the Bentsen amendment, which effectively eliminated independent oil producers from the minimum tax. The minimum tax is applied when persons are not paying their fair share of regular taxes. In the case of oil producers, many are not paying any regular tax at all; the minimum tax is the only income tax they pay. The minimum tax was applied to the tax picture for intangible drilling costs in 1976. Since that time, the number of drilling rigs in operation has increased by 25 percent, so the minimum tax is hardly having a significant effect on drilling. We are not talking about low-income people or middle-income people here. We are talking about oil millionaires, with the top .1 percent of income in the country. Yesterday, we exempted them from the minimum tax for 1977. Now the Tower amendment wants to make that retroactive to 1976.

This small group of people, who represent the highest income persons in this country, would be able to get a rebate of millions of dollars on their 1976 taxes. Mr. President, when we talk about welfare, people often think it is welfare for the neediest and poorest people of this country. But, when we are talking about Treasury welfare, in this instance, we are talking about the highest income people. That is what this issue is all about. Tax relief for one of the wealthiest income groups in America.

It makes absolutely no sense to reach back and provide millions of dollars in windfall to these individuals for 1976. The reasons that the minimum tax was sound and made sense in terms of fairness and equity in 1976 are also compelling now.

This amendment is opposed by the administration. We ought to block the raid on the Federal Treasury which this amendment would provide.

I reserve the remainder of my time.

Mr. TOWER. Mr. President, I yield to the Senator from Texas a couple of minutes.

Mr. BENTSEN. Mr. President, this is very comparable to what we voted on last night, but in this instance, we are talking about trying to establish some equity for 1976. As to the 1976 tax law, we passed it in October. That meant that all of these independents had been doing their drilling throughout that year, believing that the law was going to stay in effect as it was; but the law as it was passed discriminated against the independent. The corporation does not have the same kind of limitation on intangible drilling deductions.

The President, when he spoke to us in the energy message, said this was an anomaly that ought to be corrected. That is what we are trying to do, bring some equity into the situation.

We see the situation where, in the month of March, we had a $2.4 billion trade deficit. That is the fourth time in 5 months that we have had a record deficit. We have seen an increase in oil imports from 1970, when they were 23 percent, to where they are now a little over twice that amount.

The independents have been able to compete with the majors in this one field, the finding of new oil in this country—they have found over 80 percent of the new reserves in this country. We are trying to at least put them on the same footing with the major oil companies and not discriminate against them with respect to intangible drilling deductions.

John O'Leary, head of the FEA, said that existing law is a positive disincentive—a positive disencentive—to drilling and that he would like to see it corrected.

This is the same problem we run into any time we try to make something retroactive by tax laws. People think they have certain laws that are going to stay on the books for a while and they can operate. They make their commitments, spend their money on the drilling, and Congress comes in and says, "No, we are changing all the rules of the game and we are going to put a hefty penalty on you."

Independents cannot borrow money from a bank to go out and drill a wildcat well. They have to be able to drill it out of their cash flow. When you have a negative cash flow, what do you do? You just have to cut back on the drilling. So it is counterproductive.

Mr. METZENBAUM. Will the Senator from Texas yield for a question?

Mr. BENTSEN. I am glad to yield for a question.

Mr. METZENBAUM. Will the Senator be good enough to explain how a retroactive tax giveaway or refund could be a positive incentive to drilling, since all this would mean is that some taxpayers—those who are independent producers—would be getting a bonanza from the U.S. Treasury?

Mr. BENTSEN. It is not a bonanza to carry forward the law as it was. They made commitments for drilling. They made their expenditures. They set up their drilling budgets based on what the law was. Instead, we have seen a law that was changed in October of 1976, made retroactive, which penalized them for the drilling that they had budgeted themselves to do to try to bring on more oil and gas production in this country. So it is equity that we are talking about trying to bring about.

I return the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, in response to the Senator from Texas, every one of these oil millionaires was on notice in December of 1975, because that is when the bill passed the House of Representatives. It passed the House of Representatives in December of 1975. So they were on notice. The changes in the minimum tax were not only applied to these industries; they were applied to many other industries as well. It was to be made effective in January of 1976. All the others understood when the change was going to be applicable. It was going to be applicable on January 1, 1976. They can not plead ignorance of the law, not with their fancy lawyers and accountants and the heavy lobbying that went on throughout that debate.

Beyond that, with all due respect to Mr. O'Leary and his projections about a disincentive, there has been a 25-percent increase in the number of rigs in operation in the past year since this charge passed the Senate of the United States. I do not see how one can argue with the facts of that increase. The only real limitation is the production of rigs today. They are put in service as fast as they are manufactured.

I really question whether we want to pour millions of dollars back into the pockets of individuals who are already receiving extraordinary benefits under the tax laws.

I reserve the remainder of my time.

Mr. METZENBAUM. Will the Senator from Wisconsin yield 3 minutes?

Mr. NELSON. Mr. President, how much time does the opposition have?

The PRESIDING OFFICER. Two minutes and 4 seconds.

Mr. NELSON. If no one else wishes to speak in opposition to the amendment, I yield the remainder of the time to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I took a course in equity when I was in law school, and I have never heard equity defined as it is on the floor of the U.S. Senate. Equity in the Senate means that we give no tax rebates to individuals, but we give anything that the oil producers want. That is a special kind of equity.

Equity here in the Senate means that if we have a business credit tax, we make it possible for the Federal Government to fund something that I believe approximates 75 percent of the cost of every new employee of every corporation.

If that is equity, I do not understand the meaning of the term.

When we have had amendments before this body this week that had something to do with helping the average taxpayer, that was inequitable and that was rejected.

This amendment is just another in a series of amendments that provide for a Christmas tree kind of tax giveaway of the Federal Treasury's funds.

Yesterday, we passed the Bentsen amendment which had to do with the same subject. Today, we now want to make it retroactive and to give back that which has already been paid.

I think if we talk about equity, we ought to talk about equity across the board and not just for independent oil producers.

I believe, Mr. President, that this amendment is just the opposite of what it is claimed to be. It is not equity. It is totally inequitable to the taxpayers of this country.

I hope that we stand up on our hind heels and indicate that, for once, that which the oil producers want is not necessarily going to be the will of the U.S. Senate.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, those who oppose this amendment obviously want to export American jobs to other countries.

What is being suggested here is, "Let's discourage domestic drilling and domestic production so we can pay $13 for OPEC oil, so we can be more under the heel of the OPEC country."

We talk about demands of equities, the fact of the matter is that it is inequitable, in my view, in most instances, to tax retroactively a business or an individual when they have programed their expenditures based on an existing tax law.

The Senator from Massachusetts cites a 25-percent increase in rigs. That is for all of last year and that increase was a result of the activity, was motivated by the fact that the people who put that money into the ground felt they could benefit from the drilling costs.

This bill did not come along until October and most people in the drilling business did not know what was happening to them until April, until they got their tax bill. It is true that there was an increase last year. But toward the end of the year and early this year they started stacking those rigs.

Some are paying up to 172 percent of their income in tax. If that is equitable, then somebody has a distorted idea around here about what equity is.

This is money we want to go back into the ground to produce more domestic oil. But I cannot understand why some people in consuming States would rather pay 13 bucks for OPEC oil than pay $5.30 for domestic oil. It does not make any sense. But apparently, some people have demagogued themselves into such a position that the popular thing to do is to pass punitive measures against the oil and gas producers in this country.

We want to punish the individual who goes out and risks his capital, who hires Americans to do his work, so badly we are willing to pay the Arabs 13 bucks for their oil rather than pay the Americans $5.50 for their oil.

That is what it boils down to.

If we want more 13-buck oil, then, by George, we can have it by killing the domestic oil industry.

The guy we are trying to kill here is the independent. The man who has little capital. Many of them have made it and gone broke a dozen times. The people who have taken this risk and found 80 percent of the known reserves in this country. That is the guy we want to punish.

We are going to look like fools, having passed the Bentsen amendment by a substantial margin last night, to march back down the hill again. It is totally inconsistent.

Last night, we recognized what the President of the United States has already recognized and already recommended in lifting this onerous burden from the independent producers.

All we are trying to do is rectify the thing totally by taking out from under it for 1 year that which was imposed on it retroactively in the first place.

This is a revenue producer, not a robber. We are not taking money out of the Treasury and giving it to anybody.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TOWER. Members of the Senate are going to endorse the President's recommendation on this, 2, 3, 4 months from now. Why not do it now and save some cost in terms of tax administration, in terms of lost time in drilling for domestic oil that sells cheaper than Arab oil.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. NELSON. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have been ordered on the amendment itself.

Mr. GOLDWATER. Pardon?

The PRESIDING OFFICER. They have been ordered on the amendment itself, but not on the motion to table.

Mr. GOLDWATER. Does there not have to be a unanimous-consent request to vacate the yeas and nays?

The PRESIDING OFFICER. I am told "no."

Mr. KENNEDY. Mr. President, is there any time? I hope we have an up or down vote on this.

The PRESIDING OFFICER. The motion to table is in order.

Mr. DOLE. Mr. President, I ask for the yeas and nays.

Mr. NELSON. If they want an up or down vote——

Mr. TOWER. I ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator from Wisconsin withdraw his motion?

Mr. NELSON. I will withdraw the request for the motion to table.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from Illinois (Mr. STEVENSON) and the Senator from North Carolina (Mr. MORGAN) are absent because of illness.

I further announce that if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from North Carolina (Mr. MORGAN) would each vote "nay."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. CASE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

On this vote, the Senator from Alaska (Mr. STEVENS) is paired with the Senator from New Jersey (Mr. CASE). If present and voting, the Senator from Alaska would vote "yea" and the Senator from New Jersey would vote "nay."

The result was announced—yeas 37, nays 46, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—37

Baker
Bartlett
Bellmon
Bentsen
Chafee
Curtis
Danforth
Dole
Eastland
Garn
Goldwater
Griffin
Hansen
Hatch
Hatfield
Hayakawa
Heinz
Helms
Laxalt
Long
Lugar
Mathias
McClure
Melcher
Packwood
Pearson
Percy
Randolph
Roth
Schmitt
Schweiker
Scott
Stafford
Stennis
Thurmond
Tower
Young

NAYS—46

Allen
Anderson
Bayh
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Clark
Cranston
Culver
DeConcini
Eagleton
Ford
Glenn
Hart
Hathaway
Hollings
Huddleston
Jackson
Javits
Kennedy
Leahy
Magnuson
Matsunaga
McGovern
McIntyre
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pell
Proxmire
Ribicoff
Riegle
Sarbanes
Sasser
Sparkman
Stone
Talmadge
Weicker
Williams
Zorinsky

NOT VOTING—17

Abourezk
Bumpers
Cannon
Case
Church
Domenici
Durkin
Gravel
Haskell
Humphrey
Inouye
Johnston
McClellan
Morgan
Stevens
Stevenson
Wallop

So Mr. TOWER's amendment was rejected.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following colloquy occurred later and is printed at this point by unanimous consent:)

Mr. HANSEN. Mr. President, I am extremely embarrassed that my good friend and colleague, Senator MALCOLM WALLOP from Wyoming, did not make the last vote. We are trying to hold a hearing this morning, as are a number of Senators, and when the first bell rang I said to my colleague from Wyoming, "I will run over and vote and come right back."

I was on the way when the second set of bells rang, and here my colleague from Wyoming dutifuly sat over there expecting me to get back, and I just plain did not get back, so he missed that vote. I wanted Senators to know and, particularly, the people in Wyoming to understand that he is very keenly interested in this bill, in the legislation, and in the last amendment. It is my fault he was not able to be here to vote, and I just wanted to have that on the record.

I thank my colleague.

Mr. WALLOP. I thank my colleague from Wyoming and I ask unanimous consent that the record show that had I been present and voting on Senator TOWERS' amendment I would have voted "aye."

The PRESIDING OFFICER. Without objection, it is so ordered.

(This concludes proceedings which occurred earlier.)

PERSONAL STATEMENT BY SENATOR LONG

Mr. LONG. Mr. President, I wish to address myself to a point of personal privilege.

The PRESIDING OFFICER. There is a previous order for the Senator from Kansas.

Mr. LONG. I yield myself time to make a brief statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, in the nature of a point of personal privilege, I should like to make a brief statement.

Yesterday, I opposed the investment credit and took the view that all these provisions on the energy bill should be part of a separate bill. I feel that way. I voted for the Bentsen amendment, and I voted for the Tower amendment. I was hoping they would not be offered, but they were offered.

I was one whose vote was necessary in order for this provision which discriminates against independent producers to be there. We agreed to it as part of the conference report, and as one who cast the deciding vote for that provision to go into the conference report, it was my feeling that if the Senate is going to try to correct other inequities, injustices and unintended hardships that were in the 1976 law, we might as well look at this one, too.

There is a difference between providing somebody a new tax break and correcting the hardships in last year's law. For example, we have a provision in this bill that costs $350 million for the benefit of organized labor. That is to move forward for 1 year the provision on sick pay. We have in the bill a provision to move forward by a year section 911, relating to U.S. workers overseas. We have already passed another bill, and we are going to have an amendment on this bill to take care of an unintended situation that has to do with racetracks. There are other provisions in this bill, and there will be others, by which we seek to correct or to restate what the Senate decision was on last year's Tax Reform Act, to correct something we believe was an unintended hardship.

So, if I am inconsistent in opposing the Hansen amendment yesterday and in voting for the Bentsen amendment and in voting for the Tower amendment, I think it should be made clear that while in this bill I am trying to keep the energy amendments off it, at the same time I am supporting amendments, as I did yesterday, with regard to the McClellan amendments and others, which seek to correct things that we thought were wrong about the 1976 act.

I feel that when a Senator has voted, as I did, to take care of some of these things that are bad law, which Mr. BENTSEN and Mr. TOWER were trying to repeal, and I have been explaining for the last year why I voted in the Tax Reform Act conference for something that was bad law in order to get a tax reform bill—bad law in that particular respect—that when you vote for what you think is wrong one time, it seems to me that to ask you to vote for it two or three times exceeds the bounds of statesmanship.

Once I think is fair, but I do not know who can be asked to vote over and over again for something he thinks is bad law. When the time comes for correcting other inequities, I do not think it is fair to refuse to correct an injustice.

I would point out the Senate itself did not vote for the provision which Mr. BENTSEN and Mr. TOWER were seeking to correct. It was the House of Representatives that did that. The Senate's position has been against that. But in conference I resisted, at least I voted for this compromise which is now the law, which later on this year I will try to seek to try to help correct.

The **PRESIDING OFFICER** (Mr. Anderson). Under the previous order, the Senator from Kansas (Mr. Dole) is recognized to call up an amendment on which there are 20 minutes of debate.

UP AMENDMENT NO. 172

Mr. **DOLE**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) proposes unprinted amendment No. 172.

Mr. **DOLE**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 114 between lines 5 and 6 insert the following new section:

Sec. 303. Accelerated Depreciation Allowances for Investments in High Unemployment Areas

(a) In General.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"Sec. 192. Amortization of Property Placed in Service in High Unemployment Areas.

"(a) Allowance of Deduction.—If a taxpayer so elects, he is entitled to a deduction with respect to the amortization of the amortizable basis of job-creation property (defined in subsection (d)) based on a period of 60 months, or, in the case of a building which is job-creation property, a period equal to one-half of the useful life of the building. The amortization deduction shall be an amount with respect to each month of such period within the taxable year, equal to the amortizable basis at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. The amortizable basis at the end of the month shall be computed without regard to the amortization deduction for that month. The amortization deduction provided by this section with respect to any month shall be in lieu of the depreciation deduction with respect to such basis for that month provided by section 167.

"(b) Election of Amortization.—The election of the taxpayer to take the amortization deduction allowed by subsection (a) shall be made by filing with the Secretary, in such manner, in such form, and at such time as the Secretary may by regulation prescribe, a statement of such election.

"(c) Termination of Amortization Deduction.—A taxpayer who has elected under subsection (b) to take the amortization deduction provided by subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period. The discontinuance will begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such property.

"(d) Definition of Job-Creation Property.—For purposes of this section, the term 'job-creation property' means, with respect to buildings, structures on which construction was begun after December 31, 1976, and before January 1, 1978, and placed in service after December 31, 1976, and before January 1, 1980, and, with respect to other property, property placed in service after December 31, 1976, and before January 1, 1978, in an area the rate of unemployment for which is 7 percent or greater for the most recently closed calendar quarter preceding the date on which the property is placed in service. For purposes of this subsection the term 'rate of unemployment' means the unemployment rate for that region calculated as a percentage of the civilian labor force for all individuals 16 years of age and over as determined by the Bureau of Labor Statistics of the Department of Labor.".

(b) (1) The table of sections for such part VI is amended by adding at the end thereof the following new item:

"Sec. 192. Amortization of property placed in service in high unemployment areas.".

(2) Section 263(a)(1) of such Code (relating to capital expenditures) is amended—

(A) by striking out "or" at the end of subparagraphs (C) and (E),

(B) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof a comma and the word "or", and

(C) by adding at the end thereof the following new subparagraph:

"(G) expenditures for job creation property which the taxpayer elects to deduct under section 192.".

(3) Section 1245 (a) of such Code (relating to gain on disposition of certain depreciable property) is amended—

(A) by striking out "or 191" each place it appears in paragraphs (2) and (3)(d) and inserting in lieu thereof "191, or 192",

(B) by striking out "or 190" in paragraph (2)(D) and inserting in lieu thereof "190, or 192"., and

(C) by inserting "or under section 192" after "under section 190" in the last sentence of paragraph (2).

(4) Section 1250(b)(3) of such Code (relating to depreciation adjustments) is amended by striking out "or 191" and inserting in lieu thereof "191, or 192".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1977.

Mr. **DOLE**. Mr. President, this amendment is designed to encourage investment in areas of high unemployment by providing for accelerated depreciation for new plants and equipment which are placed in those areas with unemployment rates in excess of 7 percent. This is a 3-year-only program limited to construction and equipment acquisitions begun in calendar year 1977 and completed within 36 months.

Let me say that a major difference between this amendment and the amendment offered previously by the Senators from New York and Missouri is in the area of cost. The revenue loss associated with this proposal is negligible for fiscal year 1977, $0.2 billion for fiscal year 1978 and $0.5 billion for 1979, for a 3-year loss of $0.7 billion. The earlier amendment would have a revenue loss of $0.6 billion for fiscal year 1977, $2.2 billion for fiscal year 1978, and $4.0 billion for fiscal year 1979 for a total 3 year loss of $6.8 billion.

The loss of revenue with this amendment is clearly much less.

In order to encourage investment in areas with high unemployment, accelerated depreciation for new plant and equipment is needed Specifically, for areas with unemployment rates in excess of 7 percent, this amendment proposes that: First, for buildings, straight-line depreciation over a period equal to one-half their useful lives be allowed; and second, for equipment, firms be allowed to amortize over 5 years with a full investment tax credit. Under current law, a full investment tax credit is allowed only for 7 year or greater amortization periods. This incentive would be limited to projects begun in calendar year 1977 and completed within 36 months.

The purpose of this amendment is the same as the amendment earlier offered by the distinguished Senators from Missouri and New York. It is to encourage investment in plant and in equipment in areas which have unemployment rates in excess of 7 percent in order to stimulate new jobs and economic growth.

A specific comparison may be of interest to some of my colleagues. I would just itemize some of the significant differences between the present amendment considered earlier.

First. In the depreciation method permitted, this amendment allows half the depreciable life for construction and straight line depreciation for a 5-year life for equipment; the Danforth-Moynihan proposal is half the depreciable life for all property.

Second. In the method of calculating the unemployment trigger, which is 7 percent for both amendments, this amendment is based on the most recently proposed calendar quarter: the Danforth-Moynihan is based on a 3-year moving average.

Third. The geographic areas on which eligibility is based in this amendment are employment regions; in the Danforth-Moynihan, it is the standard metropolitan statistical areas, SMSA's, and "balance of State" areas.

Fourth. The effective date in this amendment is December 31, 1977; in the previous amendment it is February 28. 1977.

Mr. President, the entire underlying rationale for this amendment is the simple fact that we have 7 million people unemployed with two and one-half million of them being heads of households. As everyone would agree, we need to do something about that unemployment.

In my view, we need to get the jobs created in the private sector. That is where the jobs will be long lasting and will not be terminated when the end of some Federal appropriation runs out, as they would be in a Federal public works program.

This amendment would aid in the creation of additional jobs in the private sector. Accelerated depreciation clearly aids capital recovery and thereby stimulates capital formation. Capital formation leads to economic growth, and economic growth means jobs.

Mr. President, this amendment is the kind of action we need to take to help put those 7 million people and those 2½ million heads of households back to work.

Last week, the Senate Finance Committee heard testimony from representatives of several construction trade unions about the tremendous need for employment. Mr. Thomas Murphy, president of the Bricklayers International Union eloquently illustrated the need for jobs. He pointed out that the Federal Government is providing a $650,000 grant to train construction workers. But the workers have no place to go for a job once they are trained. The training is good, but we need to provide some economic stimulus to open up those jobs and to provide the work opportunity.

Mr. President, I recognize that the Joint Tax Committee staff estimates that the revenue loss of this amendment peaks in 1982.

As I understand, their latest estimate for revenue impact is $0.162 billion in 1978, $0.67 billion in 1979, $1.36 billion in 1980, $1.7 billion in 1981, $2.0 billion in 1982, $1.6 billion in 1983, and a gain of $0.1 billion in 1984.

The point is that this amendment will stimulate jobs and economic growth. That will lead to increased revenue. As I understand, the quantitative evaluations of the increased revenue and increased economic growth are almost nonexistant. But we should keep in mind the resulting economic growth and revenue reflows when we consider the cost of the provision.

Mr. President, I believe that, based on the estimated costs of only about $700 million over a 3-year period, this amendment would add some stimulus, would create some jobs, and I urge its adoption.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DOLE. I yield.

Mr. CURTIS. On behalf of Senator HAYAKAWA, I ask unanimous consent that Mr. John Backer, of Senator HAYAKAWA's staff, be allowed the privilege of the floor for the remainder of the consideration of the tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DOLE. Is the floor manager willing to accept the amendment?

Mr. MATSUNAGA. Mr. President, I rise in opposition to the amendment. This amendment is similar to the one we just rejected, the amendment offered by the Senator from New York (Mr. MOYNIHAN) and the Senator from Missouri (Mr. DANFORTH).

This would be in addition to the double-declining-balance accelerated depreciating method already in effect. This would cost in 1978 $162 million; in 1979 $676 million; in 1980 $1.3 billion; in 1981 $1.7 billion; and in 1982 $2 billion.

We certainly cannot afford this. This is not the bill in which to propose an amendment such as this. Perhaps in the fall when we consider the new Tax Reform Act this might be considered. But this amendment should be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. I yield back the remainder of my time.

Mr. DOLE. Mr. President, as I recollect, the Joint Tax Committee staff estimates the revenue loss of this amendment peaks in 1982. As I understand it, that figure is accurately quoted as far as the estimates by the distinguished Senator from Hawaii.

The point is that this amendment will stimulate jobs and economic growth, and we have heard a lot of discussion about stimulating jobs and economic growth in the Chamber.

The Senator from Kansas understands the need for some responsibility. The Senator from Kansas understands the need to try to hold down the total cost of this package.

So on that basis I yield back the remainder of my time and am prepared to accede to the wishes of the Senate based on a voice vote.

Mr. MATSUNAGA. I might say to the Senator from Kansas that I agree wtih him as to the intent of the pending amendment. But we do already have provisions in the bill to provide employment. The jobs tax credit and the investment tax credit are two provisions in the bill which will definitely provide employment.

I yield back the remainder of my time and ask for a vote.

The PRESIDING OFFICER (Mr. HATHAWAY). The question is on agreeing to the amendment.

The amendment was rejected.

Mr. MATSUNAGA. I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 173

Mr. CRANSTON. Mr. President, on behalf of myself and Senators DOLE and LAXALT, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and other Senators proposes an unprinted amendment numbered 173.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I also ask unanimous consent to substitute a version of the amendment that does not contain a typographical error that we discovered in the version sent to the desk. There is no substantive change involved.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment is as follows:

At the beginning of subsection (c) of a new section 51 of the Internal Revenue Code, as added by amendment No. 198, offered by the Senator from Colorado (Mr. HASKELL), strike "The amount" and insert "Except as provided in subsection (e), the amount".

Redesignate (e) of the Haskell amendment as subsection (f) and insert immediately before that subsection the following:

"(e) ADDITIONAL PERCENTAGE FOR CERTAIN EMPLOYEES.—

"IN GENERAL.—The amount of the credit allowable by section 44B for any taxable year (determined without regard to this subsection) shall be increased by an amount equal to 10 percent of the unemployment insurance wages paid by the employer to eligible employees as hereinafter defined. The amount of the credit allowed under the preceding sentence shall not exceed one-fifth of the credit determined under section (a)."

At the end of subsection (f), as redesignated, insert the following:

"(4) ELIGIBLE EMPLOYEES.—For the purposes of subsection (e) the term 'eligible employee' means an individual first hired by the employer for the taxable year who has been certified by the appropriate agency or designated official, as determined by the Secretary, as being an individual within any of the following categories—

"(A) a handicapped individual who has been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to an individualized written rehabilitation plan under a State plan for vocational rehabilitation services provided under the Rehabilitation Act of 1973 or under a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code;

"(B) an individual who is a disabled veteran (within the meaning of paragraph (1) of section 2011 of title 38, United States Code), or who has not attained the age of 27 years and is a veteran of the Vietnam era (within the meaning of paragraph (2)(A) of such section), or

"(C) an individual—

"(i) who has been receiving unemployment compensation for not less than the 15 weeks immediately preceding the date on which he is hired,

"(ii) who is not eligible for such benefits but who, as certified by the appropriate State employment service, has been unemployed for not less than the 15 weeks preceding the date on which he is hired,

"(iii) who has exhausted any unemployment compensation benefits to which he was entitled, or

"(iv) who is, or whose family is, receiving aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act, and whose family income (as defined by the Secretary) does not, as of the date on which he is hired, exceed 70 percent of the lower living standard income level as determined by the Secretary of Labor pursuant to Section 608(b) of the Comprehensive Employment and Training Act of 1973, as amended.

"(5) HANDICAPPED INDIVIDUAL.—For purposes of paragraph (4)(A), the term 'handicapped individual' means any individual who has a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment.

Mr. CRANSTON. My amendment will add a 10-percent bonus to the jobs tax credit for each new employee hired who is handicapped, or is a disabled or Vietnam-era veteran, or low-income person who has been unemployed for 15 weeks or more, or whose family receives aid to dependent children.

The Secretary of the Treasury will designate agencies which will certify eligible job applicants for the bonus tax credit. The job applicant will present the certificate to a prospective employer.

To obtain the credit the employer first must meet the threshold rate of increased employment required in order to be eligible for the jobs tax credit provided by title III of the bill.

The employer then simply attaches the certificate, which the new worker has given him, to his tax return and sends it to IRS. No more is required.

This is a simple plan. It avoids extra redtape for both the employer and IRS.

The tax cost of my amendment is estimated by the Joint Committee on Internal Revenue staff at $100 million.

The distinguished chairman has described the jobs tax credit as being "innovative," and as another step in our effort to find ways to reduce structural unemployment.

The Senate by adopting the Chafee amendment has demonstrated an interest in experimenting further by targeting the jobs credit to areas of great need. My proposal adds a bonus which is targeted on groups of individuals who have experienced particular difficulty in being hired. I believe this effort is worthwhile. The tax cost of $100 million is not excessive when we consider that the jobs tax credit is temporary and that other savings may be achieved as people get jobs who have been passed over in the recent recovery period, and as expenditures for unemployment compensation and AFDC are reduced.

In particular, I wish to stress the administrative ease of my proposal from the point of view of both the employer and IRS.

As I said at the outset, Mr. President, the amendment will provide an employment tax credit bonus for employers who hire certain veterans, handicapped persons, and low-income, long-term unemployed persons.

Mr. President, the continuing high unemployment rates among young Vietnam-era veterans is a sad commentary on our Nation's involvement in the long and divisive Indochina conflict. It is tragic that those individuals who bore the brunt of this Nation's entanglement in Vietnam must now bear the brunt of this Nation's economic woes.

During March, approximately 441,000 Vietnam-era veterans between the ages of 20 and 35 were unemployed. The rate of unemployment for younger Vietnam-era veterans—those aged 20 through 24—was 17.1 percent as compared to a rate of 10.4 percent for similarly aged nonveterans. This is one full percentage point above the rate for such veterans for March 1976.

Mr. President, President Carter's program for assisting Vietnam-era veterans temporarily brightened this gloomy unemployment picture. The administration indicated its intent to place a high priority on bringing young Vietnam-era veterans back to the mainstream of America's economic life. But the priority has been stalled—both at the executive and legislative levels.

Mr. President, as an example, President Carter requested an appropriation for an additional 290,000 public service jobs to be financed under the Comprehensive Employment and Training Act of 1973—CETA. The House has already acted affirmatively on this request in connection with H.R. 4876, the Economic Stimulus Appropriation Act. In employing individuals to fill these and other public service job openings, the President proposed legislation requiring that a preference be given to certain qualified unemployed disabled and Vietnam-era veterans. The House has firmly rejected such a preference in connection with H.R. 2992, the 1-year CETA extension. However, I am working closely with the administration in the Senate Subcommittee on Employment, Poverty, and Migratory Labor to develop alternative legislation which would fulfill the President's commitment to veterans.

Mr. President, this situation was discussed in an article in yesterday's Washington Post, by William Greider, entitled "Promises of Jobs Go Unfilled, Veterans Assert," which I will ask be printed in the RECORD at the conclusion of my remarks. I explored this problem at length with the Secretary of Labor at hearings last week.

Mr. President, under the provisions of my amendment, an employer would qualify for a supplemental jobs tax credit for additional wages paid for which they receive the basic employment tax credit, as contained in Senator HASKELL's adopted amendment, if the employee is either handicapped or a young Vietnam-era or disabled veteran or a low-income, long-term unemployed person. The supplemental credit—or bonus—would be 10 percent of the increase in unemployment insurance wages paid to these categories of new employees—or approximately $420 per qualifying employee.

Mr. President, this is not the first time that we have recognized and given priority to the employment needs of these particular target groups.

The House-passed bill includes a bonus employment tax credit for the employment of handicapped persons. The issuance yesterday of the HEW regulations implementing the Rehabilitation Act section 504 requirement of nondiscrimination against handicapped individuals under all federally assisted programs activities calls for the hiring of substantially more handicapped individuals in the private sector. Existing regulations under section 503 of that act already require affirmative actions by all Federal contractors and subcontractors to hire qualified handicapped individuals. The bonus provision in my amendment would provide a small amount of monetary assistance toward meeting the regulatory requirements under those two programs.

Regarding targeting on veterans, on March 10, 1977, the Senate approved an amendment to the public works employment bill, which has been retained in conference requiring special consideration for the hiring of Vietnam-era veterans under age 27 and service-connected disabled veterans in public works projects funded under that bill. I coauthored this amendment with the Senator from Colorado (Mr. HART) and others. As I mentioned earlier, the President has also called for more hiring of these veterans in the private sector, through HIRE, a new CETA program.

As to long-term low-income unemployed persons, amendments I authored to the Emergency Jobs Programs Extension Act of 1976—now Public Law 94-444—along with Senator KENNEDY, Senator JAVITS, Senator WILLIAMS, and others, require that new public service jobs under title VI of the Comprehensive Employment and Training Act of 1973, as amended, be given to unemployed persons in the following categories, whose family income is lower than approximately $7,000:

First. Persons who have been receiving unemployment compensation for 15 or more weeks;

Second. Persons not eligible for unemployment compensation benefits but who have been unemployed for 15 or more weeks;

Third. Persons who have exhausted unemployment benefits; and

Fourth. Persons who are receiving—or whose family is receiving—aid to families with dependent children.

Thus, Mr. President, this amendment carries out already established national policies by focusing on the needs of these particular categories of unemployed persons.

It is my intention, Mr. President, that under this amendment, the agencies referring these persons to employers take into account the household support obligations of the men and women they refer to jobs with employers.

Because of concern about the problems of administering this provision and the possibility of unduly burdensome paperwork, the amendment makes clear that individual employees who make an employer eligible for the employment tax credit bonus are to be those certified by the appropriate agency or designated official, as determined by the Secretary of Treasury, as being individuals within any of the categories set forth in the amendment.

For example, a handicapped person could be certified by the State vocational rehabilitation agency or, in the case of a veteran receiving benefits under chapter 31 of title 38, United States Code, by the Veterans' Administration. Certifications of unemployed Vietnam-era veterans and unemployed low-income persons could be made by the State employment service.

Furthermore, unlike the House-passed provision for hiring certain handicapped persons, there is no requirement that the employer establish a prior base of employment of individuals within the particular category of eligible employees.

These are, I believe, major administrative simplications.

Mr. President, I am offering this amendment because I believe it is important that in attempting to resolve the unemployment needs of all our citizens, we focus particularly on these targeted groups who have special needs for assistance.

I urge the Senate to take positive action by including my amendment in the legislation that is before us now as another important step in meeting the crucial employment needs of veterans and those most in need.

Mr. President, I ask unanimous consent that an analysis of this amendment be printed at this point in the RECORD prior to the printing of the Post article.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE CRANSTON JOBS TAX CREDIT BONUS AMENDMENT

The Cranston amendment proposes a ten percent bonus in the jobs tax credit for hiring any of the eligible employees as defined below. The categories of eligible employees are—

Handicapped persons.

Veterans whose disability is service-connected and is rated at 30 percent or more; and

Vietnam-era veterans under age 27.

Low-income [1] persons who have been receiving unemployment compensation for 15 or more weeks;

Low-income [1] persons not eligible for unemployment compensation benefits but who have been unemployed for 15 or more weeks;

Low-income [1] persons who have exhausted unemployment benefits; and

Low-income [1] persons who are receiving (or whose family is receiving) aid to families with dependent children.

To obtain the bonus the employer first must satisfy the required increased rate of employment in order to qualify for the jobs tax credit. Then, when the employer hires any of the "eligible employees" he or she simply attaches to the tax return a certificate which has been handed to him by the newly hired worker. The certificates are given to the job applicants by the appropriate agencies, primarily the State employment service, vocational rehabilitation agency or the Veterans Administration, as designated by the Secretary of the Treasury.

The intent is to reduce and simplify the paperwork burden on both the employer and IRS.

Unlike the handicapped bonus provided in the House jobs tax credit, the Cranston amendment does not require the employer to establish a prior year base for employment of any defined category of eligible employee. All the employer needs to do is qualify for the jobs tax credit and attach the appropriate certificate to his return.

The estimated cost is $100 million.

Cosponsors: Senators Dole, Laxalt, Stone, Randolph, DeConcini, Heinz, Hathaway, Matsunaga, Helms, Chafee, Biden, Robert C. Byrd, Magnuson, and Burdick.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Washington Post article of April 28, 1977, entitled "Promises of Jobs Go Unfulfilled, Veterans Assert," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROMISES OF JOBS GO UNFULFILLED, VETERANS ASSERT

(By William Greider)

Back in January, the Carter administration got a lot of big headlines for proclaiming new job programs for unemployed Vietnam veterans, but those early promises have already soured for many veterans' organizations.

Meanwhile, unemployment among Vietnam veterans is rising.

"They've been dragging their feet for three months," said Austin E. Kerby of the American Legion, complaining that the Labor Department has not yet even filled the new position created for the program, deputy assistant secretary for veterans employment.

"Our high hopes," said Lawrence W. Roffee Jr. of Paralyzed Veterans of America, "have now turned to frustration and cynicism. In our opinion, the way the programs have been developed there is little chance of making any significant reduction in the unemployment rate."

"We are now into the fourth month of the new administration," said Ronald W. Drach of the Disabled American Veterans, "and we have seen the immediate implementation of several programs to assist those who evaded the draft and those who failed to serve honorably during the Vietnam era. However, we fail to see any concerted effort to assist all disabled veterans who served their country honorably . . ."

"What I hear," said Thomas J. Wincek, veterans coordinator at the University of Minnesota, "is that the veteran is No. 1. But what I see is that veterans really aren't that important and programs to help them can be dropped or neglected."

At the same time, unemployment among Vietnam veterans jumped a point in March to 17.1 per cent—nearly 7 percentage points higher than non-veterans of the same age.

The growing frustration of veterans with the Carter administration—in particular with the Labor Department's job agencies—has been gathering momentum for weeks and was expressed yesterday by seven widely varying veterans organizations at a hearing of the House Veterans Committee.

On the whole, they see the Carter administration, promises notwithstanding, repeating the bureaucratic stall and dribble which frustrated them under Republican Presidents—and left veterans with a disappointing share of the federal job-and-training benefits handed out under Labor Department programs.

Labor Secretary Ray Marshall on the day he was sworn in announced three new programs, totaling $1.3 billion. Labor is still waiting for Congress to appropriate most of the money under the $4 billion economic stimulus legislation, but the veterans groups are already deeply skeptical about how much will actually get to veterans.

For instance:

The Carter administration promised 145,000 slots for veterans under Labor's public-service jobs program and a veterans preference up to 35 per cent on all new jobs slots for young Vietnam veterans.

After the guidelines were published, the Veterans of Foreign Wars fired off a telegram to the White House, complaining that these goals were evaporating into vague instructions which merely encouraged local city halls and other program sponsors to sign up vets. In the past, Vietnam veterans have fared poorly when these jobs were handed out and their organizations want strong guarantees of veteran priority.

"Could it be possible," the VFW asked, "that an underling in the Labor Department solicitor's office can change the President's announced program or did Secretary Marshall mislead the American public and those who served honorably?"

Labor's proposed legislation—which the veterans complain was poorly drawn and offered to Congress without much push—was rejected by the House when it renewed the jobs program. The House would prefer to keep the jobs money free of categorical guarantees for any specific groups.

Another component called HIRE, a $100 million subsidy program for private businesses that hire veterans, is also awaiting funds though Marshall's remarks in January left veterans groups, as well as some senators, with the impression that HIRE would proceed immediately. At the moment, Labor is planning a publicity ceremony at the White House sometime soon when the President appoints a HIRE advisory committee of business leaders.

The third program called Outreach envisions $20 million for hiring 2,000 disabled veterans to help other disabled vets in the job market. As of yesterday, according to a department spokesman, about 500 of these have been recruited.

A major thrust of the veterans complaints is aimed at the U.S. Employment Service and other Labor bureaucrats who are accused of slighting veterans in the past. The same people, according to the veterans, are running the programs under the Carter administration. A Veterans Employment Service created to eliminate these problems has been ineffective because it reports to the same people, the vets complain.

"An anti-veteran attitude," Kerby of the American Legion charged.

Mr. STONE. Mr. President, will the Senator from California yield?

Mr. CRANSTON. I am delighted to yield.

Mr. STONE. The State of Florida has an unemployment rate now of more than 9 percent. Many of the unemployed are veterans who will be covered by this amendment.

I ask unanimous consent to join as a cosponsor of the Cranston amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I am delighted to have the distinguished Senator join as a cosponsor.

Mr. RANDOLPH. Mr. President, will the Senator from California yield?

Mr. CRANSTON. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Is there additional cost in the processing of the amendment that is now pending?

Mr. CRANSTON. There is no cost on employers of any significance and no significant administrative cost. The tax cost of the amendment is estimated by the Joint Committee on Internal Revenue staff as $100 million.

Mr. RANDOLPH. I only wanted the record clarified as to the cost because that had not been explained by the able Senator.

Mr. CRANSTON. Yes.

Mr. RANDOLPH. I ask unanimous consent for the privilege of joining in cosponsorship if agreeable to the Senator.

Mr. CRANSTON. That is certainly a privilege for me, and I join in the unanimous-consent request. The Senator from West Virginia has been a leader in our efforts to help veterans in so many ways both on the Veterans' Affairs Committee and the Human Resources Committee where we serve together. He was earlier chairman of the Veterans' Affairs Subcommittee of the predecessor Labor and Public Welfare Committee where he compiled a distinguished record on behalf of America's veterans. He has served in a highly effective fashion for many years as chairman of the Handicapped Subcommittee where he has authored absolutely wonderful legislation to provide handicapped individuals with full and fair opportunities in so many ways. I have been privileged to work under his great leadership in this field, and thus am delighted with his support and cosponsorship.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, will the Senator yield for an unanimous-consent request for me to be added as a cosponsor to this amendment?

Mr. CRANSTON. I yield.

Mr. HEINZ. Mr. President, will the Senator yield for a unanimous-consent request; namely, that he includes me as a cosponsor of this amendment.

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[1] Defined as those whose family income (not including any employment compensation and other public payments which the individual will be disqualified from receiving once hired) is not more than 70% of the lower living standard income level as determined by the Secretary of Labor pursuant to section 608(b) of the Comprehensive Employment and Training Act of 1973. That income level is, as recently revised $10,041; 70% of which would be $7,029.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Senators from Arizona (Mr. DeConcini) and Pennsylvania (Mr. Heinz) also be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I do stress once again that this totally avoids redtape for both the employer and IRS. An earlier version might not have avoided that redtape in it. I thank those who helped work out the better version—particularly the staff of the Joint Committee on Internal Revenue Taxation.

I am delighted that Senator Dole and Senator Laxalt joined me originally and so many others have now joined in the effort. And I urge adoption of the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. I yield to the Senator from Kansas 2 minutes.

Mr. DOLE. Mr. President, the Senator from Kansas would like to commend the Senator from California for offering this amendment to the Jobs Tax Credit. The amendment addresses several problems which the Senator from Kansas has worked on and I am glad to cosponsor the amendment.

HELP FOR THE LONG-TERM UNEMPLOYMENT

Recently, the Senator from Kansas offered an amendment to target the Jobs Tax Credit at those workers who have been out of work the longest. At that time, I stated that the long-term unemployed deserve special consideration in any program passed by the Congress to create new jobs. My amendment was more specifically concentrated on structural unemployment. It was not adopted, but I believe the incentive provided in this amendment for the long-term unemployed is beneficial.

The Senator from Kansas would hope that adoption of this amendment will provide an opportunity to see the effectiveness of the targeted jobs tax credit.

Further, this amendment addresses the employment needs of both veterans and handicaped individuals. I have long been sensitive to the problems of veterans and handicapped individuals. I have long studied a jobs tax credit amendment for the handicapped of my own which is similar to this one.

SPECIAL ATTENTION ON THE HANDICAPPED

Mr. President, employment of the handicapped has long been a special concern of mine. The handicapped of America are ready and willing to work. Those who have been able to find jobs have shown themselves to be as good or better workers than persons without disabilities. It is unfortunate that these individuals still find some unreasonable barriers to employment. All that the handicapped citizens of America ask is a chance to prove themselves, and not be barred by fears of employers from that opportunity. This amendment will help give them this chance.

If this amendment is adopted, the employer of a handicapped worker would receive a credit of $2,250 for hiring a handicapped worker. This is significantly larger than the level provided by the House of $2,100 especially when the $40,000 limit per firm for the credit is considered in that bill. Traditionally, handicapped workers have not been the first choice of employers and the special incentive is essential.

DISABLED VETERANS ARE ASSISTED

Mr. President, the unique problems of our country's veterans have also long been a special concern of the Senator from Kansas. I am glad to see that the amendment before us provides an extra incentive to hire handicapped veterans and veterans with a service-connected disability of 30 percent or more. Vietnam-era veterans under age 27, who have suffered the highest unemployment, also qualify for the credit.

For all these reasons, I urge that the rest of the Senate join in voting for this amendment. Adoption of this amendment would signal the handicapped, our veterans, and the long-term unemployed that Congress is determined to give them the employment opportunity they deserve.

Mr. LAXALT. Mr. President, the House version of the "job tax credit" provided for a credit against employer income taxes equivalent to 40 percent of the first $4,200 of wages paid to additional employees for calendar year 1977 and 1978. The credit had a maximum total of $40,000 and was determined by a formula which made use of the recordkeeping which employees are required to undertake in conjunction with their Federal Unemployment Tax Act—FUTA—returns. The 10-percent supplemental credit for additional wages paid to handicapped employees was allowed for those who were referred upon completion of an individualized written rehabilitation plan approved by one of the States under the Vocational Rehabilitation Act.

The Finance Committee replaced the Ways and Means jobs tax credit with an option to business of either a 2-percent incremental investment tax credit or a 25-percent credit for each additional employee on the first $4,200 in wages paid with no $40,000 "cap" and no supplemental credit for hiring handicapped employees. Although the Senate has subsequently increased the size of the credit to 50 percent and inserted a $100,000 cap, there is still no additional credit for hiring the handicapped.

Together with my good friend from Delaware, Mr. Biden, I introduced an amendment which would have provided a supplemental credit for handicapped employees to be administered in the same way as envisioned by the House. Although it did provide for a general definition of who was considered handicapped by making reference to physical or mental disabilities which would constitute a "substantial" handicap to employment, in practice, it relied on referrals from State vocational rehabilitation plans. In other words, an individual was considered handicapped for purposes of this credit if he has been referred to the employer by one of these agencies.

A major objective of H.R. 3477 is to attain a prompt reduction in our currently unacceptable rate of unemployment. Needless to say, I endorse this objective. But, I also believe that we should be sensitive to the special difficulties which handicapped individuals face in securing employment. Accordingly, I am delighted to support the amendment offered by the distinguished Senator from California, Mr. Cranston, which incorporates my amendment and also includes assistance for Vietnam veterans.

Our Nation's handicapped do not want charity. They want to work and become productive contributing members of our society. Only through such work will they attain better quality of life and the independence to which they are entitled. "The only handicap that disabled people have is getting a job—not holding one."

Mr. DOLE. Mr. President, I just say very briefly that if this amendment is adopted, and I certainly believe it will be, the employer of a handicapped worker, of course, receives a little larger credit, and that is very understandable because handicapped are generally not the first ones hired. There is a great deal of discussion about the ability of handicapped workers and it is true, but the facts are that this special incentive might encourage employers who otherwise might overlook a very qualified and capable person, who had a handicap, and might bring them into the mainstream and bring them back to work.

I think it is an excellent amendment. It is somewhat similar to the amendment the Senator from Kansas offered the other day. I am pleased that the Senator from California has pursued it, and I am happy to be working with him.

Mr. CRANSTON. I thank the Senator very much.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. I yield myself such time as I require.

May I put a question to the proposer of the amendment. As I understand it, his amendment provides an additional 10 percent jobs credit for the handicapped, disabled, Vietnam era veterans under age 27 and the AFDC recipients and those unemployed or on unemployment for at least 15 weeks. Am I correct?

Mr. CRANSTON. Yes. The long-term unemployed and AFDC recipient must also have low family income.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that I may be recorded as a cosponsor of the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. I might say that the Chairman of the Finance Committee, Senator Long, has indicated his support for the measure and will accept the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I thank the Senator very much.

I have two unanimous consent requests, one that Senator Helms be added as a cosponsor and the other that Senator Chafee be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I yield back my time.

Mr. MATSUNAGA. I yield back my time and ask for the vote.

The PRESIDING OFFICER. The

question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Senator BIDEN and Senator ROBERT C. BYRD be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Also Senator MAGNUSON and Senator BURDICK.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I thank all Senators who have joined me.

AMENDMENT NO. 242

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is recognized to call up an amendment on which there shall be 20 minutes of debate.

Mr. HELMS. I thank the Chair. Mr. President, I shall not consume nearly that much time.

I call up amendment No. 242, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) offers an amendment numbered 242: At the appropriate place—

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following new section:

SEC. . TAX LIENS ON RESIDENCES.

(a) PUBLIC INDEX OF FILED TAX LIENS.—

(1) INDEX FOR INITIAL FILING OF NOTICE.—

(A) Paragraph (4) of section 6323(f) (relating to indexing of tax liens) is repealed.

(B) Paragraph (2) of section 6323(f) is amended by striking out "paragraphs (1) and (4)" and inserting in lieu thereof "paragraph (1)".

(2) INDEX FOR REFILING OF NOTICE.—Section 6323(g)(2)(A) (relating to refiling of notice of lien) is amended to read as follows:

"(A) if such notice of lien is refiled in the office in which the prior notice of lien was filed; and".

(b) DISCHARGE OF PROPERTY FROM LIEN.—Subsection (b) of section 6325 (relating to discharge of property) is amended by adding the following new paragraph at the end thereof:

"(4) PURCHASERS OF RESIDENCES.—Subject to such regulations as the Secretary may prescribe, the Secretary shall issue a certificate of discharge of any real property which constitutes a personal residence (containing not more than four dwelling units) subject to the lien if—

"(A) the property was acquired by a purchaser (within the meaning of section 6323 (h)(36)) who is an individual, and

"(B) the lien was not properly placed on the public record at the time such individual purchased the property, so that a reasonably diligent investigation at the office in which notice of lien was required to be filed under section 6323(f)(1) did not disclose the existence of the notice of the lien.".

(c) CIVIL ACTION BY PURCHASER OF RESIDENCE AGAINST THE UNITED STATES.—Subsection (a) of section 7426 (relating to civil actions by persons other than taxpayers) is amended by adding the following new paragraph at the end thereof:

"(4) IMPROPER INDEXING OF NOTICE OF TAX LIEN.—If notice of a lien imposed under chapter 64 has been filed in accordance with section 6323(f) with respect to real property which consists of a residence (containing not more than four dwelling units) and—

"(A) the property was acquired by a purchaser (within the meaning of section 6323 (h)(6)) who is an individual, and

"(B) the lien was not properly placed on the public record at the time such individual purchased the property, so that a reasonably diligent investigation at the office in which notice of lien was required to be filed under section 6323(f)(1) did not disclose the existence of the notice of the lien,

then such individual may bring a civil action against the United States in a district court of the United States to obtain a discharge of the property from the lien.".

(d) PERIOD OF LIMITATIONS.—Section 6532 (c) (relating to period of limitations on suits by persons other than taxpayers) is amended by—

(1) striking out "paragraph (2)," in paragraph (1) and inserting in lieu thereof "paragraph (2) or (3)," and

(2) adding the following new paragraph at the end thereof:

"(3) IMPROPER INDEXING OF NOTICE OF TAX LIENS.—No suit or proceeding under section 7426(a)(4) shall be begun after the expiration of 6 years after the notice of lien described in such section is filed.".

(e) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to any lien imposed under chapter 64 of subtitle F of the Internal Revenue Code of 1954 except that the amendment made by subsection (d)(2) is not to bar the commencement of any suit or proceeding begun before December 31, 1977.

Mr. HELMS. Mr. President, in lieu of making any comments on this amendment, which I believe will be accepted by the distinguished manager of the bill, I shall simply read a letter from the Acting Commissioner of Internal Revenue, Joseph T. Davis, to Mr. Bernard M. Shapiro, chief of staff, joint committee staff on taxation of the House of Representatives. It says:

We have recently been furnished a copy of an amendment to H.R. 3477 which we understand that Senator Helms intends to introduce shortly (copy enclosed). The intent of this amendment is to repeal the provisions of *Code* § 6323(f)(4) dealing with the indexing of filed notices of tax lien and to provide the individual homeowner an increased measure of protection from an improperly recorded notice of federal tax lien. More specifically, the amendment provides that if an individual purchases a residence (containing not more than four units) and a federal tax lien was not properly placed on the public record at the time the purchaser bought the residence so that a reasonable title search failed to disclose the tax lien then the Secretary shall issue a certificate of discharge on the residence. Also the amendment provides a cause of action to the individual if the Secretary fails to issue the certificate of discharge in the above circumstances.

The Internal Revenue Service is in complete agreement with the objectives of the amendment and with the general drafting approach adopted. We will, of course, inform you of any technical changes which we believe to be necessary after we have been able to examine the amendment in greater detail.

Mr. President, this amendment is a revised version of amendment No. 162, identical to Senate bill 803, introduced on February 24. S. 803 now has 11 cosponsors. Identical legislation has been introduced in the House.

I am happy to report that during the past few days all interested parties, including the Acting Commissioner of the IRS, have agreed to a modification of my original amendment, this modified or compromised version being the amendment pending.

I can assure my 11 colleagues who cosponsored S. 803 and amendment No. 162 that this modified amendment contains the substance of what we were seeking to accomplish.

The present law in regard to the treatment of Internal Revenue Service tax liens does nothing less than undermine one of the great foundations of American law established to provide antifraud protection in real estate transactions; namely, that a person may purchase a piece of real property free and clear of all liens and defects unless those liens and defects are indexed and recorded in the public records. In other words, the precept being that no one ever need to purchase property the legal status of which is in doubt, and that if he does, it is his own fault. That is the intended precept.

We all know that the greatest investment of the average citizen is in his or her home. Nothing, therefore, is more important to this citizen than that title to his or her home be secure, so that the major investment of the citizen's lifetime will not turn into a nightmare of adverse claims, lawyer's fees, and lengthy court proceedings.

In order to avoid title disputes, almost all purchasers are prudent enough to employ an attorney or title company to conduct a title search. The searcher, when so employed, goes over to the county courthouse and searches the "chain of title." One of the most important parts of his title search is a check for liens against the property, such as mortgages, judgments, and tax liens. Apparently, all States with the sole exception of Vermont, have recordation statutes, which require any such liens to be recorded in alphabetical indexes in the courthouse. If such a lien is not so recorded, the purchaser can acquire the property free and clear of such lien, even if the lien exists at the time of his purchase, provided, in most States, that the purchaser has no actual awareness of the existence of the lien.

The end result is that the searcher is able to certify that the title is free and clear from all defects and liens, or, as an alternative, he can point out the liens and defects, so that they can either be removed prior to purchase, or, if not removable, the purchaser can at least know what he is buying. When the searcher has made this determination, title certificate is issued which certifies that the title is free and clear, or, if not, specifically how it is encumbered. Presumably, the purchaser can rest at peace in full knowledge of precisely what he owns.

Unfortunately, however, the Internal Revenue Service, with the cooperation of at least one Federal district court, has supplied reason for the purchaser to toss and turn. In a recent case, *Adams* v. *United States*, 420 F. Supp. 27 (S.D.N.Y. 1976), the court held that property could be held to an unrecorded tax lien as long as the IRS made a bona fide attempt to file such a lien. In other words, if the IRS sent a tax lien notice to the county clerk, and the county clerk negligently failed to record such a lien, the property is subject to the lien notwithstanding the fact that it had not been recorded. After noting that the "creation, form, and priority of Federal tax liens are matters to be determined by Federal law," the court summarized its findings as follows:

> Plaintiffs contend that recordation, here, in the index, not mere presentation to and receipt by the County Clerk, is necessary to create a valid tax lien, and that § 6323 was intended to abrogate the pre-existing doctrine . . . that the United States' interest in property by virtue of an unrecorded or "secret" tax lien was superior to a subsequent purchaser's interest . . . While there is some merit to plaintiffs' contention, the plain wording of the Code § 6323, cannot be ignored; Congress used the term "filed" and not "recorded".

In an apparent attempt to minimize problems resulting from the Adams decision, Congress enacted section 2008(c) of the Tax Reform Act of 1976, which effectively superseded the Adams case by imposing a dual recording requirement on the Treasury. Under this statute, a Federal tax lien must be:

First, "filed," not recorded, in the office within the State—or the county, or other governmental subdivision—as designated by the laws of such State; and

Second, indexed in the district office of the Internal Revenue Service for the district in which the real property is situated.

If both these requirements are not complied with, the Federal tax lien will not be valid, as against an innocent purchaser.

The Federal indexing requirement has caused a number of problems. First, implementation of the new system has been costly to the Federal Government. On a long-range basis, I have been informed that the cost of maintaining the index may run to nearly $1 million a year. This is a significant cost to provide a public index that is repetitious of the public index that is maintained in some form in every local jurisdiction in the country. Second, the indexing requirement will impose a significant burden in searching titles in connection with real estate sales. The title searcher will have to check the records at the local courthouse and also at some distant district IRS office for Federal tax liens. The extra cost will eventually be passed on to the consumer in the form of higher fees to search a title.

My amendment would eliminate these problems by repealing the costly IRS indexing requirement and providing remedies that are specifically targeted for the situation involved in the court decision. Under my amendment, the IRS would be required to discharge a tax lien against a residence, including all adjacent land, if the notice of tax lien was not properly recorded at the time of purchase in the office designated for filing these notices. In these cases, the purchaser could request a discharge of the tax lien under an administrative procedure within the IRS and he could have his right to receive the discharge adjudicated in a U.S. district court.

I believe this approach will specifically deal with the problems raised by the court decision in a manner that is far less costly to the public and the IRS. In addition, it is estimated that this provision will not result in any revenue loss.

My amendment provides essentially the same solution suggested recently by the Acting Commissioner of the IRS to the staff of the Joint Committee on Taxation. Generally, the amendment differs from the recommendation in two respects. First, the amendment would provide relief for unrecorded tax liens on any residence and not just a purchaser's principal residence. Second, the amendment does not provide the IRS with a Federal right of action against a local official who fails to record a notice of lien. I believe this matter would be better resolved by having the IRS rely on whatever remedy is provided under present law for the protection of creditors generally.

Mr. President, this simple change in the law would cause little distress to the IRS or to the Federal Treasury. But it would provide the purchaser—the consumer—protection from great financial and emotional distress.

This, in my view, is real consumer legislation—simple, direct, fair, reasonable, and free from philosophical and partisan disputes. This may seem to be a small matter, but it is these small things when added together that decide whether or not we will have a government that believe in elementary fair play. It is also important that this amendment can be implemented at negligible cost to the taxpayers, and without creating a new layer of Federal bureaucracy. I am hopeful all Members of the Senate will join in approving this timely correction of our tax laws.

Mr. President, I reserve the remainder of my time.

Mr. MATSUNAGA. Mr. President, I yield myself such time as I may consume.

As a cosponsor of the amendment offered by Senator HELMS, I rise in support of the measure. The Internal Revenue Service is in full agreement with the amendment. The chairman of the Finance Committee also supports this measure.

This amendment would provide individual homeowners a measure of protection against improperly indexed tax liens. In certain cases, an innocent buyer could purchase a home unaware of an existing tax lien which had been improperly filed at the State or county recorder's office. The tax lien would be binding on the innocent purchaser, who would see the investment of his savings lost through no fault of his.

The 1976 Tax Reform Act attempted to correct the situation by requiring the local district director of Internal Revenue to maintain a duplicate index of tax liens. Unfortunately, this method has not proven satisfactory. The district office is often located some distance from the State or county recorder's office. Thus, a prospective home buyer must shoulder a double cost. The prospective buyer must conduct a title search of both the county recorder and the Internal Revenue Service District Office index. This adds greater expense to the already high cost of home purchase. Moreover, the cost of establishing and maintaining this index for the Service has also been overly burdensome.

To correct the shortcoming of the Tax Reform Act of 1976, this amendment repeals section 6263(f)(4) of the Internal Revenue Code and enacts a new provision. If an individual buys a residence containing not more than four units, and if a Federal lien was not properly recorded at the time of purchase, to disclose the lien, the Secretary could then issue a certificate to discharge the residence from the lien. The provision also gives the innocent home buyer an actionable cause to compel the certification of discharge.

I believe this amendment, without undue administrative cost, provides the remedy needed in this case. It is a worthy measure of consumer protection, and I urge its adoption.

The amendment would require the IRS to discharge a tax lien against a residence if the notice of lien was not properly recorded at the time of purchase in the local recording office. Under the amendment, the purchaser could request a discharge of the lien under IRS administrative procedures and, if not agreed to, could take the question to the Federal courts.

The amendment changes a provision added in the 1976 Tax Reform Act under which the IRS was to keep in each district office an index of all tax lien notices. This requirement has proven to be costly for the IRS—they estimate up to $1 million per year—and time consuming and costly to taxpayers having to search an additional index.

The amendment would thus greatly simplify matters for property purchasers. The IRS is in agreement with the amendment.

Revenue cost: None.

I yield back the remainder of my time.

Mr. HELMS. Mr. President, for the legislative history, I would comment that the term "residence" as referred to in the amendment is not restricted to a primary residence. It does include vacation homes, and it is correct to conclude that this does not include a purchaser who never personally lived in his residence.

I wanted to make that clear for the record. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (No. 242) of the Senator from North Carolina.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, without prejudice to Mr. BAYH, Mr. HUDDLESTON be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 206

Mr. HUDDLESTON. Mr. President, I call up my amendment No. 206, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON), for himself and others, proposes an amendment numbered 206: At the end of the bill add the following new section:

SEC. . Withholding Tax on Certain Gambling Winnings.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. . WITHHOLDING TAX ON CERTAIN GAMBLING WINNINGS.

(a) IN GENERAL.—Subparagraph (C) of section 3402(q)(3) of the Internal Revenue Code of 1954 (relating to sweepstakes, wagering pools, and other lotteries) is amended to read as follows:

"(C) SWEEPSTAKES, WAGERING POOLS, CERTAIN PARIMUTUEL POOLS, JAI ALAI, AND LOTTERIES.—Proceeds of more than $1,000 from—

"(i) a wager placed in a sweepstakes, wagering pool, or lottery (other than a wager described in subparagraph (B)), or

"(ii) a wagering transaction in a parimutuel pool with respect to horse races, dog races, or jai alai if the amount of such proceeds is at least 300 times as large as the amount wagered.".

(b) EFFECTIVE DATE.—The amendments made by this section apply to payments made after April 30, 1977.

Mr. HUDDLESTON. I ask unanimous consent that the Senator from Maryland (Mr. MATHIAS) be added as a cosponsor of the amendment.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, this is an amendment that was passed by the Senate very recently, and also passed by the House of Representatives, as a part of H.R. 1828. However, due to the uncertainty as to the fate of that particular piece of legislation at this time, it is appropriate that we again pass the amendment.

It corrects a misunderstanding, and makes the withholding provision for certain types of winnings conform to what many of us, including the Commissioner of Internal Revenue, thought we were enacting in the tax bill last year.

The present law as it now stands is impractical, and this change is supported by the Treasury Department. My amendment modifies the withholding requirement enacted in the 1976 Tax Reform Act as to the proceeds of wagers placed in parimutual pools with respect to horse races, dog races, and jai alai. A more detailed explanation of the amendment is contained in a statement I submitted at the time H.R. 1828 was passed.

I believe this is acceptable to the managers of the bill.

Mr. FORD. Mr. President, this is the third time that this amendment has come before the Senate. We passed it at the end of last session, and we passed it before the Easter recess. But the bills to which the amendments are attached have failed to receive enaction into law.

The amendment is quite simple. It requires the withholding of 20 percent of the winnings at race tracks when the odds are at least 300 to 1 and when the winnings exceed $1,000.

It accomplishes what many of us thought the interpretation of the provision in the Tax Reform Act of 1976 to be. As a matter of fact, that interpretation was shared by the Internal Revenue Service.

The House has passed this amendment once and, in fact, the Ways and Means Committee has reported a bill that would incorporate withholding requirements even less stringent than this amendment.

The present law was incorporated in the Tax Reform Act of 1976 and it is impractical to administer. This provision requires aggregation of tickets which is extremely difficult, if possible, to implement. Because of the problems of administration and the burden that it would place on track operators and patrons, the Internal Revenue Service has delayed implementation until Congress has had an opportunity to correct the defect. That moratorium is nearing an end and it is extremely important that we move expeditiously to enact a reasonable withholding requirement.

The problem is not nearly as simple as it might appear. All of us support the principle that all income should be reported and proper taxes paid. However, anyone who has been to the track will tell you very quickly that all winnings on one race do not mean a day's winnings.

The cost of administration should not be so burdensome or inconvenient to drive people to illegal avenues of gambling. We should not create any incentives for individuals to use bookies nor patronize organized crime activities. The National Commission on Gaming recommended against any withholding primarily for this reason.

Any withholding is a problem, and if too much is withheld, it is apparently more attractive to place bets outside the law than within the framework of racetracks and off-betting parlors.

I believe that this amendment is a reasonable approach. It is a workable approach and I believe that it could be administered without major inconvenience.

I do want to point out, however, that it will result in the loss of some revenue to States because of the churning effect. It will reduce the amount of the wager pools as the racing day nears an end.

The merit of withholding is that it will improve the reporting of winnings on Federal income tax returns. Thus, it will increase the Federal taxes collected on winnings at racetracks.

What all of us must recognize is that the economic value of an industry is at stake. Without the bettors, racetracks cannot continue. Without tracks, the farms and all the agribusinesses related thereto cannot continue. And without this industry, there is a loss of over a half million jobs.

It is very important that all of us recognize that the question is not simply withholding at the tracks. It is an industry with which we are dealing and we could very easily cost the Treasury more than we gain. I believe that this amendment recognizes that fact.

I urge its adoption.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I wish to join with my able colleagues from Kentucky, Senator HUDDLESTON and FORD and other Senators, as a cosponsor of the amendment. There is a need in many States, including West Virginia, that this amendment be included in the pending tax bill.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HUDDLESTON. I thank the Senator from West Virginia for his support.

Mr. MATSUNAGA. Mr. President, I yield myself such time as I may consume.

This amendment was previously passed as a part of H.R. 1828 by the Senate. It is a good measure, endorsed by the Internal Revenue Service. It corrects what was never intended to be in the Tax Reform Act of 1976. Senator LONG, the chairman of the Finance Committee, supports the amendment. I also support the amendment, and unless there are further requests for time, I yield back the remainder of my time and ask for the vote.

Mr. HUDDLESTON. I yield back the remainder of my time.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

UP AMENDMENT NO. 175

The **PRESIDING OFFICER.** Under the previous order, the Senator from Indiana (Mr. BAYH) is recognized to call up an amendment on which there shall be 20 minutes of debate.

Mr. BAYH. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) proposes an unprinted amendment numbered 175:

On page 3, beginning on line 3, strike out through line 22 on page 104 and insert in lieu thereof the following:

Mr. BAYH. Mr. President, I ask unanimous consent that the amendment be considered as read.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

On page 103, beginning on line 3, strike out through line 22 on page 104 and insert in lieu thereof the following:

(d) PARTIALLY REFUNDABLE INCREMENTAL INVESTMENT TAX CREDIT.—

1) Subparagraph (A) of Section 46(a)(2) (relating to 10 percent credit) is amended to read as follows:

"(A) GENERAL RULE.—Except as otherwise provided in subparagraph (B), in the case of property described in subparagraph (D), the amount of the credit determined under this paragraph for the taxable year shall be an amount equal to the sum of—

"(i) 10 percent of the qualified investment (as determined under subsections (c) and (d)), plus

"(ii) an additional 5 percent of so much of the qualified investment (as so determined) as exceeds the average amount of the qualified investment (as so determined) for the 3 preceding taxable years.".

(2) Clause (i) of section 46(a)(2)(B)

(relating to additional credit) is amended to read as follows:

"(i) the amount which would be determined under the subparagraph (A) if '11 percent' were substituted for '10 percent' in clause (i) thereof, plus".

(3) Section 6401(b) (relating to amounts treated as if for payments) is amended by adding at the end thereof the following new sentence: "If the amount allowable as a credit under section 38 (relating to investment in certain depreciable property) exceeds the limitation provided by section 46 (a)(3), the amount of the excess shall be considered an overpayment to the extent that it is attributable to the additional 5 percent amount determined under section 46 (a)(2)(A)(ii).".

(4) Section 6201 (A)4) (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "section 39 or 43" in the caption and inserting in lieu thereof "section 38, 39, or 43", and

(B) by adding at the end thereof the following new sentence: "If on any claim for refund of income taxes under subtitle A there is an overstatement of that portion of the credit allowable by section 38 (relating to investment in certain depreciable property) which is treated as an overpayment under section 6401(b), the amount so overstated which is allowed as a refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except that the provisions of section 6213(b)(2) (relating to abatement of mathematical or clerical error assessments) shall not apply with regard to any assessment under this sentence.".

(5) The amendments made by this subsection apply with respect to—

(A) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1982,

(B) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after December 31, 1976, and placed in service before January 1, 1982, and

(C) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1976, and before January 1, 1982.

Mr. BAYH. Mr. President, this amendment deals with the investment tax credit. It is based on my feeling that despite some of the more rosy predictions for the economy that have been forthcoming, the economy is still not recovering at an acceptable rate.

I have long thought that the investment tax credit, since first presented by President Kennedy, was an appropriate use of the tax system to try to accomplish certain goals. It is not a giveaway, like the ADR, for which we get nothing in return. The investment tax credit is given only in exchange for investment, and by investment we modernize industry and put people to work.

I believe the benefits to be derived from additional jobs through increased investment are obvious. Perhaps not as obvious is the role investment plays in reducing inflation. I am very concerned that in the relatively short-term future we are going to find ourselves confronted with bottlenecks in basic industries unless industrial capacity is increased. That will cause inflationary pressures. It seems to me that the investment tax credit, if properly handled, can help in solving that problem.

The amendment to the bill proposed by the Senator from Indiana would deal with the investment tax credit by giving a bonus to those who invest more than they have in the past. What we are after is increased investment. So, what the Senator from Indiana would suggest is that we keep the investment tax credit at 10 percent for all investment, but for investment which is beyond the investment level of a given business over the last 3 years, we provide a 15-percent investment credit.

Instead of giving everybody 12 percent whether they invest more or not, the Senator from Indiana would say that for those who make an extra investment beyond that would be anticipated by looking at the average for the preceding 3 years, there is an extra shot, an extra 5 percent, instead of the 2 percent in the bill. I think this is the way we really encourage investment now when we need it.

I yield.

Mr. MATSUNAGA. Mr. President, it is my understanding——

Mr. BAYH. Will the Senator yield?

Mr. MATSUNAGA. It is my understanding that the Senator from Indiana has discussed this matter with the chairman of the Finance Committee and the chairman has agreed to take up this matter when an appropriate bill is before the Finance Committee. Am I correct?

Mr. BAYH. Yes. I would have mentioned in my original statement that I have discussed this with the chairman of the Finance Committee. I had intended to offer this amendment and ask for a rollcall vote. In discussing this with the chairman, as well as, frankly, counting noses and looking at the past votes on the investment credit, I came to the conclusion, and was persuaded by the chairman of the committee, that now was not the time for a major overhaul of the credit.

Perhaps the best way to do this is to study it in the near future and consider it as part of the major tax reform package we will be working on later this year.

Mr. MATSUNAGA. It is my further understanding that in a display of noble statesmanship, the Senator from Indiana is withdrawing this amendment.

Mr. BAYH. Yes, I am prepared to do that. I also think the distinguished floor manager from Hawaii should be advised, and perhaps enforce the understanding of the Senator from Indiana, that the chairman of the Finance Committee has promised that in the interim this matter will be studied thoroughly by the Finance Committee so we will have the data we need.

Mr. MATSUNAGA. I am authorized to give that assurance to the Senator from Indiana.

Mr. BAYH. I appreciate that.

Before withdrawing the amendment I will advise my colleagues in the Senate——

Mr. KENNEDY. Will the Senator yield for 1 minute?

Mr. BAYH. I yield.

Mr. KENNEDY. Mr. President, I just want to indicate support for this concept. We need to develop a system to stimulate employment and employment opportunities, and to maximize the opportunities for capital formation. These are extremely important challenges. The incremental investment credit was an amendment I offered last year on the 1976 tax bill. I still believe it is highly desirable and warranted. I look forward to working with the Senator from Indiana on this proposal. I believe it does utilize the concept of the investment credit in a more effective way for the development of new capital and new jobs. I think it is preferable to the way we have proceeded here today. Hopefully, we can get some combination between a refundable credit and an incremental. In that way, we will do a better job of providing new investment opportunities. I thank the Senator.

Mr. BAYH. I appreciate the comments of the Senator from Masachusetts. It was my privilege to join with him last year in proposing an incremental tax credit such as that I offer today. I concur with him, and point out that the 5-percent incremental credit contained in my amendment would be refundable. I believe that gives us the best of both worlds.

I was about to observe before withdrawing the amendment, that I intend to introduce a bill today which accomplishes the purpose of this amendment so that the Finance Committee will have the chance to study it, and hopefully recommend it to the Senate later on this year.

I appreciate the courtesy of the Senator from Hawaii. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. Is there objection to withdrawing the amendment? Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Maine (Mr. MUSKIE) is recognized to offer an amendment on which there shall be 1 hour of debate.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged against either side on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that without prejudice to Mr. MUSKIE, Mr. ALLEN be recognized at this time to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alabama is recognized.

AMENDMENT NO. 243

Mr. ALLEN. Mr. President, I call up my amendment which I filed yesterday.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself, Mr. SCHWEIKER, and Mr. HEINZ, proposes an amendment No. 243.

At the end of the bill add the following new section:

SEC. . The effective date of the Internal Revenue Service Revenue ruling 77-85 with respect to contracts covered thereunder shall be postponed from March 9, 1977, to March 9, 1978.

Mr. ALLEN. Mr. President, I will seek to explain this amendment. If there is no serious opposition to it, I will not go into any great detail or presentation of inserts into the RECORD.

The amendment I have proposed, on my own behalf and on behalf of the Senators from Pennsylvania (Mr. SCHWEIKER and Mr. HEINZ), has to do with an annuity contract called an investment annuity.

This is somewhat distinguishable from what is called a variable annuity.

Back in 1965, the Internal Revenue Service approved this method of doing business by a company dealing in annuities. Under this, an investor buying a variable annuity can sometimes specify the areas in which he wishes his investment in that annuity invested. In other words, if he is bullish on steels, he could suggest steels. If he is bullish on chemicals, he could suggest chemicals. If he is bullish on oils, he could suggest oils.

The difference between the variable annuity and the investment annuity is that in the case of the investment annuity, the annuitant—the person who buys the annuity—cannot only specify the area of investment of his funds, but he can specify the stocks or other investments that he wishes. However, the assets themselves belong to the company and the annuitant has no control over them.

The IRS, in 1965, issued a ruling that such an annuity would be treated on the same basis as variable annuities. Indeed, the only difference between this type of investment and the variable annuity is that the annuitant can specify where the investments are to be made, rather than the general area in which they can be made.

Some 70 rulings were issued by the IRS since 1965, up to last year, I believe, approving this arrangement. An industry has grown up based on the IRS rulings. In fact, some 10 companies in the country issue this type of annuity. One, a company in Pennsylvania, is engaged in this business alone. That is its only contract. So this nationwide business has arisen as a result of this IRS ruling, confirmed and reconfirmed more than 70 times.

Now, on March 9 of this year, the IRS issued a ruling saying that this type of annuity could not be issued as formerly; that the income, the capital gains on these investments would have to be paid by the annuitant as they came into being, setting this plan apart from the variable annuities, which do allow the company to pay the tax on capital gains and on dividends, and then, as they pay the annuity amount over a period of time to the annuitant, the annuitant pays ordinary tax on whatever he receives—exactly the same way as the investment annuity.

I have letters here indicating that the plight of these companies has been considered by the Committee on Finance. The distinguished chairman of the Committee on Finance wrote a letter to the Treasury Department asking for a delay on this ruling. It would put this company out of business if it were allowed to stand. We talk about creating jobs. This company has 4,500 agents throughout the country. It has only one policy and this has been, in effect, outlawed by this ruling, which has come from 11 or 12 years of consistent ruling, and has been reconfirmed at least 70 times under similar rulings. Some seven or eight members of the Committee on Finance have written the IRS asking for a delay in the implementation of this ruling until an opportunity can be given to Congress to consider the state of affairs resulting from this reversal of its former rulings.

The law has not been changed. The IRS, operating under no rule except to do what it wants to, has, in effect, passed a death sentence on this particular company.

Mr. LONG. Will the Senator yield at that point?

Mr. ALLEN. Yes; I yield.

Mr. LONG. The taxpayers, I am sure, do not know that the Internal Revenue Service has the power to write regulations which have the effect of law. They can write a regulation, as the Senator indicates here, and reverse their previous position.

Mr. ALLEN. That is correct.

Mr. LONG. Having done so, they can just put somebody completely out of business.

Mr. ALLEN. That is correct.

Mr. LONG. I did not know the number of employees involved, but I have been told about the problem. But here is someone who honestly, legitimately, conscientiously, is trying to do a job and support this country and do everything he thinks is right for America and be a part of this great free enterprise society for the good of all. He obeys all the Lord's commandments and goes to church on Sunday and all of that, and he wakes up someday and finds someone has written a regulation that says, "You are out of business." And nobody can understand why.

We are then told that it is asking too much even to take enough time to find out why it is that these people are put out of business.

I must say, I am mystified, Senator. I know the Treasury Department is against the Senator's amendment, but it does seem to me that, if it meets with the judgment of the Senate, that we can judge this matter in conference; maybe we can find out there why it is that these people ought to be put out of business.

Mr. ALLEN. There is no doubt about that. I might state that there is absolutely not a dime's worth of revenue lost in the matter of treating this investment in exactly the same way that a variable annuity is treated.

As I stated, the only difference whatsoever between the two types of contracts is that in the investment annuity, the annuitant can specify what stocks or other investments the company shall make for him. He takes the risk of choosing these investments. So they have a separate account for him. If he loses on them it would be that much less that he would get eventually, but the Treasury will not lose one single penny as a result of this amendment.

All Senator SCHWEIKER and Senator HEINZ and I are asking is that this ruling be delayed for a period of 1 year to give Congress—which should make the change if a change is made—an opportunity to check into this matter and see what is involved. I feel that it is a reasonable amendment.

Mr. CURTIS. Will the Senator yield?

Mr. ALLEN. I might state further that I do not even know the name of this company involved. It is located in Pennsylvania. My interest comes about by reason of the fact that scores of Alabama investors have become alarmed at what is happening. They like this type of investment. The Treasury is not losing as a result of it. I see no reason why it should not be allowed to continue.

Yes, I yield to the distinguished Senator.

Mr. CURTIS. Is it not true that, in this particular case, the Treasury Department is attempting, by regulation, to change what has been an established practice over a period of years—in fact, 12 years. Is that correct?

Mr. ALLEN. Yes. Eleven or 12.

Mr. CURTIS. Yes.

Mr. ALLEN. In 1965.

Mr. CURTIS. I believe there is such a thing as establishing the law by usage. This law has been established for a period of 12 years.

The Treasury Department believes that this particular phase of the tax ought to be changed. They should come to the Congress and ask for a change.

Mr. ALLEN. Yes.

Mr. CURTIS. I do not believe any executive agency has a right to let people believe that a certain practice is the lawful and correct practice for a long period of years, in this case more than a decade, and then say, "We are going to change it."

I believe, as to what has been established by long usage, and there is plenty of precedent for creating a law, if they want to change that they should ask the Congress to change it.

Mr. ALLEN. I certainly agree with the distinguished Senator.

Mr. CURTIS. I am somewhat familiar with this general problem.

I have written the Treasury expressing the view that they ought not do it.

I believe the distinguished Senator's proposal to delay it a year is a very modest and reasonable one and it should be adopted by the Senate.

It is not fair to treat people and let an arrangement go on, on and on for more than a decade, cloaked with all the approval that can be given it and then up and change it.

So I commend the Senator for offering the amendment.

Mr. ALLEN. I thank the distinguished Senator.

I inquire of the distinguished Senator if he is not also impressed by the fact that to continue the status quo that has existed for some 11 or 12 years would not cost the Treasury one single penny; does that not also impress the distinguished Senator from Nebraska?

Mr. CURTIS. Mr. President, will the Senator yield further for me to have printed in the Record a communication to the Secretary of the Treasury on this very subject?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the Record a copy of the letter addressed to Secretary Blumenthal, bearing date of February 7, 1977, signed by the distinguished Senator from Texas (Mr. Tower) and the Senator now speaking; and a letter that went to Dr. Woodworth of the Treasury Department, signed by the distinguished chairman of this committee, Mr. Long, by the distinguished Senator from Connecticut (Mr. Ribicoff), by the distinguished Senator from Wyoming (Mr. Hansen), by the distinguished Senator from Texas (Mr. Bentsen), and by the Senator now speaking.

Mr. President, I ask unanimous consent they be incorporated in the Record as part of the colloquy between the distinguished Senator from Alabama and myself.

There being no objection, the material was ordered to be printed in the Record, as follows:

Washington, D.C.,
April 6, 1977.

Hon. Laurence N. Woodworth,
Assistant Secretary,
Department of the Treasury,
Washington, D.C.

Dear Dr. Woodworth: We urgently request that the Internal Revenue Service defer publication and application of Revenue Ruling 77–85 for 90 days or until the Congress can consider a proposal to postpone application of such ruling pending congressional consideration of this problem. Revenue Ruling 77–85 reverses more than a decade of IRS rulings as to the tax treatment of investment annuity contracts. See attachment which covers some of these rulings.

We are informed that a bill will be introduced shortly which will have the effect of continuing for a limited time the longstanding IRS ruling until the IRS has completed its study of annuities and the Congress has had an opportunity to consider this area.

Sound tax administration should avoid the result of causing irreparable harm to the investment annuity industry, unless the law is clear, and then certainly not prior to the time that the Revenue Service has a firm position on the law governing alternative areas that offer the affected taxpayers some chance of surviving this administrative change of longstanding IRS rulings.

Temporary continuation of the longstanding rulings will simply allow time for a more orderly resolution of an admittedly complex problem and will permit an equitable disposition of the matter.

Thank you for your consideration. Please keep us advised with respect to this matter.

With kindest personal regards.

Sincerely,

Russell B. Long,
Chairman.
Abe Ribicoff.
Carl T. Curtis.
Clifford P. Hansen.
Floyd Bentsen.

Washington, D.C.,
February 7, 1977.

Hon. W. M. Blumenthal,
Secretary of the Treasury,
Washington, D.C.

Dear Mr. Secretary: Through this letter we wish to register our strong opposition to a possible reversal by the Internal Revenue Service with respect to Revenue Ruling 68–488 and letter rulings which involve the tax treatment of investment annuity contracts. We understand that such a reversal is a possible outcome of the IRS reconsideration of Investment Annuity taxation as indicated in IRS News Release IR–1679 dated October 20, 1976. A reversal in the Service's longstanding position concerns us as did the recent proposed changes that were being considered with respect to fringe benefits and tuition remission.

Because of our continuing interest in the significant role played by the Investment Annuity segment of the life insurance industry throughout the nation, we have considered the possible impact of such a reversal and are satisfied that it would be inconsistent with the very long-standing position of the Revenue Service. Moreover, implementation of this new and adverse interpretation of the treatment of investment annuities would strike an unnecessary and unwarranted blow at this growing segment of the insurance industry. Accordingly, we believe that the proposed reversal should be withdrawn.

As you are probably aware, the "investment annuity" is a descriptive term applied to a form of variable annuity contracts that require the policyholder, rather than the insurer, to select the investments that make up the policyholder's own annuity policy reserve: in actuality, a "separate account" is established for each policyholder pursuant to Section 801(g) of the Internal Revenue Code.

The attraction to the policyholder of this form of variable annuity is that the individual is not locked-in to a fixed dollar benefit subject to the erosion of inflation as is the case with the "fixed dollar annuity" nor is the policyholder locked-in to a simple pooled equity fund selected or managed by the insurer with the policyholder being at risk investment-wise as is the case with the usual "variable annuity." Under an "investment annuity" the policyholder (or the policyowner's chosen investment manager) can be as equity oriented or as a conservative as desired, and the investment selection or the investment manager can be changed by the policyowner at any time. This personalized investment flexibility is the only element that differentiates the so-called "investment annuity" form of variable annuity from the usual variable annuity.

In 1963 a new life insurance company, formed solely to offer this annuity to the general public, requested the IRS to rule whether the element of policyowner investment control would establish that investment income would be taxed to the policyowner or taxed to the insurer.

We are advised that after two years of study by the IRS, the Service determined that the so-called Investment Annuity was a more flexible form of variable annuity, and therefore would be taxed as a variable annuity, i.e., (1) investment results would be taxed to the insurer pursuant to Section 801(g) of the Code and (2) the benefits would be taxed to the annuitant as variable anuity benefits pursuant to Section 72 of the Code. No new law was created. The Investment Annuity taxation is therefore identical with every other form of annuity underwritten by life insurers pursuant to the Internal Revenue Code.

For eleven years thereafter until 1976 the IRS issued many letter rulings pursuant to its historical position. It also published Revenue Ruling 68–488, all of which repeatedly reaffirmed the position conclusively established by the IRS in 1965 that the investment annuity was a variable annuity. These rulings encompassed the widest variety of annuity uses with the full knowledge by the IRS that the insurers and the others involved would base their businesss decisions and their contractual obligations with others in reliance on those rulings.

During this interval of over a decade an important new segment of the insurance industry has been developed. The annuity has established itself in the marketplace as being an attractive, more responsive annuity for many individuals. The originating insurer, whose sole business is the underwriting of this annuity, now has over $300 million of assets under investment annuities, and other insurers approximate this level for their investment annuity business. Tens of thousands of policyowners, agents, employees and their families now enjoy the benefits arising from the use or sale of this annuity product.

We understand that the IRS, at the end of 1976, recommended that the Service's tax position be reversed so that the policyowner would be directly taxed on the investment of the separate account rather than having these investments being taxed to the insurer. This would seriously damage thousands of persons and institutions that have relied upon the established government position.

It is, and has been, our view that IRS rulings are merely the position of the Commissioner of Internal Revenue. However, it is our further strong position that when such rulings are repeatedly reaffirmed over such a lengthy period of time as in excess of a decade, they become imbued with the force of law and must not be changed except by the expressed direction of Congress pursuant to the legislative process.

We are enclosing a copy of Senator Long's recent letter to former Secretary Simon that also expresses his concern about the procedure for changing the long-standing tax treatment of Investment Annuities.

The present IRS recommendation, which is not as yet in force, has, we understand, already gravely damaged the ability of Investment Annuity underwriters to market their product because even the presumed possibility of administrative change destroys sales and sales momentum. Thus, may we urgently request that the IRS be instructed to resume the issuance of rulings based upon its historic position. If the Treasury is interested in pursuing any changes in the IRS position, the Treasury should proceeed to do so in the proper legislative manner.

Sincerely yours,

Carl T. Curtis,
John Tower,
U.S. Senators.

Mr. ALLEN. I thank the distinguished Senator.

Does the distinguished Senator know of one bit of opposition from the Finance Committee to the amendment of the Senator from Alabama?

Mr. CURTIS. I do not think so because most everybody signed the letter.

Mr. ALLEN. Yes.

Mr. CURTIS. Not everybody, but——

Mr. ALLEN. I thank the Senator.

Mr. President, I do not know that there is going to be any opposition to the amendment. I have been discussing the matter with the distinguished Senator from Massachusetts (Mr. Kennedy) to give him an advance explanation inasmuch as he has been concerned with a number of amendments here. He stated he does wish to propound some questions. I am certainly delighted to respond.

Mr. MATSUNAGA. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. MATSUNAGA. Mr. President, in response to the question put to the distinguished Senator from Nebraska, I know of no opposition from the Finance Committee to this measure.

Mr. ALLEN. I thank the Senator.

Mr. MATSUNAGA. I believe it is a reasonable amendment, in line with the amendments previously adopted, postponing the effective date of the 1976 Revenue Reform Act.

Although this is not as a consequence of that act, it is still an action by the Government, the IRS in this case, a ruling which I believe can be postponed without any injury to the taxpayers.

Mr. ALLEN. I thank the distinguished Senator.

Mr. KENNEDY. Mr. President, if the Senator will yield, how much time do we have?

Mr. ALLEN. It is unlimited.

The PRESIDING OFFICER. The time is unlimited.

Mr. ALLEN. Mr. President, I am through. I yield the floor.

Mr. KENNEDY. Mr. President, just some brief comments, and then I welcome any response from the Senator from Alabama.

First of all, the Treasury opposes this particular amendment. They are opposed to it.

Second, Mr. President, as I understand it, this mechanism is now being used by 10 major companies, by far the largest of which is the First Investment Annuity Co. of America, in Valley Forge, Pa., which is marketing these devices on a national scale. I understand from the Treasury that this device has only been relatively recently used on a significant scale; within the past 12 to 18 months. The sales have mushroomed. In the years prior to that time, they were used on a very marginal scale. But the practice has developed enormously in recent years. In the trade, they call these "tax shelter" variable annuities, compared to the regular variety of variable annuity.

Third, Mr. President, I see no reason why the Finance Committee cannot review this ruling and make some judgment on the issue, before we have to consider it here on the Senate floor. If, after appropriate consideration, we decide to nullify the ruling, no time will be lost, because our action could be retroactive. But we do not have the basis for a decision now.

The Congress is considering a variety of different technical and other changes to the 1976 act. This issue could appropriately be part of that procedure. All Senators should understand we are going to have to address some of these issues before the end of the year. But why should we act now, without the benefit of adequate notice and study?

So again, it seems to me the wisest part of wisdom would have the Finance Committee make its recommendation on this question.

Although the Senator makes a technical argument that no loss to the Treasury is involved in the amendment, in fact a substantial sum is at stake. If this change goes into effect, it is my understanding that the revenues involved would be some $40 to $60 million a year. That represents a large amount of investments in these annuities.

We should not be under any illusion about what is a revenue loss and what is not a revenue loss.

Mr. ALLEN. Will the Senator yield at that point?

Mr. KENNEDY. Yes.

Mr. ALLEN. I am interested in the Senator's comment that there would be tremendous loss here.

If the public is prevented from buying this particular annuity, all a purchaser would have to do is buy a variable annuity and pay no tax at all.

All we are asking is that the investment annuity be considered on the same basis as the variable annuity, as it has been treated for the last 12 years. So there is no revenue loss.

Mr. KENNEDY. But these investors want to keep control. We do not know whether they will be willing to try a variable annuity. They may try for some other tax shelter. If they keep the investment annuity, there will be a sizable revenue effect. We don't usually make revenue estimates on predictions of how people will behave if the law is changed. We assume they will stay on the same track. That is how our revenue estimates are usually made.

What we are basically talking about, Mr. President, is one of the important new tax shelters springing up in the Nation. Wall Street and the mutual fund industry and the savings industry might be very much concerned about this issue. They may be the victims of its tax shelter competition. People will take money out of mutual funds and savings accounts and the stock market, and put their funds into this new tax shelter.

Now, they pay taxes on their investment returns as individuals. But the investment annuity is a rather new, clever device by which the insurance companies permit the purchaser to direct his investment and shelter the returns from tax, because as the benefit comes into the company, the average tax rate which these companies pay is 16 percent.

Therefore, the recipient can permit the accumulation of benefits under the annuity for a period of years, until the potential tax liability is reduced, and then he receives the benefits of the annuity and pays a lower tax. And all the while, he has controlled the investment.

So, obviously, for the period of time that the funds remain in the company, they are in a tax sheltered form. It is for that tax advantage, Mr. President, that we have seen an entirely new part of the insurance industry building up in the past 12 to 18 months. It is a very clever device, and I would think that every American investor who was going into mutual funds now would say, "Enough of this. We can go into this other technique, get a tax shelter, and control our investments ourselves."

They might think, "Forget going through your stock broker, because you can use this other type of device and have your income sheltered."

I would think that the mutual funds and the stock market, when they are aware of this particular problem, might be very much concerned. Now, the IRS seems to have caught up with this tax shelter. They are trying to close it, and Congress is being asked to keep it open for another year.

So, Mr. President, the Finance Commitee should review this issue and listen to the mutual funds, the savings industry, and the stockbrokers, and then make a judgment as to whether the IRS is correct. The ink is not even dry on the IRS ruling, and here they are on the Senate floor asking for a special interest amendment to nullify the ruling for a year.

Is every taxpayer entitled to ask the Senate to nullify an unfavorable IRS ruling? Unless we are going to say there will be no more rulings by the Treasury, unless we are going to abandon that particular authority, we should not take this sort of action. Perhaps that is something that should be reviewed and examined, the rulemaking authority of the IRS. But there obviously are other remedies available to those who are affected by such rulings. They still can pursue those remedies without prejudice. However, I think it is unwise to take this kind of action in the face of what we know now.

Beyond that, I just add one point: It is my information that this ruling was made prospectively. It was negotiated with these particular firms. It was not made retroactive; if it had been, perhaps a stronger case could be made. But a compromise was made with the understanding of these firms. As I understand it, an arrangement was made, and now the firms are attempting to use the Senate to undo it.

Mr. HATHAWAY. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. HATHAWAY. Mr. President, I should like to comment, as a member of the Finance Committee, that I do not agree with the Senator from Hawaii when he says that all members of the Finance Committee agree with this amendment.

Certainly, the possibility of tax avoidance, which the Senator from Massachusetts just raised, warrants the Finance Committee giving this matter a pretty thorough study. In fact, I would study the variable annuity plan also, because I think that may be another gimmick for tax avoidance.

Mr. ALLEN. Treat them both alike. I would have no objection.

Mr. HATHAWAY. The Finance Committee should study this and call in people who represent the mutual fund industry, because it seems to me that both of these are about the same. Under the mutual fund program, the individual is paying tax from year to year; whereas, under the annuity program, a person would not have to pay any tax until he took the annuity, possibly 20 years later.

Mr. ALLEN. The same way with the variable annuity.

Mr. HATHAWAY. The same way with the variable annuity. That should be looked at, also.

Mr. ALLEN. Let us look at them together.

Mr. HATHAWAY. So the facts brought out by the Senator from Massachusetts fully warrant the Finance Committee looking into this matter very thoroughly before passing on this amendment.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. KENNEDY. I am glad to yield for a question.

Mr. MATSUNAGA. To correct a statement made by the Senator from Maine, the statement I made earlier was that I knew of no objection to the amendment.

Mr. HATHAWAY. All right. Now the Senator does know of one.

Mr. KENNEDY. I thank the Senator from Maine.

Basically, the Senator from Alabama is suggesting that because we treat so-called variable annuities one way under the tax laws, we should treat these special investment annuities the same. The theory seems to be that if something looks like a duck and walks like a duck and quacks like a duck, it must be a duck.

But the investment annuities are much closer in their approach to mutual funds and to savings associations than they are to variable annuities. Simply calling both of them annuities does not necessarily make them the same for the purposes of the tax. The investment annuity is a much more personalized form of annuity that allows the purchaser to dictate the specific investments to be made. He has control of the investment himself. That is the basic difference. Under a variable annuity, a purchaser has no such broad control. The investment is more like a blind trust or a mutual fund.

A person invests in a mutual fund, he is taxed on the returns as an individual taxpayer. With a variable annuity, the insurance company is taxed on the returns, and the investor is not taxed until he receives the annuity in his interest, at a lower rate of tax. But to get this tax benefit, he has to relinquish his control over the investment.

What the Senator from Alabama would have us agree is that, in spite of the much greater control of the investor, he should still retain the favorable tax treatment. These investors want the returns taxed at the corporate rate, which, in terms of the insurance industry, averages about 16 percent. When the proceeds are distributed to the individuals many years later, they do not have as high an income, and they are taxed at a lower rate. During that period of time, they are receiving a subsidy from the Federal Government.

For these reasons, Mr. President, I hope the Senate will not accept the amendment.

Mr. ALLEN. Mr. President, in answer to some of the comments of the distinguished Senator from Massachusetts, I understood him to say earlier that he wanted to ask some questions on this matter, but apparently he has his mind made up and does not need to ask any.

He said that the Treasury Department was against this amendment. That certainly is understandable. They just got through issuing this death sentence to these companies on March 9—a most unfair, confiscatory ruling. Does anyone think they are going to come in and say, "We were wrong; go ahead and adopt this amendment"? Of course not. Of course the Treasury Department is against it. They want to justify the mistake and the arrogant ruling they have made. That is understandable. That is bureaucracy. We are not going to hear them say, "Yes, this amendment is fine."

We are not asking for a change in the law. All we are asking is a reprieve from this death sentence.

The distinguished Senator from Massachusetts says that this is made prospective. Yes, it is made prospective. Do not do any more business from March 9 on—and the companies have not done any business in this area. That is the way it is prospective—to cut out all business activity, cut out the sale of even one of these annuity contracts. That is the way it is prospective. It is going to put a company out of business, to say it cannot do any more business. It is going to dry up and wither away.

I am told that this company has 4,500 agents. They have nothing to sell now because of this prospective ruling.

The Senator said, "Let's let the Finance Committee consider this matter, make its recommendations."

I say that is fine, that is all the amendment seeks to do. But if you are going to cut this company and others similarly situated out of the right and privilege of doing business, that ruling is just a bill of attainder. That is just what it is. I do not think they ought to be allowed to get by with that sort of cavalier treatment.

Now, the distinguished Senator says this setup avoids taxes. Well, in the first place, it does not. But, in the second place, if it does, it is exactly the same situation as a variable annuity, exactly the same situation.

Let us consider whether, in fact, it does diminish taxes. In the first place, it is not a tax-free situation. This is a business concern paying taxes. Any income that a company issuing these investment annuities has is taxable.

The distinguished Senator says something about 16 percent. I do not know where he is getting that figure 16 percent that the company would pay. I believe he is talking about the 16 percent that an individual in the 32 percent bracket would pay on a capital gain.

Actually a company, such a company, on short-term capital gain would pay 48 percent. On long term they pay 30 percent. Let us assume a $1,000 capital gain, and let us see how much the Treasury is losing under this system with a $1,000 capital gain.

The insurer on a long-term basis pays $300 tax on that, leaving $700. All right.

Then when this $700 is finally paid out to the annuitant, he has got to pay a tax at ordinary tax rates. Assume a tax rate somewhere in the middle, 32 percent. That would be $224 the annuitant would have to pay, leaving a net after-tax balance of $476.

Mr. President, I ask unanimous consent to insert this table in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ILLUSTRATION OF CAPITAL GAINS TAXATION UNDER THE INVESTMENT ANNUITY POLICY AND ITS RELEVANCE TO SO-CALLED TAX SHELTERS

All realized gains within an Investment Annuity "segregated asset account" are taxable to the insurer which must charge the accounts for the amount of such tax. The net-after-tax remainder of the realized gain is then subject to ordinary income taxes payable by the individual when such remainder is paid out to the individual as annuity benefits. Thus the individual is taxed twice on all realized gains.

Example

Assumed long-term capital gain realized within the Segregated Asset Account	$1,000
Insurer's long-term capital gains tax* charged against the account	300
Net after tax balance of realized gain	700
When balance above is paid out as benefit or cash surrender value it is taxable to the individual at ordinary income tax rate—	
Balance above paid out as annuity benefit or cash surrender value	700
Individual's assumed tax [assumed tax rate—32%]	224
Individual's net after tax balance	476

*[Insurer's tax rate: 48% short term; 30% long term.]

In the above example, the individual lost 52.4% of the realized gain [$524 of $1,000] to taxes whereas the same $1,000 gain would have been taxed only once at 16% [½ of the individual's ordinary rate of 32%] if the gain had been incurred by the individual directly. Obviously, individuals in higher tax brackets would receive even less after-tax benefit.

The purchase of an Investment Annuity enjoys no tax deduction of purchase price. Realized capital gains within an Investment Annuity Segregated Asset Account are subject to onerous double taxation (as illustrated above) and investment income is merely tax deferred in exactly the same way as any cash value life insurance policy, any fixed dollar annuity policy or any variable annuity policy issued by any life insurer in the United States.

Clearly, the investment annuity has absolutely no relevance to so-called "tax shelters."

Mr. ALLEN. Let us assume, let us explore for a moment the taxpayer—I do not know that it is such a good business deal after all for an annuitant, and I am not saying it is, but I am considering this death penalty that has been issued by the IRS.

So the individual gets $476 net after-tax dollars under the investment annuity or the variable annuity. This is on a capital gain. The same things would be true on ordinary income, on the dividends.

There is double taxation involved here. It is not less taxes, it is more taxes. All right.

Assume a capital gain though that the annuitant would receive if he owned these stocks himself. He would pay 16 percent of the $1,000 capital gain, assuming the individual's ordinary rate was 32 percent. That would then be $160 tax that the man would pay if he had the stocks himself, so he would incur, if he kept the stocks himself, only $162 in tax liability.

But when the money finally trickles down to him under either annuity plan on this capital gain, he would get only $476 as against $840 if taxed individually. He is losing money actually, so it is not any tax shelter, a tax shelter by paying double taxation, taxation when the company gets it, taxation when the individual gets it. And if he did not have this middleman here he would pay the much smaller tax himself.

Now, talking about different rates, he could treat it as a capital gain himself and pay the capital gain rate if he owned the stock himself. So there actually is no loss to the Treasury if the present situation is continued.

Mr. President, the distinguished Senator says:

> Let us let the Committee on Finance consider this thing.

That is all I am asking, that is all this amendment asks. But it will allow these companies to stay in business. It will be a reprieve to these companies from this harsh ruling of the IRS.

Why should not Congress take an interest in this Internal Revenue Service where it, in effect, amends the law? We have got too many people around here besides Congress amending laws, and if they had wanted a change in this law why did they not go before the Committee on Finance in 1976 and point this out? No, they wait until that is out of the way and then issue this death sentence warrant.

I am advised by the staff, handed a note here saying, that the principal purpose of this amendment, says the staff, is to exert pressure on the Treasury Department to present its views and recommendations next fall on tax treatment of variable annuities which the distinguished Senator from Maine is talking about.

So let us leave the status quo, I urge my colleagues, until Congress can meet and act on this important matter.

Maybe the variables ought to be deprived of this right too. But leave the status quo until you decide what to do with respect to companies that are carrying on the same business operation, with one minor difference.

So I agree with the distinguished Senator that we ought to allow the Committee on Finance to meet. This situation demands—this is an emergency measure. This company is out of business. It has already fired a lot of its home office personnel. Agents cannot sell a single policy or contract. They are out of business with 4,500 agents who have nothing to do except draw unemployment compensation.

So if we are trying to create jobs here, why kill off hundreds of jobs? That is what we are going to do if we do not pass this amendment.

Mr. KENNEDY. Mr. President, I do not intend to delay the Senate long, but there are a few remarks I want to make in response to the Senator from Alabama.

First of all, this is a matter of significance to the mutual funds and to the savings banks and savings organizations all over the country. The Senator speaks of a death penalty. But it cuts both ways. The fact of the matter is, if we follow the procedures which are recommended by the Senator from Alabama we may very well be seeing a death penalty for these other groups.

The Senator from Alabama says, "well, this is really a double taxation." If it is double taxation, as the Senator from Alabama mentions, why are there billions and billions of dollars in the last 12 to 18 months flooding through the investment annuities offered by these insurance companies?

It is very clear why, because through this particular device, the tax laws shelter these investment annuities. That is the practical effect and impact of this particular amendment.

Mr. President, the Committee on Finance can act. They can make some judgment about this matter. We should have to act before we see the recommendation. The Ways and Means Committee has orderly procedures for dealing with these issues, and so should we.

We are not giving them a death penalty. All we are trying to say is "Go on out and sell the annuities the way other companies, institutions, sell annuities, without the tax shelter aspect."

If they can go out and market those, they will be able to continue in the marketplace. But every investment business in my State would like to have the additional kind of subsidy which is achieved through this sort of tax shelter. That is what we are talking about.

The Senator questions where we get the figure of 16 percent for these particular companies. They are Treasury figures on the effective tax rate for life insurance companies in this country.

So, Mr. President, I hope we would not follow the recommendation of the Senator from Alabama.

At this time I make a motion to table the amendment of the Senator from Alabama, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts. The yeas and nays were ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. May we please have order in the Senate? Senators will please clear the well and take their seats.

Mr. NELSON. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The clerk will suspend until the Senate is in order. Senators will please take their seats or retire to the cloakroom.

Mr. ROBERT C. BYRD. Mr. President, if I know the Senator from Wisconsin, he will insist on the Senate being in order before he desists from insisting thereon.

The PRESIDING OFFICER. Will Senators please take their seats?

Mr. NELSON. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. The clerk will continue.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from Illinois (Mr. STEVENSON) and the Senator from North Carolina (Mr. MORGAN) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. CASE) and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

On this vote, the Senator from New Jersey (Mr. CASE) is paired with the Senator from Alaska (Mr. STEVENS). If present and voting, the Senator from New Jersey would vote "aye" and the Senator from Alaska would vote "nay."

The result was announced—yeas 26, nays 57, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—26

Anderson
Bayh
Biden
Brooke
Chafee
Clark
Culver
Danforth
Glenn
Hart
Hathaway
Javits
Kennedy
McGovern
McIntyre
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pell
Proxmire
Riegle
Sarbanes
Scott

NAYS—57

Allen
Baker
Bartlett
Bellmon
Bentsen
Burdick
Byrd, Robert C.
Chiles
Cranston
Curtis
DeConcini
Dole
Eagleton
Eastland
Ford
Garn
Goldwater
Gravel
Griffin
Hansen
Hatch
Hatfield
Hayakawa
Heinz
Helms
Hollings
Huddleston
Jackson
Laxalt
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
Melcher
Packwood
Pearson
Percy
Randolph
Ribicoff
Roth
Sasser
Schmitt
Schweiker
Sparkman
Stafford
Stone
Talmadge
Thurmond
Tower
Wallop
Weicker
Williams
Young
Zorinsky

NOT VOTING—17

Abourezk
Bumpers
Byrd,
Harry F., Jr.
Cannon
Case
Church
Domenici
Durkin
Haskell
Humphrey
Inouye
Johnston
McClellan
Morgan
Stennis
Stevens
Stevenson

So the motion to lay on the table Mr. Allen's amendment was rejected.

The PRESIDING OFFICER (Mr. Zorinsky). The question now recurs on agreeing to the amendment of the Senator from Alabama.

Mr. LONG. Mr. President, I hope that no one will ask for the yeas and nays unless he would vote differently on the issue than the Record would otherwise indicate, so that we can get on with the business of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

ORDER FOR 15-MINUTE VOTE ON CONFERENCE REPORT ON H.R. 11

Mr. ROBERT C. BYRD. Mr. President, there are various Senators leaving and returning who will be inconvenienced one way or another by the rollcall which will begin at 12:45 p.m. unless we extend the rollcall vote. It was going to be a 10-minute vote. We should make it 15 minutes.

Mr. President, I ask unanimous consent that that be a 15-minute rollcall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

AMENDMENT NO. 244, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the Senator from Maine (Mr. Muskie) is recognized to call up an amendment on which there will be 1 hour of debate.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Who is in charge of the time in opposition to the amendment?

Mr. LONG. Mr. President, I suppose that I would be it, but I would be perfectly happy to assign the time to the Senator from Nebraska.

Mr. CURTIS. Very well! I withdraw the request.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from Maine (Mr. Muskie), in behalf of himself, **Mr. Hathaway, Mr. Humphrey,** and **Mr. Williams, offers** an amendment numbered **244.**

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I send to the desk a slight modification of the amendment, and will deal with it in due course.

The amendment, as modified, is as follows:

At the end of the bill, add the following new title:

TITLE VII—ANTIRECESSION PROVISIONS

Sec. 701. This title may be cited as the "Intergovernmental Antirecession Assistance Act of 1977."

Sec. 702. **(a)** Section 202(b) of the Public Works Employment Act of 1976 (42 U.S.C. 6722(b)) is amended to read as follows:

(b) Authorization of Appropriations.—Subject to the provisions of subsections (c) and (d) of this section, there are authorized to be appropriated for each of the twenty-two succeeding calendar quarters (beginning with the calendar quarter which begins on April 1, 1977) for the purpose of payments under this title—

(A) $125,000,000 plus;

(B) $30,000,000 multiplied by the number of one-tenth percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended three months before the beginning of such calendar quarter exceeded 6 percent.

(b) Section 202(c) of such Act is amended to read as follows:

"(c) Limitation on Authorization.—

"(1) Initial period.—In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) of this section for the five successive calendar quarters beginning with the calendar quarter which begins July 1, 1976, exceed $2,250,000,000.

"(2) Subsequent fiscal years.—In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) of this section for any fiscal year beginning on or after October 1, 1977, exceed $2,250,000,000.

"(3) Fiscal year.—For the purposes of this section, the term 'fiscal year' refers to a period of twelve consecutive months beginning on October 1, of any year.".

Sec. 703. (a) Section 203(b)(3)(D) of such Act is amended by striking out "for the one-year period beginning on July 1, 1975." and inserting in lieu thereof "for the most recently completed entitlement period, as defined under section 151(b) of this Act (31 U.S.C. 1216(b)).".

(b) Section 203(c)(1) of such Act is amended by striking out "paragraphs (3) and (5)" and inserting in lieu thereof "paragraph (4)".

(c) Section 203(c) of such Act is amended by striking out paragraph (3) and redesignating paragraphs (4) and (5) as (3) and (4).

(d) Section 203(c)(3)(B) of such Act is amended by—

(1) inserting "or assigned" after the word "determined", and

(2) striking out the parenthetical phrase and inserting in lieu thereof "(in the case of a local government for which the Secretary of Labor cannot determine a local unemployment rate, he shall assign such local government the local unemployment rate of the smallest unit or subunit of local government for which he has determined a local unemployment rate and within the jurisdiction of which such local government is located, unless—

(i) the Governor of the State in which such local government is located has provided the Secretary of Labor with a local unemployment rate for such local government, and

(ii) the Secretary of Labor finds that such local unemployment rate provided by the Governor has been determined in a manner consistent with the procedures and methodologies used by the Secretary of Labor in determining local unemployment rates,

in which case the Secretary of Labor shall assign such local government the local unemployment rate provided by such Governor)".

(e) Section 203(c)(3)(C) of such Act is amended by—

(1) striking out "for the one-year period beginning on July 1, 1975" and inserting in lieu thereof "for the most recently completed entitlement period", as defined under 141(b) of this Act (31 U.S.C.), and

(2) striking out the parenthetical phrase.

(f) Section 203(c)(3) of such Act is amended by striking out subparagraph (D) and redesignating subparagraph (E) as (D).

(g) Section 203(c)(3)(D)(1) of such Act is amended by striking out "Social and Economic Statistics Administration" and inserting in lieu thereof "Bureau of the Census".

(h) Section 203(c)(3) of such Act is amended by striking out "For the purpose of paragraph (4)(D), the Secretary of Labor shall, notwithstanding any of the provisions of law, continue to make determinations with respect to the rate of unemployment for the purposes of such title VI".

Sec. 704. Section 204 of such Act is amended by striking out "and for construction unless such supplies and materials or construction are to maintain basic services." and inserting in lieu thereof, "or construction, except for normal supplies or repairs necessary to maintain basic services.".

Sec. 705. Section 205 of such Act is amended by—

(1) striking out "207" and inserting in lieu thereof "206",

(2) striking out "208" and inserting in lieu thereof "207", and

(3) striking out "209" and inserting in lieu thereof "208".

Sec. 706. Such Act is amended by striking out section 206 and redesignating sections 207 through 215 as sections 206 through 214, respectively.

Sec. 707. Section 209(c) of such Act is amended to read as follows:

"(c) Termination.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such State or local government during the most recent calendar quarter which ended three months before the beginning of such calendar quarter was less than 4.5 percent.".

Sec. 708. Title II of such Act is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS FOR PUERTO RICO AND THE VIRGIN ISLANDS

"Sec. 215. (a) In General.—There is hereby authorized to be appropriated for each of the 22 succeeding calendar quarters beginning with the calendar quarter which begins on April 1, 1977) for the purpose of making payments under this title to Puerto Rico and the Virgin Islands, an amount equal to one percent of the amount authorized for each such quarter under section 202(b).

"(b) Allocations.—

"(1) The Secretary shall allocate from the amount authorized under subsection (a) an amount for the purpose of making payments to such governments equal to the total authorized for the calendar quarter multiplied by the applicable territorial percentage.

"(2) For purposes of this subsection, the applicable territorial percentage is equal to the quotient resulting from the division of the territorial population by the sum of the territorial population for both territories.

"(3) For purposes of this section—

"(A) the term 'territory' means Puerto Rico and the Virgin Islands.

"(B) the term 'territorial population' means the most recent population for each territory as determined by the Bureau of Census.

"(c) The provisions of sections 203(c)(4), 204, 205, 206, 207, 208, 209, 210, 211, 212, and 213 shall apply to the funds authorized under this section.

"(d) Payments to Local Governments.—

The governments of the territories are authorized to make payments to local governments within their jurisdictions from sums received under this section as they deem appropriate."

Mr. MUSKIE. Mr. President, I offer this amendment to the tax bill—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order.

Mr. MUSKIE. Mr. President, I offer this amendment to the pending legislation for several reasons.

First of all, the subject of the amendment is within the jurisdiction of the Finance Committee. I have discussed the question of moving on countercyclical legislation with the chairman of the Finance Committee over some period of time. I have discussed it with the leadership in the other House. It is an important part of the President's stimulus package, and in my judgment its importance has been enhanced by the President's dropping of the $50 tax rebate.

So I am offering it at this time as an important part of his program.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a fact sheet on the President's proposal, which can be compared by Senators with the pending amendment. They are identical with respect to their principal provisions, if not in every detail.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

THE COUNTERCYCLICAL ASSISTANCE PROGRAM: SOME FACTS AND ISSUES

THE PRESIDENT'S PROPOSAL

As part of his economic stimulus package, President Carter has proposed both an extension and expansion of the countercyclical assistance program. Specifically, his proposal would extend the program for five years beyond its current expiration date of the end of FY 1977. His proposal would also increase the authorization level, beginning with the April 1, 1977 calendar quarter, as follows:

Under the current program, $125 million is authorized quarterly when national unemployment is at 6 percent, with an additional $62.5 million authorized quarterly for every increase in national unemployment of one half percentage point.

Under the President's proposal, $125 million would be authorized quarterly at 6 percent unemployment, as above, but the authorization would increase by $30 million quarterly for every increase in unemployment of one tenth of a percentage point. Thus, under the current program, $250 million would be authorized quarterly at 7 percent unemployment, while under the President's proposal the amount would be $425 million.

The President's proposal is identical to extension legislation (S. 531) introduced by Senators Muskie, Long and Hathaway earlier this year, with one exception. S. 531 would have begun the increased funding level with the July quarter, while the President's proposal would begin it with the April quarter.

BUDGET IMPACT

The President's proposal would require an additional $925 million in FY 1977 for the increased authorization level for two quarters. This amount can be accommodated within the ceilings of the third budget resolution. Moreover, the economic stimulus supplemental appropriation, H.R. 4876, as reported in the Senate, provides $925 million in budget authority and outlays for the countercyclical program.

HOW THE PROGRAM IS WORKING SO FAR

While it is a bit early to make a definitive assessment of how the program is working (the first checks went out in mid-November), it seems clear from early analysis that the program is serving its intended purpose.

So far, four quarterly payments have gone out, with $1.18 billion allocated so far among 20,000 units of State and local government.

A recent study of the Senate Subcommittee on Intergovernmental Relations—using both Treasury Department data and the results of responses to a survey of nearly 400 units of government—has drawn the following conclusions:

That the targeting mechanism in the formula is working very well. Seventy-five percent of all funds allocated to local governments in the third payment period went to jurisdictions with unemployment in excess of 8 percent (the national rate at that time was 7.8 percent). Almost 40 percent of these funds went to jurisdictions with unemployment in excess of 10 percent.

That the program is having or will have a significant impact in terms of creating or saving jobs. The Subcommittee survey projected that the program will save or create approximately 87,000 jobs over a 12-month period. Although the survey was not a scientific sample, this estimate corresponds closely to that of the Congressional Budget Office, for the program's job impact.

That there have in fact been widespread budget adjustments of the kind that are likely to work at cross purposes to Federal efforts to stimulate economic recovery. For example, among those jurisdictions responding to the survey with unemployment over 8 percent, 96.5 percent indicated that budget adjustments had been necessary to cope with recession-related pressures. Of these, 37.9 percent had increased local taxes, 58 percent had instituted hiring freezes or layoffs, 16 percent had cut back services, and 20.7 had reduced or deferred capital expenditures. (Many jurisdictions had done more than one of the above.)

Mr. MUSKIE. Mr. President, I also have, from the Secretary of the Treasury, Michael Blumenthal, a letter dated April 28 supporting this amendment to this bill. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., April 28, 1977.

Hon. RUSSELL B. LONG,
Chairman, Senate Finance Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that an amendment extending the Countercyclical Revenue Sharing Program may be offered during Senate consideration of the Tax Bill.

Since the Countercyclical Revenue Sharing Program is an integral part of the Administration's stimulus program, we fully support its prompt consideration by the Senate.

Sincerely,
W. MICHAEL BLUMENTHAL.

Mr. MUSKIE. The letter is addressed to Senator LONG as chairman of the Finance Committee, and it reads:

DEAR MR. CHAIRMAN: I understand that an amendment extending the Countercyclical Revenue Sharing Program may be offered during Senate consideration of the Tax Bill.

Since the Countercyclical Revenue Sharing Program is an integral part of the Administration's stimulus program, we fully support its prompt consideration by the Senate.

Mr. MUSKIE. Mr. President, the amendment I am offering today, to H.R. 3477, would both extend and expand the program of countercyclical assistance for State and local governments, enacted by Congress last year as title II of the Public Works Employment Act of 1976. I ask that a detailed explanation of the amendment be included in the RECORD at the conclusion of my remarks.

When first proposed in 1975, the countercyclical idea was a new concept in Federal antirecession tools. It rested on the assumption that during a time of serious economic downturn, many State and local governments are forced to take restrictive budget actions which run counter to Federal efforts to stimulate economic recovery. Countercyclical assistance was proposed as a way to help these governments ride out recession-related budget problems so that such actions would not be necessary.

As finally enacted last year, the program consisted of a modest but highly targeted formula aimed at providing general budget assistance to State and local governments where the impact of recession has been most severe.

To date, only four quarterly payments have been made under the countercyclical assistance program. However, I am pleased to note that thus far, the program has shown itself to be an extremely effective means of getting emergency budget help to those places most in need.

At the request of my Subcommittee on Intergovernmental Relations, the Office of Revenue Sharing, which administers the program, has provided a detailed breakdown of where the countercyclical funds have gone. These ORS figures show that the targeting mechanism is working, and working well.

For example, for the third payment quarter, 70 percent of the funds allocated to all governments went to jurisdictions with unemployment in excess of 8 percent. When only local governments are considered, 75 percent of the third quarter funds went to jurisdictions with unemployment at this level.

At the other end of the spectrum, jurisdictions with unemployment of 5.5 percent or less received only 1.4 percent of the third quarter allocations.

To my way of thinking, Mr. President, that is a pretty well targeted program.

To complement these numbers and explore some of the actual examples behind them, my subcommittee conducted its own survey of approximately 400 State and local governments. I would like to share some of our findings with my colleagues today because what we found was fairly strong evidence that this is a program which is serving its intended purpose and which merits our continued support.

Throughout the debate on the initial countercyclical proposal, the question was raised as to whether unemployment was a reliable measure of recession-related budget difficulties. We had chosen to use unemployment in the formula for two principal reasons: first, in a 1975 study, the JEC predicted that there would be a significant correlation between unemployment and the incidence of restrictive budget adjustments which the program was intended to help avoid; and second, unemployment data was available for a great many local governments whereas many other suggested indicators were not.

The principal finding of the subcommittee survey confirmed the use of unemployment data as the measure of need in the countercyclical formula, by demonstrating that there is, in fact, a direct correlation between unemployment and budget difficulties, as the JEC had predicted. For example, of those jurisdictions responding to the survey which had unemployment in excess of 8 percent, an overwhelming 96 percent said they had had to make restrictive budget adjustments over the last 2 years in order to deal with recession-related budget problems. Far fewer of those respondents with unemployment less than 6 percent had had to make such adjustments.

Almost 40 percent of the high unemployment jurisdictions had had to raise taxes. Only 20 percent of the low unemployment places had done so. And almost 60 percent of the high unemployment jurisdictions had imposed hiring freezes or laid off employees, while only 38 percent of the low unemployment jurisdictions had done so.

The interrelationship between these kinds of budget adjustments and recessionary pressures was best summed up by the response from Dade County, Fla., which had an unemployment rate of 11 percent at the time of the survey:

> Paradoxically, in times of economic recession, service demands on local governments are highest, yet that is the time when communities are least able to bear a tax increase to finance the rising service demand.

Another significant finding of the subcommittee survey dealt with the question of jobs. Although the countercyclical assistance program was enacted as part of a jobs package, its principal purpose was not to create new jobs directly but rather to help maintain existing service levels, without reliance upon tax increases or job cutbacks. Its job impact is thus more indirect than other kinds of antirecession programs. Even so, the subcommitee survey indicates that the program thus far is having or will have a substantial job impact. Though few new jobs have been created, many have been or will be saved—possibly as many as 87,000 per $1 billion spent over a 12-month period. Although not scientifically derived, this subcommittee estimate corresponds closely to that of the Congressional Budget Office in 1975, which rated countercyclical assistance second highest of various antirecession tools in job impact.

A final significant finding of the survey, Mr. President, underscored the wisdom of having a countercyclical mechanism on standby authority, to be triggered on when national unemployment hits 6 percent and the national economy begins to head into a recession.

Of the responding jurisdictions with unemployment over 8 percent, almost 80 percent said that earlier enactment of the program would have helped them avoid some of the budget adjustments they have recently had to make.

The amendment I am proposing today does not provide for such a permanent countercyclical mechanism. It does propose to extend the life of the program for an additional 5 years beyond fiscal year 1977, or until national unemployment drops below 6 percent, whichever occurs sooner.

My amendment would also increase the authorization level for the program, although even at the funding level I am proposing, the program is still a bargain at a very modest price. Assuming a level of national unemployment of 7.3 percent for a full year, we are talking about outlays of roughly $2 billion. And, of course, it is not likely that unemployment will remain at that level for a full year. Under my amendment, the increased funding level would begin with the April 1, 1977, calendar quarter. An additional $925 million in budget authority will be needed for the two remaining fiscal year 1977 quarterly payments. This amount can be accommodated within the ceilings of the third budget resolution. Furthermore, the economic stimulus appropriation bill, H.R. 4876, as reported in the Senate, provides $925 million in additional fiscal year 1977 budget authority and outlays for the program.

Both of these principal changes in the current program were requested by President Carter earlier this year as part of his economic stimulus package.

My amendment also includes several other minor changes which are intended to eliminate wrinkles in the program encountered during the initial months of its operation. Most important of these changes is a provision that would provide for more specific unemployment data to be used in the formula for very small jurisdictions, in place of the aggregate balance of State rate now used under the current program. I know several of my colleagues on both sides of the aisle are interested in that. This change has been made possible by an increase in the number of local jurisdictions—primarily counties—for which the Bureau of Labor Statistics gathers and certifies unemployment data. The change will be of principal benefit to communities in low-unemployment States where, under the current program, the balance of State rate was often below 4.5 percent, thus preventing any communities within the balance of State and assigned the same rate from receiving countercyclical assistance even if they had higher unemployment.

Mr. President, I am offering this amendment today so that the Senate can quickly achieve a clear congressional objective. That objective as demonstrated by the passage of a third budget resolution earlier this year, was to provide additional economic stimulus without incurring long-term spending commitments.

That fiscal policy has as one of its keystones the extension and expansion of the countercyclical assistance program. I suggest that whatever one's views on the tax rebate recently withdrawn by the President, the need for the countercyclical assistance—particularly in the cities of this country—remains indisputable.

In the Nation as a whole, we still have unemployment that is unacceptably high. And in our urban areas, the side-effects of the recession linger on with a special vengeance.

Unlike other antirecession programs we have considered and put in place, countercyclical assistance has proven to be a most efficient vehicle for targeting aid to these kinds of places which need help the most.

And unlike other antirecession proposals, countercyclical assistance is not likely to generate renewed inflationary pressures. In the first place, as I noted above, we are talking about a very modest amount of money. In the second place, the countercyclical program is designed to automatically shut off when national unemployment drops below 6 percent—a level clearly well above any definition of full employment and complete economic recovery. And finally, these funds are not intended to stimulate new consumption. In the vast majority of cases, the money is being used to maintain the general operating budgets of State and local governments. To the extent that the countercyclical program helps to avoid the need for local tax increases, the program is actually working against inflationary pressures.

In conclusion, Mr. President, let me say that seldom in my experiences here in the Senate have I seen a program get off to such a good start as this program has done.

Of course, there have been some problems. But in terms of its single most important objective—targeting the money where it is needed most—the program is succeeding with flying colors.

I urge my colleagues to support my amendment this afternoon.

Mr. President, at this point, I reserve the remainder of my time.

Mr. CURTIS. Mr. President, I yield myself 5 minutes. I wish to ask some questions of the Senator. Over how long a period does this extend the program?

Mr. MUSKIE. It would extend over 22 quarters beginning with April 1 of this year.

Mr. CURTIS. It is a little over 5 years?

Mr. MUSKIE. That is correct.

Mr. CURTIS. Is it true that the total cost will be somewhere between $12 billion and $13 billion?

Mr. MUSKIE. That would depend entirely on what happens to unemployment in the 5-year period. If we assume a 7.3-percent unemployment for 5 continuous years the economy would be a disaster. I have not computed what the cost of the program would be in that event, but I suspect that if that happened not only would we be supporting programs of this kind but other programs to deal with unemployment. There is no real way of projecting a 5-year cost for this program.

Mr. CURTIS. So it may be a lot more.

Mr. President, I would like to ask further, what committee has jurisdiction of the subject matter of this proposal?

Mr. MUSKIE. The Finance Committee, as I have already stated.

Mr. CURTIS. Has there been any hearing before the Finance Committee at all on this proposal?

Mr. MUSKIE. Not to my knowledge. There have been hearings before the committee which had jurisdiction prior to this year, the Government Operations Committee, and, in addition, the staff of the Government Operations Committee, because of its continuing interest in the program, has conducted an extensive survey of the impact of the program and its results over the few quarters it has been in effect.

May I add one other point? May I say to the Senator that last year on the basis of the hearings which we held in the Government Operations Committee the Senate approved a 3-year program. The Senate was sufficiently impressed by the evidence to approve a 3-year program, which we then had to cut back in conference in order to get House support.

Mr. CURTIS. Is it true that some significant changes are made in your proposal over the existing program?

Mr. MUSKIE. There is some increased funding which I have already described, but other than that the most significant improvement has been one that I think the Senator from Nebraska——

Mr. CURTIS. I did not say improvement. I said changes.

Mr. MUSKIE. Well, change and improvement. The most significant is one in which I believe the Senator from Nebraska is interested, unless I have a mental lapse concerning a letter I received from him. Prior to this change, small communities were subject to the statewide unemployment rate because they did not have unemployment statistics. The Bureau of Labor Statistics, since last year, now provides unemployment statistics for counties. That moves in the direction I think the Senator from Nebraska urged upon the committee. The change in this bill does that. That is the most important change.

Mr. CURTIS. Is it not true that it is being extended to Puerto Rico for the first time?

Mr. MUSKIE. Yes, we are extending it to Puerto Rico and to the Virgin Islands.

Mr. CURTIS. Is it not true that it is being extended to the Virgin Islands for the first time?

Mr. MUSKIE. Yes.

Mr. CURTIS. We have many, many other programs for both of those islands in reference to unemployment. Do I understand that the present administration favors this revenue sharing, this particular antirecession revenue sharing, being extended to Guam, Puerto Rico, and the Virgin Islands?

Mr. MUSKIE. I do not believe the administration has a position on that.

Mr. CURTIS. I do not think they have heard of it. Have they?

Mr. MUSKIE. Yes, they have heard of it. They said to us they would prefer that we make the judgment on whether to go forward.

Mr. CURTIS. It was not in the President's proposal, was it?

Mr. MUSKIE. It was not.

Mr. CURTIS. I thank the distinguished Senator for his very frank answers.

Mr. MUSKIE. Would this be an appropriate time for me to give the reasons why we included them or would the Senator prefer——

Mr. CURTIS. I only have 5 minutes.

Mr. MUSKIE. I would be willing to use 2 or 3 minutes of my own time at this point.

Mr. CURTIS. Perhaps after I finish my statement.

Mr. President, we are asked to vote for an amendment that, based on present unemployment, can run between $12 billion and $13 billion.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CURTIS. I yield myself 2 additional minutes.

It has never been before the committee having jurisdiction of it. Never has there been any appearance there asking us to report this. It extends another welfare program to Puerto Rico. It extends another program to the Virgin Islands and to Guam. I am not familiar with what the effect would be on Guam, but on the other two, I know that, over a long period of time, because of their peculiar situation, we have dealt with them separately on a great deal of social legislation, including all the titles of the Social Security Act.

Mr. President, it is unthinkable that the Senate of the United States should be asked to give a blank check, that can go as high as $13 billion, on a floor amendment, which has never been before the committee and we have never had any hearings whatever on.

Mr. President, there are many things about this program that need correcting. There are some errors that have shown up that have occurred by reason of bad practice. The House is very unhappy with it. There is a chance that if the Muskie amendment should prevail and it should go to conference, it will bypass the committee in the House that does have jurisdiction. That is their problem, but this may be part of the strategy.

Mr. President, I reserve the remainder of my time.

Mr. MOYNIHAN. Mr. President, will the Senator from Maine yield for a question?

Mr. MUSKIE. Yes.

May I say, first of all, since we have a minute or 2, that with respect to hearings, the Subcommittee on Intergovernmental Relations originated this legislation. We created it, we brought it to the floor, we monitored it, and we put it into law. Last year, in discussions with the distinguished chairman of the Committee on Finance, I agreed that, over the long term, it made sense that this program go to the committee which had jurisdiction over general revenue sharing. It was in response to that we yielded jurisdiction and were happy to.

That did not eliminate our continuing interest. The reason that I offer this amendment now—and I would not ordinarily offer a major new program without hearings in the committee—is that what we are talking about is simply continuing this program at this stage of the recession so there will be no interruption, so we can continue with it on the basis of the case that was made for it last year in another committee. I think that is reasonable.

I yield at this time to my good friend from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. I ask a question of the Senator with respect to the matter which the Senator from Nebraska raised, and which is of particular interest to some of us. Is it not a question of the status of Puerto Rico in this legislation, or of the Virgin Islands or of Guam?

As the Senator knows, of all the jurisdictions in which the Bureau of Labor Statistics measures unemployment, none remotely approaches the present levels of unemployment in Puerto Rico, which, Mr. President, were last measured at 19 percent, maybe at 23 percent. There does not exist a State or a county in the Nation with that level of unemployment.

I need not remind the Senate that Puerto Ricans are American citizens. They fight in American wars, they partake in American activities. They are in a commonwealth relationship with us, a relationship of trust on our part. There is complete free movement between the Mainland and the island, such that in the intolerable conditions which at this moment persist, no right-thinking Puerto Rican could do anything but look elsewhere in the American Commonwealth for employment.

Is it not the case, sir, that, given the extremity of the unprecedented nature of these levels of unemployment, the committee proposal is a modest one? I believe there is a 1-percent set-aside for these three areas. I believe that would come, at present levels of unemployment, to $6 million a quarter.

Mr. MUSKIE. Six million dollars, with an "m," not a "b."

Mr. MOYNIHAN. It is not a blank check, sir.

PUBLIC WORKS EMPLOYMENT ACT OF 1977—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the hour of 12:45 p.m. having arrived, the Senate will proceed to vote on the conference report on the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

ADDITIONAL STATEMENTS SUBMITTED

Mr. ROBERT C. BYRD. Mr. President, I wish to commend my colleagues, the chairman of the Environment and Public Works Committee, Mr. RANDOLPH; the chairman of the subcommittee, Mr. BURDICK; the ranking member of the committee, Mr. STAFFORD; and the other members of the committee who participated in the development of this important measure in the Senate Environment and Public Works Committee and the recent conference with the House of Representatives. Mr. President, I am well aware that this was not an easy conference in that there were some very basic and fundamental differences existing between the House and Senate versions of this legislation. However, the final product on which we are acting today shows positively and clearly that the Congress is both willing and ready to exert its utmost efforts to assist in solving our Nation's unemployment problem.

The ultimate success of the conference is a tribute to the perseverance, the tenacity, and the well-reasoned judgment of those Senators whom I have mentioned above, and to Senators Muskie, Bentsen, Anderson, Moynihan, McClure, Domenici, and Chafee, each of whom served as a conferee on H.R. 11 and each of whom made valuable contributions to the fine product on which we are acting today.

Mr. MOYNIHAN. Mr. President, I am happy to support the conference report on the public works bill, which is before us today. Under the leadership of our distinguished Chairman, Senator Randolph, and of Senator Burdick, the Environment and Public Works Committee, on which I have the honor to sit, has written a bill which I consider to be an important contribution to American economic recovery.

The public works bill is an important contribution in two ways. First, it authorizes $4 billion to be spent creating jobs, and the national unemployment rate makes it clear that these additional jobs are needed.

Second, the bill targets expenditures in areas of high unemployment, which is a principle of utmost importance. The Senate will well remember that debate on the issue of targeting was extended, in both houses of Congress. At the outset, the House rejected the Senate formula, but in conference our committee was able to persuade the representatives of the House to recede on this point. As a result, the public works bill will help most those communities most in need of help, as it should. The allocation formula is in this fundamental sense an equitable one, and one calculated to provide the greatest economic stimulus, and the least inflation, possible. For my own State, New York, the bill will provide $500 million, which we can immediately put to use in effort to lower our extraordinary unemployment rate of over 10 percent. This is $135 million more than the House formula would have provided, and it means many thousands more jobs for New Yorkers.

I urge the Senate to adopt this measure, and trust that it will do so.

Mr. PERCY. Mr. President, on March 10, the Senate agreed to an amendment to the Public Works Employment Act requiring special consideration by the Secretary of Commerce for projects which will result in energy conservation, a priority of this Congress and of the administration. This amendment purposely deleted the clause contained in the House language, "for which application is made after the date of enactment of this sentence." The reasoning was simple: Energy conservation cannot be delayed any longer. Legislative policy is the backbone for a successful national energy policy. Only through consistent congressional action encouraging energy conservation will we achieve our goals.

In the discussions on the amendment, some claimed that the energy conservation criteria would be retroactive and therefore unfair to the applicants. But special consideration is already being given in the current application year to projects relating to the elderly, the handicapped, and drought areas. I believe that energy conservation should be given this same urgent consideration. Unfortunately, the Senate amendment was dropped in conference.

I am disappointed that the conference report would postpone action on this aspect of energy conservation for another year, but I remain hopeful that in the 1978 screening process, energy conservation will be given the appropriate emphasis.

Mr. CHAFEE. Mr. President, the conference on the Public Works Employment Act of 1977 was my first conference as a Member of the Senate and, of course, as a member of the Committee on Environment and Public Works. I must say that the guidance and knowledge of the distinguished chairman, the Senator from West Virginia, and the outstanding help of the able ranking member, the Senator from Vermont were invaluable to me as the conference progressed. I greatly appreciated being recommended by the Senator from Vermont to serve in this conference.

Mr. President, the Senate conferees have emerged from the conference with a $4 billion bill that preserves the best jobs features and intent of title I of the Senate legislation. We were successful in keeping the Senate 65 percent to 35 percent allocation formula, in which 35 percent of the funds will be sent to States which have a statewide unemployment rate above 6.5 percent. This formula goes right to the heart of the principal of this legislation, to help those areas with high unemployment. My own State of Rhode Island is plagued by a distressingly high rate of unemployment as are many States in the Northeast. This legislation will provide timely assistance to our States and communities who so desperately need these public works projects and the jobs they will produce. I am also pleased that the Senate conferees were able to preserve the hold harmless allocation amendment so that States, such as Rhode Island, will not be penalized in the second round because of newly implemented procedures for determining the unemployment rate. Our success in keeping all of these Senate provisions is a tribute to the leadership of our Senate conferees' chairman, Senator Burdick.

Mr. President, I wish to associate myself with earlier remarks by the distinguished chairman (Mr. Muskie) and ranking minority member (Mr. Stafford) of the Environmental Pollution Subcommittee concerning water pollution amendments to the jobs bill. The Senate's provision of $9 billion for water treatment construction grants was completely true to the spirit of this legislation. Water treatment projects create jobs and these funds are greatly needed by States who already have or are close to running out of water treatment money. The Senate conferees made every effort to reach agreement on the water pollution issues, but were not able to settle our differences with the House in every instance. It is important to note, however, that we did agree on specific proposals for several crucial measures, including municipal and industrial deadline extensions. But the other major disagreements still remained.

So the Senate will proceed on its own clean water bill. As a membr of the Environmental Pollution Subcommittee, I look forward to working on these comprehensive water pollution amendments. As Senator Muskie has stated, we will work quickly and carefully.

Mr. HUMPHREY. Mr. President, with the withdrawal of the tax rebate proposal and the recent news that there will be a significant spending shortfall in fiscal 1977, our vote today on the conference report on the Public Works Employment Act is very timely. This is a very important part of the economic stimulus program, and I commend Senator Burdick, Senator Randolph, and the other conferees for their diligent and excellent work on this bill during a very difficult conference.

Last fall, when Congress enacted the Public Works Employment Act of 1976 over the veto of then-President Ford, the Economic Development Administration was swamped with almost $25 billion worth of applications for the initial $2 billion appropriated. The recession and economic difficulties of the past few years have devastated the budgets of our State and local governments, and this program was a godsend that made it possible for them to carry out much-needed projects they would otherwise have had to abandon.

The Public Works Employment Act of 1977 will provide an additional $4 billion for this program. With more than 7 million Americans unemployed and with unemployment running at nearly 15 percent among construction workers, our acceptance of this conference report today will be one of the most effective actions we will take during this Congress to put Americans back to work.

As I look over the conference report, I am very pleased to see that some of the best provisions in the Senate bill were retained. With the drought wreaking havoc throughout the Midwest and Far West and with local school systems continuing to face severe budget difficulties, the conferees did well to adopt the Senate provisions permitting the substitution of drought-related projects and putting school districts on an equal footing with other units of general local government. Also, I was delighted to learn that the EDA will consult closely with local governments over their project priorities rather than spew forth irrevocable decisions from a computer, a change I recommended in my testimony on this bill before the Environment and Public Works Committee.

Now, I know that the bill provides that the $4 billion will be available to EDA to allocate by the end of fiscal year 1978 among the some 20,000 project applications already on file. This means that EDA could hold off until summer of next year to approve some projects. I hope that EDA would not wait that long. The projects on file are ready to go. The construction season is starting and thousands of unemployed construction workers are champing at the bit to go back to work. There have been enough delays and now that we are acting on the conference report, we should instruct the EDA to move as swiftly on this as they possibly can.

Mr. President, this public works employment program is an outstanding example of how we can provide useful and productive jobs during a period of high unemployment. These are brick and mortar projects that will provide important public services in their local communities for years to come. The money in this bill will be used to construct hospitals, public buildings, water and sewer projects, school buildings, town auditoriums, and roads and bridges. The money will put people to work on projects of lasting benefit. Many of the buildings constructed by our parents and grandparents under WPA are still in use today, and many of the facilities that will be constructed under this legislation will serve our children and grandchildren.

I support the Public Works Employment Act, and I hope EDA and our Nation's local governments will move swiftly under its provisions to put American workers back on the job, where they deserve to be.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CURTIS (after having voted in the negative). On this vote, I have a pair with the distinguished Senator from New Mexico (Mr. Domenici). If he were present, he would vote "yea." I have already voted "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), the Senator from Nevada (Mr. Cannon), the Senator from Idaho (Mr. Church), the Senator from New Hampshire (Mr. Durkin), the Senator from Colorado (Mr. Haskell), the Senator from Louisiana (Mr. Johnston), and the Senator from Arkansas (Mr. McClellan) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. Inouye) is absent on official business.

I also announce that the Senator from North Carolina (Mr. Morgan) and the Senator from Illinois (Mr. Stevenson) are absent because of illness.

I further announce that if present and voting, the Senator from New Hampshire (Mr. Durkin) would vote "yea."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. Case) and the Senator from New Mexico (Mr. Domenici) are necessarily absent.

I also announce that the Senator from Alaska (Mr. Stevens) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Case) and the Senator from Alaska (Mr. Stevens) would each vote "yea."

The result was announced—yeas 71, nays 14, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—71

Abourezk
Allen
Anderson
Baker
Bayh
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Chafee
Chiles
Clark
Cranston
Culver
Danforth
DeConcini
Dole
Eagleton
Eastland
Ford
Glenn
Gravel
Griffin
Hart
Hatfield
Hathaway
Hayakawa
Heinz
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Sparkman
Stafford
Stennis
Stone
Talmadge
Thurmond
Tower
Weicker
Williams
Young
Zorinsky

NAYS—14

Bartlett
Garn
Goldwater
Hansen
Hatch
Helms
Laxalt
Lugar
McClure
Proxmire
Roth
Schmitt
Scott
Wallop

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY REPORTED—1

Curtis, against.

NOT VOTING—14

Bumpers
Byrd, Harry F., Jr.
Cannon
Case
Church
Domenici
Durkin
Haskell
Inouye
Johnston
McClellan
Morgan
Stevens
Stevenson

So the conference report was agreed to.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BURDICK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. CURTIS. Mr. President, I yield myself 3 minutes on the pending amendment. I should like to have the attention of Senators.

The pending amendment extends the program for 5 years. The cost, based on present unemployment, can run as high as $12 billion or $13 billion. It never has been before the committee having jurisdiction of it—the Finance Committee. There have been no hearings. It extends the program to Puerto Rico, the Virgin Islands, and Guam, which is a new venture.

Furthermore, the House is revising and will soon send us a bill very shortly.

The program runs until September 30 of this year. There is absolutely no justification for adding to this bill an item so significant in our budget—$12 billion to $13 billion—without a hearing.

The amendment provides that it goes on for 5 years. There will be an amendment to reduce it to two quarters, because that will give it plenty of time, since it does not expire until March 30, for the new bill to be acted upon. If that fails, an amendment will be offered to extend it three quarters, and so on. We are not going to extend this bill today for 5 years without a hearing and carry these new features.

Mr. LONG. Mr. President, the Senator has a point. I think some of us have problems in this area, because we have been importuned by the mayors and the Governors and various and sundry groups to do the kind of thing that the Senator's amendment would do.

I suggest a compromise, because sometimes we can get together on these things. It seems to me that everybody could live with a six-quarters date, and I hope that both sides would be willing to agree to that. That would give us enough time to study the matter carefully and consider everything in the program, and during this Congress we could pass a bill to do what we think should be done about it.

It would reduce the concern of the Senator that this might become a big boondoggle and extend into areas far beyond the time the recession was over. If the Senator would be willing to agree to that in the nature of a compromise—I am not asking him to vote for the amendment—I think everybody could feel that they gave a little and that we accommodated various viewpoints.

I assure the Senator that during this Congress, or during the ensuing year from this moment, we will hold hearings on this matter and look into it and see what can be worked out.

Mr. CURTIS. Mr. President, I thank the distinguished chairman. I would be willing to do that.

Last night, in a spirit of cooperation to complete action on this bill, I made the mistake of agreeing to an hour of debate on it, so I have no weapon left but these amendments. However, the additional time is rather simple. I could offer amendments for 12 hours. I do not want to do that. I have an engagement tonight, beginning at 9 o'clock. But I can do it. I do not like to threaten. I am just boasting about my physical condition.

Mr. LONG. Mr. President, I have discussed this matter with the Senator from Maine, and I believe the Senator from Maine might be willing to be equally accommodating. Will he accept a modification that would limit this amendment to six quarters?

Mr. MUSKIE. Reluctantly, but with a sense of equity.

I understand the point of view of the Senator from Nebraska. I am troubled by the fact that the Finance Committee, preoccupied as it has been with the tax bill, has not had the opportunity it would like to have had.

With the assurance of the distinguished chairman of the Committee on Finance that he will proceed to hearings, so that the questions that the Senator from Nebraska may have will be explored fully, and that there will be expeditious movement on it, I think six quarters would keep us going until that could be done. I do not like it. I would rather have more. But around here you take what you can get.

I want to accommodate the Senate. This is Friday afternoon, and Senators would like to leave, including the Senator from Nebraska. I am going to be here all weekend, so I could stay quite awhile.

If the Senator from Nebraska is willing to let us go to a vote on that kind of a modification, I am prepared to do so.

Mr. CURTIS. Mr. President, on that basis, I would be willing to yield back my time in 2 minutes. I just want to put something in the Record.

Mr. MUSKIE. We have to modify the amendment.

Mr. LONG. The Senator can modify his amendment while the Senator from Nebraska is putting his information in the Record.

Mr. MUSKIE. Mr. President, I ask to modify my amendment on page 1 in section 702(b), "Authorization of Appropriations." In the third line, change "twenty-two" to "six." On page 2, section (c)(2), line 1, change "years" to "year";

On page 2, section (c)(2), line 4, change "any" to "the";

And on page 5, section 215(a), line 2, change "22" to "six". I think that is a sufficient modification.

The PRESIDING OFFICER. The amendment is so modified.

The amendment as modified further is as follows:

At the end of the bill, add the following new title:

TITLE VII—ANTIRECESSION PROVISIONS

Sec. 701. This title may be cited as the "Intergovernmental Antirecession Assistance Act of 1977."

Sec. 702. (a) Section 202(b) of the Public Works Employment Act of 1976 (42 U.S.C. 6722(a)) is amended to read as follows:

(b) Authorization of Appropriations.—Subject to the provisions of subsections (c) and (d) of this section, there are authorized to be appropriated for each of the six succeeding calendar quarters (beginning with the calendar quarter which begins on April 1, 1977) for the purpose of payments under this title—

(A) $125,000,000 plus

(B) $30,000,000 multiplied by the number of one-tenth percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended three months before the beginning of such calendar quarter exceeded 6 per centum.

(b) Section 202(c) of such Act is amended to read as follows:

"(c) Limitation on Authorization.—

"(1) Initial period.—In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) of this section for the five successive calendar quarters beginning with the calendar quarter which begins July 1, 1976, exceed $2,250,000,000.

"(2) Subsequent fiscal year.—In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) of this section for the fiscal year beginning on or after October 1, 1977, exceed $2,250,000,000.

"(3) Fiscal year.—For the purposes of this section, the term 'fiscal year' refers to a period of twelve consecutive months beginning on October 1 of any year.".

Sec. 703. (a) Section 203(b)(3)(D) of such Act is amended by striking out "for the one-year period beginning on July 1, 1975." and inserting in lieu thereof "for the most recently completed entitlement period, as defined under section 151(b) of this Act (31 U.S.C. 1216(b)).".

(b) Section 203(c)(1) of such Act is amended by striking out "paragraphs (3) and (5)" and inserting in lieu thereof "paragraph (4)".

(c) Section 203(c) of such Act is amended by striking out paragraph (3) and redesignating paragraphs (4) and (5) as (3) and (4).

(d) Section 203(c)(3)(B) of such Act is amended by—

(1) inserting "or assigned" after the word "determined", and

(2) striking out the parenthetical phrase and inserting in lieu thereof "(in the case of a local government for which the Secretary of Labor cannot determine a local unemployment rate, he shall assign such local government the local unemployment rate of the smallest unit or subunit of local government for which he has determined a local unemployment rate and within the jurisdiction of which such local government is located, unless—

(i) the Governor of the State in which such local government is located has provided the Secretary of Labor with a local unemployment rate for such local government, and

(ii) the Secretary of Labor finds that such local unemployment rate provided by the Governor has been determined in a manner consistent with the procedures and methodologies used by the Secretary of Labor in determining local unemployment rates,

in which case the Secretary of Labor shall assign such local government the local unemployment rate provided by such Governor)".

(e) Section 203(c)(3)(C) of such Act is amended by—

(1) striking out "for the one-year period beginning on July 1, 1975" and inserting in lieu thereof "for the most recently completed entitlement period", as defined under 141(b) of this Act (31 U.S.C.), and

(2) striking out the parenthetical phrase.

(f) Section 203(c)(3) of such Act is amended by striking out subparagraph (D) and redesignating subparagraph (E) as (D).

(g) Section 203(c)(3)(D)(i) of such Act is amended by striking out "Social and Economic Statistics Administration" and inserting in lieu thereof "Bureau of the Census".

(h) Section 203(c)(3) of such Act is amended by striking out "For the purpose of paragraph (4)(D), the Secretary of Labor shall, notwithstanding any of the provisions of law, continue to make determinations with respect to the rate of unemployment for the purposes of such title VI".

Sec. 704. Section 204 of such Act is amended by striking out "and for construction unless such supplies and materials or construction are to maintain basic services." and inserting in lieu thereof, "or construction, except for normal supplies or repairs necessary to maintain basic services.".

Sec. 705. Section 205 of such Act is amended by—

(1) striking out "207" and inserting in lieu thereof "206",

(2) striking out "208" and inserting in lieu thereof "207", and

(3) striking out "209" and inserting in lieu thereof "208".

Sec. 706. Such Act is amended by striking out section 206 and redesignating sections 207 through 215 as sections 206 through 214, respectively.

Sec. 707. Section 209(c) of such Act is amended to read as follows:

"(c) Termination.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such State or local government during the most recent calendar quarter which ended three months before the beginning of such calendar quarter was less than 4.5 percent.".

Sec. 708. Title II of such Act is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS FOR PUERTO RICO AND THE VIRGIN ISLANDS

"Sec. 215(a). In General.—There is hereby authorized to be appropriated for each of the six succeeding calendar quarters (beginning with the calendar quarter which begins on April 1, 1977) for the purpose of making payments under this title to Puerto Rico and the Virgin Islands, an amount equal to one percent of the amount authorized for each such quarter under Section 202(b).

"(b) Allocations.—

"(1) The Secretary shall allocate from the amount authorized under subsection (a) an amount for the purpose of making payments to such governments equal to the total authorized for the calendar quarter multiplied by the applicable territorial percentage.

"(2) For purposes of this subsection, the applicable territorial percentage is equal to the quotient resulting from the division of the territorial population by the sum of the territorial population for both territories.

"(3) For purposes of this section—

"(A) the term 'territory' means Puerto Rico and the Virgin Islands.

"(B) the term 'territorial population' means the most recent population for each territory as determined by the Bureau of Census.

"(c) The provisions of sections 203(c)(4), 204, 205, 206, 207, 208, 209, 210, 211, 212, and 213 shall apply to the funds authorized under this section.

"(d) Payments to Local Governments.—The governments of the territories are authorized to make payments to local governments within their jurisdictions from sums received under this section as they deem appropriate."

Mr. CURTIS. I yield myself 1 minute.

Mr. President, I ask unanimous consent to have printed in the Record several pages of criticism of this program and a series of tables prepared by the minority members of the Subcommittee on Intergovernmental Relations and Human Resources of the House of Representatives on February 25, 1977.

There being no objection, the material was ordered to be printed in the Record, as follows:

Criticisms of the Program

The concept of countercyclical assistance is a very appealing idea especially with those interested in "fine tuning" the economy. Like almost all other programs, however, this program is seen in vastly different ways by different interest groups and in the practical politics of passage, underwent a number of changes which ensured its passage but also may have seriously flawed its effectiveness as a national economic tool. The most serious criticisms of the program are as follows:

(1) The program, because of its reliance on unemployment rates and revenue sharing allocations, does not effectively discriminate between cyclical and structural problems in the economy, nor does it distinguish between secular changes in the economy (relative decline or growth that is independent of the cycle) and those changes due to cyclical happenings alone. As a consequence, those governments suffering from severe structural or secular problems are heavily overweighted in this program. This is not bad if it is the intention of the program to aid those areas suffering from secular decline. It should be recognized, however, that this is not countercyclical aid and that governments suffering from predominately cyclical problems as opposed to secular problems are, as a consequence, under-funded in this program.

The problem of targeting these countercyclical funds is the most serious technical problem with the program. Even when we are able to make the necessary conceptual distinctions, finding data for enough governments is a serious limitation. The speed with which this legislation was put together suggests that allocations based on unemployment rates and revenue sharing allocation might not be the best means available.

(2) Even if one is able to overcome this first problem there remain a number of additional criticisms with the program.

(a) The program is triggered for a general purpose local government whenever its unemployment rate rises above 4½ percent. Many have argued that this trigger is much too low. 4½ percent is considered by most economists to be a full-employment-budget unemployment rate. The effect of this trigger has been to cause initially some 24,000 local governments to receive funding under the program when initial expectations were that probably no more than two or three thousand governments would receive this kind of fiscal assistance. Clearly, the more governments that participate the less likely is the program to allocate money to those governments most in need.

(b) The unemployment rate that triggers the emergency support grants is usually a lagging indicator of recession. In the 1974–75 recession, for example, the unemployment rate did not rise above 6 percent until the last quarter of 1974. If the countercyclical program had been in effect, the first payments would not have been made until the second quarter of 1975. Some observers have suggested that changes in real personal income or real wages be used as the trigger rather than unemployment because they are more sensitive to changes in the economy.

In all fairness, it should be stated that it is not clear that speed is important. Local governments tend to lag substantially in reaction to the onset of recession. As a consequence, on the downswing local governments' fiscal actions are in perfect accordance with good economic policy because they're still spending at top cycle levels. The problem is located on the upswing part of the cycle which can be as much as a year and one-half away from the first indication of recession.

(c) The minimum allocation under Title II may be too low. The minimum allocation to a government is $100 per quarter. Clearly, allocations of $100, $200, or $300 per quarter is hardly going to make a dent in countering cyclical economic problems. These small allocations appear to many as serious dissipation of scarce Federal funds. The committee may look at much higher minimum allocations to try to insure that the funds continue to flow to governments mosts impacted by the recession.

(d) A fourth and probably most serious problem with Title II is that beside the fact mentioned above that there is no clear corollation between unemployment rates and countercyclical fiscal stress, there is a great deal of dissatisfaction with the quality and usefulness or unemployment data. Until the recent winter storms and layoffs due to a shortage of natural gas supplies, most local economies were also experiencing higher total employment rates at the same time they were experiencing high unemployment rates. This raises an important question of the extent to which local revenue sources have been diminished because of recent national unemployment activities. Clearly, if more people are working than ever before, if many of the unemployed consist of secondary wage earners and youth; then this casts serious doubts on the argument that high unemployment rates reflect a cyclical decline in local governments.

(e) It is the intent of the program to provide anti-recessionary aid. When the economy improves, the program is to phase out. The program as it is now constructed will, in all likelihood, never phase out even though the country may move out of the recession. There is strong evidence to suggest that "the natural rate of unemployment" (the full employment budget unemployment rate) will move from the traditional rate of 4½ percent to something close to 5.5 percent to 6 percent. This rise reflects mainly the increased role in job markets of women and teenagers, who tend to have higher unemployment rates than men. Thus, it is highly unlikely that we will see the national unemployment rate down below 6 percent. Therefore, the national program will never cut off. With the local trigger at 4½ percent many governments will continue to qualify for aid in both good times and bad.

A recession is normally defined as a decline in real GNP over two consecutive quarters. If we take this as our national trigger, then this program would not be in operation now since the GNP has been growing in real terms since the first quarter of 1975.

THE DISTRIBUTION OF COUNTERCYCLICAL MONIES

Not much is known about the distribution of countercyclical monies in terms of which governments are actually suffering from cyclical as opposed to secular changes in the economy. This makes it very difficult to evaluate how well the program is doing.

The Tables on the following pages suggest that:

(1) The number of governments participating in the program is declining (32% over the 3 calendar quarters). There is evidence that these are the smaller governments. This does not mean, however, that they are necessarily no longer following pro-cyclical fiscal behavior. See Tables 1 and 2.

(2) The proportional rate of governments "dropping out" of the program appears to be evenly spread between townships, cities and counties. See Table 3.

(3) If one subscribes to the notion that unemployment is a good indicator of need, then the program tends to put the money in those jurisdictions where need is greatest. See Table 4.

Tables 5, 6, 7, and 8 take a summary look at distribution shifts occurring in the 5th District of New York, the 7th District of Ohio, the 15th District of Illinois, and the 34th District of New York.

TABLE 1.—COUNTERCYCLICAL ASSISTANCE PROGRAM SUMMARY DATA—NATIONAL VIEW

[All dollars in millions]

	Quarter		
	1	2	3
National unemployment rate	7.5	7.0	7.5
Total amount of money allocated	$310.9	$248.7	$310.9
Number of State governments participating	49	47	40
Total moneys allocated to States	$103.6	$82.9	$103.6
Number of local governments participating	24,106	20,568	16,289
Total moneys allocated to local governments	$207.3	$165.8	$207.3
Total participating governments	24,155	20,165	16,329

Main point: The total number of governments participating has declined by some 7,826 governments since the first quarter of program operation (July 1, 1976). This represents a decline of some 32 percent over 3 calendar quarters. The decline was even, about 4,000 governments per year. It is interesting to note that the Nation's unemployment rate, while down by one-half a percentage point with the second quarter, was back up in the third quarter to its initial level of 7.5 percent. This suggests that the worsening of the national unemployment rate for the 2d to the 3d quarter has not uniformally impacted jurisdictionsi since many of them were dropping out of the program due to improved unemployment rates.

TABLE 2.—COUNTERCYCLICAL ASSISTANCE PROGRAM, SUMMARY DATA (BY SIZE OF LOCAL GOVERNMENT) PERCENTAGE DISTRIBUTION OF FUNDS

	Quarter		
	1	2	3
County governments:			
200,000 and up	12.5	13.1	13.4
100,000 to 199,999	2.4	2.2	2.0
50,000 to 99,999	2.7	2.5	2.4
25,000 to 49,999	2.5	2.0	1.9
0 to 24,999	2.8	1.9	1.9
Cities (places):			
100,000 and up	24.0	26.7	27.8
50,000 to 99,999	4.0	4.1	4.0
25,000 to 49,999	3.3	3.1	2.9
2,500 to 24,999	6.0	5.5	5.1
0 to 2,499	1.2	0.9	0.9
Native Americans:			
5,000 and up	.1	.1	0.1
2,000 to 4,999	0	0	
500 to 1,999	0	0	0
200 to 499	0	0	0
0 to 199	0	0	0

Main Point: Funds for counties of 200,000 population or more and cities of 100,000 or more have increased their share of the moneys allocated under the program from 36.5 percent in the 1st quarter to 41.2 percent in the 3d quarter. The money is starting to concentrate in the more populated areas.

TABLE 3.—COUNTERCYCLICAL ASSISTANCE PROGRA M SUMMARY DATA FOR LOCAL GOVERNMENTS

[All dollars in millions]

	Quarter			Percent decline from 1st to 3d quarter
	1	2	3	
County Governments participating	2,693	2,203	1,719	−36.0
Total moneys allocated to counties	$71.0	$54.1	$67.1	−5.5
Cities (places) participating	11,666	8,997	8,025	−31.0
Total moneys allocated to cities/places	$119.7	$100.1	$127.0	+6.1
Townships participating	9,348	6,902	6,378	−31.0
Total income allocated to townships	$16.1	$11.4	$12.9	−19.2
Native Americans	216	184	167	−22.0
Total moneys allocated to Native Americans	$0.4	$0.2	$0.3	−25.0
Total local governments	23,923	18,286	16,289	−32.0
Total moneys allocated to local government	$207.2	$165.8	$207.3	(1)

[1] Less than 1 percent.

Main Point: 7,634 local governments have moved out of the program over the 1st 3 quarters. Proportionately this loss has been spread rather equally over townships, cities, and counties. In the 3d quarter there were 32 percent fewer governments participating than in the 1st quarter, while the amount of money disbursed has remained the same as the 1st quarter.

TABLE 4.—RELATION BETWEEN UNEMPLOYMENT RATES AND LOCAL ALLOCATION, COUNTERCYCLICAL ASSISTANCE PROGRAM

Unemployment rates percentage	Number of governments	Dollars allocated (millions)	Percent of total	Cumulative percentage
Over 20	32	0.9	(1)	(1)
15.1 to 20	197	2.2	1	1
10.1 to 15	2,260	81.0	39	40
8.1 to 10	5,063	70.5	34	74
7.1 to 8	3,504	25.1	12	86
6.1 to 7	4,462	17.7	9	95
5.6 to 6	3,792	6.9	3	98
5.1 to 5.5	2,694	2.2	1	99
4.6 to 5	2,795	.6	(1)	(1)
0 to 4.5	14,234	(1)	(1)	(1)

[1] Less than 1 percent.

Main point: 40 percent of the countercyclical funds go to communities with unemployment levels over 10.1 percent. 46 percent of the countercyclical funds go to communities with unemployment levels between 7 percent and 10 percent. 14 percent of the countercyclical funds go to communities with unemployment level between 4.5 percent and 7 percent.

TABLE 5.—IMPACT OF THE COUNTERCYCLICAL PROGRAM ON LOCAL GOVERNMENTS, 5TH DISTRICT OF THE STATE OF NEW YORK

City	Percentage of population represented	1st quarter	2d quarter	3d quarter	Total
Nassau County	32.755	468,450	419,290	634,626	1,522,366
Bellerose Village	100.000	231	207	312	750
Cedarhurst Village	100.000	948	851	1,281	3,080
Floral Park Village	89.499	3,947	3,543	5,330	12,820
Garden City Village	100.000	4,169	3,742	5,630	13,541
Hempstead Village	100.000	13,776	12,366	18,605	44,747
Newlett Bay Park Village	100.000	0	0	106	106
Newlet Harbor Village	100.000	210	188	283	681
Newlett Neck Village	100.000	0	0	0	0
Lawrence Village	100.000	907	814	1,225	2,946
Long Beach City	100.000	9,477	8,507	12,799	30,783
Lynbrook Village	100.000	4,727	4,243	6,384	15,354
Malverne Village	100.000	1,531	1,374	2,067	4,972
New Hyde Park Village	42.546	1,440	1,292	1,944	4,676
Rockville Centre Village	100.000	3,797	3,408	5,127	13,332
South Floral Park Village	100.000	141	127	191	459
Stewart Manor Village	100.000	307	275	414	996
Valley Stream Village	100.000	6,187	5,554	8,355	20,096
Woodsburgh Village	100.000	110	0	148	258
Atlantic Beach	100.000	237	213	320	770
Hempstead Town	54.256	132,782	121,083	181,435	435,300
Nassau average unemployment rate		7.1	6.7	6.9	

Note.—Even though the unemployment rate fell from a 1st quarter high of 7.1 to 6.9 in the 3d quarter, 3d quarter allocations to Nassau County and communities increased. This curious phenomenon is due most likely to the fact that smaller rural jurisdictions are dropping out of the program as their unemployment rates improve. This leaves fewer governments to compete for the relatively steady pot of national dollars. As a consequence, their "take" of the funds increases even though their employment rates are also going down.

TABLE 6.—THE IMPACT OF THE COUNTERCYCLICAL PROGRAM ON LOCAL GOVERNMENTS IN OR BORDERING ON THE 7TH DISTRICT OF THE STATE OF OHIO

County	1st quarter		2d quarter		3d quarter		Total
	Unemployment rate	Allocation	Unemployment rate	Allocation	Unemployment rate	Allocation	
Champaign County	9.1	$8,680	6.9	$4,798	7.1	$6,810	$20,288
Clark County	9.1	46,621	8.0	37,523	6.6	31,237	115,381
Greene County	7.0	14,523	5.8	7,988	5.2	5,968	28,479
Logan County	9.1	$8,887	6.9	$4,912	5.4	$2,413	$16,212
Marion County	6.4	8,100	7.2	12,175	6.0	9,385	29,660
Union County	9.1	6,731	6.9	3,721	7.1	5,281	15,733

Note: Unemployment rates have tended to fall and so have allocations. This does not mean, however, that these governments are necessarily not still suffering from cyclical economic problems. tı simply means that according to the measure of unemployment they should get less.

TABLE 7.—THE IMPACT OF THE COUNTERCYCLICAL PROGRAM ON LOCAL GOVERNMENTS IN OR BORDERING ON THE 15TH DISTRICT OF THE STATE OF ILLINOIS

County	1st quarter		2d quarter		3d quarter		Total
	Unemployment rate	Allocation	Unemployment rate	Allocation	Unemployment rate	Allocation	
Kane	7.7	$26,146	6.0	$13,438	6.1	$19,881	$59,465
De Kalb	8.5	18,073	6.8	10,992	5.7	7.957	37,022
Ford	7.1	3,139	6.0	1,613	5.9	2,069	6,821
Grundy	7.1	7,664	6.0	3,939	5.9	5,053	16,656
Kendall	7.1	4,503	6.0	2,314	5.9	2,969	9,786
La Salle	7.7	$19,918	5.5	$6,584	5.8	$11,876	$38,387
Livingston	7.7	6,842	6.0	3,516	5 9.	4,511	14,869
Marshall	7.7	2,136	6.0	1,098	5.9	1,408	4,462
Putnam	7.7	605	6.0	311	5.9	399	1,315
Woodford	7.7	4,720	6.0	2,426	5.9	3,112	10,258

Note: Unemployment rates have tended to fall and so have allocations. This does not mean, however, that these governments are necessarily not still suffering from cyclical economic problems. It simply means that according to the measure of unemployment they should get less.

TABLE 8.—IMPACT OF THE COUNTERCYCLICAL PROGRAM ON LOCAL GOVERNMENTS, 34TH DISTRICT OF THE STATE OF NEW YORK

City	First quarter		Second quarter		Third quarter		Total
	Unemployment rate	Allocation	Unemployment rate	Allocation	Unemployment rate	Allocation	
Brighton Town	5.7	$2,319	5.0	$1,025	4.5	0	$3,344
Chili Town	5.7	1,287	5.0	569	4.5	0	1,856
Clarkson Town	5.7	229	5.0	101	4.5	0	330
Gates Town	5.7	1,923	5.0	850	4.5	0	2,773
Greece Town	5.2	3,157	4.6	477	4.2	0	3,634
Hamlin Town	5.7	345	5.0	153	4.5	0	498
Henrietta Town	5.7	2,197	5.0	971	4.5	0	3,168
Irondequoit Town	5.8	4,704	5.1	2,297	4.6	0	7,001
Mendon Town	5.7	298	5.0	132	4.5	0	430
Ogden Town	5.7	767	5.0	339	4.5	0	1,106
Parma Town	5.7	775	5.0	343	4.5	0	1,118
Penfield Town	5.7	1,589	5.0	702	4.5	0	2,291
Perinton Town	5.7	2,091	5.0	924	4.5	0	3,015
Pittsford Town	5.7	1,718	5.0	759	4.5	0	2,477
Riga Town	5.7	243	5.0	107	4.5	0	350
Rush Town	5.7	201	5.0	0	4.5	0	201
Sweden Town	5.7	943	5.0	417	4.5	0	1,360
Webster	5.7	1,657	5.0	733	4.5	0	2,390
Wheatland	5.7	316	5.0	140	4.5	0	456
Brockport Village	5.7	851	5.0	376	4.5	0	1,227
Churchville Village	5.7	0	5.0	0	4.5	0	0
E. Rochester Village	5.7	660	5.0	292	4.5	0	952
Fairport Village	5.7	419	5.0	185	4.5	0	604
Hitton Village	5.7	175	5.0	0	4.5	0	175
Honeoye Falls Village	5.7	152	5.0	0	4.5	0	152
Pittsford Village	5.7	116	5.0	0	4.5	0	116
Rochester County	10.2	247,255	9.0	206,483	8.2	$235,553	689,291
Scottsville Village	5.7	121	5.0	0	4.5	0	121
Spencerport Village	5.7	184	5.0	0	4.5	0	184
Webster Village	5.7	$343	5.0	$152	4.5	0	$495
Monroe County	7.6	196,779	6.7	147,721	6.1	$149,058	493,558
Wayne County	12.3	57,295	10.9	49,728	9.9	58,215	165,238
Clyde Village	12.3	1,592	10.9	1,386	9.9	1,613	4,591
Lyons Village	12.3	3,416	10.9	2,973	9.9	3,460	9,849
Macedon Village	12.3	551	10.9	479	9.9	558	1,588
Neward Village	12.3	10,922	10.9	9,507	9.9	11,062	31,491
Palmyra Village	12.3	2,180	10.9	1,898	9.9	2,208	6,286
Red Creek Village	12.3	677	10.9	589	9.9	686	1,952
Savannah Village	12.3	332	10.9	289	9.9	337	958
Sodus Village	12.3	1,070	10.9	931	9.9	1,084	3,085
Wolcott Village	12.3	1,070	10.9	931	9.9	1,083	3,084
Sodus Point Village	12.3	549	10.9	478	9.9	557	1,584
Arcadia Town	12.3	6,267	10.9	5,455	9.9	6,348	18,070
Butler Town	12.3	1,294	10.9	1,126	9.9	1,310	3,730
Galen Town	12.3	1,832	10.9	1,595	9.9	1,856	5,283
Huron Town	12.3	735	10.9	640	9.9	745	2,120
Lyons Town	12.3	2,476	10.9	2,155	9.9	2,508	7,139
Macedon Town	12.3	3,328	10.9	2,897	9.9	3,371	9,596
Marion Town	12.3	1,880	10.9	1,636	9.9	1,904	5,420
Ontario Town	12.3	5,093	10.9	4,433	9.9	5,159	14,685
Palmyra Town	12.3	3,112	10.9	2,709	9.9	3,152	8,973
Rose Town	12.3	992	10.9	864	9.9	1,005	2,861
Savannah Town	12.3	1,167	10.9	1,016	9.9	1,182	3,365
Sodus Town	12.3	3,745	10.9	3,259	9.9	3,793	10,797
Walworth Town	12.3	3,682	10.9	3,205	9.9	3,730	10,617
Williamson Town	12.3	2,606	10.9	2,268	9.9	2,640	7,514
Wolcott Town	12.3	1,549	10.9	1,348	9.9	1,569	4,466

Note: Unemployment rates have been declining and, as a consequence, so have allocations. Even though unemployment rates have fallen substantially, allocations are holding steady and in some cases increasing slightly. This phenomenon is due most likely to the fact that smaller rural jurisdictions are dropping out of the program as their unemployment rates improve. This leaves fewer governments to compete for the relatively steady pot of national dollars. As a consequence, their "take" of the funds increases even though their employment rates are declining.

BILLS TO AMEND AND EXTEND

At the time of writing, four bills have been introduced to amend and extend Title II of the Public Works Employment Act of 1976.

H.R. 1523, H.R. 2126, H.R. 2639 (all identical) introduced by Mr. Reuss would extend the bill for 10 additional quarters.

H.R. 3730 is the Administration's bill. That has been introduced by Mr. Brooks. This bill would extend the program for 22 calendar quarters (starting April 1, 1977). It would modify the funding mechanism as follows:

CURRENT

Base funding per quarter $125,000,000 plus $62,500,000 for each ½ percentage point that the national unemployment rate if above 6 percent.

ADMINISTRATION

Base funding per quarter $125,000,000 plus $30,000,000 for each 1/10 percentage point that the national unemployment rate is above 6 percent.

The Administration's bill would also place a ceiling on total expenditures under this program to $2.25 billion to the five calendar quarters beginning July 1, 1976 and $2.25 billion for each following fiscal year.

COUNTERCYCLICAL ANTIRECESSION ASSISTANCE

Mr. WILLIAMS. Mr. President, the countercyclical antirecession assistance program enacted last year as part of the Public Works Employment Act of 1976 has proven to be a valuable and effective tool in helping State and local governments to weather the impact of the recession on their budgets. The program, which is scheduled to expire at the end of this fiscal year, is designed to relieve those financial pressures which so often force States and localities to take budgetary actions that undermine Federal recovery efforts. As an original co-sponsor of the legislation that first proposed the program, I am happy to join in sponsoring this amendment to reauthorize it.

Over the course of the last couple of years, many States and localities have been caught in a severe budget squeeze as demands for services have outstripped revenues. Because they must maintain balanced budgets, they have often had no choice but to cut services, lay off employees, or raise taxes. My home State of New Jersey is a case in point. It has suffered intensely from the recession. During the worst of our economic crisis, statewide unemployment climbed above 13 percent, and in some municipalities was even higher, as industrial production and as economic activity fell off. The sharp decline in revenues that resulted, plus the additional demands on public assistance programs and other services forced the State to enact its first income tax, raise other taxes and fees, and cut back on the services offered.

Localities have also been forced to take drastic steps to relieve the pressures on their budgets. For example, the city of Trenton, New Jersey, had to lay off 164 municipal employees, including 50 policemen, while Jersey City, New Jersey, found it necessary to reduce city employment by 306 positions. In addition, both jurisdictions have been required to raise property taxes and freeze public employee salaries. Municipalities all across the State have experienced similar financial hardships. I am sure that these conditions are familiar to cities and counties throughout our country.

The fiscal activities of State and local governments can have a profound impact on the health of our Nation's economy. Therefore, it makes little sense for the Federal Government to pursue an energetic recovery program that features tax reductions and direct employment programs, when the State and local governments are of necessity taking precisely opposite actions. The countercyclical aid program was a clear recognition on the part of Congress that we cannot achieve real economic recovery if we ignore the financial plight of our State and local governments.

The countercyclical aid program uses an allocation formula that directs money to areas with the highest unemployment because it has been found that these areas also tend to have the most acute budgetary problems. Since countercyclical aid responds to the level of unemployment, it operates only in times of economic distress, and then is designed to phase down automatically as the crisis abates. Under the existing allocation formula, $125 million is authorized for the first 6 percent of the national unemployment rate, and $62.5 million for each half percentage point above that level. Under its current authorization, the program has a ceiling of $1.25 billion. To be eligible for the program, States and localities may have unemployment rates no lower than 4.5 percent. As of April 7, 1977, the program had paid out about $1.18 billion to approximately 20,000 jurisdictions. Of that amount, the State government of New Jersey and the State's municipalities had received about $61 million. For the April–July 1977 quarter, 579 New Jersey jurisdictions received countercyclical assistance funding totaling about $18.6 million.

I am pleased to note that the program has been successful in both its operation and its effect. A recently released study conducted by the Senate Subcommittee on Intergovernmental Relations found that during the third quarter payment period—January–March 1977—75 percent of the allocations to local governments and 62 percent of the allocations to State governments went to jurisdictions with unemployment rates above 8 percent. Only 1 percent of the local allocations and 1.4 percent of the State allocations went to jurisdictions whose unemployment rate was below 5.5 percent. Thus, the program's targeting mechanism has succeeded in getting money to those areas that need it the most.

Countercyclical aid has also had a positive impact on the ability of States and localities to save or to create jobs, and thereby to maintain vital public services. The Senate subcommittee study projects that for localities alone, an expenditure of $1 billion of countercyclical aid funds means that 87,000 jobs can be saved or created. The State of New Jersey can expect to receive by October 1, 1977, a total of about $78 million in countercyclical funds under the program's original authorization and appropriation. With its share, the State government will be able to meet increased costs in the department of corrections, in the operation of State parks, in the maintenance of State highways, and in payments to medicaid and medicare recipients. In addition, New Jersey State government countercyclical assistance funds are to be used to finance 800 policemen in 28 localities around the State for a period of 6 months.

Among New Jersey's municipalities, both Jersey City and Newark, for example, have budgeted their countercyclical funds to maintain their police and fire protection services, and to rehire a number of policemen and firemen who have been laid off their jobs.

The legislation extends the authorization for the program beyond the October 1, 1977, expiration date, and fine tunes the mechanism that triggers allocations under the program.

First, $125 million would be authorized for the first 6 percent of the national unemployment rate, as is the case at present. Then, $30 million would be provided for each one-tenth of 1 percent of unemployment in excess of that 6 percent national rate. Amounts are authorized so that the new formula mechanism would be retroactive to the April–July 1977 payment period. In addition, the legislation authorizes sufficient funds to compensate for a shortfall in funding expected to occur during the July–September 1977 quarter due to higher-than-expected unemployment levels in previous months. An annual ceiling of $2.25 billion is placed on program allocations. By the end of fiscal year 1977 my own State of New Jersey can expect to receive as much as $30 million more as a result of this legislation than will be provided by the present program, based on current unemployment projections.

Mr. President, if we are to sustain and improve the economic recovery process, and if we are to make real headway against the terrible unemployment that afflicts so many of our citizens, we must provide assistance to our State and local governments until their own economies can become healthy and strong once again. The countercyclical aid program has been an innovative, effective instrument in assuring this assistance, and I believe that its reauthorizaiton is essential.

Mr. JAVITS. Mr. President, I strongly support this amendment which would continue the countercyclical assistance program for an additional six quarters.

The program which targets aid to areas of high unemployment is especially important to New York State. In my State, there are many areas of high unemployment, particularly New York City and the Buffalo area, which need this money very badly. I would have preferred a longer extension as was originally proposed in the amendment but I am willing to go along with a shorter extension in the interest of expediting enactment of this measure.

The countercyclical assistance program has worked well in providing funding to State and local governments where unemployment is severe and the impact of the recession is widely felt. We are not yet out of the woods in the Northeast and this program is still very much needed.

ANTIRECESSION ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

Mr. HUMPHREY. Mr. President, I am pleased to be a cosponsor of Senator Muskie's amendment to extend the authorization of the program to provide countercyclical aid to State and local governments.

The fiscal year crises that affected many of our State and local governments when I first offered this proposal with Senator Muskie more than a year ago continues. Each and every member of the Senate is aware of the problems created for our communities and States by our continuing high rates of unemployment and relatively slow economic growth.

State and local government taxes have been increased, taking money from the same pockets that Federal Government tax cuts sought to bolster. Expenditures have been reduced in many areas, weakening the impact of the Federal Government antirecession programs. Programs for the poor, the elderly and the handicapped—programs that provide essential social services—have been significantly reduced.

Mr. President, recession and inflation devastate all budgets—Federal, State, and local budgets and those of our families. No one can ever deny the need to provide a financial shock absorber to our State and local governments. Without such a countercyclical program, these units of government are forced to take actions that increase the difficulties faced by their citizens and undermine the effectiveness of national economic policy.

This amendment will extend, for over 5 years, a program that has been of proven value. It is simple to administer and it has worked very well to achieve the objective for which it was established. We all know that government policies that giveth and then taketh away are doomed to failure. Unless our State and local governments can plan on this type of help well into the future, its usefulness is drastically reduced.

Therefore, Mr. President, I urge all of my colleagues to join me in making the countercyclical assistance program one on which our local governments can rely upon for many years to come.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays.

Mr. CURTIS. I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Maine. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

(Mr. BIDEN assumed the Chair at this point.)

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Arkansas (Mr. Bumpers), the Senator from Virginia (Mr. Harry F. Byrd Jr.), the Senator from Nevada (Mr. Cannon), the Senator from New Hampshire (Mr. Durkin), the Senator from Colorado (Mr. Haskell), the Senator from Louisiana (Mr. Johnston), the Senator from Arkansas (Mr. McClellan), the Senator from Alabama (Mr. Sparkman), and the Senator from Idaho (Mr. Church) are necessarily absent.

I further anounce that the Senator from Hawaii (Mr. Inouye) is absent on official business.

I also announce that the Senator from North Carolina (Mr. Morgan) and the Senator from Illinois (Mr. Stevenson) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. BAKER. I announce that the Senator from New Jersey (Mr. Case), the Senator from New Mexico (Mr. Domenici), the Senator from North Carolina (Mr. Helms) and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

I also announce that the Senator from Alaska (Mr. Stevens) is absent on official business.

I further announce that the Senator from Oklahoma (Mr. Bartlett) is absent due to illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. Stevens) and the Senator from New Jersey (Mr. Case) would each vote "yea."

The result was announced—yeas 64, nays 17, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—64

Allen
Anderson
Baker
Bayh
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Chafee
Chiles
Clark
Cranston
Culver
Danforth
DeConcini
Dole
Eagleton
Eastland
Ford
Glenn
Gravel
Griffin
Hart
Hatfield
Hathaway
Heinz
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stone
Talmadge
Weicker
Williams
Zorinsky

NAYS—17

Curtis
Garn
Goldwater
Hansen
Hatch
Hayakawa
Laxalt
Lugar
McClure
Proxmire
Roth
Schmitt
Scott
Thurmond
Tower
Wallop
Young

NOT VOTING—19

Abourezk
Bartlett
Bumpers
Byrd, Harry F., Jr.
Cannon
Case
Church
Domenici
Durkin
Haskell
Helms
Inouye
Johnston
McClellan
Morgan
Schweiker
Sparkman
Stevens
Stevenson

So Mr. Muskie's amendment, as modified, was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 228

Mr. MOYNIHAN. Mr. President, I call up my amendment No. 228.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Moynihan) for himself and Mr. Young, Mr. Stafford, Mr. Magnuson, Mr. Metcalf, Mr. Javits, Mr. Schweiker, Mr. Williams, Mr. Helms, Mr. Anderson, Mr. Gravel, Mr. Schmitt, Mr. Burdick, Mr. Melcher, Mr. Chiles, Mr. Sasser, Mr. Allen, Mr. Riegle, Mr. Jackson, Mr. Griffin, Mr. Haskell, Mr. Leahy, Mr. Bentsen, Mr. Stone, Mr. Heinz, Mr. Goldwater, and Mr. Roth proposes amendment No. 228.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following new section:

SEC. . CANADIAN TAX IMPACT ON UNITED STATES BROADCASTERS.

(a) STATEMENT OF PURPOSE.—The Senate makes the following findings:

(1) The people of the United States place the utmost value on their enduring friendship and special relationship with the people of Canada;

(2) The people of Canada and the people of the United States have established singular standards of openness and candor in discussing mutual interests and concerns;

(3) The Senate is concerned that certain provisions of the Internal Revenue Code of the United States may inhibit travel by Americans to Canada; and

(4) Recent amendments to the Canadian Tax Code appear to inhibit commercial relations between Canadian businesses and American broadcasters.

(b) PRESIDENTIAL ACTION.—It is the sense of the Senate that President Carter should raise with the Government of Canada the question of the impact of the recent provisions of the Canadian Tax Code on the United States Broadcasting Industry with a view to adjusting outstanding differences.

Mr. MOYNIHAN. Mr. President, this is a direct, straightforward, matter which we discussed in the Chamber earlier this week. It concerns a provision of Canadian tax law which adversely affects communications between the United States and Canada. The Senate, in this amendment, calls upon the President to take up this matter with the Government of Canada in the spirit of comity and cooperation, in recognition that what is involved is not simply the direct commercial interest but the much larger and more important matter of free communication between our two countries.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, I am not going to ask for the yeas and nays on this amendment. While Senators are here, I ask for the yeas and nays on final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. JAVITS. Mr. President, this is a really deep and meddling question. I am heavily involved in foreign relations and open trade, just as my new colleague is getting involved. Always Americans say sure we should lead, we are strong, and we are critical makers of policy. But what about the other side? Do they ever really lean toward us and show that they understand what we are about?

Mr. President, this is a very signal example to which Senator MOYNIHAN has called our attention. Canada has treated us, in my judgment, very roughly in this matter. That is really cutting the line at the border. A country with which we have made such an advantageous agreement for both sides but still important to Canada, the automobile parts agreement, and have an open border that is so long, with friendship relations that are so close, really should handle us a lot better than that.

I think the Senator has proposed a measure which is not only tasteful and temperate, but very clear. I believe that that is the right way. I am very hopeful they will respond. But we should make it crystal clear that we do not appreciate the idea that U.S. broadcasters should be so blatantly discriminated against by the tax laws of Canada. I hope, with the Senator, that the manager of the bill may see fit to accept this amendment.

Mr. LONG. Mr. President, this is such a good amendment, I suggest, as I did last night, that we vote now and talk about it later. It is a very good amendment and has no revenue effect at all.

Mr. CURTIS and Mr. MAGNUSON addressed the Chair.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. MOYNIHAN. I yield the floor to the distinguished ranking minority member of the Committee on Finance.

Mr. CURTIS. I wish to ask a question or two.

Mr. MOYNIHAN. Yes.

Mr. CURTIS. Does this deal with any country other than Canada?

Mr. MOYNIHAN. No; it does not.

Mr. CURTIS. I am sure the Senator's statement was very clear on it. We did have some confusion over here. Will the Senator tell us again just exactly what it does?

Mr. MOYNIHAN. With respect to this tax provision, which goes into effect in September, the Senate states:

> It is the sense of the Senate that President Carter should raise with the Government of Canada the question of the impact of the recent provisions of the Canadian Tax Code on the United States Broadcasting Industry with a view to adjusting outstanding differences.

Mr. CURTIS. I have no objection to the amendment.

We do have one Member who was not aware it was coming up. He has a corollary matter he wants to inject into the discussion. I think he will be here in a moment or two.

In the meantime will the Senator from New York yield?

Mr. LONG. May I urge we set this aside for the moment and then agree to it as soon as the Senator has arrived?

Mr. MATHIAS. Mr. President, I ask unanimous consent that this matter be set aside temporarily and I may be allowed to call up my pending amendment.

The PRESIDING OFFICER. Is there objection?

Mr. MAGNUSON. Mr. President, reserving the right to object, I want to make a few remarks about this and I wish to go ahead with them now.

Mr. MATHIAS. I say to the Senator this will take, I think, 1 minute or less.

Mr. MAGNUSON. I will not object.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Maryland.

UP AMENDMENT NO. 177

Mr. MATHIAS. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

> The Senator from Maryland (Mr. MATHIAS) proposes unprinted amendment No. 177.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

> At the end of title IV of the bill add the following new section:
>
> TRANSFERS OF PARTIAL INTERESTS IN PROPERTY FOR CONSERVATION PURPOSES
>
> SEC. 408. Paragraph (4) of section 2124 of the Tax Reform Act of 1976 (relating to effective date for deductions for transfers of partial interests in property for conservation purposes) is amended by striking out "June 14, 1977" and inserting in lieu thereof "June 14, 1981".

Mr. MATHIAS. Mr. President, this amendment simply corrects a technical error which occured in the printing of the Tax Reform Act of 1976.

Amendment No. 1905, which deals with historic structures tax provisions, should have provided for a 5-year termination date which would have carried a date of June 14, 1981. In fact, the printed bill carried June 14, 1977. This amendment moves to correct to the proper date of 1981.

Mr. LONG. Mr. President, as I understand it, this amendment corrects a mistake that was made in drafting the amendment last year. We have no objection to it.

Mr. CURTIS. I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

UP AMENDMENT NO. 178

Mr. LONG. Mr. President, I ask unanimous consent that the Senator from Kentucky might offer his amendment and that the other amendment be temporarily laid aside.

The PRESIDING OFFICER. Is there objection to lay aside the amendment of the Senator from New York and proceed to the amendment of the Senator from Kentucky? If there be no objection, the Senator from Kentucky is recognized.

The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kentucky (Mr. HUDDLESTON) for himself and Mr. FORD proposes unprinted amendment No. 178.

Mr. HUDDLESTON. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the proper place insert the following new section:
>
> SEC. . (a) Section 5520 of title 5, United States Code, is amended—
>
> (1) by inserting "or county" after "city" in the heading of such section;
>
> (2) by inserting "or county" after "city" each place it appears in subsections (a) and (b) (other than in subsection (a)(1));
>
> (3) by striking out "the city" in subsection (a)(1) and inserting in lieu thereof "a designated city or county officer, department, or instrumentality";
>
> (4) by striking out "and" at the end of subsection (c)(1);
>
> (5) by redesignating paragraph (2) of subsection (c) as (4), and by inserting after paragraph (1) of such subsection the following new paragraphs:
>
> "(2) 'county' means any unit of local general government which is classified as a county by the Bureau of the Census and within the political boundaries of which 500 or more persons are regularly employed by all agencies of the Federal Government;
>
> "(3) 'ordinance' means an ordinance, order, resolution, or similar instrument which is duly adopted and approved by a city or county or in accordance with the constitution and statutes of the State in which it is located and which has the force of law within such city or county; and".
>
> (b) The table of contents of subchapter II of chapter 55 of title 5, United States Code, is amended by inserting "or county" after "city" in the item relating to section 5520.
>
> (c) The amendments made by this section shall take effect on the date of the enactment of this Act.

Mr. HUDDLESTON. Mr. President, as we know present law provides that the Treasury Department may enter into an agreement with a city to provide for the withholding of city income taxes or employment taxes from the payrolls of Federal employees. The bill does not include county governments that might also impose such a tax and may also want to enter into such an agreement. All my amendment does is add the word "county" to the list of local governments for which these agreements may be entered into on a voluntary basis with the Treasury Department. The amendment has no revenue impact at all. It is just a convenience for Federal employees and for local government units.

Mr. LONG. Mr. President, I know of no objection to the amendment. I move we accept it. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I have introduced this important amendment today to correct an inequity that exists in present law. Public Law 93-340, enacted July 10, 1974 (5 U.S.C. 5520), provides for the withholding of city income or employment taxes from the pay of Federal employees when a city ordinance provides for the collection of such taxes and imposes a duty on employers within the taxing jurisdiction to withhold taxes. The Secretary of the Treasury is required to enter into an agreement with the city to provide for such withholding from the pay of Federal employees who are regularly employed within the city. The purpose of instituting this program was twofold. First, the administrative burden of collecting these taxes is greatly reduced and it assures collection without the unnecessary procedure of instituting litigation to collect delinquent taxes. Second, the employees benefit from the small and periodic deductions which eliminate the large end-of-the-year lump sum payment that often places a significant burden upon the employees.

This withholding program for Federal employees has worked extremely well since its inception and currently there are approximately 45 agreements in effect between the Treasury Department and various cities, even though there are only 12 States which authorize cities to impose income or employment taxes.

Subsequent to the enactment of Public Law 93-340 it was discovered that there exist in many States political subdivisions which, although not incorporated as cities under the State law, nevertheless possess all or many of the powers exercised by such incorporated cities. Thus, these municipalities could not participate in the program. To alleviate this problem the House of Representatives passed H.R. 10572, which expanded the definition of a "city" under the program to include these municipalities and towns or townships. This bill was passed by the Senate on July 1, 1976, and signed into law on July 12.

It has now come to my attention that this bill—Public Law 94-358—did not go far enough in correcting the inequities in the existing program. My amendment would rectify this by extending the program to those local general governments which are classified as a "county" by the Bureau of the Census. Thus, those units of local government which impose the same type of taxes as do cities and which have the requisite number of Federal employees—500 or more—would be able to take advantage of the withholding program. Logically, there is no valid reason why this should not be allowed.

This expansion of the program will not result in placing an additional burden upon the Federal Government. The Treasury Department has informed me that probably only one county—Jefferson County, Ky.—will be affected by the change at this time. This is due to the liimted number of States that permit the imposition of income or employment taxes by local governmental units and the requirement that there be at least 500 Federal employees within the jurisdiction of the local government.

In the case of Jefferson County, experience has demonstrated that this type of program works very well. In 1973 a Federal test program was instituted in three cities—Philadelphia, St. Louis, and Louisville—to determine the feasibility of such a program by providing for voluntary deductions for Federal employees who wished to participate. Since the Louisville Sinking Fund is also responsible for collecting the taxes for Jefferson County, a special administrative ruling was obtained to make the voluntary deduction plan applicable to all the local occupational taxes collected by the commissioners of the sinking fund. Mr. Roy Owsley, secretary-treasurer of the Louisville Sinking Fund, has stated that—

> The test program worked surprisingly well. It was well received by the federal employees here in Louisville and Jefferson County. And one large group (the local Postal Service employees) not covered by the "test program" per se liked the withholdings concept so much that it worked out and implemented a separate plan of voluntary payroll allotments.

Mr. Owsley further states that the commissioners have received no complaints from Federal employees about their being subjected to withholding of city occupational taxes.

In the case of Jefferson County, there would be an additional advantage in that this change would make it possible for Federal employees to avoid having to file individual annual returns for local taxes. A local ordinance provides that the Commissioners of the sinking fund may waive the filing of an annual return in each case where the entire license due has been withheld. This in itself could eliminate a substantial amount of unnecessary and burdensome paper work, something that every elected official should be striving to do.

I believe that the benefits of extending this program will accrue to counties in the form of increased efficiency and improved service in the collection of county taxes. At a time when the cost of local services are rising, this will assist local officials in holding down administrative expenses. Furthermore, Federal employees will benefit from a tax system that does not impose a large tax bite at the end of the year.

The amendment has been reviewed by the Treasury Department, which has no objection to including counties. The cost of including counties will be minimal. Since many persons are already included in this program in Jefferson County and the Louisville Sinking Fund presently collects these taxes, costs for this program have been estimated at approximately $10,000 for implementation. No additional annualized cost is expected.

Jefferson County is now the only remaining unit of local government with 500 Federal employees not covered by this program. I can find no logical or financial reasons for withholding approval and, knowing the existing need in Jefferson County, I welcome the passage of this amendment.

Mr. FORD. Mr. President, this amendment expands the application of section 5520(c)(1) of title 5 of the United States Code to add counties to local government units permitted to withhold from Federal employees employment taxes that may be imposed.

For most local governments Public Law 93-340 solved their withholding problems. The defect that this amendment seeks to correct is that "city" was defined very narrowly and "withholding" was limited to city taxes only.

It specifically corrects a problem that exists with a local government in Louisville, Ky. The commissioners of the sinking fund of the city of Louisville collect the Louisville occupational tax on individual salaries and wages, an occupational tax for Jefferson County, the local school districts, and the mass transit authority. All four of these separate occupational taxes are filed with the sinking fund on the same return forms. The system works extremely well with a minimum cost of administration with respect to all classes of taxpayers except Federal employees. This amendment will correct that exception.

AMENDMENT NO. 228

Mr. MOYNIHAN. Mr. President, I am happy to yield to the distinguished Senator from Washington.

Mr. MAGNUSON. Mr. President, I am one of the cosponsors of the resolution by the Senator from New York. We all appreciate his attention to this matter in introducing this resolution.

Consideration had been given to acting in retaliation by tieing the issue of Canadian tax discrimination against U.S. broadcasters to the amendment to the tax bill which would have allowed Americans to deduct as business expenses conventions that might be held in Canada. But we thought a better way to get at the matter was to express the sense of the Senate in no uncertain terms about this major irritation that has been going on between us and Canada for some time.

It involves all of the broadcasting TV and radio stations along the border, including one in my own State of considerable size, in the city of Bellingham in the State of Washington, which is only about 100 miles from the large metropolitan center of Vancouver in western Canada.

The Canadians have been discriminating against us by denying a deduction for Canadian tax purposes of the cost of advertising directed primarily to a market in Canada that is broadcast from the United States. This affects stations in upper New York, my station, Erie, Pa.—I could name dozens of them; they are in Maine and all along the border; even a station in North Dakota. They are losing a great deal of advertising revenue because Canadian merchants would like to advertise to the thousands of people that move across the border and come, for example, in this case to the great metropolitan center of Vancouver for shopping purposes.

So I join with the Senator from New York. I hope the Canadians will pay attention to this, and not require us to perform some act of retaliation of a nature that might not be quite in keeping with our good relations with Canada.

The Secretary of Commerce has expressed great interest in this matter, and called it to the attention of the Canadian Industry, Trade, and Commerce Minister, Mr. Chretien.

I ask unanimous consent to have printed in the RECORD at this point a letter from Secretary of Commerce, Mrs. Kreps, commenting on the broadcasters' problem with Canada and stating the Department's position with regard to it. This matter was discussed together with a range of other issues and irritants on both sides at a recent meeting between Secretary Kreps and the Canadian Minister.

I also ask unanimous consent to have printed in the RECORD a letter which my colleague Senator JACKSON and I had sent to the Department of Commerce in anticipation of this meeting with the Canadians.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., April 15, 1977.

Hon. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MAGNUSON: Thank you for your letter of March 28 concerning U.S. broadcasters' problems with Canada's Bill C-58. As you know, on March 29 my staff and I met with Canadian Industry, Trade and Commerce Minister Chretien to discuss a range of issues of interest to both our countries. One of these issues concerned Canada's interest in Section 602 of the Tax Reform Act of 1976.

The Minister asked whether our law could be modified to mitigate its adverse impact on the Canadian tourist industry. In our response we indicated that while we like to accommodate Canadian interests where possible, we felt that an analogy could be drawn between our tax treatment of foreign convention expenses and the tax provisions of Canada's Bill C-58 relative to broadcasting. Further, we added that the analogy was reinforced by our belief that Congressional leaders responsible for modifications in U.S. tax law were, in many cases, aware of American broadcasters' difficulties resulting from the Canadian tax law.

Sincerely,

JUANITA M. KREPS.

U.S. SENATE,
Washington, D.C., March 28, 1977.

Hon. JUANITA M. KREPS,
Secretary, Department of Commerce, Washington, D.C.

DEAR SECRETARY KREPS: We understand you will meet this week with Mr. Jean Chretien, Canada's Minister of Industry, Trade, and Commerce. Further, we understand a topic for discussion may be Canada's desire to have changes made in Section 602 of the Tax Reform Act of 1976. As you know, Section 602 discourages U.S. businesses from having conventions outside the U.S. by limiting the extent to which they may deduct expenses for such conventions for U.S. tax purposes.

We feel very strongly that the U.S. should make no concessions with respect to Section 602 without first obtaining relief for U.S. broadcasters from Section 3 of Canada's Bill C-58 which was implemented on September 21, 1976. That provision denies Canadain businesses a tax deduction for the cost of advertising that is broadcast by a U.S. television station. (A deduction is permitted for advertising broadcast on Canadian stations.) Consequently, it very severely impacts U.S. television stations like KVOS-TV in Bellingham, Washington, which are located near the Canadian border and have many Canadian viewers. Enclosed is a fuller discussion of these issues.

Please let us have your views on this matter after you have met with Mr. Chretien.

Best personal regards.

Sincerely,

WARREN G. MAGNUSON,
HENRY M. JACKSON,
U.S. Senators.

Mr. MAGNUSON. I hope the Canadians will understand we mean business on this. It is discriminatory, there is no reason for it, and it might lead to some other action that might otherwise take place between these two friendly countries. It is high time they did something about this issue.

Mr. MOYNIHAN. I thank the distinguished Senator from Washington.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I have the honor to recognize the distinguished senior Senator from North Dakota, the first cosponsor of this proposal.

Mr. YOUNG. I thank the Senator.

Mr. President, broadcasters in the State of North Dakota and in that whole area are very much concerned about the problem we have with Canada. They want and need this kind of legislation, and I think it might resolve a problem which otherwise could keep on getting worse and worse.

Mr. MOYNIHAN. I thank the Senator from North Dakota for his remarks.

Mr. President, without extending unduly my own remarks, I take this occasion to call attention to the nature of the issue before us, which has to do with the free flow of information. This is a matter of commercial interest, to be sure, but that commercial interest bears on the singular aspect of broadcasting—the flow of information across our borders.

If there is one thing which has contributed to the fact that this is indeed—and never should we forget it—the longest undefended border in the world, it is that people and ideas have moved back and forth across this border freely and openly for a century and a half and more. One may say that, simply by cutting out advertising, we have only stopped one aspect of information. But we know enough about our world to know that, when you begin stopping any kind of information, you have commenced a process that never should have been begun, and one about which one can never make a decision as to where it will end.

I would like to state that, in raising this question, the many distinguished Senators who have joined in this matter want to emphasize in their opening passage that they place the utmost value on our enduring friendship and special relationship with the people of Canada. In that respect, speaking for the people of the United States, this is a matter which we raise because we care about our relationship, we want it to succeed, and we are concerned that small matters could lead to major misunderstandings. Hence we feel that this is a matter that the President should not fail to address—with Ambassador Enders and other distinguished Americans who are in Ottawa at this time.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from West Virginia?

Mr. MOYNIHAN. I yield with great pleasure to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from New York for his courtesy in yielding. I yield to the distinguished minority leader.

LEGISLATIVE PROGRAM

Mr. BAKER. Mr. President, I thank the majority leader. I think it is clear now that the tax bill is about to be disposed of. I would like, first, to express my appreciation to the majority leader, the manager of the bill, and the distinguished ranking Republican member of the committee for the efficient and expeditious way they have handled the amendments and other matters that have been taken up. I also express my appreciation to the staff on both sides for their efficient preparation and handling of this measure.

Mr. President, may I inquire what matters might be taken up when we finish with the tax bill?

Mr. ROBERT C. BYRD. Mr. President, once the Senate disposes of the tax bill today, there will be no more rollcall votes. There may be a nomination at the desk by that time, which will have been cleared on both sides, but that would be a matter of unanimous consent.

The Senate will go over from today until, I would say, 12:30 on Monday, so as to allow for a little morning business, and then, at 1 o'clock on Monday, I would like to take up the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes. That bill has been on the calendar since March 17, and has been awaiting final action on the conference report on the jobs bill, which was taken today.

That would be the bill that would be taken up Monday. There is a time agreement on that bill. I believe it provides for 30 minutes on any amendment, with a 1-hour time limitation on an amendment to be offered by Mr. SCHWEIKER. There will be rollcall votes on Monday afternoon on the bill and on amendments and motions in relation thereto.

Upon the disposition of that bill, it would be the intention of the leadership to call up the concurrent resolution on the congressional budget for fiscal year 1978. I doubt that we would get to that before Tuesday.

The Senate will come in Tuesday at 4 p.m. so as to allow a full day for committees to meet on Tuesday.

Incidentally, while I am talking, I should say again that on Thursday of next week the Senate will not come in before 4 p.m. so as to allow a full day for committees to meet. On the following week on Tuesday and Thursday thereof, the Senate will not come in prior to the hour of 4 p.m. so as to allow committees full days for meetings in anticipation of the May 15 deadline on the reporting of authorization bills.

I think that is about all I can say.

Mr. BAKER. Mr. President, I thank the majority leader. The information is most helpful. I appreciate the information.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. I again thank the distinguished Senator from New York for his yielding.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. MOYNIHAN. I yield to the Senator from Arizona.

Mr. GOLDWATER. I thank my friend from New York. Mr. President, I rise to support the amendment offered by the distinguished Senator from New York. I think the amendment is a good one. It does not directly apply to the tax bill. It does not involve money. It does not involve any changes. It merely involves a request of the President of our country, President Carter, to discuss with the leadership of the Government of Canada the problems which are involved relative to amendments to the Canadian tax code which would appear to inhibit commercial relations between Canadian business and American broadcasters.

I am sure my friend from New York has explained what this difference is.

As a resident of a State on the other border, the southern border, of our country, I can understand the problems which would exist in that part of the country if the same prohibitions were placed by a Mexican Government on businessmen in that country who desired to use American facilities. So I am in complete agreement.

As I understand, this is a case where it would apply only to three States, where in the case being addressed by Senator MOYNIHAN it applies to the States going across the whole northern tier of the United States, plus, in some cases, States that lie immediately south.

The Senator from New York has rightly noted in his amendment that the Senate is concerned that certain provisions of the Internal Revenue Code of the United States may inhibit travel by Americans to Canada.

I might add, Mr. President, as I tried to point out the other day, it inhibits travel to Mexico, it inhibits travel to the Caribbean States, and to the Bahamas.

I might point out with this opportunity, because I have the opportunity, that some of the arguments used against my amendment the other day were completely untrue and fallacious. There is nothing contained in any law which prohibits Americans from going to overseas conventions every day if they want to.

What we are complaining about in our particular law which was passed last year is the tremendous amount of redtape involved in gaining one visit to a convention outside the United States. That is something I will hope to change the next time we have a tax code revision. I have discussed this at great length with the membership of the Tax Committee in the House and they are in agreement. The President of Mexico told the President of our country when he was here, contrary to what was reported on the floor, that this was a matter of great concern to him.

I believe the Senator from New York is to be congratulated in bringing this to the attention of the Senate. I am hopeful that the House will accept it and then enlarge on its strength by adopting a similar resolution so that our President can be convinced of the real necessity. I think way back of this is a philosophical position that we do not have a border as far as Canada and the United States are concerned. We have no wire fences. We have a few places where you check in and check out. Why wreck a border by making legislative proposals in both, in the Government of Canada, and in the Government of the United States, which, in effect, put up a fence?

When we realize that one of the great strengths of the free world is going to rest some day in the countries of Canada, the United States, and Mexico, the sooner we all realize that unity has to be achieved between these countries, the better off we are going to be.

Mr. President, I sincerely hope the amendment offered by the distinguished Senator from New York will be agreed to, and I thank him for allowing me to address the Senate.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Arizona for his eloquent and important statement which refers not only to this amendment but to one which he introduced earlier this week, the movement of ideas and people across our borders. It is a fundamental concern to the Senate and to the United States. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 179

Mr. LONG. Mr. President, I have two amendments that are technical items. I send them to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. Does the Senator ask that they be considered en bloc?

Mr. LONG. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an unprinted amendment No. 179.

The amendment is as follows:

On page 41, line 14, strike out "by this chapter" and insert in lieu thereof the following: "by section 1, or against the tax imposed in lieu of the tax imposed by section 1,".

At the end thereof, insert the following new sections:

SEC. . TERMINATION OF 1975 SPECIAL PAYMENTS TO CERTAIN INDIVIDUALS.

Notwithstanding the provisions of section 702(a) of the Tax Reduction Act of 1975, no payment shall, after the date of the enactment of this Act, be made under that section.

SEC. . PAYMENTS TO THE GOVERNMENTS OF AMERICAN SAMOA, GUAM, AND THE VIRGIN ISLANDS.

(a) The Secretary of the Treasury is authorized to make separate payments to the government of American Samoa, the government of Guam, and the government of the Virgin Islands. The payment to the government of a particular possession shall be in an amount equal to the loss to that possession with respect to tax returns for the first taxable year beginning after December 31, 1976, by reason of sections 101 and 102 of this Act. Such amount shall be determined by the Secretary of the Treasury upon certification to the Secretary by the United States Government Comptrollers for Guam and the Virgin Islands.

(b) There are hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.

On page 1, beginning with line 6, strike out through the matter appearing before line 1 on page 3, and insert in lieu thereof the following:

[Table of contents to be supplied]

On page 26, line 8, strike out "TITLE II" and insert in lieu thereof "TITLE I".

On page 26, line 11, strike out "SEC. 201." and insert in lieu thereof "SEC. 101.".

On page 43, lines 8 and 9, strike out "sections 201 and 202" and insert in lieu thereof "sections 101 and 102".

On page 43, line 14, strike out "Section 143 (a)" and insert in lieu thereof "Section 143".

On page 43, line 16, before the period insert the following: "each place it appears".

On page 46, line 17, strike out "section 63 (g)(4)" and insert in lieu thereof "section 63(g)(5)".

On page 46, in the matter appearing immediately before line 20, strike out "section 63(g)(4)" and insert in lieu thereof "section 63(g)(5)".

On page 47, line 11, strike out "SEC. 202." and insert in lieu thereof "SEC. 102.".

On page 48, in lieu of the matter appearing in lines 20 and 21, insert the following:

"(c) An individual who is the head of a household (as defined in section 2(b)),".

On page 50, lines 16 and 17, strike out "Except as provided in paragraph (3), unless" and insert in lieu thereof the following: "Unless".

On page 50, beginning with line 23, strike out through line 6 on page 51 and insert in lieu thereof the following:

"(2) WHO MAY ELECT.—Except as provided in paragraph (3), an individual may make an election under this subsectiion for the taxable year only if such individual's itemized deductions exceed the zero bracket amount.

On page 51, line 11, beginning with "In the case of" strike out through line 15.

On page 53, line 19, after the period insert closing quotation marks and another period.

On page 58, line 9, strike out "SEC. 203." and insert in lieu thereof "SEC. 103.".

On page 59, line 24, strike out "SEC. 204." and insert in lieu thereof "SEC. 104.".

On page 60, lines 9 and 10, in lieu of "is not the head of a household (as defined in sectiion 2(b))," insert the following: "is not the head of a household (as defined in section 2(b)),".

On page 61, line 18, after "individual" insert "who has unearned income of $750 or more and".

On page 61, line 21, strike out "Sec. 205." and insert in lieu thereof "Sec. 105."

On page 61, strike out lines 22 and 23, and insert in lieu thereof the following:

"(a) In General.—Subsection (a) of section 3402 (relating to income taxes collected at source) is amended to read as follows:".

On page 62, line 3, strike out "April 30," and insert in lieu thereof "May 31,".

On page 62, lines 9 and 10, strike out "sections 201 and 202" and insert in lieu thereof "sections 101 and 102".

On page 62, lines 15 and 16, strike out "sections 201 and 202" and insert in lieu thereof "sections 101 and 102".

On page 63, line 6, after "subparagraph," insert "an additional".

On page 64, line 11, strike out "Sec. 206." and insert in lieu thereof "Sec. 106.".

On page 64, line 13, strike out "sections 201, 202, and 204" and insert in lieu thereof "sections 101, 102, and 104".

On page 64, line 16, strike out "section 205" and insert in lieu thereof "section 105".

On page 64, lines 16 and 17, in lieu of "April 30, 1977," insert the following: "April 30, 1977.".

On page 64, line 18, strike out "TITLE III" and insert in lieu thereof "TITLE II".

On page 64, line 20, strike out "Sec. 301." and insert in lieu thereof "Sec. 201.".

On page 89, line 1, strike out "Sec. 302." and insert in lieu thereof "Sec. 202.".

On page 104, line 23, strike out "(d)" and insert in lieu thereof "(e)".

On page 114, line 3, strike out "(e)" and insert in lieu thereof "(f)".

On page 114, line 6, strike out "TITLE IV" and insert in lieu thereof "TITLE III".

On page 114, line 10, strike out "Sec. 401." and insert in lieu thereof "Sec. 301".

On page 115, line 12, strike out "(b)" and insert in lieu thereof "(c)".

On page 115, line 18, before the period insert the following: "(determined without regard to subsection (d) of this section)".

On page 115, line 19, strike out "(C)" and insert in lieu thereof "(d)".

On page 115, line 20, strike out "subsection (d)," and insert in lieu thereof "subsection (c),".

On page 116, line 3, strike out "(d)" and insert in lieu thereof "(e)".

On page 116, lines 3 and 4, strike out "subsections (a), (b), and (c)" and insert in lieu thereof the following: "this section".

On page 116, line 12, strike out "subsection (d)" and insert in lieu thereof "subsection (c)".

On page 117, line 1, strike out "Sec. 402." and insert in lieu thereof "Sec. 302.".

On page 117, line 7, strike out "Sec. 403." and insert in lieu thereof "Sec. 303.".

On page 117, line 16, strike out "Sec. 404." and insert in lieu thereof "Sec. 304.".

On page 118, line 3, strike out "Sec. 405." and insert in lieu thereof "Sec. 305.".

On page 118, line 10, strike out "Sec. 406." and insert in lieu thereof "Sec. 306.".

On page 119, line 8, strike out "Sec. 407." and insert in lieu thereof "Sec. 307.".

On page 119, line 16, strike out "TITLE V" and insert in lieu thereof "TITLE IV".

On page 119, line 18, strike out "Sec. 501." and insert in lieu thereof "Sec. 401.".

On page 120, line 6, insert "and" immediately before "the credit".

On page 120, lines 8 through 11, strike out ", the refund of 1976 individual income taxes provided by section 6428 of such Code, and the payments provided for under Part II of title I of this Act".

On page 120, lines 16 and 17, strike out ", refund, and payments".

On page 120, line 25, strike out "May 15, 1977," and insert in lieu thereof "June 15, 1977,".

On page 121, line 2, strike out "the refund and payments" and insert in lieu thereof "the credits".

On page 121, line 6, strike out "TITLE VI" and insert in lieu thereof "TITLE V".

On page 121, line 8, strike out "Sec. 601." and insert in lieu thereof "Sec. 501.".

On page 122, line 1, strike out "Sec. 602." and insert in lieu thereof "Sec. 502.".

Mr. LONG. The technical amendments include two minor provisions which were included in title I of the bill but which are needed even though the rebate was stricken. The provisions were sections 103 and 115 of the bill. One of the technical amendments was brought to our attention by the Treasury. It is needed so that the general tax credit of $35 per person or $180 total can be built into the tax tables.

The PRESIDING OFFICER (Mr. Riegle). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 180

Mr. ALLEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. Allen) proposes unprinted amendment No. 180.

At the end of the bill add the following new section:

Sec. . In any civil action where the U.S. Government or the Internal Revenue Service is a party and in which tax liability to the Federal Government on the part of any person is asserted, the court may in its discretion award a reasonable attorney's fee to the prevailing party other than the U.S. Government or the Internal Revenue Service.

Mr. LONG. If the Senator will yield, I would be willing to take that amendment to conference and discuss it with the House.

Mr. CURTIS. No objection.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. ALLEN. Mr. President, was action taken on the amendment?

The PRESIDING OFFICER. No, the Chair had recognized the Senator from Massachusetts.

Mr. KENNEDY. Is it the same as the Senator's amendment to attorneys' fees in the civil rights bill last year?

Mr. ALLEN. Yes, with one exception. The amendment was drawn in such a way that it provided attorneys' fees where the United States was the party plaintiff, meaning such actions after the taxpayer has paid his taxes and he has to sue to get it back. The intent at this time is to cover that whole situation. That is the purpose of it.

Mr. KENNEDY. Mr. President, I shall shortly suggest the absence of a quorum. I am familiar with this provision. We did consider it as an amendment, I believe, on the antitrust bill.

Am I correct?

Mr. ALLEN. No, the civil rights bill.

Mr. KENNEDY. Yes, it was the civil rights bill, on the issue of attorneys' fees. It was stated in a certain way at that time, which conformed, I believe, as I remember it, with the view of the Senator from Alabama.

I have not had a chance to review this particular amendment and I shall want some time to do so now.

Mr. LONG. If the Senator will withhold a moment, I urge the Senator at least to consider letting us take this matter to conference. This type of thing has been agreed to by the Senate before and the House has been inclined to accept it. I do not think they will accept it in this instance.

Mr. ALLEN. I am sorry to hear the Senator say that.

Mr. LONG. I am just being honest with everybody.

Mr. KENNEDY. I would like a chance to study it. In attempting to deal with the attorneys' fees issue, we have considered legislation before the Committee on the Judiciary. We considered attorneys' fees in terms of regulatory reform, in order to speed up the whole process. We have faced a filibuster on other related questions in the past. Before we make a change now, I should like a little time to examine exactly what this provides.

I suggest the absence of a quorum to examine it, and then see where we are.

The PRESIDING OFFICER (Mr. McGovern). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 1 P.M. ON MONDAY, MAY 2, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 1 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSFER OF MEASURES TO UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are three measures on the General Orders Calendar that have been cleared for action by unanimous consent. They are Calendar Orders No. 87, 88, and 89. I ask that the clerk place them on the Unanimous-Consent Calendar for consideration next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It does not need unanimous consent.

EXECUTIVE SESSION

Mr. ROBERCT C. BYRD. Mr. President, there is a nomination at the desk which has been cleared. At the request of Mr. Sasser, I shall call it up. It has been cleared with Mr. Baker, the minority leader.

I ask unanimous consent that the Senate go into executive session to consider the nomination of Jay Solomon to be Administrator of General Services.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

GENERAL SERVICES ADMINISTRATION

The second assistant legislative clerk read the nomination of Jay Solomon, of Tennessee, to be Administrator of General Services, reported earlier today.

Mr. SASSER. Mr. President, I wish to offer my wholehearted support for the nomination of Mr. Jay Solomon as the Administrator of the General Services Administration. Jay Solomon has much to offer to this position, and he is making a great personal sacrifice to come to Washington to accept a position of immense responsibility.

I have had the distinct pleasure of knowing Jay Solomon for many years. He is a man dedicated to his country and to the principles of sound, responsive Government. This dedication will be essential as he embarks upon the task of operating this mammoth Government organization. His experience as a private businessman who has successfully established himself as an expert real estate manager will be a necessary element of his activities as Administrator of GSA.

On February 28, 1977, GSA employed 36,984 individuals. It had an annual budget in fiscal year 1976 of over $366 million. The General Service Administration has the responsibility of constructing and operating Government buildings, of procuring and distributing supplies, of utilizing and disposing of property, and of managing automatic data processing programs.

Additionally, the GSA controls the national archives and record service. The task of GSA Administrator has never been an easy one, nor will it be easy during this administration which is dedicated to streamlining the governmental bureaucracy and to eliminating waste. Jay Solomon, through his remarkable career in private business, has demonstrated that he will provide excellent leadership in this position.

A brief look at his personal business experience shows that he is more than adequately qualified to serve as GSA Administrator. Upon his graduation from Vanderbilt University in 1942, Jay Solomon joined his father in the operation of the theatre chair established by his father. In the early 1960's, Jay Solomon became active in the development of shopping centers, and is now a top executive in the Arlen Realty and Development Corp. which owns and manages 184 shopping centers.

Jay Solomon is also an admired civic leader in the Chattanooga area. He has taken an active role in the Chattanooga Housing Authority, he serves as president of the mental health association, he was president of the Jewish Welfare Federation and the Chattanooga Opera Association, and is a board member of the Family Service Association.

I am proud to recommend that my colleagues support such a distinguished person from my home State of Tennessee, and ask that his nomination be accepted so that he will have the well deserved opportunity to offer our Government his many talents.

Mr. JAVITS. Mr. President, in this particular matter, there have been letters exchanged respecting various real estate interests of Mr. Solomon. I have read those very carefully. It is my judgment that, under the circumstances of these letters, and so on, I do not wish to interpose any objection.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from New York.

Mr. PERCY. Mr. President, I wish to inform my colleagues that I will vote to confirm Mr. Joel W. Solomon as Administrator of the General Services Administration.

I do so after having carefully examined his nomination, both in terms of his qualifications and potential conflicts of interest which could occur. During the course of the past week, Mr. Solomon and I have agreed upon certain measures to remove him from any hint of suspicion regarding his holdings in Arlen Realty and Development Corp.

After a thorough investigation, I am convinced that Mr. Solomon is well-qualified for the position to which he has been nominated. As a vice president and director of the Arlen Realty and Development Corp., and as chairman of the Arlen Shopping Centers subsidiary, Mr. Solomon has earned the respect and admiration of his business colleagues. He has been called a brilliant businessman of highest integrity, and has received favorable comments from many distinguished American businessmen with whom my staff and I spoke. John L. Loeb, senior partner at Loeb, Rhoades and Co., wrote me to say:

> I have known Joel for six years as a fellow member of Arlen's board of directors and am familiar with his activities for that company. His division was always well run and profitable and based on my association with him, I believe he is well qualified for the position for which he is being considered.

Mr. Andrew Sage, vice chairman of Lehman Bros., once conducted an intensive audit of Mr. Solomon's shopping center operations. Of Mr. Solomon, Mr. Sage wrote:

> I cannot say enough words of praise. This individual combines a thoroughly delightful and friendly personality with brilliant business acumen and the highest ethical standards.

Mr. Solomon's nomination should only concern us because of his Arlen stock holdings which he intends to retain while Administrator of GSA and Arlen's dealings with GSA. Mr. Solomon owns approximately 300,000 shares of Arlen common stock, or about 1.5 percent of the total number of shares outstanding. Arlen in turn now collects approximately $1.1 million in annual rentals from GSA. As a sizable realty company which leases office space in buildings and shopping centers, it is not unlikely that Arlen might negotiate new contracts with GSA which could raise a potential conflict of interest question.

As one who has gone through a similar career change, I empathize with the difficulties of Mr. Solomon's transition. It would be unfair to ask that he suffer unnecessary financial losses, but it would also be unfair to Mr. Solomon if we do not do everything practicable to protect him from even any appearance of conflict of interest.

Because of large paper losses in his Arlen holdings, I do not believe it would be fair to ask that Mr. Solomon divest himself of his stock. To avoid conflict of interest, however, Mr. Solomon has agreed to designate responsibility to his deputy to handle any Arlen related matters, to totally insulate himself from any decisions regarding Arlen, and to direct his deputy to notify the appropriate Senate committee of any potential new developments between Arlen and GSA before any new contracts are signed.

I also asked that Mr. Solomon donate to charity any potential equity improvement in his Arlen holdings which might result from new contracts between Arlen and GSA. I believed that this would not impose an undue hardship, and would eliminate any possible conflict of interest. Mr. Solomon agrees that if Arlen is ultimately successful in its presently pending appeal to the General Services Board of Contract Appeals on Griffin Square in Dallas, Tex., to donate to charity that portion, proportionate to his share of ownership of Arlen, of any moneys paid to Arlen as a result of that appeal.

He did not agree to follow this procedure with respect to any new contract, however, as he feels that such a commitment would be unfair since it would be dependent upon circumstances over which he has no control.

To further study this matter, my staff contacted the Securities and Exchange Commission. The Securities and Exchange Commission defines an insider as an individual with a degree of control or access to information of a public corporation not available to the general public. A person is normally considered an insider when he is an officer, director, or 10-percent holder of the securities of a particular corporation. Since Mr. Solomon has agreed to resign as vice president and director of Arlen and to sever all Arlen connections, and since he holds substantially less than 10 percent of Arlen's outstanding common stock, he would under a normal interpretation of existing regulations no longer be considered an Arlen insider upon taking the oath as GSA Administrator.

In summary, I am convinced that Mr. Solomon cannot realize a profit on his Arlen holdings as a direct result of his actions as GSA Administrator. He will have no Arlen connections, will no longer be an Arlen insider, and will be totally insulated from any dealings between Arlen and GSA. In addition, he has promised that the Committee on Environment and Public Works will be notified of any possible new contracts prior to any signing of them, which information will also be available to our committee. Further, either committee will be able to call Mr. Solomon in for questioning at any time.

I would presume that Mr. Solomon's charitable contributions would be well in excess of any personal potential equity improvement resulting from new GSA-Arlen contracts. I do not, however, feel it is necessary to require him to make such contributions and the difficulty of even ascertaining what they potentially should be. I believe that in voting to confirm Mr. Solomon the Senate will have met its duty in insuring that the nominee is capable, honest, and qualified, and will not realize any financial gain in serving his country. In point of fact, as in so many cases of Presidential appointment, we can only hope that the financial loss incurred will be made up by a sense of satisfaction in serving one's country. I hope my colleagues will join in voting unanimously to confirm Mr. Solomon, and I ask that correspondence with Mr. Solomon and letters submitted in his behalf by John L. Loeb and Andrew G. C. Sage II be incorporated in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 21, 1977.

Mr. JAY SOLOMON,
Nominee for Administrator, General Services Administration, Washington, D.C.

DEAR MR. SOLOMON: It was a pleasure to meet you this morning at your confirmation hearing. I look forward to your speedy confirmation and to working with you on GSA matters in the future.

I am writing in regard to the measures we agreed upon this morning to avoid any conflict of interest regarding your holdings in Arlen Realty & Development Corp. My understanding is that you will (1) designate responsibility to your deputy to handle any Arlen related matters, (2) totally insulate yourself from any decisions regarding Arlen, (3) direct your deputy to notify the Committee of any potential new developments in Arlen–GSA relations, and before any new contracts are signed, (4) determine the anticipated profit for Arlen of any new contracts by the highest possible method of computation, and notify the Committee of this method, and (5) donate to any charity your potential equity improvement proportionate to your share of ownership of Arlen (i.e. assuming 1.5 percent ownership and $50,000 potential profit, you agree to donate $750 to charity).

At the earliest practicable date, please send the Committee a memorandum detailing your precise plans to insure that there is no possible conflict of interest. Then, after taking office, please notify us when you have officially complied with our agreement.

I consider you well qualified to be Administrator of GSA. Because of your qualifications and your forthright pledge to take the steps outlined above, I shall not hesitate to vote in favor of your nomination.

Thank you again for your candor and cooperation. I look forward to receiving your responses.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

JWS,
Washington, D.C., April 25, 1977.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to the April 21, 1977, letter from Senator Charles Percy this is to advise you and your Committee that immediately upon being sworn in as Administrator of GSA I will take the following actions:

1. Notify, in writing, the Deputy Administrator that I am to receive no information whatsoever regarding Arlen Realty and Development Corp. or its subsidiaries, concerning their potential or actual contractual relationships with GSA. The Deputy Administrator will be advised that any matters involving Arlen which would normally require the attention of the Administrator will be handled by him without my being involved or notified either before or after the fact.

2. The Deputy Administrator will be directed to advise all central GSA elements and all GSA regions to report immediately to him or his designee any negotiations with, and potential contract awards to Arlen or its subsidiaries, and to work out arrangements with the Committee staff to insure that such information is reported to the Committee in a timely manner.

3. If Arlen is ultimately successful in its presently pending appeal to the General Services Board of Contract Appeals on Griffin Square in Dallas, Texas, I will donate to charity that portion, proportionate to my share of ownership of Arlen, of any monies paid to Arlen as a result of that appeal.

I also am enclosing my responses to certain questions raised at my confirmation hearing for which answers for the record were requested.

I appreciate your helpfulness and that of the members of the Committee and its staff and look forward to working with all of you should my nomination be confirmed.

Sincerely,

JOEL W. SOLOMON.

JWS,
April 26, 1977.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Pursuant to the request of your staff, this is in further response to your April 21, 1977 letter.

Please be advised that I will direct that the information concerning negotiations and potential contract awards which are to be reported to the Committee pursuant to paragraph two of my April 25, 1977, letter to Chairman Ribicoff be reported prior to the signing of each contract.

With regard to request number four in your April 21, 1977, letter, I sincerely believe that I cannot accede to your request beyond my letter of April 25 for two reasons. First, there is no such thing as a general profit figure in real estate transactions, and calculating such a figure would be inexact at best. Second, and more important, I believe that to commit myself to donating to charity a portion of my income, dependent upon circumstances over which I have no control, could constitute an undue financial burden. This is especially true considering the small percentage of my stock holdings in Arlen, the very small percentage that Arlen's business with the General Services Administration (GSA) represents of both Arlen's and GSA's total business, and the substantial reduction in income I will incur as a result of my entering Government service.

Sincerely,

JOEL W. SOLOMON.

LOEB RHOADES & CO. INC.,
New York, April 20, 1977.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR CHUCK: I understand that Joel Solomon is being proposed as Administrator of General Services.

I have known Joel for six years as a fellow member of the Arlen's Board of Directors and am familiar with his activities for that company. His division was always well run and profitable and based on my association with him, I believe he is well qualified for the position for which he is being considered.

With kind regards,

Sincerely,

JOHN L. LOEB.

LEHMAN BROTHERS INC.,
New York, N.Y., April 21, 1977.

Attention: Mr. Dan Case
Hon. CHARLES H. PERCY,
Government Affairs Committee,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: The purpose of this letter is to make available to the Senate Government Affairs Committee such knowledge as I have relating to Mr. Joel W. Solomon.

I have known Mr. Solomon well for the past several years. He has been the chief executive of Arlen Shopping Centers, a division of Arlen Realty Incorporated, with which I have been associated for some time. My relationship with Mr. Solomon has been both a business and personal one, and on both counts I cannot say enough words of praise. This individual combines a thoroughly delightful and friendly personality with brilliant business acumen and the highest ethical standards.

My observations are not based wholly on generalities. In 1975 I directed a lengthy and detailed evaluation of all of Arlen Realty assets of which the shopping centers were a major part. Thus, I had an excellent opportunity to observe Mr. Solomon by the results of a number of years of his work. Without going into detail, I can state that I was very favorably impressed.

I hope the foregoing can be helpful to your Committee in its considerations, and I am at your service should you have any further questions.

Sincerely,

ANDREW G. C. SAGE II.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 94–399, appoints the Senator from Vermont (Mr. LEAHY) to the Temporary Commission on Financial Oversight of the District of Columbia, in lieu of the Senator from Florida (Mr. CHILES), resigned.

The Chair, on behalf of the Vice President, pursuant to Public Law 86–42, appoints the Senator from Alaska (Mr. GRAVEL) and the Senator from Maryland (Mr. SARBANES) to the Canada-United State Interparliamentary Conference, to be held in Victoria, British Columbia, May 27–31, 1977.

The Chair, on behalf of the Vice President, appoints the Senator from Massachusetts (Mr. KENNEDY) to the 30th Assembly of the World Health Organization, to be held in Geneva, Switzerland, May 2–20, 1977.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Is there objection?

Mr. ALLEN. I object.

The **PRESIDING OFFICER.** Objection is heard.

Mr. CURTIS addressed the Chair.

The **PRESIDING OFFICER.** Objection was heard to the interruption of a quorum call. The Senator from Alabama objected. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Is there objection?

Mr. ALLEN. I object, for the moment.

The **PRESIDING OFFICER.** Objection is heard.

Mr. ALLEN. I do not intend to press the objection after a very few minutes.

The **PRESIDING OFFICER.** Objection is heard.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none.

Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, one of the issues we have been wrestling with in the Judiciary Committee is how we are going to permit the regulatory agencies to function more efficiently and effectively, while assuring appropriate representation of various interest groups including public interest groups, before these agencies.

Attempting to do so, obviously, raises some very difficult questions; some are concerned about whether any legislative approach is going to become a welfare program for attorneys; others are concerned about fashioning a program that is going to permit injustices or inequities or unfairness, to be remedied, without a severe financial penalty being imposed on those attempting to remedy it.

We have dealt with the issue of attorneys' fees in civil rights cases. The Federal Trade Commission has now established a reasonable program for permitting reimbursement to the prevailing party in certain cases and has outlined rather detailed criteria for such reimbursement. Other agencies are doing similar kinds of work.

But this is an extremely thorny problem for the Judiciary Committee.

We do have legislation which I have introduced, S. 270. We completed hearings in the Administrative Practice Subcommittee earlier this year. But because there was additional interest by Members, the subcommittee is going to hold additional hearings on this issue.

The House is moving under the Danielson Committee in this area of legislation.

I know the very deep concern the Senator from Alabama has in this particular area with regard to the function of the Internal Revenue Service, I share his concerns about injustice to those who have paid a tax and are attempting to raise issues of equity and fairness, without being further penalized. This issue is related to the working and functioning of an important agency, the IRS, and how it carries out its role in tax policy.

I am more than willing to work with the Senator from Alabama to see if in the fashioning of the legislation we can accommodate those concerns which I think, in many instances, are meritorious. Also, let us see if we cannot approach it in a way which will deal with similar kinds of issues before other agencies.

I hope that he will consider that as an indication of my effort to try and work with him.

I know other members of the Judiciary Committee who are cosponsors of the legislation would feel the same way. Obviously, his positions are preserved, if we are unable to do so in the future, to offer this amendment.

I hope we can at least make the good faith effort of attempting to deal with this and related issues, and see if we can bring a proposal to the Senate which would have the support of both of us.

I am interested in the Senator's reaction.

Mr. ALLEN. I thank the distinguished Senator and I certainly do not feel his attitude is unreasonable.

The point is that at the time the bill having to do with attorneys' fees in civil rights cases was considered in the Senate, I did propose an amendment, which the Senator accepted and which was voted by the Senate, that provided that in tax cases where the Government fails in its suit against a taxpayer, the court in its discretion could grant reasonable attorney fees to the taxpayer.

It was legislative intent, certainly the intent of the author of the amendment, to have that provision apply whether the taxpaver was a defendant in the suit by the IRS or whether he had paid his taxes under protest and had then sued for his money back.

So the purpose of this amendment is only to carry out the legislative intent of what we have already done.

I do realize it is late in the day. Many Senators wish to leave. In view of the Senator's commitment or assurance that he will seek to work something out so that the wording of the statute will carry out the legislative intent of the action the Senate has already taken, I feel that the proper course for me to pursue is to withdraw the amendment.

Mr. President, I withdraw the amendment.

The **PRESIDING OFFICER.** The amendment is withdrawn.

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 3477

Mr. DOLE. Mr. President, H.R. 3477, the Tax Reduction and Simplification Act of 1977, has been modified considerably by the Senate since the Finance Committee reported out the bill. I believe that most of these changes have been improvements. The unworkable tax rebate has been dropped, the jobs tax credit is now close to what I originally offered and the provision to eliminate the retroactive taxation of sick pay has been retained. In my view, the bill should provide some meaningful, economic stimulus. All of these factors have convinced me to support the bill. There is only one major deficiency with this legislation that the Senator from Kansas believes should have been remedied in the Senate.

TAX CUT NOT INCLUDED

The amendment to H.R. 3477 to permanently reduce tax rates for most taxpayers, which I strongly supported, was defeated by the Senate. This issue would have directly helped more citizens than any other provision in this bill. Unfortunately, it became a partisan battle. Republicans almost unanimously supported this attempt to lower the tax bills of lower- and middle-income taxpayers. The amendment would have concentrated the tax relief on taxpayers with taxable incomes under $20,000. The lowest tax brackets would have had more than a 70-percent reduction in their tax liabilities. The amendment would have given relief for 90 percent of the taxpayers of this country.

ADMINISTRATION OPPOSES TAX CUT

In the budget committee, on which I serve we heard testimony from Mr. Charles Schultze, Mr. Bert Lance, and Secretary Blumenthal this week on the reasons the administration opposes any permanent tax cut now. All of the various justifications boil down to one. The President is going to propose tax reductions as part of his major tax reform bill and no action should be taken before that. The rationale apparently is that if President Carter proposes his tax reform this fall right before recess, Congress should pass the bill next year.

DELAY MORE THAN ONE YEAR

This time schedule is plainly unrealistic. As the distinguished chairman of the Finance Committee pointed out last week, Congress spent almost 4 years getting the Tax Reform Act of 1976 enacted. The comprehensive reform package the administration has promised will undoubtedly be as controversial and difficult to pass as the last tax reform bill, or perhaps even more so.

What this means to the average American is that he will have to wait probably 3 or 4 years for any tax relief. The negative votes that my Democratic colleagues cast against the tax cut were not merely to delay tax cuts for 1 year. The votes have consigned American taxpayers to at least 3 more years of higher taxes.

TAXPAYERS DESERVE RELIEF NOW

Relief for the taxpayers of America is being held hostage for some phantom tax reform package which has not even been outlined. The irony of the situation is that the same Member of Congress who fervently speak out for tax "equity" are the same Members who voted against this tax cut. What is more equitable than a tax cut concentrated on middle- and low-income taxpayers? We have offered the Senate an opportunity to restore some fairness to our tax system now, not 3 or 4 years in the future. This opportunity has been wasted.

TAX BITE GROWS WORSE EACH YEAR

The most difficult inflation-related problem every American faces is the indirect increase in taxes from year to year. Each increase in income to offset the cost of living increases the tax bite on him. For years, I have supported an indexing proposal to automatically reduce tax rates to reflect the artificial growth of income caused by inflation. An amendment to accomplish that was defeated on this bill. Another method of attacking this problem is to reduce tax rates as inflation increases. In 1977, the increases in taxes due to inflation will probably be about $5 billion. The tax cut amendment would have cost $2.5 billion in fiscal year 1977. The amendment would have partially offset the automatic tax increase due to inflation.

TAX RELIEF SHOULD HAVE BEEN GIVEN NOW

Mr. President, the Senator from Kansas is disappointed by the action of the Senate to withhold tax relief for any Americans until the undetermined future. The administration spokesmen say they are in favor of tax reductions but not now. Yet, the administration is totally unrealistic about the time it will take to get another tax bill through Congress. The effect of their opposition now is to force higher taxes on taxpayers for 3 or 4 years with no hope of any significant tax reductions. This Senator does not believe the American people should be required to wait as they apparently will under this Act.

JOBS TAX CREDIT INCLUDED

Since 1965 when it was termed the "human investment credit," I have supported the approach of reducing unemployment by giving employers a tax credit for hiring new employees. The major advantage of this over most Government programs is that the new jobs created are in the productive, private sector and usually continue after Government assistance ends. As compared to public works projects, the Government only provides a part of the salary and the worker not only has the personal satisfaction of a truly productive job, but again becomes a taxpayer.

The present Senate bill incorporates most of the provisions of legislation that I had proposed for the jobtax credit. The bill provides a credit of $2,100 for each new employee, equal to 50 percent of the FUTA wage base, which is higher than the House bill, and which I had proposed to replace the Finance Committee rate of 25 percent. This larger credit will certainly encourage more employers to take advantage of the credit.

BASE IS LOWERED

The Finance Committee bill restricted the credit to firms which hire employees in excess of 103 percent of the previous year's level. A firm with 100 employees in 1976 could only receive the credit for any employees they hired after they had 103 employees in 1977. The House bill requires 105 percent. I introduced an amendment to reduce this to 100 percent so that firms with less than normal growth could still take advantage of the jobs tax credit.

While my amendment was not adopted, the Senate did agree later to a compromise figure of 101 percent. This figure should be low enough to allow most businesses with expanding employment to take the jobs tax credit for their new employees.

My primary concern is with small businesses. These companies may only be able to hire one or two employees this year even with this tax incentive. It would not be fair to automatically eliminate many of them from the program and I am glad the Senate has responded to their situation by lowering the base.

CAP RAISED

The House version of H.R. 3477 limited the amount of credit to $40,000 per firm. The legislation that I have proposed would not make this restriction. If our goal is to create new jobs, the size of the business hiring the workers should not be a major consideration. I am pleased the Senate has agreed to raise this cap to $100,000.

HELP FOR LONG-TERM UNEMPLOYED

The present jobs tax credit does focus on the special problems of the long-term unemployed. My proposal, which I offered during our consideration, would have "targeted" the jobs tax credit even more on the workers who have been out of work the longest. In any legislation designed to create new private sector employment, there is a need to give the long-term unemployed special consideration. The support given the long-term unemployed is significant and I cosponsored the amendment.

HANDICAPPED ASSISTED

The handicapped individuals of America have been a special concern of mine for many years and I am pleased this bill contains an employment incentive for them. These people are ready and willing to work. It is unfortunate that these individuals still find some unreasonable barriers to employment. All that the handicapped citizens of America ask is a chance to prove themselves, but there continues to exist doubts among employers about the abilities of the disabled. The adoption of the amendment I cosponsored to give an additional 10 percent jobs tax credit for the employment of a handicapped person should be an effective incentive to hire these workers. By making the credit 60 percent of FUTA wages rather than the 50 percent in the House bill, I believe that a significantly larger number of jobs will be opened up to handicapped workers.

Adoption of this extra credit will show that Congress is committed to ending the economic second class citizenship of the handicapped.

SICK PAY INCLUDED

I would like to comment on one further provision of H.R. 3477, the delay of the new tax on sick pay for one year. On the first day of this Congress, I introduced S. 4, a bill to delay for 1 year the change in the taxation of certain disability pay made by the Tax Reform Act of 1976. Identical legislation was introduced in the House, and I had hoped that this retroactive imposition of taxes on retired and disabled Americans could be changed before April 15. In fact, both the House and the Senate did pass versions of the sick pay legislation which only differed when the Senate placed several unrelated amendments on the separate bill. Until the last moment, it appeared that differences could be worked out before April 15. However, the possibility of a veto by President Carter succeeded in holding the legislation until after April 15.

The independent sick pay legislation has been languishing in the House since after the Easter recess. Each day that the Congress has delayed on this legislation, thousands of taxpayers who had to borrow money to pay their 1976 taxes are paying more interest and lose the use of that money. Since both the House and the Senate have passed essentially similar versions of the sick pay legislation, it would appear that the conference committee will act favorably on the sick pay provisions. Over a million disabled and retired taxpayers are waiting for Congress to give this bill to the President. The inclusion of the sick pay change in H.R. 3477 should save it from any possible veto by the President.

While the Senator from Kansas has some reservations about some portions of this bill, I believe that overall it will benefit American taxpayers. The jobs tax credit should create more new jobs and reduce unemployment. An injustice as to the taxation of sick pay has been corrected. Other provisions of the bill will make the standard deduction for married and single taxpayers more equitable. For all of these reasons, I urge adoption of H.R. 3477.

Mr. BAYH. Mr. President, I rise to support final passage of H.R. 3477. It is a quite different bill now than most of us thought it would be a few weeks ago, but its enactment remains important.

When President Carter announced his original tax stimulus, I believed it was an appropriate response to the problems of a sluggish economy and high unemployment. Though I have never felt that a rebate was the most efficient economic stimulus, I believed President Carter's $50 plan made sense. It would have given the economy a quick shot in the arm without saddling the new administration with a large permanent revenue loss before it had an opportunity to consider its long-range plans for spending programs. I also believed that it was good tax and economic policy to raise the standard deduction. This change would pump more funds into the economy, reduce the marriage penalty, and simplify tax preparation for the vast majority of taxpayers.

The package also included incentives for business investment, which I favored, not only to stimulate the economy, but to provide for the increased industrial capacity we will need in the years to come if we are to avoid inflationary bottlenecks in supply. Rather than relying solely on a flat 2 percent increase in the investment tax credit. I would have preferred to see a major overhaul of the investment credit to provide for a credit of 15 percent for those who invested more than they had in the past—as set out in legislation I have introduced. But again, I understand the President's position that such a major reform should not be part of a quickly planned emergency tax stimulus.

As we all know, the President changed his position on the tax stimulus, because he believed economic recovery was developing more quickly and strongly than he had originally anticipated. I must confess, Mr. President, that I have great difficulty seeing the same rosy picture of the economy. Growth in the range of 4.9 percent for the rest of the year and 7 percent unemployment do not, in my mind, signify a robust recovery.

I think it is unfortunate that the President's change in position caused the Senate to strike the rebate portions from this bill. I am pleased, however, that we were able to keep at least part of the stimulus in the form of improved provisions for business taxes which establish a credit for hiring new employees as well as the increased investment tax credit. I am also pleased that we extended personal and corporate reductions made last year, and kept the amendments regarding the standard deduction.

Mr. President, it is also very important that the Senate chose to adopt a proposal I cosponsored to eliminate the retroactive tax increase resulting from the Tax Reform Act of 1976 for people eligible for the sick pay exclusion. Despite the Senate's clear support for my amendment last year to retain the sick pay exclusion, the exclusion was eliminated, and, what is worse, eliminated retroactively by the conference committee. The bill before us now will at least ease the hardship of those who received sick pay last year and then were told after the fact that they had to pay taxes on it.

Mr. President, I believe the bill before us could have been better. Yet it contains some important provisions which must be enacted quickly. I hope my colleagues will join me in supporting it, and I hope we will, indeed, have a more comprehensive tax reform package before us in the near future.

Mr. MUSKIE. Mr. President, with several major reservations, I will vote in favor of the tax legislation now before the Senate. There are a number of important provisions in this legislation I strongly support—extension of the countercyclical assistance program, extension of the temporary individual and corporate income tax reductions through 1978, and the simplification provided by the changes in the standard deduction.

However, I also want to point out those aspects of the bill which do trouble me. First, I regret the deletion of the rebate and associated payment programs which I believe constituted sound economic policy.

Second, according to preliminary staff estimates, this bill will increase the 1978 deficit by $3.7 billion over the $63.2 billion level recently recommended by the Budget Committee in the first budget resolution for 1978 which will be considered by the full Senate next week. Part of this additional deficit is caused by the lower economic activity resulting from deletion of the rebate. The remainder results from additional tax reductions adopted on the Senate floor. I urge the Senate conferees to return with a conference version of the tax bill which will be as close as possible to the more restrained Budget Committee deficit target.

Third, I regret the increased emphasis in the bill on new tax relief for business as contrasted to tax relief for individuals. Expansion of the employment tax credit through several floor amendments has increased the 1978 cost of the alternative forms of business relief from $2.4 to $3.7 billion. Moreover, as I said earlier during the debate on this bill, I do not believe the new employment tax credit will prove to be an efficient job creation program. Rather, it will provide windfalls for already rapidly expanding businesses and give no benefits at all to weaker companies struggling to retain their existing employees.

Finally, Mr. President, as chairman of the Budget Committee, I will provide preliminary staff estimates of the impact of the tax bill as amended on the Senate floor on the binding third budget resolution for 1977 and the first resolution for 1978 as reported by the Budget Committee.

Fiscal year 1977 revenues would be increased under the tax bill to $353.5 billion, or $5.8 billion over the binding revenue floor of $347.7. The Budget Committee recently voted to adjust the third budget resolution revenue floor upward by $1.6 billion to take account of technical adjustments in revenue collections. If this adjustment is accepted by Congress, the revenue floor would rise to $349.3 billion, and the gap would fall to $4.2 billion.

Due to the deletion of the rebate and associated payments from the tax bill, fiscal year 1977 outlays would fall by $2.5 billion and 1977 budget authority would fall by $3.6 billion. These totals take into account the indirect effects of the deletion of these programs on trust fund receipts and Federal unemployment compensation. The Budget Committee recently voted to adjust the third resolution outlay and budget authority totals to reflect these deletions as well as other adjustments.

With respect to fiscal year 1978, the effect of the pending bill would be to increase the deficit to $66.9 billion, or $3.7 billion over the $63.2 billion deficit recommended in the first budget resolution that will come before the Senate early next week.

Total revenue collections would be reduced by $3.2 billion. Of this amount, $1.8 billion constitutes revenue reductions contained in the tax bill in excess of the $18.4 billion of reductions assumed in the first resolution. The remaining $1.4 billion is due to projected lower economic activity resulting principally from deletion of the 1977 rebate from the fiscal policy assumed in the budget resolutions for 1977 and 1978. The deletion of the rebate also would have indirect effects on 1978 outlays and budget authority, increasing the former by $0.5 billion and decreasing the latter by $0.6 billion.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Colorado (Mr. HASKELL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Vermont (Mr. LEAHY), the Senator from New Hampshire (Mr. McINTYRE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from North Carolina (Mr. MORGAN) and the Senator from Illinois (Mr. STEVENSON) are absent because of illness.

On this vote, the Senator from New Hampshire (Mr. McINTYRE) is paired with the Senator from North Carolina (Mr. MORGAN). If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. CURTIS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Jersey (Mr. CASE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER), the Senator from New

Jersey (Mr. Case), and the Senator from Alaska (Mr. Stevens) would each vote "yea."

The result was announced—yeas 73, nays 7, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—73

Allen
Anderson
Bayh
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Chafee
Chiles
Clark
Cranston
Culver
Curtis
Danforth
DeConcini
Dole
Eagleton
Eastland
Ford
Glenn
Goldwater
Gravel
Griffin
Hansen
Hatfield
Hathaway
Hayakawa
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Kennedy
Long
Lugar
Magnuson
Mathias
Matsunaga
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Scott
Stafford
Stennis
Stone
Talmadge
Thurmond
Tower
Wallop
Weicker
Williams
Young
Zorinsky

NAYS—7

Abourezk
Garn
Hart
Hatch
Laxalt
McClure
McGovern

NOT VOTING—20

Baker
Bartlett
Bumpers
Byrd, Harry F., Jr.
Cannon
Case
Church
Domenici
Durkin
Haskell
Inouye
Johnston
Leahy
McClellan
McIntyre
Morgan
Schweiker
Sparkman
Stevens
Stevenson

So the bill (H.R. 3477) was passed.

UP AMENDMENT NO. 181

Mr. LONG. Mr. President, I send an amendment to the desk to amend the title so as to read: "An act to reduce individual and business income taxes and **to provide tax simplification and reform"**

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

> The Senator from Louisiana (Mr. Long) proposes unprinted amendment No. 181: Amend the title so as to read: "An Act to reduce individual and business income taxes and to provide tax simplification and reform".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent that the bill (H.R. 3477) be printed with the amendments of the Senate numbered, and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations, and cross references thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments to the bill H.R. 3477 and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Long, Mr. Talmadge, Mr. Ribicoff, Mr. Harry F. Byrd, Jr., Mr. Bentsen, Mr. Haskell, Mr. Curtis, Mr. Hansen, and Mr. Dole conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I congratulate the Senate on its fiscal responsibility and its restraint. There have been some very thoughtful amendments that have a lot of merit which the Senate rejected because they belong on other bills and should be considered in connection with tax simplification or energy measures.

I assure the Senate those measures which I asked to be kept from the bill, because they more properly belonged on some other measure or to be considered in connection with another bill, will be considered insofar as the Committee on Finance is concerned with our future legislation.

I now move to reconsider the vote by which the bill was passed.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CURTIS. Mr. President, I rise to express my thanks to the distinguished chairman of the Committee on Finance (Mr. Long) for his courtesy, his assistance, and his cooperation towards the minority and toward all Senators.

I also wish to have the Record note our gratitude to all the Senators who have helped carry the load here, and also the staff, both majority and minority.

Mr. LONG. Mr. President, I thank the Senator from Nebraska and the others on his side of the aisle for their courtesy and their consideration toward all of us. They have strong views. They presented them forcefully and they argued them well. In some cases they were successful and in other cases they were not, but in all respects they handled their business completely up to the finest traditions of the Senate, and I thank the Senator from Nebraska particularly for his fine leadership in that respect.

I also thank all Senators, those on this side of the aisle as well as the other side, for the cooperation they gave us in expediting the flow of this very important piece of legislation.

Mr. HANSEN. Mr. President, I wish to join in with the distinguished ranking member of the Committee on Finance in paying some very well-deserved tributes to the chairman of our committee.

I can think of few responsibilities that impose a more onerous task in the dedication to duty than does the job of being the chairman of the Committee on Finance.

I marvel every time I see our good friend, Russell Long, operate with the breadth and depth of his grasp in understanding a thousand different complex issues.

I think his performance here in the last number of days on the floor simply demonstrates and illustrates for all of us how competent and how hardworking he has to be in order to be as completely aware and knowledgeable in the various areas in which he has demonstrated his expertise.

Let me also say yesterday I was under what I am certain is a misunderstanding insofar as what I thought an agreement was. I said at the time there was no doubt in my mind that when Russell Long said he would do something, that is precisely what he would do. I just had a misunderstanding, I am certain, on what had been agreed upon, and I want to assure my good friend from Louisiana that it is a pleasure and a privilege for me to work with him because I hold him in great admiration.

Mr. LONG. I thank the Senator.

Mr. President, the Senator is always very fair. I thank him very much for his kind words. He is a great soldier for whichever side he happens to be on, and I am very happy to say that many times I am on the same side with the very able Senator, the senior Senator from Wyoming.

Mr. PERCY. Mr. President, I am not a member of the Finance Committee, but let me join in the comments praising the distinguished chairman of the committee and the distinguished ranking minority member. No one, really, outside the Senate, can appreciate the kind of work that goes into these bills. When we consider that last year we finished a 1,500-page tax bill then undertook something like this and later will have another reform bill. The extraordinary amount of time and energy on the part of the committee members becomes apparent.

I am certain that the distinguished junior Senator from New York, who has always been a workaholic himself, probably will appreciate the extraordinary number of hours that members of this committee have to put in. There are complex matters about which everyone in this country has his definite opinions, but there is no right answer for every single vote.

I commend also the distinguished Senator from Massachusetts, Senator Kennedy. I voted with him sometimes, against him at other times. But I think it is important to have a voice of opposition to test some of these ideas. Even though he knows some of them may receive only 15 or 20 votes, because he believes deeply in them, he fights for them. I admire that tremendously. I think the general public will feel that every point of view can be represented. In many instances what is 1 day the minority position becomes the majority position on another day.

Finally, I would like to express appreciation to the leadership, Senator Robert C. Byrd and Senator Baker, who persisted, when we almost recessed last night without a clear understanding about getting this job finished today, and saw that we did stay until we worked out time agreements. We are all now able to meet our commitments. We were even able to have a scheduled breakfast this morning with the French Finance Minister, Monsieur Boulin and the French Ambassador, Jacques Kosciusko-Morizet because of the consideration given to various Members.

Again I express deep appreciation to the leadership for giving kind and thoughtful consideration to the commitments Senators have and trying to accommodate as many Senators as they can. It is deeply appreciated.

I regret that a previous commitment in Illinois tonight will prevent my being at the wonderful West Virginia dinner to be attended by the two distinguished Senators from West Virginia, their new Governor and his, may I say, lovely wife.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Illinois.

May I say that the Governor of West Virginia is being honored this evening, he having been chosen as West Virginia's citizen of the year by the West Virginia Society, and it is true that his wife is lovely. She is the daughter of the distinguished Senator from Illinois (Mr. Percy), and we West Virginians are rightly proud both of Jay and Sharon.

I thank also the manager of the bill, Mr. Long, for his usual skill in handling this bill and for the splended cooperation that he has given to the leadership in its efforts to work out agreements and expedite the handling of the measure.

Also, I must congratulate Mr. Moynihan and Mr. Matsunaga, two of our new Members, who shouldered the burden from time to time in managing the bill during these last several days, and they performed the task of managing the bill in a superlative way. They took the floor upon several occasions and spoke with respect to amendments. Mr. Moynihan offered amendments as did Mr. Matsunaga. I think they provided a splendid demonstration of how new Members of the Senate have stepped into the traces and pulled their share of the load, and they have done well.

I also thank Mr. Ribicoff and Mr. Nelson for having helped at times to manage the bill. I certainly express my commendation and respect for the ranking minority member of the committee, Mr. Curtis, for the fine way in which he has handled his share of the managership of this bill throughout its long and tenuous journey.

Mr. President, I thank all members of the committee and all Members of the Senate for the cooperation that the leadership has had from them and for their understanding, as we tried to push the bill along and have the Senate work its will. And, especially, I thank the distinguished minority leader for his cooperation and help to us along the way.

Mr. STENNIS. Mr. President, will the Senator yield to me for a comment?

Mr. ROBERT C. BYRD. I yield the floor.

Mr. STENNIS. I, as a Member of the Senate, especially thank and highly commend the Senator from Louisiana and the Senator from Nebraska in their handling of this bill. There are many others who deserve credit. They have been mentioned already. I feel especially a debt of gratitude to these Senators for the way they have worked and stayed with it here in the Chamber day in and day out, including nights. I think the way they have handled it is a credit to the Senate. I am glad to say that.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senate began action on the tax bill on April 18 and continued for some 10 lengthy days on the floor. Many issues were debated and discussed at significant length; there are complex and involved issues, affecting the economy and taxpayers and tax fairness and justice.

I do think that all of us in this body owe a debt of gratitude to the chairman of the Finance Committee, Senator Long, the ranking member of the committee, Senator Curtis, and the members of the committee for bringing us to final action on this important piece of legislation.

There were a number of issues that were raised. I think all of us who proposed different amendments felt, in each and every aspect of the debate, that whether we prevailed or were unsuccessful we were fairly treated. Hopefully, as a result of raising these issues, both the Members of the Senate and the public have a better understanding of some of the public policy questions involved in major tax legislation and the issues for the future.

But I think all of us know that the chairman of the Finance Committee is without equal in terms of his knowledge, understanding, and comprehension of the Internal Revenue Code and any legislation which he floor manages. I also praise Senator Curtis, the ranking minority member of the committee, for his work and dedication to this bill.

I, also, join in congratulating the other members of the Finance Committee and the staff which helped so much. I thank the members of the committee and Mr. Paul McDaniel of my own staff for the invaluable assistance that was given to me. And I also commend Bob Shapiro and all of the members of the Joint Committee staff for their skillful assistance on this legislation.

Mr. President, on tax matters, we have now effectively cleared the decks for consideration of the President's energy tax program and other aspects of the energy program. We have also cleared the decks for the entirely necessary and essential program for real tax reform. We wait with anticipation for the recommendations that will come from the President later this year. We must do a better job of insuring that the Internal Revenue Code is fair, equitable, and simple for the average American taxpayer.

President Carter has put an extremely high priority on the issue of tax fairness, equity, and justice. I think he, as all of us, understands how complex, difficult, and challenging the task of reform is going to be. But, it is a commitment which I know he believes in deeply and it is one in which I think we have a basic responsibility to the American people.

So I, too, join my colleagues in commending the Senate leadership, Senator Robert C. Byrd and Senator Baker, for moving this legislation along and keeping our feet to the fire, and in commending the members of the committee for a job well done.

I yield the floor.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, may I ask the distinguished majority leader, is it appropriate to proceed at this time with morning business?

Mr. ROBERT C. BYRD. Yes, Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I thank the distinguished majority leader.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, if the Senator from Kansas will yield, I had promised the Senator from Wisconsin that I would call up a nomination which has been cleared with all sides with the exception of his side. If the Senator from Kansas will allow me, Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of John Howard Dalton, of Texas, to be President of the Government National Mortgage Association.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the nomination.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

The legislative clerk read the nomination of John Howard Dalton, of Texas, to be President of the Government National Mortgage Association.

The PRESIDING OFFICER. The question is on agreeing to the nomination.

Mr. PROXMIRE. Mr. President, I hope the nomination has not been confirmed. I wish to oppose the nomination.

I regret that I must rise to oppose the nomination of John Dalton to be President of the Government National Mortgage Association. I am sure it will be confirmed shortly, but I wanted to speak before the confirmation.

The Banking Committee confirmed this nomination by a vote of 14 to 1.

GNMA is an agency within the Department of Housing and Urban Development which purchases mortgages from private, primary lenders under a number of special subsidy programs. The mortgages are normally originated at below-market rates, giving a subsidy to the ultimate borrower in order to finance certain housing programs. GNMA buys them from the lender at a price which gives the latter a market rate return, and then generally resells them at a time when interest rates are as favorable as possible. GNMA usually sells its loans in the form of mortgage-backed securities, and also provides Government backing for FHA loan packages sold by private lenders.

At present, the outstanding mortgage-backed securities guaranteed by GNMA are approaching a volume of $40 billion. This is, obviously, a massive program, and I believe it demands a person of the highest qualifications and most extensive experience in the GNMA presidency.

In addition, I believe GNMA's president should be a person with a very strong housing background and orientation, because I believe GNMA can increasingly play a role in our subsidized housing programs. Most people agree that the sale of subsidized mortgages to GNMA is a very effective mechanism for moving below-market rate loans into the housing sector. I think we need innovative thinking at GNMA on how this mechanism can best be used.

Mr. President, John Dalton is clearly an extremely able individual. He is a graduate of the Naval Academy, and participated in competition for a Rhodes Scholarship. He has held highly responsible positions in the U.S. Navy, and has for 6 years been an investment counselor at a major investment firm.

However, Mr. Dalton is conspicuously lacking in any kind of housing experience. His background includes absolutely no connection with direct private-sector housing activities, such as lending or homebuilding or with academic work associated with housing issues. He also has absolutely no background in public policy, having never worked for local, State, or Federal Government in the housing field.

Mr. Dalton's background comes closest to having a connection with the housing field in the fact that it includes 6 years as an investment counselor. This is presumably the experience which led President Carter to nominate him to the GNMA presidency, since familiarity with the investment markets is unquestionably a very important qualification for this job. I was hopeful that this experience would prove sufficiently broad and housing-related that I would be able to support Mr. Dalton despite his lack of background in other aspects of the housing field.

I am afraid, however, that Mr. Dalton told the Senate Committee on Banking, Housing, and Urban Affairs, during his confirmation hearing, that he has had virtually no direct experience with the marketing of housing-related securities such as those backed by GNMA, or the obligations of the Federal Home Loan Bank System. He said that his firm had done a large amount of work with these investments, but that his personal specialization had been in other fields.

In view of the fact that Mr. Dalton neither has direct housing experience nor indirect housing experience in working with the mortgage-related investments, I must reluctantly conclude that he is not the best candidate for this position.

It means he will have to spend months and, in fact, in this complicated job, years of on-the-job training. I think our housing programs will continue to suffer because they do not have at their head the kind of hard, tough, practical experience which the position of president of Ginnie Mae should require. I hope he will be able to overcome his inexperience and become an effective Ginnie Mae president. However, I wish to go on record at this time as opposing Mr. Dalton's nomination.

The PRESIDING OFFICER. The question is on agreeing to the nomination.

The nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination of Mr. Dalton.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there was another nomination confirmed earlier today, concerning which we did not ask that the President be notified. I ask unanimous consent that the President be notified of the confirmation earlier in the day of Mr. Solomon to be Administrator of General Services Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I do not wish to impose further on the time of the distinguished Senator from Kansas. I ask unanimous consent that the Senator return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST 100 DAYS AS A PRIVATE CITIZEN

Mr. DOLE. Mr. President, besides being the anniversary of the first 100 days of the new administration, this day marks the end of Gerald R. Ford's first 100 days as a private citizen. Most of the attention understandably focuses on President Carter. But in these 100 days, the 38th President of the United States has earned the evergrowing affection and gratitude of his countrymen. Gerald Ford is held in high esteem by the American people for his statesmanlike conduct conforming to the highest standards of responsibility both in and out of public office.

He has kept busy lecturing on university campuses and participating in civic affairs. The former President traveled 20,000 miles around the country in these first 100 days and expects to log another 20,000 miles in the month of May alone. Mr. Ford found time to play in several benefit golf tournaments and to relax with his wife Betty at their new home in Palm Springs, Calif. His public statements have been honest and forthright, befitting his informed interest in public affairs. But they have been moderate and restrained in tone, befitting a former Chief Executive Gerald Ford still speaks with a strong voice in the national interest.

The Presidential transition was a model of effectiveness. All the members of the Ford administration cooperated to the utmost as the reins of power changed hands. The legacy of the Ford Presidency made it possible for the new President to begin his term in a period of relative tranquillity. Public confidence in Government had been restored. President Ford was a bridge between the troubled past and an era of hope for the future.

We are in a period of economic expansion, due in large part to the groundwork of the past administration. When President Ford left office, preparations had been virtually completed for the negotiations of a new strategic arms limitation agreement with the Soviet Union. The policies of the Ford administration opened the way to a firm peace agreement in the Middle East and the forging of an equitable solution to the instability in Africa. The strong defense posture advocated by Gerald Ford has now been confirmed and adopted by the new President.

On this observance of the completion of President Carter's first 100 days, we pause to note our respect and gratitude to the former President, Gerald R. Ford, his wife and family.

NORMALIZING RELATIONS WITH COMMUNIST REGIMES

Mr. DOLE. Mr. President, I feel compelled to express some concern about recurring suggestions that the United States reconcile its political differences with Vietnam, Cuba, and the Peoples Republic of China, with the corresponding consideration of aid and trade with those nations. The topic is particularly timely in view of recent visits by U.S. policymakers to all three countries. Two weeks ago, several of my colleagues returned from a visit to Cuba, and the first official U.S. delegation to visit Cuba in 16 years is now in Havana. Last week, a congressional delegation returned from a journey to mainland China. Just recently, a Presidential task force traveled to Hanoi, and official U.S. talks with Vietnamese officials are scheduled to begin in Paris on May 2. All of these visits have involved discussions with top-level government officials in those three countries, leading to speculation about "normalization" of U.S. relations and suggestions of U.S. trade and aid in the future. The Carter administration has given every indication it intends to pursue these ends, though the timetable is uncertain.

These initiatives have caused concern among many Americans for a number of reasons. My own mail reflects this, and I suspect that my colleagues are getting the same message. The standard question being raised is this: "Why are some of our policymakers so eager to plunge forward into uncertain relationships with the governments of these three nations? Why must the United States always be expected to concede its bargaining points without tangible signs of good faith by the other party?" These are valid questions, and ones that concern me as well. The situation calls for careful examination and discussion before any major steps are taken toward reconciliation with these three countries.

In my opinion, there are several preliminary considerations which need to be taken into account by the Carter administration, and by Congress, before serious steps are taken to normalize political or economic ties with Cuba, Vietnam, or the Peoples Republic of China. I want to take this opportunity to elaborate on these considerations, which I think reflect the valid concerns of the American constituent and taxpayer at this time.

WE HOLD THE BARGAINING CHIPS

It is important that one fundamental factor be clearly understood at the outset: the three Communist governments have as much and more to gain from improved relations with the United States, as we have to gain from the arrangement. Consequently, it would be a serious mistake—both politically and morally—for us to forge ahead with unilateral "good faith initiatives" until all outstanding differences with those governments have been fully explored and discussed. We, as a nation, have much to offer and much to expect in return. Concessions on our part must be fully matched by substantive, reciprocal concessions on the part of those with whom we would deal. And I believe there should be no formal reinstatement of diplomatic relations—and much less any discussion of economic assistance—until agreements have been reached, and genuine progress made toward resolving major problems as we see them. I will elaborate on some of these problematical points shortly.

Policymakers in the United States should recognize the potential economic benefits which Cuba, Vietnam, and mainland China will receive from political ties with the United States. It has become abundantly clear from reports in recent days that Cuban officials seek a lifting of the 17-year-old trade embargo imposed by the United States. The senior Senator from South Dakota, who has just returned from a visit to Cuba and announced his intention to seek a lifting of the U.S. trade embargo, has aptly noted that Cuba has "much to gain from commercial relations with the United States." But I do not agree that lifting that embargo will make Cuba any less committed to its aggressive policies of Communist expansion; nor do I agree that it is up to the United States to take the first step toward eliminating this and other obstacles. The precipitous plunge of world sugar prices, among other things, has driven the Cuban Government to the point of expressing interest in improved relations with our Government, and we should not be timid in identifying our own interests to Cuban authorities.

Similarly, both the Vietnamese and Communist Chinese Governments anxiously seek extensive trade in commodities with the United States, as well as U.S. assistance in development of their domestic mineral resources. The technology, heavy machinery, and the dollars available through American resources have been the incentives for moderate ideological retrenchment by both the Vietnamese and the Communist Chinese. Both countries are interested in U.S. participation in the extraction of offshore oil supplies. And the Vietnamese are said to be interested in permitting foreign investment and joint venture operations in rebuilding and developing the country's economy.

Underlying economic motives have driven these Communist governments to at least express initial interest in improving diplomatic relations with the United States. But an overreaction on our part to those gestures would be a serious mistake. We must instead realistically distinguish between their acts of economic necessity and their unchanged ideological foundations, and insist on certain preconditions before any further consideration of normalized relations is agreed to by Congress or the administration.

NECESSARY PRECONDITIONS TO RAPPROCHEMENT

Without going into a great deal of detail, I want to mention the outstanding obstacles that should be confronted prior to any consideration of normalized relations, trade, or aid with respect to these three Communist nations. We have the political leverage, and the responsibility to our citizens, to press these points and to secure meaningful agreements before formalizing relations with those countries.

In the first place, it is vital that U.S. policymakers apply the same human rights criteria to Cuba, Vietnam, and the Peoples Republic of China, which have been applied to other nations with whom we maintain friendlier relations. It is nothing short of ironic that the Carter administration proposes to improve relations with these three Communist countries—whose policies of political persecution are common knowledge—at the same time that it suggests we reduce or eliminate aid to traditional allies in Latin America, who are accused of undemocratic policies. Congressman DONALD FRASER of Minnesota was right on target when he noted earlier this year that "nothing undermines the credibility of concern about human rights more quickly than the double standard." I know of no better way to pervert the worthy moral principles of our current foreign policy objectives than to promulgate political ties with the nations in question without attention to the human rights issue. I intend to make a more detailed statement in the next few days on the evidence of political persecution and rights violations in the "new Vietnam." Inconsistency on this issue will work to our disadvantage, as well as to the disadvantage of those oppressed persons in Communist-dominated nations.

CUBA

It should be obvious that there can be no meaningful improvement in American-Cuban relations until Castro agrees to terminate his active promotion of Communist aggression in Latin America and Africa. It is an insult to the principle of self-determination that Castro still maintains a force of some 15,000 Cuban troops in Angola, 2 years after their strongarm activities won that country over to the Communists. There is strong suspicion that Cuban troops are directly or indirectly involved in the current guerrilla aggression against the territory of Zaire. And just recently, reports have indicated that Castro is sending "advisers" to Laos to help that Communist government consolidate its power against anti-Communist forces. This ambitious revolutionary activism of the Cuban dictator is an affront to the concept of self-determination which Communist leaders themselves so frequently proclaim and must be halted as a precondition to congenial relations with the United States.

Recent visitors to Cuba have relayed reports that the expiring hijack agreement between our two governments will not be renewed by the Cubans unless we first agree to lift our trade embargo. If these reports are accurate, and the Cuban Government attempts to "blackmail" the United States into political ties or economic aid, it should be clearly understood that the United States does not submit to such techniques. Renewal of the hijacking agreement and the achievement of a bilateral accord on territorial fishing rights should precede any further discussion of normalized relations.

At the same time, there must be assurances of unhampered American use of the Guantanamo base, and progress should be demonstrated toward settling the outstanding U.S. claims against property seized by the Cuban Government in 1959 and 1960—about $2 billion worth.

Those who insist that the time is at hand for the United States to demonstrate "good faith" by lifting the trade embargo have not, I suspect, fully considered the lack of good faith by the Cuban Government on these and other issues of importance to the American people. I would urge this administration, and my colleagues in Congress, to insist that these matters be properly addressed before binding agreements with the Cuban Government are consummated.

VIETNAM

In early May, the administration intends to send its representatives to Paris to initiate "normalization" talks with Vietnamese officials. Given the unrelenting demand by the Vietnam Government for U.S. postwar economic aid to "heal the wounds of war," it is likely that the Paris discussions will turn quickly to this topic. I do not believe that most American taxpayers are willing to invest U.S. dollars toward the dubious objective of normalizing relations with Vietnam. So long as there is still some question about the sincerity of Vietnamese officials in providing a full accounting for missing Americans, and so long as they insist on placing a price tag on improved relations with the United States, there would appear to be little popular support in this country for formal diplomatic relations. And, in my opinion, there is also no basis for this administration's movements in that direction.

There is no question that the Vietnamese do expect large commitments of U.S. economic aid and investment as a precondition to diplomatic ties. Both the final report of the Presidential delegation which recently visited Hanoi, as well as subsequent statements by Vietnamese officials indicate that the aid prerequisite will remain predominant.

We owe the Vietnamese nothing. They have given us no substantial indications of good faith on their own part, and we left more than $3 billion worth of U.S. weapons and goods behind in South Vietnam after the North Vietnamese invasion 2 years ago.

There is ample evidence that the Vietnamese have violated some of the most basic human rights of their own citizens and would hardly fall within the category of those law-abiding nations with which our own Government seeks to aline itself. Certainly, there should be no pursuit of diplomatic relations, U.S. investment, or U.S. aid for Vietnam until the officials of that government has demonstrated sincere progress toward resolution of the MIA question and compliance with basic human rights standards.

PEOPLE'S REPUBLIC OF CHINA

At present, U.S. relations with the people's Republic of China are on a higher plane of mutual understanding and regular contact. Since the joint communique issued by both countries at the conclusion of President Nixon's visit in 1972, both social and economic transactions have increased in frequency and substance. I do not find fault with these exchanges; they benefit both of our countries to an extent. Chances appear favorable that Communist China will be a major importer of agricultural commodities in the years ahead. I personally hope we will be able to sustain an adequate level of Sino-United States agricultural trade, so long as it continues to benefit American farmers.

The question of formal diplomatic relations with the People's Republic of China, however, is another matter. It is an issue with serious political and security implications for the Republic of China in Taiwan, which has been a long and faithful ally of the United States.

The Government of both Chinas have repeatedly indicated that they will not accept a "two-China" policy by the United States. At present, we remain one of the largest trading partners of the Republic of China, and its immediate economic and political future would be put in jeopardy if we were to recognize the People's Republic of China at this time. For this reason, it is vital that there be full discussion of the future of Taiwan, as well as assurances regarding peaceful resolution of the two-China problem, prior to establishment of formal diplomatic relations with the People's Republic of China.

However, the future of Taiwan is not the only matter that must be resolved prior to closer political ties with Communist China. Of equal significance are the issues of expropriated American property taken by the Communists in 1949, and the continued atmospheric tests of nuclear weapons by the People's Republic of China in defiance of the 1963 test ban treaty. Under the provisions of Public Law 89–780, the foreign claims, settlement commission has determined that almost $200 million worth of American properties were taken by the Communist Chinese without any compensation at the time they came to power. The majority of U.S. claimants are individuals, corporations, and nonprofit organizations. All of these validated losses were reported to the Secretary of State for the purpose of facilitating a bilateral settlement with the People's Republic of China at some future date. It should be noted that certain Chinese assets were frozen by the U.S. Government in December of 1950, in response to the Communist takeover of the mainland. These assets total approximately $76 million in current value. This matter should be finally resolved before we agree to formal political ties with the mainland.

When our former colleague, Mike Mansfield, returned from his visit to the People's Republic of China in December of 1974, he reported that "the Chinese do not appear overly concerned and are not now pressing for a quick solution" to the unsettled claims issue. Our Government should make it clear that we continue to believe that a resolution of the matter is long overdue, and must precede further progress toward diplomatic ties.

It is essential that the Chinese Communist Government agree to comply with normal standards of international conduct regarding atmospheric nuclear tests. The continued testing of Chinese hydrogen bombs in the atmosphere is a danger to the health of individuals around the world, including some of our citizens in the United States. Chinese nuclear bomb tests in September and November of 1976 raised radiation levels within the United States when huge clouds of nuclear debris passed over our Nation. This situation endangers the safety of our citizens and the safety of our food products, and should not be permitted to continue unimpeded. The Communist Chinese Government should be expected to sign and observe the 1963 Atmospheric Test Ban Treaty, just as the United States and the Soviet Union have done. I think this matter should be fully discussed and a satisfactory agreement reached before there is further talk of completely "normalizing" relations with the People's Republic of China.

The current state of United States-People's Republic of China relations are on a higher plane, and have developed further than relations with Cuba or Vietnam. However, there are major obstacles which must be confronted and settled before we agree to consideration of full diplomatic relations with the mainland Government.

NO UNILATERAL CONCESSIONS

In summary, my concern at this time is twofold. On the one hand, government officials of Cuba, Vietnam, and Communist China like to imply that it is up to the United States to demonstrate "good faith," and to take the first step in improving political and economic relations. At the same time, some of my colleagues in Congress, and some in the administration, are likewise suggesting that it is our responsibility alone to heal old wounds and initiate reconciliation with these nations.

My point is simply this: Improved relatons between the United States and Cuba, or Vietnam, or the People's Republic of China, do not depend upon a unilateral decision by the United States. Instead, those three governments must make some tough decisions of their own based on the intensity of their desire to improve relations with our Government. There is absolutely no reason why policymakers in the United States should feel obliged to bend over backwards to curry favor with these Communist regimes.

If we expect our traditional allies in Latin America and South Africa to respect human rights standards, why should we ask any less of the Communist governments? If there must be concessions made, let them be made bilaterally. And if Cuba is unwilling to restrain subversive activity in Africa; if Vietnam is unwilling to fully cooperate in accounting for American MIA's; if Communist China is unwilling to reimburse valid expropriation claims and halt atmospheric nuclear tests, then I say these governments do not warrant U.S. recognition or economic aid.

Let us not jump the gun in extending foolishly benevolent initiatives that do not have the support of the American people. If Cuba, Vietnam, and Communist China want our friendship badly enough, they will make concessions to get it. And I suggest we await their movements towards that end.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE COASTAL ZONE MANAGEMENT ACT—MESSAGE FROM THE PRESIDENT—PM 77

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to submit the fourth annual report from the Secretary of Commerce giving details of the activities of the past fiscal year as required by the Coastal Zone Management Act of 1972 (16 U.S.C. 1451). This report was prepared prior to the beginning of my Administration.

JIMMY CARTER.

THE WHITE HOUSE, *April 29, 1977*.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1231. A letter from the Secretary of Transportation transmitting, pursuant to law, the second annual report entitled "Activities Related to the Deepwater Port Act of 1974" (with an accompanying report.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Transportation relative to activities related to the Deep Water Port Act of 1974 be referred jointly to the Committees on Commerce, Science and Transportation, Environment and Public Works, and Engineering and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC-1232. A letter from the Administrator of the National Aeronautics and Space Administration transmitting, pursuant to law, a supplemental list of names to the report submitted March 23, 1977, of those present and former NASA employees who have filed reports with NASA pertaining to NASA and aerospace-related industry employment for the fiscal year ended June 30, 1976 and the transition quarter (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC-1233. A letter from the Secretary of Transportation transmitting, pursuant to law, the annual report on progress achieved and work in progress and planned with respect to the completion of the Northeast Corridor Improvement Project for the fiscal year 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC-1234. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on sales of refined petroleum products for the month of December 1976 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1235. A letter from the Director, Office of Minerals Policy and Research Analysis, of the Department of the Interior transmitting, an advance copy of the annual report on Mining and Minerals Policy (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1236. A letter from the Administrator of the U.S. Environmental Protection Agency transmitting a draft of proposed legislation to extend the Federal Water Pollution Control Act (with accompanying papers); to the Committee on Environment and Public Works.

EC-1237. A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, a request for nominations to serve as Congressional Advisers on the U.S. Delegation to the Diplomatic Conference on the Revision of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks; to the Committee on Foreign Relations.

EC-1238. A secret communication from the Comptroller General of the United States transmitting, pursuant to law, a report on the effectiveness of the attack submarine in the Direct Support Role (PSAD-77-89) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1239. A letter from the General Manager of the Washington Metropolitan Area Transit Authority transmitting, pursuant to law, the Authority's 10th annual report (with an accompanying report); to the Committee on Governmental Affairs.

EC-1340. A letter from the Commissioners of the National Study Commission on Records and Documents of Federal Officials transmitting, pursuant to law, the final report of the Commission on Records and Documents of Federal Officials (with an accompanying report); to the Committee on Governmental Affairs.

EC-1241. A letter from the Controller of the Boys' Clubs of America transmitting pursuant to law, a copy of the clubs' audited financial report for the 3-month period ending December 31, 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-1242. A letter from the Attorney General of the United States transmitting a draft of proposed legislation to implement treaties for the transfer of criminal law offenders to or from foreign countries (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Without amendment:

S. Res. 158. An original resolution authorizing additional expenditures by the Committee on Energy and Natural Resources for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 159. An original resolution authorlizing additional expenditures by the Committee on the Budget for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. ABOUREZK, from the Select Committee on Indian Affairs:

With amendments:

S. 482. A bill to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico; to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and to authorize such tribe to purchase and exchange lands in the States of New Mexico and Arizona (Rept. No. 95-111). Without amendment:

S. 838. A bill to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes (Rept. No. 95-112).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Jay Solomon, of Tennessee, to be Administrator of General Services.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. NUNN (for himself, Mr. DeConcini, Mr. Burdick, Mr. Talmadge, Mr. Chiles, Mr. Allen, Mr. Morgan, Mr. Garn, Mr. Bartlett, Mr. Goldwater, Mr. Helms, and Mr. Zorinsky):

S. 1423. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled Justices and judges of the United States, and the removal of Justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 1424. A bill to amend the Internal Revenue Code of 1954 to provide that certain income from a nonmember telephone company is not taken into account in determining whether any mutual or cooperative telephone company is exempt from income tax; to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1425. A bill to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization of appropriations; to the Committee on Commerce, Science, and Transportation.

By Mr. JAVITS (for himself, Mr. Pell, and Mr. Stone):

S. 1426. A bill to authorize the Secretary of Agriculture to make grants to States for urban forestry, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAYH:

S. 1427. A bill to provide for a partially refundable incremental investment tax credit; to the Committee on Finance.

By Mr. WEICKER:

S. 1428. A bill to amend an act for the construction, repair, and preservation of certain public works on rivers and harbors with respect to the Stamford Harbor, Conn., navigation project; to the Committee on Environment and Public Works.

By Mr. STENNIS:

S. 1429. A bill to amend the Occupational Safety and Health Act of 1970 and for other related purposes; to the Committee on Human Resources.

By Mr. DeCONCINI (for himself, Mr. Abourezk, and Mr. Thurmond):

S. 1430. A bill to improve the judicial machinery in customs courts by amending the statutory provisions relating to judicial actions and administrative proceedings in customs matters, and for other purposes; to the Committee on the Judiciary.

By Mr. GRIFFIN:

S. 1431. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in rates of tax, zero bracket amounts, and personal exemptions; to the Committee on Finance.

By Mr. GLENN:

S. 1432. A bill to provide for more efficient and effective control over the proliferation of nuclear explosives by amendments to the Atomic Energy Act of 1954, as amended, and for other purposes; jointly, by unanimous consent, to the Committee on Energy and Natural Resources, the Committee on Foreign Relations, and the Committee on Governmental Affairs, with certain instructions.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN (for himself, Mr. DeConcini, Mr. Burdick, Mr. Talmadge, Mr. Chiles, Mr. Allen, Mr. Morgan, Mr. Garn, Mr. Bartlett, Mr. Goldwater, Mr. Helms, and Mr. Zorinsky):

S. 1423. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled Justices and judges of the United States, and the removal of Justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution.

THE JUDICIAL TENURE ACT

Mr. NUNN. Mr. President, I rise today to reintroduce legislation which would establish a procedure, within the Federal judiciary, to investigate allegations that a Federal judge is not conforming to the constitutional standard of "good behavior" or that a judge is suffering from a permanent mental or physical disability that seriously interferes with the performance of the official duties. This legislation, which has become known as the Judicial Tenure Act, provides for the removal, censure, or involuntary retirement of a judge or Justice in the event that allegations of that kind prove to be meritorious. I introduced the Judicial Tenure Act in the 93rd Congress as S. 4153 and in the 94th Congress as S. 1110 and the legislation which I am introducing today, with a few constructive alterations, is substantially the same as those bills.

Many lessons should be learned from the recent experiences of the Watergate era. We were reminded that power can intoxicate its holders, and be abused by the highest governmental officials in this Nation. We all must recognize the unfortunate fact that public confidence in Government has been eroded over the past few years for many reasons, and it will continue to decline unless affirmative steps are taken, in each branch of Government, to stimulate renewed trust in public officials and institutions.

The daily news reports are replete with accounts of the new disclosure requirements being imposed on prospective Presidential appointees and of the drafting of more extensive ethical standards for Members of Congress. It is imperative that all governmental officials act to restore and maintain the public trust. I believe very strongly that in no branch of Government is this public confidence and respect more vital than in the Federal judiciary.

It would be exceedingly shortsighted to focus current reform efforts on ensuring that members of the executive and legislative branches of our Federal Government conform to legal, moral, and ethical standards of the highest order and, at the same time, to ignore the conduct and capabilities of members of the branch of Government which possesses the authority to interpret, delay, and discontinue the actions of the other two. As now Attorney General Griffin Bell stated during hearings on S. 1110 last spring.

> We are living in a time when our public institutions are under examination and the courts are not exempt. A citizen should be afforded a clear method for complaining against the courts.

Our appointed Federal judges enjoy a high degree of independence; they are not required to answer periodically to the electorate, as are the President and Members of Congress. Although the need for a substantial degree of judicial independence is clear, experience has vividly demonstrated that no one person, or group of people, can be assumed perfect and therefore left completely unchecked. Despite the overall competence and integrity of members of the Federal judiciary, an occasional judge does misbehave or become physically or mentally disabled and yet continues to exercise the authority of his office. This problem has motivated my study of the subject of judicial tenure and discipline and my introduction of this legislation.

Historically, the sole procedure which has been employed to remove a Federal judge who has misbehaved—or is disabled—for one reason or another, has been the impeachment power which is housed in articles I and II of the Constitution. A few selected statutory provisions, which generally provide administrative authority with regard to the operation of the Federal judiciary, have also been suggested as potential sources of additional disciplinary authority.

When America's Founding Fathers, in addition to requiring impeachment for the President and Vice President, provided for the impeachment of "civil officers," a term which has been interpreted to include Federal judges, they envisioned a nation comprised of 13 States with a Federal judiciary and a Congress of commensurate size and responsibility. During the course of the recently completed second session of the 94th Congress, in excess of 870 measures were passed by the U.S. Congress and 700 rollcall votes were cast in the Senate. It is unreasonable, to say the least, to assume that the House and Senate could or should lay aside all legislative business for weeks or months in order to impeach and try an obscure, yet misbehaving judge. Present law authorizes 525 Federal judges with an additional 168 retired or senior judges, a number infinitely larger than originally authorized.

The analogy of impeachment to a heavy piece of artillery, which was made by Lord Bryce, is eminently appropriate. The impeachment procedure is cumbersome and ponderous and is only practical in the most serious and flagrant cases of abuse. As a result, indiscretions which should be addressed are regularly ignored. Commonsense requires that a balance be struck between the necessity for institution of impeachment proceedings and the resultant interruption in the important legislative process. There must be a logical relationship between the importance and power of the respondent and the time required by the House to impeach and the Senate to conduct the trial.

History has borne out Thomas Jefferson's characterization of impeachment as an "impractical thing" and a "mere scarecrow." Over the course of our 200 years as a Nation, only 54 judges and one Justice have been officially investigated. Of these only 8 judges and one Justice have been successfully impeached by the House, resulting in the conviction and removal of a mere 4 judges in two centuries. The last impeachment and conviction occurred in 1936. While I am among the first to appreciate the overall quality of the Federal bench, it seems unreasonable to assert that only 4 Federal judges in our history have misbehaved or been disabled. On the contrary, the record is filled with substantial allegations levied against judges who continued to serve on the Federal bench.

The facts clearly demonstrate that impeachment has not been utilized to insure compliance with the constitutional standard of "good behavior" imposed on the Federal judiciary by article III. Moreover, except in the most flagrant and publicized cases, it is questionable whether impeachment is an appropriate means through which to decide the merits of such serious allegations. Examination of the fifth amendment and its due process safeguards raises some interesting questions regarding the propriety, if not the constitutional sufficiency, of a trial where, as Congressman Summers described the scene, "at one time only three Senators, jurors, were present and for 3 weeks we presented evidence to what was practically an empty chamber."

A point of view which is too often ignored is that of the accused judge. There is no question that society's rights must be protected, but is impeachment with its attendant public humiliation and loss of pension a proper remedy to address the problem of a senile or disabled judge who has served well but fails to recognize that the time to step down has arrived?

I believe that a thorough analysis of the impeachment procedure leads one to the inevitable conclusion that, in practical as well as legal terms, impeachment has not insured and cannot effectively insure judicial compliance with the constitutional "good behavior" standard. Woodrow Wilson states this premise most succinctly as follows, "judging by our past experiences, impeachment may be said to be little more than an empty menace."

The fact that repeated efforts have been made by scholars, jurists and legislators to develop a reasonable alternative to impeachment can be viewed as substantial evidence, in and of itself, than a need for improved judicial accountability has existed throughout our history. The dissatisfaction of Congress with the efficacy of impeachment has been evidenced by legislative efforts originating as early as 1971 when the first constitutional amendment on the subject was proposed. Nine more such amendments were offered between 1807 and 1812 as a result of the Chase impeachment, and several bills were introduced in the period 1936–1950 following the Ritter impeachment. A few statutory provisions have been enacted which have been credited with possessing varying amounts of disciplinary authority.

In particular, these statutory enactments involve the creation of the Judicial Conference of the United States in 1922 and the Administrative Office Act of 1939. Various responsibilities and duties were assigned to several entities by these statutes and the exact amount of disciplinary authority which is available under these laws has been the subject of considerable debate. It is clear that the judicial councils of each circuit, the Administrative Office of the Courts, and the Judicial Conference have been authorized to deal with the Administrative details of the Federal court system. The question remains, however, whether or not any of the statutory language authorizes the disciplining or removal, in fact or in effect, of a judge subject to the jurisdiction of the council or other entity. The courts have avoided directly addressing the question and the only consensus on the issue is that, at the least, whatever disciplinary authority may exist needs legislative clarification.

The logical and unavoidable conclusion at this point is that congressional inaction on the subject of judicial tenure and discipline has resulted in one of the three branches of our Federal Government being virtually unaccountable to anyone, even itself.

As I mentioned earlier, during the early 1800's several constitutional amendments on the subject of judicial discipline and tenure were proposed. It is in the years subsequent to the last impeachment in 1936, however, that this subject has been most clearly and carefully scrutinized.

In the late 1930's two bills were introduced in Congress on the matter of providing an alternative disciplinary and removal procedure. S. 4527, introduced by Senator William McAdoo, proposed the establishment of a special court composed of Federal Judges which would have jurisdiction over all Federal judiciary misbehavior cases, except those involving Justices of the Supreme Court. The prosecutorial role was filled by the Department of Justice and the decision could be appealed to the Supreme Court. H.R. 2271 was introduced by the chairman of the House Judiciary Committee, Hatton Sumners, and provided that the House of Representatives, by way of resolution addressed to the Chief Justice of the United States, could initiate a hearing into the behavior of an accused district judge. Prosecution was to be conducted by representatives from the House and appeal to the Supreme Court was provided. Both bills restricted the remedy to removal.

Serious legislative efforts in this regard were somewhat dormant from this period until former Senator Joseph Tydings, of Maryland, introduced the Judicial Reform Act in 1969. S. 1506 represented a novel approach to the subject because its procedures were totally confined within the Federal judiciary. A Commission on Judicial Disabilities and Tenure, composed of five Federal judges, was to act as a factfinding body with regard to any allegations of misbehavior. The Commission had the authority to dismiss a spurious complaint, or, in the event the evidence so warranted, to recommend removal of the accused judge to the Judicial Conference of the United States where a trail-like procedure would be conducted. A removal order from the Judicial Conference could be appealed to the Supreme Court.

The Judicial Tenure Act which I first introduced as S. 4153 in October 1974 and reintroduced as S. 1110 in March 1975 is patterned after the Judicial Reform Act. Following detailed review of the controlling constitutional provisions, I decided to bring Justices of the Supreme Court within the scope of the legislation because, in my view, the Constitution makes no distinction between the tenure of the Supreme Court Justices and lesser Federal judges. Article III, section 1 specifically states, "The judges both of the Supreme and inferior courts, shall hold their offices during good behavior, . . ." As far as I could determine, no persuasive legal argument could be made that the Justices of the Supreme Court should be accorded preferential treatment with regard to a standard of judicial conduct imposed by the Constitution. Several other, less controversial changes were incorporated in the Judicial Tenure Act in an effort to insure its constitutionality, particularly regarding the doctrine of separation of powers, and also to provide further procedural safeguards to the accused judge or Justice.

In the spring of 1976, hearings on the Judicial Tenure Act were conducted before the Senate Judiciary Committee's Subcommittee on Improvements in Judicial Machinery. As a result of the testimony which was received during the course of these proceedings, I have made several changes in the Judicial Tenure Act in an effort to incorporate several of the perfecting suggestions offered by the witnesses.

The purpose of the Judicial Tenure Act is to provide a mechanism within the judicial branch itself to enforce the "good behavior" standard which is imposed on the Federal judiciary by article III, section I of the Constitution. A procedure to investigate allegations that Federal judges have failed to exercise "good behavior" or charges that a judge is suffering from permanent physical or mental disability that seriously interferes with the performance of his duties is proposed to be established within the Federal judiciary.

The procedure begins with a Council on Judicial Tenure consisting of 12 members, 11 of whom represent each of the judicial circuits and a 12th member selected by all the judges of the Court of Claims, the Court of Customs and Patent Appeals and the Customs Court. The office of the executive director of the Council on Judicial Tenure is designated as a central filing point for all written complaints.

Any person may file a written complaint alleging that a particular judge or Justice has conducted himself in a fashion which constitutes grounds for discipline. An initial screening process by the Council on Judicial Tenure is contemplated so that spurious and groundless complaints may be recognized and so labelled at the outset. The Council on Tenure is authorized to dismiss any complaints which they determine to be outside of the scope of the act or frivolous in nature. It is anticipated that this procedure will eliminate most complaints brought by simply disgruntled litigants or those based merely on personality differences.

If not dismissed the complaint is referred to the Judicial Council of the appropriate circuit—or to the Chief Justice or chief judge of those courts not within the circuit structure. A written report of the Judicial Council's review is to be submitted to the Council on Tenure within 90 days. This preliminary review procedure, by the judges who should be most familiar with the activities of the accused judge, should facilitate an accurate fact determination procedure and identify any spurious complaints which survived initial screening. It is important to note that the Judicial Council's role is limited to factfinding and the power to dismiss complaints is retained by the Council on Tenure.

Upon receipt of this preliminary report the Council on Tenure may dismiss the complaint or it may order further investigation. If the latter option is initiated, notice of such action must be sent to the accused judge who has the right to submit a statement. The Council on Tenure must determine if a sufficient basis in law and fact exists to warrant a formal hearing before the Court on Judicial Discipline.

In the event that a hearing is requested, a written report setting forth the complaint and a factual summary must be filed with the Court of the Council on Tenure. During the pendency of the proceedings, the Court has authority to suspend judicial action by the accused judge.

The Court is composed of all members of the Judicial Conference of the United States, except the Chief Justice of the Supreme Court and is authorized as a court of the United States. The accused judge has the rights of notice, representation by counsel, and all other rights required by due process. The Court may order the censure or removal from office of any judge or Justice whose conduct is determined to be inconsistent with the "good behavior" standard. The Court may also order the involuntary retirement of a judge or Justice if it finds him unable to discharge one or more of the critical duties of his office. The authority to dismiss a complaint is also available at this level. An order censuring, removing or involuntarily retiring a judge or justice must be stayed pending appeal to the Supreme Court.

Such an appeal may be taken within 10 days after notice of the order by the Court by the filing of a petition with the Supreme Court. If one of the Justices of the Supreme Court is the accused, the bill automatically disqualifies the other Justices and creates a special Temporary Court of Disciplinary Review to hear the Justice's appeal. If the order by the Court on Judicial Discipline is affirmed, or if no appeal is made within the specified time, the order becomes final.

Each portion of this proposal has been subjected to scrutiny, at least in theory, since the 1930's and language has been incorporated to perfect each provision as any potential deficiency was identified. I believe that the Judicial Tenure Act represents a comprehensive and reasoned approach which, if enacted, would address many of the insufficiencies in judicial discipline which I have described.

I have examined this issue in some depth and I am convinced, along with numerous bona fide constitutional scholars and prominent individuals in the legal community, that the approach adopted by this legislation is entirely consistent with the U.S. Constitution. It is important to keep in mind that the Judicial Tenure Act is proposed as a means in addition to, not in place of impeachment.

Constitutional questions have been continuously raised by those who oppose creation of a procedure which would allow meaningful implementation of the "good behavior" standard. My intention is certainly not to cut off constructive discourse on the subject, however, the time has come to recognize the practicalities of the issue and to examine it in a broad perspective with reason and logic. Opponents rely upon the assertion that impeachment is the solitary means of removal permissible under the Constitution. I believe that it is productive to examine what the Constitution says on this issue—and, what it does not say.

The Constitution does say, in Article I, that the Houses of Congress shall have the sole powers of impeachment and trial of all civil officers. It does not say, however, that Congress shall have the sole power of removal of these officers. As a matter of fact, it was determined early in our Nation's history, that lesser executive branch officials could be removed by order of the President. The Supreme Court ruled in 1897 that the President had the authority to remove a U.S. Attorney despite the fact that the impeachment clause provides for the removal of civil officers. How can it reasonably be argued that impeachment is exclusive with regard to some "civil officers," such as judges, and not exclusive with regard to others? Moreover, if the Framers had intended impeachment to be the sole method of removal, it would have been a simple matter to employ specific language to that effect.

It is interesting to note that the extreme remedy of impeachment is provided for in article I, the legislative article, and article II, the executive article. No mention of this procedure is made in article III, the judicial article. In view of the fact that the debate by the Framers on the subject of impeachment focused almost totally on the President and that the term "civil officers" was included almost as an afterthought, one could easily assume that the Framers intended to further address the subject of tenure of Federal judges in the appropriate place, article III.

Our Federal system of Government is predicated upon the doctrine of separation of powers. The interrelating system of checks and balances was devised by a group of men concerned by abuses produced through the dominance of one branch of government, the English monarchy, over the remaining two branches. They took great care to provide elaborate safeguards to insure against history repeating itself in the American Government by formalizing the separation of powers doctrine. I believe that impeachment of Federal judges was authorized, not as an exclusive means of disciplining the judiciary, but rather as one of the limited checks by one branch of government on another. Impeachment was not intended to preclude the judiciary from disciplining itself, rather it was intended as a carefully circumscribed exception to the doctrine of separation of powers to be used in extreme cases of abuse or as a safeguard against judicial branch inaction.

If we accept the principle that impeachment of Federal judges is a limited authority granted to the legislative branch as part of the system of checks and balances, it seems logical that the Framers must have contemplated a disciplinary mechanism that would be available for less than extreme cases of abuse and in the normal course of maintaining the integrity and efficiency of the judicial branch. This mechanism was contemplated and it was logically placed in article III of the Constitution.

Professor Raoul Berger, the noted constitutional scholar, has compiled a detailed analysis of the history and precedent on which the "good behavior" clause is based. In his testimony before the Subcommittee on Improvements in Judicial Machinery, Professor Berger documented the technical legal distinction between impeachment and "good behavior" tenure. His analysis generates the unavoidable conclusion that the grounds for impeachment and the "good behavior" requirement are two distinct standards of conduct and that "good behavior" is a much more stringent standard than a prohibition against bribery, treason, or other high crimes and misdemeanors—that is, not all forms of bad behavior constitute impeachable offenses. Professor Berger pointed out that impeachment, at common law, was a criminal proceeding brought by the House of Commons in the House of Lords on charges of "treason, bribery, high crimes and misdemeanors." Berger further documented the fact that the terms "high crimes and misdemeanors" had a limited technical meaning which referred serious offenses and did not encompass all forms of misbehavior. As the House Judiciary Committee wrote in their report on the grounds for impeachment, during the Nixon impeachment deliberations, "High crimes and misdemeanors has traditionally been considered a term of art. The Supreme Court has held that such terms must be construed, not according to modern usage, but according to what the Framers meant when they adopted them." Although the Framers departed from the English model in separating the impeachment proceeding from a criminal proceeding, they intentionally retained the limited technical grounds of "high crimes and misdemeanors." Furthermore, there is no indication that the Framers intended the impeachment provisions to be a complete recitation of the causes justifying removal from office.

In contrast to impeachment, removal for breach of "good behavior" was a judicial, not legislative proceeding. Good behavior tenure was originated in the Act of Settlement in 1700 in an effort to isolate the judiciary from the arbitrary whims of the monarch. Professor Berger points out that the words "good behavior" in all commissions and grants, public and private, imparted an office or estate for the life of the grantee terminable only by his death or breach of good behavior. This termination was declared by the judiciary in a civil proceeding for forfeiture of the office which was initiated by a writ of scire facias. Its sole objective was to remove the existing officer with no penalties or disqualifications involved. When the Framers employed "good behavior", a common law term of ascertainable meaning, with no indication that it was being used in a novel fashion, they must have assumed the inclusion of similar procedures for its implementation. Such an assumption is supported by Madison's explanation to the Virginia Ratification Convention that "where a technical word was used all the incidents belonging to it necessarily attended."

A "gap" between the two standards "good behavior" and the grounds for impeachment, must therefore exist. To assume otherwise would be to claim that the grounds for impeachment and "good behavior" tenure are the same and thereby render the "good behavior" clause meaningless. The long standing constitutional principle that no clause in the Constitution is intended to be without effect will not permit this result. Therefore an alternative method to impeachment to accomplish the removal of Federal judges must have been contemplated by the Framers to provide for the removal for misbehavior or disability less serious than an impeachable offense but in derogation of the "good behavior" standard. The substance of what constitutes "misbehavior" may be open to interpretation but it is completely clear that procedurally, "good behavior" was a term involving the judicial process.

In light of the evidence, it certainly cannot be logically maintained that the Framers would have rejected a process of judicial removal other than impeachment. It seems apparent that the term "good behavior" was employed with the eminently logical intention of providing a disciplinary means, within the judiciary branch itself, in addition to the power authorized to the legislative branch through impeachement. Simple logic indicates that if an office is conferred during "good behavior" it is relinquished upon bad behavior and some means of enforcing that end must be available.

Some commentators assert that the enactment of legislation of the nature of the Judicial Tenure Act would dramatically dilute the independence of our Federal judiciary. Arguments of this kind are superficial and misleading. Judicial independence, a principle which we all agree is a precondition to an effective system of justice, has historically referred, not to the independence of judges from one another but rather to the independence of the judiciary as an institution from other branches of government. The intention of the Framers was to avoid the experiences of the British which saw the judiciary totally dominated by the King. Professor Berger noted that, "all the remarks in the several conventions that bear on judicial independence, so far as I could find, referred to freedom from legislative and executive encroachments. No one suggested that judges must be immune from traditional judicial control." The assertion that a disciplinary mechanism, totally restricted within the judiciary, infringes on judicial independence simply does not make sense.

The time has come to recognize the practicalities of the issue and to examine it in a broad perspective with reason and commonsense. It is clear that impeachment, in practical terms, is not an effective disciplinary mechanism. It is clear that the existing statutory authority is ambiguous and insufficient in this regard. It is clear that, substantial authority exists indicating that the procedure proposed by the Judicial Tenure Act is constitutional.

Attorney General Bell has stated, with regard to the Judicial Act, "I am not troubled over the constitutionality of the proposed legislation." The Judicial Tenure Act has been endorsed, in total or in principle, by the Judicial Conference of the United States, the American Bar Association, the American Judicature Society and the American Association of Attorneys General. It is clear that Congress possesses the authority to enact legislation in this regard. This authority was described in detail by Professor Berger as follows:

> Since the judicial power to declare a forfeiture on breach of a condition subsequent existed at the adoption of the Constitution, and since a dispute whether the condition was breached constitute a "case or controversy", it falls within the judicial power. Consequently, legislation that would set up a special court within the judiciary branch to adjudicate disputes whether a judge breached the "Good behavior" condition would merely entail a grant of fresh subject matter jurisdiction . . . such a grant would constitute action to supplement the "judicial power" under the "necessary and proper" clause or under the power of Congress to regulate the jurisdiction of the interior courts.

Mr. President, I am hopeful that the Judicial Tenure Act will receive expeditious approval by the Judiciary Committee so that Senate passage can be achieved in the 95th Congress.

I ask unanimous consent that the bill be printed in its entirety in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1423

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, this Act may be cited as the "Judicial Tenure Act".

PROCEDURES FOR REMOVAL AND INVOLUNTARY RETIREMENT

SEC. 2(a) Chapter 17 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

"§ 377. Council on Judicial Tenure; establishment.

"(a) There is established in the judicial branch of Government a Council on Judicial Tenure to further the honest, impartial, and efficient administration of justice in the courts of the United States in accordance with the duties imposed upon it by law. The Council is authorized to appoint and fix the compensation of an executive director and such other employees as may be necessary to carry out its duties under this Act.

The compensation of the executive director and other employees shall not exceed the compensation prescribed by law for level V of the Executive Schedule.

"(b) The Council shall be composed of one member from each circuit, one member selected by the judges of the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court. Each member shall be a judge who is in regular active service. The member from each circuit shall be elected by the circuit and district judges of each circuit at a judicial conference of each circuit held pursuant to section 333 of this title. The one member representing the Court of Claims, Court of Customs and Patent Appeals, and Customs Court shall be elected by all the judges of those courts. A judge who is a member of the Judicial Conference of the United States may not serve simultaneously as a member of the Council on Judicial Tenure. The members of the Council shall elect one of the members as Chairman of the Council.

"(c)(1) The term of each member of the Council shall be three years and a member elected to fill a vacancy shall commence a new three year term. A judge may serve on the Council for not more than two full terms.

"(2) The term of a member of the Council shall become vacant automatically when such member (A) resigns, retires, or is permanently separated from regular active service as a judicial officer, (B) becomes a member of the Judicial Conference of the United States, or (C) becomes a Justice of the United States.

"(d) Performance of duties as a member of the Council shall constitute the transaction of official business within the meaning of section 456 of this title.

"§ 378. Complaint Concerning Conduct of Justice or Judge; filing and processing.

"(a) Any person may make a complaint concerning the conduct of a Justice or judge of the United States which may be a ground for discipline as authorized in Sec. 382, or requesting the involuntary retirement of a Justice or judge under Sec. 372b of this title. The complaint shall be in writing and filed with the executive director of the Council on Judicial Tenure or with the Judicial Council of the judicial circuit within which is located a circuit or district judge's official duty station. A complaint concerning the conduct of a Justice of the United States, a judge of the Court of Claims, the Court of Customs and Patent Appeals, or the Customs Court must be filed with the executive director. If the complaint is filed with the Judicial Council of a circuit, a copy shall be transmitted to the executive director of the Council on Judicial Tenure, who shall maintain a central file of all complaints filed under this act. The executive director shall make an annual report to the Congress showing the number of complaints and the action taken on each complaint. In so reporting, the confidentiality prescribed by Sec. 381 of this title shall be observed; provided, however, that a committee of the Congress may require identification in an executive session of the committee of the Justice or judge against whom a complaint has been filed.

"(b) Any complaint filed with the executive director which, after preliminary inquiry, is found to be frivolous, outside the scope of this act or outside the jurisdiction of the Council on Judicial Tenure, shall be dismissed by written order of the Council on Judicial Tenure and the complainant shall be notified of the action taken and the reason for dismissal. Any other complaint filed initially with the executive director of the Council on Judicial Tenure shall be transmitted to the Judicial Council of the appropriate circuit, to the chief judge of the appropriate court or to the Chief Justice of the United States Supreme Court, as the case may be. Within 90 days after such transmittal, or within 90 days after filing of a complaint with the Judicial Council, the Judicial Council, the chief judge, or the Chief Justice shall cause an inquiry to be made into the allegation(s) of the complaint and shall make a written report to the Council on Judicial Tenure.

"(c) After receiving the report specified in subsection (b) it shall be the duty of the Council on Judicial Tenure to make further investigation into each written complaint, except those dismissed under the first sentence of subsection (b), and to determine whether the grounds specified in section 382 of this title for removal of a Justice or judge from office or censure or, in section 372(b) of this title for involuntary retirement of a Justice or judge, exist. If, after the investigation by the Council on Judicial Tenure, any such complaint is found to be frivolous, unwarranted, or insufficient in law or fact, the Council may dismiss such complaint.

"(d)(1) In carrying out its investigation under this section the chairman of the Council may appoint a panel, consisting of five members of the Council, as may be necessary in order that each complaint not dismissed under subsection (b) may be considered by such a panel. For the purpose of the transaction of any business a quorum of any panel appointed under paragraph (1) shall be three members. A panel shall act upon the concurrence of any three of its members.

"(2) The concurrence of seven members is required to effect a recommendation of the Council on Judicial Tenure to the Court on Judicial Discipline that a sufficient basis in law and fact exists to warrant a hearing in the Court on Judicial Discipline for the removal, censure, or involuntary retirement of a Justice or judge.

"Whenever the Council orders an investigation with respect to the removal or censure under section 382 or retirement under section 372(b) of any Justice or judge, it shall provide not less than ten days notice to such Justice or judge of the commencement of the investigation. Any Justice or judge who is the subject of such an investigation has the right to make or submit a statement in his own behalf.

"(f) If the Council determines that a sufficient basis in law and fact exists to warrant a hearing in the Court on Judicial Discipline for the removal, censure or involuntary retirement of a Justice or judge, it shall make and file a written report with the Court on Judicial Discipline setting forth the written complaint made against the Justice or judge and a summary of the factual conclusions which its investigation has disclosed. Such report shall be made not later than ninety days after the conclusion of any investigation conducted pursuant to this section. Such report shall be entered on the records of the Council on Judicial Tenure and shall be transmitted, together with any recommendation thereon, directly to the Court on Judicial Discipline, to the Justice or judge under inquiry, and the complainant.

"§ 379. Court on Judicial Discipline; Duties of the Judicial Conference relating to proceedings with respect to removal, censure, and involuntary retirement.

"(a)(1) It shall be the duty of the Judicial Conference of the United States to elect, at its annual meetings, one member of the Conference to be the presiding officer on any matter concerning the removal, censure, or involuntary retirement of a Justice or judge of the United States. The Chief Justice shall not participate in any activity or action, including the election of a presiding officer, by the Conference concerning the removal, censure, or involuntary retirement of any Justice or judge of the United States.

"(2) The Conference, or, with the concurrence of a majority of its members, a panel of nine member judges, appointed by the presiding officer elected under paragraph (1) (one of whom shall be the presiding officer elected under paragraph (1)), shall sit as a Court on Judicial Discipline to hear any cause relating to the removal, censure, or involuntary retirement of a Justice or judge of the United States.

When so sitting, the Conference or panel shall be known as the Court on Judicial Discipline and shall be a court of the United States within the meaning of section 451 of this title and may exercise all appropriate judicial powers incident or necessary to the jurisdiction conferred by this act. Upon receipt of a report from the Council on Judicial Tenure pursuant to section 378 relating to the removal, censure or involuntary retirement of a Justice or judge, the presiding officer shall convene the Court on Judicial Discipline to hear and determine the written complaint made against the Justice or judge.

"(b) The Council on Judicial Tenure, or representatives of the Council, shall appear and offer evidence in support of the written complaint and the report of the Council. Any Justice or judge whose conduct is the subject of any such inquiry shall be given adequate notice of any hearing, shall be admitted to any such hearing, may be represented by counsel, offer evidence in his own behalf, and confront and cross-examine any witness against him.

"(c) During the pendency of any proceeding under this act the Court on Judicial Discipline may order any Justice or judge of the United States who is the subject of such inquiry to cease the exercise of any judicial powers or prerogatives pending disposition of the inquiry. Such an order shall be issued over the signature of the presiding officer. During the period of suspension the Justice or judge shall continue to receive the salary of his office. Upon issuing such an order the Court on Judicial Discipline shall, after consultation with that authority within the court of the Justice or judge affected by such order who is responsible for the assigning of business to Justices or judges, formulate such orders regarding the business pending before such Justice or judge as it may deem appropriate.

"(d) The Court of Judicial Discipline shall have the power in all cases brought before it, by majority vote of the court or panel thereof

"(1) to order the censure of any Justice or judge whose conduct is found to be inconsistent with the good behavior required by the Constitution;

"(2) to order the removal from office of any such Justice or judge whose conduct is found to be inconsistent with the good behavior required by the Constitution;

"(3) to order the involuntary retirement of any Justice or judge in accordance with section 372(b) of this title; or

"(4) to dismiss any such case.

All orders of the Court on Judicial Discipline shall be in writing and any Justice or judge affected by any such order shall be so notified in writing.

"(e) No person except the Justice or judge who is the subject of an inquiry under this chapter shall be excused from complying with an order of the Court on Judicial Discipline compelling the person to testify or produce evidence on the ground that the testimony or evidence produced may tend to incriminate such person. The testimony given or evidence produced in compliance with the order, and any information directly or indirectly derived from the testimony or evidence, may not be used against the person in a criminal prosecution, except that such person shall not be exempt from prosecution and punishment for perjury committed while so testifying.

"(f)(1) The Court on Judicial Discipline shall stay any order of removal, censure, or involuntary retirement of any Justice or judge pending appeal of the case to the Supreme Court. Upon affirmance by the Supreme Court of the order of the Court on Judicial Discipline directing removal, censure, or involuntary retirement of a Justice or judge or upon the expiration of the time for seeking review of any such order without the filing of an appeal, the order of the Court on Judicial Discipline shall become final and the Justice or judge shall be censured, involuntarily retired, or removed from office according to the order of the Court on Judicial Discipline.

"(2) In any case in which a Justice or judge is removed or involuntarily retired under this chapter, the Court on Judicial Discipline shall certify, at the time its order becomes final, to the President that a vacancy exists in the office from which the Justice or judge has been removed or involuntarily retired. The President shall appoint, by and with the advice and consent of the Senate, a successor to fill any vacancy caused by the removal of a Justice or judge under this section.

"(g) The Court on Judicial Discipline shall notify the complainant and any Justice or judge of its determination that the conduct or fitness of such Justice or judge does not warrant removal, censure, or involuntary retirement.

"(h) The Conference is authorized to employ such permanent staff assistance as may be necessary to carry out its duties under this chapter. The Conference may employ on a temporary basis such other personnel as may be necessary to carry out its duties under this chapter in any particular case. The Conference may arrange for and compensate medical and other experts and reporters, and arrange for the attendance of witnesses including witnesses not subject to subpena.

"§ 380. Disqualification of judges.

"(a) A judge who is a member of the Council on Judicial Tenure or the Judicial Conference of the United States sitting as the Court on Judicial Discipline shall not sit in any proceeding of either such body when it inquires into his own conduct, fitness, or claim. No judge of the same court or circuit as the judge whose conduct, fitness, or claim is the subject of any inquiry by the Council or of any hearing by the Court on Judicial Discipline shall sit in such inquiry or hearing.

"§ 381. Confidentiality of proceedings.

"All matters filed with and all testimony or evidence given before the Council on Judicial Tenure in connection with the removal or censure of a Justice or judge under section 378 of this title or the involuntary retirement of a Justice or judge under section 372(b) of this title shall be confidential. Unless otherwise authorized by the Justice or judge whose conduct, fitness, or claim is the subject of such a proceeding under this chapter, or otherwise authorized by this section, all such matters shall remain confidential, except that the commencement of a hearing before the Court on Judicial Discipline, under section 379 of this title, shall render public the contents of the written complaint and all proceedings before the court to the extent that they are required for the disposition of the claim and for the conduct of any subsequent proceedings.

"§ 382. Removal of judges.

"(a) A Justice or judge of the United States may be removed from office or censured in accordance with the procedures established in this act upon a finding by the Court on Judicial Discipline that the conduct of such Justice or judge is or has been inconsistent with the good behavior required by article III, section 1, of the Constitution.

"(b) Conduct which shall be deemed to be inconsistent with good behavior includes, but is not limited to, wilful misconduct in office, wilful and persistent failure to perform duties of the office, habitual intemperance, or other conduct prejudicial to the administration of justice that brings the judicial office into disrepute."

(b) The analysis of chapter 17 of title 28, United States Code, is amended by adding at the end thereof the following new items:

"Sec.
"377. Council on Judicial Tenure; establishment.
"378. Complaint Concerning Conduct of Justice or Judge; filing and processing.
"379. Court on Judicial Discipline; Duties of the Judicial Conference relating to proceedings with respect to removal, censure, and involuntary retirement.
"380. Disqualification of judges.
"381. Confidentiality of proceedings.
"382. Removal of judges.

INVOLUNTARY RETIREMENT

SEC. 3. Section 372(b) of title 28, United States code, is amended to read as follows:

"(b) Whenever any Justice or judge of the United States appointed to hold office during good behavior who is eligible to retire under this section does not do so and a majority of the Court on Judicial Discipline finds, subject to the requirements of sections 378 and 379 of this title, that such Justice or judge is unable to discharge efficiently one or more of the critical duties of his office by reason of a permanent mental or physical disability, the Court on Judicial Discipline shall certify the disability of such Justice or judge from active service. Any Justice or judge who is involuntarily retired shall be entitled to salary as specified in subsection (a) of this section. Habitual intemperance that seriously interferes with the performance of any one of the critical duties of a Justice or judge may constitute a permanent disability for the purposes of this subsection provided the Justice or judge has served more than seven years in judicial office. Such Justice or judge shall then be involuntarily retired from regular active service and the Court on Judicial Discipline shall send notice of its action to the President. The President shall, by and with the advice and consent of the Senate, appoint a successor to any Justice or judge retired involuntarily under the provisions of subsection (b) of this section. Whenever such successor shall have been appointed, the vacancy subsequently caused by the death or resignation of the Justice or judge involuntarily shall not be filled."

SUPREME COURT REVIEW

SEC. 4. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

§ 1259. Court on Judicial Discipline; appeal of order.

"(a) Upon the petition of the aggrieved Justice or judge, the Supreme Court shall review the order of the Court of Judicial Discipline pursuant to chapter 17 of this title, that such Justice or judge be censured, involuntarily retired, or removed from office for conduct inconsistent with the good behavior required by article III of the Constitution: *Provided, however,* That if the petition for review is filed by a Justice of the Supreme Court, all Justices of the Supreme Court shall be automatically disqualified in said matter and the appeal shall be heard and determined by the court specified in subsection (b) of this section. Review under this section shall not be had unless such petition is filed within ten days after written notice of the order of the Court on Judicial Discipline is received by such Justice or judge.".

"(b) There is hereby created a Court of the United States to be known as the Temporary Court of Disciplinary Review, which shall consist of seven judges to be designated and assigned by the presiding officer of the Court on Judicial Discipline from judges of the Circuit Courts of Appeals, which designation and assignment shall be made within ten days after the filing in the Supreme Court of a petition by a Justice of the Supreme Court for review of an order of the Court on Judicial Discipline. The designating and assigning officer shall designate one of such judges as chief judge of the court and may from time to time designate additional judges for such court and revoke previous designations. No judge who is serving on the Council of Judicial Tenure or who is a member of the Judicial Conference of the United States may be designated or assigned to serve on the Temporary Court of Disciplinary Review.

(2) The Temporary Court of Disciplinary Review shall have exclusive jurisdiction of any appeal taken to review an order of the Court on Judicial Discipline ordering the censure, involuntary retirement or removal of a Justice of the Supreme Court and while exercising such jurisdiction shall possess all powers exercisable by the Supreme Court of the United States pursuant to subsection (a) of this section."."

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"1259. Court on Judicial Discipline; appeal of order.

ASSIGNMENT OF RETIRED JUDGE

SEC. 5. (a) Section 294(a) of title 28, United States Code, is amended by striking out "retired" and by inserting immediately after "Court" the following: "who has voluntarily retired".

(b) Section 294(c) of title 28, United States Code, is amended by inserting in the first sentence, after the word "Any", the word "voluntarily".

MISCELLANEOUS

SEC. 6. Section 604 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) The Director shall provide facilities and pay necessary expenses incurred by the Court on Judicial Discipline, the Temporary Court of Disciplinary Review and the Council on Judicial Tenure under chapter 17 of this title including mileage allowance and witness fees at the same rate as provided in section 1821 of this title.".

SEC. 7. Section 569(b) of title 28, United States Code, is amended immediately after "Canal Zone" by inserting "and of the Court on Judicial Discipline and the Council on Judicial Tenure under chapter 17 of this title".

SEC. 8. (a) Within one hundred and eighty days after the date of enactment of this Act, the judges of each circuit, and the judges of the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court shall elect the members to serve on the Council on Judicial Tenure in accordance with section 377(b) of title 28, United States Code (as added by section 2(a) of this Act).

(b) Within one year after the date of enactment of this Act, the Council on Judicial Tenure and the Court on Judicial Discipline shall each promulgate rules for the conduct of its activities, which rules shall be matters of public record, and shall be effective upon promulgation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. DECONCINI. Mr. President, it is a privilege to join with my distinguished colleague from Georgia (Mr. NUNN) in cosponsoring the Judicial Tenure Act. This legislation was approved during the 94th Congress by the Subcommittee on Improvements in Judicial Machinery after 5 days of comprehensive hearings. The legislation establishes an effective alternative to the impeachment process for removing misbehaving or disabled Federal judges from office.

Currently, impeachment is the only remedy available for removing a misbehaving or disabled judge. History demonstrates that impeachment is a complex, slow, and cumbersome process, and is not a real deterrent to misconduct on the bench. In the Nation's history, only nine Federal judges have been impeached by the House, and only four have been convicted by the Senate. The last impeachment trial was in 1936, but I believe that few people contend that all of our Federal judges since 1936 have maintained the constitutional criteria of good behavior.

The need for an alternative to impeachment becomes increasingly clear as the total number of Federal judges increases to meet the rising judicial business of our Nation. The Federal Judicial Center has estimated that by the year 1990, there will be a need for over 1,000 district judges and over 250 circuit judges. It seems clear that a reliance upon the impeachment process as the only procedure for inquiry into the alleged misconduct of members of a large judicial complement is unrealistic.

The Judicial Tenure Act grants the judicial branch of Government the means and method of supervising the conduct of its own members, a power which is possessed by the executive and legislative branches. Existing law relating to the power of the judicial councils of each judicial circuit and to the power of the Judicial Conference has not been adequate to enable them to exercise disciplinary supervision of official judicial misconduct. The enactment of the Judicial Tenure Act will create a proper system and provide adequate statutory authority for that purpose.

This is not a new idea. Numerous bills have been introduced to establish an alternative removal procedure. In 1940, the House passed such a bill introduced by Representative Hatton Summers, then chairman of the House Judiciary Committee. Over one-half of the States have established procedures other than impeachment within their respective governments for the removal of misbehaving or disabled State judges.

Impeachment also fails to deal humanely with the problems presented in the case of a judge who is afflicted with permanent mental or physical disability. Such a judge must be replaced, but impeachment, with its accompanying humiliation and loss of benefits, is too harsh a remedy. We should be able to remove such disabled judges without inflicting additional suffering.

The Judicial Tenure Act defines "bad behavior" as follows:

> Conduct which shall be deemed to be inconsistent with good behavior includes, but is not limited to, willful misconduct in office, willful and persistent failure to perform duties of the office, habitual intemperance, or other conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

The bill creates two new bodies as part of a system for review of judicial behavior and alleged disability. The first, a Council on Judicial Tenure, consists of 12 members, 11 of whom represent each of the 11 judicial circuits. The 12th member will represent the three Federal courts not included in the circuit system: the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court. The function of the Council on Judicial Tenure is to screen out frivolous or unfounded complaints and to investigate serious complaints in order to determine whether there exists sufficient evidence of misconduct or disability to warrant a formal hearing.

If there is sufficient evidence, the complaint is then referred by the Council on Judicial Tenure to the Court on Judicial Discipline, the second body created by this act. The Court on Judicial Discipline is authorized to hold a formal hearing and consists of all members of the Judicial Conference of the United States, excepting the Chief Justice. The Court on Judicial Discipline has the power to censure or remove from office a Justice or judge whose conduct is found to be inconsistent with the good behavior required by the Constitution. It may also order the involuntary retirement of a Justice or judge who is found to be unable to discharge efficiently one or more of the critical duties of his office by reason of permanent mental or physical disability.

The Judicial Tenure Act provides that any judge under examination has the right to be represented by counsel, to offer evidence in his own behalf and to confront and question any witness against himself. The judge can also appeal a decision of the Court on Judicial Discipline to the Supreme Court of the United States or to a specially created Temporary Court of Disciplinary Review, if the case involves a Justice of the Supreme Court.

This legislation is not intended in any way to displace the right of Congress to impeach judges under the Constitution. It is simply another removal mechanism. The bill is based on the constitutional premise that the independent judicial branch, as the exclusive holder of Federal judicial power, has the inherent power to enforce the standard of conduct required of its members. It provides the judicial branch with machinery to implement this power.

I therefore urge my colleagues to give this legislation their most careful consideration and am hopeful that it can be enacted during this Congress.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1425. A bill to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization of appropriations; to the Committee on Commerce, Science, and Transportation.

Mr. MAGNUSON. Mr. President, I introduce today, at the request of the Department of Commerce, a bill to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization of appropriations.

I ask unanimous consent that the text of the bill and the accompanying statement of purpose and need be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (86 Stat. 1063, as amended; 33 U.S.C. 1434) is further amended (1) by striking out the word "and" immediately after the words "September 30, 1976)," and (2) by striking out the words "fiscal year 1977" and inserting in lieu thereof the words "each of the fiscal years 1977 and 1978, and such sums as may be necessary for fiscal year 1979".

Statement of Purpose and Need

Title III of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431–34) authorizes the Secretary of Commerce, to designate, acquire, develop and manage marine sanctuaries. This authority has been delegated to the National Oceanic and Atmospheric Administration (NOAA).

Section 304 of Title III (16 U.S.C. 1434) authorizes funds to be appropriated to carry out the purposes of the title. The original funding authority under Section 304 was $10 million for fiscal years 1973 through 1975 and by amendment funding authority was set at $6.2 million for fiscal year 1976, $0.5 million for the transition period (July 1 through September 30, 1976) and $0.5 million for fiscal 1977.

Through fiscal 1977 no funds have been appropriated under the Section 304 authority, however, NOAA has made limited use of other funds to carry out the provisions of Title III.

The potential of Title III for protecting significant national ocean resources has been adequately demonstrated. The Nation's first marine sanctuary was established on January 30, 1975 off the coast of North Carolina and provides protection of the wreck of the *U.S.S. Monitor*. The effect of this designation has been to provide regulatory control under Section 302(f) (16 U.S.C. 1432(f)) over souvenir hunters and research conducted on the wreck. Without this marine sanctuary designation, the wreck of this historic vessel could have been irreversibly damaged.

Protection of a different sort of national resource is provided at the second marine sanctuary, the Key Largo Coral Reef in Florida, adjoining the John Pennekamp Coral Reef State Park. The designation of this site in December 1975 has helped substantially to prevent the destruction of this fragile coral reef. NOAA is providing protection, at an annual cost of $55,000, over approximately a 100 square miles of living coral which was threatened with extinction.

The Coast Guard has the responsibility for patrolling this coral reef sanctuary. While the emphasis to date has been on public education of people caught violating sanctuary controls, if prosecution is deemed necessary. Section 303 (16 U.S.C. 1433) provides authority to do so and, in fact, a number of charges have been filed. NOAA provides $25,000 annually to the State of Florida to support its management effort in the sanctuary.

NOAA has received a number of proposals, ranging from Port Royal Sound and the adjacent continental shelf in South Carolina to a killer whale reserve in Puget Sound, to designate other areas as marine sanctuaries and is presently processing these proposals.

Extension of the authorization of appropriations which expires with the expiration of fiscal year 1977 is essential in order to consider further designations, maintain existing sanctuaries and develop an overall management scheme.

This bill would make appropriate amendments to Section 304 to extend, at the present level, the authorization of appropriations for Title III through fiscal year 1978 and to authorize the appropriations of such sums as may be necessary for fiscal year 1979.

By Mr. JAVITS (for himself, Mr. Pell, and Mr. Stone):

S. 1426. A bill to authorize the Secretary of Agriculture to make grants to States for urban forestry, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE URBAN TREES ACT OF 1977

Mr. JAVITS. Mr. President, today I introduce for myself, Senator Stone and Senator Pell, the Urban Trees Act of 1977, legislation I introduced for the first time and for study purposes late in the 94th Congress.

Today, April 29, is a most auspicious occasion for the introduction of this bill because it is National Arbor Day—the day on which our country commemorates the environmental and esthetic importance of our trees.

Mr. President, this morning my cosponsors joined me in planting on the Capitol Grounds a rare hybrid elm tree—a gift of the Cary Arboretum of the New York Botanical Garden to the people of the United States—to mark both the occasion of National Arbor Day and our introduction of this important bill. We hope that the interest generated by introducing the Urban Trees Act on this particular day will help Americans understand that a national program of tree planting and maintenance is desperately needed by our cities.

The financial crisis that has impaired the ability of so many localities to continue to provide essential services to their citizens also has had a material effect on urban environments. Programs to make our cities more esthetically attractive have been among the first casualties of budgetary stringencies. One such program, to refoliate congested urban communities through the establishment of miniparks and the widespread planting of trees and shrubs was an early victim.

Some cities have all but terminated their arboricultural activities and, thus, have discarded one of the few programs left designed to appeal to our sense of the esthetic and improve the quality of urban life.

As a result, many of our cities are in danger of losing much of the grace and charm they have remaining that is so necessary to soften their acres of concrete.

Meanwhile, continuing air and noise pollution, coupled with sanitation service cutbacks, have intensified the need for more tree and plant life in our urban communities.

The burden of responsibility for the continued development of urban foliation programs seems to have been passed on to the private sector—to individual and corporate residents. I believe that city people and businesses are willing to contribute what they can to improve and beautify urban landscapes. But the private sector is fragmented and is unable alone to coordinate its resources sufficiently in this regard to develop a comprehensive plan for each city. Thus, it is necessary for Government to marshal the resources of the private sector in planting and maintaining urban trees.

Since I first introduced this bill on September 20, 1976, I have received many letters of support from all over the United States; from California to New York and Florida. Many environmental groups and horticultural societies have written me, expressing their interest and support.

For these reasons, I am reintroducing the Urban Trees Act, which would authorize the Secretary of Agriculture to make grants to urban areas for tree planting and general arboricultural activities. These would be in the form of grants to match 100 percent of what cities may receive in tree planting contributions from their residents and others and 50 percent of the public funds appropriated for tree planting. The bill would provide $10 million a year for these purposes, to encourage cities to formulate and implement urban arboreal development plans to best utilize citizens' contributions. If the Urban Trees Act becomes law, urban Americans will be encouraged to make contributions to their cities which will be used specifically for the planting and maintenance of trees to beautify and otherwise improve the quality of their urban environments.

Mr. President, there is ample precedent for legislation of this kind. The U.S. Forestry Service now operates a program whereby matching grants are made to individuals for the planting of trees in rural areas. These matching grants are intended to prevent soil erosion near our farmlands.

Though arboricultural financial assistance is needed for different reasons in urbanized areas, the need is no less important, and the economic and social benefits are no less significant. First, trees provide shade during the hot summer months and thus help to reduce the use of air-conditioning and the consumption of electricity, thereby freeing some of our scarce energy resources.

Trees also absorb noise from vehicular traffic and other sources and thus contribute to our ability to deal with noise pollution. Finally, through the process of removing carbon dioxide and other noxious elements from the environment and replacing them with oxygen, trees help to improve the quality of the air we breathe in cities.

A federally assisted program of matching grants for the planting of trees, therefore, not only would improve the esthetic quality of urban life but also would help to reduce air and noise pollution and the consumption of electricity. It would seem that now, in particular, when the President is about to send up legislation to deal with the pervasive and portentous energy crisis in the United States, programs to help local governments save energy are most timely.

This law would have broad, regional benefits. For example, the casual traveler through New England cannot help but notice that the stately elm trees which once lined the streets of New England towns have all but disappeared, victims of the dreaded Dutch elm disease. In Florida, the home State of Senator Stone, who is a cosponsor of this bill, the "lethal yellow disease" threatens to wipe out the palm trees that have characterized the landscape for so many years. And throughout the cities of the South, the majestic Georgia pine trees are slowly succumbing to infestation. Unless this unfortunate national trend of tree deterioration is halted and reversed by an aggressive national program of urban refoliation, in which private citizens and the Federal Government are given an incentive to cooperate for their mutual benefit, our cities can one day become only concrete places, that lack the esthetic qualities that make them fit places to live and to work.

I have always believed that the dynamism, vigor, and vitality of the private sector could be brought to bear on many more problems—if its resources and energies were channeled and coordinated by appropriate Government incentives.

The Urban Trees Act of 1977 represents still another example of public-private cooperation, which will produce environmental and esthetic benefits which will benefit all Americans.

On Arbor Day last year former Senator Hruska, of Nebraska, observed that, the strong and flowering tree has always been the very embodiment of life.

> Our war dead have been honored on Memorial Day with the planting of trees as living monuments to their memory. It is said that during colonial times a bride would replant a tree from her father's garden in the soil of her new home. This surely if unconsciously, was a symbol of the transplanting of life and of the start of the married couple's life together.

We should ponder Senator Hruska's eloquent message today and strive to comprehend what it means for the rebirth of our cities. Our trees are symbols of the same qualities of resilience, tenacity, determination, and strength of character that are the hallmarks of America's cities and its people.

So, Mr. President, I introduce today, National Arbor Day, legislation which I believe will help to reverse the decline of America's urban trees and restore those existing which need it. I urge the members of the Committee on Agriculture and Forestry to give it every possible consideration.

By Mr. BAYH:

S. 1427. A bill to provide for a partially refundable incremental investment tax credit; to the Committee on Finance.

Mr. BAYH. Mr. President, I am introducing a bill today which would provide for a partially refundable investment tax credit. I believe it contains the most efficient and effective approach available in stimulating capital investment.

The incremental credit is, in my opinion, preferable to the increased investment credit contained in H.R. 3477, but since it has become clear that it will not be possible to successfully overhaul the investment tax credit at this time, I am submitting this separate legislation for the consideration of the Senate and the administration in the months to come.

Mr. President, if we are to avoid being caught in an inflationary spiral as we were in 1974 and 1975, I believe we must find an effective means to stimulate investment. The increase in American productivity remains painfully low, placing constant upward pressure on prices. Further, as economic recovery continues, we will approach full capacity. In a number of key industries, such as steel, aluminum, and food processing—to name just a few, we will risk serious supply bottlenecks before the end of this decade unless we take prompt action to promote growth in capacity.

As I said earlier, Mr. President, this bill would promote the growth we need effectively and efficiently. Rather than simply providing a 10- or 12-percent investment credit for all, it would provide for 5 years a 15-percent credit for those who invested more than they had averaged during the previous 3 years. For those who did not invest more than they had in the base period, the 10-percent credit would remain available.

This approach is very similar to an amendment Senator Kennedy and I introduced last year, and I believe it merits the most careful consideration. Instead of rewarding all businesses equally, Mr. President, it gives a special bonus to those who truly grow.

A study conducted by the Library of Congress last year provides clear evidence of the impact this legislation would have upon investment. It concludes that the incremental investment credit would increase investment by $13.4 billion over the period of 1977–81. This compares to $5.5 billion in increased investment by a flat 10-percent investment tax credit and $3.9 billion by more generous depreciation standards. In terms of increased investment per dollar of tax revenue lost, the incremental investment tax credit is more than twice as efficient as the 10-percent investment tax credit and over three times as efficient as an expanded ADR. Clearly, the incremental approach provides the most bang in investment for the buck.

Further, Mr. President, the bill provides that the 5-percent incremental credit would be refundable. Thus, small businesses, which often have limited tax liability, would be able to take advantage of the credit and be given an incentive to invest and to grow. The investment tax credit has, far too often, benefited the large corporations in this country and been of little help to the small businessman. It is time we change that pattern.

I hope my colleagues in the Senate will look favorably on the concept I advance today, Mr. President. I believe it provides a very effective means of dealing with a very pressing problem, the problem of stimulating capital investment.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Subparagraph (A) of section 46 (a) (2) of the Internal Revenue Code of 1954 (relating to 10 percent investment credit) is amended to read as follows:

"(A) General rule.—Except as otherwise provided in subparagraph (B), in the case of property described in subparagraph (D), the amount of the credit determined under this paragraph for the taxable year shall be an amount equal to the sum of—

"(i) 10 percent of the qualified investment (as determined under subsections (c) and (d)), plus

"(ii) an additional 5 percent of so much of the qualified investment (as so determined) as exceeds the average amount of the qualified investment (as so determined) for the 3 preceding taxable years.".

Sec. 2. Clause (i) of section 46(a) (2) (B) (relating to additional credit is amended to read as follows:

"(i) the amount which would be determined under subparagraph (A) if '11 percent' were substituted for '10 percent' in clause (i) thereof, plus".

Sec. 3. Section 6401(b) (relating to amounts treated as if for payments) is amended by adding at the end thereof the following new sentence: "If the amount allowable as a credit under section 38 (relating to investment in certain depreciable property) exceeds the limitation provided by section 46(a) (3), the amount of the excess shall be considered an overpayment to the extent that it is attributable to the additional 5 percent amount determined under section 46(a) (2) (A) (ii).".

Sec. 4. Section 6201(A) (4) (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "section 39 or 43)" in the caption and inserting in lieu thereof "section 38, 39, or 43", and

(B) by adding at the end thereof the following new sentence: "If on any claim for refund of income taxes under subtitle A there is an overstatement of that portion of the credit allowable by section 38 (relating to investment in certain depreciable property) which is treated as an overpayment under section 6401(b), the amount so overstated which is allowed as a refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except that the provisions of section 6213(b) (2) (relating to abatement of mathematical or clerical error assessments) shall not apply with regard to any assessment under this sentence.".

SEC. 5. The amendments made by this subsection apply with respect to—

(A) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1982,

(B) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after December 31, 1976 and placed in service before January 1, 1982, and

(C) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1976 and before January 1, 1982.

By Mr. STENNIS:

S. 1429. A bill to amend the Occupational Safety and Health Act of 1970, and for other related purposes; to the Committee on Human Resources.

Mr. STENNIS. Mr. President, I am today introducing for appropriate reference, a bill to amend the Occupational Safety and Health Act of 1970. The bill has a twofold purpose. First, it would exempt employers with 25 employees or less from the act. Second, it would make the act more flexible as to all employers and relieve them from many of the onerous, burdensome, and inflexible provisions of the act and the rules and regulations promulgated thereunder.

I know that every Member of the Congress is aware of the continued and increasing groundswell of opposition to and criticism of the OSHA program. We have all received expressions of frustration and outrage from constituents who are overwhelmed with rules, standards, and burdens which are unreasonable and which often have no logical relation to safety and health. The outcry continues to grow; the discontent increases; and it is the obligation of the Congress to act to remedy the situation.

Congress has a particular obligation to take action on this matter since Congress itself must bear some part of the blame because it vested OSHA with such broad and sweeping authority to make such far-reaching rules and regulations. It is up to us to remedy the situation.

The act and the regulations issued under it are particularly burdensome upon small employers. Not only are they overburdened but they are frustrated. Such employers do not have the resources, either financial or otherwise, to interpret and implement what has become literally a flood of technical, complex, and voluminous rules and standards. They cannot cope with the tremendous volume of new regulations published with great frequency in the Federal Register. That is the reason why I believe that the small employers—those employing 25 employees or less—should be exempt from the act, and my bill so provides.

The bill which I have introduced also provides greatly needed relief to the large employer. For example, under the law, many employers face the requirement of replacing existing equipment long before the end of its useful life even where the risk to the worker or the safety hazard is slight or nonexistent.

My bill would correct this since it provides that no standards could be promulgated requiring the alteration, replacement or phaseout of existing equipment, machinery or facilities before the expiration of its normal useful life unless the failure to do so would result in a serious violation as defined in the act.

The amendments which I propose also contain safeguards which protect employers from arbitrary and overly rigorous application of the act and unwarranted citation or penalties for violation. For example, an employer could not receive a citation or penalty under my proposed amendments for violation of a rule or standard if he was able to show that implementing such rule or standard would not materially affect the safety or health of his employees, or that he had employed alternative procedures to protect his employees from the hazards contemplated by the rule or standard which were as effective in protecting the safety and health of his employees.

Finally, my amendments expressly provide that in determining whether certain penalties shall be assessed due consideration shall be given to the gravity of the violation, the good faith of the employer, and the employer's history of previous violations.

Mr. President, it is obvious that there has been both misdirection and overzealousness in the enforcement of the provisions of OSHA and the rules and regulations issued under it. It has gone far beyond the intent of the Congress. It is time to reverse the trend. I believe that my proposed bill would restrain and curb the excesses. I hope that it will be enacted into law and I also hope that comprehensive hearings will be held which will inquire into OSHA and its operations closely and carefully.

By Mr. DECONCINI (for himself, Mr. ABOUREZK, and Mr. THURMOND):

S. 1430. A bill to improve the judicial machinery in customs courts by amending the statutory provisions relating to judicial actions and administrative proceedings in customs matters, and for other purposes; to the Committee on the Judiciary.

U.S. CUSTOMS COURT ACT OF 1977

Mr. DECONCINI. Mr. President, together with my distinguished colleagues on the Judiciary Committee, Senators ABOUREZK and THURMOND, I am introducing legislation to amend provisions of title 28 pertaining to the U.S. Customs Court. Essentially, this bill would grant flexibility to the Customs Court by permitting the exercise of equity jurisdiction and would remove the requirement that members of this court be appointed on basis of political affiliation.

The concepts embodied in this bill were studied at length by the standing committee on customs law of the American Bar Association and were favorably adopted by the full house of delegates of that organization last August.

A similar bill, S. 3871, was introduced in the closing days of the 94th Congress, but insufficient time remained to act upon it before the end of the session. The present bill has been redrafted in part to incorporate suggestions made by the Judicial Conference of the United States. The Conference also endorsed, in principle, the provisions of the bill relating to the expansion of the Customs Court's jurisdiction at its meeting earlier this year.

This bill would, specifically, permit the Customs Court to exercise equitable powers under their present jurisdiction. At present, the inability of the Customs Court to exercise such powers has caused uncertainty and confusion as to which forums are open to litigants seeking to redress their grievances arising out of customs law disputes. The bill further would enable the court to hear cases, even though administrative remedies had not been fully explored, in those situations where delay would result in immediate and irreparable damage to an aggrieved party. Current law requires that all administrative remedies be exhausted before the Customs Court obtains jurisdiction.

This bill would additionally eliminate the present requirement that a prescribed balance of members of the court be of differing political parties. Restrictions of this nature normally govern administrative agencies and not courts established under article III of the Constitution. Because the Customs Court is an article III court, such restrictions tend to lessen its status.

Mr. President, in 1970, the Congress, after a lengthy review, greatly revised the structure and practices of the Customs Court. It is my hope that this bill will serve as a focal point for discussion of the reforms contained therein and as a vehicle by which to review the operating procedures of this court which have evolved in the past 7 years.

By Mr. GRIFFIN:

S. 1431. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in rates of tax, zero bracket amounts, and personal exemptions; to the Committee on Finance.

INDEXING THE TAX RATES

Mr. GRIFFIN. Mr. President, yesterday I offered an amendment to the tax bill to automatically adjust, each year in the future, the personal income tax rates, the personal exemption and the standard deduction so as to reflect increases in the cost of living.

Unfortunately, the amendment was defeated by a vote of 24 to 64. Despite this temporary setback, I remain confident that some day my colleagues will "see the light" and realize that this "inflation neutralizer" should be enacted.

Accordingly, I am today introducing the measure in the form of a bill. I urge the Senate Finance Committee to hold comprehensive hearings on this bill, and to call on the best available economists and tax experts for their analysis and comment.

If such consideration is given, I feel certain that this legislation will be adopted when it is next voted on in the Senate.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) COST-OF-LIVING ADJUSTMENT.—

"(1) CHANGES IN AMOUNT.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the ratio which the price index for the preceding calendar year bears to the price index for the calendar year immediately prior to that preceding calendar year. Each dollar amount listed in the tables under subsections (a), (b), (c), (d), and (e) of this section shall be multiplied by such ratio and, as multiplied, shall be the amounts in effect under each such subsection for taxable years beginning in the calendar year in which such report is made.

"(2) DEFINITION.—For purposes of paragraph (1) the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

(b) Section 63 of such code (relating to the definition of taxable income) is amended by adding at the end thereof the following new subsection:

"(i) COST-OF-LIVING ADJUSTMENT.—

"(1) CHANGES IN AMOUNT.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the ratio which the price index for the preceding calendar year bears to the price index for the calendar year immediately prior to that preceding calendar year. Each dollar amount listed in subsection (d) of this section shall be multiplied by such ratio and, as multiplied, shall be the amounts in effect under such subsection for taxable years beginning in the calendar year in which such report is made.

"(2) DEFINITION.—For the purposes of paragraph (1) the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

(c) Section 151 of such code (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) COST-OF-LIVING ADJUSTMENT.—

"(1) CHANGES IN AMOUNT.—At the beginning of each calendar year as soon as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary the ratio which the price index for the preceding calendar year bears to the price index for the calendar year immediately prior to that preceding calendar year. Each dollar amount in subsections (b), (c), (d), and (e) of this section shall be multiplied by such amount and, as multiplied, shall be the amounts in effect under each such subsection for taxable years beginning in the calendar year in which such report is made.

"(2) DEFINITION.—For purposes of paragraph (1) the term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

(d) Section 6012(a)(1) of such code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new subparagraph:

"(D) Each time the Secretary receives a report with respect to a cost-of-living adjustment under sections 63(i) and 151(f), the Secretary shall adjust each dollar amount—

"(i) under subparagraph (A) to correspond to the cost-of-living adjustments made under sections 63 and 151, and

"(ii) under subparagraph (B) to correspond to the cost-of-living adjustments made under section 151,

and such amounts, as adjusted, shall be the amounts in effect under each such subparagraph for taxable years beginning in the calendar year in which the Secretary receives the report."

SEC. 2. (a) Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by inserting before the last sentence the following new sentence: "Notwithstanding the previous two sentences, each calendar year the Secretary shall to the extent necessary modify the tables in effect under such sentences to reflect the full calendar year effect of the adjustments which the Secretary makes under sections 1(f), 63(i) and 151(f) during such year and such tables, as modified, shall apply with respect to wages paid during the period which the Secretary determines to be necessary to reflect such full year effect and the effect of the provisions of the two previous sentences."

(b) Subparagraph (B) of section 3402(m)(1) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$3,200" and inserting in lieu thereof "the dollar amount in section 63(d)(1)"; and

(B) by striking out "$2,200" and inserting in lieu thereof "the dollar amount in section 63(d)(2)".

SEC. 3. Subparagraph (C) of section 402(e)(1) of the Internal Revenue Code of 1954 (relating to imposition of separate tax on lump sum distributions) is amended by striking out "$2,200" and inserting in lieu thereof "the dollar amount in section 63(d)(2)".

SEC. 4. (a) The amendments made by this Act shall apply to taxable years beginning after December 31, 1976.

(b) The first report required to be made under sections 1, 63, and 151 of the Internal Revenue Code of 1954, as amended by this Act, shall be made within 30 days after the date of the enactment of this Act and shall indicate the ratio which the price index for calendar year 1976 bears to the price index for 1975.

By Mr. GLENN:

S. 1432. A bill to provide for more efficient and effective control over the proliferation of nuclear explosives by amendments to the Atomic Energy Act of 1954, as amended, and for other purposes; jointly, by unanimous consent, to the Committee on Energy and Natural Resources, the Committee on Foreign Relations, and the Committee on Governmental Affairs, with certain instructions.

Mr. GLENN. Mr. President, I rise to introduce on behalf of the administration the Nuclear Nonproliferation Policy Act of 1977. This bill represents the administration's proposals on the subject of nuclear exports and as such provides for the first time the detailed administration strategy for carrying out previously announced policies.

Mr. President, I applaud the general emphasis given in the bill to the notion of the United States being an assured nuclear supplier. That is the best carrot that can be offered in pursuit of any nonproliferation strategy. But in return for this carrot, we must insist upon a strict export control policy so that weapons usable materials are not spread indiscriminately around the globe.

Whether the export control strategy in this bill is sufficiently strong to meet a situation that is rapidly reaching a critical stage is something the Subcommittee on Energy and Nuclear Proliferation will be closely examining in upcoming hearings on April 29, May 8, May 11, and May 13.

Since the White House factsheet on the bill contains additional policy decisions beyond those represented by the bill, I ask unanimous consent that the bill, the section-by-section analysis and the factsheet to be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, I also ask unanimous consent that the President's message transmitting the Nuclear Nonproliferation Act of 1977 and the bill I am introducing by request of the administration be jointly referred to the Committee on Governmental Affairs, the Committee on Foreign Relations, and the Committee on Energy and Natural Resources with the proviso as regards the bill that the Energy and Natural Resources Committee shall be limited in its consideration of the legislation to sections 202, 302, 303 and 305, and, further, that if the Governmental Affairs Committee or the Foreign Relations Committee reports the legislation prior to the Energy and Natural Resources Committee, then the Energy and Natural Resources Committee agrees to report its recommendations on such sections to the Senate not later than 10 days during which the Senate is in session, after either of the other two committees report, or at that time be discharged from further consideration of the legislation, and, further, that when either Foreign Relations or Governmental Affairs reports the legislation, the other committee shall have 30 additional days, during which the Senate is in session, to report the legislation or, at the end of such 30 days, be discharged from further consideration of the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

NUCLEAR NON-PROLIFERATION POLICY ACT OF 1977, SECTION-BY-SECTION ANALYSIS

Section 2. Section 2 contains a finding of the grave threat posed by the proliferation of nuclear explosive devices and emphasizes the urgency of dealing with this problem. The section sets forth the United States policy of actively pursuing international initiatives to establish more effective international controls to prevent further proliferation, of taking action to enhance the reliability of the United States as a supplier of nuclear reactors and fuel to nations which share our non-proliferation policies, of strongly encouraging adherence to the Non-Proliferation Treaty, and of aiding foreign nations in identifying and adopting appropriate technology for energy production.

Section 3. In pursuance of these policies, section 3 defines the purposes of the act as establishing a more effective framework for international cooperation to ensure that peaceful nuclear activities do not contribute to proliferation, authorizing the United States to take actions to assert itself as a reliable supplier, providing incentives to other nations to join in such international cooperative efforts, and ensuring effective control by the United States over its own nuclear exports.

CHAPTER I—UNITED STATES INITIATIVES FOR INTERNATIONAL COOPERATIONS

Section 101. This section states that the United States shall immediately seek international commitments to the principles and objectives of this act and to develop means and mechanism for ensuring adherence to such commitments. The President is directed to take steps to have all nations and groups of nations, including nuclear supplier nations, commit themselves to international arrangements or other mutual undertakings in furtherance of the objectives of (a) preventing the use of civil nuclear materials by non-nuclear-weapons states for nuclear explosive purposes, (b) achieving universal application of IAEA safeguards to states, (c) maintaining adequate physical security measures, (d) ensuring that stringent retransfer controls apply to nuclear trade, (e) restraining the further spread of uranium enrichment and reprocessing facilities on a national basis, (f) preventing the acquisition of items by non-nuclear-weapons states that will assist, encourage or induce them to manufacture or otherwise acquire any nuclear explosive device, (g) adopting general principles and procedures to be followed in the event any nation violates a material obligation with respect to the peaceful uses of nuclear materials, (h) establishing international procedures to be followed in the event of divergence, theft, or sabotage of nuclear materials or facilities and for recovering such materials, and (i) protecting the international environment from contamination arising from peaceful nuclear activity.

CHAPTER II—UNITED STATES INITIATIVES TO STRENGTHEN THE IAEA

Section 201. Section 201 contains initiatives to strengthen the International Atomic Energy Agency. The United States, acting with other nations, will seek to strengthen the IAEA by continuing to strengthen its safeguards program, assuring the IAEA has adequate resources, improving the safeguards and accountability system assuring the IAEA receives the data it requires, and, consistent with the policies of the act, devising feasible approaches for the siting, development, and management under effective international auspices of nuclear fuel service and storage facilities.

Section 202. This section directs ERDA to establish and operate a safeguards and physical security training program.

Section 203. This section directs the Department of Commerce (acting through the National Bureau of Standards), ERDA, and the NRC, in consultations with the State Department and ACDA, to work to establish a program to develop reference methods and standards for measurement of nuclear material and other substances in order to strengthen the nuclear materials safeguards system.

CHAPTER III—UNITED STATES INITIATIVES FOR ASSURING ADEQUATE NUCLEAR FUEL SUPPLY

Section 301. This section states the United States policy to take the necessary actions to assure other nations that the United States is a reliable supplier of nuclear fuel to those nations which adhere to policies designed to prevent the proliferation of nuclear explosive devices. It further states United States policy that nuclear export licenses shall be issued on a timely basis when all the applicable statutory requirements are met.

Section 302. This section directs the Administrator of ERDA to initiate construction, planning and design, construction, and operation activities for the expansion of uranium enrichment capacity, as provided in relevant statutes authorizing or appropriating funds for this purpose.

Section 303. This section directs the President to undertake a study to determine the need for additional United States enrichment capacity to meet domestic needs and to promote United States non-proliferation objectives abroad. A report to Congress is required within six months after the date of enactment.

Section 304. This section directs the President to institute prompt discussions with other nations to develop multilateral approaches for meeting future worldwide nuclear fuel needs.

Section 305. This section directs the President to institute an immediate initiative to establish an intensive international fuel cycle evaluation program involving other nuclear supplier and recipient countries, to evaluate all aspects of the nuclear fuel cycle, with emphasis on alternatives to an economy based on separation of pure plutonium or the presence of highly enriched uranium. The evaluation program also covers problems related to spent fuel storage. A report to the Congress is required no later than one year after the enactment of this act.

CHAPTER IV—AGREEMENTS FOR COOPERATION

Section 401. This section proposes amendments to section 123 of the Atomic Energy Act of 1954, as amended.

Proposed section 123.a. sets forth provisions which must be included in the new civil cooperation agreements and establishes procedures for the negotiation of such agreements and their submission to the President. New cooperation agreements would have to include provisions relating to (1) the terms, conditions, duration, nature, and scope of cooperation, (2) safeguards of continuing duration on all exported US material and equipment and derived special nuclear material, (3) a requirement, as a condition of continued United States nuclear supply to a non-nuclear weapons state, that all its civil nuclear activities be under IAEA safeguards, (4) a guarantee that transferred equipment or material or derived special nuclear material would not be used for nuclear explosive purposes, (5) a stipulation that United States cooperation with a non-nuclear-weapons state would cease if that state detonates a nuclear device, terminates or abrogates an agreement providing for IAEA safeguards, or materially violates an IAEA safeguards agreement or any guarantee it has given the United States under the agreement for cooperation, (6) US approval for retransfers, (7) a requirement of adequate physical security, (8) a United States reprocessing and storage veto, and (9) controls on facilities replicated from exported sensitive nuclear technology. The President is permitted to exempt a proposed civil agreement from any of these requirements if he determines its inclusion would be seriously prejudicial to the achievement of the United States non-proliferation objectives or otherwise jeopardize the common defense and security. Civil cooperation agreements would be negotiated by the Secretary of State, with technical assistance and concurrence of ERDA, submitted to the President jointly by State and ERDA, and accompanied by the views and recommendations of various Executive Branch agencies as well as an unclassified ACDA Nuclear Proliferation Assessment Statement regarding the adequacy of the safeguards and other controls in the agreement.

Section 123.b. requires that the President approve and authorize the execution of any proposed agreement for cooperation, after determining in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security.

Section 123.c. provides that proposed agreements for cooperation not subject to subsection d. must be submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate and a period of 30 days elapse while Congress is in session before they go into effect, unless these committees waive this requirement. This is essentially the same as current law.

Section 123.d. provides that the specified proposed agreements for cooperation must be submitted to the Congress together with the approval and determination of the President and the ACDA Non-Proliferation Assessment Statement, and a period of 60 days must elapse while Congress is in session without a joint resolution having been enacted in substance disapproving of the agreement.

Section 123.e. provides that following the submission of a proposed agreement for cooperation, the Nuclear Regulatory Commission, the Department of State, ERDA, ACDA, and the Department of Defense shall, upon the request of either the Senate Foreign Relations Committee or the House International Relations Committee, promptly furnish to those committees their views as to the adequacy of the proposed agreement.

Section 402. This section provides that the new requirements of section 123 of the Atomic Energy Act which are contained in this act shall not affect the authority to continue cooperation pursuant to previous agreements for cooperation.

Section 403. This section directs the President to institute an immediate program to renegotiate previous agreements for cooperation or otherwise to obtain the agreement of parties to such agreements to the undertakings that would be required for new cooperation agreements under the amended section 123.a. The President is also directed to institute an immediate initiative to seek international arrangements or other mutual undertakings with nuclear supplier nations for the application of the policies contained in section 123.a., as amended, by such nations as nuclear export guidelines.

Section 404. This section requires ERDA to obtain the concurrence of the Department of State and to consult with, and take into consideration the views of, the Nuclear Regulatory Commission, ACDA, and the Department of Defense prior to entering into any subsequent arrangements under an agreement for cooperation. "Subsequent arrangements" are defined to include contracts for the furnishings of nuclear materials or equipment, approvals for the export of nuclear materials or equipment, authorizations for the distribution of nuclear materials or equipment, arrangements for physical security, arrangements for safeguards, and other arrangements which the President finds to be important from the standpoint of preventing proliferation.

Section 405. This section provides that the requirement for, or adequacy of, Nuclear Proliferation Assessment Statements shall not be subject to litigation.

CHAPTER V—CLARIFICATION OF EXPORT FUNCTIONS

Section 501. This section amends section 54.a. of the Atomic Energy Act of 1954, as amended, to permit ERDA to distribute without an NRC license only small amounts of special nuclear material for laboratory samples, medical devices, monitoring or other instruments, or to deal with emergency situations.

Section 502. This section amends section 57.b. of the Atomic Energy Act of 1954, as amended, to require that ERDA consult with the Department of State, ACDA, and the Nuclear Regulatory Commission prior to granting authorization pursuant to that section.

Section 503. This section adds to chapter 11 of the Atomic Energy Act of 1954, as amended, two new sections.

Section 126 establishes export licensing procedures. Subsection a. provides that no export license may be issued by the Nuclear Regulatory Commission until the Commission has been notified by the Secretary of State that issuance of the license will not be inimical to the common defense and security. Subsection b. requires the Secretary of State to obtain the views of ERDA, the Department of Commerce, ACDA and the Department of Defense in making his judgment on the common defense and security. Subsection c. requires the Commission to promulgate regulations establishing procedures for the granting, suspending, revoking, or amending of any export license, for public participation in nuclear export license proceedings when the Commission finds such participation will be in the public interest and will assist the Commission in making its statutory determinations, and for public written Commission opinions accompanied by dissenting or separate views. Subsection d. provides that, notwithstanding the provisions of section 189 of the Atomic Energy Act of 1954, no person shall possess a right to intervene in or demand an on-the-record hearing in any nuclear export license proceeding before the Commission.

Section 127 establishes export licensing criteria and procedures.

Subsection 127.a. sets forth export licensing criteria which will govern United States peaceful nuclear exports. These criteria are: (1) IAEA safeguards must be applied as required by the NPT to all US exported material and facilities and derived special nuclear material; (2) no US exported material, facilities, or sensitive nuclear technology or derived special nuclear material can be used for any nuclear explosive purpose; (3) adequate physical security measures must be maintained; (4) prior United States approval is required for the retransfer of US exports and derived special nuclear material; (5) prior United States approval is required for the reprocessing or alteration of any exported US nuclear material and derived special nuclear material; and, (6) no sensitive nuclear technology may be exported unless the foregoing conditions are applied.

Subsection 127.b. prohibits the Nuclear Regulatory Commission from issuing any export licenses, and ERDA from distributing any source or special nuclear material, until the Commission or ERDA, as the case may be, (1) finds that criteria in subsection a., or their equivalent, and other applicable statutory requirements, will be satisfied in a manner acceptable to the United States and (2) receives advice, in accordance with the procedures established under section 126.b., that it is the judgment of the Executive Branch that the export will not be inimical to the common defense and security. A proviso permits continued nuclear cooperation under agreements for cooperation authorized to be arranged in section 124 of the Atomic Energy Act while these are being renegotiated. In submitting the Executive Branch judgment, the Secretary of State is required specifically to address the extent to which the criteria set forth in subsection 127.a. are met. In addition, if warranted, he may address such factors as whether the issuance of the license will advance the non-proliferation goals of the United States or whether the failure to issue the license would otherwise be seriously prejudicial to the non-proliferation objectives of the United States. Subsection 127.b. contains a general proviso prohibiting any nuclear exports to any non-nuclear-weapon state that, after the effective date of the act, detonates a nuclear explosive device, terminates or abrogates IAEA safeguards, or is found by the President to have materially violated an IAEA safeguards agreement or any guarantee it has given under an agreement for cooperation with the United States, unless the President determines that the cessation of such exports would be seriously prejudicial to the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security.

Subsection 127.c. provides that if the Commission, after receiving the Executive Branch judgment that the issuance of the proposed export license would not be inimical to the common defense and security, does not issue the license, it shall submit the license application to the President. If the President determines that withholding the proposed export would be seriously prejudicial to the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security, he may authorize the export by an Executive Order with a delayed effective date. During the delay, he must submit to the Congress an explanation for the reasons why the export should be authorized, and the export shall not occur if during 60 days a joint resolution is enacted stating in substance that the Congress does not favor the proposed export.

Subsection 127.d. provides that, notwithstanding section 402 of the Nuclear Non-Proliferation Policy Act of 1977, at such time as existing agreements for cooperation are renegotiated, or international arrangements or other mutual undertakings among nuclear suppliers to apply stricter export criteria are arrived at, the President shall propose to the Congress amendments to subsection 127.a. to implement as additional stricter licensing criteria the new requirements of section 123 of the Atomic Energy Act.

Section 504. The section amends section 109 of the Atomic Energy Act of 1954, as amended.

Subsection 109.a. permits the Commission to issue general licenses for domestic activities if the Commission determines in writing that such general licenses will not be inimical to the common defense and security.

Subsection 109.b. directs the Commission to determine which component parts and which other items or substances are especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes. These components, substances, or items will be licensed by the Commission.

Subsection 109.c. requires the Commission to publish regulations to implement the provisions of section 109, after consultations with the Departments of State, Defense, and Commerce, and ERDA and ACDA.

Subsection 109.d. prohibits the Commission from issuing an export license under the authority of subsection 109.b. if it is advised by the Executive Branch, in accordance with the procedures established under subsection 126.b., that the export would be inimical to the common defense and security.

Subsection 109.e. requires the President to publish procedures regarding the control by the Department of Commerce over all export items other than those licensed by the Nuclear Regulatory Commission, which could be, if used for purposes other than those for which the export is intended, of significance for nuclear explosive purposes. These procedures must provide for prior consultations, as required, with the Department of State, ACDA, the NRC, and ERDA.

CHAPTER VI—EXECUTIVE REPORTING

Section 601. This section establishes extensive Executive reporting requirements.

Subsection 601.a. requires the President to review all non-proliferation activities and report annually to the Congress. The report must include a description of the progress made negotiating the international arrangements or other mutual undertaking contemplated in the act, negotiating the other initiatives contemplated in the act, promoting adherence to the Non-Proliferation Treaty strengthening the safeguards of the IAEA, and renegotiating agreements for cooperation. The report must also include an assessment of the impact of this progress on the non-proliferation goals of the United States, explanation and recommendations with respect to encouraging progress where it is lacking, and a statement of what legislative modifications would be desirable. Finally, the report must include a determination as to which non-nuclear-weapon states with which the US has an agreement for cooperation in effect or under negotiation, if any, have exploded a nuclear device, refused to accept full scope IAEA safeguards, or refused to give specific assurances that they will not engage in the development of any nuclear explosive device.

Subsection 601.b. requires a separate report to Congress not more than one year after the date of enactment of the act containing an assessment of each civil agreement for cooperation negotiated pursuant to section 123 of the Atomic Energy Act, including a discussion of the scope and adequacy of the requirements and obligations relating to safeguards and other controls contained therein.

Section 602. This section contains other provisions relating to reports to the Congress. Subsection 692.a. provides that the annual reports of NRC and ERDA which are otherwise required by law shall include recommendations concerning United States nonproliferation policy. ERDA's report is required also to include a detailed analysis of the implications for proliferation of advanced enrichment and reprocessing techniques and of alternative nuclear fuel cycles which do not involve access to weapons usable materials.

Subsection 602.b. provides that the reporting requirements of this chapter are in addition to any other reporting requirements under applicable law. Subsection 602.c. requires the Department of State, ACDA, the Department of Commerce, ERDA, and the Nuclear Regulatory Commission to keep the Committee on Foreign Relations of the Senate and the Committee of International Relations of the House of Representatives fully and currently informed with respect to activities to carry out the purposes and policies of the act and to otherwise prevent the proliferation of nuclear explosive devices. Subsection 602.d. provides that any classified sections of the reports required by the act shall be submitted directly to these two committees.

CHAPTER VIII—DEFINITIONS AND SAVINGS PROVISIONS

Section 701. This section sets forth definitions.

Section 702. This section is a savings provision.

Section 703. This section provides that nothing in this act shall affect the procedures or requirements applicable to agreements for cooperation entered into pursuant to subsection 91.c., 144.b., or 144.c. of the Atomic Energy Act of 1954, as it was in effect immediately prior to enactment of this act. Thus, military nuclear cooperation is unaffected by the present act.

FACTSHEET: NUCLEAR NONPROLIFERATION POLICY ACT OF 1977

The Nuclear Non-Proliferation Policy Act of 1977, the domestic nuclear policies announced by the President on April 7, and the additional policy decisions included in this fact sheet, are key components of the Administration's nuclear non-proliferation policy. The President's policy decisions include:

New conditions we will require for the granting of nuclear export licenses;

Additional new conditions we will require in new U.S. Agreements for Cooperation. These agreements are the formal, bilateral undertakings which form the basis for civil nuclear interactions with other nations;

Policies the Executive Branch will follow in making recommendations to the Nuclear Regulatory Commission on the export of sensitive items such as plutonium and highly enriched uranium (the weapons useable form of uranium, known as HEU);

Policies the Executive Branch will follow in deciding whether to approve a request by another nation to retransfer U.S.-supplied fuel to a third nation for re-processing.

Policies to improve U.S. reliability as a nuclear fuel supplier by introducing greater clarity and predictability into the export licensing process.

Together, all these policies will place the United States in a leadership position among nuclear suppliers, and will establish a strong and effective non-proliferation policy. These policies have been developed, and must be evaluated, as a complete package. They are intended as a delicately balanced blend of:

Denials—for those items, such as reprocessing plants, which we believe create such a large risk that their export should be avoided whenever possible;

Controls—over those items and technologies, required by ongoing programs, where improved safeguards and conditions for physical security will substantially reduce the risk. These controls will be backed up by stiff sanctions which would be imposed on violators;

Incentives—the United States fully recognizes that there is no such thing as an effective unilateral non-proliferation policy. We must gain the support of other nations—both suppliers and recipients—if we are to reach our common goal of limiting the spread of nuclear weapons. Hence the Administration's program includes substantial elements of incentives, particularly in the areas of: uranium resource assessment; guaranteed access to nonsensitive, low enriched uranium (LEU) nuclear fuel; and spent fuel storage.

The following are key features of the Nuclear Non-Proliferation Policy Act of 1977, and related Administration policies.

1. The bill establishes for the first time a statutory requirement forbidding the independent Nuclear Regulatory Commission (NRC) from granting a license to export nuclear materials or facilities until it has been notified by the Executive Branch of its judgment that the issuance of a license "will not be inimicable to the common defense and security." This judgment will be reached by the Departments of State, Defense, Commerce, the Arms Control and Disarmament Agency, and the Energy Research and Development Administration.

In arriving at these judgments, the Executive Branch will adhere to the following policies not detailed in the Act:

Continue to embargo the export of enrichment and reprocessing plants;

Avoid new commitments to export significant amounts of separated plutonium except for gram quantities for research and analytical uses;

Avoid new commitments to export significant quantities of highly enriched uranium (HEU) except when the project is of exceptional merit and the use of low enriched fuel or some other less weapons useable material is clearly shown to be technically infeasible;

Require direct Presidential approval for any supply of HEU greater than 15 kilograms (the approximate amount needed for a bomb);

Undertake efforts to identify projects and facilities which might be converted to the use of LEU instead of HEU.

Take steps to minimize inventories of weapons useable uranium abroad.

2. The bill defines the immediate nuclear export conditions which we can reasonably expect other nations to meet while we negotiate stricter agreements for cooperation. These conditions include:

A requirement for International Atomic Energy Agency (IAEA) safeguards on all exported items and on any other plutonium or enriched uranium that might be used in the exported facility or produced through its use.

A requirement that no US export be used for research or production of any nuclear explosive device.

A requirement that no US export be retransferred by a recipient nation to any other nation without the prior approval of the US.

A requirement that no fuel exported from the US be reprocessed without the prior approval of the United States.

These criteria differ from proposals currently before Congress which include criteria that could force an immediate moratorium on US nuclear exports. Such a moratorium would seriously damage US relations with certain allies whose cooperation is essential if we are to achieve our non-proliferation objectives.

3. The bill defines additional nuclear export conditions which will be required in new agreements for cooperation. These include:

A requirement, in the case of non-nuclear weapons states, that IAEA safeguards cover all nuclear materials and equipment regardless of whether these have been supplied by the US. Fulfillment of this requirement will be a condition of continuing US nuclear supply.

The President has also directed that this requirement be viewed only as an interim measure, and that the United States' first preference, and continuing objective, is universal adherence to the Non-Proliferation Treaty.

The stipulation that United States' cooperation under the agreement shall cease if the recipient detonates a nuclear device or materially violates IAEA safeguards or any guarantee it has given under the agreement.

A requirement for IAEA safeguards on all US-supplied material and equipment for indefinite duration, whether or not the Agreement for Cooperation remains in force.

The US right of approval on retransfers extended to all special nuclear material produced through the use of US equipment.

The US right of approval on reprocessing extended to all special nuclear material produced through use of US equipment.

4. For the near future, the bill proposes to tighten the condition for US nuclear cooperation through the renegotiation of existing agreements to meet the same standards as those we will require for new agreements (as specified in 3 above). This approach will better meet US non-proliferation objectives than would an attempt to impose unilaterally new export licensing conditions.

5. The bill provides the flexibility needed to deal with the many different situations and nations involved. For example, it makes the necessary exceptions for licenses under existing multilateral agreements. It also establishes an efficient mechanism for the President and Congress to review cases where the Executive Branch and the independent NRC differ on the granting of a proposed export license. And it permits the President to grant exceptions from the stiff new conditions required for new agreements for cooperation, if he considers that this is in our overall non-proliferation interest.

6. The bill creates sanctions against the violation of nuclear agreements by providing that no nuclear export shall be granted to any non-nuclear weapons state that, after enactment of this legislation:

Detonates a nuclear explosive device;

Terminates or abrogates IAEA safeguards;

Is found by the President to have materially violated an IAEA agreement or any other guarantee it has given under an agreement for cooperation with the United States; unless the President determines that such a cutoff would hinder the achievement of US non-proliferation objectives, or would jeopardize the common defense and security.

7. The legislation proposes the establishment of an international Nuclear Fuel Cycle Evaluation Program, aimed at furthering the development of alternative, nuclear fuel cycles which do not provide access to weapons useable material, as announced by the President in his April 7 statement.

8. As an essential element of the international evaluation program, the legislation proposes a number of policies to assure that adequate nuclear fuel supply will be available to all nations as a non-proliferation incentive. These include:

A policy to assure adequate US uranium enrichment capacity.

A policy assuring that nuclear exports will be licensed on a timely basis once statutory requirements are met.

US initiatives to promote international consultations to develop multilateral means for meeting worldwide nuclear fuel needs.

The bill further requires the President to report to the Congress on the progress of these discussions and to propose any legislation he may consider necessary to promote these objectives.

9. The bill commits the US to work with other nations to strengthen the International Atomic Energy Agency (IAEA) through: contribution of technical resources, support and funding; improving the IAEA safeguards system; and, by assuring that IAEA receives the data needed for it to administer an effective, comprehensive international safeguards program.

S. 1432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Non-Proliferation Policy Act of 1977".

STATEMENT OF POLICY

SEC. 2. The Congress hereby finds and declares that the proliferation of nuclear explosive devices poses a grave threat to security interests of the United States and continued international progress toward world peace and development. Recent events emphasize the urgency of this threat and the imperative need to increase the effectiveness of international safeguards and controls on peaceful nuclear activities to prevent further proliferation of nuclear explosive devices. Accordingly, it is the policy of the United States to—

(a) actively pursue through international initiatives the establishment of more effective international controls over the transfer and use of nuclear equipment, material, and nuclear technology for peaceful purposes in order to prevent the further proliferation of nuclear explosive devices, including the establishment of common international sanctions to prevent such proliferation;

(b) take such actions as are required to enhance the reliability of the United States as a supplier of nuclear reactors and fuel to nations which share our non-proliferation policies;

(c) strongly encourage nations which have not ratified the Treaty on the Non-Proliferation of Nuclear Weapons ("the Treaty") to do so at the earliest possible date; and

(d) aid foreign nations in identifying and adapting appropriate technology for energy production consistent with the economic and material resources and environmental protection of those nations.

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of this Act to promote the policies set forth above by:

(a) establishing a more effective framework for international cooperation to ensure that the worldwide development of peaceful nuclear activities and the export by any nation of nuclear materials, equipment, and nuclear technology intended for use in peaceful nuclear activities do not contribute to the proliferation of nuclear explosive devices;

(b) authorizing the United States to take such actions as are required to assert itself as a reliable supplier of nuclear reactors and fuel to nations which share our non-proliferation policies;

(c) providing incentives to the other nations of the world to join in such international cooperative efforts; and

(d) ensuring effective controls by the United States over its exports of nuclear equipment, materials, and sensitive nuclear technology.

Chapter I.—UNITED STATES INITIATIVES FOR INTERNATIONAL NUCLEAR COOPERATION

SEC. 101. The United States shall act immediately to seek to achieve from all nations and groups of nations stronger and more comprehensive commitments to adhere to the non-proliferation principles and the other objectives set forth in this Act, and to develop adequate means and mechanisms for ensuring such adherence. Accordingly, the President shall take immediate steps to seek to have all nations and groups of nations, including nuclear supplier nations, commit themselves to international arrangements or other mutual undertakings in furtherance of the following objectives:

(a) preventing the use of nuclear material, equipment or technology in, under the jurisdiction of, or under the control of any non-nuclear-weapon state for nuclear explosive devices for any purpose or for research on or development of nuclear explosive devices for any purpose, except as permitted by the treaty;

(b) achieving universal application of IAEA safeguards to all peaceful nuclear activities in, under the jurisdiction of, or under the control of, non-nuclear-weapon states;

(c) establishing and maintaining adequate physical security measures by all nations or groups of nations on all of their nuclear activities;

(d) ensuring that no nuclear material, equipment or technology intended for peaceful purpose in, under the jurisdiction of, or under the control of any nation or group of nations shall be transferred by them to the jurisdiction of any other nation or group of nations unless such recipient nation or group of nations agrees to stringent undertakings meeting the objectives of this section;

(e) restraining the further spread of nuclear fuel reprocessing or uranium enrichment facilities on a national basis;

(f) otherwise preventing the further spread or acquisition of material, equipment or technology that will assist, encourage or induce, any non-nuclear-weapon state to manufacture or otherwise acquire any nuclear explosive device;

(g) adopting general principles and procedures, including common international sanctions, to be followed in the event a nation violates any material obligation with respect to the peaceful use of nuclear materials, equipment or technology, or in the event that any nation violates the principles of the Treaty, including the detonation by a non-nuclear-weapon state of a nuclear explosive device;

(h) establishing international procedures to be followed in the event of diversion, theft, or sabotage of nuclear materials or sabotage of nuclear facilities and for recovering nuclear materials that have been lost or stolen, or obtained or used by a nation or by any person or group in contravention of the principles of the Treaty; and

(i) protecting the international environment from radioactive, chemical or thermal contamination arising from peaceful nuclear activities.

Chapter II.—UNITED STATES INITIATIVES TO STRENGTHEN THE INTERNATIONAL ATOMIC AGENCY

SEC. 201. The United States is committed to a strengthened and more effective International Atomic Energy Agency (IAEA) and to a comprehensive safeguards system administered by that agency to deter the further proliferation of nuclear explosives. Accordingly, the United States will continually seek to act with other nations to strengthen the IAEA through contribution of technical resources, support, funding, and by—

(a) continuing to strengthen the safeguards program of the IAEA and, in order to implement this initiative, contributing funds, technical resources and other support to assist the IAEA in effectively implementing safeguards at this time when international utilization of nuclear power for growing energy needs is rapidly increasing;

(b) assuring that the IAEA has the resources to carry out the provisions of article XII ("Agency Safeguards") of the Statute of the International Atomic Energy Agency;

(c) improving the IAEA safeguards system (including accountability) to insure—

(1) the timely detection of a possible diversion of source or special nuclear materials which could be used for nuclear explosive devices;

(2) the timely dissemination of information regarding such diversion; and

(3) the timely implementation of internationally agreed procedures in the event of such diversion;

(d) assuring both that the IAEA receives the data needed for it to administer an effective and comprehensive international safeguards program and that the IAEA provides timely notice to the world community of any evidence of violation of safeguards agreements to which it is a party; and

(e) consistent with the policies of this Act, devising feasible and environmentally sound approaches for the siting, development and management under effective international auspices of facilities for the provision of nuclear fuel services and the storage of special nuclear material which is sensitive from the standpoint of preventing the proliferation of nuclear explosive devices.

SEC. 202. The Energy Research and Development Administration, in consultation with the Nuclear Regulatory Commission, shall establish and operate a safeguards and physical security training program to be made available to persons from nations or groups of nations which have or may be expected to develop or acquire, nuclear materials or equipment for use for peaceful purposes. Any such program shall include training in the most advanced safeguards and physical security techniques and technology, consistent with national security interests of the United States.

SEC. 203. The Department of Commerce (acting through the National Bureau of Standards), the Energy Research and Development Administration, and the Nuclear Regulatory Commission shall, in consultation with the Department of State and the Arms Control and Disarmament Agency, work cooperatively to establish a program to develop reference methods and standards for measurement of nuclear materials and other substances needed to insure that consistent and compatible measurements can be made at all points of the nuclear materials safeguards system of sufficient accuracy to meet the requirements of the system. These standards and services may be made available to the International Atomic Energy Agency for such safeguards purposes and to nations and groups of nations selected for such assistance by the above named agencies in accordance with the Atomic Energy Act of 1954, as amended.

Chapter III.—UNITED STATES INITIATIVES FOR ASSURING ADEQUATE NUCLEAR FUEL SUPPLY

SEC. 301. The United States, as a matter of national policy, shall take such actions and institute such measures as may be necessary and feasible to assure other nations and groups of nations that may seek to utilize the benefits of atomic energy for peaceful purposes, including the generation of electricity, that it will provide a reliable supply of nuclear fuel to those nations or groups of nations which adhere to policies designed to prevent the proliferation of nuclear explosive devices. Such nuclear fuel shall be provided under agreements entered into pursuant to section 161 of the Atomic Energy Act of 1954, as amended, or as otherwise authorized by law. The United States will strive to assure that it will have available the capacity to carry out this policy on a long-term basis. The United States, as a matter of national policy, shall, on a timely basis, issue licenses for, or otherwise authorize the export of, nuclear materials and equipment, when all the applicable statutory requirements are met.

SEC. 302. The Administrator of Energy Research and Development is directed to initiate construction planning and design, construction, and operation activities for expansion of uranium enrichment capacity, as elsewhere provided by law.

SEC. 303. The President shall prompty undertake a study to determine the need for additional United States enrichment capacity to meet domestic needs and to promote United States non-proliferation objectives abroad. The President shall report to the Congress on the results of this study within six months after the enactment of this Act.

SEC. 304. The President shall institute prompt discussions with other nations or groups of nations to develop multilateral approaches for meeting future worldwide nuclear fuel needs. The President shall report to the Congress on the progress of these discussions as required by section 601 of this Act, and shall propose to the Congress any legislation he considers necessary to promote the objective of assuring a reliable supply of nuclear fuel to nations which have demonstrated a commitment to preventing the proliferation of nuclear explosive devices.

SEC. 305. The President shall institute an immediate initiative to establish an intensive international fuel cycle evaluation program involving other nuclear supplier and recipient countries to re-evaluate all aspects of the nuclear fuel cycle, with emphasis on alternatives to an economy based on separation of pure plutonium or the presence of highly enriched uranium and problems related to spent fuel storage. The President shall submit a special report to the Congress no later than one year after enactment of this Act, detailing the progress of the international nuclear fuel cycle evaluation program.

Chapter IV.—AGREEMENTS FOR COOPERATION

SEC. 401. Section 123 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 123. COOPERATION WITH OTHER NATIONS—No cooperation with any nation or regional defense organization pursuant to sections 53, 54a, 57, 64, 82, 91, 103, 104, or 144 shall be undertaken until—

"a. the proposed agreement for cooperation has been submitted to the President, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that safeguards as set forth in the agreement for cooperation will be maintained with respect to all nuclear materials and equipment transferred pursuant thereto, and with respect to all special nuclear material produced through the use of such nuclear materials and equipment, so long as the material or equipment remains under the jurisdiction or control of the cooperating party, irrespective of the duration of other provisions in the agreement or whether the agreement is terminated or suspended for any reason; (3) in the case of non-nuclear-weapon states, a requirement, as a condition of continued United States nuclear supply under the agreement for cooperation, that IAEA safeguards be maintained with respect to all nuclear materials in all peaceful nuclear activities within the territory of such state, under its jurisdiction, or carried out under its control anywhere; (4) except in the case of those agreements for cooperation arranged pursuant to subsection 91.c., a guaranty by the cooperating party that any material to be transferred pursuant to such agreement, and any special nuclear material produced through the use of any material, production facility or utilization facility transferred pursuant to such agreement, and any sensitive nuclear technology transferred pursuant to such agreement, will not be used for atomic weapons or any nuclear explosive devices, or for research on or development of atomic weapons or any nuclear explosive devices, or for any other military purpose; (5) except in the case of those agreements for cooperation arranged pursuant to subsection 91.c. and agreements for cooperation with nuclear-weapon states, a stipulation that United States cooperation under the agreement for cooperation shall cease if the cooperating party detonates a nuclear explosive device, terminates or abrogates an agreement providing for IAEA safeguards, or materially violates an IAEA safeguards agreement or any guarantee it has given under the agreement for cooperation; (6) a guaranty by the cooperating party that any material or any Restricted Data transferred pursuant to the agreement for cooperation and, except in the case of agreements arranged pursuant to subsection 91.c., 144.b. or 144.c., any production or utilization facility transferred pursuant to the agreement for cooperation or any special nuclear material produced through the use of any such facility or through the use of any material transferred pursuant to the agreement, will not be transferred to unauthorized persons or beyond the jurisdiction or control of the cooperating party without the consent of the United States; (7) a guaranty by the cooperating party that adequate physical security will be maintained with respect to any material transferred pursuant to such agreement and with respect to any special nuclear material used in or produced through the use of any material, production facility, or utilization facility transferred pursuant to such agreement; (8) except in the case of agreements for cooperation arranged pursuant to subsection 91.c., 144.b. or 144.c., a guaranty by the cooperating party that no material transferred pursuant to the agreement for cooperation and no material used in or produced through the use of any material, production facility or utilization facility transferred pursuant to the agreement for cooperation will be reprocessed or otherwise altered in form or content without the prior approval of the United States or stored in any facility that has not been approved in advance by the United States; and (9) except in the case of agreements for cooperation arranged pursuant to subsection 91.c., 144.b., or 144.c., a guaranty by the cooperating party that any special nuclear material, production facility or utilization facility produced or constructed in the territory of the cooperating party by or through the use of any sensitive nuclear technology transferred pursuant to such agreement for cooperation will be subject to all the guarantees specified in this subsection. The President may exempt a proposed agreement for cooperation (except an agreement arranged pursuant to section 91.c., 144.b., or 144.c.) from any of the requirements of the foregoing sentence if he determines that inclusion of any such requirement would be seriously prejudicial to the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security. Except in the case of those agreements for cooperation arranged pursuant to subsection 91.c., 144.b., or 144.c., any proposed agreement for cooperation shall (i) be negotiated by the Secretary of State, with the technical assistance and concurrence of the Administrator of Energy Research and Development; (ii) after consultations with the Nuclear Regulatory Commission, be submitted to the President jointly by the Secretary of State and the Administrator; and (iii) be submitted to the President accompanied by the views and recommendations of the Secretary of State, the Administrator, and the Director of the Arms Control and Disarmament Agency who shall also provide to the President an unclassified Nuclear Proliferation Assessment Statement regarding the adequacy of the safeguards and other control mechanisms and the peaceful use assurances contained in the agreement for cooperation arranged pursuant to subsection furnished thereunder will not be used to further any military or nuclear explosive purpose. In the case of these agreements for cooperation arranged pursuant to subsection 91.c., 144.b., or 144.c., any proposed agreement for cooperation shall be submitted to the President by the Administrator of Energy Research and Development or, in the case of those agreements for cooperation arranged pursuant to subsection 91.c. or 144.b. which are to be implemented by the Department of Defense, by the Secretary of Defense;

"b. The President has approved and authorized the execution of the proposed agreement for cooperation and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security;

"c. The proposed agreement for cooperation (if not an agreement subjection to subsection d.), together with the approval and determination of the President, has been submitted to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate and a period of thirty days has elapsed while Congress is in session (in computing such thirty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days): *Provided however,* that these Committees, after having received such agreement for cooperation, may by resolution in writing waive the conditions of all or any portion of such thirty-day period;

"d. The proposed agreement for cooperation together with the approval and determination of the President, if arranged pursuant to subsection 91.c., 144.b., or 144.c., or if entailing implementation of sections 53, 54a, 103, or 104 in relation to a reactor that may be capable of producing more than five thermal megawatts or special nuclear material for use in connection therewith, has been submitted to the Congress together with any required Nuclear Proliferation Assessment Statement prepared by the Director of the Arms Control and Disarmament Agency, and referred to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate and a period of sixty days has elapsed while Congress is in session (in computing such sixty days there shall be excluded the days on which either House is not in session because of an adjournment of more than three days), but such proposed agreement for cooperation shall not become effective if during such sixty-day period a joint resolution is enacted stating in substance that the Congress does not favor the proposed agreement for cooperation;

"e. Following submission of a proposed agreement for cooperation (except an agreement for cooperation arranged pursuant to subsection 91.c., 144.b., or 144.c.) to the Committee on Foreign Relations of the Senate and Committee on International Relations of the House of Representatives, the Nuclear Regulatory Commission, the Department of State, the Energy Research and Development Administration, the Arms Control and Disarmament Agency and Department of Defense shall, upon the request of either of those Committees, promptly furnish to those committees their views as to whether the safeguards and other controls contained therein provide an adequate framework to ensure that the export of any nuclear materials or equipment as contemplated by such agreement will not be inimical to or constitute an unreasonable risk to the common defense and security."

SEC. 402. The amendments to section 123 of the Atomic Energy Act of 1954, as amended, made by this Act, shall not affect the authority to continue cooperation pursuant to agreements for cooperation entered into prior to the effective date of this Act.

SEC. 403. The President shall initiate an immediate program to renegotiate agreements for cooperation in effect on the date of the enactment of this Act, or otherwise to obtain the agreement of parties to such agreements, to the undertakings that would be required for new agreements under this Act. The President shall also institute an immediate initiative to seek international arrangements or other mutual undertakings with nuclear supplier nations for the application of the policies contained in section 123.a., as amended, by such nations as nuclear export guidelines.

SEC. 404. Prior to entering into any subsequent arrangements under agreement for cooperation other than an agreement for cooperation arranged pursuant to subsection 91.c., 144.b., or 144.c. of the Atomic Energy Act of 1954, as amended, the Energy Research and Development Administration shall obtain the concurrence of the Secretary of State and shall consult with and take into full consideration the recommendations of the Nuclear Regulatory Commission, the Arms Control and Disarmament Agency and the Department of Defense, in order, to assure that the subsequent arrangements are consistent with the agreement for cooperation and the policy of preventing the proliferation of nuclear explosive devices. For purposes of this subsection, the term "subsequent arrangements" shall include: contracts for the furnishing of nuclear materials or equipment; approvals for the reexport of nuclear materials or equipment previously exported pursuant to an agreement for cooperation; authorization for the distribution of nuclear materials or equipment pursuant to the Atomic Energy Act; arrangements for physical security; arrangements for the application of safeguards with respect to United States supplied source material, special nuclear material, production facilities, or utilization facilities, or any other arrangement which the President finds to be important from the standpoint of preventing the proliferation of nuclear explosive devices.

Sec. 405. No court shall have any jurisdiction under any law to compel the performance of, or to review the adequacy of the performance of, any Nuclear Proliferation Assessment Statement called for in this Act.

Chapter V.—CLARIFICATION OF EXPORT FUNCTIONS

Sec. 501. Section 54.a. of the Atomic Energy Act of 1954, as amended, is amended, by inserting the following as the second sentence thereof: "The authority of the Energy Research and Development Administration to distribute special nuclear material under this section other than under an export license granted by the Nuclear Regulatory Commission shall extend only to small quantities of special nuclear material (in no event more than five hundred grams per year of contained special nuclear material to any recipient): (1) which are contained in laboratory samples, medical devices, or monitoring or other instruments; or (2) the distribution of which is needed to deal with an emergency situation in which time is of the essence."

Sec. 502. Subsection 57.b. of the Atomic Energy Act of 1954, as amended, is amended, to read as follows:

"b. It shall be unlawful for any person to directly or indirectly engage in the production of any special nuclear material outside of the United States except (1) under an agreement for cooperation made pursuant to section 123, or (2) upon authorization by the Administrator of Energy Research and Development after a determination that such activity will not be inimical to the interest of the United States: *Provided*, That any such determination by the Administrator shall be made only after consultation with the Department of State, the Arms Control and Disarmament Agency and the Nuclear Regulatory Commission under mutually agreed-to procedures which shall be established within not more than ninety days after the date of enactment of this proviso. Any trade secrets or proprietary information submitted by any person seeking an authorization under this subsection shall be afforded the maximum degree of protection allowable by law."

Sec. 503. Chapter 11 of the Atomic Energy Act of 1954, as amended, entitled "International Activities," is amended by adding thereto the following sections.

"Sec. 126. Export Licensing Procedures.—

"a. Following enactment of this section, no license may be issued by the Commission for the export of any production or utilization facility, or any source material or special nuclear material, and no exemption from any requirement for such an export license may be granted by the Commission, until the Commission has been notified by the Secretary of State that, in his judgment, the issuance of the license or grant of exemption will not be inimical to the common defense and security.

"b. In making the judgment called for by subsection a., the Secretary of State shall obtain the views of the Energy Research and Development Administration, the Department of Commerce, the Arms Control and Disarmament Agency and the Department of Defense, in accordance with procedures established by the President. The procedures shall include provision of appropriate data for additional data and recommendations, as and recommendations, subject to requests for additional data and recommendations, as required by the Nuclear Regulatory Commission to carry out its export licensing functions.

"c. Within one hundred and twenty days of the effective date of this section, the Commission shall, after consultations with the Secretary of State, promulgate regulations establishing procedures (1) for the granting, suspending, revoking, or amending of any license for the export of source material, special nuclear material, or production or utilization facilities; (2) for public participation in nuclear export licensing proceedings when the Commission finds that such participation will be in the public interest and will assist the Commission in making the statutory determinations required by this Act, and (3) for public written Commission opinion accompanied by the dissenting or separate views of any Commissioner, in those proceedings where one or more Commissioners have dissenting views on the issuance of an export license.

"d. The procedures to be established pursuant to subsection c. shall constitute the exclusive basis for hearings in nuclear export licensing proceedings before the Commission. No person shall possess a right to demand an on-the-record hearing in such a proceeding.

"Sec. 127. Criteria Governing United States Nuclear Exports.—

"a. The United States adopts as a matter of policy, the following criteria, which in addition to other requirements of law, will govern its exports for peaceful nuclear uses of source material, special nuclear material, production or utilization facilities, and any sensitive nuclear technology:

"(1) IAEA safeguards as required by Article III (2) of the treaty shall be applied with respect to such material or facilities proposed to be exported, to any material or facilities previously exported by the United States and subject to the applicable agreement for cooperation, and to any special nuclear material used in or produced through the use thereof;

"(2) No such material, facilities, or sensitive nuclear technology proposed to be exported, no material or sensitive nuclear technology previously exported by the United States and subject to the applicable agreement for cooperation, and no special nuclear material produced through the use of such materials, facilities, or sensitive nuclear technology will be used for any nuclear device or for research on or development of any nuclear explosive device.

"(3) Adequate physical security measures will be maintained with respect to such material or facilities proposed to be exported and to any special nuclear material used in or produced through the use thereof.

"(4) No such materials, facilities, or sensitive nuclear technology proposed to be exported, and no special nuclear material produced through the use of such material, will be retransferred to the jurisdiction of any other nation or group of nations unless the prior approval of the United States is obtained for such retransfer. The United States shall not approve such retransfer unless the nation or group of nations designated to receive such retransfer agrees that it shall be subject to the conditions required by this subsection.

"(5) No such material proposed to be exported and no special nuclear material produced through the use of such material will be reprocessed, and no irradiated fuel elements containing such material removed from a reactor shall be altered in form or content, unless the prior approval of the United States is obtained for such reprocessing or alteration.

"(6) No such sensitive nuclear technology shall be exported unless the foregoing conditions shall be applied to any nuclear material or equipment which is produced or constructed in the recipient nation or group of nations by or through the use of any such exported sensitive nuclear technology.

"b. The Nuclear Regulatory Commission shall not issue any export license for source material, special nuclear material, production or utilization facilities, and the Energy Research and Development Administration shall not distribute any source or special nuclear material under sections 54 and 64 of the Atomic Energy Act of 1954, as amended, until the Commission or the Administration, as the case may be—

"(1) finds that the criteria in subsection a. or their equivalent, and other applicable statutory requirements of the Atomic Energy Act of 1954, as amended, will be satisfied in a manner acceptable to the United States; *Provided*, that the provisions of paragraphs (4) and (5) of subsection a. shall not prevent continued cooperation under agreements for cooperation as authorized in accordance with section 124 of this Act if nations or groups of nations bound by such agreements have agreed to negotiations as contemplated in section 403 of the Nuclear Non-Proliferation Policy Act of 1977 or while the commitments in such agreements are under negotiation; and

"(2) receives advice, in accordance with procedures established under subsection 126.b., that it is the judgment of the Department of State and other concerned executive branch agencies and departments that the proposed export would not be inimical to the common defense and security of the United States. In submitting such judgment, the Secretary of State shall specifically address the extent to which the foregoing criteria are met. In addition, in the event he considers it warranted, he may address the following additional factors, among others:

(A) that issuance of the license will materially advance the non-proliferation goals of the United States by encouraging the recipient nation to adhere to the Treaty, or to participate in the undertakings contemplated by section 101 or 403 of the Nuclear Non-Proliferation Policy Act of 1977.

(B) that failure to issue the license would otherwise be seriously prejudicial to the non-proliferation objectives of the United States;

(C) that the recipient nation or group of nations has agreed that conditions substantially identical to the foregoing criteria will be applied to the proposed United States export by another nuclear supplier nation or group of nuclear supplier nations and that in his judgment those conditions will be implemented in a manner acceptable to the United States; *Provided*, that no such material, equipment or sensitive nuclear technology shall be exported to a non-nuclear-weapon state that, at any time after the effective date of the Nuclear Non-Proliferation Policy Act of 1977,—

(i) detonates a nuclear explosive device;

(ii) terminates or abrogates IAEA safeguards; or

(iii) is found by the President to have materially violated an IAEA safeguard agreement or any guarantee it has given under an agreement for cooperation with the United States;

unless the President determines that the cessation of such exports would be seriously prejudicial to the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security. Prior to the effective date of any such determination, a report containing the President's reasons for such determination shall be submitted to the Congress.

"c. In the event the Commission, after receiving from the Secretary of State the Executive Branch judgment that the issuance of the proposed export license will not be inimical to the common defense and security, does not issue the proposed license because it is unable to make the statutory determinations required under this Act, the Commission shall publicly issue its decision to that effect, and shall submit the license application to the President. In its decision, which shall not be a final order for the purpose of section 189.b. of this act, the Commission shall explain the basis for its finding and shall include any dissenting views of individual Commissioners. If, after receiving the proposed license application and reviewing the Commission's decision, the President determines that withholding the proposed export would be seriously prejudicial to the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security, the proposed export may be authorized by Executive Order, *Provided* that prior to any such export authorized by Executive Order, such Executive Order shall, together with the President's explanation of the reasons why the export should be authorized, be submitted to the Congress and referred to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate and a period of sixty days has elapsed while Congress is in session (in computing such sixty days there shall be excluded the days on which either House is not in session because of an adjournment of more than three days), but any such proposed export shall not occur if during such sixty-day period, a joint resolution is enacted stating in substance that the Congress does not favor the proposed export. Notwithstanding the provisions of section 57.a. of this Act, any such Executive Order shall constitute full authorization to export the nuclear material or equipment covered thereby.

"d. Notwithstanding section 402 of the Nuclear Non-Proliferation Policy Act of 1977, at such time as the program of renegotiation called for by section 403 of that Act is completed, or at such time as any international arrangement or other mutual undertaking called for by section 403 is achieved, the President shall propose to the Congress amendments to paragraph a. of this section to implement as additional licensing criteria any one or more of the requirements set forth in clauses (3), (4), (6), (8), and (9) of section 123.a. of this Act.

Sec. 504. Section 109 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"Sec. 109. Component and Other Parts of Facilities.—

"a. With respect to those utilization and production facilities which are so determined by the Commission pursuant to subsection 11.v. (2) or 11.cc. (2) the Commission may issue general licenses for domestic activities required to be licensed under section 101, if the Commission determines in writing that such general licensing will not be inimical to the common defense and security.

"b. The Commission is authorized and directed to determine which component parts as defined in subsection 11.v. or 11.cc. of the Atomic Energy Act of 1954, as amended, and which other items or substances are especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes. Except as provided in section 127.c., no such component, substance, or item which is so determined by the Commission shall be exported unless the Commission issues a general or specific license for its export, after determining in writing that the issuance of each such general or specific license will not be inimical to the common defense and security.

"c. The Commission, within not more than one hundred and twenty days after the date of the enactment of this Act, shall publish regulations to implement the provisions of this section. Among other things, these regulations shall provide for the prior consultation by the Commission with the Department of State, the Energy Research and Development Administration, the Department of Defense, the Department of Commerce, and the Arms Control and Disarmament Agency.

"d. The Commission shall not issue an export license under the authority of subsection b. if it is advised by the Executive Branch, in accordance with the procedures established under subsection 126.b., that the export would be inimical to the common defense and security of the United States.

"e. The President, within not more than one hundred and twenty days after the date of the enactment of this Act, shall publish procedures regarding the control by the Department of Commerce over all export items, other than those licensed by the Commission, which could be, if used for purposes other than those for which the export is intended, of significance for nuclear explosive purposes. Among other things, these procedures shall provide for prior consultations, as required, by the Department of Commerce with the Department of State, the Arms Control and Disarmament Agency, the Nuclear Regulatory Commission, and the Energy Research and Development Administration.

Chapter VI.—EXECUTIVE REPORTING

Sec. 601. (a) The President shall review all activities of Government departments and agencies relating to preventing the proliferation of nuclear explosive devices and shall make a report to Congress within not more than one year after the date of enactment of this Act and annually in January of each year thereafter on the Government's efforts to prevent such proliferation. This report is to include but not be limited to—

(1) a description of the progress made toward—

(A) negotiating the international arrangements or other mutual undertakings contemplated in sections 101 and 403 of this Act;

(B) negotiating the initiatives contemplated in sections 304 and 305 of this Act;

(C) promoting adherence to the Treaty on the Non-Proliferation of Nuclear Weapons, and discouraging or prohibiting nuclear exports to non-nuclear weapon states that are not parties to the treaty or have not entered into comparable agreements with respect to safeguards and foresaken the development of any nuclear explosive devices;

(D) strengthening the safeguards of the International Atomic Energy Agency as contemplated in section 201 of this Act; and section 123 of the Atomic Energy Act, including a discussion of the scope and adequacy of the requirements and obligations relating to the safeguards and other controls contained therein.

Sec. 602. (a) The annual reports to the Congress by the Nuclear Regulatory Commission and the Energy Research and Development Administration which are otherwise required by law shall also include views and recommendations regarding the policies and actions of the United States to prevent the proliferation of nuclear explosive devices which are the statutory responsibility of those agencies. The Administration's report shall include a detailed analysis of the implications of advanced enrichment and reprocessing techniques for the proliferation of nuclear explosive devices and of alternative nuclear fuel cycles which do not involve access to weapons usable materials. This part of the report shall include a comprehensive version which includes classified information to be submitted to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives and a summary unclassified version.

(b) The reporting requirements of this chapter are in addition to and not in lieu of any other reporting requirements under applicable law.

(c) The Department of State, the Arms Control and Disarmament Agency, the Department of Commerce, the Energy Research and Development Administration, and the Nuclear Regulatory Commission, shall keep the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives fully and currently informed with respect to their activities to carry cut the purposes and policies of this Act and to otherwise prevent the proliferation of nuclear explosive devices.

(d) Any classified portions of the reports required by this Act shall be submitted to the Senate Foreign Relations Committee and the House International Relations Committee.

Chapter VII.—DEFINITIONS AND SAVINGS PROVISIONS

Sec. 701. As used in this Act:

(a) The term "nuclear materials and equipment" means source materials, special nuclear material, production facilities, utilization facilities and items or substances determined to have significance for nuclear explosive purposes pursuant to subsection 109.b. or e. of the Atomic Energy Act of 1954, as amended.

(b) The term "physical security measures" means measures to prevent the theft or sabotage or unauthorized use of source or special nuclear material.

(c) The term "safeguards" means a system of controls designed to ensure that any materials, equipment, components, or substances subject thereto are not used to further any military purposes, including use in or development of any nuclear explosive device.

(d) The term "sensitive nuclear technology" means any information (including information incorporated in a production or utilization facility or important component part thereof, or in a nuclear-related substance) which is not available to the public and which is important to the design, construction, fabrication, operation or maintenance of a uranium enrichment or nuclear fuel reprocessing facility, or a facility for the production of heavy water, but shall not include Restricted Data controlled pursuant to Chapter 12 of the Atomic Energy Act of 1954, as amended.

(e) All other terms used in this Act shall have the meanings ascribed to them by the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, and the Treaty on the Non-Proliferation of Nuclear Weapons.

Sec. 702. All orders, determinations, rules, regulations, permits, contract, agreements, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of functions which are the subject of this Act, by (i) any agency or office, or part thereof, in exercising the functions which are affected by this Act, or (ii) any court of competent jurisdiction; and,

(2) which are in effect at the time this Act takes effect;

shall continue in effect according to their terms until modified, superseded, set aside, or repealed as the case may be, by the parties thereto or by any court of competent jurisdiction.

Sec. 703 Nothing in this Act shall affect the procedures or requirements applicable to agreements for cooperation entered into pursuant to sections 91.c., 144.b., or 144.c of the Atomic Energy of 1954, as it was in effect immediately prior to enactment of this Act.

ADDITIONAL COSPONSORS

S. 274

At the request of Mr. THURMOND, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 274, to prohibit unionization of the military services.

S. 514

At the request of Mr. RIBICOFF, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 514, to amend title XVIII of the Social Security Act.

S. 991

At the request of Mr. RIBICOFF, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 991, to establish a Department of Education, and for other purposes.

S. 1419

At the request of Mr. HEINZ, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 1419, the Emergency Rail Transportation Improvement and Employment Act.

SENATE RESOLUTION 117

At the request of Mr. NELSON, the Senator from New York (Mr. JAVITS), the Senator from Vermont (Mr. LEAHY), the Senator from Idaho (Mr. MCCLURE), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Resolution 117, designating National Small Business Week.

SENATE RESOLUTION 153

At the request of Mr. METCALF, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of Senate Resolution 153, relating to radio and television coverage of Senate proceedings.

AMENDMENT NO. 183

At the request of Mr. CULVER, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of amendment No. 183, intended to be proposed to S. 275, the Food and Agriculture Act of 1977.

AMENDMENT NO. 186

At the request of Mr. KENNEDY, the Senators from Colorado (Mr. HASKELL and Mr. HART) were added as cosponsors of amendment No. 186, intended to be proposed to the bill (S. 826) to establish a Department of Energy.

SENATE RESOLUTION 158—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL COMMITTEE EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. JACKSON, from the Committee on Energy and Natural Resources, reported the following original resolution:

S. RES. 158

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Energy and Natural Resources, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $825,000, of which amount not to exceed $75,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 159—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL COMMITTEE EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. MUSKIE, from the Committee on the Budget, reported the following original resolution:

S. RES. 159

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,614,300, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

HEALTH ASSISTANCE PROGRAMS EXTENSION ACT OF 1977—H.R. 4975

AMENDMENT NO. 246

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted an amendment intended to be proposed by him to the bill (H.R. 4975) to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for comprehensive public health services, migrant health, community health centers, hemophilia programs, national health planning and development and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; and for other purposes.

CONGRESSIONAL BUDGET, 1978—SENATE CONCURRENT RESOLUTION 19

AMENDMENT NO. 247

(Ordered to be printed and to lie on the table.)

Mr. HAYAKAWA (for himself, Mr. SCHWEIKER, and Mr. CURTIS) submitted an amendment intended to be proposed by them jointly to the concurrent resolution (S. Con. Res. 19) setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

AMENDMENT NO. 248

(Ordered to be printed and to lie on the table.)

Mr. MUSKIE, from the Committee on the Budget, submitted an amendment intended to be proposed to the concurrent resolution (S. Con. Res. 19), supra.

NOTICES OF HEARINGS

PUBLIC OFFICIAL INTEGRITY ACT OF 1977

Mr. RIBICOFF. Mr. President, I wish to announce that the starting times of the hearings on May 3, 4, and 5, 1977, previously announced by the Committee on Governmental Affairs on S. 555, the Public Official Integrity Act of 1977, amendments thereto and related legislation S. 113, S. 290, S. 383, and S. 673 have been changed.

The hearings will still be held in room 3302 of the Dirksen Senate Office Building. However, the hearings will not begin at 10 a.m. The hearing on Tuesday, May 3, will begin at 2:30 p.m., the hearing on Wednesday, May 4, at 2 p.m., and the hearing on Thursday, May 5, at 2 p.m.

ADDITIONAL STATEMENTS

BUSINESS REGULATIONS

Mr. LUGAR. Mr. President, several weeks ago one of my constituents—Mr. Thomas R. Boese, a feed mill operator in Shirley, Ind.—told me he wanted to address the U.S. Senate on his views regarding Government reorganization and regulatory reform.

I discovered that apparently there is no provision for an average American citizen to come before Congress and express an opinion. Special interest groups have massive funds to hire professional lobbyists to help spread their viewpoints. Because average citizens like Mr. Boese do not have that advantage, I will see to it that citizen opinion is regularly published in the RECORD.

Many citizens write to point out how the Federal Government is encroaching into their lives and becoming more of a master than a servant. The voice of private citizens—our Nation's best source of commonsense—simply must be heard. Human wisdom is our Nation's most precious natural resource. And most of that resource is on the farms and in the homes, schools, factories, and business offices of America.

Mr. Boese's is the first "Dear Congress" letter that I am entering into the RECORD, and periodically I will enter others.

I ask unanimous consent that Mr. Boese's message be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

APRIL 20, 1977.

TO THE CONGRESS OF THE UNITED STATES:
Subject: Business Regulations.

This is a citizen's report of business conditions in mid-America.

My brother and I have operated a small country elevator business in East Central Indiana for 25 years. This is an attempt to inform Congress of the conditions we are being forced to operate under through continued regulations from State and Federal Government.

In 1976 we wrote checks to twenty-four different State and Federal Agencies to the sum of $34,878.00. We are required to have eight licenses, seven permits, and two different bonds and are subject to four different audits and numerous other open inspections from at least seven other agencies per year. It is impossible for me to estimate how many man hours are spent with these inspectors and in the filing of the required reports. You can understand how costly this is.

The above sum is also greater than the return on our investment of over one-half million dollars.

Since I work every day in midstream America with all these obstacles and more popping up every day, it is not difficult to see why business is not expanding and unemployment is growing.

In light of this experience, I would like to make three suggestions pertaining to the writing and administering of federal regulations.

1. Make sure laws are written with flexibility and consideration for individual situations. You can no more write a regulation to affect all of these Unted States with its diversification any more than you can accept the cliche that all teenagers are juvenile delinquents, all Congressmen are crooks, or all businesses are polluters. These laws must be written with the feeling for people and situations. There is a big difference in operating a business in downtown Cleveland and a rural community of 400 or 500 people.

2. The administering agency must be made directly responsible to the Congress and should be reviewed on a regualr basis. I think it is important that the agency be allowed to do no more, no less than the intent of the law. Upon review, the material studied should have industry as well as agency input to insure against the agency falsely justifying its own existence.

We have letters in our file from Congressmen who have openly stated the laws were written and those in Congress can do nothing about it. It appears to me that if the Congress wrote the law they can change the law.

3. There must be an appeal procedure for the individual being regulated which is fair, direct and economical.

I would like to ask each of you some questions.

Were you aware of all the regulations that have been placed on the small independent business?

Is it the intent of Congress to allow small business to exist, so we are not forced to deal with the giant corporations only?

Do you think that the factors I have pointed out are all inflationary?

If your answers to any of the above questions is Yes, then you haven't voted No to some of the very pertinent questions before the Congress from time to time.

The final thought I wish to share with you, is that America's strength has always been within its strong independent middle class. It is this segment of our society which makes our way of life different than any other nation. I feel that it is the responsibility of the Congress to preserve this way of life by letting free enterprise operate. History has proven that the private sector is much more efficient in business practice than Government so why do we need more and more government in business? Are we to be another England?

I believe in the free enterprise system. It is that system that built this nation to its greatness. Now I'm asking you to back off and let it work to prolong this nation's life.

Respectfully submitted,
THOMAS R. BOESE,
Shirley Feed Mill, Inc.

IBM'S POLICIES GOVERNING ITS FOREIGN SALES

Mr. KENNEDY. Mr. President, on February 10 of this year I addressed the Senate on a matter of particular importance in the area of human rights, that of the use of American computers as tools of repressive regimes in Latin America. The article which accompanied my remarks discussed in some detail both the activities of IBM in the Latin American computer market and IBM's policies concerning its sales abroad.

Mr. Frank T. Cary, chairman of the board of IBM, recently wrote to me to enunciate IBM's policies governing its foreign sales. I welcome this response, and in order to fulfill Mr. Cary's request that his company's position be made known, I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL BUSINESS
MACHINES CORP.,
Armonk, N.Y., March 1, 1977.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: Your recent comments on the uses of computers in some Latin American countries which appeared in the February 10 Congressional Record were naturally of interest to me.

However, I am concerned about some of the impressions conveyed in the story which accompanied your remarks. My concern arises from the fact that while IBM may not have been directly accused of any wrongdoing in that article, some readers might nevertheless be misled into thinking otherwise.

It seems to me three points about our business, whether in the United States or in any of the other 127 countries where we operate, ought to be made.

First, IBM has always scrupulously adhered to U.S. Government foreign trade laws and abides by all the applicable American export control regulations for its products.

Second, we go to equally great lengths to assure ourselves that our business also is in strict compliance with local laws.

Third, the use of IBM equipment is determined by the user, whether he has leased or purchased that equipment from IBM or, as is increasingly the case today, from a third party.

I wish to elaborate this third point because it is not always understood by the general public. Computers enable users to retrieve and manipulate large amounts of information for a variety of purposes. The purpose—the use—depends on the user, not the machine or even the programs which control it. The same information can, with or without a computer, be used for legitimate or illegitimate purposes.

While we know of no applications where our products are being currently used to abridge human rights, I do not see how IBM or other computer manufacturers can guarantee the morality of their customers. There are a large number of computer manufacturers in this country, Europe, and Japan. Further, IBM machines (and those of other manufacturers) can be purchased from third parties in many countries around the world.

It seems to us that the question raised is really the broader one of trade policy—a matter of governmental not private responsibility. As you know, COCOM controls presently exist with respect to computers shipped from the United States or Europe to the Soviet Union and Eastern European countries. Whether similar export controls should be extended to other countries seems to us also to be a question of the conduct of our foreign policy.

In view of the fact that events in certain countries continue to be an issue, perhaps a review of the U.S. Government's export policies may be in order. Should such a review determine that certain products ought not to be shipped to a particular country or group of nations, IBM, of course, would certainly abide by that decision.

So that our views are also reflected in this matter, I would appreciate your entering this letter in the Congressional Record.

Sincerely,
FRANK T. CARY.

FOOD QUALITY IN THE SCHOOL LUNCH PROGRAM

Mr. PERCY. Mr. President, the school lunch program has been in operation since 1946, and indicates this country's dedication to safeguarding the health and well-being of our children. The program feeds nearly 25 million schoolchildren each day, and provides a vital service to the Nation.

In addition to boosting the physical capacities of our young people, it allows them to take their minds off hungry stomachs and turn their attention to learning and building their mental capacities. We have found with this program, as with several others, that a modest investment of Federal funds in good nutrition early in a child's life will save the Government—and the taxpayer—large expenditures later in life.

I was concerned, then, to read an article from the Des Moines Register about possible contamination in packing plants of the company which supplies about 42 percent of the hamburger meat used in the school lunch program. The authors point out a consistent pattern of poor sanitation in the plants, documented by USDA reports. Although they give no evidence of contaminated meat actually entering the lunch program, it seems reasonable to assume that there is some relationship between the cleanliness of the plant and the cleanliness of the meat.

I have long been concerned along

with Senators McGovern and Dole, over the quality of the food provided to our children in the school lunch program. Questions about the nutritional value, as well as the cleanliness, of program foods have been raised with more frequency. Solid answers to these questions, assuring the quality of food in the school lunch program, are lacking.

The Select Committee on Nutrition and Human Needs will hold hearings later this year to investigate the problems of food quality in Federal feeding programs and perhaps develop some legislation to assure food quality and good nutrition. Also, I understand that Assistant Secretary of Agriculture, Carol Foreman, is looking into administrative means of assuring food quality for our children.

We cannot and will not allow poor food quality to undermine this program, which provides such a vital national service. Mr. President, I ask unanimous consent that the article from the Register be printed in the Record to indicate some of the problems the program has.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Des Moines Register, Apr. 17, 1977]

Dirty Meat Problems at Schools' Big Supplier

(By James Risser and George Anthan)

Washington, D.C.—Nearly one-half the hamburger consumed by children in the national school lunch program comes from a Wisconsin meat packing company with persistent and serious sanitation problems.

Despite warnings that the company might be producing contaminated or adulterated ground beef, and in the face of repeated instances of harassment of federal meat inspectors by company personnel, the U.S. Department of Agriculture (USDA) has continued to buy millions of pounds of hamburger from the firm.

During this school year, Packerland Packing Co. and its allied plants have sold more than 60 million pounds of ground beef to the school lunch program.

That constitutes about 42 per cent of the total purchased by the USDA for the program. The other 58 per cent was divided by 34 bidders.

And in a bizarre incident apparently unrelated to its bidding on government contracts, the firm's president, Siegfried W. Frankenthal of Green Bay, Wis., and his daughter Betty were arrested by FBI agents last December and charged with wiretapping some competing meat packing plants.

When the agents appeared at his daughter's home to arrest the pair, Frankenthal dropped dead in the driveway.

Betty Frankenthal, an officer of the company, has since been indicted by a federal grand jury on charges of conspiring to wiretap three other Wisconsin meat companies.

A man she and her father were accused of hiring to actually install wiretaps has pleaded guilty and was sentenced to a prison term.

The success of the Frankenthal companies in obtaining the USDA's school lunch contracts has aroused widespread interest within the meat packing industry, with some officials raising questions about the way the department buys and distributes the ground beef that is served to school children.

Some smaller local meat suppliers, through their trade organization—the National Association of Meat Purveyors—have objected in past years to Frankenthal's domination of the school lunch ground beef purchases.

Hundreds of documents from the files of the USDA's meat inspection service were examined by The Register, and they indicate a long-standing pattern of sanitary deficiencies and questionable operating practices at various Frankenthal companies.

The USDA official who buys the hamburger for the school lunch program said he is aware that the Frankenthal firms have had problems with the department's meat inspection service. But he said that as long as inspection has not been cut off and the plants have not been shut down, he cannot exclude the companies from bidding on government contracts.

"As long as they have federal inspections, we can't second-guess the inspectors or say they can't bid," said Henry J. Uhler, contracting officer for the livestock division of the USDA's Agricultural Marketing Service. "We have to look upon them (the inspectors) as the ones to tell the plant they can produce or not," Uhler said.

According to the government records, the Frankenthal-controlled companies are Packerland Packing Co. of Green Bay, Packerland Packing Co. of Chippewa Falls, Wis., Elkay Enterprises (also known as University Meats and Cold Storage) of Green Bay, and Packerland Packing Co. of Pampa, Tex., which now is closed.

Some of the school lunch bids submitted to the USDA are in the name of A. Frankenthal and Son, and department officials said meat supplied under these bids is believed to come from one or more of the affiliated firms.

Several government reports prepared by veterinarians in supervisory and administrative positions within the USDA's animal and plant inspection service question the quality of the meat turned out by Frankenthal companies.

A 1975 report refers to a list of sanitation problems at Elkay Enterprises, and states:

"This poor maintenance of facilities and equipment and poor operating practices strongly suggest that meat product possibly may be subjected to contamination and/or adulteration during processing operations."

In February 1976, federal review inspectors gave the University Meats plant a "Category One" rating for dirty product and poor sampling.

In a later report, Dr. James M. Mathis, chief staff officer at a regional USDA compliance office, said the review inspector had concluded that "dirty meat was being ground" into hamburger.

Mathis himself concluded that "no quality control exists" at the plant.

A 1974 review report involving the Frankenthal company at Chippewa Falls stated that failure to "adequately maintain facilities and equipment causes beef products to be subjected to contamination during slaughter and storage. Unacceptable operating practices and procedures and absence of controls may result in adulterated or misbranded meat products."

A 1976 review inspection report on the company noted that "beef quarters with killing floor contamination, i.e. hair, dirt, etc., are placed on boning tables. In the patty room, beef contaminated with hair and dirt is taken from large bins and placed on the grinder system feed table and hopper."

BONES, MAGGOTS

In June, 1976, a federal officer inspecting the Pampa, Tex., plant found bone and meat scraps several days old, no dust control program, flaking rust in the boning room, a dirty cooler, wooden pallets that were bloody and dirty, maggots on a basement floor and flies. The plant was shut down that day, until corrections were made.

Two days later, at the same plant, a federal inspector refused to approve some cattle heads because of contamination, and he was upheld by an appeal inspector.

The supervisor of the plant's killing floor, according to the USDA report, threw a rack of cattle heads at a federal inspector. The plant manager, Howard Frankenthal, also threw a cattle head on the floor, used "sexual profanity" and stated that "the head belonged to him and that he would do as he wanted to do," said the report.

In a 1973 letter to Packerland Packing Co. officials, a federal inspection supervisor related an incident involving threats to an inspector at the Chippewa Falls plant.

"My documentation of the incident," wrote Circuit Supervisor Dr. W. R. Johnston, "as obtained from inspector Zwiefelhofer and Gene May indicated Mr. Zwiefelhofer requested a plant employe to dispose of a beef heart condemned due to contamination with a knife covered with pus.

"The above inspectors state that the plant employe swore and said Mr. Zwiefelhofer would find himself knocked down the hall and against the wall one of these days."

"UNCOMMON" PROBLEMS

USDA meat inspection officials in Washington say the problems encountered with the Frankenthal companies are not common to the meat industry in general.

In a 1976 letter to Norval Drorak, listed as assistant to the president of Packerland Packing Co., F. J. Mulbern, administrator of the USDA meat inspection service, stated:

"I can assure you that the problems that we have with your company are very rare in our total inspection system. Sure, we have an occassional problem with many plants, but they do not seem to persist as long as those at your plant."

Mulbern told Dvorak that "the problems at your establishment have persisted too long."

A USDA official actually closed Frankenthal's Texas plant for a short time in June, 1976, because of fears for the safety of federal personnel on the premises.

One federal official stated in a report to his superior, "I have seldom, if ever, encountered plant management such as in this plant (Pampa, Tex.) who make it exceedingly difficult for an inspector to do his job and perform his duties."

Operations at the Pampa plant were suspended until Siegfried Frankenthal, president of the Frankenthal companies, signed under protest, a promise that inspectors would not be threatened or intimidated. He had been warned that interference with inspectors could result in a $5,000 fine and up to three years in federal prison.

In 1973, L. H. Burkert, director of federal meat inspection services at the USDA's regional office in Des Moines, indicated in a report that "as for my experience in dealing with the parent company Packerland Packing Co. of Green Bay, we have always considered the plant and plant management to be in the problem category."

Although the school lunch program is run by USDA's Food and Nutrition Service, the actual purchasing of bulk ground beef and hamburger patties for the program is handled by the AMS livestock division.

BUYING NOW

As a new school year approaches, the division begins buying ground beef in August, taking bids each Monday and awarding contracts the following Wednesday, until it has purchased its requirements for the year. The buying program for the current school year was completed in mid-February. By then, a total of 145.6 million pounds had been purchased, at a cost to the government of $100 million.

According to USDA, this was enough ground beef to give each of the 25.5 million participating school children 31 servings during the year.

Each week during the buying season, meatpackers can offer to supply as much ground beef as they wish a minimum bid of one train carload, or 38,500 pounds at whatever price they wish. USDA purchasing officials assess the program's needs, check the prevailing prices in the commercial beef market, and decide how many of the bids to accept each week.

In a given week, the offers of 10 or more bidders are likely to be accepted, while other offers considered excessive are rejected.

Many participating companies offer only one or two carloads a week, while others offer several. The Frankenthal firms, however, typically offer several million pounds a week. Although they seldom submit the lowest bid, they come close enough to be chosen nearly every week and for the past several years have been the USDA's dominant supplier.

Contracting officer Uhler attributed Frankenthal's success in winning government contracts to three things.

First, he said, "Wisconsin is cow country" and a prime source of ground beef. Second, the Frankenthal firms pay lower wages than those prevailing in the packing industry because their plant employes are not represented by a national labor union, and third, Frankenthal is "geared up to produce ground beef on an assembly-line basis and to do government business."

Uhler described the late Frankenthal as "a dynamic character" and nearly a one-man show."

COLORFUL CHARACTER

Siegfried Frankenthal, who died of a massive heat attack last Dec. 3 despite efforts of an FBI agent to revive him was nicknamed "Siggie" and was one of Wisconsin's most controversial and colorful businessmen.

Born in Germany, he fled the Nazis in the 1930s and served in the U.S. Army in World War II. Over the years, the company founded by his father and expanded by him was involved in a series of squabbles with labor unions and with the city of Green Bay over sewer charges.

Residents in the area of one of his plants complained about odors, but he was one of Green Bay's bigger employers and was believed to wield some political power.

The Green Bay Press Gazette described Frankenthal as a "loner in the industry" and stated in his obituary that "when it came to his business, few persons got in his way."

Frankenthal was quoted as saying, "In this business you have to give your all because it is demanding and consumes you. It is a business for the quick and the dead. It's tough."

Frankenthal told the USDA in a 1971 letter that "I am not interested in continuing this business subject to the whims of personnel who exercise authority in a dictatorial manner."

He added, "We feel we are providing a valuable service to the producers of cattle and the consumers of beef."

A VOTE FOR VITALITY

Mr. CRANSTON. Mr. President, the long overdue reform of election day registration is a further step in the effort to make our democratic processes the most open and available. The means of accomplishing this reform is available in S. 1072, the Universal Registration Act of 1977.

As a cosponsor of S. 1072, I was, therefore, pleased to see the supportive editorial which appeared in the Los Angeles Times of April 28, 1977. At the same time, we should take into account the questions raised in the editorial about whether the funding is equitable to State and local election boards and whether there are adequate guarantees against fraud. Every effort has been made to insure that there are adequate guarantees—but if more are needed they should, of course, be provided.

Mr. President, I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Apr. 28, 1977]

A Vote for Vitality

Earlier this week, on the page facing this one, Sen. Edward M. Kennedy (D-Mass.) argued the case for passage of the Universal Registration Act of 1977.

The proposal, which was put forward last month by President Carter and Vice President Mondale, would eliminate the requirement for advance registration of voters in federal elections. All that citizens would have to do would be to show up at the polls on Election Day, prove their eligibility and ask for a ballot.

Kennedy said the concept "holds great promise for enhancing public participation in elections," and there is no doubt that the participation needs enhancing.

There were 146 million potential voters in last year's presidential election, but only 81 million, or 55%, went to the polls—the smallest voter response since 1948.

The number of stay-at-homes—65 million—was larger than the total vote cast for Carter (41 million).

But would Election Day registration reverse what Kennedy calls "America's sorry record of declining voter turnout?"

We think it would, but not as greatly in California as in many other states.

Every state has its own prior-registration laws. In many of them, it is difficult to sign up because registration offices are not easily accessible or are open for too short a time, or because of unfair and complex eligibility requirements, or because there is no effort to reach non-English-speaking citizens. Those and other states may also conduct frequent and unreasonable purges of the voting rolls, requiring citizens to rerun the same obstacle course to regain their eligibility.

None of those disincentives exist in California, where citizens have no difficulty finding a place to register and may even register by mail; where registration is open up to 29 days before an election, and where there is a conscientious effort to reach non-English-speaking eligibles through bilingual election publications.

Kennedy is right in crediting this state with a far better performance than most jurisdictions. But he is wrong in claiming that the Universal Registration Act would guarantee full compensation to state and local governments for the extra cost of instant registration.

Compliance with the law would require more polling places, more election workers, more ballots and more facilities to tabulate the vote.

Registrar-Recorder Leonard Panish of Los Angeles County has told the Board of Supervisors that the statute would raise costs for the 1978 general election here by $2.3 million to $3 million, if the turnout were to increase only 10%. But he says that the guaranteed reimbursement by the federal government would be only $500,000.

Panish and the Los Angeles County Election Commission have taken no position on the goals of the new legislation, but they are urging the Board of Supervisors to oppose its enactment until it contains assurances of full reimbursement.

We question that Washington will come up with every last penny, but it ought to contribute a much higher percentage than the $500,000 represents.

We also question that the act, as now written, contains the necessary safeguards against fraud in machine states where false registrations have alway been common, and which could become more common under the new and more lenient rules in the absence of severe penalties.

But if Congress is willing to correct what are obvious shortcomings in the proposal, Kennedy could be right in asserting that universal registration "would mark a major step toward restoring the vitality of our democracy" by encouraging more citizens to join in the choice of our national leadership.

BELATED BENEFITS FOR AAF'S WOMEN PILOTS

Mr. GOLDWATER. Mr. President, the story of the WASP's, the Women's Airforce Service Pilots, is becoming better and better known by Americans as each new article about the group appears in distinguished magazines or the daily press. These ladies can no longer be called the "forgotten women of World War II" because they have at last achieved a well-deserved national attention.

It especially pleases me when I see an article about the women in one of the journals of the military associations. In this connection, I am delighted that Air Force magazine, in its April 1977 issue, has published just such an article.

Mr. President, because the article clearly brings out the history and record of achievements of the WASP's, I believe my colleagues will benefit by having it before them. Accordingly, I ask unanimous consent that the appeal made on behalf of the WASP's in their quest for veterans status appearing in Air Force magazine be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Belated Benefits for AAF's Women Pilots

(By James A. McDonnell, Jr.)

(Appearing before the Congressional Committee, the ranking General of the United States Air Arm urged the Congress to move immediately to provide for the appointment of female pilots and aviation cadets in the Air Force. He was looking, he said, for as many as two thousand to twenty-five hundred.)

A new Air Force policy?

No. The General was Henry H. Arnold, Commanding General of the Army Air Forces, and the date was March 1944.

General Arnold was not requesting a new program, but rather incorporation into the AAF of an extremely successful one that had begun in September 1942—the Women's Airforce Service Pilots, or WASP.

By 1944, WASPs were ferrying combat and support aircraft from factories to using outfits throughout the U.S. They were flying weather and target-towing missions where they were shot at, and one, indeed, was shot down. General Arnold also was considering using them as Training Command flight instructors.

But while the WASPs were serving the AAF, they were not serving *in* the AAF. That was why General Arnold appeared on the Hill that day in 1944. The WASPs were, in fact, processed, drilled, trained, and in most other ways treated like male pilots. Mrs. Elaine Harmon, a former WASP now living in Maryland, recalls that they were assigned by orders to military units, subject to the same directives and regulations as military people (except for military law), and wore the Air Forces uniform with insignia. But, as she points out, "we were still civil servants," and—shades of ERA—they were paid $50 a month less than their male civilian pilot counterparts.

Beyond that, the WASPs were not entitled to military benefits, Mrs. Harmon cited a poignant incident where a WASP copilot and male pilot were killed in a crash. The WASP's survivors were eligible for none of the death benefits that the pilot's family received. The woman pilot's family even had to pay for her funeral.

DEFEAT AND DEACTIVATION

There is no doubt that militarization of the WASP was always in the minds of its planners. The woman military pilot program began with formation of an experimental squadron of experienced women flyers who were trained to do ferry work in the Air Transport Command. In the urgent climate of World War II, it was "get 'em on the job as soon as possible and take care of the details later."

On August 5, 1943, the trainees and the Women's Auxiliary Ferrying Squadron (WAFS) were merged into one WASP organization, directed by Jacqueline Cochran. A study charted by General Arnold at the time of the merger recommended that the WASPs remain on civil service status for only a ninety-day observation period.

In all, 1,830 women were accepted for pilot training and 1,074 graduated—but always as federal civil service employees.

Most of the WASPs were assigned to domestic ferrying duty. One was awarded the Air Medal for delivering a P-51, two P-47s, and a C-47 in five days, covering more than 8,000 miles in the process.

Gen. William H. Tunner, of World War II and Berlin airlift fame, recalls in his book, *Over the Hump,* that many male ferry pilots were having accidents in the P-39. To change the image of the aircraft that had come to be known as the "Flying Coffin," General Tunner assigned some WASPs the job of ferrying P-39s. They did it with a perfect flight record. There were no more complaints from the male pilots.

The bill that General Arnold supported in 1944 provided that women pilots appointed under the legislation would be commissioned in the Army Air Forces and entitled to the same rights, privileges, and benefits as any other Reserve officer. It was considered on the House floor on June 21, 1944, but defeated by nineteen votes. There was, in fact, little objection to commissioning women pilots. The major opposition was from members who wanted to add amendments concerning admitting male civilian pilots to the AAF.

An identical bill had been introduced in the Senate, but after the House vote, the Senate bill wasn't reported out of committee. During the House debate, it had been recommended that the women be provided hospitalization and life insurance. No action was taken on that score, either.

After defeat of the House bill, recruitment and training of women pilots stopped. The program was inactivated on December 20, 1944, leaving the WASPs with no veterans' benefits.

"DON'T LET THEM DOWN AGAIN"

More than thirty years later, in the Ninety-fourth Congress, a bill to provide veterans' benefits to former WASPs was sponsored in the Senate by Barry Goldwater and in the House by Patsy Mink and Omar Burleson. It died with the Ninety-fourth.

Now once again, Senator Goldwater has introduced a bill, which AFA strongly supports to provide long-overdue recognition to the WASPs. In introducing the bill this January, Senator Goldwater said:

"One of my greatest disappointments in the last Congress was the failure of the 94th Congress to enact legislation recognizing the contributions of the Women's Airforce Service Pilots . . . I am today reintroducing legislation on behalf of the WASPs. The bill would provide veterans pension, disability compensation, hospital and medical care, and other GI benefits to them. . . . The very reason the group was organized from the outset was for militarization; the group proved their military capabilities to the satisfaction of the [Army Air Forces]. . . . There is no sound nor reasonable basis on which a bill giving recognition to the WASP for their service to their country can be turned down."

Senator Goldwater cited the distinguished record of the WASPs, pointing out that they flew more than 60,000,000 miles during World War II. "I was privileged to have served in the 2d Ferrying Group, stationed at New Castle, Del., when they were there," he said. "I made many flights with them, and it convinced me that their ability as pilots was equal and, in some instances, superior to men."

Thirty-eight WASPs died on duty or during training. It is, of course, too late for them. Of the more than 1,000 program participants, others, of course, have died in the intervening years and the location of many is unknown. One who is known is Air Force Lt. Col. Joan Olmsted, an intelligence officer with the Air Force Intelligence Service at Ft. Belvoir, Va. One of a small number who subsequently joined the Air Force, and the last one still on active duty, she feels strongly that the bill is a necessary redress of past wrongs. While its provisions would have no significant effect on her life, she told Air Force, "So much is owed to those women who were really our all-volunteer force, and this bill would at least recognize what they did."

In late February of this year, Senator Goldwater wrote Sen. Alan Cranston (D-Calif.), Chairman of the Senate Veterans' Affairs Committee, reminding the Committee of its promise during the last session to consider the issue again this year. The bill is being cosponsored by two senior members of the Veterans' Affairs Committee, Clifford Hansen (R-Wyo.) and Jennings Randolph (D-W. Va.).

Senator Goldwater expects that "hearings will occur in the next couple of months, certainly as one of the first hearings the Committee holds on new bills."

Col. Bruce Arnold, USAF (Ret.), the son of the General who started the women's program back in 1942, has, for years, been a strong supporter of this redress. "These women," he told Air Force Magazine, "were asked to prove the effectiveness of a new concept when their country needed them. They succeeded beyond the wildest imagining of their supporters.

"Now they need the same kind of support from the country they served. I hope we don't let them down again."

THE RECENT FEDERAL PAY INCREASE—A COMMENT

Mr. ROBERT C. BYRD. Mr. President, article I of the U.S. Constitution provides that "the Senators and Representatives shall receive a compensation for their services, to be ascertained by law."

The subject of congressional pay was one of considerable discussion at the Constitutional Convention in 1787. In the years that have followed, the subject of an increase in pay for Members of Congress has always been a sure-fire target for public criticism. Sensitivity to such criticism is manifestly evident from the fact that, during the 188 years from the 1st Congress in 1789 to the 95th Congress in 1977, Members of Congress have received only 14 pay raises—three of which were subsequently repealed, and another of which was temporarily reduced during the Depression. Therefore, there have been only 11 "permanent" salary increases for Members of Congress since the First Congress met in 1789.

On February 20, 1977, a Federal salary increase became effective, in accordance with the 1967 Quadrennial Commission Law. That Federal salary increase included an increase in pay for Members of Congress, effective March 1, 1977, and, as could be expected, congressional critics have had a field day. The congressional pay increase has evoked a storm of protest, but I have not seen or heard one word, written or spoken, attacking the increase in pay for executive or judicial officials which was part of the package that included the pay raise for Members of Congress. Critics of the pay increase have also bitterly castigated Congress for the procedure by which the increase was effectuated, averring that it was put through by some devious artifice "without a vote." A good bit of the criticism has been unfair and, I suspect, is the product of a chronic cynicism on the part of some who seemingly delight in attacking Congress for any reason or, indeed, for no reason at all, and who refuse to apply objective reasoning to any consideration of the subject of a pay increase for Members.

On the other hand, much of the criticism has come from well-meaning citizens and is probably based on a lack of knowledge of the facts necessitating the increase and the procedure by which the increase went into effect. As one who, during a quarter of a century of service in Congress, had never supported a congressional pay increase prior to the March 1 increase, I believe that the public, which pays the bill of Government, is entitled to an understanding of the facts supporting both the "increase" in congressional compensation and the "procedure" by which the increase in salary became effective. First, the procedure.

THE "PROCEDURE"

Prior to 1967, Members of Congress were in the politically intolerable position of having to both set and vote their own salary levels—an obvious conflict of interest situation. The possibility of such a conflict of interest did not escape the attention of the authors of the U.S. Constitution. According to Farrand, in "The Records of the Federal Convention of 1787," revised edition, no less an illustrious sage than James Madison—"father" of the Constitution—observed that, in regard to Members of the Congress, "to leave them to regulate their own wages was an indecent thing, and might in time prove a dangerous one." He thought "wheat or some other article (of which) the average price throughout a reasonable period preceding might be settled in some convenient mode, would form a proper standard." At one stage of the work of the Committee of Detail, the wages of Senators were to be determined as follows:

> At the beginning of every sixth year . . . the supreme judiciary shall cause a special jury of the most respectable merchants and farmers to be summoned to declare what shall have been the averaged value of wheat during the last six years. . . . And for the six subsequent years, the Senators shall receive

per diem the averaged value of bushels of wheat.

Elbridge Gerry, a delegate to the Convention from Massachusetts, stated the objections which determined him to withhold his name from the Constitution, one of which was "the unlimited power of Congress over their own compensations."

Having Members vote on their own pay increases has always invited political grandstanding, posturing, and demagoguery—both by Members and potential opponents—thus feeding public opposition to congressional pay increases. As a result, congressional salaries have always lagged far behind comparable positions of responsibility in the private sector.

In an effort to avoid the historical salary lag and to remove the conflict-of-interest situation in which Members must set and vote their own salaries, the quadrennial commission law was enacted in 1967, and the Executive Salary Adjustment Act was enacted in 1975. The quadrennial commission is a blue ribbon, private citizens' commission, composed of nine members, which meets every 4 years to recommend pay levels for Members of Congress as well as for other high Government officials in the executive and judicial branches whose pay is tied directly or indirectly to the pay of Congressmen. The commission's recommendations are submitted to the President, who can accept them or change them. The President then may submit the recommendations to Congress.

In January, the President submitted pay recommendations to Congress. Under the then existing law, unless either the House or Senate disapproved within 30 days the recommendations would become effective. At that time, Congress was not required by law to take any action, nor could it increase or decrease the proposed pay levels. Under the law, it could only vote to disapprove the President's recommended adjustments. Neither House disapproved the recommended pay increase and when the 30 days expired on February 20, the increase for Members of Congress became effective on March 1, 1977.

Incidentally, subsequently, on March 30, the Senate passed legislation, which has now become law, requiring a congressional vote, up or down, on all future congressional pay raises. This, in effect, reintroduces the problems that the authors of the U.S. Constitution sought to avoid, and the Quadrennial Commission Law of 1967 sought to solve.

Under the Executive Salary Adjustment Act of 1975, Members of Congress, Federal judges, and other high Government officials automatically receive the same government-wide percentage pay increase granted to civil service workers under the Federal Pay Comparability Act of 1970. Under the Federal Pay Comparability Act, the Directors of OMB and Civil Service and an Advisory Committee on Federal Pay recommend adjustments in Federal employee pay scales to keep them comparable to those in the private sector. The President then must issue an Executive order putting the salary recommendations into force by October of each year unless he deems the change inappropriate, in which case he must make an alternative proposal which takes effect automatically unless rejected by either House of Congress. The Senate has already passed a bill rejecting the upcoming October cost-of-living increase for all officials—including Members of Congress—who received the March 1, 1977, increase.

In 1975, congressional salaries went from $42,500 to $44,600 because of the 5-percent increase recommended by President Ford under the Executive Salary Adjustment Act. Under the pay increase which went into effect on March 1 of this year—to which I have already alluded—congressional salaries went to $57,500—an increase of 29 percent—as recommended by the Quadrennial Commission, and as proposed by President Ford and supported by President Carter. Although there was no House vote on the pay increase—none then being required by law—two votes did occur, contrary to widespread misunderstanding, in the Senate. By a vote of 56 to 42, on February 2, a proposal to disapprove the proposed pay increase was tabled. A subsequent proposal to repeal the pay increase was tabled on March 30 in the Senate by a vote of 53 to 41. I supported the President's proposed pay increase for Members of Congress, and, therefore, voted to table the proposal to disapprove the pay increase and I voted to table the subsequent proposal to repeal the pay increase, which had, by then, gone into effect.

In summary, the procedure by which the salary increase went into effect was one which, in 1967, was established and designed to take congressional pay increases "out of politics." That was then the hue and cry. Today, the hue and cry has been reversed. Members of Congress, we are told, "should have to vote" their own pay increases—an obvious conflict of interest, "Catch 22" situation. Even some of the Members have joined in the public clamor—some claiming to deplore the pay raise; others expressing indignation because, in their words, "there should have been a vote." The fact is, as has already been stated, no vote was required under the law which many of these same protesting Members themselves helped to enact in 1967; yet, as I have pointed out, in the Senate, there actually were two votes—indirectly, on tabling motions, but votes, nevertheless.

No Member is forced to accept the pay increase. Any Member who professes opposition to the increase in pay, may—and, indeed, should—simply write a letter to the Treasurer of the United States each month, enclose a check, and return the money.

THE INCREASE

The misnamed "congressional pay increase" was, more accurately a Federal pay increase affecting 2,496 high level positions in all three branches of Government—including Congress—and 20,365 upper grade Federal employees whose pay is tied to congressional salaries. The 535 Members of Congress actually constitute, then, only 2 percent of the total number of officials covered by the increase, and the $7.8 million cost of the congressional pay increase represents only 7 percent of the total Federal pay increase. Still, the criticism has centered wholly on the congressional pay hike—described by critics as "whopping" and "lavish."

Actually, the 29-percent increase for Congress was the first since 1969, with the exception of the one 5-percent increase in 1975, to which I have referred earlier. Meanwhile, during that same 8-year period, the cost of living rose 61 percent. Had congressional salaries kept pace with living costs since 1969, a Member's salary would now be $68,000, rather than the current $57,500. In that same period since 1969, the pay for blue collar workers went up 70 percent; civil service employees, 66 percent; business executives, 59 percent; white collar workers, 55 percent; Governors and other State officials, 40 percent; and broadcasters and news reporters, over 80 percent.

Is $57,500 too much to pay your Congressman? Members of Congress may be likened to the board of directors of the world's largest corporation—one with a $500 billion budget and producing $2 trillion in goods and services for 215 million people. Yet, 400 top corporate officials in the United States receive annual salaries over $200,000; and 100 receive over $400,000 each. A Member of Congress works, on the average, 10 to 12 hours daily, usually 6, and sometimes 7 days a week—I, myself, work more than 80 hours, every week. Every Member of Congress makes decisions affecting the general welfare of all 215 million Americans. He receives from 5,000 to 20,000 letters, telegrams, and postcards a week dealing with every subject under the Sun, from social security to saccharin, and he is expected to meet and talk with his share of the 4 million constituents who visit the Capitol and congressional office buildings each year.

He listens alike to the sober and the inebriate caller; and he reads the mail of the thoughtful citizen as well as the abusive correspondence from the thoughtless. He makes financial contributions to many worthy causes. He is criticized if he stays in Washington too much and criticized if he is not in Washington to answer all of the rollcalls. He is expected to be able to solve every personal problem—ranging from a constituent's marital difficulties to the restoration of an operator's license for the motorist caught driving while drunk. He suffers the inflation common to all, but, by virtue of his office, is subject to financial demands uncommon to most. Then why does he take the job? The answer: Most Members are dedicated to a career of public service; but increasingly, Members of Congress are choosing not to run for reelection rather than continue to endure the frustration and abuse that go with the job.

Again, is $57,500 too much to pay your Congressman? Actually, when the fire and brimstone are cleared away, the pay increase for Congress costs 7 cents for each of the 113 million tax returns filed annually.

We all know about movie stars and television entertainers who are paid hundreds of thousands of dollars annually.

Many sports professionals report annual earnings in excess of $100,000. Is their value to the public greater than that of Members of Congress? Or has our sense of values gone haywire?

I realize that the $57,500 salary of a Member of Congress sounds big—and indeed it is a big salary. However, let us look at the situation of a Member of Congress more closely. On the average, 40 percent of the monthly pay of a Senator is deducted for retirement, health and life insurance, Federal and State income taxes. His Federal income taxes are in a high bracket. For example, in the last 6 years I have paid $92,164.19 in Federal and State income taxes. Many Members have to maintain two residential properties—one in the home State and one in the Washington area. For those Members who do maintain residential properties in their home States—and I do not—the upkeep on the property at home for fire insurance, property taxes, utilities, and repair bills is a constant cost, in addition to the cost of maintaining a home or apartment in the Washington area, where real estate costs and real estate taxes are exorbitant.

Moreover, the cost of living in Washington is higher, generally, than the cost of living in many of the areas represented by Members of the House and Senate, and, in addition, there are many financial burdens that go with serving in the Congress. For example, when constituents come to Washington, Members of the House and Senate are often expected to entertain those constituents.

Fortunately, my wife and I were able to send our two daughters to college a good many years ago when the costs of tuition and books were much less than they are today. But, younger Members of the House and Senate are not so fortunate in this regard.

I mention these things in an attempt to more accurately portray the financial situation that confronts Members of Congress—especially those who are not wealthy. Nevertheless, many Members of Congress would find it difficult, politically to cast a vote for a pay increase for themselves. Speaking for myself, it would have been easier for me to have opposed the President's pay increase for Members of Congress than to have supported it.

The question may be asked, why, after having opposed all previous pay increases during 25 years in Congress, did I support this most recent one? I supported it for the following reasons:

First. The increasingly wide disparity between congressional pay and pay for comparable positions outside Congress had become so great that I felt it was time to take a step in the direction of closing the gap.

Second. It is becoming more and more difficult to attract qualified people to, and retain qualified people in, many high-level and upper-grade positions in the executive and judicial branches in view of the fact that the salaries for those positions are tied, by law, directly or indirectly, to the pay levels of Members of Congress. As a result, because of the salary lag, the Federal Government has been losing some of its best people. I have been advised that in the last 3 years, 4 of the 11 Institute directorships at the National Institutes of Health had become vacant and that 85 out of 87 outside candidates had refused the positions due to the low pay. The Directorship of the Institute of Cancer Research, for example, was vacated because the then Director could not maintain his family on the low pay. So, he left the position in order to take a position that would pay more. The Social Security Administration lost 9 out of 19 of its most senior civil service employees at one time last year, with 30 candidates refusing the job because of the low pay. The legislative branch continuously loses some of its most able support personnel because of higher salaries available to them in the business community. So, the lag in congressional salaries was creating a crisis in other areas of Government.

Third. Increasingly, only the wealthy will be able to serve in Congress unless the salary is made sufficient to sustain men and women of limited financial means from all walks of life.

Fourth. Election to Congress is one of the highest honors that can be bestowed by the people upon any man or woman. But, the honor itself is not always sufficient to attract and retain the best brains and the most capable and dedicated servants. The pay must be commensurate with the high responsibilities that go with the job. As in most everything else, the people get just about what they pay for; and the American people deserve the best in their national legislative branch.

Mr. President, in the final analysis, most Members of Congress are dedicated, hard working and conscientious, and have a high sense of duty. They are often deserving of constructive criticism and they expect to receive it. But they are subjected also to much criticism that is unwarranted and unfair. The recent salary increase is such an instance.

A SALUTE TO OUR COUNTRY

Mr. HATFIELD. Mr. President, on a recent visit to Oregon, I participated in the dedication of a new city hall in Woodburn. As a part of that ceremony, Woodburn High School student Wally Klemp delivered an outstanding salute to the flag, incorporating into it what he believes to be important to this country.

I was proud to hear this young man deliver these remarks. The comments, by themselves, are moving and eloquent. Added to that are the forensics skills of Wally Klemp, which I know added to the meaning for all of us who heard his remarks.

The Woodburn Independent provided a service for its readers when it reprinted Wally Klemp's tribute. I ask unanimous consent that this fine speech be printed in the Record so that all my colleagues may read it.

There being no objection, the speech was ordered to be printed in the Record, as follows:

[From the Woodburn (Oreg.) Independent, Mar. 30, 1977]

KLEMP SPEECH HONORS PLEDGE

Woodburn High School student Wally Klemp, who has won a list of prizes with the Woodburn High School Forensics Team in state-wide competition, was chosen to Speak Saturday at the Woodburn City Hall dedication ceremony. He was on the same platform with Sen. Mark Hatfield, State Senator Tony Meeker, Mayor Stanley Liss and other local dignitaries. The text of Klemp's speech follows:

SALUTE

I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

"I pledge allegiance to the flag," and in this day of commercialism and degradation, I believe that our flag stands alone and undaunted as a symbol of freedom and belief in democracy.

"To the flag of the United States of America and to the republic for which it stands," I hold my hand firmly to my heart with dignity and pride, and confidence that my brothers around me feel the same and are willing to unite for a cause whether to be freedom from tyranny as in the revolutionary war, individual human rights and national unity as in the Civil War, or the fight against communism as in the Korean war.

"One nation under God, indivisible," for the good of man is indivisible under God. The goodwill towards men in our country can never fade so long as we love our brothers as we would have them love us. Regretfully we have made mistakes and we have paid the price, but our purpose is good. Our means are spirited by goodwill, guided by honor and tempered with judgement.

"Indivisible, with liberty and justice." In this last line of our pledge of allegiance, I see the meaning of America. The meaning that manifested itself in the hearts of people who strove for freedom and who died for freedom. President Lincoln once said in his address to a nation that had suffered a costly civil war, "We here highly resolve that these dead shall not have died in vain; that this nation under God shall have a new birth of freedom, and that government of the people, by the people, for the people, shall not perish from the earth."

President Lincoln was right. Those men and the men who died in the devastating wars following did not die in vain. They died for freedom. They forfeited their lives in order for their families and friends to have the right to life, liberty and the pursuit of happiness.

A few simple words give the meaning of America to me more than all the speeches in the world. They are:

"Liberty and Justice for All."

ANTITRUST ENFORCEMENT

Mr. KENNEDY. Mr. President, next week the Subcommittee on Antitrust and Monopoly will open oversight hearings on antitrust enforcement. These hearings, which are the first general antitrust enforcement oversight hearings to be held by the subcommittee, will focus on: Priorities for antitrust enforcement, management of major monopolization cases in the courts and before the FTC, deterrence and detection of price fixing, overlapping jurisdictiion between the Antitrust Division and the FTC, and the internal operations of the two antitrust enforcement agencies.

The hearings will be designed to measure the effectiveness of our antitrust laws and enforcement procedures and agencies, as well as to identify problems which require legislative resolution or further subcommittee study. We will be hearing from Government officials, including Attorney General Bell, FTC Chairman Pertschuk, and Treasury Assistant Secretary Bergsten; from economists and lawyers; from small and large businesses; and from a broad range of others interested in how our antitrust laws are being enforced and whether they are adequate to the task.

The Antitrust Subcommittee hearings will begin next Tuesday, May 3, and will continue on May 4, 5, 11, and 12. Each day the hearings will begin at 9:30 a.m., and will be held in room 2228, Dirksen Senate Office Building.

Last month Mark Green, author of a book on antitrust enforcement a few years ago entitled "The Closed Enterprise System," wrote in the New York Times that "a new antitrust era is beginning." Mr. Green's article discusses the events over the past few years giving rise to an increased awareness of the indispensable role of antitrust in policing our competitive marketplace and outlines some of the problems that lie ahead. A number of issues discussed in that article will be explored in greater depth in our hearings, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A REFORM ERA FOR ANTITRUST

(By Mark Green)

WASHINGTON.—An antitrust era is drawing to a close. It began exactly five years ago this month when International Telephone & Telegraph and Dita Beard gave the Justice Department's antitrust division more notoriety than it had ever expected or desired. It will end on June 1, when Donald G. Baker, who has been the assistant attorney general in charge of antitrust since mid-1976, will leave his post ("unless you know something I don't," he says jokingly).

The month-long hearings on I.T.T.'s consent decree before the Senate Judiciary Committee publicly exposed the workings—and failings—of the antitrust division as no other event in memory. It was an exposure that sullied the reputation of the outgoing Richard McLaren, led to the appointment of the nonpolitical academic Thomas E. Kauper and helped ignite an outburst of significant antitrust reforms. Indeed, the subsequent five-year period has witnessed as many procedural changes in Federal antitrust enforcement as had occurred in the previous three decades:

Until 1973, the Attorney General had to sign every antitrust complaint or indictment, even though the heads of other divisions could almost always bring their own cases. Why? "Attorneys General don't have antitrust programs," a Justice Department attorney has said, "They are political representatives whose function is to temper justice with politics."

Post-Watergate, this function proved untenable. So former Attorney General William Saxbe began the practice of allowing the head of the antitrust division to bring his own cases—a change, says one division official, that "gave the antitrust division back its manhood."

Business review letters—in which the division answers companies that ask whether a planned activity would violate the antitrust laws—had for decades been kept secret. Antitrust division hierarchy claimed that any publication of such correspondence would cripple the program by frightening away the inquiring business people.

But under the gun of a freedom-of-information lawsuit filed in 1973, the division acquiesced to the future requests for, and the contents of, business reviews. (Their number has slightly increased—16 in 1974, 20 in 1975, 29 in 1976.)

The 1974 Antitrust Procedures and Penalties Act upgrades antitrust criminal violations from misdemeanors to felonies—increasing both fines (up to $100,000 for individuals and $1 million for corporations) and jail sentences (up to three years).

The law also requires the division to file a "competitive impact statement" with every proposed consent decree, explaining why the relief obtained is adequate. "That requirement forces us to think through a settlement since our reasoning will be publicly exhibited," says one division trial lawyer.

Since 1962 the antitrust division has been able to compel the production of documentary evidence from companies under investigation—but neither written replies from the company nor oral replies from individuals within these companies and nothing from other companies having relevant evidence in the industry.

The 1976 Hart-Scott-Rodino Act, over the grumbling of the Business Roundtable, gives it this expanded subpoena authority. As an added informational tool and to combat so-called "midnight mergers," the law requires that companies participating in certain large mergers (those involving over $100 million in assets or sales) notify the division at least 30 days prior to consummation.

Finally, Congress agreed to increase substantially the antitrust division's budget, which will have more than doubled from the $12.8 million of fiscal 1973 to the $29.8 million requested for fiscal 1978. Staff attorneys—who actually numbered fewer in 1973 than in 1950—increased from 327 in 1973 to 464 in 1977.

Beyond these reforms of process, the policies and performance of the Kauper-Baker era earn mixed grades from division staff and outside commentators. At a minimum, Mr. Kauper—a soft-spoken professor whose four-year term exceeded those of all of his 19 predecessors except Thurman Arnold—must be given credit for "keeping the division together in a tough time," according to Joe Sims, one of Mr. Baker's deputies.

The aftershocks from the I.T.T. scandal and the department's "Saturday night massacre" during the Watergate scandal undermined staff morale and public confidence. Mr. Baker, who has been with the division since 1966, thinks that Mr. Kauper's "unflappable integrity" helped depoliticize the division and maintain its professionalism.

The most enduring legacy of Mr. Kauper and Mr. Baker will probably be their aggressive, almost evangelical crusade against price-fixing. Mr. Kauper dramatically shifted division resources away from merger cases and to price-setting. Criminal prosecutions jumped from an average of 11 a year between 1969 and 1972 to 27 a year from 1973 to 1976. As of January 31, 1977, a record 95 grand jury investigations were pending on antitrust matters.

Still, because judges were reluctant to send white collar offenders to prison, an average of only five businessmen a year from 1972 to 1976 actually served time for antitrust crimes. Between 1965 and 1975, the total fines imposed in all antitrust criminal cases amounted to a negligible 0.05 percent of the total commerce affected by these illegal acts.

In fiscal 1976 individuals convicted of securities fraud were sentenced to an average of 45.7 months in prison and those convicted of income tax fraud to 15.4 months. Yet those convicted of antitrust crime served a total of two-and-a-half months.

A disgusted Mr. Baker—"to bring home the truth that price-fixing is a crime, not just an economic faux pas,"—issued unprecedented sentencing guidelines in November 1976. According to the guidelines, after a conviction or guilty plea, the division would request 18-month jail terms or fines of $50,000 per individual and 10 percent of the sales of the affected line of commerce.

The Kauper-Baker team also broke ground on regulatory reform efforts. From a handful of young lawyers in the 1960's, the division now invests the time and expertise of about 70 lawyers and nearly 20 percent of its budget on interventions before other Federal agencies—"preaching the antitrust gospel to the regulatory heathens" is how Joe Sims describes it.

The division's efforts here range from its huge American Telephone & Telegraph case, the goal being to divest Ma Bell of Western Electric, to such lesser efforts in the last month as a memorandum to the Federal Maritime Comission complaining about anticompetitive standards in an ocean shipping conference agreement, and a filing at the Civil Aeronautics Board supporting an American Airlines proposal to significantly reduce certain coast-to-coast air fares.

The theory behind such activity is simple: since nearly 20 percent of the economy is directly regulated by Washington, why not try to inspire more competition through these agencies rather than in court?

But besides the kudos for the division, there is also criticism from its own staff as well as from outsiders. There are many complaints about the administration of the antitrust division, and some recrimination between the trial staff and top officials. Trial attorneys complain about what they consider excessive layers of review, of cases "sent up" to the front office where they sit for six months, all of which dampens enthusiasm and productivity.

Mr. Kauper especially attracts criticism. "He was a nice guy," says one division litigator, "but drove people crazy because he was so slow and cautious." That the caseload didn't plummet under his reign—he signed an average of 66 cases a year—may be attributable to a 42 percent increase in staff rather than his leadership abilities. Mr. Kauper returned to teaching at the University of Michigan Law School after leaving the Justice Department in 1976.

One former high division official puts the blame for any inefficiencies on the slowness and over-inclusiveness of investigating lawyers. Wherever the blame may lie, however, there is clearly something administratively wrong, as Attorney General Griffin Bell has learned. "It doesn't take long to see that things are moving too slowly there," he says.

Then there has been the antitrust divisions monopoly problem. "We go after small businesmen too dumb to know not to price-fix," observes one high division official, "but not sophisticated big businessmen who don't have to because of their oligopoly structure." When he left the antitrust division in June 1975, the deputy chief, Keith Clearwaters, raised some eyebrows by publicly complaining how few Sherman Act antimonopoly cases—"Section 2" cases in antitrust parlance—were filed. He recently elaborated on why:

"Section 2 cases are unwieldy because you must prove intent and the dangerous probability of success. The trial staff gets demoralized about this burden, as well as by their expectation that the front office doesn't want such huge cases. So they go for price-fixing or merger cases because they're simpler. And in a vigorous cycle, the front office never sees these cases."

In fact, there are indications that the front office of Mr. Kauper and Mr. Baker did not want such cases. They were troubled by how such litigation absorbs limited resources. The International Business Machines case, for example—filed eight years ago, and with no end in sight—alone ties up 10 percent of division personnel.

The division allowed the Mobil Oil Corporation, the nation's third-largest oil company, to acquire Marcor, the Chicago-based holding company that includes Montgomery Ward, in 1976. Last year also saw the largest merger in American history, General Electric's $2.17 billion acquisition of Utah International, which the division would not block. Finally, veteran division attorney Kenneth Anderson asks, "What have we done about energy? Nothing. We're hiding behind the F.T.C. case, which is going nowhere."

The Federal Trade Commission has sued eight major oil companies in an effort to restructure the oil industry to promote greater competition. The Justice Department's antitrust division and the F.T.C. have overlapping antitrust responsibility under Federal law, although the majority of the cases are brought by the division.

Now Attorney General Griffin Bell must appoint a new antitrust chief when an unusual confluence of events—the political insulation of antitrust, a public increasingly wary of corporate abuse, the rise of a sympathetic consumer movement, and a populist President supportive of competition—has created what has been called a new visibility for "consumer antitrust" or even a whole new era for antitrust enforcement.

Close observers of the Justice Department suggest that the new Attorney General has the opportunity to disprove a common theory that Republican Administrations have generally been more willing than the Democrats to pursue antitrust matters. Mr. Bell has stressed that he wants a tough litigator and administrator to lead the division or, as Max Blecher, a West Coast plaintiff lawyer, puts it, "a policeman, not a professor."

Mr. Bell's antitrust chief could be the first Democrat in this new era—and hence just might have the freedom, if he had the will, to examine freshly some key and lingering issues: For example, are joint ventures a growing monopoly problem, as the Council on Wage and Price Stability warns in the aluminum industry and as many warn in energy?

Mr. Bell himself, who is a former Federal appeals judge, has given mixed signals. He has spoken approvingly of former Attorney General John Mitchell's celebrated 1969 speech in Savannah, Ga., which attacked economic concentration and promised to block all mergers between any of the top 200 industrial companies and any leading companies in a concentrated industry. In a speech delivered last weekend, Mr. Bell said that shared monopoly, where it truly exists, ought to be in violation of the antitrust laws.

At a minimum, however, it is clear that a new antitrust era is beginning. But where the new one leads will depend largely on Judge Bell's selection. As the Judge himself might say, the jury is still out.

THE SUCCESS OF PRIVATE ENTERPRISE IN THE REPUBLIC OF CHINA

Mr. GOLDWATER. Mr. President, everyone would agree that one of the major foreign policy issues of the day is U.S. relations with China. What many reporters and writers in the field forget, however, is that China is officially represented under U.S. diplomatic law by the Republic of China. Unfortunately, a large segment of the press and television media in America have taken to loosely speaking of the Republic of China by the term Taiwan, when in actuality Taiwan is not the name of a country, but is the island and province of China where the Government of the Republic of China is located.

Mr. President, it is important, however, that the American people remember that it is the Republic of China with which the United States has official diplomatic relations and a defense treaty. It is the Republic of China which in many ways has attempted to pattern itself after the American form of government, freedoms and emphasis on private enterprise.

In the interest of reminding the public of the great accomplishments made by the Republic of China, I believe it would be useful to bring to the attention of regular readers of the RECORD a comprehensive memorandum on this subject by Norman M. Littell, a well-known attorney with long experience in the field of international trade and the law of foreign relations. His paper was presented at the Regional Conference of the American Society of International Law held at the University of Maryland Law School on April 15 and 16 of this year.

It presents a comprehensive review of relevant elements of American foreign policy which our citizens should recall in considering our relations with the Republic of China, such as the extensive range of freedoms and rights which are available to the ordinary citizen in the Republic.

Mr. Littell follows up this discussion with a review of how extremely successful the Republic of China has been as a laboratory of self-help in private enterprise. It is well-documented that the Republic has achieved remarkable success in not only increasing the country's national per capita income, but in substantially narrowing the gap between its rich and poor. In fact, I might interject at this point, a study by five Western scholars published by Oxford University Press concluded that the Republic of China is one of only very few developing countries to have achieved high growth and a wider distribution of income among its population at the same time. And, as Mr. Littell points out, the Republic of China has been so successful that it was the first developing country to be dropped from our foreign aid appropriations list.

Mr. President, I would only comment as to one part of Mr. Littell's paper, that contrary to a statement cited by columnist Joseph Kraft, former Secretary of State Henry Kissinger has assured me that no agreements have ever been made by the United States which would endanger the freedom of the Republic of China, nor the sanctity of our treaties with her.

Mr. President, in order that Mr. Littell's views may be available to my colleagues and the public, I ask unanimous consent that his paper and a supplemental memorandum relative to the United States and the Republic of China be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TAIWAN: THE UNITED STATES AND THE REPUBLIC OF CHINA

(By Norman M. Littell)

I. RELEVANT PERSPECTIVES IN AMERICAN FOREIGN POLICY

A. What American Citizens Should Recall—

Any citizen of the United States and his or her respective Congressmen or Senators would, and should, wish to know how the Republic of China on the Island of Taiwan fits into the context of United States foreign policy and American historic dedication to the principles of free government. In the panorama of complexities in our relationships with other countries faced today, we all seek the basic principles which must guide us.

Currently the most dramatic endorsement and support by the United States of free government is undoubtedly support for the government of Israel, a country newly created in the historic sense (out of lands formerly held jointly and predominantly by Jewish and Arab interests), subject to controversial qualifications regarding an Israeli defense line as stated recently by President Carter, and his fair counterbalancing statement as jointly discussed with President Sadat of Egypt in their press conference at the White House on April 4, that the Palestinians, too, must have a homeland.[1]

As every native American citizen learned from "grade school days" to the present time, our American way of life is based upon individual freedom and private enterprise. The two are inseparable, for the individual freedoms protected by our Constitution invite individual invention which in turn leads to production and employment, powered by the high octane fuel of the many incentives of free enterprise.

As stated most eloquently by President Carter recently, after warmly receiving a delegation of officials from Rumania who had called to say that in relaxation of their government controls, exit visas had been approved for 5200 Rumanians:

"To me, it's not a political tactic, it's a matter of principle. And I think that if our country can become the focal point for a moral and ethical stand on the subject of human rights it would be a tremendous benefit not only to us in our dealing with the deprived people, the developing world, but also I think it would be a vivid demonstration that our own system of government can work and it might possibly reverse the tide that has been going against democracy in the past."[2]

Our underlying dedication to supporting free government has been demonstrated on many fronts and most fully in our support of the government of Taiwan, primarily composed of the Nationalist government of China and refugees from the Communist mainland who had escaped by boat, by plane, by barge and sometimes even by swimming through shark-infested waters to get to Hong Kong and thence to Taiwan to form the government of the Republic of China. The relationship between the United States and the Republic of China was sealed with a mutual defense treaty of December 2, 1954, saying that the parties desired:

". . . to declare publicly and formally their sense of unity and their common determination to defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the West Pacific Area * * * Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes."[3]

While the Treaty provides in Article X that the "Treaty shall remain in force indefinitely", it nevertheless states that "either party may terminate it one year after notice has been given to the other party."

In spite of the achievements of the Re-

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public of China on Taiwan in the years which followed, historically we cannot ignore the accumulation of forces seeking close relationships with Mao-Communist mainland and the termination of the above defense treaty to let the "territory and people be absorbed" into the Communist mainland. This view was implemented by a number of Congressional delegations visiting the mainland to witness the many claimed Communist achievements such as eliminating the house fly, furnishing seven to nine years of universal education, eliminating floods, pestilence, famine, crime, beginning drug addiction, alcoholism, and delinquency.

Whatever merits could be found, there was a total absence of any claims that individual freedom was protected. In extended discussion of these issues on the floor of the United States Senate on February 18, 1975, Senator Goldwater said:

"Mr. President, I find it impossible to perceive how the United States, with its 200 years of history as the representative of democracy and freedom, can consider delivering over the 16 million peaceful people on Taiwan to the tyrants who govern the mainland, which is the alternative we must confront if the wishes of those who would abandon diplomatic and military ties with the Republic of China are satisfied." [4]

There followed the insertion in the Senate Record of a report by J. Terry Emerson, who had been sent to Taiwan and the mainland to evaluate the facts, reporting that Free China on Taiwan is a "healthy and dynamic country based upon an extensive system of representative government and human liberties", and that:

"The example of Free China on Taiwan offers the proven alternative by which the people of China on both sides of the Taiwan Strait will someday choose to govern their affairs." [5]

These rights and privileges are specifically listed in Mr. Emerson's able report as follows:

"The human rights which I found to be healthy and alive in the Republic of China, but which are without any question denied or surpressed (sic) by the Communist regime on the Mainland, include: (1) The right of free travel and movement inside the country and abroad. (2) The right of seeking job opportunities according to one's own talents, not at the direction of the central government. (3) The right of free exercise of religious and ethical devotion. (4) The right to vote in truly free elections and to run for elective office. (5) The right of independent newspapers and magazines to exist. (6) The right of free expression. (7) The right to enjoy a free and wide ranging education designed to create independently thinking and knowledgeable citizens. (8) The freedom to respect and preserve the Chinese cultural heritage, without ridicule or punishment. (9) The right of free emigration. (10) The right of private ownership and investment of property. (11) A free judiciary. (12) Freedom from aggression." [6]

The rights and privileges available in Taiwan are then carefully traced to life on the Communist Mainland where they are painfully lacking.

Senator Goldwater, who is not exactly famed for liberal sentiments, was nevertheless so shocked that he spoke on the Senate floor as quoted above, denouncing the possibility of surrendering the 16 million people on Taiwan to the tyranny of Mainland Communism.

The treaty with the Republic of China has continued intact, but the following of those persons which sought close relationships with Communist China reached their climax with a most unexpected event—the visit of President Richard Nixon to Chou En-lai of the so-called "People's Republic of China" on the Communist Mainland of China, from February 21 to February 28, 1972,—together with Secretary of State Henry Kissinger and other American officials. Aside from visiting cultural, industrial, and agricultural sites and touring Hang-Chow and Shanghai, with extended continued discussion with Chinese Communist leaders, the parties stated their respective positions in the so-called "Shanghai Communique" of February 27, 1972. The Nixon-Kissinger party gave "lip service" to American principles as summarized in this exerpt from the Communique:

". . . The United States supports individual freedom and social progress for all the people of the world, free of outside pressure or intervention. * * * No country should claim infallibility and each country should be prepared to re-examine its own attitudes for the common good. * * *" [7]

On behalf of the Chinese side, the Communique states that the government of Mainland China—called "The People's Republic of China",—

". . . firmly supports the struggles of all oppressed people and nations for freedom and liberation and that the people of all countries have the right to choose their social systems according to their own wishes and the right to safeguard the independence, sovereignty and territorial integrity of their own countries and oppose foreign aggression, interference, control and subversion. All foreign troops should be withdrawn to their own countries." [8]

Both sides endorsed peaceful co-existence in spite of differences of their respective political and social systems, and both proclaim that "progress toward the normalization of relations between China and the United States is in the interest of all countries". To come sharply to the point as to Taiwan, the Chinese claimed that Taiwan is a province of China and it is stated bluntly in the Communique:

"The Chinese side reaffirmed its position: The Taiwan question is the crucial question obstructing the normalization of relations between China and the United States; the Government of the People's Republic of China is the sole legal government of China; Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere; and all U.S. forces and military installations must be withdrawn from Taiwan. The Chinese government firmly opposes any activities which aim at the creation of 'one China, one Taiwan,' 'one China, two governments,' 'two Chinas' and 'independent Taiwan' or advocate that the status of Taiwan remains to be determined'." [9]

In derogation of principle and the United States treaty with the Republic of China on Taiwan, the United States declared, over the signatures of President Nixon and Secretary of State Kissinger:

"The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves. With this prospect in mind, it affirms the ultimate objective of the withdrawal of all U.S. forces and military installations from Taiwan. In the meantime, it will progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes." [10]

It is transparently clear that the prospect of doing business with a country of 800,000,000 people far outweighed in Nixon's mind the opportunities offered by Taiwan with some 16,000,000 inhabitants. The Communique reflects this calculating and materialistic objective of the Nixon delegation in stating that:

"Both sides view bilateral trade as another area from which mutual benefits can be derived, and agree that economic relations based on equality and mutual benefit are in the interest of the peoples of the two countries. They agree to facilitate the progressive development of trade between their two countries." [11]

It was widely believed at the time, and is bluntly stated by columnist Joseph Kraft as recently as February, 1977, that Secretary of State Kissinger in talks with Mao Tsetung promised that the United States would sever its diplomatic security ties with Taiwan "in a couple of years".[12] According to Kraft, the Kissinger promise was raised on February 8 by head of the Chinese mission from the Mainland, Huang Chen, in meeting with President Carter.

Echoes and reverberations of the Nixon-Kissinger expedition to Communist China in February, five years before, when the incentive motives of the private enterprise system with Nixon as its mouthpiece, placed "bilateral trade" on behalf of American commercial interests seeking to do business with a continent of 800,000,000 people in need of everything, above the force of principle, coupled with an alleged motive of keeping the Republic of China from temptation to combine with Soviet Russia against the United States.

Even the United States Chamber of Commerce regarded the move with great skepticism, reporting through an organization of American Executives managing some 220 United States corporations in Taiwan:

". . . In essence, we think that the United States government has expected more gains than can be realized. . . . But more importantly, we think it has totally ignored the potential losses." [13]

Before considering further the "potential losses" referred to, and whether or how the Communique attempted a reversal of American foreign policy, what, in summary, has been the United States' course of action following World War II up to February 27, 1972, the date of the Shanghai resolution?

B. Established Policies of the United States—

It has long been firmly established that a primary objective of United States policy has been "the maintenance of a liberal and certain investment climate to facilitate international flow of capital and technology".[13A]

From the days of the "Marshall Plan" which created the Economic Cooperation Administration (ECA), taking firm shape in 1948 and 1949, the effort has been to assist in restoring war-torn countries, friend or foe, and especially the underdeveloped countries. Before turning to a vital aspect of the policy as applied in the Republic of China in Taiwan initiated in 1959–60, summarized hereinafter, what other implementations of this policy entrenched it firmly?

The policies of the United States to aid developing countries has been expressed in many ways. The Trade Act of 1974 [14] authorized the President to establish a Generalized System of Preferences (GSP) which would permit the duty-free entry of eligible merchandise arriving directly from designated "beneficiary-developing countries", and authorized the Secretary of the Treasury to prescribe such regulations as may be necessary to carry out the provisions of that Act which has been, and is, in effective operation. The Act was amended August 30, 1976, by order of President Ford, adding Portugal to the list of developing countries and making other changes in prior executive orders which need not be considered in detail here except to note that reference to "Taiwan" as one of the beneficiary developing countries was changed to "Republic of China." [15] The rules and regulations of the United States Custom Service

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were necessarily modified to handle the products on the GSP list which was published in the Federal Register of December 31, 1975.

The United States believes that the development of balanced international guidelines or principles of behavior for Multi-National Corporations (MNCs) is consistent with this objective,[16] and that even foreign investments in the United States serve the United States government policy which is "committed to an international system which provides for a high degree of freedom in the movement of trade and investment flows".[17] With the support of the United States, great progress has been made in evolving a code of conduct and procedures for the orderly, equitable flow of international business.[18]

No attempt is made herein to discuss the collateral efforts of private industry to aid some of the same objectives sought by the United States, by discriminating use of private capital through the private enterprise system, the most significant very probably being establishment of "The International Basic Economy Corporation" whose operations have been reported by the National Planning Association in some thirteen case studies, one of which is entitled "The United States Business Performance Abroad".[19]

II. TAIWAN—A LABORATORY OF SELF-HELP IN PRIVATE ENTERPRISE AND SUCCESSFUL UNITED STATES FOREIGN POLICY

A. United States Foreign Aid Program After World War II—

While the United States expended less than $23 billion of United States taxpayers' dollars following World War II by 1949,—an historically unprecedented largesse to friend and foe alike to rehabilitate national economies, we learned by trial and error how to export our mightiest resource—the secret of the dynamic relationship that joins resources, manpower, and capital investment to assure production and employment.

In creating the Economic Cooperation Administration through the "ECA Act" embodying the "Marshall Plan", Congress sought to surmount the many obstacles preventing private enterprises and investment from going abroad, and adopted as a part of the Act the so-called "Guarantee Clause" for private investment abroad, offering to insure the investor for an approved American investment abroad against loss by (a) inconvertibility of foreign currency into dollars in spite of exchange and other restrictions, (b) loss through destruction by riot or revolution, and (c) war, for projects approved by ECA and the foreign government concerned on undertakings helpful to general recovery.[20]

It so happened that the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate approved and adopted a draft of the "Guarantee Clause" submitted by the writer in testifying as Chairman of the Foreign Investment Committee of the International Bar Association (and successively thereafter as Chairman of a corresponding committee of the American Bar Association and of the Inter-American Bar Association).[21] This ECA program worked so well that by 1959, when General Eisenhower was President of the United States and John Foster Dulles was Secretary of State, a program was developed to bring many delegations from underdeveloped countries to the United States in order for them to see the private enterprise system in operations by visiting chain stores, banks, factories, stock exchanges and other enterprises. Doubtless because of the above-mentioned background, the writer was asked by the Secretary of State to meet with each of these delegations respectively during one day of their visit to the United States to examine the foreign investment encouragement (or discouragement) laws of their respective countries.

This sounds like an assignment requiring great learning in foreign and international law but in meeting with these delegations respectively, having had advance briefing as to their laws and translations of the material parts, their legal restrictions on foreign investments were, generally speaking, so hopelessly impossible for a foreign investor to face or live with, that it was like shooting sitting ducks to tell the delegations (as diplomatically as possible!) what was wrong with their laws.

An alert and able group was from Taiwan.[21] The delegation returned to Taiwan to draft the "Foreign Investment Encouragement Law of 1959". The new law as drafted was adopted by the Legislative Yuan—the elected "Congress" of Taiwan.

Impracticability of some provisions of the law of 1959 soon became apparent. Request was made from Taiwan to Secretary of State Dulles to send the writer to Taiwan to help revise the 1959 law. I was invited to go as consultant to the State Department. While under great pressure in other legal business, I agreed to use my vacation time to go to Taiwan, accompanied by Mrs. Littell, a member of the Bars of Louisiana and the Supreme Court of the United States. We went together by using our vacation time in the Summer of 1960.

Without detailed discussion of the intensive redrafting period in Taiwan, it is sufficient to say that what became the "Foreign Investment Encouragement Law of 1961" took shape. The writer was the first "foreigner" to be invited to appear before the Legislative Yuan in order to explain the law, and he was also invited to the "White House" of Taiwan to see President Chiang Kai-shek for the same purpose. In the course of the latter discussion, the President said that he understood that I would like to visit Quemoy, which island lying off the mainland of Communist China, together with Matsu, was under Nationalist control, but was under bombardment by the Communist People's Republic of China on alternate days.

I readily seized the opportunity afforded by the President's very kind offer to provide transportation by plane, and in a small government plane landed at Quemoy on a day when bombing was not scheduled. On that day and on the alternate days when the Republic of China from the mainland was not sending real bombs, the air force from Taiwan "bombed" Quemoy and Matsu with leaflets showing on one day the picture of clothes and their prices available in the free order of Taiwan—and on another day, yardage of goods needed in all households, readily available in Taiwan and the low prices of such merchandise, together with all manner of products, including food readily available in the steadily rising standard of living on Taiwan. I mention the incident because it dramatizes graphically the force and effect of private enterprise as a weapon in the arsenal of free government.

This dramatic use of the "secret weapon" of private enterprise went home to the practical Chinese mind far more effectively on the two islands of Quemoy and Matsu—and on the mainland, than the military bombing from the mainland—a fact in due time realized by the People's Republic of China and the bombing of the two islands was stopped!

The success of the Republic of China in bringing the fruits of the private enterprise system to Taiwan achieved a record in economic progress, temporarily interrupted by a world recession in 1974–75, but mounting to a gross rate of 10% annual increase in contrast to 7.2% in the ten years preceding the Foreign Investment Encouragement Law (1953–62) While great credit must be given to the performance of the high productivity of the Chinese worker in the Republic of China's economy, and sound government management, American policy in encouraging foreign investments with its own guarantees of security, plus the incentives offered by the Chinese law, the percentage of gain in gross national production in 1976 attained to 11.86%, surpassing the target of 6.4%. The Gross National Production was $17,145 million. In realistic terms, after allowance for inflation, the increase was 11.86%, compared with 2.4% in 1975.

Above all, getting down to the lives of individual citizens of Taiwan, the per-capita income was $809, or an increase of 14.6% over 1975.

All of which was aided and precipitated by a flow of private investments from abroad from the United States, the Overseas Chinese, Japan, Europe, and a number of other countries.[23]

Following the exodus of the Nationalist government from mainland China in 1949 to Taiwan, there was a brief period in which world opinion thought that the mainland Communist China represented the wave of the future, but under the dictum of President Chiang Kai-shek that "self-help was the best help," the government of the Republic of China on Taiwan grew to spectacular success. As Ambassador James C. H. Shen from the Republic of China to the United States stated to the 20th Century Club in Hartford, Connecticut, on December 2, 1976:

"The United States has played a major role in Taiwan's economic growth from its beginning. At a time when Free China was in dire need of help of many kinds, the United States provided us, shortly after our government was transferred to Taipei, with a liberal economic assistance program. Such aid continued for a period of 15 years, from 1950 to 1965, totalling U.S. $1.5 billion, which contributed considerably toward stabilizing Free China's currency and helping to build up Taiwan from an agricultural economy to a semi-industrialized society." [23]

The head of ECA aid to Taiwan from 1958 to 1960, Wesley Haraldson, said that the hard work of the Chinese people: ". . . fueled the rapid growth of Taiwan's economy. * * * I have never known a people who worked so hard as the people of Taiwan. It was amazing. And I never saw a hint of hanky-panky with our aid funds."

So successful was this program cooperatively between the United States and the Republic of China that it stands as a monumental lesson to our foreign aid policy—namely, that self-help in the private enterprise system is the ultimate key to a sound economy. In 1955, the Republic of China was the first country to be dropped from our foreign aid appropriations.

As Ambassador Shen rightly pointed out, American private industry took up where the American government aid left off, and in due time evolved specifically no less than 250 industrial projects—"from the manufacture of automobiles to the production of plastic shoes", but with the largest segment being invested in electronic and chemical industries.

Our former American Ambassador to the Republic of China, the Honorable Leonard Unger, was lavish in his praise of achievements on Taiwan in his article in the January/February, 1977, issue of International Business.[23A]

Now in overwhelming statistics and generalities as to the individual we can note these sensation gains: The people in Taiwan are far better fed and clothed than in mainland China. The individual calorie count exceeds 2,800 daily, up 37 calories for the past ten years, and per capita daily consumption of protein has increased from 57.8 grams in 1962 to 74.8 in 1975.[24]

Energies were not devoted entirely to material progress as indispensible for national survival, but every effort was made to fash-

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ion a viable free nation of cultural enlightenment and social justice, fostering democratic rule, cultivation of universal education, advancement of social well-being, promotion of public health, and revitalization of Chinese culture.

In spite of the vulnerability of Taiwan as a subtropical country, normally spawning grounds for tropical diseases, Taiwan has succeeded in eliminating such Asiatic scourges as smallpox, malaria, cholera, typhoid fever and yellow fever. According to the World Health Organization, Taiwan has become "one of the healthiest places in Asia", increasing the life expectancy on Taiwan to an average of 66.7 years for men and 72.2 for women, as compared to 41 years for men and 45.7 for women in 1945. The constitution of the Republic of China charges the government with the responsibility of providing universal education, beginning at the age of nine with free education for all children. The attendance rate of children of school age has reached an all time high of 99.3 percent—possibly unequaled elsewhere in the world.[24]

At the end of 1975, there were 3,400 schools of all levels, with an enrollment of 4.42 million students, or 27.4 percent of the entire population. Great strides have been made in the field of higher education when there were only four college-level institutions in 1945, and today there are about 100 universities and colleges.

A vital facet of national life on Taiwan has been the effort made to foster human freedoms under the rule of law. Visiting American jurists noted that significantly impressive progress has been made in maximizing the basis for the people's enjoyment of all fundamental human rights, for the people there enjoy the rights of free election, freedom of expression, freedom of association, freedom of the press, freedom of religion, the rights of private ownership, free choice of education and employment, freedom of travel, and the rights of a free judiciary.[25]

As stated by former Ambassador Shen, in spite of diplomatic reverses inflicted upon the Republic of China since 1971 by Richard Nixon's unwise attempt to begin appeasing the Peiping Communist regime, hereinafter more particularly set forth, a—". . . spirit of hopefulness pervades the entire land that is Free China, standing sturdy and prosperous—a hopefulness born of our people's conviction in the nation's high purpose, our confidence in our own strength, and our faith in the righteousness of the government's cause on the side of freedom and democracy." (Supra, P. 18)

B. Policy Inheritance of the Carter Administration—

The Honorable Larry McDonald, Congressman from Georgia, on June 30, 1976, summed up United States policy in the immediate preceding years in a statement in the Congressional Record in a statement entitled "Kissinger's Morality and Taiwan's Fate":

"Mr. Speaker, the United States, as the leader of the Free World, has, until recent years, always cherished its relationship with Taiwan. This all changed with the Nixon initiative to Red China. More and more, in a piecemeal fashion, it is evident that the foreign policy of the State Department and the Ford administration is to knowingly abandon Taiwan in our rush to embrace Red China. Taiwan, with its free prospering economy, stands as a beacon of capitalism to the rest of Asia. * * *"[26]

The Congressman then does the writer the high honor of quoting his article published in the Washington Sunday Star, entitled "Kissinger's Morality and Taiwan's Fate".

"The greatness of America," Secretary of State Kissinger said, in April, 1976, "has been not so much its physical strength as its moral significance."

After expounding at length on our dedication to liberty and the progress of all mankind, peace, and justice, as inspiring goals, the Secretary then reached a concrete objective:

"The survival and security of Israel are unequivocal and permanent moral commitments of the United States. Israel is a loyal friend and a fellow democracy, whose very existence represents the commitment of all free peoples.

"America will not abandon a friend because to do so in one part of the world would shake confidence in every part of the world. There will be no American weakness or abdication for this can only tempt adversaries, confuse allies, and undermine security in the world—ultimately to the grave peril of our country."

Collaboration between an out-going administration and an in-coming one is of course desirable—if for no other reason than the one frankly stated by President Carter in his press conference of March 7, 1977, upon the visit of Prime Minister Rabin of Israel:

"I have a lot to learn as a new President."[27]

But even at this early stage, President Carter in substance concurred completely with Kissinger in respect to Israel in saying:

"We understand very clearly in our own country—strong and powerful and secure—that security is important, and is the essence of what Israel can expect from us and from the rest of the world—a recognition of their existence now and in the future."[28]

Successive statements by President Carter regarding Israel and the problem of an Israeli defense line for security purposes (which must necessarily be in Arab territory) was the subject of considerable further discussion—the details of which are not pertinent here as we are not now considering the status of Israel unless the principles involved bear upon our position in relation to Taiwan.

In saying that the abandonment of a friend in one part of the world "would shake confidence in every part of the world" and that there would be no American weakness or abdication (regarding Israel!) for this could only "tempt adversaries, confuse allies, and undermine security in the world—ultimately to the grave peril of our country", Kissinger stated a fundamental principle of our foreign policy. He is not alone in stating this clear fact. The Asian People's Anti-Communist League in a Pre-Conference Executive Committee issued a joint communique on December 15, 1976: ". . . calling on the United States to abide by its treaty obligations and defense commitments for the free countries of Asia and to halt its moves of seeking 'normalization' with the Chinese Communists."[29]

The joint communique provided:

"Northeast Asia and the Taiwan Straits are very important for the security of the Asian-Pacific region. The Republic of Korea is a strong anti-Communist outpost in Northeast Asia, the Republic of China tightly controls the Taiwan Straits passageway, and Japan possesses the major strength of Asian economy.

"As such, the three nations have mutual interest in America's national defense system as well as Asian security. We therefore urge the United States to abide consistently by its treaty obligations and defense commitments for the Republic of China, the Republic of Korea and Japan."[30]

The conservative United States Chamber of Commerce in the Republic of China in "A Position Paper" prepared by the executives who manage some 220 United States corporations in Taiwan, express great concern over the policy trend in the United States towards "normalization" of relations with the so-called "People's Republic of China" on the Communist Mainland, sufficiently summarized in these two paragraphs ("ROC" referring to the Republic of China on Taiwan and "PRC" referring to the so-called "People's Republic of China on the Communist Mainland):

"Yet there still seems to be a compulsion to forego the tried-and-true relationship with the ROC in favor of the hope of great economic benefits from the PRC. And even more alarming, we observe a sense of urgency in the U.S. government's desire to culminate normalization with the PRC 'before it's too late'.

"Admittedly, the public posture of the current administration is low at present, no doubt due to the presidential election campaign. But the stated goal is still 'normalization' and we perceive that even though it is alleged that there is no timetable and no formula, there appears to be an academic and State Department groundswell (possibly amplified by press speculations) which is anxious to conclude an early agreement with the PRC. We believe this issue will surface rapidly once a new President is elected."[31]

Secretary Kissinger was wholly correct in the statement of principle that "America will not abandon a friend because to do so in one part of the world would shake confidence in every part of the world."—And yet, he was co-author, and now currently behind the scenes,—defender of the Shanghai Communique which would indeed abandon the Republic of China—one of our staunchest free and independent friends and allies which had immediately come to our aid when war struck suddenly and the United States was unprepared in the Pacific.

In collaboration between the out-going administration and the in-coming Carter administration, former Secretary of State Kissinger has, according to press accounts, conferred not only with the new Secretary of State, Cyrus Vance, but with the President himself. How much has advocate Kissinger conveyed to President Carter who frankly states with his refreshing candor and ready adaptability to circumstances that he has "a lot to learn as a new President"?

In spite of his early reassurance to the Republic of China on Taiwan, it seems clear to anyone who has followed the Taiwan issue that in the complexities of foreign relations which the President had faced, he had somehow been led to make this startling statement in his address to the United Nations on March 17, 1977:

"We will continue our efforts to develop further our relationships with the People's Republic of China. We recognize our parallel strategic interests in maintaining stability in Asia and we will act in the spirit of the Shanghai Communique."[32]

One can almost hear the specific, idealized Kissinger explanation of the "Shanghai Communique" as given to President Carter, even though to a knowledgeable person the Communique is totally lacking in the "morality" which, as Kissinger stated in discussing Israel, accounts for the "greatness of America".

The bare fact that the substance of the Communique was not embodied in a treaty which would necessarily have to be submitted to the United States Senate for ratification under our Constitution was, to put the matter bluntly, a tricky device. Both Nixon and Kissinger knew very well that no Senatorial approval could have been secured for a treaty with Communist China (PROC) embodying any such provisions as those in the Shanghai Communique of February 27, 1972. In specifying the powers and duties of the President, the Constitution of the United States provides in Article II, Section 2, Clause 2:

"He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; and he shall nominate, and

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Footnotes at end of article.

by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: * * *"[33]

This is not the appropriate time or place to consider the history of this controversial clause except to note that the plan which was first considered by the convention on August 6, 1787, provided only that "the Senate of the United States shall have power to make treaties, and to appoint Ambassadors . . .", and it was not until ten days before the Convention's final adjournment that the President was made a participant in these powers.

It was foreseen by Jay and others that the initiative must often be seized by the President without benefit of Senatorial counsel.[34] As late as 1818, Senator Rufus King from New York, who had been a member of the Constitutional Convention, declared on the floor of the Senate:

"In these concerns the Senate are the Constitutional and the only responsible counsellors of the President. And in this capacity the Senate, may, and ought to, look into and watch over every branch of the foreign affairs of the nation; * * *"[35]

The actual negotiation of treaties has long been taken over as a virtual Presidential monopoly, the Senate's role being essentially legislative in character. Without pursuing our way through the labyrinth of authoritative discussions on this matter, it is sufficient to quote the language of Chief Justice Marshall in 1829:

"Our constitution declares a treaty to be the law of the land. It is, consequently, to be regarded in courts of justice as equivalent to an act of the legislature, whenever it operates of itself, without the aid of any legislative provision. * * *"[36]

The treaty between the United States and the Republic of China confirmed on December 2, 1954, stood in the same category as other treaties of the United States as "laws of the land".

But as pointed out above, the treaty is terminable by either party upon one year's notice to the other. The first precedent in the matter of termination of a treaty by notice occurred in 1846, when the Congress by joint resolution of April 27, authorized the President in his discretion to notify the British government of the abrogation of the Convention of August 6, 1827, relative to the joint occupation of the Oregon Territory. Inasmuch as the President himself had requested the resolution, this incident supports the theory that international conventions to which the United States is a party, even those terminable on notice, are terminable only by act of Congress.

The Nixon-Kissinger communique under no view or interpretation can be construed as a request to Congress to terminate the treaty with Taiwan without reviewing the many complexities of precedents in which requests for termination of treaties have been made in whole or in part by the Congress of the United States or by the President of the United States to the Congress, it is sufficient to state that no such precedent exists as reflected by the present case.

CONCLUSION

How, then, may the fundamental problems in the relations between the Republic of China and the United States be summarized in conclusion?

1. Did not the Nixon-Kissinger "Shanghai Communique" of February 27, 1972, constitute a poorly disguised attack upon, or undermining of, the "law of the land", established in the treaty of December 2, 1954, providing for mutual defense and other relations between the United States and free Taiwan, the Republic of China?

2. Is not President Carter's reference to the Nixon Shanghai Communique completely at variance with his own high-level purposes and with the firmly established honorable commitments of the United States to uncounted thousands of investors and many millions of United States citizens who relied upon our foreign policy, firmly established in many laws and adjudications?

3. History has recorded even as recently as the last few weeks, that Communist power in the ascendancy, under dictatorship, can and does force us to witness the mass murder of citizens who disagree,—as in the case of dictator Amin in Africa and the incredible horrors of Communist Russia where torture was inflicted on dissidents for a time short of death before exile to Siberia. Would the Communist dictatorship of the mainland of China on acquisition of Taiwan utilize the same old brutal, ruthless remedy of exterminating those who had opposed? Is not this a probability for which we would have to carry the moral and historic responsibility?

4. President Carter in many speeches and press conferences, even prior to the United Nations address of March 17, 1977, saw "a world dominated by increasing demand for basic freedom, for fundamental rights, for higher standards of human existence. We are eager to take part in the shaping of that world." The American public and the Congress which represents them should be faithful to the principles of free government, keep the confidence of the free world everywhere and the civil rights and liberties for which President Carter has spoken so fearlessly. All should recognize that these liberties are inseparably linked with private initiative,—namely, to our private enterprise way of life.

5. When will we ever learn?

Prime Minister Chamberlain, in negotiations with Hitler, acquiesced in Hitler's acquisition of Czechoslovakia and reported to Parliament and the English people that he had secured "peace in our time". Within less than a year, the dictator, after making a secret treaty with another dictator, Stalin, invaded Poland and precipitated World War II.

There can be no successful appeasement of a dictatorial regime.

FOOTNOTES

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[1] See two White House releases of March 7, 1977, on arrival of Premier Rabin of Israel, and release of March 9, 1977, based on Press Conference statements affirming independence of Israel; also release of April 4 regarding the Joint Press Conference of President Sadat of Egypt and President Carter.

[2] President Carter's statement re Rumanian officials, Washington Star, February 28, 1977, by Jack W. Germond and Jules Witcover; also White House press release of the same date.

[3] Publication of the defense treaty of December 2, 1954, between United States and the Republic of China (Taiwan); See U.S. State Dept. Bulletin, December 13, 1954, and "Source Book, The U.S. and China After Mao", Republic of China Information Service, P. 6.

[4] Congressional Record—Senate, February 18, 1975, p. 3311.

[5] Supra, Fn. 4.

[6] Supra, Fn. 4, p. 3312; See also statement of Congressman Larry McDonald of Georgia, June 30, 1976, Congressional Record, Vol. 122, No. 104, p. 21776.

[7] The Shanghai Communique of February 27, 1972; New York Times, February 28, 1972; "Source Book" cited in Fn. 3.

[8] Supra, Fn. 7.

[9] Supra, Fn. 7.

[10] Supra, Fn. 7.

[11] Supra, Fn. 7.

[12] Article by Joseph Kraft, Washington Star, February 28, 1977, P. A–3 re Kissinger's talks with Mao Tse-tung.

[13] A Position Paper of The American Chamber of Commerce in The Republic of China prepared by members of the American Chamber of Commerce in the Republic of China, an organization of U.S. business executives who manage some 220 U.S. invested corporations in Taiwan; P. 61, Para. 3.

[13A] Release of Bureau of Public Affairs, U.S. State Dept., "GIST", August 1976, Para. 3; See also Footnotes 16, 17, and 18.

[14] Trade Act of 1974, establishing a Generalized System of Preferences (GSP); Public Law 93–618, 88 Stat. 1978.

[15] Amendment to Trade Act of 1974, by order of President Ford; Executive Order 11934, Sept. 1, 1976, FT–28–1, Fed. Register.

[16] Release of Bureau of Public Affairs, Dept. of State, Multi-National Corporations, in "GIST" of August 1976, Para. 3.

[17] Release of Bureau of Public Affairs, Dept. of State, "GIST", Sept. 1976, Para. 5.

[18] Trans-National Corporation: Issues Involved in the Formulation of a Code of Conduct, United Nations, 1976, International Investment and Multi-National Enterprises by OECD (Organization of Economic Cooperation and Development, U.S. State Dept., July 1976, P. 12.

[19] Wall Street Journal, Sept. 23, 1969; "The Secret of Doing Good: Make It Pay". Reports cited are procurable from National Planning Association, 236 Park Ave., Room 624, New York, N.Y.

[20] See "Guarantee Idea", Fortune Magazine, Nov. 1949, by the writer.

[21] The writer mentions this personal participation in drafting this portion of the ECA Act as adopted by Congress (except for two words added!) as encouragement to the readers who are primarily composed of law students, to participate vigorously (and gratuitously) in Bar association work in the public interest.

[21A] The ability of the delegation was such that one member thereof, the Honorable C. K. Yen, is now the duly elected President of the Republic of China, succeeding the Honorable Chiang Kai-shek. Another member, the Honorable K. T. Li, became Minister of Finance and is now semi-retired, because of ill health, as "Minister Without Portfolio".

[22] Statistical reports and releases of the U.S. State Dept., 1965–1977. "Free China Weekly", Feb. 27, 1977, P. 3; "Free China's Strategy For Prosperity", Address by James C. H. Shen, Ambassador of the Republic of China to the United States, before the 20th Century Club, Hartford, Conn., Dec. 2, 1976; "U.S.–ROC Economic Cooperation, Past and Prospects" by the Hon. Leonard Ungar, U.S. Ambassador to the Republic of China, Jan.-Feb. issue of *International Business,* March 9, 1977; Chinese Information Service release of Jan. 25, 1977. NYC.

[23] Speech by James C. H. Shen, Ambassador of the Republic of China to the United States, before the 20th Century Club, Hartford, Conn., Dec. 2, 1976, entitled "Free China's Strategy For Prosperity", P. 5.

[23A] "U.S.–ROC Economic Cooperation: Past & Prospects", by U.S. Ambassador to Republic of China, Leonard Unger, Jan./Feb. issue of International Business, March 9, 1977, Chinese Information Service release.

[24] Supra, Fn. 23, P. 12.

[25] Supra, Fn. 23, P. 12.

[26] Congressional Record, Vol. 122, No. 104, June 30, 1976, p. 21776, et seq.

[27] White House Release, March 7, 1977, Press Conference on visit of Prime Minister Rabin of Israel.

[28] Supra, Fn. 27.

[29] "Free China Weekly", Taipei, Taiwan, Vol. XVII, No. 50, Dec. 19, 1976, article entitled "APACL calls on United States to abide by treaty obligations".

[30] Supra, Fn. 29.

[31] Supra, Fn. 13, P. 62.

[32] White House Release of March 17, 1977, Remarks of the President at the United Nations, P. 3.

[33] Constitution of the United States of America, Article II, Section 2, Clause 2, Leg-

islative Reference Service, Library of Congress, U.S. Govt. Printing Office, P. 412.

[34] Supra, Fn. 33, P. 412, "The Treaty-Making Power".

[35] Supra, Fn. 33, P. 412, "The Treaty-Making Power".

[36] Supra, Fn. 33, P. 413, "Treaties As Law of the Land", Chief Justice Marshall in *Foster* v. *Neilson*, 2 Pet. 253, 314 (1829).

SUPPLEMENTAL MEMORANDUM

In the writer's principal memorandum to the Regional Conference of the American Society of International Law, University of Maryland School of Law, April 15–16, 1977, at the Baltimore Hilton Hotel in Baltimore, Maryland, the writer—at the risk of diversification in an already complex field under discussion, did not mention one of the greatest items of world trade which would be very much at issue should the proposed abandonment of our support of the Republic of China actually come to pass. We would, in this country, embrace renewed and vastly expanded difficulties with evil threatening our American civilization in the extended use of heroin, opium, morphine, and derivative drugs. As stated by Dr. Robert Baird, a New York drug expert for the past thirty years, in testifying before a Congressional Committee in July 1971, the Chinese Communists were preparing a new offensive to use narcotics to demoralize the North American population, especially the young. He said:

"We are being misled into thinking that Turkey is the primary source of narcotics . . . but Communist China produces fifty-five to sixty percent of the world's hard drugs!"

A summary of this vastly complicated subject, prepared with great care and thoroughness, will be found in "The Death Peddlers; Communist China's Opium War on the West" by Patricia Young.[1]

As stated by Dr. Harry Anslinger, Commissioner of the U.S. Federal Bureau of Narcotics, in his book "The Murders":

"The use of drugs as a political weapon by the communist forces in America, the Orient, Europe and Africa is well documented."

Dr. Anslinger's chief assistant, Charles Airagusa, supported this doctrine fully and was quoted in the "Melbourne Herald" of Australia as far back as March 17, 1962, as saying:

"The Chinese Communists have launched a plan to turn North America into a race of drug addicts!"

And Sean O'Callaghan in "The Drug Traffic", published in 1967, wrote:

"The Chinese Communist drug ring, with headquarters in Peiping, has become more sinister, more lucrative and more dangerous than the Mafia!"

Even the Russians recognized the facts of life in stating in "Pravda" on September 13, 1964:

"The Mao regime is the biggest producer of opium, morphine and heroin in the world!"

No mention of this problem or the risks of vastly increased imports from Communist China are made in the Shanghai Communique of February 28, 1972, promulgated by Richard Nixon and Secretary of State Kissinger although the types and brands of Communist China narcotics, the opium-growing areas and refineries in Communist China and the principal points of exit for drugs from Communist China were well known and indeed had been published in Patricia Young's "The Death Peddlers", as listed in Footnote No. 38 as taken from her excellent documentation of the whole subject.[2]

An enlightening article on the front page of the "New York Times" of April 12, 1977, by Bernard Gwertzman, under the heading—"U.S. Seems to Stress Contacts With China", summarizes the trade situation when Nixon issued the Shanghai Communique of February 27, 1972, but first dealt with Secretary of State Vance's recent conference with Huang Chen, head of the Chinese Liaison Office here, in respect to the program of "normalizing" relations between the People's Republic of China (Communist mainland China) and the United States, reporting that the Secretary of State had first met with the leaders of the National Council for United States-China Trade. This was a high-level executive organization set up after the Shanghai Communique was issued to increase trade with mainland China, in respect to which the Secretary of State met with William A. Hewitt, Chairman of Deere & Company and members of the board of directors of the Trade Council, and Christopher H. Phillips, the Council's president. Trade had reached the high point of just under $1 billion in 1974—following the Shanghia Communique, but since then "a combination of political and economic reasons produced a sharp drop to $336 million last year". The fall of the Nixon Administration and Watergate threw a wet blanket over these operations but invitations have now been resumed to the Carter Administration to send trade missions to Communist China, according to Mr. Phillips, president of the Council.

While press accounts, including "The New York Times" article referred to, indicate that the Carter Administration has not decided how and when to "normalize" ties with Peking", the State Department is quoted as having said again on April 12, 1977, that "this Administration does seek normalization with the People's Republic of China in keeping with the principles of the Shanghai communique". Bearing in mind that our subject is the relations of Taiwan to the United States, and that by explicit definition the return of Taiwan to mainland China jurisdiction, as it once stood as a province of China, is the obstacle of "normalization" and therefore cancellation of our mutual defense treaty with Taiwan and withdrawal of American troops are of the essence of the matter, what then would be the consequences?

Again resting on the thorough digest of authorities in this area, I quote from Patricia Young's "The Death Peddlers" (Page 13):

"In his book *Dope International,* author Charles Wighton claims, 'The drug trafficking is carried out by a criminal conspiracy and promoted by a political conspiracy closely associated with international communism and centered in Communist China!' Valedin Chu, Hong Kong correspondent for the Australian magazine *Time and Tide,* reported in the January 1963 issue that 65% of the world's illegal drugs originated in Communist China! He further charged that Communist China grossed ONE BILLION dollars annually in gold and currency from drug smuggling to the U.S.A. alone! He added, as have other writers around the world, that the opium was grown and refined in Communist China and then smuggled into the Free World by way of Burma, Thailand, Hong Kong, Cuba, and the Philippines.

"In 1972, an A.F.C.C. report disclosed that Red China produced over TEN THOUSAND tons of heroin annually, netting a profit of close to $800,000,000 annually!"

It is quite beyond the scope of this memorandum to explore the devastating effects of drug addiction in the United States, especially among the young. Suffice to say here that the abandonment of a responsible government in Taiwan, cancellation of our mutual defense treaty, withdrawal of all troops, and the solid support which the Republic of China representative government has had in its able administration of affairs would have the most devastating consequences as far as drug shipments to the United States from Communist China.

Without assuming for a moment that Communist mainland China could "recapture" Taiwan, which has its own resources of self-help, nevertheless the termination of our mutual defense treaty with the Republic of China and the withdrawal of the solid moral support of the United States would have the most devastating consequences upon what must be regarded as one of the ablest—if not the ablest independent, democratic government to which we have given aid and assistance.

It is not possible that the President of the United States, however admirable and well-intentioned, and his Secretary of State, have given adequate study to the background of this vast problem involved in the status of Taiwan—the Republic of China—or they could not have given their blessing to the Shanghai Communique of President Nixon-Secretary Kissinger in February of 1972.

[From "The Death Peddlers" by Miss Patricia Young]

PART 6—TYPES AND BRANDS OF CHINESE COMMUNIST NARCOTICS

OPIUM

138, Sun-feng, Hung-tiao, Red Star, South Pole, Silver Tripod, 139, Laopeikou, Kang-fu, Golden Pheonix, Golden Elephant, Earth, Ginseng, Ta-chen, Sung-po, Sailboat, Red Gold, Race Dog.

MORPHINE

Tsai-feng, Chin-yin, 999, Red Lion, Silver Dragon, Black Chicken, Huang-shang-huang, Golden Deer, Lung-tzu, Camel, Hsiung-chi, White Dragon Pearl.

HEROIN

North Pole, Lion Ball, Goldfish, OK, Red Gold, Champagne, Hsiang-nan, White Rose, Yin-ting, Golden Deer, AAA, Tsai-huang.

OPIUM GROWING AREAS AND REFINERIES IN COMMUNIST CHINA

Province:	Number of farms	Refining factories
Sinkiang	3	1
Kirin	1	1
Tsinghai	4	—
Sikang	2	1
Ninghsia	3	—
Szechwan	7	2
Kansu	12	—
Chahar	3	—
Kweichow	3	1
Yunnan	25	2
Kwangsi	8	—
Hainan	4	1
Shensi	16	1
Shansi	6	1
Hopeh	5	10
Honan	6	2
Hupeh	7	2
Hunan	8	—
Kwangtung	29	4
Kiangsi	6	1
Chekiang	6	2
Kiangsu	5	4
Anhwei	11	—
Jehol	3	3
Liaoning	11	5
Antung	10	1
Heilungkiang	1	—
Total	207	46

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[1] The Death Peddlers; Communist China's Opium War on the West: Patricia Young, 1030 Nanton Avenue, Vancouver 9, B.C., Canada.

[2] No effect is made here to set forth the thorough bibliography attached to Ms. Young's excellent memorandum, pp. 55–58.

POINTS OF EXIT FOR DRUGS FROM COMMUNIST CHINA

(From West, South, East and North China)

Loshan, Tingri Dz, Wanting, Yulin, Shechuan, Wenchow, Wusungkou, Weihaiwei, Wahan, Yatung, Cheli, Samkong, Swatow, Ningpo, Lienyun, Dairen, Gartok, Lungchow, Pinghsiang, Chungshan, Amoy, Shanghai, Tsingtao, Moho.

DEPARTMENT OF ENERGY

Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs is now in the process of marking up the Department of Energy legislation, S. 826.

When the committee completes its markup, which I hope will be next week, it will have adopted almost every major element of the administration's bill. These elements include the creation of a consolidated Department of Energy; abolition of the Energy Research Development Administration, Federal Energy Administration, and Federal Power Commission, and merger of these agencies into the Department; allocation of leasing responsibilities between the Department of Energy and the Interior Department, with primary responsibility for setting leasing production goals assigned to the Energy Department; and transfer of the power marketing functions of the Bonneville, Southwestern, and Southeastern Power Administrations, and of portions of the Bureaus of Mines and Reclamation, from the Interior Department to the Energy Department.

In addition, the committee will be considering additional powers and responsibilities for the new Department. These include new authority to collect and analyze energy information and data; an expanded subpena power for the Secretary of Energy; the lead role for setting international energy policies in the area of energy supply and conservation; responsibility for promulgating building conservation standards—from the Housing Department; and responsibility for promulgating automobile standards—from the Transportation Department.

PROVISION FOR ECONOMIC REGULATION SHOULD BE MODIFIED

Mr. President, there is, however, one area in the administration's proposed bill which I believe should be modified. This is the responsibility for economic regulation of energy. The administration's bill proposes not only to abolish the Federal Power Commission, but also to assign many of FPC's principal regulatory responsibilities—in particular, pricing regulation—to the Secretary of Energy. Under the administration's bill, the Secretary of Energy, or his designee, would be free to propose a price for natural gas, electricity, or oil, and then decide what that price should be. The only limitation in the bill is that he would have to hold a brief hearing before setting and enforcing the price he decides upon.

Mr. President, in my view, this is not enough. It does not allow those who are affected by a proposal in this area to have their views heard by anyone other than the Secretary or his personal designee. It does not provide for impartial decisionmaking. And, most important, it vests far too much authority in the hands of a single individual—the Secretary of Energy.

GUIDELINES FOR ECONOMIC REGULATION

At our markup this Tuesday, Senators JAVITS, MUSKIE, METCALF, and I plan to offer a provision to correct these deficiencies. In drafting our provision, we have been guided by the following principles:

First. Initial decisions and recommendations on matters involving the economic regulation of energy should be made by an impartial tribunal;

Second. The Secretary of Energy should be able to compel the body to act on his proposals;

Third. The procedures for handling regulatory matters should be as expeditious as possible, and elaborate adjudicatory procedures should be avoided wherever possible;

Fourth. The Secretary should not be compelled to accept any regulatory action of broad applicability which is totally inconsistent with the President's national energy policy; and

Fifth. If the Secretary and the regulatory body prove totally incapable of arriving at a mutually agreeable decision, the dispute should be referred to Congress for ultimate decision.

The provision which Senators JAVITS, MUSKIE, METCALF, and I will offer would establish within the Department of Energy a three-man Energy Regulatory Board. Members of the board would be appointed by the President for a term of 4 years, subject to the advice and consent of the Senate. The board would be bipartisan.

The board would have jurisdiction with respect to the majority of energy regulatory matters which will now be assigned to the new Department, including all major energy pricing decisions. Wherever possible, the board would be permitted to proceed through informal rulemaking rather than through adjudication, which experience shows is a much faster method of decisionmaking.

Whenever the board proceeds through rulemaking, the rule would generally be initiated by the Secretary, and the Secretary could compel the board to act on any price or other rule which he proposes. The Secretary would also be empowered to establish strict deadlines for completion of action by the board. The board would receive comments from all interested participants in an oral hearing. Following the hearing, and within the deadlines set by the Secretary, the board would make its recommendations on the proposal to the Secretary. The board's recommended action on the price or other rule will only take effect if the Secretary concurs. Final action by the Department, of course, is subject to the usual review procedures in the Federal courts.

In the event that the Secretary disagrees with the board's recommendations he may propose a change, which the board is free to accept. However, in the event that the Secretary and the board are unable to reach agreement, the matter may be referred to Congress by the Secretary for ultimate resolution. Expedited procedures would allow Congress to act within 60 days.

The provision thus provides that the Secretary can compel action on any price or any rule he proposes, and can prevent any new price or rule which is inconsistent with his policy from taking effect. And by substituting rulemaking for adjudication, and by allowing the Secretary to impose strict deadlines, our provision insures that decisions will be made expeditiously.

ADVANTAGES OF THIS APPROACH

Mr. President, in my view, our approach to economic regulation has three major advantages:

First. It is fair: Setting the price for energy supplies or taking other significant regulatory actions involving energy is an enormous responsibility. Any such action directly affects thousands of producers and retailers of energy products and millions of consumers. They ought to have a chance to have this decision—at least in the first instance—made by an impartial body. The one who proposes the price or other action should not also be the one who decides what the price or action should be;

Second. It is consistent with precedent: Energy pricing and other regulatory decisions are made in almost all the States by State public utility commissions. As with the Federal Power Commission, these decisions are always made by a board, rather than by a single individual; and

Third. It is just as efficient: The key to a speedy decision is to insure that the price or other action of broad applicability can be handled by rulemaking, not by adjudication. As long as this is done, a decision can be made by the Board just as fast as it can by the Secretary. Figures supplied by the U.S. Administrative Conference, for example, show that other Federal regulatory agencies have cut the time involved by 52 to 66 percent when rulemaking was substituted for adjudication.

One additional point, Mr. President. When this proposal was originally drafted, it encompassed economic regulation of gas, electricity, and hydroelectric power which is being transferred into the new Department from the Federal Power Commission. It did not encompass regulation of oil and oil products, which are now handled by the Federal Energy Administration. In the past several days, the administration has noted that there is little distinction between economic regulation of oil and economic regulation of natural gas. We fully agree. Accordingly our provision has been modified so that FEA pricing and allocation responsibilities can also be handled by the Energy Regulatory Board. This would be done in precisely the same manner and with the same provision for expediting procedures as we have provided for regulatory decisions coming over from the FPC.

Mr. President, I ask unanimous consent that the text of our provision covering economic regulation by the Department of Energy be printed in the RECORD at the conclusion of my remarks, so that all Members will have the opportunity to review it.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1).

Mr. RIBICOFF. Mr. President, also, I have received today a letter from Lee C. White, former Chairman of the Federal Power Commission. Mr. White recently testified at our hearings on the Department of Energy bill, and has now had an opportunity to review our provision for an Energy Regulatory Board to handle economic regulation by the Department. Mr. White's comments are most thoughtful and constructive, and I ask unanimous consent that the text of his letter dated April 28, 1977, be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Exhibit 1

TITLE IV—ENERGY REGULATORY BOARD

ESTABLISHMENT OF BOARD

Sec. 401. (a) There is established within the Department an Energy Regulatory Board (hereinafter referred to in this title as the "Board").

(b) The Board shall be comprised of three members appointed by the President by and with the advice and consent of the Senate. One of the members shall be designated by the President as Chairman. Members shall hold office for a term of four years and may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office. The terms of the members first taking office shall expire (as designated by the President at the time of appointment), one at the end of two years, one at the end of three years, and one at the end of four years. Not more than two members of the Board shall be members of the same political party. Upon the expiration of this term of office, a member shall continue to serve until his successor is appointed and shall have qualified.

(c)(1) Subject to such rules and regulations as may be adopted by the Board, the Chairman of the Board is authorized to—

(A) appoint and fix the compensation of such staff personnel as he deems necessary, including an executive director, and

(B) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(2) The Chairman of the Board shall exercise the executive and administrative functions of the Board with respect to—

(A) the supervision of personnel employed by or assigned to the Board, except that each member of the Board may select and supervise personnel for his personal staff,

(B) the distribution of business among personnel and among administrative units of the Board, and

(C) the use and expenditure of funds appropriated or made available to the Board.

(d) In the performance of their functions, the members of the Board shall not be responsible to or subject to the supervision or direction of any officer, employee, or agent of the Department.

(e) The Chairman of the Board may from time to time designate any other member of the Board as Acting Chairman to act in the place and stead of the Chairman during his absence. The Chairman (or the Acting Chairman in the absence of the Chairman) shall preside at all sessions of the Board and a quorum for the transaction of business shall consist of at least two members present. Each member of the Board, including the Chairman, shall have one vote. Actions of the Board shall be determined by a majority vote of the members present. The Board shall have an official seal which shall be judicially noticed.

(f) The Board is authorized to establish such procedural and administrative rules consistent with the provisions of this section as are necessary to the exercise of its functions.

(g) In carrying out its functions, the Board shall have the same powers as are vested in the Secretary to hold hearings, sign and issue subpenas, administer oaths, examine witnesses, and receive evidence at any place in the United States it may designate.

(h) The principal office of the Board shall be in or near the District of Columbia, where its general sessions shall be held; but the Board may sit anywhere in the United States.

(i) For the purpose of section 552(b) of title 5, United States Code, the Board shall be deemed to be an agency. Except as provided in section 518 of title 28, United States Code, relating to litigation before the Supreme Court, attorneys designated by the Chairman of the Board may appear for and represent the Board in any civil action brought in connection with any function carried out by the Board pursuant to this or any other Act.

JURISDICTION OF BOARD

Sec. 402. (a) Any regulatory function—

(A) of the Federal Power Commission or of any member of the Commission or any officer or component of the Commission transferred to the Secretary under section 301, and

(B) of the Federal Energy Administration or of the Administrator of the Federal Energy Administration or any officer or component of such Administration transferred to the Secretary under Section 301 relating to crude oil or petroleum product pricing or allocation matters, and

(C) of the Interstate Commerce Commission or of any member of the Commission or of any officer or component of the Commission transferred to the Secretary under section 305, that involves an adjudicatory or rulemaking procedure shall be administered through the Board established under section 401.

(b) The Board shall—

(1) hear and determine any matter described in subsection (a);

(2) hear and determine any matter arising under any other function of the Secretary involving—

(i) any agency determination required by law to be made on the record after an opportunity for an agency hearing, or

(ii) any other agency determination which the Secretary determines shall be made on the record after an opportunity for agency hearing,

(3) consider any other matter which the Secretary may assign to the Board.

INITIATION OF RULEMAKING

Sec. 403. (a) The Board shall consider any proposal made by the Secretary under subsection (b) and shall take final action on it in an expeditious manner. The Secretary is authorized to direct the Board to give priority to any particular rulemaking proceeding and to set reasonable time limits for the completion of action by the Board on that particular proceeding. Consistent with the provisions of 402, and subsection (c) of this section, the Board shall give priority to a rulemaking proceeding on a matter proposed by the Secretary under subsection (b) over any actual or contemplated adjudicatory proceeding on the same matter.

(b) To the extent authorized by this section or by other law the Secretary or the Board are authorized to propose rules relating to any function specified in section 402. Any matter which relates to any regulatory function described in section 402 that involves rulemaking procedures shall be subject to the procedures established in this section, and to any procedures specified in title 5 not inconsistent with this section.

(c) Any function described in section 402 (a) transferred to the Secretary by section 301 which relates to the establishment of rates and charges under the Federal Power Act or the Natural Gas Act, may be conducted by rulemaking procedures.

ADJUDICATION

Sec. 404. (a) To the extent authorized by other law, the Secretary or the Board are authorized, in connection with any regulatory function described in section 402, to initiate a proceeding to be determined on the record after an opportunity for an agency hearing.

(b) The decision of the Board involving any regulatory function described in section 402 that involves an adjudicatory procedure shall be final agency action within the meaning of section 704 of title 5, United States Code, with respect to the matters so described in that section and shall not be subject to further review by the Secretary or any officer or employee of the Department.

REVIEW BY SECRETARY OF RULEMAKING

Sec. 405. (a) No decision on a rule, regulation, or order of the Board involving any regulatory function described in section 402 that is made by rulemaking procedure shall be final unless the Secretary within fifteen days after the date on which the decision of the Board is made concurs in that decision.

(b)(1) If the Secretary disapproves of any decision of the Board involving rulemaking under this subsection the rule shall not be issued. The Secretary is not authorized to amend the rule, but he may propose specified changes to the rule and to submit such changes to the Board for the Board's consideration together with his reasons therefor.

(2) Within fifteen days after the receipt of the disapproval by the Secretary under the preceding paragraph, together with his reasons for disapproval and any changes which the Secretary proposes, if any, the Board shall—

(A) accept the changes proposed by the Secretary;

(B) extend the time in which the rulemaking proeeding is to be completed; or

(C) terminate the proceeding without issuance of a rule.

(3) If the Board declines within 15 days to accept the changes proposed by the Secretary pursuant to subparagraph 2(A), the Secretary may at any time thereafter forward the Board's original decision along with the changes proposed by the Secretary, to the Congress at a time at which both Houses are in session. The Congress may thereafter within 60 calendar days adopt by Concurrent Resolution either the Board's original decision or the changes proposed by the Secretary. Debate by the House or the Senate on any resolution introduced pursuant to this paragraph shall be governed by the rules of debate contained in the Reorganization Act of 1977.

REVIEW OF REQUESTS FOR ADJUSTMENTS

Sec. 406. (a) The Secretary or any officer designated by him shall provide for the making of such adjustments to rules, regulations or orders under the Emergency Petroleum Allocation Act of 1973, the Energy Supply and Environmental Coordination Act of 1974, the Energy Policy and Conservation Act, the Natural Gas Act, or the Federal Power Act consistent with the other purposes of the relevant Act, as may be necessary to prevent special hardship, inequity, or unfair distribution of burdens and shall, by rule, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, rescission, or order.

(b) If any person is aggrieved or adversely affected by a denial of a request for adjustment under subsection (a), he may request a review of such denial by the Board and may obtain judicial review if such denial is affirmed by the Board in accordance with chapter 7 of title 5, United States Code. The Board shall, by rule, establish procedures including a hearing when requested, for review of a denial. Action by the Board under this paragraph shall be considered final agency action within the meaning of section 704 of title 5, United States Code, and shall not be subject to further review by the Secretary or any officer or employee of the Department.

EXHIBIT 2

APRIL 28, 1977.

Hon. ABRAHAM A. RIBICOFF,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I have had an opportunity to examine the Committee Print of S. 826, dated April 25, 1977, and believe it might be appropriate for me to comment on some of the features contained in the bill, in light of my having testified before the Committee with particular emphasis on the questions posed by the proposed incorporation of the Federal Power Commission into the new department.

With respect to the relationship between the Secretary of Energy and the Energy Regulatory Board, the concept of permitting the Secretary to have the right of vetoing the Board's action in rulemaking situations is very intriguing. I am not aware of any precise counterpart, but that certainly should not be of any consequence in evaluating the proposed procedure. Further, the idea of an open type of negotiation, with the Secretary permitted to indicate publicly what modifications he would propose, is also an innovative approach. I would point out that if it is impossible for the Secretary and the Board to reach agreement, in addition to the options provided in the Committee Print, the Congress could act in the face of an impasse, assuming the issue is sufficiently important to warrant a legislative solution.

It seems to me to be a workable alternative which gives considerable leverage to the Secretary, but not absolute authority. Since one of the stated concerns about the DOE proposal is apprehension about vesting too much authority in one individual's hands, this approach would provide some check on the Secretary, but a reasonable one. I believe it is worth trying.

Another feature that has been added to the Administration bill (Section 502(b)) of interest is to require the Secretary's determinations, as well as the Board's, to stand only if supported by "substantial evidence". This, too, is in the category of a procedural safeguard against rash and arbitrary action by the Secretary (and, for that matter, the Board) and should have a salutary effect in two different respects: first, the Secretary will be required to base his rules, regulations, or orders on some rational and public basis; and second, judicial review will provide assurance that the Secretary has acted in accordance with law and provide his decisions with greater strength than if a lesser standard were required of him. In particular, it would be of great benefit in any establishing of natural gas wellhead prices by rulemaking by the Secretary if the Secretary winds up with that authority.

An additional aspect of the Administration proposal and the Committee Print that warrants comment deals with the creation of an Energy Information Administration (Section 204) and the manner in which it shall function (Section 609). One of the most troubling aspects of energy policy examination and formulation has been the inadequacy of data and the inability within the Government to properly analyze and evaluate whatever data it does have. Since the data base will be so crucial in reaching decisions and in the Congressional and public evaluation of such decisions, I urge strengthening of the independent character of the energy data gathering arm of the Federal Government. Although I am not familiar with the details of how the Bureau of Labor Statistics and its Administrator are set up legislatively, it seems to me that there is an analogy that might be useful in insulating the Energy Information Administrator from political pressures from the Secretary or the Administration. I do not have any specific language to offer, but suggest that the point be examined by your staff.

I have not had the opportunity to go through the entire Committee Print, but inasmuch as the Committee is deep in its deliberations on the bill, I did want to comment on these features without delay. I would, of course, be pleased to respond to any questions that you, the other members of the Committee, or the Committee staff may have.

Sincerely,

LEE C. WHITE.

HERBERT HOOVER SLOWLY RECAPTURES AMERICANS' AFFECTION AND ESTEEM

Mr. GOLDWATER. Mr. President, many of us who lived through the Great Depression of the thirties have long realized what a bum rap Herbert Hoover took during those difficult days. It was almost never mentioned or recognized that while President, Hoover proposed many remedies for the oncoming depression which were turned down by Congress and some of which were enacted after Franklin D. Roosevelt became Chief Executive. In those days, Hoover was the perfect scapegoat. He was blamed for everything from unemployment and soup lines to the drought in the Midwest—as though he somehow prevented the rain from falling.

Because of this history, Mr. President, it is encouraging to discover that at long last Herbert Hoover is beginning to recapture the affection and esteem of the American people. This trend was reflected recently in an Associated Press story from West Branch, Iowa, which was distributed nationwide. Without objection, I ask unanimous consent that the Associated Press story detailing the truth about Herbert Hoover be printed in the RECORD.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

HERBERT HOOVER SLOWLY RECAPTURES AMERICANS' AFFECTION AND ESTEEM

WEST BRANCH, IA.—There is a quiet stirring on the banks of Wapsinonoc Creek. The people here are cheered by it.

According to Thomas Thalken, who ought to know, Americans are showing a steadily increasing interest in the life and accomplishments of the nation's thirty-first president, the first from west of the Mississippi and the one everybody here feels got a bum rap from history: Herbert Hoover.

"He's been the most maligned man in public life," Thalken said. "It's still called the Hoover Depression, but that's nothing. Even the drought of the Thirties is called the Hoover Drought as if he had something to do with the rain."

Thalken is the director of the Herbert Hoover Presidential Library, a facility he feels is responsible for a slow but sure reassessment of Hoover's place in history.

"We're servicing a new generation of researchers," he said. "They are asking new questions, questions that wouldn't have been asked 25 or 30 years ago when the events were still too fresh.

"As a result, they are discovering the truly solid accomplishments of the man. In the last 10 years or so, nine books have come out thoroughly documenting these accomplishments.

"We've averaged about 140 researchers a year visiting the library since it opened in 1966, and the number is growing every year.

"Besides the scholarly books, our resources have resulted in 177 published volumes, 85 articles for historical journals, 52 master degree theses and more than 187 doctoral dissertations. We receive hundreds of research requests through the mail, and they are growing more frequent, too. The truth about Herbert Hoover is emerging."

There is little doubt that in his later years, before his death in 1964 at the age of 90, Herbert Hoover had recaptured the affection of his countrymen, if not their esteem. Thalken feels he is now winning the latter, and high time.

Thalken says new scholarship at the library backs up his contention that Hoover could do nothing to prevent the Great Depression and sought every conceivable way to stem it, but it was like trying to fold a road map in the wind.

Whatever the final judgment of historians, here in West Branch, where he was born, the aura of Herbert Hoover is almost that of a saint.

West Branch is a town of 1,300, just east of Iowa City, in a pastoral setting that is itself Hooveresque; stern farm houses with fences like starched collars sprinkled among carefully squared fields on the rolling prairie—a Grant Wood canvas from horizon to horizon.

School children tip-toe through the two-room white-washed cabin where Hoover was born as though it were a church. At the nearby museum, adjoining the library, they gape at glass-encased Hoover relics.

Adults roaming the exhibits seem to linger longer over items of Hoover's private life than documents of his public career—the oil lamps of his childhood, his fishing rod, his wife's collection of Ming porcelain, his pipes, all alike, and his supply of kitchen matches next to the rock he used to strike them on.

Perhaps the most popular exhibit is the display of correspondence between the thirty-first president and the thirty-third, two men whose friendship remained deep until the end. And perhaps, like that of his friend, Herbert Hoover's career will indeed be revalued favorably.

In West Branch, though, there is no need for it. One visitor, an elderly Iowan, studied the exchange of letters and after a while said thoughtfully to his wife:

"Well, I've always admired Hoover. I guess if he saw someting in that other fellow, I ought to like Harry Truman, too."

LEBANESE CHRISTIANS SAY ISRAEL ONLY PROTECTION AGAINST ANNIHILATION

Mr. METZENBAUM. Mr. President, in a recent issue of the Cleveland Jewish News, I read a story that pleased me much because it addressed itself to the protection that the Israelis are giving to the Lebanese Christian people. The story quoted Francis Rizik, political adviser to Christian forces in southern Lebanon, who publicly had read a letter from Maj. Saad Haddad, commander of the Christian militia in the area, which said, in part:

> Our former enemy, Israel, is today the only and last support we have. The bitter irony is that Israel, constantly vilified, has opened her heart to us.

I look forward to that day when there will be a peaceful solution to the problems of the Middle East, and any effort toward eliminating the bloodshed that has occurred in that part of the world must find favor with all peoples regardless of their political perspectives.

Mr. President, I ask unanimous consent that the newspaper report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LEBANESE CHRISTIANS SAY ISRAEL ONLY PROTECTION AGAINST ANNIHILATION

TEL AVIV—A Lebanese Christian said here this week that the only force that deterred Palestinian terrorists from annihilating Christians in Lebanon was Israel's Army.

The speaker, Francis Rizik, political advisor to Christian forces in southern Lebanon, read a letter from Maj. Saad Haddad, commander of the Christian militia in the area, which said, in part: "Our former enemy, Israel, is today the only and last support we have. The bitter irony is that Israel, constantly vilified, has opened her heart to us."

Rizik appeared at a press conference Tuesday arranged by the Public Committee for Aid to Lebanan. It was the first time that a citizen of a neighboring Arab country held a press conference in Tel Aviv.

He was accompanied by prominent persons who head the committee, among them Moshe Sanbar, former governor of the Bank of Israel; Msgr. Augustin Harfoush, leader of the Maronite Christian community in Israel; and representatives of the Tel Aviv, Jerusalem and Haifa municipalities, who announced a project to aid the stricken citizens of southern Lebanon.

Rizik said he spoke in the name of Maj. Haddad, who was unable to come "because of the military situation." He read Haddad's letter calling on world opinion to aid the south Lebanese population. The letter said:

"Missile and phosphorous bombs are killing and wounding women, children, the elderly and the sick. The Christian world, the so-called free world, deserted us at the most difficult moment. Even our government in Beirut does not assist us and the Red Cross cars don't reach us . . . Our former enemy, Israel, is today the only and the last support we have. The bitter irony is that Israel, constantly vilified, has opened her heart to us. Where should we send our wounded, our expectant mothers, our old and sick? Would the terrorists treat them? Their 155-mm. shells, Katyusha and Grad rockets are responsible for all the suffering and horror around us."

After the letter was read, Sanbar called on the public to contribute funds to the victims of the fighting in Lebanon. Deputy Mayor Yitzhak Artzi of Tel Aviv announced that 3,000 Boy Scouts would distribute circulars to Tel Aviv homes this Saturday announcing that blankets and old clothes will be collected for Lebanese villagers next Tuesday. Similar collections will be made in Jerusalem and Haifa.

FORE: FOUNDATION FOR OREGON RESEARCH AND EDUCATION

Mr. HATFIELD. Mr. President, recently, one of my friends in Oregon, Mr. Wilson "Bud" Hulley, brought to my attention an article about the Foundation for Oregon Research and Education. The article appeared in a national newsletter, and discusses the education area of public administration in Government.

I ask unanimous consent that this article about this organization, which could serve as a blueprint for other areas of the country where businesses want a constructive involvement in Government, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSINESS AND GOVERNMENT IN OREGON—

A Two Way Street: A case history of the Foundation for Oregon Research and Education (FORE) from materials submitted by Wilson H. Hulley, Executive Director.

The Issue: The too frequent contempt in which the business community holds the image of state or local public agencies, and the disadvantages to business of such an attitude.

Background of the Issue: Oregon business leaders determined that many of their contemporaries regarded state and local public agencies as a community housekeeper, or an overhead operation required only to support the truly productive elements of the economy—in short, parasitical devices maintained by bureaucrats at public expense. A brief study revealed a totally different reality: Services provided by the states and localities—education, law enforcement, fire protection, social services, health care, public works, etc.—continue to be important in that they directly affect the quality of life and the environment in which business can operate.

The sponsors of FORE quickly determined that the resources needed and used to produce these services have reached a magnitude that makes state and local administrations, especially in education, one of the major components of the American economy.

The Cost/Benefit Ratio in Public Administration: Few public agencies, FORE concluded, systematically identify policy alternatives, much less analyze their relative costs and benefits. Rather, they tend to persist in using traditional and demonstrably ineffective techniques simply because they don't know a better way or have no incentive to seek alternatives. Thus, believes FORE, public administration misses opportunities for productive improvements, not to mention cost savings realized by elimination of marginally useful activities. (CPI note: The problem faced by President Carter in government reorganization!)

Hulley writes: "As Socrates said, 'The unexamined life is not worth living,' and in public administration the unexamined program is frequently not worth maintaining."

The FORE Program to Meet the Problem: "The responsibility for lack of interest in productivity at state and local agency levels lies in large measure with the public (business, labor, media, and individual citizens). . . . More efficient and effective public administration is a topic on everyone's mind, but not much on anybody's agenda. There is no cohesive constituency to push as there are powerful constituencies that fight for more services and subsidies, higher wages, larger contracts, and larger educational endeavors beyond reasonable approaches. . . ."

The Foundation for Oregon Research and Education (FORE) was founded on this premise and went to work in 1971. Its initial focus was on educational agencies. Today it concentrates on that area with collateral studies in other public areas. It believes that public agencies are as accountable as the private sector. FORE is the organized vehicle to assist the business community to measure the efficiency of government.

"The Task Force Concept (of undertaking a study, publishing it and then walking away), staffed by volunteer corporate executives, is the pattern. FORE recycles its study groups into implementation committees responsible for translating recommendations into results. There are three basic essentials required for Task Force success: (1) the support has to be as strong during the meat of its work as it was in the beginning; (2) volunteers have to understand that government is a different world; and (3) the bureaucracy under study has to be willing to accept reasonable suggestions.

"FORE studies define the mission of public administration productivity, the principal opportunities for improvement, suggestions for orienting the system towards the most effective use of available public tax dollars. Each project has a study committee made up of business people with expertise in the appropriate project areas.

"These individuals volunteer their corporate time to work on the study, develop in-depth analysis and prepare recommendations for the study Steering Committee (the get-it-done group). The final study draft is reviewed by all participants, including the public agency studies, for factual errors."

This is the key to FORE's credibility. FORE is results oriented, but allowing the public agency to study and amend the final draft if there have been factual errors takes away much of the negative concern about media problems, and adds balance to the entire presentation.

"When we study an area, we not only allow the studied agency to review the final draft, but we also work with the studied area throughout to help dilute any adversary role conditions which would otherwise prevail.

Soft Monies Against Available Hard Monies: "Along with determining the budget impact (of public expenditures) there must be assurances that the bulk of funds going into any public program reach the people for whom the program was intended. A FORE study determines the strengths and weaknesses of administrative procedures in that area, and makes recommendations accordingly . . . ."

Access to the Press: FORE publishes FORE-Front on a semimonthly basis to acquaint both its sponsors and the general public with current trends and facts relating to educational and other public agencies operating in Oregon. About 6,000 readers of FORE-Front thus have the opportunity to separate fact from fiction in some very critical topical areas . . . .

The Problems "we have found in the development of FORE are that we are continually pressing the CEO and his people for more man hours and more of their energies. Once you develop a study of a single government agency . . . it doesn't take very long before the Study group develops 4 or 5 or 6 projects that all seem to have top priority . . . .

"FORE's impact in Oregon has been beyond belief. The educational community is now coming to the Foundation asking for diagnostic aid on projects that ocncern them. They seek help in protecting their real needs, including approach to legislative budgets, capital equipment replacement procedures. FORE proves that education and public agencies do need, and will use, the help of business and also that business needs the help of education. It's a two way street in accountability. Both sides need to work together."

CPI Comment: Write to Wilson H. Hulley, Executive Director, FORE, 217 Mohawk Building, 222 Southwest Morrison Street, Portland, Oregon 97204, for specific examples of an outstanding experiment in business-government cooperation.

KEEPING A PROMISE TO AMERICA'S CHILDREN

Mr. HUMPHREY. Mr. President, I am pleased to note that the promises and priorities outlined by the Carter administration are blossoming forth in specific legislative initiatives.

Earlier this year, in submitting the HEW budget, Secretary Califano promised that this administration would emphasize the needs of America's children.

That budget proposed to expand the money available to revamp a program whose concept was excellent but whose implementation had seriously faltered. I refer to the early and periodic screening, diagnosis, and treatment program—EPSDT. The Social Security Amendments of 1967 added to medicaid the requirement to screen children of medically indigent families and provide needed treatment. However, this program got off to a late and limping start, and suffered from some serious flaws. It reached only a small portion of eligible children. It excluded children who did not meet State criteria for medicaid despite the low income of their parents.

The proposed new child health assessment program—CHAP—increases Federal financial support and improves the coverage, operation, and accountability of this program.

This is a sound, positive and very realistic step toward a goal that Congress and the Nation should adopt: the early identification and immediate treatment of children's health problems.

Such a policy is based on two sound principles:

The first is the proven value of preventive care. Fortunately, the concept of prevention, through proper nutrition, hygiene, and a healthful life style, is gaining currency. Prevention may be the unglamorous "sleeper" that will eventually prove to be our most effective cost control policy.

Currently, and I quote figures cited by the American Heart Association, 95 percent of our health care billions are spent treating sickness. Only 5 percent is spent conserving health.

The very best way to conserve health is to immunize our children against disease, assure that they are properly fed, and that their handicaps and illnesses are identified, treated, and corrected at an early age.

The second principle is that child health care is not only our responsibility as parents and as adults, it is the very best investment that this Nation can make. Senators RIBICOFF, HATHAWAY, and KENNEDY, the original sponsors of the administration's proposed legislation, will have my enthusiastic support in efforts to assure its early passage and its vigorous implementation.

The new program builds on the achievements and experience of EPSDT, while addressing the weaknesses of that program, such as the lack of continuity of care. Screening without followup betrays its purpose.

Worse, it betrays the hopes of the poor who too often have seen good intentions founder in bad programs.

And it is a waste of money which we can ill afford in underfunded social welfare programs. At the very least, we must assure that the limited moneys available are spent effectively.

Finally, I welcome this program because it fits in well with my own legislative proposals in the area of maternal and child health care.

It reflects my deep personal conviction that a little money spent early to maintain health means a lot less spent in attempting to restore it later on. Children who enjoy good health are better able to develop their full physical and mental potential, and enjoy a healthy, productive, and successful adulthood.

This is the philosophy of my own proposal, S. 324, to improve and extend the provisions of child and maternal health care programs under title V of the Social Security Act.

As I said when I introduced that bill early this year, we can make these improvements without waiting for national health insurance. They can easily be absorbed in any comprehensive program that we later devise.

But children do not wait to grow up. They need our attention and care right now.

Health care for children costs less than for any other population group, yet it has profound implications for the long-term general health, productivity, and quality of life of our Nation. It will greatly reduce the social and economic costs of neglected illness and disability.

By all means, let us pass CHAP. And let us insure that it benefits children in our most medically underserved areas, where a high proportion of the poorest and most vulnerable children are found. The mobile health care concept outlined in my proposed expansion of title V benefits would provide an effective complement to an expanded an improved screening program.

CORRECTION OF THE RECORD BY THE BRITISH AIRLINE PILOTS ASSOCIATION

Mr. GOLDWATER. Mr. President, in a statement made in the House of Representatives last month relative to the Concorde aircraft, a British journalist is described as having claimed to have been shown a copy of a proposed letter drafted by the British Airline Pilots Association more than 2 years ago which refers to the so-called "Kennedy Turn" as a "test pilot flying" maneuver. Now, the "Kennedy Turn" is popular jargon for the noise abatement departure technique planned for use by the Concorde in taking off from John F. Kennedy International Airport, New York City. On the basis of noise tests which they have made, the British and French expect, through execution of the turn off the end of the runways at Kennedy Airport, to be able to meet the 112PNdB noise limit, which is the New York Port Authority's long-standing maximum noise level on takeoff.

It is this procedure that allegedly was called "test pilot flying" in a proported draft letter. However, the British Airline Pilots Association unequivocally denies that any such letter was ever in draft form or sent by the association.

Also, the association points out in its letter that the author of an article on the Concorde, which appeared in the spring 1976 journal of the association, is not, as stated in the CONGRESSIONAL RECORD, a "test pilot."

In fact, I note in reading the article that the BAPA Concorde evaluation team believes the JFK procedure is not difficult due to the Concorde's outstanding combination of instrumentation, performance, and handling. In fact, the author of the journal article describes his impression of the JFK departure as one "of a leisurely exercise which required only one action at a time, each being separated from the next by 8 to 10 seconds."

Mr. President, in the interest of fairness, I ask unanimous consent that the letter of rebuttal written by the British Airlines Pilots Association be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE BRITISH AIR LINE
PILOTS ASSOCIATION,
Middlesex, England, March 31, 1977.

Capt. BRIAN CALVERT,
Flight Manager Technical Concorde, British Airways, London (Heathrow) Airport, Hounslow, Middlesex.

DEAR BRIAN: I have had my attention drawn to the Congressional Record—House of March 8, 1977, Pages 6647–6649, titled "Concorde Delay Unwarranted" and the reference to the British Air Line Pilots Association therein.

I wish to place on record unreservedly that no letter was ever written or drafted by the Association which referred to the proposed take-off procedure for Concorde on JFK 31L as "test pilot flying with a plane load of passengers".

I also wish to point out for the sake of accuracy that the author of the article on Concorde in the Spring 1976 Issue of the Journal of the British Air Line Pilots Association is not, as stated in the Congressional Record, a test pilot.

Yours sincerely,

T. N. STAPLES,
Technical Secretary.

WELCOME TO HIS HOLINESS POPE SHENOUDA III

Mr. METZENBAUM. Mr. President, Pope Shenouda III, Pope of Alexandria and Patriarch of the See of St. Mark, is paying a State visit to the United States and Canada from April 14 to May 23. The visit, which is the first ever for a Pope of the Coptic Orthodox Church, is a historical, as well as a joyous, event for all American Eastern Orthodox congregations. The Eastern Orthodox religion is the fourth major religion in the United States.

The Orthodox Church is the oldest Christian church in the world. The two most ancient Christian churches, that of the Catholic and Orthodox, are moving toward ecumenicism in the 1970's. In 1971, Pope Paul conferred with Pope Shenouda at the Vatican, in the first meeting of a Catholic Pope and a Coptic Patriarch since the separation of their churches in 451. The religious leaders embraced in St. Peter's at a mass and later announced formation of a joint commission to work for closer ties between the two churches.

As the world becomes smaller, it is incumbent that all peoples embrace the spirit of ecumenicism. Pope Shenouda exemplifies this spirit and symbolizes, at the same time, the strength and stability of an ancient heritage.

On behalf of my own State of Ohio, and all Americans, I am honored to welcome His Holiness, Pope Shenouda, to the United States. His presence at Saint

Mark's Coptic Orthodox Church in Cleveland is a special honor for my State, and I am privileged to serve as a member on the honorary committee for His Holiness' reception during this visit.

INVESTIGATION URGED INTO ABUSE OF FEDERAL ASSISTANCE FUNDS BY ALIENS

Mr. PERCY. Mr. President, recently I called on three Federal agencies to crack down on abuses of Federal law that enable aliens to qualify for the equivalent of lifetime Government pensions within a mere 30 days of their arrival in the United States. In some cases, aliens obtain free medical care also.

Federal funds are available to aliens through the supplemental security income—SSI—program. The program provides Federal income maintenance payments for poor persons who are aged, blind, or disabled.

In fiscal 1977, an estimated $6.4 billion in SSI payments will be distributed—$5.2 billion in Federal funds and $1.2 billion in State funds. As of December 1976, 4.2 million persons were receiving monthly SSI payments of up to $168 for individuals and $252 for couple. About 4 percent of SSI applicants are aliens, according to a nationwide sampling 2 years ago.

In letters to the Social Security Administration—in the Department of Health, Education, and Welfare, the Immigration and Naturalization Service—in the Department of Justice, and the General Accounting Office, I called for an investigation of fraudulent siphoning off of Federal funds by aliens. Like so many other Americans, I am concerned about instances of deceit, misrepresentation, outright fraud, and other abuses by both aliens and their sponsors.

Aliens are required by law to be financially stable before they are granted entry to the United States.

Some aliens enter this country with the explicit purpose in mind of collecting benefits. Others collect SSI benefits after being in the United States just 30 days, without ever having contributed significantly to the American economy. And still others, incredibly, continue receiving SSI payments even after leaving the United States.

An SSI claims representative in an office in an ethnically mixed community in Chicago said aliens sometimes apply for SSI benefits the day after their arrival in the United States.

The representative said:

> We tell them they have to wait 30 days and to bring in their airplane tickets to prove their date of entry. Meanwhile, we refer them to the Illinois Department of Public Aid for food stamps and medical care.

Immigrants, according to Federal law, must not become "public charges." However, Federal courts and the Board of Immigration Appeals have ruled that this provision of the law is virtually unenforceable.

If the agencies directly responsible will not or cannot remedy the program by tightening eligibility and payment regulations, then it is up to the Congress to take affirmative legislative action.

A previous Government study and journalistic accounts have uncovered abuses in the SSI program and its predecessor programs:

One man confided that his sister signed an affidavit of support for their mother, because, he said, it is a common practice used to get relatives into the country and then put them on public assistance. The mother applied for assistance 9 days after admission into the United States and received it.

A woman flew into the United States to apply for SSI, left a phony address, and then arranged for a friend to send the checks to her. After endorsing the checks, she returned them to the United States where the accomplice cashed the checks and mailed her a portion.

A New York City psychiatrist signed an affidavit promising to support her elderly mother if admitted into the United States. Six months after obtaining permanent resident status, the mother applied for $154 a month in assistance from the New York City Department of Social Services, because she said her daughter could no longer support her.

A woman applied for and received $122 in monthly benefits less than 2 weeks after she arrived in the United States, including $80 to pay her son for room and board. Only a month before, the son had signed an affidavit promising to financially support his mother.

Particularly hard-hit by these abuses are seven States where 72 percent—in 1974—of the Nation's 4.1 million aliens live.

They are: California, 25 percent; New York, 17 percent; Texas and Florida, 7 percent; Illinois and New Jersey, 6 percent; and Massachusetts, 4 percent.

Among other things, I asked the three Federal agencies to estimate the number of legal and illegal aliens receiving SSI, the yearly dollar amount of benefits, and the feasibility of including the incomes and assets of an immigrant's sponsor as a means of insuring that the sponsor has the wherewithal to support the immigrant. The agencies will also furnish specific recommendations for preventing further abuses.

Mr. President, I ask unanimous consent that the letter to the Social Security Administration be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, parallel letters were mailed to the General Accounting Office and the Immigration and Naturalization Service.

The abuses by some aliens—and the Federal Government's apparent willingness to stand idly by—reflect badly on the overwhelming majority of legal aliens who add so much to our society and seek nothing more than the opportunity to become U.S. citizens.

Aliens who abuse our system, and take advantage of our generosity, divert these funds from citizens and citizens-to-be who have significantly contributed to our society and are genuinely in need of Federal assistance.

EXHIBIT 1

WASHINGTON, D.C.,
April 20, 1977.

Hon. JAMES B. CARDWELL,
Commissioner, Social Security Administration, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. CARDWELL: As you know, Public Law 92–603 established the Supplemental Security Income (SSI) program to provide federal income maintenance for poor individuals who are aged, blind, or disabled. This fiscal year, an estimated $5.2 billion of federal funds and $1.2 billion of state funds will be distributed as SSI payments.

SSI is available to aliens lawfully admitted for permanent residence by the terms of P.L. 92–603. A nationwide sampling two years ago indicated that roughly 4% of all SSI applicants were aliens.

Research conducted by the General Accounting Office suggests that some aliens enter this country with the explicit purpose in mind of collecting SSI benefits. Moreover, many observers conclude that, even absent such an intent at the time of immigration, it is inappropriate for aliens to collect benefits until they have participated significantly in the American economy; today, they are eligible after being in this country for a mere 30 days. And too, there is the problem of illegal SSI payments to aliens—both to illegal aliens currently in the United States, and to aliens, legal and illegal who have left the country.

This apparent misuse of government funds must be corrected. If the agencies directly responsible will not or cannot remedy the problem by tightening the eligibility and payment regulations, then it is up to Congress to take affirmative legislation action. Accordingly, as ranking minority member of the Senate Governmental Affairs Committee, charged with overseeing the efficiency and economy of federal government programs, I am simultaneously alerting the General Accounting Office and the Immigration and Naturalization Service in the Department of Justice. At the same time, I am requesting that the Social Security Administration conduct a comprehensive inquiry into these and related matters.

Specifically, please address the following questions in your inquiry and report:

(i) What is your best estimate of the number of legal aliens receiving SSI? How many of these aliens began receiving SSI benefits within 5 years after arrival? How many currently have less than 5 years of continuous residency in the United States? How many aliens in each of the above categories are eligible for SSI from causes arising before their entry into this country?

(ii) What are the yearly dollar amounts of benefits paid to aliens in each of the aforesaid categories? Please break the totals down according to those eligible due to causes arising *after* entry and those eligible due to causes arising *before* entry.

(iii) What is the yearly dollar amount of benefits paid to illegal aliens? What is the yearly dollar total paid to aliens no longer residing in the United States? How many aliens are there in each of these categories, again according to the best estimate available?

(iv) How much would it cost, as a prerequisite for receiving SSI, to require proof of (a) U.S. citizenship, (b) 5-year residency, or (c) eligibility due to causes arising after entry?

(v) What is the feasibility of including the income and assets of an immigrant's sponsor when deciding if an alien (with less than 5 years of continuous U.S. residency) is eligible for SSI? What legislative changes would this require?

(vi) What administrative means do you suggest for verifying the accuracy of data supplied by aliens? What means do you suggest for ensuring that aliens no longer receive SSI benefits if they should leave the U.S.? Please furnish a cost-benefit analysis for each method recommended.

(vii) Currently some immigrants are required to post bonds to preclude their becoming public charges. How extensive and how effective is this practice? Do you recommend that it be expanded or modified?

(viii) What aspects of Social Security Administration handling of SSI for aliens can be made more efficient? What legislation or administrative changes might bring about increased efficiency?

(ix) Are the Social Security Administration, the Immigration and Naturalization Service, and the State Department effectively coordinating their handling of aliens receiving SSI? If not, why not? How can we make this cooperation more effective?

In addition to your responses to these specific matters, any other evidence of possible abuse of SSI by aliens, and any other pertinent information you could provide in this regard, would be most helpful. Recommendations you may make to correct such abuses, or to prevent future abuses, would also be welcomed. Should any questions arise in the course of your inquiry, Barry Been, on the staff of the Committee, is available to lend assistance.

Sincerely,

Charles H. Percy,
Ranking Minority Member.

CONGRESSIONAL PAY INCREASES—1789-1977

Mr. ROBERT C. BYRD. Mr. President, in the First Congress, the compensation bill was one of the measures which gave rise to most controversy. While the bill was in the House, several Members brought upon themselves charges of demagoguery because of their urging that the per diem compensation recommended by the committee be reduced. Representatives Madison and Page advocated that the compensation for Senators be higher because greater service was likely to be demanded of them.

In the Senate, the bill was referred to a committee which reported a recommendation that, while the pay of both Senators and Representatives should be $6 per day until March 4, 1795, the pay of Senators thereafter should be $8 per day. Before proceeding with the consideration of this report, the Senate voted, by more than 2 to 1, to adopt a resolution declaring that there ought to be a discrimination between the pay of Senators and Representatives. Of course, this gave rise to an acrimonious debate. Senator Maclay moved that the pay be reduced to $5 per day. Senator Carroll, the richest man in the Senate, supported Maclay. Vice President Adams became so excited that he could not keep his seat, and three times he interrupted Senator Ellsworth, asking him if the Congress of the Federation had not degenerated for want of adequate pay.

Naturally, the House refused to accept any discrimination in pay. The law which was finally enacted provided for a per diem payment of $6 to Senators and to Representatives until March 4, 1795. In 1795, the compensation for Senators went to $7 per diem during special sessions—such special sessions of the Senate being thought required for the purpose of considering nominations and treaties. In 1796, however, the $7 per diem for Senators attending special sessions was repealed, and the salary for special sessions was made the same as for regular sessions, to wit, $6 per diem, at which figure it remained for the next 20 years.

By 1816, in view of the increased cost of living, a bill was introduced in the House of Representatives which provided for an annual salary of $1,500. The argument was made that an annual salary, in place of the per diem of $6, would be beneficial because it would "shorten the session" and would save money to the Government in the cost of fuel and attendance for the shortened session. The measure was enacted into law and was made retroactive for more than a year.

However, the law provoked universal criticism and was speedily repealed in 1817, and the salary reverted to that of $6 per diem. In 1818, the per diem was raised from the 1789 figure of $6 to $8, and was made retroactive to March 3, 1817. It remained unchanged for close to 40 years. In 1856, the salary went from $8 per diem to an annual salary of $3,000, and the payment was made retroactive for the entire session. Ten years later, in 1866, during the days of "greenback inflation," the salary was advanced to $5,000 and was made retroactive to March 4, 1865.

Seven years later, on the day before final adjournment, March 3, 1873, the 42d Congress enacted an appropriation bill carrying a rider raising congressional salary from $5,000 to $7,500 a year. This act made the new salary increase applicable to the entire 2 years of the expiring Congress, thus constituting a retroactive bonus of $5,000 each for the work done by Members during the preceding 2 years. This increase was labeled a "salary grab" and a "back-pay steal," and met with universal condemnation. Quite a number of Senators and Representatives paid back into the Treasury the "bonuses" which they had received under the act.

On the first day of the next session, in 1874, at least 25 bills were introduced in the House of Representatives in a scramble to repeal the salary increase, and the salary was speedily cut back to $5,000.

It was not until 1906 that the Congress again seriously considered an increase in congressional pay. For 40 years, the salary had remained at $5,000 annually, considering the fact that the 1873 pay increase had been repealed. In the House, an amendment was passed providing for an increase of salary from $5,000 to $7,500. Passage of the amendment was accomplished without a yea-and-nay vote. The Senate finally concurred in the House amendment, and the increase was made effective March 4, 1907.

In 1925, the Senate attached a rider to the legislative appropriation bill, which provided that, a month later, at the beginning of the 69th Congress, the pay for Members would be increased from $7,500 to $10,000. There was not a word of debate on the amendment, and the vote was taken unexpectedly at an evening session when several Senators who opposed the proposal were absent. Senator Norris tried, without success, to secure its recall from the House. The House passed the proposal by a majority of more than 2 to 1, after a half hour of debate, and without a record vote. President Coolidge was placed in an embarrassing dilemma, because the salary increase ran counter to the economy program which he had been urging. To have vetoed the bill, however, would have delayed or prevented other much needed appropriations, and, consequently, President Coolidge signed the bill.

In 1932, at the height of the Great Depression, the salary was temporarily reduced to $9,000 annually.

On March 20, 1933, Congress, in enacting the Emergency Act, further temporarily reduced the salary of Members of Congress to $8,500 annually.

In 1934, the salary went back to $9,500.

In 1935, the salary was restored to the 1925 level of $10,000.

In 1945, a nontaxable annual expense allowance of $2,500 was allowed each Member—which, essentially, amounted to a salary of $12,500.

In 1946, congressional pay was increased to $12,500, effective January 3, 1947, with a nontaxable expense allowance of $2,500 annually in addition thereto—thus, for all intents and purposes, making the salary $15,000 annually.

Subsequent pay increases were as follows:

In 1955 from $15,000, which included the $2,500 expense allowance, to $22,500 in total; 1964 from $22,500 to $30,000, effective January 3, 1965; 1969 from $30,000 to $42,500; 1975 from $42,500 to $44,600; and 1977 from $44,600 to $57,500, effective March 1977.

Mr. President, I believe that the foregoing data will be helpful in illustrating the historical salary lag in congressional salaries from the very beginning. To sum it up, there have been 14 congressional salary increases since the first compensation bill was enacted in 1789, at which time the salary for Members of Congress was set at $6 per diem. Three of those fourteen increases were subsequently repealed, as I have pointed out, and one increase was temporarily reduced during the depression years of the early 1930's. In fine, then, there have only been 11 "permanent" congressional salary increases in 188 years. Perhaps this fact would qualify for "Guiness' Book of Records."

PORNOGRAPHY EXHIBITING CHILDREN

Mr. ROTH. Mr. President, 64 concerned Congressmen have signed and sent a letter to the President of the United States. I am saddened and disturbed that the situation exists that precipitated its writing.

The letter urges the President to support and participate in the crackdown of pornography exhibiting children. As many of my colleagues know, I have introduced S. 1011 and S. 1040 which make it a felony to cause or knowingly permit a child under age 16 to engage in specified sexual acts if the person has reason to know that the child's sexual conduct could be photographed or transported in interstate commerce. The bills also make it a felony for any person who knowingly transports or ships child pornography through interstate commerce or receives for the purpose of selling or sells any photograph or film depicting a child engaged in a prohibited act.

As the public becomes aware of child pornography, its outrage grows. The dissemination of this smut is an affront to human decency. The real losers, however, are the children who are exploited.

Mr. President, a recent article on child pornography appeared in the Philadelphia Inquirer. The first several paragraphs of the article are heartbreaking. They describe a senseless and sickening scene that is unfortunately a common occurrence in child pornography.

Mr. President, the pathetic and pitiful situation involving these children is tragic. The children who are subjected to this type of physical and mental abuse may never lead a normal life. Children should not be exposed to this type of immoral conduct.

Mr. President, I become filled with outrage when I think of the pornographer and the peddlers of this wretched material. It is a disgusting, demented, and twisted person who preys on little children for profit. A person who engages in the business of child pornography deserves to feel the full force of our law enforcement system.

Mr. President, I hope that those of my colleagues who are not aware of the perverted practice of child pornography will take the time to read the article and the letter to the President. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 22, 1977.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We, the undersigned, are asking your help in stamping out a disgusting form of pornography which reaches new depths of depravity. We oppose the most hateful type of pornography: that which exploits young children.

As you may know, over one-hundred Senators and Congressmen have cosponsored various bills to protect these children from such sexual exploitation and from the traumatic results of their mistreatment.

At the present time, there is no federal statute specifically regulating the distribution of obscene material depicting children in perverted or sexually offensive acts. While certain manufacture and interstate distribution of pornographic material can be regulated under existing federal law, we feel that those who abuse children in this manner should suffer the most severe penalties the law can justly administer.

We were heartened to hear your pre-election pledge that you would make the elimination of organized crime—as it deals with pornography—a high priority. In our opinion, this is an area of legislation that can be supported by all parties and branches of government regardless of political affiliation and that, through a concernd effort on the part of all, this repulsive practice can be ended.

We hope that you agree and will speak out strongly in support of the strict enforcement of existing statutes which protect our children from pornography. We also hope that you will publicly voice your administration's support of the current legislative efforts being made in the Congress to stop this, the most sordid of all pornography.

Respectfully,

William V. Roth, Jr., Jake Garn, John C. Danforth, Mark O. Hatfield, Spark M. Matsunaga, Jesse A. Helms, S. I. Hayakawa, Robert K. Dornan, Dale E. Kildee, John M. Murphy, Albert H. Quie, John P. Murtha, Leon E. Panetta, G. William Whitehurst.

Strom Thurmond, James O. Eastland, James A. McClure, Wendell R. Anderson, Robert E. Badham, James B. Allen, Ted Stevens, Jack Kemp, Lawrence Coughlin, Trent Lott, Marilyn Lloyd, Antonio Borja Won Pat, Robert E. Bauman, Jerry M. Patterson, Raymond F. Lederer, Billy Lee Evans, Richard A. Tonry, Elford A. Cederberg.

Nick Joe Rahall, John G. Fary, Robert J. Lagomarsino, Carl D. Pursell, Dan Daniel, Allen E. Ertel, Clair W. Burgener, James C. Cleveland, Claude Pepper, Douglas Applegate, Mickey Edwards, Baltasar Corrada, Ralph S. Regula, Alvin Baldus, Parren J. Mitchell, William M. Ketchum, James J. Howard, B. F. Sisk.

Louis Frey, Jr., William S. Broomfield, Lindy Boggs, Charles E. Grassley, Henry J. Hyde, Wes Watkins, Clarence Miller, Charles Rangel, Joseph P. Addabbo, Larry McDonald, Tom Corcoran, John H. Rousselot, Robert H. Mollohan.

[From the Philadelphia Inquirer,
Apr. 13, 1977]

AND NOW THE PORN KINGS TURN TO CHILD STARS

(By Rod Nordland)

She has short blond hair with long bangs and a sweet, wide smile that reveals a set of baby teeth. Her playmate is a boy a couple of years older; his long brown hair makes him seem almost girlish.

They are child stars of sorts, featured in a slick technicolor pornographic film that is playing coast to coast, and in many places in the Philadelphia area.

They seem like average kids at play—clean, wholesome, dressed in slacks and T-shirts. The camera zooms in on the two as they climb on a bed and kiss, shyly. The girl with the bangs looks off-camera hesitantly, giggles and begins kissing again. It is obvious that she does not know how and is looking for encouragement from someone off-camera.

Before the 15-minute film has ended, she will look off-camera many times, sometimes with a look of puzzlement, sometimes with a look of pained embarrassment on her reddened face. And before the film has ended, the 8-year-old girl and the 10-year-old boy will have engaged in intercourse and a variety of other sex acts.

Nothing is simulated in this film, which has no title and carries no credits. Sometimes the adult bookstores where it plays label the booth in which the film is shown with a sign that says something like "Pre-school Sex." Customers can purchase copies of the film for as much as $50 apiece.

"Pre-school Sex" is only one of dozens of such films, although it is of a higher technical quality than most of its genre.

"Child pornography" has become the current rage of the adult bookstore circuit. Its common availability has enraged police and social workers, both in this area and nationwide, and has given added impetus to the opponents of pornography.

Their cry used to be, "What if our kids see this?" Now it has become "Our kids are in this."

The subject has become a national controversy, resulting in a renewed spate of prosecutions by police who feel sure that juries will convict persons of obscenity charges brought on the basis of child pornography. Prosecutions for the sale of such materials have taken place recently in Wilmington, New York City, Washington and Los Angeles.

The U.S. Justice Department is considering making a major investigation of the subject, according to Assistant Attorney General Robert Kendall, who is in charge of keeping track of prosecutions against pornography throughout the country.

"This stuff is widespread," he said. "How much there is, I don't know. I can't candidly say I have seen all the child sex magazines or the child sex movies, because every day they bring more in."

The material is not limited to sex between children, as visits to Philadelphia-area bookstores early in February and again last week demonstrated.

Among the films available was one depicting various sex acts among a girl of about five, another about 10 and a woman in her 20s. In this film, the children were instructed and aided by the woman in the use of artificial sex devices.

SPECIALTY STORE

In February, the film was playing at an adult bookstore at 1212 Filbert St. in Philadelphia. A sign inside the store read: "We Specialize in Kiddie and Pre-teen Films." Another film playing there was entitled "Mother Loves Lolita," and showed a bearded, tattooed and pot-bellied man in his 30s and a haggard-looking woman in her 20s portraying the parents of a girl of about 12 or 13 whom they force to engage in various sexual acts with them. Throughout the film, the girl has an expression of disgust, and at several spots she seems close to tears.

Early in February, the Palace Royale bookstore, also on Filbert Street, had no fewer than four child sex movies. The titles included "Child Molestor" and "Taking It Off for the First Time."

Beginning in January, Wilmington city and Delaware State Police made a series of raids of adult bookstores in Wilmington, the suburbs of New Castle County and Dover, Del., confiscating a variety of child pornography materials, including the film "Preschool Sex."

One of the items confiscated was a magazine that has figured in pornography arrests in New York, Washington, and Los Angeles. It is called "Lollitots," and it includes pictures of young girls in seductive poses. They appear to be between 8 and 16 years old.

STILL AVAILABLE

The magazine was also available in Philadelphia area bookstores in early February, although recent prosecutions have prompted many proprietors to remove it and similar items from their shelves.

Much of the material, however, is still available under the counter, and in some instances openly. At the 24-hour bookstore at 59 N. 13th St., for instance, "Lollitots" was no longer on sale last week, but "Pre-school Sex" was available for viewing in one of the booths. (In these booths, a look at a two-minute segment of a film costs a quarter. A complete run costs from one to two dollars.) Two other purported kiddie films were also being shown.

And at the "kiddie film center" at 1212

Filbert St., the sign proclaiming its specialty was absent last week, but a number of child pornography films were playing and a book depicting young boys in sexual poses, "C.O.D. Boys," was on sale.

A deck of "Lollitots" playing cards, with pictures of pre-pubescent girls from the magazine of the same name, was on sale at "Philadelphia's Finest Adult Center," 12 N. 13th St.

"CODE OF SILENCE"

The source of this material is shrouded in secrecy—Kendall calls it "a code of silence among pornographers." The clerks in the adult bookstores claim not to know who their bosses are; their bosses claim not to know who their distributors are; the distributors claim not to know who the producers are.

One of those arrested in the Delaware raids was Harold Gottleib of Dover, Del., identified as a principal in Hargo Corp., which owns several adult bookstores in Delaware.

In a telephone interview, Gottleib was asked how many stores he owns: "No comment."

Gottleib was asked if he was a principal in the corporation: "No comment."

Police confiscated "Lollitots" and the film "Pre-school Sex" at one of his stores.

Gottleib was asked who distributed these products: "I don't know."

Delaware State Police juvenile officers name Crown News of Camden as a major area distributor of pornography, including the child sex materials.

"Lollitots" was ostensibly published by Delta Publishing Inc. of Wilmington, according to the magazine's identification box. Delaware State Police said that an investigation showed that corporation was fictitious.

The distributor of "Lollitots" is listed as Parliament News Inc. of Sun Valley, Calif., which also distributes a wide variety of magazines with teenage and youth themes—although most of these allegedly use adults made up to look younger.

Parliament's president, Paul Wisner, who is free on bail on obscenity charges, said in a telephone interview that because of the public controversy, he had dropped the distribution of "Lollitots."

SOURCE UNKNOWN

Although he had been quoted previously as claiming that the magazine came from the fictitious Delta Publishing Inc., Wisner now says: "I don't remember where it came from. We shipped it from the printer, whoever it was, I really don't remember who it was. I believe it's produced overseas."

Delaware State Police Sgt. James Nilan said the settings in "Lollitots" were apparently from an American motel room and that the children appeared to be Americans.

Many people in the pornography industry insist that much of the material comes from abroad. Indeed, some of it does show apparently Indian and Asian children. One magazine on sale locally, "Naughty Horny Imps," lists the Hoffman Co. of Frankfurt, West Germany, as its publisher. A man who answered the telephone at Hoffman in Frankfurt said, "The pictures are very clean. It's not pornographic: it's—how do you say it—Feminine. Children can see it, older people can see it." The pictures show girls under 10, some in nude poses, others in sex acts with adult males.

Investigators say, however, that most of the child pornography is produced domestically. A film playing at 59 N. 13th St. is illustrative. It shows two boys, about ages 10 and 12, engaging in homosexual intercourse. Shown in one scene is a jar of Vaseline, with a clearly visible label printed in English, and a roll of ScotTowels, commonly available in American supermarkets.

In another film, "Mother Loves Lolita," a Lysol can appears in the background.

MADE IN U.S.A.

Arrests made throughout the country clearly indicate that domestic production of child sex films is widespread.

A Mineola, N. Y., ring broken up by Nassau County authorities included policemen who had been filmed having sex with their daughters. Officials said the business was grossing $250,000 a year. The youngest child involved was the 3½-year-old daughter of photographer Eugene Abrams. He later pleaded guilty to 77 counts of rape, child molesting, incest and obscenity and was sentenced to 10 years in prison.

Similar arrests and confiscations of pornographis materials involving youngsters have been made in Brooklyn, the Bronx, Houston, Chicago, Albuquerque, New Orleans, and Wincester, Tenn.

Frequently, investigators say, parents sell or otherwise provide the use of their children in pornographic movies, as happened in the Nassau County case. "I know of a situation where the mother (of a girl used in a pornographic film) was interviewed and she said she just charged the people who were doing the film $25 and didn't see why anybody was upset—the little girl didn't mind it," said Larry Parrish, an assistant U.S. attorney in Memphis, Tenn., who has prosecuted a number of pornography cases.

But children are provided for pornographic movies not only by their parents. A Bronx pediatrician, Kenneth Sladkin, was arrested with four teenage boys and pornographic pictures in his apartment in February 1975. A raid in 1972 at the Williamsburg Residential Training Center in Brooklyn, a home for underprivileged boys, resulted in the seizure of photographs, implicating a staff psychologist in deviant sex acts with about 50 boys.

In New York City, a 15-year-old girl who had run away from home was held prisoner in a massage parlor and forced to work as a prostitute. Police found films and movie-making equipment when they raided the parlor.

In Jersey City, N. J., three men and a woman were arrested for conducting homosexual orgies with 11 teenage boys who were Elliot Chelsea Nautical Cadets.

HELD BY ADULTS

Los Angeles Police Capt. William J. Riddle has estimated that as many as 30,000 children in Southern California are being sexually exploited by adults for prostitution and pornography.

Riddle says there is a nationwide underground network of people who use children for sexual activities. Surprisingly, much of that network is not far underground. Federal authorities in New Mexico convicted two Los Angeles photographers, Jacob James Dost and Thomas E Kilfoyle, for selling a magazine, "Hard to Find Nymphets," through the mails. The material was advertised in nationally distributed adult sex magazines, as is "Lottitots."

"C.O.D. Boys," one of more than a dozen such publications published by K&J Collectors on West 42d Street in New York City, openly advertises for photographers to submit pictures of teenage boys. "While we use quite a large spread of ages and types, our most pressing need is for photos of teens," the magazine says, adding that it particularly needs "American Indian boys, black early and midteen boys . . ." The publication was available at 1212 Filbert St. for $6 in February.

The traffic in child sex materials is something that even gives pause to some pornographers.

DRAWS THE LINE

Al Goldstein, publisher of Screw magazine and an unabashed proponent of pornography and sexual license, said he draws the line at "pedophilia"—sexual perversion involving children—and that his magazine now turns down about $2,000 worth of advertisements each week because they concern minors.

"I have a 3-year-old son myself and some of this makes me want to throw up," Goldstein said. "I think the people who use these children should be punished to the extent allowed."

But he said that he did not believe that action should be taken against persons who publish the magazines, and that such material should even be protected under the First Amendment.

Elliott Abelson, a Beverly Hills attorney who represents a number of major pornographers and specializes in defending persons in pornography cases, agrees. "The prosecution should be on the manufacturer and the parent that let the kid do it," he said.

There are differing opinions concerning the effect of such materials on buyers. "Most of the good experts believe that if somebody has a tendency (toward child molesting), actually seeing movies with children will have the opposite effect . . . it will satiate them," Abelson claims.

Larry Parrish, the assistant U.S. attorney in Memphis, who successfully prosecuted 16 persons connected with the movie "Deep Throat," disagrees. "The voyeur wants the most he can get. Rather than just satisfying that need, it (pornography) increases his need to see the real live action," Parrish said.

Parrish argues that the marketing principles of the pornography industry have naturally led to child exploitation. As films become increasingly deviant, he said, pornographers try to outdo one another by coming up with something their customers have not seen.

"When I first started out in this area," said Kendall of the Justice Department, "it was hard-core explicit heterosexual movies that were in. The market became glutted, so they came out with the sado-masochistic material, then the animal movies, now it's child sex. But I think that's where people will draw the line."

THE GENOCIDE TREATY WILL NOT INHIBIT FREE SPEECH

Mr. PROXMIRE. Mr. President, for years now I have urged the Senate to ratify the Genocide Convention, a human rights treaty which would condemn the heinous mass murders of any particular group because of their origins or beliefs.

One of the misconceptions held by critics of the Genocide Treaty is that it will inhibit the freedom of speech guaranteed by the first amendment. Those who mistakenly hold this belief say that "direct and public incitement to commit genocide" as a punishment act under article III would result in the censorship of prejudicial opinions.

This is clearly not so. In 1969 the case of Brandenburg against Ohio reaffirmed the line drawn by the Supreme Court between protected speech and prohibited direct and immediate incitement to action. In that case the court said:

> The constitutional guarantees of free speech and free press do not permit a State to forbid or proscribe advocacy of the use of force or of law violation except where such advocacy is directed to inciting or produc-

ing imminent lawless action and is likely to incite or produce such action. (395 U.S. 44)

The language of the Genocide Convention is consistent with this doctrine, and there is no reason to expect any reversal of the Supreme Court decision.

The American Civil Liberties Union reaffirmed the falsity of this claim and said in support of the treaty:

> If this convention did interfere with the first amendment, the American Civil Liberties Union would be the first one to be complaining, without regard to whether or not we commend the objectives of the convention. However, we do not think there is any problem under the first amendment to the Constitution.

So, you see Mr. President, the claim that the Genocide Convention will inhibit freedom of speech is totally unfounded. This is just one of the grave misconceptions that have unfortunately and unreasonably delayed ratification of this vital treaty. I urge the Senate to rectify its previous errors in interpretation and to ratify the Genocide Convention now.

WHAT AIR DEFENSE?

Mr. GOLDWATER. Mr. President, recently a Russian TU–95 Bear bomber was able to fly through some holes in our coastal radar screen, to the great dismay of American military planners. More than anything else, this demonstration of Soviet prowess brings home the fact that our air defense system is in sore need of beefing up. This need, is not exactly a new idea. For years the Air Force has been trying to tell Congress that the Soviets have been improving their capabilities while our continental defense system has gone largely unimproved. Perhaps the performance of the TU–95 Bear will be able to accomplish what the Air Force has been unable to achieve for 20 years—convince the Congress it is time to beef up an aging and totally inadequate continental defense system. Without objection, I ask unanimous consent that an editorial on this subject, which appeared in the April 26 edition of the Arizona Republic, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT AIR DEFENSE?

That flight of a Russian TU–93 Bear bomber through holes in the U.S. coastal radar screen may achieve what the Air Force has been unable to achieve for 20 years.

And that is, convince Congress to beef up an aging, broken down and totally inadequate continental defense system.

Heaven knows, the Air Force has tried to wake up Congress. But members of the House and Senate seem more prone to bludgeon Pentagon requests and then dream up new social spending schemes.

While Congress has been acting this way, the Russians have done just the opposite. Not only have they fielded an arsenal of new missiles, modern naval vessels and a vastly expanded air force, they also have been concentrating on defense systems.

The ability of a relatively slow prop-driven Russian bomber to defy U.S. radar only 50 miles off our coast, and then elude American interceptors is proof of just how far U.S. defense systems have sagged.

Consider:

The Air Defense Command still relies on the F–105 fighter-interceptor as its principal aircraft—although it is 20 years old, and loaded with patchwork modifications. Furthermore, the air defense force has been thinned down from a high of 61 squadrons to 16, a reduction in numbers from 1,220 to about 320. Most are flown by Air National Guard pilots on reserve duty. Meanwhile, the Russian air defense force now totals 2,600 new aircraft.

The Air Force has been pleading for 34 Airborne Warning and Command four-engine jets (AWACS) with down-looking radar to prevent enemy aircraft penetration of U.S. open air space. Only one AWAC is in operation, two are being used in research, and six may be built this fiscal year.

Congressional indifference to continental defense lies in a misunderstanding of military balance. Some congressmen believe that in an age of missilery, conventional air defense is useless.

The fact is, continental air defense is a must to prevent (a) intimidation by any nation with a larger intercontinental bomber force and (b) the use of bombers as a follow-up strike force after a nuclear missile attack.

History in the 20th century is filled with famous last words of defense critics who pooh-poohed the notion that any nation would attack another when its guard was down.

S. 995, TO PROHIBIT SEX DISCRIMINATION ON THE BASIS OF PREGNANCY

Mr. ANDERSON. Mr. President, the Subcommittee on Labor is conducting 3 days of hearings this week on S. 995, "a bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy."

This legislation is designed to reverse a Supreme Court decision, Gilbert against General Electric, which held that employers who refuse to provide disability benefits for pregnancy and pregnancy-related illnesses do not violate the antidiscrimination provisions of title VII of the 1964 Civil Rights Act.

As a cosponsor of S. 995, I was pleased to submit testimony to the subcommittee on behalf of this vital measure. I request unanimous consent that the text of my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF WENDELL R. ANDERSON BEFORE THE SUBCOMMITTEE ON LABOR SENATE HUMAN RESOURCES COMMITTEE, APRIL 26, 1977

Mr. Chairman, I commend the Committee's leadership in moving to correct the damage to working women and their families created by the Supreme Court decision on Gilbert v. General Electric. In recent years Congress has worked to refute stereotypes about working women and to remedy their effects. These efforts have been spurred by recognition of realities about participation of women in the work force—that nearly half of working-age women do work, for example, and that the average worklife of the American woman is 25 years.

In addition to the enactment of Title VII of the Civil Rights Act and the Equal Employment Opportunity Act, Congress has worked to encourage flex-time to provide alternatives to working mothers of school-age children and has passed a variety of education legislation to enable women to develop marketable skills and to narrow the income gap between men and women. Once again Congress is faced with the responsibility of affirming its commitment to basic human rights and equality within the labor force. Therefore, I am pleased to add my support to the antidiscrimination provisions embodied in S. 995.

If this clarifying legislation is not enacted, millions of American women and their families will be severely affected. Women unable to work because of pregnancy and pregnancy-related conditions will be forced to take leave without pay. It could mean welfare for them, and it could force them to make decisions about terminating pregnancy that they might not otherwise make. Pregnancy *is* gender related, and the failure of companies which routinely pay benefits for a wide range of both voluntary and involuntary disabilities to pay them for pregnancy is clearly discriminatory. Enactment of S. 995 is essential, and I will look forward to working with you, Mr. Chairman, and the members of the Committee for prompt, favorable consideration of the bill. Thank you.

COMMENDATION OF HUGH A. HALL

Mr. BROOKE. Mr. President, recently Hugh Hall, the Assistant Administrator of the American Revolution Bicentennial Administration, announced that he is leaving Government service at the end of this month and returning to his home in San Diego, Calif. As chairman of the American Revolution Bicentennial Board and a former member of the Bicentennial Commission, I would like to take this opportunity to commend publicly the work of Hugh Hall. For 7½ years, he had made outstanding contributions to the Bicentennial effort.

Asked to join the Bicentennial staff in 1969, Hugh brought to the Commission the expertise which he had acquired as the celebration director of San Diego's 200th anniversary. During the early troubled years of the organization, Hugh's confidence, warmth and in-depth knowledge of the national plans was reassurance that the celebration would ultimately be successful. In recent years, the administration and the entire board found him to be a great source of knowledge and good counsel. He administered the Bicentennial grants program, coordinated State activities, and was one of the developers of the highly successful Bicentennial communities program. In addition, he established the coins and medals advisory panel which submitted recommendations for the commemorative medals program.

Hugh has been a very able and effective staff member in whom objectivity, good judgment and hard work was always evident. I will deeply miss his presence in Washington. And so will the Nation. While we deeply regret his decision to leave Washington, we wish him and his family our very best for the future and a happy life in San Diego.

VERNON D. ACREE RETIRES AS U.S. COMMISSIONER OF CUSTOMS

Mr. WEICKER. Mr. President, the man who modernized the U.S. Customs Service retires April 30, ending a distinguished 40-year career in Government.

When Vernon D. Acree accepted the appointment as U.S. Commissioner of Customs in May 1972, it was, he said, "for a couple of years."

The agency, at that time, was functioning under old-fashioned management practices; its equipment was outmoded; its many components were scattered, some far away from its Washington headquarters.

Five years later, as Acree says farewell, Customs Service management is quartered, for the first time in many years, under one roof—in the handsome Federal building that formerly housed the Labor Department. The Customs Service Academy, formerly known as the National Training Center, has been moved from New York to Washington, where customs recruits and established staff can be trained under headquarters supervision, to move up the ladder into the large pool of professionally trained personnel envisoned by Acree.

The centralization of headquarters strength, and the acquisition of up-to-the-minute communications, transport, and computer technology, has insured the success and perpetuation of Acree's "One Customs" team concept of management.

All this has immeasurably enabled Customs to increase its value and efficiency, reflected in added service to the international business community and to the American taxpayer, generally.

The man behind Customs' modernization began his Federal career as a GS-1 messenger and rose to ranking official of one of America's oldest Federal agencies. Acree's career spanned seven administrations. His progress up the civil service ladder was punctuated with honors, awards, and promotions.

Recipient in 1972 of the prestigious Rockefeller Public Service Award—highest award granted by the private sector to a Federal career employee—Acree started as an 18-year-old messenger with the Treasury Department in 1938. He was given the Alexander Hamilton Award, Treasury's highest honor, in 1977.

By 1956, he was among the 10 most outstanding young men in U.S. Government service, selected by the Junior Chamber of Commerce of Washington, D.C., to receive their Arthur S. Fleming Award.

Out-lasting several of the agencies with which he served, Acree progressed through increasingly responsible positions with Treasury, Justice Department, the Civil Service Commission, the Economic Cooperation Administration, the Economic Stabilization Agency, and the Internal Revenue Service. He rose to the rank of IRS Assistant Commissioner—Inspection—in 1959.

Law enforcement was Acree's forte throughout the major portion of his public life. During World War II he served with the Criminal Investigation Division of the U.S. Army in Europe, acquiring fluency in several languages.

In addition to his agency affiliations, he helped found the Association of Federal Investigators and served as its president from 1964 to 1965. As a member of the association's executive committee for several years, Acree lectured on law enforcement at Brookings Institute seminars and at major universities.

Nominating him for the 1972 Rockefeller Award, Connally wrote:

> One of the finest attributes Mr. Acree possesses is his knowledge of and dedication to the cause of law enforcement throughout the entire Government and his willingness to share his expertise.

A native of the Federal City, Acree attended Eastern High School in Washington, D.C., and the University of Minnesota. He is a member of the American Legion and was active in the Boy Scouts of America.

Acree's career honors also include: the Treasury Department's Exceptional Service Award, the Leadership Award of the Association of Federal Investigators, and the National Civil Service League Award as one of the Government's 10 outstanding career executives.

(This concludes additional statements submitted.)

COMMITTEE MEETINGS ON MONDAY, MAY 2, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEES AUTHORIZED TO FILE REPORTS BY MAY 16, 1977

Mr. ROBERT C. BYRD. Mr. President, under section 402(a) of the Budget Act, it is not in order to consider any bill or resolution which directly or indirectly authorizes the enactment of new budget authority for a new fiscal year unless that measure is reported on or before May 15, preceding the beginning of such fiscal year. Inasmuch as May 15 will fall on a Sunday this year, I ask unanimous consent for the purpose of section 402A of the Budget Act that all committees of the Senate which have authority to report legislation have until midnight, May 16, Monday, to file such reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY THE PRIME MINISTER OF SPAIN

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Surely.

Mr. JAVITS. Mr. President, I have a very great honor. I think it is a rather significant historic event to bring to the floor of the Senate a highly eminent foreign visitor, who will be meeting with Members of the Senate in S. 116, the Foreign Relations Committee room, in a few minutes. I explained to our distinguished guest that the Senate had just spent a very hard week on a really major bill of the President's and of Congress, and that our Members had taken off in many directions. But I felt that, if he wished, under those circumstances, to see the Chamber in which this august body operates, I was not embarrassed a bit, if he would understand.

I have met this gentleman in his native country. He is a great sport as well as an outstanding personality.

Mr. President, in this case, I think understatement is called for. We all know what this country means in the history of freedom in the world and for how many years it has endured its own deep, deep trials through the absence of freedom. Now it is in the process of regaining that, a truly historic development.

With the permission of the majority leader and the acting minority leader, I have the great honor to introduce to the Senate of the United States the Prime Minister of Spain, Mr. Adolfo Suarez Gonzalez.

[Applause, rising.]

RECESS FOR 3 MINUTES

Mr. JAVITS. Mr. President, I ask unanimous consent that we may have a 2-minute recess so the Members may greet our guests.

The PRESIDING OFFICER. We are delighted to have these visitors, the Prime Minister of Spain, and other dignitaries from Spain.

Without objection, the Senate will stand in recess for 3 minutes, so the Senators present may greet our distinguished visitors.

There being no objection, the Senate, at 3:01 p.m., recessed until 3:04 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

TIME LIMITATION AGREEMENT— H.R. 4975

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Yes, Mr. President.

This request has been cleared with the distinguished minority leader and with other Senators. I ask unanimous consent that, at such time as H.R. 4975, an act to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs, is called up and made the pending business before the Senate, there be a time limitation thereon of 1 hour, to be equally divided between Mr. KENNEDY and Mr. JAVITS; that there be a time limitation on any amendment of 30 minutes; a time limitation on any debatable motion or appeal or point of order, if such is submitted to the Senate for discussion, of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection to the request?

Hearing no objection, it is so ordered.

The text of the agreement is as follows:

> *Ordered,* That during the consideration of H.R. 4975 (Order No. 82), an act to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.
>
> *Ordered further,* That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from New York (Mr. JAVITS): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

AUTHORIZATION FOR RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to submit statements, petitions, memorials, bills, and resolutions for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to file reports until 6 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONSIDER H.R. 4876 ON MONDAY, MAY 2, 1977

Mr. ROBERT C. BYRD. Mr. President, I believe an order has been entered for the recognition of Mr. BENTSEN on Monday. Am I correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. That is for not to exceed 15 minutes.

Mr. President, I ask unanimous consent that, following the recognition of Mr. BENTSEN, under the order that has been entered heretofore, on Monday, the Senate proceed to the consideration of H.R. 4876, an act making economic stimulus appropriations for the fiscal year ending September 30, 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONSIDER SENATE CONCURRENT RESOLUTION 19

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the disposition of the economic stimulus appropriation bill. The Senate proceed to the consideration of Senate Concurrent Resolution 19, the concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM MONDAY, MAY 2, 1977, UNTIL 4 P.M. ON TUESDAY, MAY 3, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, when the Senate concludes its business, it stand in recess until the hour of 4 p.m. on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this will accommodate committees for the entire day of Tuesday. I hope that they will take advantage of the opportunity for a full day's work, especially in view of the approaching May 15 deadline for authorization measures. I also hope that as many committees and subcommittees as possible could meet as early as 8 o'clock in the day so that we might avoid conflicts in committee scheduling and get as many hours of committee work as possible.

I take this occasion to compliment Senator TALMADGE and the Committee on Agriculture, Nutrition, and Forestry. They have been conducting their meetings as early as 8 a.m. daily for several days. I think this sets a fine example to other committees. I note that various other committees are beginning now to meet at 9 o'clock in the morning and 9:30, which is a good indication. I hope that as many committees and subcommittees as possible will try to meet as early in the day as they can meet.

ORDER FOR NO VOTES BEFORE 3 P.M. ON MONDAY, MAY 2, 1977, EXCEPT VOTES TO ESTABLISH A QUORUM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no votes on Monday until the hour of 3 p.m., if such votes are ordered prior to that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, a moment ago, I asked for and received consent that there be no rollcall votes before 3 p.m. on Monday. I wish to modify that request to include the exception of any votes which might occur in connection with the establishment of a quorum, which I do not expect on Monday, but I should like to have that as an exception.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate may be authorized during the recess over until Monday to receive messages from the President of the United States, but that they not be referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

MONDAY, MAY 2, 1977

Mr. ROBERT C. BYRD. Mr. President, on Monday, the Senate will convene at the hour of 1 o'clock p.m. After the two leaders or their designees have been recognized under the standing order, Mr. BENTSEN will be recognized for not to exceed 15 minutes, after which the Senate will proceed to the consideration of H.R. 4876, the economic stimulus appropriation bill.

There is a time agreement on that bill of 3 hours for debate. There is a time limitation on any amendment of 30 minutes. There is a time limitation on one amendment by Mr. SCHWEIKER of 1 hour. Rollcall votes would occur on amendments and motions and on final passage of the bill on Monday, but no rollcall votes will occur prior to the hour of 3 o'clock p.m., with the exception of any rollcall vote that may be related to the establishment of a quorum.

TUESDAY, MAY 3, 1977

Mr. President, on Tuesday the Senate will convene at 4 o'clock p.m. so as to accommodate committee meetings throughout the day.

If the Senate at that time has not previously disposed of the economic stimulus appropriation bill, it will continue work thereon. If, however, the action on that bill has been completed, and I anticipate it will be completed, because I expect the Senate to stay in long enough on Monday to complete action on that bill, but in the event such action is completed the Senate will proceed to the consideration on Tuesday of Senate Concurrent Resolution 19, the Congressional Budget Resolution.

RECESS TO 1 P.M. ON MONDAY, MAY 2, 1977

Mr. ROBERT C. BYRD. Mr. President, the Senate has had a good week. It has disposed of the tax bill and it has also disposed of the conference report on the jobs bill. I, therefore, move that if there be no further business to come before the Senate, in accordance with the previous order, that the Senate stand in recess until the hour of 1 o'clock p.m. on Monday.

The motion was agreed to; and at 3:16 p.m. the Senate recessed until Monday, May 2, 1977, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate April 29, 1977:

DEPARTMENT OF STATE

Patricia M. Derian, of Mississippi, to be Coordinator for Human Rights and Humanitarian Affairs, vice James M. Wilson, Jr., resigned.

Ralph Earle II, of Pennsylvania, for the rank of Ambassador while serving as Alternate Chairman of the U.S. Delegation to the Strategic Arms Limitation Talks.

Frederick T. Van Dyk, of Maryland, to be an Assistant Administrator of the Agency for International Development, vice Christian A. Herter, Jr., resigned.

DEPARTMENT OF TRANSPORTATION

John McGrath Sullivan, of Pennsylvania, to be Administrator of the Federal Railroad Administration, vice Asaph H. Hall, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 29, 1977:

DEPARTMENT OF STATE

Philip Henry Alston, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

Anne Cox Chambers, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

Kingman Brewster, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Frank Peter S. Libassi, of Connecticut, to be General Counsel of the Department of Health, Education, and Welfare.

DEPARTMENT OF THE TREASURY

Robert Carswell, of New York, to be Deputy Secretary of the Treasury.

Daniel H. Brill, of Maryland, to be an Assistant Secretary of the Treasury.

Roger C. Altman, of New York, to be an Assistant Secretary of the Treasury.

William J. Beckham, Jr., of Michigan, to be an Assistant Secretary of the Treasury.

Joseph Laitin, of Maryland, to be an Assistant Secretary of the Treasury.

Jerome Kurtz, of Pennsylvania, to be Commissioner of Internal Revenue.

RENEGOTIATION BOARD

Harry R. Van Cleve, of Virginia, to be a Member of the Renegotiation Board.

NEW COMMUNITY DEVELOPMENT CORPORATION

William J. White, of Massachusetts, to be a Member of the Board of Directors of the New Community Development Corporation.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Ruth Prokop, of the District of Columbia, to be General Counsel of the Department of Housing and Urban Development.

GENERAL SERVICES ADMINISTRATION

Jay Solomon, of Tennessee, to be Administrator of General Services.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

John Howard Dalton, of Texas, to be President, Government National Mortgage Association.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Warren D. Johnson, 448-05-3925FR (major general Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Ray B. Sitton, 260-22-9821FR (major general Regular Air Force), U.S. Air Force.

The following officers to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. James M. Keck, 039-09-7364FR (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Joseph G. Wilson, 229-01-5510FR (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Maurice F. Casey, 334-18-3434FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Russell E. Dougherty, 406-34-6763FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Lew Allen, Jr., 456-26-7478FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. James R. Allen, 403-32-2495FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code.

To be general

Gen. Louis T. Seith, 545-28-8371FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Abbott C. Greenleaf, 117-18-0310FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officer for reappointment to the active list of the Regular Army and Army of the United States, with grade as indicated, from the Temporary Disability Retired List, for a period of one day, under the provisions of title 10, United States Code, sections 1211, 3442, and 3447:

To be major general, Regular Army and General, Army of the United States

Henry Augustine Miley, Jr., 031-30-1192.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Henry Augustine Miley, Jr., 031-30-1192.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. DeWitt Clinton Smith, Jr., 578-22-0205, Army of the United States (brigadier general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Harold Gregory Moore, 401-16-2390, Army of the United States (major general, U.S. Army).

IN THE NAVY

Vice Adm. Jon L. Boyes, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY AND MARINE CORPS

Air Force nominations beginning Gerald Strohmeyer, to be captain, and ending Charles E. Wilson, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 30, 1977.

Army nominations beginning Bruce C. Abbott, to be second lieutenant, and ending David C. Baatz, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 30, 1977.

Navy nominations beginning Richard R. Van't Hof, to be ensign, and ending Larry D. Cordell, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 29, 1977.

Marine Corps nominations beginning Clarence T. Anthony, Jr., to be first lieutenant, and ending John D. Winchester, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 30, 1977.

EXTENSIONS OF REMARKS

THE BALTIMORE JOINT BOARD: A RECORD TO BE PROUD OF

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Ms. MIKULSKI. Mr. Speaker, Labor Unity, the newspaper of the Amalgamated Clothing and Textile Workers Union, has in their April issue done a wonderful profile of the Baltimore Joint Board. The head of the Baltimore Joint Board, Sam Nocella, is a man who I am proud to know and whose brothers and sisters in the labor movement can take pride in. Sam has led the way to union-employer day care centers, he is establishing retired worker centers, and he does this with dispatch and care.

I commend the article to my colleagues:

SPOTLIGHT ON BALTIMORE REGIONAL JOINT BOARD

(By Anne Rivera)

"Women will never be equal to men in our society until 24-hour child care is available to all of them," says ACTWU Vice Pres. Sam Nocella, expressing the on-going concern that led him 14 years ago to initiate a child care program for Baltimore Regional Joint Board families funded jointly by the union and employers. The first center opened in Verona, Va. in 1968 and the Hyman Blumberg Child Care Center opened in Baltimore the following year.

Nocella, manager of the joint board, supervises union affairs in an area that includes three states (Maryland, Virginia and Pennsylvania), 31 different locals, 40 employers and 10,200 ACTWU members.

The Baltimore Regional Joint Board, one of the most innovative and progressive unions in the country, today operates six child care centers serving a total of 1,000 children, as well as a comprehensive health and welfare program. It also sponsors extensive retiree activities.

His experience at Bank was duplicated at other ACTWU locals in the area. Of 10,000 postcards distributed to union members, almost all of them were mailed with messages protesting the $2.50 minimum wage and the import situation, report Business Agents Bill Wailes, Carmen Papale, Joe Pastore, Ben Ronis, Ruby Bena, Atillio San Antonio, and Dorthy Hale.

Underlying the joint board's program of social services is a history of strength and collective bargaining gains that goes back to 1914 when the original Baltimore market was organized.

By far the bulk of the joint board membership today is employed in the clothing industry, both in the metropolitan area and in scattered rural plants located in places like Chambersburg, Pa., Staunton, Va., and Eldersburg, Md. The locals—industrywide in the rural locations and highly specialized in Baltimore itself—are serviced by eight business agents. Romeo Esposito, on assignment from the union's national office, is in charge of organizing plants outside the city.

Glen Eagle and London Fog outerwear manufacturers with plants in both Baltimore and the region are also under contract with the joint board.

Joseph A. Bank Clothiers, manufacturers of men's suits, is a typical Baltimore metropolitan clothing factory. Its 575 employees are represented by three ACTWU locals—Cutters Local 15, Production Local 51 and Shippers Local 70, Paul Mignini, the business agent who services these locals has his hands full at Bank, not only because job descriptions and requirements vary markedly depending on local membership, but because, in addition, four different languages are spoken by Bank employees. Notices for local meetings must be posted in Greek, Italian, Korean and English; and whenever an important issue is discussed the discussion must be translated for employees whose English is not yet adequate to comprehend it.

A case in point was a recent postcard mailing to the White House—in which Mignini encouraged all members to participate—to protest President Carter's advocacy of the $2.50 minimum wage. The basic message, "We need a higher minimum wage than the $2.50 you advocate," was first translated into Greek, Korean and Italian and carefully explained by shop stewards with the assistance of bi-lingual employees, who then helped their co-workers with the English wording. Despite the language problem, Mignini reports that almost 100 percent of the ACTWU members at Bank sent postcards to the President.

Involved in the problems of working life, from child care to job-related politics, the joint board also sponsors a program for retired members in the metropolitan region. On the second floor of joint board headquarters is a Retirees Center which seems to be in a state of perpetual motion during the working day. Retiree-initiated events such as ongoing weekly card parties, art and craft classes and purely social get-togethers complement the board-organized theater matinee parties, volunteer activities at Johns Hopkins Hospital, and bus trips to town where other ACTWU retirees live.

Betty Switzer, who has directed the retirees' activities fulltime since 1963, estimates that there are about 3,000 ACTWU retirees in the region. Unfortunately, many of them live too far from the city to use the Baltimore center at all, she says.

But Nocella doesn't let distance stand in the way of a worthwhile program; and recently a retirees reunion was held in Chambersburg, Pa., 102 miles from headquarters, to gauge the degree of interest in a regional retirees center among the town's retired ACTWU members. Nocella, who spoke to the gathering, noted with some amazement that 140 retirees out of a possible 160 came to the meeting "in all their dignity" and that they still care about the union's various programs.

Just as with the child care centers Nocella probably will not stop with one regional retirees center.

When asked what his other plans for the future were, he admitted that he dreams of expanding the child care program. The joint board centers do not accept children younger than two years of ages, he explains, and he would like to initiate centers that will take infants as well, thus enabling mothers to return to work right after childbirth if they so desire. Such centers would, Nocella points out, also benefit the employers enormously, because industrial turnover and absenteeism due to the demands of child care—which prompted his initial interest in the child care movement—would be cut to almost nothing.

Then, indeed, he believes, the elusive "equality" advocated by unionists and civil rights groups might be within reach—at least for the ACTWU women and the Baltimore Joint Board.

HOUSE CONCURRENT RESOLUTION 195

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. STOKES. Mr. Speaker, I supported the transfer amendment in the form of a substitute to the first concurrent budget resolution for fiscal year 1978. As a chairman of a task force of the Budget Committee, I must commend my colleagues and particularly my chairman for the displayed diligence in undertaking what I consider the monumental task of fine tuning the national economy. I do, however, express reservation with the Budget Committee's established criteria of setting national priorities. I question the committee fulfilling the mandate of the Budget Act to establish national priorities, when a budget resolution is reported out of committee that predicts and therefore condones that over 6.5 million American workers must be relegated to the wrath of unemployment through calendar year 1979. Mr. Speaker and colleagues, I am forced to a posture of hesitation in voting for a resolution that dictates 14 percent unemployment in my district. How do I convince 30,000 unemployed constituents that they must again be the vanguard of the American people? How long do I offer my district to the economic altars of sacrifical ceremony while the feast of the military budget prevails? All too often the poor, the unskilled worker, the aged, the handicapped, and the racial minorities of America are called upon to sacrifice while provisions are made to assist a military industrial complex which is totally insensitive to these same people. Where are the voices of the people? Where are the cries of dissension from those who suffer from neglect? The voices lie dormant yet they represent the most volatile national security threat that has ever existed. I support a sound national defense posture. I am totally aware of America's military vulnerability as well as its economic, political and social vulnerability. Because I am acutely aware I supported a transfer amendment that will redirect national priorities from an offensive military strategy to a defensive socioeconomic strategy.

I am a member of the task force on national security of the House Budget Committee. I have been briefed on the sundry military strategies that attempt to justify the "military megabucks" requested by the Pentagon. In attempting to justify their request a familiar theme permeates the argument. "The Russians spend *x* percent of their Federal budget on defense" or "we have information that the Russians have a greater potential to destroy the world than we have." I often wonder if I could use that same Pentagon paranoia by leaking to the Secretary of State that the Russians have adopted a full-employment concept or the Russians have initiated full training programs to upgrade skill levels and increase productivity in the economy or possibly that the Russians have retirement programs to insure that their fixed income retirees do not suffer the perils and frustrations of a dissolved living standard. I wonder if Pentagon P-R would promote and lobby U.S. competition with those Soviet efforts. I suggest to my colleagues that aggressive military behavior and the complimentary economic benefits are shared by a powerful few while the tradeoff victims of massive military spending are the powerless masses.

I fully support the Mitchell transfer amendment because as I stated in my supplemental views to this first concurrent budget resolution we must establish priorities. However I cannot, in good conscience, vote for this budget resolution which has today been desecrated on the floor of the House.

A REVIVAL OF PATRIOTISM

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 28, 1977

Mr. EDWARDS of Oklahoma. Mr. Speaker, I wish to share with you an essay sent to me by the Veterans of Foreign Wars who, as you know, each year sponsor the Voice of Democracy contest for our young people.

The winning theme in my State was written by Gregory L. Wright, a senior at Putnam City High School in Oklahoma City. Greg's award from the VFW is one of numerous honors and accomplishments he has attained. He is a member of the National Honor Society, chairman of the National Student Council Advisory Committee, an Eagle Scout, and recipient of several civic and scholastic awards. Greg is unique in his record of achievement but, in one respect, typical of our new generation of Americans which is adopting old-fashioned ideals of patriotism and love of freedom. They have initiated a revival of a spirit that had for various reasons been temporarily suppressed or forgotten by too many Americans.

The pride and appreciation for his country and heritage expressed in Greg's essay are not in themselves deserving of any reward, because these are the fabric of America's tradition and future. Instead, we salute this young man for his sensitive articulation of that American spirit:

A REVIVAL OF PATRIOTISM

(By Gregory Lance Wright)

America began with the rising of a brilliant sun and the illumination of a rock strewn beach. The surf broke on the sand. A lone gull circled overhead. The faces of the men who had come were chilled by the cool ocean spray. They walked along the shoreline and surveyed their new home. Their thoughts may have drifted to the voyage they had endured, but more likely they were planning the homes they would build and dreaming of the wilderness they would tame.

Trees fell, lands were cleared, farms were created in this new land. It would take time to build settlements here. It would take time before they could call this place home. The time passed, and then on that day, the churchbells rang. A spontaneous celebration began in the streets. A Declaration had been signed. A nation had been born.

Infant America would someday become a powerful force of peace and freedom in the world. But first, the independence that had been declared had to be affirmed. The affirmation would come in many fields, in many cities, in many forests. It would come as a shot heard round the world. It would come as men shuddered in a cold snow covered valley. It would come as the rocket's red glare silhouetted a fort. It would come.

And with that affirmation of our sovereignty, of our very existence as a people, came an opportunity for man to live a dream. The freedom we had achieved, the liberty we had sought, the equality we had proclaimed have to be reaffirmed every day by every American. Yes, the price of freedom was high. And yes, we paid it.

We paid the price in a battlefield where men tested the nation we had built. They were separated by the blue and gray they wore, but each was an American fighting and dying for his beliefs. It was a tall lanky man who had split rails and studied by a candlelight as a boy who said, "The world can never forget what they did here." And the world never will.

The years of the next century were to show the world that infant America had grown up. American agriculture was unsurpassed, American industry unchallenged, and American destiny was certain. We came through a depression, two world wars, and a period of tremendous transition—our government intact, its foundations solid.

Today we have conquered our frontiers. We have boldly crossed horizons others fear to approach. The moon knows our tread. The world has seen our glory. And we have just begun. For you see, my America is yesterday. It is the lives and tears and laughter and dreams of all those who have gone before. Yet America is also today. The story of America is being written every day two hundred million individuals over.

What does America mean to me? America is a land unsurpassed in beauty and grandeur. America is a system of free enterprise, free religion, free speech, and freedom of action. America is the sum total of all that Americans have done and the beginning of all they will do.

America is Independence Hall; it is a boy's first homerun. America is making the world safe for democracy; she is John Wayne making a movie. America is a housewife, a child, a man, a boy's new puppy.

Why, America is everything we see and know and touch and experience that is as we have created it. America is each of us, our hopes and our triumphs. This is what America means to me. This is the story of my nation. This is a prayer for tomorrow and the rising of a brilliant sun. This is America.

PROMISCUITY IN VOTING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. LAGOMARSINO. Mr. Speaker, President Carter's proposals for instant voter registration and voting have stirred considerable controversy in this body and throughout the Nation.

A most perceptive editorial recently appeared in the Ventura County Star Free Press commenting on the President's proposal. I would like to share it with my colleagues and insert it in the RECORD at this point:

PROMISCUITY IN VOTING

President Carter's plan for instant registration carries the trend toward promiscuous voting another step beyond the postcard registration we've been trying in California, which already goes a couple of steps too far. There are several very large questions about the Carter plan, which would let people register at the same time they vote:

What kind of identification would be required? Are we going to issue some sort of national I.D. card?

How can poll workers, who are already busy enough, find time to act as registrars, in addition to all their present duties?

How can the county clerk-recorder plan for any election, when he has no tally of voter registrations as a guide? It would be strictly guesswork, winding up either without enough ballots to go around—and how do you know how many to send to which precinct?—or with so many ballots that many are thrown away. It's an added and useless expense either way.

Deciding where people should vote would be another large headache. You'd need a map-reading expert at each polling place.

Even then, the potential for either fraud or honest error would be so high, every close election would be in doubt for days, maybe even weeks, while voters' eligibility is verified. The inevitable recounts would add another large expense.

And what would all this achieve? Well, it would presumably result in a bigger voter turnout, which would presumably benefit the Democrats, since more non-voters identify with that party than with the Republicans. It's no mere coincidence that the idea is being pushed by a Democratic president, with the aid of a Democratic Congress.

We have long shared the concern about voter turnout, and we have done all a newspaper can to try to increase that turnout. But we don't believe in soliciting people who don't care enough to become informed on public affairs—or care enough to get registered as voters, which isn't all that difficult—and cajoling them to go to the polls and vote on issues and candidates they know nothing about.

We're reminded of the recent election in India, where so many of the voters are illiterate—that the two parties were represented on the ballot by the symbols pictured below: The wheel for the Janata party, which won, and the cow for Indira Gandhi's Congress party, which lost.

How intelligently can any voter participate in any election, if that voter must rely on a cartoon to establish a knee-jerk association with one particular party?

No one has yet suggested that we start putting donkeys and elephants on our ballots, but the way "election reform" is going, that may be next. The only reform that counts is to increase informed participation at the polls, which is hardly the kind of promiscuity in voting that instant registration would bring.

VICTOR LASKY RIGHT ON TARGET

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. ASHBROOK. Mr. Speaker, open up your minds, the man says. Indeed, Americans everywhere would open up their minds if they were to take the time to read Victor Lasky's excellent book, "It Did Not Start With Watergate." The

phoniness of the liberal news media is detailed by chapter and verse in their double standard applied to the Nixon administration, its predecessors and, most likely, the current administration. Nixon could do no right, Kennedy and Johnson could do no wrong according to reporting standards of the last 20 years.

William Safire details the Lasky book in his New York Times column. As he says, "Open up your mind. Read Lasky's blockbuster." I could not put it better myself. Read it and think about it.

The article is as follows:

VIC LASKY'S BLOCKBUSTER

(By William Safire)

WASHINGTON.—Many of the nation's book reviewers are purpling at the prospect of having to deal with "It Didn't Start With Watergate," a political consciousness-expanding book by Victor Lasky published this week by the Dial Press.

They cannot ignore it: This first carefully researched blast of criticism at the fusion of hypocrisy and hysteria that gripped this nation in 1973 and 1974 is both a literary and a political event.

Since more hardcover book buyers and sellers cheerfully admit to being confirmed Nixon-haters, the task of reviewers addressing a liberal audience is to savage Mr. Lasky's work in a way that does not stimulate readers to buy this book.

We can expect the Lasky book—IDSWW for short—to be attacked as not suitably dispassionate, a standard hardly set for the self-serving Watergate literature to date. Granted, it is partisan, argumentative, infused with righteous wrath—but it is careful. An extensive list of sources can be found in the back; historians will find it invaluable.

Next, many reviewers will affix the worst-selling label of all: *pro-Nixon*. And so it unabashedly is, from a man who believes that some wrongheaded actions should not have outweighed the strengths of our just-frosted leader.

Finally, the details of crimes and improprieties committed during the Johnson and Kennedy Administrations—generously, almost lovingly, set forth in this work—will be dismissed with a cavalier " 'everybody did it' is no excuse."

That's one of those undeniable statements. But if perspective is worth gaining—and, after all, that's the work of history—then a look at Mr. Lasky's enumerations should convince all but diehards that the crimes, lies, and abuses of power of the period from 1961 to 1969 beat anything that happened before or since.

Those crimes have been dribbling out over the past three years. Amassed for the first time between two covers—from Kennedy Mafia-C.I.A. tie-ins to LBJ's illegal use of the F.B.I.—Mr. Lasky's compilation reveals a pattern of deceit and the easy toleration of power-abuse that will stun the most Watergate-jaded.

The theme that emerges might be called "Hypocrisy, Inc."—a secondary McCarthy Era, in which civil liberties were suspended in the name of civil liberty, and many of those who pointed the fingers of guilt were men with guilty hands.

There were six senators, each now said to be the recipient of illegal Gulf Oil contributions, piously charging impropriety in fund-raising; there was the seventh, who engineered the cover-up of Bobby Baker for LBJ, charging cover-up; there was an impeachment counsel, secret author of the "Doar Plan" to spy on dissenters, inveighing against the "Huston Plan"; there was the crew that wiretapped Martin Luther King waxing indignant at wiretaps.

Now we know; but why, Mr. Lasky asks, were we not permitted to know during the witchhunt years? The information was there; where were the investigative reporters, where were the public-spirited leakers?

One example: He points to hard evidence that the Democratic National Committee knew months in advance of the planned break-in of their headquarters by a group of Cuban-Americans. The report on that pre-break-in tip-off was suppressed; the witnesses are still available, but no law enforcement agency or committee will investigate.

Mr. Lasky thinks the reason is rooted in a partisan double standard, a visceral media hatred of a political man named Nixon, and the blood-lust of a running pack.

But perhaps there is more to the amazing exchange of roles during the Second McCarthy Era, when civil libertarians became law-and-order zealots. Nobody can deny now that so much was deliberately concealed then, which might have mitigated the furor. What were the real reasons for the real cover-up?

Time will tell. Or Newsweek, whose then-Washington bureau chief, Ben Bradlee, wrote a book that is Mr. Lasky's prime source for the most damaging indictments of John F. Kennedy.

Mr. Lasky may have intended to write a rock-'em, sock-'em everybody-did-it defense of Mr. Nixon, but the import of his book is more profound. He opens a line of inquiry that demands to be followed: What made guilty politicians anxious to accuse others of their crimes, and what made innocent accusers so willing to suspend self-critical judgment?

Open your mind. Read Lasky's blockbuster; IDSWW is not like any book on the Watergate shelf.

GRASSROOTS OPPOSITION TO AGENCY FOR CONSUMER ADVOCACY

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mrs. HOLT. Mr. Speaker, I would like to call attention to two excellent editorials that recently appeared in area newspapers.

The Washington Star editorial, entitled "Clothing the Consumer," expressed very eloquently the grassroots opposition I feel exists toward the proposed Agency for Consumer Advocacy:

CLOTHING THE CONSUMER

The Ralph Nader appreciation bill has begun its journey through Congress again, this time propelled by a jet stream of White House rhetoric.

It would establish the Agency for Consumer Advocacy, nee the Consumer Protection Agency, that Mr. Nader and others among the vocal consumer groups have been pushing for nearly a decade. Its alleged purpose is to protect the consumers who, Mr. Nader would have us believe, stand naked in the marketplace before greedy, abusive, insensitive merchants.

The ACA (we've never really understood why they changed it from CPA—perhaps it sounded too bookkeeperish) would not, President Carter vowed, be a "regulatory agency." Its purpose, he said, "is to improve the way rules, regulations and decisions are made and carried out, rather than issuing new rules itself."

That suggests what critics have been saying all along: It's going to be a "super" agency—a watchdog over the watchdogs—that will insinuate itself into the business of nearly every other agency in town and before long may be telling them all what to do.

Mr. Carter said the agency will not cost more than $15 million a year. Maybe that's all it will cost in the beginning but it's a gross misreading, we suspect, of what it will cost eventually.

Playing to consumer interest is usually good politics. But is a consumer protection agency really all that important to the American public? An opinion poll a couple of years ago indicated that a large majority of people don't want such an agency.

Is Mr. Carter's advocacy of another layer of bureaucracy likely to be interpreted as contrary to his pledge to reduce government?

Where's the savings in a consumer protection agency? Any saving that the agency produces very likely will be offset, even outweighed, by the the cost to the taxpayers of operating the agency and the cost to business of complying with the additional red tape it's bound to create—a cost that will be passed on to consumers.

Mr. Carter would do more for the consumer by holding down inflation.

He would do more by putting the government to work finding cheaper sources of energy.

He would do more by reducing the cost of government, which in turn would reduce the tax burden.

He would do more by seeing that existing agencies do a better job. There are enough agencies that are supposed to look out for the public interest; there's no need for another Naderesque super-watchdog unit.

We had hoped Mr. Carter would not fall victim to that Washington syndrome that makes too many officials hereabouts think that the only way to solve a problem is to create another government agency.

An editorial in a recent edition of the Baltimore News-American also expressed very well of my concerns over the Consumer Protection Agency:

NADER'S POWER PLAY

Ralph Nader's hopes of achieving official federal power are rising again with the imminent introduction of new Capitol Hill legislation which would establish the Consumer Protection Agency he conceived eight years ago and has been battling for ever since. It is a proposal which Congress, this time, should reject beyond the possibility of further consideration.

As envisioned by the nation's buzziest consumer gadfly and his supporters, the CPA would be a tax-financed, independent agency whose functions would be to protect consumers by representing their interests in government. The idea sounds good enough in theory, and its adoption may once even have been desirable, but today it has become irrelevant, obsolete and potentially disruptive.

In the past eight years there has been a revolution in consumer protection legislation and reorganization. Currently, the federal government has 33 agencies and approximately 400 bureaus and subagencies operating more than 1,000 consumer-oriented programs. In addition, Congress has created a dozen special regulatory agencies to ride herd on the others.

The nation, in sum, simply no longer has any need of a super agency whose chief intended function—as proposed—would be to argue the consumer cause in court actions involving federal regulatory agencies. How this purpose would work out in practice, moreover, is as doubtful as it would be expensive.

It would cost a minimum of $60 million to set up the CPA and run it for three years. Far more onerous to the taxpayer would be the incalculable added costs of other agencies responding to the demands of the proposed super agency—or acting even more slowly than usual through fear of CPA interference.

There would be plenty of that because the CPA, in practical operation, would in fact be little more than an official agency constantly looking for places to interfere. It would have absolute power to meddle in the affairs of other agencies—from defense department procurement to foreign trade—and to second guess actions through its open-ended litigation authority to challenge and possibly overturn any government decision.

The clearly inherent danger of giving such vast authority to one group, especially one which would be operating independently of the executive branch and Congress, always has been the most potent argument against the CPA. Today, when there no longer is a demonstrable need for such an agency, the argument should be overwhelming and irrefutable.

Government admittedly cannot protect everyone from everything. In this case, however, Congress can protect all taxpayers by emphatically defeating the idea of creating a costly, unnecessary and probably despotic new bureaucracy of Naderite super snoops.

CAPITOL POLICE OFFICER ADOLPH KRENN

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. YATRON. Mr. Speaker, in the press of business which daily occupies this body, it is all too easy to lose sight of the many people without whose collective services, the Congress surely would come to a grinding halt.

One such unsung individual was Officer Adolph Krenn of the Capitol Police.

Born in Shenandoah, Pa., Adolph was appointed to the Capitol Police on January 16, 1953. He had served nearly 3 years in the U.S. Army and was employed for 5 years with the Smithsonian Institution.

Adolph's family in Shenandoah have been close personal friends of mine for many years. One in a long line of proud and hard-working people, Adolph possessed an acute sense of civic allegiance. It is this spirit of service to others which guided him in the outstanding performance of his duties. Adolph's selfless dedication and calm pursuit of purpose is still an inspiration, not only to his fellow officers, but to all of us who knew him.

In addition to being a fine policeman, Adolph was a gentleman of great compassion and generosity. When I first came to Washington in 1969, Adolph was assigned to the Longworth building, where I had my office. In the years that followed, I came to know him as a man who was considerate of others, always ready with a kind greeting or offer of assistance for everyone.

The hectic pace of activity in the Congress can be taxing. But amid the hustle and bustle, Adolph's warmth had a soothing, comforting effect. The pressures of our positions were more bearable for his presence.

Adolph is gone now; his recent passing deeply saddened the many people who knew him as a man of rare and special qualities. I feel it is truly an honor to be able to count myself among those who knew this fine gentleman. Capitol Hill will never be quite the same.

EXTENDING EDUCATIONAL BENEFITS TO OUR DESERVING VETERANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. GILMAN. Mr. Speaker, the bill that I am introducing today provides several significant educational benefits for our veterans by extending their educational assistance beyond the 10-year limitation presently imposed by Public Law 93-337.

The benefits package I am proposing would: First, entitle a veteran who has served 18 months or more of active duty to 54 months of educational assistance; second, eliminate the time limitation for completing a particular program of study; and third, extend eligibility for these benefits to veterans of World War II and to Korean and Vietnam conflict veterans whose entitlement to educational assistance terminated before enactment of this measure.

Mr. Speaker, the imposition of arbitrary deadlines for utilizing educational benefits, attenuates the value of such assistance to no inconsiderable degree. By employing such a deadline, we are, in effect, informing veterans that regardless of unforeseen circumstances, or obligations incumbent upon them as heads of households, that they must use their educational benefits within 10 years of discharge or forever lose their rights to these benefits.

However, as it so often happens, within the present 10-year eligibility span, the responsibilities of raising children and developing a career impinge upon the time that a veteran may have to devote to continuing his education.

The legislation I am introducing today would provide veterans the opportunity to meet these responsibilities, without fear of forfeiting those educational benefits to which they are entitled. It also provides those veterans, dedicated and determined to pursue their educational goals to the fullest, the initial boost—in the form of 6 additional months of benefits—to commence graduate or professional study.

Mr. Speaker, I urge my colleagues to support this legislation which provides benefits to our Nation's deserving veterans, and ask that the full text of this measure be inserted at this point in the RECORD:

H.R. 6775

A bill to amend title 38, United States Code, in order to entitle veterans to fifty-four months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 34 of title 38, United States Code, is amended—

(1) by amending the second sentence of section 1661(a) to read as follows: "If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 54 months (or the equivalent thereof in part-time educational assistance).";

(2) by amending section 1661(c) to read as follows:

"(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of 54 months.";

(3) by amending section 1662 to read as follows:

"§ 1662. Entitlement available until used

"Any entitlement to educational assistance under this chapter shall remain available to the veteran until such time as it is used."; and

(4) by amending the table of sections thereof by striking out

"1661. Time limitations for completing a program of education."

and inserting in lieu thereof

"1661. Entitlement available until used.".

SEC. 2. Section 1795 of title 38, United States Code, is amended by striking out "forty-eight months" and inserting "54 months".

SEC. 3. Notwithstanding any provisions of title 38, United States Code, or any other law, eligibility for educational assistance under chapter 34 of such title is hereby granted to any veteran of World War II, the Korean conflict, or the Vietnam era who—

(1) was entitled to educational assistance under any law administered by the Veterans' Administration as a result of active service during such war, conflict, or era; and

(2) whose entitlement thereto terminated before the date of the enactment of this Act without the veteran concerned availing himself, or only in part using, any such assistance.

(b) The number of months of entitlement to educational assistance which is granted to any veteran under subsection (a) of this section, which number shall be determined by the Administrator of Veterans' Affairs, shall be as nearly as possible equivalent to the entitlement to education assistance to which such veteran was entitled at the time such previous entitlement terminated.

(c) The Administrator of Veterans' Affairs shall prescribe such regulations as are necessary and appropriate to carry out this section.

UNIVERSAL VOTE PLAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. LAGOMARSINO. Mr. Speaker, as you know, the President has proposed a series of voting "reform" measures which are now pending before this body. While I think the idea of true universal suffrage is admirable, I strongly disagree with his proposals for "instant registration."

I was pleased to see a most perceptive editorial appear in the Santa Maria Times which I would like to share with my colleagues:

UNIVERSAL VOTE PLAN

President Carter's "universal voter registration" plan, which might be called "instant vote" plan, is so fraught with peril that it should be rejected out of hand.

The president's idea is to encourage everyone to vote by permitting each person to show up at the polling place, show identification and be permitted to cast a ballot.

The scheme behind this plan is to avoid losing the vote of those who have lost registration by moving and not re-registering, by failing to vote in the previous general election or for not having ever registered to vote.

In a nutshell, it is, indeed, a "universal voting" plan wherein the idea is that everyone could then participate in the elective process.

But Carter's plan would not only open voting to fraud, it would add tremendous delays to the voting procedure. Signing an affidavit and showing an ID cards is not enough to safeguard the voting process. It opens it up to all kinds of misuse, particularly by those who find it easy to procure and use many ID cards giving many addresses and names. There have been many documented fraud cases in voting with our present system and the new proposal simply opens the possibility wider.

Also, registering at the time to vote would add another burden to the precinct officials, who often have to cope with long lines of voters at peak hours.

The president is certainly correct when he wants to induce Americans to greater participation in the voting processes. We think he could do the nation a greater service by encouraging better candidates and meaningful proposals for the voters to decide on rather than just simplifying a mechanical procedure.

NATIONAL RAISIN WEEK

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. KREBS. Mr. Speaker, I am pleased to join with my colleague, the Honorable B. F. SISK, in recognizing National Raisin Week, which extends from April 29 through May 7. We are proud to be able to give special recognition to an industry which involves many thousands of people not only in California but throughout the United States in the production, distribution, and sale of raisins. The California raisin industry, one of California's most important industries, produces the entire U.S. output of raisins and, in a normal crop year, processes and markets more than one-third of the world's supply of raisins.

California's grape industry boasts a long and interesting history. Grapes were brought to the State by the first missionaries, the Franciscan Fathers, who planted vineyards by their missions to assure an adequate supply of the fruit and the sacramental wine derived from it. California's raisin industry began unexpectedly in 1873, when a heat wave dried the grapes on the vines before San Joaquin Valley growers could pick them. An enterprising San Francisco grocer purchased the dried grapes and sold them as "Peruvian delicacies." The "delicacies" had such a pleasant taste that demand grew quickly and the market along with it.

California vineyards and the related industries engaged in producing, processing, and distributing raisins, have supplied an average of over 200,000 tons of the delicious fruit annually for U.S. and overseas customers.

The raisin industry has suffered severe setbacks in recent years—serious frost damage in 1972 and unexpected and destructive rains in the fall of last year, which caught nearly all of the crop on vineyard drying trays. However, due to the diligent efforts of growers and packers, and improved processing methods, a substantial portion of last year's crop was saved, and industry leaders report that an ample supply of raisins will be maintained until the new crop is harvested in the fall of 1977.

We believe all segments of the raisin industry merit special commendation for development of overseas and domestic markets, for bringing about the orderly marketing of U.S. raisins, and for stabilizing raisin supplies in the face of both desirable and adverse weather conditions.

We hope that consumers will continue to enjoy raisins, as they have in the past, and that industrial and institutional users will continue to include raisins in their products so that this important industry can maintain its substantial contribution to our Nation's economy.

TRIBUTE TO JOSEPH EMMERICH

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mrs. SPELLMAN. Mr. Speaker, when a single individual touches and gives direction to the lives of 9,000 children, we are all of us in his debt because he has, through them, enriched the future of our Nation. Mr. Joseph Emmerich of Prince Georges County, Md., has accomplished just that. Ten years ago, he came to the Chillum area as a teacher. He has stayed to become something very like a second father to thousands of children and he is a valued friend to their parents.

His vehicle is a 4–H program—and he has piloted it with a sure hand through some very stormy seas. To people new to an urban environment, he brought a sure knowledge of the metropolitan area. To teenagers sometimes unprepared to care for younger brothers and sisters, he lovingly taught the skills they desperately needed. And more, he inspired pride in the job and, in the process, strengthened family ties.

Joe Emmerich did not start out to be a professor of coping—but that is what he became. When there was difficulty finding adult leaders because in many families both mother and father had to work, he led the teenagers themselves to forge an effective young volunteer force which now conducts an imaginative program for elementary school children.

In addition to traditional 4–H classes and projects, Joe and his teenagers found out what else was needed and then provided it—first aid, the preparation of a balanced meal, home safety standards, and on, and on.

Parents were shown how to contact medical and psychiatric clinics, how to obtain counseling services, how to deposit money, cash checks, and shop economically for food and clothing. The students were taken on many and varied field trips. Mechanics taught them how to repair cars, firemen taught them how to prevent fires and what to do if one should start. They went on rounds with doctors at Johns Hopkins Hospital and to courtrooms with local lawyers.

It is a classic people-to-people approach. The special beauty of it is that the "students" eventually become the "teachers." And a community keeps building.

Joe, I have no doubt, would agree with Anna in "The King and I." "When you become a teacher, by your students you are taught." Maybe so. But I know that children's minds, imaginations, and lives have been stretched to accommodate a whole new world. All because of one man. Just last night, there was a ceremony in the Chillum community in which I was privileged to participate to honor many young people who had loyally served the Chillum 4–H Club. Typically, the self-effacing Joe saw to it that others received the accolades. But I witnessed the love and respect for him reflected on the faces of each child and each parent. The room was alive with affection for their beloved leader, Joe Emmerich.

Mr. Speaker, although Joe would not expect and certainly never seek recognition, I know my colleagues join me in paying tribute to a remarkable man and an exemplary citizen.

HUMAN RIGHTS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. KILDEE. Mr. Speaker, basic human freedoms, including the right to emigrate, have long been denied to Soviet Jews. In recent months, it has become dangerous for Soviet Jews who wish to emigrate, to survive in the Soviet Union. The Soviet Government has sanctioned ethnic and religious discriminatory acts which violate internationally agreed upon principles of human rights. While the U.S. Congress cannot govern the Soviet Union, it should not turn its head when human rights are flagrantly violated.

Accordingly, when it came before the House of Representatives, I was happy to support Senate Concurrent Resolution 7, a resolution protesting the lack of freedom of emigration from the Soviet Union and quoting the recent beatings, imprisonment, and harassment of Soviet Jews. Also, I am proud to be a cosponsor of House Concurrent Resolution 161, expressing the concern of the Congress regarding the harassment of minorities in the Soviet Union.

Mr. Speaker, I fully support the Carter administration in its attempt to promote respect for human rights. The time has come for America to stand up for the basic human rights to which all peoples are entitled.

1,001 YEARS OF NATURAL GAS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. SYMMS. Mr. Speaker, even though it now appears to those who believe in common sense economics that President Carter has not declared war on the energy crisis but has surrendered—maybe just maybe someone on his staff will bring this article to his attention. I commit the following editorial of the Wall Street Journal for my colleagues:

1,001 YEARS OF NATURAL GAS

The conventional wisdom about President Carter's energy program seems to be that the gasoline tax won't fly in Congress, but that the other elements of the plan will sooner or later be enacted. Indeed, there is a deep suspicion among the political crowd that the gas tax was designed to lose, in the process drawing off the opposition's energies so the rest of the package could go through unmolested.

Our own estimate, though, is that the whole package will collapse a piece at a time. This estimate is not merely wishful thinking, although it certainly expresses our hopes. But it is more firmly based on the fact that the United States has been seriously thinking about energy for more than three years. Not only the general public, but also Congress and the press corps have developed a sophistication about energy issues, and we think we are now past the point of being vulnerable to blindly adopting scare scenarios and emergency solutions.

The notion that we may be freezing in the dark unless we sacrifice by paying higher taxes to Washington could not be sold to Congress by President Ford and Vice President Rockefeller when we were all relative greenhorns at the energy game. Yes, Mr. Carter certainly deserves his chance to scare Congress into action. But because he seems to learn quickly and is flexible rather than stubborn, there is a good chance Mr. Carter will discover the true shape of the energy problem in the process of failing to get any major portion of his package adopted.

Take natural gas, for example. Mr. Carter apparently thinks the United States is running out of the stuff. If that were true, we might be as scared as he seems to be. But in the course of the debates on his plan, the President will discover that while we are now consuming 20 trillion cubic feet of natural gas every year and that—if prices were only decontrolled—we have roughly 20,000 trillion cubic feet of natural gas at hand, with some estimates that there may be 50,000 trillion cubic feet of it. That is, enough to last between 1,000 and 2,500 years at current consumption.

The President's energy advisers know this. It was explained to them recently in a briefing by specialists of the American Gas Association. Experts in ERDA have been trying to tell the White House too, but have been snubbed apparently on the ground that this news would take the sting out of the scare.

What Mr. Carter has been told is that we have only 216 trillion cubic feet of proven reserves of natural gas, 10 years' supply. But that number was developed by the U.S. Geological Survey in 1974 relating resources available at 1974 technology and 1974 prices, of 52 cents per thousand cubic feet. USGS does not and never has projected what resources would be available at higher prices.

ERDA, though, has unofficially estimated that at an uncontrolled price of $2.25 the nation would be awash with natural gas. It would bring in 230 trillion cubic feet of what USGS calls "inferred reserves," makes economic the 285 trillion cubic feet of Devonian shale in Appalachia, the 600 trillion cubic feet of Western "tight sands" and between 200 trillion and 300 trillion cubic feet of coal-seam methane.

At somewhere between $2.50 and $3.00 per thousand cubic feet, the industry could tap the big deposit—geopressured methane that exists at depths of 15,000 feet, both onshore and offshore, in the Gulf region. This natural gas dissolved in water runs to between 20,000 and 50,000 trillion cubic feet. If you consider that 1,000 cubic feet of natural gas is roughly equivalent to one million British Thermal Units, this exotic natural gas is not all that expensive at $3 per million BTUs. Americans now pay about $2.05 per million BTUs of natural gas delivered at their homes, $3 per million BTUs of fuel oil and $10 per million BTUs of electricity.

The only conceivable way Americans would freeze in the dark anytime in the near future is if the government continues to keep the price of natural gas from getting into the ranges that would finance tapping these reserves. Holding down the price is of course precisely what President Carter proposes, a ceiling of $1.75 per thousand cubic feet.

We can't believe that President Carter genuinely desires that we freeze in the dark because of his policies. Instead, we assume it will take him a little time to get fully informed on the true nature of the energy problem. Perhaps some friend will call him up and tell him about this editorial, and we can begin thinking of dancing in the dark instead of freezing in it.

THE WEAKNESS OF BUSINESS TAX CREDITS IN STIMULATING INVESTMENT AND EMPLOYMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. KEMP. Mr. Speaker, for some time now I have been speaking out on the need to reduce taxes in order to stimulate capital investment, and thus create new and better jobs.

Consequently, some may have been surprised by my vote on April 26 to support elimination of budget authority for the business tax credit portion of the administration's stimulus package. Since the issue of tax credits has arisen frequently, I would like to address myself to the reasons for my opposition to this method of stimulating investment and employment.

There are two principal types of business tax credits: the investment tax credit, applied to the purchase of new machinery and equipment which was instituted in 1962 by President Kennedy, and the employment tax credit, which would be applied against the hiring of new workers. The employment tax credit idea has not yet been adopted, but a version of it has been passed by the House Ways and Means Committee.

In the first place, for a tax credit to have any kind of impact at all a business must first be making a profit. Otherwise there are no taxes to apply the credit against. Consequently, a company like American Motors, which could desperately use an infusion of new investment, gets nothing out of the investment tax credit because it has been losing money.

Probably the most serious problem with tax credits in general, however, is that they affect only effective tax rates rather than marginal tax rates. It is the marginal rate, the rate which applies to each additional dollar that is earned, which truly influences business investment behavior, rather than the total burden of taxation, which is the effective rate. Thus, as a result of tax credits, depreciation allowances, and other tax measures, the effective tax rate on U.S. corporations has been dropping steadily since 1951, as this table demonstrates:

GENERAL CORPORATION INCOME TAX RATE AND EFFECTIVE RATE OF THE FEDERAL INCOME TAX ON PROFITS OF U.S. CORPORATIONS, 1946–75

[Dollar amounts in billions]

Year	Corporation income tax rate (percent)	Corporation profits before tax[1]	Federal corporation taxes	
			Amount	Percent of profit before tax
1946	38	$24.0	$8.3	34.6
1947	38	30.4	10.6	34.9
1948	38	33.8	11.6	34.3
1949	38	27.5	9.4	34.2
1950	42	41.0	15.6	38.0
1951	50.75	42.5	18.9	44.5
1952	52	37.9	16.7	44.1
1953	52	39.5	17.6	44.6
1954	52	38.3	16.6	43.3
1955	52	49.3	20.8	42.2
1956	52	49.1	20.5	41.8
1957	52	47.6	19.9	41.8
1958	52	43.3	17.5	40.4
1959	52	52.1	21.6	41.5
1960	52	50.5	20.5	40.6
1961	52	50.6	20.7	40.9
1962	52	57.1	21.7	38.0
1963	52	61.4	23.7	38.6
1964	50	68.2	24.5	35.9
1965	48	79.5	27.6	34.7
1966	48	85.2	29.8	35.0
1967	48	82.6	28.0	33.9
1968	[3] 48	91.2	[3] 30.4	[3] 33.3
1969	[3] 48	89.8	[3] 29.8	[3] 33.2
1970	[3] 48	76.3	[3] 26.5	[3] 34.7
1971	48	87.9	30.1	34.2
1972	48	105.4	33.4	31.7
1973	48	122.1	38.7	31.7
1974	48	125.9	40.0	31.8
1975	48	124.6	37.2	29.9

[1] Profits before taxes as defined in the national income accounts plus accelerated depreciation over straight-line depreciation, taxable foreign income, dividends paid by corporations to noninsured private pension plans, and net gain from sales of property, less State and local income taxes, Federal Reserve Board earnings, and subchapter S income.

[2] Federal corporation income tax as defined in the national income accounts plus the foreign tax credit less the Federal Reserve Board payment to the U.S. Treasury less the temporary surcharge of 1968–70. Excludes excess profits taxes.

[3] Excludes the temporary surcharge of 1968–70.

Source: U.S. Department of Commerce, Bureau of Economic Analysis. For method of calculation, see Emil M. Sunley, Jr., "Effective Corporate Tax Rates: Toward a More Precise Figure," Tax Notes, vol. 4 (Mar. 1, 1976), pp. 15–24.

What is disguised by these figures, however, is the fact that only big business is really able to take advantage of the Government's tax loopholes. Small business, which accounts for over 95 percent of all businesses in the United States and 55 percent of the country's private, nonagricultural employment, is effectively excluded from being able to benefit from such things as the investment tax credit because they are largely labor intensive. Thus, approximately 1 percent of U.S. corporations received 66 percent of the benefits of the investment tax credit.

In spite of this, the investment tax credit might be justified if it truly accomplished the purpose of increasing capital formation and productive capacity. Actually, it only gives windfalls to companies which would be expanding plant capacity under normal circumstances anyway. And insofar as it has any substantive effect on the economy at all, it subsidizes capital at the expense of labor. This may, in some instances, cause a company to adopt an inefficient, capital-intensive method of production rather than a more efficient labor-intensive method. Only the market is able to decide which of these methods is actually superior in a given case. By distorting business behavior away from that dictated by the market, inefficiency is inevitable.

The same criticism can be made against an employment tax credit. As the New York Times noted on February 13, 1977;

> A close look at the job tax credit concept . . . reveals weaknesses that outweigh its strengths. If credits are to apply only to new workers, someone must certify eligibility and establish whether the workers are "new" or simply replacing others. That someone—the Internal Revenue Service—is technically up to the task, but the administrative cost would be considerable.
>
> Beyond the management question are questions of fairness and efficiency. A credit restricted to new hiring would reward only companies that are expanding. Growing regions of the country would receive subsidy infusions denied to the most troubled regions. Is it in the public interest to reduce the taxes paid by, say, General Motors but not American Motors? Or to send money to Texas but not to Pennsylvania?
>
> If the program were likely to put tens of thousands of the hard-core unemployed on private payrolls, these questions might, in conscience, be overlooked. But economic research provides no reason to be optimistic. On the contrary, creation of so many jobs for such potential workers requires industries to use workers instead of machines. Heavy industries, it appears, needs powerful incentives to make this trade, in part because the requirements of modern technology are rigid and probably also because dealing with organized workers is troublesome. Thus the job tax credit is not likely to provide enough incentive to induce many industries to add workers to their assembly lines. The credit might work better in service industries, which pay low wages. But even among them, studies disclose no clear sensitivity to modest changes in labor costs.

As I said earlier, the marginal tax rate is the key to influencing economic behavior. This is as true for individuals as it is for businesses. This is why I stress a reduction in tax rates across the board as the best way to stimulate investment and jobs creation. By influencing the aftertax reward for work, investment, and production, there will be a greater incentive to engage in activities which create more production, jobs, and well being for everyone.

I am not interested in encouraging capital at the expense of labor, nor labor at the expense of capital. I am not interested in subsidizing small business or big business. What I want to see are more jobs in the private sector of our economy, greater productivity so that real wages will increase, more of this country's resources going to increase the well being of people and businesses in the private sector, and the most efficient possible use of those resources. I believe this will happen when the tax barriers are removed. I believe this will happen when the tax barriers are removed from the economy and when resources are allocated not government, through subsidies and regulation, but by the market, which is the sum total of all individual preferences.

I say all this as one who has in the past strongly supported the investment tax credit as the best means of stimulating capital formation. I was wrong. Our economy should be treated as a whole, and what it most needs is not loopholes or tax reductions just for the less wealthy, or just the wealthy. Nor does it need tax reductions just for small business, or just big business. All Americans need reduced taxes, across the board, to stimulate growth, work, production, thrift, savings, and investments. President John F. Kennedy said, at the time he introduced substantial tax rate reductions, "a rising tide lifts all boats." We need a rising tide, a tide that lifts all Americans with respect to jobs, aftertax income, and more supplies of goods and services.

YOUTH UNEMPLOYMENT

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. STEERS. Mr. Speaker, I include in the RECORD my testimony on youth unemployment, including an analysis of H.R. 1731, the Comprehensive Youth Employment Act, sponsored by my distinguished colleague from Illinois, Mr. PAUL SIMON, and myself. This testimony was presented on Thursday, April 28, to the Subcommittee on Employment Opportunities of the Committee on Education and Labor:

SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES OF THE COMMITTEE ON EDUCATION AND LABOR

(Statement of the Hon. Newton I. Steers, Jr.)

Mr. Chairman, I appreciate this opportunity to discuss the bills proposed to help solve the problem of youth unemployment, including H.R. 1731, the Comprehensive Youth Employment Act of 1977, which I introduced on February 1, along with my distinguished colleague from Illinois, Mr. Simon.

UNEMPLOYMENT AMONG YOUTH

Everyone familiar with the general problem of unemployment in the U.S. is aware of the special problems that hit teenagers. The glum statistics are as enlightening as they are alarming. For the past two years, the unemployment rate for teenagers 16 to 19 years of age has averaged 30 percent, almost triple the rate for adults. For black teenagers, the rate has remained nearly 40 percent and, in some cities, even higher. Fully half the total number of jobless Americans, in fact, are teenagers. This group is estimated to be as high as 3.5 million people. Even this figure fails to take into account the young people who have become fed up with job-hunting and are no longer counted as unemployed.

In addition to the sense of personal worthlessness which unemployment inevitably brings, the consequences to the community are just as devastating. First and foremost, of course, is the scourge of crime—a problem no longer confined solely to urban ghettoes, but rapidly spreading to suburban and even rural settings such as Montgomery County, Maryland, which I represent. The economic effects of unemployment, furthermore, have a tendency to mushroom into a dangerous cycle. A lack of income often forces our Nation's youth into substandard housing and underfunded schools. Their low esteem and frustration can also lead to their increased use of hard drugs and to excessive drinking. The presence of drug addiction and alcoholism can only feed back into the original problem of bad schooling and housing. And all these factors combined lead to an increase in the crime problem.

It is not yet too late to start attacking these problems by attacking one of its fundamental roots—youth unemployment. The provisions of the Comprehensive Youth Employment Act of 1977 would help end the cycle of unemployment and crime by encouraging the private sector as well as the public sector to create meaningful jobs.

I am aware of the other fine bills designed to reduce teenage unemployment that have been proposed both in the House and Senate. Several of them, in fact, include some of the provisions of H.R. 1731, the bill introduced by Mr. Simon and myself. I also congratulate the Administration for the various constructive measures contained in its own bill, H.R. 6138. I would like at this time, however, to discuss some of the specific provisions in H.R. 1731 which I believe are essential to the success of our common efforts to eliminate once and for all the scourge of youth unemployment.

H.R. 1731

H.R. 1731 represents a comprehensive approach to the problem of youth unemployment. The first title of my bill would amend the Comprehensive Employment Training Act of 1973 (CETA) by creating a new title, "Youth Employment and Community Service Programs," consisting of four parts. The second and third titles of H.R. 1731 would establish a National Conservation Corps for youths 19 to 23 years of age, and revitalize and expand the Job Corps.

TITLE I

The programs established under the new title of CETA would all be involved in establishing new jobs and counseling programs for young people.

Part A would help local communities by funding programs to employ youth in the rehabilitation of existing housing and the improvement of public facilities. The type of community-conservation projects funded would be the same as those proposed by the Administration in Part B of its bill. I am therefore quite pleased that the basic strategy of linking neighborhood improvement to the elimination of youth unemployment appears to be an idea whose time has come. I would urge the Subcommittee to support strongly this concept and provide enough funding so that all areas of the country—even those in states without exceptionally high rates of unemployment—are treated fairly.

Part B of my bill would provide youth with opportunities to acquire and develop skills needed to work in private enterprise—the source of over 80 per cent of the nation's jobs. Counseling and training costs of the employer would be reimbursed so that young persons could learn the basic skills they need to find and keep jobs in the private sector. The flexibility of the private sector in hiring youth, compared to the often slow and ponderous requirements that must be met to create public service jobs, is certainly an asset of which Part B of H.R. 1731 takes advantage. I would therefore urge that this Subcommittee seriously consider including in any bill it marks up incentives for private employers to train teenagers.

Part C of Title I would provide in-school youth with the chance to gain job experience prior to completing their secondary education. Participating employers would be reimbursed for the costs of recruitment, guidance, and counseling.

The final part of Title I of my bill, Part D, provides career counseling, job information and job guidance to work-bound high school, junior college, and out-of-school youth. The resources of the Labor Department would be used to coordinate and compile the date that is so obviously needed to help young people choose occupations in which they will have a reasonably good chance of finding future employment.

The main thrust of Parts C and D of my bill is to link together the federal government's support of youth employment and its support of education. The experience gained in school, after all, should give our Nation's teenagers the skills they need to succeed in the difficult transition into the world of work.

I would therefore like to express my pleasure with Part C of the Administration's bill, H.R. 6138. This also supports counseling, occupational information, and on-the-job training. A decision by this Subcommittee to look favorably upon these provisions would be most welcome.

In addition, I would like to urge this Subcommittee to add language that would explicitly establish a job-information system to collect and disseminate data of relevance to the unemployed youth of each local community. This could be accomplished by adopting the National Occupational Information Coordinating Committee and other related measures proposed by Senators Javits and Humphrey in their amendments to S. 1242 (the Senate bill identical to H.R. 6138).

TITLES II AND III OF H.R. 1731

Title II of my bill would establish a National Conservation Corps to give youths up to the age of 24 the opportunity to work on projects in the national parks and forests. Young people funded under Title II would be involved in such activities as fire-fighting, reforestation, campground improvement, and other tasks related to conservation. I am most pleased to see that Part A of the Administration's bill also establishes a Young Adult Conservation Corps along the lines of Title II of H.R. 1731.

Finally, Title III of my bill would significantly expand the Job Corps by providing an additional $150 million yearly above the current funding level.

The jobs created from the funding of all three titles of H.R. 1731, or as a result of any other bill which includes these provisions, will make use of an untapped resource and add many dollars to the Gross National Product. These jobs will also reestablish that dignity and self-respect that young people naturally acquire when they see how their labor is helping to benefit other people around them. In my district of Montgomery County, though the youth unemployment rate is probably less than half the inner-city rate, the human toll is comparable. Bored teenagers in the suburbs turn to the same outlets as frustrated youth in the cities. Two problems that are present to an unusually high degree in Montgomery County are mental health problems and alcoholism, both of which are responsible for increasing crime.

I would therefore request that this Subcommittee look carefully at the effect of all income-level requirements included in H.R. 6138 or in any other bill considered in mark-up. I would respectfully submit that an out-of-work teenager's eligibility to participate in an employment program should not be determined solely or primarily by how many unemployed persons happen to reside in each individual state. I recognize that the resources available to help solve youth unemployment are limited and that the jobless rate should be one criterion used to allocate funds under a youth-employment bill. Nonetheless, I believe that no one could deny that the plight of an idle teenager who happens to live in a state with an "average" or even "below average" unemployment rate is just as distressing as the plight of other young people who are out of work.

Mr. Chairman, I know that this outline of the problem of youth unemployment and the solutions proposed by the Comprehensive Youth Employment Act of 1977 does not fully convey the great economic and statistical cost that high unemployment among teenagers brings to the nation as a whole. But I hope I have suggested at least a small sense of the loss of dignity and self-worth which teenage idleness brings to each one of them individually.

I hope your Subcommittee will try to address this human loss by favorably reporting a bill with the provisions of the Comprehensive Youth Employment Act of 1977. Let us try to attack the problem of crime and human purposelessness at its source and work toward eliminating the dreadful scourge of youth unemployment.

AMERICA AFTER 200 YEARS—THE MESSAGE OF THE BICENTENNIAL

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. MARTIN. Mr. Speaker, in an attempt to encourage young people, who will become the leaders of tomorrow, to devote their best thinking to the critical choices the United States must make as it enters the third hundred years of its history. I have sponsored an essay contest. Juniors and seniors in both public and private high schools from Iredell, Lincoln, and Mecklenburg Counties, which comprise the 9th Congressional District of North Carolina, were invited to participate.

The essays were to be based on reflective thought on the purpose of the Bicentennial and what has been accomplished by the United States during that time and how the celebration and the national awareness it raised can help guide the American future.

We often fail to utilize the idea of students, who are frequently the source of refreshing and valid opinion on problems that trouble our society. It is important that we listen to the ideas of our youth.

With these thoughts in mind, I want to call to your attention an essay written by William M. Miller III, a student at North Mecklenburg High School, Huntersville, N.C.

The essay is as follows:

AMERICA AFTER 200 YEARS—THE MESSAGE OF THE BICENTENNIAL

The message of the 1976 American Revolution Bicentennial to the people of America and the world is not only one of retrospective pride, but also of hope and faith in the future of this nation. The year-long celebration of this nation's rich heritage served to point up several important areas on which great attention will be focused during America's third century of existence.

Perhaps the most important of these issues was put forward in 1776 by Thomas Jefferson, when he wrote "We hold these truths to be self-evident, that all men are created equal . . ." Unfortunately, many of the people of the United States did not, in fact, hold that particular truth to be self-evident. It has taken nearly 200 years to even begin to realize for all American citizens, regardless of race, creed, color, or sex, this magnificent dream that Jefferson set down in the Declaration of Independence. Hopefully, in this nation's third century, total equality both in law and the minds of men will be gained for all people. But it will not just happen—we must take the dreams of our forefathers and convert them into reality.

The second issue facing us is that of man's being overcome by the technology he has created. American technology, whether of weapons systems or peacetime, is the best in the world, and this carries in itself certain problems. The wide-spread use of what is perhaps the most useful tool ever invented—the computer—has sped up banking, facilitated research and development, and caused at least two deaths.[1] This apparent incongruity is easily resolved when one realizes that the computer is at best a tool, and when handled well, works well. In the hands of an incompetent or careless operator, tragedy may result, just as from an axe handled by such a person.

However, the computer is not the only technological problem faced by the citizens of today. Such mechanical whipping dogs as nuclear power plants and telephone systems come in for more than their share of abuse, but in most cases the fear and distrust people have for such equipment comes from ignorance of the way they work and how well designed they are. What is needed to correct this situation is simply some knowledge, be it ever so rudimentary, of these essentials of modern American life to be dispensed in the schools. How many high school seniors—or adults for that matter—have any idea of the methods of computer operation, or the theory behind atomic power? A staggeringly small percentage—and yet these devices affect (or will shortly) almost every aspect of day-to-day American life.

The third issue which must be, and already is being examined closely, is a problem whose roots lie back long before 1776. This is the problem of man's relation to his environment.

In the earliest days of this nation, its natural resources were regarded as limitless and treated as such. This attitude caused many pioneers to farm a plot of land until it could no longer support crop growth, and then move on to new farmlands westward. Unfortunately, their descendants soon reached the Pacific Ocean and were forced to atone for the sins of their predecessors. It was wasteful land usage such as this, with other factors, that led to the disastrous dust bowls of the 1930's. Presently, however, scientific farming methods plus a knowledge that America's natural resources, though still large, are indeed finite, are combining to produce optimum usage of the land and its products.

However, the "use it up" attitude was not confined solely to the land, but to its resources as well. The relatively rapid depletion of this nation's immense petroleum and natural gas resources could have been staved off, if not prevented, by thoughtful and conservative measures in the use and sale of these products if they had been taken from the first opening of the Titusville oil fields.

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[1] "Creative Computing" March-April, 1977, Volume 3, Number 2, Morristown, N.J.

Of course, hindsight is immensely easier to use than foresight, a fact that it is wise to keep in mind when discussing origins of energy waste, and indeed all problems.

While the above are certainly not all the problems rooted in our history that still face us today, they are perhaps representative of them. They show that American history is far from being a dusty subject nodded over by cloistered professors, but that it is a heritage that affects each citizen in his day-to-day life. Ours is not alone a heritage of problems left us by our ancestors, for it also is one of the courage, integrity, and ingenuity used by them in solving the problems of their own time. And this hope—that in a free and tolerant society, no problem is insoluble—is the true message of the Bicentennial.

AIR BAGS

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. BROOMFIELD. Mr. Speaker, Secretary of Transportation Brock Adams, dissatisfied with his predecessor's decision, has reopened the question of whether or not to make air bags mandatory in all automobiles sold in the United States.

Secretary Adams held a hearing on the subject April 27 at which Mrs. Alan Loofbourrow, a resident of Bloomfield Hills in my district, appeared and gave testimony. Although Mrs. Loofbourrow's husband is vice president of Chrysler Corporation, she appeared as an individual speaking her personal views on the issue. Since I believe the views she expressed would be of interest to my colleagues, I present them as follows:

TESTIMONY BY MRS. ALAN LOOFBOURROW

I am Marie Loofbourrow, a resident of Bloomfield Hills, Michigan. In the event my name triggers any speculation, I would like to make a brief comment. My husband is Alan Loofbourrow, engineer, who has been in automotive industry for almost forty-two years. I am *not* here at his suggestion, nor that of the company where he is employed. This statement was written by me without assistance, advice, or counsel from any individual or group, and is an expression of my own convictions.

I am here to state that I never want anyone to tell me I must have an air bag in my personal car, nor in any vehicle in which I am a passenger! As a private citizen, I feel this is a choice *I* have the right to decide.

Since I am not an engineer nor an economist, my testimony is not meant to be of a technical nature, as I do not have the necessary credentials. However, I believe I am perhaps the only person in this room, and one of a very small group in the entire country who has *used* seat belts almost since their inception in 1955, and I have used the shoulder harness as well for the past several years. I think this gives me a pretty impressive track record. Much better, for instance, than that of at least two other witnesses who are here today.

One of these is Mr. Nader, a rather vocal and extremely visible proponent of the air bag. Unless reports I have read about him are totally inaccurate concerning his rather limited driving experience and general lack of affection for the American automobile, it would seem questionable to regard him as an outstanding authority on this subject.

The other is a lady who lives in my neighborhood who was recently involved in an accident in which she claims her air bag saved her from injury. Unless she has faithfully used seat belts over a long period of time, I hardly think this single experience qualifies her to make a judgment on air bags vs. seat belts.

Over the years I have been involved in some minor collisions, and in one major crash. I was driving a Chrysler New Yorker when a Volkswagen hatchback cut in front of me, forcing me onto the median where I impacted a very large tree, head on. This was at a closing speed of about forty miles per hour. I came out of this crash without a scratch. The safety belts really worked. They may well have saved my life.

This same fine lifesaving protection is in every car sold in America today. The alternative is a so-called "passive" restraint system. How air bags can be defined as passive is beyond my comprehension, since even with air bags it is still necessary to buckle up a lap belt in order to get proper protection. That is, of course, provided the bag functions as intended, which—as with anything made by man—it will not always do.

If big government in its infinite wisdom is indeed dedicated to continue making decisions for us all, why not at least listen to—and heed—the recommendations of the fine scientists and engineers who do have proper credentials? It would be a welcome change to give serious consideration to hard facts instead of opinions of politicians, bureaucrats, consumer advocates, and environmentalists who seem to be taking over our daily lives.

Contrary to the somewhat mixed reaction of industry to the current energy and safety proposals, it is my personal opinion that mandating air bags could trigger a real tailspin in the automobile industry. And I would remind you that this is an industry which is responsible for one out of every six jobs in this country, which is a fact that is either not understood or is ignored by many if not most lawmakers. The impact of such a slump in sales could be horrendous.

I would like to make two simple suggestions regarding the resolution of this proposal:

One—Why doesn't the government cease to ignore the established virtues of belts, and launch a concise, hard hitting educational campaign to show and explain what this system can really do to save lives. I am advised daily over the electronic media that among other things smoking is bad for me, that I should avoid food without proper nutrients, how to kick the dope habit, how to protect myself against injury in my own home. But rarely do I hear a word explaining how effective the government mandated and approved system of safety belts can be in preventing serious injury or death.

Two—if the Department of Transportation is truly interested in determining the feelings of the public on this subject, the question should then be taken to the people instead of asking the people to come to Washington, as we here have done today. It seems only fitting in a democracy that a question which has as much potential impact as this, should be decided in the voting booths of the nation—and not by the Secretary of Transportation, plus a handful of witnesses.

To summarize: I do not want the government to force me into a position of having air bags in my car, and I am sure I do not stand alone in this opinion. This administration is very positive in its defense of human rights, and I consider this to be one of my very important human rights.

If the Department of Transportation does not agree, then let it mandate the use of safety belts and start saving not only more lives than with air bags, but start saving them right now as well.

Secretary Adams, I am glad to have had this opportunity to express my opinions at this hearing.

THE CYPRUS DILEMMA

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. FOWLER. Mr. Speaker, I would like to call attention to a recent article in the Hellenic Times by Dr. C. G. Alexandrides. Dr. Alexandrides has followed Cyprus developments for the last 20 years as a member of the U.N. organization, a director of U.N. Studies at the New School for Social Research and chairman of U.N. Series at New York University.

I bring this to the attention of the Members of the House because we will soon be considering legislation dealing with security assistance for Greece and Turkey.

The article follows:

THE CYPRUS DILEMMA: BOON OR BANE FOR CARTER

(By C. G. Alexandrides)

Is the Cyprus tragedy the kiss of death to Kissinger's realpolitik as was the Greek war of liberation to Metternich's a century and a half ago? Both men wanted to preserve the status quo through entangling military alliances based on the "realities of power" rather than the legitimate aspirations of oppressed peoples.

Henry Kissinger's appeal to Jimmy Carter must have been similar to that of Metternich's to Czar Alexander I: that in spite of the moral and legal bases of the Greek War of Independence of 1821 and his support of the Greek cause, the military considerations of the Holy Alliance were paramount. History proved Metternich wrong by justifying the legitimate rights of the Greek people for independence over the power politics of an ambitious nineteenth century diplomatist. Will history repeat itself in the case of the Greek-Cypriots?

The extent of the present-day tragedy of the Greek-Cypriots was reported by *The Times* on Dec. 13, 1976, based on confidential UN military documents which disclosed that "looting was being carried out systematically and on a massive scale by the Turkish and Turkish-Cypriot authorities in the north of the divided island." The restricted documents from the UN peacekeeping force in Cyprus said further that scores of Greek-Cypriots were being forced to abandon their houses in Turkish-occupied areas and that robbery of Greek-Cypriot property was now widespread. The documents also referred to alleged physical attacks on Greek-Cypriots and rapings of Greek-Cypriot women and girls. *The Times* added that the UN had "confirmed that the documents were genuine." Moreover, *The Cyprus Mail* reported that on Dec. 15, 1976 "the Turkish-Cypriots are in a hurry to chase away from the occupied area as many Greek-Cypriots as possible before U.S. President-elect Jimmy Carter takes office."

THE U.S. ROLE

The U.S. is involved in the Cyprus problem for several reasons. U.S. laws specify that the arms given to Turkey were to be used for defensive purposes in the event of an attack; use of these arms by Turkey in the invasion of Cyprus is a violation of the laws. There are the considerations of military bases and agreements with Greece and Turkey. The U.S. also supports the unanimous UN General Assembly resolution 3212 of Nov. 1, 1974 calling for respect of the political independence and territorial integrity of Cyprus. Finally, the U.S. has an interest in the restoration of peaceful relations between its two allies.

The Republican administration was implicitly involved in the Cyprus tragedy because of its support of the Greek military junta (i.e. granting of military aid over Congressional objections), advance knowledge of the attempted coup against President Makarios and its unwillingness to take any action to discourage the plot.

The Cyprus tragedy offers a challenge to the Carter administration. The promotion of a peaceful settlement in Cyprus will mean the restoration of peaceful relations between Greece and Turkey and a strengthening of the eastern flank of NATO. Assistance could be given to Cyprus, a member of the Third World, and the image and prestige of the UN would benefit. Moreover, such a promotion would vindicate Carter's avowed desire for a U.S. foreign policy which is based on the principles of legality and morality—reflecting the character of the American people rather than the "lone ranger" diplomacy of Henry Kissinger.

The Carter administration has an advantage in untying the Cyprus knot in Cyrus Vance, an experienced negotiator who succeeded in preventing a threatened war between Greece and Turkey over Cyprus in 1967. Henry Kissinger's tilting toward Turkey made him unacceptable to Greece and Cyprus. Another advantage may be found in the U.S. Congress, which is determined to see progress in Cyprus even if it means underwriting economic aid to Cyprus or cutting off military aid to Turkey. The European Economic Community is willing to assist the U.S. in playing a vital role in the settlement of the crisis. Finally, world public opinion is demanding that the political independence of Cyprus and the human rights of its people be restored from foreign military domination.

CYPRUS PERSPECTIVE

From its ancient days as a Greek Mycenean island, Cyprus has learned to survive many conquerors by peaceful coexistence. Prior to the British acquisition of Cyprus in 1878, Greeks and Turks on the island had gotten along with each other peacefully for nearly four centuries. The island's population traditionally consisted of 80 percent Greek-Cypriots and 18 percent Turkish-Cypriots. Differences in religion, language and education had not prevented many villages from living peaceably with mixed populations.

Cyprus became a British crown colony in 1914, with Turkey's renunciation of all her claims. The British reneged in their promise to return the island to Greece after World War I in exchange for the military support of Greece against the Central Power, which included Turkey. The slow decolonization process of the British in the 1950's resulted in a struggle for liberation by the Greek-Cypriots. The question of Cyprus began to appear on the agenda of the UN in the mid-1950's. In those days, however, decolonization was not a major concern of a pro-western UN, and the efforts of Greece were frustrated. The Republic of Cyprus was established in 1960 by the Zurich and London Agreements of 1959. UN Mediator Dr. Galo Plaza called the Cyprus constitution a "constitutional oddity" because the majority could not legislate without the approval of the minority. Moreover, the Turkish-Cypriot Vice President had authority to veto major executive decisions. The arrangement of divided rule was devised by the British in order to assure that they would continue to have military bases on the island, which link Britain to its oil interests in the Middle East.

Twice Turkey threatened to invade Cyprus, in 1963 and 1967, but was prevented by the Democratic administration in Washington, which impressed on Turkey the illegality of using U.S. weapons for aggressive purposes. The July 1974 Turkish invasion occurred because the Republican administration did not oppose it. Henry Kissinger, preoccupied with Watergate, accepted at face value the assurance of Turkish Prime Minister Ebulant Echevit, his former student at Harvard, that the invasion would be limited in scope and would be conducted only for the purpose of preservation of the Constitution as provided by the Treaty of Guarantee. In a matter of days the pretext of the Turkish intervention, the coup against President Makarios, was eliminated but the Turkish military unleashed a full scale war. The Turks enlarged their original 4 percent of land to 40 percent of the total area, causing untold sorrow to the population—5,000 dead, 2,000 missing, and 200,000 refugees from a total of 600,000 persons. The right of intervention to preserve the Constitution resulted in its deliberate destruction.

The present policies of the Turkish military authorities in Cyprus violate all recent agreements. The UN-sponsored Vienna agreement of August 1975, which was designed to afford more freedom of education, religion and movement to the 20,000 Greek-Cypriots in the occupied area of Karpass has resulted in a systematic expulsion to their present numbers of less than 3,000, the continued colonization of the occupied area by military and civilian persons from mainland Turkey, and the imposition of Turkish currency, postal, and administrative arrangements.

The real intent of the Turkish government and the Turkish military authorities two and a half years after the invasion must not have escaped the notice of Kissinger, who only wanted extensions of 90 days in delaying the military assistance embargo by Congress in order to report progress in the Cyprus negotiations. A close scrutiny of these negotiations reveals their non-substantive nature. In spite of agreements under the aegis of UN Secretary-General Kurt Waldheim for the submission of proposals and counterproposals by both sides, only the Greek-Cypriots submitted three sets of proposals, which were rejected without counterproposals—or any proposals at all—by the Turkish-Cypriots. It became obvious that the real intent of the Turkish military is to force acceptance of the *faits accomplis*. If the present de facto situation by the force of arms becomes the policy of the Turkish government, "the Greek-Cypriot struggle will be continued indefinitely," stated President Makarios. The feeling among the Greek-Cypriots is that since most has been lost, a long-term struggle is the only alternative. Hence, it is in the best interests of the U.S., the EEC and the UN that the Cyprus crisis be resolved and the efforts of the UN Secretary-General be strengthened in the promotion of a solution based on UN resolutions. Prolongation of the crisis can only cause undue hardships on both Greek and Turkish Cypriots and on the economy of the country.

The legitimate parties to the Cyprus dispute are the Greek-Cypriot majority and the Turkish-Cypriot minority. The powers of the Treaty of Guarantee are Greece, Turkey, and the United Kingdom. The "Pontius Pilate" policy on Cyprus of Prime Minister Callaghan has been increasingly criticized by the British press and on both sides of the aisles in the House of Commons. The recently released House of Commons paper on Cyprus is a condemnation of Callaghan's policies of doing nothing in spite of treaty obligations. The press has reported that Callaghan was under the "hypnotic spell" of Kissinger. New directions in British policy on Cyprus are now expected, as evidenced by the recent fact-finding visit in Cyprus of the British Under Secretary for Foreign Affairs.

The Turkish government, known for its unique diplomacy, has succeeded in rekindling old disputes with Greece in order to push the Cyprus tragedy into the background. The Aegean Sea dispute over territorial waters and economic zones has become a war game. The Greek islands of the Aegean were designated Aegean rather than Greek islands by the Turkish Prime Minister Demirel. After signing the Vernes Agreement of October 1976 to refrain from statements which would not be constructive to the restoration of peaceful relations, Turkish Foreign Minister Chalayangil stated to the press on Dec. 10, 1976 after a NATO meeting with Kissinger: "Turkey could occupy all the Aegean islands in 24 hours." Reminded of his acceptance of the Vernes agreement against provocative language, he conceded the following day that Turkey could indeed take the islands in 24 hours but that Turkey "does not want them."

After the Turkish occupation of Cyprus, the Greek Government felt forced to fortify some of the Greek islands as Chios and Samos which are near the coast of Turkey. It was a response to the organization by Turkey of the Army of the Aegean, fully U.S.-armed and equipped with ballistic missiles. Once again, as in Cyprus, Turkey seems intent upon using U.S. arms not for defense purposes on the Soviet frontier but against Greece, a U.S. ally.

Another "major" problem manufactured by Turkey is the treatment of the Moslem population in northern Greece. In spite of the exchange of populations in the 1920s, some 100,000 Greeks remained in Constantinople and 80,000 Moslem Turks remained in Thrace. Since the Turkish burning and looting of Greek churches and stores in Constantinople in 1956, the continued persecution of the Greeks there reduced their number to less than 8,000. In contrast, the Moslem-Turkish population in Thrace has increased to 130,000, has representation in the Greek Parliament, and enjoys a standard of living twice that of comparable groups in Turkey.

The Turkish government, despite world condemnation for its actions in Cyprus, has succeeded in impressing upon the world community that in realpolitik terms the Cyprus problem can only be settled by Turkey and Greece. For practical purposes, the intent of the Turkish-Cypriot leader Rauf Denktash is to represent the interests of Turkey rather than those of his Turkish-Cypriot people, whose legitimate rights have been disregarded by the colonization program of Turkish military and civilian groups from Turkey. On the contrary, the Greek-Cypriot leadership under President Makarios is not subservient to the Greek government but acts as an equal partner in the formulation of a common policy on Cyprus.

UNTYING THE CYPRUS KNOT

If a Cyprus solution is to endure, it must not only reflect the realities of international life but the rights of the people of Cyprus. These rights have been guaranteed by international treaties and the Charter of the UN. These were the rights which the Turkish invasion presumably was intended to preserve and has succeeded in destroying.

The international community cannot shrug off its responsibilities in Cyprus. The people of Cyprus have suffered for two and a half years.

Cyrus Vance can undo the damage of Henry Kissinger's "lone ranger" diplomacy by bringing to bear the moral and diplomatic power of the U.S. towards a peaceful solution of the Cyprus tragedy as he did in 1967. Belatedly, Mr. Kissinger had admitted his errors on Cyprus.

Unlike the ambiguities inherent in an oracle of Delphi, the solution to the Cyprus problem is extant. The solution is to be found in the UN resolution on Cyprus which provides the basis for settlement. Given the political independence and territorial integrity of Cyprus, asserted in the UN resolution, the type of government, which will provide autonomy for both Greek and Turkish Cypriots and enable them to pursue their own interests without having to compromise their rights. Granted the rights of citizens to civil liberties, including freedom of movement and ownership, the question of territorial ethnic composition of the area and refugee repatriation can be resolved peacefully.

The Carter Administration's failure to defuse this potentially explosive situation between two U.S. allies could present us with a tragedy whose magnitude cannot be estimated. In view of Jimmy Carter's commitment to implement U.N. resolutions on Cyprus, a Kissinger major failure could become a Carter great success.

MOBILITY FOR HANDICAPPED AND ELDERLY

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mrs. HOLT. Mr. Speaker, all too often large Government agencies tend to forget the people they were designed to serve. In particular, the needs of our handicapped and elderly are often overlooked.

That is why I was so pleased to learn of the joint effort by the Maryland Department of Transportation and the Lutheran Social Services of Maryland that created Mobility, a bus service for the handicapped and the elderly.

Mobility buses, equipped with wheelchair lifts and operated by specially trained drivers, transport elderly or disabled people who are unable to use the regular mass transit administration buses. The area covered by the system is all of Baltimore City and those portions of Baltimore and Anne Arundel Counties located within the Baltimore Beltway.

Maryland's Secretary of Transportation Harry R. Hughes noted that his department "had long been concerned with the plight of handicapped and aged people who are housebound because their infirmities prevent them from using the public bus system."

I am pleased with Mr. Hughes' concern, and I share his feelings about the needs of the elderly and the handicapped. We should not forget any of our Nation's people, especially those groups that need our help the most.

I also applaud the Maryland Department of Transportation and the Lutheran Social Services for their foresight in planning this service. I hope that other groups can take an example from the efforts of these two and work toward making their communities better, more wholesome places to live.

"I'D EVEN WEAR A NIXON BUTTON"

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. McDONALD. Mr. Speaker, a revealing article in yesterday's Washington Post tells of the ordeal of Garland Grant, a Black Panther who hijacked an airplane to Cuba in 1971. After 5½ years in Cuban prisons and beatings so severe he lost an eye, he wants to return to the United States so bad that he would "even wear a Nixon button."

Grant's story is revealing in several respects.

First is the enormous distance between reality and the picture of the United States presented by the anti-American propaganda of the left and generally confirmed by the media. Apparently Grant really believed the United States is oppressive and Communist dictatorships are models of individual liberty. He had the means of discovering the truth since the nature of communism is a matter of public record. But it is unlikely this record was ever called to his attention. The leftists were lying about it and the news media was ignoring it, choosing to speak of places like Cuba and the Soviet Union as if they were merely countries with a little different outlook than ours instead of the monstrous tyrannies that they are. So Mr. Grant made a mistake, and he has paid for it dearly.

Second, Grant's account concretizes the reality of Castro's Cuba, which raises the question of just how sincere President Carter is about his human rights policy. On the one hand the administration speaks of its concern for human rights, but on the other is preparing to resume trade and diplomatic relations with Cuba. Now they cannot have it both ways. Either they are concerned about the millions of Cubans who live in constant terror or they are not. Strengthening Castro's regime by trade and by the moral sanction inherent in diplomatic recognition will merely tighten communism's grip on humans whose rights will be even further suppressed.

Third, although Grant's hijacking cannot be excused, his spirit must be admired. Unlike many leftists who protest in order to establish tyranny, not eliminate it, Grant obviously took his protests seriously. When treated as less than a serf, like everyone else in Cuba, he indignantly protested. Imagine picketing Castro's Interior Department and going on a hunger strike in a Cuban prison. Yet after 5½ years of prison and severe beatings, he still has not got the hang of serfdom and has the guts to approach a newsman. The news story has probably saved his life; but if it had never made it into print, his lack of respect for Castro's peoples' state probably would have cost his life. It takes an unusual commitment to a proper human life—one lived in freedom—to endure such physical and psychological abuse and still keep fighting. Most would have given up long ago, choosing a lifetime of misery in inhuman conditions.

Fourth, it is important to note that Grant greatly prefers prison in the United States to "freedom" in Cuba. Nothing further need be said about the motives of those who denounce U.S. prisons while glorifying life under communism.

The article follows:

HIJACKER DETESTS CUBA

(By R. Gregory Nokes)

HAVANA.—On Jan. 22, 1971, Garland Grant of Milwaukee, Wis., hijacked a Northwest Airlines jet and forced it to fly to Cuba in what he now looks back on as the "dark day of my life."

This week he started a new job sweeping floors in a Havana hotel for about $100 a month.

In between there were 5½ horrible years in Cuban prisons, he says, during which he lost an eye in a beating by prison guards.

"I've been in this place six years, and I'm out of my mind. Believe me, I'm all for the United States now I'd even wear a Nixon button," he said.

Grant said he was a member of the Black Panthers at the time he hijacked a Boeing 727 with 59 people aboard during a flight from Milwaukee to Washington, D.C.

He said he wanted to go to Algeria, but was told the plane couldn't cross the Atlantic. He settled for Cuba. New accounts at the time say no one was hurt in the hijacking.

Grant, now 27, told his story while sitting with me on a park bench in downtown Havana. He had approached me with his story. His clothes were shabby and he looked around nervously as he talked.

"I'm probably being watched. Everybody here is too scared to say anything, but I've been (expletive) over so many times, I can't be (expletive) over any more," he said.

"They can't do anything more to me that they haven't already done but put a bullet in my head," he said.

He continually pulled pieces of paper from his pockets, as if to verify what he was saying. There was a Cuban identity card showing his nationality as American and pieces of paper with addresses of where he lives and where he works.

He said he changed his name to Jesus Grant Gelbard and that he lives in a Havana hotel with about 15 other hijackers. He claims the other hijackers are as unhappy in Cuba as he is. But he refused to identify them because "they might not like it."

"I just want to get back to the United States. I'm living like a dog in Cuba," he said He said blacks are treated badly. "There are more racism problems here than in the worst parts of Mississippi."

Grant provided the address of his parents in Milwaukee. In a telephone interview, his mother, Mrs. Ross Grant, and a sister, Rosetta, 28, said they knew he had been in prison and they knew he lost an eye.

In the park in Havana, Grant said his main object in life now is to get out of Cuba, but he doesn't know how. He said he is trying to get help from the Swiss embassy, which represents U.S. interests in Cuba. The United States and Cuba do not have diplomatic relations.

He said he knows he would go to prison in the United States for the hijacking, but this doesn't bother him. "Just open my cell door, and I'll walk in," he said.

His effort to return to the United States started about six months after he arrived in Cuba. He says that is what has gotten him into the most trouble.

At first, he said, he worked "digging ditches."

Then, he said, he was jailed for picketing the Cuban Ministry of the Interior and remained there for 2½ years without being charged.

After his release, he said, he went to the Swiss embassy but was involved in some sort of altercation with embassy personnel. He refused to say what happened The result, however, was a three-year sentence in prison on a charge of "disrespect for personnel of the Swiss embassy."

Grant said that while in prison in 1972 he began a hunger strike and the "guards worked me over." It was during this beating, he said, that he lost his eye. He opened his shirt to show scars that he said were inflicted during beatings.

The prison was at Guanahay, about 30 miles from Havana. He said other hijackers were imprisoned there and also subjected to beatings. Grant said one American was killed when "his head was bashed against a wall" by guards.

He has been out of prison for nearly two months.

Grant abruptly terminated the interview, saying he had to get back to the hotel or he would miss dinner.

Although Grant said he left the United States because of trouble with police while "agitating" for the Black Panthers, his mother said she knew of no charges against him from his Panther days.

She said Grant used to call her from Havana after he first arrived there, asking her to try to help him get back to the United States.

His family had not heard directly from him for about three years until several letters arrived last week. In one letter he asked for his birth certificate, which he said he needed to get out of Cuba.

Grant's mother said she had been contacted recently by a representative of the U.S. State Department, who said her son needed money and indicated Grant "might be coming home in a few days." She said she sent some money for him via the State Department.

Aundrea Lonon of the special consular services office of the State Department said the money was relayed to Grant via the Swiss embassy. But she declined to say whether Grant might leave Cuba soon.

Grant's sister recalled: "Before he went to jail, he used to call us every night. He said he was unemployed and Cuba's not what people think. He told me he'd rather be in jail here than over there free."

EASY ON THE HATCH ACT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. LAGOMARSINO. Mr. Speaker, the Congress now has before it legislation to repeal the Hatch Act.

The Santa Barbara News Press recently published an editorial on this matter which I would like to bring to the attention of my colleagues. The editorial follows:

EASY ON THE HATCH ACT

President Carter's audacity in tackling such venerable customs and institutions as voter registration, the Electoral College and the Hatch Act is running into predictable trouble.

The latest assault is on his proposal to abolish the 36-year-old Hatch Act. It prohibits federal employes from taking active part in partisan politics. It was designed to insulate civil servants against political pressures from superiors and eliminate the spurious excesses of the spoils system.

The President's position is that the act has pretty well served its purpose and that today it is turning nearly 3 million federal employes into political nonentities. The result, he believes, is too high a price to pay for the reforms initially found desirable.

He concedes, however, that the Hatch restrictions should be retained for some—"those employes who must retain both the appearance and substance of impartiality. For employes in such sensitive positions . . . restrictions on political activity are necessary." These exempt positions do not seem to be well defined in his proposal.

His thinking runs counter to the Supreme Court decision of two years ago that supported the view that "the rapidly expanding government work force should not be employed to build a powerful, invincible and perhaps corrupt political machine . . ."

Nonetheless, Congress this session is expected to approve legislation in line with the Carter view. The stage then could be set for a Chief Executive and Congress of the same party to expose federal workers to the coercions and intimidations connected with machine politics at its worst, despite the penalties the President proposes for such activity.

Supporters of the Hatch Act are pointing to AFL–CIO pressures to eliminate or change it as clear evidence of the desire of big labor to politicize the federal bureaucracy. They consider this inimical to the best interests of the public and its system of government.

Unquestionably, the civil service can stand some considered reforms. Able and dedicated workers too often get lost in the bureaucratic shuffle; others enjoy generous benefits and virtually inviolate job security whether they are merely humdrum participants or outright deadwood.

The President could build greater confidence and governmental efficiency by dedicating his efforts toward reforms of this nature than in tampering with a law which for the most part, has benefited the nation.

REMARKS SALUTING THE 250TH ANNIVERSARY OF THE URSULINE SISTERS IN NEW ORLEANS

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mrs. BOGGS. Mr. Speaker, on April 30 the Ursuline Sisters in New Orleans will observe their 250th anniversary of continuous service in Louisiana, and I wish to take this opportunity to share with my colleagues the illustrious history of this order of intrepid sisters.

Nine Ursuline sisters and three applicants to the order journeyed 5 months by ship to New Orleans in 1727 as volunteers to serve in what was then a remote and primitive colonial outpost. These dedicated sisters opened the first school for girls, the first free school, the first orphanage, the first free classes for black and Indian girls. within the present limits of the United States. As Rev. C. J. McNaspy, S.J., notes in his article about the Ursulines in the April 23 issue of America magazine—

> Not many institutions west of the Alleghenies and north of Mexico can point to 250 years of continued service.

During the early history of Louisiana there were several turnovers in political rule, with authorities including the French and Spanish monarchies as well as the infant United States. As they had in Europe, the Ursulines weathered uncertain political changes with fortitude, providing New Orleanians with education for their young and help for their sick. In response to rumors that the new American government might confiscate he Ursuline property and expel the sisters, the Ursuline Mother Therese Farjon wrote Bishop John Carroll in Baltimore to express her anxieties. According to Father McNaspy, Carroll forwarded her letter to James Madison, Secretary of State, who wrote her of President Jefferson's assurances that the Ursulines would not be persecuted or expelled from the newly acquired Louisiana territory.

President Jefferson himself later wrote the following letter to the Ursulines at New Orleans:

> To the Soeur Therese de St. Xavier Farjon Superior and the Nuns of the Order of St. Ursula at New Orleans:
>
> I have received, holy sisters, the letter you have written me wherein you express anxiety for the property vested in your institution by the former governments of Louisiana. The principles of the constitution and government of the United States are a sure guarantee to you that it will be preserved to you sacred and inviolate, and that your institution will be permitted to govern itself according to its own voluntary rules without interference from the civil authority. Whatever diversity of shade may appear in the religious opinions of our fellow citizens, the charitable objects of your institution cannot be indifferent to any; and its furtherance of the wholesome purposes of society, by training up its younger members in the way they should go, cannot fail to ensure it the patronage of the government it is under. Be assured it will meet all the protection which my office can give it.
>
> I salute you, holy sisters, with friendship and respect.
>
> TH. JEFFERSON.

The Ursulines' 250th anniversary of dedicated service will be celebrated this Sunday in St. Louis Cathedral in New Orleans. The spiritual daughters of the original pioneers continue today to educate young women. Some 10 generations of Louisiana women have proudly credited the Ursulines with their Christian formation.

I would like to join Thomas Jefferson in saluting the Ursuline Sisters and in congratulating them on an outstanding history, from the very beginning of our national existence.

PRIVATE COLLEGES AND UNIVERSITIES THREATENED BY FEDERAL CONTROLS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. ASHBROOK. Mr. Speaker, on many occasions I have warned that Federal aid almost inevitably leads to Federal control. This fact is now becoming acutely aware to our Nation's private colleges and universities.

The growth in Federal rules and regulations is posing a serious threat to private colleges and universities. Part of the threat is the high cost to comply with Federal requirements. An even greater threat, however, is to the basic independence of these private institutions.

Nationally syndicated columnist James J. Kilpatrick has noted this danger. He recently stated:

> The most ominous peril lies in the tightening grip of federal controls . . . Unless the trend of recent years can be reversed, the private institutions ultimately will become mere appendages of the omnipotent state; they may survive, but they will be "private only in name.

Following is the complete text of the Kilpatrick article:

COLLEGES TRY TO ESCAPE SUFFOCATING BENEVOLENCE

The nation's private colleges and universities historically have traveled a rough road. They never have been in greater peril than they are today.

Once their concern was with performing their independent task well; now their concern is with performing it at all.

The threat to their existence comes in part from rising costs that have pushed tuition fees to a point of diminishing returns, but this is not the great worry. The most ominus peril lies in the tightening grip of federal controls.

It is a melancholy story, but certainly not a new one; the colleges are victims of the ancient rule that says the road to hell is paved with good intentions. Twenty years ago, when institutions of higher education began accepting major federal grants, the motives were noble and the process seemed benign. When Congress began funding large programs of student loans, the benevolence was widely acclaimed. Federal requirements in the field of civil rights seemed altogether just.

The institutions had abundant warning of the course of events. Scores of college presidents sounded alarms: Federal aid inevitably would bring federal control. But the temptations were too strong, and the pressures on Congress too great to be resisted. The government's 1978 budget projects nearly $3.4 billion in various aids to higher education, an increase of 26 percent over the outlays in fiscal '76.

Controls come in different guises. A small Methodist college, hard-pressed for building funds, in desperation accepted a federal grant of $373,000. These were the conditions: The college agreed "to remove all religious symbols from the top of its chapel, to limit the number of Methodists on its board and teaching staff, to refrain from sponsoring or conducting any religious services, to remain totally neutral toward the spiritual development, in a religious sense, of its students, and to exclude prayers, hymns, and sermons from its graduation exercises."

The government's demands for "affirmative action" in the hiring of faculty members continue to impose burdens that get to be unbearable. In a major speech last month, Dr. John A. Howard, president of Rockford College, spoke in somber tones of the problem:

"Whatever may have been the intent of the government, it is an indisputable fact that 'affirmative action' has operated in such a way as to prevent many colleges from consistently hiring and promoting the best qualified individuals to the vacancies on its faculty . . . To permit any extraneous consideration to take precedence over professional qualifications in the appointment of faculty members is to compromise the educational process at its very core. This is a large and fateful step which the nation has taken toward intellectual and cultural suicide."

Some of the controls are far removed from the educational process as such. Federal health and safety regulations lie like an asbestos blanket across the campuses.

The American Council on Education has estimated the cost of compliance with federal requirements at almost $2 billion a year. As Newsweek magazine has noted, the sum is "roughly equal to the entire sum the institutions raise through voluntary donations." the burden of federal forms, records, inspections, and compliance reports grows ever greater.

Dr. Howard has urged his colleagues to band together this year in a concerted appeal to Congress and to the Carter administration: Get off our backs! He pleads eloquently for a moratorium on further manifestations of the benevolence that suffocates.

He also pleads for a modest program of tax credits, as distinguished from tax deductions, for contributions made directly to institutions of higher learning.

The tax credit plan makes sense in principle; in practice, it could mean serious problems for the Treasury. For the time being, what is most needed is a clear statement of policy from President Carter and from HEW Secretary Califano.

That policy must be predicated upon a steady reduction in federal rules, regulations and direct grants-in-aid. Unless the trend of recent years can be reversed, the private institutions ultimately will become mere appendages of the omnipotent state; they may survive, but they will be "private" only in name.

IS IT TIME FOR ANDY YOUNG TO GO?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. MICHEL. Mr. Speaker, John P. Roche is a lifelong liberal. He was at one time head of the Americans for Democratic Action. He was a top aide to President Lyndon B. Johnson and has long been active in the Democratic Party. Patrick J. Buchanan is a lifelong conservative. He was a top aide to President Richard M. Nixon and has long been active in the Republican Party. Mr. Roche and Mr. Buchanan do not agree on very much. But in recent columns they have agreed that Andrew Young's behavior as U.S. Ambassador to the United Nations is so embarrassing he should either resign or be removed by the President. At this point I want to insert in the RECORD both of these columns:

IT'S TIME FOR ANDY TO BOW OUT

(By Patrick J. Buchanan)

WASHINGTON—During a public radio debate early in February, this writer predicted Andy Young would not last the year as United Nations ambassador. Two weeks into his job, Andy has shown the unmistakable symptoms of a terminal case of hoof-in-mouth disease.

Let me bring the class up to date on Andy's Oscar-winning performance as the Martha Mitchell of American diplomacy. Last month, you will recall, Young warned that if President Carter used U.S. forces against Marxist guerillas in southern Africa, there would be a mutiny in the U.S. Army and a black insurrection in the U.S.

April's performance, however, has outclassed that of March. In the course of two weeks, Andy precipitated a crisis in South African relations by agreeing that the Pretoria Government was "illegitimate." He compared the Arab countries to the Ku Klux Klan, and accused the British of having practically "invented racism" and being a "little chicken" on the Rhodesian question.

When President Carter, his patience exhausted, sought to impress upon the Russians how seriously we took our new 200-mile limit by seizing a Soviet trawler, Andy cut his Commander-in-Chief off at the knees.

"You have a single or two Soviet fisherman that are violating the law . . . We ought not to make an international incident out of everybody who breaks the law."

Well, the time has arrived to ring down the curtain on Andy the Clown. Even at the Kennedy Center, three months is a long run for a comedy act. And there are not enough laughs left in Young's performance to compensate for the damage he is doing to U.S. foreign policy. My colleague, John Roche, is right:

". . . by every standard his behavior has been outrageous. . . . If he were not black, he would long since have been shipped to Jibu or named consul-general in the Falkland Islands. But, protected by his pigmentation, he remains in place, making a shambles out of what foreign policy we have."

Young should go because his credibility is gone. His claim to be the "point man" of U.S. foreign policy is made preposterous by the dozen times he has been contradicted, clarified, or corrected by the Department of State where he is referred to, affectionately, as "Motor Mouth."

Further, Young should go because, by his own admission, he does not share the fundamental premises of U.S. foreign policy. In one of his more celebrated statements, Young declared:

"Most colored peoples of the world are not afraid of Communism. Maybe that's wrong, but Communism has never been a threat to me . . . it's never been a threat. Racism has always been a threat—and that has been the enemy of all my life—everything I know about life."

That's an acceptable world outlook for some Schedule C in Luanda or Lourenco Marques; it is not for the second ranking diplomat in America's foreign services.

The war for the world is not between black and white or even colored and white. It is between East and West, between one bloc of tyrannical states led by the multi-racial Soviet Union, and another bloc of nations led by the multi-racial Republic of the United States.

The mighty arsenal of American ships, guns, planes and rockets is not in place to deter "chaos" or wage war against "racism." It is there to block the imperial ambitions of Soviet Communism, which, says Andy, "Americans shouldn't be afraid of."

Look at the refugees the world over, Young—be they Cambodian, Cuban, Vietnamese, Laotian, Chinese, East German, or Soviet Jews. They are fleeing not "racism" but institutionalized tyranny and terror, and the same sort of "stability and order" you praised the Cuban troops for having brought to Angola.

The black mayor of Gary, Ind., has charged the press with having "converted UN Ambasador Andrew Young into a comic figure." The real credit, Mr. Mayor, belongs completely to Andy. For his own sake, his President's, and his country's, he should pack it in.

WHY OUR U.N. AMBASSADOR SHOULD BE REMOVED

(By John P. Roche)

For a while it was kind of amusing, but the time has come to blow the whistle.

The unfortunate truth is that if Ambassador Andrew Young didn't exist, a white racist would have to invent him. Young, after all, is a senior official of the government of the United States, not a caricature from "Amos and Andy," and by every standard his behavior has been outrageous.

I spent too many years in the trenches fighting for equality to appreciate the spectacle of a black court jester.

Make no mistake about it—this is what Young has become. If he were not black, he would long since have been shipped to Jibu, or named consul-general in the Falkland Islands. But, protected by his pigmentation, he remains in place, making a shambles out of what foreign policy we have.

I respect Jimmy Carter for standing by a friend, but regrettably the President of the United States cannot be afforded this luxury in policy matters. At issue is the principle of responsibility: Mr. Carter was elected to determine, with Congress, our position in the world, not to support the wild shots of his U.N. ambassador.

Let us look at the major points in the indictment. First, the American ambassador to the United Nations can have no favorite brand of racism. It may be ego-fulfilling to be called "brother" by the black delegates, but if Young is brother to Amin's man, he can hardly escape a fraternal relationship with the South African.

Yet his latest by-blow was to agree the government of the Republic of South Africa is "illegitimate." Why? He didn't go into details, but there are two basic options: (1) because it is a dictatorship, or (2) because it is a white dictatorship.

There is a good deal to be said for Option 1—I consider all dictatorships morally illegitimate. But such a bull of democratic excommunication is hardly a diplomatic instrument. The U.N. representatives of free nations could caucus in the Cabinet Room.

There is nothing to be said in favor of Option 2: it is a racist proposition. Leaving aside the genetic nonsense involved in determining "race," if Young espoused this view, he should be summarily fired. The Constitution of the United States is, at last, color blind, and Young took his oath to that document, not the charter of the Organization of African Unity.

Then there are those "stabilizing Cubans." For a time, Young appeared chastened by general reaction to this bizarre formulation. But then he apparently decided to vindicate himself. Enter: the stabilizing Cubans protecting American oil companies in the Angolan enclave of Cabinda from destabilizing guerrillas!

This must have given both Castro, the protector of capitalism, and the oil company executives, who recall his grabbing their Cuban assets, a big laugh. While they were laughing over their cigars, President Carter solemnly gave this lunacy his blessing.

Finally, there was the wonky affair of British racism. A number of my ancestors took a very dim view of British attitudes toward the Irish, but even they would never accuse the Brits of inventing racism. The ancient Chinese and Egyptians had the concept patented when the Anglos and Saxons were living in caves.

It was, in sum, a stupid thing to say, but Young made it worse by his obsequious apology to Ivor Richard, the British delegate to the U.N. All he had to say was, "Sorry about that." Instead he asked Richard to be his mentor and feel free to chide him if he misbehaved! I wouldn't give Richard the time until he apologizes for bushwacking Pat Moynihan during the latter's U.N. tenure, but Young wants a British tutor.

This bill of particulars could continue, but the point is simple: Andrew Young is irresponsible, and it would be irresponsible for the President of the United States to retain him in a position where his words may be considered the policies of our government and people.

HUMAN RIGHTS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. CRANE. Mr. Speaker, if the nations of Africa were to meet with the representatives of the Arab world and pass resolutions condemning states such as, Israel, Rhodesia, and South Africa, who would be a likely speaker to address this assembly and hypocritically ignore mass murders and denials of human rights in black Africa? None other than Ugandan Dictator Idi Amin. This kind of hypocrisy did take place this year in Cairo and similarly last month in this Congress, when the Byrd amendment was repealed. I would like to insert an article by Mr. Allan Brownfeld entitled "Hypocrisy Marks World Reaction to Violations of Human Rights." If we are to consider ourselves as defenders of human rights, let us treat events and policies of all nations equally, regardless of their size, power, or political institutions. Only by eliminating the hypocrisy from our own goals and motives can we call upon others to uphold human rights.

The article follows:

HYPOCRISY MARKS WORLD REACTION TO VIOLATIONS OF HUMAN RIGHTS

(By Allan C. Brownfeld)

Early in March, the nations of Africa met in Cairo with the representatives of the Arab world. Among those who addressed the assembly was Ugandan Dictator Idi Amin. Resolutions were passed condemning the three "parish" states of the current period—Israel, Rhodesia and South Africa. Not a word was said about the mass murder and denial of human rights in black Africa.

Similarly, in the U.S. Congress, every effort is being made to repeal the Byrd Amendment, which permits the U.S. to import chrome from Rhodesia in violation of the U.N. embargo. No one suggests that an embargo be placed against such countries as Uganda, Malawi, Equatorial Guinea or others in which documented evidence of genocide has been collected. Beyond this, trade is encouraged with the Soviet Union and Communist China, countries which are not only serious violators of all internal rules concerning human rights but are, in addition, the very countries against which we spend billions of dollars for defense.

Consider yet another example of the world's hypocrisy. On Oct. 26, when the newly independent African state of the Transkei was peacefully granted its sovereignty and independence by South Africa, the United Nations passed a resolution calling for non-recognition by the nations of the world. Every single U.N. member voted for this resolution, except the U.S., which abstained. Yet, on March 2, the United Nations Human Rights Commission turned down a British proposal for an investigation of recent brutality and barbarism in Uganda. No one has ever accused the Transkei of mass murder—or of even a single murder—yet the U.N. has gone on record unanimously against it.

The U.S. acts in much the same hypocritical manner as the rest of the world. Recently, 12 U.S. corporations operating in South Africa set forth a list of virtual conditions for their continued investment in that country. These involved treating all citizens equally, regardless of race. The motives are virtuous and no American can disagree with such a goal. But, if the goal is good and the motives are virtuous, why make such demands only against South Africa? Why not apply them to the brutual dictatorships of black Africa, and to the countries of the Communist world? Consistency, however, is rarely to be found in international affairs—or even in moral judgments.

The world has largely ignored what is happening on the African continent. Consider some of the evidence. In Uganda, it is estimated that Idi Amin has slaughtered up to 300,000 of his own people. He expelled an Israeli aid mission when he decided that Hitler had been "right" to kill 6 million jews. He expelled 40,000 Asians from Uganda because he wanted their property and resented their social status.

Freedom of religion hardly exists in today's Africa. The Economist of London, in its issue of Feb. 26, notes that "In Equatorial Guinea, where 90 percent of the population is Roman Catholic, there is cause for deep concern. President Marcias Nguema, a cruel and ruthless dictator, has shown his fear of the church by closing down Catholic seminaries, banning contributions to churches, ordering state officials to be present at all church services, and forbidding priests to travel without permission. The last bishop was forced into exile where he died in 1974. He has not been replaced."

In Guinea, a black archbishop has been imprisoned for life and all missionaries have been banned. The Angolan government has forbidden religious teaching to children. In Ethiopia, the military leaders are engaged in mass killings and are suppressing the Ethiopian Coptic Church.

Of the 47 states belonging to the Organization of African Unity, 44 are ruled by despotic governments. Twenty-nine of these are one-party civilian oligarchies, while 15 are military dictatorships. Only three black African states (Botswana, Gambia and Mauritius) have civil liberties of any real kind.

Press freedom is virtually nonexistent in black Africa. "I hold journalists in contempt," said Malawi's Ngwazi, Life President H. Kamuzu Banda, when he repudiated reports that his Young Pioneers had persecuted members of the Jehovah's Witnesses religious sect. Horst Peters, an expert on African affairs on the editorial staff of the West German magazine Quick, sums up the situation: "In Africa the journalist always has one foot in jail. In any case, the institution of a free press in Africa is in miserable shape."

In the world today, including the U.S. the only kind of mistreatment that qualifies for the term "racism" is that engaged in by whites against nonwhites. Is it not equally racist to persecute, slaughter, or expel individuals because they are white, or Oriental? In its effort to exercise its previous racial mistreatment of nonwhites, is the Western world now prepared to overlook the slaughter of one group of blacks by another? Is this not, in the end, a new kind of racism—implying that blacks may do whatever they please to one another, and we will simply look away?

In the meantime, Rhodesia, Israel and South Africa can be expected to bear the burden of the world's sins. Yet, they are neither the only, nor the worst, among the world's violators of human rights.

AID FOR THE HANDICAPPED

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. NOLAN. Mr. Speaker, Secretary Califano's action yesterday in issuing the long-awaited "504 Regulations" for the implementation of the 1973 Rehabilitation Services Act is a major milestone in this Nation's commitment to the protection of human and civil rights. The Rehabilitation Services Act created the National Architectural and Transportation Compliance Board and gave it the responsibility of enforcing the 1968 Architectural Barriers Act—but it has taken 4 long years for HEW to produce regulations for them to actually enforce. For 9 years, the 35 million handicapped individuals in this Nation have waited for their Government to keep its word to them and, at last, the wheels of progress has begun to slowly turn. By this summer, the "504 Regulations" will be in effect and the doors will begin to be opened—quite literally—to the disabled people of this Nation. All buildings constructed, significantly altered, or leased with Federal money will have to be barrier-free, and all HEW-funded programs and activities will have to be made accessible to the handicapped. This is, indeed, a giant step by the public sector and I commend the Secretary for at last signing these regulations.

It is vitally important, however, to note that the private sector has an equal obligation to insure the rights of the handicapped. The vast majority of goods and services in this country are offered by private businesses, and full participation in our social, political, and professional world will not become a reality until their doors are also opened to the physically disabled. Last year when we passed the Tax Reform Act of 1976, we acknowledged this reality and included a maximum $25,000 per year deduction for money used to make facilities fully accessible. We made that deduction available through 1979 and the challenge now is to get people to use it.

To varying degrees, we are all sympathetic to the problems of the handicapped, but few of us blessed with good health and full use of our faculties are really aware of how we increase and perpetuate those problems. During the April district work period, I participated in a Handicapped Awareness Day in St. Cloud, Minn., by spending half of the day in a wheelchair experiencing the kinds of problems, frustrations, and restrictions millions of Americans face every day of their lives. I was fortunate enough to know I could get up and walk away from that wheelchair, but I cannot walk away from what that experience showed me about the barriers we ourselves place in the path of the handicapped in their efforts to participate in the mainstream of life.

The fact of the matter is that until we have public awareness, acceptance of responsibility, and communitywide commitment to accessibility in all communities across the Nation, the mere existence of the tax incentive just is not going to do the trick. The people who own and operate businesses and offer services need to be convinced by their own neighbors, colleagues, clients, and patrons that changing their facilities to make them barrier-free is required by popular demand. To get that kind of public support, national attention must be focused on this issue.

That is why I am introducing legislation today declaring that for each of the 3 years during which the tax incentive is available, the 3d week in July shall be designated "National Architectural Barrier Awareness Week." Each of us here in the Congress is well-aware of the power of public opinion. By mobilizing that force in support of the rights of the handicapped, I believe we can add powerful and effective momentum to this movement.

President Carter has expressed his commitment to the enforcement of barrier-free legislation. The combination of the new "504 Regulations" with the widespread utilization of the tax incentive can open up our society to more than 35 million Americans whose rights have long been denied. I invite my colleagues to join me in this commitment by cosponsoring this resolution and by seeking to raise the awareness of their own constituents in this matter.

COMMEMORATION OF THE NATIONAL FAIR HOUSING LAW

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. EDWARDS of California. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: In the April 1977 edition of the HUD Challenge the new Secretary of HUD Ms. Patricia Roberts Harris, discussed the question of Fair Housing in America, especially as this right to equal housing is related to our National Fair Housing Law. I submit her article for my collegaues consideration as follows:

NATIONAL FAIR HOUSING

These initial months as Secretary for Housing and Urban Development have been a time of education and enlightenment for me and for the members of my staff: education in the ways this Department works and in the details of the programs we direct and administer; enlightenment regarding the true dimensions of the national housing situation and the effects it has on people at all levels of society.

A modern American poet perhaps summed up the challenges that confront us when he wrote: "Between the ideal and the real lies the question."

The ideal tells us that we have the resources, the programs, the tools, and the personal talent necessary to meet the national housing challenge. The question is whether there is a national will to forge the reality of a decent home and suitable living environment for every American family.

Even if we can make sufficient housing available we are confronted with the question of how to make it accessible to all Americans. (There is an awesome gap between the ideal of equality that is stated in the laws of our country and the reality of housing discrimination across the spectrum of society today.)

Public law and a continuing democratic tradition guarantee equality and make discrimination illegal. Far removed from this ideal, however, are the realities of racially-impacted neighborhoods, substandard ghetto housing and untold instances of person-to-person discrimination in the sale, rental and financing of housing.

The question posed to fair housing advocates today is whether or not we can kindle a national commitment to enforce the fair housing law and comply with its provisions. Without such a commitment, the national housing challenge will remain unanswered.

Just as fair housing is a right guaranteed by law, it is also a principle that is right for America and its people.

Fair housing is right for America because it is both an embodiment and a fulfillment of the concept of individual freedom on which this country is based. It is right because the concept of equal justice and affirmation of the worth of the individual are cornerstones of our system of government.

Fair housing is right because any act of discrimination involves a denial of justice and the denial of a measure of dignity; and ours is a Nation that treasures justice and the sense of human dignity.

Fair housing is right, lastly, because we have seen that discrimination is divisive and destructive of national resolve, and because the current moment in history is one that calls for unity of purpose and a willingness to join in common efforts to meet the crises that confront all Americans.

We at HUD have the responsibility to help communities provide suitable shelter and a decent environment. The elimination of housing discrimination is part of this mission. We cannot achieve the first aim unless we accomplish the second. It should be self-evident that these two goals comprise our tasks here at the Department of Housing and Urban Development and in the communities where our programs have their impact.

It is my hope that everyone at HUD—and each citizen—will joint in the twofold effort to answer the questions that lie between the ideal that we know is possible and the reality that we hope to construct.

HUNGARIAN INDEPENDENCE DAY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Ms. OAKAR. Mr. Speaker, last March 15 marked the 129th anniversary of Hungarian independence. an event celebrated by men and women of Hungarian descent all over the world. As a Representative of Cleveland, Ohio, which has the largest Hungarian population outside of Budapest, I extend my warmest wishes to the Hungarian people. At the request of the United Hungarian Society of Cleveland, I would now like to insert into the CONGRESIONAL RECORD the proclamation of Hungarian Independence Day issued by the commissioners of Cuyahoga County:

HUNGARIAN INDEPENDENCE DAY

March 15th marks the One Hundred and Twenty-ninth Anniversary of Hungary's War of Independence of 1848.

After the heroic nation was defeated by two autocratic world powers, the Governor of Hungary, Lajos Kossuth was invited to come to the United States.

Daniel Webster, the Secretary of State was the guest speaker at the Kossuth banquet, on the 7th of January, 1852.

Following are a few pertinent statements from his rather lengthy speech:

". . . let it open the eyes of the blind; and let be everywhere proclaimed what we of this great republic think of the general principle of human liberty, and of that oppression, which all abhor . . . . Real human liberty and human rights are gaining the ascendant; and the part which we have to act in all this great drama is to show ourselves in favor of those rights, to uphold our ascendency, and to carry it on until we shall see it culminate in the highest heaven over our heads . . .

". . . In a memorial, addressed to Lord John Russel and Lord Palmerson, said to have been written by Lord Fitzwilliam, and signed by him and several other peers and members of Parliament, the following language is used, the object of the memorial being to ask the meditation of England in favor of Hungary: 'While so many of the nations of Europe have engaged in Revolutionary movements, and have embarked in schemes of doubtful policy, and still more doubtful success, it is gratifying to the undersigned to be able to assure your lordships that the Hungarians demand nothing but the recognition of ancient rights, and the stability and integrity of their ancient Constitution. To your lordships it cannot be unknown that that Constitution bears a striking family resemblance to that of our own country.'

" . . . and therefore, I limit my aspirations for Hungary, for the present, to that single and simple point: Hungarian Independence."

The Board of County Commissioners of Cuyahoga County joins the almost one hundred thousand Hungarian Americans in Cleveland and Cuyahoga County in celebrating the Anniversary of Hungarian Independence.

The Board therefore declares Tuesday, March 15, 1977 to be Hungarian Independence Day in and throughout Cuyahoga County, and further wishes all citizens of the County to join with members of the American-Hungarian community in the celebration.

FAIR HOUSING IN AMERICA

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Ms. JORDAN. Mr. Speaker, this month marks the ninth anniversary of the national fair housing law, title VIII of the Civil Rights Act of 1968. Ms. Putnam, the Former Deputy Assistant Secretary for Fair Housing and Equal Opportunity discusses in her article the future of fair housing in America's third century. I wish to submit her eloquent remarks for my colleagues consideration as follows:

FAIR HOUSING IN AMERICA

(By Ms. Putnam)

As we begin the third century of our Nation's existence we carry with us an agenda full of aims and promises yet unfulfilled. These objectives, for the most part, have their origin in the fundamental precepts that define and strengthen the fabric of our society.

One of the most prominent of our third century aims is the elimination of discrimination and the provision of a just measure of equal opportunity for all American citizens. In 1968, Congress codified the right to equal housing opportunity with passage of the national Fair Housing Law, Title VIII of the 1968 Civil Rights Act.

It is well that we begin a new century of national existence with explicit goals and aims, but it is also useful to question our Nation's ability to meet these goals and the national desire to achieve them.

The national Fair Housing Law clearly expresses national desire and intent to eliminate housing discrimination, but it should be augmented and amended to meet that goal.

The Law sets forth an administrative scheme that can be used by citizens who feel they have been discriminated against, but in the crucial area of enforcement it provides no judicial means to seek direct redress of grievances. Thus, the Law lacks teeth.

The work of the Office of Fair Housing and Equal Opportunity includes an enforcement effort, but the Office still lacks a concrete enforcement scheme. Resolutions of complaints of housing discrimination are purely voluntary. If the Equal Opportunity Officer can persuade the parties involved in a discrimination complaint to agree on a remedy, the complainant's grievance may be redressed. If there is no voluntary agreement, the complainant's government cannot pursue his or her cause through the judicial system.

While it is true that Title VIII allows a citizen to seek redress of his grievance in the Federal Courts, the assistance that can be provided by the Office of Fair Housing and Equal Opportunity is sharply circumscribed. In essence, the remedy is a hollow one, for few complainants have the will or the financial resources to pursue in the courts what the government has inadvertently sought to guarantee.

Clearly, Title VIII, while it speaks to the national desire to eliminate discrimination, requires amendment to enhance the national ability to achieve this goal.

HOME MORTGAGE DISCLOSURE ACT

When Congress passed the Home Mortgage Disclosure Act in 1975 it intended to augment the national ability to eliminate housing discrimination. The Act specifies that financial institutions must collect and make available to the public and private sectors comprehensive information on how money is lent for housing, to what kinds of people, in what amounts, and in what neighborhood areas mortgage funds are loaned and invested.

The availability of such data will help determine patterns of discrimination in lending that heretofore could not be discerned. The data will indicate whether a disproportionate number of minorities are denied mortgage loans, whether or not certain urban neighborhoods are being systematically deprived of funds needed for rehabilitation and new construction, and the amount of capital deposited in urban areas that is invested in suburban areas.

Full implementation of the Home Mortgage Disclosure Act could help form the basis for aggressive pursuit of justice through the courts, thus enhancing the enforcement function of the Fair Housing Law; but implementation of the Act has not yet become a reality and those Federal financial regulatory agencies which administer the Act are only now beginning to formulate guidelines and regulations for the use of their regulatory staff. In the meantime, the lack of implementation invites protracted conciliation efforts, creates complaint backlogs and discourages present and prospective complainants. Additionally, a vast array of discrimination schemes remains untouched.

While it was intended to fortify national ability to eliminate housing discrimination, the Home Mortgage Disclosure Act also, ironically, has become a barometer of the national desire to meet this goal. Swift implementation of the Act in all its provisions would serve to indicate that the national will to eliminate housing discrimination does indeed exist.

It is clear, then, that the Office of Fair Housing and Equal Opportunity cannot be aggressive itself in pursuing discriminatory practices. Hampered by the lack of an adequate data system, it cannot ferret out those practices which are inherently discriminatory within the housing delivery system.

Data secured through the Home Mortgage Disclosure Act and full implementation of that Act will help, but even that will be insufficient unless there is some legislated means by which this Department can bring transgressors before the Court.

Unless the National Fair Housing Law and the Home Mortgage Disclosure Act become more than paper tigers, we may be well into our fourth century before Fair Housing becomes that right which is so *right* for America.

MONTANA WOMEN IN EDUCATIONAL ADMINISTRATION

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. BAUCUS. Mr. Speaker, the first Montana Conference of Women in Educational Administration will be held this weekend in Helena, Mont. Because of the significance of such a conference to the advancement of equal employment opportunities for professional women in Montana, I was pleased to be invited to speak there this evening.

Unfortunately, I am unable to attend the conference because of the extended House consideration of the Surface Mining Control and Reclamation Act—legislation which, as you are aware, is not only of extreme importance to the Nation but of direct significance to Montana which has over half of the Nation's coal reserves.

While I am unable to attend, I had promised to present remarks concerning Federal legislation significant to the goals of the conference. Therefore, I am inserting here the material I had intended to present to that conference so that the attendees and others interested in the role of women in school administration may have this information available:

REMARKS PREPARED BY MAX BAUCUS FOR THE MONTANA WOMEN IN EDUCATIONAL ADMINISTRATION

About two centuries ago the forward thinkers of the day espoused the utilitarian view that women's education was probably a good thing because women had the most influence on the early learning of their children and should be intelligent "to instruct their sons in the principles of liberty and government." Plans for women's curriculum included English, bookkeeping, geography and natural philosophy. Others of this time were not so receptive to women's education. They called women's education outrageous and assumed that education would "physically disable or perhaps kill a women . . . that she would study in the evening until her eyes ached, her brain whirled, her spine yielded and that she would die in the process."

Progress in education for women can be seen through a study of the number of degrees granted. The greatest proportional increases of female degree recipients have occurred in the higher degree levels. According to Association of American Colleges figures, women received about 45 percent of all bachelor's and master's degrees and almost doubled the proportion of doctor's degrees they earned in ten year's time. Over the same period female first professional degrees more than tripled their percentage of the total. Bachelor's degrees awarded to women went from 42.4 percent in 1965 to 45.3 percent in 1975. Master's degrees went from 33.8 percent to 44.8 percent in 1975. Doctor's degrees went from 10.8 percent in 1965 to 21.3 percent in 1975. First professional degrees earned by women went from 3.5 percent in 1965 to 12.4 percent in 1975.

It appears, however, that progress of women entering educational administration is moving at a snails pace nationwide. According to a recent work, Women in Education by Patricia Sexton, men still tend to dominate in school management and leadership positions in American education.

Principals.—There has been a steady decline in the number of women elementary school principals from 55 percent in 1928 to 21 percent in 1971. However, NEA figures support the findings that the proportion of women serving as secondary school administrators has increased. Over a ten-year period from 1961 to 1971 the percentage of women principals in all public secondary schools was 3.8 percent and had risen to 6.5 percent.

Assistant Administrators.—Women are still counted in the minority with only 34 percent of the elementary school assistant principalships in 1971 and only 7 percent of the deputy, associate or assistant superintendents.

Superintendents.—Less than 1 percent of all school superintendents in the United States were women in 1971.

According to NEA, women have held a large proportion of what could be termed middle management positions in the central offices of school systems. That is, 46 percent of the administrators responsible for instruction and supervision were women, 48 percent of the officials in charge of general administration were women and 38 percent of those responsible for pupil personnel services were women.

Montana appears to have followed the nationwide pattern. Less than 1 percent of the school district superintendents are women. Less than 10 percent are principals.

What reasons can be given for the lack of participation of women in educational administration?

1. First and foremost, there may be discrimination inherent in the official policies of States and school systems concerning promotions.

2. The decrease of female elementary principals could be a result of an overreaction to the argument that young boys need male authority figures in elementary schools.

3. The blame could very well rest on the colleges for stifling the career aspirations of women in the field of educational administration. Admission may have been biased. Financial aid for graduate study may have been biased. A pretty good account of the bias that exists appears in a study of degree recipients in educational administration. Women have received only about 25 percent of the masters degrees in educational administration and only about 10 percent of the doctorates. Since it is generally from this pool that school administrators are chosen (according to an ETS study) then it appears that women would have a lesser chance to attain a top policy-making position.

4. The unequal earnings pattern for educational administrators may have discouraged women. Based on the Census Bureau figures (1975) the mean earnings of male superintendents were approximately $5,000 above the top salary for women.

WOMEN ADMINISTRATORS IN HIGHER EDUCATION

The number of women administrators at major State universities is steadily increasing. The National Association of State Universities and Land-Grant Colleges survey indicates that from mid-1973 to mid-1975 the number of women administrators rose 49 percent. In 1975, 16.7 percent of the total number of higher education administrators were women. More than half of the women administrators (51.5 percent) were found in what the report called low-management positions. Those positions included chief officers of administrative units, associate or assistant deans, or directors of academic research units. An additional 21.9 percent of the women were in mid-level management positions. The National Association of State Universities and Colleges indicated that the tremendous growth even in low-management positions held my women was encouraging. According to the report the representation of women in mid-management positions allows a much better chance for movement to top policy positions.

Current educational research bears out that women administrators are more concerned with objectives, that they are more democratic than men, that they outscore men in using effective administrative practices, that more women than men possess significant leadership attributes, and that they are more persuasive in argument.

Why can't we wake up to the fact that women make good educational administrators? A study by Educational Testing Service (1976) indicated that pupil and teacher performance was usually higher in schools with women principals than with men and this was especially true in schools in lower socioeconomic areas. The ETS survey also indicated that women exert a greater control over faculty members and that teacher performance improves. Much of the success is attributed to women's long teaching experience. I guess you are aware that in Montana over half of the teachers are women.

How different is the question of equal educational opportunity for women in the wide open spaces of Montana? The National Advisory Council on Women's Educational programs has just recently published, "Educational Needs of Rural Women and Girls." I think we are acutely aware here that in the past the educational services for rural women have been neglected. The report urges that State and local programs in guidance and career counseling be required to direct specific attention to the needs of rural women and girls. An outreach project here in Montana has already begun under the auspices of the Fund for the Improvement of Postsecondary education.

Where does Montana fit in this massive array of statistics and laments of the lack of educational opportunity for women educational administrators? With a Woman State superintendent and 48 out of 56 County Superintendents as women I would say that Montana is one of the few States giving a real boost to women. Ours is a very positive approach to women in educational leadership.

Ruth Rosen in her article, "Sexism in History" remarked that women are often depicted as "domestic scenery behind the real actors of national life." There can and will be a reversal in the roles women play in educational administration, and I think the Federal government can play a major role.

The recent court case involving *Romeo Community Schools* v. *HEW* brings to bear both the role of Congress in looking at original legislative intent of Title IX of the Education Act and the possible impacts these and other decisions will have either directly or indirectly on women educational administrators in both higher education and elementary and secondary educational institutions. You are probably familiar with the case, Romeo Community Schools (Michigan) v. HEW whereby a District Court ruled (April 7th) that Title IX of the Education Amendments of 1972 does not confer any authority on HEW to regulate employment. The dispute arose when a counselor indicated that the school district violated Title IX by refusing to pay her sick leave benefits. The school district held that Congress intended Title IX legislation to cover only discrimination against students, the direct beneficiaries of Federal assistance, not teachers and other school employees. Whether or not this particular case is appealed to a higher court, there is evidence that there will be ramifications from every aspect of enforcement of Title IX, and thus, there will be influences on educational administration.

Which direction will legislation for women's education go and what is the scope and hope of things to come for women educational administrators? What has Congress done to augment the participation of women in educational administration? What legislation affects women's education? These are some of the questions I hope to answer.

Several pieces of legislation have been a great boon to furthering the cause of women's education. Among these I count Title IX, the Education Amendments of 1976, Vocational Education Act amendments, the Women's Educational Equity Act, and the current proposals for Career Education.

1. Title IX of the Education Amendments of 1972 will continue to have sweeping implications for women's education and various parts of the regulations as you know are in a constant state of reinterpretation. The constant quibbling over language in the law and resulting regulations at least keeps Title IX in the public eye. As you know, in the 94th Congress, P.L. 94–482, the Education Amendments of 1976 contained several amendments to Title IX. Amendments were adopted to exempt the American Legion Boy's State and Girl's State programs from Title IX and in addition to exempt father-son and mother-daughter school activities from Title IX coverage. Another amendment was adopted to provide that Title IX not apply with respect to any scholarship or other financial assistance awarded by an institution to an individual because that individual has received such award in pageants based on personal appearance, poise, and talent, and in which participation was limited to one sex, so long as such a pageant was in compliance with other non-discriminatory provisions of Federal law.

Title IX touches on the question of admissions. The 1976 amendments did prohibit the Secretary of HEW from deferring or limiting financial assistance on the basis of failure to comply with the imposition of quotas on student admission practices of an institution of higher education or community college receiving Federal financial assistance. The amendment covers only student admission practices and does not apply to numerical goals for employment as required under Executive Order 11246. Quotas are generally prohibited by Title IX. However, the implications of Title IX for admissions may help increase enrollment and earned degrees for women. According to the Bureau of Census report, "A Statistical Portrait of Women in the U.S.," none of their indicators that is, level of education, enrollment, field of study or degrees awarded, shows that women have reached the same levels as men. However, the gap is narrowing and has been since 1950. The Census Bureau report shows that since 1950 the number of women college graduates among the nation's 25–29 year olds has increased from 5.9 percent to 18.7 percent in 1975. The number of men college graduates has increased from 9.6 percent in 1950 to 25.1 percent in 1975. Although percentage of women graduates has remained smaller than that of men, there were about two-thirds as many women as men graduates in 1950 as compared to about three-fourths as many women as men in 1975.

2. Higher Education Amendments of 1976 (P.L. 94–482).—There are some important sections in P.L. 94–482 other than amendments to title IX which I might mention.

Educational Research Programs for Women.—Sec. 403 allows that the National Institute of Education be given the specific mandate to undertake educational research to improve the ability of schools to provide equal education opportunities for women.

Planning for Career Education.—P.L. 94–482 allows a new program for planning for career education and development programs. It requires an assessment of the career education and career development programs and practices in the States, including a reassessment of the stereotyping of career opportunities by race and by sex.

3. Vocational Education.—The Education Amendments of 1976 added specific provisions concerning women's needs in vocational education. In terms of the State administration of the Vocational Education Act, each State must include as part of their five year plan for vocational education a statement of policy they will use to guarantee equal access by both sexes to vocational education programs. In addition, the Commissioner of Education is required to conduct an investigation of sex-discrimination and stereotyping in all vocational education programs assisted under the Vocational Education Act and by October 1, 1978, must report the results of the study to Congress. Another highlight in the legislation is that the Commissioner of Education is authorized to use 5% of the funds available and under the authorization for contracts for various types of research and development of model programs including those aimed at solving the problem of stereotyping and sex bias in curriculum, counseling, testing, etc.

4. Women's Educational Equity Act.—As part of the Special Projects Act of P.L. 93–380, the Education Amendments of 1974 this section has as its purpose to bring about educational equity for women at all levels of education, and awards grants and contracts to achieve equity through dissemination, guidance, counseling, testing, training, and model programming. There were two priority areas established when the program began. First, there were to be programs to help develop material for training parents, students and all educational personnel and to provide essentially technical assistance for Title IX. Finally there were to be leadership projects in various fields and one of the fields was educational administration, along with vocational education, career education, physical education, adult education. (The Carter budget for FY 1978 allows $8,085,000 an increase from the FY 1977 appropriation of $7,270,000. In FY 1977 approximately 93 projects were funded. Of these about half were for general grants to support a wide range of projects to provide educational equity for women.) There is a proposal to change priority areas for project grants so that there would be open competition on an equal basis to all projects meeting program requirements. Last year's funding priorities were technical assistance for Title IX and developing information systems to handle inquiries from idividuals and institutions. Maybe next year will bring more exploration into the field of educational administration.

5. Career education.—Career education legislation must not be overlooked because it will prepare everyone *equally* for careers. As you know H.R. 7, the Elementary and Secondary Career Education Act of 1977 passed the House April 5, 1977. It holds as its purpose to assist States and local educational agencies in making education as preparation for work a major goal by increasing the emphasis in elementary and secondary schools on career awareness, exploration, decision-making and planning. This Act authorizes grants to States based on a ratio of each State's population aged 5 through 18 to the National population aged 5 to 18. (Each State will receive a stipulated minimum allocation of $100,000 to insure that career education be instituted in elementary and secondary schools. From the total sums allotted to each State 5 percent shall be for administration, 10 percent for State leadership activities, and the remainder as grants to local educational agencies to support comprehensive career education programs. Authorizations are set according to H.R. 7 for five fiscal years beginning with the enactment of H.R. 7 the first year at $25 million, $100 million the second year, $75 million the third year, $50 million the fourth year, and $25 million the fifth year. The authorization level declines because according to H. Rept. 95–150 the Federal role should be "catalytic and limited in duration."

I hope that this summary is helpful to the Conference. The status of women in education has changed tremendously—both as a part of the general change in the status of women throughout the society and, more importantly, as the change in education has become the forebearer of change in other segments of our culture.

Education is the arena for advancing many kinds of social programs. The culturization and socialization which occurs in our education system is a primary tool of changing the society's consciousness and thereby advancing both women and men in our culture.

THE EXPORT-IMPORT BANK AUTHORIZATION TO BE VOTED ON MONDAY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. BADILLO. Mr. Speaker, the Export-Import Bank authorization, H.R. 6415, will come to the floor on Monday under a suspension of the rules. I urge my colleagues to vote against the bill under suspension. My reasons are compelling and clear, and I submit for your consideration my dissenting views to the committee report on H.R. 6415, so you will understand the importance of bringing this important piece of legislation to the floor for debate:

DISSENTING VIEWS TO H.R. 6415 BY REPRESENTATIVE HERMAN BADILLO

The principle of the Export-Import Bank is a sound one. It encourages the production of American goods and helps to provide desperately needed jobs for our people. There are few members of Congress who have the highly visible proof that I do in their districts as to the awful results of a depressed economy, and the crying need for the kind of "domestic development" program the bank provides. But I voted against the bill in Committee, and did so for what I feel are very compelling reasons.

The committee, has chosen to make a public affirmation that human rights are a consideration in those countries to which we are lending money to buy our goods, and they have placed language in the bill that states that the Directors of the bank will "take into account, in consultation with the Secretary of State, all available information about observance of and respect for human rights and fundamental freedoms in the country to receive the exports supported by a loan or financial guarantee and the effects such exports will have on human rights and fundamental freedoms in said country." However, the Bank, and the Administration state that the Bank is an American entity, and human rights are not a consideration in its operations.

Therefore we are faced with a dilemma. Is the Bank involved in human rights, or isn't it? H.R. 6415 includes some appropriate and significant language about loans for the purposes of nuclear proliferation, as well, and I compliment the Subcommittee for their concern on this critical issue. But the need for that language arises out of a specific concern. Do we have the moral commitment to make a judgment on a loan of $277,200,000 to the Philippines for a nuclear reactor? Or of $16,200,000 to Brazil for phosphate mining through which, of course, uranium is extracted? The committee feels we do, and so loans like those, which were granted last year, will be scrutinized very carefully in the future. But do we have the same commitment to question a loan of $58,505,000 for an electric power plant to South Korea, or the refinancing of a loan in the amount of $5,560,000 to the dictatorial regime in Chile, which we can keep re-financing and re-financing—and they may never re-pay? I maintain that we do.

I maintain that the language in the bill does not do the job. After we have "taken into account" the human rights factors, is there any mandate for action? I do not see any. And so, in committee, I offered the same language I offered to the International Financial Institutions authorization recently, that was overwhelmingly approved of on the floor of the House. I was told by my colleagues on the Committee that this language, carefully structured and very comprehensive, is too rigid and limiting and would put great restraints on our capacities to give loans, thereby creating great damage to American business. Again I ask—is it alright to have a strong national commitment to human rights—as long as no Americans suffer because of it?

Americans are always being asked to make sacrifices, whether for energy conservation, or, much more relevantly when asked not to participate in the Arab boycott. When we recently enacted the laws banning our participation in the boycott, we were quite aware that certain sectors of the economy would be hurt. We did not do it to punish them, however, we did it to uphold our very profound national commitment to civil liberties and human freedoms. I do not think we can now draw the line at the Exim Bank because it too will hurt some American producers.

I believe that if the Exim Bank is not concerned with human rights, then there should be no language in this bill that says it is. If indeed, as our committee seems to indicate, there is a responsibility to deal with this profound issue, then we must confront it boldly and maintain the same standard we have applied to most of our bi-lateral and multi-lateral foreign assistance programs. I must parenthetically add here that I have been told many times in the past few days that the Exim Bank is not foreign assistance, but domestic assistance. I would like to know who, in the long run, a nuclear reactor in the Philippines assists?

I will therefore offer, if the bill comes to the floor, the same amendments that were accepted into the International Financial Institutions Bill. They include an amendment that will mandate the Bank, when it has the opportunity, to seek to channel assistance to countries that are not in violation of the human rights of their citizens; an amendment that will specify that one criteria of whether a country is in violation of the human rights of its citizens will be that country's willingness to allow inspection by such organizations as the International Committee of the Red Cross; and an amendment that will mandate the Directors of the Bank to vote "no" to any loan going to a country that is in violation of the human rights of its citizens, unless such loan is going to serve the basic human needs of such country's citizens. This is what House-passed legislation now states, and it is only right to bring this bill into conformity. I urge your support of these amendments.

CONDITION OF OUR NEIGHBORHOODS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mrs. SCHROEDER. Mr. Speaker, the April 25, 1977, issue of the New Yorker contains an excellent article by Richard Harris entitled "A Reporter At Large:

A Nice Place To Live." Harris assembled a number of observations on the condition of our neighborhoods and cities after spending some time poking around the Italian community in the South Village in New York City. The article is too long to reproduce here, but I want to give my colleagues a couple of paragraphs in the hope that it will send them scurrying to the newsstands for their own copy:

In all likelihood, the political and social conflicts in this country between those who advocate more government and those who advocate less government to solve the multitudinous problems of "mass society" will be settled in the urban communities of America. Today, three-quarters of the American people live in these places. And today these places are falling apart. Housing, education, transportation, law enforcement, courts, employment, municipal unions, fiscal systems, racial tensions, and, above all, people's thwarted need to belong somewhere and to have something to say about their lives—all these problems are exploding. Historically, the views of the more-government advocates and the less-government advocates have been curiously self-contradictory.

Until very recently, it had been standard liberal dogma since the advent of the New Deal that only government could do the job of taking care of the public's needs—an idea that was borrowed directly from the various totalitarian systems that had taken over a large part of Europe by the early days of the New Deal. In short, liberals wanted to use the social-benefits part of the totalitarianism they abhorred, in order "to help those who cannot help themselves." On the other hand, conservatives clung to the notion of small government, not because it could solve social problems but because they could control it. In short, they rejected the totalitarianism to which they were in many ways sympathetic, in order to allow "rugged individualism" to fill their pockets and to provide an overflow of money that might ultimately "trickle down" to the poor. It was as if Thomas Jefferson and Alexander Hamilton had swapped sides. By now, it seems clear that much of the New Deal was a failure. Of course, it temporarily preserved our republican form of government by easing the poverty and discontent that might have destroyed it.

That was no small task and no small achievement. But it was no solution to the basic problem, either. That problem—in Lincoln's words: "It has long been a grave question whether any government not *too* strong for the liberties of its people can be strong *enough* to maintain its own existence in great emergencies"—is more pressing than ever. The United States seems to have been in a permanent state of emergency ever since it was founded, but it has probably never faced a greater emergency, aside from the Civil War, than it faces now: the urban crisis.

Whether the people—in the South Village, in Harlem, in Boston, in Detroit, in Los Angeles, or elsewhere in this counrty—address themselves to meeting their own and their neighbors' needs or go on relying on government to do the job will probably determine the lot of the individual, and the fate of democracy, in the United States. Government cannot do the job, because government cannot comprehend the lives of people on their home ground.

Only they can do that. Government officials—bureaucrats, that is—can grasp only systems, not human beings, and the bureaucratic solution to any personal problem is likely to harm the person even if it solves the problem. Life is not, and cannot be made, systematic. But the bureaucrat cannot approach life, and especially the immense and seemingly intractable problems besetting our society, without thinking in systematic terms. The stakes, even in the South Village, are very large, for systematic thinking is essentially totalitarian; it forces people into molds and slots, and the first thing that any form of totalitarianism destroys—intentionally on the part of its leaders and incidentally on the part of its bureaucrats—is the individual. Individuality is the greatest threat any tyrant faces, since individuals are potential rebels. And the individual is a nuisance to the bureaucrat, precisely because he or she is often so individualistic. In the end, the goal of the tyrant is the same as the effect of the bureaucrat: to obliterate human differences. While tyranny is usually imposed on a nation from the top downward—usually by way of a coup that takes over the leadership of a crumbling government—a form of tyranny can also be imposed on a nation from the middle downward and then on upward to the top. This kind of tyranny—bureaucratic depotism—is slow, nearly unnoticeable in its development, and remorseless in its final control.

Montesquieu taught that democracy could exist only in small social units, and history, especially American history, has demonstrated the truth of his teaching. The larger and more populous the United States has become, the more its democratic spirit has waned. Given the systematic, or totalitarian, spirit of big government, the result has been inevitable. And one remedy—possibly the only remedy—would seem to be to diminish the power of big government by breaking it up into the smallest possible nearly autonomous units. Of course, the problems that affect large parts of the nation or the nation as a whole—mass transportation, energy, and some forms of welfare, for instance—will still have to be dealt with by the central government. But for many of our most direct and personal problems the remedy lies closer to home. Such a remedy would be identical to the Founding Fathers' basic goal—to fragment government power over the people through a system of checks and balances that would restrain the instinct for gaining more power which is inherent in all governments in all places at all times. For instance, New York State cannot be governed in the interests of its people as long as the ultimate say about their lives lies in Washington. New York City cannot be governed in the interests of its people as long as the ultimate say about their lives lies in Washington by way of Albany. And the South Village cannot be governed in the interests of its people as long as the ultimate say about their lives lies in Washington by way of Albany and City Hall. If the American people are to survive even as shadows of their ancient independent selves, they will have to return to the ways that simpler days made a necessity, and solve their own problems themselves in the smallest and most manageable form of human society—the neighborhood community. To accomplish this monumental task, they must, of course, have money—lots of money. But since any government is always run out of the pockets of the people, the money is there. A critical problem of the next decade will be finding a way to give back to the people their own money in a manner that will assure that they can use it to solve their own problems in their own communities—perhaps with some federal assistance and guidance and strict laws to prevent corruption. While the Nixon program of "revenue sharing" was ostensibly aimed at this goal, it was a sham, for it was actually designed to create another level of bureaucracy, which was to be nearer to the people, but still controlled by the wealthy conservative establishment that runs most towns and cities in this country. It was this group that Nixon meant to enrich, and it was this group that the new bureaucracy was set up to serve.

The growing public mistrust of government is probably due not only to the relevations about the Vietnam war and Watergate but to the growing public awareness that government has not done the job that needs doing. Evidence of government's failure is everywhere around us. The most encouraging result has been that this new awareness has created countless thousands of community self-help groups around the nation in the past decade. In New York City today, for example, there are more than ten thousand block associations run by local residents, and there are hundreds of other community self-help organizations. There are auxiliary fire and police departments, ambulance corps, school-crossing guards, senior-citizen "helpers," night-school tutors, musicians performing in settlement houses, English-and-Spanish-speaking teachers helping Hispanic newcomers learn enough English to find jobs and enroll in schools, "block-watchers" who report trouble to local police precincts, "green guerrillas" who plant and care for trees and gardens on their blocks, "foster grandparents" who serve as babysitters at nonprofit day-care centers, and a multitude of other kinds of volunteers. The most recent of these outfits grew out of the Citizens Committee for New York City, which was set up in November of 1975 under the direction of Osborn Elliott, then editor-in-chief of Newsweek, in response to the city's fiscal crisis. In mid-March, the Citizens Committee ran full-page advertisements in local newspapers calling on ten thousand "greedy, heartless New Yorkers to work for five years, for free." Within a week, more than thirty-five hundred people had responded. The committee, which has operated on a comparatively tiny budget of three hundred thousand dollars for the first year, has run into the snags one might expect—after initial enthusiasm, a high dropout rate among volunteers; opposition by some union people who see volunteer aid as a threat to their members' jobs in a shrinking work force; individual opposition on the part of many policemen, firemen, city-hospital employees, and librarians, who have physically stopped such volunteers from going to work; and, of course, a shortage of funds. Even so, the attempt to let people help themselves has succeeded to an unexpected degree. If it works, so will democracy.

FAIR HOUSING IN AMERICA

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. PHILLIP BURTON. Mr. Speaker, Ms. Spencer, the Director of the Fair Housing Enforcement Division, HUD Office of Fair Housing and Contract Compliance, speaks out about the need for action in fair housing policies and regulations. I wish to thank Ms. Spencer for her constructive remarks and submit her article for my colleagues' considerations as follows:

Fair Housing in America

Affirmative marketing to achieve racial inclusiveness in the Nation's neighborhoods is not a new idea, but recently developed procedures for enforcing Affirmative Fair Marketing regulations in projects assigned by HUD could make the idea a nationwide reality.

The prerequisites for affirmative marketing are found in Title VIII of the Civil Rights Act of 1968, which makes the provision of fair housing a national policy; and in Executive Order 11063, which provides that all actions necessary be taken to prevent discrimination on the basis of race, color, creed and national origin in federally-financed housing and related facilities.

Regulations issued pursuant to these directives call for all developers and builders engaged in business with HUD to submit Affirmative Marketing Plans that set forth the ways in which they intend to pursue the goal of providing fair housing.

On January 27, 1977, proposed compliance procedures for Affirmative Fair Housing Marketing were published in the Federal Register (FR 5097). These proposed regulations can form the basis for mounting a national compaign to ensure compliance.

The proposed regulations spell out the responsibilities for monitoring and technical assistance delegated to HUD's Area Offices and describe the procedures for compliance reviews which are conducted by the Regional Offices.

In order to make early determinations of whether the applicant is in compliance, the proposed regulations provide a "show cause" procedure by which the applicant can provide documentation of efforts to comply with the Affirmative Fair Housing Marketing Regulations and the applicant's submitted Plan.

If the data submitted at the "show cause" meeting do not indicate that the applicant is in compliance, then 20 days thereafter the applicant is advised that an on-site compliance review will be conducted.

If the findings of this on-site review indicate noncompliance, conciliation is undertaken. Refusal or failure to conciliate will be the basis for the imposition of sanctions.

At this point, a second "show cause" session to impose sanctions takes place, during which the applicant is given the opportunity to present evidence of compliance. Failure to indicate compliance following this session results in the matter being referred to the Assistant Secretary for Fair Housing and Equal Opportunity for a determination of whether sanctions should be imposed pursuant to the Department's debarment regulations.

The procedures in this proposed system are clear and concrete and have been formulated to provide due process to respondent applicants. The initial "show cause" meeting provides an opportunity to determine compliance without conducting an on-site compliance review, thereby saving considerable staff time while expediting the compliance procedure for both the respondent and the Department.

Integrated housing requires a clear policy, a commitment to implement that policy, and hard work. The Department"s administration of Title VIII contains these elements. Affirmative Fair Housing Marketing Regulations and the proposed Fair Marketing Compliance Procedures are the tools by which integrated housing can be secured.

THE PLIGHT OF WORLD WAR I VETERANS SPELLED OUT IN DETAIL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. ANDERSON of California. Mr. Speaker, during the waning hours of the consideration of the first concurrent resolution on the budget, I offered an amendment to increase by $500 million—both the budget authority and outlays—the veterans section.

During the course of the debate on this amendment, several statements were made as to the real "need" for this added money to fund a pension for veterans of World War I. The 329–to–73 vote to pass this amendment was a clear mandate that this is legislation that is long overdue.

Just in case the debate left unanswered points which need to be clarified, I am enclosing an editorial by H.R. Boosinger, adjutant of the Department of West Virginia Veterans of World War I. This Huntington resident spells the issue out in extreme clarity in the April 15, 1977, issue of the Huntington Advertiser:

FIRST WAR VETS PLEA

H. G. Boosinger is the Adjutant QM of the Department of West Virginia Veterans of W.W.I., of the USA. He lives in Huntington.

(The) public (is) not fully informed on World War I veterans benefits, undoubtedly due to the fact that 75 per cent of the men and women now living were not yet born when World War I ended in 1918. Also, because newspapers, TV stations and other news media do not break down "ex-war service people" in groups as: War I, War II, Korean and Vietnam veterans when reference is made to benefits awarded to veterans. This tends to hide the true status of the War I veterans participation in those benefits.

Only those War I veterans with service connected disabilities have participated to any degree in benefits awarded to "veterans" as such.

Only the following benefits were awarded to War I veterans at discharge: train fare to his home destination, $60 cash to take care of essentials, buy clothing, etc. No job preference, no education funds or allowances for subsistance of self and family during schooling or training period. No free hospital care. Only those with service connected disabilities received more.

It was a difficult time. The war was over, industries were cutting back, not hiring and jobs were scarce. Many were unemployed for years.

Then came the depression of the late 20s and 30s, many thousands were unemployed, many homeless, only those living in that era can appreciate the destitution, misery and illnesses of those deprived of a living income. Many appeals were made to the President and Congress; many thousands marched on Washington, D.C. in desperation, hoping to convince the President of their dire need for aid and assistance, but their efforts were futile.

In the early 1930s, Congress did issue an "Adjusted Service Certificate" The amount for each veteran was computed on the basis of his service, when, where and for how long. The average value was $547.50. Again, only those with service connected disabilities received more.

In the mid 1950s further attempts were made by laws inacted in Congress to lighten the burden of living costs for the needy War I veteran. "Needy" was determined by limiting the total income of the War I veteran. However, as pension payments were made, very often Social Security increases were made simultaneously. Combined with other income, if any, the effect was to raise the veterans income above the allowable limit. Consequently, many of the War I veterans lost their pensions entirely. Very few have avoided the cut.

It is true the President signed an an act of Congress on Sept. 30th, 1976, to increase by seven per cent the monthly benefit rates for VA pensioners, plus increases in the annual income rates on which the pensions were based. It became effective Jan. 1, 1977. The average age of the War I veteran is now 81 years, but as previously mentioned many of the War I veterans had already lost their pensions for the advance meant nothing to them. For the most part those with service connected disabilities benefited.

There are approximately 850,000 War I veterans left of the original 4,750,000 who participated in World War I.

It is important—the World War I veteran did not receive any benefit from the nearly 40 billions of dollars voted for veterans of later wars nor did the War I veteran receive any benefits from the billions of dollars made available for farm and home loans.

It is logical that the uninformed might assume otherwise.

The Spanish American War Veteran is of a special group, why not the War I Veteran?

This is the plea of all living World War I veterans for timely consideration by the President and Congress, urging their support of a bill awarding a fixed, meaningful pension not restricted by income. We feel it is our just entitlement.

The facts related in the above statement have been verified by the Veterans' Administration and reflect the true need of these men and women who served our country in its time of need and now find themselves in need.

I urge the Committee on the Budget and the Veterans' Affairs Committee to do their part to insure that a meaningful pension for these senior citizens is taken off the drawing board and made a reality.

WHERE'S JOE? HOME AND HAPPY

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. JONES of Tennessee. Mr. Speaker, one of our colleagues of many years, the Honorable Joe L. Evins, retired last year and has gone back to his home in Smithville, Tenn., where he seems to be quite content.

I want to take this time to file a report on Joe since his retirement, but I am going to do that based on information that was continued in the Nashville Tennessean newspaper article about him recently. I think the headline that appeared above the story says it all, "Where's Joe? Home and Happy."

The article follows:

WHERE'S JOE? HOME AND HAPPY

(By Louise Davis)

Password around Congress, if you wanted to get things done, was for decades: "See Joe."

And now that Congressman Joe L. Evins has chosen to return home to Smithville after 30 years in the House of Representatives, the shock to fellow congressmen and agency heads is still reverberating.

One Washington general, chief of engineers in the army, recently wrote Evins about his dismay at trying to get a problem "straightened out" and finding that there was no Joe Evins in Congress any more to do it.

"He wrote to say that they were all asking, 'Where's Joe?'," the genial Evins said in an interview last week.

Evins, sitting erect as a speaker awaiting his turn at the podium, was presiding from a pale blue Victorian sofa in the high-ceilinged living room of the white-columned home his grandfather built near Smithville's courthouse square 92 years ago.

His booming voice—so suited to congressional halls and chairing vast committee hearings that it seemed a waste to spend it on this quiet living room—bounced back from the heavy marble-topped table across the room to liven every corner.

His ruddy face, his persuasive hands, his blue suit, white shirt and conservative tie were so much of the congressional pattern that one of his heroes—the late Speaker Sam Rayburn of Texas—would have applauded.

"Sam Rayburn would never tolerate a blazer on the floor of the House of Representatives," Evins commented on the change in dress styles in congress. But he admitted that even he, in his young days when Sen. Estes Kefauver was a national figure, had dared go out on the floor of the House in a coonskin cap.

"Get that man out of here!" Rayburn commanded, and that was the end of that stunt.

But not all decorum is gone, Evins conceded.

"Even Bella Abzug took her hat off on the floor, but she wore it in committee," Evins said.

So how does a man so steeped in tradition and power—a man so popular with his constituents that his margin of victory rose by great leaps every time he ran—walk out on that kind of power?

Evins has his answers ready—well thought out and ready for print.

He had suffered a heart ailment in the fall of 1971 and had mentioned his health as a factor in the decision not to run for office last year.

"I had been advised to shake off the tension," he said. "But health was a secondary reason for not running.

"I wanted to quit on top. I wanted to quit a winner. Some congressmen stay there until they are chewed up. They have been fine men but they are chewed up. I've seen some good men get defeated. I elected not to be re-elected."

Evins has the pace of a race horse that still has not broken gait even after he crosses the finish line.

Taking the great leap out of politics is almost harder than getting into it, he said. There is a magic about it that will not quite turn loose. Every time election year rolls around, congressmen who have had about all of the harassment they can take begin reassessing the situation.

"Congressmen traditionally say 'one more time,' " Evins said. "They want just one more term. Not many men will walk out on power."

But 1976, the year of the country's 200th birthday, seemed a fit season to round out his own congressional career.

"I kept asking myself: What can I do in 32 years that I haven't done in 30 years?" Evins said.

"My wife and I had talked about it many times. This time she said, 'I believe you really mean it.' "

Another reason for quitting at this point, Evins said, is that he has loved seeing the country grow—seeing concrete and mortar shape new dams, new TVA installations, new space installations, new highways, airports, irrigation projects.

"But so many of the things we have fought for are controversial now," Evins said firmly, finally, as if he were delivering an oration. "Nuclear plants, for instance. And dams. Carter is vetoing dams, even in Georgia. We are at the end of the dam-building era."

Dams have looked like America on the march to Evins for his whole congressional lifetime—dams irrigating the western plains, dams bringing profitable farm practices and job-rich industry to the South.

"We made the right decision in not running again," he said confidently.

He was walking about the grounds of the big two-story home now—the white brick house his booming-voiced grandfather, Andrew Jackson Goodson, had built within sight of the Smithville courthouse square in 1885.

"But it's hard to give up power," he said. "I gave up power as chairman of two committees. I won't miss the pressures. I won't miss the demands of that power. I won't miss the demands of those bells, bells, bells. Bells telling you to go vote, bells telling you to go to committee meetings. Bells, bells, bells all day long."

Nothing but bird songs from the terrace sounded across the flowering lawn.

"I was chairman of the patronage committee," Evins said. "That committee had been set up by Sam Rayburn to get all of the other congressmen off the hook. When any congressman had a constituent come asking for a job, all he had to do was refer him to the patronage committee. All they had to do was say, 'See Joe.' "

There were calls at all hours, day and night, about patronage, Evins said.

"I couldn't listen to debate on a bill without being interrupted with calls about patronage," Evins said. "We'd have to look at a man, see how he supported certain programs. I gave that up."

Unlike most congressmen, Evins never grew cynical about patronage. Some day, "You knock yourself out to help somebody get a job, and in six months he forgets it," Evins related.

"But I don't agree. Little things are remembered. People still come to me and say, 'I will never forget what your father did for me.'

"Besides, you can't say 'No' to a friend."

Coming from a family that combined Democrats and Republicans (his strong-willed mother was Republican, his equally forceful father a staunch Democrat), Joe Evins made up his own mind about being a Democrat, but he has always treasured Republican friends.

"I'm pleased to strike up with you," is his original greeting to all.

Christened Joseph Landon Evins, he has never liked either the first or the middle name. "Joe L." is the way he signs his name, and constituents and fellow congressmen have always called him Joe.

Having the parents he did, Evins said he was just naturally expected to do something for the community. His grandfather Woodson, who built the house where Evins lives today, was the first school superintendent in DeKalb County.

"He was postmaster too—a kind of hail-fellow-well-met," Evins said. "He was kind of loud talking. He died before I was born, but I always heard about him."

So "Miss Myrt" Goodson, as everybody in Smithville called Evins' mother, grew up a town girl, hearing politics all of her life. She fought for women's suffrage, served as postmistress at Smithville, had a hand in the town's church and school affairs and helped her husband, J. Edgar Evins, run the small bus company he owned.

"Joe has a lot of his mother in him," said his wife, the former Ann Smartt of McMinnville. "His mother was a go-getter. She had good help at home, but she was a marvel at getting things done—both inside her home and outside."

Part of her system was to finish one task before she began another.

"Joe is the same way," his wife said.

"Joe's mother was an extrovert. His father, though a community leader and a public-spirited man, was withdrawn. He never spoke much, even as mayor of Smithville. He was really the silent man."

Perhaps for that reason, he admired people who could converse easily, Mrs. Evins said.

"He saw how much Joe loved people and enjoyed talking to them," she said. "He wanted Joe to use those gifts, to do those things that he did so well—serving the public. Joe's father was an inspiration to him."

The very hills of DeKalb County—the hills where his country-doctor grandfather, Dr. John A. Evins, built a log house still standing near the road Andrew Jackson used to travel to Nashville—are an inspiration to him too.

The center of a 400-acre farm four miles from Smithville, that house was long ago weatherboarded, and now belongs to the congressman. On the same hill, on adjoining land given by Evins' ancestors, stands Snow Hill Baptist Church. In the neat churchyard beside that church are buried Evins' grandfather and greatgrandfather.

On a recent afternoon, Evins and his wife took a stroll over their hill farm, stirring old memories of the days when, as newlyweds, they would drive out from town for picnics and weiner roasts on the farm.

Across the road from the old log house is the wooded part of Evins' farm that runs down to Center Hill Lake. There Evins is having a hiking trail built so that he and Mrs. Evins can keep up their Washington habit of walking along the old tow paths beside that city's one-time bustling canal.

For the 30 years in Washington will never wash out of their bones. Peaceful as Smithville is, quiet as the big white brick house with the lofty columns is, there is still a mound of mail that comes tumbling through the slot in the front door every day.

Most of that mail comes from Washington, or from people over the country who thought he was still in Washington. And there are telephone calls from distant friends, and delegations of admirers who call to get Evins' approval of their particular projects.

To separate home from office, Evins is in the midst of building a three-story office building—"Smithville's first skyscraper," he likes to say. Two floors of the building will be rented to lawyers and doctors, but the other floor will be for Evins' personal papers and for his own office work.

Evins says the adjustment from big-city, high-pressured Washington life to the peace of Smithville will be no problem to him.

"I never had Potomac Fever," he said. "Smithville was always home."

"I tried to get home from Washington once a month," Evins said. "In the early days, when there were trains, it made a pleasant trip. We could spend the week-end in Smithville, drive over to Knoxville late Sunday afternoon, take the overnight Pullman to Washington at 6 p.m., and be in Washington the next morning at 6 a.m."

With a wife and two small daughters when he entered congress in 1947 and a third daughter a few years later, Evins said, they had too much baggage to fly.

"We used to load the car down and drive back and forth between Smithville and Washington," Evins said. "We didn't do as much flying as some of the other congressmen from Tennessee."

From the time Evins was 13 years old, he had been traveling to Washington—that time with his father, then mayor of Smithville. From that first sight of congress in action, Joe Evins decided he wanted to be a congressman.

On that visit, his father took him to meet two old friends and congressmen from Tennessee: Ewin L. Davis and Cordell Hull (later to be Secretary of State under President Franklin Roosevelt). From that moment, young Evins was sure that was the life for him.

He had all of the ingredients for public life. Besides his deep-seated love for the area, he spent a happy boyhood in the community—winning oratorical contests and debates in school, playing baseball and football in high school, delivering newspapers and working in a grocery store.

During his student days at Vanderbilt University (where he was graduated in 1933) and his law school days at Cumberland University in Lebanon, Evins had congress in mind. It was mid-Depression when he began his law practice in Smithville and married a pretty young school teacher, Ann Smartt, daughter of the immensely popular Judge Robert W. Smartt of McMinnville.

But in 1934, Evins took a job in Washington, working for the Federal Trade Commission, and in the seven years on that job he spent what time he could observing Congress in action.

And the chance to become congressman came quicker than he had expected. For there were four years of military service in World War II, when he served in Europe with distinction and came home a major.

"When I came home, people came to me and said, 'Now's the time to run,'" Evins said. "So my first campaign was on the soldier-lawyer ticket."

It was Joe Hatcher, in *The Nashville Tennessean,* who first wrote a story about Evins as candidate for congress. The rest is history: 15 terms in congress, with each campaign bringing increasing margins of victory and sometimes no opposition at all.

"Time has passed fast," Evins said last week in his Smithville home. "It seems no time since the war was over. I've been on the ballot (primary and general) 30 times, and the margin of victory rose steadily—from 20,000 votes in the first election to 92,000 votes in the last."

And it is some satisfaction to him to realize that out of the 10,650 people who have served in congress since the country began, only 300 have served 30 years or more—equaling his record.

"The average length of service in congress now is ten years," Evins said. "It used to be eight, and it's dropping again."

In less traditional states, like Iowa, for instance, voters "sweep in six Republicans one year, and the next election they sweep in five Democrats," Evins said. That obviously doesn't build up much experience in the ways of being useful to their constituents.

Through the South's habit of keeping a good man in congress, southerners have had control of key committees through the years.

"Southerners have been chairmen of the all-important Appropriations Committee almost continuously for 100 years," Evins said. "The seniority system is not perfect, but it is the best yet devised."

His own power in helping guide the nation to the biggest growth in its history has come through his close attention to details and his skill in handling committee work. As a member of the Committee on Appropriations and as chairman of the Subcommittee on Public Works Appropriations, he has pushed forward what he calls "the building of America."

That meant irrigating the West with water projects, and creating new wealth and energy in the South with dams. It also meant helping build new highways, hospitals, airports, libraries and other public facilities.

It meant backing the nation's space program and putting a man on the moon—projects that have brought new health techniques, new building materials, new fabrics for the whole nation. In fact, because of his steady and imaginative support of that project, Evins has often been honored and his name placed on a plaque on the moon.

Through the terms of six presidents, he has pushed ahead work of great scientific value at Oak Ridge and at the wind tunnel testing site at Tullahoma. He has helped develop cities and smaller communities through the Model City program.

But all of the toil of helping "build America" has come at great expense of his own energy. An early riser, a man impatient with inefficiency, Evins started every day in congress with his long legal pad filled with lists of things to be accomplished that day.

Beginning with a staff of three when he entered congress and ending with a staff of 16, he met with them first thing every morning to outline the day's work. He divided between them the tasks to be performed that day, and he expected no alibis for work left undone at the end of the day.

Not only did Evins make every effort to see that letters were answered the day after they arrived; but after each letter was written, it got Evins' careful perusal to be sure it struck exactly the right note.

Mrs. Evins said that Evins kept note paper at his bedside, and often he would wake up in the middle of the night to add to the list of things to be done the next day.

Seeing bills he had fought for passed by congress was the exhilarating part of being in congress. That includes the bills that authorized his public works committee to spend $9 billion "to help build America."

"I gave up chairmanship of one committee that controlled $18 billion so that I could help more with the public works committee," Evins said. And he worries about waste in government spending.

Though his committee funded TVA, he has "slapped them on the wrist" for raising their rates and accumulating too high a margin of profit. TVA rates, he said, are in many cases rising more rapidly than those of privately owned companies.

He worries about the paralyzing maneuvers that shift bills in futility between congress and the White House.

"We are spinning our wheels now," Evins said.

He figures he has cast 1,000 votes a year during his 30 years in congress, and of those 30,000 votes, there are a few he regrets.

"Like the Gulf of Tonkin resolution, giving President Johnson blanket authority in Vietnam," Evins said. "I would change my vote on that now. I regret that vote."

Another time he voted wrong, he says, was on the bill setting up a separate corporation to run the U.S. Postal Service.

"It has not worked out as we expected it to, and I am sorry I voted for it," Evins said.

A keen student of history, Evins is intrigued by the way power shifts from one of the three branches of government to the other through the years.

"In the early days, the president was all-powerful," Evins said. "Then the Supreme Court was all-powerful. After the Civil War, congress wanted to throw out President Andrew Johnson."

There have been great stretches of history when congressmen were the "laughing stock" of the country, Evins said, but he has always looked on the job as a great honor.

It is the man with the "national view" who makes a name in history, he observed. He cites some of his congressional heroes who had "the broad national view:" Andrew Jackson, Cordell Hull, Sam Rayburn.

In the years he was in congress, Evins' congressional district was reapportioned three times—in 1950, 1960 and 1970—and the changing borders have included 31 counties altogether. That amounts to about one-third of the state of Tennessee, and his popularity in that area led backers to urge him to run for governor once.

Briefly he was tempted, he said, but after a quick survey of the situation he chose to return to congress.

"Congress is the workhorse of our government," he said, and he enjoyed doing that work. It mattered not to him that the double life—a home in Washington and a home in Smithville—means endless little irritations.

"I would get caught in the rain in Washington and remember that I had left my raincoat in Smithville," he said, laughing. It was not so funny when his daughter, studying piano, had a piano in Smithville but none in Washington.

"We had to rent one there," he said. And to avoid yanking the girls out of school in Smithville and entering them in Washington from season to season, he finally placed them in boarding school.

He boils at mention of Watergate, "the most sordid chapter in the history of the nation." He disapproved of Carter's "phone-in" as "impracticable, unrealistic."

Congressmen get telephone calls at all hours of the day and night as it is, he said.

"You never get away from your work," he said. "When Truman fired MacArthur, a man from Tullahoma called me from Florida at 2 a.m. to ask that Truman be impeached."

He has a word of advice for citizens who want their voices heard in congress: "A letter well written—a sensitive, well thought out letter—has more effect on a congressman than a petition with 100 names on it. A sensitive congressman responds."

When Evins decided he had had enough of the pressures of congress, his wife approved. She had secretly hoped he would choose not to run last year, she said.

But when the news hit Washington, friends there found it hard to imagine. The long succession of parties and tributes to the Evins, both in congress and outside, were joyous, "never weepy," Mrs. Evins said.

It was only when she began packing his books for the final trek home that "the whole thing suddenly hit me," she said. "Here we were, ending 30 years of life in Washington. It was all over."

As she talked, tree surgeons were topping tall trees in the back yard. A white butterfly dipped and darted over her head while she knelt to pick some of the first daffodils of spring.

"I love it here in Smithville," she said. "I know I won't ever have a lonely time. It's just different—a whole different atmosphere."

They have kept their home in Washington, renting it. And they had hardly got settled in Smithville when they returned to Washington for Carter's inauguration. From there, it was straight to Florida for weeks of vacationing.

In congress, as he set a fast clip down the halls, it was, "Good Morning, Mr. Chairman," that greeted him all along the way for 30 years. In Smithville restaurants or courthouse or church, it's **"Hi, Joe!"**

And for those people in Washington who are asking, "Where's Joe?", the answer is just what he wanted.

Joe's home, and happy, and striking up with new people every day.

WARNKE AND SALT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. MICHEL. Mr. Speaker, columnists Patrick Buchanan, William Safire, and Evans and Novak have had interesting things to say about chief American SALT negotiator Paul Warnke. Buchanan's column was written before Warnke was confirmed by the Senate and in light of the other two columns Buchanan's warning seems prophetic.

The articles follow:

APPOINTING A LOSER TO THE SALT TABLE

(By Patrick J. Buchanan)

WASHINGTON.—"His views are well considered by me. I have accepted them. . . . I believe Mr. Warnke's proposals are sound." Thus did President Carter endorse Paul C.

Warnke, his choice to negotiate the next strategic arms agreement.

Hereabouts, Warnke is best known as principal apologist for George McGovern's proposed $32 billion unilateral cut in national defense. How the President reconciles Warnke's "views" and "proposals" with his own commitment to "a defense second to none" remains a puzzle.

With his nomination in some doubt, Warnke has of late begun disremembering and recanting what he has written and said for five years. But the record stands.

He has disparaged or opposed the B-1 bomber, the ABM, the mobile ICBM, the Poseidon missile, the Trident submarine, the cruise missile. He counseled slashing from 7,000 to 1,000 the number of U.S. nuclear weapons defending Europe—in the face of a Soviet buildup which even the Washington Post concedes "only loons and terns would deny."

He has opposed deployment of multiple warheads, which alone give the U.S. its claim to parity with the Soviets whose missile force, Carter admits, is superior to ours in numbers, size, and throw-weight.

No knowledgeable figure in the "national security cluster" has spoken with the flippancy and disdain of Warnke about the weapons systems upon which Western security hangs. Following the SALT I agreement in Moscow, Warnke announced that "continuation of the missiles numbers game is in fact a mindless exercise . . . there is no purpose in either side's achieving a numerical superiority."

Sure, the Soviets have "an apparently large mathematical edge" in missiles, Warnke said, but "we should not be concerned" about that "nor should we be concerned about any attempts that the Soviet Union might make to add additional, useless numbers to their already far more than adequate supply."

On the record then, Warnke has favored unilateral slashes in U.S. defense, and would tolerate a growth of Soviet strategic power—which the Russians have themselves not dared to demand at the conference table.

Having Warnke negotiate a nuclear arms agreement for the U.S. is like having your life savings in the hands of a poker player who has just grandly announced to all at the table the discovery that money is irrelevant to a happy and fruitful life.

What should American policy be? Not two years ago, Warnke wrote we should "try a policy of restraint, while calling for matching restraint from the Soviet Union. . . . The chances are good . . . that highly advertised restraint on our part will be reciprocated."

That so, Paul? Well, in a "highly advertised" move, we tore down our ABM system. Why did not the Russians reciprocate and dismantle theirs? In the last dozen years we have cut the U.S. fleet in half. The Soviets have doubled and tripled the size of theirs. We stopped building land-based missiles at 1,056; the Russians rolled right on by to 1,600.

Last week, the veteran foreign policy analyst C. L. Sulzberger noted that since "detente, the Soviets have increased the number of their divisions from 141 to 168; the number of tanks in Warsaw Pact forces has mounted 40 per cent; their artillery has nearly doubled, and the U.S.S.R. has developed six new strategic nuclear systems. Soviet tank production is over five times that of the United States and submarine production four times."

"Why," wonders Sulzberger, "does the end of a cold war and the start of detente require such unusual behavior?'"

The pro-American British publication, the Economist, sees method where Warnke sees only Russian madness.

"On present trends, it is not impossible that before long the Russians might be able to destroy all, or most of America's land-based nuclear weapons and aircraft carriers in a first strike. That would leave its missile submarine fleet intact. But if the submarines' missiles were expended in a retaliatory blow which knocked out only a fraction of the Soviet force, America's cities would then be naked to destruction, whereas Russia's would not."

That, Paul, is what the "mindless numbers game" is all about.

A 600-Kilometer Missile Mystery

(By Rowland Evans and Robert Novak)

From a muddy sea of equivocation and deception comes this hard fact. President Carter's arms-limitation proposal was watered down in Moscow even before the Russians could say no.

After early denials, it is now admitted officially that the Carter package, presented to the Soviets March 28, offered a 600-kilometer (373-mile) range limit on cruise missiles launched from non-heavy bombers. Still denied, but attested to by first-hand sources, this concession was added to the package at chief negotiator Paul Warnke's urging after the U.S. team arrived in Moscow. Finally, there is well-founded suspicion that the President was not immediately informed of the change.

The official U.S. line is that the 600-kilometer limit is not even a major conclusion. By any objective standard, however, it is. The only argument is whether it is too high a price for agreement in the strategic arms limitation talks (SALT).

But many who consider it a perfectly suitable concession worry about the way it is done. Adding a concession the moment the towers of the Kremlin are espied is all too reminiscent of past weak-willed U.S. negotiators. So, the 600-kilometer limit looks suspiciously like the start of what Foreign Service officers call "walking back the cat"—retreating from a previous set position.

The furor over this concession does show how much the arms-control debate has changed. When Henry Kissinger offered the 600-kilometer limit to the Russians at Helsinki in August 1975, there were only scattered, ineffectual protests. By early 1976, it was permanently embedded in President Ford's SALT position.

But not in President Carter's. When Secretary of State Cyrus Vance briefed members of Congress before leaving for Moscow, he did not mention the 600-kilometer limit. The reason was simple. At that point, it was not in the package.

The State Department has called "a lie" New York Times columnist William Safire's report that the 600-kilometer limit was added in Moscow. Actually, Safire's error was insignificant. (He reported it was added after, not before, the Soviet rejection.) Warnke proposed the concession in a full meeting of the U.S. team in Moscow. Despite a little opposition, Vance bought Warnke's proposal.

The Soviet rejection of the Carter package, extra concession or not, does not end the story. On the return from Moscow, not one word was said about the concession. Nor was it mentioned by Zbigniew Brzezinski, the President's national security adviser, at an April 1 press briefing. Nor did Secretary of Defense Harold Brown mention it in a discussion of SALT April 13. As late as April 22, one high official was denying the limit was in the package.

Revealing this concession would have helped rebut Soviet claims that Carter's proposal was one-sided. So why did these U.S. officials refrain from shouting it to the world? Incredible though it seems, it is held in some responsible circles that Brzezinski simply did not know about it. But other officials who obviously did know—including Warnke—may not have wanted debate on this point.

The administration has staggered to this consensus: The 600-kilometer limit is a "long-standing" U.S. position that may not have been in writing when the negotiations reached Moscow but certainly was in their minds and hearts. It is now defended as no concession at all but as a restriction on the Soviets, limiting cruise missiles on their Backfire bombers.

That argument only fertilizes suspicions. The Soviets are far behind the U.S. in cruise missile development, so such limitations hurt them less. Moreover, the 600-kilometer limit cannot be verified—supposedly a no-no in SALT.

What worries some Western European defense officials (miffed at not being informed of the concession) is the impact of the 600-kilometer limit on NATO's European theater defense planning. Even this regrettable introduction of tactical questions into strategic arms talks might be worthwhile if the Russians bought the rest of the Carter package. Still, nagging questions persist: Why was the limit not included in the original package? Why was its existence excluded from post-Moscow briefings?

Critics of Warnke reply that their worst fears have been realized and, contrary to acting as the President's attorney arguing his set case, he is making SALT policy on the run. Neither Vance nor Brzezinski is a match for Warnke in this intricate specialty; Harold Brown is more than a match but is keeping a low profile. The 600-kilometer mystery, therefore, raises suspicions that Paul Warnke will begin "walking back the cat" on the Carter SALT package, unless checked by the President himself.

Mr. Warnke's Hit List

(By William Safire)

Washington.—Before the Inauguration, the Arms Control and Disarmament Agency received a demand from Anthony Lake, Mr. Carter's dovish national security helper, for a list of its civil servants and career Foreign Service officers, with information about their careers.

Properly, the agency turned down the demand, although there is nothing wrong with sweeping out Presidential political appointees at the change of Administrations, there is a great deal wrong with compiling a "hit list" of civil servants for the purpose of changing an agency's ideology.

At his stormy Senate confirmation hearings, Paul Warnke—who had been Senator McGovern's foreign policy adviser and was President Carter's sop to the doves as disarmament chief—was asked under oath about reports of a planned "purge" at the agency. He replied firmly that there was "no substance" to those reports.

The Senators were particularly concerned about "verification" at the A.C.D.A. Those are the people who work with the C.I.A. and National Photographic Interpretation Center to put into SALT agreements some way of seeing if the Soviets are cheating. Neither the Soviets nor our doves like our persnickety "verifiers." To ingratiate himself with skeptical Senators, Mr. Warnke took a hard line saying: "An agreement which is not verifiable is worse than no agreement."

Off went Mr. Warnke on Secretary Vance's arms control mission to Moscow last month, grumping about the United States position that had been based on a 17-page letter from Senator Henry Jackson and the first SALT paper in four years signed by the Joint Chiefs of Staff.

When the Russians stonewalled, the U.S. team held a seven-hour strategy session. As might be expected, Mr. Warnke's hearing-toughness vanished; he persuaded Mr. Vance to make a significant concession to the Soviets.

The Warnke concession was to offer to limit cruise missiles to 600 kilometers on nonheavy bombers. We had been willing originally to limit the cruise missile's range to 2,500 kilometers because we don't need another intercontinental missile—but we do need a theater weapon. Mr. Warnke, in making the cruise missile acceptable to the Soviets, makes it far less valuable to us.

The Russians turned up their nose to this concession; most Americans do not even know it was offered. But as the Vance party returned in disarray, the career "verifiers" back home in the agency began to point out some big problems in the concession.

The Soviet Union has a large cruise missile of its own, the AS–4 to be carried by its Backfire bomber. Although it would be easy for the Russians to check on any United States cheating in cruise missiles (by reading Aviation Week), it would be more difficult for us to verify Soviet compliance.

That is because the cruise missile, unlike the ICBM, does not have to fly 3,000 miles to a target to be tested, inviting surveillance; instead, they can be tested in a "racetrack pattern,'" flying in circles locally. The ICBM crashes on the target, requiring it to send back data in flight, which our verifiers intercept; but the cruise, which can land by parachute, is silent.

"Verification" is the name of the arms control game. Now consider what has happened to this crucial watchdog function since the return from Moscow.

The ideological "hit list" has been activated. Throughout the Arms Control and Disarmament Agency, the hard-line professionals—not the political appointees, but the career officials—have been told to quit or find jobs elsewhere. Civil servants, Foreign Service officers and active-duty military like Robert Behr, Leon Sloss, William Steerman, Lee Niemala, Charles Estes, Paul Wolfowitz, William Graves and dozens of others are being "relocated"—to make room for men who won't make waves when U.S. strategic interests are conceded away.

Worst of all, the Verification Bureau has been abolished. The civil servant in charge, GS–18 Fred Eimer—non-political—was asked to find work elsewhere. The next man, GS–17 Burt Aschenbrenner, was pushed out last week, and Cairns Lord, Philip Jackson, Eric Erlinson and other experienced verifiers have fanned out to other Government agencies or to universities.

Thus the only group in the Government whose sole job is to develop systems to verify arms control has been systematically disbanded.

The dovecote that is now our Arms Control Agency will say that no verification bureau is needed, that the function can be handled at C.I.A. or sprinkled around the agency. But every savvy bureaucrat can see through that: the verifiers must have no vested interest, no bureaucratic loyalty other than to curtail possible Soviet duplicity.

Nor is the C.I.A. empowered to come up with treaty language or arms control negotiation suggestions dealing with verification. That is what should be the responsibility of an objective body within our State Department.

Firing political appointees is a legitimate function of a new broom; but compiling a "hit list" on an ideological basis, aimed at dispersing a group of nonpolitical professionals, deserves investigation. Ironically, Mr. Warnke's abuse of power is a step toward American strategic impotence.

B–1 BOMBER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following letter-to-the-editor on the B–1 bomber printed in the University of California at Santa Barbara newspaper.

I support the development of the B–1 bomber because I believe that strong defense posture is not only essential for the security of the United States, but also necessary for maintaining peace and stability throughout the world. Since bombers still constitute 50 percent of the U.S. strike force, I feel that we must have a modern bomber to replace the aging B–52's. If there were no conventional weapons, there would be much greater danger that nuclear weapons would be used instead.

In addition, possessing a flexible strategic delivery system like the B–1, which could be recalled, would avoid the dangers of reaction to a nuclear missile "launch-on" warning. Also, as costly as the system is, it is actually less costly—and more cost effective—than the proposed alternatives.

The following describes the B–1 bomber as "clearly the most effective":

[From the Daily Nexus, Apr. 21, 1977]

The B–1 Bomber "Is Clearly the Most Effective"

Editor, Daily Nexus: In his letter to the editor (Nexus, 4/5/7), Brian Tiougan uses misleading statements to come to the mistaken conclusion that the B–1 bomber is not vital to this nation's defense. He argues that not only are bombers obsolete for super power conflicts but that there are cheaper alternatives to the B–1. Unfortunately, the truth is that bombers are not obsolete and in fact have certain major advantages over other weapons systems in the role of deterrence. Also, study after study by informed groups have shown the B–1 to be the most cost-effective bomber system now available.

Because of several advantages unique to bomber systems, permitting our bomber force to become ineffective would result in this nation having a significantly lessened deterrent capability. Being manned, bombers have the ability to make decisions once the target is reached. Also, a member with low altitude capability, such as the B–1, is much more difficult to detect than an ICBM or a SLBM. Most importantly, however, bombers are recallable. Perhaps the major drawback of missiles is that once launched they cannot be recalled. In a crisis, the time during which a bomber is flying to its target may be valuable to negotiators trying to settle the matter.

Once the need for an effective bomber force has been established, one system must be selected from the available alternatives. Major proposed alternative systems to the B–1 include modified and rejuvenated B–52's, stretched FB–111's and wide-bodied transport planes used as stand off platforms for launching cruise missiles. In this selection process, several factors must be considered, including cost, effectiveness, and fuel consumption.

The most important consideration is effectiveness. If the system is not effective, it is wasteful to contruct and maintain it. The B–1 is clearly the most effective of all the weapons systems available to us, for the B–1's superiority to other systems is primarily due to its low radar cross section, low infrared signature, terrain following capability, advanced electronic counter measures, long range, large payload, and its great degree of operational flexibility. No other system comes close to matching the effectiveness of the B–1 in penetrating the complex air defenses expected to be in use in the 1980's. Each of the major alternatives suffers from some combination of deficiencies in the areas of range, payload, cost, and ability to penetrate which is cause for serious doubts about its effectiveness as a deterrent. A Pentagon study of the B–1 and the major alternatives, spending equal amounts of money on each program, compared performances in the defense environment expected in the near future. The alternatives included re-engined B–52's, stretched versions of the FB–111, B–52 G's and H's both as penetrating bombers and cruise missile carriers, and wide-bodied transports such as the Boeing 747 used as standoff cruise missile platforms. The B–1 outperformed all of the alternatives by a wide margin (Aviation Week & Space Technology, 3/17/75).

Other considerations, even assuming the alternative systems were effective, are cost and fuel consumption. Here Mr. Tiougan quotes a figure of $92 billion for the B–1. This figure is misleading, as it not only includes money for tanker aircraft and other equipment which would be built anyway, but it includes the cost of non-B–1 bomber forces which would be retained. The truth of the matter is that in comparable dollars the purchase cost of the "ultra expensive" B–1 fleet will be less than ⅔ that of the present B–52 fleet. Also, the operational cost of the B–1 will be about 60 percent of that of the current B–52 force. In terms of fuel economy, the B–1 would consume about ¼ the fuel used by our B–52 fleet (A.F. Gen. H. M. Darmstandler, Aviation Week & Space Technology, 8/11/75). As Mr. Tiougan points out, any fuel saved might be used for urban mass transit systems.

An effective bomber force is vital to the defense of this nation, and considering performance, cost and fuel consumption, the B–1 is by far the best candidate for performing that role.

Jan K. Schiffmann,
Senior, Electrical Engineering.

THE SOCIALIST WORKERS PARTY AND TERRORISM—AN UPDATE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. McDONALD. Mr. Speaker, during the last session, I inserted into the Congressional Record a series of reports on Trotskyism and terrorism. These reports, taken primarily from the internal documents of the Socialist Workers Party and the Fourth International, showed that the majority of the Fourth International supported and carried out a strategy of armed struggle and terrorism. The Socialist Workers Party, as part of the minority of the Fourth International, opposed this strategy, at this time, but supported terrorism as a possible tactic at a more opportune moment in history.

The Socialist Workers Party has been engaged in a lawsuit against the U.S. Government claiming an infringement of its rights because of Government surveillance of its activities. As a result of this suit, extensive FBI files have been available to the SWP. Last year then Attorney General Levi ordered the FBI to terminate its surveillance of the SWP and remove its informants. As a result, the Government no longer has available the internal documents of the SWP showing continued affiliation with the

Fourth International which continues to support terrorism as a tactic to be used now.

The SWP has now demanded production of Central Intelligence Agency files. As Socialist Workers Party member, Syd Stapleton, said in answer to the Militant's question, "What kind of information do you hope to get from the CIA?"—"We know that the CIA collects information about the SWP and Fourth International—the SWP's revolutionary socialist cothinkers in other countries." (The Militant, March 25, 1977.)

The SWP demand for documents was resisted by the CIA. A Government brief citing the reasons to the court said:

> A close analysis of various documents produced by plaintiffs in this action indicates that (a) the Fourth International and its constituent sections comprise a worldwide network which supports revolutionary violence and political terrorism; (b) sections of the Fourth International have been responsible or notorious acts of terrorism with the approval, if not the actual connivance of the Fourth International's leadership; (c) the Fourth International takes credit for an important role in at least one major instance of revolutionary violence against an important ally of the United States. (the Militant, April 1, 1977)

Jack Barnes, National Secretary of the Socialist Workers Party, in an answering deposition claimed that the Fourth International never advocated terrorism. He said that the International majority had mistakenly supported the activities of the ERP, a terrorist group in Argentina. According to Barnes, they have now repudiated that support. Referring to a resolution of the Nine World Congress of the Fourth International which took place in 1969, Barnes stated:

> All tendencies in the Fourth International now recognize that the Ninth World Congress document was in error. (See *Self-Criticism on Latin America*, by the Steering Committee of the International Majority Tendency, attached as Exhibit 1.) All tendencies agree that the position adopted at the Ninth World Congress did not politically arm the Fourth International to resist the evolution of the Revolutionary Worker Party (PRT) in Argentina. The PRT had always held positions differing from those of the Fourth International. These differences deepened after the Ninth World Congress. Many PRT activists took part in the broader ERP (Revolutionary Army of the People) formed in 1970, and carried out adventurous and even terrorist acts. This evolution of the PRT away from Trotskyism resulted in its breaking with and denouncing the Fourth International in 1973. (ibid)

Barnes failed to note that the Socialist Workers Party leadership has accused the Fourth International leadership of supporting terrorism, not only in Argentina, Spain, France, and Ireland. He further neglected to state that the Tenth World Congress of the Fourth International, held in 1974, had reiterated its support for armed struggle and terrorism, but had criticized the idea that armed struggle should stand alone not linked with political organization. The resolution on armed struggle adopted by the majority of the Fourth International in 1974 read in part:

> The strategy of armed struggle is part of the central effort of the Fouth International to resolve the crisis of revolutionary leadership through building new mass revolutionary parties. Unless it provides a concrete answer to the problems posed by the rise of revolutionary struggles, such a party cannot be built. One of the most burning questions raised in the very course of the class struggle in Latin America is what to do, given the succession of military coups, and the repeated crushing of the most promising mass movements in one country after another, what to do given the total failure of "foquismo."
>
> When they possess the minimum forces necessary, to do so, the revolutionary Marxist organizations must consider the creation of armed detachments of the party—in the conditions elaborated above—as a special task within the framework of their overall orientation. In any case the experience of the Argentine PRT [Partido Revolucionario de los Trabajadores—Revolutionary Workers Party] has demonstrated that whatever political and organizational errors were committed, the revolutionaries who had been satisfied with literary and academic proclamations in this regard when they were in the Moreno organization were able to take a necessary turn toward the creation of armed detachments of the party, and were able to influence the course of political events in their country.[1]

Jack Barnes conveniently forgot that he, himself, had accused the leader of the Fourth International, Ernest Mandel, of "attempts to smuggle terrorism under the name 'urban guerrilla war,' into the traditions of Leninism . . ."[2]

The self-criticism on Latin America by the International Majority Tendency, referred to by Barnes in his deposition, means the exact opposite of what he claims.

The FBI no longer has informants in the SWP. It cannot obtain the secret internal documents of the SWP and the Fourth International needed to refute the claims made by Barnes.

A careful reading of the "self-criticism" shows that the International Majority Tendency continues to support the strategy of armed struggle. It says in part:

> But apart from the fact the formula "strategy of armed struggle" obviously does not provide the necessary instruments for precise elaboration by a section in Latin America, it falsely *identifies* what must be *an element* of revolutionary strategy with *the whole* of this strategy, which could be interpreted—and was—as reducing revolutionary strategy to "armed struggle" alone.[3]

The criticism has the IMT asserting that armed violence must be only one element of the revolutionary struggle. Even this minor concession was opposed by Livio Maitan, one of the key leaders of the International Majority Tendency. Maitan stated:

> I vote against the document on Latin America: (a) because I consider that the necessary self-criticism was made in the documents of the Tenth World Congress and that the additional elements of self-criticism must be based on an overall political analysis of the whole period; [4]

Maitan has been in close contact with Trotskyite terrorist groups in Latin America. When the ERP left the Fourth International, a group called the Red Faction remained in. This group continued to commit terrorist acts in Argentina. In May 1973, they kidnapped an Argentinian business executive, Aaron Bellinson. The next month, he was released upon payment of a $1 million ransom. One hundred thousand dollars of this ransom was turned over to Livio Maitan to support Trotskyite and other terrorist operations throughout the world. Shortly after receiving the money, Maitan attended the 1973 convention of the Socialist Workers Party where he spoke in support of terrorism.

Leaders of the Socialist Workers Party have expressed the position, in their secret internal bulletins, that while they oppose terrorism as a tactic now, they support it as a possible future tactic. SWP national committee member, Peter Camejo, in an answer to Ernest Mandel—Germain—stated:

> Comrade Germain leaves the impression that Lenin opposed terrorism but supported guerrilla warfare. Lenin's approach was not that simple.
>
> Guerrilla warfare is only one form of the utilization of arms. It cannot be correctly counterposed to terrorism.
>
> The word "terrorism" is commonly used to mean the politics of those who believe that violent actions against individual bourgeois figures can bring about social change, precipitate a revolutionary situation, or electrify or help mobilize the masses even if undertaken by isolated individuals or groups. Terrorism in that sense is rejected by the Marxist movement. But under the conditions of civil war, terrorist acts can have a totally different political import. Their isolated nature fades. In the process of an insurrection, terrorists acts may be advantageous to the workers movement. They may also be damaging. But terrorist acts that are not part of a generalized mass armed struggle remain isolated and are detrimental to the workers movement.[5]

Mary-Alice Waters, another SWP National Committee member, made the following statement:

> The majority held that they too were for building parties but that revolutionary parties could only be constructed today in Latin America if the Trotskyists proved themselves the best guerrilla fighters, arms in hand. Such was the only path to either the vanguard or the masses.
>
> The minority felt that such a strategy could only lead to the political miseducation of the entire world movement and the decimation of the small Trotskyist parties and cadres in Latin America. Logically it would have to be extended beyond Latin America to other parts of the world.
>
> * * * * *
>
> Other supporters of the Latin American majority document have tried to shift the discussion onto the axis of "for or against armed struggle." We reject any implication that that is what the discussion is really about. If supporters of the minority view were against armed struggle, they would be Social Democrats or Stalinists, not Trotskyists. What we reject is the strategy of "pick up the gun" as the road to power. As a strategy it stands in the way of the construction of mass revolutionary parties throughout Latin America, and that is what the debate is about.[6]

As a result of the faction fight within the Fourth International concerning terrorism and other related matters, a faction developed within the Socialist Workers Party supporting the International Majority Tendency against the leadership of the SWP. Most of the mem-

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Footnotes at end of article.

bers of this group were expelled from the SWP in 1974, not because of their support of terrorism, but because of violations of SWP bureaucratic rules. Some members of this faction called the Internationalist Tendency were not expelled as they had not broken any rules. They continue to support the pro-terrorism now, line of the Fourth International. These include Robert Langston, Berta Langston, Peter Graumann, Gerard Guibet, Jim Morgan, Celia Stodola, and Alan Wald.[7]

As a result of pressure from the Fourth International some members of the Internationalist Tendency were readmitted to the SWP. These united with those who had been left behind and together total about 25 members.[8] One of them, John Barzman, serves on the International Executive Committee and the United Secretariat of the Fourth International under the name "Hovis." The 1976 Socialist Workers Party convention elected Barzman as a member of the National Committee of the SWP.[9] Prior to the convention Barzman set forth as the position of his faction in the Socialist Workers Party a collection of resolutions supported by the International Majority Tendency and passed at the Tenth World Congress, including the pro-terrorist "Resolution on Armed Struggle in Latin America." [10]

On June 24, 1975, Barzman wrote a letter to the United Secretariat of the Fourth International in Brussels recommending that they accept the resignation of William Massey as an alternate member of the International Executive Committee. According to Barzman:

> This letter is to report some information which may be of use in making a swift disposition with regard to Cde. Massey's letter of resignation. Recently, he has become inactive and dropped out of the IT new faction. Further, at a rally in defense of Joanne Little, held Saturday, June 21, 1975, I saw him carrying a bundle of the newspaper "Workers World", the organ of the Workers World Party and Youth Against War and Fascism. Other indications from our former comrades Don Smith and Ed Hoffman seem to indicate that this is part of a general political retreat toward this pro-Stanlist sect. I would recommend an immediate break-off of all party-relations with him and the acceptation of his resignation.[11]

According to SWP Organizational Secretary, Barry Sheppard, Massey had joined the Workers World Party.[12]

Why Barzman should be surprised at Massey's relationship with the Workers World Party is an interesting question, since both Massey and Barzman had had close contacts with it in 1974 in Chicago. The reference to the Workers World Party as a "pro-Stalinist sect" refers to Trotskyite terminology for a group which follows or works closely with the Soviet Union, Red China, or any of the current Communist countries.

Another group that the Trotskyites could properly term as a pro-Stalinist sect is the Revolutionary Marxist Organizing Committee. It is led by Milton Zaslow—aka Mike Bartell. Zaslow the former New York City organizer of the Socialist Workers Party was expelled in 1953 during a faction fight in which he and others advocated a closer relationship with the Communist Parties around the world.[13] According to John Barzman.

> RMOC is an organization founded last November by the L.A. Socialist Union, the Baltimore Marxist Group, a number of former IT comrades who refused to abide by the IEC recommendations to collaborate with the SWP, and a few other elements. RMOC claims to support the F.I. and has submitted a proposal that it be collectively admitted into the SWP. The proposal consisted in a letter of a few lines.[14]

Zaslow led the Los Angeles group. The Baltimore group consists mainly of Rick Ehrmann, Jorn Sinnigen, Lisa Sinnegen, and Star Bowie. The latter had been expelled from the SWP in 1974 while the others had left earlier.[15]

It is interesting to note that Livio Maitan the most vociferous supporter of terrorist in the Fourth International attended the founding conference of the Revolutionary Marxist Organizing Committee in November 1975.[16]

RMOC in Baltimore works closely with the Workers World Party.

The Socialist Workers Party is very proud of its ability to disrupt the Government's antisubversive and antiterrorist apparatus. They see their lawsuit as a major weapon against the United States. SWP National Committee member, Larry Seigle, boasted at the August 1975, convention of the party,

> The government side on the case really does have a morale problem. It's a serious one for them. Our suit and the Justice Department criminal investigation our suit has triggered have done things to them that they can't adjust to. They can't adjust to being defendants in their own courts. That don't know how to act, how to argue for their positions openly. It's not one of the things they're trained to do, and historically they've never had to do it.
>
> You can see the demoralization on the faces of the government's young attorneys every time there is a hearing before the judge. The lawyers for the government aren't especially dedicated to the FBI and the CIA. They're just serving time in the U.S. Attorney's office before moving on to the world of corporate law or tax law. And they don't see *this* case as a promising steppingstone for their careers. After one recent hearing, when our attorneys had presented arguments on a procedural issue, the top government attorney told one of our lawyers, "Look, you don't have to worry about the procedural issues; we're going to lose this case on the merits."
>
> I don't think we have yet fully grasped the meaning and consequences of the massive publicity about the party and this case. This is not just one big splash. It's constant repetition, week after week, sometimes day after day, in major newspapers and on radio and television.
>
> Millions are learning the name of the Socialist Workers Party. And if they don't know anything else about us, they know that this is the party that is standing toe to toe with the FBI. Slugging it out. Not giving an inch. And—to the surprise of millions—we are landing some blows, some heavy blows, against the FBI.

The 1976 convention also heard a report by Judy White on the "Campaign Against Repression in Argentina." She said in part:

> The official repression, by the army, has cost the lives of at least 400 so-called subversives. Among them are dedicated revolutionists like Mario Roberto Santucho, leader of the People's Revolutionary Army, the ERP, who was gunned down in a raid on an apartment near Buenos Aires July 19.

Santucho, the leader of the ERP, was thus eulogized by the SWP as a "dedicated revolutionist." This is at a time when the SWP was supposedly repudiating the murders and kidnapings committed by the ERP terrorists.

The convention also sent the following greetings to Lureida Torres;

> To Lureida Torres: The 28th National Convention of the Socialist Workers Party at Oberlin, Ohio, sends you its warmest greetings. We are sorry that you could not attend the July 4 demonstration in Philadelphia for a bicentennial without colonies. We know how much you desired to be there.
>
> The use of imprisonment to punish fighters for freedom is just one of the weapons of Yankee imperialism. We know that you are aware of it and we salute your courage and determination to fight for Puerto Rico's independence. We look forward to joining with you on the field of battle and we pledge our efforts to obtain your earliest release.[17]

What the SWP characterized as fighting for freedom, was in the case of Torres' refusal to testify before a grand jury about the activities of the Puerto Rican terrorist group, FALN. Torres preferred to sit in jail for contempt rather than reveal information about a group which has committed numerous bombings including the one at the Fraunces Tavern in New York where 4 people were killed and over 50 injured.

On October 16–17, 1976, the United Secretariat of the Fourth International met in Brussels, Belgium. Among the leaders of the Socialist Workers Party present at the meeting were Jack Barnes, Joseph Hansen, and Mary-Alice Waters. After the meeting in Brussels the three met with the Political Committee of the International Marxist Group, the British section of the Fourth International, in London. According to a report given to the Political Committee of the Socialist Workers Party on October 25, 1976:

> The IMG comrades are anxious to help "internationalize" the SWP and YSA's suit against the American government." [18]

Acording to a report by Mary-Alice Waters on January 4, 1976, to the National Committee of the Socialist Workers Party, the leaders of the two major factions in the IMG are, Tendency A: Tariq Ali, Pat Jordan, and Robin Blackburn; Tendency B: Alan Jones, Brian Grogan, and Bob Pennington.[19]

Tariq Ali has been deeply involved in support operations for terrorism in a number of areas including Ireland.

The Socialist Workers Party successes have been achieved by a combination of their own aggressiveness and the Government's lack of will to fight. The inability of the executive branch of the U.S. Government to obtain the secret internal documents of the Fourth International and the Socialist Workers Party has further hindered the Government defense. The demand by the SWP to see classified CIA documents, some of which contain reports from foreign intelligence services on international terrorism, must be resisted by our Government. It is outrageous for American supporters of an international terrorist network to de-

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Footnotes at end of article.

mand that the Government tell them what information it has on their terrorist comrades. If this information is turned over to the SWP no foreign government will ever cooperate with us in the fight against terrorism.

Seven members of the National Committee of the Socialist Workers Party serve as "fraternal members" with full voting rights of the United Secretariat of the Fourth International. The seven plus four more serve as members with full voting rights of the International Executive Committee of the Fourth International. The seven with dual membership are (with their pseudonyms in parenthesis): Edward Shaw (Atwood), Jack Barnes (Celso), Gus Horowitz (Galois), John Barzman (Hovis), John Benson (Johnson)—while all the others are full members of the National Committee of the SWP Benson is an alternate member—Joseph Hansen (Pepe), and Mary-Alice Waters (Therese).[20] The other four, who serve on the international executive committee, are Barry Sheppard (Stateman), Carol Lund (Susan) and two who use the names Mitchell and Bundy.[21]

The National Committee of the Socialist Workers Party consists of the following 35 regular members and 27 alternates:

REGULAR MEMBERS

Jack Barnes, John Barzman, Nelson Blackstock, George Breitman, Joel Britton, Peter Camejo, Pearl Chertov, Clifton DeBerry.

Maceo Dixon, Catarino Garza, Fred Halstead, John Hawkins, Gus Horowitz, Doug Jenness, Linda Jenness, Lew Jones.

Frank Lovell, Caroline Lund, Wendy Lyons, Malik Miah, Andrea Morrell, Derrick Morrison, Andrew Pulley, Harry Ring.

Olga Rodriquez, Bev Scott, Larry Seigle, Ed Shaw, Barry Sheppard, Syd Stapleton, Betsey Stone, Tony Thomas, Mary-Alice Waters, Nat Weinstein, Tim Wohlforth.

ALTERNATE MEMBERS [22]

1. Susan LaMont.
2. John Benson.
3. Judy White.
4. Gerry Foley.
5. Les Evans.
6. Cindy Jaquith.
7. Dick Roberts.
8. Barbara Matson.
9. Lynn Henderson.
10. Sam Manuel.
11. Peter Seidman.
12. Willie Mae Reid.
13. Rich Finkel.
14. Peggy Brundy.
15. Jeff Mackler.
16. Baxter Smith.
17. B. R. Washington.
18. Dick McBride.
19. Ken Shilman.
20. Ray Markey.
21. Mac Warren.
22. Pedro Vásquez.
23. Pat Wright.
24. Ed Heisler.
25. Omari Musa.
26. James Harris.
27. Richie Ariza.

Among the members of the National Committee are John Barzman, representing the 25 supporters of the proterrorist International Majority Tendency, and Tim Wohlforth, a recent convert from a rival Trotskyite group who has agreed to participate in an SWP campaign against his former friends.[23]

The Socialist Workers Party Control Commission consists of: Kipp Dawson, Wayne Glover, Helen Scheer, Larry Stewart.[24]

The Socialist Workers Party has locals in a number of cities. Some of those locals are divided into smaller branches. The following is a current list of Socialist Workers Party locals and branches:

Albany, New York.
Atlanta, Georgia: East W, West.
Baltimore, Md.
Berkeley, Calif.
Boston, Mass.: Cambridge, Dorchester, Fenway-South End, Roxbury.
Chicago, Ill.: Northside, South Chicago, Southside, Westside.
Cincinnati, Ohio.
Cleveland, Ohio.
Dallas, Tex.
Denver, Colo.
Detroit, Mich.: Eastside, Southwest, Westside.
Houston, Tex.: Northeast, Northside, South Central.
Indianapolis, Ind.
Kansas City, Mo.
Los Angeles, Calif.: Crenshaw, East Los Angeles, Long Beach, Pasadena, San Fernando Valley.
Louisville, Ky.
Miami, Fla.
Milwaukee, Wis.
Minneapolis, Minn.: West Bank, Southside.
New Orleans, La.
New York, N.Y.: Bronx, Brooklyn, Chelsea, Lower East Side, Queens, Upper West Side.
Newark, N.J.: Broadway, Weequahic.
Oakland, Calif.
Phoenix, Ariz.
Philadelphia, Pa.: Germantown, West.
Pittsburgh, Pa.
Portland, Oreg.
Richmond, Va.
St. Louis, Mo.: Northside, West End.
St. Paul, Minn.
San Antonio, Tex.
San Diego, Calif.
San Francisco, Calif.: Ingleside, Mint Hill, Mission District, Western Addition.
San Jose, Calif.
Seattle, Wash.: Central, Northend.
Tacoma, Wash.
Toledo, Ohio.
Washington, D.C.: Adams-Morgan, Georgia Avenue, Prince Georges County.

FOOTNOTES

[1] International Internal Discussion Bulletin, Vol. X, No. 20, October 1973, page 31–32; International Internal Discussion Bulletin, Vol. XI, No. 5, April, 1974, page 11–14.

[2] International Internal Discussion Bulletin, Vol. X, No. 9, July, 1973, page 11.

[3] International Internal Discussion Bulletin, Vol. XIII, No. 8, December, 1976, page 7.

[4] Ibid, page 11.

[5] International Internal Discussion Bulletin, Vol. X, No. 8, June 1973, page 11.

[6] Internal Information Bulletin, January 1972, No. 1, page 4, 11.

[7] SWP Discussion Bulletin, Vol. 33, No. 7, June 1975, page 2.

[8] Internal Information Bulletin, Sept. 1976, No. 10, page 39.

[9] Ibid, page 10 and 39.

[10] SWP Discussion Bulletin, Vol. 34, No. 6, July 1976, page 9.

[11] Internal Information Bulletin, April 1976, No. 6, page 42.

[12] Ibid, page 8.

[13] Education for Socialists, a publication issued by the National Education Department of the Socialist Workers Party reprinted a large number of documents concerning the 1951–54 international faction fight. The documents were printed as a series called Towards a History of the Fourth International, Parts 3 and 4, each part consisting of four volumes.

[14] Internal Information Bulletin, April 1976, No. 6, page 21.

[15] Trotskyite Terrorist International, testimony of Herbert Romerstein before the Senate Subcommittee on Internal Security, July 24, 1975, page 84–86.

[16] International Internal Discussion Bulletin, Vol. XIII, No. 5, November 1976, page 7.

[17] Internal Information Bulletin, Sept. 1976, No. 10, page 43, 34, 19.

[18] Internal Information Bulletin, Dec. 1976, No. 15, page 9.

[19] Internal Information Bulletin, Feb. 1976, No. 2, page 7.

[20] Internal Information Bulletin, April 1976, No. 6, page 31.

[21] Ibid, page 38.

[22] Internal Information Bulletin, Sept. 1976, No. 10, page 11.

[23] Jack Barnes and Joseph Hansen reported to the Political Committee of the SWP on discussions that they had had in October, 1976, with the Political Committee of the International Marxist Group, the British section of the Foutrh International. One of the agreements was to coordinate activities against a rival Trotskyite group in England led by Gerry Healy. Wohlforth had been the leader of the American affiliate of Healy's group. Barnes and Hansen said:

"As to concrete areas of collaboration, we discussed first of all the importance of a public meeting scheduled for January 14 to condemn the Healyite slanders against leaders of the international and of the SWP. George Novack and Tim Wohlforth are scheduled to speak at this meeting, along with Ernest Mandel, Pierre Lambert, and others. Another proposal of the IMG comrades is that they build a tour for Tim Wohlforth as part of an offensive to further isolate the Healy forces." (Internal Information Bulletin, Dec. 1976, No. 15, page 9).

[24] Internal Information Bulletin, Sept. 1976, No. 10, page 11.

RIGHT-TO-WORK ISSUE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. WHALEN. Mr. Speaker, there appeared in yesterday's Catholic Standard a cogent analysis of the right-to-work issue and the question of the repeal of section 14b of the Taft-Hartley Labor Management Relations Act.

Written by Msgr. George G. Higgins, the piece examines the reasons why repeal of section 14b is supported not only by organized labor, but by many Catholic, Protestant, and Jewish clergymen and church-related agencies. It explores the effects of the deceptively labeled right-to-work legislation: Poorer protection for workers and negation of labor's right to organize. As Msgr. Higgins notes, these teachings are deeply engrained in Catholic theory.

As we expect to consider repeal of section 14b during the 95th Congress, I insert the article in the RECORD:

RIGHT TO WORK

(By Msgr. George G. Higgins)

This year, for the first time in more than a decade, Congress will have before it a bill calling for the repeal of Section 14b of the Taft-Hartley Labor Management Relations

Act. Organized labor considers 14b an anti-union measure and is hoping that Congress will strike it from the books.

Section 14b authorizes individual states to enact so-called right-to-work laws. What is a right-to-work law? It is one that forbids labor and management to sign contracts establishing a union shop. Under a union-shop agreement, an employer can hire whomever he chooses, but every new employe, after a certain trial period (usually 30 days), must join the union. The Taft-Hartley Act, like the Wagner National Labor Relations Act before it, allows labor and management to make union-shop agreements. But, unlike the Wagner Act, Taft-Hartley specifically allows the states to outlaw such agreements.

It is easy to understand why organized labor is opposed to such restrictive legislation. But why are so many Catholic, Protestant and Jewish clergymen and church-related agencies also in favor of repealing 14b? Why are they opposed to legislation which, on the surface, appears to be so consonant with the American tradition of economic freedom? Because, in this case, appearances are deceptive. Right-to-work legislation is not really designed to protect the right to work. It is aimed at neutralizing labor's right to organize.

Supporters of 14b argue that right-to-work legislation, which prohibits the union shop and other forms of union security, is necessary to guarantee the free exercise of what they consider to be one of the inalienable rights of man. Again, the question arises: Why are so many churchmen and church-related agencies opposed to legislation purportedly designed to achieve this end? The right to work without belonging to a union is not an absolute or unconditional right. It is subject to a number of reasonable qualifications or restrictions.

There is nothing new about this theory. It is a standard part of Catholic social teaching. The late Msgr. John A. Ryan, long-time professor of moral theology at Catholic University and first director of the NCWC (now USCC) Social Action Department, expressed it succinctly almost 75 years ago in an article entitled "Moral Aspects of Labor Unions" in the old Catholic Encyclopedia. This article reads in part:

"The right of a non-unionist to work in the same shop with a unionist is no more unconditional than the right to strike, to boycott, or to enter any social relation which requires the consent of the other party. It is conditioned by the circumstances, and it is valid only when these are reasonable. In the hypothesis that we are considering, membership in the union is such a reasonable condition, while refusal is unreasonable. Hence, if the closed-shop policy is necessary in order to obtain proper conditions of employment for the body of laborers, it will not violate the right of the non-unionists, even if it prevents him from obtaining any employment; for the right in question is dependent upon the contingency that it be exercised within reasonable limits . . . The closed shop is not an innovation. It was enforced for centuries by the guilds, and for a long time in many places it was sanctioned and prescribed by civil legislation . . . What the civil law could then command, individuals can now with reason seek to obtain by persuasion, bargaining and contract."

The kind of union security which Msgr. Ryan supports, the so-called closed shop, is not at issue today. The argument over 14b centers around the so-called union shop, which is a much less restrictive form of union security than the closed shop. Be that as it may, the majority of Catholic scholars would agree with the main thrust of Msgr. Ryan's statement.

At the practical level, the basic objection to right-to-work legislation is that it practically forces conflict between labor and management. By denying the union effective security in a given plant, such legislation puts labor perpetually on the defensive in relation to employers.

If the controversy over right-to-work legislation were centered in large industrial states with powerful unions, one might possibly believe that abuses by unions have provoked such legislation. But the fight is centered in newly industrialized areas, mainly in the South, where unions are struggling to gain a foothold. They are striving to obtain better conditions for workers in these areas and also to protect union workers elsewhere from sweatshop competition. This being the case, it seems evident that the real motive behind right-to-work legislation is opposition to unions as such.

TRANSPORTATION AND ENERGY: GAS TAX AS CONSERVATION MEASURE IS PIPEDREAM—DEMAND IS INELASTIC

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. SHUSTER. Mr. Speaker, the gas tax proposed in President Carter's energy plan is a pipedream as far as saving energy is concerned.

The American people should be given credit for a farsightedness apparently lacking in the White House. A recent Harris poll showed that while most of the President's energy proposals drew praise from a great majority of Americans—for example, 60 percent favored the "gas-guzzler tax and 80 percent supported the tax credit for home insulation—a majority opposed any increase in the gas tax.

The European experience in attempting to use a gas tax as an energy conservation measure should tell the White House something that most Americans already know: It will not work. Reports from Paris, Athens, London, Stockholm, and Rome, where premium gasoline costs more than $2 per gallon, indicate that demand is inelastic—people buy gas to meet their transportation needs and increased prices do not reduce consumption.

The gas tax is a window dressing, Mr. Speaker, that should be quickly disposed of so that the Congress can proceed with developing programs that can win public acceptance and show measurable results in saving energy.

To contribute to the energy debate, I ask permission at this time to insert in the RECORD two articles that appeared in the April 24, 1977, Washington Star. One is on the Harris survey referred to earlier, and the other deals with the European experience with gas taxes:

MOST OPPOSE GAS TAX PLAN

NEW YORK.—A majority of Americans are against President Carter's plan to increase gasoline taxes, but most favor his other proposals to make the nation conserve energy, a Louis Harris poll shows.

Only 16 percent of those interviewed thought the President would get most of his plan through Congress, however.

The poll was conducted by Harris for ABC news among a national cross section of 1,500 adults interviewed after Carter's televised speech to Congress Wednesday night.

Fifty percent of those surveyed thought the energy crisis was very serious, an increase of six points over the number who considered the problem serious last month.

And, although a majority is against the proposed gasoline tax, 60 percent favor "a stiff tax" on new cars giving low gasoline mileage and a tax rebate to persons who buy cars giving high mileage to the gallon.

More than 80 percent support tax credits for insulating homes and decreased electric rates for consumers who use electricity in off hours rather than during peak periods.

CONSERVATION DID NOT WORK FOR EUROPEANS

ROME.—When the Arabs quadrupled oil prices 3½ years ago, frightened Europeans moved quickly to cut back freewheeling gasoline consumption.

But the changes proved transitory, and motorists now clog the roads as never before. Public transportation is increasingly shunned. Car sales are up.

For a few months Italians and Austrians were required to leave their cars at home one day a week, car sales in Switzerland dropped by one-third and West Germany made a million fewer autos.

But motorists soon forgot the shortages and got accustomed to the new prices—more than $2 a gallon for premium gasoline in Rome and Athens, $1.78 in Paris, $1.53 in London and $1.30 in Stockholm,

They didn't even seem to mind that much of the money went for taxes, from about 50 percent in most countries to 72 percent in Italy.

Cars Europeans consider big, though still small by U.S. standards, are in demand at prices approaching what Americans pay.

Paul Jowers, spokesman for Britain's Motor Agents Association, said appeals to save energy voluntarily "will not go very far."

"High prices for gas will be forgotten in a day or two. The motorist always pays up," he said. "Only fuel-saving laws will conserve fuel."

Only Copenhagen, and to a lesser degree Paris, report shifts from private to public transportation, partly because of cut-rate prices. In Rome, where a bus ride costs a little more than 5 cents, a million vehicles clog streets each day. In Switzerland the number of passengers using trains declined last year.

The 1973–74 crisis did prompt some manufacturers to design more efficient cars and to put new emphasis on diesel engines.

In West Germany an official said improved engine designs and aerodynamic styling lowered gas consumption of new cars by 8 to 10 percent. But auto sales in West Germany, which dropped from 2 million in 1973 to 1.6 million in 1974, totaled 3.3 million last year. And 1976 consumption of gasoline was higher than before the oil embargo.

BARLOW CASE WORRIES FEDERAL AGENCIES

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. HANSEN. Mr. Speaker, many Federal agencies which conduct warrantless, nonconsensual inspections are carefully watching the progress of the Barlow case in the U.S. Supreme Court with a great deal of apprehension. Such concern is indeed justified because of the basic question of human rights involved. Occupational safety and health is not the issue. The method by which it is achieved is what generates the fourth amendment controversy—OSHA is merely the vehicle.

Many OSHA practices and procedures are not exclusive, but rather are quite common among the regulatory agencies. The same constitutional rights are involved.

The Barlow argument has all the makings of a landmark case. A citizen's individual rights are at stake and a judgment of unconstitutionality or a decision requiring a search warrant will be a significant victory for all Americans.

Mr. Speaker, I call your attention to a very informative article by Earl Dunn of the Idaho Statesman on April 28, 1977, which supports my contentions that many other agencies are worried as to the impact the Court's final judgment on OSHA will have on their own practices. The article follows:

BARLOW CASE WORRIES FEDERAL AGENCIES

(By Earl Dunn)

If Ferrol G. "Bill" Barlow is successful in his fight against the Occupational Safety and Health Administration (OSHA) in the U.S. Supreme Court next fall, the 61-year-old Pocatello electrical and plumbing subcontractor could also shake up the operations of other federal agencies.

Barlow has become something of a folk hero of businessmen everywhere—large and small—by refusing to allow an OSHA inspector to inspect his shop 18 months ago. The inspector had no warrant. A three-judge panel agreed with Barlow, saying the OSHA provision allowing warrantless searches was unconstitutional.

The U.S. Department of Labor has asked the Supreme Court to judge the case. Every federal agency with inspection powers could be adversely affected if the high court decision goes against OSHA.

The Environmental Protection Agency (EPA), for one, is concerned over the outcome of the Barlow case.

In a letter to the Justice Department, William Frick, general counsel for the EPA; said his agency was concerned about an unfavorable (to OSHA) ruling and the effect it would have on the EPA's inspections, many of which are made without warrants.

Frick wrote, "We are concerned with the impact of the OSHA case on our authority to conduct administrative searches under the Clean Air Act, Federal Water Pollution Control Act, Noise Control Act, Resource Conservation and Recovery Act, Federal Insecticide, Fungicide, and Rodenticide Act, Safe Drinking Water Act, and the Toxic Substances Control Act."

Frick told the Justice Department that, much like the statutes that allow OSHA to make routine inspections, "the provisions of EPA's authorizing statutes make no mention of search warrants, and can be read to authorize warrantless, nonconsensual searches."

He said the agency had on occasion obtained warrants where inspection entry had been initially refused by "the pollution source" but added, "to date the burden has not been overwhelming either in the sense contemplated by the Supreme Court in its search and seizure cases or to the degree that would have justified our risking a litigation result such as that in Barlow's."

Barlow's attorney, John Runft of Boise, when asked if the EPA concern was more widespread than a single agency, told The Statesman he had been told other agencies have expressed similar concerns with the Justice Department.

"What it boils down to is that if we win, if it is ruled unconstitutional, it will affect each and every agency that carries on any type of inspection in the public domain," Runft said. "If the Supreme Court rules, on the other hand, that OSHA can make inspections, it could also rule that the warrant is implied under the Fourth Amendment to the Constitution. If it does that, we win, too, and therefore all inspecting agencies would be told to obtain warrants before making a search. I can see where the other agencies are very worried about this case."

Runft said he has had requests from 23 organizations or individuals who want to join him in filing "friends of the court briefs" in behalf of Barlow. "We have settled on seven," he said, noting there are, indeed, some strange bedfellows.

In addition to being joined by the National Federation of Independent Businesses, the attorney general of Idaho, and the American Conservation Union, Runft said one of the entities on Barlow's side will be the American Civil Liberties Union. It is unusual from the standpoint that Barlow is a member of the John Birch Society and the two groups are seldom seen lined up on the same side of an issue.

"The ACLU has been primarily a First Amendment issue-oriented group," Runft said. "But the facts in this case intrigued them. They took a look at the issue and agreed to join us."

Other groups that will join Runft in presenting Barlow's case are the Mountain States Legal Foundation of Denver, American Farm Bureau Federation, and the Pacific Legal Foundation.

Runft said the case will be presented strictly on constitutional issues. "We are not making this a business-versus-labor case," he said.

IT IS TIME FOR ANDY TO BOW OUT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. DERWINSKI. Mr. Speaker, as a member of the International Relations Committee and having served as a member of the U.S. delegation to the 25th General Assembly of the United Nations in 1971, I have maintained an active and positive interest in that world body.

As such, I have become concerned with the effectiveness, or more accurately, the possible lack of effectiveness, of our present U.N. Ambassador, the Honorable Andrew Young.

The commentary appearing in the April 28, Chicago Tribune, by syndicated columnist Patrick Buchanan, in my judgment, presents a practical analysis of Ambassador Young's record as a diplomat. The article follows:

IT IS TIME FOR ANDY TO BOW OUT

(By Patrick J. Buchanan)

WASHINGTON.—During a public radio debate early in February, this writer predicted Andy Young would not last the year as United Nations ambassador. Two weeks into his job, Andy had shown the unmistakable symptoms of a terminal case of hoof-in-mouth disease.

Let me bring the class up to date on Andy's Oscar-winning performance as the Martha Mitchell of American diplomacy. Last month, you will recall, Young warned that if President Carter used U.S. forces against Marxist guerrillas in southern Africa, there would be a mutiny in the U.S. Army and a black insurrection in the U.S.

April's performance, however, has outclassed that of March. In the course of two weeks, Andy precipitated a crisis in South African relations by agreeing that the Pretoria Government was "illegitimate." He compared the Arab countries to the Ku Klux Klan, and accused the British of having practically "invented racism" and being a "little chicken" on the Rhodesian question.

When President Carter, his patience exhausted, sought to impress upon the Russians how seriously we took our new 200-mile limit by seizing a Soviet trawler, Andy cut his Commander-in-Chief off at the knees.

"You have a single or two Soviet fisherman that are violating the law . . . We ought not to make an international incident out of everybody who breaks the law."

Well, the time has arrived to ring down the curtain on Andy the Clown. Even at the Kennedy Center, three months is a long run for a comedy act. And there are not enough laughs left in Young's performance to compensate for the damage he is doing to U.S. foreign policy. My colleague, John Roche, is right:

". . . by every standard his behavior has been outrageous. . . . If he were not black, he would long since have been shipped to Jibu or named consul-general in the Falkland Islands. But, protected by his pigmentation, he remains in place, making a shambles out of what foreign policy we have."

Young should go because his credibility is gone. His claim to be the "point man" of U.S. foreign policy is made preposterous by the dozen times he has been contradicted, clarified, or corrected by the Department of State where he is referred to, affectionately, as "Motor Mouth."

Further, Young should go because, by his own admission, he does not share the fundamental premises of U.S. foreign policy. In one of his more celebrated statements, Young declared:

"Most colored peoples of the world are not afraid of Communism. Maybe that's wrong, but Communism has never been a threat to me . . . it's never been a threat. Racism has always been a threat—and that has been the enemy of all of my life—everything I know about life."

That's an acceptable world outlook for some Schedule C in Luanda or Lourenco Marques; it is not for the second ranking diplomat in America's foreign services.

The war for the world is not between black and white or even colored and white. It is between East and West, between one bloc of tyrannical states led by the multi-racial Soviet Union, and another bloc of nations led by the multi-racial Republic of the United States.

The mighty arsenal of American ships, guns, planes and rockets is not in place to deter "chaos" or wage war against "racism." It is there to block the imperial ambitions of Soviet Communism, which, says Andy, "Americans shouldn't be afraid of."

Look at the refugees the world over, Young—be they Cambodian, Cuban, Vietnamese, Laotian, Chinese, East German, or Soviet Jews. They are fleeing not "racism" but institutionalized tyranny and terror, and the same sort of "stability and order" you praised the Cuban troops for having brought to Angola.

The black mayor of Gary, Ind., has charged the press with having "converted UN Ambassador Andrew Young into a comic figure." The real credit, Mr. Mayor, belongs completely to Andy. For his own sake, his President's, and his country's he should pack it in.

ARMS BUSINESS AS USUAL?

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. ROSENTHAL. Mr. Speaker, one of the major issues of last fall's campaign was the question of massive U.S. arms sales around the world, particularly in the Persian Gulf.

Senator Mondale best described the problem during a speech in San Francisco before the Commonwealth Club last August 30:

> America was once proud to call itself the arsenal of democracy. But the Nixon and Ford Administrations have tried to turn us into just an arsenal.

An estimated $32 billion worth of orders are in the "pipeline" and the figure is growing. One of the biggest leaps came just this week when President Carter gave the go-ahead for a $1.06 billion sale of highly sophisticated antiaircraft missiles to Saudi Arabia.

This will give that oil-rich country one of the most formidable antiaircraft missile systems in its part of the world, despite the fact that Saudi Arabia faces no significant military threat from any power.

The improved Hawk missile, which Saudi Arabia is purchasing, is considered the best weapon of its kind in the world. Its accuarcy and reliability are rated extremely high.

By approving this sale, President Carter has given Saudi Arabia the green light to double its arsenal of this lethal missile.

The Saudis already have 600 Hawk missiles which they are in the process of upgrading. In February, the President notified the Congress of the administration's intention to grant licenses for the latest stage in the program to convert there from basic to improved Hawk missiles.

These 600 missiles alone give Saudi Arabia an exceptionally formidable Hawk antiaircraft missile system that is more than sufficient to meet its legitimate defense needs. By adding another 580 missiles to that amount, we are threatening the regional balance of power.

The latter transaction was announced by the manufacturer, Raytheon, on June 1, 1976. Although the sale was reportedly under negotiation for some time, the timing of the announcement—1 day before House approval of the Arms Export Control Act (Public Law 94–329)—indicates it was rushed to conclusion to avoid congressional scrutiny.

Under the new law, signed by President Ford later that month, commercial arms sales over $25 million are subject to review by the Congress as provided in section 36(b).

I have written to the President asking him to reconsider this massive missile sale and also to halt shipment of another missile that, during the campaign, he charged "will increase the chance of conflict." The latter are Maverick television-guided, rocket-powered, air-to-ground missiles. Last fall, when the Congress was considering a Ford administration proposal to sell an additional 650 of these missiles to Saudi Arabia—on top of 1,000 sold earlier that year, candidate Carter declared—

> No administration which was sensitive to the climate in the Middle East would let the sale go forward.

When I brought this to the attention of the State Department, I was informed that—

> We do not believe that the circumstances that warranted approval of this sale, which was reviewed by Congress, have changed. On the contrary, we believe that completion of our contractual obligation is in the best interest of the U.S.

Moreover, according to the State Department, "delivery of the missiles has begun." In actuality, I have been informed by the Defense Department, delivery not only has not yet begun but is still several months away.

Mr. Speaker, in the interest of peace in that very volatile region of the world, I believe both of these missile sales should be halted. While neither will add appreciably to the defense of Saudi Arabia, both threaten the balance of power and pose significant problems.

I am inserting in the Record my letter to President Carter asking him to reconsider both transactions:

House of Representatives,
Washington, D.C., April 28, 1977.

Hon. Jimmy Carter,
The President,
The White House,
Washington, D.C.

Dear Mr. President: I was deeply disappointed to learn of your decision to go ahead with the $1.06-billion sale of an additional 580 Improved Hawk Missiles to Saudi Arabia. It is my firm belief that this arms transfer, which doubles that country's Hawk arsenal, significantly threatens to alter the strategic balance in that part of the world.

The Saudis already have, with their present supply of Hawk Missiles, an exceptionally formidable anti-aircraft missile system that is more than sufficient to meet its legitimate defense needs.

I am fully aware of the Saudi role in the search for peace in the Middle East, and I share your commitment to continuing the friendly relations between our two nations. But I also am worried about the potential imbalance that may result from doubling the number of Improved Hawk Missiles in Saudi Arabia.

The number and sophistication of these missiles are well beyond the Saudis' realistic defense requirements. That raises the specter of transferability. Saudi Arabia is already underwriting Jordan's purchase of Improved Hawk Missiles, which alters that country's power balance with Israel, and Egypt is reportedly interested in purchasing Hawk Missiles.

The prospect of transferring Improved Hawk Missiles to another power or moving them out of the country for use by Saudi forces against Israel was raised by Saudi Defense Minister Amir Sultan Eben Abdul Aziz. In a December 2 interview with the Lebanese weekly Al Hawadat he denied that the United States and others supplying missiles and additional weapons to his country have determined the equipment should not leave Saudi Arabia without the supplier's approval. "They did not impose such conditions and we did not accept such conditions," he is quoted as saying. This statement raises serious questions about the Saudis' intention to abide by anti-transfer clauses in U.S. contracts.

I strongly urge you to reconsider your decision to approve the issuance of export licenses for the commercial sale of 580 additional Improved Hawk Missiles to Saudi Arabia by Raytheon. To do otherwise would appear inconsistent with goals stated by you during last fall's campaign to restrain worldwide sales of sophisticated American weapons.

When I raised this issue earlier with the State Department, I was told that cancellation of the sale "poses serious specific problems" for the contractor. It would be disastrous for the United States to permit an arms manufacturer to dictate American foreign policy and, for its profit and convenience, to threaten the balance of power in one of the world's most volatile areas.

I believe your firm stand in the campaign against profligate U.S. arms sales was a significant contributing factor in your election. Unfortunately, after looking over notices for many billions in arms transfers delivered to the Congress in recent weeks, it appears to me that this country's policy continues to be "business as usual."

I look forward to your new policy statement on this vital issue and to its early implementation. As Vice President Mondale stated last fall, the United States is going from being the arsenal of democracy to "just an arsenal." This trend must be reversed.

On September 30, 1976, while a proposal by the Ford Administration to sell Saudi Arabia 650 Maverick missiles was pending before the Congress, you stated:

"There is no reason to think these missiles will increase security and stability in the Middle East. There is no reason to think they can be used only for defense. There are only reasons to fear that we will increase the chance of conflict. *No administration which was sensitive to the climate in the Middle East would let the sale go forward.*" (Emphasis added.)

When I brought this to the attention of the Secretary of State and called for the sale to be stopped, I was informed on March 30, 1977, the contract was signed and "delivery of the missiles has begun." However, I have since learned from the Department of Defense although Saudi Arabia accepted the letter of offer for this transfer on October 11, 1976, delivery of the missiles will not actually begin until later this year. Furthermore, Assistant Secretary Benet stated in that letter, "we believe that completion of our contractual obligation is in the best interest of the U.S." This is most disturbing because it means either the State Department or the American public has been misinformed about your policy regarding this specific transaction. I would appreciate a clarification.

With best personal wishes.
Sincerely,
Benjamin S. Rothenthal.

PRESIDENT CARTER'S ENERGY PROGRAM

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. LONG of Louisiana. Mr. Speaker, I would like to share with my colleagues my monthly "Washington News Report," which is run in the weekly newspapers of the Eighth District. In this article, I present my initial assessment of President Carter's proposed energy program:

Washington News Report

(By Congressman Gillis Long)

President Carter's sobering energy message may be the most important speech delivered by a Chief Executive in this decade. There is little question that a tough national energy program is long overdue. Certainly, President Carter's proposals are far more comprehensive than his predecessors'.

The plan presented to Congress is extremely complex because the problem is itself very, very complex. Congress has an obligation to the American people to develop such a program. Changes will have to be made in the President's proposals.

We in Congress must ask hard questions. Any meaningful program must include making sacrifices; but, do the proposals share the burden of sacrifice equally? How will the American economy react to extremely high fuel costs? Can we be assured that taxes on big automobiles, gasoline and oil will be rebated to the American taxpayers? How will high costs for gasoline affect the lives of rural Americans?

As a Congressman responsible for representing almost half a million Louisianians, I am naturally concerned about the program's impact on our State. By his own admission, the President has stressed conservation of oil and natural gas and turned his back on a policy that would give American oil and gas producers the incentive to increase our supplies of these needed fuels.

The President has not delivered on his campaign promise to decontrol the price of oil and natural gas across the board. In fact, he has asked Congress to give the Federal Power Commission the authority to regulate intrastate gas. Also, the President has asked Congress to abandon its plan to decontrol all oil by 1979.

In the case of natural gas, the President wants the price of all gas to peak at $1.75 per thousand cubic feet despite the fact that the free market price is now around $2. So, in some instances, Louisianians served by intrastate gas lines may actually see their gas bills go down. We in Congress must determine what impact this will have on the availability of gas to the producing states and whether the President's plan will actually encourage waste.

As one who has advocated giving real deregulation a chance to work, I am greatly concerned about additional Federal meddling into the marketplace.

In the name of decontrol, the President says he wants the price ceiling lifted for a very narrow classification of oil and natural gas. Only those fuels taken from wells 2½ miles from an existing well onshore, or from land that has not yet been leased offshore, will be decontrolled. This narrow definition means that very little of Louisiana's oil and gas would be deregulated.

One of my greatest concerns is with the proposed standby gasoline tax. An additional 5 cents per gallon per year for gasoline may ignite a new round of inflation. Fuel is a direct cost to the farmer and the trucker. There seems to be little doubt that consumers will ultimately have to bear the increased costs of food production and transportation.

Also, extremely high gasoline prices—which may cut consumption—will inflict terrible hardship on people who live in rural areas. Mass transportation, car pools and the like just aren't available to these people. Some particular consideration must be given to their needs. I hope that this gasoline tax does not become law.

In addition, I want to be absolutely certain that if new taxes are enacted to discourage energy consumption the revenues gained by the Federal Government are returned to the private sector. Otherwise, there will be a decline in the demand for goods. The result could be declining production and more unemployment.

The Administration has suggested that 100,000 new jobs may be created by these proposals. We in Congress need to be assured that 50,000 of the jobs will not be in Federal regulatory agencies.

Some of the proposals such as the encouragement of insulation and solar heating and equalizing the tax treatment of large and small oil and gas producers are necessary and will be adopted in some form. Other portions, like those I've already mentioned, will be hotly contested.

The task facing Congress and the Nation will affect every American for years to come. Sacrifice will be required by each of us. It is, as the President said, the moral equivalent of war. Our national security—economic, social and military—is at stake.

We will be faced with many difficult questions. Some of the answers may be tough to live with. But, the kind of comprehensive energy policy the United States needs will require short-term inconvenience and sacrifice to insure the survival of our way of life.

I would appreciate the benefit of your views as we work together to shape an energy policy that is both equitable and intelligent.

GERALD HASLER, CHAIRMAN OF THE BOARD, AIR FORCE ASSOCIATION ADDRESSES NAVY LEAGUE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. TEAGUE. Mr. Speaker, the greatest social service our Government can provide its citizens is a strong deterrent military force that can preserve our precious national freedoms while maintaining world peace. All of us who sit in this Chamber must consider that fact when we pass judgment on matters affecting national security.

Unfortunately, the issues often are clouded with irrelevancies or with specifics that would best be left to the military planners. And too often, we lose sight of the ultimate goal of a strong military posture.

It is with a great deal of humility, therefore, that I bring to my colleagues' attention a speech given by Mr. Gerald V. Hasler, chairman of the board of the Air Force Association. It describes a horrifying, but all too feasible scenario, and one which I believe this Nation must avoid at all costs. Rather than anticipate an all-out nuclear war, this scenario suggests that the Soviet Union, once it achieves its goal of strategic and conventional superiority, will have a free hand to march on Europe and Asia, and America will be powerless to react. We are much too close to that situation now.

Mr. Speaker, the Air Force Association has 150,000 members, all American citizens. While many of them may be privileged to hear this speech, I believe it is imperative that all Americans understand its implications. Therefore, I ask unanimous consent that this chilling and all-too-possible speech be printed in the Record:

An Address by Gerald V. Hasler

I'm delighted to be with you . . . and I'm honored that you have asked me for a few words.

But, I warn you in advance . . . they are not pretty words. They are, to say the least, disturbing . . . because they deal with the Soviet threat and the world balance of power.

Let me begin with this scenario . . .

The moment of truth finally has come. The hot-line from Moscow rings in the White House.

The Secretary General of the Communist Party advises the President of the United States that he has just seen the Ambassadors of France and England.

He tells the President, bluntly but politely, what he has just told the Ambassadors—that an East and a West Germany make no sense—that there must be one Germany as a partner in the Warsaw Pact . . . which means, of course, a Germany under Russian control.

He announces that at exactly 2400 hours, six days hence, Soviet forces will occupy West Germany.

The Soviet Secretary says he made it clear to the French Ambassador that Soviet forces will not go beyond the Rhine—knowing full well that sooner or later the Russian occupation of her neighbor will inexorably draw France—with its huge home grown Communist Party—into the Socialist camp! He has forcefully reminded the English Ambassador that Great Britain, with her empire and military power gone, does not have the wherewithall to intervene.

To the American President, the Soviet leader now lays it on the line. This is an internal European matter, he maintains, and really, none of your business. Further, the Soviet occupation forces—if unopposed—will permit Americans in Germany—military and civilian—to evacuate safely and in an orderly fashion.

If the United States opposes this occupation of West Germany, adds the Russian leader, it must accept the consequences—the loss of untold millions of American lives in a Soviet nuclear missile attack.

Are you willing, he asks, to accept this alternative to limited internal action within Europe? The Soviet Secretary answers his own question with—"I doubt it."

He makes his response knowing full well that West Germany is a bulwark of NATO—that its occupation by Russia means the end of NATO—that with Europe lost to the United States, Japan—an island nation unable to defend itself, could not long resist—that the United States would be totally isolated.

All this, of course, will mean economic disaster in the United States—from the loss of raw materials and export markets. The long-term viability of the home of the free will be doomed.

Yet, the President is understandably reluctant to sacrifice the lives of millions of Americans in a lost cause.

While the President is mulling over these grim thoughts, the Soviet leader adds a few more.

If, he says, the United States is so rash and so foolish as to think of responding with a nuclear missile attack on Russia, please consider these facts:

First—as of today, citizens of the Soviet Union are beginning to evacuate our cities for hardened underground shelters, where food and water and other necessities of life have long been stored. Unlike your people, our citizens are well trained for dispersal.

Second—unlike your people, our citizens believe that a nuclear attack is not only possible, but that the Soviet Union can survive it. There will be many casualties, of course, but we lost some twenty million comrades in World War Two—and we are convinced we can take your missiles with even fewer losses.

Third—not only can we survive your attacks—we can rebuild our industry, revive our economy. We have machine tools secured in underground shelters. We have hardened our industry. Even if only one-quarter of it survives your attack—we have a starting point you do not have.

The President of the United States knows all of this—too well—and the Russian declaration does not come as a surprise. He has been afraid of it for a long time. His intelligence has convinced him that the Soviets have not only local military superiority in Europe—but global strategic superiority as well.

There is a bit more to this scenario, but it is time for a few deep breaths . . . and a few deep thoughts.

To begin with, the military experts generally agree that the Soviets could—right today—smash across West Germany in a matter of days. Some European commanders have been quoted as saying the invaders could reach the Rhine in 48 hours.

Earlier this year a Senate group conducted an on-site study of NATO's readiness. Out of this study came the six-day time period cited in the scenario.

What about our tactical nuclear weapons in Europe? you may ask. Won't they prevent such a disaster?

Senator Sam Nunn, the highly respected Georgia Democrat, who was a leader of the NATO study group, drew this conclusion.

"If current trends continue," he reported, "the Soviet Union and its Warsaw pact allies soon may be invited by NATO weaknesses to launch a major conventional invasion of Western Europe which could alter the world balance of power in a matter of hours . . . before any nuclear weapons are fired."

Note that Senator Nunn did not limit the threat to West Germany—but extended it to all of Western Europe.

Also note that the scenario assumed that the Soviet Union had attained global strategic superiority over the United States as well as military superiority in the European theater.

The dire predictions I have cited of NATO's current vulnerability come at a time when the two superpowers generally are judged to have what is known as—"strategic equivalence".

I make the point because so much stress is placed on the strategic balance of power, that the dangers existing—even with a strategic balance—are too often underestimated.

The importance of our maintaining, at the very least, strategic parity with Russia remains, of course, the paramount issue of the world scene.

America's strategic superiority did not prevent—at our option—consistent Russian aggression following World War Two. Indeed, the Soviet Union is the only great power to have emerged from the war larger than it was in 1939.

But our strategic superiority did prevent—when we demonstrated the will to exploit it—the establishment of Russian missile sites in Cuba—within range of our homeland.

Thus, we cannot ignore the warnings of the military experts that Russia's compulsive drive for strategic superiority expresses Soviet determination to threaten our own security as well as that of our allies.

Certainly, we must never forget Khrushchev's statement, after agreeing to remove Soviet missiles from Cuba. "Never," he said, "Will we be caught like this again."

The Soviets have worked with cool determination toward carrying out that promise ever since . . . with the resources devoted to national defense steadily increasing at a rate of at least three percent every year. There have been no course changes, no distractions, and no "reordering of priorities." There has been no public debate on the Soviet defense budget and no visible dissent. The Russian military machine has been growing steadily and on a grand scale.

The scope of their strategic force buildup continues to be both obvious and ominous.

All of which brings us to the question—"What is the Soviet Union up to?"

This is the title of the initial report of a new non-profit, non-partisan organization known as the "Committee on the Present Danger."

Its 17-member executive committee includes Henry Fowler, former Secretary of the Treasury—Lane Kirkland, heir apparent to George Meany and Secretary-Treasurer, AFL–CIO—Paul Nitze and David Packard, both former Deputy Secretaries of Defense—Eugene Rostow, former Under Secretary of State—and Dean Rusk, former Secretary of State.

The committee's first report, unanimously approved by all members of the executive committee, brilliantly evaluates the Soviet Union, and includes these statements:

"The attainment of the ultimate Soviet objective—a Communist world order—requires the reduction of the power, influence and prestige of the United States, the country which the Soviet leaders perceive as the central bastion of the 'capitalist' or enemy camp. They see the global conflict as a drawn-out process, with the Soviet Union and America the two principal contenders. In that contest they see their task as isolating America and, despite temporary reverses for their side, reducing it to impotence."

"The Soviet military buildup of all its armed forces over the past quarter century is, in part, reminiscent of Nazi Germany's rearmament in the 1930's.

"The SALT I arms limitation agreements have had no visible effect on the Soviet buildup. Indeed, their principal effect so far has been to restrain the United States in the development of those weapons in which it enjoys an advantage. Soviet strategists regard the possession of more and better strategic weapons as a definite military and political asset, and potentially the ultimate instrument of coercion."

"We are convinced, and there is widespread agreement among knowledgeable experts, that if past trends continue, the U.S.S.R. will within several years achieve strategic superiority over the United States. The U.S.S.R. already enjoys conventional superiority in several important theatres.

"Superiority in both strategic and conventional weapons could enable the Soviet Union to apply decisive pressure on the United States in conflict situations. The U.S.S.R. might then compel the United States to retreat, much as the U.S.S.R. itself was forced to retreat in 1962 during the Cuban missile crisis.

"Soviet pressure, when supported by strategic and conventional military superiority, would be aimed at forcing our general withdrawal from a leading role in world affairs, and isolating us from other democratic societies, which could not then long survive.

"We live in an age in which there is no alternative to vigilance and credible deterrence at the significant levels of potential conflict.

"Weakness invites aggression, strength deters it. Thus, American strength holds the key to our quest for peace and to our survival as a free society in a world friendly to our hopes and ideals." End of quote.

These are some of the views of a distinguished group of American citizens of both political parties—the Committee on the Present Danger.

We welcome the appearance on the American scene of this committee, and of other groups which, over the past few years, have emerged to warn our citizens of the Soviet threat.

For many years we in the Air Force Association fought a rather lonely battle in this arena. From our inception, 31 years ago, we have existed mainly, to quote our constitution, "for the purpose of supporting armed strength adequate to maintain the security and peace of the United States and the free world."

Year after year, in our statements of policy, approved by our delegates in convention assembled, and month after month in our Air Force magazine we have warned of—and documented—the growing Russian threat—and of the vital need for adequate strength—in people and hardware—to meet that threat.

It's been an uphill fight all the way. And it's far from over. The future of the B–1 strategic bomber still is in doubt. The MX strategic missile is fast becoming a pawn in the negotiations for arms reductions with the Soviet Union. Cutbacks in production of the F–15 superiority fighter are still a possibility. AWACS, the command-control aircraft system, vital to the defense of NATO, is another of the stretched-out production items in the reduced defense budget.

We are, in fact, threatened by a measure of unilateral disarmament in the vain hope it will induce the Soviet Union to follow suit.

History tells us this is not the way to go . . . that we must never lead from weakness.

We in the Air Force Association pledge that we will continue to seek peace through strength.

In conclusion, let's return to the opening scenario . . . to the hot line from the Kremlin to the White House.

Secretary General Brezhnev completes his phone call with: "Mr. President, you have twenty-four hours to begin withdrawing your troops from West Germany."

The Soviet Union has isolated America from the rest of the world—without a shot being fired in our direction.

Again, let's ask:

"Was this scenario fanciful?"

For the answer let me call on an expert on Soviet thinking, Alexandr Solzhenitsyn, the famous Russian philosopher and writer.

You, in the West, he has said, want to cut down your armies and cut down your research. But believe me, he added, the Soviet Union is not cutting down anything.

And he then made this dire forecast: "Soon they will be twice as powerful as you are, and then five times . . . and some day they will say to you: 'We are marching our troops into Western Europe and if you act, we shall annihilate you.' And the troops will move, and you will not act."

Is this a real probability? Not if our resolve is firm. Not if our realism about the threat is matched by realism in our defense budget.

But the fact that all this—unless present trends are reversed—is even possible—means that the job of AFA is more important than ever—and more difficult. We and others who believe as we do must rekindle the national will to assure the real measure of U.S. military effectiveness. This is the assurance that each time Soviet planners brief their Secretary General on the military balance, they will conclude their report with . . .

"Not today, comrade."

RODINO SPEECH ON CRIME

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. MANN. Mr. Speaker, for some years now there has been much disagreement about the best way to fight crime. The chairman of the Committee on the Judiciary recently addressed this problem in a paper presented in Chicago to the Center for the Study of Democratic Institutions. His paper is entitled, "Toward a Rational Policy on Crime," and the points it makes can help focus the public discussion on questions related to crime and its control. As chairman of the Subcommittee on Criminal Justice, I recommend that my colleagues read this thoughtful paper, which I include at the conclusion of my remarks:

TOWARD A RATIONAL POLICY ON CRIME

(By Hon. PETER W. RODINO)

Since 1960, the United States has experienced a rise in crime without parallel in this century. It may be argued that a sizeable part of this increase is due to better and more sophisticated reporting techniques—but it is also apparent that at least a portion of this increase is real—that is, where there was less crime previously there is more crime today.[1]

Even if the total increase were due to better statistical reporting; even if numerically there was no more crime than before, there can be no denying that the political demands to "do something about crime" have increased at a rate at least commensurate with the perceived increase in criminal activity.

And the political system has responded. It has attempted to "do something about crime" by providing enormous amounts of money, endless hearings and debates, and vast new programs. After all this money, rhetoric, planning and effort, the rate of crime has risen. It is tempting to conclude from this record that we are doing something wrong in our sincere attempts to reduce crime. But it is probably more accurate to say we are not doing something right.

Still, our work, while it has not reduced crime, probably has not increased it either. And if that is the case, then we are faced with the possibility that our efforts have been essentially benign insofar as a solution to the problem of crime is concerned.

No doubt a great many opinions and learned conclusions can be advanced for this failing, but there is a fundamental reason from which our analysis must begin: We have not done the right things about crime simply because we do not know what they are.

If that sounds too simple, consider the dilemma that has faced the policymakers and legislators in Washington and in every state capitol in America.

From all sides have come recommendations for fighting crime. We need more police. More prisons. No prisons. Better rehabilitation. Improved probation and parole systems. No parole. We need to eliminate poverty. We need more jobs. We need harsher criminal laws. Longer sentences. Shorter sentences. We need to be more humane. We need to be tougher.

Faced with choosing from this bewildering panoply of ideas and proposals, many legislatures have tried to do them all. The results should have been predictable. Today we have no single, coherent policy for crime. The system operates with only a vague—and sometimes mistaken—idea of its purpose.

No one seems quite sure whether the system is supposed to "reduce crime," "prevent crime" or pursue some other goal. Nor is anyone certain how any of these objectives should be attained. In the absence of a clear policy, agencies and officials are more or less free to select their own. Persuasive evidence of this exists within the judicial system where studies have shown that federal judges often pursue contradictory sentencing policies. We can hardly expect them to do otherwise.[2]

If judges lack clear guidelines, so do corrections officials. In a 1975 study, Corrections Magazine asked 50 adult corrections administrators what they believed the primary goal of their institutions should be. Forty-eight percent said public protection, 24 percent said rehabilitation. 16 percent listed both, 6 percent said punishment and the remaining 6 percent had other objectives.

To fill this policy vacuum is quite another matter. Policymakers for the system often are deluged with information about the causes and effects of crime. Yet all too often, this does not translate into coherent policies for the criminal justice system.

It is fascinating, for example, to learn that criminal attitudes in some youngsters may be formed through associations with their family or friends. But that information is hardly useful when Congress or state legislatures attempt to formulate policies governing police, courts and corrections. None of these agencies is even remotely equipped to cope with such sociological or psychological problems and it would be a grave policy error and an unwarranted invasion of privacy were they to attempt it.

On the other hand, countless recommendations have been made to legislatures and Congress outlining specific courses of action intended to resolve specific problems within the system. But even then, the facts themselves may be suspect or the recommendations may be in error.

Consider the assertion that poverty is a cause of crime. During the 1960's and 1970's we were told repeatedly that one of the benefits of reducing poverty would be a subsequent reduction in crime.[3]

To our dismay and regret, we discovered not only that poverty is exceedingly tenacious, but that the precise relationship between crime and poverty is difficult to discern. It is unquestionably true that some poor people commit crimes, but it is equally true that the vast majority of poor people do not, and are more likely to be a victim rather than a perpetrator. And, when we think about it, we discover that some middle-class and wealthy people also commit crimes, the difference being that poor people apparently tend more toward violent crimes while upper-class folks seem to commit more sophisticated offenses such as income tax evasion, embezzlement and consumer fraud.

The policy problems go to the heart of the system. After all our experience, we still do not know under what conditions and for which offenders the theory of rehabilitating criminals—one of the underlying premises of our courts and prisons—is workable.

For a great many years we have operated on the notion that persons convicted and sentenced for criminal acts should be taught or persuaded that a more productive and useful form of life was desirable.

Despite our efforts, the results have been anything but satisfying. Today, 75 percent of all the felonies processed through the courts are committed by persons with at last one prior conviction.[4] In 1974, Robert Martinson concluded a study of experimental corrections programs between 1945 and 1967 by saying, "with few and isolated exceptions, the rehabilitative efforts that have been reported so far have had no appreciable affect on recidivism." The National Advisory Commission on Criminal Justice Standards and Goals in 1973 agreed: "It therefore seems clear that prisons are failing to achieve their correctional objectives." [5]

The same might be said of our sentencing practices.

In the federal courts, and in most of the state courts, the system of sentencing is part and parcel of the rehabilitation theory. Many convicted persons are given indeterminate sentences, the length of which is controlled by the parole boards. These boards determine when a person is "rehabilitated" and thus eligible for release. The problem with this is that parole boards are unable, by any known standard, to determine when a convicted felon has been rehabilitated and so, more often than not, their actions are at best a guess.[6] Currently, 33 percent of all supposedly rehabilitated prisoners are back in jail within five years. And we apparently have no valid information that shows whether the other 67 percent have given up crime and, if so, whether it was a result of their rehabilitation treatment or for some other reason.[7]

Parole boards are well aware of this problem, to be sure, and some of them have attempted to resolve it. John C. Coffee, in the August 1975 Michigan Law Review, noted that the rehabilitative model on which federal sentencing policy is based "has now been substantially abandoned by the United States Board of Parole." In its place, Coffee continued:

"The Board of Parole has essentially chosen an 'incapacitation' model: By using criteria that focus almost exclusively on the relative risk of recidivism that certain classes of offenders represent for society, the Board has implicitly acknowledged that it is unable to judge or measure rehabilitative progress and so will confine its efforts to seeking to incapacitate offenders in terms of their marginal level of dangerousness."

There are two problems with this course. The first is that having given up rehabilitation as being immeasurable, the parole board has now adopted another, equally immeasurable standard: dangerousness. As Norval Morris has noted: "Predictions of future criminality . . . are an unjust basis for imposing or prolonging imprisonment. Despite the weight of authority supporting the principle of dangerousness, it must be rejected because it presupposes a capacity to predict quite beyond our present or foreseeable technical ability."

The other problem is that of officials within the system being forced to devise policies of their own in the absence of decisions by Congress or the legislatures. By giving up on rehabilitation as a criterion for dismissal from prison, the U.S. Parole Board has moved still further away from the general intent behind the indeterminate sentence and parole itself. This divergence points up the confusion, the uncertainty and the lack of purpose so prevalent throughout the system.

It is this same system that hands down to persons of similar backgrounds convicted of similar crimes a wide disparity of sentences. Quite apart from the obvious injustice of this practice, it has perpetuated among prisoners and their families the belief that the courts are arbitrary and even biased in their sentencing practices.

Add to this the fact that American prison penalties are the most severe in the western world.[8] Add to it also that we have devised no valid methods to cope with the recidivists who commit the bulk of reported street crime. From all this the paradoxes and contradictions of our criminal justice policy become apparent:

We assert that we wish to reduce crime by rehabilitating criminals. We apprehend them, convict them, sentence them almost arbitrarily for an unspecified time, subject them to a variety of work and therapeutic and educational programs, declare them "rehabilitated" or "not dangerous" and release them into a society that neither wants them nor is willing to give them a chance.

This is the system that we as legislators and policymakers have created over the years and it is the one for which we bear the responsibility.

Today, millions of Americans say that fear of crime is an overriding factor in their lives. Our city streets are deserted at night, the shops and stores barred as if against a foreign invader. Our airports are filled with security devices and guards to screen every passenger and piece of luggage. Our public buildings are equipped with guards and closed-circuit television cameras that moni-

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Footnotes at end of article.

tor every move within the halls. Our citizens have taken to arming themselves for protection, and to buying expensive locks and burglar alarms for their homes.

The result is the constant fear that has interrupted normal social and business discourse for millions of citizens together with the partial suspension of our cherished liberties of privacy, freedom of movement and of assembly.

This evidence is enough to discourage any maker of policy, but it is not the end of the problem, merely the beginning.

Until the mid-Twentieth Century we accepted generally the argument that crime was a police problem, that policemen in sufficient numbers, supported by reasonably efficient courts and prisons could handle most crime while the rest of us went our way with only an occasional glance at a sensational crime headline in our local newspaper.

With the unrest of the 1960's and the sudden upsurge of crime of all sorts came a new and fearful awareness that the danger was real and immediate.

We rushed to counter this threat by increasing the money and expertise within the criminal justice system, and by making new efforts outside the system to combat unemployment, promote desegregation and create still other social programs aimed in part at eliminating the environment we thought most likely to spawn crime.

But it was within the criminal justice system that we reposed most of our hopes and our determination to fight crime. We started a "war on crime" with tough rhetoric and with great new research and spending programs. We installed new street lights, purchased new equipment for police officers, undertook new crime prevention programs, modernized the bail system, provided speedier trials for persons accused of serious crimes and started new criminal rehabilitation and treatment efforts. Most of all, we increased our demands that the criminal justice system somehow "reduce crime." Nothing worked.[9]

And when it did not work, a great political hue and cry was raised across the country aimed principally at the criminal justice system. Why, we demanded to know, has the system failed? Why, with all the money and effort expended, was the system performing so badly?

The answer is that we were asking more of the system than it could possibly deliver. By our insistence that the system "reduce crime" we were expecting from it results that not even the most sophisticated social programs had produced. In effect, we were placing the system in the vanguard of social change when by design and tradition it had moved slowly in such areas.

The result was frustration and general failure to achieve the intended goal. The evidence strongly suggests that continued efforts to bend the system to a policy for which it is not suited will suffer the same experience.

It now seems clear that the system is not able to fulfill, as a primary obligation, the assignment to reduce crime. We know that crime is caused in large part by social and personal problems that are still only partly understood. As a practical matter, most—if not all—of these problems are beyond the reach of the police, the courts and the prisons to resolve. As a policy matter, it would be exceedingly unwise to require the criminal justice system to spearhead programs that could affect the basic social, educational, economic and political values of large numbers of citizens. Surely no one would contend that police departments, with officers hardened to the worst conditions of society, should be responsible for educating small children or directing unemployment programs.

This is not to denigrate the desire to reduce crime nor the need to make those social changes that could improve the lives of our citizens and alter criminal patterns as well. But it is to suggest that the criminal justice system is not the instrument for such efforts and that they might be more fruitfully performed outside the system with its complete assistance and cooperation.

Crime is a problem that affects every segment of society and every neighborhood. And it is there that we must expand our search for answers. It may be that the promise of stronger penalties will deter some criminals, but we must also offer alternatives to crime. Employment, housing and education—these still, somehow, hold the key to opening for all citizens a chance to live in dignity and self-respect with a stake in the nation's future. At the same time, we must attempt to foster in our neighborhoods a new stability and a revitalized spirit of pride and understanding. Our people must be encouraged to show the criminal there is no place for him. Beyond that, we must explore ways to reassure and protect those who live in constant fear of attack through programs that permit citizens to help one another.

Such things will not come easily in our cities where suspicion, strife and hostility have become a way of life. And yet there is no acceptable alternative. It is only through positive steps as these that we can expect to make lasting and long-range reductions in crime. The criminal justice system must play a major role in these efforts, of course. And it will reduce crime to the extent that the presence of police deters criminals or as convicted offenders are removed temporarily from our midst.

Overall, however, the criminal justice system should be responsible for doing what it does best: protecting the citizens against crime by apprehending those who violate the law, by determining their innocence or guilt and by sentencing those convicted to whatever punishment or treatment is provided by the law. And it should perform those tasks justly, fairly and predictably with scrupulous regard for the rights of the accused—and the rights of society as well.

The adoption of these objectives would be more realistic and in keeping with the ability and the nature of the system. The system might even be viewed as the "stick" of a carrot and stick approach to crime, with the carrot being the social, educational, employment and other constructive programs aimed at improving living conditions.

Another point should be considered. Government is often very good at identifying problems. It does not always perform as well in solving them. So it would appear with crime. We know it is a problem, but we are not sure of its deep-rooted social causes or what can be done to correct them. Certainly we should increase our efforts in these areas. But we must also be aware that some parts of the problem, such as family relationships that may cause criminal attitudes, are beyond the reach of government—or at least the reach of the criminal justice system.

However, there is no shortage of work for the system to do. Its facilities as well as its ability to perform efficiently and fairly need vast improvements. But most of all, its basic policies and guiding philosophies must be established. Today the system functions without purpose or mission. It has not one objective, it has many—and some of them are contradictory. Before the system can perform its tasks it must know what they are—and it is the responsibility of the Congress and the state legislatures to define them.

It is not my intention to propose here in detail how the system should be modified or improved, but there are some obvious areas where our search for answers should begin.

The first of these is the rehabilitation concept of imprisonment.

Today a substantial portion of serious violent and street crime is attributed by many to persons already convicted of at least one offense.[10] For these persons the rehabilitation system clearly has not worked. Available evidence suggests strongly that many other persons, convicted once, have given up crime for reasons unrelated to rehabilitation programs. And for the rest, it apparently is uncertain what effect rehabilitation efforts have had on their conduct once they were released from custody or control.[11]

Whatever the case, it is time for us to consider changing the emphasis we place on rehabilitation as a principal goal of the system. This is not to recommend that rehabilitation therapy, in theory or in practice, should be abandoned. Quite the contrary. Our efforts to find the means to educate offenders and convince them not to commit crimes should be intensified. Our facilities for offering such programs should be improved. Our programs for assisting offenders to find employment after they leave prison should be increased. But rehabilitation ought not to be the guiding principle of the system.[12] We should choose instead the more realistic goal of protecting society from those who commit crime by apprehending, convicting and punishing guilty offenders.

The most logical approach to this end is, of course, through the sentencing process. The consensus is growing that our sentencing procedures, both in federal and state courts, are arbitrary and even unjust.[13] Certainly they are unpredictable. Neither convicted offenders nor the watching public can be assured that similar crimes committed by persons of similar backgrounds will receive similar sentences.[14]

From the standpoint of jusice, as well as that of protecting society, there must be predictability and certainty of punishment. In 1975, fewer than 30 percent of persons with prior records convicted of armed robbery in Los Angeles County were sentenced to prison, despite the fact that armed robbery is considered to be among the most premeditated of violent crimes. No doubt part of this occurred because judges were reluctant to sentence offenders to overcrowded institutions, or because they believed that rehabilitation could be better accomplished through other, nonincarcerating methods. Notwithstanding these arguments, it is poor policy to allow such practices to continue to the obvious detriment of society.

Even, if as asserted by some, the likelihood of imprisonment is not a deterrent[15]—and I, for one, am not convinced of this—it probably is better for a recidivist armed robber to spend some time in prison, where he cannot rob, than to be freed upon conviction into society, where he can.

How long should he stay in prison? In some respects that issue is not as important as the fact that he should, in a great many cases, be assured of going there in the first place. But increased interest is being shown in required minimum sentences for violent offenders and for certain economic criminals as well. Legislation is currently pending in Congress to establish minimum mandatory sentences and to reduce the sentencing discretion exercised by federal judges.

If our major objective in sentencing and incarceration is merely to remove certain offenders from society, then mandatory minimum sentences would accomplish it. But whether this view is consistent with the concept of punishment—which can take many forms—and whether it can be made fair and equitable in all cases remains to be determined.

As part of the answer, we may profit from a closer examination of the various kinds of

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offenders. We know that first offenders are those most likely not to repeat criminal activity once they are released.[16] We have evidence as well that prison terms, especially long ones, can increase the rate of recidivism in this group.[17] For such persons, then, mandatory minimum sentences may be a questionable policy.

But for repeat offenders the case for required imprisonment appears more solid. Many recidivists—persons who have a pattern of certain kinds of criminal offenses—are probably beyond our current ability to rehabilitate. More importantly, their conduct would seem to deserve more severe sentences as proper and fair punishment. In that light, there should be serious consideration given to lengthy sentences for third or fourth offenders, especially those convicted repeatedly of violent or especially serious economic crimes.

The question of jail terms for economic offenses, so-called "white collar crimes," has important policy ramifications. Conventional wisdom has it that the certainty of jail for middle-class offenders would be more of a deterrent than for lower-class persons with less to lose.[18] Whether this can be documented is yet to be seen. There are, of course, a substantial number of persons who make a business of fraud, embezzlement and the like. Economically, at least, these persons do more damage to society than their more violent colleagues on the street. Therefore, we may wish to consider minimum prison sentences for repeat offenders with the length of term pegged to the amount of money involved.

Quite aside from the question of incapacitating criminals in prison through mandatory sentences is the issue of judicial discretion. There is no doubt that existing, broad judicial discretion has produced at least the appearance of unfairness in the sentencing process. Even if we conclude that limiting discretion is desirable we still must decide how much freedom judges should exercise in sentencing.

Mandatory prison sentences for, say, all persons convicted of violent crimes would tie the judges to a system that permitted them to set only the length of the sentences. Mandatory minimums would make them little more than rubber stamps. It may be that in certain instances involving repeat offenders of major crimes that is what we wish. But is it desirable across the board?

Judges are charged with administering justice. By removing completely their ability to use probation, short terms of imprisonment or other methods, we may, in our zeal to protect society, risk short-circuiting the best interests of justice. It may in fact be beneficial to society if more persons are imprisoned, but the question still must be answered as to whether we can structure such a policy in a way that is also just.[19]

Whatever we conclude, the question of sentencing policy is central to any restructuring of the criminal justice system. In fact, it is so vital that other areas of inquiry may have to await our decisions on sentencing before they can be resolved.

Whether to build more prisons for example, has been a subject of controversy for years. It would appear that no judgment can be made here until we know whether we intend to follow policies that will send more people to jail. If so, then more prisons will be required—and their type and function can then be more easily determined.

Improvement of the courts, however, is probably not so dependent upon our sentencing policy decisions. The courts are overworked, inefficient and undermanned. Appointing new judges will alleviate the manpower problem, at least for a time. But the other questions of caseload and docketing will require basic changes within the judicial system itself. The American Bar Association, the United States Judicial Conference and now the Department of Justice under Attorney General Griffin B. Bell are pursuing these questions thoroughly. Their conclusions and recommendations should lead to an improved court system that can divert some forms of civil litigation for resolution in a nonjudicial setting without damaging either the rights of those involved or the principles of justice.

Thus far I have addressed the criminal justice system largely as though it were a single entity across the nation. It is not, of course, for the federal and state systems are separate and independent. But they are also closely related. What occurs at the federal level often has special significance for the states, both as an example and because guidelines concerning federal funds for state agencies, reflect federal thinking. The Law Enforcement Assistance Administration, as a prime example, has required that states establish criminal justice planning agencies before receiving federal funds. LEAA also has laid down guidelines and regulations concerning the expenditure of federal money on projects ranging from computers to jails.

As federal policymakers, we have a special obligation to take positive and realistic steps toward improving those institutions concerned with crime. It has often been said that the state governments are the laboratories for federal governmental policy. Something like the reverse may be true in the criminal justice system.

Although the bulk of the crime problem rests with the state criminal justice systems, it is the federal system that has available to it the greater resources, especially money. Moreover, many states look to the federal government as a model for their own agencies, institutions and laws. We in the federal government can experiment, study, and try new ideas that the states cannot afford. When we discover answers to problems the systems of all 50 states can benefit.

We must also be aware that the policies we set at the federal level concern some of our most cherished and fragile liberties, liberties that all too often in recent years have been injured by carelessness and worse. In our eagerness to control crime, we must be careful to safeguard the rights of all the people: the rights of the accused and the convicted to a fair and impartial trial, to justice and to humane treatment; the rights of innocent citizens to be free from criminal attack and fear. It is a narrow path that we must walk. If we remember that the criminal justice system is charged with protecting, not just the property and physical safety of the people, but also their constitutional freedom, then we shall not lose our way.

FOOTNOTES

[1] James Q. Wilson, *Thinking About Crime*, Basic Books, Inc., 1975, pp. 4–5. Cf. Harold E. Pepinsky, "The Growth of Crime in the United States," Annals of the American Academy of Political and Social Science, Jan. 1976.

[2] The Second Circuit Sentencing Study, Federal Judicial Center, August, 1974. Pierce O'Donnell, Michael J. Churgin, Dennis E. Curtis, *Toward a Just and Effective Sentencing System: Agenda for Legislative Reform*, Praeger, Inc., March 1977, p. 2 supra.

[3] C. R. and Ina A. Jeffery, "A National Strategy for Crime Prevention and Control," Intellect, v. 104, September-October 1975, p. 102. Also, for a discussion of the complexities of poverty and crime, see C. Ronald Chester, "Perceived Relative Deprivation as a Cause of Property Crime," Crime and Delinquency, v. 22, January 1976, pp. 17–30.

[4] "Report on Corrections," National Advisory Commission on Criminal Justice Standards and Goals, 1973, p. 75.

[5] See also: "LEAA: A Question of Impact," Corrections Magazine, June 1976. Dr. Richard A. Schwartz of the Cleveland Clinic Foundation, quoted by Carl T. Rowan, Washington Star, April 6, 1975, p. G–3: "Reducing recidivism by means of treatment or rehabilitation then, has been shown not to work and probably cannot be made to work, even if the sums of money currently appropriated for such programs were to be greatly expanded." Rick J. Carlson, "Rehabilitating Criminals," The Center Magazine, July–August 1973, pp. 27–31. Stephen A. Bennett, "Rehabilitation in Check," Trial Magazine, v. 12, March 1976.

[6] Wilson, supra note 1, at 170–172. Alvin Bronstein, "Parole Boards and the Demand for Due Process," Christianity and Crisis, Feb. 17, 1975, p. 32 supra.

[7] Michael S. Serrill, "Is Rehabilitation Dead?," Corrections Magazine, May–June, 1974, p. 4.

[8] Wilson, supra note 1, at xiv. John C. Coffee, Jr., "The Future of Sentencing Reform: Emerging Legal Issues in Individualization of Justice," Michigan Law Review, v. 73, August 1975, p. 1364.

[9] This was made explicit in the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3701, Declarations and Purpose.

[10] Wilson, supra note 1 at 199. "Report on Corrections," supra note 4, at 75.

[11] Carlson, supra note 5, generally. Constance Holden, "Prisons: Faith in 'Rehabilitation' is Suffering a Collapse," Science Magazine, v. 188, May 23, 1975, pp. 815–817.

[12] Norval Morris, *The Future of Imprisonment*, University of Chicago Press, 1974, pp. 14–15.

[13] Sen. Edward M. Kennedy, "Criminal Sentencing: Game of Chance," Judicature, v. 60, No. 5, December 1976, pp. 206–215.

[14] Second Circuit Sentencing Study and, also, O'Donnell, supra note 2.

[15] "Report on Corrections," supra note 4 at 224, cites a number of studies to this effect. Wilson, supra note 1, argues that no such conclusion can be drawn from existing information. See also, Robert McKay, "It's Time to Rehabilitate the Sentencing Process," Judicature, v. 60, December 1796.

[16] Wilson, supra note 1 at 199.

[17] Franklin E. Zimring, Perspectives on Deterrence," Rockville, Maryland, National Institute of Mental Health, Center for Studies of Crime and Delinquency, 1971, p. 88. "Report on Corrections," supra note 4 at 76. But James L. Beck and Peter B. Hoffman argue: "Emperical investigations, however, have not demonstrated any strong association between time served and release performance." Journal of Research in Crime and Delinquency, v. 13, July 1976, 127 et. seq.

[18] Report on Corrections," supra note 4 at 145. Hon. David L. Bazelon, "Street Crime and Correctional Potholes," a speech to the American Correctional Association, Denver, August 22, 1976.

[19] Bazelon, supra note 16, generally.

NBC "RESEARCH" ON SENATOR McCARTHY EXPOSED AS FRAUDULENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. McDONALD. Mr. Speaker, on March 10, 1977, the National Broadcasting Co., vice president and assistant general attorney Benjamin D. Raub, responded to a letter from Mr. Reed Irvine of Accuracy in Media, Inc., which had pointed out a few of the serious inaccuracies and lies that had appeared in the 3-hour "docu-drama" "Tail Gunner Joe."

Mr. Raub's reply showed that no original research was done by NBC or the producer of the program, Universal TV. Instead, three anti-McCarthy smear books were used as the basis for the charges, without any checking of original sources.

On April 24, 1977, Mr. Irvine replied to Mr. Raub. In a carefully documented letter which went back to original sources, Mr. Irvine exposed each of Mr. Raub's points as false. The low level of NBC scholarship is thoroughly exposed in this exchange of letters.

The letters were made available to me by Mr. Reed Irvine. I would like to share them with my colleagues. The Irvine/Raub correspondence follows:

NATIONAL BROADCASTING CO., INC.,
New York, N.Y., March 10, 1977.

Mr. REED IRVINE,
Accuracy in Media, Inc.,
Washington, D.C.

DEAR MR. IRVINE: This is in reply to your letter of February 13, 1977 regarding the television motion picture "Tail Gunner Joe." This film was produced for NBC by Universal TV. The producer and NBC worked closely in substantiating various aspects of the film. I cannot agree that the program was untrue, or that NBC or Universal resorted to falsehoods, half-truths and innuendo.

Following is the response to the specific numbered items in your letter.

1. Contrary to your assertion, no character stated that McCarthy's investigation of USIA overseas libraries was a campaign to burn the books of the authors you list, or that the investigation was directed against those authors and books. The authors mentioned in the program were on McCarthy's list of subversive materials in the overseas libraries. This is substantiated by Fred J. Cook, The Nightmare Decade, pp. 419–422.

2. You ask why the program suggested the target was books by non-communist authors (the program did not—see 1 above) while ignoring evidence that the libraries were being stocked with books by Soviet agents. The point is not whether there were communist books in the libraries—the program did not affirm or deny that—but that in the search for communist literature, many non-communist writers were affected.

3. Contrary to your assertion, the program did not suggest that McCarthy was capricious in directing the Voice of America transmitter be moved from Seattle to California. The program stated that "McCarthy decided the Seattle transmitter should be in California, not Washington. He said the Seattle location proved mismanagement and subversion, and obviously was an anti-American plot by the Communists." We do not believe that statement suggests capriciousness. There appears to be doubt as to the technical considerations. According to our information, technical experts, such as Andrew Ring, were never called to testify, and Dr. Wiesner at MIT did not agree with McCarthy. See Cook, The Nightmare Decade, pp. 398–403, and Rovere, Senator Joe McCarthy, p. 198. The name Roger DeCamp was a fictionalized version of a Voice of America engineer named Raymond Kaplan, who committed suicide according to Cook, The Nightmare Decade, p. 403, and Rovere, Senator Joe McCarthy, p. 198.

4. Your assertion that the actor portraying McCarthy said "members of minority groups who have been traitors to this nation" is inaccurate. The actual words broadcast were: "It has not been the less fortunate or members of minority groups who have been selling this nation out, but rather those who have had all the benefits. . . ."

5. You ask whether the purpose of having an aide in McCarthy's office say they were going to "Jew down" an agent was to suggest that the McCarthy crowd was anti-semitic. The purpose was not to show that McCarthy himself was anti-semitic but that his activities and his philosophy attracted and appealed to people who were anti-semitic or nazi sympathizers. See Cook, The Nightmare Decade, pp. 277–281, 291, 334–336, and 445–448; Rovere, Senator Joe McCarthy, p. 141.

6. The scene in which Jean Kerr informed McCarthy that Vice President Nixon had called about McCarthy's appointment as Chairman of the Committee on Government Operations was not intended to, nor did it, convey that Nixon had appointed him to that position. Rather, it was meant to establish Nixon's role as liaison between the Eisenhower administration and McCarthy. See Cook, The Nightmare Decade, pp. 459–460.

7. You refer to the scene in which a British writer says he was deported because McCarthy demanded it and ask why NBC implied that the deportation was another unjust act caused by the whims of McCarthy. The scene did not deal with whether or not the deportation was just or done at the whim of McCarthy. It does, as it was intended to, illustrate his wide-ranging power. The scene does assert that McCarthy was responsible for the writer's deportation. For substantiation, see Lately Thomas, When Even Angels Wept, p. 320.

8. You question the accuracy of the statement that McCarthy "caught no Communists, found no traitors, uncovered no subversives, not one." Your quotation omits a most important word; the line read "but he himself caught no Communists" etc. that is, McCarthy himself produced no security risks who were not already listed as such in the files of the FBI, the Department of Justice, or various loyalty boards (See This Fabulous Century 1950–1960 [Time-Life Book] pp. 116–117; Cook, The Nightmare Decade, p. 442). Universal has advised us as follows with respect to the three individuals cited by Congressman McDonald: William Remington was indicted for perjury in denying membership in the Communist Party, but McCarthy had nothing directly to do with the indictment (See Thomas, When Even Angels Wept, p. 184). Aaron Coleman was already on an FBI list (See Thomas, When Even Angels Wept, p. 540). As for Annie Lee Moss, there is dispute as to whether testimony against her had been validated (See Cook, The Nightmare Decade, pp. 477–479; also Thomas, When Even Angels Wept, pp. 435, 437, 468–470, 486, and 607).

I believe that in citing the references in my response, I have given you the information you asked for when you requested the sources relied upon by the writers of "Tall Gunner Joe."

Very truly yours,
BENJAMIN D. RAUB.

ACCURACY IN MEDIA,
Washington, D.C., April 24, 1977.

Mr. BENJAMIN D. RAUB,
Vice President, NBC,
New York, N.Y.

DEAR MR. RAUB: We have been looking into the defense of "Tailgunner Joe" made in your letter of March 10, 1977. Permit me to comment on the points you made.

1. You said: "Contrary to your assertion, no character stated that McCarthy's investigation of USIA overseas libraries was a campaign to burn books of the authors you list, or that the investigation was directed against those authors and books. The authors mentioned in the program were on McCarthy's list of subversive materials in the overseas libraries. This is substantiated by Fred J. Cook, The Nightmare Decade, pp. 419–22."

McCarthy's list of "subversive materials" in the USIA libraries was published in January 1954 in a report entitled, "State Department Information Program—Information Centers."

This report lists three groups of questionable authors. The first is "Books by Soviet Agents or Top Communist Leaders." In this section, 12 authors were identified by name as having been implicated in Soviet espionage or having acted "in some important or confidential capacity in behalf of Soviet Russia." These are: Cedric Belfrage, Haakon Chevalier, Lauchlin Currie, Israel Epstein, Philip Jaffe, Owen Lattimore, Kate Mitchell, Harriet Lucy Moore, Andrew Roth, Agnes Smedley, Gunther Stein, and Victor Yakhontoff. It was noted that the adverse information on these individuals had been published by the House Un-American Activities Committee and the Senate Internal Security Subcommittee.

The report then listed 13 additional authors who it said could be classified as "hard core" or notorious communists with long public or self-admitted records of communist activity. These were: James S. Allen, Herbert Aptheker, Earl Browder, Howard Fast, Philip Foner, William Z. Foster, William Gropper, Dashiell Hammett, William Mandel, John Reed, Morris U. Schappes, Anna Louise Strong, and Doxey Wilkerson.

The report next cited authors who had taken the Fifth Amendment when asked if they had ever been members of the Communist Party. In addition to those already cited above, this list included: Richard Boyer, Millen Brand, Edwin Berry Burgum, Arnaud D'Usseau, Helen Kay, Rockwell Kent, Eslanda Robeson, Lawrence Rossinger, Bernhard Stern, and Gene Weltfish.

The report then pointed out that the libraries also included books by "foreign authors with long and notorious records as Communists or pro-Soviet apologists."

The only names cited in this group were Soviet author Ilya Ehrenburg and Hewlett Johnson, referred to as "The Red Dean of Canterbury."

We do not find in this list the names "Sherwood Anderson, Stephen Vincent Benet, Mark Twain, Louis Bromfield, Quentin Reynolds, Edna Ferber, Carl Van Doren." The character in the NBC drama who was supposed to be a former USIA official listed all of these authors, and then said: "All right, I once saw a copy of this, a first edition of Showboat being burned at the American Embassy in Sidney, Australia where I worked, till I was fired for saying I thought it was stupid those were torched too. Real books being burned by real people, not the gestapo, but American civil servants. You see, our junior senator from Wisconsin said that our overseas libraries contained some 30,000 subversive volumes. Paid for, of course, by the American taxpayer. No left-wing, pinko books like John Brown's Body, Maltese Falcon and Showboat here. So we took care of it, good old American know-how."

Is it not perfectly clear that this was intended to convey the impression that McCarthy had caused the burning of the books in the libraries by the authors listed above? While it is true that this was done carefully to avoid the direct statement, I can't see any other plausible interpretation for this bit of dialogue.

You cite Fred J. Cook's book as the source of the statement that these authors were on McCarthy's "list of subversive materials." It turns out that the passage you cite in Cook is based on an article by Martin Merson in The Reporter magazine of October 7, 1954, nine months after the McCarthy list was published in the report cited above. What Merson said was: "Over a period of several weeks McCarthy's staff had come up with 418 names of authors plus a few playwrights and artists and were demanding information about their representation in our overseas libraries. While McCarthy did not specifically tag the individuals on this list as communists, the implication was plain that he considered their loyalty very much in question."

I think that as a lawyer you will have no difficulty in recognizing that there is a significant difference between a list prepared by staff about which questions were being asked and a published "list of subversive materials."

One might ask who is being more irresponsible in this case. Is it McCarthy, who cited individuals with known communist records? Or was it Merson and Cook who falsely stated that the fact that staff was asking questions about authors carried the implication that their loyalty was in question or suspect? Or was it you, Mr. Raub, for saying that these authors were on McCarthy's list of subversive materials in the overseas libraries?

2. You say: "The point is not whether there were communist books in the libraries—the program did not affirm or deny that—but that in the search for communist literature, many non-communist writers were affected."

Here you seem to be affirming what you denied in No. 1 above, i.e., that the program did say that the non-communist authors listed were the object of a book-burning campaign. Which way do you want to have it?

I have cited the actual list published by the committee which focused on communist authors, not non-communist authors of the type mentioned in your program. If there was any thought of describing what the committee was trying to do, rather than merely smear the Senator with falsehoods, surely the program should have affirmed that the object of the investigation was to determine if books by communists and Soviet agents were in the libraries and that indeed many such books were found to be in the libraries. Would that not be an important part of the essential truth of the matter? Even if it were true that innocent, non-communist authors were affected, would not confining your statement to that be a selective half truth? Does this not leave the impression that McCarthy's only target was innocent non-communist authors?

3. You say: "Contary to your assertion, the program did not suggest that McCarthy was capricious in directing the Voice of America transmitter be moved from Seattle to California. The program stated that "McCarthy decided the Seattle transmitter should be in California, not Washington. He said the Seattle location proved mismanagement and subversion, and obviously was an anti-American plot by the communists."

By omitting part of the first sentence, you left out the very words that suggested capriciousness. The character (the widow) said: "McCarthy, and this is hard, it was such insanity, it's hard for me to believe it happened even now—McCarthy decided that the Seattle transmitter should be in California, not in Washington . . ."

It seems clear to me that this means that McCarthy, a non-technical expert had the insane idea that the transmitter should be in California and that it was the communists who were behind its location in Washington. That is what I meant by "capriciousness."

The point is that your program did not make it clear that there were excellent technical reasons for judging the Washington location was bad and that McCarthy's complaint was mismanagement, not that a communist plot was involved. While you cite some who did not agree with the technical judgment, the record is clear that the weight of scientific testimony was that the Washington site was an error.

One of the great ironies, it turns out, is that Raymond Kaplan, the engineer who committed suicide, and who, under the name of Roger DeCamp, was used in the NBC film to make McCarthy look bad, was actually a friendly source for McCarthy in his investigation. The text of Kaplan's suicide note was published in The Times of March 7, 1953. Among other things he said: "However, they (M.I.T.) expressed doubt in June 1952 (about the Washington site), and then it was decided to run short tests. Those tests to my mind and to the minds of others, while not conclusive, show favor to the Southern location. Accordingly, I was ordered by Mr. Herrick to go to California and locate a site. Because of the complex electrical considerations this was rather difficult, but I did locate two possibilities."

Kaplan went on to say that the decision to move to the California site was overruled by higher ups in the organization. He said: "My mistake then was in not protesting vigorously the decision to remain (in Washington state) . . ." Kaplan said he was being made the patsy for the mistakes of others. Who then was to blame for his suicide? McCarthy or those who overruled Kaplan on the site question and then did not take the full responsibility for the error?

And who is irresponsible? McCarthy, or NBC for misrepresenting what this incident was all about?

4. You say that the actual words broadcast by the actor portraying McCarthy were: "It has not been the less fortunate or members of minority groups who have been selling this nation out . . ." I said that the opening words in this speech were mumbled, by which I meant that it was difficult to hear what the man was actually saying. What came out clearly was "members of minority groups who have been traitors to this nation." Do you disagree that the first part of the sentence was mumbled and difficult to catch? If you do not disagree, I presume that you would agree that the viewers probably got the impression that McCarthy was condemning, not praising, the minority groups." That would be consistent, of course, with the whole thrust of the program.

5. I am astonished by your statement that the purpose of the "Jew down" statement was to show that McCarthy attracted and appealed to people who were anti-semitic or nazi sympathizers. What kind of guilt-by-association tactic is this? And how was the viewer to know that you were not suggesting subtly that McCarthy was anti-semitic but merely engaging in a little dirty guilt-by-association? Richard Rovere wrote: "The organized hate groups and the volunteer policers of patriotism fell into his lap. Throughout the war years, they had lacked leaders and spokesmen. McCarthy did not cater to all their manias and phobias; he was not anti-Semitic, he was not anti-labor, he was not by conviction isolationist or reactionary." Since you cited Rovere's work, your people were presumably aware of these facts about McCarthy. It appears that they decided to ignore this and use a cheap trick to give a contrary impression.

6. You say that the introduction of Vice President Nixon's name was "meant to establish Nixon's role as liaison between the Eisenhower administration and McCarthy." You cite Cook's book on this point. But Cook says that Nixon was trying to control McCarthy on behalf of the Administration. According to Cook, McCarthy's response was to call Nixon a liar.

Moreover, the point that McCarthy's being named chairman of the committee was an act of the Senate, not of the executive branch still holds. Even if Nixon were merely liaison with Eisenhower, it would not be the function of the executive branch to notify senators of their committee appointments.

7. You say that the Belfrage incident "did not deal with whether or not the deportation was just or done at the whim of McCarthy. It does, as it was intended to, illustrate his wide-ranging power. The scene does assert that McCarthy was responsible for the writer's deportation." You cite Lately Thomas's book.

A better source is the actual committee hearing transcript. That shows that Senator Stuart Symington told Belfrage: ". . . the sooner you leave the shores of the United States the better it would be for the United States. . . . I hope you leave the shores of our country as soon as possible." It turns out that Senator McCarthy turned the hearing over to Symington and was not even present when Symington made the above statements about the desirability of the man leaving the country. Perhaps your film should have shown the wide-ranging power of Senator Symington.

8. You justify the statement that McCarthy himself caught no Communists on the ground that the people he identified had previously been identified by others. You miss the whole point of McCarthy's complaint. He charged that despite the fact that these people had been identified, many of them were still in high positions or positions of trust. As a result of these charges, action was initiated against many loyalty and security risks. James Rorty and Moshe Decter detail what happened in their anti-McCarthy book, *McCarthy and the Communists*, (Beacon Press, 1954). After detailing some of the cases, they say: "There were quite a few similar cases; people with bulging records of pro-Communist activities and associations successfully weathered many departmental security hearings, only to be discharged or allowed to resign under fire later—after McCarthy's charges."

So what is the meaning of "caught?"

Finally, you express doubt about the Annie Lee Moss case based on Cook and Thomas. Again, it is unfortunate that your researchers have this bad habit of relying on secondary and tertiary sources instead of going to the record. Cook was under the impression that the Annie Lee Moss called by Senator McCarthy had not lived at 72 R Street, S. W., Washington, D. C. and that it was a different Annie Lee Moss who was a communist and who lived at that address. Mrs. Moss testified before the McCarthy committee, saying: "We didn't get this Communist paper any more until after we have moved southwest at 72 R Street." (See Army Signal Corps—Subversion and Espionage, Part 10, Page 447).

The SACB also reported that the Communist Party records showed that Annie Lee Moss, 72 R Street, S. W., Washington, D.C., was a Party member in the mid-1940's.

I appreciate the trouble you went to in getting the references cited.

I hope that you will appreciate this rejoinder. It seems to me that it is quite clear that one of the defects of your film was that it relied very heavily on secondary sources, such as Fred Cook, who were virulently anti-McCarthy and that evidently little or no effort was made to check statements in these secondary sources against the record.

I will be looking forward to NBC's comments on this reply. As matters now stand, it appears to me that you have an obligation to air another program which will correct the errors and distortions of "Tailgunner Joe."

Sincerely yours,

REED IRVINE.

NUCLEAR ASPECTS OF THE PRESIDENT'S ENERGY POLICY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 29, 1977

Mr. BROWN of California. Mr. Speaker, the debate over the President's energy policy is going to be occupying us all in the next weeks. I want to call the attention of my colleagues to a useful dialog on the general subject, a symposium on "Science Information and Energy Policy," at the annual meeting of the Scientist's Institute for Public Information. I hope that this will be just one of many examples of the public and technical community exploring together the full ramifications of the major new initiatives in this country's energy policy

One element of the energy policy is a major departure in the direction of our nuclear energy development. This will be the subject of much debate in the House Science and Technology Committee, which has jurisdiction over the nuclear research and development program. The committee will soon be making key budgetary recommendations in this area. I took advantage of the kind invitation of the Scientist's Institute officers to present my own views on this important subject and I would also like to present them here for the RECORD:

DEBATE OVER THE PRESIDENT'S NUCLEAR POLICIES RETURN TO THE BASIC ISSUES

(By Congressman GEORGE BROWN)

On April 7th and 20th, the President of the United States moved the course of our domestic nuclear energy program away from a direction that has been implicity assumed for more than 25 years. The basic decision was to defer the use of recycle plutonium as a fuel—in particular, to send an unmistakably clear signal to the world of our new priorities by postponing indefinitely steps aimed at the commercial use of recycle plutonium in existing or future reactors. The decision included barring government funds or assistance for the privately financed partially completed Barnwell reprocessing plant and canceling funding, component ordering, and licensing efforts for the Clinch River Liquid Metal Fast Breeder Reactor. It represented a return to one of the basic issues which has always clouded nuclear power use, namely the relation of commercial nuclear technology to the international spread of nuclear weapons. The President reaffirmed that the non-proliferation objectives of the United States take precedence over other considerations, and that embarking on an improperly structured plutonium economy could present a grave threat to world security.

The President's decision, however, was made considerably easier by the perceptive realization that deferring the use of plutonium presents no danger to our future energy supplies, and that our energy options may even be expanded by this action. This is primarily because projections of energy demand have fallen dramatically since the original breeder timetable was drawn up. With a slower timetable indicated by lessened demand, we have more time to thoroughly explore a variety of options.

Since the breeder could represent a virtually inexhaustible energy supply source, the program will probably be restructured to reflect non-proliferation objectives, and then be maintained on a research and development readiness level as insurance against exorbitantly high priced future energy or the failure of other energy developments. This will allow us the energy security we need, without the immediate irreversible commitment implied by plutonium commercialization.

The debate on the President's proposals will now shift to the Congress, and the initial focus in the House will be on the Science and Technology Committee of which I am a member. The Committee has jurisdiction over the Energy Research and Development Administration, the agency whose premier "production solution" to our energy problems was the Liquid Metal Fast Breeder Reactor. The FY 1978 Presidential budget recommendations for ERDA's nuclear programs will be considered by the committee next week. Contrary to what some of my colleagues on the Committee are saying, I do believe that the President's nuclear policies are entirely defensible in detail and without real risk to our future energy supply.

What are the dangers from using plutonium as a fuel? Reactors using this material, such as the LMFBR, can uniquely contribute to the proliferation of nuclear weapons. Once plutonium is separated from spent reactor fuel, the potential exists for building bombs on the time scale of days. Although not the avenue used by the existing weapon states, a plutonium separation facility in a civilian power program gives a country an immediate weapons capability as a byproduct. This capability exists without a prior decision to make weapons and any disinclination to make bombs may be overcome in a crisis. Arguments about the need for sustained energy sources for an industrial economy tend to pale in importance in a world where a nuclear weapon capability could spread to many nations and perhaps even subnational groups.

Others have argued that bombs can be made without commercial plutonium recycling or a breeder economy. This is true, but an alternate path would require a conscious decision to build weapons, control over spent reactor fuel, and the time to build a clandestine plutonium separation facility. Moreover, as many have pointed out, other countries may not follow our lead to defer using plutonium. However, the rest of the world will surely not wait if we go ahead. The Germans, French, and Japanese, motivated by their perceived poverty in energy alternatives and their desire not to jeopardize nuclear export industries, are hostile to the President's decision and they will likely proceed with their programs to use plutonium. However, as a result of the United States postponement of its own plutonium commercialization, other countries will certainly reevaluate their positions. The probability of reaching international agreements to reduce the danger of proliferation will be increased. Our domestic action is a clear and credible indication of the seriousness with which we view the international problem. There is also the possibility that we may find more proliferation-resistant nuclear technology, or even that developments in other energy areas will allow plutonium to be bypassed as a fuel completely. These alternatives are ones that might have been foreclosed by a premature commitment to plutonium use. Even if we are forced eventually to turn to plutonium as a fuel, a collective recognition of the problem and an international framework developed during the pause could offer more optimism for survival than the present course.

The President's specific decisions are definitely a clear signal of our intentions. Although ERDA has always stated that a decision on breeder commercialization would not come until 1986, a large scale investment jointly with industry to demonstrate the Clinch River design would very likely be interpreted by other countries as a definite commitment to plutoninum. Operating Barnwell (a privately financed reprocessing facility) as a demonstration would be similarly interpreted. Historically the United States has felt that bringing private capital into all steps of the nuclear fuel cycle was a way to ease the burden on the government. We did not recognize the tremendous impact such investment could have on our foreign policy options. Traditionally, we have tried to preserve these options and make sure that private decisions did not overwhelm national policy interests. However, the nuclear export debate, the momentum of the Barnwell reprocessing plant, the economic arguments about the Clinch River delay, all show that private investments can decrease our foreign policy flexibility. Moreover, factors other than private investment can contribute to a "technological juggernaut" mentality. Personal careers, the status of government agencies, and even planning goals themselves can become driving forces. The lesson to be learned is that we must be able to accommodate in the planning process, pauses for interpretation of external developments, for revised design, or for consideration of new alternatives or decision factors.

What do we lose by waiting? The recent Ford-Mitre study by twenty-one eminent scientists and economists concluded that there is no overriding economic penalty in deferral of plutonium recycle and no compelling resource reason to introduce it now. A similar study by the American Physical Society concurred. Eminent and experienced nuclear scientists such as Hans Bethe and Edward Teller have also now supported deferral of the breeder. Recycling plutonium into light water reactors is economically marginal, and with deferred breeder commercialization, technical experience with reprocessing is not immediately demanded. Spent fuel can be stored retrievably so that we can recover its energy value if ever needed.

The question of uranium supply and future energy demand were taken into account in the deferral decision. Even the low estimate of 1.8 million tons of domestic uranium allows over 10,000 reactor-years of operation with current light water reactor technology. This resource should be enough to take us well into the next century since a reasonable estimate of future nuclear capacity in the year 2000 is probably 300 reactors, roughly one-third the capacity projected when the timetable for breeder commercialization was originally set. The arguments that more uranium will be found are persuasive, but the deferral decision does not depend on this assumption. We have the time to investigate how much uranium exists at various prices without jeopardizing our energy supply. If a careful study in the next decade indicates less uranium, higher electrical growth, and no viable energy alternatives, then the plutonium deferral decision can be reexamined.

The minimum criterion for acceptability for any new reactor should be that its use in a civilian power program should put a nation no closer to weapons development than with previously existing technologies. Meeting this criteria with LMFBRs is questionable. Nevertheless, proposals such as Congressman McCormack's, for international reprocessing centers and LMFBRs with a possibly secure blended fuel (plutonium mixed with materials to make it unsuitable for weapons), should be investigated. It must be remembered, however, that such a blending or spiking procedure probably could be easily reversed by a national or even sub-national technology. Moreover, the burden of occupational hazards for the civilian industry could increase. We now have the time to explore reactor technologies which are perhaps both more proliferation-resistant than LMFBRs and more efficient with uranium than LWRs. More efficient converter reactors could expand the energy potential of the uranium resource considerably as well as make it economic to use lower grade uranium.

I believe that we can maintain a breeder R&D program over the next quarter century as insurance without endangering our non-proliferation goals or credibility. A pause and reappraisal will be disruptive only to those who have a personal or financial stake in continuing the program exactly as originally framed. Completing the Fast Flux Test Facility and its experimental program, finishing preliminary design work for Clinch River, as well as examining other breeder designs and alternative fuel cycles, would not represent an irreversible commitment to a plutonium economy. Moreover, holding the breeder demonstration until completion of the fast flux experimental program, and until completion of a breeder redesign analysis, would not be disruptive to long term aims. In fact, many of the most vigorous supporters of the breeder have suggested that the existing design was inappropriate and out of date, and should be reanalyzed in light of an extended fast flux test program. Also, we should remember that a corollary to plutonium deferral for nonproliferation reasons is the United States restoring international confidence in its ability to supply enrichment services for light water reactors. Part of the President's nuclear program included reopening the enrichment order books to foreign countries complying with non-proliferation criteria and expanding our enrichment capacity by centrifuge plants. The existing light water reactor technology will supply an important component of the energy needs of many countries, including ourselves, throughout this century. I feel that our course must be to maintain healthy options and not create a technological juggernaut as we have in too many previous programs. I hope that we have learned a lesson through past mistakes and will pursue our further nuclear development efforts with an eye to implications broader than simple energy considerations, and with an eye toward preserving rather than narrowing options as we have often done in the past.

We might take another lesson from all this, however. If the problem of planning and organizing an internationally safe nuclear fuel cycle should prove too overwhelming, we perhaps should ask if that fact alone does not outweigh the postulated economic or resource advantages. Should we struggle to make an ominous technology benign, or should we concentrate all our efforts on those options which are inherently benign, such as solar energy, which would not put overpowering strains on our institutional and political fabric. I would be happiest if small scale renewable energy sources would supply most of our future energy needs. The foremost lesson we hopefully have learned from our energy problems is that only conservation and efficiency improvements will allow us the time to develop these alternatives.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest prepares such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD. Beginning on May 2, 1977, this information will be printed only on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

MEETINGS SCHEDULED

MAY 2

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the District of Columbia.
1318 Dirksen Building

9:00 a.m.
Governmental Affairs
To hold hearings on the nomination of Alan K. Campbell, of Texas, to be a Civil Service Commissioner.
3302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1347, to establish a National Advisory Committee on Oceans and Atmosphere.
5110 Dirksen Building

Energy and Natural Resources
To continue markup of S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface mining operations.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee.
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Human Resources
To hold hearings on the nomination of Richard C. Atkinson, of California, to be Director of the National Science Foundation.
Until noon 4232 Dirksen Building

Select Small Business
To hold hearings on propsed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building

10:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To receive testimony on a report of the Commission on Postal Service.
3302 Dirksen Building

2:00 p.m.
Environmental and Public Works
Water Resources Subcommittee
To resume hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.
4200 Dirksen Building

2:30 p.m.
Armed Services
Arms Control Subcommittee
To meet in closed session with Secretary of State Vance to receive a report on U.S. arms limitation policy, SALT proposals, and the upcoming mission to Moscow.
H-403, Capitol

Foreign Relations
Arms Control, Oceans, and International Environment Subcommittee
To hold hearings jointly on the proposed Glenn amendment, to bar military assistance, and most economic assistance, to sellers and recipients of reprocessing equipment, materials and technology to non-nuclear states which set off nuclear explosives, to S. 1160, authorizing funds for fiscal year 1978 for security assistance programs.
4221 Dirksen Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

8:30 a.m.
Energy and Natural Resources
To receive testimony from Dr. Schlesinger on the President's energy proposals.
1202 Dirksen Building

9:30 a.m.
Armed Services
To resume closed markup of S. 1210, authorizing funds for fiscal year 1978 for military procurement.
212 Russell Building

Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
1224 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To receive testimony from Federal Reserve Board Chairman Arthur Burns on U.S. monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1288, to authorize funds for the Federal Trade Commission through fiscal year 1980.
5110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To resume hearings on proposed authorizations for fiscal year 1978 for environmental research and development programs.
4200 Dirksen Building

Governmental Affairs
To mark up S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building

Human Resources
To mark up S. 717, to promote safety and health in the mining industry; S. 725, authorizing funds through fiscal year 1982 for certain education programs for handicapped persons; to be followed by a Labor subcommittee business meeting to discuss the administration of the Black Lung Benefits program. Until 1:00 p.m.
4232 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

Select Indian Affairs

To hold hearings on S. 1377, extending the time for Indian tribes to bring actions before the Indian Claims Commission.

424 Russell Building

10:30 a.m.

Commerce, Science, and Transportation

To hold a business meeting.

235 Russell Building

2:30 p.m.

Appropriations

Labor, HEW Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Labor, to hear Secretary Marshall.

S-128, Capitol

Banking, Housing, and Urban Affairs

To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nomination of Fabian Chavez, Jr., of New Mexico, to be an Assistant Secretary of Commerce for Tourism.

6226 Dirksen Building

Foreign Relations

Foreign Assistance Subcommittee

To mark up S. 1160, authorizing funds for security assistance programs for fiscal year 1978.

4221 Dirksen Building

MAY 4

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Dirksen Building

Appropriations

District of Columbia Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the District of Columbia.

1114 Dirksen Building

9:00 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue markup of proposed fiscal year 1978 authorizations for ERDA.

S-146, Capitol

Foreign Relations

International Operations Subcommittee

To mark up S. 1190, authorizing funds for fiscal year 1978 for the Department of State, USIA, Board for International Broadcasting, and ACDA.

4221 Dirksen Building

9:30 a.m.

Environment and Public Works

To mark up S. 252, proposed Clean Air Act amendments.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

Until 2 p.m. 4232 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.

2228 Dirksen Building

Rules and Administration

To hold hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.

301 Russell Building

10:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

6302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To continue hearings on S. 1288, authorizing funds for the Federal Trade Commission through fiscal year 1980.

235 Russell Building

Energy and Natural Resources

Parks and Recreation Subcommittee

To hold hearings on H.R. 5306, proposed Land and Water Conservation Fund Act amendments.

3110 Dirksen Building

Governmental Affairs

To continue markup of S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

3302 Dirksen Building

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee

To mark up S. 1160, authorizing funds for security assistance programs for fiscal year 1978.

4221 Dirksen Building

1:00 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

5110 Dirksen Building

2:00 p.m.

*Governmental Affairs

To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.

3302 Dirksen Building

MAY 5

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Dirksen Building

Appropriations

District of Columbia Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the District of Columbia.

1114 Dirksen Building

9:00 a.m.

Energy and Natural Resources

To consider proposed fiscal year 1978 authorizations for ERDA.

3110 Dirksen Building

9:30 a.m

Environment and Public Works

To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.

4200 Dirksen Building

Governmental Affairs

To hold hearings on the nomination of Lester A. Fettig, of Virginia, to be Administrator for Federal Procurement Policy.

1224 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.

2228 Dirksen Building

Rules and Administration

To continue hearings on S. 1072, to establish a universal voter regulation program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.

301 Russell Building

10:00 a.m.

Appropriations

Defense Subcommittee

To hold closed hearings on proposals to reprogram certain fiscal year 1977 funds for the Army, Navy, and Air Force.

1223 Dirksen Building

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.

5110 Dirksen Building

Governmental Affairs

To continue markup of S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

3302 Dirksen Building

Human Resources

To markup S. 602, to extend through fiscal year 1982 programs under the Library Services and Construction Act; S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages; S. 469, to establish a commission to study proposals for establishing the National Academy of Peace and Conflict Resolution; S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children; and proposed legislation to extend the Child Abuse Prevention and Treatment Act.

4232 Dirksen Building

* 10:30 a.m.

Agriculture, Nutrition, and Forestry

Nutrition Subcommittee

To hold hearings on legislation to extend and revise child nutrition programs under the National School Lunch Act and Child Nutrition Act.

322 Russell Building

Commerce, Science, and Transportation

To hold a business meeting.

235 Russell Building

2:00 p.m.

*Governmental Affairs

To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.

3302 Dirksen Building

*Select Small Business

To mark up bills authorizing funds for the Small Business Administration and for certain SBA programs: H.R. 692, S. 1367, 1368, 1369, 1370, and S. 1371; and to continue markup of bills providing disaster relief for small business concerns: S. 832, 1362, 1305, and 1306.

424 Russell Building

MAY 6

8:00 a.m

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Dirksen Building

9:30 a.m

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To mark up S. 1303, authorizing funds for fiscal year 1978 through 1980 for the Legal Services Corporation.

Until 2:00 p.m. 4232 Dirksen Building

Rules and Administration

To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.

301 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under the jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To resume hearings on S. 807, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.

3302 Dirksen Building

Select Small Business

To hold hearings to investigate problems in development of timber setasides.

424 Russell Building

*10:30 a.m.

Agriculture, Nutrition, and Forestry

Nutrition Subcommittee

To hold hearings on legislation to extend and revise child nutrition programs under the National School Lunch Act and Child Nutrition Act.

322 Russell Building

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for activities of the Peace Corps, to be followed by markup of this legislation.

4221 Dirksen Building

Joint Economic

To hold hearings to receive testimony on the April employment/unemployment situation.

6226 Dirksen Building

MAY 9

9:00 a.m.

Energy and Natural Resources

Energy Conservation and Regulation Subcommittee

To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.

3110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

Environment and Public Works

To consider pending committee business.

4200 Dirksen Building

MAY 10

9:00 a.m.

Energy and Natural Resources

To mark up proposed fiscal year 1978 authorizations for ERDA.

3110 Dirksen Building

Human Resources

To mark up H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

5110 Dirksen Building

Environment and Public Works

To mark up proposed authorizations for fiscal year 1978 for environmental research and development programs.

4200 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To resume oversight hearings on U.S. monetary policy.

5302 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting, and Management

To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation

To hold a business meeting.

235 Russell Building

2:00 p.m.

Human Resources

To mark up S. 705, to revise and strengthen standards for the regulation of clinical laboratories; and S. 621, 945, and 1217, to establish guidelines for regulating research relating to Recombinant DNA.

4232 Dirksen Building

MAY 11

9:00 a.m.

Energy and Natural Resources

To continue markup of proposed fiscal year 1978 authorizations for ERDA.

3110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.

235 Russell Building

Judiciary

Antitrust and Monopoly Subcommittee

To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC, to hear Attorney General Bell.

2228 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Environment and Public Works

To consider pending committee business.

4200 Dirksen Building

Rules and Administration

To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act; S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.

301 Russell Building

Veterans' Affairs

To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.

412 Russell Building

MAY 12

9:30 a.m.

Judiciary

Antitrust and Monopoly Subcommittee

To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.

2228 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

Environment and Public Works

To make up proposed legislation authorizing funds for the Nuclear Regulatory Commission.

4200 Dirksen Building

Governmental Affairs

Subcommittee on Reports, Accounting, and Management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

Human Resources

To mark up S. 1303, authorizing funds for fiscal years 1978 through 1980 for

the Legal Services Corporation; Black Lung Benefits program legislation; and possibly other pending legislation.
4232 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 13

9:00 a.m.
Human Resources
To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director, both of the Office of Drug Abuse Policy.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 470 and S. 471 pertaining to lands on the Umatilla Indian Reservation, Oregon.
Room to be announced

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Indian Affairs
To hold hearings on S. 103, 667, and 785, to convey certain Federal land to the Ely Indian Colony, Paiute, and Shoshone Tribes.
Room to be announced

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

9:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold oversight hearings on the implementation of the Wild Horses and Burros Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 905, the Central Arizona Indian Tribal Water Settlement Act of 1977.
Room to be announced

MAY 24

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 657, to establish an Earth Resources and Environmental Information System
5110 Dirksen Building

Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.
5110 Dirksen Building

Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

Select Indian Affairs
To hold hearings on S. 660, seeking an agreement with the Cherokee, Choctaw, and Chickasaw Indian Tribes of Oklahoma for the purchase or lease of their rights in the riverbed of the Arkansas River.
Room to be announced

Veterans' Affairs
To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.
Until noon 318 Russell Building

10:00 a.m.
Select Small Business
To hold hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
235 Russell Building

1:00 p.m.
Governmental Affairs
Governmental Efficiency Subcommittee
To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
1224 Dirksen Building

MAY 26

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
235 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Small Business
To continue hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
424 Russell Building

JUNE 6

10:00 a.m.
Select Indian Affairs
To hold oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 7

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings to evaluate information upon which the FDA based it's decision to propose regulations banning the use of saccharin.
4232 Dirksen Building

Select Indian Affairs
To continue overnight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 8

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue hearings to evaluate information upon which the FDA based it's decision to propose regulations banning the use of saccharin.
4232 Dirksen Building

JUNE 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on E. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

JUNE 10

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To continue hearings on S. 657, to establish a program to educate the public in understanding climate dynamics.

5110 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.

5110 Dirksen Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.

235 Russell Building

CANCELLATIONS

MAY 2

10:00 a.m.

Rules and Administration.

To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.

301 Russell Building

1:00 p.m.

Commerce, Science, and Transportation, and Human Resources

To hold hearings jointly on S. 1350, increasing authorizations for programs under the National Sea Grant Program Act for fiscal years 1978 and 1979.

5110 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation
Communications Subcommittee

To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation
Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation
Communications Subcommittee

To continue oversight hearings on the cable TV system.

235 Russell Building

SENATE—*Monday, May 2, 1977*

(Legislative day of Thursday, April 28, 1977)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by the Deputy President pro tempore (Mr. HUMPHREY).

PRAYER

Rev. Edward G. Latch, Chaplain, U.S. House of Representatives, offered the following prayer:

Wait on the Lord: be of good courage, and He shall strengthen thine heart.—Psalms 27: 14.

O Lord, our Heavenly Father, who hast safely brought us to the beginning of this day, defend us in the same with Thy mighty power; and grant that we fall into no sin, neither run into any kind of danger; but that all our doings may be ordered by Thy governance, to do always that which is righteous in Thy sight. In our doubts and uncertainties give us grace to ask what Thou wouldst have us do, that the spirit of wisdom may save us from all false choices, that in Thy light we may see light and in Thy straight path we may not stumble; through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, April 29, 1977, be approved.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR BENTSEN

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. BENTSEN today, for not to exceed 15 minutes, be vitiated.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the standing order for the recognition of the two leaders or their designees, there be a period for the transaction of routine morning business, not to extend beyond 15 minutes, with statements therein limited to 5 minutes each, following which the Senate proceed to the consideration of the economic stimulus appropriation bill.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are four measures on the Unanimous-Consent Calendar that were cleared for action last week, so they have been on the calendar at least 2 days.

I ask unanimous consent that the Senate now proceed to the consideration of the Unanimous-Consent Calendar, beginning with Calendar No. 86 and going through Calendar No. 89.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF THE ENLISTMENT AND REENLISTMENT AUTHORITIES

The Senate proceeded to consider the bill (H.R. 583) to amend chapter 5 of title 37, United States Code, to extend the special pay provisions for reenlistment and enlistment bonuses, which has been reported from the Committee on Armed Services with an amendment to strike all after the enacting clause and insert the following:

That (a) section 308(d) of title 37, United States Code, is amended to read as follows:

"(d) A member who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section or a member who is not technically qualified in the skill for which a bonus was paid to him under this section (other than a member who is not qualified because of injury, illness, or other impairment not the result of his own misconduct) shall refund that percentage of the bonus that the unexpired part of his additional obligated service is of the total reenlistment or extension period for which the bonus was paid.".

(b) Section 308(f) of such title is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1978".

SEC. 2. (a) Section 308(b) of title 37, United States Code, is amended to read as follows:

"(b) Under regulations prescribed by the Secretary of Defense, or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, a person who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section or a member who is not technically qualified in the skill for which a bonus was paid to him under this section (other than a person who is not qualified because of injury, illness, or other impairment not the result of his own misconduct) shall refund that percentage of the bonus that the unexpired part of his enlistment is of the total enlistment period for which the bonus was paid.".

(b) Section 308a(f) is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1978".

SEC. 3. The amendments made by this Act shall become effective on July 1, 1977.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An Act to amend chapter 5 of title 37, United States Code, to extend the special pay provisions for reenlistment and enlistment bonuses, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-106), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to authorize a 15-month extension, from June 30, 1977, to September 30, 1978, of the present law authorizing the armed services to pay enlistment and reenlistment bonuses to selected enlisted personnel who possess a critical skill or to those who enlist for service in a critical skill including the combat arms.

ENLISTMENT BONUS (EB)

Background

The Enlistment Bonus (EB) played a prominent role in raising forces up through the Civil War. Since that time, except for a 1-year period (1920-21), the EB was not reinstituted by the Congress until 1971 with the move to an all-volunteer force.

Current law provides for an EB of up to $3,000 to persons who enlist for four or more years in any skill designated as critical. The original 1971 law limited EB payments to those enlisting in the combat arms but in 1974 the combat arms limitation was removed and EB payments were permitted to those enlisting in any skill designated as critical. Of the 24,719 EB payments made in fiscal year 1977, 17,502 or about 70 percent were for the combat arms. $2,500 has been the maximum EB paid although the authority in law is $3,000.

The Army and Marine Corps are the only services paying EB. The Navy discontinued its EB program March 1, 1975, and the Air Force has never used the EB. Only high school graduates receive the EB and no category IV personnel receive it. About 12 percent of Army and Marine Corps accessions receive the EB.

Average of EB payments for all skills for fiscal year 1977 was $2,200 with 24,719 payments at a cost of $53.5 million. Projected for fiscal year 1978 is an average payment of approximately $2,400 for 31,184 payments at a cost of $74.5 million. This is an increase of about 10 percent in average payment, 25 percent in the number of payments and 40 percent in the dollar amount for EB from fiscal year 1977 to fiscal year 1978.

Chart 1 provides historical data on the EB.

Effect if enlistment bonus (EB) is not extended

If the Enlistment Bonus (EB) is not extended there are predicted Army Combat arms shortfalls in the range of 15 to 20 percent (7,000 to 9,000) for fiscal year 1978. In addition, failure to extend this authority would cause the Army and Marine Corps considerable unfavorable publicity since those recruited with the EB under the delayed entry program (DEP) for entrance to active duty after June 30, 1977 would no longer be eligible for the EB. There are about 3,500 in this category to date.

The committee felt that an extension of the EB is important but that a 15-month extension of the EB, rather than a permanent extension in law, would require the Army and Marine Corps to continue to review and justify to the Congress the use of this bonus on a periodic basis.

SELECTIVE REENLISTMENT BONUS (SRB)

Background

Legislative authority for a reenlistment bonus has existed continuously since shortly after the Revolutionary War under a variety of names: bounty for reenlistment, reenlistment allowance, et cetera. Even longevity pay steps now included in basic pay rates were originally conceived as reenlistment incentives.

Current law provides for payment of SRB not to exceed $15,000 to a member who has completed at least 21 months but not more than 10 years of service and who reenlists for a period of at least 3 years. Obligated service in excess of 12 years is not used in SRB computation.

Approximately 27 percent of first term reenlistees receive the SRB with an average payment of $5,800 for an average period of obligated service of 4.5 years. All enlisted personnel on active duty on June 1, 1974, who do not qualify for the SRB, are eligible to receive a Regular Reenlistment Bonus (RRB) of up to $2,000 over a career. Enlisted personnel who enlisted under the old Variable Reenlistment Bonus (VRB), up to $8,000 for a career, will continue to receive the remaining installments on the bonus. Both the RRB and VRB will "phase out" by 1980.

Chart 1 provides historical data on the Selective Reenlistment Bonus (SRB), Regular Reenlistment Bonus (RRB), and the Variable Reenlistment Bonus (VRB).

Effect if selective reenlistment bonus (SRB) is not extended

If the SRB is not extended the services will lose an important retention tool and cause an estimated short-fall of 19,000 in critical skill areas which would be in addition to a projected shortfall of 12,000 in fiscal year 1978 even with the SRB in effect. The committee feels that not extending the SRB authority would have a serious impact on force readiness and morale and, therefore, urges prompt action on this bill.

FISCAL DATA

The Department of Defense reports that enactment of the extension of H.R. 583 will not result in any increase in budgetary requirements for the Department of Defense since provision has been made for this legislation in the budget submission for fiscal year 1978.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 583, as amended by the Subcommittee on Manpower and Personnel of the Senate Armed Services Committee.

2. Description of bill: This bill would extend from June 30, 1977, to September 30, 1978, the authority to pay enlistment and reenlistment bonuses to selected enlisted members of the Armed Services and the Coast Guard. In addition, the bill permits prorated recovery of bonuses if the recipient does not maintain technical qualifications during reenlistment for which a bonus is paid. The payment of enlistment and reenlistment bonuses, as authorized in this bill, is subject to subsequent appropriations of the funds and is subject to determination by the Secretary of Defense or by the Secretary of Transportation that the recipient is enlisting or reenlisting in a critical skill.

3. Budget impact:

[In millions of dollars]

	Fiscal year—					
	1977	1978	1979	1980	1981	1982
Budget function 050:						
Authorization amounts and estimated costs	—5	67	80	60	52	11
Budget function 400:						
Authorization amounts and estimated costs	1	5	(1)	(1)	(1)	(1)

[1] Less than $500,000.

4. Basis for estimate: This estimate is based on the CBO economic assumption of a pay raise of 6.2 percent in fiscal year 1978. Military pay raises are assumed to include allocation of 25 percent of the raise to basic allowance for quarters.

This bill authorizes payment of enlistment and reenlistment bonuses to selected personnel in critical skills. The determination of the critical skills for which a bonus may be paid and the amount of the bonus is administratively made subject to a $15,000 maximum for reenlistment bonuses and a $3,000 maximum for enlistment bonuses.

In preparing this estimate it has been assumed that selective bonuses will be implemented as funded in fiscal year 1977 appropriations and as proposed in the fiscal year 1978 budget request to Congress. The fiscal year 1977 budget includes $166 million for selective bonuses for the Armed Services and $5 million for the Coast Guard, while the fiscal year 1978 request contains $237 million and $6 million respectively.

Enlisted members on active duty prior to June 1, 1974, are also eligible for reenlistment bonuses under the Regular Reenlistment Bonus program and in the absence of selective bonuses would receive the regular bonus. As a result the estimated cost of the legislation is less than the amounts included in the 1978 budget for selective bonuses (the 1977 effect is for only 3 months).

5. Estimate comparison: The Department of Defense stated that this bill has no budgetary impact.

Since the budget the Department submitted to Congress includes amounts for payment of selective bonuses, passage of this legislation will not result in an additional requirement. However, if this legislation is not passed, the amount of bonuses paid will be less than the budget request. In the absence of passage of this legislation there may be other effects which are not included in this estimate. For example, the number of reenlistments and the number of enlistments may both be effected with a subsequent impact on training costs.

6. Previous CBO estimate: CBO prepared an estimate on H.R. 583 on February 2, 1977. The Subcommittee on Manpower and Personnel of the Senate Armed Services Committee has added a provision to H.R. 583 providing for recovery of bonuses if the recipient does not maintain technical qualifications during a reenlistment for which a bonus is paid. It is estimated that the recoveries resulting from this provision will be negligible, and accordingly this estimate is identical to the one prepared on February 2, 1977.

7. Estimate prepared by Bob Schafer.

8. Estimate approved by James L. Blum, Assistant Director for Budget Analysis.

RAYMA J. MILES

The resolution (S. Res. 155) to pay a gratuity to Rayma J. Miles, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Rayma J. Miles, widow of Dudley D. Miles, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SPECIAL BRIDGE REPLACEMENT PROGRAM

The resolution (S. Res. 145) authorizing the printing of the report entitled "Special Bridge Replacement Program" as a Senate document, was considered and agreed to, as follows:

Resolved, That the annual report of the Secretary of Transportation to the Congress of the United States (in compliance with section 144, title 23, United States Code), entitled "Special Bridge Replacement Program", be printed, with illustrations, as a Senate document.

SEC. 2. There shall be printed five hundred additional copies of such document for the use of the Committee on Environment and Public Works.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-107), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 145 would provide (1) that the annual report of the Secretary of Transportation to the Congress of the United States (in compliance with section 144, title 23, United States Code), entitled "Special Bridge Replacement Program," be printed, with illustrations, as a Senate document; and (2) that there be printed 500 additional copies of such document for the use of the Committee on Environment and Public Works:

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$548
500 additional copies, at $108 per thousand	54
Total estimated cost, S. Res. 145	602

A joint letter in support of Senate Resolution 145 addressed to Senator Howard W. Cannon, chairman of the Committee on Rules and Administration, by Senator Jennings Randolph, chairman, and Senator Robert T. Stafford, ranking minority member, of the Committee on Environment and Public Works, is as follows:

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS,
Washington, D.C., April 25, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to Senate Resolution 145, which I introduced in the Senate on April 22, 1977.

The special bridge replacement program was established by section 204 of the Federal-Aid Highway Act of 1970 and funds were authorized for the fiscal years 1972 and 1973. Section 204 of the Federal-Aid Highway Act of 1973 continued the program by authorizing funds for fiscal years 1974, 1975, and 1976. Section 202(5) of the Federal-Aid Highway Act of 1976 extended the program by authorizing funds for fiscal years 1977 and 1978. Guidelines and procedures being used to implement this program were issued on August 7, 1974.

This sixth annual report to Congress describes in detail the progress made in administering the special bridge replacement program in accordance with the provisions set forth in section 144, chapter I of title 23, United States Code, for the calendar year ending December 31, 1976, and includes information on projects approved as of September 30, 1976, as well as the status of funds as of October 31, 1976.

The special bridge replacement program is continuing to attract a great deal of attention nationwide as it completes its sixth year of offering assistance to the States in the financing of the replacement of deficient bridges that could not normally be immediately replaced using regular Federal-aid highway funds. The States' enthusiasm for this program is reflected in the increasing number of applications being submitted for the replacement of deficient bridges. We feel that dissemination of this report to interested agencies and Federal, State and local government officials will continue to bring to the attention of interested persons the program, its objectives, and the procedures to follow in utilizing funds available for this special program.

We would deeply appreciate your early approval of this Resolution.

With kind personal regards,
Truly,

JENNINGS RANDOLPH,
Chairman.
ROBERT T. STAFFORD,
Ranking Minority Member.

CANAL ZONE BIOLOGICAL AREA (BARRO ISLAND FACILITY OF THE TROPICAL RESEARCH INSTITUTE OF THE SMITHSONIAN INSTITUTION)

The Senate proceeded to consider the bill (S. 1031) to amend the act of July 2, 1940, to increase the amount authorized to be appropriated to the Smithsonian Institution for purposes of carrying out its function under such act, which had been reported from the Committee on Rules and Administration with an amendment in line 5, strike "$600,000" and insert "$750,000", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of July 2, 1940 (20 U.S.C. 79e), is amended by striking out "$350,000" and inserting in lieu thereof "$750,000".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-108), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

S. 1031, as introduced and referred to the Committee on Rules and Administration, would increase from $350,000 to $600,000 the limit on annual appropriations for the Canal Zone Biological Area (the Barro Colorado Island facility of the Tropical Research Institute of the Smithsonian Institution). The committee is reporting S. 1031 with an amendment which would increase the level of appropriations authorized to $750,000 annually.

Barro Colorado Island came into being when Gatun Lake was formed by damming of the Chargres River during construction of the Panama Canal. It has been a biological reserve since 1923. The island is approximately 3 miles in diameter, with an area of approximately 6,000 acres. A trail system provides access to almost all parts of the island. It is forested except for two artificial clearings. The forest is old, mature and classified as tropical monsoon forest.

Since 1965, the authorization limit for the island has been $350,000. The Smithsonian reports there is now need to upgrade the facility by reconstruction, repair, and modernization over the next few years. The current authorization ceiling reportedly would not permit this to be carried out, and consequently adjustment of that ceiling is being sought.

BACKGROUND

During the 76th Congress, the H.R. 8919 was introduced to authorize the setting aside of an area within the Canal Zone to preserve and conserve its natural features for scientific study and to provide and maintain facilities for such study. The bill also provided for an annual appropriation not to exceed $10,000. This bill was reported from the House Committee on Merchant Marine and Fisheries (H. Rept. 2316) on May 28, 1940. It passed the House June 3, 1940, with a minimum of debate. The Senate, meanwhile, had reported S. 4121 (S. Rept. 1312), which was identical to the House bill. The Senate passed S. 4121, and then reconsidered the vote. H.R. 8919 was called up, passed, and S. 4121 was indefinitely postponed. H.R. 8919 was approved July 2, 1940, and became Chapter 516, 76th Congress, Public Law No. 711.

During the 79th Congress, Reorganization Plan No. 3 of 1946 was instituted. Section 801 of this plan transferred the functions of the Board of Directors of the Canal Zone Biological Area to the Smithsonian Institution.

In the 88th Congress, at the request of the Board of Regents of the Smithsonian Institution, S. 808 was introduced. This bill proposed to authorize additional funds for the Canal Zone Biological Area. It was reported favorably from the Senate Committee on Rules and Administration (S. Rept. 1231) on July 22, 1964, and passed the Senate July 23, 1964. On July 27, 1964, S. 808 was referred to the House Committee on Merchant Marine and Fisheries, where it received no further action.

H.R. 7059 was introduced during the 89th Congress. The purpose of this bill was to remove the $10,000 ceiling on appropriations for the Canal Zone Biological Area, and to make the appropriation request and reporting requirements for this program conform to the same language as that used by the Smithsonian for its other activities. It was stated that while the Canal Zone facility was initially an independent organization, it had since become part of the Smithsonian Institution and was entitled to receive the same appropriation considerations as any other Smithsonian program of long standing. The bill was favorably reported from the House Committee on Merchant Marine and Fisheries (H. Rept. 280) on May 3, 1965. It passed the House May 10, 1965, and was referred to the Senate Committee on Rules and Administration. The Senate Committee concurred with the House that the $10,000 limitation was obsolete; however, it was felt that "a reasonable financial limitation should be placed upon this activity." It therefore amended H.R. 7059 to limit the annual authorization to $350,000. The bill, as amended, passed the Senate September 23, 1965. The House concurred with the Senate amendments on October 5. The bill was approved October 20, 1965, becoming Public Law 89-280.

In the 94th Congress, S. 2946, as amended, raising the limitation from $350,000 to $600,000 passed the Senate. It was referred to the House Committee on Merchant Marine and Fisheries, where it received no further action, nor did that committee take any action on an accompanying measure in the House.

H.R. 3348 has been introduced in this session of the House, which again seeks to raise the limitation to $600,000.

COMMITTEE AMENDMENT

The Committee on Rules and Administration is reporting S. 1031 with an amendment, which would increase the limit on annual appropriations from $350,000 to $750,000.

Secretary S. Dillon Ripley of the Smithsonian, after S. 1031 was introduced, wrote to Senator Howard Cannon, chairman of the Committee on Rules and Administration, asking that the limitation be $750,000 instead of the $600,000 as sought in S. 1031. The reason given is that the General Accounting Office "suggested" that indirect costs associated with Barro Colorado be applied to its own account rather than being incorporated into the general administrative expenses of the Smithsonian Tropical Research Institution of which it is a part.

The Smithsonian explains that this would become a bookkeeping procedure with a special account being established within STRI to account for Barro Colorado costs. In the future, it would be required that all costs, direct and those indirect costs, reasonably attributed, whether for construction or renovation or for operation and maintenance as well as those for salaries and other expenses be charged to such a special account and subject to the limitation of authorization and appropriation.

In his letter, Secretary Ripley also noted that the Office of Management and Budget reports it has no objection to the bill or the submission of his report as contained in the letter.

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C. April 22, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate.

DEAR MR. CHAIRMAN: Mr. Ray Nelson of the committee staff asked that we submit comments on S. 1031, a bill to increase the amount authorized to be appropriated annually for the Canal Zone Biological Area from the present limit of $350,000 to $600,000.

The Canal Zone Biological Area is located in the Panama Canal Zone on Barro Colorado Island (BCI). It is part of the Smithsonian Tropical Research Institute (STRI) which conducts research there and in other tropical areas, principally in Central and South America. The annual budget justifications of the Smithsonian do not show BCI as a separate line item; the amounts requested for fiscal year 1976 were included in the salaries and expenses appropriation justification under the line item for STRI.

The Smithsonian does not maintain separate accounting records for BCI. An informal budget is prepared each year to show the estimated amounts to be expended for BCI and a cost finding system is used to relate the costs incurred to the appropriation authorization limitation. For fiscal year 1976, this system showed operating costs of $285,254 for BCI.

In reviewing the costs allocated to BCI for fiscal year 1976, we noted several problems in determining the amounts to be charged to the appropriation authorization limitation. For example, the full amount expended to install telephone facilities, and for materials, supplies and contract services to renovate a tramway was not charged to such limitation. Instead, a prorated amount based on the estimated useful life of these items was charged. Also, no indirect costs—such as a portion of the salary of the director and administrative personnel at STRI and the costs incurred by Smithsonian employees in Washington, D.C., who provided support services—were charged to this limitation.

We understand that the Smithsonian Institution has suggested that the proposed limitation in S. 1031 be raised from $600,000 to $750,000 because of a suggestion by GAO that indirect costs be charged to the limitation. We did question STRI officials on this matter but did not make any recommendation. We do recommend, however, that the committee report on this bill make clear whether the annual appropriation authorization is intended to include the total obligations incurred for construction and renovation as well as those for salaries and expenses, and whether indirect costs would be chargeable to such limitation.

Sincerely yours,

R. F. KELLER,
Deputy Comptroller General of the United States.

An informational paper from the Smithsonian concerning any future changes in jurisdiction over the Canal Zone and the role that STRI and Barro Colorado might find itself in is as follows:

We believe it is essential for the United States to continue fundamental research programs in the tropics and that the benefits derived from this research will not be affected by potential changes in jurisdiction of the Canal Zone.

The Smithsonian Tropical Research Institute's Barro Colorado Island facility is very much a national resource, used by scientists supported by various Federal programs and by State university systems. Through the years it has been a training and study area for thousands of students from the United States because it allows them to work more effectively than is possible at any other tropical site.

The Smithsonian Tropical Research Institute is primarily concerned with the support of studies that will help place the ecological, evolutionary, and sociological processes occurring in the tropics into a perspective relative to world ecosystems. Through the indiscriminate use of insecticides in the temperate regions as well as the release of radioactive atmospheric pollutants, worldwide effects have been produced and it can be expected that the destruction of tropical forests and pollution of coral reefs will similarly have profound, but as yet unpredicted, effects on the earth's weather and ocean productivity.

The results of the ecological research conducted at STRI are beneficial to the Republic of Panama, as well as to the United States. Developing countries usually cannot afford to sponsor the research necessary to accumulate the fundamental data on which to base management decisions on environmental issues. STRI's research can provide some of this information to the Republic and, in addition, its scientific library, staff expertise, and fellowship programs provide a basis for technical interactions with a variety of Panamanian organizations, agencies, and individuals such as the Ministry of Health; the Ministry of Planning; the University of Panama; the Natural Resources Division; the Director General of Marine Resources; the Institute of Tourism; and the Gorgas Memorial Laboratory.

Good relationships already exist between the Smithsonian Tropical Research Institute and these entities and it is anticipated that they would continue if jurisdiction of the Canal Zone is transferred. In addition, we believe two existing formal agreements would further insure the continued operation of STRI and of its Barro Colorado Island facility should jurisdictional changes occur. The first is an international convention, signed by the United States in 1940, providing for cooperation between the American States for purposes of the preservation of flora and fauna and natural areas. This convention was ratified by Panama in 1972. The second is the contract signed by STRI in 1977 with the Ministry of Health authorizing scientific operations throughout the isthmus.

Certainly tropical research can be done elsewhere, and research needs to be supported elsewhere since no single site or habitat can begin to provide all of the scientific requirements. However, Barro Colorado Island is unique because it has been a reserve for more than 50 years; it has an inventory of the plants and animals present, it has produced several thousand scientific publications; and it is a foundation of knowledge that cannot be reproduced elsewhere.

The combination of reserve and research station represented by Barro Colorado Island can continue to provide critical scientific data and to serve as a genetic reservoir in keeping with Thomas Jefferson's observation that "the greatest service which can be rendered any country is to add a useful plant to its culture."

The United States is one of the few surplus food producing countries in the world, yet most of its crops are not native. Wheat is of Near Eastern origin, corn of Mexico. Soy beans come from China and cabbages from the Mediterranean. Economic and social disasters, such as that created by the potato blight in Ireland, occur when we resort to single crop agricultural methods. To prevent this and to be prepared for long-term shifts in climate, which may be unfavorable for certain staple crops, we must have genetic reservoirs of plant species which the tropics, with an extraordinary diversity of plantlife, represent. The reserve status of Barro Colorado Island will continue to preserve an enormous number of plants for the future potential agricultural and medicinal use of mankind.

A further advantage to the United States of the reserve on Barro Colorado is the overwintering residence and safe haven which the island represents to migrating birds. Most of the bird populations of North America, which are vitally important to insect control, overwinter in Central and South America. Without adequate sanctuaries the United States may find itself lacking a critical link in its ecosystem.

It should also be borne in mind that the howler monkey population on Barro Colorado Island is an important public health sentinel because of this species' acute sensitivity to yellow fever. Monitoring this primate population as part of routine Barro Colorado Island studies provides public health authorities with sufficient warning to vaccinate susceptible human populations against a serious disease that has an 80 percent mortality rate.

Regardless of the flag under which the Canal Zone operates we believe that the Barro Colorado Island facility of the Smithsonian Tropical Research Institute will continue to offer substantial benefits in education and science to the United States and to the worldwide community.

A cost estimate to accompany S. 1031, prepared by the Congressional Budget Office, is as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., April 20, 1977.

Hon. HOWARD CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 1031, a bill to amend the act of July 2, 1940, as amended, to remove the limit on appropriations.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ROBERT A. LEVINE,
(For Alice M. Rivlin, Director).

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

1. Bill No.: S. 1031.

2. Bill title: To amend the act of July 2, 1940 as amended, to remove the limit on appropriations.

3. Bill status: As reported by the Senate Committee on Rules and Administration.

4. Purpose of bill: The bill raises the authorization ceiling for the Canal Zone Biological Area (the Barro Colorado Island facility of the Tropical Research Institute of the Smithsonian Institution) from $350,000

to $750,000. The effective date of this bill is October 1, 1977. This is an authorization bill requiring subsequent appropriations.

5. Cost estimate: The cost of this bill is the amount of the increase in authorization for the Canal Zone Biological Area, as shown in the table below.

[Thousands of dollars; fiscal years]

	1978	1979	1980	1981	1982
Authorization level	400	400	400	400	400
Estimated costs (function 250)	388	400	400	400	400

6. Basis of estimate: The authorization level is that which is stated in the bill. It was assumed that the $750,000 ceiling on authorization would be effective throughout the 5-year projection period, representing an increase of $400,000 over the presently authorized level. The costs were derived based on a 2-year spendout rate of 97 percent the first year and 3 percent the second year.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: James V. Manaro.

10. Estimate approved by:

ROBERT A. SUNSHINE,
(For James L. Blum,
Assistant Director for Budget Analysis).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider en bloc the votes by which the various bills were passed and resolutions agreed to.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the votes by which the various bills were passed and resolutions agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there is one nomination on the Executive Calendar that was reported on last Thursday, April 28. I ask unanimous consent that the Senate go into executive session to consider that nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The DEPUTY PRESIDENT pro tempore. The nomination will be stated.

RENEGOTIATION BOARD

The second assistant legislative clerk read the nomination of William F. McQuillen, of Virginia, to be a member of the Renegotiation Board.

The DEPUTY PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

AUTHORITY FOR COMMITTEE ON GOVERNMENTAL AFFAIRS TO MEET ON WEDNESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, May 4, during the session of the Senate.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The DEPUTY PRESIDENT pro tempore. The Chair, on behalf of the Vice President, appoints the following Senators to the sixth session of the third United Nations Conference on the Law of the Sea, to be held in New York City, N.Y., May 23 through July 8, 1977: The Senator from Montana (Mr. METCALF), in lieu of the Senator from Washington (Mr. JACKSON); the Senator from Oregon (Mr. HATFIELD), and the Senator from New York (Mr. JAVITS).

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time under the order.

The DEPUTY PRESIDENT pro tempore. Does the Senator from Alaska yield back his time?

Mr. STEVENS. Yes, Mr. President, I yield back the time under the order.

ROUTINE MORNING BUSINESS

The DEPUTY PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The DEPUTY PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Is there objection? The Chair hears none, and it is so ordered.

The Chair recognizes the distinguished Senator from Minnesota (Mr. HUMPHREY).

PRINTING OF ADDITIONAL COPIES OF THE JOINT ECONOMIC COMMITTEE PRINT

Mr. HUMPHREY. I thank the Presiding Officer.

I send to the desk a resolution and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 160) authorizing the printing of additional copies of the Joint Economic Committee print entitled "Toward a National Growth Policy: Federal and State Developments in 1975".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. STEVENS. There is none.

The PRESIDING OFFICER. The Chair hears none.

The Senate will proceed to the consideration of the resolution.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. This resolution would authorize the printing for the use of the Joint Economic Committee 750 additional copies of its current committee print entitled "Toward a National Growth Policy: Federal and State Developments in 1975."

In view of the urgent need of the joint committee for these additional copies, I am requesting that the Senate proceed now to consider this proposal. I have cleared this action with the leadership, and with the distinguished chairman and distinguished ranking minority member of the Committee on Rules and Administration.

I ask that the resolution be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 160) was agreed to as follows:

Resolved, That there be printed for the use of the Joint Economic Committee seven hundred and fifty additional copies of its current committee print entitled "Toward a National Growth Policy: Federal and State Developments in 1975".

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I thank the distinguished majority leader, who is now Acting President of the Senate, the Presiding Officer, for his customary courtesy and, may I say, his obviously well-known efficiency.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

Is there any further morning business? The Senator from Virginia is recognized.

RETIREMENT OF MILITARY OFFICERS AT AN EARLY AGE

Mr. HARRY F. BYRD, JR. Mr. President, on the Executive Calendar last week were the names of seven or eight military officers to be retired with the three-star rank. I comment on this because, in checking the record, I find these officers who are being retired, most of them generals, lieutenant generals, vice admirals, are being retired at a very early age. The first one on the list, a lieutenant general in the Air Force, is being retired at the age of 54; another lieutenant general is being retired at the age of 53, another at the age of 55; another at the age of 56; another at the age of 57; and another at the age of 56.

It seems to me, Mr. President, that the policy of retiring flag officers, those of high rank, who have great experience, at a very early age is one that Congress should concern itself with. The normal retirement age historically has been 62. Yet in recent years more and more top ranking officers are being retired from the services at ages 53, 54, and 55.

The taxpayers and the Nation as a whole are losing valuable experience accumulated over a long period of time. Incidentally, last week I wrote to each of the service secretaries asking for a list of all flag officers of the various services who have been retired since January 1, 1970, along with their ages. I am convinced the Nation is losing tremendous experience, tremendous ability, with the retirement of men who are in their early fifties.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the able Senator from Arkansas.

Mr. McCLELLAN. I would like to make this observation in relation to the distinguished Senator's remarks. These retirements from the military are now costing us about $9 billion per annum, and that money is included in the defense budget. Not a dime of it actually goes for defense, to strengthen our military.

I am not complaining about the retirement. Those who earn retirement should receive it. But I am simply emphasizing that all of this money, and it is growing rapidly, and in another dozen or 15 years it will probably double the $9 billion we are paying now at the rate it has been increasing, but I simply emphasize this is included in the defense budget and actually not a dime of it strengthens the defense. It is retirement pay that makes no contribution to the military preparedness of this Nation except as it is an attraction, something for officers to look forward to while they are in the service that when they retire they will have a good retirement.

I have insisted that it should not be in the defense budget, that it should be categorized in some other way rather than charging it to defense because it contributes nothing to the military strength of our country.

I thank the Senator.

Mr. HARRY F. BYRD, JR. The Senator from Arkansas is so right. I think the figures the Senator from Arkansas has developed and brought out on the floor of the Senate emphasize the importance for the Defense Department to review its policies in regard to retirement.

Over the weekend I was with a very able vice admiral who has a very important command, and he is being retired at the age of 54. He told me that his present salary is now $3,600 a month, and his retirement pay will be $3,000 a month. So the Government is losing the services, the great experience, and ability of this vice admiral, but saving in the process only $600 a month.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Deputy President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Francis J. Boyle, of Rhode Island, to be U.S. District Judge for the District of Rhode Island, which was referred to the Committee on the Judiciary.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The DEPUTY PRESIDENT pro tempore laid before the Senate the following communications which were referred as indicated:

EC-1243. A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, the 11th Report on the Emergency Homeowners' Relief Act (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

EC-1244. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Energy: Issues Facing the 95th Congress" (EMD-77-34) (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1245. A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

EC-1246. A communication from the President of the United States transmitting a draft of proposed legislation to implement the National Energy Plan (with accompanying papers); ordered to be held at the desk.

PETITIONS

The DEPUTY PRESIDENT pro tempore laid before the Senate the following petitions which were referred as indicated:

POM-146. Resolution No. 865 adopted by the Legislature of the Virgin Islands petitioning the Congress of the United States to amend the Organic Act of the Virgin Islands to explicitly grant to the legislature the power to override line item vetoes of the Governor; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 865

"To petition the Congress of the United States to Amend the Organic Act of the Virgin Islands to explicitly grant to the legislature the power to override line item vetoes of the Governor

"Be it resolved by the Legislature of the Virgin Islands:

"Whereas the Organic Act of the Virgin Islands has been interpreted by the District Court of the Virgin Islands as denying the Legislature of the Virgin Islands the power to override the Governor's veto of line items in an appropriation bill; and

"Whereas this interpretation prohibits the balance of power between the executive and legislative branches of the Government of the Virgin Islands and deprives the people of a democratic form of government; and

"Whereas we believe the Congress of the United States intended for the Legislature of the Virgin Islands to have the power to override all vetoes, including line item vetoes, by two-thirds vote as that power is vested in most democratic legislatures including those in most states of the Union as well as the Congress itself; Now, Therefore,

"The Twelfth Legislature of the Virgin Islands hereby unanimously petitions the Congress of the United States to amend the Organic Act of the Virgin Islands to explicitly grant to the Legislature the power to override line item vetoes of the Governor, and this petition shall be sent to the Congress forthwith.

"Thus passed by the Legislature of the Virgin Islands on March 28, 1977.

"Witness our Hands and the Seal of the Legislature of the Virgin Islands this 28th day of March, A. D., 1977."

POM-147. Resolution No. 866 adopted by the Legislature of the Virgin Islands petitioning the Congress of the United States to cause the introduction of legislation requiring the establishment of a Veterans Hospital within the Virgin Islands; to the Committee on Veterans Affairs:

"RESOLUTION No. 866

To petition the Congress of the United States to cause the introduction of legislation requiring the establishment of a veterans hospital within the Virgin Islands

"Whereas a great many Virgin Islanders have been called upon over the years to serve in the Armed Forces of the United States; and

"Whereas a substantial number of those Armed Forces veterans residing in the Virgin Islands have sustained duty connected disabilities which require periodic treatment at a veterans' hospital, the nearest of which is located in the Commonwealth of Puerto Rico; and

"Whereas the great expense, time lost and aggravation to Virgin Islands veterans which is encountered in being required to travel to Puerto Rico for veterans hospital services can be attested to by every Virgin Islander who is required to undergo this arduous procedure; and

"Whereas the Virgin Islands are generally lacking in adequate health care facilities, the addition of a new hospital constructed under the auspices of the Veterans Administration would be of substantial benefit to all Virgin Islanders; and

"Whereas it is the sense of this body that there is sufficient need and number of people within the Virgin Islands to warrant the serious consideration by the Congress of the United States of legislation requiring the establishment of a full service veterans hospital within the Virgin Islands; Now, Therefore,

"Be it resolved by the Legislature of the Virgin Islands:

"Section 1. The Legislature of the Government of the Virgin Islands hereby respectfully requests the introduction in both houses of the Congress of the United States legislation which would, if enacted, require the establishment of a full service veterans' hospital at an appropriate location within the Territory of the Virgin Islands of the United States, in order that patriotic Virgin Islands veterans might be afforded more convenient and less expensive hospital treatment and services which are now available only through travel to the Commonwealth of Puerto Rico or the mainland United States.

"Section 2. That copies of this Resolution shall, immediately upon its passage, be forwarded to the President of the United States Senate, the Speaker of the United States House of Representatives, the respective Chairmen of the House and Senate Standing Committees on Veterans' Affairs, the Virgin Islands Delegate to the United States House of Representatives and the Administrator of Veterans Affairs, Washington, D.C.

"Thus passed by the Legislature of the Virgin Islands on April 4, 1977.

"Witness our Hands and the Seal of the Legislature of the Virgin Islands this 4th Day of April, A.D., 1977."

POM-148. Senate Joint Resolution No. 3 adopted by the Legislature of the State of California relative to bilingual television programming; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION No. 3

"Relative to bilingual television programing

"This measure would memoralize the President and the Congress of the United States to enact legislation to assure the continuance of the bilingual children's television program, "Villa Alegre."

"Whereas, In the fall of 1974, an innovative bilingual children's television program known as "Villa Alegre" made its debut nationally; and

"Whereas, "Villa Alegre" is produced by Bilingual Children's Television, Inc., a California nonprofit corporation based in Oakland, California; and

"Whereas, Utilizing the most singularly powerful medium in existence today, "Villa Alegre" is aimed for children at the formative years where its impact can be of most value to the viewer; and

"Whereas, "Villa Alegre" provides a sense of identity as well as understanding and appreciation of the Spanish and English languages, instills a sense of pride and confidence in the heritage of the Spanish-speaking community, introduces monolingual children to a new linguistic melody, and broadens curriculum experiences, while celebrating cultural diversity; and

"Whereas, The program helps to create a linguistic and cultural bridge within the home, school, and total community and can serve as an effective educational tool in complying with the recent United States Supreme Court decisions involving bilingual education; and

"Whereas, Bilingual Children's Television, Inc., producers of "Villa Alegre," has developed invaluable expertise in bilingual children's television programming, has compiled extensive research data on bilingual children, and has gained a keen insight into the educational needs of children during the formative years; and

"Whereas, The value and impact of "Villa Alegre" on all children in the United States is manifest in its institutional, civic and community support and its utilization in homes and classrooms nationally; now therefore, be it "*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation to assure the continuation of "Villa Alegre" for all children; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-149. Resolution No. 78 adopted by the Legislature of the Territory of Guam relative to declaring the Legislature's concern for the Republic of China and expressing its desire that our country take no step to change the historically close relationships that have been enjoyed by the people of the Republic of China and of the United States; to the Committee on Foreign Relations:

"RESOLUTION No. 78

"Relative to declaring the legislature's concern for the Republic of China and expressing its desire that our country take no step to change the historically close relationships that have been enjoyed by the people of the Republic of China and of the United States

"Be it resolved by the Legislature of the territory of Guam:

"Whereas, the Republic of China has been a long time faithful friend and ally of the United States and has cooperated closely with our country to help maintain peace throughout Asia; and

"Whereas, the continued existence of a strong, stable and prosperous Republic of China is of great importance of the preservation of peace and freedom because its strategic geographical location is essential to the maintenance of security and prosperity throughout Asia and the Pacific Basin; and

"Whereas, the people of Guam are particularly appreciative of the contributions made by the people of the Republic of China to the economic development of this territory; and

"Whereas, over recent years a strong bond of friendship has developed between the people of Guam and those of the Republic of China because of the numerous contacts they have had not only commercially but through sports and cultural events; and

"Whereas, it appears it would be in the best interests of the people of the United States, particularly those of us who live in Guam, that our country take no action which would place in jeopardy the continued existence of the Republic of China or diminish or impair its historically strong ties with the United States; now, therefore, be it

"Resolved, that the Guam Legislature respectfully requests and urges the President, the Secretary of State and the Congress of the United States to maintain and strengthen our country's diplomatic relations with the Republic of China and continue to honor in all respects our treaty commitments with the Republic of China; and be it further

"Resolved, that while negotiations to normalize our country's relations with mainland China may be in the best interests of the peoples of these two (2) great countries, consideration should also be given to the fact that no step taken in this process should result in injury to either the people of the Republic of China or of Guam; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President; the Secretary of State; the President of the Senate; the Speaker of the House of Representatives; A. B. Won Pat; to the Consul of the Republic of China, Enti Liu; and to the Governor of Guam."

POM-150. House Concurrent Resolution No. 95 adopted by the Legislature of the State of Hawaii urging the United States Congress to provide construction grants for the improvement of Hawaii's public water systems in compliance with the Safe Drinking Water Act; to the Committee on Commerce, Science, and Transportation:

"H.C.R. No. 95

"House concurrent resolution urging the United States Congress to provide construction grants for the improvement of Hawaii's public water systems in compliance with the Safe Drinking Water Act

"Whereas, the Safe Drinking Water Act was signed into law in 1974 and calls for the federal government through its Environmental Protection Agency to establish national standards for drinking water while state governments supervise and enforce them; and

"Whereas, under this Act, the states will be required to implement a plan to provide safe drinking water; and

"Whereas, Hawaii's public water systems, especially the smaller public systems on the neighbor islands, are in need of improvement in order to comply with the Act; and

"Whereas, the per capita construction costs to improve the smaller public water systems on the neighboring islands will be disproportionately high—the public water systems on the neighboring islands being old and in need of repair and servicing a much smaller population than the main island of Oahu; and

"Whereas, Hawaii is in need of financial aid to help it develop and carry out programs to improve its water systems; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, the Senate concurring, that it does hereby urge the Congress of the United States to provide construction grants for the improvement of Hawaii's public water systems in compliance with the Safe Drinking Water Act; and

"Be it further resolved that duly certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the U.S. House of Representatives, the Environmental Protection Agency, and to each member of the Hawaii Congressional Delegation."

POM-151. House Joint Resolution No. 28 adopted by the Legislature of the State of Utah calling for a constitutional convention for the purpose of proposing an amendment to the Constitution of the United States to guarantee the preservation of human life; to the Committee on the Judiciary:

"H.J.R. No. 28

"A joint resolution of the 42d legislature of the State of Utah applying to the Congrêss of the United States to call a constitutional convention for the purpose of proposing an amendment to the Constitution of the United States to guarantee the preservation of human life

"*Be it resolved by the Legislature of the State of Utah:*

"Whereas, the United States Supreme Court has interpreted the provisions of the Constitution of the United States to allow the taking of human life in certain pre-natal stages;

"Whereas, the United States Supreme Court has interpreted provisions of the Constitution of the United States to demand the taking of human life in certain pre-natal stages at the request of the mother, although not required to prevent the death of the mother; and

"Whereas, these interpretations have thrust concepts upon the citizens of this nation which were never confronted by our forefathers in drafting the original document, and which massive numbers of persons, including the citizens of this state, find repulsive to the American way of life;

"Now, therefore, be it resolved, that the 42nd Legislature of the State of Utah respectfully applies to the Congress of the United States to call a convention for the purpose of drafting and submitting for ratification by the states, as provided by article V of the Constitution of the United States, an amendment to the Constitution that will guarantee to every human life, from the moment of fertilization throughout its natural existence, in every state, territory, and possession of the United States, the full protection of all laws respecting life, excepting an unborn child whose mother's life would otherwise be lost.

"Be it further resolved, that this Legislature appeals to the legislatures of our sister states to give to this problem involving the preservation of human life, the earliest possible consideration, and to join with this Legislature and the legislatures of our sister states who have already taken a similar stand in favor of the preservation of life to likewise apply to Congress to call a Constitutional Convention.

"Be it further resolved, that the Secretary of State of the State of Utah be and hereby is directed to transmit copies of this application to the Senate and House of Representatives of the United States, to those members of said bodies representing this state, and to the legislatures of all other states of the United States."

POM–152. Senate Resolution No. 167 adopted by the Senate of the State of Missouri concerning the proposal of the United States Air Force to transfer the Air Force Communications Service Headquarters from Richards-Gebaur Air Force Base in Missouri to Belleville, Ill.; to the Committee on Armed Services:

"SENATE RESOLUTION No. 167

"Whereas, the members of the Missouri Senate are deeply concerned with the *proposal of the United States Air Force to transfer the Air Force Communications Service Headquarters* from Richards-Gebaur Air Force Base in Missouri to Belleville, Illinois; and

"Whereas, the members of this body feel that this decision, which is based on the fact that it will supposedly save the Air Force some money, is not truly based on an accurate and complete view of all the facts and costs involved in such a move; and

"Whereas, in addition to the $93 million cost to relocate, the estimated $5 million increase in recurring annual costs to be imposed on the Air Force and the potential impairment of worldwide Air Force communications, Dr. Darwin W. Daicoff, a noted economist, has made findings which show that, at a minimum, the State of Missouri will suffer a recurring annual loss of tax revenue of at least $3.75 million; the City of Belton, Missouri, will have an annual tax revenue loss of at least $154,000; the City of Grandview, Missouri, will have a recurring annual tax revenue loss of at least $275,000; the City of Harrisonville, Missouri, will have a recurring annual tax revenue loss of at least $84,000; Kansas City, Missouri, will have a recurring annual tax revenue loss of at least $708,000; and the State of Missouri will have a recurring annual payroll loss of at least $56.2 million, a recurring annual total economic loss of $133.9 million and a one-time cost for unemployment compensation of at least $9.3 million; and

"Whereas, in addition to the above economic costs and losses, this proposed transfer will also cause the loss of more than 8,000 jobs in Missouri, the uprooting of more than 13,000 men, women and children and more than $300 million in private property losses; and

"Whereas, not only will Missouri and the Air Force suffer if this proposed transfer occurs, but so will the personnel who will be transferred, in that housing in Belleville, Illinois, is inadequate, a problem which will force many of the Air Force personnel to commute long distances in a time during which fuel shortages and rising fuel prices have made extensive long distance commuting highly impracticable;

"Now, therefore, be it resolved that the members of the Missouri Senate, Seventy-ninth General Assembly, hereby strongly protest the decision to transfer the Air Force Communications Service Headquarters from Richards-Gebaur Air Force Base in Missouri to Belleville, Illinois, and request that the Honorable Harold Brown, Secretary of Defense and the Air Force reconsider this decision by making a careful evaluation of all the facts, costs, benefits and detriments involved in this proposed transfer."

POM–153. Senate Concurrent Resolution No. 4041 adopted by the Legislature of the State of North Dakota urging Congress and the President to provide procedures to permit the states to apply for exceptions under federal laws and regulations which the legislative assemblies believe are not in the best interests of their states; to the Committee on Governmental Affairs:

"SENATE CONCURRENT RESOLUTION No. 4041

"A concurrent resolution urging Congress and the President to permit states to have flexibility in establishing standards and solving local problems

"Whereas, the United States of America is a large and diverse country, with 50 sovereign states joined in a unique federal system; and

"Whereas, the Founding Fathers of this great nation created a system under which the central government has only those powers specifically delegated to it under the Constitution, and all powers not delegated to the federal government are reserved to the states or to the people; and

"Whereas, the legislative assemblies of the various states are much closer to the people and in a much better position to evaluate the needs of the people than are those persons working for the federal government who administer federal programs or promulgate rules and regulations pursant to federal law; and

"Whereas, as our society has grown larger and more complex, so have the laws and regulations of the federal government; and

"Whereas, many of these laws and regulations may be appropriate for one region or area of the country, or may provide solutions to problems of one or more of the states, but are quite inappropriate in other regions or states; and

"Whereas, recent years have seen a number of federal laws or regulations which may have had unquestionable motives but which, as enforced, are unduly burdensome or which create an unnecessary imposition on the rights of the states; and

"Whereas, flexibility is required so that the individual states might apply for exceptions under these federal laws and regulations so that the duly elected decisionmakers of a state can decide what is best for that state;

"Now, therefore be it resolved by the senate of the state of North Dakota, the House of Representatives concurring therein:

"That the Forty-fifth Legislative Assembly urge Congress and the President to provide procedures to permit the states to apply for exceptions under federal laws and regulations which the legislative assemblies believe are not in the best interests of their states; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the North Dakota Congressional Delegation."

POM–154. Senate Concurrent Resolution No. 4048 adopted by the Legislature of the State of North Dakota citing the existence of certain conditions of mutual concern confronting the reservations and nonreservation residents of North Dakota, and urging the Congress and the President of the United States to exercise responsibility and authority in resolving them; to the Select Committee on Indian Affairs.

"SENATE CONCURRENT RESOLUTION No. 4048

"A concurrent resolution citing the existence of certain conditions of mutual concern confronting the reservations and nonreservation residents of North Dakota, and urging the Congress and the President of the United States to exercise responsibility and authority in resolving them

"Whereas, the establishment and governance of Indian reservations in North Dakota have resulted from treaties and other acts of the United States Government; and

"Whereas, the governmental interrelationships of tribal, local, State, and Federal Governments are both unique and often ill-defined, and are extraordinary to the normal relationships envisioned by our federal system; and

"Whereas, there exists in these governmental interrelationships questions surrounding the relative authority and powers as they apply to Indian and non-Indian persons living within reservation boundaries; and

"Whereas, the uncertainties and complexities of these relationships raise substantial questions concerning availability of full constitutional guarantees to all persons residing within the reservation boundaries, and further that these conditions have the effect of establishing various categories of citizenship with attendant differences in the rights and obligations of individuals; and

"Whereas, questions are being raised relative to what services state and local governments should and must provide reservation residents in view of growing assertions that state law and authority do not extend to reservation areas; and

"Whereas, the cost and time involved in seeking a resolution of these and other problems through litigation are undesirable and only serve to prolong uncertainties and encourage increased tensions; and

"Whereas, North Dakota's Indian reservations are generally lacking in quality health services, employment, educational opportunity, adequate communications and transportation, and other services and opportunities generally available to other portions of the state; and

"Whereas, the availability of quality and clearly defined governmental services is critical to the solution of these problems, and is not readily possible under current conditions; and

"Whereas, these undesirable conditions are largely a result of acts of the United States Government, and the State of North Dakota is virtually powerless to achieve their correction; and

"Whereas, the State of North Daklota and the tribal governments therein have worked effectively together, within limitations outlined in part herein, through such mechanisms as the North Dakota Indian Affairs Commission, in addressing common problems in economic development, education, and other common concerns;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

That the Congress and the President of the United States are urged to fulfill their respective responsibilities in providing leadership in the solution of these and other problems which are equally destructive to the progress and quality of life and preservation of peace of both Indian and non-Indian residents in North Dakota; and

"Be it further resolved, that the State of North Dakota recognize the right of tribal self-government; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the presiding officers of the United States House of Representatives and the United States Senate, the North Dakota Congressional Delegation, the President of the United States, and the Secretary of the Interior and the Attorney General of the United States."

POM–155. Senate Joint Resolution No. 42 adopted by the Legislature of the State of Tennessee to urge the Congress not to repeal Section 14(b) of the Taft-Hartley Law; to the Committee on Human Resources:

"SENATE JOINT RESOLUTION No. 42

"A resolution to urge the Congress not to repeal Section 14(b) of the Taft-Hartley Law

"Whereas, Section 14(b) of the Taft-Hartley Law, which has been in effect since 1947, allows states to prohibit agreements that require membership in a labor organization as a condition of employment thus leaving it up to the several states to prevent compulsory unionism as a matter of state policy; and

"Whereas, The exception represented by Section 14(b) in the field of labor relations, which has generally been preempted by the federal government, is a salutary exception which should be continued in force because the present state of industrial development in so many of the states which have enacted right-to-work or open-shop laws has hinged in large measure upon the existence of such laws, and the abrogation of those laws by federal action could do irreparable damage to further industrial development and expansion in such states, of which Tennessee is one; and

"Whereas, The principles of open-shop and right-to-work are so ingrained into the public policy and the public consciousness of at least 19 or 20 states that it is difficult to foresee anything but ill flowing from their sudden nullification; now, therefore,

"Be it resolved by the Senate of the Ninetieth General Assembly of the State of Tennessee, the House of Representatives concurring, That the Congress is respectfully but strongly urged not to repeal a good, sound provision of federal law that has meant so much to the economic development and progress of many states, particularly the Southern states, but to let Section 14(b) of the Taft-Hartley Law stand so that further continued development might be assured in those states which have protected the freedom of choice of the working man and made capital investment in those states more attractive.

"Be it further resolved, That copies of this resolution be forwarded to the following: U.S. Senators Howard H. Baker and James R. Sasser; U.S. Congressmen James H. Quillen, John Duncan, Marilyn Lloyd, Albert Gore, Jr., Clifford Allen, Robin L. Beard, Jr., Ed Jones and Harold Ford; Speaker of the U.S. House of Representatives Thomas P. O'Neill; Vice President Walter Mondale; President James Earl Carter; and Mr. Frank Brizzi, Director of the Tennessee Washington Office, Hall of the States, 444 North Capitol Street, Room 227, Washington, D.C. 20001."

REPORT OF COMMITTEE DURING ADJOURNMENT

Mr. WILLIAMS, from the Committee on Human Resources, submitted the following report on April 29, 1977, during the recess of the Senate, under authority of the order of April 29, 1977:

Without amendment:

S. Res. 141. A resolution authorizing expenditures by the Select Committee on Nutrition and Human Needs. Referred to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Without amendment:

S. Res. 161. A resolution authorizing additional expenditures by the Committee on Governmental Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. CANNON, from the Committee on Rules and Administration:

Without amendment:

S. 1435. An original bill to authorize appropriations for the Federal Election Commission for fiscal year 1978 (Rept. No. 95–113).

By Mr. PROXMIRE:

With an amendment:

S. 305. A bill to amend the Securities Exchange Act of 1934 to require issuers of securities registered pursuant to section 12 of such Act to maintain accurate records, to prohibit certain bribes, and for other purposes (with additional views) (Rept. No. 95–114).

By Mr. BURDICK, from the Committee on Environment and Public Works:

With amendments:

S. 1279. A bill to provide temporary authorities to the Secretary of Commerce to facilitate emergency actions to mitigate the impacts of the 1976–77 drought and promote water conservation (Rept. No. 95–115).

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 143. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of H.R. 5040 (Rept. No. 95–116).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Richard C. Atkinson, of California, to be Director of the National Science Foundation.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT— S. 1348

Mr. ROBERT C. BYRD. Mr. President, I understand that there were errors in the printing of the bill S. 1348. At the request of Mr. KENNEDY, I ask unanimous consent there be a star print of that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE:

S. 1433. A bill to prohibit officials of Federal agencies responsible for the supervision of financial institutions from participating in the conduct of affairs of such institutions for two years after their terms of office with such agencies terminate, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. SPARKMAN (for himself, Mr. ALLEN, and Mr. MORGAN):

S. 1434. A bill to amend the Housing Act of 1949 to provide that certain places within standard metropolitan statistical areas be considered rural areas for purposes of title V of that Act; to the Committee on Banking, Housing and Urban Affairs.

By Mr. CANNON, from the Committee on Rules and Administration:

S. 1435. An original bill to authorize appropriations for the Federal Election Commission for fiscal year 1978; placed on the Calendar.

By Mr. CASE (for himself, Mr. McGOVERN, Mr. KENNEDY, Mr. METCALF, Mr. CLARK, and Mr. STAFFORD):

S. 1436. A bill to authorize the Secretary of Agriculture to prohibit the availability of so-called junk food service areas during the time meals are served to children under the Child Nutrition Act of 1966 and the National School Lunch Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McCLELLAN (for himself and Mr. KENNEDY):

S. 1437. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 1438. A bill for the relief of Daniel Joshua Nason; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1439. A bill to authorize an additional Assistant Secretary of Commerce; to the Committee on Commerce, Science, and Transportation.

By Mr. JOHNSTON:

S. 1440. A bill to amend the Outer Continental Shelf Lands Act of 1953 to expedite the delivery of oil and natural gas from OCS Lease Sale Number 40 to United States markets, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATHAWAY:

S. 1441. A bill to amend the Housing and Community Development Act of 1974 to authorize community-wide public services as eligible community development activities; to the Committee on Banking, Housing and Urban Affairs.

S. 1442. A bill to amend the Small Business Act and the Small Business Investment Act of 1958 to extend and increase loan and surety bond guarantee authorities, and for other purposes; to the Select Committee on Small Business.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1433. A bill to prohibit officials of Federal agencies responsible for the supervision of financial institutions from participating in the conduct of affairs of such institutions for 2 years after their terms of office with such agencies terminate, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

DEPOSITORY INSTITUTIONS CONFLICT OF INTEREST ACT

Mr. PROXMIRE. Mr. President, I am today introducing legislation titled the "Depository Institutions Conflict of Interest Act" for reference to the Committee on Banking, Housing and Urban Affairs.

This legislation will close a huge loophole in existing law whereby Presidential appointee bank regulatory agency heads have been able to terminate their Government positions and take jobs in the industry they were charged with regulating.

This legislation will apply to members of the Board of Governors of the Federal Reserve, the Comptroller of the Currency, the Directors of the Federal Deposit Insurance Corporation, the members of the Federal Home Loan Bank Board, and the Administrator of the National Credit Union Administration.

Present laws proscribing revolving door practices at three of these financial regulatory agencies have serious defects. The laws applicable to members of the Federal Reserve, the FDIC, and the Comptroller of the Currency proscribe only employment with insured banks coming within the jurisdiction of each agency. The law does not explicitly proscribe future employment relationship with holding companies or affiliates of such banks. This is a serious defect since employment with the holding company is in reality employment with the subsidiary bank.

Furthermore, there is no explicit statute proscribing revolving door practices at either the Federal Home Loan Bank Board or the National Credit Union Administration. This bill will remedy the defects in these existing statutes. This bill will prohibit the members of any of these financial regulatory agencies for a period of 2 years after they leave office from being employed by institutions under their regulatory jurisdiction or with a holding company or affiliate thereof.

Mr. President, this legislation will enhance public confidence in the conduct of governmental affairs by the Nation's financial regulatory agencies along with the quality of regulation. The mandate of these agencies is to assure a safe and sound financial system. Their work is too important to countenance the continuation of any subtle industry influence which may obtain because individuals look forward to lucrative post-service employment in the industry.

The bill also provides for the Chairman of the Board of Governors of the Federal Reserve System to be paid a salary at the Level I or Cabinet level and for the remaining members of the Board to be compensated at the Level II rate. This upgrading reflects recommendations made by President Ford on January 18, 1977, and the Quadrennial Commission on Executive, Legislative, and Judicial Salaries. The members and Chairman of the Board of Governors of the Federal Reserve exercise extraordinary responsibilities on behalf of the Congress in implementing monetary policy. The salary upgradings provided in this bill will more truly reflect their responsibilities.

Mr. President, this bill also subjects the appointment of the Chairman of the Board of Governors to Senate confirmation. At the present time all members of the Board of Governors are subject to Senatorial confirmation. However, the Chairman is not subject to Senate confirmation in that capacity although appointment to the position is made by the President.

I ask unanimous consent that the text of this bill be printed in the RECORD, together with a letter sent to me on this matter by President Ford.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1433

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Depository Institutions Conflict of Interest Act".

SEC. 2. The second paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 242) is amended by striking out the third sentence and inserting in lieu thereof the following: "Of the persons thus appointed, the President shall appoint one, by and with the advice and consent of the Senate, to serve as chairman of the Board for a term of four years and one shall be designated by the President as vice chairman of the Board for a term of four years.

SEC. 3. Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended by striking out the sixth sentence and inserting in lieu thereof the following: "The members of the Board of Directors shall be ineligible, during the time they are in office and for a period of two years thereafter, to hold any office, position, or employment in an insured bank, in a holding company of an insured bank, or in an affiliate of a holding company of an insured bank, and may not, during such two-year period, voluntarily acquire any interest in such a bank, company, or affiliate, or exercise any voting rights attributable to the ownership of any security issued by such a bank, company, or affiliate.".

SEC. 4. The first sentence of the second paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 242) is amended by adding at the end thereof the following: "The members of the Board of Governors shall be ineligible, during the time they are in office and for a period of two years thereafter, to hold any office, position, or employment in a member bank, in a holding company of a member bank, or in an affiliate of a holding company of a member bank, and may not, during such two-year period, voluntarily acquire any interest in such a bank, company, or affiliate, or exercise any voting rights attributable to the ownership of any security issued by such a bank, company, or affiliate.".

SEC. 5. Section 17 of the Federal Home Loan Bank Act (12 U.S.C. 1437) is amended by adding at the end thereof the following:

"(c) The members of the board shall be ineligible during the time they are in office and for a period of two years thereafter to hold any office, position, or employment in an insured institution, in a holding company of an insured institution, or in an affiliate of a holding company of an insured institution, and may not, during such two-year period, voluntarily acquire any interest in such an institution, company, or affiliate, or exercise any voting rights attributable to the ownership of any security issued by such an institution, company, or affiliate. As used in this subsection, the term 'insured institution' has the same meaning as in section 401 of the National Housing Act.".

SEC. 6. Section 102(a) of the Federal Credit Union Act (12 U.S.C. 1752a(a)) is amended by adding at the end thereof the following: "The Administrator shall be ineligible, during the time he is in office and for a period of two years thereafter, to hold any office, position, or employment in an insured credit union.".

SEC. 7. (a) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"(14) Chairman, Board of Governors of the Federal Reserve System.".

(b) Section 5313(10) of such title is amended by striking out "Chairman" and inserting in lieu thereof "Members".

(c) Section 5314(43) of such title is repealed.

FEDERAL COMPENSATION FOR OFFICIALS OF THE FEDERAL RESERVE BOARD AND THE OFFICE OF MANAGEMENT AND BUDGET

(*The President's Letter to the Chairmen of Relevant Senate and House Committees. January 18, 1977*)

DEAR MR. CHAIRMAN: I am writing to you about a matter of unfinished business which I believe deserves early consideration of the Congress.

As yau know, the Quadrennial Commission on Executive, Legislative and Judicial Salaries recently issued a comprehensive report which covered a wide range of problems in the present system of Federal compensation. In a discussion of existing, serious anomalies in the Federal pay structure, the Quadrennial Commission stated:

"By any standard, the Chairman of the Federal Reserve Board has responsibilities that one could argue are roughly equivalent to the Secretary of the Treasury. His position has many aspects of a career job—given the fourteen year tenure. Thus, it does not offer the prospect of a short government career. The internal relationships within the "government" banking institutions are more than anomalous. They are incomprehensible. The President of the New York Federal Reserve Bank is paid $97,500 versus the $44,600 Level II salary of the Chairman of the Federal Reserve Board.

"An equally irrational classification result is the enormously important job of Director of the Office of Management and Budget who constantly negotiates with Cabinet members on critical budget matters on behalf of the President, yet is still classified as Level II; i.e., at the level of an Undersecretary."

I would urge that immediate steps be taken to correct these two serious defects in the classification structure.

With regard to the Federal Reserve Board:

Those who control our monetary policy have a more pervasive impact on the economy and society as a whole on a day-to-day basis than any other comparable group in any department or agency.

The Federal Reserve Board has an extraordinary set of conflict of interest rules. Unlike other members of the government, its members are even barred from investing in government bonds. There are also existing, severe constraints on the jobs that can be accepted upon departure from the Board.

Historically, the Chairman of the Board *and* the members of the Board were paid at the Cabinet level. In 1949, however, the Congress reduced the Board's pay levels.

Action should be taken to restore the position of Chairman of the Federal Reserve Board to Level I and the members of the Board should be raised to Level II.

With regard to the Director of OMB, the issue is simply whether all Cabinet officers subject to Senate confirmation should receive the same pay. I believe the answer to this question is unequivocally and categorically in the affirmative. The Congressional hearings on PL 93–250 of 1974 indicate that the Congress, when it required Senate confirmation for the Director and Deputy Director of OMB, considered the position of Director to be comparable in importance to other members of the Cabinet whose appointments are subject to Senate confirmation.

I would urge that immediate action be taken on making the Director of OMB Level I and the Deputy Director Level II.

I trust you will accept these recommendations in the spirit in which they are made.

With warm regards.

Sincerely,

GERALD R. FORD.

By Mr. SPARKMAN (for himself, Mr. ALLEN, and Mr. MORGAN):

S. 1434. A bill to amend the Housing Act of 1949 to provide that certain places within standard metropolitan statistical areas be considered rural areas for purposes of title V of that act; to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, I am introducing a bill to amend title V of the Housing Act of 1949, in order to authorize expansion of the Farmers Home Administration program in smaller communities where low and moderate income families find it difficult to secure mortgage credit.

The Farmers Home Administration housing program has successfully expanded opportunities for low and moderate income families to become home owners in rural and small communities throughout the country. The FmHA has for more than a quarter of a century provided mortgage credit in rural areas where there has been a serious lack of such credit.

It has been recognized, in recent years, that mortgage credit is not readily available to low and moderate income families in communities of 10,000 to 20,000 population. In 1974, Congress authorized the FmHA to service such communities that are not inside Standard Metropolitan Statistical Areas as defined by the Office of Management and Budget.

The bill I am introducing today would authorize the Farmers Home Administration to provide credit in all communities with populations of 10,000 to 20,000 where the Secretary of HUD determines that there is a serious lack of mortgage credit for low and moderate income families. I believe this amendment is needed because it has been found that mortgage credit is as unavailable in many communities of under 20,000 people within SMSA boundaries as in similar communities outside the SMSA boundaries.

I, therefore, am submitting this amendment to title V of the Housing Act of 1949, which I originally sponsored, for consideration by the Senate. Its passage will, I believe, further improve our housing programs in the nonurban sections of our Nation.

By Mr. CASE (for himself, Mr. McGovern, Mr. Kennedy, Mr. Metcalf, Mr. Clark, and Mr. Stafford):

S. 1436. A bill to authorize the Secretary of Agriculture to prohibit the availability of so-called junk food in food service areas during the time meals are served to children under the Child Nutrition Act of 1966 and the National School Lunch Act; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. CASE. Mr. President, on behalf of myself, Mr. McGovern, Mr. Kennedy, Mr. Metcalf, Mr. Clark and Mr. Stafford I introduce a bill to authorize the Secretary of Agriculture to prohibit the availability of so-called junk food in food service areas during the time meals are served to children under the Child Nutrition Act of 1966 and the National School Lunch Act.

Today I am reintroducing legislation to restore the authority of the Department of Agriculture, which is responsible for overseeing all our child nutrition programs, to regulate the sale of competitive or so-called junk foods sold in vending machines in our school cafeterias.

A similar amendment was agreed to by the Senate twice before, in each of the two previous Congresses. Unfortunately, although a section of my proposal authorizing funds for nutrition education in the schools was enacted, the vending machine portion of the amendment was deleted in conference between the House and Senate on both occasions.

I believe that the Federal Government must act to insure and preserve the integrity of our nutrition programs in the schools, if they are to accomplish the goals and meet the standards set by Congress. Our efforts must be directed toward seeing that our school nutrition programs are a model of good nutritional practice.

Accordingly, the measure I am introducing today eliminates the language in the 1972 amendments to the National School Lunch Act which allows the sale of competitive foods in school cafeterias.

To me it makes no sense at all to have junk foods, loaded with sugar and empty calories, competing with the nutritious food in the school lunch program. Enactment of legislation to regulate the sale of competitive foods in our school cafeterias will go a long way to assure that the Federal dollars spent in the school nutrition programs are in fact providing the best possible nutrition for the children of our country.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1436

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) is repealed.

By Mr. McCLELLAN (for himself and Mr. Kennedy):

S. 1437. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

THE CRIMINAL CODE REFORM ACT OF 1977

Mr. McCLELLAN. Mr. President, today I introduce for myself and Senator Kennedy, the Criminal Code Reform Act of 1977.

I am very pleased to introduce this bill because it marks a long step toward attaining an important and historic goal for which I and many others have been working for over 10 years—a truly modern Federal Criminal Code.

The need for codification and revision of the Federal criminal laws is uncontroverted. Our present Federal statutes have been enacted in a haphazard manner over the course of the past 200 years. Many of them have become outdated or contain inconsistent provisions, and others no longer reflect the values and culture of our modern society. Their complexity, their overlapping nature, and their lack of uniformity make it difficult for both layman and lawyer to know what the law is, and very difficult, indeed, for courts to apply the law with equal and balanced justice. The obsolescence of some Federal criminal statutes and the cumbersomeness of others often operate to hinder the administration of justice.

On November 8, 1966, the Congress undertook to do something about the prevailing unsatisfactory condition of our Federal criminal laws. By statute, it established the National Commission on Reform of Federal Criminal Laws. This Commission was chaired by former Gov. Pat Brown of California and became known as the Brown Commission. It was mandated to make a "full and complete review and study of the statutory and case law of the United States" for the purpose of recommending to the Congress legislation to improve the Federal system of criminal justice. Pursuant to that mandate, the Commission, on January 7, 1971, issued its final report in the form of a draft criminal code that was to serve, in the Commission's words, as a "work basis" for necessary reform by the Congress.

The Commission's work and report have served as just that—a "work basis." Within a month or two thereafter, the Senate Subcommittee on Criminal Law and Procedures, which I am privileged to chair, opened the first of a 4-year series of hearings on the Brown Commission report and on the whole question of criminal law codification and reform.

During the course of those hearings, testimony was received from judges, lawyers, bar associations, and from private citizens and groups of every political persuasion and point of view culminating in over 8,500 pages of testimony and exhibits contained in 15 volumes of printed hearings.

After several preliminary drafts were studied and analyzed, the Criminal Justice Reform Act of 1975 evolved and was introduced by me on January 15, 1975, with 10 cosponsors. It undertook to incorporate the best of the earlier versions and the recommendations made by those who submitted their view to the subcommittee.

Obviously, a bill of that nature, covering the whole spectrum of criminal law, could hardly be expected to receive unanimous acceptance and approval. No one would agree with all that it contains. It was not primarily drafted to please, nor does it reflect, the exclusive views, conclusions, or judgments of any one person—not of myself, or of any other individual Senator.

When I reported the measure to the full Senate Committee on the Judiciary on October 21, 1975, I said:

> I again assert that no sponsor or supporter of this bill regards all of its provisions as sacrosanct. There are areas of the bill—provisions thereof—which no doubt may well be improved by amendment. That is our legislative and democratic procedure to which I subscribe and which I fervently respect. And I shall have no hesitancy in supporting proposed changes in the bill which, in my judgment, strengthen and improve it.
>
> Constructive counsel and suggestions are certainly welcome and will be appreciated at all stages of consideration of this measure. But efforts to slander the bill or disseminate false information calculated to perpetuate a deception regarding its merits I reject as being neither constructive nor in the public interest.

We have always known that there would be honest differences of opinion about some of its provisions, and that, in the spirit of compromise, concessions, and accommodations would have to be made in order to achieve the goal of criminal law reform earnestly sought by so many for so long. Unfortunately, deliberate consideration and debate of the true merits of the various provisions of the bill were clouded and impeded by an unprecedented campaign of flagrant distortions, half-truths and misrepresentations by some groups and individuals to defeat the measure at any cost.

Recognizing the gravity of public concern and also conscious of the great need for reform of the Federal criminal laws, on February 11, 1976, Senators Mansfield and Scott, majority and minority leaders of the Senate, respectively, in an effort to effectuate a reasonable compromise and promote the bill's enactment, suggested to the four Senators then most actively involved in the processing of the criminal code bill—Senators Hruska, KENNEDY, Hart, and myself—that some 13 controversial provisions in the bill either be deleted or returned to current law. We felt that by excising these controversial provisions the remaining 95 percent or more of the bill could and should be enacted. Former Governor Brown joined in this approach, writing that the defeat of the bill "would be a severe blow to criminal law reform in this country."

Senator Hruska and I were willing to accept the recommendations of the leadership. On March 8, Senators Hart and KENNEDY responded to the leadership's initiative by submitting to Senator Hruska and myself a significantly expanded list of provisions to be modified, deleted, or returned to current law. The points in controversy in the intervening weeks had grown from 13 to 22.

Onn March 25, 1975, Senator Hruska and I issued a response in which we felt we went a long way in meeting the letter and spirit of the leadership's initiative to deal with controversial parts of the bill and the issue posed by the expanded list. Unfortunately, it was not possible to work out all of the details before the end of the 94th Congress.

Notwithstanding the delay, this studied response by Senator Hruska and myself with respect to the controversial parts of the criminal code bill has continued to be the basis for working with Senator KENNEDY and the new administration—particularly Attorney General Bell and his staff—to produce the bill I am introducing today.

Mr. President, I believe the bill introduced tody is a product of the give and take that inevitably must be a part of the legislative process. Sixteen of the 22 major issued involved were resolved using the approach suggested by the leadership last Congress of adopting a policy of retaining current law. This was accomplished, in some instances, by deleting some sections in favor of relying on case law rules developed by the courts over the past 200 years;[1] in other instances, by deleting certain modifications of current law;[2] and, in still others, by retaining current statutory law verbatim and including, if anything, simply a cross-reference to the current statutes;[3] or by adopting language that all agree will duplicate current law with no significant change.[4]

Mr. President, the remaining 7 of the 22 issues are resolved in such a way as to change current law but in a balanced approach recognizing significant opposing views in each case. Current law is substantially strengthened in the bill by adopting a carefully drafted general Federal solicitation offense section 1003, and by providing new mandatory minimum prison sentences for those who traffic in heroin, section 1811. On the other hand, some aspects of current law were eliminated by deleting the so-called "Smith Act" dealing with persons who advocate overthrow of the Government by unlawful means, section 1103, by deleting the offense for malicious spreading of false information during wartime with intent to aid the enemy, section 1114, and by leaving to the various States the responsibility of determining the proper sanction and its enforcement—whether criminal or civil—for simple possession of not more than 10 grams of marihuana, section 1813.

Mr. President, these latter three issues all involve parts of current Federal law that for one reason or another are no longer prosecuted. The Supreme Court has so severely restricted the applicability of the provisions of present law with respect to advocacy of unlawful overthrow of the Government that no prosecutions have been brought in more than 15 years.

In the same vein, the current version of the wartime offense of spreading false statements concerning the war effort with intent to aid the enemy is seldom used and, when used, has most often been applied to war dissenters expressing opinions rather than conveying false information. For example, Mr. President, a man was prosecuted for distributing a pamphlet claiming that World War I was fought to protect J. P. Morgan investments. Other cases can be cited.

Similarly, Mr. President, I am informed that the Federal Government has long ago abandoned efforts to prosecute persons in possession of small amounts of marihuana, preferring instead to defer to State and local authorities. While I have some misgivings about changing the law in this regard, I completely agree that this minor offense should be left to State and local enforcement, and that the limited Federal resources should be reserved for apprehension and conviction of those who traffic in narcotics and dangerous drugs.

Finally, Mr. President, the sentencing system has been revised in two respects worth noting. A sentencing guideline system has been adopted to attack the problem of unwarranted sentencing disparity between judges. It would not eliminate judicial flexibility; but it would provide guidance to the trial judge and a bench mark for a defendant or the Government to appeal clearly unreasonable sentences. The other substantive change involves creation of sentencing authority for the trial judge to bar parole for nine-tenths of the term of imprisonment imposed, as a replacement for the current law provision for automatic parole eligibility after one-third of the sentence. This change justified a concomitant modest reduction of the maximum terms of imprisonment authorized.

I wish to say at this time, Mr. President, that on some of these issues I thought the criminal code bill under better provisions than current law or those now proposed. In particular, I felt very strongly about the provisions designed to provide the Federal system with a constitutional procedure for imposition of the death penalty for certain serious and heinous crimes. As an accommodation to facilitate consideration of the criminal code bill I am willing to process separately a capital punishment bill in the Senate and, upon favorable action by the Senate on the separate legislation, to determine at that time, whether it should be added to the code bill.

While I have spent some time today discussing the controversial issues in the bill, Mr. President, it is perhaps more important to note that 95 percent of the bill has been noncontroversial and that it contains many provisions which are universally recognized to be clear and substantial improvements.

The bill represents a true codification that is, in short, a modern, workable penal code. Some of the general advantages flowing from this codification include:

All Federal felonies presently scattered throughout the 50 titles of the United States Code are brought within a single title.

Overlapping offenses are consolidated. Present Federal law contains some 70 theft provisions, 80 forgery and counterfeit statutes, 50 false statement crimes, and more than 70 arson or property destruction. In contrast, the bill has one basic theft section; and perjury and false statement sections are reduced to three. Similar reductions occur throughout.

Gaps in present law are filled. For instance, the current Federal bank robbery statute does not cover extortion, and the Federal extortion statutes do not cover banks. This combination fails to protect against an increasingly common extortion situation where a robber informs a bank officer that their spouse will be killed if the officer does not deliver bank funds as directed. The bill remedies this and similar situations.

Inconsistencies are dealt with in a more effective manner. Current law often inexplicably uses different language and penalties to apply to essentially the same conduct. For example, the penalty for making a false statement to a Federal agency may vary from a minor penalty to 5-years imprisonment, depending on which provision of current law is invoked. By consolidation, the bill eliminates this and similar problems.

The bill is simpler than present law. In current Federal law, no one provision has any necessary relationship to any other. One can find theft offenses under robbery chapters, under extortion chapters, under Indian chapters, under mail chapters, and so on. In this bill, similar offenses are consolidated and placed in a single chapter according to the type of criminal conduct. For example, chapter 16 contains crimes against the person.

The bill standardizes the terms and requirement of "criminal intent." Under current law there are dozens of terms denoting the mental states involved in criminal offenses, for example, willingly, knowingly, maliciously, willfully, corruptly, et cetera. Following the example of the Model Penal Code and the final report of the Brown Commission, the bill incorporates only four carefully defined culpability terms.

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[1] Defenses (chapter 5) and identification testimony (section 3714).

[2] Obstruction or delaying of goods or services that impair military effectiveness (section 1111 and 1112) and riot jurisdiction based on interference with a federal governmental function (section 1831(c)(5)).

[3] Espionage and related offenses (sections 1121–1124) and death penalty for causing death during an aircraft hijacking (49 U.S.C. 1472, 1473).

[4] Treason (section 1101), obscenity (section 1842), wiretapping authority (sections 3101–3108), and admissibility of confessions (section 3713).

The bill provides an improved framework for extraditing criminals who flee the United States by defining crimes solely in terms of the type of criminal conduct involved and stating separately the basis for Federal jurisdiction. In the Vesco matter, for example, extradition was denied because the Federal jurisdictional factor was incorporated as an element of the offense, and the country to which Vesco had fled had no jurisdictional element in its fraud statute. This separation of jurisdictional matters from the elements of the offense should also simplify Federal prosecutions and prevent unjust multiplication of criminal charges. Under current mail fraud provisions, for example, the mailing of 10 fraudulent solicitations would lead to 10 mail fraud counts. Under the bill, the charge would be a single count of fraud with Federal jurisdiction based on use of the mails.

Similarly, under current law, robbery of a Federal credit union located on Federal property would violate at least three separate Federal robbery statutes that differ in the description of the criminal conduct, penalty, and bases for Federal jurisdiction. Under this bill, a single robbery offense would be charged—with the three bases for Federal jurisdiction.

The bill thus provides, through codification, numerous important general advantages for every participant in the criminal justice system.

A complementary goal of the codification process is substantive reform within the context of a sound respect for past judgments of Congress and the courts. Examples of reform efforts in the bill include the following:

The bill carries forward in an improved fashion those parts of current law designed to protect and foster civil rights. Under existing law when interference with civil rights is by a private party, the prosecutor must establish a conspiracy. The bill eliminates that need. Under existing law only citizens are protected. The bill extends coverage to all persons. Under existing law, when a State official deprives a person of a constitutional right, the Government must establish that that was his specific intent. The bill imposes a standard of recklessness as to the effect on a person's civil rights.

One aspect of current law forbids some forms of discrimination against women, but where force is used to discriminate, the law only applies to racial or religious discrimination. The bill expands the section to forbid the use of force, or threats of force, to discrimination on the grounds of sex.

The bill contains improved provisions protecting the right to privacy, including prohibitions against private, nonconsensual electronic eavesdropping, trafficking in eavesdropping devices, intercepting correspondence, and governmental disclosure of certain private information submitted to the Government by citizens.

The bill contains improved rape provisions. In line with reforms being carried out in some States, the bill expressly eliminates the requirement of corroboration of the victim's testimony, and severely restricts inquiry into the past sexual conduct of the victim. While not applying criminal sanctions to the sexual conduct of consenting adults, the bill expands coverage of the rape to cover homosexual rapes.

The bill provides better coverage for white collar crimes. It contains an expanded statute of limitations for concealable crime such as fraud. Realistic fine schedules insure that criminal penalties can not be written off as a mere cost of doing business. An improved means of fine collection is provided by utilizing many of the devices presently used to collect taxes. A new provision is included to outlaw pyramid sales schemes which have bilked the public of hundreds of millions of dollars over the past few years. Under the bill fraudulent schemes may be stopped through the use of Federal injunctive provisions. Perpetrators of such schemes may also be required to give notice of conviction to their victims.

The bill contains improved provisions to fight organized crime. A new serious offense of operating a racketeering syndicate is included to supplement the offenses in current law directed at organized crime.

The bill provides, for the first time in Federal law, a civil hospitalization procedure for Federal defendants who are found not guilty by reason of insanity.

The bill contains an improved series of provisions relating to governmental corruption to deal more effectively with Watergate-type situations. Provision is made for Federal prosecution of a person who commits any crime for the purpose of influencing the outcome of a Federal election. These provisions would reach the serious "dirty tricks" that were exposed in the course of the Watergate investigations. The bill prohibits anyone from soliciting a political contribution in a Federal facility. Current law only covers public servants and thus would not include an official of a political party. This situation was discussed in the report of the Watergate special prosecution force. That report called for a lengthening of the 3-year statute of limitations created for campaign legislation of 1974. The bill does this. It removes any doubt that grand juries may file special reports relating to governmental misconduct—with appropriate due process safeguards—with regard to all Federal officials.

As discussed earlier, the bill, for the first time, creates an orderly system of sentencing in Federal courts to replace the chaotic variety of existing terms of imprisonment and penalties often applied to identical conduct.

The bill places reasonable restrictions on the imposition of consecutive sentences.

It provides, for the first time in Federal law, for appellate review of sentences to help deal with unjustifiable disparity common under current law.

The bill incorporates the progressive features of parole legislation recently enacted. Imposition of a prison sentence under the bill carries with it an automatic parole component graduated according to the seriousness of the offense.

The bill would establish, for the first time in Federal law, a program to compensate the victims of violent Federal crimes with funds derived from criminal fines. This program would attempt to provide innocent victims with financial assistance to cover personal injuries resulting from specified crimes.

Mr. President, these then are some of the benefits long sought by those who would modernize and make more effective the criminal justice system of this country. Hopefully, we can move forward to enactment in due course this Congress.

Mr. President, I would be remiss if I did not mention and acknowledge with deep appreciation the long labors of my former colleague and ranking minority leader of the Subcommittee on Criminal Laws and Procedures, Senator Roman Hruska, in the effort to achieve a modern Federal criminal code. His wise counsel was indispensable to the work of the National Commission on Reform of Federal Criminal Laws on which we both were privileged to serve from 1966 until its final report was made to the President and the Congress in January 1971. In the months of hearings and study conducted by the Subcommittee on Criminal Laws and Procedures spanning Senator Hruska's last 6 years in the Senate, he was tireless in his dedication to make the new criminal code a reality.

Mr. President, without detracting from the efforts of many others, I sincerely venture the observation that we would never have reached the point of introducing this bill today without the efforts of Senator Hruska. He provided the highest example of bipartisan cooperation that is indispensable for consideration of a bill of this magnitude. I will miss his assistance and advice as the measure is processed.

I wish to add, Mr. President, that I appreciate the efforts and cooperation of the distinguished Senator from Massachusetts in reaching this historic point. I have disagreed with him on some difficult issues on which we both have strong feelings. He did not have to get involved. With considerable commitment of time and a willing acceptance of the risks that inevitably accompany legislative involvement with controversial issues, he accepted the responsibility of identifying the major issues and worked with me in the spirit of give and take to attain a bill that I believe will be viewed from all perspectives as a step forward. I know that he has been willing to assume the responsibility and the accompanying risks out of the conviction—which I share with him—that the best interests of this Nation is involved and this legislation is urgently needed.

Mr. President, the bill I introduce today contains all substantive provisions of the proposed Federal Criminal Code. In the near future I will introduce an amendment to the bill which will add the many technical changes which must be made in other titles of the United States Code in order to conform them with this proposed new title 18.

I ask unanimous consent that an outline of the provisions of the bill be printed in the RECORD.

There being no objection, the outline was ordered to be printed in the RECORD, as follows:

THE PROPOSED CRIMINAL CODE REFORM ACT OF 1977

OUTLINE OF SIGNIFICANT PROVISIONS

The bill provides for the first time in the history of the Federal Government an integrated Criminal Code. It would replace existing Title 18 of the United States Code in its entirety.

The bill contains hundreds of improvements. A brief overview of the bill containing most of the important matters proposed, is set out below.

FORMAT OF THE CODE

The bill is divided into two titles. Title I would replace Title 18 of the United States Code. It consists of five interlocking Parts.

Part I embodies the general provisions and principles of the Code. Included in this part are chapters on jurisdiction, culpability, complicity, and defenses.

Part II consists of all the offenses defined in such a way that the reader knows: (1) the elements of the offense; (2) the requisite state of mind (culpability); (3) the circumstances under which the Federal government can prosecute the offender (jurisdiction); and (4) the authorized sentence for violation of the offense (grading).

In order to determine whether criminal liability is to be imposed in a given situation, a reader must engage in the following analysis:

Are the objective elements of some offense in the Code satisfied?

Is the necessary state of mind (i.e. *mens rea*) present with respect to each element? To determine this, one must consider the definition of the offense in light of the culpability principles of Chapter 3.

Does the accused have a defense to the charge, or is the prosecution barred for any reason? General defenses and bars applying to all offenses, are described or discussed in Chapter 5. Others are stated with the definition of the offense itself if peculiarly applicable to a specific offense or type of offense.

Does the Federal government have jurisdiction to prosecute? Determining the extent of Federal jurisdiction of an offense requires reference to the general provisions of jurisdiction in Chapter 2 and the jurisdictional subsection, if any, included in the section defining the offense.

What is the authorized sentence upon conviction for the offense? Each section defining an offense contains a subsection which describes the grade of the offense, or, in some cases, the different grades which might apply depending on the circumstances. The sentences available for a given grade are set out in Part III of the Code.

Part III embodies all the sentencing provisions. Among other things, it defines the classes of grading, states what types of sanctions may be imposed and mandates the use of sentencing guidelines.

Part IV contains the procedural sections of existing Title 18.

Part V contains provisions on ancillary private civil remedies, such as civil actions against racketeering offenders.

Title II of the bill contains those revisions which occur outside of Title 18 of the United States Code. This includes such things as establishment of a Sentencing Commission responsible for promulgating sentencing guidelines, amendments to the Federal Rules of Criminal Procedure, and technical conforming amendments.

PART I. GENERAL PROVISIONS AND PRINCIPLES

Chapter 1. General provisions

This chapter sets forth the general purposes of the Code, provides general principles of construction, and defines over one hundred terms that are commonly used in the Code and in the Federal Rules of Criminal Procedure.

Chapter 2. Jurisdiction

The general Code treatment of federal jurisdiction is introduced in this chapter. The Code defines offenses in terms of the underlying misconduct (e.g., kidnapping) just as a state penal code does, and in a separate subsection of each offense it specifies the particular circumstances under which the federal government may exercise jurisdiction over the criminal conduct (e.g., transportation of the victim across a state line). The basis for federal jurisdiction is not an element of the offense, but it will still have to be proved to the court beyond a reasonable doubt. This approach to federal jurisdiction permits far clearer definitions of offenses, and allows consolidation of numerous existing offenses into a single offense with several jurisdictional bases (e.g., the Code contains only one theft offense, with a listing of several specified circumstances permitting the federal government to prosecute for the theft). It also allows simplified instructions for juries.

The jurisdictional bases in the Code have been tailored to avoid unnecessary expansion of existing federal jurisdiction.

The Code contains provisions for ancillary federal jurisdiction over certain offenses—primarily violent offenses—committed in the course of other federal offenses. For example, if the federal government prosecutes for a civil rights violation the Code will also permit it to prosecute for an assault or a murder committed in the course of the civil rights violation.

The chapter also sets forth principles of extraterritorial jurisdiction. In doing so it fills several gaps in current law (e.g., it permits a criminal trial of a former serviceman for a murder he committed overseas prior to being discharged).

Chapter 3. Culpable states of mind

This chapter defines the specific mental states (the "*mens rea*" elements) that are used throughout the Code in defining an offense. The current Title 18 uses 79 different terms to define the requisite mental state. Like the Model Penal Code and most modern state codes, this chapter reduces the number of terms used to describe the state of mind to four: intentional, knowing, reckless or negligent. The simplification should permit far more clarity and uniformity of interpretation.

Chapter 4. Complicity

This chapter sets forth those circumstances under which a person may be criminally liable for the acts of another individual or for the acts of an organization. The accomplice liability section includes a codification of the doctrine of *Pinkerton v. United States*, making a co-conspirator guilty of each specific offense committed in furtherance of the criminal conspiracy if it was reasonably foreseeable that the specific acts would be performed in furtherance of the unlawful agreement.

One significant section in this chapter is the organization liability provision. It codifies current case law by making an organization liable for the acts of its agent committed within his express, implied or apparent authority.

Chapter 5. Bars and defenses to prosecution

A general statute of limitations and a bar to prosecution on grounds of immaturity are set out in this chapter. The generally recognized common law defenses, including mistake of fact or law, insanity, intoxication, duress, exercise of public authority, protection of persons, protection or property, unlawful entrapment, and official misstatement of law, are all left uncodified for further development by the courts through case law. (It is expected that sometime in the next few years the Congress may be able to attempt a codification of the basic elements of the more common defenses.)

PART II. OFFENSES

Chapter 10. Offenses of general applicability

This chapter codifies the attempt, conspiracy and solicitation offenses. There is under current law no Federal attempt statute of general applicability, although many of the individual offenses contain attempt provisions. This section makes it an offense to attempt to commit any Federal crime. The attempted offense in most instances carries the same penalty as the completed offense on the theory that a defendant who begins to commit an offense should not benefit from the happenstance causing its interruption. In order to encourage the abandonment of a criminal enterprise, a voluntary, complete, and effective avoidance of the offense constitutes an affirmative defense.

The conspiracy section reflects current law, as developed through judicial interpretations of the present general conspiracy statute.

With the exception of subornation of perjury, there is no solicitation offense in current Federal law. The National Commission on Reform of Federal Criminal Laws recommended a general offense covering the solicitation of another to commit any Federal offense, an approach adopted in this bill.

Chapter 11. Offenses involving national defense

Three series of offenses relating to treason, sabotage, and espionage are set out in this chapter.

The treason series generally codifies current law. It adds a new section, however, penalizing use of weapons by para-military groups that intend to take over a function of government by force. Such an offense was recommended by the National Commission on Reform of Federal Criminal Laws.

The Smith Act is repealed in its entirety.

The sabotage series of offenses generally codifies the current law statutes, except that a current law provision dealing with the spreading of false military information in wartime with intent to aid the enemy has been deleted.

The current law offenses relating to espionage and release of classified information have not been revised. Because of the controversy surrounding this area, the existing statutes are moved, unchanged, to title 50 of the United States Code, with the Code simply cross-referencing to those provisions.

Chapter 12. Offenses involving international affairs

This chapter is divided into two subchapters. The first subchapter encompasses those offenses that pertain to foreign relations, such as disclosing a foreign code or engaging in an unlawful international transaction. The second subchapter covers offenses involving immigration, naturalization, and passports, such as unlawful entry into the United States or improper use of a passport. The offenses covered here are basically a codification of present law. One major change, however, would make it an offense to conspire within the United States to assassinate a foreign official (Section 1202).

The Logan Act, prohibiting private communication with a foreign government with intent to influence its actions in a dispute with the United States, is repealed. This was recommended by the National Commission on Reform of Federal Criminal Laws and has been incorporated in all prior versions of this bill.

Chapter 13. Offenses involving government processes

The offenses encompassed by this calendar are those that constitute obstructions of Government functions, whether they be obstructions of justice, contempt offenses, offenses involving false statements, or offenses involving official corruption. For the most part, the chapter reflects current law. However, certain reforms are introduced.

Current law contains an offense of conspiracy to defraud the Government but no substantive offense of defrauding the Government. The current offense has therefore been subject to criticism for punishing a conspiracy to commit an act that is not in itself punishable. Section 1301 establishes the substantive offense of defrauding the Government.

Section 1312 gears the punishment for bail pumping to the nature of the underlying offense. Thus, it will be punished as a felony if the defendant is awaiting trial for a felony, but as a misdemeanor if the underlying offense is a misdemeanor. This reduces the incentive to jump bail in the hope of facing a reduced penalty after sufficient time has passed that the Government's case has grown stale. The section also makes it an offense to fail to surrender for service of sentence, a possible loophole in current law.

Current law covers tampering with witnesses and informants by means of force or threats only in a general obstruction of justice statute. Section 1323 spells out the prohibited conduct in detail, at the same time including a catch-all clause to insure that the coverage of current law is maintained.

The contempt offenses are defined more clearly, the general criminal contempt statute is limited to a six-month penalty, and certain defenses are added to cover impossibility of compliance with court orders and non-compliance with illegal court orders.

The perjury series adds a new offense, false swearing, as a lesser-included perjury offense where the false statement is not material. Like the perjury offense now appearing in 18 U.S.C. 1623, the "two witness" rule is abolished and a defense of retraction is provided. A single false statement offense consolidates over 50 false statement statutes appearing in current law; an oral false statement to a government official is an offense only if an investigator first advises the declarant that making such a false statement is an offense or if it is volunteered to an investigator. A new defense of retraction is added to the false statement offense.

Finally, under Section 1356 public servants are prohibited from using their own official actions or information gained because of their position for private gain while they remain public servants or for one year after they leave public service. As a statute of general applicability, this offense is new to Federal law.

Chapter 14. Offenses involving taxation

This chapter would incorporate Federal criminal tax offenses currently in the Internal Revenue Code of 1954 (Title 26, United States Code). This approach was suggested by the National Commission on Reform of Federal Criminal Laws. This is consistent with a fundamental precept of codification requiring that all felony offenses be included in Title 18.

The chapter is divided into two subchapters. The first subchapter would cover internal revenue offenses and the second subchapter would contain customs offenses.

Chapter 14 generally recodifies existing law. However, one particularly significant change is introduced with respect to prosecutions for tax evasion (section 1401). Under existing law, a successful tax evasion prosecution requires a "net" tax deficiency. Thus, if one were to intentionally understate his income with the intent to evade taxes but, due to oversight or neglect, failed to take available deductions adequate to offset the undeclared income, the case against him would fail under existing law. Section 1401, read together with Section 1001 (Attempts), eliminates the "net" deficiency requirement. Thus a taxpayer could be prosecuted for understating his income with a criminal intent, despite the fact that no tax was actually due and owing because of overlooked deductions.

It should be noted that an offense where there is no "net" deficiency is a Class E felony (3 years). However, if there exists a "net" deficiency of $100,000 or less, the penalty is a Class D felony (6 years). Where a "net" deficiency in excess of $100,000 exists, the sanction is upgraded to a Class C felony (12 years).

Chapter 15. Offenses involving individual rights

This chapter covers offenses involving civil rights, political rights, and privacy.

Civil Rights. Basic coverage of present civil rights statutes is retained, but language has been added to broaden the coverage with respect to sex discrimination. In addition, the coverage is extended to protect all persons, not just citizens. The current statute covering *conspiracy* to deprive a person of his civil rights under color of law is modified to cover an offense by a single individual or organization. Also the statute is modified to make it clear that the criminal state of mind required for the offense applies to the conduct which deprives a person of a right under the Constitution and laws of the United States and does not impose a further requirement that the defendant specifically intend to infringe a federally guaranteed right. Other sections carry forward the coverage of the Civil Rights Act of 1968.

The civil rights provisions also represent an excellent example of use of ancillary Federal jurisdiction as a grading mechanism. The basic offenses are generaly graded as Class A misdemeanors (1 year); however, Federal jurisdiction also exists for serious crimes against persons and property committed in the course of such offenses. Thus, a civil rights offense involving a murder would permit Federal prosecution for murder. This treatment is similar in concept to the granting provided in present 18 U.S.C. 245.

Election Offenses. Section 1511 for the first time in Federal law provides a specific series of statutes covering fraud. Heretofore, frauds in connection with a Federal election could be reached only under the general civil rights conspiracy statute. In addition, the bill prohibits engaging in any criminal conduct for the purpose of influencing an election, thereby reaching serious "dirty tricks" conduct such as the Watergate burglary.

The basic offenses applicable to obstructing or influencing elections are primarily directed at elections of Federal officers. However, the bill would for the first time in Federal law permit Federal prosecution for such conduct ostensibly directed at the election of a State or local official if it is a mixed election, that is, an election involving candidates for both Federal and State or local offices.

Privacy. Section 1524 protects from disclosure certain information required to be furnished to the government by private citizens or to obtain a Federal benefit.

Wiretapping. Due to the recent vintage of the wiretap and surveillance warrant provisions and the controversy that surrounds the subject, the bill carries present law provisions forward without substantive change. There is added an offense for possession of an eavesdropping device with intent that it be used unlawfully. It might be noted that due to consolidation and standardization of offenses flowing from codification, there may be some contraction or expansion of the criminal conduct in different areas for which a warrant could issue.

In addition, the offense of mail interception is broadened to protect all forms of non-oral communication.

Chapter 16. Offenses against the person

This chapter contains all of the offenses which protect the person as an individual. Included here are such offenses as murder, manslaughter, maiming, reckless endangerment, kidnapping, aircraft hijacking, and rape. By and large, while the chapter clarifies and simplifies the basic offenses, no substantive changes are made.

The offense of rape, and the other sexual offenses in the sections that follow, apply without distinction as to the sex of the offender or of the victim; forcible sodomy is included in the definition of the offense. It might be noted that the statutory rape provision (Section 1643) can be committed by females but eliminates consensual acts between peers from the offense. No particularized evidentiary requirements or instruction requirements are included. Corroboration requirements are expressly eliminated. No defense or grading distinction is based upon the promiscuity of the victim. Inquiry into the prior sexual conduct of the victim is severely restricted.

The reckless endangerment provision is new to Federal law. It was suggested by the National Commission on Reform of Federal Criminal Laws and a similar statute has been enacted in New York. It provides for a penalty for engaging in any criminal conduct which recklessly endangers the life of another.

Chapter 17. Offenses against property

Chapter 17 incorporates and consolidates the many varied property offenses found throughout the United States Code into some 31 sections. It is in this chapter that the provisions relating to arson, burglary, securities violations and their related offenses are found. It is also in this chapter, perhaps more than in any other, that the consolidation and reduction of unnecessarily repetitious offenses, one of the significant benefits of codification, can be found. By separating the jurisdictional element from the definition of the substantive offense, for example, Section 1731 is able to incorporate the 70-odd theft provisions under current law in the area of property offenses. But some reforms are also accomplished.

Section 1722, defining the offense of extortion, is designed to correct a "loophole" arising out of the recent Supreme Court decision, *United States* v. *Enmons*. In that case, the Court held that the Hobbs Act, which prohibits the obstruction of interstate commerce by extortion, was not applicable to otherwise extortionate conduct when that conduct was used to extort property to which the defendant purported to have a legitimate claim. Such an interpretation is inconsistent with the construction under other Federal extortion provisions (See *United States* v. *Pignatelli*, 125 F. 2d 643 (2d Cir. 1942)) and essentially creates a Federal "claim of right" defense. Section 1722 focuses on the means used rather than the ends sought and would bring such conduct within the definition of extortion. Recognizing the serious nature of extortion an affirmative defense is provided for minor incidents of violence that may occur in the cause of legitimate picketing.

Section 1734 makes it an offense to execute a scheme to defraud, which in large measure carries forward the existing law on mail and wire frauds. A new consumer fraud provision similar to the measure that passed the Senate in the 94th Congress is included. One of the significant features of these sections lies in their relationship to the precedural part of the code, where a new statutory injunction remedy is provided to restrain violations, a remedy that should be of considerable importance in protecting potential victims of "white collar" crime. Such a remedy would parallel the effective injunction relief that has long been available for violations of the fraud provisions of the Securities and Exchange Act. Section 1734 also prohibits fraud involving pyramid sales schemes.

Chapter 18. Offenses involving public order, safety, health and welfare

This chapter is divided into seven subchapters.

Subchapter A. incorporates a series of organized crime offenses which generally mirror current law under the Organized Crime Control Act of 1970. However, several innovations are worthy of note. First, a distinction is made between simple "racketeering" and "operating" a racketeering syndicate—the former is punished at a C felony level (12 years) and the latter at a B felony level (25 years).

Secondly, a new offense entitled "Washing Racketeering Proceeds" (§ 1803) is created to proscribe the takeover of legitimate businesses with the proceeds of a racketeering enterprise. Finally, Federal loansharking laws are strengthened to reach grossly usurious credit transactions, which in present 18 U.S.C. 892 are stated in terms of a prima facie case for proving an extortionate extension of credit.

Subchapter B. contains the various Federal drug offenses. The drug offenses are primarily a codification of the 1970 statutes except that simple possession of more than 100 grams of an opiate (which would carry a retail value of at least $4,000) is made a more serious offense that a simple possession of other drugs, and except that simple possession of 10 grams or less of marijuana left to the states to prosecute. The several provisions of current law providing for a doubling of the penalty for repeat offenders are eliminated. There is added, however, a two-year mandatory minimum sentence for trafficking in an opiate unless the offense was committed, under one of four specified mitigating circumstances.

Subchapter C codifies existing penal provisions involving firearms and explosives. The offense of using a firearm in the course of committing a federal crime is made subject to a mandatory minimum penalty of two years' imprisonment, to be served consecutively within the sentence for the underlying offense, unless one of four specified mitigating circumstances is present.

Subchapter D contains the riot offenses. The riot offenses of existing law are substantially narrowed, both in terms of the definition of the substantive offenses and in terms of the federal ability to prosecute. An incitement to riot may not be prosecuted unless a riot actually occurs. A riot is defined to require at least ten participants instead of three as in current law.

Subchapter D covers gambling, obscenity, and prostitution offenses. Section 1842 contains a definition of obscene material consistent with recent Supreme Court decisions respecting obscenity. The section proscribes any dissemination of obscene material to a minor or to any person in a manner affording no opportnuity to avoid exposure to such material. In addition, it proscribes the commercial distribution of obscene material as defined in the section. In general, Federal jurisdiction applies to the offense when the mails or interstate commerce is involved.

With respect to gambling and prostitution, the Code seeks to reach the operators of a gambling or prostitution ring but leaves lesser offenses in this area to State law.

The balance of Chapter 18 covers public health offenses, certain other relatively minor miscellaneous offenses, such as the assimilated crimes act applicable in Federal enclaves. The assimilated crimes act is continued in order to reach minor, uncodified offenses committed in federal enclaves, but because of the existence of a complete federal Code there will be less occasion for its use than has existed in the past. Accordingly, the penalty for assimilated crimes is limited to a one-year maximum.

PART III. SENTENCES

It is in Part III that the sentencing scheme for the entire United States Code, and not merely Title 18, is set out. The sentencing provisions are significantly different from current law. Uniform grading categories are provided to facilitate a penalty structure of consistent penalties for conduct of a similar nature or seriousness. Maximum fines are substantially increased. A provision is added to require notice to fraud victims. For the first time in Federal law, a judge can include an order of restitution to the victim as part of any sentence. The special dangerous offender provisions of current law are incorporated in a more effective form in sentencing guidelines provisions. The Code sets forth four generally recognized purposes of sentencing—deterrence, protection of the public, assurance of just punishment, and rehabilitation.

These specific provisions are important but are overshadowed by the structural and procedural changes in sentencing. A sentencing commission is created and directed to establish guidelines to govern the imposition of sentences for all federal offenses, taking into consideration factors relating to the purposes of sentencing, the characteristics of the offender, and the aggravating and mitigating circumstances of the offense. In sentencing offenders, a judge will be expected to sentence within the range specified in the guidelines, although if he considers the guideline range inappropriate for a particular case he is free to sentence above or below the guideline range as long as he explains his reasons for doing so. If an offender is sentenced above the range specified in the guidelines he may obtain appellate review of his sentence; if he is sentenced below the range specified in the guidelines the government may obtain appellate review of the sentence. The system is designed to promote greater uniformity and fairness, while retaining necessary flexibility. A parole system is retained under the current draft of the bill. However, the trial judge has the authority to sentence a defendant to imprisonment without eligibility for parole for up to nine-tenths of the sentence imposed. The sentencing guidelines will include guidelines on imposing terms of parole ineligibility.

PART IV. ADMINISTRATION AND PROCEDURE

The chapters appearing in this part consolidate, clarify, and codify existing procedural sections of Title 18. Except for the provisions noted below, the codification is accomplished without substantial change in the existing law.

The provisions concerning court-authorized wiretapping have been modified slightly. The statute permitting wiretapping without court order in emergencies is limited specifically to offenses involving treason, sabotage, or espionage, or to offenses involving a risk of death. The provision of current law stating that nothing contained in the wiretapping chapter shall be construed to limit the constitutional power of the President is eliminated because of the controversy it has provoked and because it is without any legal effect.

The extradition statutes are materially modernized and simplified.

The jurisdiction of United States Magistrates is expanded to encompass all misdemeanors, and to permit trial of offenses carrying six months or less without the necessity of obtaining a waiver of jury trial.

An entirely revised series of provisions dealing with mental competency is included in order to overcome the inadequacies of the current law. Included is a provision for the civil commitment, if justified, of an individual who is acquitted by reason of insanity. Although state commitment proceedings may be preferred, federal commitment proceedings are provided to ensure that a genuinely dangerous individual will not be released prematurely.

The ability of the federal government to collect fines that have been imposed by the courts is substantially increased as a result of permitting recourse to the Internal Revenue Service lien procedures.

PART V. ANCILLARY CIVIL PROCEEDINGS

Chapter 40 covers public civil remedies. It expands the civil forfeiture proceedings of existing law, carries forward existing provisions involving civil restraints of racketeering, and provides the Department of Justice with authority to seek injunctions against general fraud schemes and consumer fraud activities.

Chapter 41 covers private civil remedies. It carries forward civil actions against racketeers and eavesdropping offenders, and adds a civil action against fraud offenders.

More important is the chapter's creation of a system to compensate the victims of violent federal crimes; funding for such compensation will be derived from collected fines.

Mr. KENNEDY. Mr. President, today I join the distinguished senior Senator from Arkansas in introducing "the Criminal Code Reform Act of 1977." The purpose of this comprehensive legislation is to reform, modernize, and codify the entire Federal criminal code. It has the support of the Department of Justice and Attorney General Griffin Bell, who has been especially helpful and cooperative in drafting the legislation.

The Criminal Code Reform Act of 1977 constitutes the most important attempt in 200 years to reorganize and streamline the administration of Federal criminal justice. It is a major undertaking, of critical importance to our people. As I have repeatedly stated in recent months, I view this legislation as the cornerstone of the Federal Government's commitment to the critical problem of crime in America. I believe it is the key to progress on every other front, and that is why I have made this effort one of my principal legislative goals in the current Congress.

This legislation follows in the wake of various State code recodifications. Since 1970, well over half the States have either reformed their criminal laws or are currently doing so. The Federal Government has a similar responsibility to act. Public attitudes reflect a growing sense of frustration at the inability of Government to deal with crime and the inequities of our criminal justice system. We owe it to the public to put our Federal house in order and to restore the confidence of the people that we are making progress once again.

The bill introduced today is not a hastily conceived idea. It is the culmination of an ongoing 11-year effort to develop a just, workable, modern Federal criminal code. The main impetus for this effort was the decision of President Lyndon Johnson in 1966 to establish the National Commission on Reform of Criminal Laws. This Commission, chaired by the former distinguished Governor of California, Edmund G. Brown, concluded, after almost 5 years of hearings and careful research, that a completely new comprehensive codification of the Federal criminal law was necessary. Piecemeal change was ruled out as inconsistent with the goal of genuine reform.

Few have disagreed with this conclusion of the Brown Commission. Judges, academicians, law enforcement officers, and civil libertarians alike have all agreed on the need for prompt development of a comprehensive, logically organized, and internally consistent Federal criminal law.

The plain fact is that the current Federal criminal code is a disgrace. Congresses over the years have enacted over 3,000 criminal laws which are currently on the books, piling one on top of another, until today we have a code that looks more like a Tower of Babel than a comprehensible criminal code. There are no standardized definitions. Offenses are scattered throughout all 50 titles of the U.S. Statutes, with no organization or consistency from one provision to the next.

For example, there are 80 separate theft offenses and 70 counterfeiting and forgery offenses, all with their own conflicting language and definitions. The interpretation and application of such multiple statutes inevitably results in inconsistencies, loopholes, and hypertechnicalities.

In addition, there are almost 80 separately defined culpability terms, ranging from "wantonly" and "lasciviously" to "maliciously," and "corruptly." Such terminology cannot help but breed uncertainty and widely disparate interpretation of the law.

The current code is archaic. Many provisions should have been repealed years ago. For example, the Logan Act of 1799—enacted during the administration of President John Adams—prohibits private communications to a foreign government. It is still a crime "to impair military effectiveness by a false statement," even though this provision has not been invoked since World War I. In a lighter vein, it remains a Federal crime to lie to a ship's captain or to detain a Government carrier pigeon. Such provisions are an embarrassment to the very idea of an enlightened Federal criminal code.

Nor, is the current dilemma limited to the flaws and confusion of existing sections. The omissions are also significant. The Federal law currently lacks effective criminal provisions designed to meet many contemporary problems—consumer and election fraud, environmental pollution, white collar crime, and organized crime.

Most importantly, the current Federal criminal code is harsh and unfair. I am referring primarily to the serious problem of sentencing disparity which offends the precept of equal justice under law.

There is a deep public conviction today that justice means different things for the rich and different things for the poor, that it is available only to those with money to hire an expensive lawyer.

When we talk about how current laws promote injustice, how they mean different things to the rich and the poor, the one flaw that stands out above the rest is our sentencing policy. Sentencing in America today is a national scandal. Every day the system breeds massive injustice. There are no guidelines to aid judges in the exercise of their discretion. There is no appellate review of sentences. Judges are free to roam at will, dispensing ad hoc justice in ways that defy both reason and fairness. Different judges hand out widely differing sentences to similar offenders convicted of similar crimes. Some offenders, including many repeat offenders, escape jail altogether while others—convicted of the very same crime—go to jail for excessive periods.

The impact of such sentencing disparity on our criminal justice system is devastating. Certainty of punishment is a joke. To all who come in contact with it, the "system" is seen for what it is—a game of chance in which offenders play the odds and gamble on avoiding punishment.

Sentencing disparity also tilts the process against the young and poor and nurtures a growing public cynicism about our institutions. The youth who goes for a joyride or commits a petty larcency is sentenced to a year in jail. Too often, the tax evader, the price fixer, the polluter, or the corrupt public official receive suspended sentences on the unthinking ground that the stigma of their convictions is punishment enough.

The judges are not to blame. The problem cannot be traced to "weak" judges who "coddle" criminals. The great majority of our Federal judges try to perform their sentencing duties in a responsible, diligent manner. But they must act without guidelines or review, because there are no standards or review procedures in our current criminal code. The law invites injustice by conferring unlimited discretion on judges to impose sentences within vast statutory limits.

A convicted bank robber can be sentenced anywhere from a term of probation to 25 years in prison, a rapist anywhere from probation to life imprisonment.

This use of broad discretion has backfired; there has been a notorious increase in arbitrariness and injustice. In the last few years study after study has been published documenting the nature and scope of sentencing disparity.

Many of the leading authorities of our criminal justice system—Dean Norval Morris of the University of Chicago Law School and the Honorable Marvin E. Frankel, U.S. district judge for the southern district of New York, to name just two—have written about the critical flaws which threaten the criminal sentencing process. And just a few months ago, Chief Justice Warren E. Burger also commented that "some form of review procedure is needed to deal with this dilemma" of disparity.

Nor is sentencing disparity the only problem. Sentencing maximums are inconsistent and irrational—if one robs a federally insured bank today a 25-year term of imprisonment is possible; but if one robs a post office, the maximum term is only 10 years. If one commits a minor mail fraud of $200 by sending three letters through the mail 15 years can be imposed; but if a major $25,000 mail fraud is committed by sending only one letter through the mail, the maximum is just 5 years.

And only occasionally, as if by accident, are the criminal fines which are imposed related to the amount of actual injury inflicted or gain realized by the offender.

In plain terms, the present penalty structure of the Federal criminal law must be completely revised.

The Criminal Code Reform Act of 1977 is designed to deal with these and other injustices found in current law. The bill completely reorganizes the code in a logical and consistent manner. Over 70 current statutes relating to arson and property destruction are consolidated into just three sections. The one theft section in the bill replaces over 70 current theft and fraud statutes, with the penalty for the offense varying depending on the kind and value of the property stolen. Similarly, five forgery and counterfeiting offenses replace the 80 offenses found in current law, while 50 statutes involving perjury and false statements have been consolidated into four sections.

In place of 80 current levels of culpability, all undefined, this reform bill defines just four: intentional, knowing, reckless, and negligent. This simplification will permit far greater clarity and uniformity. In addition, over 100 definitions are listed to insure uniform interpretation. The new bill thus provides a common dictionary to make it understandable on its face.

Every effort has been made to draft offenses simply, uniformly, and precisely. Verbose and technical language—such as that which appears in the current mail fraud statute—has been avoided. Instead, a conscious effort has been made to speak in common English.

Mr. President, although these new features in the bill basically result from our effort to codify current law, the proposed bill goes well beyond mere codification. It is a reform effort as well.

First and foremost, the new bill overhauls the entire Federal sentencing process by adopting many of the sentencing reforms I suggested in S. 181, "the sentencing guidelines bill," introduced with broad, bipartisan support, including the cosponsorship of Senator McClellan, on January 10. I view the sentencing provisions as the key reform of the entire bill. The bill sets forth four generally recognized purposes of sentencing—deterrence, protection of the public, assurance of just punishment, and rehabilitation. A sentencing commission is created and directed to establish guidelines to govern the imposition of sentences for all Federal offenses, taking into consideration factors relating to the purposes of sentencing, the characteristics of the offender, and the aggravating and mitigating circumstances of the offense.

In sentencing offenders, a judge will be expected to sentence within the range specified in the guidelines, although if he considers the guideline range inappropriate for a particular case he is free to sentence above or below the guideline range as long as he explains his reasons for doing so. If an offender is sentenced below the range specified in the guidelines, the Government may obtain appellate review of the sentence. If an offender is sentenced above the range specified in the guidelines, the offender may appeal. This system is designed to promote greater uniformity and fairness, while retaining necessary judicial flexibility. Under this new approach, the gross disparities in sentencing found in current law should be significantly reduced.

In addition, each offense in the bill is described as a certain grade of felony or misdemeanor or as an infraction, as is common under most modern State codes. This provides a shorthand method of referring to the penalties and other considerations that apply to the offense.

Finally, maximum fines are substantially increased—a new, effective weapon against white collar crime—and an important new section mandates notice to victims of consumer fraud in order to facilitate class actions for recovery of losses. No longer will the white collar offender be able to write off a criminal fine as simply a cost of doing business.

But the bill goes well beyond current law in a number of other important respects. There are new provisions designed to further protect civil liberties and civil rights, provisions drafted to meet modern social, political and economic problems, provisions designed to improve the administration of criminal justice and important new provisions which will improve the Federal Government's law enforcement capability:

A. NEW PROVISIONS TO PROTECT CIVIL LIBERTIES AND CIVIL RIGHTS

First. The Logan Act is repealed. This law (18 U.S.C. 951) has been on the books since 1799 and prohibits private communications with a foreign government with intent to influence foreign policy. It has long outlived its usefulness and is looked upon today as little more than an ancient relic. Nevertheless, on occasion it is dusted off and used to raise the spectre of prosecution against those who may disagree with official Government policy. In the late 1960's those American citizens who communicated directly with the North Vietnamese Government in an effort to achieve a breakthrough for peace were threatened with prosecution under this section. It is time it was repealed.

Second. New defenses are added to protect the press from "gag orders." A major improvement over the current law of contempt (18 U.S.C. 401). Under current law the invalidity of a judicial order is not a defense to the crime of contempt. Under this bill it is a defense to contempt if the order is clearly invalid and there was not sufficient time to litigate its validity.

Third. The coverage of the present civil rights laws is expanded. Current law (18 U.S.C. 241) deals only with conspiracies to violate civil rights. Under this bill there need be only one offender, that is, no conspiracy need be found for civil rights violations.

Fourth. The bill changes the Supreme Court decision of *Screws* v. *United States* (325 U.S. 91) (1945). Current law requires a finding that a defendant had a specific intent to deprive the victim of his federally protected civil rights, an almost impossible standard to prove—that is, it it not enough, for example, to show that the defendant intended to assault or maim the victim; the Government must also prove to the jury's satisfaction that the assault was done with a specific intent to intimidate the victim from exercising, for example, his right to vote. The bill eliminates this requirement and replaces it with a standard of "recklessness."

Fifth. The Civil Rights Act of 1968 (18 U.S.C. 245; 42 U.S.C. 3631) is expanded to prohibit discrimination based on sex as well as race, color, religion, or national origin. This provision primarily covers equal employment opportunity but would also reach equal access to restaurants and inns as well as public education.

Sixth. The offense of rape is completely modernized. Special corroboration of the victim's testimony is no longer required. Proscriptions are imposed upon the ability of the defense at trial to explore the prior sexual history of the victim. In this way, the law will treat rape victims like any other victim of a criminal assault. It is hoped that this new provision will serve as a model for States to incorporate into their own criminal codes.

Seventh. Important new provisions are directed at the procedures for the commitment of offenders with mental disease or defect. The scope of these provisions, and the civil liberties protections provided for, are much more comprehensive than those found in current law—chapter 313 of title 18, United States Code. For example, the time for an examination to determine competency is limited to 6 months instead of 1 year; the hospitalization standard is raised to "clear and convincing evidence" and requires a showing of "substantial risk of serious bodily injury to another person or serious damage to property of another"; that is, danger to oneself is not a justification for Federal commitment; also, in order to impose hospital conditions at Federal institutions, the Attorney General is required to consult with the Secretary of HEW "in establishing standards for facilities used in the implementation of this subchapter." Other provisions prevent the Federal Government from committing or detaining an individual once the criminal charges have been dropped for reasons unrelated to that mental illness.

B. NEW MODERN PROVISIONS NOT FOUND IN CURRENT LAW

First. A detailed series of election offenses is created in the wake of the 1972 Presidential campaign to prohibit sabotage of political campaigns. Obstructing an election, obstructing registration and obstructing a political campaign of a Federal election. The bill also makes it illegal to distribute campaign literature without accurately identifying the sponsor, such as the "dirty tricks" aspect of the 1972 Presidential campaign. Currently, the only principal statute for prosecuting election fraud is an 1870 statute (18 U.S.C. 241) which is broadly designed to prohibit any interference with a Federal right—including voting. In light of the events of recent years a specific set of election offenses is needed. The Watergate burglary was a Federal offense only because it occurred in the District of Columbia.

Two. A new provision making environmental pollution a class A misdemeanor with special increased fines is established.

Third. A victim of crime compensation program is created for certain violent Federal crimes committed against the person. Claims are filed with a Federal Compensation Board. Financed by criminal fines and other sources, payments of up to $50,000 for "pecuniary loss" may be awarded to the victim or surviving dependent. But the recipient has an ongoing duty to cooperate with law enforcement authorities in prosecution of the case.

Four. Major new fraud offenses are established to deal with fraudulent pyramid sales schemes and consumer frauds, crimes which are often directed against those elderly and minority citizens most unable to bear the economic hardship of being victimized.

C. NEW TECHNICAL PROVISIONS TO IMPROVE THE ADMINISTRATION OF JUSTICE

First. The bill contains new provisions for ancillary Federal jurisdiction over certain limited offenses, primarily violent common law offenses committed in the course of other Federal offenses. For example, under this provision, if the Federal Government prosecutes for a Federal civil rights violation, this bill will also permit it to prosecute for an assault or a murder committed in the course of that civil rights violation. I believe that this approach to ancillary jurisdiction, recommended by the Brown Commission, represents one of the most significant contributions made by the new codification. The time, expense, and uncertainty of multiple trials can be avoided by permitting prosecution for all of an individual's offenses committed as part of a single course of conduct.

Second. The extradition statutes—now found in 18 U.S.C. 3181-3185—are substantially modernized and simplified to make extradition of fugitives possible. The bill clearly designates the procedures that are required for extradition, the events which must occur prior to surrender of a fugitive and the time limitations under which all parties are required to act.

Third. The jurisdiction of Federal magistrates is expanded to help relieve court congestion and backlog. The failure of our criminal justice system to dispense swift justice not only undercuts the Federal crime-fighting effort but, even more importantly, contributes to the growth of injustice. Steps must be taken now to help relieve our courts of their crushing caseloads. One way is to expand the role of our Federal magistrates by allowing them to assume jurisdiction over a limited number of civil and criminal cases which otherwise would fall on the shoulders of the Federal district judges. These new provisions have been drafted and recommended by the Attorney General as one innovative way to combat judicial delay and I look forward to his upcoming testimony concerning these sections.

D. NEW PROVISIONS TO IMPROVE THE FEDERAL GOVERNMENT'S LAW ENFORCEMENT CAPABILITY

First. The legislation expressly designates the offenses over which the United States can claim extraterritorial jurisdiction, including overseas corporate bribery.

Second. The bill takes a broad view of the liability of an organization for the acts of its agents, an important white collar crime weapon.

Third. The bill creates a new offense of conspiracy in the United States to assassinate a foreign official outside the United States.

Fourth. The bill eliminates the archaic common law requirement of the need for two witnesses to prove perjury other than before a grand jury and also allows the Government to prove perjury by showing that the defendant made or affirmed two or more mutually inconsistent statements without indicating which statement was false.

Fifth. The legislation expands the tax evasion offense to include cases where there is no net tax liability involved—that is an attempt to evade taxes.

Sixth. The bill creates a new offense prohibiting the possession of eavesdropping devices with intent to use them illegally.

Seventh. The bill expands the offense of intercepting mail to include all forms of correspondence, for example, telegrams and Morse code transcriptions.

Eighth. The legislation creates a new offense of trafficking in stolen property, which is directed toward the professional fence who deals in stolen goods for a living.

Ninth. The bill expands existing law to cover the counterfeiting and forging of corporate securities and notes and bonds of State and local governments.

Tenth. The legislation expands existing laws regarding commercial bribery, for example bribery in the banking industry or bribery of employees of a contractor who has a contract to which the United States is a party.

Eleventh. The legislation creates a new offense of operating a racketeering syndicate which is aimed at leaders of organized crime. In addition, the legislation makes it an offense to "launder" the proceeds of organized crime by investing the gains of illegal operations in other legitimate businesses. By making the laundering of these proceeds a crime, this bill helps to strip away the financial machinations of organized crime.

Twelfth. The bill creates a lesser included offense of loansharking involving grossly usurious rates of interest.

Thirteenth. The legislation provides innovative civil injunction procedures to be used against perpetrators of consumer frauds or those engaged in organized crime racketeering. Since investigation of such schemes often takes months, if not years, before the case is ready for criminal prosecution, innocent people may continue to be victimized while the investigation is in progress. This bill allows the Attorney General, prior to commencing a criminal action, to bring a suit to enjoin such schemes. This injunction procedure is similar to that already used with great success in SEC cases.

Fourteenth. The new bill not only substantially increases the maximum amount of fines that can be imposed, but also provides that, for those offenses in which a defendant derived personal gain or caused property loss, the amount of fine imposed can be increased to twice the gain derived or twice the gross loss caused, whichever is greater.

Fifteenth. An important section of the bill makes it a crime to interfere with organized labor activities.

Sixteenth. Finally, a provision allows the Attorney General to initiate a civil forfeiture proceeding to recover property used or possessed in the course of violating various specific crimes, such as bribery, smuggling, counterfeiting, forgery, or firearms offenses.

Mr. President, these are just some of the major provisions that help to highlight the need for prompt enactment of this important legislation.

We are, of course, all aware of the storm of controversy which surrounded this bill's predecessor in the last Congress. Along with many others, I viewed S. 1 as a setback to the goal of true criminal code reform. I say it as promoting, not eliminating, injustice. During the past months, however, I have worked to come up with an alternative to S. 1, an alternative that would reflect changes which I and others perceived as essential to any new Federal criminal code effort. This bill is the product of that effort. It reflects the careful thought of a large number of distinguished and concerned people. Various Senators, including Senator ABOUREZK and former Senators Roman Hruska and Philip Hart; representatives of the Department of Justice, including Attorney General Bell, Edward Levi, and Elliott Richardson; leading members of the academic community, in particular, Alan Derhowitz of the Harvard Law School and Louis Schwartz of the University of Pennylvania Law School; the various member and staff of the Brown Commission; and, especially, the dean of the Senate when it comes to law enforcement matters, the distinguished Senator from Arkansas (Mr. MCCLELLAN). They have all labored tirelessly to work out the many controversial areas and to perfect an altogether new bill worthy of broad-based support.

The major objectionable provisions of S. 1 have been modified or eliminated entirely from this bill: the so-called Official Secrets Act has been deleted, the insanity defense has been restored, the Smith Act has been repealed, provisions expanding the death penalty have been eliminated, a Federal disorderly conduct provision has been struck, provisions dealing with demonstrations at a courthouse and riot have been carefully drafted to take into account civil liberties objections, the extortion offense has been rewritten to protect organized labor activities, possession of small amounts of marihuana is no longer a Federal crime, the "inherent power disclaimer" section of the current wiretap law has been deleted, and emergency warrantless wiretaps have been restricted.

Perhaps most importantly, the size of this bill has been reduced from the 800 pages of S. 1, to a much more manageable 300 pages. This has been done by deleting the technical conforming amendments and by eliminating repetitive sections.

These are just a few of the improvements which distinguish this bill from its predecessor. Many, many other improvements have also been made.

Mr. President, I believe that this legislation is a major forward step in the ongoing effort to reform our Federal criminal laws and streamline the administration of criminal justice. It can still be improved and I look forward with anticipation to the hearings and debates over the next few months because I think we can do an even better job. But I am convinced that a point has now been reached where effective criminal code reform is nearing reality after more than a decade of waiting.

Just a few weeks ago, Edmund G. Brown, the distinguished chairman of the Brown Commission and a long-time supporter of criminal law reform, stated that "if the Criminal Code Reform Act of 1977 is adopted I think it will be one of the most constructive moves in the administration of criminal justice in this century." It is up to the Congress and this administration to make this "constructive move" a reality. Twenty-five years ago one of our Nation's most distinguished legal scholars, Herbert Wechsler, aptly expressed the profound impact that the criminal law has on our daily lives; in so doing he gave the Congress the mandate which should guide us in the months ahead:

> Whatever view one holds about the penal law, no one will question its importance in society. This is the law on which men place their ultimate reliance for protection against all the deepest injuries that human conduct can inflict on individuals and institutions. By the same token, penal law governs the strongest force that we permit official agencies to bring to bear on individuals. Its promise as an instrument of safety is matched only by its power to destroy.
>
> If penal law is weak or ineffective, basic human interests are in jeopardy. If it is harsh or arbitrary in its impact, it works a gross injustice on those caught within its coils. The law that carries such responsibilities should surely be as rational and just as law can be. Nowhere in the entire legal field is more at stake for the community, for the individual.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 1438. A bill for the relief of Daniel Joshua Nason; to the Committee on the Judiciary.

Mr. HATFIELD. Mr. President, today I am introducing legislation for the relief of Daniel Joshua Mason. This bill would waive the immigration restrictions governing the adoption of foreign children in this case.

It is rare that so touching a story comes to my attention. The Dennis Nason family of Ashland, Oreg., is a truly remarkable farm family with nine adopted children, two of whom are foreign born. They now wish to adopt a five-year-old little boy, whom they have named Daniel Joshua, living in an orphanage in El Salvador. Daniel has numerous health problems stemming largely from early malnutrition. The family has offered to provide him with immediate medical attention as well as a loving and secure home.

Senator Packwood joins me in this effort to obtain special permission to allow the Nason family to bring Daniel Joshua to the United States for the purpose of adoption.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1439. A bill to authorize an additional Assistant Secretary of Commerce; to the Committee on Commerce, Science, and Transportation.

Mr. MAGNUSON. Mr. President, I introduce for myself and Mr. Pearson, by request, a bill to authorize an additional Assistant Secretary of Commerce. This bill has been sent forth by the Department of Commerce, and I ask unanimous consent that the text of the bill, the letter of transmittal, and the statement of purpose and need be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be in the Department of Commerce, in addition to the Assistant Secretaries provided by law as of the date of the enactment of this Act, one additional Assistant Secretary of Commerce who shall be appointed by the President, by and with the advice and consent of the Senate. Such Assistant Secretary shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and shall perform such duties as the Secretary of Commerce shall prescribe.

Sec. 2. Section 5315 of title 5, United States Code, is amended by striking out paragraph (12) and inserting in lieu thereof:

"(12) Assistant Secretaries of Commerce (8).".

The Secretary of Commerce,
Washington, D.C., April 29, 1977.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed are six copies of a draft bill "To authorize an additional Assistant Secretary of Commerce," together with a statement of purpose and need in support thereof.

This proposed legislation has been reviewed by the Department in the light of Executive Order No. 11821 and has been determined not to be a major proposal requiring evaluation and certification as to its inflationary impact.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

Sidney Harman,
Acting Secretary.

Statement of Purpose and Need

The attached draft bill authorizes an additional Assistant Secretary of Commerce.

This position is required in order to establish the position of Assistant Secretary of Commerce for Congressional Affairs. The Assistant Secretary would be the principal advisor to the Secretary with respect to congressional relations matters and would head the Departmental Office of Congressional Affairs, a major staff office in the Office of the Secretary.

The Assistant Secretary will have responsibility for developing and maintaining an effective relationship with Members of Congress and congressional committees and for advising the Secretary on matters relating to the Congress. The Assistant Secretary will also be the Department of Commerce contact in matters involving the White House Office of Congressional Liaison. The Assistant Secretary will be responsible for insuring that all elements of the Department of Commerce are responsive to the needs and requests of the Congress and its committees, in a complete and timely manner.

Performance of these functions requires a top official who has the confidence of the Secretary and the Administration, and who has been appointed by the President, by and with the advice and consent of the Senate. A further indication of this is the fact that most of the other Cabinet Departments currently have an Assistant Secretary for Congressional Affairs or equivalent official.

Section 2 of the draft bill would amend 5 USC 5315 (12) to place eight Assistant Secretaries at Level IV. 5 USC 5315 (12) presently specifies six Assistant Secretaries, although the Department is in fact authorized seven by law. Both Public Law No. 91–469 and Public Law No. 91–477, which were approved October 21, 1970, amended title 5, USC to change section 5315 (12) to read "(12) Assistant Secretaries of Commerce (6)" although each law established an additional Assistant Secretary position. Accordingly, section 2 actually would increase the number of Assistant Secretaries of Commerce by one.

Changing the title of the "Counsellor to the Secretary for Congressional Affairs" to "Assistant Secretary for Legislative Affairs" in the Department of Commerce is consistent with the general goals of reorganization now being planned in the Department of Commerce. That reorganization intends to consolidate personnel functions wherever possible and eliminate duplication throughout the Department. At the present time many of the Congressional liaison specialists are diffused throughout the Department in the various Bureaus.

By Mr. JOHNSTON:

S. 1440. A bill to amend the Outer Continental Shelf Lands Act of 1953 to expedite the delivery of oil and natural gas from OCS lease sale No. 40 to U.S. markets, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. JOHNSTON. Mr. President, today I am introducing S. 1440, the OCS Lease Sale No. 40 Review Act. This bill proposes a legislative solution to the present bottleneck which is preventing exploration for oil and gas in the Baltimore Canyon region of the Atlantic OCS.

As you know, Mr. President, the first OCS lease sale in the so-called Baltimore Canyon area of the Atlantic Ocean was held last August 17. The Department of Interior received bids totalling $1.13 billion for the right to explore for oil and natural gas on 250,000 acres of the ocean floor lying from 50 to 90 miles off the east coast from the eastern end of Long Island to Delaware. Pursuant to that sale, 93 leases were granted to various oil companies. Almost immediately, several parties, including officials of several local governmental units in New York and New Jersey and the National Resources Defense Council, an umbrella environmental group, filed suit to enjoin and invalidate the lease sale on a variety of grounds. On February 17, 1977, Judge Jack B. Weinstein of the U.S. District Court for the Eastern District of New York rescinded the sale, ruling that the Government's environmental impact statement required by the National Environmental Policy Act was not satisfactory. The Department of Interior has appealed the decision, with oral arguments being heard by the Court of Appeals for the Second Circuit on April 25, 1977.

I believe that the country can ill afford the time which will be required for this case to wind its way through the judicial process. I propose today that Congress resolve this problem in much the same manner that we resolved the Trans-Alaskan oil pipeline dispute in 1973 by enacting the Trans-Alaska Pipeline Authorization Act. Last year, Congress anticipated a similar bottleneck and passed the Alaska Natural Gas Transportation Act of 1976 as Public Law 94–586.

There can be no question that this country is in the throes of an energy crisis. The President has called upon all of us to make the sacrifices necessary to conserve energy. He recognizes that the price of crude oil producd domestically and the price of natural gas sold into interstate commerce must increase in order to encourage production and exploration. Yet, Mr. President, a lease sale has been held on an area which is anticipated to produce as much as 1.4 billion barrels of oil and 9 trillion cubic feet of natural gas, and no exploration is being allowed because the matter is tied up in court. Clearly, this situation is not in the interest of the Nation.

The solution I propose is to allow exploration to begin immediately by ratifying the leases issued pursuant to OCS Lease Sale No. 40. However, before production begins, the lessee must submit a development and production plan to the Secretary as required in the Outer Continental Shelf Lands Act amendments which were adopted by the Senate in 1975. This plan should provide the information needed by the Secretary and by the Governors of coastal States as they plan for the impacts of the offshore production. My proposal requires that the plan be submitted to the Governors of the affected coastal States for review and recommendations for modification. In addition, the Secretary must prepare an environmental report on the first development and production plan which is submitted by the lessees of OCS Lease Sale No. 40. The report will be reviewed by the Council on Environmental Quality and submitted to the President for review.

If the President approves the review, all requirements of this bill and the National Environmental Policy Act will be deemed satisfied. Further, as in the Trans-Alaskan Pipeline Authorization Act and the Alaska Natural Gas Transportation Act of 1976, there will be no court review of the actions taken pursuant to this bill, except that the constitutionality of the bill or of the actions taken by Federal officials pursuant to the bill could be reviewed in the U.S. Court of Appeals for the District of Columbia.

Mr. President, I believe this proposal will allow exploration in the Atlantic to proceed expeditiously while retaining much of the protection requested by the States, local governments, and environmentalists. Clearly, if there is no oil in the lease sale area, there will be no danger of oil spills, no questions concerning pipeline routes, and no danger of fishing being disrupted. If there is oil and natural gas in the lease area, then my bill will provide ample opportunity for the issues of safety, pipeline routing, and environmental and social impacts to be studied carefully and resolved.

Mr. President, I urge the Senate to adopt this legislation promptly so we can get on with the business of bringing our domestic oil and natural gas supplies to the market.

Mr. President, I ask unanimous consent that the text of this proposed legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Outer Continental Shelf Lands Act of 1953 be and is hereby amended by adding a new title as follows:

"TITLE II. OCS LEASE SALE NUMBER 40 REVIEW ACT

"SEC. 201. This title may be cited as the "OCS Lease Sale Number 40 Review Act".

SEC. 202. The Congress finds and declares that:

(a) the United States is experiencing a steady decline in the domestic production of oil and natural gas;

(b) the decline in domestically produced oil and natural gas necessitates the importation of large quantities of crude oil from foreign nations, thus posing serious threats to our national security and domestic economy;

(c) during the winter of 1977, the United States experienced an extreme shortage of natural gas which caused significant disruptions in our economy;

(d) the probability of similar shortages of natural gas occurring in the future poses a continuing threat to our economy;

(e) on August 17, 1976, the Department of Interior held OCS Lease Sale Number 40 which authorized exploration for and development of Federal mineral resources on the Outer Continental Shelf off the east coast of the United States;

(f) On February 17, 1977, Federal district court, in *County of Suffolk* v. *Secretary of the Interior,* No. 75 C 208, and consolidated cases, voided OCS Lease Sale Number 40 and enjoined the exercise of any powers granted by leases executed pursuant to that sale.

(g) It is in the national interest to expedite the exploration for and development of Federal mineral resources pursuant to OCS Lease Sale Number 40.

SEC. 203. As used in this title:

(a) the term "Secretary" means the Secretary of Interior;

(b) the term "lessee" means a person holding a mineral lease issued pursuant to OCS Lease Sale Number 40;

(c) the term "Governor" means the Governor of a State, or the person or entity designated by, or pursuant to, State law to exercise the powers granted to such Governor pursuant to this Title;

(d) the term "affected State" means, with respect to any program, plan, lease sale, or other activity, proposed, conducted, or approved pursuant to the provisions of this title, any State—

(1) the laws of which are declared, pursuant to section 4(a)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333), to be the law of the United States for the portion of the Outer Continental Shelf on which such activity is, or is proposed to be, conducted;

(2) which is or is proposed to be directly connected by transportation facilities to any artificial island or structure referred to in section 4(a)(1) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333);

(3) which is receiving, or in accordance with the proposed activity, will receive, oil for processing, refining or transshipment which was extracted from the Outer Continental Shelf and transported by means of vessels or by a combination of means including vessels;

(4) which is designated by the Secretary as a State in which there is a substantial probability of significant impact on or damage to the coastal, marine or human environment, or a State in which there will be significant changes in the social, governmental, or economic infrastructure, resulting from the exploration, development, and production of oil and gas anywhere on the Outer Continental Shelf; or

(5) in which the Secretary finds that because of such activity there is, or will be, a significant risk of serious damage, due to factors such as prevailing winds and currents, to the marine or coastal environment in the event of any oilspill, blowout, or release of oil or gas from vessels, pipelines, or other transshipment facilities.

SEC. 204. For the purpose of permitting and expediting the exploration, development, and production of oil and gas from the areas covered by the leases granted pursuant to OCS Lease Sale Number 40, said leases are hereby declared and made legal, valid and binding and are ratified, confirmed and validated notwithstanding the failure, if any, of the Secretary, to comply fully and completely with the laws in effect at the time of, and related to, OCS Lease Sale Number 40.

SEC. 205. Prior to commencing the production operations on leases issued pursuant to OCS Lease Sale Number 40, but not prior to commencing exploration operations, the lessee shall submit a development and production plan (hereinafter in this title referred to as a "plan") to the Secretary for approval. The plan shall include:

(a) a statement describing all facilities and operations, other than those on the Outer Continental Shelf, proposed by the lessee and known by him (whether or not owned or operated by such lessee) which will be constructed or utilized in the development or production of oil and gas from the lease area, including the location and site of such facilities and operations, and the environmental and safety safeguards to be implemented;

(b) the specific work to be performed;

(c) a description of all offshore facilities and operations proposed by the lessee or known by him (whether or not owned or operated by such lessee) to be directly related to the proposed development, including the location and size of such facilities and operations, and the land, labor, material, and energy requirements associated with such facilities and operations;

(d) the environmental safeguards to be implemented on the Outer Continental Shelf and how such safeguards are to be implemented;

(e) the safety standards to be met and how such standards are to be met;

(f) an expected rate of development and production and a time schedule for performance; and

(g) such other relevant information as the Secretary may require.

SEC. 206. Within sixty days after the filing of the first plan by any lessee of any lease issued pursuant to OCS Lease Sale Number 40, the Secretary shall prepare and file with the Council on Environmental Quality an environmental report (hereinafter in this title referred to as a "report") which shall include, but not be limited to, a full discussion of:

(a) the environmental impact of the proposed action;

(b) any adverse environmental effects which cannot be avoided should the proposal be implemented;

(c) alternatives to the proposed action;

(d) the relationship between local, short-term uses of man's environment, and the maintenance and enhancement of long-term productivity, and

(e) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented;

(f) environmental impacts of specific probable routes from the lease area;

(g) as accurate an estimate as possible of probable oil and gas production from the lease; and

(h) projected timing, location, size and number of wells, and duration of the construction phase of the lease development.

Only one report shall be prepared by the Secretary pursuant to OCS Lease Sale Number 40.

SEC. 207. On the date the Secretary files the report with the Council on Environmental Quality, the Secretary shall submit to the Governors of each affected State, the plan and the report, wtihout such interpretive data which constitutes confidential or privileged information, for review and comment. The Governor of each affected State shall have 60 days for receipt of the plan to submit to the Secretary comments and recommendations for modifying said plan.

SEC. 208. Within 30 days after receiving the comments and recommendations of the Governors of the affected States, the Secretary shall approve, disapprove or require modifications of the plan. The Secretary, to the maximum extent possible and practicable, shall modify the plan in accordance with the recommendations of the Governors of the affected States. The Secretary shall require modification of a plan if he determines that the lessee has failed to make adequate provision in such plan for safe operations on the lease are or for protection of the human, marine, or coastal environment, except that any modification ordered by the Secretary shall be, to the maximum extent practicable, consistent with the coastal zone management programs of affected States approved pursuant to Section 306 of the Coastal Zone Management Act of 1972 (16 USC 1455). The Secretary shall disapprove a plan only (A) if the lessee fails to demonstrate that he can comply with the requirements of this Act and other applicable Federal law, (B) if the plan is not and cannot be made, to the maximum extent practicable, consistent with the coastal zone management programs of affected States approved pursuant to Section 306 of the Coastal Zone Management Act of 1972 (16 USC 1455), or (C) if because of exceptional conditions in the lease area, exceptional resource values in the marine or coastal environment, or other exceptional circumstances, the proposed plan cannot be modified to insure a safe operation.

SEC. 209. The Secretary shall immediately notify the Council on Environmental Quality, in writing, that he has approved, disapproved or modified the plan and shall submit such modifications, if any, to the Council. The Council on Environmental Quality shall, within 30 days after receiving notification of the Secretary's action on the plan, submit the report and the Council's findings and recommendations on the report to the President for review and approval.

SEC. 210. Approval of the report by the President shall satisfy all requirements of section 5 of this title and all requirements of the National Environmental Policy Act of 1969.

SEC. 211. (a) Notwithstanding any other provisions of law, the actions of Federal officers or agencies taken pursuant to this title, shall not be subject to judicial review except as provided in this section.

(b)(1) Claims alleging the invalidity of this title may be brought not later than the sixtieth day following the date of enactment of this title.

(2) Claims alleging that any action of Federal officers or agencies taken pursuant to this title will deny rights under the Constitution of the United States, of that an action is in excess of statutory right may be brought not later than the sixtieth day following the date of such action, except that if a party shows that he did not know of the action complained of, and a reasonable person acting in the circumstances would not have known, he may bring a claim alleging the invalidity of such action on the grounds stated above not later than the 60th day following the date of his acquiring actual or constructive knowledge of such action.

(c)(1) A claim under subsection (b) shall be barred unless a complaint is filed prior to the expiration of such time limits in the United States Court of Appeals for the District of Columbia acting as a Special Court. Such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any such claim.

(2) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and such court shall render its decision relative to any claim within ninety days from the date such claim is brought unless such court determines that a longer period of time is required to satisfy requirements of the United States Constitution.".

By Mr. HATHAWAY:

S. 1441. A bill to amend the Housing and Community Development Act of 1974 to authorize communitywide public services as eligible community development activities; to the Committee on Banking, Housing and Urban Affairs.

HUMAN SERVICES AND THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Mr. HATHAWAY. Mr. President, I am pleased to introduce today a bill which if enacted would remedy an ongoing problem in the interpretation of the Housing and Community Development Act of 1974. That problem is the determination of appropriate eligibility standards to be applied to the funding of public service activities under title I of the 1974 act.

The uncertainty created by restrictive and constantly changing interpretations of eligible public service activities in HUD regulations has caused substantial difficulties for many local jurisdictions in attempting to allocate their CD funds.

CASE HISTORY OF PORTLAND, MAINE

This issue has been of particular concern to me because of the difficulties experienced last year by the city of Portland, Maine, in receiving approval from HUD officials for human services funding included in the proposed allocation of CD block grant funds by the Portland City Council. Ultimately, HUD did see fit to approve the relevant human services programs, but only after continued prodding.

I took an active role in this controversy and after repeated contact and correspondence with HUD officials ultimately received word from HUD that the city's proposals would be approved for the 1977 fiscal year.

It is, however, my understanding that the city is once again experiencing difficulty in obtaining approval from HUD for its allocation proposals, and that the controversy once again centers on its human service programs.

Mr. President, in order that my colleagues might be aware of the extent of this problem and the need for a more workable procedure, and a legislative solution, I ask unanimous consent that the correspondence be printed in the RECORD at this point:

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

SHALOM HOUSE,
March 1, 1976.

Senator WILLIAM D. HATHAWAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATHAWAY: In your letter to me on January 14, 1976, you felt that the new Community Development Act regulations would not affect our halfway house program.

May I call your attention to the Federal Register—Vol. 41, No. 12, Monday, January 19, page 2767, paragraph 570.201(3). Here, group homes and halfway houses are used as examples of ordinarily ineligible activities. This regulation seems too restrictive.

It is believed that we still may be eligible under paragraph 570.200(8) on the same page. Community Development Act funds make up only 6 percent of our budget while almost 40 percent of our residents come from those areas of the city being served by CDA funds.

I am writing not only as the Director of Shalom House but as a representative of the York-Cumberland Group Shelter Association. Many agencies of this Association will be seriously hurt by any cut in their CDA funds.

Can your staff help us with this problem or would it be better to let city officials try to work this out with the Department of Housing & Urban Development?

I am enclosing a brief description of Shalmon House and a list of the members of the Shelter Association. The figures beside seven of the agencies tell the amount of CDA money received last year. You can imagine the damage to human services in Portland and in the State if $170,000 was unavailable in 1976–77.

Thank you for your help.

Sincerely,

JOSEPH C. BRANNIGAN,
Director.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., Mar. 17, 1976.

Hon. WILLIAM D. HATHAWAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATHAWAY: Secretary Hills has asked me to respond to your letter of March 8, 1976, enclosing correspondence from Mr. Joseph C. Brannigan, Director, Shalom House, Portland, Maine.

On January 19 the Department published revised regulations governing the eligibility of activities under the community development block grant program. The revision expanded the listing of examples of facilities which cannot be constructed or rehabilitated with block grant funds and included the following sentence: "Examples of facilities which would ordinarily be ineligible are central social service facilities, sheltered workshops, group homes, and halfway houses." (Emphasis added.)

This addition to the regulations does not represent a change in our policy, but rather a clarification of what our policy has been all along. We had received numerous questions and requests for interpretation of the eligibility of sheltered workshops and similar facilities, and therefore concluded that the regulations should be expanded to clarify the matter.

The Housing and Community Development Act of 1974 does not specifically provide for the construction of the sheltered workshops; it does, however, authorize assistance for neighborhood facilities. Such a facility may be either multipurpose or single purpose in nature. Thus a sheltered workshop could be an eligible activity; provided, the facility served a particular neighborhood rather than the community at large. The pertinent test to determine eligibility, therefore, is whether the facility is a neighborhood facility or a communitywide facility.

In most instances, sheltered workshops and similar facilities are in fact communitywide and do not serve particular neighborhoods. That is why we use the term "ordinarily." A judgment would have to be made on a case-by-case basis, however, as to whether a particular facility is communitywide or neighborhood based.

Mr. Brannigan also mentioned Section 570.200(a)(8) of the regulations which governs the eligibility of public services. The Act establishes several conditions for the eligibility of public services, including: the public services must be not otherwise available in areas, or serve residents of areas, in which the recipient is undertaking block grant assisted activities; and the public service must be necessary or appropriate to support such other block grant assisted activities. The support requirement can be met either where the public service is in support of a single physical development activity (such as job training for area residents working on neighborhood rehabilitation programs), or where the public service is in support of a group of physical development activities in a given area (such as urban renewal type activities or concentrated code enforcement plus rehabilitation type activities).

On March 1, 1976, the Department published in the Federal Register a proposed revision to the block grant regulations which would have the effect of relaxing the support requirement stated above. A copy of the March 1 proposed regulation is enclosed. Unless and until the proposed regulation is published for effect, however, the present regulation remains in effect.

Please let me know if you have any further questions.

Sincerely,

DAVID O. MEEKER, Jr., FAIA, AIP,
Assistant Secretary.

U.S. SENATE,
Washington, D.C., March 25, 1976.
DAVID O. MEEKER, Jr., FAIA, AIP,
Assistant Secretary, Community Planning and Development, Department of Housing and Urban Development, Washington, D.C.

DEAR SECRETARY MEEKER: Thank you for your letter of March 17 in response to my inquiry in behalf of Mr. Joseph Brannigan, Director of Shalom House in Portland, Maine. I appreciate having the benefit of your interpretation of the January 19, 1976 regulations and the possible implications of the March 1, 1976 proposed regulations regarding eligible activities for community development block grants under Title I of the 1974 Housing and Community Development Act, P.L. 93-383.

Since Mr. Brannigan wrote to me, individuals representing a number of other institutions in the City of Portland have also been in contact with me regarding essentially the same problem. The Portland City Council is prepared to allocate its community development block grant monies to some of these institutions, but at this point it is unclear whether the applicable regulations would allow such an allocation.

The City has asked for and received a clarification from Mr. Joseph Garaffa of the HUD Regional Office in Manchester which indicates that many of these institutions will not be eligible unless they can demonstrate that they serve primarily residents in target neighborhoods and do not function as community-wide facilities. Mr. Garaffa's letter indicated that such a demonstration might require a showing that the institution in question had a clientele composed of 80 to 90 per cent of target neighborhood residents.

My office contacted Mr. Garaffa subsequently, and Mr. Garaffa was most helpful. He indicated he was willing to look at individual institutions and attempt to make a determination as to whether they met the applicable criteria of neighborhood institutions. He indicated he would consult with Washington officials regarding how to interpret the criteria of "principally serving" target area residents, but felt that it might be possible to deem an institution eligible if its clientele were comprised of at least 50 per cent area residents. It is my understanding that Tom Valleau, Community Development Director of the City of Portland will be supplying the information needed to Mr. Garaffa and that the case-by-case determinations will be made.

My office has likewise been in contact with Mr. Ken Williams of your Office of Field Support Staff to ask that every effort be made to coordinate the regional decision-making with the expressed Departmental Policy in this area. Mr. Williams was likewise cooperative and indicated he would look into the appropriate definition to be given "principally serving" in these instances.

I would like to share with you my thoughts on this problem and my opinion of the appropriate interpretation of Title I of the 1974 Act. It would appear that the January 19, 1976 regulations make an overly restrictive interpretation of eligible activities under the Community Development Act. I would interpret section 105(a)(8) to allow the funding of alcoholism centers, handicapped centers, halfway houses and other facilities so long as these institutions served residents of the area in a significant way. This section specifically states that institutions which are concerned with "the community's public services and facilities, including those concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, welfare, or recreational needs of persons residing in such areas" shall be eligible if deemed necessary or appropriate to support other Act-supported activities. The Conference Committee statement regarding this section makes clear that such activities will be deemed eligible if they "principally serve" residents of the area regardless of where the facilities themselves are located. The January 19 regulations, in deeming totally ineligible community-wide facilities, run counter to this expression of Congressional intent and if allowed to stand will serve to frustrate totally the effective use of community development funds in Portland and other cities and communities like it, both in Maine and across the country.

I was pleased to note in your recent letter that the March 1 proposed regulations may offer more leeway in this area. The comments accompanying these regulations state that HUD does not wish to overly restrict local decision making and impose requirements "which are inconsistent with the local decision-making focus of the legislation" and will allow a broader interpretation of eligible activities. I find this encouraging but would hope that the words "principally serving" would not be subjected to any absolute percentage requirement, whether 90 per cent, 80 per cent or even 50 per cent. It seems clear to me that Congress meant to facilitate the funding of any activity which served an important public service function to target area residents without regard to the extent to which such activities also fill the needs of residents of other areas, unless it were more practical to provide the service purely on a neighborhood basis.

A straight percentage requirement does not take into account these variables. The economics of scale of delivering these services require a certain minimum size lest public funds, local, state and federal, be squandered. Further, depending on the type of service provided, it may be impossible to achieve this minimum economical size by restricting participation either exclusively or principally to target area residents. Finally, the human factor of compassion requires that an open-door policy be maintained, and that residence not be an iron-clad condition of admittance.

In this regard, I would like to cite an example. One of the facilities in question is a handicapped center for young children. Last year over half its clientele were residents of the target area. This year, due to factors totally out of its control, less than half will reside in target areas. I would contend that unpredictable demographic cycles ought not to govern the funding or lack of funding of vital services.

The point is that this facility and others like it exists to serve the residents of target areas to the fullest extent that these residents require such services. More importantly, if these facilities are denied funding, there will be no other facilities remaining to meet the needs of target residents.

Taking all these factors into consideration, the City of Portland has come up with a realistic and practical approach to an admittedly complex problem. The City appears willing to extend community development money to an individual facility so long as the percentage of its total funding to be so provided by the city is less than or equal to the percentage of its clientele which resides in target areas. In this way the city is satisfied that the federal dollars are being appropriately allocated for the benefit of its own residents, to provide vital services which could not otherwise be appropriated. I believe Congress intended no more and certainly no less in enacting the Community Development Act of 1974.

I am enclosing a detailed breakdown of the facilities involved, with the percentages of clientele served and funding provided for your attention.

Best regards.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

COMMUNITY DEVELOPMENT—HUMAN SERVICES, PORTLAND, MAINE

2-YR REQUESTS WITH POTENTIAL FUNDING PROBLEMS

Program	Services provided	Percent of clients from target areas	Percent of CD 2d-yr funds to total
Serenity House	Provides residential care and a rehabilitation program for male alcoholics.	46	13
Shalom House	Provides residential living and a professional rehabilitation program to emotionally disturbed persons, average age 24 yr.	41	6
Day One	Provides drug-free rehabilitation services to drug-dependent clients (includes both residents and outpatient clients).	30	20
Fair Harbor	Provides temporary shelter for juvenile females, ages 7 to 17 yr.	32	28
Pharos House	Provides support and direction through residential care between confinement and the community to male offenders.	30	28
Little Brother	Provides residential care, within the community to juvenile boys, ages 13 to 17 yr.	33	29
St. Elizabeth's Day Care Center.	Provides developmental day-care services to children.	61	8
Health and Welfare Family Day Care.	do	51	3
Westside Group Day Care Home.	do	71	6
24-Hour Club	Provides shelter to low-income alcoholics, as well as detoxification services.	75	11
Community Alcoholism Services.	Provides outpatient alcoholism counseling, both individual and group, to alcoholic persons.	67	1
Leisure Center for the Handicapped.	The establishment of a potential capacity, among handicapped clients for social integration within the neighborhood and community.	52	39
Urban Adult Learning Center	Provides beginning level (grades 0 to 4), intermediate level (grades 5 to 8), or advanced level (grades 9 to 12) instruction to students enrolled.	55	30
BEFORE (cerebral palsy center).	Provides a preschool program for multiphysically handicapped children between the chronological and/or developmental ages of 2 and 5.	25	18
Ingraham volunteers	Provides a 24-hr hot-line service to the residents of Greater Portland who are in need of emergency help.	76	72

COMMUNITY DEVELOPMENT— HUMAN SERVICES, PORTLAND, MAINE—Continued

2-YR REQUESTS WITH POTENTIAL FUNDING PROBLEMS—Continued

Program	Services provided	Percent of clients from target areas	Percent of CD 2d-yr funds to total
Year-round work project	A very intense group work program for high-risk youth utilizing the community's recreational and educational resources and area residential campsites.	63	33
Abilities and goodwill adult day care.	Provides vocational evaluation, activities of daily living, recreation, and sheltered workshop training to mentally retarded adults in the severe range of mental retardation.	53	11

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Manchester, N.H., March 30, 1976.

Hon. WILLIAM D. HATHAWAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATHAWAY: We have received your letter of March 25, 1976, regarding the eligibility of city-wide public services programs in Portland, Maine.

We have informed Mr. Valleau that we will use "over 50 percent" as the measure of "principally serving" target area residents in the review of Portland's Community Development Application. We have further agreed that we will accept and review the detailed breakdowns of data concerning the facilities which will be submitted with their Community Development Application within the next few weeks.

We will continue to work closely with your office and with Mr. Valleau in Portland for the resolution of the entire public services eligibility question.

If there is any significant new information or change in policy in the near future, you may be assured that you will be promptly informed.

Sincerely,

CREELEY S. BUCHANAN,
Area Director.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., May 7, 1976.

Hon. WILLIAM D. HATHAWAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATHAWAY: Thank you for your letter of March 25 in which you very thoughtfully shared your views on the eligibility of a number of activities proposed to be carried out as a part of the Community Development Block Grant (CDBG) program in Portland, Maine. Your letter is a very timely one because we are now reviewing the public comments received in response to the proposed revisions to the block grant regulations published in the Federal Register on March 1. We will give most careful attention to your views and suggestions as we draft final regulations to be published for effect.

The City of Portland is contemplating funding a wide array of public services with second year block grant funds. Section 105 (a) (8) of the Housing and Community Development Act of 1974 authorizes the:

"Provision of public services not otherwise available in areas where other activities assisted under this title are being carried out in a concentrated manner, if such services are determined to be necessary or appropriate to support such other activities and if assistance in providing or securing such services under other applicable Federal laws or programs has been applied for and denied or not made available within a reasonable period of time, and if such services are directed toward (A) improving the community's public services and facilities, including those concerned with the employment, economic development, crime prevention, child care, health, drug abuse, education, welfare, or recreation needs of persons residing in such areas, and (B) coordinating public and private development programs; . . . ."

I have quoted the entire paragraph in order to emphasize the point that public services are eligible for block grant funding only if the activities meet a series of qualifications or tests, each of which is subject to definition and interpretation.

One point should be clarified at the outset, however. Correspondence between HUD and the City of Portland has generally used the words "facilities" and "services" interchangeably, when in fact there are differences. Construction of certain facilities that are communitywide in nature, such as senior centers and recreational facilities are eligible. A neighborhood facility must be neighborhood based, however, in order to be eligible. The eligibility of a public service is not dependent on the eligibility of the facility from which the service is provided.

The primary issue, however, is what is meant by the phrase "necessary or appropriate to support such other activities." In response to numerous case issues raised during the first year of the block grant program, a working definition was developed which is applicable under the regulations currently in effect. That definition establishes two basic means of meeting the support test.

First, the support test may be met where a public service is in direct support of a single physical development activity. An example of this is job training for area residents working on neighborhood rehabilitation projects.

Second, the support test may be met where a public service supports a group of physical development activities that could be construed to represent a comprehensive approach to physical development or improvement of an area. This test is satisfied by public services in support of urban renewal activities, or concentrated code enforcement plus rehabilitation activities.

While a final rule has not yet been established defining a support test, it is clear that there must at least be a close geographical or locational relationship between public services and physical development activities which are being carried out in a concentrated manner.

In addition, public services must principally serve residents of areas where other block grant funded activities are being carried out. We have not established an arbitrary percentage requirement for determining "principally serving," and do not intend to do so in the future either. "Principally serving" means substantially in excess of fifty percent; or to look at the converse side, nonresidential beneficiaries must be only incidental to the total number of beneficiaries.

We do not share your view that funding of public services "to an individual facility should be permitted" so long as the percentage of its total funding to be provided by the city is less than or equal to the percentage of its clientele which reside in target areas. The Act and its legislative history clearly require something more than a pro rata approach to public services. The fact that a high proportion of the clientele of a particular public service happens to reside in a target area is not sufficient to qualify a public srevice that is in fact a community-wide service.

We have received over eighty comments on the March 1 proposed revisions, including comments from members of the Senate Committee on Banking, Housing and Urban Affairs. The comments and suggestions vary widely and are all being given careful consideration. Consequently, I am unable to give you a definitive answer today on how the final regulations will ultimately read.

Until final regulations are promulgated, the regulations published on January 19, 1976, are applicable. Each of the public services being considered by the City of Portland must be viewed in light of either of the two support tests described above. Since we do not have a full application before us, we cannot make definitive judgments on the eligibility on each of Portland's proposed activities; that will be the responsibility of the Manchester Area Office.

I am also keenly aware that Portland and other cities are currently preparing their second year applications. We intend to proceed just as rapidly as possible to issue final regulations so that applicants may take any revisions into account in their second year planning.

I am most appreciative of your constructive suggestions for administering the block grant program.

Sincerely,

DAVID O. MEEKER, Jr. FAIA, AIP.,
Assistant Secretary.

U.S. SENATE,
Washington, D.C., May 10, 1976.

DAVID O. MEEKER, Jr., FAIA, AIP,
Assistant Secretary, Community Planning and Development, Department of Housing and Urban Development, Washington, D.C.

DEAR MR. MEEKER: Thank you for your letter of May 7 in which you describe the test for determining whether a service or facility is eligible for funding under the Community Development Block Grant Program (CDBG) under the January 19 regulations, particularly regarding the eligibility of certain activities in Portland.

As I indicated in my previous letter to you, I considered the March 1 proposed regulations to represent a more workable approach to this problem, and was disappointed to learn that these regulations are not yet in final form.

I was, however, particularly disturbed regarding the reference in your letter to the appropriate definition to be given the criterion of "principally serving" target area residents, the operative language present not only in the March 1 proposed regulations but also in the House-Senate Conference Report describing the legislative intent behind the 1974 Act. You indicate that " 'principally serving' means substantially in excess of fifty percent . . .".

I would call your attention to the enclosed letter dated March 30 from Mr. Creeley

Buchanan, Manchester Area Director which indicates city-wide public service programs will be considered eligible under the "principally serving" criterion if they serve "over 50 percent" target area residents. This interpretation has been corroborated by my office subsequently in contacts with Manchester officials, and city officials have received similar assurances.

Further, since the March 25 letter to which Mr. Buchanan refers is a copy of my letter of that same date to you, along with a cover letter, I took Mr. Buchanan's letter of March 30 to be an expression of policy of HUD as a whole regarding Portland's application. I felt this to be so, especially in light of your failure to respond to my March 25 letter until this time.

In any event I am disturbed over the apparent inconsistency between your most recent letter and Mr. Buchanan's letter, and trust that the latter is representative of the particularized policy to be applied to the City of Portland.

Best regards.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., May 26, 1976.

Hon. WILLIAM D. HATHAWAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATHAWAY: I am writing in response to your letter of May 10 regarding the community development block grant program in Portland, Maine. You expressed particular concern about our definition of public services "principally serving target area residents".

As I stated in my May 7 letter, the regulations which were published on January 19, 1976, are applicable until new regulations are published and effective. The January 19 regulations simply use the term "serving residents of areas." The word "principally" was first added in the proposed regulations published March 1 and will most likely be included in the revised regulations when they are published for effect.

Based on the present regulations, the interpretation offered by the Manchester Area Office that "over 50 percent" will be used as a standard, is an acceptable policy position and we will support it. It would not be acceptable, however, under the more stringent standard that we are currently developing. In that regard, it is our intention to set an effective date for the new regulations that would not require communities to revise applications that have already been submitted to HUD.

Your continued interest in the block grant program is appreciated.

Sincerely,

DAVID O. MEEKER, Jr., FAIA, AIP,
Assistant Secretary.

U.S. SENATE,
Washington, D.C., June 25, 1976.

DAVID O. MEEKER, JR. FAIA, AIP,
Assistant Secretary, Community Planning and Development, Department of Housing and Urban Development, Washington, D.C.

DEAR MR. MEEKER: Thank you for your letter of May 26 regarding the definition to be given "principally serving" target area residents in Portland, Maine for the purpose of determining eligibility of particular human services projects for Community Development Block Grants. I appreciate your clarification of this matter.

I was disappointed to note that a more stringent standard will be contained in the new regulations. In arguing against such a stringent standard, I would repeat the arguments contained in my letter of March 25.

While a high percentage requirement may be necessary in cities such as Boston, New York, and so on, in order to ensure that the funds appropriated reach the low income residents of target neighborhoods, such a stringent standard seems ill-advised for Portland and cities of similar size and structure. It simply is not feasible or economic to set up an outlet in Portland or other cities of similar size for disbursement of human services which arbitrarily restricts itself to a given geographical area.

I have been contacted by representatives of a number of these institutions who have informed me that, unless HUD adopts a more rational policy, they will in the future be forced to turn away non-residents of Portland, or will be tempted to keep Portland residents in their program longer than necessary to achieve a required percentage. I think you would agree that these measures would be ill-advised for the overall well-being of the programs in question and would represent a perversion of the original legislative intent in creating the Community Development Block Grants.

I would ask again that consideration be given to structuring a formula for determining whether the "principally serving" criterion is met which would take into account the population and income characteristics of the community in question and of surrounding communities. In this regard I would suggest that those communities which have a population of under 100,000 be subjected to a more lenient test, and that they be allowed to implement a proration test whereby a given facility could receive CD money if the percentage of overall funding for the facility in question was less than or equal to the percentage of target its total clientele comprised of target area residents.

In this way, with a variable test for large and small communities, the funds would not be abused and at the same time would reach those most in need of assistance.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., July 19, 1976.

Hon. WILLIAM D. HATHAWAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATHAWAY: I am writing in response to your letter of June 25, 1976, regarding the eligibility of public services under the community development block grant (CDBG) program. In particular, you have expressed concern about our definition of the term "principally serving" target area residents. Our different views are derived, I suspect, from a different perspective on the basic purposes of the CDBG program.

The Senate Report on the bill had this to say about public services:

"Provision of public services such as employment, crime prevention, child care, health, education, or recreation services when not available from other sources would be limited to areas where activities are being carried out in a concentrated manner and, in addition, would be limited to a maximum expenditure of twenty percent of the total grants received by the community development agency during any contract period . . . By limiting to twenty percent the amount of community development grants which may be expended on public service activities such as health and crime prevention, the Committee is reflecting its belief that community development funds should not be expended on programs which are primarily within the purview of agencies other than HUD . . . Specific percentage limitations were included in order to make clear the Congressional intent that community development funds be used chiefly for 'hardware' rather than 'software' activities . . ."

The House Report commented as follows:

"The bill does not permit communities to carry on any activity previously carried on under the model cities program, despite its consolidation into the block grant program. Instead, the bill would permit as an eligible activity the provision of health, social, counseling, economic development, training, and similar services necessary to support other approved activities assisted under this title."

"This language, while broad enough to encompass a wide range of so-called 'software' activities, is intended to restrict these activities to those that support what is essentially a physical development program. Examples of such activities would include job training for area residents working on neighborhood rehabilitation projects; counseling and health services for those served by neighborhood facilities and senior centers; and aid in establishing profit and nonprofit housing corporations to sponsor housing projects in the community . . .

"The Committee does not intend, however, to curtail any activity currently being carried on in a model cities program even if the activity is not related to other physical development activities being carried out under the block grant. The bills' restriction would apply to communities carrying on model cities programs only after completion of their fifth action years."

As is typical in such cases, compromises were made in the conference committee.

"The conference report contains the Senate provision with amendments (1) eliminating the twenty percent limitation; (2) making clear that such services need not be available in areas of concentrated activities so long as they principally serve residents of such areas; and (3) permitting grant funds to be used for such services only to the extent that Federal assistance is not otherwise available to the applicant."

One theme that runs through all the reports is that public services are clearly intended to be incidental to hardware activities, and that for public services to be eligible there must be a very close relationship between the "hardware" and the "software" activities. It is our view that public services that are citywide or countywide in nature do not meet either the letter or the spirit of the Act. Following publication of proposed revisions to the regulations on public services, Senators Proxmire and Brooke wrote to us as follows:

"We are seriously concerned that the shift from the existing language which emphasizes activities in support of other community development activities to language which relies solely on the location and the recipients of such services will result in the use of community development funds for activities which are not integrally related to the community's physical development program.

"The 1974 Senate bill strongly emphasized the idea that software activities could be funded with community development grants within concentrated community development areas after it was determined that other Federal funding was unavailable. Such activities were to be limited in scope and restricted to those which supported development efforts.

"We believe the Conferees, in adopting the Senate language, understood that software programs were included as eligible activities in order to support the community's physical development program, and not simply to provide additional funding for city services."

I have quoted rather extensively from the legislative history of the block grant program simply to emphasize the point that we have quite deliberately attempted to follow as closely as possible the expressed intention of the Congress in enacting this legislation.

As I stated in my letter of May 26, we do not intend to make the revised regulations effective until next fiscal year.

Sincerely,

DAVID O. MEEKER, Jr., FAIA, AIP,
Assistant Secretary.

U.S. SENATE,
Washington, D.C., August 25, 1976.
Senator WILLIAM PROXMIRE,
Chairman, Banking, Housing, and Urban Affairs Committee, Dirksen Office Building, Washington, D.C.

DEAR BILL: I am pleased to note that you have seen fit to hold oversight hearings concerning the Department of Housing and Urban Development's administration of the Community Development Block Grant program.

HUD's policies with regard to this program have been of particular concern to me and to a number of my constituents. I am especially concerned with the current eligibility standards applied to human service programs located in small metropolitan areas. I am enclosing a series of correspondence between myself, HUD officials, and interested parties in the State of Maine, and I request that all of this material be included in the record of this hearing.

I understand we may have some policy differences over how rigid the eligibility standards for human services programs ought to be. I would agree with you that we should insure that funds be earmarked for those truly in need and that firm steps should be taken to prohibit the utilization of Community Development funds for the building of tennis courts in more affluent suburbs.

At the same time, I think that the insistence on arbitrary percentage of figures of target area residents is insensitive to the economics and geography involved in the setting up of human services programs. A good example of this is found by examining the recent experience of the City of Portland in trying to fund human services programs approved by its city council as detailed in the attached correspondence. Apparently the difficulties have been worked out for the current year, but the situation looks bleak for next year unless there is a substantial change in policy.

I would suggest, as have the city officials, that HUD institute instead a policy which allows a local jurisdiction to fund a program if the percentage of the facility's funding provided via the block grant is less than or equal to the percentage of the facility's total clientele comprised of target area residents. In this way the city is assured that its own low income residents are directly assisted by the funds and the facility remains free to draw on clients from the surrounding geographical area.

Other possible alternatives might be to develop modified procedures for metropolitan areas of less than 100,000, for the pooling of Community Development funds between urban and rural areas to fund human service facilities which serve residents of both, or for the developing of averaging procedures which take into account a given city's total human service picture of the purposes of applying fixed percentages.

I would be happy to discuss with you further, or to assist in any legislative remedy you consider appropriate. I would be interested in hearing your views on this matter, particularly with regard to your position as quoted in Assistant Secretary Meeker's letter of July 19, 1976 in which he alludes to a letter received from Senator Brooke and you.

Best personal regards,
Sincerely,
WILLIAM D. HATHAWAY,
U.S. Senator.

Mr. HATHAWAY. Mr. President, my prior differences of opinion with HUD officials, which were ultimately resolved satisfactorily for the current fiscal year, but which continue to be a problem next year, involved the appropriate interpretation to the portion of the conference report quoted in Mr. Meeker's letter of July 19, 1976 to me. In order to focus on this issue properly and that my colleagues might be aware of the exact language we were fighting about, I ask unanimous consent that the statutory language of section 105(a)(8) be printed in the RECORD and subsequently the conference report explanation.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

COMMUNITY DEVELOPMENT PROGRAM ACTIVITIES ELIGIBLE FOR ASSISTANCE

SEC. 105. (a) A Community Development Program assisted under this title may include only—

* * * * *

(8) provision of public services not otherwise available in areas where other activities assisted under this title are being carried out in a concentrated manner, if such services are determined to be necessary or appropriate to support such other activities and if assistance in providing or securing such services under other applicable Federal laws or programs has been applied for and denied or not made available within a reasonable period of time, and if such services are directed toward (A) improving the community's public services and facilities, including those concerned with the employment, economic development, crime prevention, child care, health, drug abuse, education, welfare, or recreation needs of persons residing in such areas, and (B) coordinating and private development programs;

* * * * *

(8) The Senate bill contained a provision permitting the use of community development funds to finance *public services not otherwise available* in areas of concentrated activities if such services were directed toward (a) improving certain public services, and (b) coordinating public and private development programs; except that not more than 20 percent of a community's grant funds could be spent on providing such public services. The House amendment permitted the use of grant funds to provide health, social, counseling, training, economic development, and similar services necessary to support other community development activities.

The conference report contains the Senate provision with amendments (1) eliminating the 20 percent limitation; (2) making clear that such services need not be available *in* areas of concentrated activities so long as they principally *serve* residents of such areas; and (3) permitting grant funds to be used for such services only to the extent that Federal assistance is not otherwise available to the applicant. While the 20 percent limitation is not contained in the conference report, the conferees expect that not more than 20 percent of any community's grant will be used to finance such services.

Mr. HATHAWAY. Mr. President, as the previous correspondence indicates, the critical words for purposes of eligibility are "principally serve residents of such areas".

Unless these words are judiciously interpreted, consistent with a rule of reason, they could well create a contradictory situation where the best, the most economical, and the most necessary kinds of supportive human services are precluded from receiving funding from the community development block grant program.

In this regard, it is my view that the final regulations of the Department of Housing and Urban Development on this issue are potentially unreasonable and may not provide the kind of flexibility needed by Portland and other cities of its size in allocating Community Development funds. The relevant portion of this regulation, published in the September 1, 1976, Federal Register is as follows:

(1) Public Services must principally serve residents of those areas identified, by census tracts or enumeration districts, on the maps and in the Community Development Program submitted pursuant to 570.303(b) in which physical development activities are to be carried out with assistance provided under this Part. Such services must be directed toward meeting the needs of residents of such areas and funds available under this Part for such services may only incidentally be used to serve other residents of the applicant jurisdiction.

The last sentence of this portion of the regulation is the source of confusion and potential difficulty. It is my understanding that, on the basis of this sentence, officials of the city of Portland are being told by HUD officials that the prior standard that at least 50 percent of the clientele of each public service must reside in the target area is no longer acceptable. They are also being told that 60 percent will likewise be insufficient. To my knowledge, they have not yet learned what will be required, but apparently something more than 60 percent.

As indicated in the chart following my letter of March 25, 1976, this could result in virtually all of the projects funded last year being ineligible.

It seems to me that HUD is misreading its own regulation in reaching these conclusions and it is certainly giving a grossly restrictive and destructive interpretation to the legislative history of the 1974 Act.

The September 1, 1976 regulation does not dictate that the public service in question must only incidentally serve residents outside the target area. Rather, it says that the funds available to the service via the community development block grant may only incidentally be used for nontarget area residents.

In other words, the regulation on its face does not prohibit, and indeed appears to suggest the kind of allocation policy which the city of Portland City Council applied last year, and would like to apply once again this year. This policy is to fund a human services program otherwise meeting the criteria of the 1974 act if the percentage of the facility's funding via the block grant is less than or equal to the percentage of the facility's total clientele comprised of target area residents. In this way, both the city and the Federal Government is assured that the community development funding is being used on a strict cost-accounting basis to assist first and foremost target area residents. In fact, on an average cost basis, the funds are being used exclusively to that end.

The facilities in question succeed in principally serving target area residents in that they accept each and every such individual who needs their assistance. But they are not forced into the untenable and uneconomical position for a human services outlet of having to turn away deserving individuals who reside elsewhere, on the basis of a vague and misinterpreted bureaucratic rule. I am hopeful that this rule will again ultimately be interpreted reasonably. But in order that such a rule not permanently inhibit the providing of virtually important child care, health, drug abuse, education, and welfare programs, all specifically mentioned as eligible in section 105 (a) (8) of the 1974 act, I am proposing today legislation to amend that same section to stipulate that the proportional approach of comparing the level of funding with the level of target area residents will be a sufficient test of eligibility under the act.

In this regard, Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point in order that my colleagues might be aware of the precise language I have in mind.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 105(a) (8) of the Housing and Community Development Act of 1974 is amended by inserting immediately after "if such services are determined to be necessary or appropriate to support such other activities" the following: ", if in each such public service on an annual basis the per centum of individuals directly benefiting from such public service who are residents of such areas is greater than or equal to the per centum of total funds utilized in such public service which is comprised of assistance under this Act".

By Mr. HATHAWAY:

S. 1442. A bill to amend the Small Business Act and the Small Business Investment Act of 1958 to extend and increase loan and surety bond guarantee authorities, and for other purposes; to the Select Committee on Small Business.

SMALL BUSINESS ADMINISTRATION AUTHORIZATION ACT, 1978

Mr. HATHAWAY. Mr. President, today I am pleased to introduce the Small Business Administration fiscal year 1978 authorization bill. This authorization measure is especially important to small business which plays such a key role in the economy of our Nation.

There are over 13 million small businesses in the United States, and these businesses constitute 97 percent of all the business entities. Small business accounts for over half of all private employment, 43 percent of business output, and over one-third of the Gross National Product.

I am particularly pleased to introduce this bill in behalf of the Senate Select Committee on Small Business, and that it will be referred to this committee for consideration. This morning, I participated, along with the Senator from Connecticut (Mr. WEICKER), in a hearing of the committee at which Small Business Administrator Vernon Weaver testified regarding the authorization levels for SBA programs.

I cite these events because they are all activities which the Select Committee on Small Business would not have undertaken in the 94th Congress, or in any of the preceding Congresses in its 27-year life. Instead, the Committee on Banking, Housing, and Urban Affairs had direct legislative authority and authorization jurisdiction over the programs of the SBA.

This jurisdictional set-up was altered with the passage of Senate Resolution 104 in April of last year, which took effect at the beginning of this Congress. I was pleased to introduce that resolution and that it ultimately received the cosponsorship of over three-fourths of this body.

It is particularly gratifying that this organizational change is leading to substantive legislative improvements in SBA programs, of which this bill is a prime example.

A new approach to budgeting for the SBA is represented by this bill. Previously, authorizing committees simply increased loan program ceilings periodically. SBA would then decide how quickly it intended to lend the ceiling increase. The increase might be spent in 1 year or 2 or 3. The decision was entirely the SBA's.

This bill, however, sets program levels for the 1978 fiscal year alone and thereby sets targets and goals for such programs. For the first time, it establishes how much, and at what rate, the SBA will spend on business loans, handicapped assistance, disaster assistance, and all other lending functions. This process represents a major step toward responsible budgetary control of SBA's loan programs.

This bill also affirms the belief that SBA must be more than a lending agency. Specific line items are established for nonlending SBA programs such as management, technical, and procurement assistance, advocacy, and economic research. Mitchel Kobelinski, the past SBA Administrator, has said that he believes the SBA must do more than lend money. He told the Senate Small Business Committee that the SBA must deliver effective management help and that it must do a better job in advocating the interests and needs of small business within the Federal Government and around the Nation. So far, the level of the agency's funding requests for these nonlending programs indicate that the SBA may not be prepared to do much more than articulate its commitment.

This bill demonstrates an intention to act, as opposed to the SBA's apparent intention to do little more than talk. It earmarks funds for salaries and administrative expenses of the SBA to specific programs. It provides $30 million for management assistance with particular emphasis to be placed on training, counseling, and small business development centers. It provides sufficient funding to establish the beginnings of competent advocacy and economic research operations in the SBA.

The bill also provides increased funding for procurement assistance. As chairman of the Small Business Committee's Government Procurement Subcommittee, I am well aware of the importance of providing detailed assistance on procurement processes to individual small businesses, to insure that they benefit from procurement business opportunities. This bill would begin to provide that help by directing the SBA to employ more procurement officers in order to increase the number and total value of small business set-asides. It also sets as a priority for SBA's procurement office that it build a small business source data base to be used to widely expand the scope of SBA's business set-aside program.

The Administrator is already empowered under Section 8 (b) (2) et seq., of the Small Business Act to make a complete inventory of all productive facilities of small business concerns and to coordinate how these facilities might be best used in all procurement activities. But thus far, there is no definitive data base available which includes all potential small business Government contractors. If SBA is to increase the number and value of small business set-asides, as required by this bill, it seems clear this data must be gathered and disseminated to all relevant procurement agencies.

Also, in the procurement area, the bill includes a section which expresses the policy that priority should be given to the placing of set-asides within areas of substantial unemployment, or so-called labor surplus areas. This section includes language to allow for total set-asides of individual contracts to small business firms within such areas pursuant to Defense Manpower Policy Number 4.

In this regard, on April 25 of this year I introduced S. 1380 which is intended to achieve this same goal.

The bill also gives the Administrator additional authority to declare a given contractor as qualified to perform Government work under the certificate of competency program.

Further, the bill responds to a major complaint by small business people that they do not know what SBA programs do or how they can use them. To a large degree, SBA presently lends to the most persistent, who may not always be those most needing help. SBA should serve small business; SBA should not force eligible and deserving small businesses to run an obstacle course in order to gain needed assistance. Therefore, reasonable funding for public information is provided to inform small business people of what SBA programs do and how they can be used.

This bill is a blueprint for the development of a complete Small Business Administration. If we follow it, the SBA will become a full service agency, not just a lending body.

Mr. President, I, therefore, ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Administration Authorization Act, Fiscal Year 1978".

TITLE I—AUTHORIZATIONS AND LIMITATIONS

SEC. 101. Section 4(c) (1) of the Small Business Act is amended by striking out ", including administrative expenses in connection with such functions" following "(7)g of this Act" and by striking out ", including administrative expenses in connection with such functions" following "Small Business Investment Act of 1958".

(b) Section 4(c) (3) of such Act is amended by striking the last sentence.

(c) Section 4(c) (4) of such Act is repealed.

(d) Section 7(a) (8) of such Act is repealed.

(e) Section 7(g) (4) of such Act is repealed.

Sec. 102. Section 20 of the Small Business Act is amended to read as follows:

"Sec. 20. (a) The following program levels are authorized for fiscal year 1978:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $150,000,000 in direct loans, $15,000,000 in immediate participation loans, and $2,700,000,000 in deferred participation loans.

"(2) For the programs authorized by section 7(h) of this Act, the Administration is authorized to make $40,000,000 in direct and immediate participation loans and $20,000,000 in guaranteed loans.

"(3) For the programs authorized by section 7(i) of this Act, the Administration is authorized to make $60,000,000 in direct and immediate participation loans and $81,000,000 in guaranteed loans.

"(4) For the programs authorized by sections 501 and 502 of the Small Business Investment Act of 1958, the Administration is authorized to make $45,000,000 in direct and immediate participation loans and $41,000,000 in guaranteed loans.

"(5) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $20,000,000 in direct purchase of debentures and preferred securities and to make $180,000,000 in guarantees or debentures.

"(6) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,000,000,000.

"(7) For the programs authorized by sections 7(b) (3), 7(b) (4), 7(b) (5), 7(b) (6), 7 (b) (7), 7(b) (8), and 7(g) of this Act, the Administration is authorized to enter into $100,000,000 in direct loans and $100,000,000 in loan guarantees.

"(8) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $100,000,000.

"(9) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, except for administrative expenses, of sections 7(b) (1) and 7(b) (2) of this Act.

"(b) There are authorized to be appropriated to the Administration for fiscal year 1978 $909,700,000 to carry out the programs referred to in subsection (a). Of such sum $47,100,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958, $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958, and $171,000,000 shall be available for salaries and expenses of the Administration, of which amount—

"(1) $13,000,000 shall be available for procurement assistance, with priority given to developing a small business procurement source data base and to employing additional procurement officers to increase the number and total value of set-asides, including those under section 8(a) of this Act.

"(2) $30,000,000 shall be available for management assistance, with priority given to development of effective training programs and counseling services, and to development of small business development centers.

"(3) $3,000,000 shall be available for advocacy, with priority given to representing the interests of small business within the Federal Government and to developing a small business ombudsman function to help solve small business problems that are caused by programs, regulations, or general activities of the Federal government and of which no more than $60,000 can be used for the payment of travel and transportation of persons for the national, regional, and SBIC advisory council meetings.

"(4) $3,000,000 shall be available for research, with priority given to developing a small business economic data base and evaluating the required resources for a major small business economic research and analysis unit in the Administration and to undertake such economic research and analysis.

"(5) $1,000,000 shall be available for public communication functions, with priority given to informing small business people in detail about Administration programs and activities, and how they can be utilized.

"(6) $4,000,000 shall be available for the office of minority small business.

"(7) $2,000,000 shall be available for technical assistance programs with priority given to development of an effective small business technology transfer program.

"(8) $3,900,000 shall be available for data management with priority given to more effective and efficient utilization of existing data management resources of the Administration.

"(9) $13,000,000 shall be available for contingencies with priority given to operations of disaster loan programs and achieving any priorities listed in this section.

"(c) The Administrator with the concurrence of the Senate Select Committee on Small Business and the House Committee on Small Business, may transfer no more than 5 percentum of program levels for salaries and expenses authorized in subparagraphs 1 through 9 of section 20(b) of this Act.".

Sec. 103. Section 403 of the Small Business Investment Act of 1958 is amended to read as follows:

"Sec. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitations as a revolving fund for the purposes of section 401. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with secton 401, shall be deposited in the fund. All expenses, excluding administrative expenses, pursuant to operations of the Administrator under section 401 shall be paid from the fund.".

Sec. 104. Section 405 of the Small Business Investment Act of 1958 is amended to read as follows:

"Sec. 405. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitations as a revolving fund for the purpose of section 404. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with section 404 shall be deposited in the fund. All expenses and payments, excluding administrative expenses, pursuant to operations of the Administrator under section 404 shall be paid from the fund.".

Sec. 105. Section 412 of the Small Business Investment Act of 1958 is amended to read as follows:

"Sec. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with ths part, shall be deposited in the fund. All expenses and payments, excluding administrative expenses, pursuant to operations of the Administrator under this part shall be paid from the fund.".

Sec. 106. This title shall become effective on October 1, 1977.

TITLE II—MORATORIUMS

Sec. 201. Section 5 of the Small Business Act is amended by adding at the end thereof of the following new subsection:

"(f) (1) Subject to the requirements and conditions contained in this subsection, upon application by a small business concern which is the recipient of a loan made under this Act, the Administration may assume the small business concern's obligation to make the required payments under such loan or may suspend such obligation if the loan was a direct loan made by the Administration. While such payments are being made by the Administration pursuant to the assumption of such obligation or while such obligation is suspended, no such payment with respect to the loan may be required by the small business concern.

"(2) The Administration may assume or suspend for a period of not to exceed five years any small business concern's obligation under this subsection only if—

"(A) without the assumption or suspension of the obligation, the small business concern would, in the opinion of the Administration, become insolvent;

"(B) with the assumption or suspension of the obligation, the small business concern would, in the opinion of the Administration, remain a viable small business entity; and

"(C) the small business concern executes a satisfactory agreement in writing as provided by paragraph (4).

"(3) Notwithstanding the provisions of sections 7(a) (4) (C) and 7(i) (1) of this Act, the Administration may extend the maturity of any loan on which the Administration assumes or suspends the obligation pursuant to this subsection for a corresponding period of time.

"(4) (A) Prior to the assumption or suspension by the Administration of any small business concern's obligation under this subsection, the Administration, consistent with the purposes sought to be achieved herein, shall require the small business concern to agree in writing to repay to it the aggregate amount of the payments which were required under the loan during the period for which such obligation was assumed or suspended, either—

"(i) by periodic payments not less in amount or less frequently falling due than those which were due under the loan during such period, or

"(ii) pursuant to a repayment scehdule agreed upon by the Administration and the small business concern, or

"(iii) by a combination of the payments described in clause (i) and clause (ii).

"(B) In addition to requiring the small business concern to execute the agreement described in subparagraph (A), the Administration shall, prior to the assumption or suspension of the obligation, take such action, and require the small business concern to take such action, including the provision of such security as the Administration deems appropriate in the circumstances, as may be necessary or appropriate to insure that the rights and interests of the lender will be safeguarded adequately during and after the period in which such obligation is so assumed or suspended.

"(5) The term 'required payments' with respect to any loan means payments of principal and interest under the loan.".

Sec. 202. Section 4(c) of the Small Business Act is amended by inserting in clauses (1) (A) and (2) (A) thereof "5(f)", after the word "sections".

TITLE III—CERTIFICATE OF COMPETENCY

Sec. 301. Section 8(b) of the Small Business Act is amended by striking paragraph

(7) and by inserting in lieu thereof the following:

(7)(A) To certify to Government procurement officers, and officers engaged in the sale and disposal of Federal property, with respect to all elements of responsibility, including, but not limited to, capability, competency, capacity, credit, integrity, perseverance, and tenacity, of any small business concern or group of such concerns to receive and perform a specific Government contract. A Government procurement officer or an officer engaged in the sale and disposal of Federal property may not, for any reason specified in the preceding sentence, preclude any small business concern or group of such concerns from being awarded such contract without referring the matter for a final disposition to the Administration.

"(B) If a Government procurement officer finds that an otherwise qualified small business concern may be ineligible due to the provisions of section 35(a) of title 41, United States Code, of the Walsh-Healey Act, he shall notify the Administration in writing of such finding. The Administration shall review such finding and shall either dismiss it and certify the small business concern to be an eligible Government contractor for a specific Government contract or if it concurs in the finding, forward the matter to the Secretary of Labor for final disposition, in which case the Administration may certify the small business concern only if the Secretary of Labor finds the small business concern not to be in violation.

"(C) In any case in which a small business concern or group of such concerns has been certified by the Administration pursuant to (A) or (B) to be a responsible or eligible Government contractor as to a specific Government contract, the officers of the Government having procurement or property disposal powers are directed to accept such certification as conclusive, and shall let such Government contract to such concern or group of concerns without requiring it to meet any other requirement of responsibility or eligibility.".

TITLE IV.—PROCUREMENT ASSISTANCE

Sec. 401. Section 15 of the Small Business Act is amended as follows:

(1) by inserting "(a)" immediately after "Sec. 15.";

(2) by inserting immediately after "small business concerns within the meaning of this Act" the phrase ", including those public and private organizations and individuals eligible for assistance under section 7(h) of this Act,"; and

(3) by adding the following new subsections at the end of subsection (a):

"(b) For purposes of this Section, priority shall be given to the awarding of contracts and the placement of subcontracts to concerns which shall perform a substantial proportion of the production on those contracts and subcontracts within areas of concentrated unemployment or underemployment or within labor surplus areas. Notwithstanding any other provision of law, total labor surplus area set-asides pursuant to Defense Manpower Policy No. 4 (32A C.F.R. Part 8) shall be authorized if the secretary or head of the appropriate department or agency specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices.

"(c) In carrying out labor surplus areas and small business set-aside programs, departments, agencies, and instrumentalities of the executive branch shall award contarcts, and encourage the placement of subcontracts for procurement to the following in the manner and in the order stated:

"(1) Concerns which are located in labor surplus areas, and which are also small business concerns, on the basis of a total set-aside.

"(2) Concerns which are small business concerns, on the basis of a total set-aside.

"(3) Concerns which are small business concerns, on the basis of a partial set-aside.

"(4) Concerns which are located in labor surplus areas on the basis of total set-aside."

ADDITIONAL COSPONSORS

S. 21

At the request of Mr. Domenici, the Senator from Nevada (Mr. Laxalt) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 21, to amend the Occupational Safety and Health Act.

S. 208

At the request of Mr. Williams, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 208, the National Mass Transportation Assistance Act of 1977.

S. 1194

At the request of Mr. Church, the Senator from Montana (Mr. Melcher) was added as a cosponsor of S. 1194, to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act.

S. 1243

At the request of Mr. Church, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 1243, to amend title II of the Social Security Act.

S. 1324

At the request of Mr. Robert C. Byrd, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 1324, to amend the Regional Railway Reorganization Act.

S. 1380

At the request of Mr. Hathaway, the Senator from Michigan (Mr. Griffin) was added as a cosponsor of S. 1380, to amend the Department of Defense Appropriation Act, 1977 to authorize labor surplus area and small business set-aside programs, and for other purposes.

S. 1392

At the request of Mr. Ribicoff, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of S. 1392, to strengthen and improve the early periodic screening, diagnosis, and treatment program.

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. Weicker, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of Senate Concurrent Resolution 15, to reduce the risk of chemical warfare.

AMENDMENT NO. 123

At the request of Mr. Nelson, the Senator from Kentucky (Mr. Ford), the Senator from South Dakota (Mr. McGovern), the Senator from Oregon (Mr. Hatfield), the Senator from Montana (Mr. Melcher), the Senator from Connecticut (Mr. Ribicoff), the Senator from Alaska (Mr. Gravel), the Senator from Hawaii (Mr. Matsunaga), the Senator from California (Mr. Cranston), and the Senator from New Jersey (Mr. Case) were added as cosponsors of amendment No. 123, intended to be proposed to H.R. 4876, making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes.

AMENDMENT NO. 190

At the request of Mr. Church, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of amendment No. 190, proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

AMENDMENT NO. 207

At the request of Mr. Proxmire, the Senator from Pennsylvania (Mr. Heinz), the Senator from Illinois (Mr. Percy), the Senator from Oregon (Mr. Packwood), and the Senator from Idaho (Mr. Church) were added as cosponsors of amendment No. 207, the first budget resolution.

SENATE RESOLUTION 161—ORIGINAL RESOLUTION AUTHORIZING ADDITIONAL COMMITTEE EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. RIBICOFF, from the Committee on Governmental Affairs, reported the following original resolution:

S. Res. 161

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Governmental Affairs, or any subcommittee thereof, is authorized from July 1, 1977 through February 28, 1978, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The Committee on Governmental Affairs, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, to expend not to exceed $2,783,198 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

Sec. 3. Not to exceed $214,000 shall be available for a study or investigation of—

(1) Except as provided in the Congressional Budget Act of 1974, budget and accounting measures, other than appropriations;

(2) Organization and reorganization of the executive branch of the Government;

(3) Intergovernmental relations;

(4) Government information;

(5) Municipal affairs of the District of Columbia, except appropriations therefor;

(6) Federal Civil Service;

(7) Status of officers and employees of the United States, including their classification, compensation, and benefits;

(8) Postal service;

(9) Census and collection of statistics, including economic and social statistics;

(10) Archives of the United States;

(11) Organization and management of United States nuclear export policy;

(12) Congressional organization, except for any part of the matter that amends the rules or orders of the Senate.

Such committee shall have the duty of—

(A) receiving and examining reports of the Comptroller General of the United States and of submitting such recommendations to the Senate as it deems necessary or desirable in connection with the subject matter of such reports;

(B) studying the efficiency, economy, and effectiveness of all agencies and departments of the Government;

(C) evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government;

(D) studying the intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member;

of which amount not to exceed $6,667 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 4. Not to exceed $116,000 shall be available for the continuation of the study authorized under S. Res. 71, Ninety-fourth Congress, agreed to July 26 (legislative day, July 21), 1975, of which amount not to exceed $3,328 may be expended for the procurement of consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 5. (a) Not to exceed $866,532 shall be available for a study or investigation of—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the laws of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and longstanding causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquillity within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies;

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government;

of which amount not to exceed $13,334 may be expended for the procurement of the services of individual consultants or organizations thereof.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from July 1, 1977, through February 28, 1978, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and document, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

SEC. 6. Not to exceed $306,200 shall be available for a study or investigation of intergovernmental relationships between the United States and the States and municipalities, including the fiscal interrelationship between the Federal Government and State and local governments and the manner in which Federal assistance is disbursed to State and local governments, and including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86–380, approved by the President on September 24, 1959, as amended by Public Law 89–733, approved by the President on November 2, 1966; of which amount not to exceed $10,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

SEC. 7. Not to exceed $234,000 shall be available for a study or investigation of the efficiency and economy of operations of the Federal Government with respect to—

(1) policies, procedures, and activities affecting—

(A) the accounting, financial reporting, and auditing of government obligations and expenditures;

(B) the oversight of Federal agency and program performance and effectiveness;

(C) the development and effectiveness of fiscal, budgetary, and program information systems and controls; and

(D) the development and improvement of management capability and efficiency;

(2) policies, procedures, and activities affecting—

(A) preparation and submission of Federal regulatory agency budgets to Congress; and

(B) data collection and dissemination by Federal regulatory agencies; and

(3) review and evaluation of procedures and legislation with respect to Federal advisory committees, Federal reports, questionnaires, interrogatories;

of which amount not to exceed $10,000 may be expended for the procurement of services of individual consultants or organizations thereof.

SEC. 8. Not to exceed $306,000 shall be available for a study or investigation of the efficiency of matters relating to Federal Government programs and operations, and the Municipal affairs of the District of Columbia,

SEC. 9. Not to exceed $229,000 shall be

available for a study or investigation of the efficiency and economy of operations of all branches of the Government with respect to—

(1) Federal spending practices, particularly Federal procurement, and the laws, regulations, and procedures governing Federal contracts, grants, transfer payments, and other spending arrangements; the Office of Federal Procurement Policy and other executive branch organizations responsible for Federal spending practices;

(2) the efficiency and economy of Federal spending practices, as applied and used to meet agency statutory charters, and program objectives, including the development of methods and procedures to effectively oversee the operations of the Executive Branch;

(3) all measures relating to the open public conduct of the meetings of all branches of the Government; and

(4) the evaluation of efforts to reduce the volume of Federal paperwork;

of which amount not to exceed $7,254 may be expended for the procurement of the services of individual consultants or organizations thereof.

SEC. 10. Not to exceed $283,884 shall be available for a study of operations of the Federal Government with respect to—

(1) government planning;

(2) national productivity, quality of working life, and materials shortages;

(3) organization and management of science and technology matters, including U.S. participation in International Organizations related to such matters;

(4) oversight and organization of energy matters, including nuclear proliferation;

(5) government research;

(6) organization and management of Federal postal services, and;

(7) the census, collection of statistics and analysis of statistical surveys and data;

of which amount not to exceed $4,000 may be expended for the procurement of services of individual consultants or organizations thereof.

SEC. 11. Not to exceed $227,582 shall be available for a study or investigation of the economy, efficiency, and productivity of the operations of the Federal Government with respect to—

(1) the development of methods by which Federal programs may be effectively reviewed and analyzed;

(2) the utilization and disposal of Federal property and administrative services, including the management of Federal records and archives;

(3) the Federal Civil Service, including civil service retirement and employment benefits and matters dealing with the collective bargaining rights of Government employees; and

(4) the status of officers and employees of the United States, including their classifications and benefits;

of which amount not to exceed $4,000 may be expended for the procurement of services of individual consultants or organizations thereof.

SEC. 12. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 13. Expenses of the committee under this resolution, which shall not exceed in the aggregate $2,783,198 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that such vouchers shall not be required for this disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

CONGRESSIONAL BUDGET, 1978—SENATE CONCURRENT RESOLUTION 19

AMENDMENT NO. 249

(Ordered to be printed and to lie on the table.)

Mr. JAVITS (for himself and Mr. HUMPHREY) submitted an amendment intended to be proposed by them jointly to the concurrent resolution (S. Con. Res. 19) setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

NOTICE OF HEARINGS

NOMINATION HEARING

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on the nomination of Mr. Lester A. Fettig, of Springfield, Va., to be Administrator of the Office of Federal Procurement Policy in the Executive Office of the President, on Thursday, May 5, 1977. The hearing will begin at 9:30 a.m. in room 1224, Dirksen Senate Office Building.

ADDITONAL STATEMENTS

TWENTY-TWO YEARS IS LONG ENOUGH

Mr. GRIFFIN. Mr. President, when my current term expires I shall have served 22 years in the Congress, 10 years in the House of Representatives and 12 years in the Senate.

I think that is long enough, and I have decided not to run again.

Hopefully, there will be enough years left to do some of the things that the pressures of Senate life have precluded.

I would like to become better acquainted with my family; and all of us would like to spend a lot more time at our home in Traverse City.

I shall not retire. There are no definite plans, but I think I would like to do some writing, perhaps some teaching, and I may return to the practice of law.

I decided to make this announcement early in "the season" in order to be as fair as possible to those who may wish to run for this office. As I have learned, it takes a lot of time to get organized for such a campaign.

Of course, I hope that a Republican will be elected to succeed me. But I shall not try to handpick a successor.

While no Republican statewide candidate ever has an easy time in Michigan, I do believe that the outlook for my party in 1978 looks promising. If past patterns are indicative, the party out of power should make gains in the next congressional election. And Michigan Republicans are fortunate to have a number of outstanding potential candidates.

Needless to say, I have reached this decision and make this announcement with mixed emotions. The years spent here have often been frustrating—but they have also been challenging, exciting and satisfying. After serving so long in Congress, I know I shall miss the institution and my colleagues.

Even though I shall not be a candidate, of course, I shall continue throughout the remainder of my term to represent the people of Michigan as vigorously and effectively as I know how.

Since 1956, I have stood for election to Congress seven times, twice for the Senate and five times for the House. Each time the people of Michigan have been very good to me. I shall always be grateful to them for the opportunities they gave me to serve.

FORTIETH ANNIVERSARY OF TOWN HALL OF CALIFORNIA

Mr. HUMPHREY. Mr. President, some time ago I had the pleasure of speaking before a unique organization in Los Angeles, the Town Hall of California.

For 40 years Town Hall has served as a meeting place for concerned citizens and as a platform for the presentation of various viewpoints by leaders in Government, management, labor, education, and the professions. This group is recognized as a highly important public forum in southern California.

On the occasion of Town Hall's 40th year of service, I want to salute this group for its invaluable service to the citizens of southern California and the Nation and to wish it continued success in the years to come.

THE GENOCIDE CONVENTION: A NOBLE TREATY

Mr. PROXMIRE. Mr. President, once again I would like to discuss the Genocide Convention and to express my dismay at the Senate's failure to ratify the treaty. I am unable to understand the reluctance of this body to affirm the basic human right to life. Although some of my Senate colleagues have criticized the convention, I have yet to hear a valid reason for dismissing the treaty,

Certainly, if we all look objectively at the treaty, we see that the convention is a noble and vital document upholding the dignity and rights of all people. There is no reason whatsoever for not ratifying the Genocide Convention. In fact, our failure to do so is an embarrassment. 82 other countries have seen the value of the treaty and have shown good sense and proper judgment in ratifying it.

Our failure to ratify the Genocide Convention is especially disappointing in light of the support it has received in this country. President Carter has strongly endorsed the treaty. The American Bar Association and the Senate Foreign Relations Committee have likewise approved it. Fifty-three national citizens' organizations representing over 100 million members, and countless other individual Americans want the Genocide Convention ratified. It is not fair or logical for the Senate to hold off on this issue anymore. Mr. President, we must ratify the Genocide Convention now.

HUMAN RIGHTS AND FOREIGN POLICY

Mr. TALMADGE. Mr. President, the U.S. Secretary of State addressed Law Day ceremonies at the University of Georgia Law School last Saturday on "Human Rights and Foreign Policy."

Secretary Vance delivered a very timely and thoughtful address on the determination of the Carter administration to make the advancement of human rights throughout the world a central part of U.S. foreign policy.

The University of Georgia was honored to have the Secretary of State deliver the Law Day message, and I commend his address to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS AND FOREIGN POLICY

(By the Honorable Cyrus Vance)

Dean Beaird, students, faculty and alumni of the University of Georgia Law School, distinguished guests: I am delighted to be here with you on Law Day. And I am honored by the presence of my friend Dean Rusk, a distinguished member of your faculty.

I speak today about the resolve of this Administration to make the advancement of human rights a central part of our foreign policy.

Many here today have long been advocates of human rights wtihin our own society. And throughout our nation that struggle for civil rights continues.

In the early years of our civil rights movement, many Americans treated the issue as a "Southern" problem. They were wrong. It was and is a problem for all of us. Now, as a nation, we must not make a comparable mistake. Protection of human rights is a challenge for all countries, not just for a few.

Our human rights policy must be understood in order to be effective. So today I want to set forth the substance of that policy, and the results we hope to achieve.

Our concern for human rights is built upon ancient values. It looks with hope to a world in which liberty is not just a great cause, but the common condition. In the past, it may have seemed sufficient to put our name to international documents that spoke loftily of human rights. That is not enough. We will go to work, alongside other people and governments to protect and enhance the dignity of the individual.

Let me define what we mean by "human rights."

First, there is the right to be free from governmental violation of the integrity of the person. Such violations include torture; cruel, inhumane or degrading treatment or punishment; and arbitrary arrest or imprisonment. And they include denial of fair public trial, and invasion of the home.

Second, there is the right to the fulfillment of such vital needs as food, shelter, health care and education. We recognize that the fulfillment of this right will depend, in part, upon the stage of a nation's economic development. But we also know that this right can be violated by a government's action or inaction—for example, through corrupt official processes which divert resources to an elite at the expense of the needy, or through indifference to the plight of the poor.

Third, there is the right to enjoy civil and political liberties—freedom of thought; of religion; of assembly; freedom of speech; freedom of the press; freedom of movement both within and outside one's own country; freedom to take part in government.

Our policy is to promote all these rights. They are all recognized in the Universal Declaration of Human Rights, a basic document which the United States helped fashion and which the United Nations approved in 1948. There may be disagreement on the priorities these rights deserve. But I believe that, with work, all of these rights can become complementary and mutually reinforcing.

The philosophy of our human rights policy is revolutionary in the intellectual sense, reflecting our nation's origin and progressive values. As Archibald MacLeish wrote during our Bicentenntial a year ago, "The cause of human liberty is now the one great revolutionary cause. . . ."

President Carter put it this way in his speech before the United Nations:

". . . All the signatories of the UN Charter have pledged themselves to observe and to respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world. . . ."

Since 1945, international practice has confirmed that a nation's obligation to respect human rights is a matter of concern in international law.

Our obligation under the United Nations Charter is written into our own legislation. For example, our Foreign Assistance Act now reads: "a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries."

In these ways, our policy is in keeping with our tradition, our international obligations and our laws.

In pursuing a human rights policy, we must always keep in mind the limits of our power and of our wisdom. A sure formula for defeat of our goals would be a rigid, hubristic attempt to impose our values on others. A doctrinaire plan of action would be as damaging as indifference.

We must be realistic. Our country can only achieve our objectives if we shape what we do to the case at hand. In each instance, we will consider these questions as we determine whether and how to act:

1. First, we will ask ourselves, what is the nature of the case that confronts us? For example,

What kind of violations or deprivations are there? What is their extent?

Is there a pattern to the violations? If so, is the trend toward concern for human rights or away from it?

What is the degree of control and responsibility of the government involved?

And, finally, is the government willing to permit independent, outside investigation?

2. A second set of questions concerns the prospects for effective action:

Will our action be useful in promoting the overall cause of human rights?

Will it actually improve the specific conditions at hand? Or will it be likely to make things worse instead?

Is the country involved receptive to our interest and efforts?

Will others work with us, including official and private international organizations dedicated to furthering human rights?

Finally, does our sense of values and decency demand that we speak out or take action anyway, even though there is only a remote chance of making our influence felt?

3. We will ask a third set of questions in order to maintain a sense of perspective:

Have we steered away from the self-righteous and strident, remembering that our own record is not unblemished?

Have we been sensitive to genuine security interests, realizing that outbreak of armed conflict or terrorism could in itself pose a serious threat to human rights?

Have we consedered all the rights at stake? If, for instance, we reduce aid to a government which violates the political rights of its citizens, do we not risk penalizing the hungry and poor, who bear no responsibility for the abuses of their government?

If we are determined to act, the means available range from quiet diplomacy in its many forms, through public pronouncements, to withholding of assistance. Whenever possible, we will use positive steps of encouragement and inducement. Our strong support will go to countries that are working to improve the human condition. We will always try to act in concert with other countries, through international bodies.

In the end, a decision whether and how to act in the cause of human rights is a matter for informed and careful judgment. No mechanistic formula produces an automatic answer.

It is not our purpose to intervene in the internal affairs of other countries, but as the President has emphasized, no member of the United Nations can claim that violation of internationally protected human rights is solely its own affair. It is our purpose to shape our policies in accord with our beliefs, and to state them without stridency or apology, when we think it is desirable to do so.

Our policy is to be applied within our own society as well as abroad. We welcome constructive criticism, at the same time as we offer it.

No one should suppose that we are working in a vacuum. We place great weight on joining with others in the cause of human rights.

The United Nations system is central to this cooperative endeavor. That is why the President stressed the pursuit of human rights in his speech before the General Assembly last month. That is why he is calling for United States ratification of four important human rights covenants and conventions, and why we are trying to strengthen the human rights machinery within the United Nations.

And that is an important reason why we have moved to comply with United Nations sanctions against Rhodesia. In one of our first acts, this Administration sought and achieved repeal of the Byrd Amendment, which had placed us in violation of these sanctions and thus in violation of international law. We are supporting other diplomatic efforts within the United Nations to promote basic civil and political rights in Namibia and throughout southern Africa.

Regional organizations also play a central role in promoting human rights. The President has announced that the United States will sign and seek Senate approval of the American Convention on Human Rights. We will continue to work to strengthen the machinery of the Inter-American Commission on Human Rights. This will include efforts to schedule regular visits to all members of the Organization of American States, annual debates on human rights conditions, and the expansion of the inter-American educational program on human rights.

The United States is seeking increased consultation with other nations for joint programs on economic assistance and more general efforts to promote human rights. We are working to assure that our efforts reach out to all, with particular sensitivity to the problems of women.

We will meet in Belgrade later this year to review implementation of the Final Act of the Conference on Security and Cooperation in Europe—the so-called Helsinki Conference. We will take this occasion to work for progress there on important human issues: family reunification, binational marriages, travel for personal and professional reasons, and freer access to information.

The United States looks to use of economic assistance—whether bilateral or through international financial institutions—as a means to foster basic human rights.

We have proposed a 20% increase in United States foreign economic assistance for Fiscal Year 1978.

We are expanding the program of the Agency for International Development for "New Initiatives in Human Rights" as a complement to present efforts to get the benefits of our aid to those most in need abroad.

The programs of the United States Information Agency and the State Department's Bureau of Educational and Cultural Affairs stress support for law in society, a free press, freedom of communication, an open educational system, and respect for ethnic diversity.

This Administration's human rights policy has been framed in collaboration and consultation with Congress and private organizations. We have taken steps to assure first hand contact, consultation and observation when members of Congress travel abroad to review human rights conditions.

We are implementing current laws that bring human rights considerations directly into our decisions in several international financial institutions. At the same time, we are working with the Congress to find the most effective way to fulfill our parallel commitment to international cooperation in economic development.

In accordance with human rights provisions of legislation governing our security assistance programs, we recently announced cuts in military aid to several countries.

Outside the government, there is much that can be done. We welcome the efforts of individual American citizens and private organizations—such as religious, humanitarian and professional groups—to work for human rights with commitments of time, money, and compassion.

All these initiatives to further human rights abroad would have a hollow ring if we were not prepared to improve our own performance at home. So we have removed all restrictions on our citizens' travel abroad, and are proceeding with plans to liberalize our visa policies.

We support legislation and administrative action to expand our refugee and asylum policies, and to permit more victims of repressive regimes to enter the United States. During this last year, the United States spent some $475 million on assistance to refugees around the world and we accepted 31,000 refugees for permanent resettlement in this country.

What results can we expect from all these efforts?

We may justifiably seek a rapid end to such gross violations as those cited in our law: "torture, or cruel inhuman or degrading treatment or punishment, or prolonged detention without charges. . . ." Just last week our ambassador at the United Nations, Andrew Young, suggested a series of new ways to confront the practice of torture around the world.

The promotion of other human rights is a broader challenge. The results may be slower in coming but are no less worth pursuing, and we intend to let other countries know where we stand.

We recognize that many nations of the world are organized on authoritarian rather than democratic principles—some large and powerful, others struggling to raise the lives of their people above bare subsistence levels. We can nourish no illusions that a call to the banner of human rights will bring sudden transformations in authoritarian societies.

We are embarked on a long journey. But our faith in the dignity of the individual encourages us to believe that people in every society, according to their own traditions, will in time give their own expression to this fundamental aspiration.

Our belief is strengthened by the way the Helsinki principles and the UN Declaration of Human Rights have found resonance in the hearts of people of many countries. Our task is to sustain this faith, by our example and our encouragement.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD notification I have just received.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 28, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 77-27, concerning the Department of the Air Force's proposed Letter of Offer to Sudan for major defense equipment as defined in the International Traffic in Arms Regulations (ITAR) estimated to cost $50.0 million and support costs of $24.4 million for a total estimated cost of $74.4 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77-27—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Sudan.

(ii) Total estimated value:

[In millions]

Major defense equipment*	$50.0
Other	24.4
Total	74.4

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered:

Six (6) C-130 aircraft, six (6) spare engines, ground support equipment, technical assistance, training and two years spare parts.

(iv) Military department: Air Force.

(v) Sales commission, fee, etc., paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 29, 1977.

DECISIONMAKING BY OUR RURAL COMMUNITIES

Mr. HUMPHREY. Mr. President, rural life is a unique cultural entity in our society. Preserving and furthering its contribution to our national heritage is an important task.

Dr. Ann Ackourey, the executive vice president of Cumberland College in Lebanon, Tenn., provided some interesting and provocative thoughts on this subject in a recent address, entitled "How to Facilitate Decisionmaking in the Rural Community."

Mr. President, I ask unanimous consent that the text of Dr. Ackourey's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[An address delivered to the Conference on the Committee for the Humanities, an affiliate of the National Endowment for the Humanities]

HOW TO FACILITATE DECISIONMAKING IN THE RURAL COMMUNITY

(By Dr. Ann Ackourey)

A French statesman and political philosopher, Alexis de Tocqueville, who did much travelling in our country in the 1820's, had a few things to say about our democracy and decisionmaking, an aspect of our topic for today. So did Henry David Thoreau who actually lived an experiment in solitary homesteading. In a less serious way, Mark Twain's autobiographical account of growing up in the mid-nineteenth century contributed toward an understanding of development on the rural scene. And there was Hamlin Garland's "A Son of the Middle Border" which gave us a good description of growing up on a farm in Iowa when the mechanization of agriculture was just beginning.

From what we read and from reports from our ancestors, rural life in those days meant a log house with a single window and muslin curtain, a hearth burning with an immense fire, a good rifle, a deerskin, a Bible, a few books by Milton, some of Shakespeare's plays, and some newspapers. By the side of the hearth we would more than likely have found a woman with a baby on her lap. Her whole countenance would have indicated marks of resignation, a deep quiet of all passions, and some type of determination to meet all ills of life without fear. The house was itself a little world in which decisionmaking was: of—by—and for those who came and went into that vital unit.

The atmosphere was one depicted by Thoreau on the shore of Walden Pond in Concord, Massachusetts, where he cut and hewed the timber and not having many scholar-like thoughts sang to himself:

Men say they know many things; but lo! they have taken wings,—
The arts and sciences,
And a thousand appliances; the wind that blows in all that anybody knows.

He, like some other rural inhabitants of the day, was not concerned about making decisions related to the issues of the day. They maintained themselves by the labor of their hands and by working about six weeks a year, they could meet all the expenses of living. Why—do you know, Thoreau spent a total of $8.74 for food for an 8-month period not counting the potatoes, corn, and peas that he raised?

Well, industrializiation came along and sprouted all over New England. Many roads called "turnpikes" were constructed. The word, turnpike, incidentally, was derived from the large turnstile made of two timbers that the toll collector rotated on a post to allow a wagon to pass. Hugh Auchincloss, a forefather of Hugh D., stepfather of Jacqueline Kennedy Onassis, drove a mule team and wagon as the thousands of miles of turnpikes were built, and later rose to affluence.

In one respect the rural American differs from those of bygone days as well as from people all over the world living in rural areas. He or she is not a village dweller. In India, for example, about three-quarters of the population lives in the traditional farm village. The European village concept might have been transplanted to America, and for a time in New England the farmers clustered together as protection against the Indians. Except for places such as the Mormon settlements in Utah, the Amish traditions in Pennsylvania, and the village culture of the Spanish-speaking group in the Southwest, the way of life for the rural American has changed.

Today, in order to survive, the rural inhabitant has to make some hard and fast decisions. The standardizing forces of American culture have entered in to hasten the process: the automobile, the radio, the television, the movies—all of these have brought him and her out of isolation. Some decisions are extrinsically easy to make—such as to shop and trade less in the rural village and more in the industrial center where one can find spare parts for machinery and the newest fashions for the family. The one-room schoolhouse has become a consolidated school located in the trade center to which the children ride on a school bus. Crops are price supported by the Federal Government, and in raising them the farmer gets assistance from government technicians. But the work of a farmer is still hard, heavy work, and the risks of weather and market fluctuations are still real facts.

And to add to that, the rural population once custom bound has witnessed a steady movement away from the land. Our farmer's daughter who has been to the university moved to the town or city for marriage and a career—the farmer's son who has gone to an agricultural college sometimes stays to manage the farm—sometimes is attracted to city life. Another trend that we have seen and are experiencing is that of a person with a career in the city who likes to farm as a supplementary way of life—much like the English gentleman of the 18th and 19th centuries.

With standing all these developments, however, is the intensity for provincial independence and the necessity to make decisions that will preserve this character of our country. People have done it in various ways. Take, for example, the New England towns in which three Selectmen, as they are called, govern. They devise the annual budget to which all citizens are invited to decide upon it, item by item. Perhaps we need to revive the town meeting concept in the rural community as the tap spring of spirit and cultural strength. As we recall, there were few leaders of our country from Lincoln and Grant to Truman and Eisenhower and now Carter who were not products of small-town culture.

How do we go about preserving and progressing toward the maintenance of a contributing cultural entity in our society—rural life? The types of decisions we make will be the crux. First of all we have to ask ourselves:

1. What do we want to accomplish in our rural communities that we could not accomplish in any other type of community?

2. What strategies or methods will help us best to accomplish our objectives?

3. What means of assessment will we use to determine the progress of reaching our purposes?

Involvement is the key to the success of our decisions along these lines. Contacts with people versed in the humanities or the people who have studied some of the answers will provide insights from history and literature or other disciplines. The humanities person may reside on a college or university campus, may work in an office in the village, or be a resident on a farm. Everyone coming together to examine the values of the culture can crystallize the human dimensions and implications of public policy decisions. Whether it be an examination of land use issues, medical and legal problems of health and old age, water and sewage tracts, property taxes, roads, schools—the concept of the rural heritage and its values will bring a fuller understanding of the issues and clear thinking about public decisions. As all of us explore the issues, there are certain guidelines to use to make these decisions:

1. Make a decision when there is more than one course of action to consider.
2. Consider personal and group values.
3. Know and use adequate, relevant information.
4. Find an effective means for converting the known information into action.

Humanities scholars have studied and written much about values; that is one of the reasons the Tennessee Committee for the Humanities is encouraging discussions of public issues with the scholars. They help us to examine the pros and cons of the values presented. Take for instance, the Renaissance of the small town at mid-century—where there was a return to it as a repository of more traditional values. In studying the issue we found there were those who opposed the decisions made to return to rural living. Evidence for this was found in: Spoon River in Edgar Lee Masters' poems—in the bitter narratives of Sherwood Anderson and Theodore Dreiser, the Gopher Prairie of Sinclair Lewis' "Main Street." We could go on and on and on. The point remains that whatever strategy or decision we make there are three elements to keep constant in our discussion of issues:

1. There are no right or wrong values. We may find that in our rural meetings people have different views. We can only be judged by the values we take for ourselves.

2. Values are learned. Those learned through exploration at meetings such as this or from free choice may be consciously available for use in deciionmaking than those learned in the school or at home.

3. Application of one set of values without examination is similar to acting like a machine rather than a human being.

To facilitate further this important process of making the right decision affecting a public issue we need to be aware of four key factors:

1. possible alternative actions.
2. possible outcomes or consequences of various actions.
3. probability of outcomes or the relationships between actions and outcomes.
4. desirability of outcomes or our personal preferences.

Whether we sit down to discuss the issue of taxation in Martin, Clarksville Gallatin, Dickson, Mason, Cosby, Columbia, Franklin, or Johnson City, for example certain things are likely to evolve:

1. Certainty: each decision of a choice leads to one outcome known to be certain and one which we must accept. If we decide to raise taxes we must pay them.

2. Risk: each decision of a choice leads to several possible outcomes with known probabilities. If we decide to levy a 5% tax instead of a 4% one, we might have to do without certain things.

3. Uncertainty: each decision of a choice leads to several possible outcomes with unknown probability. Now that we have elected Jimmy Carter as President, we are not positively sure our rural life will improve.

4. Combination: each decision of a choice has a combination of risk and uncertainty. If we decide to raise taxes, we may or may not get the intended extra benefits.

In conclusion, the strategies we adopt for effective decisionmaking of issues relating to our public welfare require that: we state our objectives and realize our personal values, know the alternatives and be able to predict possible results, estimate possibilities and rank the desirabilities. Facilitated decisionmaking means we can more easily make and accept the responsibility for the consequences that are likely to evolve as a result of our decision.

In exercising this power, control, and freedom we must remember that everyone's decision counts. Return to our recent Presidential election and find that in 14 states the decisions were made by fewer than 2 percentage points. And if we stop and reflect on a bit of encouragement we are reminded of what former President Harry S. Truman once said:

"Free and inquiring minds, with unlimited access to the sources of knowledge, can be the architects of a peaceful and prosperous world."

THE NEW POLITICS OF BUSINESS

Mr. HOLLINGS. Mr. President, recently it was my good fortune to listen to a most incisive address concerning the relationship of business and government. It was delivered by one of our country's leading businessmen, Mr. Irving S. Shapiro, before the American Textile Manufacturers Institute.

I commend this speech on several scores. First it underlines and describes the urgency of our textile problems in this important year—important because the remaining months of 1977 will see the negotiations of agreements which are absolutely critical to the future well-being of America's textile/apparel complex, a segment of the economy accounting for one out of every eight manufacturing jobs. As Mr. Shapiro so rightly points out, the viability of this industry hinges upon our success in controlling imports. Protection from unfair foreign competition is essential. America's textile firms are modern, productive, and competitive, and all they ask is the chance to compete fairly. They have done a yeoman job in putting themselves at the forefront of modernization and technology, and it is time that we recognize just what the situation is that faces these firms which are so vitally important to the future prosperity of America.

I commend this speech also for the way in which it develops the theme of business-government relationships in the 1970's. Mr. Shapiro brings imagination and sound judgment to his analysis, and even a cursory reading of this address will show why Mr. Shapiro is so much admired both in the worlds of business and of government. He understands the perspectives of both the businessman and the public servant, and he has many constructive things to say on how to forge a more creative partnership between the two which will redound to the benefit of each and every citizen of this land.

Mr. Shapiro said:

> To my way of thinking, we ought to be willing to meet government halfway, in the conviction that the mood is right for business, labor, and others to work together to make the system work better, but with

one additional condition—We ought to test all our actions and proposals against a common question, "How does this comport with the public interest?"

That is what the speaker means by the new politics of business, and with that kind of attitude, the road ahead could be one of real partnership and progress for us all.

Mr. President, because of the timely message and the very real excellence of this address, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NEW POLITICS OF BUSINESS

(By Irving S. Shapiro)

When Jim Finley invited me to speak here today, I welcomed the opportunity. I feel it desirable, in these very challenging times for the fiber producers, to speak to you frankly about the way in which one of your primary suppliers—Du Pont—sees its prospects for the future and, specifically, how it looks at its fibers business. In a broader vein, I welcomed the chance to make some personal observations on changes that are taking place in the relationship between government and business in this country. The news there is getting better. If I read the tea leaves right, the political climate for responsible U.S. business is more favorable than it has been in a long time.

Before I elaborate on that theme, let me talk for a few minutes about the general economy and the fibers business in particular. We in Du Pont are fairly bullish on the general economy in the U.S. Our forecast for the year is for a rise in GNP of about 5¼ percent in real terms, and for retail sales to be up 10 percent total, or about the same as the GNP in current dollars. Out into the early 1980's, our economist sees steady growth in the national economy, not at spectacular rates, but at rates we can sustain without another round of high inflation.

We see an upward trend line of about 2 percent per year for apparel volume, 7–8 percent for carpets, and 2 percent for other textile home furnishings. These are lower numbers than in the last 5 to 10 years, but like the GNP, we believe they are solid and sustainable numbers.

The ability of our companies to participate in any meaningful way in the apparel growth will depend importantly on our success in controlling imports. A means must be found to bring the growth rate of imports down to a level more consistent with domestic market growth, to avoid sudden surges in import levels such as we had last year, and to provide special relief in categories which have already been very heavily penetrated by imports. I am aware of ATMI's recent (Feb. 1977) trade policy resolution, and commend your organization for its leadership on this problem. You have Du Pont's full support and backing.

There are problems beyond imports, of course. For the noncellulosic fiber industry, and for some of you who are users of these products, overcapacity and rising production costs have hit hard at the profits. It is going to take awhile for rising consumption to use up the worldwide excess capacity in the fibers-producing industry. For 1976 our industry in the U.S. ran at only 75 percent of capacity. For the first quarter of this year it was 77 percent. That's a little better.

On the cost side, I am sure you realize that one big item for us has been the rise in the price of fuels and petrochemical feedstocks. This simply has not been fully reflected in the selling prices of man-made fibers. We are still eating much of the difference.

In Du Pont we are realistic about the difficulties but we have high hopes for the years out ahead of us. It is helpful, I think, to use the perspective of time in viewing this situation. The Du Pont Company has been around for 175 years. We are proud to be celebrating that anniversary this year. Your industry in this country is even older. The relationship between Du Pont and your industry goes back more than 50 years and, in that time, we have both had our ups and downs. While fundamental changes are occurring in our fibers business, we're convinced that good economic health can be restored to both partners in that relationship, and we in Du Pont are going to go with that long-range view.

Du Pont has already made a large downpayment on its dues to lead to that prosperity. The company has put a lot of money into modernization and expansion of fibermaking facilities, and that investment should pay off in the future. We have been convinced for years that the man-made fibers business in the free world was maturing toward a point where only the world-scale producers could survive and prosper, and we have tried to manage the business accordingly. We have put in place—or soon will have—about four billion pounds of fibermaking capacity. We have built a strong technical base both to create new products and to improve the present lines. Every effort will be made to keep Du Pont the leader in the league, through continuing research, development, and sales service; through close attention to the needs of customers; and through continuing capital investment to keep our facilities modern. Over the next three years Du Pont expects to put $2.5 to $3 billion overall into plants and process improvements, and we are hopeful that the outlook for profits will be such that hundreds of millions of those dollars will be in textile fibers, dyes, and finishes.

The way we see it, the fiber makers and the fiber users are in the textile business together. Our prosperity is tied to your prosperity, and that is all the argument we need for wanting to work in close cooperation with you. When we say we expect more profitable operations for ourselves in the future, it means we also see a more prosperous business outlook for you.

One major reason for business optimism is the wind shift on the political front. As you well know, business has been forced to become more of a political animal over the years. Government has gradually changed from a silent partner sharing in the profits of our work to a vocal and active partner participating in all sorts of decisions. Textile companies have had firsthand evidence of that. You have seen price controls, increased government regulations and involvement in such problems as noise and cotton dust, plus of course the government's direction of trade and tariff agreements, which is an old story to ATMI.

Any thoughts we have about the business outlook must allow for the governmental impacts, plus or minus, and in some areas such as environmental affairs, it's not too much to say that the whole future of a plant or product line depends as much on our skill in dealing with government as on the economics of the marketplace.

Last year the nation spent a good bit of time on the business of politics. The suggestion I want to make to you today is that as we look to the future we should concentrate on the new politics of business. Changes that have been taking place in recent years give us a good opportunity to work effectively with the political structure, if we can make our case in terms of the public interest and resist the temptation to focus on a narrower concept labeled "business interests."

A new attitude is taking hold in Washington. It has been gaining momentum for some time. We hit a low point in the past when the political rhetoric put business in the role of the enemy of the people, but since then there has been a growing awareness that this sort of policy makes no sense. The nation cannot afford its social programs without a strong economy, and that in turn requires a strong private sector. This reality is sinking in, and it is becoming good politics as well as good policy to stop treating business as a whipping boy.

President Ford knew this, and it is clear that President Carter knows it too. My impression, based on a little contact with him, is that President Carter is willing to use his popularity to do some things that need to be done, unpleasant as they may be. He is willing to listen to businessmen and take what we say into account. I understand that some of your industry leaders had a similar reaction from your meeting with him.

He and his staff people have been sending out the signal that the nation should rely more on the private sector and be less dependent on big government.

Example: Charles Schultze, President Carter's top economic advisor. In Lyndon Johnson's time, Dr. Schultze was associated with a range of expanding social and regulatory programs. Now he is saying that much of this regulation is cumbersome and ineffective. He thinks better answers may lie in government incentives to the private sector.

Or take Mike Blumenthal: When he became Secretary of the Treasury, he immediately showed that he recognizes some industries face serious international trade problems. A fully free trade situation is still a utopian goal, and when you look at a 7 to 8 percent unemployment rate in the U.S.—and a much higher rate among people with low skills—you have to think about political as well as economic realities—which, by his own admission, is what Secretary Blumenthal is doing.

More recently Secretary Blumenthal has suggested that the tax and regulatory structures ought to be reexamined to see what impact they are having on capital investment and the financial system. That's a good first step. If you keep going down that road—and let's hope the Administration does—you end up asking for economic impact statements before tax and regulatory proposals are put into effect. If that had been done years ago this country would be in much better shape today.

Two other examples: Daniel Moynihan, now a Senator from New York instead of our United Nations Ambassador, is expressing concern about the jobs being lost to foreign competition, including a quarter-million jobs in the New York garment district.

Juanita Kreps, the Secretary of Commerce. One of her first moves on taking office was to suggest that government look at the trends and geographical movements of various industries to see where these might lead in 10 years. She said it would be better to do something now to rejuvenate old plants and help areas of the country in economic decline than to pay out bundles of dollars later for unemployment compensation. In my book that's an eminently sensible point of view.

What it adds up to, as T. Bertram Lance, head of the OMB, has said is that business is not going to get everything it wants, but will at least have the opportunity to be heard by people who know the important role business plays in our society.

We have to be careful with this line of thought. There is still a group in power positions working night and day to draw more authority into the government's hands. There are bills in the hopper that would give business real trouble—bills to dissolve some of the big corporations, to impose national economic planning, to set up a new consumer protection agency (which would guarantee more government lawyers and more litigation), and to repeal 14b of the Taft-Hartley Act, and thus wipe out the state right-to-work laws. Maybe all of those bills won't make it into law but they reflect a line of thinking that has considerable political backing.

Still, we ought to be encouraged because the change in mood involves more than just the change in Administrations. There is a touch of humility around Washington—in Washington that is unusual—and it has been building for some time. The old formulas said government could solve society's problems, but the old formulas didn't work and many people in government now recognize this cardinal fact.

The public is just as critical of government as it is of business. People don't believe the government's promises anymore, and the politicians know it.

People became disenchanted with government not just because of Vietnam and Watergate, but because of the social programs of the 1960's which cost so much and delivered so little, and because of economic policies that led to high inflation and persistent unemployment.

All of this has been demoralizing to many people in politics. In the last election, 43 members of Congress declined to run for reelection, even though many of them came from relatively safe districts; and as you know, one party ran its Presidential campaign from Washington, but the party that won ran its campaign against Washington. That has to tell you something.

The course of action ought to be clear for us. If Washington is willing to rethink old assumptions, consider better decisionmaking processes, and adopt more balanced policies, it is certainly in our interest to think through our own new role. To my way of thinking, we ought to be willing to meet government halfway, in the conviction that the mood is right for business, labor, and others to work together to make the system work better, but with one additional condition—and this is very important: We ought to test all of our actions and proposals against a common question, "How does this comport with the public interest?"

When business has a good answer to that question, it has a point of view that can be sold politically. Let me give you just one example. In pollution control and abatement, the EPA has set very high standards for the levels of purity to be attained. Washington is waking up to the fact that these standards also will have high price tags. By the estimate of the Council on Environmental Quality, we are talking about half a trillion dollars for the decade 1975–1984.

Our studies in industry convince us that much of this money will buy only very small gains in air and water quality. The cost has to concern us in industry, but the key question is whether the public—which ultimately pays the bill—really believes it is getting its money's worth from such expenditures by industry and municipalities. A lot of that money might be used more productively somewhere else in the economy—say, to create new jobs in the productive sector; and maybe the public would agree with this view if the alternatives are spelled out in this fashion.

There are other examples that come close to home for our industries—the government's proposals for very expensive noise abatement equipment, for instance, or the approach government first took on the flammability of children's sleepwear.

All of us can tell stories about red tape. At one of our locations, we just went through the process of getting nine different permits to put up one storage tank.

I'm not enough of a dreamer to believe we'll rid of all such problems. We can hope for some progress, though, because more people in government are getting the message, and it is not coming from business people alone. People in Washington read the surveys. They see how ludicrous some regulations have been, and I believe a lot of them are in a mood to listen to intelligent, reasonable overtures from anyone who can help them, businessmen included.

If we are to meet them halfway, the key requirement is to be sure our own positions are realistic. There is no point in crusading against government regulation per se; some regulation is clearly necessary. We should recognize that not just businessmen, but everybody should have a say in decisions about the nation's economic growth, and about the way scarce resources are used.

We must also recognize that people in government do not fabricate laws out of whole cloth just to make our lives difficult. They are responding to pressures, and business has to ask where that pressure is coming from and why. We have to base our attack on the issues, not on the other fellow's motives. That only ducks the issues. It does not dispose of them, or of the opponent.

Finally, we must recognize that there are no ghosts under the bed. Few people in political life want to scuttle the enterprise system. They know that the public overwhelmingly prefers this system to any other—the vote on that is better than 90 percent, and in any politician's book that is a landslide. What we disagree on, at times, is the way the system operates and the ways to keep it on a proper course.

Business has made a lot of progress in the past few years in correcting problems of its own making, and this should help improve our reception in the political world. When we show proof of positive action we give politicians something they can live with, and take back to their constituents.

Business can surely improve its record, though. We can do a better job of keeping posted on issues the public cares about, and in training our people to work effectively with government on these issues. When you look at the groups that have the best batting average in Washington—some business groups such as ATMI, some labor unions, Common Cause and some activist groups—you can see the secret of their success. They move in early, when problems begin to surface; they know what they are for, not just what they are against; they sell their position through the public media as well as to individual politicians; and they come up with specific suggestions. Not surprisingly, these specifics show up, word for word, in some of the legislation that is drafted.

Business has as much right to use this approach as anyone else. The only trouble is that not enough business people do use it, or are trained to use it. More of our managers are going to have to learn the ins and outs of the governmental structure, and how to handle themselves in there.

At this point in time government does not need any more lectures from us on its failures—the public is handling that chore very nicely. Nor do government people need materials from us couched in the technical language of accounting and finance, and pleading the case for business' profits. You and I care about profits; most other people don't, least of all politicians, and lots of them think businessmen have calculators and computers instead of brains and hearts. The political nervous system is sensitized to people, so we have to talk in terms of proposals to create and preserve jobs, to improve products and services, to advance people's health or wealth or security.

As one final element, business can take advantage of the shift in the political mood by making the strongest case possible with people who have influence on government, especially the people most accessible to us: Our own employees, our stockholders, journalists, academicians, opinion leaders in the communities where our companies have plants, and so on. We can identify and reach these people. We have their names and addresses.

These people are not a new target for our attention of course. The point I wish to leave with you is that this is a good time to redouble the effort to reach out to these groups.

People have stopped expecting miracles. The rising expectations of the 60's have given way to more realistic expectations for the 70's and that is a major breakthrough. It gives both government and business a better chance to deliver on their contract to the public. If we want to restore public confidence in business, I submit to you that we ought to concentrate on what serves the public interest. If we have an accurate perception of that, and can tie our business interests to it, we should be able to bring about political action in this country that will be more compatible with economic realities. I read this as a real opportunity for business to help its own cause.

VETERANS' BENEFITS

Mr. TOWER. Mr. President, I would like to call to the attention of my colleagues two developments in the field of veterans' affairs which the Senate should watch closely in the months ahead.

First, some social welfare planners have recently suggested that the 171 hospitals in the VA hospital system would provide an excellent nucleus for a national health care scheme. I strongly oppose any effort to subordinate the VA health care system to HEW, or in any way to dismantle, diminish, or dilute the independence and integrity of the VA system. The Senate must be on guard against such a proposal.

Second, a more common and current threat now looms in HEW in regard to VA pensions and compensation matters. HEW Secretary Califano has indicated that veterans' compensation and pension benefits may be "proper welfare reform topics." To set the record straight, Mr. President, I would remind my colleagues that VA benefits are not welfare benefits. A compensation is awarded for service-connected disabilities and injuries and a VA pension is awarded to a permanently disabled war veteran with non-service-connected disabilities.

Mr. President, this latest HEW effort has received little public attention, but fortunately, our distinguished colleague from South Carolina (Senator THURMOND) has called HEW's hand on this matter. As the senior Republican on the Veterans' Affairs Committee, STROM THURMOND is recognized as the great champion of veterans in the Senate. He knows their needs, and when he speaks, I assert that the Senate should pay close attention.

Mr. President, I have seen an editorial on the recent action taken by Senator THURMOND which tends to place the current HEW–VA controversy in its proper perspective. It is a matter each Senator should study carefully. In order to share this timely editorial with my colleagues, Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the S.C. Legionnaire, April 1977]

VETERANS MUST BOND TOGETHER

There are times when we feel that we are a lone voice, calling out in the wilderness, as we try to alert the veterans of South

Carolina—and, though S.C. veterans, veterans in other parts of the country that there are forces at work in our nation that seek to destroy every benefit now available to veterans.

An organization of women in federal employment, among others, seeks to nullify the veterans preference laws, which have been in effect since before the country was born. Some federal agencies, among them the Postal Service, seek, by devious means, to by-pass veterans preference laws. Now, HEW (we still think it should be called "PHEW") is trying to get its foot in the door. Just a few weeks ago the Honorable Joseph A. Califano, Jr., secretary of the Department of Health, Education, and Welfare, indicated that he thought veterans compensation and pensions were proper welfare reform topics.

His (Califano's) comments received little notice in the daily press or from the electronic news media. But they were duly noted by Senator Strom Thurmond, who has become recognized as the Number One champion of the veterans, not only in South Carolina, but throughout the country.

In a letter to Califano, Senator Thurmond stated that the "desire of welfare theorists to relegate veterans programs to the level of welfare handouts has been the concern among our veterans population for years."

The Senator pointed out that such a course of action would "not only signal the demise of well established programs administered by the Veterans Administration, but would constitute a repudiation of the solemn debt to the nation's 30 million veterans population which this country has heretofore honored."

Senator Thurmond said also that Califano's statement that veterans compensation is a social insurance program cannot stand in light of the historic statutory eligibility upon which this vital program was founded.

"HEW's apparent alacrity to assimilate, upon such spurious grounds, veterans programs into the myraid of welfare programs administered by the Department (HEW) is characteristic of the danger portended by such a move to our entire scheme of veterans benefits," the Senator told Califano.

He closed with a call on Califano and HEW to disclose immediately the Administration's intentions regarding the independence and future integrity of the Veterans Administration programs.

Again, we say to all veterans: We must stand together. Whether American Legion, DAV, VFW or whatever, the combined voices of the veterans groups still pack a wallop. That wallop would be even greater if all veterans were members of at least one veterans organization. We think they should be members of The American Legion first. It is the largest, most influential and only one of the so-called "Big Three" which limits its membership to those who served in the Armed Forces in time of war.

But we say again to any who will listen, if we don't organize and stand together, we shall separately.

PROSPECTS FOR PEACE IN THE MIDDLE EAST

Mr. HEINZ. Mr. President, the developments of the past months provide some grounds for restrained optimism about the possibility of an eventual settlement in the Middle East. A recent article in the Washington Post, by Rita Hauser, suggests some reasons for this encouraging evolution, beginning with an apparent shift in Soviet policy in the region that has led them to concentrate their attention on Africa and the Indian Ocean. Though such a change poses certain problems for the United States, it is clear that it could provide an opportunity in the Middle East.

It is also clear, however, that while the U.S. presence will be critical to peace, any agreement will have to be the result of negotiations between the affected parties. We can facilitate that agreement, but cannot impose it.

I commend Ms. Hauser's article to the attention of my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, April 26, 1977]

THE MIDEAST: A PROPITIOUS TIME FOR ACCORD

(By Rita E. Hauser)

George Ball's article in the April Foreign Affairs, "How To Save Israel in Spite of Herself" is premised on what he calls an "inescapable conclusion": that Israel and her key Arab adversaries will never by themselves be able to come up with a compromise solution for a lasting peace. And failure to reach that compromise solution, according to Ball, will lead inevitably to war.

The conclusion is not all so inescapable to many other observers.

Ball's thesis, which has come to dominate the U.S. foreign policy establishment, is correct up to a point. But in its totality, it ignores important strategic developments which suggest that this seemingly intractable dispute may well be ripe for settlement by the parties—with a nudge from the United States—on terms corresponding to the realities that govern the politics of the protagonists. (Whether the Israeli "lobby" in the Congress, against which Ball inveighs mightily, is or is not successful is beside the point. What matters are strategic and political events, which Ball hardly notes.)

The most significant event in the last few years is the pullback by the Soviet Union from its long-term active involvement in the Mediterranean Arab world. Whatever the events that caused Egypt to "expel" the Russian, it is clear the Soviet Union had had enough of that game. The clincher is the worldwide shift to supertankers, a development that will render the Suez Canal essentially obsolete. Anyone wishing to damage the West and Japan would look today not to a foothold in Egypt, but to the southern African and Indian Ocean sea lanes—which is where the Soviet Union has now set its major sights. It is no coincidence that the Soviet withdrawal from Egypt was followed by its adventure in Angola and the opening of an aggressive African policy.

Confirmation of the changing Soviet political strategy was best seen during the Lebanese civil war. The most powerful destabilizing force in the Mediterranean area—the Palestine Liberation Organization—was weakened decisively with the tacit approval of the Soviet Union, its erstwhile defender and promoter.

The Soviet Union may well have internal reasons as well for its retreat from a destructive role in the Middle East. Its pro-Arab policy, expounded in the crudest and often anti-Jewish themes, played no small part in the growth of the Soviet dissident movement and assuredly prompted activist Jewish initiatives. European socialists, and to some degree Communists, have expressed overt sympathy for these movements. American public opinion has soured on detente in large measure because of Soviet suppression of dissidents. Soviet leadership may have found it desirable to modulate its anti-Israeli policies as part of an effort to shore up a sagging detente.

Given the current Soviet shift of interest to East Africa, Egypt and Syria both must appreciate that only the United States can determine the military outlook in their area. To date, Washington has been most reluctant to advance any substantial amount of arms to Egypt. And contrary to Ball's general advice, the United States has strongly supported Israel's large military-aid requests. If they perceive that the United States will remain firm in her commitments to Israel, then both Sadat and Assad surely realize the only step for them is an accommodation with the Jewish state.

Moreover, Egypt's chief financial backer, Saudi Arabia, showed its unwillingness to permit radicalization of the area when it stepped in to end the Lebanese conflict. It, too, wants a settlement on a reasonable basis, one which will preclude further instability.

Both Sadat and Assad have opposition at home but, for the moment, the policy of accommodation with Israel accords with the realities of their domestic needs and the external situation outlined here. A case can be made that the Arabs want to deal the cards, and that they are willing to reach some agreement with Israel—at the least, an agreement to begin to agree at Geneva.

In his assessment of internal Israeli politics, Ball is behind the times. Current ferment within the Labor Party points to a gradually evolving willingness to make necessary concessions to the Arabs within a framework that permits Israel to bargain from strength. Dominant Israeli political opinion would accept the commencement of real peace talks to be carried out over a long enough period to ensure the beginning of a normalization of relations.

There is no need to "save Israel in spite of herself." Granted, there were errors and missed opportunities, but Israel's basic policy of strength and determination to resist the Arabs has been correct up to now. That policy always was intended to compel Arab acceptance of a Jewish state. Without overt Russian support for war, Arab resistance to dealing with Israel is weakened, especially since a majority of the Congress and the American people continue to support a strong Israel.

Under these circumstances, the situation is ripe for both sides, nudged by the U.S., to settle up—even though that process itself may take many years to consummate. The prospects for a negotiated settlement are better now than at any time since 1967. Israel will not and should not abandon her insistence on full Arab acceptance as the sine qua non of any movement toward peace. Once that acceptance becomes visible and certain, the parties will be more than able to draw the boundary lines, deal with the displaced Palestinians, resolve the future of the West Bank and even, after some years of normalization, reach a modus vivendi as to Jerusalem.

It is our business to help bring the process into being. Deciding the substantive issues is a job that belongs to the conferees, who, by haggling long enough, will come to terms. If we try to determine the outcome by pressure or cajolery, we will thwart the prospects for settlement talks, which now seem so propitious.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

David V. Vrooman, of South Dakota, to be U.S. attorney for the district of South Dakota for the term of 4 years, vice William F. Clayton resigning.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, May 9, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

The DEPUTY PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ORDER FOR RECOGNITION OF SENATOR STEVENS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees have been recognized under the standing order the distinguished minority whip, Mr. STEVENS, be recognized for not to exceed 15 minutes.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

ECONOMIC STIMULUS APPROPRIATIONS ACT, 1977

The DEPUTY PRESIDENT pro tempore. The Senate will now proceed to the consideration of H.R. 4876, which the clerk will state:

The assistant legislative clerk read as follows:

A bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The DEPUTY PRESIDENT pro tempore. Before I recognize the distinguished Senator from Arkansas, the Chair notes that the time for debate on this bill shall be limited to 3 hours, to be equally divided and controlled by the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from North Dakota (Mr. YOUNG), with 30 minutes on any amendment except one to be offered by the Senator from Pennsylvania (Mr. SCHWEIKER), on which there shall be 1 hour, and with 20 minutes on any debatable motion, appeal, or point of order.

The Senator from Arkansas is now recognized.

Mr. McCLELLAN. Mr. President, I yield to the distinguished Senator from Virginia to make a unanimous-consent request.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that John I. Brooks of my staff be granted the privilege of the floor.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, the bill before us, the Economic Stimulus Appropriations Act of 1977, H.R. 4876, provides for a total of $19,870,984,000 in new budget authority during the current fiscal year.

Its purpose is to provide funds to stimulate the American economy and to alleviate the distress of current high rates of unemployment through public service jobs, employment and training programs, public works and other anti-recession measures.

The amount recommended by the Committee on Appropriations is $3,435,935,000 less than the total of $23,306,919,000 approved by the House and $3,992,865,000 under the budget estimates.

We are fully cognizant of the need to provide meaningful jobs for all those willing to work. But the committee also wishes to emphasize that Federal stimulus of the economy is not the final answer to the economic problems of the Nation.

Such stimulus should only be temporary in nature, for it is well recognized that a vital and vigorous private sector is the foundation of a strong national economy.

I also wish to caution that should the economy show clear and unmistakable signs of recovery—or of a new outbreak of inflationary pressures—I think it would be appropriate for Congress and the administration to review the spending proposed and provided for in this bill.

Such pressures are apparently building up. The Labor Department reported that consumer prices increased by 1 percent during February—the biggest advance in 2½ years—raising the possibility of a new resurgence of double-digit inflation.

It is for these reasons, Mr. President, that during the committee's action on this bill that I reserved the right to vote against it when the measure came to the Senate floor.

The major recommendations include the following:

The committee recommends $4 billion for acceleration of local public works projects.

I may say, Mr. President, if these are properly selected and discretion is used, this money can make a contribution to our economic recovery.

The committee also recommends $4,991,085,000 for revenue sharing.

That has become, apparently, Mr. President, a traditional fixed burden upon the Federal Government to each year provide revenue sharing to the States and local jurisdictions in an amount something comparable to the amount of this figure.

The committee recommends $925,000,000 for increased payments to States and local governments in areas of high unemployment to assist them in maintaining basic services.

The committee recommends $7,987,000,000 for public service jobs which will expand the present Comprehensive Employment and Training Act public service programs from the current 310,000 jobs to 600,000 jobs by September 30, 1977, and 725,000 jobs by December 31, 1977.

Mr. President, that may be one way of providing jobs temporarily, but it falls far short of reaching the goal that we need to seek to achieve today and that is providing permanent employment.

The committee recommends $1,438,000,000 for programs targeted to youth, veterans and those in need of new skills.

The committee recommends $59,400,000 for an additional 14,800 jobs for community service employment for older Americans.

These last two items, Mr. President, have my support. They may need some examination and some screening and adjusting, but the general objectives would have my support.

The committee made a number of significant modifications in the House version of the bill which I would like to briefly explain:

CHAPTER I.—ANTI-RECESSION FINANCIAL ASSISTANCE FUND

We recommended $925 million for the anti-recession financial assistance fund which is identical to the budget request and $292.5 million more than the House-approved amount.

So, if the committee is sustained in that, that item will go into conference.

These funds are to be used for the third and fourth quarters of fiscal year 1977 to provide payments to State and local governments with unemployment rates in excess of 4.5 percent so that those governments can maintain essential basic services such as police protection and sanitation efforts. The program goes into effect whenever the national unemployment rate exceeds 6 percent in a given quarter.

The committee has provided a total of $925,000,000 for this program on the assumption that Congress will authorize a change in the formula which would provide $30,000,000 for every one-tenth of 1 percentage point of national seasonally adjusted unemployment over 6 percent in addition to the base payment of $125,000,000.

CHAPTER II.—ENVIRONMENTAL PROTECTION AGENCY

Although the House had provided $300 million for the reimbursement for earlier construction of publicly-owned waste treatment works, the committee recommends that no appropriation be provided for this purpose.

Section 206(a) of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, authorizes reimbursements for waste water treatment works on which construction was started after June 30, 1966 and before July 1, 1972. Repayments made under this authority represent the difference between the amount of Federal grants received and up to 55 percent of total cost, provided the project met the requirements of the Water Pollution Control Act in effect at the time the project was initiated.

The Congress provided $200,000,000 for this program last year and approximately $100,000,000 remains unobligated. At the same time, $35,000,000 of the approximately $320,000,000 the Government is estimated to owe localities under the program is currently involved in litigation. Finally, and perhaps most importantly, the inclusion of these reimbursement grants in an economic stimulus bill seems inappropriate since this money will repay communities for work already performed rather than directly contribute to the creation of new jobs.

CHAPTER III.—JOB OPPORTUNITIES PROGRAM

The committee has deleted the $162.5 million added to the bill by the House for the job opportunities program authorized by title X of the Public Works and Economic Development Act of 1965.

The committee believes that the public works and public service employment requirements are already adequately covered by the amounts proposed for the local public works and the comprehensive employment and training programs. Furthermore, because of the legislative changes enacted in title X, there is little likelihood of continued support for the labor-intensive projects financed by the $500 million previously appropriated for title X. There are also strong doubts that title X could be administered in an orderly fashion given EDA's responsibilities for the local public works program, as both programs have tight statutory timetables which run nearly simultaneously.

Mr. President, I am glad to yield at this time to our distinguished colleague the senior Senator from North Dakota (Mr. YOUNG), the ranking minority member on the Appropriations Committee.

Mr. YOUNG. I thank the chairman. Mr. President, I ask unanimous consent that Ned Kelly and Dick Vodra of Senator SCHWEIKER's staff be accorded the privilege of the floor.

The DEPUTY PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, the committee is recommending $19,870,984,000 in this economic stimulus bill. This is $3,435,935,000 less than the amount provided by the House and $3,922,865,000 under the budget estimates; $3,285,935,000 deleted from the House version was to pay for the $50 tax rebate, including a payment to those who paid no taxes, as well as for other purposes.

The distinguished chairman of the Committee on Appropriations (Mr. MCCLELLAN) has provided an overall description of the bill.

I would like to bring to the attention of the Senate that this bill of $29.8 billion and the supplemental appropriations bill for fiscal year 1977 will provide appropriations for which there will be no offsetting increase in revenues.

Without an increase in revenues, this bill will mean a sharp increase in our deficit as well as our national debt.

I am deeply concerned about unemployment and the economic growth in this country as I know all Members of the Senate are.

However, we should remind ourselves that it was only last year that we got control of inflation and our economy began to grow, thereby decreasing overall unemployment in the country—to 7.5 percent in February 1977.

What assurances, if any, do we have that the spending as proposed in this bill and the supplemental appropriations bill just approved by Congress will not kick off another inflationary spiral?

The total of these two bills is $48,944,843,260, all of which the Treasury will have to borrow the money to pay for.

I realize many of my colleagues feel very strongly about some of the major items recommended in this bill. Some of these are included in items recommended by the Senate Appropriations Committee such as:

Public works projects: The committee recommends $4,000,000,000 for acceleration of local public works projects.

Revenue sharing program: The committee recommends $4,991,085,000 for revenue sharing.

Antirecession Financing: The committee recommends $925,000,000 for increased payments to States and local governments in areas of high unemployment to assist them in maintaining basic services.

Public Service Employment: The committee recommends $7,987,000,000 for public service jobs which will expand the present Comprehensive Employment and Training Act public service programs from the current 310,000 jobs to 600,000 jobs by September 20, 1977; and 725,000 jobs by December 31, 1977.

Targeted employment and training programs: The committtee recommends $1,438,000,000 for programs targeted to youth, veterans and those in need of new skills.

Older Americans: The committee recommends $59,400,000 for an additional 14,800 jobs for community service employment for older Americans.

Mr. President, this represents a huge amount of money. Far more than I believe necessary to help our economy.

There is a real question as to whether providing public service jobs is the best way to ease our unemployment problem.

Most economists indicated that this will mean more inflation, which is something our economy simply cannot afford now.

Recently, the General Accounting Office released a study of Federal programs to create public service jobs.

The results of this study were published in the Washington Post of Tuesday, April 12. The GAO concluded that these programs "have done little to reduce" unemployment.

I ask unanimous consent that the article entitled "GAO Finds Job Plan Has Limited Impact," written by Edmond LeBreton and published in the Washington Post of April 12, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GAO FINDS JOB PLAN HAS LIMITED IMPACT

(By Edmond LeBreton)

Federal programs to create public service jobs in state and local governments "have done little to reduce unemployment," the General Accounting Office reported yesterday.

The effectiveness of the public service jobs program was reduced because some local governments violated the program's intent and used the funds to substitute for local money, GAO reported.

President Carter's two-year, $31.6 billion economic stimulus program calls for expansion of the program.

The goal is to increase employment under the Comprehensive Employment and Training Act from the 1976 level of about 340,000 to 750,000 in 1978.

CETA was designed to provide federal money for useful public work that local governments otherwise could not afford.

However, the GAO report on the first year and a half of the program said local governments used CETA participants "to (1) fill vacant full-time positions; (2) fill temporary, part-time and seasonal positions formerly financed with local money, and (3) provide services normally contracted."

In addition, "CETA funds were used to rehire laid-off, former employees," GAO reported.

"Although the act prohibits the substitution of federal funds for local funds, the Department of Labor did not have the time or the staff to administer maintenance-of-effort provisions," said GAO, Congress' agency to monitor fiscal and management performance by government departments.

The act allows CETA money to be used in some circumstances to rehire laid-off employees. The report said the Labor Department did not always get adequate information to decide whether this should be permitted. It cited the approval of proposals by Wilmington, Del., for funding 96 positions, of which 29 would be filled by rehired persons, and by Toledo, Ohio, for 206 participants, of whom 107 would be rehired personnel.

Although both cities gave some data to justify using CETA funds for rehiring, it was insufficient for the Labor Department to determine their overall financial situations, the report said.

The report said that as of Dec. 31, 1975, about 7,647 of 326,826 CETA employees were rehired employees. It said rehiring was extensive in some Middle Atlantic and Midwest cities.

The report said Boston Mayor Kevin White recommended a $500,000 reduction for 1976 in his city's appropriation for service contracts to do work for the Public Facilities Department. "The department's assistant director said much of the work done by the CETA personnel is similar to that previously performed under service contracts."

Availability of CETA employees also apparently affected service contracts in Holyoke, Mass., and in Sutter County, Calif., the report said.

Despite circumstances that reduced the effectiveness of the program, GAO said, "the jobs created through CETA have generally increased employment opportunity in the sponsor jurisdictions reviewed."

It said the Labor Department has agreed to most of the recommendations GAO made for tightening administration of the program.

The report centered on CETA operations through June 30, 1975, and included studies at Washington headquarters, regional offices in Boston, Chicago and San Francisco, and 12 sponsoring local governments in Arizona, California, Massachusetts, Michigan and Ohio.

Mr. YOUNG. In reporting on the Comprehensive Employment and Training Act which this bill would expand, GAO reported that in the first year and a half of this program local governments "used CETA participants to, first, fill vacant full-time positions; second, fill temporary, part-time, and seasonal positions formerly financed with local money; and third, provide services normally contracted." In addition, "CETA funds were used to rehire laid-off, former employees," GAO reported.

The report went on to point out that due to lack of sufficient administrative funding, the Labor Department was unable to follow through to assure that the maintenance of effort provisions in the act were being followed.

Our economy is undoubtedly in the most precarious state now as at any time in our history. It is estimated the national debt will reach $802 billion by October 1 of this year.

The worst part is that there is no end in sight.

The situation keeps getting worse every year in spite of the fact that we are not involved in any war anywhere in the world at this time.

Mr. President, to continue this kind of Federal spending would take us a long ways down the road to a Socialist type of government.

Trying to create prosperity by excessive Federal spending to me just is not the answer. I will have to vote against this bill even though it does have some meritorious provisions.

The DEPUTY PRESIDENT pro tempore. Who yields time?

Mr. BURDICK. Mr. President, I ask unanimous consent that my assistant, Richard Greer, be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER (Mr. Bentsen). Without objection, it is so ordered.

Mr. YOUNG. Mr. President, I yield the Senator from Utah 10 minutes.

Mr. HATCH. I thank the Senator.

MORE APPROPRIATIONS, MORE UNEMPLOYMENT

Mr. President, the Economic Stimulus Appropriation Act of 1977 is said to be a stimulus package. But is it? How do we know that it is not the opposite?

What are the assumptions underlying the view that this package is stimulative? I want first to point them out and then examine each one.

First, there is the assumption of involuntarily idle manpower due to insufficient spending—idle manpower looking in vain for job vacancies.

Second, there is the assumption of idle capacity due to insufficient spending—idle factories waiting in vain for customers.

Third, there is the assumption of idle money languishing in bank vaults.

And fourth, there is the assumption that it is up to the Federal Government to bring the idle manpower, the idle factory capacity, and the idle money together in the production of public programs such as Federal paychecks for city firemen in Boston and city sanitation workers in New York City, new city halls, monuments, and other equally unproductive construction projects everywhere—except, of course, water projects in the Western States.

My remarks are not facetious. One hundred percent Federal funding for local public works projects means that projects will be undertaken simply to get Federal money. Many of these will be projects that localities do not value sufficiently to undertake if they must pay any portion of the cost themselves. The Federal paychecks for Boston firemen is simply a reference to the substitution of Federal money for local money for jobs that will be there anyway. And there is another substitution effect. People employed in the Government sector cannot simultaneously be employed in the private sector in the production of the goods and services that make up our real standard of living.

Let us examine the matter of idle manpower. With more people employed than ever before, with a higher percent of the population employed than ever before, and with a higher percent of the unemployed out of work because of temporary weather conditions, we are told that we have idle manpower.

Well, we do. There are some 2 million people looking for jobs that suit them, instead of suiting themselves to the jobs that are looking for people. There are another million or so young people who are kept from working to acquire job training and job experience by Federal redtape and the minimum-wage law. Add another million who prefer the combination of leisure and untaxed unemployment compensation benefits to the working person's shrunken paycheck after tax deductions. These tax deductions now total about 30 percent of an average worker's pay and leave only a small difference between the level of unemployment benefits and take-home pay. Add another million unemployed because the aftertax rate of return on business investment is not high enough to justify the capital spending that would employ them. If we add these numbers, we have most of our idle manpower.

This brings us to the matter of idle capacity. Is capacity idle because of insufficient spending or because it is unprofitable to use the capacity regardless of the level of spending? If it is idle because it is unprofitable, then more spending will not necessarily make it any less idle and could, in fact, result in more idle capacity. Let me explain.

Capacity may be unprofitable because it is outmoded in terms of the cost and price structure of today or, also, in terms of the latest technology. The rate of return that it generates may not be sufficient to justify its operation. For example, EPA and OSHA regulations and the rapid rise in energy costs have made some existing capacity unprofitable to use. What this means is that we have some physical plant which is idle and is counted as capacity because it physically exists. However, economically speaking, it does not exist. It is not idle capacity but abandoned capacity. Therefore, we may be closer to full capacity in an economic sense than the capacity utilization rates show.

If capacity is idle because it is unprofitable, how will spending more make it more profitable? It can do so only if the increased spending causes an inflation that drives up the price of the products that can be produced by using the idle capacity by more than it drives up the wages and other costs of producing the products.

Even if inflation were to work in this way, it has other effects which increase the corporate sector's taxes relative to the corporate sector's profits. The official data of the U.S. Department of Commerce clearly indicates that this is what has been happening during the past several years. Commerce Department data show that inflation has raised the effective tax rate on corporate income above the statutory rate. This is because inflation overstates profits by understating depreciation costs and by causing the firm's accounting practices to erroneously register inventory profits by neglecting the replacement costs of the inventory. I have a table that shows the effect of inflation on the effective tax rate on corporate profit, and I ask that it be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

[In percent]

	Inflation rate (CPI)	Effective tax rate*
1968	4.7	46
1969	6.1	49
1970	5.5	51
1971	3.4	49
1972	3.4	45
1973	8.8	49
1974	12.2	62
1975	7.0	54
1976	4.8	55

*Tax liability as a percent of corporate profits with inventory valuation and capital consumption adjustments.

Source: Economic Indicators, February 1977.

Mr. HATCH. Since inflation raises the effective tax rates, it reduces the profitability of business. Because of illusions generated by their accounting practices and Internal Revenue Service requirements, business does not always perceive this instantly. However, there is no getting around the fact that you cannot generate more business activity by making it less profitable. If inflation made higher profits, the double-digit inflation of 1974 would have produced prosperity in 1975 and not a sharp recession. We notice today that economic activity has picked up only with the decline in the inflation rate.

As for the matter of idle money, I believe the Senate should be skeptical that there is money piled high in bank vaults coast to coast just waiting to be borrowed. It is not the nature of profit oriented bankers to leave money lying idle. The Nation's savings are being used or, perhaps, misused or misallocated. The question is not whether the Nation's savings are being used, but how they are being used. Two hundred and fifty billion dollars of the Nation's savings have gone into the Federal debt that we have produced in the last 7 years.

That is $250 billion that did not go into expanding the Nation's productive capacity. Some of the Nation's savings has gone in loans to real estate investment trusts, tax shelters, and tax avoidance projects. And some of the Nation's savings has gone in loans to Third World countries and to Communist countries. We have driven it over there by making it unprofitable for American business to use American savings. The more we spend and inflate and drive up the effective tax rates and pile on higher and higher costs of regulation and pass measures of fiscal vandalism like the so-called stimulus appropriation that is before us, the more the Nation's savings will be misused and misallocated.

We have lowered the rate of return to sound businesses, small and large, which would otherwise be seeking to borrow and to expand. We have increased the tax burden on responsible workers, who are potential investors and home buyers, by inflating their incomes into higher tax brackets, while threatening their jobs with redtape. People are increasingly uncertain of their property rights, and they are cautious about investing in additional ones. No wonder banks have taken to lending more to high-risk people. No wonder we are lending more but getting less growth and employment from it. No wonder we are lending abroad instead of growing at home.

I think it is time to create good lending prospects here in the United States by cutting tax rates. Banks will not make unsound loans abroad if they can make profitable loans in the United States. The way to get the economy moving is to make it profitable to work, to hire, and to invest by cutting taxes on work, employment, and investment.

It is time for the Congress to stop encouraging Americans to come to Washington for licenses to pick each other's pockets. We should cut tax rates to encourage them to stay at home and use their own resources to solve their own problems. The way we are going, we are making political activity more profitable than economic activity and soon there will not be anyone left doing the work it takes to keep anyone's pockets filled.

The resources used by the public sector cannot simultaneously be used in the private sector where production takes place. Government borrowing to increase consumption does not have the same economic effect as business borrowing to increase investment. If we continue to increase the Government's claims on resources relative to the private sector's we will continue to cripple supply. When Government takes more, it means people who work get less. Today Government takes about 40 percent of the goods and services produced, but Government itself produces little, if any, of these goods and services.

I believe that people today increasingly see Government spending programs as a sign that Congress is planning more inflation, more recession, and more taxes in the future. The Congress may not see it, but the people do. They see that the construction of political spending constituencies is more important to lawmakers than the construction of a stable and prosperous economy.

John Maynard Keynes said that most politicians are unknowingly in the grip of defunct theories of long dead economists. Well, most politicians in Washington are in the grip of Keynes' theories of creating employment through deficit spending to increase demand. Keynes is a long dead economist. If Washington does not get free of his grip and focus instead on supply by making it pay to invest, to hire and to work, the American economy will be dead too. In place of the spending pork barrel that stimulates political activity and inflation, we must stimulate economic activity and employment by cutting tax rates.

I hope we will consider doing that this time rather than just approving another stimulus program that creates more Federal deficits, more unemployment, and more loss of jobs in America.

Thank you, Mr. President.

Mr. PROXMIRE. Mr. President, I understand the chairman had to leave the floor. He indicated it would be proper for me as a member of the Appropriations Committee to yield myself time on the bill and I do so from the majority time.

Mr. President, I want to thank both the distinguished Senator from North Dakota and the Senator from Utah for having preceded me in speaking on this bill and for opposing it. This is a great day for economy in Government. I hope this spirit catches on.

Frankly, I am surprised to hear this kind of opposition this early in debate on a bill which had been assumed by many to have every chance of passing, and passing overwhelmingly. Apparently now we are going to get some critical consideration of this bill, and I think it is about time.

Mr. President, I am chairman of the HUD-Independent Agencies Subcommittee of the Appropriations Committee. I have responsibility for chapter I.

I should like to take a minute or two to explain what the committee decided to include in that chapter.

The chapter provides support for the revenue-sharing program, funds the implementation of the antirecession assistance program, and includes an appropriation intended primarily for a start on procurement of the third shuttle orbiter. That is for the space program.

The total amount included in chapter I is $6,011,085,000, a reduction of $7,500,000 below the House-approved amount. This reduction results from the Appropriations Committee's decision to delete $300,000,000 provided by the House for waste treatment facility reimbursement grants and to add $292,500,000 to the House figure for the antirecession financial assistance fund.

Chapter I includes $4,991,085,000—the same amount as the administration requested—for the revenue sharing program. These funds would support the program through the end of fiscal 1977. Although I continue to oppose revenue sharing, since it is an entitlement program we have no choice but to provide the funding.

Chapter I provides $925,000,000 for antirecession financial assistance. This is a program providing assistance to State and local governments for the maintenance of essential services through supporting State and local government workers. It currently takes effect when the national unemployment rate reaches 6 percent, with an authorization of $125 million plus $62.5 million for each one-half of 1 percent increase above the 6-percent level. The $925,000,000 provided by the committee would implement a proposed change in the formula which would provide $30 million for each one-tenth percent increase in unemployment above the 6 percent level. I opposed but the committee provided these funds. They did so in the absence of an authorization and without any clear indication that this was an effective way of producing jobs.

The committee concurred with a House add-on of $95,000,000 for the procurement of a third space shuttle orbiter plus additional work on the first two orbiters. Although this is an unbudgeted item in fiscal 1977, it has been requested in the fiscal year 1978 budget. The space agency has indicated that providing the funds now will simply keep 3,000 people on the job who would otherwise be laid off and rehired when the funds are provided in fiscal 1978. Although I oppose the Shuttle program, I recognize that the overwhelming likelihood is that the funds will be provided sooner or later. Thus, it makes sense to appropriate the money now and save Federal unemployment compensation expenditures.

Mr. President, as I have indicated in the course of my remarks, I have serious reservations about the various items in this portion of the bill. Thus I shall vote against it as I shall have to vote against the bill as a whole; but I did want to take this opportunity to indicate what we had done in chapter I of the bill.

I understand that Senator NELSON, my colleague from Wisconsin, will have an amendment to offer to this section of the bill. I expect he will be coming to the floor at a later time.

Mr. President, I yield back the remainder of my time.

I yield the floor.

Mr. BROOKE. I am glad to recommend the Department of Labor chapter—chapter II—of this economic stimulus bill to the Senate.

The appropriation for the Labor Department, at $9.4 billion, is the largest part of this pending measure. It provides additional funds for public service employment, jobs for the elderly, expansion of the Job Corps, and a number of different training and skills programs to reach youth, disabled Vietnam veterans, migrant and seasonal farmworkers, Indians, and those seeking apprenticeships.

The purpose of these additional funds is to step up the effort to deal with the continuing high rate of unemployment which afflicts our Nation. While the unemployment in March was down to 7.3 percent, there still are some 7.1 million persons out of jobs and seeking employment. This is intolerable.

For selected categories of the labor force, the picture is even worse. Unemployment among teenagers seldom falls below 19 percent; unemployment among all black teenagers is running at about 37 percent; and unemployment among Vietnam veterans 20 to 24 years of age is at the rate of 18 percent.

Periods of unemployment for a third of the jobless may last as long as 15 weeks, with some 18 percent remaining idle more than 7 months. The problems of unemployment have, as we know, been exacerbated by severe winter and drought conditions.

It is clear we must continue to stimulate the economy until unemployment is reduced substantially and the pace of recovery reaches more satisfactory levels.

The major thrust of our chapter of the bill is to get more of the jobless back to work by more than doubling public service employment over the next year and a half.

To do this our committee provides for expansion of public service jobs programs from the present level of 310,000 to 725,000 by fiscal year 1978.

For CETA title II, which covers areas with 6.5 percent or more unemployment, we provide $1.140 billion, the same as the House level. This will increase job slots from the present level of 50,000 to 100,000 by the end of fiscal year 1977 and to 125,000 in fiscal year 1978.

For CETA title VI, which covers areas with an unemployment rate of 4.5 percent or more, we provide $6.847 billion, again the same level as the House. These funds will increase title VI public service jobs from the present base of 260,000 to 500,000 by the end of fiscal year 1977. For fiscal year 1978 the total job slot level will be increased to 600,000.

We have forward-funded both CETA titles for fiscal year 1978 to give local prime sponsors plenty of time to intelligently plan and manage the funds they will receive. We expect full cooperation from the Labor Department in promptly obligating these funds to the prime sponsors.

The new title VI law passed by Congress last year requires that new public service jobs go only to those who have been out of work 15 weeks or more; and that the new jobs be part of a project that is of no more than 12 months duration.

These requirements are particularly aimed at the problem of "substitution," that is, where local governments substitute Federal for local funds in hiring municipal workers. Since the new jobs must go to the long term unemployed and be tied to projects of short duration, it should discourage local officials from trying to use them to provide traditional local services. They will have to rely more on their own budgets for this purpose. We believe this should help reduce the "substitution" problem, and we are counting on the Labor Department to see to it that the requirements of the new law are enforced.

I also point out that the pending supplemental includes some $5.5 billion in general revenue sharing and antirecessionary financial assistance—funds which can be used for rehiring laid-off city and county employees. This also should help reduce the "substitution" problem.

We believe public service employment can be a useful tool for getting the jobless back into the labor force and for accomplishing worthwhile tasks that aid our communities.

Public service employment is not the role, but it certainly is a way to get the unemployed to reduce their dependence on welfare and unemployment payments which have been running exceedingly high in this period of economic recession.

Our chapter also provides:

One billion dollars for a new youth employment and training program. Training will be available through Rural and Urban Youth Service Corps. Activities will be directed to the conservation, development and management of public parks, forests and recreational areas. Employment and training slots are expected to reach 154,000 in fiscal year 1978; $250 million for a new skill training improvement program designed primarily to retrain permanently displaced workers to meet industry needs for specific skills. The program is expected to provide 58,000 enrollment opportunities for this fiscal year and part of fiscal year 1978; $120 million for the so-called HIRE program aimed at persuading large corporations to hire and train young veterans. The funds will support a 12-month program building up to 60,000 slots by a year from now; $68 million to expand the Job Corps from its present level of 22,000 enrollment opportunities to 30,000; and $59.4 million to expand the program of jobs for low-income older workers from 22,600 slots to 37,400. Our bill continues the policy of providing that a portion of the increase in these slots go to State and local units of government.

Mr. President, I believe we have developed a sound and solid Labor Department chapter that can contribute substantially to the reduction of unemployment in our country. I urge the Senate to adopt it without change.

Mr. MUSKIE. Mr. President, the bill before us today, H.R. 4876, the economic stimulus supplemental appropriations bill for fiscal year 1977, is intended to insure that the economic recovery begun 2 years ago will not, be interrupted. The bill provides fiscal 1977 budget authority of $19.9 billion to fund several important initiatives, including an increase in CETA jobs from 310,000 to 600,000 in fiscal year 1977 and to 725,000 in fiscal year 1978; new efforts to help unemployed youth; $5.9 billion for both general and countercyclical revenue sharing for State and local governments; and $4 billion for local public works projects.

As chairman of the budget committee, I want to point out to my colleagues the flexibility of the congressional budget process that allows us to consider this stimulus supplemental. The budget act allows for the possibility of additional budget resolutions beyond the two required resolutions if changed circumstances warrant. While I am confident that adoption of a third budget resolution will be an exceptional rather than a commonplace occurrence, in this case the sluggishness of the economic recovery through the fall of 1976 dictated a reconsideration of the fiscal policy Congress adopted last September. A new budget resolution has allowed us to reset the revenue and spending limits within which Congress could review the President's proposals and competing legislative initiatives, decide on a course of action, and proceed without delay. I am pleased to see that we are debating today a bill to fund programs that the budget committee reported to you in the form of a fiscal policy only a short while ago.

However, I want to express my concern and disappointment that the economic stimulus program which is being proposed in this legislation is incomplete. An integral part of that program, the $50 rebate, which would have provided tax relief for almost all American families in 1977, lost the support of the administration and was eliminated by the Senate from its tax bill.

I believe this was a mistake. The basic reason which led the administration to propose the rebate in the first place, the need for stronger final demand during this year, remains valid. The Congress recognized this in adopting the third budget resolution for 1977 less than 2 months ago. The fundamental situation for the economy has not changed since that time, and the abrupt change in fiscal policy indicated by the withdrawal of the rebate was both unwise and inappropriate.

The elimination of the rebate will cost the Nation about 280,000 jobs at the end of this year, at the very time that about 7 million Americans will be without jobs. It will cost about $8 billion in lower incomes this year, and another $5 billion next year. There is a genuine danger that this restrictive action will produce another slowdown in the recovery.

We cannot change our fiscal policy with every change in the monthly economic data. We should not do this even if economic forecasting was exact, which it assuredly is not. We should not do it if we wish to maintain the credibility of a steady and independent congressional fiscal policy. For these reasons the Senate Budget Committee voted last week to retain the $7.3 billion of revenue reductions provided by the rebate. We did this both to indicate that we believe the congressional fiscal policy of the third budget resolution for 1977 remains the correct policy, and also because we believe it would be imprudent at this time for the congressional budget to eliminate the possibility that such legislation can be enacted.

Mr. President, based on the last Senate budget scorekeeping report, the total for the budget as a whole will remain under the third budget resolution ceiling by $2.5 billion in budget authority after taking account of this supplemental appropriations bill and all further requirements anticipated at this time. Likewise, the Appropriations Committee will remain within its allocation after taking these various requirements into account. Outlays will be under the budget ceiling compared to either the resolution now in force or the amendment resolution the Budget Committee has just reported to the Senate. The committee amendment adjusts the outlay ceiling downward due to a shortfall in spending anticipated earlier.

While a margin remains under the budget authority ceiling I want to caution my colleagues against using it up rapidly in amendments to this bill. The $2.5 billion remaining must see us through any unforeseen requirements during the 5 months left in fiscal year 1977. We need to make claims on these funds with care, for there will be no fourth budget resolution to bail us out of any tight spot we get ourselves into needlessly.

Mr. President, in closing I want to point out that an amendment has been prepared by the senior Senator from Pennsylvania to reduce by more than 50 percent the budget authority for public service jobs provided for in the President's stimulus proposals and accepted by Congress in the Third Budget Resolution. Adopting this amendment could seriously weaken our economic recovery effort. I urge my colleagues to vote against that amendment.

The PRESIDING OFFICER. Who yields time?

Mr. YOUNG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAREWELL TO STIMULUS

Mr. HARRY F. BYRD, JR. Mr. President, with the approval of the manager of the bill, I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 10 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, at a later date, I plan to submit an amendment to H.R. 4876, the Economic Stimulus Appropriations Act. The amendment would, quite simply, take $15 billion in deficit-spending out of the stimulus bill. It would leave in the legislation only those items which would normally be funded in a supplemental appropriations bill: General revenue sharing, countercyclical assistance—at a reduced level—plus additional sums for the National Aeronautics and Space Administration and the Department of Transportation.

My amendment would strike roughly $14.1 billion from the bill, leaving approximately $5.7 billion.

The withdrawal of President Carter's $11 billion rebate plan is an admission that stimulus at the present time in inflationary. My proposal would simply carry this reasoning over to the spending side of the ledger.

President Carter says a reduction in taxes would be inflationary; most certainly increased deficit spending would be inflationary.

The two major program expansions which are contained in this legislation are $9.5 billion for local public service employment and three new national employment programs, and $4 billion for local public works programs.

The public service jobs program provides funds to local governments, on the premise that the local governments will hire more workers, thus reducing unemployment.

Two things probably will happen under this program:

In some communities, the local payroll will be swelled with employees assigned to temporary, make-work jobs with no future.

In other communities, local governments will receive a tidy subsidy to pay the salaries of workers they already planned to hire.

As to local public works, I think we need to bear in mind that in this country, we must ultimately rely upon the private sector to provide jobs.

Rather than pumping tax funds into public works, it would be better to create the kind of climate that would encourage private investment. That would assure meaningful and permanent employment gains.

Furthermore, the timing of the local public works program is wrong. Many of the outlays that will be generated by the additional budget authority proposed in the pending legislation will come many months hence, when recovery presumably will be further along and inflationary pressures stronger.

Thus, the proposed public works spending could prove highly inflationary.

I do not believe that a convincing case can be made that the economy is in need of the kind of stimulus proposed in this legislation.

Economic statistics indicate that a sound recovery is under way.

In the first quarter of this year, despite the setback of severe weather, the real gross national product gained at an annual rate of 5.2 percent, double the 2.6 rate of the last quarter of 1976.

Personal income in March advanced 1.7 percent to an annual rate of almost $1.5 trillion. It was the second largest gain in history.

Retail sales, consumer credit, and industrial production all have trended sharply upward in recent months.

So we have a basically healthy and advancing economy. The one potential weakness is not a sluggish pace—the pace is not sluggish at all—but rather the threat of inflation.

Wholesale prices rose at an annual rate of 13.2 percent in March, and the rate of increase for consumer prices so far this year is almost 10 percent.

Since wholesale price surges usually precede increases in the Consumer Price Index, there is reason for some anxiety about the consumer price level in the months ahead. Some economists maintain the inflation rate will ease, and I hope they are right, but I don't see how we can count on it.

One thing is for sure—stimulus spending will not help bring the inflation rate down. On the contrary, it will create strong upward pressure.

Therefore, I believe that stimulus is exactly the wrong course to take. It is time to bid farewell to this misguided policy.

The national debt at the end of this fiscal year, on September 30, will be around $700 billion. Paying the interest on this debt during the current year will take about $42 billion in tax funds.

In fact, of every individual and corporate income tax dollar paid into the Treasury, 21 cents goes to pay the interest on the national debt.

To sum up: We are saddled with a staggering debt; the interest payments on that debt are consuming billions of dollars that could be used productively in the economy; and yet we are continuing to raise the debt with deficit spending on a grand scale.

This pattern must be reversed if we are to enter into a period of sound economic growth.

All of us want to see a strong economy, one on a firm and noninflationary basis. The way to achieve that kind of an economy is to take steps which will inspire confidence on the part of consumers and businessmen.

That is what economic recovery comes down to in the last analysis: confidence in the economy.

Consumers and businessmen cannot have confidence in an economy perpetually plagued with inflation and threats of inflation. If we are going to put the economy on a sound basis, we must squeeze the inflation out of it.

That means we must restrain Government spending, not expand it.

President Carter has discarded his proposed $50 rebate because, he said, it would be inflationary. The $14 billion of increased spending in this bill would be even more inflationary. My amendment would delete such additional spending.

I would like to see the entire amount eliminated from the bill. The Senator from Pennsylvania has an amendment that would reduce the amount of the bill by $3.9 billion. I shall support that, and am a cosponsor. I think that is a solid, sound proposal of the Senator from Pennsylvania (Mr. SCHWEIKER).

I would prefer that we go further and eliminate the other add-ons in deficit spending, which is proposed in the current bill.

In my judgment, it is very unwise to keep adding to the public debt by deficit spending at a time when virtually every sign indicates that inflation is being stimulated.

I think that both the administration and the Congress have their eyes on the wrong ball. The ball we should keep our eye on now is inflation, because that is where, in my judgment, the greatest threat is coming.

I urge adoption of the Schweiker amendment and, because of it, will decide later what other amendments might be presented.

Mr. President, I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Michael Shorr, James O'Connell, and Martin Jensen, who are on the committee staff, my staff, and Senator WILLIAMS' staff, be granted the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments, except the committee amendment on page 7, line 15, be agreed to en bloc and that the bill be considered as original text for the purpose of further amendment; provided, that no point of order shall be considered as having been waived by reason of this agreement.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 12, strike "$632,500,000" and insert "$925,000,000";

On page 2, strike out beginning with line 19 through and including line 24;

On page 3, line 21, after the comma, insert "$59,400,000, of which $29,700,000 is to carry out section 906(a)(1) of the Older Americans Act";

On page 2, line 23, strike out "to carry out section 906(a)(1) of the Older Americans Act, $59,400,000";

On page 4, line 15, strike "expended" and insert "September 30, 1979";

On page 4, strike out beginning with line 19 through and including line 23;

On page 5, line 19, strike "$150,000,000" and insert "$200,000,000";

On page 6, line 11, insert:

"RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

"For necessary expenses of railroad-highway crossings demonstration projects, as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Assistance Act of 1974, to remain available until expended, $20,000,000 of which $13,333,333 shall be derived from the Highway Trust Fund.".

Mr. McCLELLAN. Mr. President, the committee amendment on page 7, line 15, would insert the correct chapter number at the appropriate place in the bill. This was a technical amendment, only identifying the chapter which involved the appropriations relating to the $50 rebate and payments as passed by the House. This technical correction is not necessary now and I ask that the amendment not be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McCLELLAN. I yield the floor, Mr. President.

AMENDMENT NO. 136

Mr. SCHWEIKER. Mr. President, I call up my amendment No. 136 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER), for himself, Mr. PROXMIRE and Mr. GARN, proposes an amendment numbered 136:

On page 3, line 11, strike "$2,578,000,000" and insert "$1,853,000,000".

On page 3, line 16, strike "$6,847,000,000" and insert "$3,667,000,000".

Mr. SCHWEIKER. Mr. President, as reported by the Committee on Appropriations, H.R. 4376 contains $7.987 billion for public service employment under the Comprehensive Employment and Training Act—$1.14 billion for title II and $6.847 billion for title VI. This money is intended to fund a total of 725,000 public service jobs through fiscal year 1978—an increase of 415,000, or approximately 133 percent, over present levels.

My amendment would reduce the funds for titles II and VI by $3.905 billion and $4.032 billion—$415 million for title II and $3.667 billion for title VI. I want to stress that this amendment would leave enough money to maintain current levels of employment, 310,000, under both titles through fiscal year 1978. So this does not knock anybody out of a job. It keeps exactly the same funding levels for public service jobs that we now have, but it does not add $3.9 billion for 415,000 new public slots.

Mr. President, cosponsors of my amendment already include the Senator from Utah (Mr. GARN), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from South Carolina (Mr. THURMOND), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Nevada (Mr. LAXALT), the Senator from Utah (Mr. HATCH), and the Senator from California (Mr. HAYAKAWA).

I ask unanimous consent that the name of the Senator from Virginia (Mr. HARRY F. BYRD, JR.) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, Congress must act effectively to stimulate the economy and to reduce unemployment. But to increase the number of public service jobs from 310,000 to 725,000, at a cost of nearly $4 billion, is not the best course to follow in pursuit of these objectives.

Public service employment programs provide participants with no assurance of future regular employment. Department of Labor figures for fiscal year 1976 indicate that only seven-tenths of 1 percent of those terminated from title II programs and only 1.3 percent terminated from title VI programs were placed directly in unsubsidized employment. Another 11.2 percent under title II and 15.3 percent under title VI were placed in unsubsidized jobs only after participating in training, employment, or other supportive services, something they could have gotten without being in the public service employment program.

An additional 5.3 percent under title II and 10.2 percent under title VI found their own jobs. Only 17.2 percent of those terminated from title II programs and 26.8 percent terminated from title VI programs found an unsubsidized job. This is a pretty sorry record and we are wrong to use taxpayer's money to increase by 133 percent a program that has shown such dismal results.

Moreover, the Congressional Budget Office has stated that—

> Since little training has been undertaken in public service employment programs, it is doubtful that participants experience any lasting gains in future annual earnings.

In short, the long-range benefits provided by PSE programs are, at best, minimal.

In addition, there is considerable evidence of high rates of fiscal substitution under PSE programs. Fiscal substitution is the practice by which State and local governments use Federal funds rather than State and local funds for existing or planned public employee slots, or more simply, it is the process by which Federal funds are substituted for local tax effort.

A February 1977 Congressional Budget Office report cites estimates which suggest that the rate of fiscal substitution under PSE programs may be as high as 60 percent after 1 year and 90 to 100 percent after 2 years. In a more detailed discussion of this issue in a staff working paper of May 4, 1976, CBO cites three studies of the rate of fiscal substitution under the public employment program. That program was established by the Emergency Employment Act of 1971 and expired at the end of fiscal year 1975.

The National Planning Association estimated the rate of fiscal substitution to be 46 percent after 1 year. Alan Fechter arrived at an estimate of a 60 to 90 percent rate of fiscal substitution over an extended period. And Johnson and Tomola estimated the rate to be 60 percent after 1 year and 67 percent after 2 years. If one assumes a fiscal substitution rate of 60 percent, this means that only 4 out of every 10 jobs created by a PSE program are jobs that would not have existed in the absence of the program. In other words, 60 percent are not newly created jobs, as was the theory of this legislation.

Admittedly, these studies encompass a broad range of estimates, but I think it is safe to say that they all point to one conclusion, a high rate of fiscal substitution.

It has been suggested that the rate of fiscal substitution under CETA may be less than under PEP. However, as the Congressional Research Service states in a November 1976 paper, "there does seem to be general agreement that as the program has proceeded, local governments have learned how to utilize PSE jobs as part of the regular budgeting process and thus, the substitution effect has increased with the passing of time." And the Department of Labor has testified "the fact is that we really do not have unassailable evidence that none of the public service employment money is used to defray property and income tax increases at the local level which would be used to hire more public service employees." The Department goes on to say that there is little or no agreement among studies as to the extent or level of the substitution effect, but as I have indicated, the studies are, at the very least, discouraging.

Fiscal substitution significantly reduces the job-creating impact of public service employment programs. To the extent that substitution occurs, perhaps these programs are best evaluated as revenue sharing programs rather than as programs to create jobs, as they were intended and as we were told they would be.

I recognize that the project approach embodied in the new CETA title VI authorizing legislation may reduce the impact of fiscal substitution. But this approach may also reduce the productivity of public service jobs. As the Congressional Budget Office pointed out in a staff working paper of May 4, 1976 "if the 'local projects' program output was neither produced nor planned to be produced, then the community did not value the output as highly as other goods and services produced or planned to be produced. Thus, by avoiding fiscal substitution, the alternative—the project approach—selects output of relatively less value than the public output normally produced." And at another point in the same paper, CBO states that "as the value of the output decreases, the program begins to resemble an expensive income maintenance program."

Another issue which must be considered is the ability of State and local governments to absorb productively and manage efficiently an additional 415,000 public service employees. State and local government employment totaled 12 million in 1975, with 4 million of these jobs in education. The Bureau of Labor Statistics projects that the annual growth rate for this sector will be about 3 percent through 1985. An increase of 415,000 public service jobs, however, will more than double this projected annual growth rate in the year of the expansion and would bring the total number of federally funded public service jobs to 725,000—or nearly 6 percent of total State and local government employment. The Congressional Budget Office, in considering an expansion to only 600,000 jobs, states that "the feasibility of such an expansion, without a high rate of fiscal substitution and diminishing returns to scale, is unknown."

Now let us look at another source. We have just heard about the congressional budget analysis. Let us look at the General Accounting Office analysis of the same program.

An April 7, 1977 report by the General Accounting Office on public service employment programs supports many of the objections I have just raised to a massive expansion. In its report, GAO cites the inability of most program participants to find permanent, unsubsidized employment; maintenance-of-effort violations on the part of prime sponsors whereby Federal funds were used for jobs that should have been financed with State and local funds; the failure of the Department of Labor to administer effectively the provisions designed to prevent these violations due to a lack of time and staff; the funding of activities of questionable public benefit; and the failure of prime sponsors to verify regularly the eligibility of participants selected.

We know that, for a long while, many people were laid off from the municipal payroll and were rehired the next day or the next month and put on the Federal payroll. So, instead of creating jobs, we were just going into a revolving door. That was one of the most frequent and most direct criticisms of the program.

In short, the GAO report is a devastating appraisal of the ineffectiveness and poor administration which plague these programs.

Finally, Mr. President, I think it is important to note that the title VI program, which was enacted as an emergency response to high levels of unemployment and which was intended only to be temporary—and this whole concept was a temporary one-shot proposition—is now threatening to become a permanent institution. We have renewed it year after year after year, and yet it was sold to us as a one-shot program to help us out of a bad situation for 1 year. We keep renewing it, and now we are talking about going from $4 billion to $8 billion on these temporary one-shot programs.

As we have seen with many Federal programs, title VI seems to have developed a life of its own. In any event, its effectiveness certainly does not justify further expansion. Once expanded it will become increasingly more difficult to terminate.

For these reasons I move to continue these programs at their current levels, but to cut the proposed massive increases. It is time for the Federal Government to stop making even larger investments in programs of demonstrated ineffectiveness.

Mr. President, I have just argued against a massive expansion of public service employment on the merits of the issue itself. I firmly believe that all of the available evidence indicates such an expansion would be ill-advised. However, it is just as important to view this issue within the broader context of current economic conditions and our efforts to maintain control over a growing Federal deficit.

Last Friday the headline in the Washington Star read, "Economic Figures Are Best in 20 Months." Reports issued by the Commerce Department showed that the composite of leading economic indicators for March rose 1.4 percent from February, the biggest jump since July, 1975. It was the second consecutive monthly increase in the index after a drop in January caused by the severe winter weather. Most of the economic statistics announced recently have recorded gains, including a 5.2 percent increase in GNP for the first quarter of 1977, as contrasted with a 2.6 percent growth rate in the final quarter of 1976. However, it is also important to note that projections of the annual inflation rate have been revised upward, to a figure approaching 7 percent. In short, it seems that the economic outlook is improving even without stimulus and that inflation, that insidious enemy of prosperity, is again becoming a serious threat to this country.

It was on the basis of this evidence that the administration withdrew its rebate plan. I applauded that decision, but in light of the evidence, I am still puzzled by the administration's resolve to push for a 133 percent increase in public service jobs. If we do not need the rebate or a permanent tax cut as the Senate decided last week, how can we justify spending an additional $4 billion, over and above current levels, on public service employment programs of demonstrated ineffectiveness?

Moreover, as we debated the tax bill last week, objections were raised to certain amendments on the basis of their budgetary impact. I could understand the rationale for those objections, for as the Senate approached final passage of the bill, the revenue losses likely to result from its enactment totaled $20 billion for fiscal year 1978, or $1.6 billion over the targets contemplated by the first concurrent resolution on the budget for fiscal year 1978. Again, however, I find myself asking how we can express reservations, and in some cases opposition, to very worthy amendments to the tax bill designed to reduce unemployment and stimulate the economy, yet support an additional $4 billion for a program clearly not worthy of the additional funding?

Mr. President, in closing, I would like to state very emphatically my concern with the very high rate of unemployment in this country. Last week the Senate included provisions in the tax bill, such as the increased investment credit, at an estimated total cost of $1.7 billion for fiscal year 1977 and fiscal year 1978; a strengthened new jobs tax credit, at an estimated total cost of $3.3 billion for fiscal year 1977 and fiscal year 1978; and reductions in personal income taxes totaling $9.6 billion for fiscal year 1977 and fiscal year 1978, which should help to reduce unemployment. Stimulus is being provided by the tax bill. In addition, we will see the benefits to be provided by future congressional action on a new youth title under CETA, which the Human Resources Committee is dealing with that will be considered next week at an approximate cost of $2.5 billion, and the $4 billion for public works jobs included in this bill. In view of all these things, the additional $4 billion for a 133-percent increase in public service employment just is not warranted, needed, or justified.

In view of the stimulus already provided, the improving economic conditions, the growing deficit, $57 billion to $63 billion, depending upon whose estimates you look at, and the obvious deficiencies which plague public service employment, I believe it would be a serious mistake to approve an additional $4 billion for public service jobs as recommended in this bill.

The PRESIDING OFFICER (Mr. KENNEDY). The Senator from New Jersey.

Who yields time?

Mr. WILLIAMS. Can I have 2 minutes?

Mr. McCLELLAN. I yield 5 minutes to the distinguished Senator from New Jersey.

Mr. WILLIAMS. The Senator from Pennsylvania (Mr. SCHWEIKER), I know, is prompted to this amendment by reasons of economy. But it seems to me strange economy when we know that today there are better than 7 million people unemployed in this country, we know that there are better than 2 million who have been unemployed for a long period of time.

Now, we have our options, I suppose. We can do nothing directly and immediately about these people and let them stay unemployed, and either draw unemployment compensation or welfare. Certainly they would be the beneficiaries of other supporting programs like food stamps.

All of those programs are necessary. But is there not a better way? Can we not find ways to have unemployed people in a job? That is what this appropriation of money is about. It is for jobs for long-term unemployed people who are part of low-income households.

It would seem to me that that is the better part of economy, because for those who got employment, we would save the cost of unemployment compensation or welfare, food stamps, et cetera.

There would be a paycheck and, indeed, part of that paycheck would be returned in taxes.

The Senator from Pennsylvania has based his case on a couple of reports and a couple of fears. The reports by the Congressional Budget Office and the General Accounting Office run back 2 years or more. They were based on things as they were in the program at the beginning when it was starting up, when there was limited experience. There was substitution, and there were other problems, as the Senator from Pennsylvania has suggested.

But what have we done? We have in the legislation that authorizes this appropriation taken care of the substitution by requiring that the workers who fill new public service jobs shall be long-term unemployed, and they shall come from households of low income. And the work that they do shall be, as the Senator described, on projects. This does away with this rampant substitution, putting a public service employee in a job that otherwise would have been done as a regular course by the governing body, county, or municipality. It is new effort, and I would cite the record from GAO as to the kind of projects that we could see—new projects, new effort that the community would not have the money to do.

Here is something, I think, that should be of interest to the Senator from Pennsylvania and his sponsors.

In the city of Boston, the Boston Housing Authority rehabilitated uninhabited city-owned apartments. Participants who worked on the project included plasterers, painters, electricians, plumbers, and other skilled workers. When the project is completed 260 apartments will be available for low-income residents.

This is just one example of a new community asset, a new one. It would not have happened without public-service employment in that particular situation. The list is long.

The fears of the Senator from Pennsylvania, I suggest, are unfounded, in view of the diligence of our authorizing committee in finding the problems and correcting them through the authorizing legislation.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MAGNUSON. I yield such time as the Senator may need.

Mr. WILLIAMS. I thank the Senator.

Whatever signs of economic growth are beginning to emerge, there are still 9 million Americans who are unable to find full-time work today.

This is no time to abandon, or retreat from, our commitment to create jobs in a way that undergirds economic recovery.

This is a commitment that was not made lightly or hastily.

It is a commitment that is based upon a broad and clear consensus, not only in Congress, but among economists as well.

Senators will recall that, only a few days before Congress adjourned last year, we enacted the Emergency Jobs Program Extension Act of 1976.

In developing that legislation, the committee that I chair—and of which the Senator from Pennsylvania is a member—spent many weeks analyzing the problems that had been identified in the public service jobs program under title VI of CETA.

The corrective measures that were recommended by our committee were overwhelmingly adopted by Congress.

And they were signed into law by President Ford, who had previously opposed not only an expansion of public service jobs, but any renewal of the program as well.

That legislation was not simply an extension of the title VI program. The new act sharply redirected the focus of public service employment, targeting the new jobs on long-term unemployed persons from low-income households.

The very essence of that act was a commitment to expand title VI public service jobs. It addressed its revisions to new jobs, not to those jobs that comprise the existing, 2-year-old program.

In enacting that legislation, the Congress was not saying, "Hold the line on public service jobs."

Clearly and overwhelmingly, we were saying that the program should be expanded, and that is the concrete foundation upon which the consensus of support for public service employment rests.

There is more in the history of this consensus.

In December, President-elect Carter decided that public service jobs should be the centerpiece of the job-creation elements of an economic recovery package.

In adopting the third budget resolution for fiscal 1977, Congress itself endorsed the expansion.

And now we have before us the real action document—the appropriation bill that provides the funds for providing 415,000, or about 5 percent, of jobless Americans with the opportunity for employment.

The bill has been recommended by House and Senate Appropriations Committees. It has passed the House of Representatives. And it has the implicit endorsement of the Senate Committee on the Budget, which voted last week to retain these funds for public service employment in the fiscal 1977 budget.

Mr. President, I should like to spend a few minutes in rebuttal of the arguments that the Senator from Pennsylvania has advanced in support of his amendment.

In the main, he contends that public service jobs lead to few permanent jobs and that fiscal substitution is rampant in the program.

Fiscal substitution is the process by which local governments substitute Federal funds for local tax effort. In public service employment, this mainly constitutes using Federal funds to rehire regular public employees who had been laid off because of local budget problems.

In this regard, the Senator from Pennsylvania has relied upon evidence that is obsolete and off target.

For example, he cites a recent evaluation by the Congressional Budget Office, choosing a brief extract from that report. The brief passage reads as follows:

> The rate (of fiscal substitution) has been estimated to be as much as 60 percent in the first year and 90 to 100 percent after two years.

The Senator from Pennsylvania does not say who made that estimate or, more important, when it was made. I shall answer these questions for my colleagues.

In this case, CBO referred to two studies conducted on an old program—the public employment program—PEP—enacted in the doldrums of the 1971 recession.

The PEP program was nearly phased out by the time title VI of CETA was enacted in December of 1974.

But more significant, both of the allegedly damaging studies were completed before title VI was implemented.

Therefore, they could hardly be cited as evidence of the weaknesses in the title VI program and are irrelevant to our debate here today.

The Senator from Pennsylvania also cites a report issued by the General Accounting Office on April 7, 1977.

The GAO found a number of weaknesses in the public service employment programs, as they are administered by 445 local and State prime sponsors.

But again, the data are obsolete. The GAO study explored public service employment activities up to June 30, 1975, when the title VI program was only 6 months old and still in the implementation phase.

Moreover, the Department of Labor, in a letter published with the GAO report, detailed the many steps that have been taken over the 21 months since the GAO data was compiled to strengthen the program.

Another argument raised by the Senator from Pennsylvania suggests that public service employment is a dead-end proposition for the participants.

He argues that too few participants go on to permanent, unsubsidized jobs.

That conclusion is based upon a selective use of some statistics that are included in President Ford's Employment and Training Report.

The Senator asserts that only 17.2 percent of those terminated from title II jobs, and 26.8 percent from title VI programs, found unsubsidized employment.

His report of the statistics is correct, as far as it goes. But it ignores the more complete picture.

In fact, the Department of Labor reported that 75.8 percent of the terminations in title II and 61.4 percent in title VI were "positive terminations," in which the participants found permanent jobs or entered training that leads to permanent employment.

This is an impressive record, and it is all the more impressive because of its improvement over the previous year.

Positive terminations in title II increased 40 percent over the 1975 level, and in title VI, the increase was 35 percent over the previous year.

This is evidence, not of failure, but of growing success.

Mr. President, if the Senator from Pennsylvania is concerned about fiscal substitution in public service employment, he should be supporting this appropriation, rather than trying to kill it.

Unless funds are appropriated to create new title VI jobs, the new targeting requirements of the act cannot come into effect.

The very funds that the Senator is trying to eliminate would target jobs on welfare recipients and long-term unemployed persons from low-income households.

Few regular public employees could meet these standards, and fiscal substitution should, therefore, be at a minimum.

In fact, this conclusion is supported by the Congressional Budget Office.

In developing the cost estimate last year for the new title VI program, CBO assumed that fiscal substitution will range between zero and 25 percent.

Mr. President, between zero and 25 percent substitution is a far cry from the 60 to 100 percent estimated cited by the Senator from Pennsylvania on the basis of studies of an old and expiring PEP program.

If substitution is a sin, the way to absolve it is to appropriate additional funds as proposed in H.R. 4876 so that the new targeting requirement may come into play.

Mr. President, we must bear in mind that CETA public service employment focuses the funds where they are needed most—in areas of high unemployment.

The title II program operates only in areas of substantial unemployment, in excess of 6.5 percent.

Title VI funds are distributed more widely, but areas with exceptionally high unemployment receive more funds.

In short, the PSE programs, as now designed, are excellent vehicles for providing jobs, for meeting community needs, and for promoting economic growth.

In late 1975, CBO reported on several options for stimulating the economy and concluded:

> Public service employment is likely to have a greater effect on employment in the short run than other fiscal measures such as tax cuts or increases in government spending . . . public service employment programs have the highest employment impact of the measures considered.

Finally, Mr. President, I cite a Department of Labor study in rebuttal of the arguments of the Senator from Pennsylvania.

This study was conducted by George E. Johnson and James D. Tomola, the same gentlemen who conducted one of the PEP studies upon which the Senator from Pennsylvania has rested a major part of the case for his amendment.

In their new study, Johnson and Tomola conclude that public service employment—even with substitution at its worst—is as good as a tax cut for stimulating the economy. This is what they wrote recently:

> If public service employment is viewed as a countercyclical employment policy, the size of the substitution effect is a factor in comparing its impact with other forms of fiscal policy, but even with 100 percent substitution PSE is as effective as a federal tax cut.

That should get the attention of the Senator from Pennsylvania.

It argues that a tax cut, which he espouses, is not the be-all or the end-all for our economic travails.

If public service employment, with full substitution, is as good as a tax cut for pumping up the economy, it follows that PSE, with safeguards to restrain substitution, is better than a tax cut for macroeconomic purposes.

And it has the additional virtue of placing people directly into jobs.

In summary, Mr. President, the Senator from Pennsylvania is on the wrong track.

The mandate to expand the public service jobs program is a clear one.

The State and local prime sponsors have readied themselves in recent weeks to take on the additional responsibilities.

Our committee and the Labor Department have done our best to improve the programs, both in concept of purpose and in manageability.

The prime sponsors deserve consistent signals and consistent support for their efforts to give work to the jobless.

That is why I have argued for, and the Appropriations Committee has recommended, forward-funding for the full 18 months ahead of us. Those funds are in this bill.

We have come this far without serious reservations as to the need for public service jobs or the good they can provide.

Let us not now retreat. I urge my colleagues to reject the amendment of the Senator from Pennsylvania.

Mr. President, I ask unanimous consent that a letter of support for this bill, dated April 29, 1977, from the Secretary of Labor, and two letters to the GAO from the Assistant Secretary for Administration and Management of the Department of Labor be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
Washington, D.C., April 29, 1977.

Honorable ROBERT C. BYRD,
Majority Leader, U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: I am writing to ask your assistance in obtaining speedy passage of H.R. 4876, the Economic Stimulus Appropriations bill, at the level reported by the Appropriations Committee.

With unemployment continuing at an unacceptably high level in the United States, I believe it is essential that we continue the momentum established over the past several months in placing unemployed workers in public service jobs. We have just completed a review of the preparedness of CETA prime sponsors and I am encouraged by the steps taken to date. However, we risk losing our readiness if appropriations are unduly delayed.

As approved by the Committee, this bill would allow us to increase our current number of public service jobs from 310,000 to 725,000 by the end of this calendar year. I believe it is especially important to note that the vast majority of these jobs will be targeted solely for the long-term unemployed from low income families.

The bill would also enable us to employ and train large numbers of unemployed persons in other programs. Specifically, it would create 175,000 employment and training slots for youths, which we believe are particularly needed in view of the high youth unemployment rate. The bill would also double the number of slots in the Job Corps to 44,000. In addition, it would target more employment and training opportunities for veterans, Indians, and migrants.

We believe all elements of this supplemental appropriations bill are vital if we are to meet our goals of reducing unemployment and continuing the economic recovery. The Administration strongly supports the bill as reported by the Appropriations Committee and I respectfully urge your help in obtaining its passage without any amendments.

Sincerely,

RAY MARSHALL,
Secretary of Labor.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., December 27, 1976.

Mr. GREGORY J. AHART,
Director, Division of Human Resources, U.S. General Accounting Office, Washington, D.C.

DEAR MR. AHART: This is in response to your letter of October 29, 1976, to the Secretary, transmitting a proposed report to the Congress, entitled, "Public Service Employment—Considerations for More Effective Programs." The comments are keyed to the specific issues raised in the report.

1. We recommend that the Secretary of Labor require prime sponsors to fully justify in their plans the basis for any activity which may relate to using public service employment funds to provide services previously funded by nonfederal resources. This includes any situation where CETA participants will be used to fill vacant full-time positions or provide services normally done by temporary, part-time or seasonal workers or contracted out, as well as to the hiring of laid-off employees.

Comment: Concur. This issue is adequately addressed in the regulations for the extension of title VI programs, published in the Federal Register on December 10, 1976. Sections 99.34(h) and 96.24(j) provide that prime sponsors, who utilize title VI and title II funds, respectively, to hire persons to fill positions previously supported by non-CETA funds or to provide services which are normally provided by temporary, part-time or seasonal workers or which are normally contracted out, prepare and maintain adequate documentation that such use of title VI funds does not constitute a violation of the Department's maintenance of effort provisions. Such documentation must be maintained and be made readily available for the inspection of the Regional Administrator. Prime sponsors shall, at the direction of the Regional Administrator, submit such documentation or any budgetary expenditure records, revenue statements, and other information relevant to the justification of such proposed activities.

2. We recommend that the Secretary of Labor disapprove any plans where the prime sponsors have not submitted conclusive evi-

dence that the proposed activity is fully allowed.

Comment: Concur. Sections 99.34 and 96.24 of the revisions to the title VI regulations stipulate that the Regional Administrator shall not approve any plan unless prime sponsors have submitted, at the direction of the Regional Administrator, conclusive evidence that the proposed use of funds fully meets the requirements of the maintenance of effort provisions.

3. We recommend that the Secretary of Labor require prime sponsors to keep for a reasonable period of time all supporting documentation used to justify their use of CETA funds in such cases.

Comment: Concur. Sections 99.34 and 96.24 of the regulations require prime sponsors to make such documentation available for the inspection of the Regional Administrator for a period of not less than 1 year subsequent to the filling of such positions.

4. We recommend that the Secretary of Labor require that all public service employment funds be used to create new job positions when the prime sponsors anticipate a current unencumbered surplus, unless the prime sponsor can conclusively demonstrate that such use is infeasible.

Comment: Concur. Sections 99.34(a) and 96.24(a) stipulate that public service jobs funded under title VI shall only be in addition to employment which would otherwise be financed by the prme sponsor without assistance from CETA.

5. We recommend that the Secretary of Labor explore ways to discourage prime sponsors from misusing CETA funds, in addition to recovering funds through adjustments to grants, such as penalizing prime sponsors and publicizing violations to show adverse effects on the community and its residents.

Comment: Concur. We agree with the recommendation that the Department explore ways of discouraging prime sponsors from misusing CETA funds and penalizing those who violate the maintenance of effort provisions. However, we disagree that these methods should include the publication of violations to demonstrate adverse effects on the community or its residents.

6. We recommend that the Secretary of Labor examine the cases presented in this chapter and take appropriate action, where it has not already been taken, for those cases where violations have occurred.

Comment: Concur. The Department will investigate the cases cited in the report and take appropriate action.

7. We recommend that the Secretary of Labor urge prime sponsors to actively seek out unsubsidized job opportunities for CETA participants in the public and private sectors to facilitate the transition of more enrollees from their CETA jobs to unsubsidized positions.

Comment: Concur. The Department has and will continue to encourage intensive efforts on the part of prime sponsors to establish public service jobs with maximum potential for transition into unsubsidized jobs in the public sector, and to establish cooperative relationships with existing resource agencies, such as the State Employment Security Agencies, to provide maximum exposure to private sector job opportunities.

8. We recommend that the Secretary of Labor revise the Department's guidelines on reporting terminations so that data will accurately show how many individuals actually terminated from the programs and provide a better basis for measuring program results.

Comment: Concur. The Forms Preparation is in the process of revising the CETA Program Status Summary Report, terminations which are the result of Intertitle Transfer should be recorded under the heading "Other Positive Terminations." Additionally, ETA is in the process of revising the CETA Program Status Summary Report to include a new item under the heading "Other Positive Terminations," entitled "Completed program objectives not involving unsubsidized employment."

9. We recommend that the Secretary of Labor insure that prime sponsors meet goals of serving the members of significant population segments enumerated in their program plans.

Comment: Concur. The Department continues to emphasize prime sponsors' responsibilities in assuring that public service employment programs are designed and operated to ensure equal services to significant segments of the population, i.e., persons and groups who experience unusual difficulties in obtaining employment and who are most in need of services provided by CETA. Special attention has recently been paid to the low female participation rates in a few prime sponsors' public service employment (PSE) programs. Regional offices have been advised of their role in ensuring equitable service in public service employment programs through the grant review and approval process, regular monitoring and special reviews, and technical assistance and corrective action initiatives.

10. We recommend that the Secretary of Labor insure that the target goals adequately represent the proportionate share of those actually unemployed in the prime sponsor's jurisdiction through the development of better local data on these groups.

Comment: Concur. As has been noted in response to a previous GAO report entitled "Formulation of Plans for Comprehensive Employment Services—A Highly Involved Process," the Department is continuing its efforts in assisting prime sponsors in developing more complete, current and accurate labor market data. A nationwide training effort, directed at both the State Employment Security Agency (SESA) labor market analyst and the CETA planner, will be implemented during Fiscal Year 1977. This training effort will encourage the necessary coordination and cooperation between the two parties for a more effective and comprehensive labor market information system.

11. We recommend that the Secretary of Labor insure that the prime sponsor's application forms require enough information to permit the prime sponsor to identify applicants as members of target groups.

Comment: Concur. Section 98.18 of the regulations sets forth the types of information which must be maintained on each applicant for CETA-funded positions. The Forms Preparation Handbook provides general instructions for the collection and maintenance of information on all applicants, participants, and terminees of CETA-funded programs. The Department has stipulated no required method of maintaining this information, nor does it plan to mandate such a method, at this time.

12. We recommend that the Secretary of Labor require that prime sponsor plans explain unmet public service needs in detail; clearly establish priorities among such needs; and fully explain the methods used to decide which needs are the most pressing.

Comment: Concur. The Forms Preparation Handbook requires that prime sponsors in the program narrative for PSE programs provide a description of the unmet public service needs as described in section 701(a) (7) of the act in each of the area(s) to be assisted and state priorities among such needs (section 205(c)(11)). Further, they are to provide a description of the major types of jobs within the public service areas to be filled as they relate to the needs described above and whether they are in expanding occupational fields.

13. We recommend that the Secretary of Labor require that public service employment jobs are allocated equitably among various levels of government to help improve future employment prospects for participants.

Comment: Concur. As the report notes, the Secretary's regulations require that jobs be allocated among State and local public agencies and subdivisions thereof, such as educational agencies within the prime sponsor's jurisdiction, taking into account the number of unemployed persons within each area, their needs and skill levels, the needs of the agencies and the ratio of jobs in the area at each governmental level. The ultimate responsibility for the distribution of jobs lies with the prime sponsor. ETA's regional offices, through their grant review and monitoring functions, are responsible for insuring compliance with the provisions of the act and the regulations. The regional offices will continue to scrutinize the allocation of jobs between State and local governments.

14. We recommend that the Secretary of Labor require that prime sponsors fund only those activities which clearly indicate that public service benefits will be realized.

Comment: Concur. While the Department agrees with GAO's desire to require prime sponsors to fund only those activities which clearly indicate that public service benefits will be realized (current regulations cover the matter sufficiently), the presentation of such a conclusion, based upon one incident in 23 locations, does not appear to be warranted.

15. We recommend that the Secretary of Labor require that funds are recovered in connection with projects of a questionable nature as noted in this chapter where there has been a violation of Labor's regulations.

Comment: Concur. ETA's regional offices will review the cases cited in the report and require refunds, where appropriate.

16. We recommend that the Secretary of Labor establish a selective systematic approach to be taken in verifying eligibility of CETA participants; require prime sponsors to fulfill their responsibilities for insuring that participants meet the act's eligibility requirements.

Comment: Concur. Although prime sponsors are responsible for assuring the eligibility of CETA participants, section 99.43 of the December 10, 1976, regulations provides some guidelines regarding arrangements and procedures that prime sponsors may utilize in the verification of participant eligibility. This section further emphasizes that prime sponsors shall be liable for any payments made to participants determined ineligible during program audits or reviews.

17. We recommend that the Secretary of Labor require prime sponsors to uniformly apply residency requirements for CETA eligibility as spelled out in Labor's regulations, regarding residency at the time of application and selection to insure equitable treatment to all CETA applicants.

Comment: Disagree. Current regulations relative to residency prescribe adequate conditions for eligibility for PSE programs. Section 96.26 states that, at the time of both application and selection, program participants shall reside in an area of substantial unemployment within the jurisdiction for which funds have been designated.

18. We recommend that the Secretary of Labor require Labor's regional offices to follow-up on the possible cases of political patronage and nepotism cited in this report.

Comment: Concur. Our regional offices will investigate the possible cases of political patronage and nepotism cited in this report and take appropriate action.

19. We recommend that the Secretary of Labor instruct regional offices to place more emphasis on monitoring the programs of prime sponsors through increased on-site visits and special reviews, as warranted.

Comment: Concur. The Department shares GAO's concern about the frequency of on-site monitoring and special reviews. Increased emphasis on such activities will be stressed during Fiscal Year 1977.

20. We recommend that the Secretary of Labor require prime sponsors to establish and implement procedures for effectively evaluating the performance of subgrantees under their jurisdiction.

Comment: Concur. Section 98.31 of the regulations sets forth prime sponsor responsibilities relative to monitoring and evaluating the effectiveness of subgrantees' performance. Additionally, section 98.6 requires that prime sponsors conduct, at least once every 2 years, an independent audit of each contractor or subgrantee providing activities and services amounting to $100,000 or more during one grant year. Audits of those subgrantees or contractors providing activities and services under $100,000 may be conducted on a sample basis.

21. We recommend that the Secretary of Labor monitor the procedures established by prime sponsors to assess the progress of the participants.

Comment: Concur. Increased monitoring activities by regional office staff during Fiscal Year 1977 will include the monitoring of prime sponsor's procedures for assessing the progress of CETA participants.

22. We recommend that the Secretary of Labor enforce existing procedures to insure that CETA participants are not concurrently collecting unemployment insurance and establish similar procedures to assure improper payments are made to participants who might be receiving welfare payments.

Comment: Concur. The Department agrees with GAO's concern in this matter. The regulations of December 10, 1976, relative to the verification eligibility information with the State Employment Security Agency (SESA) and welfare departments are an important measure in the Department's efforts to minimize this abuse.

23. We recommend that the Secretary of Labor require that prime sponsors include, in their administrative costs, the salaries of CETA participants associated with program administration and show a breakdown of administrative costs between regular costs and that of CETA participants.

Comment: Disagree. It is our belief that the inclusion of salaries paid to CETA participants associated with program administration in overall grant administrative costs would be counterproductive, duplicative, and serve no useful programmatic purpose.

We appreciate the opportunity to comment on this report. If my office can be of further assistance to you, feel free to contact me.

Sincerely,

FRED G. CLARK,
Assistant Secretary for Administration and Management.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., January 24, 1977.

Mr. GREGORY J. AHART,
Director, Division of Human Resources, U.S. General Accounting Office, Washington, D.C.

DEAR MR. AHART: This is in further response to my letter of December 27, 1976, regarding the proposed GAO report, entitled, "Public Service Employment—Considerations for More Effective Programs." Responses to two recommendations in the report were inadvertently omitted.

1. We recommend that the Secretary of Labor insure that the data on individual or family income are reported on a standardazed basis in order for this data to be useful for eligibility and program evaluation purposes. Estimates of anticipated future earning should also be obtained from potential participants.

Comment: Concur. The reporting of income for prospective PSE participants is currently being done on a standardized basis. The determination of eligibility for PSE programs (economically disadvantaged and under-employed) must be based on family income. While, Chapter VI of the revised Forms Preparation Handbook, dated September 1976, requests data on the sum of money received by the applicant or the family from all sources, it in no way obviates prime sponsor's responsibilities to obtain total family income in determining program eligibilty. However, in an atempt to clarify basic data needs, the above-mentioned chapter will be revised to obtain only the sum of money received by the family. The Department sees no valid reason or need in obtaining data relevant to anticipated future earnings from potential participants.

2. We recommend that the Secretary of Labor insure that the program objectives of title II are attained by requiring prime sponsors to design and operate title II programs as employment and training manpower tools directed at the structurally unemployed, as opposed to counter-cyclical tools.

Comment: Concur. As noted in the report, it is our belief that the extended funding of title VI will enable the Department to work expeditiously toward the elimination of the counter-cyclical nature of title II, thereby returning it to its original objectives and enhancing services to the structurally unemployed.

Sincerely,

FRED G. CLARK,
Assistant Secretary for Administration and Management.

Mr. JAVITS. Mr. President, will the Senator yield me 5 minutes,

Mr. MAGNUSON. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. I thank my colleague.

Mr. President, Senator WILLIAMS speaks as the chairman of the Committee on Human Resources, and I speak as its ranking minority member.

I am very strongly opposed to this amendment. I do not challenge in any way the deep feeling about the public policy involved which its author wishes to call to our attention, but I believe that it is very much misplaced at this time and for the following reasons:

One, the rebate idea has been withdrawn. The tax cut we offered on this side has been defeated. Those were estimated respectively to add to the job opportunities of Americans some 725,000 jobs by the rebate proposal and some 350,000 to 450,000 jobs by the tax cut. Those are out the window. There is no other way seasonably to replace those opportunities except by the passage of this provision.

So, Mr. President, first and foremost, that faces us. What are we going to do about the job market which we had planned to do something about in the ways that I have described, neither of which has matured? This is a targeted program to deal with precisely that problem because one of the important conditions and, therefore, what distinguishes the present situation from the situation covered by reports relating to previous programs, to wit, the GAO and the Congressional Budget Office, is the fact that it is targeted to those who have been unemployed for 15 weeks.

Argument No. 2, the bill for unemployment compensation is about $17 to $18 billion a year.

We give unemployment compensation, Federal and State, not for 15 weeks but for 39 weeks. So every one of these people who is likely to remain unemployed, having been unemployed for 15 weeks, will not be drawing that unemployment compensation for a much longer period, to wit, at the potential of 24 weeks.

So, Mr. President, there is an offset, a very real offset. In addition, there is a morale gain because these men will be working, and there is an equivalency in terms of what they get because the compensation is very limited between what they receive and the amount of compensation which they would otherwise receive for not working.

Finally, Mr. President, and to me critically important in this situation, we are endeavoring to deal with an absolutely intractable unemployment problem, and we believe that we can find ways to do it if given a bridge toward a lower unemployment objective. There are not only over 7 million unemployed but not less than a minimum of 3.5 million of those are adults. We estimate that those 16 to 24 years of age represent about one-half. Those over 16 to 24 years of age represent at least the other half. Indeed, the committee thinks it is 5 million, not 3.5 million, and they may be right. But in any case, let us take the 3.5 million figure. For the youth we have already agreed upon a youth unemployment bill, including summer jobs which will take up a very great proportion of that 3.5 million. For the adults, however, all this bill will do at the most is look after 20 percent in a direct employment opportunity because if this is defeated by Senator SCHWEIKER's amendment we have not otherwise dealt with the problem of adult unemployment which is at least half of the total of unemployment.

When we couple all of those arguments, Mr. President, together with the reform of the program which is very real and has caused the Congressional Budget Office to scale down the possibility of substitution, on this program, not the old program, so that it is somewhere between zero and 25 percent, it seems to me an irrefutable case is made for defeating this amendment which would be highly counterproductive, highly regressive, and highly discriminatory and unfair, for the reason that I have described, to the adult unemployed.

I deeply feel, Mr. President, therefore, that this amendment should definitely be rejected and, I thank our colleague, Senator MAGNUSON, for yielding the time.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Public Employment as Fiscal Policy," written by Michael Wiseman of the University of California, Berkeley.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUBLIC EMPLOYMENT AS FISCAL POLICY

(By Michael Wiseman)

NOTE: This paper was supported partially by the Institutes of Industrial Relations and Business and Economic Research at the University of California, Berkeley. I am grateful to the discussants and members of the Brookings panel and to George Johnson, Mark Kendall, and Alan E. Fechter for helpful suggestions; to Seymour Brandwein, William Schickler, and Dick Wagner of the Employment and Training Administration for data and advice; and to Leslie Rowland, and the staff of the Income Dynamics Project at Berkeley for research assistance.)

In a countercyclical public-employment program, the government attempts to expand employment during a recession and its aftermath by creating additional jobs in the public sector. Congress and the public like such policies, but most economists view them with suspicion. Since considerable experience with public-employment programs has developed over the past five years, the time seems right to evaluate their operation and potential.

Two caveats are in order. The first is that this paper will not addres the efficacy of fiscal policy or the desirability of discretionary policy in general. Throughout, expenditures on public employment are assumed to be financed by borrowing. The beneficial effect of this outlay on aggregate demand or national product will be reduced to an uncertain degree by the impact on interest rates. Nonetheless, considerable evidence suggests that, on balance, fiscal policy "works" in the sense that deficit-financed government outlays can increase gross national product and employment.[1] The problem at hand is to identify unique properties of public employment. What can direct job creation accomplish that other, more traditional, discretionary fiscal instruments cannot?

Second, I am concentrating on one type of public-employment program—a countercyclical one—when at least two other models have appeared in the literature. The object of such a program is restoration of normal unemployment rates during a recession and early recovery, and it is designed to be terminated as such rates are approached. In contrast, a "structural" program is the public-sector equivalent of on-the-job training, and is generally advocated as appropriate even for periods of relatively full employment. This kind of program aims to provide skills to special classes of workers and open civil service to those who have been denied public jobs by prejudice and custom. A job-of-last-resort program—the third model—is simply income maintenance with a work requirement. During the past two years, last-resort jobs have been proposed as back-stops to wage-subsidy programs or as an alternative to extended unemployment compensation.[2]

The principal argument for a public-employment policy is that outlays on direct job creation move the economy leftward along a more favorable Phillips curve than could be traversed in the same time and with the same dollar outlays spent on alternative fiscal policies. This conclusion is based upon certain presumed properties of public-employment programs and a particular model of the inflation process. Four properties are usually stressed by advocates of the program:

(1) Time shape. Once initiated, public employment can generate a desired level of expenditures more quickly than can other purchase policies. As a corollary, expenditures from a given appropriation will not have as long a "tail" into the future as have, for example, public-works programs.[3]

(2) Job impact. Expenditures on public employment are translated directly into jobs, in contrast with the effects of expenditure (or tax) policies, which occur only as producers respond to increased demand for goods and services.

(3) Pinpointing. Money spent on public employment can be targeted both geographically and demographically, to an extent not possible with other fiscal or monetary policies. This characteristic makes it possible to achieve a better unemployment-inflation combination or distributional impact than could otherwise be attained.

(4) Deficit. Because a greater proportion of public-employment outlays is recouped in reduced transfers and higher income tax payments, compared with other expenditure policies, such outlays have less impact on the current budget deficit. In theory, the budget deficit can be adjusted to desired levels at any time by other tax or expenditure policies, and this attribute is of little macroeconomic significance. However, political realities may lend importance to the deficit-restraint characteristic.

Given these claimed advantages, the effect of a public-employment program on prices is best understood in the context of a standard model of inflation familiar to readers of Brookings Papers. The model has five components: a wage equation; a price equation; a specification of the relation between demand for output of the private sector and employment; a Keynesian expenditures system that relates demand to income, policy instruments, and other exogenous factors; and a specification of the formation of price expectations.

The wage model is similar to that used by Michael Wachter in his paper in this issue, with a few twists. The rate of change in money wages is assumed to be a function of the unemployment rates of various demographic groups and expected (or recent average) rates of change in some class of prices. The effect of a reduction in the unemployment rate of a segment of the labor force on aggregate wage inflation is assumed to be greater the bigger the group relative to the total labor force, the higher its typical income, the lower its initial unemployment rate relative to "normal" levels, and the greater the responsiveness of its wage to the labor market. "Normal" unemployment rates aggregate to the full-employment rate of unemployment described by Wachter; for any demographic group, normal rates may differ geographically for structural reasons. The model implies that the effect of reductions in aggregate unemployment on rates of wage change will depend on who is hired.

In the model, rates of change in prices for private output are related to the excess of rates of changes in money wages over rates of productivity increase and the level and rate of change of demand relative to capacity. Both relationships operate with lags; wage inflation in excess of productivity change or an increase in demand for output this quarter will affect inflation rates for several quarters to come.

Employment shifts with demand for output; but it does so with a lag and to a smaller degree, because of inventories, the gradual response of production to demand stimulus, and, during an expansion, the increase in productivity of workers on the job and lengthening of the workweek. Unemployment, in turn, responds less to demand changes than does employment because the labor force tends to vary, in the short run, with fluctuations in total employment.

Finally, if the wage model contains expected rates of price change, it must be closed with a system for determining expectations since the price model determines actual rates of inflation. However expectations might be specified, here it is assumed that public-employment outlays have no more adverse effects on expectations than do other expenditure policies.

In the combined model, the effect of an expansion of aggregate demand on output prices is determined by the level of excess capacity and changes in unit labor costs. As output expands, unemployment diminishes and this, plus any direct effects of demand on prices and price expectations, causes wages to accelerate. Because of the lagging responses of output and employment to an expansion of demand, a substantial reduction in unemployment in the short run requires a much greater stimulus than is necessary for the same reduction in the long run.

In the context of this model the potentially favorable aspects of public employment operate in the following way. The expansion in demand for labor associated with the program circumvents, in the first round of expenditure, the demand term in the price equation and the lag involving orders, sales, production, and employment entailed in ordinary fiscal policy. The concentration of outlays on wages maximizes their initial employment effect. The capacity to target allows the job-creating effort to be concentrated on groups and areas where reduction in unemployment puts least pressure on wage inflation. Finally, the reduction of transfers minimizes any problem posed by an overall constraint on the size of the deficit.

Thus, for a given effect on the rate of inflation, proponents argue that, during a recession, public-employment expenditures are associated with gains of output and employment of greater social value than are other fiscal policies. The benefits include the governmental services produced by subsidized jobholders, the enhanced psychological well-being of the otherwise jobless, and possibly a socially desirable redistribtuion of income.

The heart of the case is that public-employment programs can quickly increase employment of seletced workers. The key words here are "quickly," "increase," and "selected." In what follows I consider (a) the actual speed of implementation of public employment; (b) the effect of public-employment subsidies on the number of jobs filled by local governments; and (c) the process and outcome of the selection of workers for subsidized employment. The paper concludes with an assessment of the congruence of the theory and reality of public-employment policies and the potential for its improvement.

IMPLEMENTATION OF PUBLIC EMPLOYMENT

Since 1970 three large-scale public-employment programs have been undertaken. The first was funded through the Emergency Employment Act of 1971 (EEA), the second was initiated by Title II of the Comprehensive Employment and Training Act of 1973 (CETA–II), and the third was the product of the Emergency Jobs and Unemployment Assistance Act of 1974 which amended the original CETA statutes to authorize additional job creation (CETA–VI). Finally, a small number of jobs have been created using money appropriated for training activities under Title I of CETA (CETA–I).

Figure 1 depicts employment in each of these programs for 1971–75. All are still in operation, but the EEA program has dwindled to insignificance. Comparison of the programs should help to identify factors influencing the speed of implementation and the actual intertemporal pattern of expenditures under such programs.

How long does it take to get a public-employment program under way? Public employment shares with other fiscal policies the usual triad of recognition, policy, and outside lags.[4] The recognition lag, the lapse between the point at which a fiscal policy change is needed and the point at which this need is recognized by authorities, is no different for public employment than for other discretionary fiscal policies. The policy lag has two components, legislative and administrative. The legislative component is determined by the time it takes to pass authorizing legislation and seems to be especially short for public-job bills. My impression is that, given executive acquiescence, Congress will pass a public-employment bill at the drop of a hat.

The two delays of significance are the administrative part of the policy lag—the time required to draw up regulations and allocate funds to sponsoring agencies—and the "outside" lag, the time required for jobs to be created and filled. I will argue that, under present procedures, the administrative

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Footnotes at end of article.

lag for a program employing 250,000 people now is probably less than a month and the outside lag in job creation is less than two quarters. Because of the small "sample" on which they are based, these conclusions are only tentative.

The length of the administrative lag depends upon the rules included in the legislation to guide allocation of funds. The outside lag depends on the fiscal situation of state and local governments, the restrictions placed on eligible jobs and job candidates, the amount of the subsidy, and the political pressure for rapid job creation. To appraise these elements, it is necessary to review a few of the basic characteristics of these programs.

THE ALLOCATION OF FUNDS

The EEA and CETA programs transfer federal funds to state and local governments which serve as program agents ("prime sponsors" under CETA) for job creation. Funds appropriated under each program have been allocated among eligible governmental units in accordance with some subset of the following decision rules.

Rule 1 (general unemployment): Allocate funds among states and other eligible areas in proportion to the numbers of persons unemployed. For EEA this rule was employed for interstate allocations.[5] For CETA–VI the initial allocation was made on the basis of relative unemployment to all administrative units including states as program agents for areas not covered by other, lower-level, governments.

Rule 2 (excessive general unemployment): Allocate funds among states and other eligible areas with unemployment in excess of 4.5 percent in proportion to the share of unemployment above 4.5 percent in all such areas. Again, for EEA this rule was applied to interstate allocations; for CETA–VI the collection of prime sponsors served as the basis for distribution of funds.

Rule 3 (concentrated structural unemployment): Allocate funds among states and other eligible jurisdictions on the basis of unemployment in areas of "substantial unemployment" within such jurisdictions. For EEA, an area of substantial unemployment was defined imprecisely as one that had "sufficient size and scope to sustain a public service employment program" and that had an unemployment rate of at least 6 percent for three consecutive months.[6] For CETA such areas had to consist of contiguous census tracts with a total population in excess of 10,000 and an unemployment rate of 6.5 percent or more for three consecutive months.

Rule 4 (administrative discretion): Allocate funds at the discretion of the secretary (that is, the staff) of the Department of Labor. This rule is typically used for funding experimental projects or for settling disagreements generated by allocations under other procedures.

Rules 1 and 2 presume the existence of disaggregated unemployment data covering the jurisdictions of program agents. For all save the largest standard metropolitan statistical areas, such data are estimated by state employment services (SES) on the basis of data on unemployment insurance claims adjusted to the decennial census and augmented by other information for uninsured unemployment. These data have not in the past aggregated to national totals derived from the Current Population Survey of the U.S. Bureau of the Census. The Bureau of Labor Statistics is now developing a system for adjustment of state estimates to assure consistency in aggregate with CPS totals. That system will simplify the allocations of funds for job creation in future programs, although the problem of accuracy of local statistics will not be eliminated.[7]

Rule 3 requires unemployment data that are more finely disaggregated than those needed for rules 1 and 2. Areas of substantial unemployment must be pieced together before any allocations can be made, and, unlike the politically defined boundaries used in the other rules, the size and number of such areas will vary from year to year.

Table 1 shows the allocation of funds by rule under the three major employment programs. Whereas for EEA, 60 percent of all funds was allocated on the basis of readily available data on state unemployment rates, for CETA–II no allocation could be made before all areas of substantial unemployment were identified. Completion of the allocation process for CETA–II money took five months. Final allocations were not announced until May 1974.[8] This potentially costly delay did not, in fact, significantly slow job creation under the program, but only because no appropriation for CETA was made until June 1974.

TABLE 1.—ALLOCATION OF INITIAL BUDGET APPROPRIATIONS FOR MAJOR NEW PUBLIC-EMPLOYMENT PROGRAMS, 1971–75, BY TYPE OF EMPLOYMENT AND ACT

[Proportion of initial appropriation, except as noted]

Type of unemployment [1]	Emergency Employment Act	Comprehensive Employment and Training Act	
		Title II	Title VI
General unemployment (rule 1)	0.30		0.450
Excessive general unemployment (rule 2)	.30		.225
Concentrated structural unemployment (rule 3)	.25	0.80	.225
Administrative discretion (rule 4)	.15	.20	.100
Total	1.00	1.00	1.000
Total initial appropriation (millions)	$1,000	[2] $720	$875

[1] The rule number refers to decision rules for allocating funds, discussed in the text.

[2] Includes funds for fiscal years 1974 and 1975, based on continuing resolution.

Sources: Sar A. Levitan and Robert Taggart, "The Emergency Employment Act: An Interim Assessment," in the Emergency Employment Act: An Interim Assessment, prepared for the Subcommittee on Employment, Manpower, and Poverty of the Senate Committee on Labor and Public Welfare, 92:2 (Government Printing Office, 1972), pp. 12–15; Federal Register, vol. 39, No. 54 (Mar. 19, 1974), p. 10389; ibid., vol. 40, No. 7 (Jan. 10, 1975), p. 2361.

I conclude that rules similar to those emphasized in EEA and CETA–VI will not contribute to the administrative policy lag in the future, while ones like those in CETA–II would substantially hinder implementation of countercyclical public employment, although they may be appropriate for structural noncyclical programs.

THE NATURE OF JOBS

Program agents are authorized to create additional jobs in public agencies within their jurisdictions, subject to only loose restrictions. CETA–II jobs are to be provided to "the extent feasible" in occupations for which private and public demand is expanding and are not to be "dead-end" types of employment; they are to fill "public service needs which have not been met and to implement new public services."[9] For CETA–VI, emphasis on needs was dropped in favor of "employment projects which provide immediate jobs for a maximum number of participants."[10]

EEA and CETA funds may not be used to subsidize employees in jobs that otherwise would be filled using local funds, but may be spent to rehire former employees on layoff if a convincing case can be made that otherwise they would remain jobless. For CETA–II, subsidy was initially restricted to entry-level positions to avoid compromising promotional opportunities of regular employees.

The grants provide for total subsidy of wages paid employees in public-service jobs up to $10,000 per employee under CETA and $12,000 under EEA. In both cases supplements from local funds are allowed when higher salaries are paid. The grants also make minor provision for administration and training expenses, but none for other overhead expenses.

THE ELIGIBLE POPULATION

In contrast to the minimal restrictions on the content of the subsidized jobs, both EEA and CETA regulations have substantially restricted the kinds of people eligible for them. With minor exceptions, all programs require that only unemployed persons can be hired for subsidized jobs. The minimum period of prior joblessness was one week initially for EEA, one month for CETA–II, and also one month for CETA–VI except for localities with unemployment rates above 7 percent, where it was cut to fifteen days.

In addition, EEA and CETA regulations specify groups to receive special consideration for employment: veterans, the underemployed, the long-term unemployed, welfare recipients, members of minority groups, and others. The preference for veterans was backed with administrative quotas under EEA, but the other preferences have not been translated into meaningful administrative restrictions.

Under CETA–II, subsidized jobs were restricted to residents of high-unemployment areas, in order to assist especially the long-term unemployed and members of households in poverty. The residence restriction imposed by CETA–II did not apply to CETA–VI, and was further reduced by the deepening of the recession, which by early 1975 expanded greatly the number of "areas of substantial unemployment." Moreover, to accelerate employment in that year, prime sponsors were allowed to shift funds among programs, and that shuffle of funds tended to eradicate the fine distinctions among programs with regard to eligible populations.

One program goal under both EEA and CETA has been a high rate of transition of federally funded jobholders into regular civil service or private employment. The transition goal set for EEA was 50 percent, but it was not even approached. Under CETA–II the same goal was established, but local governments were offered an alternative of "placing participants in half the vacancies occurring in suitable occupations in [the program agent's] permanent work force which are not filled by promotion from within the agency."[11] The "goal" and the penalties associated with noncompliance generated confusion. Under the Emergency Jobs and Unemployment Act, these transition requirements were pointedly deemphasized for Title VI and, retroactively, for Title II.

The major public-employment programs have differed in the specifications for the type of jobs to be provided, the people to be employed, and the ceiling amount of the subsidy. In all respect, CETA–II was more restrictive than EEA. As I have pointed out elsewhere, CETA–II restrictions raised the costs of employment to prime sponsors and the time required to find an eligible jobholder, while lowering the ceiling on wage subsidy and the administrative funds provided for hiring and training.[12] Hence, it could be expected that jobs would be filled less rapidly in this program than in EEA. For CETA–VI, public employment returned to the less restrictive EEA model in most respects.

The speed of implementation of the programs was also influenced by the changing phases of the business cycle. During the last two quarters of 1971, while EEA jobs were being filled, the unemployment rate remained close to 6 percent. From October 1974 to March 1975, the period of rapid increase in CETA public employment, the rate rose from 6 to 8½ percent, bringing forth more

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Footnotes at end of article.

applicants and greater political pressures for rapid job creation.

TABLE 2.—JOBS TARGETED AND JOBS CREATED IN THE 1ST 6 QUARTERS UNDER MAJOR PUBLIC-EMPLOYMENT PROGRAMS, 1971–75

Characteristic	Emergency Employment Act	Comprehensive Employment and Training Act	
		Title II	Title VI
Target number of jobs, year 1 (thousands)[1]	139	[2] 90	109
Date of initial allocation of appropriations[1]	(³)	(⁴)	(⁵)
Jobs at end of quarter (thousands):[6]			
1	31.5	8.0	102.5
2	119.2	37.3	124.4
3	148.4	122.0	213.3
4	[7] 173.1	172.0	[8] 268.7
5	144.9	109.1	--------
6	135.5	69.6	--------
Months to target achievement[9]	8	7	3

[1] The target number of jobs is based on the initial congressional appropriation. For CETA-II the initial allocation is $370,000,000 in fiscal year 1974 funds plus $350,000,000 in continuing-resolution funds for fiscal year 1975. For CETA-VI the initial appropriation of $875,000,000 was supplemented by $1,625,000,000 at the beginning of quarter 3.

[2] At estimated cost of $8,000 per job.

[3] August 1971.

[4] June 1974.

[5] January 1975.

[6] Quarters are measured relative to month of initial allocation. The month of allocation is month 1 of quarter 1.

[7] Does not include jobs funded for Neighborhood Youth Corps.

[8] Preliminary.

[9] Rounded to nearest month.

Source: U.S. Department of Labor, Employment and Training Administration, unpublished program data.

On the other hand, the financial condition of state and local governments was much worse during the implementation of CETA in 1974–75 than was the case for EEA in 1971–72. During 1971, the budgets of state and local governments (not including social insurance trust funds) showed declining deficits; in 1972 they moved into surplus on the national income accounts basis. The surplus began to decline in early 1973 and, by the time of implementation of CETA–VI, a substantial deficit had developed. Given the limited nature of public-employment subsidies, the worse the financial condition of state and local governments, the less may be their ability to utilize the subsidies and particularly to engage in any imaginative concoction of new employment opportunities.

Finally, when EEA was implemented, manpower revenue sharing was new, and hence the necessary network of program administrations had to be established. For subsequent programs, including CETA–VI, the structure was in place and ready to respond to any change in the availability of funds from Washington.

Table 2 records the job creation under each of the three programs measured relative to the date of the initial allocation. These data suggest that the lag in implementation is, to coin a phrase, moderate and variable. The actual pattern is consistent with the hypothesis that the greater restrictiveness of CETA–II did significantly retard implementation, relative to EEA and CETA–VI, whatever its merits in targeting jobs more effectively. The relaxation of restrictions and the rapid increase in unemployment apparently combined to accelerate job filling under both CETA programs during the first two quarters of 1975, despite the adverse financial condition of state and local governments. In the six months, job creation by CETA–II and CETA–VI combined totaled 222,700; by the end of August, 281,200 jobs had been filled.

These totals suggest that a six-month target of 250,000 jobs (or a few more) is reasonable in any renewed effort that might be undertaken in similar circumstances, including (a) an established network of program agents, (b) an ongoing public-employment program, (c) minimal restrictions on eligible employees and employment outcomes, and (d) a high and rapidly increasing unemployment rate. The first condition will be met as long as the country maintains its "revenue sharing" approach to manpower policy. The second was fortuitous and may not be duplicated again, unless some element of the public-employment program is made permanent. The importance of the last two conditions is a matter of conjecture. The rate of job creation by local governments in response to a grant program like that provided by CETA or EEA is a function of local costs and benefits, and any meaningful restriction on eligibility raises costs. The administrative changes in the CETA program at the end of 1974 clearly enhanced the rate of job creation. Similar achievements in the future will require the same flexibility unless incentives are enhanced or methods are devised for lowering costs.

TERMINATION

Successful implementation of countercyclical public employment requires prompt program termination when prosperity is restored. Given a fixed appropriation, a program that gets started and reaches employment goals quickly will also close promptly, since the sooner the jobs are filled the more rapidly funds are exhausted.

Reality is not quite so simple, for two reasons. First, because jobs are not filled instantly, a reserve of funds develops under fixed appropriations. Unless the program requires that such unspent money be returned to the Treasury, either program employment goals will be exceeded at some point or expenditures will be extended beyond the intended horizon. The former problem arose with EEA by the summer of 1972 and resulted in a freeze on replacement of workers who voluntarily quit or obtained unsubsidized jobs, which in turn led to reduction of the transition rate as sponsoring governments tried to maintain their subsidies by keeping existing employees in place.[13] Under CETA an attempt was made to prevent a similar occurrence; overall public employment has been stabilized at around 300,000.

Second, terminating people's jobs is always politically difficult. A possible procedure for minimizing the burden on workers and politicians of closure is to rely on natural attrition as subsidized jobholders move into private or regular employment or leave the labor force. As EEA experience demonstrated, however, such a policy creates incentives for local governments to slow transition into regular agency jobs and to do as little as possible to assist jobholders in locating private employment.

The alternative seems to be setting a limit on tenure for temporary employees, backed up by provision for assistance in job search and retraining for jobholders who reach the end of their tenure without finding alternative employment, and by funding to program agents that is independent (or a positive function) of the rate of transition of their temporary jobholders into unsubsidized employment. The fixed-tenure requirement keeps public employees "in the labor market," exerting a restraining influence on wages and reducing the extent of job-search assistance necessary on termination. It also allows a program to be brought to a halt in about a year.

THE PROBLEM OF DISPLACEMENT

Viewed skeptically, the numbers in table 2 show only that when free money is available, local governments will rise to the bait. Once the grants are taken, their effect on output and joblessness will depend on other effects they may have on state and local government budgets. To what extent does money passed to lower-level governments in employment subsidies create incremental jobs? In other words, to what extent are regularly hired state and local employees displaced by workers paid out of federal grants?

Even with a substantial rate of employment displacement, the program may have sizable overall effects on aggregate demand, depending upon how much it raises other local government expenditures or reduces local taxes, rather than merely raising surplus. The displacement of expenditures by state and local governments resulting from grants for public-employment programs will probably be less than the displacement of employment, since both EEA and CETA subsidize only wages paid, and since the production of public services requires nonlabor inputs as well as workers. As a result, funds released by modest displacement are most likely to be used to purchase goods and services.

As the rate of employment displacement increases, however, so does uncertainty about the general impact of the expenditure. For most purposes, analysis of displacement of employees may suffice. If that is large in the short run—say, over a year—countercyclical public employment loses its raison d'etre and the size of the multiplier no longer matters. If it is small, funds not spent on wages of incremental employees probably go into government purchases of goods and services. Over the long run, displacement seems unavoidable as successive budgets are adopted and both program agents and the administering bureaucracy lose perspective on what employment would have been in the absence of such funds. In itself, the extent of long-run displacement has no relevance to the effectiveness of the short-run countercyclical program. At most, the path of adjustment of employment to the long-run level may provide some information about the employment effects over the time horizon that is critical for countercyclical purposes.

Only two estimates of short-run employment displacement by public employment grants are available.[14] The first, made by George E. Johnson and James D. Tomola, is based on time-series data on aggregate state and local employment; [15] the second was prepared using microgovernmental data by the National Planning Association.[16] The two yield substantially different estimates of short-run displacement; both seem to be seriously flawed.

AN AGGREGATE TIME-SERIES ESTIMATE

To estimate the rate of displacement of locally funded jobs by those subsidized through EEA, Johnson and Tomola regressed aggregate nonsubsidized employment not associated with education in state and local government on real personal income minus federal taxes (plus state and local indirect business taxes) lagged four quarters, EEA-subsidized jobs, and nonsubsidized jobs lagged one quarter, all expressed per capita, using quarterly data for 1956:1 to 1973:2. The estimated equation includes seasonal dummies and a linear time trend; it fits the data well, and the public-employment term in the regression has a statistically significant negative coefficient. The results indicate that the immediate impact of creating one hundred federally subsidized jobs is a reduction in nonsubsidized state and local employment of twenty-nine jobs, leaving a net increment to state and local government employment of seventy-one. After eight quarters, however, that net increment has eroded to only about thirty-three, the long-run effect.

Five problems make it hard to accept the Johnson-Tomola estimate. First, wages do not enter the model, which, in effect, is a demand equation without a price variable. The time trend is meant to "[approximate] changes in relative prices and in community preferences." [17] But, in fact, relative prices did not change linearly over the seventy quarters of the data.

As has been pointed out by others, wages in the public sector began rising rapidly in absolute terms and relative to earnings in the private sector in the late 1960s.[18] Data

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Footnotes at end of article.

from the Census of Governments show a 5 percent jump in the average real payroll cost of fulltime equivalent state and local government employees in 1972 alone.[19] This jump is closely correlated with the advent of EEA. The public-employment term in the Johnson-Tomola regression takes on a nonzero value only in the last eight of the seventy observations. This coincidence of public-employment programs and increases in wage cost could exaggerate the extent of displacement, especially since militance on the part of public employees and wage gains may have been greatest in large cities, the site of much EEA employment.

Second, the model is ill-equipped to deal with short-run adjustment of employment to cyclical variation of revenue in the public sector. In the Johnson-Tomola analysis, demand for public employees is derived from the demand by citizens for public services. This, in turn, is assumed to be a function of personal income minus federal income taxes. State and local indirect business taxes are added to adjusted personal income presumably on the assumption that such taxes are shifted forward. As indicated above, the income variable enters with a four-quarter lag, and no allowance is made for the effects of short-term, recession-induced reductions in tax yields or price changes on state and local government employment. If used to stimulate the impact of, say, a sudden fall in personal income on state and local employment, the model would predict no effect at all for four quarters.

If, in reality, state and local governments slow the hiring of new employees or replacement of old ones more promptly as revenues falter during a recession, the result will show up in the Johnson-Tomola model as a negative residual.[20] If a public employment program is initiated at the time such adjustments are under way, the subsidized employment term in the model will be correlated with the residual and its coefficient will be biased downward, perhaps exaggerating the extent of displacement.

Third, Johnson and Tomola assume that unsubsidized employment of state and local governments is adjusted to desired levels at the same rate in response to introduction of subsidized employees as in response to, for example, a change in income. The impact is distributed over a long period with proportionately the greatest share of adjustment occurring in the first quarter in which subsidized employees are introduced. The functional form adopted permits no other conclusion. Yet both federal representatives and local public employees are most diligent about avoiding displacement during the first quarter of implementation; most on-site observers argue that displacement creeps in later—after the "heat" is off.[21] This time shape of displacement is critical for the use of subsidized employment as counter-cyclical policy. Hence, the particular constraint on the functional form they use seems inappropriate.

Fourth, more than one type of displacement occurred at the time of implementation of EEA. The Nixon administration chose to utilize EEA funds for summer jobs for youth that in preceding years had been funded through other programs.[22] The number of such jobs was substantial, approximately 100,000 in June 1973. The displacement of summer youth jobs by EEA summer youth employment was 100 percent, and the inclusion of the latter in the data used for analysis of displacement by local government probably biases upward the estimated degree of displacement.[23]

Finally, since data on employment-program jobholders are not reliably disaggregated either by job type or by type of employer, it is impossible to separate EEA (or, for that matter, CETA) employment in educational capacities from that in other governmental functions. Johnson and Tomola use a rough estimate that 19 percent of all EEA jobs were in education-related activities. This cumulative figure probably disguises important variation over time and may differ from the composition at any one time because of differences in turnover between employees in subsidized jobs in education and those located elsewhere in state and local government. Its use creates "errors in variables" problems on both the left- and right-hand sides of the Johnson-Tomola equation.

Aside from the transfer of summer youth employment to a separate title of CETA, these problems have not been alleviated with later public-employment programs. If anything, the prospect of gleaning a reliable displacement estimate from time-series data is now less promising because public employment is spread over four programs instead of one, and each may have a different displacement effect. I have experimented with a model similar to that employed by Johnson and Tomola; it differs in that it includes a wage term, adjusts employment figures for summer jobs, covers employment in both education and other governmental activities, introduces a more elaborate lag structure for income, incorporates a different seasonal-adjustment procedure, and extends the sample period to 1975. The results indicate that inclusion of a wage term does reduce the displacement estimate but that slight modifications in the functional form and time period covered can move estimated short-run displacement rates from virtually zero to as high as 80 percent.

AN ESTIMATE USING CROSS-SECTION DATA FOR CITIES

Of the funds appropriated for the Emergency Employment Act, $65 million was devoted to a "high-impact demonstration project," in which program agents in California, Illinois, New Jersey, New York, and South Carolina were given unusually large grants for the public employment to test the impact of such procedures on local labor markets. Whereas the slots funded by the EEA programs were sufficient to hire between 1 and 1.5 percent of the unemployed nationwide, those allocated to the demonstration areas were numerous enough to employ about 7.7 percent of the jobless in all those areas as of December 1971.[24]

The National Planning Association (NPA), which performed a wide-ranging evaluation of the high-impact experiment, estimated that, for every one hundred jobs created in the high-impact demonstration area during the fall of 1971, net employment by the participating governments was increased by only fifty-four slots as of the following October.[25] This is the only displacement estimate available that is based on cross-section data for individual governments.

The NPA's procedure for deriving this result is straightforward.[26] To obtain a control for evaluation of displacement, every government in the demonstration areas was matched with another unit in the same state. Elaborate efforts were made to assure that the comparison government was of the same type, differed in total employment from the demonstration unit by no more than 5 percent, and had employees distributed across functions in roughly similar proportions. The average difference in employment between experimental and control groups was calculated using data from the Census of Governments for October 1967, 1969, 1970, and 1971. This average was used to predict the expected difference for October 1972; if the difference showed a trend, this trend was projected for the 1972 forecast.

Employment by the "control" governments plus the estimated difference between control and experimental governments plus the estimated difference between control and experimental governments was used to predict employment in the experimental sites for October 1972. The difference between actual and predicted employment could then be calculated and divided by EEA employment in the experimental sites for an estimate of the proportion of subsidized jobs that were actual increments to local government employment—the "creation rate."

The results of the experiment were flawed by three things: (1) the data for the control group were contaminated by the presence in the employment figures of an unknown number of jobholders hired with EEA funds; (2) the NPA miscalculated the displacement rate; and (3) no adjustment was made for the actual pattern of implementation.

The importance of these problems can be illustrated by examining the ideal formula. I concentrate for illustration on data for all governments combined rather than on any disaggregation. Let EH^* represent the predicted average employment (ignoring public employment) in the high-impact governments; EC is average employment in the control governments; EH is actual average employment for high-impact-area governments; d^* is the predicted difference between employment in the high-impact and the control governments; a is the creation rate over the horizon of the NPA experiment ($1-a$ is the displacement rate); and PH is public employment in the high-impact sites, all measured as of October 1972, then,

$$EH^*=EC+d^*,$$

and

$$\alpha=\frac{EH-EC-d^*}{PH}. \tag*{1)}$$

The numerator represents the net "unexpected" extra jobs and the denominator is the gross contribution of public employment.

For the combined sample, d* was estimated to be 35, EH averaged 683, EC was 631, and PH averaged 34 for the high-impact-area governments.[27] These numbers substituted in equation 1 suggest a creation rate of 0.5, which reflects substantial displacement.

Now the problems: The last observation for estimation of d*, that for October 1971, already involved some EEA jobs. The NPA reports that 7 percent of jobholders in demonstration areas were on the job in October.[28] This would be, on average, about two and one-half people per demonstration-area government. Presumably, some EEA jobs were also filled among the control group at this time, but no data were collected for this group. While EEA employment was ultimately above average in the demonstration projects, jobs were filled less rapidly there. Therefore, the effect of this contamination on the observed difference in October 1971 is uncertain. I shall assume that the effects cancel out and the estimated d* remains 35. The NPA's adjustment will be shown later.

Although the size and significance of EEA employment in October 1971 is a matter of doubt, plainly there was substantial EEA employment in the control group by October 1972. The NPA estimates the extent of such employment to be 1.5 percent of all jobs filled in the control group on the basis of national data on EEA hires as a proportion of all state and local employees. To account for this, expression 1 must be modified, and the adjustments must incorporate an assumption about the extent of displacement in the control group. Assuming the same adjustment is appropriate for both control and exeprimental groups, expression 1 becomes

$$\alpha=\frac{EH-(EC+d^*-\alpha\beta EC)}{PH}, \tag{2}$$

where β is the proportion of average employment in the control areas that is federally subsidized. Solving for a,

$$\alpha=\frac{EH-EC-d^*}{PH-\beta EC}. \tag{3}$$

Footnotes at end of article.

Adjustment for control contamination in October 1972 (assuming $\beta=0.015$) raises the estimate of the creation rate to 0.69. Inexplicably, the NPA adjusted equation 1 for contamination by multiplying the numerator by 0.985, the proportion of employees assumed not to be subsidized by EEA in the control group, and subtracting half the number of EEA employees in place in the demonstration areas in October 1971. The result is a higher displacement rate, for which a standard error of 0.04 in claimed.[29]

As formula 3 indicates, these estimates are exceedingly sensitive to the assumption made about β, a parameter for which no data were collected. If it is 0.02 instead of 0.015, the creation estimate rises to 0.80; if β is 0.01, on the other hand, the estimate of a becomes 0.61.

The result rests precariously on the assumption that the same displacement rate applied to both the control and the high-impact cities. Despite the NPA's assertion that the rate will vary with time, it is not adjusted for the time pattern of job creation in the demonstration of control sites. It implies that marginal and average displacement rates are equal (as do the time-series estimates in the preceding section). Perhaps, for small numbers of subsidized jobs, the displacement effects would have been greater. The governments in these "demonstration sites" knew their public-employment efforts would be evaluated by an independent consulting firm; thus, the "Hawthorne effect" may have restrained displacement. These factors, plus the imprecise character of some of the underlying numbers, must lead to substantial reservations about the NPA estimate.[30]

ONSITE EVALUATION

A third source of information on displacement is provided by reports of on-site observers of program implementation. Levitan and Taggart, for example, conclude from such evaluations that "at the outset, the level of PEP jobs represented net additions to the total number of public employment opportunities."[31] These estimates must also be viewed with reservations. It is difficult for an outsider to gauge displacement by looking at the first jobs in local government that subsidized workers do. Such jobs can change quickly over time, and the actual employment effect of subsidized jobs depends not only on what new workers do but also on what is happening simultaneously to the duration of vacancies in unsubsidized slots. Possibly the process of adjustment to subsidized employees "displaces" employment even while each subsidized employee begins work on a job that all observers might agree is "new."

Most state and local governments have employment screening procedures that are adapted to the normal rate of turnover of their labor force. The evidence that is available on turnover in local government suggests that this rate is low compared to experience in the private sector.[32] While EEA and CETA jobs may not represent a significant increment to total state and local employment, the number is substantial compared to the rate of turnover over the period in which they were filled. When the employment effort of local government is directed toward applicants for subsidized jobs, the duration of unsubsidized vacancies may rise, offsetting part of the employment effect of the subsidized employment. Once subsidized jobholders are in place, these governments can reorient their employment facilities toward unsubsidized vacancies. In the absence of other effects, this might produce a gradual reduction in the displacement effect over time. However, the passage of time also permits reallocation of duties so that subsidized employees initially employed on "new" jobs come increasingly to perform old ones, thereby translating a temporary displacement into a permanent one.

The displacement generated by this "digestion" process cannot be detected by looking at the nature of the jobs initially filled by subsidized employees. What must be inspected are changes in the vacancy rate for unsubsidized jobs at the time of implementation of subsidized employment and the tasks of subsidized employees in quarters subsequent to initial hire. Any increase in the duration of vacancies in unsubsidized employment reduces the effect of the countercyclical jobs program. Such changes are difficult to observe on site, but may be reflected in aggregate employment statistics.

WEIGHING THE EVIDENCE

I can offer no definitive estimates of the displacement effect. The estimates derived by Johnson and Tomola from time-series data appear on balance to be biased toward exaggeration of displacement. The impressions provided by on-site observation are likely to err in the opposite direction, because they do not encompass any indirect displacement effects operating through hiring procedures and duration of vacancies of unsubsidized slots.

All told, the best available number is that based on the NPA study after adjustment: it suggests that displacement over approximately three quarters is no higher than 40 percent. The "displaced" funds will presumably have the same impact on employment as would added funds for general revenue sharing; the bulk of the funds, which are not displaced, are likely to exert a substantially greater impact on employment than that provided by revenue sharing.

The rate of displacement is probably lower under CETA than under EEA. In the more recent program, procedures for policing maintenance of effort are somewhat more rigorous, and admistrators seem more aware of the potential for displacement and more involved in policing prime sponsor activity now than was the case in 1971. Also, since CETA job creation occurred under far more adverse general economic conditions than were true for EEA, displacement related to "digestion" was probably less of a problem; job turnover in local government may have been lower and the number of vacancies arising in unsubsidized jobs may have been smaller. On the other hand, the financial condition of state and local governments was considerably worse during the first half of 1975 than during the fall of 1971. While this situation may have assured that little or no CETA money made its way into idle surplus, it also may have exacerbated tendencies toward displacement as local governments sought to divert funds for meeting nonwage as well as wage expenses.

TARGETING

Under existing program organization, the number of subsidized slots for temporary public-service employment always falls short of the demand for them by local governments and individual applicants. This imbalance permits the use of special allocation criteria to yield the greatest social value of the program. In this section, the actual geographic and demographic allocation of jobs will be described.

Given the number of jobs to be filled, the social value of public employment is greater (a) the greater the output from such jobs, (b) the less the effect of such employment on wages, and (c) the greater the benefits to family welfare. Measurement of the output of subsidized public employees is subject to all the usual difficulties encountered in evaluating government product. The impression of outside observers is that typical jobholders do work similar in content and quality to that performed by other, regular, public employees; but beyond this little can be said.[33] Program agents can be expected to take care of output maximization, since this is likely to be their most important objective. The control problem is to devise regulations or incentives so that outcomes will also reflect the importance of the second and third objectives.

The appropriate standard for evaluation of the inflationary effect of public employment is not clear. Not much is known about the nature of the short-run response of wages to unemployment within areas of the national labor market or for specific demographic subgroups. My analysis is based on three assumptions, which are consistent with the model sketched at the beginning of the paper. The first is that categories like "workers in Seattle" and "workers in Houston" or "men" and "women" can, to some extent, be viewed as noncompeting groups in the labor market. Second, for such groups (or areas), wages respond to the category's employment conditions in a manner similar to the aggregate (convex) Phillips relation between rates of wage change and unemployment. Moreover, for a variety of structural reasons, the "normal" unemployment rates that keep labor markets in balance will differ among categories. Third, all other things equal for each category, the slope of its sectoral Phillips curve at a given current unemployment rate will be flatter the lower the normal unemployment rate of that sector. To put it another way, a large above-normal component of unemployment is one indicator of labor-market slack, associated with less marginal wage pressure from incremental employment.

Two conclusions follow from these assumptions: (1) In the absence of other considerations, the inflation-minimizing distribution of public employment across groups will involve a ratio of jobs created to labor force that is an increasing function of both their normal unemployment rates and their recession-induced, or above-normal, unemployment rates. (2) So long as the "need" for jobs is related to both the level and above-normal component of unemployment rates, the allocation of jobs on the basis of "need" will not necessarily conflict with the anti-inflationary objective. I shall now apply this analysis, as well as other relevant considerations, in evaluating CETA job allocation across geographic labor markets and demographic groups.

TABLE 3.—DISPERSION OF UNEMPLOYMENT RATES, 19 MAJOR STANDARD METROPOLITAN STATISTICAL AREAS, 1968-73 AND 1975

Year	Dispersion index†	National unemployment rate
1968	0.66	3.6
1969	.64	3.5
1970	1.09	4.9
1971	1.40	5.9
1972	1.07	5.6
1973	1.03	4.9
1975	1.82	8.5

*For the areas covered, see text note 34.

†Dispersion index:

$$D=\frac{\sum_{i-1}^{n} LFi \left| Ui-U \right|}{\sum_{i-1}^{n} LFi}.$$

where Ui and LFi are unemployment rates and labor force, respectively, in SMSA i, and

$$U=\frac{\sum_{i-1}^{n} LFiUi}{\sum_{i-1}^{n} LFi}.$$

Sources: "Manpower Report of the President, March 1972," and ibid., April 1974, tables A-1 and D-13 in each; and unpublished 1975 data furnished by the U.S. Bureau of Labor Statistics.

Footnotes at end of article.

THE DISTRIBUTION ACROSS LOCAL LABOR MARKETS

How much geographic variation in unemployment rates during recession is actually observed? In table 3 I have listed the weighted mean absolute difference of SMSA unemployment rates from the overall average for nineteen major SMSAs for the period of 1968–73 and for 1975.[34] As is apparent, the dispersion of unemployment across SMSAs increases with aggregate unemployment.[35]

The argument for targeting subsidized public employment presumes that such expenditures can partially offset this unevenness in impact. Given the program's modest size, such an effect is unlikely. Rather, I have attempted to determine whether existing allocation rules in fact produced a positive relation between unemployment rates across SMSAs and the ratio of public-service jobs to the labor force for each area. For this analysis, I prepared a breakdown of public-employment jobs coincident with the SMSA data by sorting employment reports of CETA prime sponsors by SMSA and then counting across prime sponsors to arrive at figures for subsidized employment in each metropolitan area.

Two simple tests were conducted with these data. The first demonstrated that the geographical distribution of CETA jobs (measured relative to the labor force) has been positively associated with differentials in unemployment rates. Equation 4 reports the results of a regression of the ratio of subsidized jobs filled in each of twenty-eight SMSAs in June 1975 to its average monthly labor force for that year (the CETA rate) on its average adjusted unemployment rate for 1975, U^*_{75}. The adjusted rate is formed by adding to the conventional unemployment rate the ratio of CETA jobs to the average monthly labor force.[36] In making the latter adjustment, I have assumed that every CETA job filled by June was associated with a reduction of one in average annual unemployment in that SMSA.[37] The coefficient of the adjusted unemployment rate is positive and statistically significant; the negative intercept indicates that the marginal increase in CETA jobs associated with a change in unemployment rates is somewhat greater than the average CETA rate for any rate of unemployment. CETA employment was, to a modest extent, concentrated in SMSAs with high unemployment.

$$(4)\qquad \underset{}{CETA\ \text{rate}} = \underset{(-1.95)}{-0.0018} + \underset{(4.83)}{0.0470\, U^*_{75}}.$$
$$R^2 = 0.47;\ \text{standard error} = 0.0012.$$

Here and in the following equations, the numbers in parentheses are t-statistics.

The second test gauges the extent to which the allocation of CETA jobs was influenced by the increment in unemployment rates associated with the current recession. As is well known, various structural factors generate substantial and consistent differentials in unemployment rates across metropolitan areas.[38] To measure the extent to which actual allocation of public-employment jobs responded to the recession-induced component of unemployment, a separate regression was calculated for twenty-six SMSAs for which data on the unemployment rate were available for 1972–73 as well as 1975. I assume that the average unemployment rate for the earlier period (U_{72-73}) is a reasonable proxy for "normal" unemployment for each SMSA. It is included along with a measure of recession-induced unemployment (the difference between the adjusted unemployment rate in 1975, U^*_{75}, and this average) as an independent variable in a regression determining the CETA rate, defined as for the previous test. The results are reported in equation 5.[39]

$$(5)$$
$$CTEA\ \text{rate} = \underset{(-2.55)}{-0.0023} + \underset{(5.46)}{0.0732\,\bar{U}_{72-73}} + \underset{(1.67)}{0.0199\,(U^*_{75} - \bar{U}_{72-73})}.$$
$$R^2 = 0.59;\ \text{standard error} = 0.001.$$

Equation 5 indicates that CETA job allocation across SMSAs was positively associated with cyclical unemployment differentials, but the allocation is principally and most reliably associated with differences in past average unemployment.

The correlation between changes in unemployment rates (adjusted for CETA) and the 1972–73 average is almost zero—+0.04. Past unemployment differentials did not provide a good clue to the increase in SMSA unemployment associated with the current recession. Both CETA-II and CETA-VI allocations were based on levels of joblessness during three-month periods in 1974. These results suggest that while the substantial correlation between levels of unemployment rates across years assured that cities with high rates in 1975 would get proportionately more jobs, the allocation mechanism does not concentrate jobs in areas disproportionately subjected to cyclical joblessness. If estimates of local Phillips relations available in the future indicate that the anti-inflationary objective can be enhanced by making job creation more sensitive to such cyclical differentials, the job-allocation procedures used for CETA must be revamped. Since the coefficient of the cyclical differential term in equation 5 is so small, my subjective assessment is that marginal efforts in this direction would be quite certain to change allocation; and I would expect the change to improve the wage effect of public-employment programs.[40]

DEMOGRAPHIC DISTRIBUTION

The standard for consideration of labor-market effects of allocation of jobs across demographic categories of workers will be similar to that used above for evaluation of the geographic distribution. In the analysis of demographic distribution, the differences among EEA, CETA-II, and CETA-VI programs can be used to identify the response of public employers to variations in program characteristics.

Within the broad demographic categories, distinguishing between "low-skill" and "high-skill" groups is difficult, although the Congressional Budget Office and others have argued that concentration of public employment among low-skilled workers would minimize the impact of public employment on prices.[41] Other things equal, including proportionate changes in unemployment rates, it is not clear why this should be true. Since markets for low-skilled labor may be among the most competitive of all labor markets, wages there will presumably react most promptly to easing or tightening of labor markets. However, to the extent that low-skilled workers experience proportionately more joblessness than do higher-skilled groups, the criteria advanced earlier indicate that they should benefit more from employment programs in any event.

The effect of subsidized public employment on wages in the private sector cannot be assessed only by its impact on unemployment rates. If workers in public jobs continue active search for other jobs because their wages are low or their jobs are certain to be temporary, they may exert as much downward pressure on wages as they would if they were jobless. The tradeoff between impact on wage inflation and impact on family welfare poses a paradox: To minimize inflationary effects, the best candidates for $8,000 jobs may be workers who would normally make $12,000. To maximize family welfare, the optimum candidate for such a job may be the man or woman who has never earned more than $7,000.

While wages in public-employment jobs average about $8,000 a year, available evidence indicates that they vary with demographic characteristics in the same way that wages do in the private labor market: young people, members of minority groups, those with relatively little education, and females tend to occupy lower-paying jobs.[42] Because of this correlation, it is difficult to draw inferences about alternatives available to participants on the basis of their personal characteristics alone. In other words, a former welfare recipient in a CETA job may be looking for something else just as intensely as is a college graduate.

Data on turnover of participants in EEA programs do not reveal systematic differences between demographic classes of workers that can be related to intensity of search for employment alternatives.[43] Since the duration of subsidized jobs is rarely specified in advance, search is retarded by the possibility that such jobs will continue for extended periods, and, at least for EEA and in the early stages of CETA, by the emphasis placed on transition to regular government employment.[44]

Footnotes at end of article.

TABLE 4.—UNEMPLOYMENT RATES AND CETA EMPLOYMENT, BY DEMOGRAPHIC CATEGORY, 1974–75

Category	Unemployment rate, March 1975 (percent)	Change in unemployment rate, March 1974 to March 1975 (percentage points)	CETA employment, March 1975	
			As a percent of labor force	As a percent of change in unemployment
Age:				
16 to 21	19.8	6.4	0.42	6.5
22 to 44	8.9	4.4	.33	7.1
45to 54	6.0	2.9	.12	4.3
55 and over	5.4	2.4	.08	3.5
Sex:				
Male	9.2	4.4	.30	6.8
Female	9.7	3.7	.21	5.5
Race:				
White	8.7	3.9	.20	5.1
Nonwhite	15.3	6.0	.76	12.6
Education:				
8 yr or less	12.0	5.9	.20	3.6
9 to 11 yr	15.5	5.9	.28	4.9
12 yr	9.4	4.6	.29	6.1
More than 12 yr	5.2	2.1	.25	11.4

Sources: Unemployment and labor-force participation data, by age, race, and sex, are from Employment and Earnings, vol. 20 (April 1974), and vol. 21 (April 1975). Unemployment and labor force participation by education for March 1974 are from Beverly J. McEaddy Educational Attainment of Workers, March 1974, Special Labor Force Report 175 (U.S. Bureau of Labor Statistics, 1975), table B. Data for 1975 were furnished by Division of Labor Force Studies, BLS, CETA employment rates were calculated from unpublished data supplied by U.S. Department of Labor, Employment and Training Administration. All unemployment figures are adjusted to include CETA Jobs.

Given this lack of information on wage effects, I concentrate here on the relation between unemployment rates and job allocation under CETA. In table 4, 1975 unemployment rates, the change in unemployment rates between 1974 and 1975, and CETA employment as a percent of labor force and of the change in unemployment are reported for workers in various demographic categories. Unemployment rates are reported for March 1975, approximately the midpoint of the period of public-employment expansion under CETA and the only month for which data on education of the labor force is available. As was the case for the SMSA data used in the regression reported earlier, the estimates for the unemployment rate in 1975 are adjusted to include CETA jobholders. The CETA rate is the ratio of CETA jobs filled as of March 1975 to the labor force in each category.[45] It is the demographic analogue of the rate employed earlier in this section for labor-market data.

No adjustment is made in the table to take account of changes in laborforce participation of the various demographic groups that occurred as the overall employment picture grew more dismal. Measured changes in unemployment rates are affected by those changes and may mask the distributional effect of the recession. However, I found no satisfactory way to eliminate the recession's discouraged-worker effect; the experimental adjustments that I tried had only negligible effects on the results shown in the table.

Several aspects of CETA job creation are apparent from the table. First, the program is small. For no category is the CETA rate substantial; it amounts to less than 1 percent for all categories and exceeds one-half of 1 percent only for nonwhites. Second, the incidence of CETA across categories has been broadly consistent with the desirable pattern relative to levels and changes in unemployment rates. Although women received proportionately fewer jobs than men, this is at least in part consistent with the greater increase in male joblessness, as is seen in the last column of the table. The underrepresentation of workers with little education is not consistent with appropriate targeting, in terms of the level or change of their unemployment. On the other hand, people with less than a high school education are heavily represented in CETA training programs. Public jobs need not be the appropriate policy for all workers during a recession.

Perhaps the most impressive characteristic of public-employment allocation under CETA is the substantial concentration on minority employment. Apparently, approximately one-eighth of all incremental unemployment occurring among nonwhites between March 1974 and March 1975 was absorbed by public jobs. This estimate is sensitive to errors in estimation of nonwhite unemployment rates, unknown induced changes in labor-force participation, and the assumption made about the effect of CETA jobs on measured unemployment. The impression, however, is robust with respect to all reasonable alternative assumptions: considering the size of the program, CETA has had a substantial effect on minority employment.

The same is true for workers with some college education. While the unemployment rate for this group in March 1975 was roughly half that of workers with only a high-school background (and had risen only half as much in the preceding year), its CETA rate was nearly as high. More than one-ninth of all recession unemployment among college-educated workers was absorbed by CETA.

The concentration on minority employment was greater under the early CETA-II program, as the result of its special targeting provisions. The concentration was eroded during the press for employment expansion that began in January of 1975. Table 5 reports the demographic composition of cumulative employment under EEA and the two CETA programs. Characteristics for CETA-II participants are separately reported for those employed in 1974 and those employed in 1975. Compared to EEA, the CETA-II program during the fall of 1974 reached proportionately more young, female, less well-educated, and nonwhite workers. But employment under CETA-VI proved to be similar in composition to employment under EEA. While CETA-II employment continued to be more focused on nonwhites and women than was the case for CETA-VI, the composition of employment shifted substantially in 1975 to better-educated workers. By June, overall employment in CETA looked much like employment under EEA. The type of targeting imposed by the allocation rules for CETA-II did initially concentrate jobs among a population different from that from which EEA employment was drawn, but apparently, as noted above, at the cost of delaying implementation.

The aggregated public-employment figures may disguise improvement over time in allocation within each category of jobs toward persons in severe need. Employment of former public-assistance recipients and disadvantaged persons is greater under CETA than was the case for EEA. Public-assistance recipients constituted approximately 15 percent of all CETA hires through June 1975, up from 12 percent of initial employees under EEA. About 46 percent of persons hired under CETA public-employment programs were classed as "economically disadvantaged" compared with less than 40 percent for EEA, although that may reflect the fact that the current criterion for "economically disadvantaged" is less rigorous than the one applied for EEA.[46] For workers in newly formed households, the criterion is difficult to apply and the actual procedure followed at the local level is a matter of considerable uncertainty.

TABLE 5.—COMPOSITION OF EMPLOYMENT UNDER MAJOR PUBLIC-EMPLOYMENT PROGRAMS, BY DEMOGRAPHIC CATEGORY, VARIOUS PERIODS, 1971–75

[In percent]

Category	Emergency Employment Act to June 1972	Comprehensive Training and Employment Act			
		Title II		Title VI, January to June 1975	Titles II and VI, July 1974 to June 1975
		July to December 1974	January to June 1975		
Age:					
21 or under	20	22.9	24.1	21.4	22.7
22 to 44	65	62.6	63.0	64.8	63.7
45 to 54	10	9.4	8.0	9.1	8.7
55 and over	5	5.1	4.9	4.7	4.8
Sex:					
Male	72	64.8	66.1	70.2	67.7
Female	28	35.2	33.9	29.8	32.3
Race:					
White	71	63.8	65.7	71.1	67.7
Nonwhite	29	36.2	34.3	28.9	32.3
Education:					
8 yr or less	27	9.4	9.3	8.4	8.9
9 to 11 yr		20.1	17.5	18.2	18.3
12 yr	43	44.1	41.9	43.7	41.3
More than 12 yr	31	26.4	31.2	29.6	29.7

Source: Unpublished program data furnished by U.S. Department of Labor, Employment and Training Administration. Figures are rounded.

Over 90 percent of EEA participants were reported as having been unemployed at the time of program entry. More than half of these people claimed to have been jobless for more than fifteen weeks at the time they were hired. Similar numbers are reported for CETA, although the data are somewhat distorted by the presence of some EEA carryovers, all of whom were "employed" prior to moving to CETA rolls. These numbers are highly suspect. A national survey of EEA participants conducted during 1972 and 1973 revealed that over a fifth of the employees interviewed had been employed on the day prior to accession to a subsidized job.[47] If the figures on previous employment are this unreliable, there is no reason to believe those for duration. Since the basic procedures for hiring were no different for EEA and CETA, there is no reason to believe that the accuracy of the data has improved.

Perhaps, an unemployment criterion for admission is not critical to the effectiveness of public employment, since, when leaving for a subsidized job, a previously employed worker vacates one job which presumably can be filled by another person. But good political and economic reasons argue for retaining that criterion. To the public, it sounds right to limit such jobs to the jobless. Such a limitation also avoids creation of vacancies which, even though ultimately filled, will raise unemployment temporarily. A requirement that a public-service employee must have been unemployed serves to rotate the "job" of search for employment and the social burden of restraining inflation among a larger group of workers. To a modest extent, this criterion may improve the distribution of income resulting from the program. These factors suggest that the longer the duration of unemployment required as a condition of public employment the better. The cost of these improvements is that, as the duration requirement is lengthened, search costs for the employer multiply and speed of job creation declines.

Only 14 percent of unemployed enrollees in CETA report that they were receiving unemployment insurance benefits at the time of program entry.[48] The low figure is a puzzle. During the first half of 1975, about two-thirds of all unemployment was insured in one form or another. Since there are few incentives for underreporting—receipt of benefits presumably confirms unemployment—perhaps new labor-force entrants are

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Footnotes at end of article.

more extensively represented in CETA than the official data imply or the program has succeeded in picking exhaustees, workers formerly employed in uncovered jobs, or those jobless for only a very short period (though the last explanation is inconsistent with the long duration of unemployment reported by program jobholders).

SUMMARY

Among the metropolitan areas used for analysis here, CETA public employment was closely related to levels of unemployment rates but only weakly to cyclical increases in unemployment rates. Since the geographic dispersion of unemployment rates declines during economic recovery, all stimulative policies will reduce dispersion. Apparently, however, public employment performs better than the average in this respect.

Nor did I find direct evidence that public employment is concentrated on workers from disadvantaged households. While there is a high concentration among minority groups, there is an especially small participation of low-education groups. Survey data suggest that the degree to which such jobs go to persons who have suffered from extended joblessness is exaggerated. Under existing programs, program agents have little incentive to seek out such workers or to be concerned about the reliability of information that is collected on worker poverty or on employment status. Therefore, this result is probably not surprising. Few CETA jobholders report receiving unemployment insurance immediately prior to obtaining their CETA jobs. In general, there is no evidence to support the contention that the type of workers hired through public-employment programs means a reduction in payments of unemployment-insurance benefits or in other government transfers, or an increase in tax collections beyond that which occurs whenever employment expands.

CONCLUSIONS FOR IMPROVING PUBLIC EMPLOYMENT

Since I have already summarized my findings on implementation, displacement, and targeting, my final remarks deal with improvements that might be incorporated into any future antirecessionary public-employment program.

The big virtues of existing public-employment procedures are speed and job impact. Reforms should be sought that improve the other qualities of the program while sacrificing as little of these virtues as possible. Five changes can be expected to improve the impact of the program:

First, add to the collection of rules for job allocation one specifically based on the excess of current unemployment rates above past averages for each labor market.

Second, augment the program with some type of countercyclical revenue sharing. Present procedures implicitly require local governments to cut taxes or reduce expenditures on regular functions in order to undertake the stabilization function appropriately borne by Washington. Increasing "equipment money" can speed implementation and reduce displacement. Even with this added support, however, public employment cannot alleviate the "fiscal crisis" of the older central cities, and should not be used in an attempt to "save" New York or Detroit. There surely are better tools for implementing a public-policy goal of reversing the secular decline of the nation's central cities.

Third, limit jobholders in a countercyclical program to a fixed tenure. My preference is for a one-year tenure. This procedure has several advantages. First, it would place jobs under review for maintenance of effort on an annual basis rather than at initiation only. Second, fixed tenure would create incentives for public jobholders to continue search for regular employment alternatives. Third, fixed tenure would permit a countercyclical public-employment program to be closed within a year. It is essential that persons unable to find alternative employment after tenure as special public employees be given assistance in job search, training, and unemployment benefits as appropriate.

Fourth, maintain during recession the classroom and on-the-job training programs that are the normal activity of the local prime sponsors. The population served by these programs is more uniformely disadvantaged than is that served by public employment. Substituting countercyclical employment for these activities has adverse distributional consequences and should be avoided.

Fifth, remove the certification procedure for public-employment eligibility to a separate agency that has contact with the eligible group. The process of sifting applicants for those who are eligible takes time; and the more complicated the eligibility criteria applied, the longer the time involved. State employment services have the advantage of a more general perspective on the labor force, files of potential jobholders that could be rapidly-scanned for the eligible, and superior information on duration of employment, and are the logical candidates for this function.

FOOTNOTES

[1] See Alan S. Blinder and Robert M. Solow, "Analytical Foundations of Fiscal Policy," in Blinder and others, *The Economics of Public Finance* (Brookings Institution, 1974).

[2] For the first, see Robert I. Lerman, "JOIN: A Jobs and Income Program for American Families," in *Public Employment and Wage Subsidies*, paper 19 of *Studies in Public Welfare*, A Volume of Studies Prepared for the Use of the Subcommittee on Fiscal Policy of the Joint Economic Committee, 93:2 (Government Printing Office, 1974). For the second, see Arthur F. Burns, "The Real Issues of Inflation and Unemployment" (speech presented at Blue Key Honor Society Annual Awards Dinner, University of Georgia, Athens, September 19, 1975; processed), pp. 16–17.

[3] A good example of this phenomenon is provided by the 1962 accelerated public works program. See Nancy H. Teeters, "The 1972 Budget: Where It Stands and Where It Might Go," *BPEA, 1:1971*, pp. 232–33.

[4] See Albert Ando and others, "Lags in Fiscal and Monetary Policy," in E. Cary Brown and others, *Stabilization Policies* (Prentice-Hall, 1963).

[5] Programmatic details for EEA and CETA programs are derived from conversations with local CETA administrators and the following sources. For the Emergency Employment Act: Sar A. Levitan and Robert Taggart, "The Emergency Employment Act: An Interim Assessment," in *The Emergency Employment Act: An Interim Assessment*, Prepared for the Subcommittee on Employment, Manpower, and Poverty of the Senate Committee on Labor and Public Welfare, 92:2 (GPO, 1972); Sar A. Levitan and Robert Taggart, eds., *Emergency Employment Act: The PEP Generation* (Salt Lake City: Olympus, 1974); and Emergency Employment Act of 1971 (Public Law 92–54; 85 Stat. 146). For the Comprehensive Employment and Training Act, Titles II and VI programs: *Federal Register*, vol. 39, no. 54 (March 19, 1974), pt. 3; *Federal Register*, vol. 40, no. 7 (January 10, 1975), pt. 4; Comprehensive Employment and Training Act of 1973 (Public Law 93–203); Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93–567).

[6] Emergency Employment Act, Public Law 92–54, sec. 6(c).

[7] Data collected for December 1971 in twelve areas selected for "high impact" demonstrations under EEA illustrate the seriousness of this problem. A special census in the designated areas (all densely populated urban counties) using the CPS questionnaire revealed a substantial disparity between the CPS estimates of unemployment and SES estimates made for the same counties for the same month, which were generally lower. Moreover, the pattern of unemployment variation diverged; the simple correlation between the two estimates across areas was only 0.67. Some of the differences were dramatic: for San Diego, California, the SES unemployment rate was 5.6 percent; the CPS number was 10.5 percent. See National Planning Association, *An Evaluation of the Economic Impact Project of the Public Employment Program, Final Report* (NPA, 1974), vol. 1, p. 4. Similar results were reported several years ago by Joseph C. Ullman; see "How Accurate are Estimates of State and Local Unemployment?" *Industrial and Labor Relations Review*, vol. 16 (April 1963), pp. 434–52.

[8] U.S. Department of Labor, Employment and Training Administration, unpublished allocation memoranda.

[9] *Federal Register*, March 19, 1974, pp. 10391–92.

[10] *Federal Register*, January 10, 1975, p. 2360.

[11] *Federal Register*, March 19, 1974, p. 10393.

[12] See Michael Wiseman, "On Giving a Job: The Implementation and Allocation of Public Service Employment," in *Achieving the Goals of the Employment Act of 1946—Thirtieth Anniversary Review*, vol. 1, *Employment*, A Study Prepared for the Use of the Subcommittee on Economic Growth of the Joint Economic Committee, 94:1 (GPO, 1975).

[13] Sar A. Levitan and Robert Taggart, "Summary Report I: An Overview" in Levitan and Taggart, eds., *Emergency Employment Act: The PEP Generation*, p. 35.

[14] In addition, one long-run evaluation has been made by Alan Fechter. He obtained a measure of displacement by first estimating the impact of public-employment grants on overall expenditures and then translating the expenditure effects into jobs created. (That reverses my preferred approach of first evaluating the net impact of a public-employment program on jobs filled, then calculating the amount of funds released by displacement, and finally speculating on the disposition of these funds.) In his first step, Fechter relied on *long-run* estimates of the impact of grants of various types on local government expenditures and therefore his estimate of the impact of public-employment grants on jobs filled by such governments are really long-run estimates. It is likely that the short-run effects of public-employment grants on the wage bill and total expenditures differ from those of the categorical and lump-sum grants on which his estimates are based. See Alan E. Fechter, "Public Employment Programs: An Evaluative Study," in paper 19 of *Studies in Public Welfare*.

[15] George E. Johnson and James D. Tomola, "The Efficacy of Public Service Employment Programs," Technical Analysis Paper 17A (U.S. Department of Labor, Office of the Assistant Secretary for Policy, Evaluation, and Research, 1975; processed). The estimate was originally circulated in a working paper for the Office of Policy, Evaluation, and Research in the Department of Labor; it subsequently was cited in the 1975 *Economic Report of the President*, pp. 124–25, the 1975 *Manpower Report of the President*, p. 46, and in Congressional Budget Office, *Temporary Measures to Stimulate Employment: An Evaluation of Some Alternatives* (CBO, 1975), p. 38. My comments in this section cover only a fraction of this interesting paper.

[16] National Planning Association, *Evaluation of the Economic Impact Project.* The displacement estimates are described in vol. 3, app. M.

[17] Johnson and Tomola, "Efficacy of Public Service Employment Programs," p. 9.

[18] Charles L. Schultze and others, *Setting National Priorities: The 1973 Budget* (Brookings Institution, 1972), p. 297.

[19] U.S. Bureau of the Census, *Public Employment in 1974* (GPO, 1975), p. 8.

[20] The overestimate of employment will be reduced somewhat over time by the presence of the term for employment in the preceding quarter. But in a "partial adjustment" model of this type, the coefficient of the lagged employment term has a specific interpretation that affects the estimated long-run displacement effects of subsidized employment. Any bias induced in the coefficient of lagged employment by its correlation with the disturbance term biases also the estimate of displacement.

[21] Later in this section I comment on these reports.

[22] Levitan and Taggart, "An Overview," p. 17.

[23] Summer employment of youth is handled under a separate title of CETA. Summer EEA jobs are not included in figure 1.

[24] National Planning Association, *Evaluation of the Economic Project,* vol. 1, p. 6.

[25] Ibid., p. 112.

[26] Ibid., vol. 3, app. M. The description that follows is taken from this appendix.

[27] Ibid., p. M–11.

[28] Ibid., p. M–15..

[29] Ibid., vol. 1, p. 112.

[30] The NPA provides estimates of the creation rate also by type and size of governmental unit. The estimates range from 1.11 for cities and towns to 0.17 for special districts, and are subject to the same problems encountered with the aggregate figures. However, they do suggest possible behavioral differences that could lead to a better understanding of the displacement process if it is systematically studied. See ibid., vol. 3, p. M–16.

[31] Levitan and Taggart, "An Overview," p. 17.

[32] Frank Levy and I estimate that the annual turnover rate in low-skill jobs in the city government of Oakland, California, may be less than 10 percent. See Frank Levy and Michael Wiseman, "An Expanded Public-Service Employment Program: Some Demand and Supply Considerations," *Public Policy,* vol. 23 (Winter 1975), p. 121.

[33] Levitan and Taggart, "An Overview," pp. 20–25.

[34] The SMSAs are San Francisco-Oakland, Buffalo, Boston, Los Angeles-Long Beach, Detroit, New York, Pittsburgh, Philadelphia, St. Louis, Newark, Cincinnati, Minneapolis-St. Paul, Houston, Washington, Chicago, Cleveland, Milwaukee, Baltimore, and Dallas (with includes Fort Worth in 1975). Figures for 1968–72 are based on 1960 census boundary definitions; those for 1973 and 1975 reflect definitions current in those years. As a result, the numbers are not strictly comparable, but biases are likely to be very small. The measure of dispersion used here was first proposed by Robert Aaron Gordon; see *The Goal of Full Employment* (Wiley, 1967), p. 93. The 1975 unemployment rates have not been adjusted for CETA jobs. If these jobs reduced unemployment, the results that follow indicate that dispersion in 1975 would have been greater in the absence of the program.

[35] For similar results, see Andrew M. Sum and Thomas P. Rush, "The Geographic Structure of Unemployment Rates," *Monthly Labor Review,* vol. 98 (March 1975), pp. 3–9. Note the interesting regularity in table 3 in the relative constancy of the 1:5 ratio of the dispersion index to national unemployment rates.

[36] In addition to the nineteen SMSAs cited in note 34, the sample includes Nassau-Suffolk (which was separated from the New York SMSA in November 1972), Miami, Indianapolis, Kansas City, Denver-Boulder, Riverside-San Bernardino-Ontario, San Diego, San Jose, and Seattle-Everett. Recent significant boundary changes prevented inclusion of Atlanta, the remaining major SMSA for which unemployment data from the CPS are available.

[37] This assumption is probably generous, given the results of the preceding section as well as the possibility of induced participation effects. But the results of importance here are not sensitive to reasonable alternative specifications.

[38] See Robert E. Hall, "Why Is the Unemployment Rate So High at Full Employment?" *BPEA, 3:1970,* pp. 375–84.

[39] Since data on program-agent employment were not available for EEA, the unemployment rates for 1972–73 used in equation 5 are not adjusted for EEA jobs.

[40] It is possible that allocations under the CETA–VI programs were more closely associated with cyclical changes in unemployment rates than is apparent from the analysis of the combined effect of CETA–II and CETA–VI. But the permitted shifting of funds between programs during the spring of 1975 makes separate analysis of the allocation of CETA–VI money impossible.

[41] See Congressional Budget Office, *Temporary Measures to Stimulate Employment,* p. 37.

[42] Westat, Inc., *Longitudinal Evaluation of the Public Employment Program and Validation of the PEP Data Bank: Final Report* (Westat, 1975), p. 5–18.

[43] Ibid., pp. 5–20 to 5–26. Young workers tended to terminate EEA employment quickly, but it is possible that the jobs provided members of this group were of particularly short duration.

[44] Most public-service jobs are linked to entry positions on civil service employment ladders. Such a job gives its holder an edge in competition for regular slots as they open. Since steady salary growth and stability are still associated with such jobs in most areas, this edge is an important fringe benefit. In its study of high-impact demonstration public employment under EEA, the National Planning Association found that "cyclically unemployed" workers (those with a college education or who had experienced a wage cut in taking subsidized employment) earned relatively high wages while in subsidized jobs and nonetheless generally moved quickly back to unsubsidized jobs. But for most of this group, "unsubsidized" jobs were regular jobs in state and local government. See National Planning Association, *Evaluation of the Economic Impact Project,* vol. 1, p. 95.

[45] The estimate is made by multiplying the ratio of the cumulative number of jobholders in each classification to total CETA employment through June 1975 by the number of CETA jobs filled at the end of March. This estimate is subject to two sources of error: (1) employment in March may not have had the same composition as that for earlier or later months; (2) the demographic data are cumulative and are biased toward overstatement of the CETA impact on high-turnover groups.

[46] Currently, a person is deemed disadvantaged if he or she lives in a family that receives cash welfare payments or with income during the preceding year that is less than the Office of Management and Budget—Arshansky poverty thresholds. See *Federal Register* (March 19, 1974), p. 10376. For EEA, additional age, race, and educational qualifications were employed. See *Manpower Report of the President, March 1973,* p. 54.

[47] Westat, Inc., *Longitudinal Evaluation of the Public Employment Program,* pp. 4–5 to 4–7. The same survey confirmed the accuracy of the characteristics data employed earlier.

[48] This number is derived from unpublished tabulations of CETA participant characteristics furnished by U.S. Department of Labor, Employment and Training Administration.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I yield myself such time as I may need.

The PRESIDING OFFICER. I believe the Senator from Arkansas has the time.

Mr. McCLELLAN. Mr. President, the distinguished Senator from Washington has charge of the time in opposition to the pending amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. I yield myself such time as I may need.

Mr. President, many of the reasons why this amendment should be defeated have been stated by the Senator from New York and the Senator from New Jersey, and I, too, oppose the amendment and did oppose it in the Appropriations Committee.

The Senator from Pennsylvania uses some recent figures on the economic index, and it does look better. I hope the economy will continue to be better. All of us do. But the administration has revised its unemployment index up to 7.2 percent. That is a high figure of unemployment, the anticipated average rate for 1977.

The purpose of the Appropriations Committee—there was a lot of discussion about it in the Appropriations Committee—to add the $4 billion that the Senator from Pennsylvania seeks to take out was to expedite this matter. From all of the evidence and all of the figures the legislative committee heard, the consensus they came to was that this total CETA program would be a $9.4 billion in this supplemental. And we thought because of the urgency of the matter that we should add the $3.9 billion or close to $4 billion to expedite this matter for many reasons.

Unemployment has not gone down as it should, and unemployment insurance is one of the most serious fiscal problems we have in this country. The Senator from New York mentioned that it will run about $16 billion or $17 billion for this last year, and I think it will be closer to $20 billion for this year.

What has bothered the Senator from Washington for a long time is this increasing figure, which sooner or later will break the country. You keep taking $20 billion a year out of the Treasury, or $25 billion as it proceeds, and finally, in time, you will go broke. Nothing is going back in.

Secondly, we must act on this matter, because I do not know how many Senators realize that under unemployment insurance, the States are supposed to make a contribution to add to it. Many of the State funds are broke, so they have to borrow from the general treasury. But when you add welfare, the food stamp program, and all these other things, in the long run it may save money to put people into public service jobs.

We put the extra $4 billion in, together with forward funding, so that cities, counties, and people who might be the recipients under this program would have some chance to plan a more effective public service jobs program.

This proposal would increase public service employment from the current level of approximately 310,000 to a level of 600,000 by the end of the current fiscal year, and to 725,000 during fiscal 1978.

It is a temporary program to some extent. I hope it is only temporary. But unless we act promptly, and act quickly, it could assume the proportions of a permanent program which is one of the biggest drains we have on the Treasury of the United States.

I have several other reasons. These people can get out and work, and a lot of them want to work. The letter from the Secretary of Labor has been put in the RECORD.

There is also contained in this bill nearly a billion dollars countercyclical revenue sharing, $5 billion for general revenue sharing. These funds can be used to rehire laid off city or county workers, which we passed on again the other day here in the Senate, so that public service jobs money won't be used for this purpose.

As mentioned by the Senator from New Jersey and the Senator from New York, that is more important than ever now, because we have abandoned the tax rebate situation. Abandonment of the tax rebate proposal will add 0.2 percent to the unemployment rate at the end of this year, representing a loss of 280,000 jobs, according to April 28, 1977, testimony from the Director of the Congressional Budget Office.

The amounts recommended for the Labor Department are identical with the House-passed bill. This includes $8 billion for public service jobs, and $1 billion for youth employment and training programs.

Funds will also provide jobs for the elderly—expand the Job Corps—increase apprenticeships—and meet the special employment and training needs of disabled veterans—migrants—and Indians. A new skill training improvement program will give permanently displaced workers new skills. Financial incentives will be offered for private enterprise to hire and train the unemployed, with first priority to veterans.

We are recommending 725,000 public service jobs—the same level that the President wants. This would increase public service employment from the current level of approximately 310,000 jobs to the level of 600,000 by the end of the current fiscal year and to 725,000 during fiscal 1978. Sufficient funding has been included to sustain these jobs through the end of fiscal year 1978.

The committee plans to consider what funds to appropriate for the period after September 1978, including the question of phasing down the program, in connection with the regular appropriation for fiscal 1978—assuming that authorization is enacted in time.

The forward funding of public service employment for fiscal 1978 will provide the State and local prime sponsors the assurance that the funds will be there to carry out their plans over the longer term. Better planning and better management will result.

These funds will be allocated all at once, permitting the prime sponsors to plan rationally for developing and filling these jobs over the next 18 months. This has become especially important in light of new provisions of the Comprehensive Employment and Training Act that require the prime sponsors to target new jobs on long-term unemployed persons and welfare recipients.

Mr. President, with more than 7 million people unemployed—virtually the same number as a year ago—economic stimulus is a vital necessity. For each 1-percent reduction in unemployment, the budget deficit would be cut by $16 billion. Public service jobs are a key part of economic recovery. The funds in this bill will help provide essential public services to communities that would not otherwise be provided, including police and fire protection, improving health and education programs, and weatherizing homes of low-income families.

I urge adoption without change of the entire Labor-HEW chapter of this supplemental appropriations bill.

Mr. President, I ask unanimous consent to place a further statement and table in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALLEGED FISCAL SUBSTITUTION

(Senator MAGNUSON's statement and table for the RECORD)

The Committee considered and rejected an amendment to the bill that would have reduced funds for public service employment to an amount that would sustain only the current level of approximately 310,000 jobs, allowing no expansion of the program.

Supporters of the amendment cited a recent report by the Congressional Budget Office that the rate of fiscal substitution in public service employment "has been estimated to be as much as 60 percent in the first year and 90 to 100 percent after two years." Fiscal substitution is the process by which State and local governments substitute Federal funds for local tax effort. In public service employment, this normally means that the prime sponsor is using Federal funds to rehire regular public employees who have been laid off because of local budget problems. As a result, the number of new jobs that can be created is reduced.

Several other factors regarding the CBO report and fiscal substitution must be taken into account.

First, the CBO report cited in support of the amendment was based upon two studies that were conducted—and completed—before any data was available on public service employment under the Comprehensive Employment and Training Act. The studies were based upon analysis of the Public Employment Program, established in 1971 and virtually phased out by the time Title VI of the Comprehensive Employment and Training Act was enacted in December of 1974. In short, the studies did not examine public service employment under current law, but an earlier program that could be characterized as experimental.

Second, the cited CBO report also pointed out that "targeting of public service employment jobs to specific groups of workers and short-term public projects . . . can reduce fiscal substitution and thus increase the net employment effect." Such targeting is now a matter of law. Last year, the Congress did in fact revise the title VI program to provide such targeting, at the recommendation of the authorizing Committee in the Senate. In that legislation, public law 94–444, the Congress directed that new jobs under Title VI be developed in local projects of community merit and of one year's duration; the visibility of specific projects that are carefully planned, designed for a specific purpose, and approved by community advisory bodies is a strong deterrent to substitution.

Moreover, public law 94–444 also provided that the new jobs be targeted upon welfare recipients and long-term unemployed persons from low-income households. Very few regular employees will be able to meet these eligibility requirements and, therefore, are not likely to be rehired under the revised Title VI program. In fact, the Congressional Budget Office, in making its estimate of the cost of the revised Title VI program, assumed that fiscal substitution would range between zero and 25 percent—far less than the 60 to 100 percent estimate that was based upon the study of an expired public employment program.

Finally, it must be remembered that the Title VI public service employment program was being implemented in the early months of 1975, when State and local governments were experiencing a severe contraction of tax revenues as the recession deepened. There was substitution in those days, and in a few cases it was substantial. There were major cities which probably had no alternative at the time; the public safety, health and well-being were at stake. But the Congress acted to deal with this problem in another way, providing State and local governments with emergency countercyclical revenue-sharing assistance to help them finance and maintain essential public services. With these funds, the temptation to divert money from providing jobs for the unemployed to rehiring regular employees is substantially eliminated. The availability of this countercyclical assistance is a strong tool for the Secretary of Labor to use in carrying out his responsibility to insure that the public service jobs funds are not substituted for local tax effort.

CHAPTER II OF ECONOMIC STIMULUS SUPPLEMENTAL

DEPARTMENT OF LABOR

	Fiscal year 1977 appropriation to date	Budget request	House allowance	Senate committee recommendation
Employment and training administration, program administration:				
General funds	$69,774,000	$8,793,000	$4,397,000	$4,397,000
Trust funds	30,887,000	201,000	100,000	100,000
Employment and training assistance:				
Public service employment (CETA, title II)	400,000,000	1,140,000,000	1,140,000,000	1,140,000,000
Advances for 1978	(..........)	[1] (1,016,000,000)	(1,016,000,000)	(1,016,000,000)
Job opportunities	50,000	50,000	75,000	75,000
Migrant programs	63,200,000	16,000,000	[2] 16,000,000	[2] 16,000,000
Job opportunities	7,000	4,000	4,000	4,000
Indian programs	50,560,000	14,000,000	[2] 14,000,000	[2] 14,000,000
Job opportunities	21,500	3,500	3,500	3,500
Veterans programs		10,000,000	[2] 10,000,000	[2] 10,000,000
Job opportunities		2,500	2,500	2,500
Youth programs		1,000,000,000	1,000,000,000	1,000,000,000
Job opportunities		154,000	154,000	154,000
Skill training improvement program		250,000,000	250,000,000	250,000,000
Job opportunities		58,000	58,000	58,000
HIRE		120,000,000	120,000,000	120,000,000
Job opportunities		60,000	60,000	60,000
Apprenticeship programs	19,000,000	20,000,000	[2] 20,000,000	[2] 20,000,000
Job opportunities	32,700	8,600	8,600	8,600
Job Corps	206,100,000	68,000,000	68,000,000	68,000,000
Enrollees	22,000	8,000	8,000	8,000
Temporary employment assistance (public service employment; CETA, title VI)		8,034,000,000	6,847,000,000	6,847,000,000
Advances for 1978	(..........)	[1] (4,855,000,000)	(4,855,000,000)	(4,855,000,000)
Job opportunities	260,000	240,000	340,000	340,000
Community service employment for older Americans	90,600,000		59,400,000	59,400,000
Job opportunities	22,600		14,800	14,800
National contractors	18,800		14,800	7,400
States	3,800			7,400
Bureau of Labor Statistics	73,018,000		500,000	500,000
Department management:				
General funds	49,182,000	1,036,000	602,000	602,000
Trust funds	1,305,000			
Total	1,053,626,000	10,682,030,000	9,489,999,000	9,489,999,000
General funds	1,021,434,000	10,681,829,000	9,489,899,000	9,489,899,000
Trust funds	32,192,000	201,000	100,000	100,000
Advances for 1978	(..........)	5,871,000,000	(5,871,000,000)	(5,871,000,000)

[1] Advance funding requested by the Department of Labor as a fiscal year 1978 appropriation.

[2] To be funded from existing unexpended appropriations for the Secretary's discretionary fund under title I of CETA.

Possible Rationale To Reject the Amendment To Cut Public Service Jobs

1. With more than seven million people still unemployed, we still need a public service jobs program.

2. When the economy improves and the private sector begins hiring the unemployed, we can start phasing-down public service jobs.

3. Groups favoring expansion to at least 725,000 public service jobs include: the AFL-CIO, Governors' Conference, National Association of Counties, and League of Cities. The AFL-CIO, Senator Javits, and others have called for one million public service jobs.

4. These are not make-work, leaf-raking jobs. Most of the jobs provide essential public services in law enforcement, fire protection, hospitals, education, transportation, and parks and recreation.

5. If Congress does not provide more public service jobs, it will cost almost as much to support the jobless with unemployment benefits, welfare payments, food stamps, and the like.

6. A new study by the Congressional Budget Office indicates the problem of substituting Federal dollars for local funds is minimal—in the range of Zero to 25 percent. An old CBO study, based on data in 1971, had previously indicated substitution was as high as 90 to 100 percent.

7. This bill contains nearly a billion dollars for countercyclical revenue sharing and $5 billion for general revenue sharing. These funds *can* be used to rehire layed-off city and county workers, so that public-service-jobs money won't be used for this purpose.

8. The new public service jobs law requires setting up special short-term projects and hiring the long-term, low-income unemployed. This will make it virtually impossible for local governments to simply fire their workers and rehire them as public service jobs enrollees.

9. Before we had a public service jobs program, we found that graduates from job training programs could not find jobs during periods of high unemployment. Public service jobs provide useful work opportunities for skilled workers who would otherwise be forced to take jobless benefits or go on welfare.

10. Funding proposals for youth programs appear to be reaching virtually a guaranteed employment program for young people, at a time when more than five million adults are still unemployed. Even at 725,000 jobs, only 10 percent of the adult jobless will be served.

11. Public service employment provides the dignity of a job, rather than forcing people who want to work to go on the dole.

12. This is a temporary program, to meet an emergency, high-unemployment situation, to try to help keep the country out of a prolonged recession and stimulate economic recovery.

13. Now that President Carter has recommended abandoning more than $10 billion in tax rebates, there appears to be an even greater need for an expanded Public Service Jobs program to provide sufficient economic stimulus.

14. A Congressional Budget Office study has determined that the public service jobs program is the most cost-effective way of reducing unemployment, in comparison with both public works and revenue sharing programs.

15. Abandonment of the tax rebate proposal will add 0.2 percent to the unemployment rate at the end of this year, representing a loss of 280,000 jobs, according to April 28, 1977 testimony from the Director of the Congressional Budget Office. It therefore appears we may need more public service jobs—not less.

Mr. MAGNUSON. Mr. President, I hope the amendment of the Senator from Pennsylvania will be defeated.

I yield the Senator from Massachusetts such time as he may require.

Mr. BROOKE. I thank my distinguished chairman.

Mr. President, I first wish to commend the distinguished chairman of the Senate Labor-HEW Appropriations Subcommittee (Mr. Magnuson) for his very persuasive argument in supporting the defeat of the Schweiker amendment.

This amendment came before our subcommittee and was discussed, and went over to the full committee; and after lengthy debate before our full committee, a vote was taken on it and it was defeated 13 to 6. Many of the arguments that have been advanced on the floor this afternoon were advanced at that time.

I also commend the distinguished chairman of the Human Resources Committee and the distinguished ranking minority member of the Human Resources Committee for their very compelling and persuasive arguments.

Even if we were to—and I hope we will—vote for the 725,000 job level, we would still be reaching only 10 percent of the unemployed in the country today. So rather than go backwards, we should be going forward, and I would much prefer to have had an amendment by the distinguished Senator from Pennsylvania which would have increased rather than decreased the amount that had been recommended.

While I understand his desire to cut back on certain funding, I certainly cannot support the cutback on funding in this particular program, because of the consistently high unemployment rate which the Nation suffers. So I hope, Mr. President, that this amendment will be rejected by the Senate, and that we will go in at the full 725,000-level which has been recommended by the President and by the Senate Appropriations Committee and which is supported by the leaders of the Human Resources Committee.

I thank my distinguished chairman, and yield the floor.

Mr. SCHWEIKER. Mr. President, I yield 5 minutes to the distinguished Senator from Utah.

Mr. HATCH. I thank the Senator.

Mr. President, I rise to support the Senator from Pennsylvania in the matter of his amendment.

What bothers me is that a recent study by the GAO, quoted by Senator SCHWEIKER, indicates that these Federal programs to create public service jobs have done little to reduce unemployment; that basically they have provided substitution for jobs that would otherwise have been filled by the States and localities had it not been for this type of program.

I have great sympathy for all programs to put young people to work and give them the opportunity to work and receive a course of training, but I do not think we can ignore on a wholesale basis these reports done by the GAO, which I do not think has any ax to grind when their reports state that CETA funds are used to substitute for State and local money for employees who would be on the payroll anyway.

I am sure that statement may be a little bit of an exaggeration, but I think it is also true that CETA funds are used to reduce appropriations by cities for services they would otherwise contract out. Rather than wasting Federal funds in this way, it would be better to give the money back to the people in the form of a tax cut.

It seems to me that if we want to help young people, and particularly the unemployed young black people in this country, we ought to do things such as doing away with the minimum wage laws to give them an opportunity to be hired. The trouble is that the minimum wages are so high it does not give most of them an opportunity to be hired.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BROOKE. There is no question but that there has been some fiscal substitution. But the report which the distinguished Senator from Utah has mentioned is 2 years old.

Mr. HATCH. Not according to the Washington Post.

Mr. BROOKE. The information, I should say, is some 2 years old. There have been many changes in the program since that time. As the Senator knows, for example, now it is a program primarily for individuals who are hardcore unemployed, rather than others.

Certainly not those who can readily qualify for a job as a policeman or some of the clerks in some of the city halls, things of that nature. The Senator is quite right.

I am not wedded to the concept of public service jobs. I think the best way is to stimulate the economy and get our industries going so that more meaningful, more permanent jobs are created by the private sector rather than the public sector. But where we have consistently high unemployment, where even when we create 725,000 jobs we are only addressing ourselves to 10 percent of the unemployed in this country, that is the reason I can in good conscience support a funding level for 725,000 public service jobs. I believe we need them during this period.

I would hope that title VI is a temporary, not a permanent, program. I think that was the intention of the Human Resources Committee. They do not want to create title VI jobs forever. But neither do they want unemployment consistently at 7.5 percent and above that. We have sort of a crisis situation which demands the kind of solution before us at this time.

When the Senator talks about some of the problems with these jobs in the past, I would quite agree with him. But I think Congress in its wisdom has sought to close up those legislative loopholes. We want and will get better monitoring by the Department of Labor than we had before. I would like to give the Senator from Utah some reassurance that some of the fears he has could be allayed.

Mr. JAVITS. Will the Senator allow me to answer on his time?

Mr. BROOKE. Yes.

Mr. JAVITS. I just wanted to add one other fact, that the unemployed person must come from a low-income family. There are three new criteria: 15 weeks unemployed, low-income family, and a 1-year project, which eliminates practically the whole substitution proposition.

I agree if Senators want to make their argument on the fact that the answer to our problem is not public service jobs. I could not agree more. I certainly agree with Senator BROOKE. But did we invent the fact that there is an endemic unemployment of 7 million plus? We simply have to deal with the condition. This is one way to deal with it. Absent the tax rebate it seems to me we have no other opportunity right now than this one. I thank my friend.

Mr. BROOKE. Let me give a further assurance. Our current plan in the Appropriations Committee is not to put any further public service jobs money in the regular 1978 Labor-HEW bill until we see what the unemployment situation looks like and how the expanded public service jobs program is working. We are not wedded to anything in 1978 until we know what the facts are. Is that correct?

Mr. MAGNUSON. That is correct. We wanted to expedite it for that simple reason, so that people could make plans and could reach at least the 600,000 job level by the end of this fiscal year. If we had waited until fiscal 1978 conditions could have been worse. That is the basis of the forward funding.

Mr. BROOKE. And the uncertainty of the cities because they do not know what they can plan. They do not know what is going to happen. They cannot look ahead with any plans for the future because they do not know whether the Congress will appropriate the necessary funds.

Mr. HATCH. That is exactly my point. We think the cities are dependent upon the goodwill of the Federal Government so often they do not know where they are. They are going away with normal jobs and substituting Federal moneys for employing the same people when they could otherwise handle a lot of these problems themselves. I have deep respect for the Senator, as well as Senator MAGNUSON and Senator JAVITS, and others who have spoken on this bill. Senator SCHWEIKER is not asking to do away with CETA, or do away with the base funds. He is asking for us to have some realism.

This should not be a permanent program, but that is what we are doing here. We are making it a permanent program where we have plenty of prior evidence and knowledge which says it does not do anything but substitute jobs. That is the finding of basically the only independent agency within the Federal Government.

Mr. BROOKE. The Schweiker proposal would not do away with the current CETA level for public service jobs, but it would not address itself to the real problem facing the country today. The proposed level of 725,000 jobs only addresses 10 percent of the unemployed. The current level of 310,000 jobs would drop it down to less than 5 percent of the unemployed in the country. I do not think it is meaningful.

Mr. HATCH. Does the Senator know what happens when we continue with these Federal jobs and Federal programs? We wind up with more bureaucracy, with less real meaning, and probably more degradation to these young people than we had before. I am not saying just to cut the money out and not do anything for these young people. I think we have to come up with some innovative programs to give them the opportunity, to work, to grow, to prosper, but in the private sector.

We have 15 million Government workers in this society today out of 89 million who work. If we have some of the other bills that we are talking about here, we are talking about maybe 20 to 21 million Federal, State, and local government employees within the next year or so. If that is so, who is going to pay for it? All I am saying is when are we going to start creating jobs in the private sector that work?

Mr. BROOKE. Who is going to pay when the jobless have to go on unemployment compensation or relief? Who will pay for it? That is what I am saying. I would much rather have someone working and earning and paying taxes than have them on relief or have them on uemployment benefits where the taxpayer has the heavy burden. I would much rather have these jobs created and have the unemployed actually working for their pay.

Mr. HATCH. I thought these were chronically unemployed people.

Mr. JAVITS. It is 15 weeks unemployed and they are entitled to 39 weeks if they stay unemployed. That was one of my main arguments.

Mr. HATCH. I do not think we should keep them unemployed.

Mr. JAVITS. In the meantime, they are being paid. There is an entitlement.

Mr. HATCH. But why not come up with jobs for them?

Mr. BROOKE. We tried. I voted with the Senator the other day on the tax incentive. I voted for it because I wanted to see the stimulation in the private sector so we could created the jobs. That is my first choice. I believe it is Senator Williams' first choice and Senator Magnuson's first choice.

But what do we do in a crisis situation such as this? We cannot wait for another year. The unemployment rate would continue high. It is 7 million plus now. What do we do with it? The private sector obviously is not employing the jobless. What is the alternative? That is what I ask the Senator.

Mr. HATCH. I would like to make another suggestion. Let me say there are very few people in this whole body who have the high standing that both the Senator from Massachusetts and Senator Javits have. But I think on some occasion we occasionally become part of this promotion of the ideal government solutions rather than the promotion of the private solutions.

I believe there are some ways we can promote jobs in the private sector and by which we would be helping people obtain jobs that are already available. We could have a sub-minimum wage to give some of these young people, who do not otherwise have an opportunity, the opportunity to be trained for work. Maybe we can do that with some tax incentives and other creative approaches.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HATCH. Will the Senator yield an additional 5 minutes?

Mr. SCHWEIKER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 4 minutes remaining.

Mr. SCHWEIKER. I have used 18 minutes and I gave up 5 minutes. That makes 23 minutes.

Mr. MAGNUSON. Mr. President, I yield 5 minutes.

Mr. SCHWEIKER. I believe Senator Magnuson said he would yield some of his time.

Mr. MAGNUSON. I yield 5 minutes of my time to the Senator from Utah.

Mr. BROOKE. If I may, the Senator from Utah has said that we ought to work in the private sector. I just want to show him that this bill contains money to stimulate the private sector as well. We have provided $120 million for the so-called Hire program aimed at persuading large corporations to hire and train young veterans. The fund will support a 12-month program building up to 60,000 slots by a year from now. I just want the Senator to know that we did take cognizance of that in this appropriation bill.

Mr. HATCH. I appreciate the comments that the Senator has made.

I do point out to this body so that it is in the Record that, on April 12, 1977, the Washington Post editorialized:

> Federal programs to create public service jobs in state and local governments "have done little to reduce unemployment," the General Accounting Office reported yesterday.

Later in this article, it says:

> CETA was designed to provide federal money for useful public work that local governments otherwise could not afford.
>
> However, the GAO report on the first year and a half of the program said local governments used CETA participants "to (1) fill vacant full-time positions; (2) fill temporary, part-time and seasonal positions formerly financed with local money, and (3) provide services normally contracted."

Are both Senators saying to me that these problems have been corrected within the last couple of weeks?

Mr. BROOKE. No. 1, yes, the problem is being corrected; but, No. 2, we are saying that, at the present level of 310,000, the CETA program does not have an impact which would satisfy the Senator from Utah and did not, obviously, satisfy the Washington Post. That is why we are going to 725,000 jobs. If it remains at 310,000 slots, where the Senator from Pennsylvania would have it remain, it still would not have sufficient impact upon this high unemployment situation in which we find ourselves.

Mr. HATCH. I would like to see the 325,000 level work before we rise to an even higher level, the 750,000 level.

In any event, the editorial goes on to say:

> In addition, "CETA funds were used to rehire laid-off, former employees, GAO reported.
>
> "Although the act prohibits the substitution of federal funds for local funds, the Department of Labor did not have the time or the staff to administer maintenance-of-effort provisions," said GAO, Congress' agency to monitor fiscal and management performance by government departments.

But do we have to continue to increase the bureaucracy in the interest of creating public works jobs?

Mr. BROOKE. I believe that data goes up to March of 1975. I want to call that to the attention of the Senator from Utah.

Mr. HATCH. Is the Senator from Massachusetts saying that they have corrected all these ills? My understanding is that they have not.

Mr. BROOKE. I wish I could say that they have corrected them all. I know they have made progress in correcting those deficiencies the Senator has reported. The statutory changes that have already been referred to, both by the Senator from New York and myself, obviously are the necessary starting point toward corrections.

Mr. HATCH. One other thing is pertinent here.

The PRESIDING OFFICER. The additional 5 minutes has expired.

Mr. MAGNUSON. I yield to the Senator from Utah what time he needs.

Mr. HATCH (reading)—

> The report said Boston Mayor Kevin White recommended a $500,000 reduction for 1976 in his city's appropriation for service contracts to do work for the Public Facilities Department. "The department's assistant director said much of the work done by the CETA personnel is similar to that previously performed under service contracts."

I am not for cutting CETA out completely, but I hate to see us continue to magnanimously push these appropriation requests forward without a lot of safeguards, without making sure that they work for the 325,000 we are covering right now, and saddle the American taxpayers with even more problems. These are some of the concerns I have. When we could have the private economy stimulated.

Mr. BROOKE. They are very legitimate concerns, I could not agree with the Senator from Utah more. They are legitimate concerns. I hope we have assured him that many changes are being made, statutorily and administratively and otherwise. We feel now that, through these changes, the 725,000 jobs that we are recommending will be protected against abuse.

Mr. HATCH. My point is that the article says that they cannot administer the 325,000-job program. How are they going to administer a 750,000-job program?

Mr. BROOKE. It is 310,000 going to 725,000, but we shall not argue over the figures. There has been and will be improvement in the administration, statutory improvements and overview, which I hope the Senator will feel gives him some assurance that those abuses, if not eliminated, will be abated.

Mr. HATCH. The Senator has assured me. Senator Javits is now about to give me some more assurance.

Mr. JAVITS. Will the Senator from Washington yield me a few minutes?

The PRESIDING OFFICER. All of the time of the Senator from Washington has expired.

The Senator from Pennsylvania has 7 minutes remaining.

Mr. YOUNG. I yield 5 minutes.

Mr. STEVENS. Will the Senator from North Dakota yield to me for a unanimous-consent request?

Mr. JAVITS. Mr. President, I have just been yielded 5 minutes on the bill by Senator Young. I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent that Mike Maloof of Senator Griffin's staff be permitted the privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, let me put these facts into focus. The fact is that this bill goes back to 1971. During the depths of the recession, a good many of these employees were laid off. This is not a problem that affects New York City alone. It affects Boston, Philadelphia, Omaha, San Francisco, every city in the country. They could not hire them back because they did not have the resources. So we passed the bill, which had two titles.

Title II dealt with the need for continuing municipal services for people who were unemployed, and, in addition, whose unemployment deprived communities of very basic services. They just could not continue without them. And we passed title VI to try to deal with a situation which we are debating here today to affect the aggregate of the unemployed.

Under title II, of course, people were hired in order to perform these municipal services. But the bill before us has only 50,000 in that title. The main impact of this bill is title VI. That is what we are talking about having been completely reformed; therefore, the GAO report and the Congressional Budget Office report, which were related to the 1975 performance, are simply inapplicable.

Some may differ with us and may argue with us about the situation today, but these reports are irrelevant. The fact is that our chairman has put in the RECORD a letter, written in 1976, as the program began to be reformed, from the Congressional Budget Office itself, dated June 10, 1976, analyzing the situation which it complained about; that is, the so-called rehirings. That says—and it is right here; all are welcome to read it:

> It has been assumed that fiscal substitution will range between zero and 25 percent.

Based upon this approach which we are now describing.

That is what we are debating. We are not debating the situation which was properly analyzed and found faulty. That, we have reformed. We are debating now the reformed situation. So if we are right or wrong on that, the fact is that the basic facts are different from what seems to be depended on in this amendment; to wit, a GAO report and a Congressional Budget Office report.

They are both here. They relate to a previous situation.

Mr. HATCH. Will the Senator yield?

Mr. JAVITS. Let me finish just one point.

It is interesting that the cover of the report to Congress by the Comptroller General is kind of a syllabus of what is in the report. It says:

> Much good has come from public service employment programs under the Comprehensive Employment and Training Act. They provide jobs and other benefits to participants and communities. But several factors lessen the effect of the good things done. Too little money in relation to unemployment was provided. Funds were not always used to create new job opportunities. Relatively few participants obtained permanent unsubsidized jobs.

The PRESIDING OFFICER (Mr. SASSER). The time of the Senator has expired.

Mr. YOUNG. I yield 2 minutes.

Mr. JAVITS (reading)—

> Some program objectives were compromised due to the recession. Ineligible participants cut into the program. This report contains many recommendations to the Secretary of Labor and the Congress for improving the program.

OK. We have done our best to improve it. We shall improve it more. But do not let us knock it out, especially in the absence of the very tax reductions and rebates which are supposed to do precisely what we are trying to do here today.

Mr. HATCH. Will the Senator yield for a question?

Mr. BROOKE. Will the Senator yield for a question?

Mr. JAVITS. Of course. I yield to the Senator from Massachusetts.

Mr. BROOKE. I want to say that, having said all that, I could not agree with the Senator from New York more. Still, what the Senator from Utah has read, the GAO report, and what I am sure motivated the Senator from Pennsylvania, was alarming, there is no question. That is what instigated the reform in title VI. That is what we have done so far. We assure the Senator we are going to monitor this, and monitor it very closely, to avoid fiscal substitution in funds that we are presently appropriating.

Mr. HATCH. I appreciate that. I ask both of the Senators to answer a question: Let us assume that we have, through intensive and effective legislation, alleviated the difficulties which we have raised here and those which the GAO report has raised.

One question that has not been answered here today is found in the statement that, although the act prohibits the substitution of Federal funds for local funds, the Department of Labor did not have the time or the staff to administer maintenance of efforts provisions. What are we going to do, increase the staff of the Department of Labor so they can administer these funds? Is there any provision in the bill that alleviates that problem?

Mr. JAVITS. That is the point Senator BROOKE made about monitoring by the Appropriations Committee——

Mr. HATCH. What about the Subcommittee on Human Resources? We should monitor the program.

Mr. JAVITS. Exactly.

The PRESIDING OFICER. The Senator's additional 2 minutes have expired.

Mr. YOUNG. I yield 2 minutes to the Senator from Utah.

Mr. HATCH. Let me just say this: There is no question that I respect and appreciate the concern and admire the very fine Senators from the Northeast. I can understand the way they feel with regard to these CETA funds. But as I have examined the reports on the CETA program, I do not believe there has been any real oversight by the Senate over this particular situation.

I think it is about time we change it.

I also think that there has been no effective study of the distribution of CETA funds nor are they put out in a reasonable and fair basis all over the country.

Last but not least, I still think that if the Department of Labor could not administer the funds for the $310,000—it says $340,000 in the article—then how, for the $750,000 in the future, without increasing bureaucracy and costing taxpayers untold millions and perhaps billions more dollars?

Mr. JAVITS. I think my colleague from Utah is an arch apostle in saying that in this bureaucracy, if cut down, it could and should do a better job, and I agree. That is the essence of the matter.

Mr. HATCH. Not with the Department of Labor we have right now.

Mr. JAVITS. I am sorry, but I cannnot change it. Neither can the Senator.

Mr. HATCH. But let's not increase it by giving it untold power for more money, when it has not been able to administer the program in the past.

Mr. JAVITS. Considering the interests of our country and 7 million unemployed, we will have to stretch it and beat them over the head, rather than deprive these men and women of what they are entitled to.

Mr. HATCH. The Senator and I might join.

Mr. JAVITS. That is the way I intend to vote.

Mr. HATCH. I appreciate that, and I know it is sincere. But I say this. I do not think it has been administered properly nor will it be in the future, if we continue to expand these programs without proper oversight. It seems that sometimes we in the Senate do not get the oversight we should.

Mr. BROOKE. Will the Senator yield?

Mr. HATCH. I yield to Senator HAYAKAWA.

Mr. BROOKE. Just to answer the question?

The PRESIDING OFFICER. The additional 2 minutes have expired.

Who yields time?

Mr. YOUNG. I yield 2 minutes, and then I yield to the Senator from California.

Mr. HATCH. Very well.

Mr. BROOKE. On the Senator's last 2 minutes, No. 1——

Mr. HATCH. I do get some enjoyment out of this discussion.

Mr. BROOKE. I enjoy a discussion with the Senator from Utah.

Mr. HATCH. It is interesting.

Mr. BROOKE. I want to assure the Senator from Utah again that the Human Resources Committee has the main, the primary, oversight responsibility.

Mr. HATCH. And I suggest we use it from here on in.

Mr. BROOKE. That is correct.

Two, that even though the Human Resources Committee has as the authorizing committee the primary oversight responsibility, the Senate Appropriations Committee also feels very responsible insofar as oversight is concerned.

Mr. HATCH. Right. And should be.

Mr. BROOKE. We are concerned with oversight of our appropriations.

We can give the Senator further assurance from the Appropriations Committee. We have on the floor all parties concerned.

We have the chairman and the ranking member of the Human Resources Committee; the chairman of the Appropriations Committee; we have the ranking minority member of the Appropriations Committee; we have the chairman of the Labor-HEW Appropriations Subcommittee; and the ranking minority member on that subcommittee.

So we have all of the parties here. I presume by their silence they give assent at least to the fact they will do their job in proper oversight.

I hope the Senator from Utah will not prevail on this amendment, and if he does not prevail on this amendment, he will at least have some assurance that there will be oversight concerning the kind of abuses he has brought to the attention of the Senate.

I think he has performed a great service in doing so. If the abuses are not eliminated—and we will try—they will be abated.

I think the legislative record he has made is certainly a signal to the Labor Department about how strongly not only the Senator from Utah feels but how strongly we all feel about this matter.

The PRESIDING OFFICER. The additional 2 minutes have expired.

Mr. HATCH. I appreciate the Senator's kind remarks.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota is recognized.

Mr. YOUNG. I yield to the Senator from California.

Mr. MAGNUSON. One minute.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield 1 minute to the distinguished Senator from Washington on the bill.

Mr. MAGNUSON. All right.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, we are having the Secretary of Labor come up to the Appropriations Committee tomorrrow afternoon to discuss this very subject and to see how we can take up all of the eligibility and other matters. There is no question about it, some did occur. So we are conducting oversight, even before the bill is going to be signed.

Mr. HATCH. Before signing the bill, we ought to make a determination.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. I yield to the distinguished Senator from Washington 5 more minutes, if he needs it, on the bill.

Mr. HAYAKAWA addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. YOUNG. How much time does the Senator from California wish?

Mr. HAYAKAWA. Three minutes.

Mr. YOUNG. I will yield 5 minutes, if the Senator desires.

The PRESIDING OFFICER. The Senator from California is recognized for 3 minutes.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that my staff member, Jan Olson, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I would like to express my support for the amendment offered by the Senator from Pennsylvania (Mr. SCHWEIKER). This amendment would reduce the appropriations in H.R. 4876 for public service jobs under CETA, titles II and VI by $3,905 billion. In light of recently published studies on the effectiveness of CETA jobs, I believe this amendment is fully justified.

One of my major concerns in my brief experience in the Congress has been the propensity to increase funding for ineffective programs—after being proved ineffective. The CETA public service employment programs is a prime example. Several recent studies, including those by the Congressional Budget Office and the General Accounting Office, have presented evidence that this program has been ineffective in creating new jobs and preparing participants to move into unsubsidized employment.

Previous remarks offered four major objections to the program that is being presented, evolved from studies I need not expand on here, but they can be further documented by many instances of waste and ineffectiveness and futility in CETA programs throughout my State.

In addition to these major objections already outlined, the studies have found that administration of the program is very poor. They found that many participants, when their permissible time in the program has expired, merely transfer to another part of the program. Often these transfers are reported as terminations when, indeed, they are not. Many prime sponsors of CETA jobs do not check to see that participants meet eligibility requirements. And there is little or no oversight to insure that CETA participants are not simultaneously collecting unemployment insurance or public assistance.

The proponents of the program argue that recent changes in the law will solve all the ills of the program. As a matter of fact, these changes only address the problem of fiscal substitution. And there is no guarantee that the recent changes will significantly reduce the rate of substitution of funds. There is no reason to believe that the recent changes will at all affect the poor record of the program in preparing participants to move into unsubsidized employment, or will improve local administration of the program, or will increase the amount of training provided. Thus, we have no guarantee that the program will work better in the future than it has in the past.

But we are asked, in light of all this damning evidence, to more than double the amount of funding for this program. In the private sector, when an approach to solving a problem fails, we do not pour more money into it. We try another and different approach. I think allowing this program to continue at its present level is more than generous until the Congress sees some new evidence that the program is effectively helping the plight of the unemployed. I hope that the recent changes in the program will help it become more effective. But I am not in favor of increasing the program's funding until it has proved itself successful.

Mr. BROOKE. Will the Senator yield?

Mr. HAYAKAWA. Yes.

Mr. BROOKE. The Senator said there is damning evidence that would indicate the program has not worked and if it does not work, we should change the program.

The PRESIDING OFFICER. The Senator's 3 minutes have expired. Who yields time?

Mr. BROOKE. Could I get 2 minutes?

Mr. YOUNG. I yield.

Mr. BROOKE. I think it is fair to say, in defense of the program, even in the GAO report, that the CETA program has done some wonderful things; a lot has been accomplished by it.

I cannot sit in the Senate Chamber and hear it called a program that has been totally ineffective because it has not been. It has been a good program.

We all admit that there have been some abuses in the program—there is no question about that—and that they should be corrected. The Human Resources Committee, as I pointed out earlier—the Senator may not have been on the floor—has done this through changes in title VI. So they have done their job.

I also pointed out that the Committee on Appropriations has had oversight.

As to the CETA program not having been effective, I refer the distinguished Senator from California to the fact that CETA has enabled expansion of existing services, according to GAO. I could go on and on indicating what has been done by the CETA program. I do not want the Senator to feel that this has been a totally ineffective program and that now we want to double the mistakes we made in the past. If we were doing that, I assure the Senator that we would not be voting for it, we would not be appropriating for it.

Mr. JAVITS. Mr. President, will the Senator yield for one point which has not been mentioned?

Mr. BROOKE. I yield.

Mr. JAVITS. The testimony is conclusive that the fastest way to put people in jobs is the CETA program. They can be put in jobs within 30 days. The reason is that the primary sponsors are in place, an activity is in place, and the vacancies are there. It is not a new program.

Mr. BROOKE. That is right.

Mr. JAVITS. This is a very critical element in our present situation, where we have not done the tax thing about employment and where the only thing left to us is this.

Mr. BROOKE. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. YOUNG. I yield 5 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania has 7 minutes remaining.

Mr. SCHWEIKER. I yield myself 5 minutes.

Mr. President, I should like to summarize some of the points that have been developed in our discussion here today.

First of all, I think it is important

to note that the forerunner of this program did start in 1971, as was mentioned by the distinguished ranking member of our Human Resources Committee, the Senator from New York (Mr. JAVITS). That, in itself, is rather significant. Here we are, 6 years later, being asked to increase the number of jobs under the present programs by 133 percent, from a $4 billion level to about an $8 billion level.

I voted for this prorgam until this year. I think the program has gotten off course and off track. I was supportive of the program because I believed it was a one-shot, temporary remedy; and that was the basis on which I had been supporting it. But now we are being asked to forget that it is a one-shot, temporary remedy. We are being asked, in essence, to continue a program that is now in one form or another 6 years old and is now proposed to be funded at an $8 billion level, with a 133-percent increase in the number of jobs.

So, the original objectives of the program—to provide temporary, stopgap, transitional employment have not been reached.

Mr. BROOKE. Mr. President, will the Senator yield for a question?

Mr. SCHWEIKER. I will yield after I finish my statement.

So, in essence, we are saying that this is a quick way to put people to work.

If we want to use that rationale, there are 7 million people out of work, and we could employ everybody who is out of work for approximately $60 billion. That is all it would cost. That would solve the whole unemployment problem overnight, if we want to apply that theory. With $60 billion we can put all 7 million people back to work. But that was not the purpose of this program; that was not the objective. It was a temporary, one-shot thing, to provide transition from the public sector to the private sector.

We have two reports on this program. Both reports are dated this year. One is from the Congressional Budget Office and one from the General Accounting Office. They are the only reports we have. The reports are not good. They say that our objectives were not reached; that it really is an income-maintenance program or a revenue-sharing program; that only a small percentage of the people ever manage to find jobs.

One of the arguments in rebuttal is that we have changed all that. But the law that went into effect last year to change that has not even been implemented yet, so not a dollar is being spent to implement those changes, No. 1.

No. 2, in the compromise on this change, we had to give away 50 percent of what we were changing; and I was astounded, as a conferee, to have to do that in order to satisfy the House position, because we were freezing in the requirements for the 310,000 jobs now under the program. Those will not be filled by the long-term unemployed. We are going to be doing business as usual with the 310,000 jobs frozen under the program; and only if they leave their jobs, on a 50-percent basis, will we put the long-term unemployed back to work.

The whole thing has become a charade and a disincentive to putting people to work in the private sector.

The idea was to prepare people for permanent private sector jobs that were not funded by the Federal Government; and here we are, 6 years later, with proposed funding of $8 billion, a level far in excess of what anybody ever envisioned.

We have elected to go some other routes in the meantime. We have elected, through the latest increase in the investment tax credit, which was just passed, to provide $1.7 billion for fiscal years 1977 and 1978. We have elected, in the tax bill just passed, to provide $3.3 billion for a new jobs tax credit for fiscal year 1977 and fiscal year 1978. We also elected to have a $9.6 billion personal income tax reduction for fiscal year 1977 and fiscal year 1978 through changes in the standard deduction.

We also are putting into this bill $4 billion for public works, which is part of this package. This is a $20 billion package. I am only talking about deleting $4 billion, which would fund the 133-percent increase in the number of jobs.

We know that there will be another CETA bill, for youth employment, which I think is where we should be putting our money, when we have the high youth unemployment rates we have. We are turning young people out of the system. Public service employment does not get to that problem at all and has nothing to do with it. We have a bill coming out of the Human Resources Committee for approximately $2.5 billion to do something about youth unemployment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SCHWEIKER. I yield myself 2 additional minutes.

Mr. President, this program has gone astray; it has departed from its original objectives.

This is exactly how the Federal Government gets to be the size it is. We forget all the original arguments that sold a number of us to take a program, and now we have new rationales. If we ever get to an $8 billion funding level, we will have an extremely difficult time getting unhooked from that level. We will have all kinds of people coming here and saying, "Don't cut us off. We have to have that to live."

It will be a crutch instead of a remedy, and that is the trouble with many of our Federal programs.

I hope the amendment will be accepted. It does not reduce current levels by one job, but it does stop a 133-percent increase in a program that leaves a lot to be desired. It is just another way to put $4 billion into a channel that is not going to be productive.

I ask the Senate to support the amendment.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. BROOKE. The Senator said that this was a one-shot, temporary program and that it started in 1971. The Senator is correct—it did start in 1971; and it was intended to address itself to a particular situation.

Who could have predicted—I do not think the Senator from Pennsylvania could have predicted—that we were going to have a recession that followed, that we were going to have double-digit inflation—all those factors which have affected the economy?

The fact is that the crisis situation that we tried to address still remains almost at crisis proportion. The job has not been done. Consistently, we have had high unemployment in the country, and it has not been taken care of by the private sector. We all would like it to be done by the private sector, but the fact remains that today—May 2, 1977—we still have more than 7 million unemployed in this country.

Do you know how it feels to be unemployed? If you say, "We will let the private sector do it," the fact is those jobs are not available. If they were available we would not be here today appropriating this money. So let us not talk about a one-shot operation. One shot can only apply when you have hit the target. We have not hit the target.

The PRESIDING OFFICER. All time has expired.

Mr. McCLELLAN. Does the Senator want more time?

Mr. SCHWEIKER. Two more minutes.

Mr. BROOKE. Then I am going to want 2 more minutes.

Mr. McCLELLAN. On the bill.

Mr. SCHWEIKER. Mr. President, I respect the distinguished Senator from Massachusetts. I would like to cite this very GAO report we have here in front of us. Here are a few typical excerpts from what the GAO found:

> One Boston official said although he had the money he was not attempting to fill his department's vacancies because he was using two CETA workers.
>
> The Springfield, Mass., superintendent of public works stated, for example, that they had not filled any of 24 positions vacant since September of 1974 because they had used CETA participants. The department also opened a new civic center and staffed it mostly with CETA participants.
>
> In Concord, Calif., CETA participants provide services normally provided by part-time workers. The Assistant Personnel Director said hiring CETA participants eliminated the need for city-funded part-time employees, and he added the city funds that were made available by this action were used to purchase equipment for program participants.

Now, we have substantial evidence. The program is not hitting the target. It is not doing the job. We have put $20 billion on the line here. I am saying let us take $4 billion wasted and use it for youth employment, let us use it for public works, and let us use it for programs we know will put people to work in the private sector to do a job.

Mr. McCLELLAN. Mr. President, I yield myself 3 minutes.

I shall support this amendment. I supported it in the full committee and reserved the right to support it on the floor of the Senate.

I support it because this amount is greater than should be appropriated at this time. What this program is, is simply supplemental to revenue-sharing.

This is nothing in the world but revenue-sharing when we are saying you give somebody a job.

Now, it is increasing. Mr. President, you voted up revenue-sharing now, what is it, less than $5 billion a year. This job program that you are placing in here now runs about $6 billion a year. So, in effect, you have a $11 billion revenue-sharing program already. You think you are going to stop it? You have had no chance in the last 6 years to do it.

If these jobs are needed that you are providing, do you think the municipalities 1 year from now or 2 years from now are going to be able to absorb it and you can withhold this money? You will not be able to do it. If these jobs are needed you can expect to continue to supply the money to finance it not only this year but next.

I think this bill is too much. I do not want to vote against it, but I stated my position; I stated it in the Appropriations Committee. I think there should be about a $14 billion package until we see how we get along with it. We can always appropriate more money if we really need to. But this idea of running away with a $25 billion package—and we already cut it $3 billion or $4 billion with the rebate saving—I think it ought to be cut more. I hope this amendment will be adopted. If not, what you are doing is perpetuating something that is increasing and will increase each year.

You are not going to get anybody, the municipalities or any of these folks you are providing this money for, to voluntarily say "We do not need it anymore." That is my judgment about it, and that is the reason why I shall oppose it.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BROOKE. I certainly respect my chairman. I would like to point out to my chairman—and he is aware of—the difference between this and revenue sharing. This is targeted money. This is targeted to the hard-core unemployed.

Mr. McCLELLAN. I so stated.

Mr. BROOKE. So it does differ from regular revenue sharing. If unemployment drops in this country, and if the private sector does what we hope it will do, if the economy literally turns around and more jobs are created in the private sector, we will have the figures and we will have the data. Then I do not think the Committee on Human Resources is going to authorize, and I am sure you are not going to appropriate, for something you do not really need any longer.

The only reason we ask to appropriate now is because the same crisis situation obtains today as it has for some time. We just have been going through tough times. When those tough times are over there will be no necessity for either the authorization or the appropriation for CETA VI.

So let us not believe we are getting ourselves into some kind of a permanent situation that we cannot get ourselves out of. We can, and I think we will, do it because I have that much faith in the recovery of our economy.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. McCLELLAN. I yield to the Senator.

Mr. MAGNUSON. As a matter of fact, if people become employed, the eligibility under this program will be less and there will not be so many people applying. So that even though the money will be there, and I hope it will happen that way, it eventually may not be spent. That is why it is different from revenue sharing which can be used ad infinitum after it is granted to the States or the local governments. So it is a little different from that.

Mr. McCLELLAN. Mr. President, I recognize that difference, and I so stated in my remarks awhile ago. But it goes to the same source. They are getting the money, the municipalities, and those sources are getting that money. This is targeted at jobs.

What I am saying is if we provide the jobs for them now, if those jobs are needed, in my judgment, those municipalities are not going to be able to say a year later or 2 years later, "We do not need those jobs any longer," or "that we are now able to support those jobs and to finance them."

I think you are perpetuating something there—I may be wrong about it—which is a mistake. I think we ought to hold these funds down and hold these expenditures down to a reasonable amount where they are largely, hopefully, going to jobs that are needed and not jobs just made to absorb this money and get it out into circulation.

I would rather see the money go into permanent public works where you hire people, not only those who build the public works but on down to those who furnish the materials, the supplies, and the equipment necessary to carry on those public works. When you get the public works completed you have something for your money.

I do not think anybody has emphasized you are going to have anything particularly for your money here except people employed for a period of time.

Mr. YOUNG. Mr. President, I yield myself 2 minutes.

If I thought only half of these jobs created by this money would be permanent jobs, I would certainly vote for it. To me they are temporary type jobs. They would aggravate rather than solve the problem in future years. It is not the kind of appropriation that should be considered in this appropriation bill.

Even after this cut of $3.9 billion being proposed by the Senator from Pennsylvania, there will still be $4 billion, and we will be marking up the regular appropriation bill the last of this month or the first of next month, so there is no big hurry to get this money in the bill today.

Mr. JAVITS. Mr. President, will the Senator yield me 2 minutes on the bill?

Mr. YOUNG. Yes.

Mr. JAVITS. Mr. President, the testimony of the ranking member and the chairman of the Appropriations Committee is certainly impressive, except for one thing. We are up against the hard rock of the fact that ever since this program started, the curve of unemployment has been going up and up, and we have had the worst unemployment since the Great Depression.

All we are trying to do in this program now today is to look at 10 percent of that. It seems to us, those of us who are for this, that that represents a fair proportion of what we can do in respect of the emergency which we face. It is 10 percent of the aggregate unemployment.

I think all these arguments would be valid if we were trying to encompass a great proportion of the unemployment, but we are not. It is a marginal proposition, and the marginal basis of it today at 5 percent is much too low for its purpose. That is what it really gets down to.

We can reform the interior problems, but we have to have adequate numbers to make some kind of a modest dent in this way, and that is the basis why we believe the amendment should be defeated.

Mr. BELLMON. In fiscal year 1976, the Appropriations Committee funded 310,000 public service jobs through titles II and VI of the Comprehensive Employment and Training Act, CETA. The appropriations bill before us today provides funding to build up to 600,000 jobs by the end of fiscal year 1977 and also provides for advance funding for 725,000 public service jobs in fiscal year 1978. The major reason for this large increase is the growing realization that a large part of the unemployment in our country is structural in nature rather than cyclical. The CETA program is viewed as the best vehicle at the present time for targeting jobs on the structurally unemployed.

The effectiveness of CETA is questioned here today on the basis of fiscal substitution. To the extent that CETA jobs simply substitute for State or locally funded jobs, the program is ineffectual. The substitution rate has been estimated to be anywhere from 10 to 90 percent, and the validity of all studies available has been questioned.

The Congressional Budget Office position on substitution recognizes the lack of valid data concerning substitution. I quote from a letter to me from Dr. Alice Rivlin dated April 28, 1977:

> The research evidence on fiscal substitution does not permit any definite conclusions about the extent of fiscal substitution in the public service employment programs authorized under the Comprehensive Employment and Training Act (CETA; P.L. 93–203). Most studies have examined only the Public Employment Program (PEP), authorized by the Emergency Employment Act of 1971 (EEA). Only two estimates include data for calendar year 1975, the first year of the expanded public service employment program under CETA. Also, there are no studies available on the new targeted approach under CETA Title VI, which was authorized by the Emergency Jobs Programs Extension Act of 1976 (P.L. 94–444). Therefore, I cannot accept the substitution issue as a reason to cut out Title VI jobs.

The National Manpower Commission currently is conducting a major study of substitution in the CETA program. This study, unlike any heretofore, will focus on targeted jobs. The results of this study, along with other data being collected by the Congressional Budget Office and the Department of Labor, should guide us in the future in evaluating the effectiveness of CETA as we determine the appropriate funding level.

Another issue that concerns many in regard to expansion of public service employment is the tendency of the Congress to unnecessarily perpetuate programs that began, as this one, as a temporary measure to meet a specific need. The CETA jobs program was created to address the unemployment problem. As unemployment decreases, the need for such a program will decrease, and the Congress can decrease the spending level. This is exactly what the Budget Committee has done in marking up the first budget resolution for fiscal year 1978. The funding level allowed for forward funding of CETA public service jobs is $4 billion which will fund approximately 500,000 jobs in fiscal year 1979. The Budget Committee policy discussion of CETA funding took into consideration the projections that unemployment well decrease. Accordingly, we then decreased the allowance in the budget, providing room for 500,000 jobs in fiscal year 1979, down from the 725,000 jobs that are at issue in this stimulus appropriations bill. The action of the Budget Committee in making this reduction does negate the argument that this temporarily high level will become the permanent level.

I feel that the present enormity of the structural unemployment problem, as identified in the Republican economic stimulus package, requires a temporary increase in public service employment. For this reason, I cannot support this amendment to fund only 310,000 jobs.

Mr. KENNEDY. Mr. President, I wish to speak in opposition to this amendment. All of us are painfully aware of the current condition of our Nation's economy. Economic recovery has been slow, over 7 million Americans are unemployed, and another 1 million have left the market with the belief that no jobs are available.

The state of our economy demands that we develop a variety of Federal programs targeted to meet the most urgent needs, and that we develop programs flexible enough to adjust to changing needs. That is exactly what this economic stimulus bill does.

Funds will be provided for the public works employment program to create jobs in the severely distressed construction industry, countercyclical assistance will be targeted to areas with high unemployment to help localities maintain vital public services. And funds will also be targeted to create jobs for special groups hit particularly hard by unemployment—the elderly, youth, and veterans.

Mr. President, I am of the firm belief that expanded public service employment must also be an integral part of this comprehensive economic stimulus package. The amendment before us prevents expansion of public service employment to 725,000 by the end of this year, and instead simply maintains the current level of 310,000. The amendment, I believe, ignores the advantages of public service employment as a tool for direct job creation in a period of high unemployment.

First, public service employment is a cost-effective method of creating jobs. The Congressional Budget Office estimates that $1 billion appropriated for public service employment creates 120,000 jobs at a net budget cost of between $615 and $754 million.

CBO concluded that funds appropriated for public service employment create more jobs at a smaller net budget cost than the public works program, countercyclical assistance or a tax cut.

Second, the targeting of CETA title VI funds to the long-term, low-income unemployed who have exhausted unemployment compensation or are AFDC recipients further reduces the net cost of the program and reduces the problem of fiscal substitution. At least 40 cents of every dollar spent on public service employment would be spent anyway on welfare payments, or would be lost in tax revenue. Public service employment, therefore, provides the unemployed with meaningful jobs rather than a welfare ticket.

Third, public service employment can be rapidly expanded. A recent survey conducted by Senator BELLMON indicates that CETA prime sponsors could absorb an additional 1.3 million title II and title VI slots during fiscal year 1977 and fiscal year 1978. Lieutenant Governor O'Neill has informed me that Massachusetts prime sponsors could effectively administer over 50,00 public service positions, almost five times the current level. Lieutenant Governor O'Neill, and other State and local officials, have strongly urged that we move quickly to expand public sevice employment. At this point, Mr. President, I ask unanimous consent that a recent letter from Lieutenant Governor O'Neill supporting an expansion of this program be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS, EXECUTIVE DEPARTMENT,
Boston, Mass., April 4, 1977.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Building, Washington, D.C.

DEAR SENATOR KENNEDY: The Senate will shortly be considering a Supplemental Appropriation request submitted by President Carter which includes funding that would permit the number of Public Service Employment positions established under Titles II and VI of the Comprehensive Employment and Training Act (CETA) to be expanded from the current level of 310,000 to 725,000 slots during Fiscal Year 1978. This substantial expansion of the CETA PSE program has been authorized by the House of Representatives and the Senate Appropriations Committee.

It is my understanding that, when the Supplemental Appropriations request (HR 4876) is considered by the full Senate, an amendment will be introduced to either maintain the number of Title II and VI PSE jobs at the current 310,000 level or to increase the number of PSE slots to a maximum substantially less than the 725,000 proposed by the President.

The major argument against the proposal to increase the PSE slots to 725,000, as I understand it, is that an increase of this magnitude could not be absorbed by the CETA system. A survey made by Senator Henry Bellmon, Ranking Minority Member of the U.S. Senate Budget Committee, indicates that CETA-Prime Sponsors could in fact absorb 1.3 million additional Title II and Title VI slots during Fiscal Years 1977 and 1978. In other words, CETA Prime Sponsors feel they could more than quadruple their existing slot levels. In responding to this survey, Prime Sponsors in Massachusetts indicated that they too could develop and administer over 50,000 Title II and VI positions compared to approximately 11,000 existing in November, 1976. Even if this projection is discounted by 50%, i.e. cut in half, it is clear that the CETA system can, in fact, absorb the increase proposed by the President. The responses to date in Massachusetts to Title VI Project Requests for Proposals further confirm that a substantial number of meaningful slots can in fact be developed.

I therefore urge your support for the funding necessary to establish a total of 725,000 Title II and Title VI Public Service Employment jobs under the Comprehensive Employment and Training Act during Fiscal Year 1978. If you have additional questions regarding the Massachusetts situation, please contact Dr. Robert Mollica in my office at 727–7214.

Sincerely,

THOMAS P. O'NEILL III,
Lieutenant Governor.

Mr. KENNEDY. Finally, Mr. President, concern has been raised over the long-range benefits of public service employment. Of course, we must continue to develop programs designed to stimulate private sector employment. However, during periods of severe unemployment, the Federal Government has a responsibility to provide direct job creation programs to assist the hard-core unemployed.

Public service employment provides salaries for these individuals so that they can perform productive community services. Given the choice between welfare and work, I will choose work each time.

Mr. President, I am convinced that this amendment would seriously impair the effectiveness of the economic stimulus program. I urge my colleagues to join me in opposing the amendment.

Mr. McCLELLAN. Mr. President, I am ready to yield back the remainder of my time unless somebody else wants to speak.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. McCLELLAN. I am on the bill now. All time on the amendment has expired?

The PRESIDING OFFICER. Yes.

Mr. McCLELLAN. I am ready to vote.

Mr. MAGNUSON. The yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. The yeas and nays are on, the vote will be up or down on, the Schweiker amendment to cut this by $3.9 billion.

The PRESIDING OFFICER. The Senator from Washington is correct.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senators from Iowa (Mr. CLARK and Mr. CULVER), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from New York (Mr. MOYNIHAN), and the Senator from West Virginia (Mr. RANDOLPH), are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from North Carolina (Mr. MORGAN) and the Senator from Illinois (Mr. STEVENSON) are absent because of illness.

I further announce that, if present and voting, the Senators from Iowa (Mr. CLARK and Mr. CULVER), the Senator from Arizona (Mr. DECONCINI), and the Senator from New York (Mr. MOYNIHAN) would each vote "nay."

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from West Virginia (Mr. RANDOLPH). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from West Virginia would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Kansas (Mr. PEARSON), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

The result was announced—yeas 32, nays 47, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—32

Allen
Bumpers
Byrd, Harry F., Jr.
Chiles
Curtis
Danforth
Dole
Domenici
Gravel
Griffin
Hansen
Hatch
Hayakawa
Helms
Hollings
Laxalt
Lugar
McClellan
McClure
Nunn
Proxmire
Roth
Schmitt
Schweiker
Scott
Sparkman
Stennis
Stevens
Thurmond
Tower
Wallop
Young

NAYS—47

Abourezk
Anderson
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Cranston
Durkin
Eagleton
Ford
Glenn
Hart
Hatfield
Hathaway
Heinz
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
Matsunaga
Melcher
Metcalf
Metzenbaum
Muskie
Nelson
Packwood
Pell
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stone
Talmadge
Weicker
Williams
Zorinsky

NOT VOTING—21

Baker
Bartlett
Bayh
Chafee
Church
Clark
Culver
DeConcini
Eastland
Garn
Goldwater
Haskell
Inouye
McGovern
McIntyre
Morgan
Moynihan
Pearson
Percy
Randolph
Stevenson

So Mr. SCHWEIKER's amendment was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 123

Mr. NELSON. Mr. President, I call up my amendment No. 123, and ask for its immediate consideration.

Mr. LEAHY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. NELSON. I ask unanimous consent to yield to the Senator from Vermont without losing my right to the floor.

The PRESIDING OFFICER. The clerk will state the amendment first, and then the Senator from Vermont will be recognized.

The legislative clerk read as follows:

> The Senator from Wisconsin (Mr. NELSON) proposes an amendment numbered 123.

The amendment is as follows:

> On page 2, after line 18, insert the following:
>
> ENVIRONMENTAL PROTECTION AGENCY
>
> CONSTRUCTION GRANTS
>
> For payment or reimbursement claims pursuant to section 206(a) of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500), as amended, $300,000,000, to remain available until expended.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that Douglas Racine of my staff be accorded the privilege of the floor during the consideration and votes on the bill presently before the Senate until such time as it is ultimately disposed of.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. The Senate is not in order.

Mr. NELSON. Mr. President, I ask unanimous consent that I may yield 10 seconds to the Senator from Nevada without the time being charged against me.

Mr. CANNON. Mr. President, I ask unanimous consent that Kelton Abbot of my staff be granted the privileges of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, this amendment would appropriate $300 million to reimburse municipalities which went ahead and built sewage treatment plants pursuant to the 1966 and 1972 law, with the assurances in the law by the Congress that they would be reimbursed for 55 percent of the construction cost. In 1972, we appropriated $1.9 billion for reimbursement of those municipalities pursuant to the guarantee in the 1966 and 1972 laws.

The $1.9 billion was not sufficient to fully reimburse all of the municipalities. Consequently, in 1974, I proposed an amendment for $700 million to reimburse the municipalities. That amendment lost on a motion to table by the Senator from Wyoming, Mr. MCGEE, by a three-vote margin. It lost, in my judgment, because the Senator from Wyoming stated, at that time, that he did not want my amendment on that bill; that he would rather put the $700 million in the first supplemental appropriation; that his request would be a high priority for the supplemental appropriation.

As it turned out, through no fault of the Senator from Wyoming, there was no supplemental that year. Therefore, the additional funding did not get into the appropriating process in 1974, nor 1975, nor 1976. Finally, in 1977, the Congress appropriated an additional $200 million.

Mr. President, may we have order in the Senate, please?

The PRESIDING OFFICER (Mr. ZORINSKY). The Senate will be in order. The Chair reminds the galleries that they are guests of the Senate.

The Senator from Wisconsin.

Mr. NELSON. The Federal obligation is now $300 million, owed to 5,300 municipalities in every single State in the Nation, save one.

In my judgment it has been unconscionable and disgraceful that the Congress would make a commitment in the law, in writing, and induce municipalities to expend their own moneys and then, by default and postponement, year after year after year fail to reimburse them.

I do not know how this Congress can expect municipalities or State governments in the future to rely upon the word of the Congress if we fail to comply with the law ourselves.

As a matter of fact, since 1974 when I first offered an amendment to fully reimburse eligible citizens, the interest cost alone to these municipalities has been about $110 million. So by our default, since 1974, we have imposed a $110 million additional interest obligation upon the taxpayers in these 5,300 municipalities.

I would hope that we would keep our word and appropriate the money this year.

This $300 million is in the 1977 budget resolution as a line item. It was in the budget resolution on the House side. The House included the $300 million in this bill, but it was removed in committee. In the removal of it the committee stated in its report that:

> Congress provided $200 million for this program last year, and the entire $200 million remains unobligated.

I assume some misinformation got to the committee because that is in error. My office talked with the Environmental Protection Agency this morning. Every single penny of that $200 million has been spent—sent back for reimbursement to the municipalities. All that is left is approximately $300 million, which is not in dispute. Another $35 million is in litigation, in disagreement between the EPA and certain municipalities. The rest of the money is not in dispute.

The Environmental Protection Agency advised my office this morning that within 30 days after they get the money all 5,300 municipalities will be reimbursed.

One other argument made in the committee report was that this was a jobs creation bill and my amendment did not belong in this bill. The EPA advises us, that all over this country municipalities are having a very difficult time raising the matching funds for the expansion and construction of sewage treatment plants. In my State, Milwaukee, for example, is entitled to $6.4 million. Milwaukee is under an obligation now, and has reached an agreement, to proceed to expand its sewage treatment facilities. This $6.4 million will be part of the Federal matching funds that the city will be able to use to get its Federal funds. That creates jobs.

As a matter of fact, 82,000 jobs are created by the expenditure of every $1 billion in sewage treatment plant construction funds. If all or most of this $300 million is used for matching funds, that would amount to about 26,000 jobs. All of it will not be used for that purpose but a good deal will be. As I said, in Milwaukee, all of the $6.4 million will be so used.

I think it is time we keep our legal and moral comitment to the municipalities of this country. I hope that we would never again pass a law, make a promise, and then punish the best municipalities, the leaders in the country, those who are willing to go ahead and do the job we were telling them to do. I hope we will never do that again. I hope this amendment will be agreed to.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. A little over 6 minutes.

Mr. NELSON. I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I am pleased to join with Senator NELSON in offering this amendment to restore $300 million for the Environmental Protection Agency's section 206(a) sewage treatment plant construction program.

Prior to the enactment of the Federal Water Pollution Control Act (Public Law 92–500) Connecticut sought to fulfill the goals of a 1967 State clean water act—achieving statewide secondary treatment by 1974. However, passage of the new Federal law complicated the situation by adding new requirements which had to be clarified and promulgated through regulation. In addition, Connecticut's program depended heavily on the State's ability to prefinance unappropriated Federal funds and the situation was further complicated when the earlier Federal water pollution law expired.

Connecticut was at the forefront of the effort to build sewage treatment plants and to improve the quality of the water in our region. A substantial financial commitment was undertaken with the understanding that there would be Federal support for the program. Unfortunately, this has not occurred. Presently there is an outstanding net Federal balance to Connecticut of $15.4 million. The Nelson amendment would fulfill the Federal Government's promise to pay part of the local costs for sewage plant construction. While this work has already been performed, the Federal payment would free other funds for financially hard-pressed areas to maintain their current levels of services and employment.

It is important to note that the House economic stimulus legislation provides for a $300 million appropriation for the reimbursement grants. Also, this sum is fully consistent with the budget resolution.

Mr. President, the States made a good faith effort to achieve the Federal standards. They should not be penalized for taking the initiative to construct sewage treatment facilities. The reimbursement is fully justified and I urge the enactment of the Nelson amendment.

Mr. PROXMIRE. Will the chairman yield me time on the amendment?

Mr. McCLELLAN. I yield the Senator such time as he may need.

Mr. PROXMIRE. Mr. President, I rise with great reluctance to oppose my distinguished colleague on this amendment, because I greatly respect him. Much of what he has stated is certainly correct. He makes a strong case for the amendment.

There are a number of reasons why I think this is the wrong amendment at the wrong time.

First, let me say I support the program of reimbursing communities for waste treatment construction expenditures made prior to fiscal 1972. The Federal Government owes that money, the communities are entitled to it, and we should pay it. These communities, as Senator NELSON just told us, did not receive the full Federal share when the facilities were being built and they should be reimbursed. In fact, last year, the Congress appropriated $200 million to reimburse these communities, and I was happy to support that $200 million, although no funds had been requested in the administration's budget for that purpose.

Hopefully we can move to wipe out the Federal obligation in fiscal 1978 if we know just what we are doing.

Why should we not provide the money now? The reasons are threefold, and they are very simple. First, this is a job stimulus bill. It is possible, as my colleague from Wisconsin has said, that some of this money may be used to stimulate jobs. It does not have to be. There is no requirement that it be. In the case of Milwaukee, $7 million would be available for that purpose. That may be the city's intention at the present time. At any rate, the funds will directly create no new jobs.

In the second place, the Environmental Protection Agency has informed us that there is an undistributed balance of $86.3 million left over from the $200 million that we appropriated last year. That will be held until there has been a resolution of certain project costs, as well as a settlement of certain appeals that have been filed. According to EPA estimates made in January, $320 million altogether in reimbursement entitlements remains to be funded. As I say, an additional $86 million is in dispute. The Government says the localities may not be properly entitled to it. If the Government is correct, the total amount needed is not $320 million, but $240 million since the $86 million in question could be applied against the $320 million entitlement. Therefore, it may be that by providing this $300 million, we are appropriating more money than would be required and should be paid.

In the third place, we have no budget request before us. We should have that before us to proceed in an orderly way.

Mr. President, these are the reasons I oppose the provision of these funds at this time. When these issues have been settled and when the funds we have provided thus far have been obligated, then we shall be in a position to consider the allocation of additional support for this important effort. I hope and expect that we can do that this year. We certainly should be able to do it. My colleague from Wisconsin is absolutely correct in his emphasis on the need.

We do owe much of this money. We do not know how much, as I say. We should know how much before we appropriate it. When we do, there will be no dispute. I would expect such an appropriation to pass the Senate unanimously at that time, because it is entitlement money. But we should know how much is really needed in advance. We should not put the funds in an economic stimulus bill in any event because they may or may not be used for jobs. But providing jobs is the purpose of this particular bill.

Mr. President, I reserve the remainder of my time.

Mr. NELSON. Mr. President, a portion is in dispute because the municipalities are claiming more than the Environmental Protection Agency will allow under the present regulations. Therefore, that money is in escrow, awaiting settlement through lawsuits or the appeals process. But that is no reason whatsoever for denying Milwaukee and Green Bay and Madison and 5,300 other municipalities the money that is not in dispute—and most of the money is not in dispute. As I said previously, they will have it to these municipalities in 30 days.

Since 1974, it has cost those municipalities about $110 million, because of our unconscionable delay, in lost interest. If we delay 6 more months, that will be another $9 million on the backs of taxpayers of those municipalities, through the failure of Congress to do its duty pursuant to law. So the whole thing should be appropriated, and appropriated now, and we should not continue to play this kind of unconscionable and disgraceful game with the municipalities, who went ahead at our request. As a matter of fact, they are only getting 55 percent reimbursement, and they were the leaders in the country. Those who held back are getting 75 percent. How much longer are we going to play this kind of disgraceful game with the municipalities of America?

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. PROXMIRE. This is an interesting debate, because the Senator and I agree on about 90 percent of the issues. I think we can settle our disagreement in one way if the Senator would like to do it. It has just been suggested to me by the chairman of the committee, who, I think, has come up with a very wise and thoughtful proposal.

We do have a problem with the $86 million that is in dispute. The Government may win that dispute, in which case, as the Senator seems to agree in his statement, that money would not be needed. It is in escrow, as the Senator has said.

Suppose the Senator reduced the amount in his amendment from $300 million to $240 million and the committee then indicated their acceptance with the understanding, of course, that the Senate would, in all likelihood, then accept the amendment?

In that way, we would not be appropriating an additional $86 million that might not be needed, depending on various court decisions and agency determinations.

Mr. NELSON. Let me say to the Senator——

Mr. McCLELLAN. Will the Senator yield?

Mr. NELSON. Yes, I yield.

Mr. McCLELLAN. I suggested that because with regard to $86 million the claim is not yet established—that is, it is in controversy. It is in dispute. I think we set a bad precedent in appropriating money for something that is in dispute, where the Government thinks it may have a legitimate defense to a claim. I think the other money ought to be paid. I think there is an obligation and we ought to move on it. I would like to see the bill paid. I do not think this is a proper bill for it, but as far as I am concerned, I am ready to waive that and go along and make an appropriation, and pay those whom we know we are obligated to.

I should like to see that done.

Mr. NELSON. I say to the distinguished chairman, if this were 5 years ago, I would think that would be a reasonable suggestion. But here we have a situation in which each application by these municipalities is reviewed by the Environmental Protection Agency to try to determine what is the 55 percent obligation of the Federal Government. Naturally, in that kind of review, items will arise which are in dispute and which will be resolved by negotiation or resolved in some cases by going to court. The problem is, however, that whenever the municipalities prevail by negotiation or by going to court, 3 and 4 months from now, then there is no money to reimburse them and the municipality sits there waiting for another year to get the money that it is entitled to now. It seems to me we have stretched this out for so many years, to the great and tremendous disadvantage and cost to the municipalities, through no fault of their own, by breaching our own obligation, that there should be no further extension.

I assume that of that money in dispute, some of it will be compromised. Some of the cases will be won by EPA, partly or all the way, some by the municipalities, and there will be some balance left. That balance can be returned to the Treasury.

I am not inclined to put any municipality through another 1-year extension to get a reimbursement for money that they were entitled to 2, 4, 6, or 9 years ago.

Mr. McCLELLAN. Will the Senator yield?

Mr. NELSON. Yes.

Mr. McCLELLAN. If they have not established their claim satisfactorily to the Government within the last 5 years, I do not think we ought to rush in here to appropriate money to pay claims that the Government has a question about. I would like to see those who are clearly entitled to reimbursement paid, and I am willing to waive the idea that this is the wrong bill at the wrong time. I should like to pay them. I do not like to establish a precedent for appropriating money for claims that are in dispute with our Government until the liability has been fixed by the Government.

Mr. NELSON. In those cases where there is a dispute, the EPA already has no money. It is already laid aside and it is there. It is already appropriated. The $300 million involved here is not in dispute.

Mr. PROXMIRE. If the Senator will yield, if the Government should prevail if they should keep the $86 million in dispute, that would then be available to pay the entitled communities. Congress would have acted. That money would be there and EPA would not need all of the $300 million appropriation at issue here.

Mr. NELSON. As I said, the $300 million is not in dispute in this appropriation and that money that is set aside is wholly appropriated.

Mr. PROXMIRE. That is correct. We are just saying we would be appropriating an excessive amount if the Government wins a substantial portion of these disputes.

Mr. NELSON. But the problem is that the $300 million is uncontested. So if we cut that to $214 million and keep it tied up in the EPA, the money that may be in litigation, some of these municipalities will not be repaid for another year or two.

Mr. PROXMIRE. The question is how long they would be tied up in litigation. I think the expectation is that much of this would be settled within the next year or so and would be available.

As the Senator knows, we have been proceeding with, perhaps, too much caution on this. Last year, we did appropriate $200 million. It is not as if we have not reimbursed part of this.

We are proposing today to take 80 percent or 75 percent of the Senator's amendment, or more than that, $240 million out of $300 million.

There is a clear indication also, the committee will certainly agree, in the event that these cases should all go against the Government, to provide the additional $80 million.

Mr. NELSON. Maybe I am misled by something.

The money that is set aside pending appeals and litigation has already been appropriated, so that will remain there and be spent by the Government pursuant to agreement litigation.

This $300 million here is uncontested. If we take $86 million out of here, then there is $86 million that is uncontested, that is not going to reimburse some municipality.

So we will punish a municipality willy-nilly by cutting the $300 million by $86 million because we cannot use any of the $100 million to pay for these uncontested cases.

The PRESIDING OFFICER. All time has expired.

Mr. McCLELLAN. I yield 5 minutes on the bill.

Mr. PROXMIRE. Would the Senator be interested in this kind of an addition to the compromise proposed by the Senator from Arkansas (Mr. McCLELLAN)?

Suppose we provide $240 million and work for conference report language stating that the money in escrow will be released? In that way it would be the clear direction of the Congress that the $86 million would be made available for the purpose of reimbursing the entitled municipalities.

Mr. NELSON. I do not know how that would work because the EPA has set aside this contingency money——

Mr. PROXMIRE. This could be resolved in conference. The House has provided the full $300 million.

We would go into conference with the House having provided $300 million, the Senate $240 million, and with this discussion on the floor, including the statement of the chairman of the Appropriations Committee. We would then proceed with the understanding that the money that is now in dispute would be released and made available to the entitled communities so that they would receive their full reimbursement.

We would then appropriate the money in the event that the issues in dispute go against the Government.

Mr. NELSON. Then what happens to the municipality that wins the case and the EPA does not have any money se aside? They would have to wait for the Congress to meet, have a budget resolution, have an appropriation and delay some more time.

Mr. PROXMIRE. The Senator is correct. In that case, there is no question but that the municipality would have to wait for future congressional action.

I do not see anything wrong with that in view of the fact that the matter is under dispute. It has to be resolved by EPA or in the courts.

We would have a clear understanding on the part of those debating the issue that the money would then be paid as promptly as we could provide it in an appropriation bill.

Mr. NELSON. I understand the position of the Senator, but after being on this floor 3 years ago and on an argument that it should not be in that bill, and on an argument that it would exceed the budget, and on an argument that it would go in the next supplemental, I was defeated 45 to 42 and the number of Senators voting to table it made the difference. They said to me subsequently that they agreed with it, but as long as that argument was made and the supplemental was coming, they went along with it.

That was 3 years ago and $110 million of additional interest imposed upon the municipality.

Mr. PROXMIRE. The Senator is absolutely right.

What we are talking about is taking three-quarters of the Senator's amendment, or $240 million, to conference where the House has provided $300 million.

Mr. NELSON. But I am afraid the Senator might win in conference. That is why I do not want to do it.

Mr. YOUNG. Will the Senator yield?

Mr. NELSON. Yes.

Mr. YOUNG. I think the Senator from Wisconsin is making a good case, but we have an unusual situation where EPA says they do not need the money, no budget estimate for it. It is establishing a bad practice.

Mr. NELSON. The EPA said they did not need the money?

Two hours ago or 3 hours ago, they said they did. They said they are out of money totally, they have spent every single penny of the $200 million we appropriated last year, that went back to the municipalities, and this $300 million is without any challenge by the EPA.

After we appropriate this money and it becomes the law, the acting EPA regional administrator in Chicago said that in 30 days he will have it to every municipality in that Midwest region. I assume it is true for all the rest.

So I do not understand what the quarrel is about at all. The $300 million is uncontested. They have made their decision on setting aside the contingency fund.

I am not going to try to make a judgment without ever looking at the nature of the case, whether they have set aside too much or too little, or whether they are wrong on half of them or wrong on two-thirds of them.

I do not think any municipality should be delayed another day, another month. If we go this route, some will be delayed for another year.

Mr. McCLELLAN. Will the Senator yield?

Mr. NELSON. Yes.

Mr. McCLELLAN. Am I correct in stating that there is money available now to satisfy whatever claims are established, that has been set aside for that purpose?

Mr. NELSON. That is correct.

Mr. McCLELLAN. So they would not be delayed when they established their claim? The money is there?

Mr. NELSON. That is correct.

But I thought another proposal was either to reduce that amount——

Mr. McCLELLAN. I do not propose that.

Mr. NELSON. All right. If they are proposing to reduce $300 million to $214 million, then there is $86 million some municipalities are not going to get.

Mr. McCLELLAN. I do not understand, if the money is already set aside——

Mr. NELSON. But that is for disputed cases.

Mr. McCLELLAN. That is right. So nobody in a disputed case will have to wait for his money, as the Senator has been arguing.

Mr. NELSON. If I understand that to be the position of the Senator, that we do not touch that money that has been set aside as a contingency fund, pending lawsuits, but that the proposal is to cut the $300 million to $214 million, then there are $86 million that some municipalities are not going to get that are entitled to it.

Mr. PROXMIRE. Our proposal was that we have language indicating this money was to be released and could be used to pay entitled communities.

Mr. NELSON. The Senator means the contingency fund?

Mr. PROXMIRE. Correct.

Mr. NELSON. I must be missing something. We agree the contingent fund is there. If a municipality prevails, it is paid out of that fund. Nobody is doubting that.

But if we cut this $300 million to $214 million, that is, our $300 million approved and not in dispute——

Mr. PROXMIRE. What we are suggesting is that the escrowed funds no longer be held, that they be made available to pay——

The PRESIDING OFFICER. The time has expired. The Senator from Arkansas has 2 remaining minutes.

Mr. McCLELLAN. I yield.

Mr. NELSON. The trouble is, you take that money and then you get settlements in which the municipality is entitled to more money, and the EPA does not have it, and then they are delayed.

Mr. PROXMIRE. That is correct.

Mr. NELSON. I disagree with that.

Does the Senator want the yeas and nays?

Mr. PROXMIRE. No.

Mr. NELSON. Is the Senator prepared to accept the amendment?

I yield back the remainder of my time.

Mr. McCLELLAN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. NELSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 182

Mr. HOLLINGS. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. Hollings) proposes an unprinted amendment numbered 182:

On page 4 after line 11 of the bill insert the following:

DROUGHT ASSISTANCE PROGRAM

For expenses necessary to carry out the Community Emergency Drought Act of 1977, $225,000,000: *Provided,* That this appropriation shall be available only upon enactment into law of authorizing legislation.

Mr. HOLLINGS. Mr. President, this amendment is to chapter III that comes under the jurisdiction of the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies which I am privileged to chair. In this portion we recommend appropriating now the full $4 billion requested for local public works; instead of $2 billion now and $2 billion in fiscal 1978 as requested by the President. This is in accord with the pending authorizing legislation and the third concurrent budget resolution.

This acceleration of the program will pump an additional $200 million into the economy in both fiscal 1977 and 1978. I have received a letter from the Secretary of Commerce indicating her agreement with this procedure and I ask unanimous consent to include the letter in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of Commerce,
Washington, D.C., March 16, 1977.

Hon. Ernest F. Hollings,
Chairman, Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On March 8, the House Appropriations Committee on State, Justice, and Commerce, the Judiciary, and Related Agencies reported their recommendation for a $4 billion 1977 supplemental appropriation for additional Local Public Works. As you know, the President's budget had requested $2 billion in 1977 and another $2 billion in 1978.

I feel that we will be perfectly able to work with the full $4 billion in 1977, since the Congress feels this is the proper funding pattern. We do not, of course, then require the $2 billion for LPW now requested for 1978 since that amount will already have been made available in 1977. I know we all feel the same urgency about getting the Economic Stimulus Program started as quickly as possible. I appreciate the speed and thoroughness with which you have acted on this needed program to stimulate additional employment.

Sincerely,

Juanita M. Kreps.

Mr. HOLLINGS. Mr. President, the committee also recommends the deletion of the $162,500,000 that was added to the bill on the House floor for title X, the job opportunities program, of the Economic Development Administration. I ask unanimous consent to make part of the Record another letter I received from Secretary Kreps, that indicates her opposition to this addition.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of Commerce,
Washington, D.C., March 16, 1977.

Hon. Ernest F. Hollings,
Chairman, Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies, Committee on Appropriations, Washington, D.C.

Dear Mr. Chairman: As you know, the House supplemental appropriation bill for the economic stimulus program now includes $162.5 million for the Title X Job Opportunities program. I feel strongly that it would be inadvisable to undertake a new round of Title X activity at this time.

You should be aware that in making our proposals to the President for the economic stimulus package, we seriously considered the possibility of additional funding for Title X. However, after comparing the potential of that program with the Local Public Works program, and the expanded CETA program, we determined that the greatest impact could be achieved through those two programs. The amounts proposed for both of those programs are very significant.

The proposal to now fund Title X at $162.5 million in fiscal year 1977 would not make a significant contribution to the economic stimulus package. Furthermore, because of the changes in the Title X legislation since the original version, it seems to me that it now would, in many respects, duplicate what we are doing in a much more extensive way under the Local Public Works and under the President's proposals for the CETA program.

Much of the pressure for refunding Title X seems to be coming from recipients of funds from the first $500 million. It is important to note that there is no way to guarantee that these projects would be refunded; in fact there is little likelihood that this would happen because all projects selected must be from among those recommended by other Federal agencies; this is a factor over which EDA would have no control. Also, with labor intensity no longer a factor under the revised Title X legislation, the scoring method will change, and the ranking of former projects would also change. The requirement that 70 percent of the funds go to areas with unemployment above the national average would also affect the chances of projects funded under the first round receiving additional funding.

There is also serious doubt that Title X could be administered in an orderly fashion given EDA's responsibilities for the LPW program. Both programs have tight statutory timetables which run nearly simultaneously. LPW projects must be selected within 60 days of receipt. Under the Title X program, Federal agencies must recommend projects within 45 days, and EDA would have to select projects within a second 45 days. Title X would depend for supervision and management on current EDA staff to a great extent, as would the LPW program. That staff was severely overburdened administering the first round of LPW. The major work load requiring additional personnel would be in the area of data input and manipulation for the scoring of projects. This is also a principal work load for LPW. EDA experienced difficulty in finding and hiring sufficient processors in the first round of LPW; first priority now would have to be given to staffing up for the second round of LPW, with the possibility that we would not be able to acquire sufficient staff resources for Title X.

I would appreciate your bringing the above considerations to the attention of the Senate Appropriations Committee should they consider funding the Title X program.

If we can be of assistance in providing further background information on the Title X program, please let me know.

Sincerely,

JUANITA M. KREPS.

Mr. HOLLINGS. While I have been subsequently informed that the administration is not opposed to the $900 million that was added on the House floor, I would prefer any additions be in programs with fast payout rates; such as my amendment during the full committee consideration that added $675 million for the antirecession financial assistance payments to provide the full $925 million requested.

I realize that there has been considerable mail encouraging the continuation of title X, but it must be noted that title X predates the local public works program. In my opinion title X has been supplanted by local public works, particularly when you consider that the first $2 billion is just now beginning to flow and the $4 billion in this bill will be going out in the summer.

Not only is the job opportunities program a slower paying program, but as we indicate in the report, the committee believes that the public works and public service employment requirements are already adequately covered by the amounts proposed for the local public works and the comprehensive employment and training programs. Furthermore, because of the legislative changes enacted in title X, there is little likelihood of continued support for the labor-intensive projects financed by the $500 million previously appropriated for title X. As our distinguished chairman said earlier, there are also strong doubts that title X could be administered in an orderly fashion given EDA's responsibilities for the local public works program, as both programs have tight statutory timetables which run nearly simultaneously.

Mr. President, when the supplemental appropriations measure was before the Senate, the Senate approved two amendments that I offered pursuant to the President's request for relief for areas of the Nation that experienced prolonged and severe drought. The two amendments totaled $275 million—one in the amount of $50 million, for the Small Business Administration, and another in the amount of $225 million, for the Economic Development Administration. These amendments were deleted in the conference with the managers from the House because they were not authorized.

I have conferred with the Senator from Wisconsin (Mr. NELSON), the distinguished chairman of the Small Business Committee, relative to the SBA amount, and since the committee has not yet acted on the authorization it will not be offered.

Today, the Environmental and Public Works Subcommittee, under the leadership of the distinguished Senator from North Dakota (Mr. BURDICK), who has been following this appropriation, has reported the necessary authorization for the Economic Development Administration. This report was agreed to unanimously by the Environmental and Public Works Committee.

In light of the fact that the next supplemental probably will be in June or July, we want to offer this $225 million amount and see whether, again, we can take it to conference and have it approved by our House colleagues.

The authorizing legislation provides $150 million in loan money at 5 percent, for a period up to 40 years, and $75 million in grants, with 50 percent matching. The projects must be completed by September 30, 1978.

The eligible areas in the country are those that experienced a shortage of water and in which a drought emergency was declared by the Secretary of Commerce.

I understand, of course, that this is for communities with a population of more than 10,000. For communities with a population of less than 10,000, the Farmers Home Administration would handle those loans.

Secretary Kreps has been calling and asking about the progress made here, and since the amendment is conditioned upon the enactment of the authorizing legislation we would not want this necessary amount in the drought areas to fall through the crack, so to speak, for want of authorizing legislation.

I shall be glad to answer any questions, otherwise, I ask for the adoption of the amendment at this time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HOLLINGS. I yield back the remainder of my time.

Mr. McCLELLAN. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, I yield 5 minutes to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, there were two aspects to President Carter's economic stimulus program. One part of his program called for a tax rebate of $50. That proposal would have reduced the revenues by $10 billion. President Carter, after having recommended that proposal reached the conclusion—wisely I think—that it should be scrapped. In making the statement to the press and to the American people as to why he felt that the rebate proposal should not be approved at this time, he stated that it would be inflationary.

The other part of the administration's economic stimulus package is an increase in spending of some $20 billion.

In this bill there is $14 billion specifically designated for economic stimulus.

I feel this, Mr. President, if giving money back to the American people is inflationary, as the President says it is, then it is also highly inflationary to increase spending, deficit spending, by some $20 billion.

I would like to see the entire economic stimulus spending part of the program knocked out—just as the President recommended, and the Congress agreed, to knock out the tax reduction part of the economic stimulus program.

However, a test vote was taken today in the Senate on the amendment offered by the Senator from Pennsylvania (Mr. SCHWEIKER), and that was overwhelmingly defeated.

I do not see the justification or the wisdom of the Congress today in voting some $20 billion, of which $14 billion is additional deficit spending over and above the other parts of the supplemental which normally would be there.

With that in mind, Mr. President, I shall vote against this legislation when the final roll is called in a few minutes.

Mr. McCLELLAN. Mr. President, I think a bill of about $14 billion or $15 billion would be adequate. There is need for some stimulant for the economy, and this bill provides it. I think the amount is excessive, but this is the only way to get some jobs that are badly needed. I shall most reluctantly vote for the bill. But, Mr. President, I think we should keep in mind that, in the final analysis, it is the private sector of our economy that must provide jobs for our people.

We can continue at the great rate we are going now with a $50 billion to $65 billion or $70 billion deficit each year, and it will not be long before we will all be out of jobs. We had better start thinking about it in that light a little.

I hope the administration will proceed with some caution in the administration of these moneys and not just take them and scatter them to the winds, but that they will use them most discretely to the end that the maximum number of jobs will be provided for the amount of money appropriated.

UP AMENDMENT NO. 183

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes unprinted amendment No. 183.

The amendment is as follows:

On page 4, line 14, strike all after "program" and insert the following:

"$2,000,000,000: *Provided*, That not to exceed $7,500,000, to remain available until September 30, 1976, may be used for necessary administrative expenses, including expenses for program evaluation by the Secretary of Commerce.

Mr. DOLE. Mr. President, I will be very brief.

The amendment simply reduces the amount to be expended for local public works from $4 billion to $2 billion. It also reduces the amount to be expended for administrative costs from $15 million to $7.5 million.

Mr. President, on April 15, 1977, President Carter presented his inflation statement. The first element of his inflation-fighting program that he outlined is "fiscal discipline to assure a balanced budget by fiscal year 1981 as the economy returns to normal."

It is exactly this kind of program—the $4 billion local public works program—that is going to make it very difficult to achieve a balanced budget by fiscal year 1981. In fact, some of us on the Budget Committee feel that the President, by having increased the spending in the budget for fiscal year 1978, has already made it impossible to achieve a balanced budget by fiscal year 1981.

Mr. President, I have just read on wire service a comment by President Carter that we should be careful of spending programs and move very slowly. It is exactly this kind of program, the $4 billion public works program, that is going to make it very difficult to achieve a balanced budget by 1981. In fact, some of us on the Budget Committee feel the President, by having increased the spending in the budget for fiscal 1978, has already probably made that impossible.

But this program—the public works program—will have a slow "spend out." The slow spending rate will make it very difficult for the President to achieve fiscal discipline during those years when it is most vitally essential in order to achieve a balanced budget by fiscal year 1981 or any time later. According to CBO estimates, the spend-out rate on this program is: $0.16 billion in fiscal year 1977, $2.1 billion in 1978, $1.4 bilion in fiscal year 1979, and $0.28 billion in fiscal year 1980.

So the bulk of the spending under this program will be in fiscal year 1978 and fiscal year 1979 and even into fiscal year 1980, when it will be absolutely essential to hold down spending in order to achieve a balanced budget.

From a budget point of view, it is quite easy to approve this program in the short term. The budget impact for fiscal year 1977 is only $0.16 billion as I indicated previously. So the spending impact and the inflation impact are small now, but they will grow much greater in the coming years.

Then there is also the danger that these public works programs will not be completed on schedule. Then we have the problem of the increased spending continuing on into years when it is absolutely essential to hold down spending to combat inflation and to keep the Federal budget under control. In other words, it appears to me that these projects may become in a few years the "water projects" that we have been hearing about recently. We face the danger of ending up with a number of half finished buildings or other projects.

RISING INFLATION RATE

Mr. President, there is a very serious problem about the slow spend-out rate of this program in conjunction with a high degree of uncertainty about the inflation rate for fiscal year 1978 and later.

Week before last, the Office of Management and Budget published a revised forecast on the economy. Specifically, OMB anticipates an increase in the inflation rate to 6.7 percent for calendar year 1977, up sharply from the 5.3 percent forecast earlier. For 1978, the comparable figure is an increase to 5.6 percent, up from the 5.2 percent forecast earlier.

For 1978, and for 1979 and later years, the estimates on inflation have an increasing degree of uncertainty. Yet we are programing this so-called "economic stimulus" program that will have the greatest fiscal impact in 1978 and 1979 when we are still greatly uncertain about what the inflation rate will be at that time, and what level of economic stimulus, if any, will be needed.

It is sort of like starting a ball rolling without knowing where it will end up or even in what direction we are rolling it.

JOBS SLOW IN COMING

Mr. President, some of my colleagues may have noticed an article recently about the slow job creation under the public works approach. Last year, in October, we appropriated $2 billion for local public works. As of February 14, 1977—the date of the article—no worker had yet earned a cent, unless we count the 265 people hired temporarily by the Commerce Department to figure out which cities should get the money.

I checked with the Economic Development Administration just today to see how many people are employed under the previous $2 billion program. We were unable to get any kind of estimate about the number of people employed. We understand that 900 projects that have been approved are active. This would suggest that some employment may be resulting, but we are uncertain how much. At an average of about $1 million per project, the 900 active projects would equal about $900 million. That is something less than half of the $2 billion we approved.

Mr. President, we are in the eighth month since the earlier program was approved and less than half of the money has gone out. From the CBO estimates on the "spend out" rate that I mentioned earlier, we know that the jobs do not become available immediately because the funds do not become available immediately.

We have at this time 7 million people unemployed, and 2½ million of those persons are heads of households.

In my view, we need to take strong action to stimulate new jobs and we should do this as rapidly as possible. But this program, as we can see from the previous example, is slow to accomplish that. In my view, we should moderate the spending proposed in this bill, as my amendment would do, in order to use the funds for projects that would better provide for jobs.

ONGOING PUBLIC WORKS CUT

Mr. President, the greatest irony of this program is while the President wants us to provide $4 billion for new projects to create jobs, he has proposed to cut about $3.7 billion for ongoing projects that in many cases are already started and will result in a loss of jobs if cut.

For example, we have a project in Kansas—the Hillsdale Reservoir—that is already 30 percent completed. We have already allocated $17.1 million for this program and now the President proposes to chop it off after we have already invested that amount.

It takes a relatively long time to get any public works project going. It took some time to get the water projects going. And now that we have them going, and have the jobs created, the President wants to cut them.

It just seems to me that if we are serious about jobs, we should not be chopping off about $3.7 billion worth of projects that already represent jobs and then putting in $4 billion more that will not create jobs for some time to come.

I would just submit for the record a list of the projects that are being deleted. Perhaps if we could approve this amendment to hold down the spending for local public works programs, there would be adequate funding to go ahead with the projects that are already started. The Senator from Kansas would suggest that possibly the Senators from those States that are affected might wish to consider this possibility.

"GRAB BAG PROJECTS"

A great deal of concern has been expressed about the previous $2 billion program. There is the view on the part of some that this program is providing funds for public works programs that in many cases the local citizens had turned down in votes on local bond issues.

In other words, we are providing funds for low priority projects. We are dumping out money for programs that the local communities would not fund unless it appears to come from so-called free money from Uncle Sam.

But this money is not "free." The taxpayers ultimately must pay for this. It adds to a tax burden that is already too heavy and it adds to our Federal deficit. It adds to the danger of inflation.

We may need to devise some approach that would more appropriately meet the real needs of the local communities.

AUTHORIZATION PROBLEMS

In addition, there may be problems with the authorization formulation for this program. For example, the article I cited earlier indicated that the cities with low unemployment rates actually had a better chance of getting the money than the cities with high unemployment rates.

The article also indicated that in some cases, the Federal statistics were too uncertain to precisely identify the areas suffering the highest unemployment. This means that many areas that need the assistance greatest will not get it because our figures underestimate the number of long-term, chronically unemployed, which are the very people the program should be helping.

The Senator from Kansas understands these criteria may not have been originally intended to apply to the public works program. But my concern is that we may have considered the program somewhat hastily in response to the President's request.

Rather than double the amount we put into this program last time, we should move more slowly and carefully study the previous $2 billion injection to see if we might better design the program.

This amendment, holding the program at a level of $2 billion, would give us the opportunity we need to make that review.

This is not to say we should not have some economic stimulus this year. Last week, the Budget Committee voted to retain some stimulus flexibility. I voted last week in favor of the authorization conference report for this appropriation. So hopefully we will have some stimulus.

HELP IS MISDIRECTED

Finally, I would just like to say that the assistance is misdirected. Local public works projects lead to employment of workers who already have some skill. Those who do not have a skill are left out in the cold. That includes youth, minorities, and the structurally unemployed.

Mr. President, in my view, we could spend this money in a much more productive manner. That is why I am offering this amendment to cut the program by $2 billion. Approval of this amendment will give us an opportunity to determine better ways to spend the money.

If we do that, it will better direct the aid to those people and to those areas that really need it. It will give us an opportunity for better government. I urge the adoption of the amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing "Costs of Water Projects To Be Deleted or Modified."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COSTS OF WATER PROJECTS TO BE DELETED OR MODIFIED

[Dollar amounts in millions]

	Percentage completed	Allocated to date	Estimated total Federal cost
Projects to be deleted:			
Applegate Lake, Oreg	9	$7.5	$81.5
Atchafalaya Navigation Project, La	50	10.1	20.3
Bayou Bodcau, La	27	4.5	14.5
Cache River Basin, Ark	5	4.7	93.2
Columbia Dam, Tenn	15	32.0	142.0
Fruitland Mesa Dam, Colo	6	5.4	87.9
Grove Lake, Kans	2	2.1	86.0
Hillsdale Lake, Kans	30	17.1	55.7
La Farge Lake, Wis	33	18.5	55.4
Lukfata Lake, Okla	6	.2	31.5
Meramec Park Lake, Mo	28	35.3	124.0
Russell Lake, Ga. and S.C	8	21.1	276.0
Savery and Pot Hook Dams, Colo. and Wyo	5	4.1	75.8
Tallahala Creek Dam, Miss	7	3.7	55.7
Yatesville Dam, Ky	19	10.9	53.6
Projects to be deleted, pending reevaluation:			
Auburn Dam—Folsom South Unit, Calif	20	223.0	1,131.0
Narrows Unit Dam, Colo	5	6.5	145.7
Oahe Diversion Project, S. Dak	18	89.1	504.6

	Percentage completed	Estimated savings due to modification	Original cost to complete
Projects to be modified:[1]			
Bonneville Unit, Central Utah Project, Utah	19	$659.8	$862.7
Central Arizona Project, Ariz	25	333.0	1,679.1
Garrison Diversion Project, N. Dak	29	302.0	609.7
Mississippi River Gulf Outlet, La	1	24.0	286.3
Tensas Basin, Ark. and La	31	135.0	271.4

[1] Total costs for these projects based on original plans.

Source: The White House.

Mr. DOLE. For that reason, the Senator from Kansas hopes that the amendment will be adopted.

Mr. RIBICOFF. Vote.

Mr. McCLELLAN. Mr. President, I yield myself 5 minutes.

Mr. President, I am advised that the distinguished Senator from South Caroline (Mr. HOLLINGS), who is chairman of the subcommittee having jurisidiction of this amendment, is on his way to the Chamber. I did not have advance notice of this amendment, and he did not either, and that is the reason he is not in the Chamber.

In the meantime, while he is arriving, I observe that I already stated in previous discussions here this afternoon that this is the best provision in the bill because when we spend this money we can get something for it. We are spending it for water improvements, sewer improvements, any other public facilities that contribute to the progress of the community and fill the community needs in many of these areas.

So we are doing something not only to the community but we are providing jobs. As I say, we have an asset. We will have something to show for it when we are through.

Of all of the money in this bill, in my judgment, this item should be preserved and the full amount should be retained, and I hope that will be the judgment of the Senate.

I see that the distinguished Senator from South Carolina has arrived. I yield back the remainder of my time that I yielded to myself and now yield to the distinguished Senator from South Carolina 10 minutes.

Mr. HOLLINGS. Mr. President, I thank my distinguished chairman.

I might say, at the outset, that I shall be constrained to move to table the Senator's amendment, but I first wish to respond to the proper amenities and with respect for my distinguished friend from Kansas in offering the amendment and see that he has the fullest time to debate it.

At the conclusion of the expiration of time on both sides, though, I shall move to table the amendment because, as the Senator from Kansas knows, he and I both have debated this within the Budget Committee in judging and trying to appraise the best we can on what can be done. I am not on the Committee on Environment and Public Works but this program was thoroughly considered by that committee and they recommend the $4 billion.

Mr. DOLE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HOLLINGS. I yield.

Mr. DOLE. Mr. President, I ask unanimous consent that Claude Alexander of my staff be permitted access to the floor during debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. From the very outset President Carter has approached the problem in the economy in a package form of different varieties of stimuli to try to keep the economy revived, turned around, and moving.

It is the experience with some of the former palliatives that brings on the Schweiker amendment, whereby he did not think, and I have to agree with him, that public service jobs just do not do the job. They were not lasting; only momentary.

But everyone who has been in public service at any and every level, particularly at the local level where we have well-conceived programs, can attest to the public works aspect. As Senators, we all listen to our mayors, county councilmen, county supervisors, and managers, who are trying to make the necessary improvements in the communities. Every report imaginable is required with respect to economic feasibility, on the one hand, to get local support. And then, on the other hand, there is always some environmental or local hearing in which we seem to be engaged. If we were to go back to the original proposal of only $2 billion, then they would come down to the end of the fiscal year and have to start all over again. That would mean looking at it again in the Budget Committee and then making an adjustment in the first concurrent resolution that we take up next and have to complete by May 15. By the time we get the mechanics going, the communities will be left high and dry. That was the complaint of the mayors, and even the Governors. We were trying to assist in this particular measure in showing the validity of our commitment.

I know the misgiving the Senator has, and it takes a long time for the project to pay out. However, if we delay the $2 billion to next year, and I am certain that would be the case, we would lose time in getting them going again.

I can do no better than the report itself which states on page 20 the arguments for the increase from the original requested amount of $2 billion to $4 billion.

The Senator from Wisconsin has housing, and he and I know we are both supporting housing projects. We put in programs, but we find by bitter experience that we might pass a housing program in May 1977, but before that house is built, at the other end of the line, there is a 3-year wait, and it is May 1980, if we are going to pass a housing program here in May 1977.

All of Government takes too long. It is too long delayed, and there is too much backing and filling without a continuity of policy and thrust by Congress itself in economic support of these particular programs.

I do not remember the vote in the Budget Committee, but I think it was overwhelming with respect to this one. Everyone has seen the efficacy and the workability of the results of the local public works phase of the Economic Development Administration.

I remember when President Ford was leaving, there was almost a flat fight by the communities coming in for the first $2 billion we appropriated last year. I could not get peace of mind with the telephone ringing off the hook.

I think there were $25 billion in projects for that $2 billion. The blacklog is now $18 billion—that is the actual hard fact.

Now the Senator, and I, as cross-examiners, would go, as I did, to Mr. Hall, the present Assistant Secretary of Economic Development and say: "You have $18 billion, but how many are really fixed firm needs that you could justify in your own mind from your own study and experience?"

He would come up with half of that right now if he had the money. We have conceived, designed, studied and ready to be provided for $10 billion to $12 billion in projects for this $4 billion amount right now.

So we are not going to get any gold star or high grades for being Johnny-on-the-spot here. This is still operating behind the needs of America at the local level.

So I withhold the remainder of my time and shall listen to my friend and be glad to learn if there is a new aspect to it. But we have been through it already.

Mr. DOLE. Mr. President, I thank the distinguished Senator from South Carolina.

If we add up the cost of the projects the President would delete and those that he would trim back, we would have a "savings" of about $3.7 billion. It seems to me that maybe some of those projects ought to be reviewed, and perhaps some ought to be deleted, but they are ongoing projects for the most part; there are people working on the projects, and so it seems in some way contradictory that the President wants to scrap several of those projects and start a whole new program.

As I pointed out earlier, the $2 billion appropriated last year, as of February of this year—and I know the article has been disputed—but there was an article in the Wall Street Journal which indicated that not a single person had been put to work unless you count the 265 Federal employees that were added in the Commerce Department. We checked as of today to find out just how many under the previous $2 billion were at work. We could not get any figures, maybe they are available and maybe they are not, but we do understand that 900 projects have been approved and are active, and this would suggest surely some employment must be resulting.

If you had an average of about $1 million a project, that would take $900 million. But this additional $2 billion was based on very sketchy data. The Department of Commerce witnesses indicated they could use another $2 billion, though I do not know where they would reach into the sky and pull down $2 billion. They have had at least enough applications to justify, or satisfy themselves in the way they approached it, the sum of $18 billion.

I agree with the distinguished chairman, the Senator from Arkansas, that in a public works project at least there is something there, whether a hospital, a school building, or water or drainage or sewage facilities; there is something there. But I cannot quite see the justification for chopping off some public works projects and then asking for another $2 billion for an additional public works project.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. It is not very often that I disagree with my friend from Kansas, but I am one of those people who believe that the best way to provide jobs is through public works projects. When you get through with the public works projects, you have something worthwhile for the community, the State, and the Nation. Just a little while ago we approved $7.9 billion for make-work public service employment jobs. We will not get much out of this kind of money. But here is $4 billion for the kind of public work projects that I think are most helpful in providing jobs. So it is most difficult for me to vote to delete this money, when we have already put in $7.9 billion for these make-work public service jobs.

Mr. DOLE. Mr. President, I think the issues are joined. It just seems to this Senator that since there is still about a billion dollars left of money previously appropriated, since the OMB has told us that the inflation rates for fiscal 1978 and 1979 will be higher than they thought, and since there are other indications, including, as the Senator from Kansas indicated, a statement from President Carter that we ought to hold down spending just this afternoon, it seems that we ought to take a look.

I have no desire to extend the debate, because I assume Senators have other plans; so I am willing to yield back the remainder of my time so that the Senator from South Carolina can make his motion to table.

Mr. McCLELLAN. I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I want to refer once again to the report, specifically page 21 where it is indicated that there are 20,000 applications on hand amounting to $18 billion. The $4 billion is favored by the Secretary of Commerce; I ask unanimous consent that her letter approving that amount be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., March 16, 1977.

Hon. ERNEST F. HOLLINGS,
Chairman, Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On March 8, the House Appropriations Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies reported their recommendation for a $4 billion 1977 supplemental appropriation for additional Local Public Works. As you know, the President's budget had requested $2 billion in 1977 and another $2 billion in 1978.

I feel that we will be perfectly able to work with the full $4 billion in 1977, since the Congress feels this is the proper funding pattern. We do not, of course, then require the $2 billion for LPW now requested for 1978 since that amount will already have been made available in 1977. I know we all feel the same urgency about getting the Economic Stimulus started as quickly as possible. I appreciate the speed and thoroughness with which you have acted on this needed program to stimulate additional employment.

Sincerely,

JUANITA M. KREPS.

Mr. HOLLINGS. The $4 billion has been approved by the Budget Committee of the House of Representatives and the Budget Committee of the Senate. It has been approved by the Public Works Committees of both the House of Representatives and the Senate. In approving the third concurrent resolution, both Houses again approved the $4 billion amount. Finally, just last Friday, I remind the Senator from Kansas, the Senate, in approving the conference report on H.R. 11, approved the $4 billion amount.

It is on that basis that I would make my motion.

Mr. DOLE. Mr. President, will the Senator withhold that for a moment?

Mr. HOLLINGS. Yes.

Mr. DOLE. Mr. President, no doubt there is a need for economic stimulus, but we are being told, in the Committee on Agriculture, that we have to hold down spending or the President may veto the farm bill. It seems to me that there is very little, if any, restraint in this program. If we are going to exercise restraint, it seems to me it should be across the board. I know that there are thousands of applications, adding up to billions of dollars. I am aware that the Budget Committee has allowed this; even though we are not a line item committee, it does accommodate the $2 billion.

Mr. President, I would just add at this point that I intend to vote against this bill. This does not mean that the Senator from Kansas opposes everything in the bill. But it seems to me we are passing up an opportunity to tighten up some of the programs in the bill, and we could still have strong economic stimulus.

So I think we ought to pass the amendment, and I yield back the remainder of my time.

Mr. HOLLINGS. Does the chairman of the committee yield back the remainder of his time?

Mr. McCLELLAN. I yield back the remainder of my time on the amendment, and urge that the amendment be agreed to.

Mr. HOLLINGS. Mr. President, I move that the amendment be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I yield back the remainder of my time on the bill, and ask for third reading.

Mr. YOUNG. I yield back the remainder of my time.

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 4876

Mr. KENNEDY. Mr. President, I want to express my wholehearted support for the economic stimulus appropriations bill before us today. The committee and the administration should be commended for their actions on this vitally important program designed to stimulate the economy. It is estimated that nearly 1 million desperately needed jobs will be created as a result of this appropriations bill.

I am particularly pleased that the committee is recommending an appropriation of nearly $60 million to create an additional 14,800 jobs for the elderly under title IX of the Older Americans Act. This highly successful program provides employment and training assistance for older Americans, as well as community services.

The bill also provides $925 million for increased countercyclical assistance to State and local governments. These funds, targeted to areas with high unemployment, are essential if localities are to maintain basic public services. This program, I believe, deserves our full support.

The additional $4 billion for the public works employment program is good news for the hard-hit construction industry, and for localities who will now be able to move ahead on badly needed public works projects.

I concur with the committee recommendation of $1.3 million for three new nationally administered programs: The youth program, the skill training improvement program, and the help through industry retraining and employment program. These employment and training initiatives are critical if we are to deal effectively with the problem of structural unemployment.

I am concerned, however, with the committee's decision to require discretionary funding for a number of new initiatives designed to assist migrant and seasonal farmworkers, Indians, veterans, and apprentices. Funds for these programs were originally within the administration's budget request. The committee, while approving the initiatives, directed that the $60 million necessary to fund the programs come from the Secretary's discretionary funds under title I of CETA. It is my understanding that the Secretary had intended to use these funds for a number of other important programs, including OIC, the Urban League, minority groups skill training programs, employment and training services for rural residents, drought assistance, and the summer youth jobs program.

I hope the committee will carefully monitor the funding of these programs and, if necessary, consider some additional assistance in a subsequent supplemental.

With over 7 million Americans unemployed, and another 1 million who have left the labor market in the belief that no jobs are available, an expanded public service employment program is absolutely essential. The bill calls for an expansion of CETA titles II and VI to increase the enrollment level from the current 310,000 to 725,000 by the end of fiscal year 1978.

The program is a cost-effective method of direct job creation, and there is ample evidence that prime sponsors will be able to absorb the increased enrollment. Now that CETA title VI funds are targeted to low-income, long-term unemployed who have exhausted unemployment compensation or receive AFDC, the net cost of the program and the problem of fiscal substitution is reduced. Therefore, I strongly urge my colleagues to support the committee's recommendation to expand public service employment.

Mr. President, the state of our Nation's economy demands that we move quickly to adopt this economic stimulus program. Again, I urge my colleagues to support this measure.

FUNDING FOR OLDER WORKER PROGRAMS IN THE FISCAL 1977 ECONOMIC STIMULUS APPROPRIATIONS ACT

Mr. CHURCH. Mr. President, as chairman of the Senate Committee on Aging, I shall direct my remarks to funding for older worker programs in the Economic Stimulus Appropriations Act, H.R. 4876.

I am especially pleased that the committee bill includes a provision I advanced—along with Senators KENNEDY and EAGLETON—to provide full funding for the title IX senior community service employment program.

Nearly 14,800 low-income persons 55 or older work in title IX programs in a wide range of capacities, including health aides, antipollution control, weatherization activities, planting trees and shrubbery to beautify our countryside, and other useful endeavors.

H.R. 4876 would increase this total to 37,400.

The value and worth of the older American community service employment program have been amply demonstrated over the years. Witnesses have informed the Committee on Aging that there are typically 7 to 10 applicants for each position available.

Title IX, it seems to me, offers many dividends. It delivers essential services to communities which may be financially hard pressed. At the same time, it enables elderly poor persons to work their way out of poverty in dignity, while helping others in their own localities.

Recent Committee on Aging studies provide clear and convincing evidence that persons 55 or older have been among the major victims of the 1974–75 recession and its aftermath. In some respects they may be worse off now than they were during the height of the recession.

Poverty, for example, is increasing among the elderly. In fact, it rose by 400,000 for persons 55 or older from 1974 to 1975, the sharpest increase in history.

This trend is likely to continue unless unemployment is substantially reduced among aged and aging Americans.

Nearly 700,000 persons 55 or older are unemployed, or 64 percent above the level 3 years ago. Yet, this figure does not accurately reflect the extent of joblessness because there is a substantial amount of hidden unemployment among persons 55 or above.

Many older Americans have dropped out of the labor force, after a prolonged and futile search for a job. Others have accepted actuarially reduced social security benefits as the last resort.

Title IX, though, can give older Americans greater options. It can also lead to a new and rewarding second career in serving others in their communities.

In addition, H.R. 4876 would continue 71 older worker projects employing 4,800 persons 50 or older under the title X job opportunities program of the public works and economic development.

Title X, like title IX, provides gainful employment for individuals who would have difficulty in obtaining a job because of the high unemployment rate.

Mr. President, I strongly support these measures and urge that they be adopted.

Mr. WILLIAMS. Mr. President, recent rosy economic projections should not lull the Senate into complacency. The economic stimulus contained in H.R. 4876 is necessary.

The Joint Economic Committee of the Congress put the matter into perspective in its annual report. The committee warned that economic recovery is at least a full year behind schedule.

Joblessness continues to plague over 7 million workers who are looking for employment, but cannot find it. Inflation remains a problem, aggravated by the severe winter weather that cut food production domestically as well as globally. Economic growth is a disappointing prospect in the current year.

And under presently foreseeable conditions, 1978 promises another year of only moderate economic expansion when strong growth on the order of 6 to 7 percent in real terms is urgently needed so that joblessness can be steadily reduced.

The administration 10 days ago estimated somewhat slower growth in the economy and reduction in unemployment in the months ahead. And these projections were based on the assumption that this appropriations bill would be enacted and the funds committed to bolstering economic activity and employment opportunity.

Granted that more Americans were working in 1976, but it is one thing to celebrate the growth of 2.3 million in the number of Americans at work and quite another to recognize fully that the numbers of unemployed—those who want work, but cannot find it—continues at a distressing level. The figure reaches 9 million when one adds those whose jobs are only part time and those who have given up looking for work, despairing of ever finding a job.

Many more than the 2.3 million persons intended to work. Still more are coming: Women and youth taking their rightful places in the work force and demanding employment; the unskilled, minority, and aging workers, and other disadvantaged citizens begging for the training and counseling that can lead to satisfying work.

None of this is likely to occur without an active push from the Federal Government. The private sector of the economy simply is not equipped presently to provide millions of new jobs, nor can we expect them to do so in the immediate future.

The appropriation bill that is before us contains the nucleus of a program that holds great promise.

From my perspective as chairman of the Committee on Human Resources, a large part of the strength of this package derives from a rapid expansion of public service employment.

Combined with the other vital elements of this bill, public service employment is the right answer for the times. This is what the Congressional Budget Office said about PSE in late 1975:

> (It) is specifically designed for maximum employment impact . . . it ranks high as an antirecession device in terms of number of jobs created per dollar of expenditure. Further, if existing programs are used as a base, its start-up time could be short.
>
> . . . public service employment programs have the highest employment impact of the measures considered . . . (it) is likely to have a greater effect on employment in the short run than other fiscal measures such as tax cuts or increases in government spending.

If anything about public service employment has changed in the 18 months since this appraisal, it has changed for the better.

The public service jobs program has been made even more effective by adopting a project approach, with new jobs targeted on the long-term unemployed from low-income households. By attracting workers from these groups, reduced outlays for unemployment compensation and public assistance and increased tax revenues on earned wages cut the net cost of providing these jobs by as much as 60 percent, according to CBO estimates.

I am proud that it was our committee that developed these revisions last year and enjoyed the nearly unanimous support of the Congress for them.

The other elements of this bill are vital as well: The funds for general revenue-sharing to State and local governments; the funds for special antirecession assistance to these governmental units; the funds for expanding community service employment for older Americans; and of great importance, the $4 billion of public works construction money for community projects of merit and readiness.

Taken together, these programs are mutually reinforcing in their potential positive impact for spurring the economy into sustained growth.

Mr. President, as chairman of the Committee on Human Resources, I tend to view the needs of the economy less in statistical terms and more in terms of the human quotient. I tend to be suspicious of arguments that a job is enough for every American. Quite clearly, many people need much more, and our committee is an important focal point for discovering their needs and meeting them.

The programs under the committee's jurisdiction serve both of the two major functions. First, they are labor-intensive, providing employment for several million Americans whose weekly income strengthens the consumer demand side of the economic equation. Second, the services that are the output of these programs enhance the potential of those who are served to participate gainfully in the Nation's life.

In short, the committee's programs are akin to the real investment portion of the private economy. We invest in education, employment, and training, health services, social services not simply to achieve "social maintenance," but also to expand individual opportunities.

An ill-clad, ill-housed, and ill-educated nation cannot support a strong economy in either the private or the public sectors.

Weaknesses in the social fabric of the Nation, as well as the ups and downs of the business cycle, undermine our economic strength.

We must bear that in mind as the Congress moves forward later this week to develop our new budget priorities for the coming fiscal year.

Mr. President, I urge my colleagues to approve H.R. 4876.

Mr. MATSUNAGA. Mr. President, I wish to take a moment to commend our Committee on Appropriations, chaired by the distinguished Senator from Arkansas (Mr. McCLELLAN), for its funding recommendations for title IX of the Older Americans Act in the fiscal year 1977 economic stimulus appropriations bill. The committee supports the House fiscal year 1977 appropriations request of $59,400,000 for title IX, the community service employment for older persons. This supplemental appropriation will create an additional 14,800 part-time jobs for low-income senior citizens in this Older Americans Act program, which is administered by the Department of Labor. I am especially pleased that the Senate Committee on Appropriations recommends that under section 906(a)(1) of the Older Americans Act, these additional funds be distributed to State and local governments, as well as to national organizations.

As you are undoubtedly aware, Mr. President, in its version of this bill, the House proposed to distribute all of the title IX fiscal year 1977 economic stimulus appropriations—that is, all $59,400,000—only to national contractors, such as Green Thumb, Inc., the National Council on the Aging, the National Council of Senior Citizens, the National Retired Teachers Association-American Association of Retired Persons, and the U.S. Forest Service. These national organizations sponsor employment programs under title IX in all but three States and four territories. My State of Hawaii is one of the three States which is not covered by these national contractors. Other States similarly affected are Alaska and Delaware.

Mr. President, the purpose of title IX of the Older Americans Act is to provide optimal job opportunities for low-income older workers in a wide range of useful and meaningful community service activities. These funds further strengthen Federal, State, and local manpower programs by expanding and improving job recruitment, training, and placement services.

The State of Hawaii, with an elderly force comprised of nearly 10 percent of the State's overall population, is no exception in wanting to help its senior citizens, particularly its low-income senior citizens who need to find employment to maintain and sustain their income security and self-respect.

Mr. President, I appreciate the committee's recognition that the provisions of section 960(a)(1) of the Older Americans Act should be maintained in order that, as the Senate Appropriations Committee report states:

> . . . All segments of the older Americans population will benefit equally from these funds.

I urge the Senate to uphold the committee's recommendation for $59,400,000 for the community service employment for older persons program under title IX of the Older Americans Act. I further urge this body to assure that these funds will be made available to the States, as well as to the national contractors, by adopting the committee amendment and passing the pending bill as so amended.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator

STEVENSON, who is recuperating from minor surgery and expects to be resuming his Senate duties within the next few days.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

STATEMENT BY SENATOR STEVENSON

H.R. 4876, the Economic Stimulus Appropriations Act 1977, now before the Senate, includes $95 million for the National Aeronautics and Space Administration increasing the FY 1977 appropriation for the Space Shuttle program from $1,288,100,000 to $1,383,100,000.

While the required authorization for these additional funds for NASA has not been enacted, the authorizing legislation has passed the House as a section in the FY 1978 authorization bill and that bill, H.R. 4088, will be reported to the Senate this week by the Committee on Commerce, Science, and Transportation. The Committee is recommending Senate approval of the additional $95 million for FY 1977 because it will permit the scheduling of shuttle orbiter production and outstanding development activities so as to preclude the layoff and the subsequent rehiring of personnel already trained in shuttle activities. Not only does this action provide continuing employment opportunities for some 3,000 direct people who would be laid off, but it will also contribute to a more efficient production program with resultant cost savings.

In my short association with the NASA aeronautics and space programs, I am impressed with the controls exercised over and the results achieved in these programs which I believe are directly attributable to the annual authorization of appropriations requirement established for this agency in 1959. Accordingly, I believe it is important to sustain the authorization process. However, I also recognize the importance of the objective of H.R. 4876 and in particular the benefit it has for contributing efficiencies in the NASA shuttle program. Therefore, with the authorizing legislation for the $95 million recommended by the Committee, and the urgency to proceed with H.R. 4876. I think it is in the best interests of everyone under the circumstances to appropriate the funds prior to the final enactment of required authorization. I trust, however, that this will not set a precedent because of the contribution the authorization process is making to program direction and execution.

The **PRESIDING OFFICER**. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill. The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

Mr. **McCLELLAN**. Mr. President, I ask for the yeas and nays on passage.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **CRANSTON**. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Iowa (Mr. CULVER), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from South Dakota (Mr. McGOVERN), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Delaware (Mr. BIDEN), the Senator from Alaska (Mr. GRAVEL), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I also announce that the Senator from North Carolina (Mr. MORGAN), and the Senator from Illinois (Mr. STEVENSON) are absent because of illness.

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from North Carolina (Mr. MORGAN). If present and voting, the Senator from West Virginia would vote "yea" and the Senator from North Carolina would vote "nay."

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI), the Senator from Iowa (Mr. CULVER), the Senator from Iowa (Mr. CLARK), the Senator from Delaware (Mr. BIDEN), and the Senator from Idaho (Mr. CHURCH) would each vote "yea."

Mr. **BAKER**. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. CHAFEE) and the Senator from Alaska (Mr. STEVENS) would each vote "yea."

The result was announced—yeas 63, nays 15, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—63

Abourezk
Allen
Anderson
Baker
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Cranston
Danforth
Domenici
Durkin
Eagleton
Ford
Glenn
Griffin
Hart
Hatfield
Hathaway
Heinz
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
McClellan
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Sparkman
Stafford
Stennis
Stone
Talmadge
Thurmond
Weicker
Williams
Zorinsky

NAYS—15

Byrd,
Harry F., Jr.
Curtis
Dole
Hansen
Hatch
Hayakawa
Helms
Laxalt
McClure
Proxmire
Roth
Scott
Tower
Wallop
Young

NOT VOTING—22

Bartlett
Bayh
Biden
Chafee
Church
Clark
Culver
DeConcini
Eastland
Garn
Goldwater
Gravel
Haskell
Inouye
McGovern
McIntyre
Morgan
Pearson
Percy
Randolph
Stevens
Stevenson

So the bill (H.R. 4876), as amended, was passed.

Mr. **McCLELLAN**. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. **LONG**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **McCLELLAN**. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments to H.R. 4876.

The **PRESIDING OFFICER** (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. **McCLELLAN**. Mr. President, I move that the Senate insist on its amendments to the bill and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. MOYNIHAN) appointed Mr. McCLELLAN, Mr. MAGNUSON, Mr. PROXMIRE, Mr. HOLLINGS, Mr. BAYH, Mr. CHILES, Mr. YOUNG, Mr. CASE, Mr. BROOKE, Mr. MATHIAS, and Mr. WEICKER conferees on the part of the Senate.

FIRST BUDGET RESOLUTION, 1978

The **PRESIDING OFFICER** (Mr. LEAHY). Under the previous order, the Senate will now proceed to the consideration of S. Con. Res. 19, which the clerk will state.

The assistant legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 19), setting forth the congressional budget for the United States Government for the fiscal year 1978.

The Senate proceeded to consider the concurrent resolution.

The **PRESIDING OFFICER**. There is a time limitation of not to exceed 50 hours on this resolution.

Who yields time?

Mr. **PROXMIRE**. Mr. President, I understand that there are 50 hours on this resolution. I also understand that it would be proper and all right for me to yield myself 10 minutes of that 50 hours to make a brief statement.

The **PRESIDING OFFICER**. The Senator from Wisconsin is recognized.

THE BANKS HOLD KEY TO REVIVAL OF THE CITIES

Mr. **PROXMIRE**. Mr. President, there is an irresistible tendency for all of us—Members of Congress, the press, and any American expressing an opinion about this country—to speak out long and loud about what is wrong.

We protest the bad.

We ignore the good.

We raise the devil about what business is doing wrong, what the President is doing wrong, what Congress or the labor unions are doing wrong. We ignore what they are doing right.

We ignore the good, even when it is new and spectacular.

That is why I rise today, to talk about a development on the part of business and our banks which I think is good news and is spectacular.

President Carter, last October in Milwaukee, said that the No. 1 domestic problem is our cities.

This Congress will have a chance to enact legislation to help the cities. The help will be in the billions. It will, indeed, be a burden on the taxpayer. But it will only do a small part of the job—an essential part, a vital part, but a small part of the job that has to be done.

The principal job must be done not by the Federal Government, but by local governments and, especially, by the private sector.

I mean by the private financial institutions of this country.

They can rebuild our inner cities and they do it the right way.

They have the capital; well over a trillion dollars of capital—far, far more, many times more than the Government can or should pour into the cities. They have the expertise, tempered in the tough free enterprise marketplace, that has given them the ability to judge the sound and unsound local investment, that enables them to lend money to homeowners that will be repaid with interest.

They have the presence. They are there, in the cities—not in Washington, but right in the city—every day. They have the stake. It is their city, their inner city that in many cases is dying.

What I have said so far is an old story. What is new is that, at long last, the financial institutions are beginning to do something about it.

Mr. President, in Philadelphia, 15 of the major financial institutions have decided to end redlining. They have decided to make mortgage loans in the inner city areas that have been refused credit in the past.

The Philadelphia program is growing. It started in October of 1975, and in the 18 months since then, the institutions have made 1,700 loans representing $19.1 million.

Mr. President, this program is a smashing success by any criterion. Consider: How many of these loans failed? What does the record show? Delinquencies so far have been only 0.6 percent.

Under the circumstances that is a remarkable record. Think of what it means. It means that the repayment record of the formerly red-lined, mostly black areas is just as good, just as reliable as conventional loans. Consider that only about 20% of the applications have been turned down. Eighty percent of the applicants were given loans.

Consider especially that instead of encircling several square miles of the inner city for exclusion from the financial lifeline that can keep the community alive, the institutions have followed the following guidelines:

First. Define each neighborhood—not in terms of square miles but by the block—one neighborhood, one block, that is by the single street on the block.

Second. Set a general abandonment rate of 10 percent of the homes on a street abandoned as a guideline to suggest extra caution in lending.

Third. Base the loan decision on the structural soundness of the house and the credit worthiness of the individual borrower. Not on whether it is located in part of a city which is rundown or which does not seem to be viable.

Fourth. In many cases include welfare payments in counting income available to pay the mortgage costs. That is what these bankers have been doing.

Fifth. Grant up to 90 to 95 percent mortgages.

Sixth. Secure private mortgage insurance for all loans in excess of 75 percent. They have been doing that.

Seventh. Before any loan is turned down, it is reviewed by all the Philadelphia lending officers at regular weekly meetings to avoid any personal biases.

Mr. President if we are to rebuild our cities, this is the way to do it. Sure, Federal money is essential too, but the big job—the major housing job—must be done by the financial institutions in the city.

They have the funds. They have the expertise. They have the presence. They have the discipline. And now, thanks to some remarkable financial leaders in Philadelphia, they have an example for the rest of the country.

Mr. President, when President Carter appoints the next head of the Home Loan Bank Board—we expect him to do that shortly before our committee, in a month or so—and the next head of the Office of the Comptroller of the Currency, those nominees should be committed to spreading this smashing Philadelphia success throughout the country.

And recognizing, if we are going to help our cities, there are huge funds here, huge in terms of our budget, in terms of our ability to provide the money, but very small in terms of the enormous needs our cities have.

President Carter was right. This country's cities represent what very well might be the major domestic problem that confronts this Nation. Our massive, expert financial institutions can and must serve as the principal means for solving that problem.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a list of the financial institutions to which I referred in Philadelphia be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Participating Lenders in Philadelphia Mortgage Plan as of May 1, 1977

Philadelphia Saving Fund Society
Beneficial Savings Bank
Central Penn National Bank
Continental Bank
Fidelity Bank
First Pennsylvania Bank
Frankford Trust Company
Germantown Savings Bank
Girard Bank
Industrial Valley Bank and Trust Company
Lincoln Bank
Philadelphia National Bank
Provident National Bank
Western Savings Bank
Community Federal Savings and Loan Association

Approximately 3,000 applications taken, representing $32.4 million.

Approximately 1,700 loans actually made to date, since plan began in October 1975 representing $19.1 million.

Mr. PROXMIRE. Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD PRESIDENT'S ENERGY MESSAGE AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President's energy message be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR ROBERT GRIFFIN

Mr. BAKER. Mr. President, I was surprised and, indeed, shocked to learn over the weekend of the decision reached by our colleague from Michigan (Mr. Griffin) that he would not be a candidate for reelection next year.

Bob Griffin and I came to the Senate at about the same time. He preceded me by appointment by just a few months.

We have been through a lot together and we have fought many battles shoulder to shoulder. We have shared many experiences on this floor and in committee that I will always treasure.

Few Members of the Senate, I believe, have made greater contributions to the welfare of their State and the United States than Senator Griffin of Michigan. Although I frankly wish he would reconsider his decision, I am sure he will not, and I can sympathize with his reasons for making that decision.

I am sure all of us at one time or the other have searched our conscience and consulted with our families on our future course. After 22 years in Congress, Bob and his great wife, Marge, are entitled to make that judgment and decision according to their own dictates.

Senator Griffin came to the Congress in 1957 and after serving 8 years was appointed to the Senate following the death of Senator Pat McNamara. He is known as a skilled legislator, an outstanding representative of his Nation, of his State, and of his party.

None of us need to be reminded of his legislative accomplishments, including his coauthorship of the Landrum-Griffin labor relations legislation in the late 1950's.

In 1976, Mr. President, he was a most able Floor Manager for President Ford at the Republican National Convention.

Mr. President, I will have more to say

on this decision by our distinguished colleague in the course of the next year and a half that he will continue to serve with us. While I express my regret at his decision and my understanding of the reasons for it, I wish at the same time to express my full confidence that he will continue to contribute significantly during the balance of this term, as he has contribute in the past. All of us who have come to value his advice, counsel and judgment shall continue to do so without diminution in the remainder of his term.

Senator Griffin is a remarkable man, Mr. President. He serves the Senate and the country remarkedly well. It has been and is my privilege to serve with him. I regret his decision.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT ON SATURDAY, MAY 14, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to file reports until midnight on Saturday, May 14, 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTING RECORD OF SENATOR PROXMIRE

Mr. ROBERT C. BYRD. Mr. President, last Friday the senior Senator from Wisconsin (Mr. Proxmire) cast his 5,000th consecutive vote in the Senate. The vote was on the amendment by the Senator from Maine (Mr. Muskie) to extend the countercyclical revenue-sharing provisions. Senator Proxmire last missed a vote 11 years ago in April of 1966.

Senator Margaret Chase Smith of Maine previously had the longest number of consecutive votes which was just under 3,000 votes—namely 2,941 votes—that exemplary record was cut short by necessity for reasons of health at the time. Senator Morris Sheppard of Texas, who served from 1913 until his death in 1941, had a period of 7 consecutive years in which he did not miss a rollcall vote, although the number of votes during that period was relatively small compared with today.

Mr. Proxmire cast his 1,000th consecutive vote in December of 1970, his 2,000th consecutive vote in March of 1972, his 3,000th consecutive vote on December 19, 1973, and his 4,000th consecutive vote on October 9, 1975.

Since 1960, the Senator has missed only six rollcall votes, and he had perfect voting records in 1958, 1963, and 1964 and, of course, in every year since April 1966, as I have already stated.

This is a voting record sui generis, I would say. It is one of its kind. One of the unique things a U.S. Senator can do is to cast a vote.

During this entire period, the Senator from Wisconsin has been here to be counted. He has stood up on all the tough issues, and he has a voting attendance record which is unmatched in the history of this body.

I salute him and commend him to further years of great service. I will be looking forward to the 6,000th consecutive vote, which I am sure he fully intends to cast, if possible.

MEASURES TRANSFERRED TO THE UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the calendar which are cleared for action by unanimous consent. They are Calendar Orders No. 90 and No. 91. I ask that the clerk transfer those measures to the Unanimous-Consent Calendar.

The PRESIDING OFFICER. They will be so transferred.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF SENATE CONCURRENT RESOLUTION 19

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after Mr. Stevens has been recognized under the order previously entered, the Senate resume consideration of the pending measure, the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 4 p.m.

After the two leaders or their designees have been recognized under the standing order, Mr. Stevens will be recognized for not to exceed 15 minutes, after which the Senate will resume consideration of Calendar No. 71, Senate Concurrent Resolution 19, the concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978. Rollcall votes may occur on that measure tomorrow.

The convening hour of 4 p.m. is to make possible the uninterrupted meetings of committees and subcommittees, keeping in mind the May 16 deadline in this instance because May 15 falls on a Sunday.

I express the hope that all committees and subcommittees will take advantage of the full day of opportunity tomorrow for meetings.

Also, I commend again Senator Herman Talmadge for conducting meetings of his Committee on Agriculture, Nutrition, and Forestry at 8 a.m. every day. He tells me, I say to my distinguished friend, the able minority leader, that he is getting fine attendance. He is having a quorum without any problems that early, and he is getting work done.

Thus, it is made possible for members of his committee who have assignments on other committees that are meeting, perhaps at other times during the day, to attend his meeting and the meetings of the other committees.

Mr. BAKER. I think he must be serving Talmadge ham for breakfast, to get them there.

Mr. ROBERT C. BYRD. He is doing a great job, and so are the members of his committee in attending. I congratulate him again.

I note, also, that some of the other committees and subcommittees of the Senate are meeting at 9 a.m., some at 9:30.

Mr. BAKER. Mr. President, if the Senator will yield, I must say that, while I am not on any of the committees that meet at 8 in the morning, I admire those who do attend.

I believe that the majority leader's policy of bringing the Senate in at 4 o'clock periodically, with good advance notice of that, has worked wonders on the committee schedules in the Senate. I commend him for that innovation. I believe it is a worthwhile and important innovation. I am happy to see that he is continuing it.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

On Thursday, the Senate will convene no earlier than 4 p.m.

Mr. President, that concludes matters for today, and that is the program for tomorrow.

RECESS UNTIL 4 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 4 p.m. tomorrow.

The motion was agreed to; and at 5:46 p.m. the Senate recessed until tomorrow, Tuesday, May 3, 1977, at 4 p.m.

NOMINATION

Executive nomination received by the Senate May 2, 1977:

THE JUDICIARY

Francis J. Boyle, of Rhode Island, to be U.S. district judge for the district of Rhode Island, vice Edward William Day, retired.

CONFIRMATION

Executive nomination confirmed by the Senate May 2, 1977:

RENEGOTIATION BOARD

William F. McQuillen, of Virginia, to be a Member of the Renegotiation Board.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, May 2, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Behold, God is my salvation; I will trust and will not be afraid.—Isaiah 12: 2.

Almighty God, our Father, in these days of anxious moments and uncertain hours we turn to Thee with needs that Thou alone canst help us meet. May this moment of meditation and this period of prayer be an open door to the rich resources of Thy grace by which our strength is renewed, our faith revived, and our spirits restored.

Send us out into this day strong in Thee, ready for our responsibilities, hospitable to the highest we know and eager to work with one another in making our Nation great in peace, great in justice, great in brotherhood, and great in life.

To this end grant us the leading of Thy spirit and the courage to work in Thy ways on this Hill and among our people.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11) entitled "An act to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976."

The message also announced the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3477. An act to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3477) entitled "An act to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform." disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. HARRY F. BYRD, JR., Mr. BENTSEN, Mr. HASKELL, Mr. CURTIS, Mr. HANSEN, and Mr. DOLE to be the conferees on the part of the Senate.

And that the Vice President, pursuant to Public Law 86-42, appointed Mr. GRAVEL and Mr. SARBANES to attend, on the part of the Senate, the Canada-United States Interparliamentary Conference, to be held in Victoria, British Columbia, May 27 to 31, 1977.

The message also announced that the Vice President, pursuant to Public Law 94-399, appointed Mr. LEAHY to be a member, on the part of the Senate, of the Temporary Commission on Financial Oversight of the District of Columbia, vice Mr. CHILES, resigned.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the bill on the Consent Calendar.

AUTHORIZING SECRETARY OF AGRICULTURE TO CONVEY CERTAIN LANDS IN SIERRA NATIONAL FOREST, CALIF., TO MADERA CEMETERY DISTRICT

The Clerk called the bill (H.R. 2527) to authorize the Secretary of Agriculture to convey certain lands in the Sierra National Forest, Calif., to the Madera Cemetery District.

There being no objection, the Clerk read the bill as follows:

H.R. 2527

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to section 2 of this Act, the Secretary of Agriculture is authorized and directed to convey to the Madera Cemetery District, Madera, California, all right, title, and interest of the United States in and to a tract of land comprising approximately twenty acres in the Sierra National Forest, Madera County, California, more particularly described as the south one-half of the northeast quarter of the northwest quarter of section 19, township 8 south, range 23 east, Mount Diablo meridian.

SEC. 2. (a) The conveyance authorized by this Act shall reserve easements for existing facilities such as roads, telephone lines, pipelines, electric power transmission lines; and shall reserve such easements for roads as the Secretary of Agriculture finds necessary to assure access to lands of the United States or to meet public needs.

(b) The conveyance authorized by this Act shall only be made if, within one year after the date of this Act the Madera Cemetery District makes payment for the tract at a price to be fixed by the Secretary of Agriculture through appraisal or otherwise, after he takes into consideration the purpose for which the lands are to be used.

Mr. RONCALIO. Mr. Speaker, H.R. 2527 would authorize the Secretary of Agriculture to convey a 20-acre tract of land located in the Sierra National Forest to the Madera Cemetery District. This tract of land has been used for burial purposes from as far back as 1890 when the land was homesteaded. The Forest Service has been issuing a special use permit to the Madera Cemetery District for 17.5 acres of the total 20-acre tract. Gravesites occupy about 10 acres of the land.

The 20-acre tract of land is isolated from other National Forest System lands. The present and projected use of the land for cemetery purposes affords little opportunity for the furtherance of National Forest System purposes. As landowner, the United States must bear the costs of administering the special land use permit. By transferring this 20-acre tract to the Madera Cemetery District, the Forest Service would be relieved of the burden and expense of administering the special use permit.

The Department of Agriculture would have no objection to the enactment of H.R. 2527.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the call of the eligible bills on the Consent Calendar.

CAMPAIGN FINANCE BILL

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, numerous bills have already been introduced in the 95th Congress which would provide for public financing of congressional elections. Today I am offering a new idea in the area of campaign financing. I am introducing a bill to allow taxpayers to claim a dollar-for-dollar tax credit for political contributions to congressional candidates.

My bill will amend the Internal Revenue Code to allow an individual to claim a $10 tax credit for a $10 contribution to any congressional—House or Senate—candidate seeking election from the taxpayer's district. A $20 tax credit will be allowed for joint returns.

The tax credit provided for in my bill is limited to $10, no more or less, for a single return. A separate space would be provided for the taxpayer on the traditional 1040 tax form similar to that now provided for contributions to the Presidential campaign.

To be eligible to claim the tax credit, the taxpayer would be required to identify the candiate to whom he contributed on the tax form itself. This requirement will insure that only legitimate tax credit claims provided for in this bill will be approved.

I want to stress that my bill leaves intact the current tax credit provisions for contributions to candidates for Federal, State, and local office. It merely creates a provision whereby taxpayers can receive an additional $10 tax credit for contributing to a candidate for Congress seeking election from the taxpayer's own district. Under my bill, a taxpayer could still make any other contributions and claim any other credits currently allowed by law.

I offer this bill as a constructive step in the direction of public financing of congressional elections. The tax credit provided in this bill could be easily implemented with minimal administrative effort. Its main purpose is to create a very real incentive for congressional candidates to "stump" their own districts to raise funds and to be free from overdependency upon large organizational contributors.

THE POLITICS OF IMPROVISING

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. MICHEL. Mr. Speaker, a recent survey taken by the New York Times showed that only 2 percent of Americans expect President Carter to make good his campaign promise to balance the budget and only 18 percent believe he will prevent prices from rising, which he also promised to do as a candidate.

I am not certain if these findings reflect a general attitude of scepticism on the part of Americans toward Mr. Carter in particular or campaign promises in general. At any rate, we know that Mr. Carter is setting records for either failing to redeem campaign pledges or improvising policies in order to keep his critics quiet for a while.

Surely his plan for welfare reform, which is to be announced today, falls into this second category. One does not have to see the specifics of the plan—if, indeed there are to be any specifics—in order to point out that, once more, the President appears to be acting in haste.

Clearly the President is rushing to judgment in this area. He is under pressure from those who believe that what this country needs is a Federal takeover of welfare. But acting under pressure is not good government—it certainly is not what the American people expected to get from a man who stated so often he was "different."

This persistent choice of style over substance is the hallmark of the Carter administration. I believe that history will show that is a fatal weakness.

President Carter promised so much to so many groups as a candidate that he is spending much of his time coming up with public relations gimmicks and symbolic gestures to hide the fact that he really does not have any long range policy. I greatly fear that his hasty and improvised approach to welfare reform is based on that desire to appease his critics rather than on any carefully thought out programs of real reform.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XXV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

AUTHORIZING CERTAIN APPROPRIATIONS FOR TERRITORIES OF UNITED STATES, AND AMENDING CERTAIN ACTS RELATING THERETO

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6550) to authorize certain appropriations for the territories of the United States, to amend certain acts relating thereto, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. (a) Section 2 of the Act of June 30, 1954 (68 Stat. 330), as amended, is further amended by changing "and such amounts as were authorized but not appropriated for fiscal year 1975," to read "and such amounts as were authorized but not appropriated for fiscal years 1975, 1976, and 1977; and for fiscal year 1978 and each of the next succeeding four fiscal years $80,000,000 per annum;".

(b) Section 1 of the Act of March 21, 1972 (86 Stat. 87; 48 U.S.C. 1688), is amended by changing "SECTION 1" to "SECTION 1. (a)" and inserting at the end thereof the following new subsection (b):

"(b) To further promote economic development in the Trust Territory of the Pacific Islands, $5,000,000 is authorized to be appropriated to the Secretary of the Interior for payment, as a grant, to the Trust Territory Economic Development Loan Fund. All such appropriations shall be used in accordance with the provisions of this Act, but at least 50 per centum of the appropriations made available to the Fund pursuant to this paragraph shall be available only to assist qualified cooperative ventures.".

SEC. 102. Until the provisions of the covenant to establish a Commonwealth for the Northern Mariana Islands (90 Stat. 263) have been met and approved as required in section 1003(b) thereof, there is hereby authorized to be appropriated $13,515,000 for the government of the Northern Mariana Islands. When such conditions are met, the appropriations authorized in article VII, section 704, of said covenant shall become effective.

SEC. 103. In addition to amounts heretofore authorized, there are hereby authorized to be appropriated such amounts as may be necessary to fully satisfy all adjudicated claims and final awards made by the Micronesian Claims Commission for payment of 50 per centum of each award made under title I, and in full payment of the awards made under title II of the Micronesian Claims Act of 1971 (85 Stat. 96).

SEC. 104. For the rehabilitation and resettlement of Enewetak Atoll in the Trust Territory of the Pacific Islands there is hereby authorized to be appropriated $12,400,000 (July 1976 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved.

SEC. 105. (a) In addition to appropriations authorized to compensate inhabitants of Rongelap Atoll and Utirik Atoll in the Trust Territory of the Pacific Islands for radiation exposure sustained by them as a result of a thermonuclear detonation at Bikini Atoll in the Marshall Islands on March 1, 1954, pursuant to the Act of August 22, 1964 (78 Stat. 598), effective October 1, 1977, there are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this section and the Secretary of the Interior (hereafter in this section referred to as the "Secretary") is authorized and directed to make the payments as hereafter provided in this paragraph to individuals, or to their heirs or legatees as the case may be, who were on March 1, 1954, residents on Rongelap Atoll or Utirik Atoll in the Marshall Islands.

(1) The Secretary shall pay $25,000 to each such individual from whom the thyroid gland or a neurofibroma in the neck was surgically removed, or who has developed thyroid atrophy resulting in myxedema, or who develops a radiation-related malignancy, such as leukemia,

(2) The Secretary shall pay $1,000 to each individual who, on such date, was a resident on Utirik Atoll, and

(3) Where circumstances warrant, as he shall determine, the Secretary shall pay an amount not in excess of $25,000 as he determines to be an appropriate compassionate compensation to each such individual who has suffered any physical injury or harm from a radiation-related cause but who is not an individual described in paragraph (1) or (2).

(4) In addition to the payments provided in paragraphs (1), (2), and (3) of this subsection, the Secretary shall provide by appropriate means adequate medical care and treatment for any person who has a continuing need for the care and treatment of any radiation injury or illness directly related to the thermonuclear detonation referred to in paragraph (a) of this section.

(5) Not later than December 31, 1980, the Secretary shall report to the appropriate committees of the United States Congress for their consideration what, if any, additional compassionate compensation may be justified for those individuals continuing to suffer from injuries or illnesses directly related to radiation resulting from the thermonuclear detonation referred to in paragraph (a) of this section.

In the case of the demise of any individual entitled to receive payment under this section who expires before receiving such payment, the Secretary shall pay the amount which that individual would have been entitled to receive under this section to the heirs or legatees of such individual, in accordance with an appropriate method of distribution per stirpes, and not per capita, except that the parents, or their successors, of the deceased Lakoj Anjain shall be paid a total of $100,000.

(b) For the use of each of the island communities of Rongelap, Utirik, and Bikini Atolls there is authorized to be appropriated $100,000. Such funds are to be paid by the Secretary, in conjunction with guidelines to be established by the High Commissioner of the Trust Territory of the Pacific Islands, for such community purposes as the municipal councils of such island communities may direct.

(c) A payment made under the provisions of this section shall be in full settlement and discharge of all claims against the United States arising out of the thermonuclear detonation on March 1, 1954.

(d) The decisions of the Secretary in allowing or denying any claim for payment under this section shall be final and conclusive on all questions of law and fact and not subject to review by any other official of the United States, or by any court by mandamus or otherwise.

(e) The Secretary is authorized to make such rules and regulations as he determines necessary to carry out the provisions of this section.

TITLE II

SEC. 201. In order to minimize the burden caused by existing application and reporting procedures for certain grant-in-aid programs available to the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Government of the Northern Mariana Islands (hereafter referred to as "Insular Areas") it is hereby declared to be the policy of the Congress that:

(a) Notwithstanding any provision of law to the contrary, any department or agency of the Government of the United States which administers any Act of Congress which specifically provides for making grants to any Insular Area under which payments received may be used by such Insular Area only for certain specified purposes (other than direct payments to classes of individuals) may, acting through appropriate administrative authorities of such department or agency, consolidate any or all grants made to such area for any fiscal year or years.

(b) Any consolidated grant for any insular area shall not be less than the sum of all grants which such area would otherwise be entitled to receive for such year.

(c) The funds received under a consolidated grant shall be expended in furtherance of the programs and purposes authorized for any of the grants which are being consolidated, which are authorized under any of the Acts administered by the department or agency making the grant, and which would be applicable to grants for such programs and purposes in the absence of the consolidation, but the Insular Areas shall determine the proportion of the funds granted which shall be allocated to such programs and purposes.

(d) Each department or agency making grants-in-aid shall, by regulations published in the Federal Register, provide the method by which any Insular Area may submit (i) a single application for a consolidated grant for any fiscal year period, but no more than one such application for a consolidated grant shall be required by any department or agency unless notice of such requirement is transmitted to the appropriate committees of the United States Congress together with a complete explanation of the necessity for requiring such additional applications and (ii) a single report to such department or agency with respect to each such consolidated grant: *Provided*, That nothing in this paragraph shall preclude such department or agency from providing adequate procedures for accounting, auditing, evaluating, and reviewing any programs or activities receiving benefits from any consolidated grant. The administering authority of any department or agency, in its discretion, may (i) waive any requirement for matching funds otherwise required by law to be provided by the Insular Area involved and (ii) waive the requirement that any Insular Area submit an application or report in writing with respect to any consolidated grant.

TITLE III

SEC. 301. (a) There is hereby authorized to be appropriated to the Secretary of the Interior (hereinafter referred to as the Secretary), not to exceed $15,000,000 for a grant to the Government of Guam to assist in typhoon rehabilitation, upgrading and construction of public facilities, and maintenance of essential services.

(b) Funds provided under this Act may be used by Guam as its matching share for Federal programs and services.

(c) The Government of Guam in carrying out the purpose of this Act may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the United States Government on a reimbursable basis. Reimbursements may be credited to the appropriation or fund which provided the services and facilities. Agencies and instrumentalities of the United States Government may, when practicable, make available to the Government of Guam upon request of the Secretary such services and facilities as they are equipped to render or furnish, and they may do so without reimbursement if otherwise authorized by law.

(d) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to section 301 (a).

SEC. 302. Section 2 of the Guam Development Fund Act of 1968 (82 Stat. 1172; 48 U.S.C. 1428) is amended by changing "SEC. 2." to "SEC. 2. (a)" and adding at the end thereof the following new subsection (b):

"(b) In addition to the appropriations authorized in subsection (a), $1,000,000 is authorized to be appropriated to the Secretary of the Interior to be paid to the Government of Guam annually for five fiscal years commencing in fiscal year 1978 to carry out the purposes of this Act.".

SEC. 303. The Organic Act of Guam (64 Stat. 394) as amended (48 U.S.C. 1421 et seq.) is further amended:

(a) by changing section 9–A to read as follows:

"SEC. 9–A. Effective October 1, 1977, the office of the government comptroller for Guam is abolished. The Comptroller General of the United States shall assume such functions of the government comptroller as he deems necessary and appropriate with respect to the interest of the Government of the United States, may audit any accounts or review and recommend adjudication of any claims pertaining to the revenue and receipts of the Government of Guam where the interest of the Government of the United States is involved. In order to effectuate the provisions of this section, the Comptroller General may make such rules and regulations as he deems necessary to carry out such functions and duties and may delegate such responsibilities as he deems appropriate to other officers or employees of the General Accounting Office. The application of this section may be suspended by the Secretary year by year: *Provided, however*, That the Government of Guam is relieved of the responsibility to pay for such Comptroller costs subsequent to September 30, 1977.".

(b) by changing the period at the end of section 31(a) to a colon and inserting the following: *"Provided*, That notwithstanding any other provision of law, the Legislature of Guam may levy a surtax on all taxpayers in an amount not to exceed 10 per centum of their annual income tax obligation to the Government of Guam.".

SEC. 304. (a) For the purpose of providing equitable compensation to persons who claim to have owned an interest in real estate in Guam which was acquired between July 21, 1944, and August 23, 1963, by the United States at less than fair market value, and in order to quiet such claims, effective October 1, 1977, $5,000,000 is authorized to be appropriated to the Secretary of the Interior (hereinafter referred to in this section as the "Secretary") who shall make ex gratia payments to promptly satisfy such claims as he determines to be just and reasonable.

(b) To carry out the purposes of this section, the Secretary shall give appropriate public notice of the provisions of this title; shall advise persons who may be entitled to file claims pursuant to its provisions of their rights; shall give appropriate public notice of the time when, the place where, and the manner in which any aggrieved person, his heirs or legatees may enter his claim; shall provide reasonable assistance in the preparation and filing of such claims; shall establish the time limit within which all claims must be filed and specifically barring all subsequent claims from consideration under the provisions of this Act; shall before making any disbursement hereunder, take appropriate action to protect the rights and interests of all persons entitled to participate in any claim, assure the full and complete release of such claims against the United States, and secure such additional documentation as he deems necessary to perfect the title of the United States in the parcel of real estate involved so as to resolve and forever quiet such claims; and shall make whatever other rules and regulations he deems appropriate to assure the prompt, fair, and complete consideration of all such claims against the United States.

(c) To assist in the determination of any claim against the United States, the Secretary or any person he may designate pursuant to this section, may request, and the agency or department of the Government of the United States involved shall, to the best of its ability, deliver any documents, records, and writings which are pertinent to any claim which he has under review.

(d) In order to arrive at a just and equitable settlement of such claims, the Secretary may designate appropriate employees of the Department of the Interior to hear evidence relating to the claim, to examine records, to prepare a summary of testimony and other evidence and requests in connection with each such claim, and to recommend appropriate disposition thereof to the Secretary. As promptly as possible after receiving such information the Secretary shall determine what compensation, if any, should be paid to satisfy the claim, shall notify the claimant of his decision, and shall make whatever ex gratia payment, if any, he determines to be just and equitable. The decision of the Secretary shall be final and conclusive insofar as payments under this section are concerned on all questions of law and fact relating to such claim and shall not be subject to review by any other official, department, or agency of the United States, or by any court by mandamus or otherwise.

(e) When all claims have been determined, the Secretary shall prepare and submit to the Congress of the United States a summary of the actions taken, together with a listing of all claims showing the amount of each claim and the amount of the award, if any.

TITLE IV

SEC. 401. (a) Section 17 of the Revised Organic Act of the Virgin Islands (68 Stat. 504) as amended (48 U.S.C. 1599) is further amended as follows:

"SEC. 17. Effective October 1, 1977, the office of the government comptroller for the Virgin Islands is abolished. The Comptroller General of the United States shall assume such functions of the government comptroller as he deems necessary and appropriate with respect to the interest of the Government of the United States, may audit any accounts or review and recommend adjudication of any claims pertaining to the revenue and receipts of the Government of the Virgin Islands where the interest of the Government of the United States is involved. In order to effectuate the provisions of this section, the Comptroller General may make such rules and regulations as he deems necessary to carry out such functions and duties and may delegate such responsibilities as he deems appropriate to other officers or employees of the General Accounting Office. The application of this section may be suspended by the Secretary year by year: *Provided, however*, That the Government of the Virgin Islands is relieved of the responsibility to pay for such Comptroller costs subsequent to September 30, 1977.".

(b) Section 9(d) of the Revised Organic Act of the Virgin Islands (68 Stat. 497; 48 U.S.C. 1541 et seq.) is amended by inserting immediately before the period at the end thereof the following: ", unless the legislature, after reconsideration upon motion of a member thereof, passes such items, parts, or portions so objected to by a vote of two-thirds of all the members of the legislature."

TITLE V

Sec. 501. Effective on the date of enactment of this Act, the laws which are referred to in section 502(a)(1) except for "the Micronesian Claims Act as it applies to the Trust Territory of the Pacific Islands" and "section 228 of title II and"; and section 502 (a)(2) except for the words "which are applicable to Guam and" of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by the joint resolution approved on March 24, 1976 (90 Stat. 263), shall be applicable to the Territory of Guam and the Virgin Islands on the same terms and conditions as such laws are applied to the Northern Mariana Islands.

Sec. 502. (a) Effective October 1, 1977, the Secretary of the Interior is authorized to make separate annual grants to the Government of American Samoa, the Government of Guam, and the Government of the Virgin Islands for the operation of such Governments. The annual grant to the government of a particular possession shall be in an amount necessary to offset the annual income tax revenue losses incurred by the Government of each of the territories by reason of the provisions of the Tax Reduction Act of 1975 (89 Stat. 26) and the Tax Reform Act of 1976 (90 Stat. 1525). Such amounts shall be paid by the Secretary of the Interior every three months upon certification to him by the Secretary of the Treasury of the amounts due each territory.

(b) Effective October 1, 1977, there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section.

The SPEAKER. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. Phillip Burton) will be recognized for 20 minutes, and the gentleman from Maryland (Mr. Bauman) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Phillip Burton).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of the bill, H.R. 6550, is to provide for the more pressing needs which confront one or all of our offshore areas at this time. Because of the variety and number of matters to be dealt with, the bipartisan membership of the Subcommittee on National Parks and Insular Affairs, as well as the full Interior Committee, decided to deal with the situation in an overall omnibus-type bill.

I must acknowledge particularly the help and assistance of my colleagues from California, the ranking minority member of our subcommittee, Don Clausen, as well as the consistent hard work and attention to territorial matters which is always given by our colleague, Bob Lagomarsino, Similar bipartisan assistance is also provided by our ranking full committee minority member, Congressman Joe Skubitz and his fellow Kansan, Keith Sebelius. A new member of our subcommittee, Congressman Lamar Gudger, also contributed a great deal to our consideration of this legislation by the suggestions wihch were the product of his keen and resourceful legal mind. And once again, our colleagues from the Virgin Islands and Guam—Ron de Lugo and Tony Won Pat—were of invaluable assistance with their deep knowledge and sensitive understanding of the needs of their people.

I would also want to commend the Republican counsel, Mr. Tom Dun, and the majority counsel for our subcommittee, Mr. Adrian Winkel.

In that connection, this may be the last bill that Mr. Winkel may be participating with us. He has just been named by President Carter—and his name has been submitted to the Senate for confirmation—to the position of High Commissioner of the Trust Territories of the Pacific.

Adrian is a most intelligent, hard working, and knowledgeable person.

I have never known a more decent human being and I am sure that I speak for all of my colleagues in wishing him and his charming wife, Isabel, well in their new challenge and responsibility.

One of the basic goals of this bill is to provide the maximum degree of flexibility of decisionmaking to the departmental and territorial administrators of the insular areas, without sacrificing Congress right to authorize, appropriate, and oversee. Within this context, the bill reauthorizes such sums as were previously authorized but not appropriated in fiscal years 1976 and 1977 for the operation of the Trust Territory Government. Similarly, the basic budget authorization for the Trust Territory Government is pegged at $80,000,000 for 5 fiscal years, beginning in fiscal year 1978. This period covers what may be the last 5 years of the trusteeship, if the administration meets its goal of terminating the trusteeship in 1981 or 1982. Thus, the 5-year authorization will provide assurance to the administration and the Trust Territory Government of a basic budget, with only adjustments having to be asked for as time and events may require.

Flexibility of administrative action is also provided for the territorial administrators by extending to the insular areas some of the elements of the principle of bloc grants. Title II of the bill authorizes any department or agency head who administers one or more categorical grant-in-aid programs which apply to one or more of the territories to consolidate any or all of such programs into one bloc grant to the territory. The bloc grant must at least equal the total sum of the consolidated programs, and the territorial administrators may distribute the funds as they see fit within the general subject area to which the individual grants applied.

In a similar vein, the Legislatures of Guam and the Virgin Islands are provided with more legislative autonomy. The Organic Act of Guam is amended to give the legislature authority to levy a surtax on all taxpayers not to exceed 10 percent of their annual income tax obligation, and the Organic Act of the Virgin Islands is amended to give the legislature authority to override line-item vetoes by the Governor of appropriation bills.

A second element of this bill consists of provisions for contributing to the development of the territorial economies. For example, the Trust Territory economic development loan fund, established by Congress in 1971, is continued by this bill, and $5,000,000 is authorized for that purpose, with the provision that at least 50 percent of the funds must be made available to assist qualified cooperative ventures. A similar program previously established by Congress for Guam is also extended for 5 years with the authorization of an appropriation of $1,000,000 per year.

The adverse impact on Government revenues and the resulting reduction of Government expenditures in the Virgin Islands, Guam and American Samoa is offset by a provision of the bill which authorizes the Secretary of the Interior to make annual grants to the Governments of Guam, the Virgin Islands, and American Samoa to offset the loss of income tax revenues to those governments caused by the provisions of the Tax Reduction Act of 1975 and the Tax Reform Act of 1976.

A third major element of H.R. 6550 is people-oriented, particularly to those residents of the trust territory who suffered losses from the impact of World War II and its postwar period, or from the consequences of the nuclear weapons testing conducted by the United States during the 1950's in the Marshall Islands.

For example, the amounts previously authorized for Micronesian war claims is $24,000,000 short of the U.S. share of the actual awards on claims as adjudicated by the Micronesian Claims Commission. Equity requires that such just claims be paid and this legislation authorizes such sums as are necessary to pay in full the awards as determined by the Claims Commission.

Similarly, $12,400,000 is authorized for the rehabilitation and resettlement of Enewetak Atoll. Those islands were vacated in 1947 and used for 10 years by the United States for nuclear weapons testing. The program provided for will permit the people to return to their centuries-old home, 30 years after their evacuation.

Also related to nuclear bomb testing is the authorization of a schedule of compassionate payments to residents of Rongelap and Utirik Atolls who continue to suffer from radiation exposure resulting from the thermonuclear detonation of March 1, 1954. The payment of the cost of continuing medical care is also provided for, as well as one-time payments to be made to the communities of Rongelap, Utirik, and Bikini for community purposes.

As approved by the administration, $15,000,000 is authorized to assist in typhoon rehabilitation and maintenance of essential services in order to relieve the people of Guam of the effects of the typhoon of 1976 to the maximum extent possible.

Also, ex gratia payments are authorized to be made to those people of Guam who claim to have owned an interest in real estate in Guam which was acquired by the U.S. Government at less than fair market value. The Secretary of the Interior is required to establish procedures and regulations he considers necessary and appropriate for assuring prompt, fair, and complete consideration of such claims.

Finally, in the category of people-oriented provisions, section 501 of this bill extends to the Virgin Islands and Guam some of those laws which are made applicable to the Northern Mariana Islands by section 502(a)(1) and section 502(a)(2) of the covenant to establish a Commonwealth of the Northern Mariana Islands (90 Stat. 263).

Mr. Speaker, H.R. 6550 is a well balanced bill which attempts to provide for the governmental, economic, and social needs of the offshore areas for which we are responsible. As I stated at the outset, it has had unanimous bipartisan support in our subcommittee and full committee, and I urge its approval by the House in the same unanimous bipartisan spirit.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I note that in the authorization for Enewetak Atoll, there is an item of $12.4 million for use by the Department of the Interior in the rehabilitation of the atoll. That is a matter that the House has considered in prior years. In the fiscal year 1977 appropriation the Committee on Appropriations provided $20 million for the work of rehabilitation and resettling Enewetak Atoll, with the stipulation that this amount would constitute full payment for the cleanup of the atoll.

The Department of the Interior also has responsibilities, in this connection. These were not included in the costs which were met last year. When this matter was first presented to Congress, it was estimated that the total cost would be more than $50 million for a population of something more than 400 individuals.

Mr. Speaker, will the gentleman now or in his extension of remarks give us more detail on the total that is anticipated will be required for the combined undertaking?

Mr. PHILLIP BURTON. Mr. Speaker, in answer to the gentleman's question, this bill was forwarded to the committee by the administration in the amounts the administration asked for. One of the reasons assigned to the administration request was to integrate that aspect, which is clearly not the responsibility of the Department of the Interior alone, with the effort being made by the Department of Defense, to the end that there would be a conjoining of this effort, producing a lower full cost than there would be if the Department of Defense went ahead on its own and the Department of the Interior came down after the DOD rehabilitation had been completed.

Mr. SIKES. If the gentleman will yield further, the Department of Defense now has $20 million to devote to this undertaking. There is today a request for authorization of an additional $12 million. That would be a total of $32 million. I would like to be assured this is not contrary to the spirit of the agreement reached last year on the total requirements for the project.

Can the gentleman tell us whether this is to be the total amount or whether there will be subsequent requests?

Mr. PHILLIP BURTON. This bill was first sent to us by the Ford administration, and the decision was made to wait until the DOD suggestion also came in so that they would be coordinated.

After the Armed Services and Appropriations Committees acted, the administration resubmitted this proposal to us; and on the premise that by having these matters set simultaneously, hand in hand, if you will, it would cost less money than going ahead separately, the committee authorized the legislation.

I am unaware, in more direct response to the gentleman's question, that there is any more spending authority requested. There has been none brought to my attention during the 2 or 3 years that this matter has been before our subcommittee; and I am operating on the assumption that this cleans up the situation.

Mr. SIKES. If the gentleman will yield further, the original total request was in excess of $50 million, a sum to which the Congress objected very strongly.

I realize that we are committed to rehabilitation and restoration of the atoll so that the natives can return to their homes but I am concerned about the total cost.

Mr. Speaker, I just want to caution that we not find we are by increments working back up to the $50 million figure, which was thought to be exorbitant when we first started to discuss the matter 3 years ago.

Mr. PHILLIP BURTON. Mr. Speaker, I share the gentleman's concern.

Partly for that reason, we delayed authorizing this matter for about 3 years; but I am strongly advised that if we do not authorize this matter now, we are going to increase the cost of a program which has already been agreed upon.

However, I am unaware of any after-the-fact added authorization from the Department of the Interior end.

Mr. SIKES. Mr. Speaker, I know that the gentleman has given us the benefit of the information at his disposal; and presumably, if there were to be follow-on requests, it would have been noted in the areas of the information supplied to him.

Mr. PHILLIP BURTON. I would have assumed that if the Department felt that this was just one of a series or a piece of an overall authorized amount, they would have had the responsibility to come to us and say so at the time of this request. I think they would have said that this is only a part, rather than all, of the Department of the Interior's responsibility.

Mr. SIKES. Mr. Speaker, I appreciate the distinguished gentleman's comments.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I have some questions to ask the gentleman from California, Mr. PHILLIP BURTON.

First let me say that I am puzzled in that title I on page 2 of the bill says:

> . . . and each of the next succeeding four fiscal years $80 million per annum.

I am not sure where this is going.

Mr. PHILLIP BURTON. Mr. Speaker, in response to the inquiry of the gentlewoman from New Jersey let me say that for the last 3 or 4 years we have authorized $80 million for administering all of the affairs of the Pacific Trust Territories. This is a continuation of that authorization.

Mrs. FENWICK. But it does not seem to cover it because in addition for the Northern Mariana Islands they will get $13 million.

Mr. PHILLIP BURTON. That is correct, because the Northern Mariana Islands are in a transition stage, where, although they are already a part of the American family, they are moving into a separate administration and the administration advises me that there is some risk that we may have a hiatus, if you will, in support for them, and they asked for this clarification.

Mrs. FENWICK. Would that not come out of the $80 million a year, this $13 million? Why is it added on? Even if this is a transition period, why do they not take it from the $80 million?

Mr. PHILLIP BURTON. We have had the figure of $80 million for about 4 years now. I am sure the gentlewoman from New Jersey understands that we have had a rather dramatic increase in what a dollar will buy in that period of time.

Mrs. FENWICK. Is this for administrative costs, or for projects, or for what?

Mr. PHILLIP BURTON. The entire operation of the trust territories. There are some 3,000 islands and some 5 or 6 districts. They have just recently redesigned one of the districts, 6 districts consisting of all of Micronesia. This includes, if we were to consider this area as all part of one land mass, it represents an area greater than that from San Diego to Bangor, Maine. With that multiplicity in areas within which to build the basic infrastructure such as sewers, roads, and the like, it is considerably more expensive than if this land area was all in one continguous piece.

Mrs. FENWICK. So this is mostly for administration?

Mr. PHILLIP BURTON. No; it is for schools.

Mrs. FENWICK. I understand.

Mr. PHILLIP BURTON. It is for health,

Mrs. FENWICK. Is it for education?

Mr. PHILLIP BURTON. It is for education. It is for roads, sewers, all of the great variety of things that enter into providing and extending the necessary services to the people who are the inhabitants.

Mrs. FENWICK. I ask this because I notice on page 3 it says:

> . . . such amounts as may be necessary to fully satisfy all adjudicated claims and final awards made by the Micronesian Claims Commission. . . .

And then we have another $12 million for Enewetak Atoll.

Mr. PHILLIP BURTON. That is correct.

Mrs. FENWICK. And then we have the compassionate payments which, as I understand it, grants $25,000 to those people who have suffered injury from the radiation.

Mr. PHILLIP BURTON. That is correct.

Mrs. FENWICK. And, in addition there is $1,000 to each individual who, on that date was a resident there, whether or not he or she suffered injury.

Mr. PHILLIP BURTON. Those two items were requested by this administration. As I recall, those figures were essentially agreed upon by the last administration as well.

Mrs. FENWICK. So because you were there as a resident you would get something, even if you were not ill?

Mr. PHILLIP BURTON. That is correct, in very other-simplified terms, I would say the answer to that question would be yes.

Mrs. FENWICK. So that even if they did not get hurt, they would be paid. I am a little bit amazed that such continuing sums seem to be necessary.

Then I notice that for Guam we seem to be appropriating $15 million because of the hurricane or the typhoon, which certainly seems all right but, in addition to that, we have quite a large appropriation of $1 million annually for 5 fiscal years that will be paid out by our Government. In addition to that, we have the $5 million appropriated to satisfy claims for property that might have been bought below cost.

Mr. PHILLIP BURTON. Let me say that this was done in the old days in Guam, it was worked out entirely by the Navy and there is some thought that perhaps the negotiations entered into in this devastated area right after World War II may not have been as equitable or in conformity with the kind of standards of justice that we strive for in this country.

I might point out to the gentlewoman from New Jersey that I would share her concern because at first sight there seems indeed to be an awful long time after the fact that we are now doing what we should have done some 25 years ago. I fully agree with that.

We have had these nuclear tests out there. There has been an effort, but by and large working with the Congress and working on Micronesia, this has been deemed to be an acceptable treatment of the situation. That being the case, one can hardly say we have acted in haste to have dealt with this problem at this time.

Mrs. FENWICK. I think that is correct.

If I may ask the gentleman another question, if I am not asking too many, this whole area which the gentleman describes as being comparable to the area from San Diego to Bangor, what are our responsibilities there? Is that a trust territory?

Mr. PHILLIP BURTON. Yes.

Mrs. FENWICK. So that some day we will be able to say: "No more $80 million a year because you are on your own"?

Mr. PHILLIP BURTON. We are trustees for these areas for the United Nations, these areas taken during World War II. This is a unique trust. It is one where the trustee has a unilateral authority, if I may say, on whether or not to continue the trust or to acquiesce in the Security Council revision of the status. There have been negotiations taking place over the last 10 or 12 years with varying degrees of success and lack thereof. It was anticipated this matter would have been resolved by about this time. It simply has not been.

Our Government has indicated a target effort to have this entire matter behind us hopefully by 1981 or 1982.

Mrs. FENWICK. We will no longer be the trustees for this territory, we hope?

Mr. PHILLIP BURTON. That is subject to the independently determined will of the people of Micronesia and the judgment made with reference to our country in that respect.

Mrs. FENWICK. How does this happen, if my distinguished colleague does not mind? Does the person who is the trustee have the right to free himself of the obligation of being the trustee?

Mr. PHILLIP BURTON. No; we have a right to continue our involvement and responsibilities if we see fit. As the gentlewoman may recall, in World War II we had a number of islands that were the scene of armed conflict over some years. At the end of the war our Government felt it better to have these islands put under American trusteeship rather than under the Japanese and Germans as they had been in the immediate past, the point being we had some security interest in the immediate post-World War II period, in continuing to administer the affairs of this area.

Mrs. FENWICK. Are we subject to the decisions of others as to whether we remain or can we make that decision ourselves?

Mr. PHILLIP BURTON. As I understand it, uniquely of U.N. trusteeships, in this one we have the right to exercise a veto over any judgment or oppose any judgment we think inimicable to the people of the area.

Mrs. FENWICK. And so we can leave when we want to?

Mr. PHILLIP BURTON. The issue has never quite been framed in those terms.

Mrs. FENWICK. I understand.

Mr. BAUMAN. Mr. Speaker, I rise in support of the bill H.R. 6550.

I want to pay a special word of tribute to my colleague, the gentleman from California (Mr. Phillip Burton), the chairman of our subcommittee. Although we have deep and abiding differences politically and philosophically, not only does the gentleman represent his area of California well, but in many ways he serves as the representative of those who reside in the trust territories and he carries out this responsibility very well.

Mr. Speaker, this is an omnibus bill, authorizing funds for the upkeep of America's offshore areas, as well as financial relief for those Micronesians harmed in the aftermath of World War II or impaired as a result of U.S. nuclear testing in the Pacific.

The bill is comprehensive, representing a bipartisan, concerted effort. The amount of funds to be authorized have previously been approved by the committee in last month's report to the Budget Committee and are prudent, especially in light of America's vast responsibilities, both in the Pacific and Caribbean.

I commend my fellow members of the subcommittee for taking the initiative in drafting, introducing, and perfecting this legislation. In most aspects, H.R. 6550 parallels what the administration would have recommended if a position could have been formulated. Unfortunately, the bureaucratic jungle has become so thick downtown that it is apparently impossible for innovative, comprehensive legislative proposals to emerge. In this instance, without responsive action on the part of our committee, America's responsibility for the offshore areas would have faltered, awaiting action by the administration.

Therefore, without reservation, Mr. Chairman, I support H.R. 6550 and encourage my colleagues to do likewise.

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 6550. It is an omnibus bill, which provides for flexibility in the administration of America's offshore areas. The bill not only authorizes funds for the upkeep of the territorial governments but provides for the humanitarian relief of Micronesians subjected to the perils of nuclear testing.

The bill represents a bipartisan approach in the solution of America's territorial problems. The amount of funds to be authorized are prudent and in many instances are based upon recommendations of the administration.

I commend the initiative of the subcommittee for drafting, introducing, and perfecting this legislation. It is innovative in its measures, comprehensive in its scope, and a landmark in territorial legislation.

Therefore, without reservation, Mr. Speaker, I support H.R. 6550 and encourage my colleagues to do likewise.

Mr. WON PAT. Mr. Speaker, I rise to voice my support of H.R. 6550, which was introduced by my good friend and chairman, of the Territory Subcommittee, Congressman Burton.

I must state from the outset that I feel that this bill is long overdue. It encompasses many of the problems Guam, the Virgin Islands, and the trust territory have been having. Speaking on behalf of the American citizens of Guam, we are extremely fortunate to have Phillip Burton chairing this committee. He has consistently shown great sympathy for the people who live in these territories and this comprehensive and farsighted piece of legislation is living proof of his desire and dedication to rectify some major inequities that have hampered our development.

Because of a shortage of time I will keep my comments today as brief as possible by commenting only on those sections which apply to Guam.

Title II which authorizes the consolidation of various categorical grants within each Federal agency will go a long way toward helping us make the most effective use of Federal funds. At present, many Federal grant programs impose an awesome burden on our local agencies in the areas of reporting, guidelines, and general procedures. I know that the Members here are familiar with complaints about Federal guidelines from officials in their own State governments. Imagine then, how much more imposing and restrictive these are to territorial governments which are basically new to the grants game and have much to learn? Further, by permitting a consolidation of these grants, territorial governments will be in a greatly improved position to utilize such funds in a manner most expeditious to our unique needs which often do not conform to stateside needs.

Title III is an omnibus section which responds to many of the problems in Guam which I myself have been addressing for years. The first section, (301), provides authorization for $15 million to help Guam recover from the disastrous effects of Typhoon Pamela, which struck the island last year causing some $500 million in damage. This section has the full approval of the Department of the Interior and the Bureau of the Budget, and, if approved, will certainly provide Guam with badly needed funds to continue our restoration efforts on public facilities.

The next section, 302, provides continued funding for what I regard as one of the most valuable programs in operation in Guam. I refer to the Guam Development Act which I was successful in having Congress adopt in 1968. The program provides the Government of Guam with grants which it in turn loans out to local businesses. The result has been a firm commitment by island businessmen to American style capitalism and provides a source of development funds in an otherwise hard pressed economy.

Section 303 eliminates the Office of Guam's Federal Comptroller by placing such duties on the U.S. Comptroller General. While I have no personal objection to the Federal Government auditing the books of federally funded programs, I do object to the present situation which requires that the people of Guam pay for the cost of the Comptroller's Office. Such a thing is unheard of here in the States. Last fiscal year, Guam spent $600,000 to pay for the Comptroller's Office. Section 303 would eliminate both the need for Guam to continue this unfair burden and put the auditing function where it belongs: with the GAO or the Department of the Interior.

Section 304(a) and all following sections under title III of the bill deal with one of the most pressing and sensitive issues affecting Guam and one which I personally have urged congressional action on for many years. The issue at stake is Federal land takings on Guam following World War II. I have evidence and testimony which clearly shows that much of the land presently in Federal hands on the island was obtained in an unfair manner. The individual landowners who had just escaped from 3 years of occupation by Japanese forces were coerced by unjust methods, if not often downright cheated, out of their land by representatives of this Government. I have repeatedly had legislation to correct this grievous problem introduced since 1970 and would be very grateful if this section of H.R. 6110 is approved by the Congress. What section 304(1) does is to provide $5 million from which the Secretary of the Interior will provide equitable compensation to those individuals on Guam who can prove that they were unjustly compensated for such properties. The resolution of this problem would be of considerable value toward ending the biggest single cause of hard feelings between the people of Guam and the Federal Government.

Section 501 urges that the supplemental security program better known as SSI, be extended to our island and the Virgin Islands. The success of this action would eliminate three outdated public assistance programs and put our areas on an equal footing with the States in public assistance programs.

Section 501 follows the thrust of my own legislation, H.R. 4998, which also seeks to extend SSI to Guam and the Virgin Islands. The House has twice previously adopted such legisation only to run into problems with the Senate. I believe that with the change in the White House, perhaps this section can overcome former problems and put our two territories in a much better position to provide our people with adequate public assistance benefits.

Finally, section 502(a) calls for the Secretary of Interior to make grants to Guam, the Virgin Islands, and American Samoa to reimburse each government for income tax revenues lost due to the provisions of the Tax Reduction Act of 1975 and the Tax Reform Act of 1976. The money for such reimbursements is provided in the Supplemental Appropriations Act, H.R. 4877, which just cleared a joint conference. All that is needed for full approval is this authorization.

Again, I express my deep appreciation to our chairman, Mr. BURTON, for his continuous interest in the affairs of the territories and urge my colleagues to support it.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of H.R. 6550. It is an innovative bill, providing not only housekeeping funds to administer the offshore areas, but a formula whereby those Federal agencies furnishing grants-in-aid may—at their discretion—consolidate any or all payments earmarked for the territories. For years, I have recognized the need to provide such flexibility in territorial government, whose insular environment presents local problems, often significantly different than those confronted by local governments here on the mainland. It is with pride, therefore, that I cosponsor this bill, anticipating that the Federal agencies will seize the ball and carry on the initiative which we in Congress have afforded them in assisting America's overseas territories.

Also, the humanitarian aspects of H.R. 6550 should not be overlooked. For example, the bill authorizes typhoon relief for the Guamanians whose island was devastated last year by one of the most severe tropical storms of the century. In addition, ex gratia payments are authorized for those Marshallese accidentally exposed to radiological fallout during U.S. nuclear testing on Bikini Atoll. Further, rehabilitation funds for the islanders, who were removed from Enewetak prior to that atoll's designation as a U.S. nuclear test site, have been afforded. Lastly, full payment on adjudicated Micronesian claims steming out of World War II is authorized.

Accordingly Mr. Chairman, I do not hesitate to urge my colleagues to lend their full support in passage of H.R. 6550.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 6550. H.R. 6550 is a territorial omnibus bill, authorizing funds for the administration of the Trust Territory of the Pacific Islands; for typhoon relief on Guam; for ex gratia payment of adjudicated property claims lodged by Guamanians against the Federal Government; and for annual grants to compensate the offshore areas for losses in governmental income resulting from the Tax Reduction Act of 1975 and the Tax Reform Act of 1976. The bill also abolishes the Interior Departmental Comptrollers on Guam and the Virgin Islands. Moreover, the bill provides departmental discretion to those Federal agencies furnishing grants-in-aid to the territories—Puerto Rico excepted—to consolidate any of all payments.

Last, the legislation provides that Federal law made applicable to the Northern Marianas by provisions of the covenant, with some exceptions, will be applicable to Guam and the Virgin Islands on the same terms.

H.R. 6550 is a comprehensive bill, initiated by the Subcommittee on Territorial and Insular Affairs to meet long-term needs of America's offshore areas. Contrary to procedures of the past, where Congress relied upon the administration to proposed piecemeal legislation; this year, Congress has taken the lead to develop a territorial omnibus bill. The measure before you represents our best judgment rendered on a bipartisan basis, to meet the financial and humanitarian obligations of Americans living in the offshore areas.

Accordingly Mr. Speaker, I ask my colleagues to support H.R. 6550.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill H.R. 6550, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3(b), rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

AMENDING THE ACT OF JUNE 3, 1960 (74 STAT. 156), AUTHORIZING THE SECRETARY OF THE INTERIOR TO CONSTRUCT THE SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R.

4390) to amend the Act of June 3, 1960 (74 Stat. 156), authorizing the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, California, as amended.

The Clerk read as follows:

H.R. 4390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated for fiscal year 1978, and to be committed for expenditure by the Secretary notwithstanding any other provision of law or contract, the sum of $31,050,000 for continuation of construction of distribution systems and drains on the San Luis Unit, Central Valley Project, California. No funds shall be expended by the Secretary prior to his obtaining a pledge of the Board of Directors of the Westlands Water District, and any other affected districts, indicating their intention to repay costs associated with construction authorized by this Act.

SEC. 2. (a) The Secretary—of the Interior (hereinafter referred to as the "Secretary") shall, within thirty days after enactment of this section, establish a task force to review the management, organization, and operations of the San Luis Unit to determine the extent to which they conform to the purposes and intent of the Act of June 3, 1960 (74 Stat. 156) and the Act of June 17, 1902 (32 Stat. 388). The task force, in conducting its review, shall hold no fewer than three public hearings, at least two of which shall be held within the State of California. Members of said task force shall include, among others, the Commissioner of Reclamation, the Assistant Secretary of the Interior for Land and Water, the Solicitor of the Department of the Interior, the Comptroller General of the United States, or their representatives, members of the general public, representatives of the State of California, and the Westlands Water District. The Secretary shall appoint a task force chairman who shall set the dates of hearings, meetings, workshops, and other official task force functions in carrying out the purposes of this Act. The Secretary is authorized and directed to finance from funds available to him the reasonable expenses of the task force created by this section. The task force shall dissolve on January 1, 1978.

(b) The task force shall submit to the chairmen of the House Committee on Interior and Insular Affairs, and the Senate Committee on Energy and Natural Resources, no later than January 1, 1978, a report on the San Luis Unit, including—

(1) a detailed accounting of funds expended for planning or construction of facilities utilized by landowners within the San Luis Unit, and the specific legislative authority for each feature of the project;

(2) an analysis of the compatibility of the present design and plan of the San Luis Unit with the original feasibility report, environmental impact statement, and cost estimates;

(3) an analysis of existing repayment obligations, including rates and types of repayment, the duration of repayments, and the desirability of maintaining present repayment timetables or of modifying them in order to ensure that an equitable burden of repayment falls on all project beneficiaries;

(4) a review of the contractual commitments for water delivery to water districts of the unit, and the development of new methods for calculating and, on a periodic basis, recalculating, all future water service charges;

(5) the fiscal and future environmental impacts of the completion, under current plans, of the San Luis interceptor drain north of Kesterson Reservoir, and recommendations as to the feasibility of implementing alternative uses of waste water such as reclamation for agricultural or industrial re-use;

(6) a procedure to provide greater public awareness of and participation in the design and review of future water delivery contracts by all potentially affected parties by means of public notice and the opportunity for a public hearing;

(7) the adequacy of present levels of authorization for completing the unit and recommendations for funding such completion, such as indexing of authorization or periodic reauthorization;

(8) the record of enforcement of the requirements concerning the disposition of excess lands by persons receiving Federal water or major project benefits, and the residency requirement of the Act of June 17, 1902 (32 Stat. 388), to the extent required by law, and an evaluation of the success of the project in fostering family farms, including the adequacy of present legislation and departmental rules and regulations pertaining to these provisions;

(9) the impact of the commitment of water from the Sacramento-San Joaquin Delta in excess of that obligated in the existing long-term contract, for delivery to the unit under future contracts;

(10) the fiscal and agricultural impacts of extending the project to encompass federally constructed ground water integration operations.

SEC. 3. Neither the Secretary nor any of his representatives shall approve any amendatory or interim contract on the San Luis Unit, or any other contract modifying the current water service contract of June 5, 1963 (contract numbered 14–06–200–495–A) or the current repayment contract of April 1, 1965 (contract numbered 14–06–200–2020–A) prior to the completion of the report of the task force required in section 2 or January 1, 1978, whichever occurs first. No such contract shall be approved by the Secretary or his representative prior to its submission to the Congress for a period of not more than ninety days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a date certain).

SEC. 4. Nothing in this Act shall affect any litigation initiated prior to the date of enactment.

The SPEAKER. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Washington (Mr. MEEDS) and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in order to appreciate the need for this specific legislation at this time, I think a little background of the San Luis Unit of the Central Valley Project, California is in order.

The San Luis Unit, of the Central Valley Project, California, was authorized to be constructed by the Secretary of the Interior. At the time of authorization, the project was visualized as comprising two elements: major dams, reservoirs, pumping plants, and canals; and distribution systems and drains to provide surface water for irrigation to more than one-half million acres of land on the west side of the San Joaquin River Valley in central California.

Appropriations were separately authorized for the two above-identified elements. In the case of the major facilities, the sum of $290,430,000 with customary language enabling upward or downward revisions as justified by changes in price indexes. This procedure is commonly referred to as indexing for inflation. Appropriations authorized for distribution systems and drains were limited to the sum of $192,650,000 without the customary provisions for indexing.

The San Luis Unit has been under construction for approximately 15 years, during which time the major facilities, hereinabove discussed, have been completed and placed in service. The unit furnishes water services to two entities organized under California law; the Westlands Water District and the San Luis Water District. The former district embraces the majority of the irrigable land in the unit and is frequently equated with the unit.

Water service and repayment contracts have been entered into between the Secretary of the Interior and the Westlands Water District. The repayment contract obligates the Secretary to construct the distribution and drainage system at a cost not to exceed the stated amount and requires the Westland Water District to repay this total cost at stipulated terms and conditions.

As development of the unit has proceeded over the past decade or more, changes in the plan of development and operation have indicated the desirability of updating and amending both the water service and repayment contracts and a single instrument combining and merging the contracts was negotiated in 1975. This instrument has not yet been executed for a variety of reasons.

Observers of this program over the years have developed major concerns with various aspects of the management of the program. These concerns cover a wide spectrum of issues, including but not limited to the manner in which excess lands are being divested under reclamation law, the compatibility of current plans with original plans, the charges for water service, the rate of repayment, the disposition of irrigation return flows. Public expressions of these concerns has resulted in a perceived need for a full and complete review of the unit and its management.

The bill authorizes appropriations for 1 year only of $31,050,000 so that we can proceed this year. This is the amount which, incidentally, is also suggested in the President's budget. Second, it directs the creation of a task force to look into the study and investigate these matters in controversy, and to report back to the committees of the House and Senate by January 1, 1978.

Third, it suspends further construction until after the report of the task force. In other words, this compromise will allow us to proceed this year at the same time a study is taking place to determine the merit or demerit of some of the points of controversy so that we can have time to legislate further on this matter next year.

Failure to enact such authorizing legislation would terminate construction of the system short of completion and introduce the inefficiencies invariably attendant to the stopping and starting of major construction undertakings.

There, is, accordingly, the problem of resolving the public concerns with various aspects of the project without stopping physical progress on this program which in the economical and environmental sense is one of the outstanding water resource development programs of this generation.

I think it is a good compromise. I would like to extend my appreciation to the gentleman from California (Mr. MILLER) and the gentleman from California (Mr. SISK) for coming up with this compromise. I think it is a good bill. I think it gets us over a period of time in which we can really come to some final resolution of this matter, and I hope the House will pass the bill.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to associate myself with the remarks of our Water and Power Subcommittee chairman, the gentleman from Washington, and will only point out that this bill, as amended, has the support not only of its original proponents but also of the opponents who came here to testify against it.

The fairness of the compromise worked out by the three gentlemen from California, Mr. SISK, Mr. KREBS, and Mr. MILLER, whose districts are affected by the San Luis unit, was illustrated by the testimony we heard from a California farmer and his son. They had flown here at their own expense to testify against the bill as it was originally drafted. But when they arrived at the hearing and listened to the explanation of the compromise that had been developed, they changed their testimony and supported the bill completely.

What we are saying in H.R. 4390 is that the project is basically a good project and should be built—and we are providing the money to go ahead with the delivery system and the drains. But we are also saying that there are a number of problem areas in the management and administration of the project that must be investigated and corrected—and the task force is ordered to do that between now and next January.

By authorizing construction to proceed while the invesigation is being conducted, we are neither condemning nor approving the practices of the Westlands Water District.

But we are exercising our oversight responsibilities by establishing the task force and ordering it to investigate and report to us as to the management and administration of this project. We want to be sure that the excess land and residency requirements of the 1902 Reclamation Act are being enforced.

This is a good bill and I ask my colleagues to give it their support.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ), the ranking minority member of the committee.

Mr. SKUBITZ. Mr. Speaker, I concur with the remarks of the gentleman from Washington, the able chairman of our Water and Power Resources Subcommittee (Mr. MEEDS), in support of this bill. And I want to compliment him and our distinguished ranking member on that subcommittee, the gentleman from New Mexico (Mr. LUJAN) for the very able manner in which this bill was developed.

We have all received a lot of mail over the past few years expressing the concern of many people with the excess land holdings in Westlands Water District, which is the major recipient of water from the San Luis project. West coast newspapers have carried a series of articles charging that small family farmers have been prevented from buying 160-acre farms, while absentee investors and big corporations acquired control over thousands of acres.

In fairness to the Bureau of Reclamation, it should be stated that no charges of violation of the law have been proven, but the status of the landholdings certainly indicate strongly that the spirit, if not the letter, of the 1902 Reclamation Act has not been strongly enforced.

Opponents of the Westlands management have insisted that we should not fund further construction of the project until such time as the excess land holdings have been broken up and sold to family farmers. Yet, even the strongest opponents agree that the project is basically a good project and should be built once the land problems have been cleared up.

The subcommittee developed a compromise that orders an immediate investigation of the alleged abuses while at the same time authorizing construction to proceed in an orderly and efficient manner. The task force created by section 2 of this bill will report to us next January with its recommendations. At that time, I think we should not only tighten up the regulations, and if necessary the basic law, pertaining to excess landholdings and absentee ownership, but we should also take up the underlying question of whether 160 acres is enough for an efficient family farm in day and age of highly mechanized farming.

In the meantime, Mr. Speaker, the San Luis unit of the Central Valley project should proceed on schedule, as provided in this bill. I urge my colleagues to vote favorably on its passage and I again commend the members and staff of the Water and Power Subcommittee for the fine cooperation they exercised in developing this bill.

Mr. LUJAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of this bill and I want to commend the members of our committee and our staff on the excellent way in which the controversy surrounding the Westlands Water District has been handled.

The bill provides for an orderly continuation of necessary construction on the San Luis unit of the Central Valley project, while at the same time providing the mechanism for a full investigation into alleged abuses of the excess land and residency requirements of the Reclamation Act.

I think the legislative record of this bill should include a few remarks as to the intent of our committee relative to section 2(b)(5), wherein we order the task force to investigate the fiscal and environmental impacts of the interceptor drain and to make recommendations as to the feasibility of implementing alternative uses of the waste water.

What we have here is a situation where water is taken from the delta area and shipped 188 miles south where it is to be used for irrigation. Then, after it has collected all of the minerals, particilate matter and other agricultural pollutants, it is to be shipped back to the delta where it will discharge into waters that are already heavily laden with salt and minerals. If it is possible to avoid this 188-mile return trip with its accompanying pollution problems, we should do so.

The delivery system, taking the water southward, has already been built. But the return drainage canal has not been completed. We have expended about $44 million on the drainage canal to date, and it will cost about $100 million more to complete it. Before committing ourselves to that kind of a project that may prove to be harmful to the delta area, we should look at the costs and feasibility of treating that waste water at its point of discharge from the farms.

Our Subcommittee on Water and Power Resources held hearings last week on the funding authorization for our desalting program. In those hearings, the manufacturer of one of our major desalting processes was asked for an opinion as to how much a desalting plant would cost to treat this water. He gave us an off-the-cuff estimate of $130 million. I suggest that this figure is close enough to the $100 million yet to be spent on the return canal to merit a closer look.

I am certain my colleagues on the subcommittee and the Interior Committee will agree with my suggestion to the task force that it take a long hard look at the relative costs of desalination of this waste water as one of the alternatives to the completion of the return canal.

Mr. Speaker, this is a good bill and a necessary bill. I urge full support of its passage by all of my colleagues.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the bill (H.R. 4390), as amended.

The question was taken.

Mr. RUSSO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Illinois (Mr. Russo) withdraw his point of order of no quorum?

Mr. RUSSO. Mr. Speaker, I withdraw my point of order of no quorum.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 4390, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION FOR FISCAL YEAR 1977

Mr. FUQUA. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 36) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes, as amended.

The Clerk read as follows:

S. 36

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that the traditional energy sources of this country are being depleted and we must convert to other forms of energy. In addition, it may be necessary to undertake aggressive conservation programs to cut back on energy consumption and eliminate waste and reduce energy use. In spite of these efforts, Congress finds that domestic energy production in this country must appropriately double by the end of this century, and must do so as our domestic sources of petroleum and natural gas decline. Therefore, it is essential that the policy of the Congress be established that every form of energy be put into use at the earliest possible moment, consistent with existing environmental laws, that new elements of energy production be placed on line as quickly as possible.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1977

SEC. 2. In accordance with section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5915), there is hereby authorized to be appropriated to the Energy Research and Development Administration for fiscal year 1977, subject to the provisions of this Act, the following:

(A) For nonnuclear energy research, development, and demonstration of fossil, solar, geothermal, and other forms of energy for energy conservation, and for scientific and technical education, $1,175,671,000.

(B) For environmental research and safety, basic energy sciences, program support, and related programs, not directly associated with nuclear programs, $464,302,000.

TITLE I—NONNUCLEAR PROGRAMS

OPERATING EXPENSES

SEC. 101. For "Operating expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

Fossil Energy Development

(1) Coal:

(A) Coal liquefaction:

Costs, $81,130,000.

Changes in selected resources, —$4,300,000.

(B) High Btu gasification (coal):

Cost, $59,254,000.

Changes in selected resources, —$14,200,000.

(C) Low Btu gasification (coal):

Costs, $50,000,000.

Changes in selected resources, —$3,000,000.

(D) Advanced power systems:

Costs, $12,800,000.

Changes in selected resources, $9,700,000.

(E) Direct combustion (coal):

Costs, $55,116,000.

Changes in selected resources, $2,384,000.

(F) Advanced research and supporting technology:

Costs, $38,500,000.

Changes in selected resources, $1,100,000: *Provided,* That the following amounts thereof shall be for systems studies:

Costs, $3,350,000.

Changes in selected resources, $1,000,000.

(G) Demonstration plants (coal):

Costs, $50,600,000.

Changes in selected resources, $2,400,000.

(H) Magnetohydrodynamics:

Costs, $27,841,000.

Changes in selected resources, $10,145,000.

(2) Petroleum and natural gas:

(A) Natural gas and oil extraction:

Costs, $35,269,000.

Changes in selected resources, $7,900,000.

(B) Supporting research:

Costs, $1,831,000.

Changes in selected resources, $0.

(3) In situ technology:

(A) Oil shale:

Costs, $12,085,000.

Changes in selected resources, $9,000,000.

(B) Coal gasification

Costs, $13,536,000.

Changes in selected resources, $1,500,000.

(C) Supporting research:

Costs, $1,310,000.

Changes in selected resources, $0.

Solar Energy Development

(4) Solar Heating and Cooling:

Costs, $83,000,000.

Changes in selected resources, $26,500,000.

(5) Other Solar Energy Programs:

Costs, $136,100,000.

Changes in selected resources, $35,600,000; including costs of $3,000,000 and changes in selected resources of $1,000,000 for initiation of activities of the Solar Energy Research Institute and costs of $112,200,000 and changes in selected resources of $27,500,000 for solar electrical applications.

Geothermal Energy Development

(6) Geothermal Energy:

(A) Hydrothermal Technology Applications:

Costs, $14,200,000.

Changes in selected resources, $1,800,000.

(B) Other Geothermal Energy Development:

Costs, $46,100,000.

Changes in selected resources, $3,600,000.

Conservation Research and Development

(7) Conservation Research and Development:

(A) Electric Energy Systems:

Costs, $22,000,000.

Changes in selected resources, $4,000,000.

(B) Energy Storage:

Costs, $32,000,000.

Changes in selected resources, $6,000,000.

(C) Building Conservation:

Costs, $27,600,000.

Changes in selected resources, $4,400,000.

(D) Industry Conservation:

Costs, $18,000,000.

Changes in selected resources, $4,000,000.

(E) Transportation Energy Conservation, including $3,000,000 for methanol and other alternate fuels:

Costs, $31,400,000.

Changes in selected resources, $4,600,000.

(F) Improved Conversion Efficiency:

Costs, $15,300,000.

Changes in selected resources, $11,700,000.

(G) Energy Conservation Institutes and Extension Service:

Cost, $18,000,000.

Changes in selected resources, $7,000,000.

(H) Small grant program for appropriate technologies:

Costs, $7,500,000.

Changes in selected resources, $2,500,000.

(I) To carry out the municipal solid waste demonstration price guarantee program authorized by section 107 of this Act:

Costs, $2,000,000.

Changes in selected resources, $4,800,000.

Scientific and Technical Education

(8) Scientific and technical education:

Costs, $3,750,000.

Changes in selected resources, $1,250,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. (a) For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Fossil energy development coal.

(A) Project 77–1–a, modifications and additions to energy research centers, $6,900,000.

(B) Project 77–1–b for a high Btu pipeline gas demonstration plant (which is estimated to cost a total of $500,000,000, including the non-Federal share of such cost) is authorized. The amount authorized for such plant is $10,000,000.

(C) Project 77–1–c for fuel gas low Btu demonstration plant (which is estimated to cost a total of $380,000,000, including the non-Federal share of such cost) is authorized. The amount authorized for such plant is $5,000,000.

(D) Project 77–1–d, MHD component development and integration facility, $6,700,000.

(2) Conservation research and development.

(A) Project 77–17–a Combustion Research Center, $8,500,000.

(3) Capital equipment, not related to construction.

(A) Fossil energy development, $1,020,000.

(B) Conservation research and development, $12,000,000.

(C) Solar energy development, $8,500,000, including $1,500,000 for initiation of activities at the Solar Energy Research Institute in the areas of modification of facilities, acquisition and fabrication of capital equipment, and design of the final installation.

(D) Geothermal energy development, $2,350,000.

(b) There is authorized an additional sum of $50,000,000 for the clean boiler fuel demonstration plant (project 76–1–a) authorized by section 101(b)(1) of the Act of December 31, 1975 (89 Stat. 1065).

(c) There is authorized an additional sum of $15,000,000 for the five megawatt solar thermal test facility (76–2–a) authorized by section 101(b)(2) of the Act of December 31, 1975 (89 Stat. 1065).

(d) Solar Energy Development:

Project 77–18–j, $10,000,000 for the following solar Energy Development Projects:

(i) OTEC sea test facility, $1,000,000.

(ii) one 200 kW wind energy facility, $2,000,000.

(iii) total solar energy plant, $2,000,000.

(iv) 5 MW solar thermal demonstration for small community, $2,000,000.

(v) biomass conversion facility, $3,000,000.

PROVISIONS RELATING ONLY TO FOSSIL ENERGY DEVELOPMENT PROGRAMS

SEC. 103. Funds appropriated pursuant to this Act for "Operating expenses" for fossil energy purposes may be used for (1) any facilities which may be required at locations, other than installations of the Administration, for the performance of research and development contracts, and (2) grants to any organization for purchase or construction of research facilities. No such funds shall be used for the acquisition of land. Fee title to all such facilities shall be vested in the United States, unless the Administrator determines in writing that the programs of research and development authorized by this Act shall best be implemented by vesting fee title in any entity other than the United States: *Provided*, That before approving the vesting of title in such entity the Administrator shall (A) transmit such determination, together with all pertinent data, to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and (B) wait a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain), unless prior to the expiration of such period each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action. Each grant shall be made under such conditions as the Administrator deems necessary to insure that the United States will receive therefrom benefits adequate to justify the making of the grant. No such funds shall be used under clause (1) of the first sentence of this section for the construction of any major facility the estimated cost of which, including collateral equipment, exceeds $250,000 unless the Administrator shall (i) transmit a report on such majority facility showing the nature, purpose, location, and estimated cost of such facility to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and (ii) wait a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain), unless prior to the expiration of such period each such committee has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 104. Not to exceed 3 per centum of all funds appropriated pursuant to this Act of "Operating expenses" for fossil energy purposes may be used by the Administrator to construct, expand, or modify laboratories and other facilities, including the acquisition of land, at any location under the control of the Administrator, if the Administrator determines that (1) such action would be necessary because of changes in the national programs authorized to be funded by this Act or because of new scientific or engineering developments, and (2) deferral of such action until the enactment of the next authorization Act would be inconsistent with the policies established by Congress for the Administration. No portion of such sums may be obligated for expenditure or expended for such activities, unless (A) a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after the Administrator has transmitted to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a written report containing a full and complete statement concerning (i) the nature of construction, expansion, or modification, (ii) the cost thereof, including the cost of any real estate action pertaining thereto, and (iii) the reason why such construction, expansion, or modification is necessary and in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action: *Provided*, That this sentence shall not apply to projects to construct, expand, or modify such laboratories or facilities, the estimated total cost of which does not exceed $25,000.

SEC. 105. Notwithstanding any other applicable provision of law, the initial authorization in this Act or any other Act heretofore or hereafter enacted to construct, pursuant to section 8 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5907), any fossil energy demonstration plant shall expire at the end of the three full fiscal years following the date of enactment of such authorization, unless (1) funds to construct each such plant are appropriated or otherwise provided pursuant to applicable law prior thereto, or (2) such authorization period is extended by specific Act of Congress hereafter enacted.

SEC. 106. All moneys received by the Administrator from any fossil energy activity shall be paid into the Treasury to the credit of miscellaneous receipts, except that on December 1 of each year the Administrator shall provide to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report of all such receipts for the preceding fiscal year, including, but not limited to, the amount and source of such revenues and the program and subprogram activity generating such revenues.

GENERAL PROVISIONS RELATING TO NONNUCLEAR PROGRAMS OTHER THAN FOSSIL ENERY DEVELOPMENT

SEC. 107. The Administrator is authorized, subject to the appropriation of funds pursuant to section 101(7)(I) of this Act, to establish and implement, under section 7(a)(4) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906 (a)(4)) and in accordance with section 7(c) of such Act (42 U.S.C. 5906(c)), a price-support program to demonstrate municipal solid waste reprocessing for the production of fuels and energy intensive products. Prior to entering into any contract for such demonstration, the Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a full and complete report on the proposed commercial demonstration facility and the necessary project demonstration guarantees. Such contract shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such report is received by such committees.

GENERAL PROVISIONS RELATING TO ALL NONNUCLEAR PROGRAMS

SEC. 108. Except as otherwise provided in this Act.—

(a) no amount appropriated pursuant to this Act may be used for any nonnuclear program in excess of the amount actually authorized for that particular program by this Act,

(b) no amount appropriated pursuant to this Act may be used for any nonnuclear program which has not been presented to, or requested of, the Congress,

unless (1) a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after the receipt by the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate of notice given by the Administrator containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon to support such proposed action, or (2) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action: *Provided*, That the following categories may not, as a result of reprogramming, be decreased by more than 10 per centum of the sums appropriated pursuant to this Act for such categories: Coal, petroleum and natural gas, in situ technology, solar, geothermal, and conservation.

SEC. 109. The Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a detailed explanation of the allocation of all of the funds appropriated pursuant to this Act for nonnuclear energy programs and subprograms, reflecting the relationships, consistencies, and dissimilarities between those allocations and (a) the comprehensive program definition transmitted pursuant to section 102 of the Geothermal Energy Research, Development, and Demonstration Act, (b) the comprehensive program definition transmitted pursuant to section 15 of the Solar Energy Research, Development, and Demonstration Act of 1974 (42 U.S.C. 5564), (c) the comprehensive plan for non-nuclear energy research, development, and demonstration transmitted pursuant to section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5905).

SEC. 110. Section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912) is amended by—

(1) striking, in the first sentence of subsection (a), the words "At the request of the Administrator, the" and inserting therein "The";

(2) striking, in the first sentence of subsection (b), the words "prepare or have prepared an assessment of the availability of adequate water resources." and inserting therein the following: "request the Water Resources Council to prepare an assessment of water requirements and availability for such project."; and

(3) adding at the end thereof a new subsection to read as follows:

"(f) The Administrator shall, upon enactment of this subsection, be a member of the Council.".

SEC. 111. (a) The Administrator shall classify each recipient of any award, contract, or other financial arrangement in any nonnuclear research, development, or demonstration category as—

(1) a Federal agency,

(2) a non-Federal governmental entity,

(3) a profitmaking enterprise (indicating whether or not it is a small business concern),

(4) a nonprofit enterprise other than an educational institution, or

(5) a nonprofit educational institution.

(b) The information required by subsection (a), along with the dollar amount of each award, contract, or other financial arrangement made, shall be included as an appendix to the annual report required by section 15(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5914): *Provided*, That small purchases or contracts of less than $10,000, which are excepted from the requirements of advertising by section 252(c)(3) of title 41, United States Code, shall be exempt from the reporting requirements of this section.

SEC. 112. (a) There shall be established within the Administration a program for appropriate technology under the direction of the Assistant Administrator for Conservation Research and Development. The Administrator shall develop and implement a program of small grants for the purpose of encouraging development and demonstration projects described in subsection (c) of this section.

(b) The aggregate amount of financial support made available to any participant in such program, including affiliates, under this section shall not exceed $50,000 during any two-year period.

(c) Funds made available under this section shall be used to provide for a coordinated and expanded effort for the development and demonstration of, and the dissemination of information with respect to, energy-related systems and supporting technologies appropriate to—

(1) the need of local communities and the enhancement of community self-reliance through the use of available resources;

(2) the use of renewable resources and the conservation of non-renewable resources;

(3) the use of existing technologies applied to novel situations and uses;

(4) applications which are energy-conserving, environmentally sound, small scale, durable and low cost; and

(5) applications which demonstrate simplicity of installation, operation and maintenance.

(d)(1) Grants, agreements or contracts under this section may be made to individuals, local nonprofit organizations and institutions, State and local agencies, Indian tribes and small businesses. The Administration shall develop simplified procedures with respect to application for support under this section.

(2) Each grant, agreement or contract under this section shall be governed by the provisions of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 and shall contain effective provisions under which the Administration shall receive a full written report of activities supported in whole or in part by funds made available by the Administration; and

(3) In determining the allocation of funds among applicants for support under this section the Administrator may take into consideration:

(A) the potential for energy savings or energy production;

(B) the type of fuel saved or produced;

(C) the potential impact on local or regional energy or environmental problems; and

(D) such other criteria as the Administrator finds necessary to achieve the purposes of this Act or the purposes of the Federal Nonnuclear Energy Research and Development Act of 1974.

Guidelines implementing this section shall be promulgated with full opportunity for public comment.

(e) The Administrator shall—

(1) prepare and submit no later than October 1, 1977, a detailed report on plans for implementation, including the timing of implementation, of the provisions of this section to the Committee on Energy and National Resources of the Senate and the Committee on Science and Technology of the House of Representatives and shall keep such committees fully and currently informed concerning the development of such plans; and

(2) include as a part of the annual report required by section 15(a)(1) of the Federal Nonnuclear Energy Research and Development Act of 1974 beginning in 1977, a full and complete report on the program under this section.

SEC. 113. The Administrator, in consultation with the Administrator of the Environmental Protection Agency, shall submit a report to the Congress, six months after enactment of this Act, on the environmental monitoring, assessment, and control efforts, relating to environment, safety, and health, which are required to successfully demonstrate any project, which is subject to sections 8 (e) and (f) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5907 (e) and (f)), and is authorized by this Act or any prior Act. The report shall contain the extent to which monitoring and control is required, the estimated costs thereof.

TITLE II—FOR NONNUCLEAR ENVIRONMENTAL RESEARCH AND SAFETY, BASIC ENERGY SCIENCES, PROGRAM SUPPORT, AND RELATED PROGRAMS

OPERATING EXPENSES

SEC. 201. For "Operating expenses", for the following programs, a sum of dollars equal to the total of the following amounts:

(1) Biomedical and environmental research, $119,500,000, of which $1,000,000 shall be made available to the Water Resources Council to carry out the provisions of section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912).

(2) Operational safety, $4,500,000.

(3) Environmental control technology, $13,100,000.

(4) Basic energy sciences for the following:

(A) Material sciences, $45,600,000.

(B) Molecular, mathematical, and geosciences, $46,700,000.

(5) Program support, $205,635,000: *Provided,* That $1,250,000 is authorized to be appropriated pursuant to this subparagraph (5) to reimburse the National Bureau of Standards for costs incurred in carrying out the provisions of section 14 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5913).

(6) To carry out the provisions of section 11 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5910), $500,000 for the Council on Environmental Quality.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Biomedical and Environmental Research:

Project 77-6-a, modifications and additions to biomedical and environmental research facilities, various locations, $4,200,000.

(2) Program Support:

Project 77-16-a, laboratory support complex, Los Alamos Scientific Laboratory, New Mexico, $6,000,000.

(3) Capital Equipment, not related to construction:

(A) Biomedical and environmental research, $6,660,000.

(B) Environmental control technology, $282,000.

(C) Basic energy sciences for the following:

(i) Material sciences, $3,900,000.

(ii) Molecular, mathematical, and geosciences, $3,000,000.

(D) Program Support, $4,725,000.

LIMITATIONS

SEC. 203. The Administration is authorized to start any project set forth in title II, subsection 202 (1) and (2) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

TITLE III—GENERAL PROVISIONS

SEC. 301. Subject to the applicable requirements and limitations of this Act, when so specified in appropriations Acts amounts appropriated for the Administration pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may be merged with any other amounts appropriated for like purposes pursuant to any other Act authorizing appropriations for the Administration.

SEC. 302. When so specified in appropriation Acts, amounts appropriated pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may remain available until expended.

SEC. 303. (a) Any Government-owned contractor operated laboratory, energy research center, or other laboratory performing functions under contract to the Administration may, with the approval of the Administrator, use a reasonable amount of its operating budget for the funding of employee-suggested research projects up to the pilot stage of development. It shall be a condition of any such approval that the director of the laboratory or center involved form an internal review mechanism for determining which employee-suggested projects merit funding in a given fiscal year; and any such project may be funded in one or more succeeding years if the review process indicates that it merits such funding.

(b) Each director of a laboratory or center specified in subsection (a) of this section shall submit an annual report to the Administrator on projects being funded under this section; and on completion of each such project shall submit a report to the Technical Information Center of the Administration for inclusion in its data base.

SEC. 304. The Administrator is authorized to perform construction design services for any Administration construction project whenever the Administrator determines that the project is of such urgency that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction in order to meet the needs of national defense on protection of life and property or health and safety.

SEC. 305. Any moneys received by the Administration may be retained and used, as provided in annual appropriations Acts for operating expenses (except sums received from disposal of property under the Atomic Energy Community Act of 1955 and the Strategic and Critical Materials Stockpiling Act, as amended, and fees received for tests or investigations under the Act of May 16, 1910, as amended (42 U.S.C. 2301; 50 U.S.C. 98h; 30 U.S.C. 7)), notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and may remain available until expended. Funds may be obligated for purposes stated in this section only to the extent provided in appropriations Acts.

SEC. 306. Transfers of sums from the "Operating expenses" appropriation may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

SEC. 307. Notwithstanding any other provision of this Act, provisions of sections 304, 305, and 306 of this Act shall not be applicable to any fossil energy activity, program, or subprogram.

SEC. 308. (a) Each officer or employee of the Energy Research and Development Administration who—

(1) performs any functions or duty under this Act or any other Act amended by this Act; and

(2) has any known financial interest—

(A) in any person engaged in the business, other than at the retail level, of developing, producing, refining, transporting by pipeline, or converting into synthetic fuel, minerals, wastes, or renewable resources, or in the generation of energy from such minerals, wastes, or renewable resources, or in generation of energy from such minerals, wastes, or renewable resources, or in conducting research, development, and demonstration with financial assistance under this Act or any other Act amended by this Act, or

(B) in property from which minerals are commercially produced,

shall, beginning on February 1, 1977, annually file with the Administrator a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statements shall be available to the public.

(b) The Administrator shall—

(1) act within ninety days after the date of enactment of this section—

(A) to define the term "known financial interest" for purposes of paragraph (2) of subsection (a) of this section; and

(B) to establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Administrator of such statements; and

(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed in subsection (b) of this section, the Administrator may identify specific positions within the Administration which are of a nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section or any regulation issued thereunder, shall be fined not more than $2,500 or imprisoned not more than one year, or both.

SEC. 309. There are authorized to be appropriated to the Energy Research and Development Administration for the fiscal year 1977, for operating expenses and plant and capital equipment under the Administration's nuclear nonweapons programs, such sums as were provided, for the purposes and projects involved, in titles II and III of the bill H.R. 13350 (Ninety-fourth Congress) as set forth in the conference report thereon (House Report 94-1718).

TITLE IV—ORGANIZATIONAL CONFLICTS

SEC. 401. The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 4901) is amended by adding a new section to read as follows:

"SEC. 19. (a) The Administrator shall by regulation require any person proposing to enter into a contract, agreement, or other arrangement, with the Energy Research and Development Administration whether by advertising or negotiation, or for technical consulting and management support services or other such similar services to provide the Administrator, prior to entering into any such contract, agreement, or arrangement, with all relevant information bearing on whether that person has a possible conflict of interest with respect to (1) being able to render impartial, technically sound, or objective assistance or advice in light of other interests or relationships with other persons or (2) being given an unfair competitive advantage. Such person shall insure, in accordance with regulations published by the Administrator, compliance with this section by subcontractors of such person who are engaged to perform similar services.

"(b) The Administrator shall not enter into any such contract, agreement, or arrangement unless he affirmatively finds after evaluating all such information and any other relevant information otherwise available to him, either that (1) there is little or no likelihood that a conflict of interest would exist, or (2) that such conflict has been avoided after appropriate conditions have been included in such contract, agreement, or arrangement: *Provided,* That if he determines that such conflict of interest exists and that such conflict of interest cannot be avoided by including appropriate conditions therein, the Administrator may enter into such contract, agreement, or arrangement, if he determines that it is in the best interests of the United States to do so and includes appropriate conditions in such contract, agreement, or arrangement to mitigate such conflict.

"(c) The Administrator shall publish rules for the implementation of this section, in accordance with section 553 of title 5, United States Code, as soon as possible after the date of enactment of this section but in no event later than 180 days after such date.".

TITLE V—ENERGY EXTENSION SERVICE

SHORT TITLE

SEC. 501. This title may be cited as the "National Energy Etxension Service Act."

FINDINGS AND PURPOSES

SEC. 502. (a) The Congress hereby declares—

(1) that the general welfare and the common defense and security require a greater public knowledge of energy conservation opportunities;

(2) that scientific identification and practical demonstration of specifically designed energy conservation opportunities, the dissemination of information relating thereto, and the prompt delivery and acceptance of specific energy conservation opportunities require a national effort;

(3) that the national effort required to develop, demonstrate, and encourage acceptance and adoption of energy conservation opportunities should be coordinated at the Federal level by the Energy Research and Development Administration;

(4) that a special effort must be made to develop and demonstrate practical alternative energy technologies such as solar heating and cooling;

(5) that successful implementation of energy conservation and new energy technologies will require both public awareness and individual capability to use the conservation opportunities and new technology;

(6) that this required awareness and capability can only be achieved on a national basis by an active outreach effort;

(7) that existing energy outreach programs are underfunded;

(8) that any Federal outreach program should be organized with the States as full participants, and each State should plan and coordinate the outreach activities within the State, optimizing the use of existing outreach capabilities;

(9) that Federal assistance should be provided for energy outreach activity, including coordinated energy outreach activities and technical support in each State for such efforts;

(10) that the Energy Research and Development Administration should provide overall national direction and review of federally assisted State energy outreach programs.

(b) The Congress declares that the purposes of this title are—

(1) to establish a positive energy outreach program directed toward small business and individual energy consumers and the organizations that influence energy consumption;

(2) to stimulate, provide for and supplement programs for the conduct of evaluation, planning and other technical support of energy conservation efforts, including energy outreach activities of States.

ESTABLISHMENT OF EXTENSION SERVICE

SEC. 503. (a) There is established in the Energy Research and Development Administration an office to be designated as the Energy Extension Service (hereinafter in this Act referred to as the "Service"). The Service shall be headed by a Director who shall be appointed by and directly responsible to the Administrator of the Energy Research and Development Administration (hereinafter referred to as the "Administrator"). The Director shall be a person who by reason of training, experience, and attainments is exceptionally qualified to implement the programs of the Service. There shall be in the Service a Deputy Director who shall be appointed by the Administrator, who shall have such functions, powers, and duties as may be prescribed from time to time by the Director, and who shall act for, and exercise the powers of, the Director during the absence or disability of, or in the event of a vacancy in the office of, the Director.

(b) The Director shall receive basic pay at the rate provided for level IV of the Executive Schedule in section 5315 of title 5, United States Code.

(c) The Director shall have overall responsibility for the national direction of the comprehensive program developed under section 504 and of all other activities conducted under this title and shall annually review the programs of the various States under sections 505 and 506 to insure that they are effectively promoting the realization of the objectives of this title.

DESCRIPTION OF EXTENSION SERVICE

SEC. 504. (a) The Service shall develop and implement a comprehensive program for the identification, development, and practical demonstration of energy conserving opportunities, techniques, materials, and equipment, including opportunities, techniques, or methods responsive to local needs or resources, and alternative energy technologies such as solar heating and cooling, for—

(1) agricultural, commercial, and small business operations, and

(2) new and existing residential, commercial, and agricultural buildings or structures.

Such program shall provide for technical assistance, instruction, information, dissemination, and practical demonstrations in energy conservation opportunities, and shall provide an active interface with end use energy consumers at the local level for the purpose of offering active outreach assistance and affording a communication channel for end user technology requirements. Such outreach assistance shall be provided by means of such appropriate local offices, including metropolitan, city offices, county agents, and technical staff assistants, and may be required to provide energy extension services.

(b) The program authorized under subsection (a) of this section shall permit each State to establish a technical support institute at one or more colleges or universities designated by the Governor of that State. Each such institute shall—

(1) have as its purpose to assist in implementation of the State energy extension service; and

(2) provide such analyses and technical support as is necessary for effective State energy extension service activities.

(c) The comprehensive program developed under subsection (a) shall be implemented and carried out within each State pursuant to sections 505 and 506.

(d) The Director shall take such steps as may be necessary to insure that the comprehensive program is implemented in a manner which minimizes conflict with existing services in the private sector of the economy that are similar to those provided under such program.

INITIAL IMPLEMENTATION OF EXTENSION SERVICE

SEC. 505. (a) The Director shall within 45 days after the effective date of this title invite the Governor of each State through competitive procurement to submit a plan for the conduct of energy extension service activities as described in section 504 of this title throughout such State including provisions for appropriate technical support within such State of such activities, to disseminate information and provide advice and assistance to individuals, groups, and units of State and local governments by means of—

(1) specific studies and recommendations applicable to individual residences, businesses, and agricultural or commercial establishments;

(2) demonstration projects;

(3) distribution of studies and instructional materials;

(4) seminars and other training sessions for State and local government officials and the public; and

(5) other public outreach programs.

(b) Each State shall be accorded not more than ninety days to submit a plan to the Director under subsection (a) of this section. The Director shall promptly review such proposals and shall, with the approval of the Administrator, and subject to the limitations of section 512(a) (1) and (2), provide funds adequate for the support of the proposed energy outreach plan of a State if the Director finds that, such plan—

(1) meets the objectives of this title;

(2) was prepared with opportunity for input from State, county, and local officials, State universities, colleges and community colleges, cooperative extension services, community service action agencies, and other public or private organizations involved in active energy outreach programs;

(3) consistent with the objectives and requirements of this title, makes optimum use of existing outreach or delivery mechanisms or programs, and includes to the optimum extent any existing State, local, university, college, or other organizations' programs for energy information, education, or technology transfer which have objectives similar to those of this title and activities similar or related to those specified in section 504 and subsection (a) of this section;

(4) provides that the State will maintain, or require other participating entities within the State to maintain, and make available upon request to the Director, such records with respect to the use and expenditure of any Federal funds paid to the State, or to entities within the State, under this title as the Director may require;

(5) provides for the establishment of effective procedures for responding to external inputs and inquiries;

(6) requires that, to the extent possible, within personnel and funding limitations, on-site energy evaluations will be made available to all consumers and small business concerns, and to other business concerns within such limitations (as to size or otherwise) as the Director may specify;

(7) provides that the State will furnish and widely disseminate information on the types of assistance available under this title, and under other Federal and State laws, with respect to the planning, financing, installation, and effective monitoring of energy-related facilities ad activities;

(8) provides that the allocation within the State of the funds made available to it under this title will be based on, or give due consideration to, such factors (specifically including potential energy savings and number of persons affected) as the Director determines will best carry out the purpose of this title; and

(9) requires the establishment and implementation of policies and procedures designed to assure that assistance provided under this title does not replace or supplant the expenditure of other Federal or State or local funds for the same purposes, but rather supplements such funds and increases the expenditure of such State or local funds to the maximum extent possible: *Provided*, That there shall be no requirement for matching State or local funds in the guidelines, unless such requirement is included in an annual authorization;

(10) requires effective coordination of the programs under such State plans with other Federal programs which provide funds for university extension programs, in order to avoid duplication;

(11) requires the establishment and implementation of effective procedures specifically designed for the dissemination of information to small business concerns;

(12) limits to a maximum of 20 per centum the portion of the funds made available under this title which may be used for the purchase of equipment, facilities, and library and related materials;

(13) prohibits the use of any such funds for the purchase of land or interests therein or the repair of buildings or structures; and

(14) satisfies such other criteria as the Director may establish to carry out the purpose of this title.

IMPLEMENTATION OF NATIONAL EXTENSION SERVICE

SEC. 506. (a) Notwithstanding the provisions of section 505, the Director, on behalf of the Administrator, is authorized and directed to invite in each State of the United States not then participating in the program at the earliest practicable date, but no later than October 1, 1978, to submit a plan for the conduct of energy extension service activities, including provisions for appropriate technical support in such State, to disseminate information and provide advice and assistance to individuals, groups, and units of State and local government by means of—

(1) specific studies and recommendations applicable to individual residences, businesses, and agricultural or commercial establishments;

(2) demonstration projects;

(3) distribution of studies and instructional materials;

(4) seminars and other training sessions for State and local government officials and the public; and

(5) other public outreach programs.

(b) Pursuant to authority described in subsection (a) of this section, the Director, with the approval of the Administrator, shall issue guidelines for the preparation and submission of State plans under subsection (c). Such guidelines shall be designated to assure that the plans so submitted will be consistent with this title and will effectively contribute to the achievement of its objectives, and shall allow maximum flexibility and the exercise of maximum discretion by the States. In the preparation of such guidelines, the Administrator shall provide a reasonable opportunity for inputs by representatives of the several States and for a reasonable period for public review and comment. In any event, such guidelines—

(1) shall require the establishment and implementation of policies and procedures designed to assure that assistance provided under this title does not replace or supplant the expenditure of other Federal or State of local funds for the same purposes, but rather supplements such funds and increases the expenditure of such State or local funds to the maximum extent possible;

(2) shall require effective coordination of the programs under such State plans with other Federal programs which provide funds for university extension programs, in order to avoid duplication;

(3) shall require the establishment and implementation of effective procedures specifically designed for the dissemination of information to small business concerns;

(4) shall limit to a maximum of 20 per centum the portion of the funds made available under this title which may be used for the purchase of equipment. facilites, and library and related materials; and

(5) shall prohibit the use of any such funds for the purchase of land or interests therein or the repair of buildings or structures.

(c) On the effective date of the guidelines described in subsection (b) of this section, the Director shall invite the Governor of each State not then participating in the program to submit a plan for the conduct of energy extension service activities throughout such State.

(d) Each State plan submitted under subsection (c) shall be approved by the Director if the Director finds that such plan—

(1) meets the objectives of this title;

(2) was prepared with opportunity for input from State, county, and local officials, State universities and community colleges, cooperative extension services, community service action agencies, and other public or private organizations involved in active energy outreach programs;

(3) consistent with the objectives and requirements of this title, makes optimum use of existing active outreach or delivery mechanisms or programs, and includes to the optimum extent any existing State, local, university, or other organizations' programs for energy information, education, or technology transfer which have objectives similar to those specified in section 504 and subsection (a) of this section;

(4) provides that the State will maintain, or require other participating entities within the State to maintain, and make available upon request to the Director, such records with respect to the use and expenditure of any Federal funds paid to the State, or to entities within the State, under this title as the Director may require;

(5) provides for the establishment of effective procedures for responding to external inputs and inquiries;

(6) requires that, to the extent possible, within personnel and funding limitations, on-site energy evaluations will be made available to all consumers and small business concerns, and to other business concerns within such limitations (as to size or otherwise) as the Director may specify;

(7) provides that the State will furnish and widely disseminate information on the types of assistance available under this title, and under other Federal and State laws, with respect to the planning, financing, installation, and effective monitoring of energy-related facilities and activities;

(8) provides that the allocation within the State of the funds made available to it under this title will be based on, or give due consideration to, such factors (specifically including potential energy savings and number of persons affected) as the Director determines will best carry out the purpose of this title; and

(9) satisfies such other criteria as the Director may establish to carry out the purpose of this title.

(e) If the Director finds that a State plan submited under subsection (c) does not satisfy the requirements of subsection (d), he shall provide a reasonable opportunity for the State to present arguments in support of such plan and to revise the plan within a reasonable period of time to satisfy such requirements.

(f)(1) If a State does not submit a plan under subsection (a) or its plan as so submitted (with any revisions made under subsection (e)) is not acceptable, the Director (after giving notice and an opportunity for comment to the Governor of such State) shall develop consistent with other subsections of this section an energy extension service plan for the State involved, which conforms to the requirements of subsection (d). In conducting energy extension service activities under any plan developed under this subsection, the Director is authorized to enter into agreements for the utilization of existing Agriculture Extension Service offices and personnel, or such other offices and personnel as may be appropriate, and to provide funds for such operations; and in carrying out the functions of such offices the Director shall make maximum use of any existing delivery mechanisms for the State or local region concerned which are appropriate for purposes of this section, while coordinating his activities in connection with the performance of such functions with all such mechanisms in the State or region which are related to, but not directly involved, in the program under this title.

(2) Each State shall have a period of one hundred and eighty days after the issuance of the indication referred to in subsection (b) (or a longer period if the Director finds, at the request of the Governor of such State, that an extension is justified) within which to submit its plan under subsection (c) and if necessary to revise such plan under subsection (e) before the Director may undertake the development of a plan for such State under paragraph (1) of this subsection.

(3) Any such plan developed by the Director shall be transmitted to the Governor of such State and shall not be implemented for ninety days after the date of transmittal: *Provided,* That notwithstanding the provisions of paragraphs (1) and (2) of this subsection, no such plan shall be implemented if the Governor within the ninety-day period notifies the Administration in writing of his objection to the implementation of said plan.

(g) The Director shall annually review the implementation of State plans approved under subsection (d) to insure continued conformance with the requirements of this title. If the Director determines that the implementation of any approved State plan does not satisfy any of such requirements, he shall notify the Governor of the State and any other designated officials of the deficiency, with specific details, and shall provide a reasonable time and opportunity for remedial action. If, after such reasonable time and opportunity, satisfactory remedial action has not been taken to place the implementation in conformance with such requirements, the Director shall so inform the Administrator, who shall give the Governor notice of intention to terminate Federal assistance, after the opportunity for the Governor's comment, if the implementation continues to not satisfy all such requirements. Federal assistance shall be terminated thereafter if satisfactory action is not taken. In the event Federal assistance is terminated under this subsection, the Director shall proceed in accordance with the procedures in subsection (f) to develop an energy extension service for the State. In so doing, the Director shall provide for continuation of all activities under the State plan which were in conformance with the requirements of this title and shall effect only such changes in the activities under such plan as are necessary to satisfy such requirements. The Director shall give the Governor notice of any such changes and shall provide a reasonable opportunity for the Governor to comment prior to proceeding with the changes.

(h) In any case where a State has submitted a State energy conservation plan under part C of title III of the Energy Policy and Conservation Act, as amended, the State's plan submitted under subsection (c) of this section shall specifically indicate how its proposed extension service program will complement or supplement any programs of public education under section 362(d)(4) of such Act which are included under such energy conservation plan. In any event, each State plan submitted under subsection (c) of this section shall indicate how its proposed extension service program will complement or supplement any other energy conservation programs being carried out within the State with assistance from Federal funds or under other Federal laws.

(i) The Director shall provide finanical assistance to each State having a plan approved under subsection (d), from funds allocated to such State under section 512(c), and shall provide information and technical assistance to such State, for the development, implementation, or modification of the State's plan submitted under subsection (c) of this section.

(j) Nothing in this title, or in the comprehensive program developed under section 504 or any State plan approved under this section, shall have the effect of modifying or altering the relationships existing between educational institutions and the States in which they are located in connection with activities provided for under this title.

ADMINISTRATIVE PROVISIONS

Sec. 507. (a) Director shall promulgate such regulations and directives as may be necessary to carry out the functions and projects of the Service

(b) The Director shall consult and cooperate with the Secretary of Housing and Urban Development, the Administrator of the Federal Energy Administration, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, the Secretary of Health, Education, and Welfare, the Community Services Administration (and its Institute for Appropriate Technology), the Secretary of Commerce (and the Regional Centers of the Economic Development Administration in the Department of Commerce), the Administrator of the Small Business Administration, and the heads of other Federal agencies administering energy-related programs, with a view toward achieving maximum coordination with such other programs, and for the purpose of insuring to the maximum extent possible that all energy conservation and new energy technology information disseminated by or through Federal programs in a given area are consistent and are fully coordinated in order to minimize duplication of effort and to maximize public confidence in the credibility of Federal or federally assisted programs. It shall be the responsibility of the Director to promote the coordination of programs under this title with other public or private programs or projects of a similar nature.

(c) Federal agencies described in subsection (b) shall cooperate with the Director in disseminating information with respect to the availability of assistance under this title, and in promoting the identification and interests of individuals, groups, or business and commercial establishments eligible for assistance through programs funded under this title.

(d) At such time as the Energy Resources Council is terminated, pursuant to section 108 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5818), there shall be established an Interagency Advisory Group, consisting of the Director (as Chairman) and the heads of the Federal agencies described in subsection (b) or their delegates, to assist the Director in carrying out his responsibilities under this section and to provide a mechanism for use by the Director and the heads of such agencies in the performance of their functions under subsections (b) and (c).

COMPREHENSIVE PLAN AND PROGRAM

Sec. 508. (a) The Administrator is authorized and directed to prepare a comprehensive program and plan for Federal energy education, extension, and information activities authorized by this title and any other law. In the preparation of the program and plan, the Administrator shall utilize and consult with the head of each agency referred to in this title and any other Federal agency with an energy education, extension, or information program. Preparation of such program and plan shall not delay in any way the procedures specified in sections 505 and 506 or the implementation otherwise of this title. Rather, the program and plan should reflect the activities mandated by this title and serve as a mechanism for Federal Government-wide coordination and management of those activities with the activities of other Federal agencies under other law.

(b) The comprehensive program and plan shall include, but not be limited to, the following elements:

(1) specific delineation of responsibility of each participating Federal agency in the conduct of this title;

(2) mechanisms established to coordinate the activities under this title, pursuant to section 507 (b), (c), and (d);

(3) a detailed summary of all related Federal programs under other law, including program descriptions, types of delivery mechanisms, budget, and objectives;

(4) procedures for defining and measuring the effectiveness, in terms of increased energy efficiency, fuel savings, adoption of new energy technologies, and other appropriate criteria, of the activities under this title and related activities under other law;

(5) an assessment of other existing Federal assistance and incentives, other than public education, extension, and outreach programs, and their relation to such programs, in achieving the objectives of this title;

(6) procedures pursuant to section 504(d) to minimize conflict with existing services in the private sector of the economy which are similar to those under this title and other law; and

(7) a comprehensive and integrated plan for the resulting Federal program, taking into account paragraphs (1) through (6).

(c) The Administrator shall transmit the comprehensive program and plan to the President and to each House of Congress within one hundred and eighty days after the date of enactment of this Act. Thereafter, the Administrator shall revise the program and plan on an annual basis and submit the revisions as part of the annual fiscal year budget submission and the report required by section 15 of the Federal Nonnuclear Energy Research and Development Act of 1974.

ADVISORY BOARD

Sec. 509. (a) There is hereby established a National Energy Extension Service Advisory Board (hereinafter in this section referred to as the "Board"), which shall consist of not less than fifteen nor more than twenty members appointed by the Administrator from among persons representative of State, county, and local governments, State universities, community colleges, community service action agencies, consumers, small business, and agriculture. The Administrator shall designate one of the members of the Board to serve as its chairman, and shall provide the Board with such services and facilities as may be necessary for the performance of its functions. The Administrator shall reimburse members of the Board for the full amount of any expenses (including travel expenses) necessarily incurred by them in the performance of their duties as such.

(b) The Board shall carry on a continuing review of the operation of the comprehensive program developed under section 504 and the various State plans approved under sections 505 and 506, for the purpose of evaluating their effectiveness in achieving the objectives of this title and determining how their operation might be improved in furtherance of such objectives.

(c) The Board shall report at least annually to the Administrator, the Director, and the Congress on the status of the program under this title, including any recommendations it may have for administrative or legislative changes to improve its operation.

CONFORMING AMENDMENTS

Sec. 510. (a) Section 103 of the Energy Reorganization Act of 1974, as amended (42 U.S.C. 5801), is amended by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively, and inserting immediately after paragraph (6) the following new paragraph:

"(7) establishing, in accordance with the National Energy Extension Service Act, an Energy Extension Service to provide technical assistance, instruction, and practical demonstrations on energy conservation measures and alternative energy systems to individuals, businesses, and State and local government officials;".

(b) Section 108(b) of such Act (42 U.S.C. 5818(b)) is amended by striking out "and" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and", and by adding after paragraph (3) the following new paragraph:

"(4) insure that Federal agencies fully discharge their responsibilities under sections 507 and 508 of the National Energy Extension Service Act for coordination and planning of their related activities under such Act and any other law, including but not limited to the Energy Policy and Conservation Act.".

(c) Section 108 of such Act is further amended by adding at the end thereof the following new subsection:

"(e) There is hereby established an Energy Conservation Subcommittee within the Council, which shall be chaired by the Administrator of the Energy Research and Development Administration, to discharge the responsibilities specified in subsection (b)(4) of this section and other related functions associated with the coordination and management of Federal efforts in the areas of energy conservation and energy conservation research, development and demonstration."

RECORDS

SEC. 511. Each State or other entity within a State receiving Federal funds under this title shall make and retain such records as the Administrator shall require, including records which fully disclose the amount and disposition of such funds; the total cost of the facilities and activities for which such funds were given or used; the source and amount of any funds not supplied by the Administrator; and any data and information which the Administrator determines are necessary to protect the interests of the United States and to facilitate financial audit and performance evaluation. Such recordkeeping shall be in accordance with Federal Management Circular 74-7 (34 CFR part 256) and any modification thereto. The Administrator, or any of his duty authorized representatives, shall have access until the expiration of three years after the completion of the facilities or activities involved, to any books, documents, papers, and records or receipts which the Administrator deems to be related or pertinent, directly or indirectly, to any such Federal funds.

APPROPRIATION AUTHORIZATION

SEC. 512. (a) There are authorized to be appropriated to the Director to carry out this title such sums as may be included in the annual authorization, for the fiscal year 1977 (as provided in section 101(7)(G) of title I of this Act), for the nonnuclear programs of the Energy Research and Development Administration.

(b) To the extent provided in the Act making the appropriation involved, any portion of the amount appropriated pursuant to subsection (a) for any fiscal year may be transferred by the Director, with the approval of the Administrator, to the head of any other Federal agency for payment to or expenditure within one or more States under sections 505 and 506 upon a determination by the Director that the existence of regular payment channels or administrative relationships between that agency and the State involved (or entities within such State) makes such transfer and such payment or expenditure administratively more efficient or effective or otherwise promotes the achievement of the objectives of this title; but no transfer of funds under this subsection shall result in any loss by the Director of any authority over program direction or control which is vested in him by this title.

(c)(1) The total amount appropriated pursuant to subsection (a) for the initial implementation of the energy extension service (other than the portion thereof needed for administrative expenses and special State projects) shall be allocated among the participating States according to the amounts needed to implement their proposed initial programs.

(c)(2) The total amount appropriated pursuant to subsection (a) for any fiscal year (other than the portion thereof needed for administrative expenses and special State projects) shall be allocated among the States in accordance with the following formula:

(i) one-half shall be divided equally among all the States; and

(ii) one-half shall be divided among the States in proportion to their respective populations. with each State being entitled to a sum that bears the same ratio to one-half of such total amount as such State's population (determined on the basis of the most recent decennial census) bears to the total population of all the States (as so determined).

(3) During the fiscal year in which this title becomes effective, the Director shall provide funds in accordance with paragraph (1) of this subsection for the implementation of the energy extension service activities in the maximum number of States determined by the Director to be feasible with the total amount appropriated pursuant to subsection (a): *Provided*, That in no case shall such number be less than ten States.

DEFINITIONS

SEC. 513. As used in this title, the term—

(1) "energy conservation" means "energy conservation, efficient energy use and the utilization of renewable energy resources"; and

(2) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or any territory or possession of the United States.

The SPEAKER. Is a second demanded?

Mr. WYDLER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Florida (Mr. FUQUA) is recognized for 20 minutes, and the gentleman from New York (Mr. WYDLER) is recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill was passed by both the House and the Senate. The conference was agreed to in the last session of the 94th Congress, and the conference report was agreed to by this body. Due to an action in the other body, it was unable to complete the final consideration of this bill in the last Congress.

The Committee on Science and Technology has met and reported the bill 30-to-1 to the House.

This is basically the same bill that passed in the last Congress.

The question may be asked: Why do we need a bill in this Congress since we are half way into the fiscal year?

First, it will assert the authority of the Congress over the Energy Research and Development Administration, second, it will set up the new Energy Extension Service to carry out the provisions of a bill that passed this House last year, and finally, it will provide for an orderly transfer of funds under certain conditions within the Department of Energy when that Department is authorized.

So, Mr. Speaker, I urge the adoption of the bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. FLOWERS), the chairman of the Subcommittee on Fossil and Nuclear Energy Research, Development, and Demonstration.

GENERAL LEAVE

Mr. FLOWERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 36, the bill presently under consideration.

The SPEAKER pro tempore (Mr. SISK). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. FLOWERS. Mr. Speaker, the gentleman from Florida (Mr. FUQUA) has adequately described this bill. I would term this bill, Mr. Speaker, as merely a housekeeping measure. It should provoke no controversy.

I do not see any of the Members amongst us right now who might cause us to foresee any controversy here. I do notice that one Member has raised his hand, and if there is any question the gentleman wishes to ask, I would be delighted to attempt to respond.

What we have done here actually is to try to give ERDA some authority to do things in certain fields such as solar energy and energy extension. There is no added authority here in anywise for nuclear programs or for the promotion of programs that would result in polluting our atmosphere or anything like that. What we are trying to do here is to give ERDA the tools it needs to carry forward the appropriations that have already been granted and carry out the provisions of the 1977 authorization.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding.

The gentleman from Alabama (Mr. FLOWERS) has not mentioned, for example, coal gasification, and I point that out particularly in view of the President's new program on energy which relies on a large, increased production of coal and hopefully would lead to the conversion of coal to gas.

What is there in this bill that would promote this program or our research and development in the area of coal gasification or liquefaction?

Mr. FLOWERS. Mr. Speaker, the Coalcon project which we authorized previously will be covered in this bill.

Mr. MICHEL. Mr. Speaker, the specific reason I asked the question is that we thought they were going ahead particularly with this one project. As a matter of fact, the project is out in my district, in Powerton, Ill. That project would have, as I understand it, eventually better than $40 million of private money invested in it, and then with State and Federal money combined, it would probably reach over $150 million. This process would change that high-sulfur, medium-range coal, with which there are problems as to burning clean, into low-sulfur, cleaner burning, coal. Every industry and every power company would need scrubbers if they do not burn that low-polluting coal.

Mr. Speaker, we thought this was a darned good project. It is probably one that ought to go forward.

If the gentleman could enlighten me a little further on this matter, I would be more than happy.

Mr. FLOWERS. Mr. Speaker, there is authorized in this legislation $50 million for the clean boiler fuel demonstration plant that was approved by section 101 (b) (1) of the act passed back on December 31, 1975. So it is authorized within this legislation. The fact as to whether they spend the money on that will be determined at another time and in another form. However, it is authorized within this legislation, as it was in the 1977 authorization originally. We do not change that whatsoever. There is no change made at all.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for his response.

Mr. ALLEN. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Tennessee.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding.

Do I understand from the gentleman that there is nothing in this bill authorizing any appropriation for nuclear energy or nuclear plants?

Mr. FLOWERS. All this bill does, I will say to my friend, the gentleman from Tennessee (Mr. Allen), is adopt the terms of the continuing resolution on appropriations which reflects back to the terms of the original conference report which was never agreed to by the Senate.

I also wish to point out that our report on this bill specifically deletes any authorization language for weapons or uranium mill tailings. That specific language is contained in the section by section analysis on page 37 of our report, House Report No. 95–224.

This does not change or in any wise give any added authority to ERDA than what it has under the appropriations resolution.

The only program in here that responds to the nuclear side is the provision that endorses and restates the authority that is derived from the previously passed appropriations bill.

Mr. ALLEN. If the gentleman will yield further, is there anything in this bill calling for the exploration of techniques to extract oil from shale rock?

Mr. FLOWERS. Yes, but it is covered already. It does not change that. It does not change in any way what the current level of expenditure is by ERDA for oil shale development or for coal gasification or anything of that sort. There is nothing in here that changes anything in that regard.

Mr. ALLEN. But in dollars and cents, the gentleman says that it confirms what is already in the law with respect to nuclear energy; is that correct? How much in dollars and cents is already in the law that this confirms for nuclear development?

Mr. FLOWERS. I am not really sure as to what the nuclear appropriated amount would be that would be covered here. It is covered by an appropriation which we adopted some months ago.

In fact, no matter what we do here, the same amount of money will be available to ERDA to spend. What we are doing is giving ERDA additional authority in the nonnuclear field which they could have had if the final authorzation conference report had been passed last year. It did pass the House back in September, but was never passed by the Senate.

There is no new money here for either nuclear or nonnuclear development. If we do not pass this bill, ERDA will have the same amount of money to spend; but they will not have the flexibility to spend it in certain ways that would be desirable for them to be able to consider.

Mr. ALLEN. Such as, for example, the exploration of the use of solar energy; is that correct?

Mr. FLOWERS. They already have that authority. This gives them a little bit of added authority.

Mr. ALLEN. If the gentleman will yield further, what I was trying to find out is what added authority it would really give to ERDA.

Mr. FLOWERS. It is primarily in the Energy Extension Service.

Significant provisions in this bill—and this is authority now—not new money—include authority to spend up to $25 million for an Energy Extension Service, plus provision to establish that program; $10 million for a small-grant program for appropriate technologies; $5 million for a guarantee program for municipal solid waste demonstration; authorization for a high Btu pipeline gas demonstration project, $10 million is provided for that; authorization for a second low Btu fuel gas demonstration project, $5 million there; additional authorization for clean boiler fuel demonstration; and up to $15 million, which is already in the law, in authorization for a 5-megawatt solar thermal test facility.

Then there are provisions for five solar energy projects, including an OTEC test facility, one 200-kilowatt wind energy facility; a total solar energy plant costing $2 million.

These are the kinds of things that we attempt to clarify in this legislation.

It was passed first in the other body. It is over in our forum now; and I think it would be wise to go forward with it at this time.

Mr. ALLEN. Mr. Speaker, I thank the gentleman.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I appreciate the gentleman from Alabama yielding to me.

I ask the gentleman now, and I ask this as much out of confusion as out of conviction, is it not a fact that the nuclear nonweapon element of this authorization is to the extent of $3 billion?

Mr. FLOWERS. It is $3,306,288,000.

Mr. WEISS. Is it not the further fact, and I ask this with the same premise, that the normal processes of the House are that the authorization has to precede the appropriation, and that without this authorization measure the moneys that have already been appropriated could not be spent for the purposes specified in this legislation?

Mr. FLOWERS. That is not true. Normally speaking, under the rules of the House, you could not proceed with an appropriation bill unless it was preceded by an authorization bill. That has already been aborted in this case, since we have a resolution on appropriations for ERDA, nuclear and nonnuclear, notwithstanding this legislation, for the current fiscal year we are already in. They are spending money on nuclear projects right now without the authorization bill because this requirement was waived.

If the gentleman from New York had been present here on this floor during consideration of a bill under suspension of the rules about 2 months ago, the gentleman from Alabama (Mr. Bevill), who is chairman of the Committee on Appropriations' subcommittee handling nuclear for ERDA, the gentleman would have known that we passed that day a continuing resolution funding the nuclear side of the ERDA appropriations, notwithstanding the fact that an authorization bill had not been passed.

Mr. WEISS. Mr. Speaker, will the gentleman yield further?

Mr. FLOWERS. I will yield further to the gentleman from New York.

Mr. WEISS. Mr. Speaker, my recollection is that, in fact, I was here on the floor on that day and that I raised some very serious questions about the procedure we were following. I raised those questions then because it appeared to me that the House and its Members, particularly the new Members, were being put into the position of being asked to vote on measures which were not clearly identified in the legislation that was before us.

I find myself in the same position now.

I appreciate that something may have been done in 1976 in the last Congress, before I arrived here which, perhaps, created a large morass from which we are trying now to get out. But I find it very difficult listening to the dialog that was held here between the gentleman from Alabama and the gentleman from Tennessee, in which a question was asked as to whether there was money in here for nuclear purposes. The response seemed to indicate, at least to my untrained ears, that there was none, but now the indication is that there is $3 billion in the bill for nuclear purposes.

Mr. FLOWERS. Mr. Speaker, what I said to the gentleman from Tennessee (Mr. Allen) I will say once again. Whether we pass this authorization bill or not, we cannot stop the ERDA nuclear program going forward for the current fiscal year. And the whole bottom line on this authorization bill is to aid certain nonnuclear, or to give authority for ERDA for further nonnuclear programs, that I think the gentleman from New York would be very interested in such as a biomass program and the energy extension program. Perhaps my friend the gentleman from Washington who is the chairman of the other energy subcommittee may wish to comment here, too. The nuclear side is here really so that there could be an adequate authorization amount for it and to overcome any concern that nuclear was not mentioned when the other was. It is the intention of the gentleman from Alabama, the chairman of one of the subcommittees of the Science Committee, as well as the gentleman from Washington that if we cannot have it this way then I think we would choose not to have this authorization bill. But it is intended to give ERDA added flexibility and authority in the nonnuclear areas, such as biomass and energy extension and other things that I am sure the gentleman from New York would be interested in.

Mr. WEISS. I am interested in them. But what bothers me is that we do not always have a clear perception of what we are being asked to vote on. For example, at that time when we had the continuing resolution for ERDA, we had coupled with it the authorization for the Southwest Power Authority and if one read the title and listened to the debate, on the surface of it it appeared as if we were talking about $6,400,000, but, when you checked much closer, we were actually being asked to approve about $7,006,400,000 because we had other matters in there.

And so it is the obfuscation, the continuation of the obfuscation, which confounds me.

I ask the gentleman if he considers the dissenting views expressed by the gentleman from New York (Mr. OTTINGER), found on pages 47 and 48 of the report, in which the gentleman expresses his concern about the vagueness especially of the section on nuclear nonweapons aspects of the legislation, to be well taken and valid?

Mr. FLOWERS. Absolutely not. I think the dissenting views of my dear friend, the gentleman from New York (Mr. OTTINGER), should be read and then we ought to vote the other way. In fact 30 members, out of the 31 members on our committee voted to report this bill out, and be voted the other way.

Mr. WEISS. If the gentleman will yield for 10 more seconds, I would tell the gentleman that I consider the gentleman from New York (Mr. OTTINGER) to be my beacon light when it comes to matters environmental, and I am deeply impressed with his presentation in the report, and I intend to follow it.

Mr. FLOWERS. Mr. Speaker, the bill S. 36 which is before the House at this time represents programs which have previously passed the House of Representatives on two occasions. The first occasion was when H.R. 13350 which was reported out of the Committee on Science and Technology and the Joint Committee on Atomic Energy and passed the House on May 20, 1976. The second occasion was after the Senate acted on this bill. The conferees met and the conference report, House Representative 94-1718 was passed by the House of Representatives on September 30, 1976. The conference report did not pass the Senate.

In this new Congress the Senate acted on S. 36 and authorized appropriations for the nonnuclear provisions under the annual authorization for the Energy Research and Development Administration. In reviewing the Senate actions in our committee we felt it was important to clean up the authorization itself for all of the ERDA programs now within our jurisdiction. For this reason this authorization contains both the nonnuclear programs previously authorized by our committee and the nuclear nonweapons programs which are now within our jurisdiction for the ERDA as well.

The bill is on the suspension calendar because of its noncontroversial nature. It is a housekeeping activity to authorize the programs as should have been done in the last Congress. In this way the appropriated amounts can be spent for new projects without question, as well as for existing projects which are already ongoing.

S. 36 contains specific authorizations of $1,639,973,000 for ERDA programs in fossil energy development, solar and geothermal energy development, and energy conservation. All nuclear research, development, and demonstration expect programs and projects for nuclear weapons are also authorized. Information on these sums is provided in section IX of this report.

Included in the authorizations made in this bill are certain programs in the ERDA budget which support work for both nuclear and nonnuclear programs. These programs are commonly in the basic sciences as opposed to applied sciences, in the environment and safety programs and in the budget category identified as program support.

Significant provisions in the bill include:

First, $25,000,000 for an energy extension service plus provisions to establish the program;

Second, $10,000,000 for a "small grant program for appropriate technologies";

Third, $5,000,000 for a price guarantee program for municipal solid waste demonstration;

Fourth, authorization for a second high Btu pipeline gas demonstration project, $10,000,000; authorization for a second low Btu fuel gas demonstration, $5,000,000; additional authorization for clean boiler fuel demonstration, $50,000,000; and, authorization for a 5 MWe solar thermal test facility, $15,000,000;

Fifth, provisions for five solar energy projects: OTEC sea test facility, one 200-KW wind energy facility, total solar energy plant, 5 MW solar thermal demonstration for small community, and biomass conversion facility;

Fifth, 3-year limit during which appropriations can be made on fossil energy demonstration projects authorized by this act or preceding acts;

Sixth, the Water Resources Council is authorized to do the water assessments;

Seventh, contractor laboratories are given authority to utilize funds for employee-suggested projected;

Eighth, ERDA employee financial conflict of interest;

Ninth, organizational conflict of interest; and

Tenth, authorization of the sums provided for nuclear nonweapons programs in titles II and III of the bill H.R. 13350 as set forth in the conference report (H. Rept. 94-1718).

To clarify the items within our jurisdiction we have added a section IX to our report titled Information on Committee Actions which identifies those areas which are authorized by section 309 of this bill. It clearly spells out those areas for which the authorization does not apply which are identified by stars in the text of the conference report language which has been included.

The vote in our committee in favor of this bill was 30 to 1. In response to our one dissenting member, Mr. OTTINGER, I offer the following comments:

First. It has been asserted that this bill provides a sweeping authorization and a large number of dollars for the nuclear program. In the view of our committee the existing situation without this bill for the ERDA is that the programs which are identified and funded by the appropriation actions can continue. However, as soon as an authorization is enacted for only part of the program, it is our view that the other programs are put in jeopardy. For this reason we have provided the housekeeping necessary to put in place the authorization language for all programs within our jurisdiction for which the appropriations were directed and to clarify the projects and programs which have already passed this body on two occasions as I have said.

Second. The vagueness of the bill is not in question because of the inclusion in the report of section IX which provides the funds to be made available in a way that shows which items our committee are funded by this bill. It is our impression that the weapons portion of the bill will be considered by the Armed Services Committee and reported to the House as part of the authorization for fiscal 1977 and 1978, and uranium mill tailings will be considered by appropriate committees.

Third. In committee we accepted the organizational conflicts of interest provision which is a new and ground-breaking provision and is important for an R. & D. agency such as the ERDA. The provision addresses the basic problem which was identified in hearings before the Senate Committee on Interior and Insular Affairs last year, that is that persons who are asked to do consulting work or management support work may indeed have other programs or projects for which there could be conflict of interest.

For that reason the language of the provision was amended to make it clear that potential contractors must disclose to the ERDA the information that could raise a possible conflict. In our view, the amendment is appropriate and will assist the Congress and the ERDA in properly administering the R. & D. contracts.

Mr. FREY. Mr. Speaker, if the gentleman from Alabama (Mr. FLOWERS) will yield further, I think the gentleman from Alabama is absolutely correct. There is a project I have been interested in called OTEC, through which we have the opportunity to develop 10 percent of the electrical energy in the world. It is a tremendous potential. It is something we have to push, but which would not be pushed under the continuing resolution.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I will not take too much of the gentleman's time, but I am one of those who, I think, along with the President and I am sure many Members of this House, am concerned not only with the basic meat or guts of this bill but something which is another thing I find in the legislation, and that is the National Extension Service Advisory Board without any type of termination on it. We have all heard about how we are going to cut down on the number of boards and advisory agencies and we have enacted more this session than I know we have removed.

Therefore I notice in here there is no termination provided and there is no way for me to amend the legislation. I wonder if the gentleman from Alabama would consider when he reviews this legislation for next year or for the following year, if he would review or look at the possibility of having a termination date so that if the Board ever does become nonpurposeful or nonfunctional we would provide for the Board to automatically expire rather than wait until somebody comes in here and says that we have to do something about it.

Mr. FLOWERS. I assure the gentleman we will do just that. I would consider our charge from the House in our authorization process to include oversight for that purpose, and if the Board is not doing the job they were intended to do they will not get authorization, I assure the gentleman.

Mr. VOLKMER. I thank the gentleman.

Mr. FREY. Mr. Speaker, I rise in support of S. 36, the authorization bill for ERDA for fiscal year 1977.

The possibilities for the uses of solar energy have captured the imagination of the American public. S. 36 provides for the continued development of numerous solar energy technologies. One of the most interesting and innovative concepts being explored is ocean thermal energy conversion—OTEC.

The objective of the OTEC program is to develop, demonstrate, and stimulate large-scale commercial offshore powerplants capable of economically converting ocean thermal energy into substantial quantities of useable electric energy. Oceans cover 70 percent of the surface of the Earth and are presently, a vast, untapped source of energy. Regional studies of potential OTEC electric power generation capability adjacent to the continental United States alone indicate a potential for about 10,000 Gwe. Such a significant contribution from an inexhaustible energy source cannot be overlooked.

The OTEC concept is based on the temperature differentials of the ocean as energy sources. Using warm surface water, a "working fluid" with a low boiling point such as ammonia would be used to drive a turbogenerator. Then cold, deep-ocean water would be used to condense the fluid for recycling through the system. The end result is electricity, using a fuel no more expensive than sea water.

An additional advantage of OTEC is that very little land is needed to meet requirements. No storage of energy is required; the oceans serve as a huge solar collector and do the storing for us. The technology is presently available for developing ocean thermal systems. What is needed now is engineering improvements and adaptations of these presently available technologies to meet OTEC's specialized requirements. ERDA-initiated studies are aiming for achieving that suitable engineering development and creating a 25 Mwe offshore pilot plant. Eventually, ocean thermal powerplants can be expected to meet a significant portion of the U.S. electric power demand. Of course, OTEC has the potential for being particularly effective where offshore plants can supply urban mainland sites.

OTEC is just one aspect of the commercialization of solar energy that S. 36 provides for, but an aspect which I urge ERDA to pursue fully. Looking further into the future, and beyond the more immediate prospects of OTEC, the solar power space satellite is another concept that should be encouraged. It has been estimated that a solar power satellite could produce 10 megawatts of power. Such a potential energy source should not be shunted aside as being too exotic. As with all solar energy applications, environmental concerns are virtually nonexistent. What is needed then, is intensified research and development on these advanced solar technologies. Exploitation of renewable resources is extremely important in the development of our energy options. OTEC and the solar power satellite are key elements of the development.

Mr. Speaker, the House overwhelmingly approved an authorization bill last year which was virtually identical to S. 36. It deserves the same commitment and support from all of my colleagues now.

Mr. WYDLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Washington.

Mr. McCORMACK. Mr. Speaker, I rise in support of this legislation which formalizes the authorization for the Energy Research and Development Administration for fiscal year 1977. As the chairman of the Subcommittee on Advanced Energy Technologies and Energy Conservation, I want to emphasize that I support all portions of this legislation, including those dealing with nuclear energy.

Mr. Speaker, title II of the conference report on H.R. 13350, in authorizing funds for ERDA operating expenses, contained two separate provisions establishing restrictions upon the export of nuclear materials. These sections 201 and 209, respectively, would have restricted ERDA's authority to spend funds to produce material for export and have restricted NRC authority to license such exports, until certain new procedural steps were followed. In evaluating a fiscal year 1977 ERDA authorization bill, and in referring to the sums authorized by the conference report on H.R. 13350, it is not intended that these two restrictions be applicable. The Congress is currently considering comprehensive legislation governing the export of nuclear materials, including legislation proposed by the President. These bills all contain new procedural requirements and policies governing such exports. Accordingly, in authorizing appropriations of the sums listed in title II of H.R. 13350, it is not intended that the restrictions in sections 201 or 209 be applied thereto.

Mr. WYDLER. Mr. Speaker, I rise in support of S. 36, the fiscal year 1977 ERDA authorization bill.

S. 36 is, in one sense, not really new legislation. It is basically the fiscal year 1977 ERDA authorization bill which came out of conference and passed the House near the end of the last Congress. Unfortunately, this same conference bill did not pass the Senate at that time. Last month, the Senate passed S. 36, a bill similar to last year's conference bill, H.R. 13350.

S. 36 authorizes a total of $4.9 billion for ERDA's fiscal 1977 budget. Since the 1977 fiscal year is about half over, passage of this legislation is essential for both the continuity of ERDA's program and for the continued congressional oversight that is our collective responsibility.

My colleague has said much about what S. 36 is. We should also bear in mind what it is not.

It is not a measure to authorize any brand new initiatives in the nuclear or nonnuclear field. It authorizes funding for programs that are already underway.

Second, it does not address the initiatives outlined by President Carter in his April 20 message. As all of my colleagues know, the President called for major changes in our energy research and development budget, especially in the area of nuclear power. These changes apply to the fiscal year 1978 budget, however, and bear no direct relationship to the legislation before us today.

The President's initiatives will soon be considered by the Committee on Science and Technology, other appropriate committees and, of course, the House itself. It will be appropriate then to give the President's proposals every conceivable consideration.

This legislation does authorize a plethora of ERDA programs of genuine importance to the Nation's overall energy program.

It authorizes continued research into coal liquefaction and gasification, oil shale, magnetohydrodynamics, geothermal power, and solar heating and cooling.

It authorizes continued research into energy storage, building conservation and biomass conversion.

It also establishes a "National Energy Extension Service" to bring the latest information of energy conservation to local communities and small businesses.

Passage of S. 36 will help America keep

open as many energy options as possible for the difficult days ahead.

I urge my colleagues to vote to suspend the rules and pass S. 36.

Mr. Speaker, I yield 1 minute to the gentleman from New Mexico (Mr. LUJAN).

Mr. LUJAN. Mr. Speaker, I am pleased to join my many colleagues on both sides of the aisle in calling for passage of this important legislation. As a member of the Committee on Science and Technology, I am intimately familiar with the need for a strong Federal effort in the field of energy research and development. This legislation is both a reflection of this need and a symbol of Congress commitment to meeting that need.

President Truman once quipped that if you laid all the economists in the country end to end, they would still all point in different directions. Those of us deeply involved in the energy question often have the same feeling, though most of us lack his penchant for the incisively humorous phrase.

Yet, the simple truth is that a similar situation exists today in the field of energy policy. Shortly after the end of World War II, the country faced seemingly insurmountable economic problems and there was no shortage of conflicting advice about dealing with them.

Today, we face an increasingly serious energy problem. While there is a very clear shortage of energy, there is no shortage of free advice about coping with it. Every legislator, staff member, executive branch official, editor, lobbyist and letter writer has his or her own pet scheme for leading us out of the wilderness. Some proposals are good; some are not. It is our task, as responsible legislators, to somehow separate the wheat from the chaff in deliberately framing the sort of national energy policy that will reflect well on our tenure as public servants and, more importantly, will bequeath to posterity a nation unthreatened by continuing dependence on other nations for basic energy resources.

The problem can really be distilled into several simple statements. First, we consume more energy in this country than we produce in this country. As a result, we depend upon foreign suppliers for nearly one-half of the petroleum we use. We also have begun importing liquefied natural gas from some of these same suppliers. Though our imports of LNG are not yet even 5 percent of total gas consumption, this percentage will grow in the years ahead with attendant difficulties for American economic life. More than $40 billion will leave this country this year to pay for these imports—dollars that could be more productively used here at home to create jobs, schools, hospitals, roads, libraries, and to meet dozens of other human needs.

More serious still is the fact that our energy lifeline can be severed at any moment by events and persons beyond our control. Tomorrow morning, events could transpire in the international area that have already taken place four times in the life of every Member of this body. I refer of course to renewed fighting in the volatile Middle East. I, for one, certainly would not want to place any bets on the likelihood of our passing through this year without a fifth Arab-Israeli conflagration. I pray that this will not happen, but if it does happen, another Arab oil embargo would have disastrous impacts on this Nation's economy. It is a sad commentary on our progress since the last oil embargo that our dependence on the very suppliers who embargoed us in 1973–74 has approximately doubled over the ensuing 3 years. This trend cannot and must not continue.

Improving this situation involves, quite simply, restoring the equilibrium between domestic production and domestic consumption of energy. We can do this in two ways: First, by cutting our energy consumption through realistic energy conservation; and second, by increasing our ability to produce energy at home. The rational course is to do both.

On April 20, President Carter submitted his "national energy plan," which we will be considering in the months to come. The President's program has much to recommend it, Mr. Speaker, but its heavy emphasis on energy conservation presents us with what is basically half of a viable energy program. There is little in it to encourage or to augment increased energy production.

As our distinguished ranking minority member, Mr. WYDLER, has pointed out, this is not really new legislation. What we have before us today is basically a bill that cleared conference last fall and was passed by the House only to die in the other body toward the end of last year.

When this legislation was being considered in this Chamber for the first time last May, I told my colleagues:

> . . . this piece of legislation we are considering today will be the only piece of legislation that will encourage energy development in this country at a time when it is needed so badly.

That was nearly a year ago, Mr. Speaker, and there has been little to make that statement less true. The last Congress did little, if anything, to encourage energy production and there is scant evidence of any moves in that direction in the 95th Congress.

Thus, this legislation is one of the few opportunities we will have to vote for a balanced approach to the energy dilemma.

S. 36 authorizes an aggressive program to augment our ability to tap America's own energy potential. Some of ERDA's program deals with better ways to produce, transport and use traditional energy sources like oil, natural gas, and coal. Some of it deals with what are, temporarily I hope, more exotic ways of producing energy such as solar heating and cooling, solar electric production, geothermal energy, wind, magnetohydrodynamics and ocean currents. Some of today's exotic energy modes will be old hat 10 years from now. Some of the programs we are investing in may turn out to be technological dead ends, promising much but delivering little. Nonetheless, we owe it to ourselves and future generations to leave no stone unturned in our search for reliable energy sources.

S. 36 is good legislation. Every man and woman in this Chamber can be proud of voting for an aggressive energy research program. I urge all of my colleagues to join me in supporting this effort.

Mr. WYDLER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Speaker, I wish to rise in support of the bill S. 36. As a member of the Committee on Science and Technology and of two of the three subcommittees which have responsibility for authorizing ERDA, I can assure my colleagues that this budget has been carefully considered and represents a balanced approach to future energy research, in these times of budgetary restraint.

The committee also made very important increases in operating expenses for ERDA in the fossil energy programs. The committee added $6.2 million to the petroleum and natural gas program to continue the Devonian shale program which was started in fiscal year 1976. The committee also increased the low-Btu gasification subprogram by $13.9 million to start an entrained bed gasification pilot plant. The third area of increase is in the in-situ coal gasification subprogram which was increased by $6.3 million to expand and accelerate that much needed program. Advanced research and supporting technology was raised by 2.6 million to provide for more and better systems studies of fossil energy usage. The bill also increased the funding for low-Btu and high-Btu coal gasification demonstration.

I would particularly like to call the attention of my colleagues to the increase of $6.2 million in natural gas stimulation work. ERDA has established a 5-year, $50 million Eastern Devonian shale natural gas program, to work toward tapping the vast 385 trillion cubic feet of shale gas in that region. ERDA will work to find the geological formations with the best potential for recovery and the best techniques for tapping this resource. The gas industry is fully participating in the work and costs of this program.

I would also like to call the attention of my colleagues to two projects in ERDA's direct combustion subprogram, which could have a real impact on our energy shortages in the near term. The first of these is the industrial application of a new technology to burn coal in an environmentally acceptable manner—the fluidized bed technology. The fluidized bed development program is designed to offer large fuel users, who are now dependent on curtailable natural gas and petroleum, the option of using coal in an environmentally acceptable manner. The concept involves using a cushion of air in which particles of coal and dolomite or limestone are suspended, thereby permitting cleanup of the combustion gases prior to emission through a stack.

The second is a project ERDA has for burning mixtures of coal and oil. It will allow us to use an abundant fuel, coal, as an extender, to increase the heat content of a scarce resource, crude oil. The objective of the program is to modify/retrofit, operate, and test existing boilers, heaters, and furnaces to demonstrate coal-oil slurry combustion technology. It also will obtain sufficient data from such demonstration units to enable applicable industrial and utility operations to convert to coal-oil slurry firing with minimum modifications and capital expenditures.

Finally, I would like to call my colleagues' attention to an amendment I sponsored in the original full committee markup of this authorization bill.

This section requires ERDA to report to Congress within 6 months on the environmental assessment and control efforts which have been authorized which exceed $25 million in estimated Federal cost. ERDA is required to report on three areas: The extent to which monitoring and control is needed, the costs of this monitoring, and who will have the responsibility for the monitoring, as among the private participant and the various Federal agencies. Thus, ERDA will be required to assemble all of the relevant cost data for each federally developed technology, whether or not the environmental study is directly associated with the project or not.

Congress will thus be able to get a more complete picture of the total costs of the development of each of these new energy technologies. This information will be of great value to the Congress not only in learning what environmental study costs have resulted from the development of new energy technologies, but also in gaining insight into understanding what the complete cost of development of these technologies will be, as requests for authorization are presented to the Congress. If this study proves to be particularly enlightening, then future legislation to make this report an annual requirement will be considered.

In conclusion, Mr. Speaker, I wish to urge my colleagues to support this very important bill, which is helping to shape our future.

Mr. WYDLER. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, there is a major solar energy project in my district that is pending approval. The question I have is whether or not passage of this bill would tend to accelerate the approval of the funding of the application which is pending. This is a high school which has already designed a structure for installation of a solar energy heating and cooling facility. The school district has already spent a great deal of its money. Also, there has been some funds made available by a State appropriation. An application for funding is pending through ERDA; but there seems to be a delay in the funding of this project.

Would enactment of this bill tend to accelerate the funding of that project?

Mr. THORNTON. Mr. Speaker, will the gentleman yield?

Mr. WYDLER. I yield for an answer to this question.

Mr. THORNTON. Mr. Speaker, I thank the gentleman for yielding.

I would like, first of all, to share in the expression of support for this general piece of legislation and especially with regard to the conservation effort included in the Energy Extension Service.

Mr. Speaker, I think the passage of this bill would provide direction for needed solar projects as described by the gentleman from Illinois (Mr. McClory) and I would like to express my strong support for S. 36 as amended, the Energy Research and Development Administration authorization bill for fiscal year 1977, and particularly for the provision contained in S. 36 creating a National Energy Extension Service.

The Extension Service was approved by the House in separate legislation last year and was then incorporated into the conference report on the ERDA authorization for 1977. That, too, was fully debated, voted upon and passed by the House; however the Senate failed to approve the bill.

It is extremely important that we pass a formal authorization bill for fiscal year 1977, and S. 36 as amended is essentially the same as the conference bill which we approved last year, Passage of this bill today would vastly simplify the mechanics of the fiscal year 1978 authorization bill when it is brought to the floor, S. 36 is not a new bill; it is a very sound bill reflecting the thousands of man-hours invested in its development, and I urge my colleagues to approve it without delay.

The Energy Extension Service, which is an important feature of S. 36, is a program which I proposed in 1975 as a means of bringing comprehensive information and assistance to America's homeowners and small businessmen so that they can make more efficient use of the energy they consume.

My introduction of the legislation was motivated by a recognition of a need for a coordinated approach in present energy programs. In order to be truly effective, any comprehensive energy conservation program must stimulate a conservation ethic among the millions of individual citizens and thousands of small businesses, commercial establishments and agricultural enterprises throughout the country.

To accomplish this, we must develop an active face-to-face relationship between energy consumers and those who are aware of the multitude of techniques and technologies available for improving energy efficiency. The Energy Extension Service would coordinate the many ongoing energy outreach programs now underway in this country, and would fill in the gaps between these efforts. By making optimum use of existing agencies and personnel, and by giving each State the responsibility for drafting the energy program which best meets its needs, we can achieve this without adding a new layer to the bureaucracy.

This program, modeled after the concept of the USDA's Cooperative Extension Service, has the support of the administration and of a number of Members of Congress. Its support is broad and bipartisan, its organization clear and workable, its goals desirable and attainable.

ERDA is now in the process of initiating a 10-State pilot program, with the States to be selected on a competitive basis. The legislation we have before us today provides that guidelines for implementation of the nationwide program will be issued on October 1, 1978. This allows us to gain the additional insight of the pilot program, and ties the beginning of the nationwide program directly to the beginning of a new fiscal year.

Mr. Speaker, I would like to stress two points which are important to remember in any discussion of energy conservation: First, the need for an effective energy conservation program does not lessen the need to develop new and alternative sources of supply. Second, energy conservation can often be accomplished by avoiding waste, and improving efficiencies, rather than requiring restricted economic activity or reduced standards of living.

Approached in the proper perspective, energy conservation can make positive contribution to the economy and improve living conditions, both in near and long terms. As an example, the National Energy Extension Service, once fully operational, could provide assistance in conserving the energy equivalent of the Alaskan pipeline at far less cost. Additionally, energy conservation offers the potential for a positive impact on our environment.

Mr. Speaker, the extension service embodies a positive approach to our energy problems and emphasizes voluntary action and cooperation.

I urge all Members of the House to support the Energy Extension Service concept and to approve the bill S. 36 as amended.

Mr. Speaker, would the gentleman from Illinois restate the question?

Mr. McCLORY. The question I asked was whether or not passage of this bill would accelerate funding of this project for this solar energy structure as it relates to a large high school. There have been, oh, probably $200,000 or $300,000 already invested by the school district and by the State of Illinois. It is a multimillion dollar grant for which application has been made. I understand it is near the top of the heap, as far as Illinois is concerned, with respect to solar energy projects. I just wonder if passage of this bill would accelerate the funding of that project.

Mr. WYDLER. Mr. Speaker, I would say to the gentleman I do not know the answer specifically to the gentleman's question; but in general, over $300 million in this bill will be for solar energy research. I presume it would increase the chances of the school to get funds, whatever that may be.

Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. Winn).

Mr. WINN. Mr. Speaker, those of us from the Farm Belt are familiar with that famous American institution, the county agent.

For my colleagues from nonfarm areas, I would point out that the venerable county agent was an employee of the Agricultural Extension Service. He acted as a conduit between the laboratory and the family farm. He kept the small farmer up-to-date with the latest trends and discoveries. He advised about new seed types, new means of plowing and pest control, fertilizers, and literally dozens of other important subjects. Many feel that this program played a major part in America's growth as the most productive agricultural nation on Earth.

In a sense, we are building on this experience in title V of the bill in establishing the National Energy Extension Service.

This program is designed to identify, develop, and to disseminate energy conserving techniques, materials and equipment—including such alternative energy technologies as solar cooling and heating.

Each State participating in this program would be assisted in setting up technical support institutes at one or more institutions of higher education in that State. These institutes would provide a nucleus of expert personnel directing interdisciplinary programs related to energy conservation methods, technologies and opportunities.

Mr. Speaker, I find this an exciting and worthwhile program. It builds on what we have learned from one successful effort to carry out the needs of a different era.

I also want to take this opportunity to comment on an application of solar energy that holds great promise for the future. This innovative concept is the solar power space satellite.

When solar power is mentioned today, the image that comes most readily to mind is of the rooftop solar collectors on buildings. The solar power satellite is a far more advanced concept. Pioneered by NASA, the successful development of the solar power satellite will certainly take the combined efforts of ERDA and NASA.

The advantage of a solar power satellite is that it would operate in a space environment where the power of the Sun's rays would be undiminished by the atmosphere of the Earth. Such a satellite would receive the Sun's rays for a full 24 hours a day, rather than for the intermittent periods characteristic of the standard rooftop collectors on the Earth's surface. The satellite would convert solar energy into microwave energy and then transmit the energy back to a receiver on Earth.

Such a satellite system is still many years off, but it can become a reality with NASA and ERDA working together on the requirements and technologies. S. 36 provides for the continuation of the types of R. & D. programs that will eventually lead to a successful and practical solar power satellite.

I hope all of my colleagues will join me in supporting S. 36.

Mr. GOLDWATER. Mr. Speaker, there are many aspects to a sound national energy policy. It is essential that we have have program continuity and keep our national options open. In addition, three aspects, in particular, are of fundamental importance.

The first is the need to make better use of the energy we have. This is simply rational energy conservation, which comprises changes in our energy consumption habits and the use of technology to improve energy efficiencies.

The second aspect is the need to improve the production, transport, and use of our traditional energy sources like coal, oil, natural gas, and hydroelectric power. In some cases, this involves changes in economic and regulatory policy. In others, new technologies are the solution.

The third aspect is the need to carry out an aggressive research program in those promising energy sources that hopefully offer long-term solutions to our energy problems.

S. 36, Mr. Speaker, is important to each of these needs. By providing for a continued strong energy research and development program, S. 36 assures:

That we will have the technology and hardware to make better use of the energy we have. This could describe means as seemingly humdrum as better batteries for electric automobiles, or as sophisticated as the cryogenic transmission of electricity.

That we will have the technology to improve our production, transport, and utilization of traditional energy sources. This includes, but is not limited to, methods to improve production from oil and natural gas fields, research into the transportation of coal via slurry pipelines and better ways to utilize these fuels so that more of their energy potential is tapped—and that the environmental consequences of their use are kept within acceptable limits.

That our energy technology will be capable of helping us over the hump as we make the—hopefully—measured, deliberate transition to new energy sources in the years ahead.

Those who have spoken before me have described this measure in great detail. My colleague, Mr. WYDLER, has pointed out that there are really no new initiatives in this legislation—that it has, in fact, actually passed this body before—and that the new research priorities outlined in President Carter's "national energy plan" will receive the consideration they deserve in subsequent legislation.

S. 36 is vital legislation because it maintains the essential continuity of our energy research and development program. It will accomplish what it is designed to carry out: It will keep our energy options open.

Mr. FISH. Mr. Speaker, there are many fine aspects to this legislation. Surely, a viable research and development program is a cornerstone of a workable national energy policy.

One aspect of this legislation, however, is not only fascinating, but of inordinate importance to all Americans. This is section 107, or what I sometimes call the "lead into gold" aspect of the ERDA program.

What are today the sciences we call chemistry and physics, had their roots in the medieval idea of alchemy. The alchemists tried diligently—and unsuccessfully—to turn base metals into gold. Though they never achieved their aims, they did leave us with the concept of turning something common into something precious.

This concept has appeared and reappeared as Western industrial society has developed. In the mid-18th century, men learned to use the common, and hitherto useless, mineral coal to fuel Britain's "Industrial Revolution." More than a century later, petroleum's real value became evident. It, too, had been considered useless. Still useless, though, was the methane gas escaping as the oil was produced. In the light of this past winter's school and factory closings, it is difficult to believe that natural gas was once considered a nuisance. It was either vented or flared until the development of seamless pipe made natural gas our most attractive single energy source.

Now we find ourselves at another transition point in energy history. Today's traditional energy sources will be tomorrow's historical sources. Thus, the search begins anew for means of turning something common into something precious. We have looked to the Arctic wastes. We have probed the ocean depths. We have dallied with some of the most awesome technologies known to man. We have made many steps forward, but we have much farther to go.

One of the most promising areas is also one of the most surprising: We are now looking wistfully at a common, hitherto useless, nuisance material. The material is, quite simply, solid wastes. Not fancy or unusual solid wastes, but the plain old ordinary solid wastes produced by every hamlet and city in America: Paper, plastics, glass, cans, garbage, and human wastes. These nuisances can be among tomorrow's energy sources—if we make the commitment.

Solid waste is a resource. Properly utilized, it can be recovered and two worthy goals can be achieved.

First, a nuisance can be disposed of. The time is long past when we can simply dump waste at sea or shovel it into gravel pits. New York City disposes of 30,000 tons daily; but the city's last remaining land fill on Staten Island will be overflowing by 1985. Connecticut will run out of landfill by 1980. This leaves burning waste and the abysmal practice of ocean dumping as our only other present alternatives. Burning exacerbates air pollution. Worse yet, it is a tragic waste of resources. Thus, any method making it easier to dispose of solid waste is a solution to a serious problem. As my colleagues on the Ad Hoc Committee on the Outer Continental Shelves will agree, we especially need to turn away from the dumping of solid wastes in the oceans as is done off Long Island.

Second, solid waste can be used to produce energy and this is being done today in places as diverse as San Diego, Calif.; Pompano Beach, Fla.; St. Louis, Mo.; and Baltimore, Md.

Thus, Mr. Speaker, continued technological development and commercialization of methods to turn waste into energy can solve two problems at once: First, the problem of waste disposal; and second, the problem of finding new energy sources. I cannot conceive of a more effective use of public funds than to accelerate moves in this direction. Section 107 does this by authorizing ERDA to establish and implement * * * a price-support program to demonstrate municipal solid waste reprocessing for the production of fuels and energy intensive products."

Price guarantees for the output of any plant would promise sufficient revenues to cover debt service and operating expenses for appropriate projects. The product of these plants might include synthesis gas, methane, methanol, or anhydrous ammonia—which is essential for the production of nitrogen fertilizers.

Mr. Speaker, this is just one aspect of this bill. There are, of course, many other aspects that my colleagues have described in detail. But I wanted to call this particular factor to the attention of my colleagues in urging them to join with me in suporting S. 36.

This legislation has more to offer in the field of energy research and development. It authorizes myriad programs in such emerging energy sources as solar heating and cooling, geothermal power, magnetohydrodynamics, solar and wind electrical production, and ocean thermal energy conversion. It also authorizes creation of a National Energy Extension Service, within ERDA, to disseminate the latest information on energy conservation techniques and alternative energy systems.

In total, S. 36 is comprehensive legislation. Its passage will be a step toward an era when the United States can depend upon its own energy sources again, without fear of cartel-based price increases and renewed embargoes.

Mr. WYDLER. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FUQUA) that the House suspend the rules and pass the Sentate bill S. 36, as amended.

The question was taken.

Mr. WEISS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this vote will be postponed.

PERMISSION FOR COMMITTEE ON THE BUDGET TO FILE A REPORT

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the Committee on the Budget may have until midnight, Tuesday, May 3, 1977, to file its report on the first budget resolution for fiscal year 1978.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object; but just so we have this part of the record clear—after that whistle-through little session we had on the Budget Committee on Friday, where we met all of 10 minutes—I understand the add-on deficit will now be, according to the new resolution $66 billion? Is that correct?

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, it is $66.2 billion.

Mr. ROUSSELOT. So, the great saving that was put into effect by our Budget Committee over what we did on the floor was roughly $2 billion?

Mr. GIAIMO. About $2 billion less than what was done on the floor.

Mr. ROUSSELOT. What did the gentleman do to the defense outlays?

Mr. GIAIMO. Basically, we restored about $1.15 billion of the $4 billion cut.

Mr. ROUSSELOT. Was this an authorization or outlay?

Mr. GIAIMO. It is in budget authority.

Mr. ROUSSELOT. Can the gentleman tell us what kind of rule he is going to seek?

Mr. GIAIMO. We are not seeking a rule. We are informed that we do not need a rule and, therefore, we are bringing up the resolution by virtue of the fact that we bring the matter up under the Budget Act, as the gentleman knows, without a rule.

So, the answer to the gentleman's question is that it will be open to amendment.

Mr. ROUSSELOT. And there will be no attempt, then, to limit debate other than what the gentleman can obtain on the floor?

Mr. GIAIMO. The gentleman will recall that I had a conversation and colloquy with the gentleman from Maryland several days ago, and I assured him there would be ample time to debate the matter. That does not mean that after a lengthy period of time on a particular amendment, we might not ask unanimous consent or even move to limit further debate, but I am sure we can protect everyone's rights within reason.

Mr. ROUSSELOT. Further reserving the right to object, there will be no attempt to waive any rules?

Mr. GIAIMO. We are not going to the Rules Committee.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

VETERANS' ADMINISTRATION MEDICAL FACILITIES ACQUISITION ACT OF 1977

Mr. SATTERFIELD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5025) to amend title 38 of the United States Code in order to revise the provisions therein relating to the construction, alteration, and acquisition of Veterans' Administration medical facilities.

H.R. 5025

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Medical Facilities Acquisition Act of 1977".

SEC. 2. (a) Subchapter I of chapter 81 of title 38, United States Code, is amended to read as follows:

"SUBCHAPTER I—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

"§ 5001. Definitions

"For purposes of this subchapter:

"(1) The term 'alter' means the repair, remodeling, improvement, or extension of any medical facility.

"(2) The term 'Committee' means the Committee on Veterans' Affairs of the House of Representatives and the Committee on Veterans' Affairs of the Senate.

"(3) The terms 'construct' and 'alter' include such engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other similar actions that are necessary for the construction or alteration, as the case may be, of any medical facility and are carried out after the completion of the advanced planning (which includes the development of project requirements and preliminary plans) for such facility.

"(4) The term 'medical facility' means any facility or part thereof, which is, or will be, under the jurisdiction of the Administrator for the provision of health services (including, but not limited to, hospital, nursing home, or domiciliary care, or medical services), and includes necessary building and auxiliary structures, appurtenant garages and parking facilities, mechanical equipment, trackage facilities leading thereto, abutting sidewalks, accommodations for attending personnel, and recreation facilities associated therewith.

"§ 5002. Acquisition of medical facilities

"(a) The Administrator shall provide medical facilities for veterans entitled to hospital, nursing home or domiciliary care, or medical services under this title.

"(b) No medical facility may be constructed or otherwise acquired, or altered, except by the Administrator and except in accordance with the provisions of this subchapter.

"(c) The Administrator, in carrying out this subchapter—

"(13) shall provide for the construction and acquisition of medical facilities equitably throughout the United States with due regard for the comparative urgency of the need for each particular facility; and

"(2) shall give due consideration to excellence of architecture and design.

"§ 5003. Authority to construct and alter, and to acquire sites for, medical facilities

"(a) Pursuant to the provisions of this chapter, the Administrator may—

"(1) construct or alter any medical facility and acquire, by purchase, lease, condemnation, donation, exchange, or otherwise such land or interests in land as the Administrator deems necessary for use as the site for such construction or alteration; and

"(2) acquire, by purchase, lease, condemnation, donation, exchange, or otherwise any facility suitable for use as a medical facility, including its site.

"(b) Any site authorized to be acquired without regard to title III of the Federal Property and Administrative Services Act of 1949, as amended.

"(c) Whenever the Administrator deems it to be in the best interest of the United States to construct a new medical facility to take the place of an existing medical facility, the Administrator may demolish the existing facility and use the site on which it is located for the site of the proposed medical facility, or, if in his judgment it is more advantageous to construct such medical facility on a different site in the same locality, he may exchange such facility and site without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

"(d) Whenever the Administrator determines that any site acquired (whether pursuant to this subchapter or otherwise) for the construction of a medical facility is not suitable for that purpose, the Administrator is authorized to exchange such site for another, or to sell it without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

"§ 5004. Congressional approval of medical facility acquisitions

"(a) In order to insure the equitable distribution of medical facilities throughout the United States with due regard for the comparative urgency of need for such facilities—

"(1) no appropriation shall be made to construct, alter, or otherwise acquire any medical facility which involves a total expenditure of more than $1,000,000 unless such construction, alteration, or acquisition is first approved by resolution adopted by each Committee, respectively; and

"(2) no appropriation shall be made to lease any space at an average annual rental of more than $200,000 for use for a medical facility unless such lease is first approved by resolution adopted by each Committee, respectively.

"(b) For the purpose of securing consideration for any approval required under subsection (a) of this section, the Administrator shall submit to each Committee, on the same day, a prospectus of the proposed medical facility which shall include, but shall not be limited to—

"(1) a detailed description of the medical facility (and its location) to be constructed, altered, leased, or otherwise acquired pursuant to this subchapter;

"(2) an estimate of the maximum cost to the United States of the construction, alteration, or other acquisition of such facility (including site costs if applicable); and

"(3) an estimate of the maximum cost to the United States of the equipment for the operation of such facility.

"(c) The estimated maximum cost of any construction, alteration, other acquisition, or lease approved under this section as set forth in any prospectus may be increased by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction, alteration, other acquisition, or lease costs, as the case may be, from the date of transmittal of such prospectus to the Committees, but in no event shall the increase authorized by this subsection exceed 10 per centum of such estimated maximum cost.

"(d) In the case of any medical facility approved for construction, alteration, other acquisition, or lease by each Committee, respectively, in accordance with subsection (a) of this section, for which an appropriation has not been made within one year after the date of such approval, either such Committee may rescind, by resolution, its approval at any time thereafter before such an appropriation is made.

"(e) In applying this section, any garage or parking facility proposed to be constructed or altered by the Administrator at any existing medical facility shall, if such construction or alteration involves a total expenditure of more than $1,000,000, be treated as a medical facility.

"§ 5005. Structural requirements

"Any medical facility (including any nursing home facility for which the Administrator contracts under section 620 of this title and any State home facility constructed or altered under section 5031 of this title) shall be of fire, earthquake, and other natural disaster resistant construction in accordance with standards which the Administrator shall prescribe on a State or regional basis after surveying appropriate State and local laws, ordinances, and building codes and climatic and seismic conditions pertinent to each such facility. When an existing structure is acquired for use as a medical facility, it shall be altered to comply with the requirements stated in the preceding sentence. In order to carry out this section, the Administrator shall appoint an Advisory Committee on Structural Safety of Veterans' Administration Facilities, on which shall serve at least one architect and one structural engineer expert in fire, earthquake, and other natural disaster resistance who are not employees of the Federal Government, to advise the Administrator on all matters of structural safety in the construction and altering of medical facilities in accordance with the requirement of this section, and which shall approve regulations prescribed hereunder. The Associate Deputy Administrator, the Chief Medical Director or the designee of the Chief Medical Director, and the Veterans' Administration official charged with the responsibility for construction shall be ex officio members of such committee.

"§ 5006. Administrative provisions

"(a) The Administrator may carry out any construction or alteration authorized pursuant to this subchapter by contract, if the Administrator deems it to be most advantageous to the United States.

"(b) Whenever the Administrator determines it to be necessary, the Administrator may employ, by contract or otherwise, and without regard to the civil service laws, rules, and regulations, the services of established architectural or engineering corporations, firms, or individuals, to the extent the Administrator may require such services for any medical facility authorized to be constructed or altered under this subchapter.

"(c) No corporation, firm, or individual shall be employed under authority of subsection (b) on a permanent basis.

"(d) Notwithstanding any other provision of this section, the Administrator shall be responsible for all construction authorized pursuant to this subchapter, including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

"§ 5007. Reports to Committees

"(a) In order to insure effective planning for the orderly construction, replacement, and alteration of medical facilities, in accordance with the comparative urgency of need for such facilities, the Administrator shall submit to each Committee, on the same day and not later than June 30 of each year, beginning in 1978, a report, which shall contain—

"(1) a five-year plan for the construction, replacement, and alteration of those medical facilities which, in the judgment of the Administrator, are most in need of construction, replacement and alteration;

"(2) a list, in order of priority, of not less than ten hospitals which, in the judgment of the Administrator, are most in need for construction or replacement; and

"(3) general plans, including projected costs, site location, and where appropriate, necessary land acquisition, for each medical facility included in the five-year plan or the list, or both, required under paragraphs (1) and (2) of this subsection.

"(b) The Administrator shall submit to each Committee in January of each year a report showing the location, space, cost, and status, of each medical facility the construction, alteration, other acquisition, or lease of which is authorized pursuant to secton 5004 of this subchapter and which was uncompleted as of the date of the last preceding report made under this subsection.

"(c) The Administrator shall make such medical facility project surveys as may be requested by resolution by either Committee, and within a reasonable time, but not later than six months after the date of the adoption of any such resolution, shall make a report thereon to the requesting Committee. Such report shall contain all other information required to be included in a prospectus of a proposed medical facility project under section 5004(b) of this title.

"§ 5008. Contributions to local authorities

"The Administrator may make contributions to local authorities toward, or for, the construction of traffic controls, road improvements, or other devices adjacent to medical facilities when deemed necessary for safe ingress or egress.

"§ 5009. Garages and parking facilities

"(a) The Administrator may construct, alter, operate, and maintain, on reservations of medical facilities, garages and parking facilities for the accommodation of privately owned vehicles of employees of such facilities and vehicles of visitors and other individuals having business at such facilities.

"(b)(1) The Administrator may establish and collect (or provide for the collection of) fees for the use of such garages and parking facilities at such rate or rates which the Administrator determines would be reasonable under the particular circumstances; but no fee may be charged for the accommodation of any privately owned vehicle used in connection with the transportation of a veteran to or from any medical facility for the purpose of examination or treatment or in connection with any visit to any patient in such facility.

"(2) The Administrator may contract, by lease or otherwise, with responsible persons, firms or corporations, for the operation of such parking facilities, under such terms and conditions as the Administrator may prescribe, and without regard to the laws concerning advertising for competitive bids.

"(c)(1) To finance the construction, alteration, operation, and maintenance of garages and parking facilities (other than the construction or alteration of any garage or parking facility involving the expenditure of more than $1,000,000) there is hereby authorized to be appropriated from time to time such amounts as are necessary for these purposes. Amounts appropriated under the authority contained in this section and all income from fees collected for the use of such garages and parking facilities shall be administered as a revolving fund to effectuate the provisions of this section; but only to the extent provided for in appropriation Acts.

"(2) The revolving fund shall be deposited in a checking account with the Treasurer of the United States, except that such amounts thereof as the Administrator may determine to be necessary to establish and maintain operating accounts for the various garages and parking facilities may be depositories selected by the Administrator.

"§ 5010. Operation of medical facilities

"(a) The Administrator may establish and operate not less than one hundred and twenty-five thousand hospital beds in medical facilities over which the Administrator has direct jurisdiction for the care and treatment of eligible veterans who are tuberculosis, neuropsychiatric, medical, and surgical cases, and the Administrator shall staff and maintain, in such a manner as to insure the immediate acceptance and timely and complete care of patients, sufficient beds and other treatment capacities to accommodate and provide such care to eligible veterans applying for admission and found to be in need of hospital care or medical services. The Administrator shall maintain the bed and treatment capacities of all Veterans' Administration medical facilities so as to insure the accessibility and availability of such beds and treatment capacities to eligible veterans and to minimize delays in admissions and in the provision of such care and of services pursuant to section 612 of this title. The Chief Medical Director shall periodically analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care and medical services but are rejected or not immediately admitted or provided such care or services, and the Administrator shall annually advise each committee of the results of such analysis and the number of any additional beds and treatment capacities and the appropriate staffing and funds therefor found necessary to meet the needs of such veterans for such necessary care and services.

"(b) The Administrator shall establish and operate not less than ten thousand beds in fiscal year 1980, and in each fiscal year thereafter, for the furnishing of nursing home care to eligible veterans in facilities over which the Administrator has direct jurisdiction. The nursing beds authorized by this subsection shall be in addition to the hospital beds provided for in subsection (a) of this section.

"§ 5011. Use of Armed Forces facilities

"The Administrator and the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy may enter into agreements and contracts for the mutual use or exchange of use of hospitals and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate such facilities properly, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number established or approved on June 22, 1944, plus the estimated number required to meet the load of eligibles under this title, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

"§ 5012. Partial relinquishment of legislative jurisdiction

"The Administrator, on behalf of the United States, may relinquish to the State in which any lands or interests therein under the supervision or control of the Administrator are situated, such measure of legislative jurisdiction over such lands or interests as is necessary to establish concurrent jurisdiction between the Federal Government and the State concerned. Such partial relinquishment of legislative jurisdiction shall be initiated by filing a notice thereof with the Governor of the State concerned, or in such other manner as may be prescribed by the laws of such State, and shall take effect upon acceptance by such State.

"§ 5013. Property formerly owned by National Home for Disabled Volunteer Soldiers

"If by reason of any defeasance or conditional clause or clauses contained in any deed of conveyance of property to the National Home for Disabled Volunteer Soldiers, which property is owned by the United States, the full and complete enjoyment and use of such property is threatened, the Attorney General, upon request of the President, shall institute in the United States district court for the district in which the property is located such proceedings as may be proper to extinguish all outstanding adverse interests. The Attorney General may procure and accept, on behalf of the United States by gift, purchase, cession, or otherwise, absolute title to and complete jurisdiction over all such property.

"§ 5014. Use of federally owned facilities

"The Administrator may use as medical facilities such suitable buildings, structures, and grounds owned by the United States on March 3, 1925, as may be available for such purposes, and the President may by Executive order transfer any such buildings, structures, and grounds to the control and jurisdiction of the Veterans' Administration upon the request of the Administrator.".

(b) The analysis of such subchapter I is amended to read as follows:

"SUBCHAPTER I.—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

"Sec.
"5001. Definitions.
"5002. Acquisition of medical facilities.
"5003. Authority to construct and alter, and to acquire sites for, medical facilities.
"5004. Congressional approval of medical facility acquisitions.
"5005. Structural requirements.
"5006. Administrative provisions.
"5007. Reports to committees.
"5008. Contributions to local authorities.
"5009. Garages and parking facilities.
"5010. Operation of medical facilities.
"5011. Use of Armed Forces facilities.
"5012. Partial relinquishment of legislative jurisdiction.
"5013. Property formerly owned by National Home for Disabled Volunteer Soldiers.
"5014. Use of federally owned facilities.".

SEC. 3. (a) Subchapter II of chapter 81 of title 38, United States Code, and the analysis of such subchapter are each amended by redesignating section 5011, 5012, 5013, and 5014 as sections 5021, 5022, 5023, and 5024, respectively.

(b) Section 5022 of title 38, United States Code (as redesignated by subsection (a) of this section), is amended by striking out subsection (b), and by redesignating subsection (c) as subsection (b).

SEC. 4. This Act shall take effect October 1, 1977, but shall not apply with respect to the acquisition, construction, or alteration of any medical facility (or appurtenant structure) of the Veterans' Administration if such acquisition, construction, or alteration was approved before such date by the President or the Administrator of Veterans' Affairs.

The SPEAKER pro tempore. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. SATTERFIELD) is recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Veterans' Administration health care system at the beginning of fiscal year 1977 was providing medical care in 171 hospitals, 215 outpatient clinics, 88 nursing homes, and 16 domiciliaries. These facilities provided care for 1,495,202 inpatients and 18,323,-263 medical and dental outpatient visits in fiscal year 1976 and the transition quarter. Through fiscal year 1977 there was in excess of $602.1 million required through appropriations for the construction, alteration, modernization, and replacement of Veterans' Administration health care facilities costing $1 million or more. The fiscal year 1978 budget request seeks appropriation of $436.6 million of these funds.

In 1944, Congress authorized expansion of the VA hospital system by appropriating $1.1 billion to add approximately 49,000 new beds to the VA system. In 1958, because of concern that VA hospitals were not keeping pace with those in the private medical sector, the Administrator of Veterans' Affairs appointed a special task force, including representatives from the Bureau of the Budget—Office of Management and Budget—to study and appraise long-range modernization and replacement requirements. This 2-year study resulted in a 12-year plan to spend $900 million to modernize 65,629 beds at 72 existing pre-World War II hospitals and to construct 10,029 new beds to replace completely outmoded facilities. This plan was presented to the House Veterans' Affairs Committee and to the Appropriations Committee in support of appropriation requests. It was accepted by the Bureau of the Budget and the Congress.

Funding for the program started in 1961 with the appropriation of $75 million and this approximate level of appropriations was maintained for the next 3 years. The plan was revised upward in 1962 to $1.3 billion over a 15-year period with an annual funding level of $90 million to $100 million. This new level was reflected in appropriations of $98 million in fiscal year 1965 and $91 million in fiscal year 1966.

During the 10-year period 1969 to 1978, construction budget authority has increased from $7.9 million to $526.1 million. In 1977, budget authority for major and minor projects will exceed $523 million. In 1978, it is expected to total more than $526 million.

Although there are many factors to be considered, the committee is of the opinion that for too many years there has been inadequate planning, particularly long-range planning, of the Veterans' Administration health facilities construction program. To a large degree, lack of such planning has resulted in high-cost overruns. The most recent example is the Bronx VA Hospital where original estimated construction costs totaled $65 million. The hospital is in its final stages of completion and the total cost is expected to exceed $115 million.

Last year the administration recommended eight new hospitals at the rate of two a year. When this year's budget was submitted there was no continuation of the program to bring on additional hospitals beyond the eight recommended in fiscal year 1977. The committee feels strongly that new and replacement hospitals should be ongoing and the reporting requirements in the reported bill would provide assurance that the construction program will be adequate to meet the needs of our veterans.

Under current law, the establishment of VA hospitals and other health care facilities rests solely with the President. The location of each facility is determined by the Administrator of Veterans' Affairs, subject to the approval of the President.

The only restraint upon the agency in locating and constructing such facilities, as far as the Congress is concerned, is the availability of funds to be provided by the Appropriations Committee.

The committee feels that the committee charged with the responsibility for determining the nature and scope of Federal benefits, including medical care, to be provided for the Nation's veterans, should have a role in determining where and in what quantity VA health care facilities shall be constructed. The committee feels that Congress must have more input in the planning and establishment of priorities if Congress is to carry out its oversight and legislative responsibilities more effectively. The reported bill is designed to give the Congress an opportunity to provide that input, and, in the opinion of the committee, such input will materially improve the operation of the VA construction program.

The reported bill (H.R. 5025), provides that no appropriation shall be made to construct, alter, or otherwise acquire any medical facility which involves an expenditure of more than $1 million, unless it is approved by a resolution of the Committees on Veterans' Affairs in the House and the Senate. In addition, appropriations could not be made for the lease of a medical facility having an annual rental of more than $200,000 a year without the approval of both committees.

The bill also requires the Administrator of Veterans' Affairs to submit to the Committees on Veterans' Affairs of the House and the Senate, not later than June 30 of each year beginning in 1978: First, a 5-year plan for the construction, replacement, and alteration of medical facilities; second, a list in order of priority of not less than 10 hospitals which in the judgment of the Administrator are most in need of construction or replacement; and third, the general plans including cost, site location, and, when indicated, land acquisition for each medical facility.

In addition, the reported bill would authorize the establishment of a revolving fund, similar to the VA canteen revolving fund, to enable the Veterans' Administration to cope with one of the most serious problems existing in the system—inadequate parking facilities at practically every VA hospital throughout the country.

I include the following section-by-section analysis:

SECTION-BY-SECTION ANALYSIS OF THE BILL

SECTION 1

This section provides that the act may be cited as the "Veterans' Administration Medical Facilities Acquisition Act of 1977".

SECTION 2

This section amends subchapter 1 of chapter 81 of title 38, United States Code. The new subchapter is named "Subchapter 1—Acquisition and Operation of Medical Facilities". The new subchapter would contain the following sections:

§ 5001. Definitions—

This section contains definitions of four terms used in the bill:

(1) The term "alter" means the repair, remodeling, improvement, or extension of any medical facility.

(2) The term "committee" means the Committee on Veterans' Affairs of the House of Representatives and the Committee on Veterans' Affairs of the Senate.

(3) The terms "construct" and "alter" include such engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other similar actions necessary for the construction or alteration, as the case may be, of any medical facility and are carried out after the completion of the advanced planning for such facilities.

(4) The term "medical facility" means any facility, or part thereof, which is, or will be, under the jurisdiction of the Administrator for the provisions of health services (including, but not limited to, hospital, nursing home, or domiciliary care, or medical services), and includes necessary building and auxiliary structures, appurtenant garages and parking facilities, mechanical equipment, trackage facilities leading thereto, abutting sidewalks, accommodations for attending personnel, and recreation facilities associated therewith.

§ 5002. Acquisition of medical facilities—

This section authorizes the Administrator to provide medical facilities for veterans entitled to hospital, nursing home, domiciliary, and medical services as allowed in this title.

Subsection (b) prohibits a medical facility from being constructed, acquired, or altered except by the Administrator and in accordance with the provisions of this subchapter.

Subsection (c) sets forth the duties of the Administrator. Specifically, (c)(1) states the duties are to provide for the construction and acquisition of medical facilities in an equitable manner giving consideration to the particular urgency of each individual facility. In (c)(2) the Administrator is to consider excellence of architecture and design. This allows the Administrator to have the flexibility to provide modern and efficient medical facilities.

§ 5003. Authority to construct and alter and to acquire sites for, medical facilities—

Subsection (a)(1) authorizes the Administrator to construct or alter any medical facility and to acquire interests in land by purchase, lease, condemnation, donation, exchange, or otherwise, for such construction or alteration.

Subsection (a)(2) gives the Administrator the authority to acquire, by lease, condemnation, donation, exchange or otherwise, any facility suitable for use as a medical facility, including its site.

Subsection (b) provides that any site so acquired by this subchapter may be so without regard to title III of the Federal Property and Administrative Services Act of 1949, as amended.

Subsection (c) allows the Administrator, when, in his discretion, he deems it to be in the best interests of the United States, to construct new medical facilities to replace existing facilities. In so doing the Administrator may demolish the existing facility and build on the same site, or if more advantageous, build on a different site in the same locality. The same locality means in the same general service area, but not necessarily within the same government boundaries. The Administrator may take these actions without regard for the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

Subsection (d) allows the Administrator to sell or exchange an acquired site should it be determined that it is no longer suitable for its intended purpose. He may do this without regard for the Federal Property and Administrative Services Act of 1949, as amended.

§ 5004. Congressional approval of medical facility acquisitions—

Subsection (a) insures the equitable distribution of medical facilities throughout the United States with due regard for the comparative urgency of need for such facilities.

Subparagraph (1) forbids the making of an appropriation of more than $1 million for construction, alteration, or acquisition unless it is first approved by resolution adopted by each committee. Subparagraph (2) forbids the making of an appropriation for a lease with an annual rental of more than $200,000 unless first approved by resolution adopted by each committee.

Subsection (b) provides the mechanism whereby the Administrator may obtain the approvals required by subsection (a). Specifically, the Administrator shall transmit a prospectus to the committee which must contain at a minimum, the following: (1) a detailed description of the medical facility and its location; (2) an estimate of the maximum cost to the United States for the construction, alteration, or other acquisition of the facility; (3) an estimate of the maximum cost to the United States for the equipment to operate the facility. This estimate must include the site costs and cost of equipping the building.

Subsection (c) allows the estimated maximum cost for construction, alteration, acquisition, or lease approved under this section to increase if the industry costs increase and at the same rate of percentage increase as takes place in the industry, up to a maximum of 10 percent. The increase is to be measured from the date the prospectus was transmitted to the Congress.

Subsection (d) allows the committee to rescind its approval of a project as required by subsection (a) of this section, if the appropriation has not been made within 1 year from the date of its approval. This rescission may take place anytime after the 1 year has run but must be prior to the making of the appropriation.

Subsection (e) provides that if the proposed construction or alteration of any garage or parking facility involves a total expenditure of more than $1 million, it shall be treated as a medical facility.

§ 5005. Structural requirements—

This section provides for fire, earthquake, and other natural-disaster-resistant construction or alteration for all medical facilities and any nursing home facilities contracted for pursuant to section 620 of this title or State home facilities, constructed or altered under section 5031 of this title. Specifically, all medical and nursing home facilities must be of such construction that they are resistant to fire, earthquake, and other natural disasters. The Administrator is given the authority to establish the standards which must be met. In establishing these standards, the Administrator must survey the applicable State and local laws, ordinances, and building codes and the climatic and seismic conditions at each facility. Any facility not meeting the established standards must be altered. To insure compliance with this section, the Administrator is required to appoint an Advisory Committee on Structural Safety of Veterans' Administration Facilities. This committee will advise the Administrator on all matters of structural safety in the constructing or altering of medical and nursing facilities and shall recommend regulations. The Committee must have at least one architect and one engineer not employed by the Federal Government who are experts in fire, earthquake, and other natural-disaster-resistant construction. This Committee shall also consist of the following ex officio members: Associate Deputy Administrator, Chief Medical Director or his designee, and the VA official charged with the responsibility for the construction or alteration.

§ 5006. Administrative provisions—

Subsection (a) allows the Administrator to contract for any construction or alteration authorized by this subchapter if he deems it to be most advantageous to the United States.

Subsection (b) allows the Administrator, in his discretion, to employ architectural or engineering services for such purposes under this subchapter as the Administrator may require. He may do so without regard to the civil service laws, rules, and regulations.

Subsection (c) forbids the employment allowed in (b) above to be on a permanent basis.

Subsection (d) makes the Administrator responsible for all contractual aspects of the construction or alteration required by this subchapter.

§ 5007. Reports to committees—

The purpose of subsection (a) is to insure effective planning for orderly construction, replacement and alteration of medical facilities. The Administrator, beginning in 1978, is required to submit a report each year to each committee by not later than June 30 of each year, which shall contain: (1) a 5-year plan for construction, replacement, and alteration of those medical facilities which the Administrator feels are most in need of such action; (2) a list of at least 10 hospitals in order of priority which the Administrator feels are most in need of construction or replacement; (3) general plans, including projected costs, site location, and any required land acquisition for each of the medical facilities in the 5-year plan or hospitals in the list, or both required in (1) and (2) above.

Subsection (b) requires the Administrator to submit to each committee in January of each year a report showing location, space, cost, and status of each medical facility whose construction, alteration, other acquisition or lease was authorized by section 5004 of this subchapter and which was not completed as of the date of the previous report made under this subsection.

Subsection (c) requires the Administrator to make medical facility project surveys whenever requested to do so by resolution of either committee. The report must be submitted within 6 months of the date of the requesting resolution. This report must contain all of the information required by section 5004(d) of this title.

§ 5008. Contributions to local authorities—

This section allows the Administrator, in his discretion, to make contributions to local authorities for traffic controls and other necessary work or devices adjacent to the hospital to insure safe ingress and egress for the medical facility.

§ 5009. Garages and parking facilities—

Subsection (a) gives the Administrator the authority to construct, alter, operate, and maintain garages and parking areas at the medical facilities for the use of employees, visitors, and people having business at such facilities.

Subsection (b)(1) allows the Administrator to set the rate for use of such parking areas and collect fees for their use. Charging for parking of a car which is used to transport a veteran to or from the facility or used to make a visit to a veteran in the facility is forbidden. This section does not change the existing provision.

Subsection (b)(2) allows the Administrator to contract by lease or otherwise with private enterprises to maintain and operate the parking facilities. In so doing, the contracts may be made without advertising for competitive bids and the laws pertaining thereto. This does not change the existing provision.

Subsection (c)(1) provides for appropriations from time to time to finance the construction, alteration, operation and maintenance of garages and parking facilities except those involving the expenditure of more than $1 million. The amount appropriated and any income from fees is to be administered as a revolving fund.

Subsection (c)(2) requires the revolving fund to be deposited in a checking account with the Treasurer of the United States. Any amount determined by the Administrator to be necessary to establish and maintain operating accounts for the garages and parking facilities may be placed in depositories selected by the Administrator.

§ 5010. Operation of medical facilities—

This section authorizes the Administrator to establish and operate a minimum of 125,000 hospital beds in facilities within the exclusive jurisdiction of the Administrator. These facilities are for the care and treatment of eligible veterans. The Administrator is required to staff and maintain these facilities in such a manner to insure immediate acceptance and timely and complete care for all eligible patients. The Chief Medical Director is required to analyze agencywide admission policies and the records of all eligible veterans who were either rejected or not immediately admitted or given care and services. The Administrator is required to advise each committee annually as to the results of this analysis including the number of any additional beds and treatment capacities or amount of money necessary to provide the care required by this section.

Subsection (b) authorizes the Administrator to establish and operate a minimum of 10,000 beds in fiscal year 1980, and in each year thereafter for furnishing nursing home care to eligible veterans. These nursing facilities are in addition to the hospital beds provided for in subsection (a) above.

The only change in these sections from that of the existing sections contained at § 5001(a)(2) and (3) respectively, is the deletion of the phrase "subject to the approval of the President" from immediately after the word "Administrator" in the first line of each subsection.

§ 5011. Use of Armed Forces facilities—

This section is identical to the provision presently contained at § 5003 of subchapter I of chapter 81 of title 38, United States Code. This section allows the Administrator and the Secretaries of the Army, Navy, and Air Force to enter into agreements and contracts for mutual use or exchange or transfer without reimbursement of appropriations of hospitals, domiciliary facilities, and supplies, equipment, and material. However, the Administrator cannot enter into an agreement or contract which would permanently reduce the VA hospital and domiciliary beds below the number established on June 22, 1944, plus the number of beds required by this title. The Administrator may not enter into any agreement or contract which would subordinate or transfer a function or operation of the VA to any other agency of the Government.

§ 5012. Partial relinquishment of legislative jurisdiction—

This section is identical to the provisions presently contained at § 5007 of subchapter I of chapter 81 of title 38, United States Code.

This section authorizes the Administrator to relinquish to the State involved such measure of legislative jurisdiction as is necessary to establish concurrent jurisdiction between the Federal Government and that State. This section further provides the procedures for such relinquishment. Specifically, the Administrator files a notice with the Governor of the State, or if the State has a particular procedure, that procedure will be followed. The relinquishment will be effective upon acceptance by the State.

§ 5013. Property formerly owned by National Home for Disabled Volunteer Soldiers—

This section is identical to the provision presently contained as § 5006 of subchapter I of chapter 81 of title 38, United States Code.

This section provides for the Attorney General, when requested by the President, to institute whatever action is required in the U.S. district court for the district in which the property is located to extinguish any adverse interests which may threaten the full and complete enjoyment of any property of the National Home for Disabled Volunteer Soldiers when that property is owned by the United States. The adverse interest must be caused by any defeasance or conditional clause or clauses contained in any deed of conveyance of such property. The Attorney General has the authority to obtain absolute title to such property by any means whatsoever, including gift, purchase, cession or otherwise.

§ 5014. Use of federally owned facilities—

This section authorizes the VA to use any suitable structures owned by the United States on March 3, 1925 as medical facilities, as are available. This section also authorizes the President to transfer any such structure to the Veterans' Administration if requested by the Administrator.

Subsection (b) provides an analysis of the new subchapter.

SECTION 3

Subsection (a) amends subchapter II of chapter 81 of title 38, United States Code, by redesignating sections 5011, 5012, 5013, and 5014 as 5021, 5022, 5023, and 5024, respectively.

Subsection (b) amends new section 5022 of title 38, United States Code, by striking out subsection (b) and by redesignating subsection (c) as subsection (b).

SECTION 4

This section provides that this act will take effect on October 1, 1977. Any project which has been approved by the President and/or the Administrator prior to the effective date of this act is not subject to the provisions hereof.

Mr. Speaker, section 5009 of the bill, H.R. 5025, is the only provision that assumes a cost expenditure as follows:

[In millions of dollars]

	1978	1979	1980	1981	1982
Budget authority	2.50	2.32	1.96	1.60	1.24
Outlays	1.67	2.32	1.96	1.60	1.24
Receipts		.20	.54	.90	1.26

This estimate assumes one parking lot will be started each year and will require 1½ years to complete. Costs are based upon VA estimates of $2.5 million to complete a 500-space facility. Because this is established as a revolving fund, new budget authority will be required in subsequent years for appropriated funds not generated by receipts and assumes that the fund will not obligate more than $2.5 million in a given year. Outlays are based upon the capital expenditures less receipts. Receipts were calculated assuming a $2 per day charge and 100 percent occupancy.

Mr. Speaker, this bill, H.R. 5025, is sorely needed to give the Congress its proper input in the construction of medical facilities of the Veterans' Administration, and I urge its passage.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. SATTERFIELD. I yield to the distinguished chairman of the committee, the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I want to thank the gentleman from Virginia (Mr. SATTERFIELD) and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for their work on the subcommittee and for bringing this legislation to the floor.

Mr. Speaker, the Veterans' Administration health care system is the largest centrally directed health care system in the Nation, composed of 171 hospitals and their associated outpatient departments, 44 additional outpatient clinics, 88 nursing homes and 16 domiciliaries. In fiscal year 1976 this system provided complete care for 1,287,125 inpatients. Outpatient medical services given by VA staff during fiscal year 1976 expect 14,200,000 visits.

There are one or more hospitals in each of the contiguous States and in Puerto Rico. In Hawaii and Alaska the Veterans' Administration operates outpatient facilities and provides for hospitalization under contract with non-VA institutions. VA experienced an unparalleled expansion during fiscal year 1976 in its health care services. More than 2,250,000 applications for care were received from veterans during the year. The number of inpatients treated—episodes of care—increased to almost 1.3 million. On every day, on the average, almost 180,000 individuals received care from the Veterans' Administration.

The VA health care facilities are staffed with over 185,000 employees.

One of the most pressing problems facing the Veterans' Administration is health care bed facilities which are deficient in space, functional layout and which are rapidly aging. Currently, the Department of Medicine and Surgery operates 19,300 hospital beds in buildings which are more than 41 years of age; 6,300 beds are in buildings which are 51 or more years of age, and 1,800 beds are in buildings 75 or more years of age. This health care system has over 5,200 buildings on over 17,000 acres of land.

Mr. Speaker, the recent advances in medicine, especially during the last decade, resulting in the establishment of new functions and greatly increased activity have resulted in a critical need for realinement of space and in most cases an urgent need for additional space in VA health care facilities.

Modern hospital construction standards, fire safety, life safety code requirements, and Joint Commission on Accreditation of Hospitals standards are increasingly pointing out the serious deficiencies in the VA system. Over the years, the capital investment resources have not kept pace with the physical facilities needs of the Veterans' Administration health care system, although during the past 2 fiscal years it has been substantial.

Today many VA health care facilities are in need of replacement, modernization, expansion or other significant improvements. This problem has existed for many years.

In 1958, because of concern that Veterans' Administration hospitals were not keeping pace with those in the private medical sector, the Administrator of Veterans' Affairs appointed a special task force including representatives from the Bureau of Budget to study and appraise long-range modifications and replacement requirements. This 2-year study resulted in a 12-year plan to modernize 65,629 beds at 72 existing pre-World War II hospitals and to construct 11,029 new beds to replace completely outmoded facilities. Today, most of these facilities have yet to be modernized, replaced, or expanded.

Mr. Speaker, there follows a distribution of VA hospital standard beds and a distribution of domiciliary beds according to age of building in which located, as of March 4, 1977:

Distribution of VA hospital standard beds according to age of building in which located

Age[1]	No. of beds	No. of hospitals
10 or less	8,422	15
11–20	11,956	24
21–30	33,247	78
31–40	20,372	59
41–50	13,071	47
57 or more	6,296	27

[1] Age of buildings in years.

Distribution of VA domiciliary beds according to age of building in which located

Age[1]	No. of beds	No. of doms.
20 or less	0	0
21–30	230	1
31–40	3,700	8
41–60	946	3
61–80	2,949	5
81–100	1,827	2
More than 100	363	1

[1] Age of buildings in years.

Future policy and budgetary decisions must recognize the need to provide significant increases in the construction budget in future years or consider reduction in services to beneficiaries. H.R. 5025 is designed to help bring this about. The reported bill would allow the Committee on Veteran's Affairs to have some input over the agency's program of construction, renovation, modernization, and major repair of health care facilities. The committee has no such input under current law.

Among other things, the bill would provide that no appropriations shall be made to construct, alter or otherwise acquire any Veterans' Administration medical facility which involves an expenditure of more than $1 million unless it is first approved by a resolution of the Committee on Veterans' Affairs of the House and Senate.

Mr. Speaker, the planning for and supervision of a medical program the scope and magnitude of the Veterans' Administration is a heavy responsibility. Effective discharge of this responsibility requires an orderly system of long-range planning to achieve the best and most equitable results. No such long-range plan exists today.

The Committee on Veterans' Affairs is charged with legislative oversight over Veterans' Administration activities. The committee feels that in carrying out its oversight and legislative responsibilities the committee must be advised and consulted with, in advance, with respect to the carrying out of the construction program, and other programs, designed to provide medical care and treatment for veterans. We feel that the Veterans' Administration construction program can no longer endure the hit or miss funding plan which it has experience over the past 15 or 20 years due to Office of Management and Budget constraints.

Mr. Speaker, I commend the chairman of our Subcommittee on Medical Facilities and Benefits for giving his time and attention to this bill. The distinguished gentleman from Virginia (Mr. SATTERFIELD) and his subcommittee have done an outstanding job in helping to bring about an excellent medical program for all veterans. This bill will enhance the medical program. We must pass this legislation and I urge my colleagues to support it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 5025. The basic thrust of this measure will permit the Committees on Veterans' Affairs of both Houses of Congress to authorize the construction of Veterans' Administration hospitals and other medical facilities involving costs in excess of $1 million before funds are appropriated.

Under existing law, Mr. Speaker, the committee in each House that is vested with legislative jurisdiction over matters relating to veterans—the committee in each House that is responsible for oversight of veterans' programs to insure that taxpayers' dollars are spent wisely and efficiently—has no authority to determine when or where or whether a Veterans' Administration hospital will be built.

The law today vests in the Administrator, subject to the approval of the President, the authority to establish and operate not less than 125,000 hospital beds. The only constraint upon this authority, Mr. Speaker, rests with the Appropriations Committee. If the committee fails to appropriate funds for the construction of a particular facility, then, of course, it will not be built.

It is the carefully considered opinion of our committee, Mr. Speaker, that additional congressional controls are needed. It follows that the respective Veterans' Affairs Committees of the House and Senate, charged as they are, with legislative jurisdiction and oversight responsibility of the programs and activities of this vast agency, should be a part of the approval process.

This bill, H.R. 5025, will accomplish that purpose. Specifically, it provides that funds to construct, alter or otherwise acquire any medical facility involving a cost in excess of $1 million shall not be appropriated until an authorizing resolution has been approved by the Committee on Veterans' Affairs of each House.

The bill in no manner disturbs the authority of the Veterans' Administrator to construct and operate hospitals. In like manner, the bill does not disturb the existing role of the Appropriations Committee. It merely provides that two committees in the House and Senate respectively, instead of the President, shall approve the decisions of the Administrator to build hospitals.

The bill additionally mandates the Administrator to annually submit a comprehensive report on his plans for the next 5 years relating to the construction, replacement and alteration of hospitals, together with a list of at least 10 hospitals that are most in need of construction or replacement.

Finally, Mr. Speaker, the bill authorizes the establishment of a revolving fund for the establishment of parking facilities at Veterans' Administration hospitals. The revolving fund would be replenished with parking fees received.

This is a bill, Mr. Speaker, that is long overdue. It will permit the Congress to exercise needed additional controls over Veterans' Administration hospital construction. I urge that it be passed.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio (Mr. Wylie), a member of the committee.

Mr. WYLIE. Mr. Speaker, I rise in support of H.R. 5025, a bill which would amend the existing law relating to the Veterans' Administration medical facility program.

Under the present law, the Committees on Veterans' Affairs in the House and Senate have no authority with regard to the building, alteration, or location of medical facilities; but they are charged with the legislative responsibility of providing adequate medical care to our veterans.

Under existing law, the President can make the decisions on VA medical facilities. Usually, this decision is made based on the recommendation of the Administrator of the Veterans' Administration. Congress has no role, except not to appropriate the money which is heavy control but it is always after the fact.

H.R. 5025 would change this by placing initial approving authority with the Committees on Veterans' Affairs of the Congress on any project involving construction or alteration with a price tag in excess of $1 million. H.R. 5025 restores the balance between the legislative and executive branches on these important construction programs.

It also requires that every year no later than June 30, beginning in 1978, the Administrator of Veterans' Affairs would be required to compile and submit to the committees a projected 5-year building plan. This plan would include approximate costs and a listing of priorities.

In addition the money collected from parking fees at VA facilities would be kept in a revolving fund created under this bill. The fund would be used to maintain and enlarge parking facilities where needed.

I believe this bill will permit the committees charged with the responsibility of veterans' care to do a better job, and, therefore, I urge its passage.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time. I reserve the balance of my time.

Mr. SATTERFIELD. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. Boland).

Mr. BOLAND. Mr. Speaker, I appreciate the gentleman from Virginia (Mr. Satterfield) yielding to me.

Mr. Speaker, there is no Member of this body that I respect more than the gentleman from Texas (Mr. Roberts), who chairs the great House Committee on Veterans' Affairs. That committee has done an outstanding job for the past three decades in insuring that the American veteran is not forgotten—while at the same time protecting the general public's interest. But, Mr. Chairman, in all good conscience, I must oppose this bill. As the gentleman has stated, what it proposes to do is to require that no appropriation be made to construct, alter, or otherwise acquire any medical facility which involves an expenditure of more than $1 million—unless it is approved by a resolution of the Committee on Veterans' Affairs in the House and the Senate.

Now, I know that the gentleman has offered a number of reasons why he feels that this is good legislation. On the surface, some of those reasons may appear attractive—but I believe strongly that in the case of H.R. 5025, the cure is clearly worse than the disease.

The gentleman points out that it is his committee's opinion that for too many years, there has been inadequate planning—particularly long-range planning of the Veterans' Administration health facilities construction program. He also points to a lack of long-range planning as being one of the principal reasons for high cost overruns in veterans' construction programs. I can agree with both those concerns. In fact, Mr. Chairman, it was our committee which, 2 years ago, undertook a major investigation of the construction programs of the Veterans' Administration. That report also pointed to the lack of a comprehensive plan, and the lack of a priority system, as being behind much of the substantial delays in the development of VA hospital construction projects, and as being one of the primary reasons for the substantial cost overruns occurring in major VA construction projects. Our report made a number of recommendations—some of which I believe the VA has made a sincere effort to implement. I believe that the Appropriations Committee and the Veterans' Affairs Committee is in full agreement about the nature of the problems that affect the VA construction program. What I do not agree with is the committee's method for trying to solve those problems.

Let me also point out that the report accompanying this bill suggests, that the establishment of VA hospitals and other health care facilities rests solely with the President. It notes that the location of each facility is determined by the Administrator of Veterans' Affairs, subject to the approval of the President, and that the only restraint upon the agency, in locating and constructing such facilities, as far as the Congress is concerned, is the availability of funds to be provided by the Appropriations Committee. The report further points out that the Congress should have a larger input in the planning and establishment of priorities and that this bill is designed to give the Congress an opportunity to provide that input—and that that input will materially improve the operation of the VA construction program.

Frankly, Mr. Speaker, I think it may do just the opposite. By requiring that every major construction project of the Veterans' Administration over $1 million be approved by a resolution of the Committees on Veterans' Affairs in the House and the Senate, we are risking putting the medical care of our veterans right in the middle of the political thicket. The current law—which was very wisely drafted—recognized that the Congress has no business getting involved in the size and location of veterans hospitals. Those decisions should basically be left with the VA medical experts. Over the years, the Appropriations Committee has made every effort to attempt to hold down the politicizing of VA construction projects. We have worked to keep decisions of where, how large, when, and how many of these important health facilities with the President and the Administrator of Veterans' Affairs.

It is my firm belief that this bill, if it is passed and signed into law, will tend to slow up the construction of veterans health facilities rather than enhance them. It is my firm belief that this bill may very well frustrate efforts to locate and relocate hospital beds in accordance with geographic shifts in the veterans population. For example, the bill prohibits the Administrator from entering into any construction, acquisition, or alteration until the expiration of 60 days after the Administrator submits a report on the proposed action to the Committees on Veterans' Affairs in both the House and the Senate. This requirement could seriously impair the contract administration process since bids submitted by contractors in most cases must be accepted within 30 days after the bid opening date unless extended by the bidder.

Also, I think it is ironic that one of the major stated purposes of this bill is to get a handle on the problem of cost overruns—and yet, to have to go through a complicated and time-consuming authorization process as this bill proposes—I can assure you right here and now that we are going to find that VA construction costs will escalate because the timeframes are going to be extended rather than shortened.

Mr. Speaker, I believe that both the gentleman from Texas and myself have the best interest of the veteran at heart. But I do not believe this bill is in the best interest of the veteran. It will complicate—it will make more costly—it will put the decision in the wrong place, and it will politicize the delivery of health care to the American veterans. For those reasons, I cannot in good conscience support this legislation.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I just want to concur in the comments that have been made by the gentleman from Massachusetts (Mr. Boland) because this legislation will both politicize and delay decisions on veterans hospitals that are so very necessary in order to serve the veterans of our Nation. The gentleman from Massachusetts has stated this very well, and I join in his remarks.

Mr. BOLAND. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. Coughlin). As the Members know, the gentleman from Pennsylvania is the ranking minority member on the Subcommittee on Appropriations that deals with the budget of the Veterans' Administration.

Mr. SATTERFIELD. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. ROBERTS), the chairman of the Committee on Veterans' Affairs.

Mr. ROBERTS. Mr. Speaker, I want to commend my friend the gentleman from Massachusetts (Mr. BOLAND). He has been a great friend of the veterans. Unfortunately, much of the information the gentleman has is from last year's bill and much of it is not in this year's bill.

I wish to say this, that the Veterans' Administration and the veteran facilities are about the only major construction programs that we have that do not require an authorization by the Congress. The Committee on Public Works and Transportation, in all of its ramifications, has to authorize the buildings and the grounds for Federal buildings, roads, highways, and many other projects. We certainly need control over this. We do not have it now. This would not politicize location of VA hospitals, to the contrary, we now have one city that has five veterans' hospitals and they spend half their time quarreling with each other. We need control. Like every other authorizing committee we certainly should have the authorizing authority. Mr. BOLAND and I have no conflict, we both want to do what we think is right to provide hospitals for veterans where the veteran population is located.

I would urge the Members to support this legislation.

Mr. HILLIS. Mr. Speaker, I rise in support of this measure.

There is an underlying issue involved in this measure, H.R. 5025, which this Congress should be aware of and to which it should address itself. Over the last several years, there has been much discussion as to whether or not the Presidency has become too powerful and the Congress too weak. This has been a legitimate concern. Congress has lost much of its legislative authority and initiative to the President. The case in point serves as an excellent example of an area where Congress has relinquished its authorizing authority to the President.

Under the present law, the authority to establish new VA medical facilities lies solely with the President subject only to congressional oversight through the appropriations process. The intent of H.R. 5025 is to give the Congress, via the Veterans' Affairs Committee of each House, an active role in determining the need and location of new VA medical facilities, prior to any request for appropriations.

It is vital that Congress begin to reestablish its authority to authorize the use and expenditure of money. This is the major responsibility of the legislative branch of our Government. The escalation of power in the executive branch and the decrease of responsibilities of the legislative branch has tipped the balance of power between the two.

If the members of the Veterans' Affairs Committee are to be responsive to the needs of our veterans—it is essential that they regain the authorizing authority for construction of new VA hospitals. This authority will insure an active role on the part of Congress in maintaining the high degree of medical standards which our veterans are rightfully entitled to. I, therefore, request my colleagues to support passage of H.R. 5025.

Mr. ALEXANDER. Mr. Speaker, I rise in support of H.R. 5025, legislation amending title 39 of the United States Code relative to the construction, alteration, and acquisition of Veterans' Administration medical facilities.

At the beginning of fiscal year 1977, the Veterans' Administration was providing health care in 171 hospitals, 215 outpatient clinics, 88 nursing homes, and 16 domiciliaries. During 1976 and the transition quarter, VA medical facilities served 1,495,202 inpatients and 18,323,263 medical and dental outpatient visits.

Despite the service that VA medical facilities have rendered to our Nation's military men and women, the Veterans' Administration has come under some due criticism, I believe, for lack of adequate long-range planning in its health facilities construction program.

Under current law, establishment of VA hospitals and other health care facilities rests solely with the President. The location of such facilities is determined by the Veterans Affairs' Administrator, subject to the President's approval. The only restraint upon the agency in locating and constructing these facilities, as far as the Congress is concerned, is the availability of funds as provided by the Appropriations Committee.

As a member of the House Appropriations Subcommittee which has jurisdiction over the Veterans' Administration budget, I share the views of the Veterans' Affairs Committee that the Congress should have a stronger role in determining where and in what quantity VA health care facilities should be constructed.

H.R. 5025 provides that no funds shall be appropriated to construct, alter, or otherwise acquire any medical facility that involves an expenditure in excess of $1 million unless first approved by House and Senate Veterans' Affairs Committees. In addition, appropriations for the lease on any medical facility having a yearly rent of more than $200,000 may not be made without the approval of both committees.

This legislation also requires that the Veterans Affairs' Administrator submit to the House and Senate Veterans Committees by June 30 of each year beginning in 1978 information indicating a 5-year plan for the construction, alteration, and replacement of medical facilities; a list, in order of priority, of not less than 10 hospitals most in need of construction or replacement; and the general plans, including cost and site location, for each medical facility.

And finally, the bill establishes a revolving fund to improve parking facilities at VA hospitals.

I believe this legislation will give the Congress the proper measure of input into the VA medical facility construction program and will ultimately result in the improvement of its operation. I urge my colleagues to support this legislation in the interest of all our veterans.

GENERAL LEAVE

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation, and to include extraneous material.

The SPEAKER pro tempore (Mr. SISK). Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. SATTERFIELD) that the House suspend the rules and pass the bill H.R. 5025.

The question was taken.

Mr. RUSSO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Pursuant to clause 3 of rule **XXVII**, and the prior announcement made by the Chair, further proceedings on this motion will be postponed.

DESIGNATION OF TAX HOME AND ALLOWANCE OF TRAVEL EXPENSES FOR STATE LEGISLATORS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4007) to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes, and for other purposes, as amended.

The Clerk read the bill, as follows:

H.R. 4007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by adding at the end thereof the following new sentence: "For purposes of the first sentence of this subsection, the place of residence of a State legislator within the legislative district which he represents shall be considered his home."

(b) Section 162 of such Code is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) SPECIAL RULES FOR LIVING EXPENSES OF STATE LEGISLATORS.—

"(1) DOLLAR LIMITS.—A State legislator who has elected to have this paragraph apply for the taxable year shall be treated for income tax purposes as having expended for living expenses while away from home with respect to his trade or business as a State legislator an aggregate amount equal to whichever of the following is the smallest:

"(A) such legislator's aggregate living expenses allowance for such year.

"(B) the number of days during the taxable year with respect to which he received a living expense allowance, multiplied by the greater of (i) $50, or (ii) the maximum per diem rate authorized to be paid by the Federal Government in the locality in which the seat of the State legislature is located, or

"(C) $9,000.

"(2) SUBSTANTIATION.—Amounts expended for living expenses by a State legislator (for any taxable year to which paragraph (1) does not apply) with respect to his trade or business as a State legislator shall not be deductible for income tax purposes except to the extent that the substantiation of such expenses meets the requirements of the first sentence of section 274(d).

"(3) PROVISIONS RELATING TO PARAGRAPH (1).—

"(A) ELECTION.—The election under paragraph (1) may be made (and if made may be revoked) only on or before the day which is 1 year after the date prescribed by law for filing the return of taxes imposed by this chapter for the taxable year, and an election under paragraph (1) shall be made in such manner as the Secretary may by regulations prescribe.

"(B) LIVING EXPENSE ALLOWANCE.—For purposes of paragraph (1), the term 'living expense allowance' means a per diem allowance, reimbursement, or other payment or allowance from the State with respect to living expenses as a State legislator.

"(4) CERTAIN EXPENSES NOT TAKEN INTO ACCOUNT.—For purposes of this subsection, amounts expended for transportation shall not be taken into account."

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1975, and before January 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from New York (Mr. CONABLE) are recognized for 20 minutes each.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4007 deals with the "tax home" of a State legislator for Federal income tax purposes. The Tax Reform Act of 1976 provided an election for the tax treatment of away-from-home travel expenses of State legislators but only applied to taxable years beginning before January 1, 1976. This bill extends the provisions of the 1976 act with certain modifications.

Under the bill, the tax home of a State legislator is designated as his residence within the district he represents. In addition, the bill provides that the State legislator may elect to treat the living allowance furnished to him by the State as his deductible living expenses while away from home. However, if this election is made, the deduction is limited to an amount determined by multiplying the number of days during the taxable year for which a state-of-living expense allowance is paid by the greater of $50 or the maximum per diem rate authorized to be paid to Federal employees in the State capitol. Also, the amount deductible is subject to an overall annual limitation of $9,000.

Where the election is not made by an eligible State legislator for a taxable year, he will be treated like all other taxpayers for purposes of the travel-expense deduction. The same substantiation rules will generally apply and there will be no special limitation on the total amount deductible for living expenses.

The amendments would only apply for 1976 and 1977. This will enable the Congress to review the provision after the 2-year period.

Mr. Speaker, I urge the adoption of this legislation to make the rules on travel expenses more equitable for State legislators.

Mr. Speaker, I reserve the balance of my time.

Mr. CONABLE. Mr. Speaker, I yield myself time as I may consume.

Mr. Speaker, I rise in support of H.R. 4007, which would amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes. Under this bill, for purposes of computation of deductible "away from home" living expenses, a State legislator's tax home shall be his place of residence within the legislative district represented. Pursuant to H.R. 4007, a State legislator could elect to be treated as having spent for living expenses "away from home" amounts received for such expenses from his or her State, either in the form of reimbursement or a per diem allowance.

The deduction for Federal income tax purposes in this regard would be subject to the least of three limitations. The first limitation would be the living expense amount actually provided the State legislator by his State for the taxable year in question. The second limitation would be an amount computed by multiplying the number of days during the taxable year for which the State living expense allowance was paid by the greater of $50 or the maximum per diem rate authorized for Federal employees of the executive branch in the locality in question. The third limitation on the deduction is $9,000 annually.

As has already been pointed out, prior to enactment of the Tax Reform Act of 1976, it was extremely difficult for a number of State legislators to determine where their "tax home" was located pursuant to the so-called facts and circumstances test then in effect. The length of time that State legislatures are in session varies substantially from year to year. Many State legislatures meet only once every 2 years. A particular legislator's income which he derives in his place of residence and in the State capital often varies substantially from one year to the next. Finally, the Internal Revenue Service will not issue advance rulings determining the location of individual legislators' tax homes. The Ways and Means Committee concluded that given these many difficulties, State legislators receiving either reimbursement or per diem allowances for living expenses should be able to deduct such expenses to the extent of that reimbursement or per diem allowance, if restricted to reasonable daily and annual deduction limitations.

Accordingly, the committee reported H.R. 4007 with the limitations which I have described above. The bill is effective only for taxable years beginning after December 31, 1975 and prior to January 1, 1978, so that the adequacy of the approach taken here may be reviewed by the Congress. I believe that the approach in H.R. 4007 is a reasonable one, I urge enactment of the bill.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from New York and the gentleman from Oregon (Mr. ULLMAN). This bill does meet a very real need and I am sure will serve to satisfy the State legislators who find themselves in a very tenuous position.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, I see the absolute necessity for this bill; but I would like to ask the gentleman from New York and the gentleman from Oregon, if there is an absolute necessity to take care of the peculiar difficulties of the State legislators so far as their ordinary and necessary business expenses and living expenses away from home are concerned, why is there not equal need to take care of the special difficulties of Federal legislators?

Mr. CONABLE. Well, if I may reclaim my time, there obviously is a need to take care of this problem. It is not as acute or as complicated a problem as the issue of the State legislators. It is to be assumed that the Federal problem will be resolved by legislation at some time in the future; however, at this point it would be deemed inadvisable to complicate this issue by enacting also measures which would have some impact on our own tax treatment. That should be dealt with separately, since the State legislator's problems are somewhat different from ours.

Mr. LAFALCE. Mr. Speaker, if the gentleman will yield further, I would like to address a question to the chairman of the Committee on Ways and Means, if I may have the floor.

Mr. CONABLE. I am happy to continue to yield for that purpose.

Mr. LAFALCE. Mr. Speaker, I would like to ask the chairman when it is the gentleman's intent to take up the tax deduction issue for Federal legislators, since the gentleman so quickly took it up for State legislators?

Mr. ULLMAN. Mr. Speaker, if the gentleman from New York will yield?

Mr. CONABLE. Yes; I yielded to the gentleman from New York for the purpose of asking a question.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield to me to respond?

Mr. CONABLE. I am happy to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, I would say to the gentleman from New York that this matter is being resolved here for 2 years; one of them being retroactive, taking care of the 1976 situation; so all we are doing in this bill is retroactively taking care of the 1976 situation and prospectively taking care of the 1977 situation.

Mr. LAFALCE. Mr. Speaker, if the gentleman will yield further, I have no difficulty on what we are doing for the State legislators. In fact, I strongly support the measure. Indeed, simple equity demands passage of this bill. My question is, why not take care of the same basic problems for Federal legislators?

Mr. ULLMAN. Mr. Speaker, what I am getting to is that we will then have to take this matter up dealing prospectively with the 1978 problem. In the process of doing that, we would hope that we will have it in a time frame where we can put the whole issue of legislators, Federal and State, into proper focus and at that time come up with a permanent solution to this problem for all Members of Congress as well as State legislators.

Mr. LaFALCE. The time period for State legislators is December 31, 1977, is that it?

Mr. ULLMAN. This bill deals only with calendar years 1976 and 1977.

Mr. LaFALCE. The gentleman is suggesting that whatever we would do for Federal legislators will not become effective until January 1, 1978?

Mr. ULLMAN. All I am saying is that it is a generally accepted principle, in law, in taxes, that we cannot do it for an existing Congress, but we must make any pay adjustments for a future Congress. Even though this probably is not under that principle, I would so interpret it, and I would recommend that we would make no changes for the existing Congress, so in any event we would not move until calendar year 1978.

Mr. LaFALCE. When was the $3,000 ceiling for limitation imposed by this Congress?

Mr. ULLMAN. 1952.

Mr. LaFALCE. So there has been no change in the ceiling from 1952 to the present. Is it not also true that the Temporary Commission on Pay Increases recommended a $57,500 salary, but only if there would have been an increase in the ceiling from $3,000 to $8,000; or in the alternative, a nontaxable stipend of $5,000? Is that correct?

Mr. ULLMAN. If the gentleman would yield to me further, yes, but let me remind the gentleman that last year we did pass in the House a provision that took care of this problem, I think, in a very accurate way. That did not survive the conference on the Tax Reform Act. It was disapproved on the Senate side and did not survive the conference, so that all I am saying is that prior to the next Congress it is my hope that we can enact legislation that will deal with the problem of Members of Congress.

Mr. CONABLE. Mr. Speaker, I would prefer to reserve the balance of my time.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Phillip Burton).

Mr. PHILLIP BURTON. Mr. Speaker, I would like to commend the chairman of the full committee and his counterpart, the gentleman from New York (Mr. Conable) and our colleague from California (Mr. Corman) for their treatment of this very important problem.

I would also note the modest but, I am sure, most effective effort of our colleague from California (Mr. Ketchum), who has had a longstanding and abiding interest in preserving and strengthening the State legislative system and maintaining relationships of the highest possible amity with those bodies, particularly ours in our own State.

Mr. Speaker, I urge passage of the legislation.

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I am sorry that I was not here to hear the earlier dialog that went on between the chairman and those who questioned him with respect to the emoluments of Members of Congress. Although this has to do with State legislators, I too am very interested in what we do with our own membership.

The question was raised as to whether or not the Commission had, in fact, recommended an increase, and if we were required to raise it statutorily, from $3,000 to $8,000. Also there has been some mention of giving consideration to a $5,000 moving expense initially to a freshman Member who comes down here—something that is done in private industry and not done for Members of Congress.

My own personal preference, however, is to frankly eliminate any preference for Members of Congress, just take it out of the law, and have each and every one of us subjected to the same law as those are in private business. Then when we come to Washington overnight, we could then take a full deduction, as every businessman currently does, for the full cost of the room and board and any other necessary expenses.

That would include the expenses for the hotel, food, cabs, the whole schmear. I think we do ourselves a disservice when we do not take that type of approach. Frankly, we get all of the criticism for having in the law a statutory exemption, or a preference, for Members of Congress. We take a beating for it, and all the time we are getting hurt for the very thing that we are getting all of the criticism for.

Mr. LaFALCE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New York (Mr. LaFalce).

Mr. LaFALCE. I thank the gentleman for yielding.

Is it not true that if we were simply to do as the gentleman suggested and repeal the $3,000 ceiling, or limitation—and it is just that—it is not a preference, it is a limitation—is it not true we probably would get a greater amount than we did receive under the $12,500 increase after taxes?

Mr. MICHEL. The gentleman is so correct. Unfortunately, when you consider the tax bracket in which a Member is then placed, regardless of whether or not he has unearned income, you are taking 40 percent away before you begin, plus all the rest.

Mr. CONABLE. Mr. Speaker, if the gentleman will yield, I would like to thank the gentleman from Illinois and the gentleman from New York for their enthusiastic additions to the record, which I am sure will have a great deal of impact on the press and on public opinion generally with reference to these preferences. I think they will acknowledge there is some element of controversy about tax treatment of congressional expenses which, therefore, does not necessarily expedite consideration of this bill relating to State legislators but which I hope will be earnestly considered by the Committee on Ways and Means in the near future under circumstances giving us some cause for optimism about the emoluments of office relating to Federal legislators.

Mr. MICHEL. I have to say to my friend from New York that the very pay question itself is not altogether dead. We know there will be a legislative appropriation bill, and I do not know how many more times this body would want to attempt to demean itself by pointing out what some think we are not worth, but what I happen to think we are. In view of this upcoming debate, I think it is good to look back on some of these other "perks" which we should be considering as well, and have not done so and have not been willing to face up to it. Mr. Speaker, somewhere along the line these issues should be brought up and ought to be spread upon the record.

Mr. CONABLE. I thank the gentleman for his judicious assessment.

Mr. Speaker, I reserve the balance of my time.

Mr. ULLMAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. Lederer).

Mr. LEDERER. Mr. Speaker, I rise in support of H.R. 4007. The committee took lengthy testimony from legislators across this country. I firmly believe that, to continue the quality of State legislators that we have, today it is important to pass H.R. 4007. Having been a former member of the Pennsylvania Legislature, I can readily see the importance of this legislation.

I have consulted the Ethics Committee and have been advised of my right to vote here today.

Hopefully in the future all State legislatures will be more uniform in the area of expenses.

Mr. ULLMAN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this is a matter of concern to not only the chairman, but to the members of the committee. We will, I hope, address ourselves to this issue in the Congress so that by the time we have to face up to the State legislator problem in Calendar 1978 we will have arrived at a sound position with respect to Members of Congress.

Mr. Speaker, I urge the passage of the bill.

Mr. YOUNG of Missouri. Mr. Speaker, I am voting present on H.R. 4007, because as a member of the Missouri Senate in the years 1975 and 1976 I received $25 per day per diem, this bill may directly affect my tax liability to the United States.

I would like to say that if it did not affect me directly I would be voting yes on the bill, because the tax situs or residence for all State legislators should be their home district residence and not the situs of the State capitol.

When legislation comes up in the future for a permanent determination of this question I will support legislation that makes the tax situs for the State legislator his home residence and not the situs of the State capitol. I hope to see that permanent legislation passes before the end of this calendar year.

Mr. COLEMAN. Mr. Speaker, I am voting present on H.R. 4007, because as a member of the Missouri House of Representatives in the years 1975 and 1976 I received a $25 per day per diem, this bill may directly affect my tax liability to the United States.

I would like to say that if it did not affect me directly I would be voting yes on the bill, because the tax situs or residence for all State legislators should be their home district residence and not the situs of the State capitol.

When legislation comes up in the future for a permanent determination of this question for tax years 1977 and thereafter I will support legislation that makes the tax situs for the State legislator his home residence and not the situs of the State capitol. I hope to see that permanent legislation passed before the end of this calendar year.

Mr. VOLKMER. Mr. Speaker, I am voting present on H.R. 4007, because as a member of the Missouri House of Representatives in the years 1975 and 1976 and receiving a $25 per day per diem, this bill may affect my tax liability to the United States.

I would like to say that if it did not affect me directly I would be voting yes on the bill, because the tax situs or residence for all State legislators should be their home district residence and not the situs of the State capitol.

When legislation comes up in the future for a permanent determination of this question I will support legislation that makes the tax situs for the State legislator his home residence and not the situs of the State capitol.

Mr. KEMP. Mr. Speaker, I rise in support of this bill to define the tax home of a State legislator to be the place of residence within the legislative district represented. This is of profound importance to the State senators and assemblymen in New York State.

Many of those State senators and assemblymen—Democrat and Republican—have brought to my attention the severe inequities which have arisen from present policy and which will continue unless we pass this bill. I told them I would do everything I could to remove those inequities.

New York State, like a growing number of States, has a legislature which meets for longer and longer periods each year. It is one of those States where the legislature is in session most of the year.

Under the provisions of the Tax Reform Act of 1976, State legislators could elect to treat their place of residence within their legislative district as a tax home. Substantiation of expenses for legislative days was not required, but the election was only possible for tax years beginning on or before December 31, 1975, and legislators could not claim more than already claimed under a tax return filed before May 21, 1976—in many cases amounts claimed as offsets against State per diem.

What this bill does is give State legislators treatment consistent with that given Members of Congress—who are in session year round too.

Applicable to tax years 1976 and 1977, this bill designates the tax home of State legislators to be their place of residence within their legislative districts for purposes of computing legislative-related, away-from-home living expenses. The tax home for a legislator's other trades or businesses will continue to be determined as under present law. If the State reimburses or provides an allowance to legislators for living expenses—meals and lodging, but not transportation—a legislator may elect to deduct an amount limited to the lesser of—

The State allowance;

An amount calculated by multiplying the number of days for which the State allowance is paid by the greater of $50 or the maximum per diem rate paid to Federal employees where the State legislature is located; or

A $9,000 annual limitation.

The election or revocation of the deduction must be made within 1 year after the due date of Federal returns for the appropriate taxable year.

Eligible legislators not electing to apply these expense limitations must substantiate expenses with documenting evidence as to amount, time, place and business purpose. According to the Committee on Ways and Means, however, legislators who commute daily cannot deduct travel expenses.

I urge its enactment.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 4007, as amended.

The question was taken.

Mr. LAFALCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 4007.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO FILE REPORT ON H.R. 6655, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs may have until midnight tonight to file a report on H.R. 6655, the Housing and Community Development Act of 1977.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENDING THE DEFENSE PRODUCTION ACT OF 1950

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4962) to extend the Defense Production Act of 1950.

The Clerk read as follows:

H.R. 4962

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166) is amended by striking out "September 30, 1977" and inserting in lieu thereof "September 30, 1979".

The SPEAKER pro tempore. Is a second demanded?

Mr. STANTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. MOORHEAD) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4962 is a simple piece of legislation to extend the Defense Production Act of 1950 for 2 years, through 1979. This is in line with the periodic extensions of the act, usually at 2-year intervals, since its inception in 1950, when the Korean conflict arose.

The current law will expire September 30, 1977.

The Defense Production Act is an important and time-tested law supporting programs vital to our national security. In the act, Congress has addressed the need to give priority treatment and to allocate materials for national defense purposes, to expand necessary productive capacity and supply, and to provide the machinery for Government cooperation with industry in making our national preparedness meaningful.

The act is important legislation for it is by this law that we are able to answer "yes" to the question of do we have or can we rapidly develop adequate productive capacity for wartime needs.

It provides the needed mechanism for assuring standby or preparatory financial support with which to meet emergency needs.

It is by this act we are assured that measures have been taken to assure us there is an adequate manpower pool possessed of the requisite skills to carry out a conversion to a wartime economy.

It is this act that is the underpinning for contingency plans for converting from peacetime to wartime production.

It is this act that is the underpinning of plans which allow for conversion to peacetime production upon cessation of hostilities or the termination of emergency.

Mr. Speaker, I view the Defense Production Act as the cornerstone of the present legal structure for insuring preparedness to meet crises requiring mobilization of the Nation's industrial and material resources.

Its continuation is essential to the national security, and a 2-year extension interval is a reasonable compromise between the needs of administrative efficiency and the need for periodic review by the Congress. The present administration has requested a 2-year extension. The House Banking Committee supported the request by a unanimous vote of 33 to 0.

Mr. Speaker, I urge favorable consideration of this bill, which would assure continuance of this important act.

Mr. STANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, although H.R. 4962, the extension of the Defense Production Act of 1950, as amended, is being considered under suspension of the House rules, we should not underestimate the impact this legislation has on our preparedness in the event of a national emergency.

When this act was originally enacted during the Korean war, it provided the Nation's sole authority for the establishment and maintenance of an industrial preparedness base and for national defense mobilization. Congress has met the need to amend the act during the past 25 years and this committee intends to consider substantive amendments later in this Congress. However, what we are concerned with today is the basic need to take early and favorable action to extend the Defense Production Act of 1950, as amended, until September 30, 1979. Since 1950, the basic purpose of this act has retained its validity. It is essential to our Nation's security that this cornerstone of the legal structure supporting preparedness programs be continued without interruption.

The Defense Production Act authorizes the President to institute and maintain a number of programs which are intended to improve our ability to meet national defense emergencies. Among the more significant of these are the defense priorities system, the defense materials system, the machine tool trigger order program, the Defense Production Act Inventory, and the national defense executive reserve. In addition, the act provides authority to employ various financial incentives to expand productive capacity and supply to enable us to be prepared for such crises.

Congress has regularly seen fit to extend the life of these basic authorities and normally for periods of 2 years as requested in this legislation. The uninterrupted continuation of this authority can hardly be considered controversial being so fundamental to our national defense program as it is. Yet 2 years ago extension legislation became burdened with amendments in our sister body and failed to be enacted until after the act had expired.

Our consideration of this bill today is intended to preclude a recurrence of the difficulties that arose at that time. The Banking, Finance and Urban Affairs Committee reported this bill to the House on a vote of 33 to 0 without hearings and without dissent. It is my understanding that the Senate intends to act expeditiously on a similar request.

In the interest of maintaining a strong defense posture I urge my colleagues to support H.R. 4962, the extension of the Defense Production Act.

Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. Mr. Speaker, the House is considering today the extension of the Defense Production Act of 1950, H.R. 4692. As the ranking minority member of the Economic Stabilization Subcommittee, I am pleased to join with my chairman, Mr. MOORHEAD, in urging that the House pass this simple extension until September 30, 1979.

The Defense Production Act of 1950 represents the sole authority for the Nation to maintain a level of preparedness among our industries that will enable the United States to meet any national defense emergencies. This act provides for a number of ongoing programs to support this preparedness effort as well as a national defense mobilization program. It is essential to our national security that these programs be continued without interruption.

In the interest of maintaining a stable and strong national defense program, I urge the House to pass H.R. 4962, the Defense Production Act extension.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL), the distinguished vice-chairman of the Joint Committee on Defense Production.

Mr. MITCHELL of Maryland. Mr. Speaker, I am pleased to be able to talk about the Joint Committee on Defense Production. It has established a fine record of thorough professional and intensive oversight of Federal programs relating to defense industrial production, defense procurement and contracting, materials availability, and emergency preparedness. These are not glamorous subjects. They are nevertheless fundamental and important ones.

Recently the joint committee completed a year-long study of Federal emergency preparedness measures. The results will be published next week. The committee's report shows that our preparedness programs and organizations are in a state of total disarray. This has come about through neglect—neglect which the Nation cannot afford.

The joint committee has not only studied and analyzed this problem, it has made a series of positive recommendations and drafted legislation embodying these recommendations which has now been introduced. Also pending before both Houses is a conflict of interest bill which the joint committee drafted following extensive investigation, study, and hearings on the matter during the 94th Congress. These are just two examples of the committee's work. They are classic examples of how effective oversight produces remedial legislation.

The question being asked is whether a joint committee is the best means for accomplishing these objectives. We have given this matter a lot of thought and attention since the beginning of the year. Our conclusion is that a joint committee is far and away the best approach to careful, effective oversight. We examined other approaches, such as assigning this oversight to standing committees. We found this less satisfactory, because it involves duplication of effort by both the Senate and the House and because it would mean that this vital oversight function would be pushed to the bottom of the priorities ladder in any other committee or subcommittee, especially one with legislative responsibilities. We considered merger with the Joint Economic Committee, as recommended by the Senate Rules Committee, but we could see no benefit to the oversight process from organizational cosmetics of this kind. And even here there is the danger that oversight of industrial mobilization and civil emergency preparedness programs would end up at the bottom of the priorities list, thus fostering continued neglect of these programs by the Congress.

In considering the best approach to oversight of the Defense Production Act and related programs, we examined the record compiled by the Senate Temporary Select Committee To Study the Senate Committee System. You will be interested to know that—despite that committee's title—neither its hearings nor reports or proposals anywhere address the particular advantages for oversight of joint committees or even the role of joint committees generally. In fact, there is no discussion of joint committees as a special class of congressional committee setup to carry out certain functions, such as oversight, where a joint body is the most efficient approach.

Finally, the Committee To Study the Senate Committee System uttered not a word about the substantive work of the Joint Committee on Defense Production. It simply ignored the special and substantive requirements which joint committees satisfy and the special benefits they produce. Instead, it merely recommended the wholesale elimination of all such committees without treating the circumstances which led to establishing this type of committee in the first place.

Well, I am glad to say that the Senate itself saw this deficiency during the debate on Senate committee reform. It recognized that joint committees are the best way to fill specific needs, that each one had to be judged on its merits, and that the House of Representatives had to be consulted on these matters.

In March, therefore, we looked honestly and objectively at the alternatives. We discussed them with the appropriate committee chairmen. As I have told you, we could find no benefits from merging the Joint Committee on Defense Production and we could see several disadvantages in terms of duplicated effort, weakened oversight, and, quite likely, increased costs. Everyone who took part in these discussions agreed that there was simply no purpose to be served by merging this oversight function in another unit. It will not even reduce the congressional workload, which was the aim of the Senate Committee To Study the Committee System. As you know, nearly all of the joint committees are now being retained.

In considering the extension of the joint committee, therefore, the burden of proof lies with those who oppose extension. They will have to prove that it has not done a competent, thorough, and professional job of conducting oversight. Or, they will have to prove that such oversight is unnecessary. Additionally, they will have to prove that the committee has not been cost-effective at an annual budget of about $175,000. Finally, they will have to prove that there is a more efficient way of carrying out the joint committee's functions. I would challenge anyone who has honestly and thoroughly examined the record of the Joint Committee on Defense Production over the last few years to prove any of these claims.

Thus far, no one has shown that the joint committee has failed to fulfill its statutory mandate. No one has shown that it has not compiled a distinguished oversight record. No one has shown that merging or terminating the Joint Committee on Defense Production will improve oversight of the defense industrial base, or defense contracting or civil emergency preparedness. Certainly, the Banking Committee was aware of no complaints or better alternatives when it voted 33 to 0 last week to extend the act and the committee. In the absence of any sound justification for making a change, I believe my colleagues will agree, there is clearly no point in denying the Congress of its most effective oversight instruments.

Mr. REUSS. Mr. Speaker, I support Mr. MOORHEAD of Pennsylvania, the chairman of the Banking Committee's Subcommittee on Economic Stabilization, in his request that we extend the Defense Production Act of 1950 for another 2 years.

The Defense Production Act contains the basic authority which Congress grants to the President to insure that the country is prepared in the event of a national emergency. Under the act, a number of ongoing programs are in place which would provide for expanding industrial capacity when needed, for allocating supplies of industrial material and equipment, for calling in a pool of executives to aid the Government, for the geographical dispersal of defense production facilities—in short, to mobilize our productive capacity quickly.

This measure has been regularly extended by the Congress, usually for a 2-year period, since it was first enacted during the Korean war. The present administration has asked us to extend it for another 2 years—to September 30, 1979. The House Banking Committee supported the simple 2-year extension by a unanimous vote of 33 to 0.

Mr. Speaker, I support the extension of the Defense Production Act and urge my colleagues to vote in favor of H.R. 4962.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD) that the House suspend the rules and pass the bill H.R. 4962.

The question was taken.

Mr. RUSSO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill H.R. 4962.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 6550, yeas and nays; H.R. 4390, de novo; S. 36, yeas and nays; H.R. 5025, yeas and nays; H.R. 4007, yeas and nays; and H.R. 4962, yeas and nays.

Pursuant to the provisions of clause 3 (b) (3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rule on which the Chair has postponed further proceedings.

AUTHORIZING CERTAIN APPROPRIATIONS FOR TERRITORIES OF UNITED STATES AND AMENDING CERTAIN ACTS RELATING THERETO

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 6550, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 6550, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 379, nays 3, not voting 51, as follows:

[Roll No. 175]

YEAS—379

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pursell
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Sarasin
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Taylor
Thompson
Thornton
Tonry
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—3

Fenwick
McDonald
Schroeder

NOT VOTING—51

Andrews, N.C.
Badillo
Bonker
Breckinridge
Brown, Calif.
Burgener

Burke, Calif.
Cavanaugh
Collins, Ill.
Conyers
Derrick
Dornan
Eckhardt
Fish
Florio
Forsythe
Giaimo
Howard
Johnson, Calif.
Koch
Krueger
Latta
Lundine
McEwen
Mann
Markey
Marks
Meyner
Milford
Moss
Murphy, Pa.
Myers, Michael
Obey
Pattison
Poage
Price
Pritchard
Quayle
Rodino
Roe
Rooney
Rosenthal
Ruppe
Santini
Snyder
Stark
Steed
Symms
Teague
Thone
Wilson, C. H.

The Clerk anounced the following pairs:

Mr. Santini with Mr. Andrews of North Carolina.

Mrs. Meyner with Mr. Burgener.

Mr. Milford with Mr. Fish.

Mr. Badillo with Mr. McEwen.

Mr. Florio with Mr. Bonker.

Mr. Johnson of California with Mr. Dornan.

Mr. Koch with Mr. Conyers.

Mr. Teague with Mr. Markey.

Mr. Charles H. Wilson of California with Mr. Breckinridge.

Mr. Rooney with Mr. Pattison of New York.

Mr. Rodino with Mr. Eckhardt.

Mr. Mann with Mr. Ruppe.

Mr. Cavanaugh with Mr. Brown of California.

Mrs. Burke of California with Mr. Pritchard.

Mr. Giaimo with Mr. Symms.

Mr. Howard with Mr. Marks.

Mr. Moss with Mr. Thone.

Mr. Obey with Mr. Murphy of Pennsylvania.

Mr. Price with Mr. Quayle.

Mr. Roe with Mr. Latta.

Mr. Stark with Mr. Michael O. Myers.

Mr. Derrick with Mr. Forsythe.

Mrs. Collins of Illinois with Mr. Krueger.

Mr. Lundine with Mr. Snyder.

Mr. Rosenthal with Mr. Steed.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **BAUMAN**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 6550.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERSONAL EXPLANATION

Mr. **DORNAN**. Mr. Speaker, on rollcall No. 175 I was recorded as not voting. I was present in the Chamber, and I did electronically vote "aye."

I ask unanimous consent that my statement appear immediately following the record vote on the Omnibus Territories Act.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDING THE ACT OF JUNE 3, 1960 (74 STAT. 156), AUTHORIZING THE SECRETARY OF THE INTERIOR TO CONSTRUCT THE SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The **SPEAKER** pro tempore (Mr. SISK). The unfinished business is the question of suspending the rules and passing the bill (H.R. 4390), as amended.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the bill (H.R. 4390), as amended.

The question was taken.

RECORDED VOTE

Mr. **RUSSO**. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 377, noes 14, not voting 42, as follows:

[Roll No. 176]

AYES—377

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Caputo
Carney
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madigan
Mahon
Mann
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pursell
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Thompson
Thornton
Tonry
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOES—14

Ammerman
Bauman
Blanchard
Bonior
Brodhead
Burton, John
Burton, Phillip
Carr
Kildee
Kostmayer
McDonald
Maguire
Ottinger
Waxman

NOT VOTING—42

Andrews, N.C.
Badillo
Bonker
Breckinridge
Brown, Calif.
Burgener
Burke, Calif.
Cavanaugh
Collins, Ill.
Derrick
Eckhardt
Fish
Florio
Forsythe
Giaimo
Johnson, Calif.
Koch
Krueger
Latta
McEwen
Markey
Meyner
Milford
Moss
Murphy, Pa.
Myers, Michael
Obey
Pattison
Poage
Price
Pritchard
Quayle
Roe
Rooney
Rosenthal
Ruppe
Santini
Stark
Steed
Teague
Thone
Wilson, C. H.

The Clerk announced the following pairs:

Mr. Santini with Mr. Andrews of North Carolina.

Mrs. Meyner with Mr. Krueger.

Mr. Milford with Mr. Quayle.

Mr. Badillo with Mr. McEwen.

Mr. Florio with Mr. Eckhardt.

Mr. Johnson of California with Mr. Fish.

Mr. Teague with Mr. Latta.

Mr. Cavanaugh with Mr. Roe.

Mrs. Burke of California with Mr. Michael O. Myers.

Mr. Moss with Mr. Derrick.

Mr. Price with Mr. Forsythe.

Mrs. Collins of Illinois with Mr. Burgener.

Mr. Obey with Mr. Ruppe.

Mr. Rooney with Mr. Breckinridge.

Mr. Rosenthal with Mr. Markey.

Mr. Steed with Mr. Pattison of New York.

Mr. Charles H. Wilson of California with Mr. Murphy of Pennsylvania.

Mr. Koch with Mr. Pritchard.

Mr. Giaimo with Mr. Bonker.

Mr. Brown of California with Mr. Stark.

Mr. HEFNER changed his vote from "no" to "aye."

Mr. MAGUIRE changed his vote from "aye" to "no".

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to authorize appropriations for continuation of construction of distribution systems and drains on the San Luis, Unit; Central Valley project, California, to mandate the extension and review of the project by the Secretary, and for other purposes."

A motion to reconsider was laid on the table.

AUTHORIZING APPROPRIATIONS FOR ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION FOR FISCAL YEAR 1977

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the Senate bill, S. 36, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FUQUA) that the House suspend the rules and pass the Senate bill, S. 36, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 360, nays 30, not voting 43, as follows:

[Roll No. 177]

YEAS—360

Abdnor
Addabbo
Akaka
Alexander
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Caputo
Carney
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cornell
Cornwell
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madigan
Mahon
Mann
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
O'Brien
Oakar
Oberstar
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pursell
Quie
Quillen
Rahall
Railsback
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Sarasin
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Thompson
Thornton
Tonry
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—30

Allen
Bedell
Burton, John
Burton, Phillip
Carr
Conyers
Coughlin
Crane
Dellums
Edgar
Holtzman
Jacobs
Kastenmeier
Keys
McDonald
Maguire
Mikva
Miller, Calif.
Mitchell, Md.
Moffett
Nolan
Ottinger
Rangel
Richmond
Schroeder
Seiberling
Waxman
Weaver
Weiss
Wolff

NOT VOTING—43

Andrews, N.C.
Badillo
Bonker
Breckinridge
Brown, Calif.
Burgener
Burke, Calif.
Cavanaugh
Coleman
Collins, Ill.
Derrick
Eckhardt
Fish
Florio
Forsythe
Giaimo
Johnson, Calif.
Koch
Krueger
Latta
McEwen
Markey
Meyner
Milford
Moss
Murphy, Pa.
Myers, Michael
Obey
Poage
Price
Pritchard
Quayle
Roe
Rooney
Rosenthal
Ruppe
Santini
Skelton
Stark
Steed
Teague
Thone
Wilson, C. H.

The Clerk announced the following pairs:

Mr. Santini with Mr. Andrews of North Carolina.

Mrs. Meyner with Mr. Fish.

Mr. Milford with Mr. Quayle.

Mr. Badillo with Mr. Brown of California.

Mr. Florio with Mr. Murphy of Pennsylvania.

Mr. Johnson of California with Mr. Skelton.

Mr. Teague with Mr. Bonker.

Mr. Cavanaugh with Mr. McEwen.

Mrs. Burke of Florida with Mr. Ruppe.

Mr. Moss with Mr. Burgener.

Mr. Price with Mr. Pritchard.

Mrs. Collins of Illinois with Mr. Breckinridge.

Mr. Derrick with Mr. Latta.

Mr. Krueger with Mr. Steed.

Mr. Giaimo with Mr. Thone.

Mr. Rooney with Mr. Coleman.

Mr. Koch with Mr. Charles H. Wilson of California.

Mr. Rosenthal with Mr. Markey.

Mr. Stark with Mr. Forsythe.

Mr. Obey with Mr. Michael O. Myers.

Mr. Eckhardt with Mr. Roe.

Mr. RICHMOND and Mr. MIKVA changed their vote from "yea" to "nay."

Mr. GONZALEZ changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof), the rules were suspended, and the Senate bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VETERANS' ADMINISTRATION MEDICAL FACILITIES ACQUISITION ACT OF 1977

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 5025.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. SATTERFIELD) that the House suspend the rules and pass the bill H.R. 5025, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 373, nays 19 not voting 41, as follows:

[Roll No. 178]

YEAS—373

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
Badham
Bafalis
Baldus
Barnard
Bauman

Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonior
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain

Fowler
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Madigan
Mahon
Mann
Markey
Marks
Marlenee
Marriott

Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pursell
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Sarasin
Satterfield
Sawyer
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steers
Steiger
Stockman

Stokes
Stratton
Studds
Stump
Symms
Taylor
Thompson
Thornton
Tonry
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin

Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitehurst

Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—19

AuCoin
Baucus
Boland
Brown, Mich.
Conable
Coughlin
Dodd

Early
Fenwick
Fraser
Maguire
Martin
Myers, Gary
Ottinger

Scheuer
Schroeder
Traxler
Wirth
Yates

NOT VOTING—41

Andrews, N.C.
Badillo
Bonker
Breckinridge
Brown, Calif.
Burgener
Burke, Calif.
Cavanaugh
Collins, Ill.
Derrick
Eckhardt
Fish
Florio
Forsythe

Giaimo
Johnson, Calif.
Koch
Krueger
Latta
McEwen
Meyner
Milford
Moss
Murphy, Pa.
Myers, Michael
Obey
Poage
Price

Pritchard
Quayle
Roe
Rooney
Rosenthal
Ruppe
Santini
Stark
Steed
Teague
Thone
Wilson, C. H.
Young, Mo.

The Clerk announced the following pairs:

Mr. Santini with Mr. Andrews of North Carolina.

Mrs. Meyner with Mr. Roe.

Mr. Milford with Mr. Rosenthal.

Mr. Badillo with Mr. Forsythe.

Mr. Florio with Mr. Burgener.

Mr. Johnson of California with Mr. Fish.

Mr. Teague with Mr. Koch.

Mr. Cavanaugh with Mr. McEwen.

Mrs. Burke of California with Mr. Murphy of Pennsylvania.

Mr. Moss with Mr. Bonker.

Mr. Price with Mr. Krueger.

Mrs. Collins of Illinois with Mr. Ruppe.

Mr. Charles H. Wilson of California with Mr. Breckinridge.

Mr. Brown of California with Mr. Quayle.

Mr. Giaimo with Mr. Latta.

Mr. Obey with Mr. Pritchard.

Mr. Eckhardt with Mr. Steed.

Mr. Derrick with Mr. Michael O. Myers.

Mr. Rooney with Mr. Thone.

Mr. Stark with Mr. Young of Missouri.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DESIGNATION OF TAX HOME AND ALLOWANCE OF TRAVEL EXPENSES FOR STATE LEGISLATORS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 4007, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 4007, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 372, nays 6, answered "present" 15, not voting 40, as follows:

[Roll No. 179]

YEAS—372

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.

Early
Edgar
Edwards, Ala
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Leach
Lederer

Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Fatten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pressler
Preyer
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rose
Rostenkowski

Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Thompson
Thornton
Tonry
Traxler
Treen
Trible
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Waggonner
Walgren
Walker
Walsh
Wampler
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—6

Bauman
Bennett
Caputo
Evans, Ind.
Pike
Tucker

ANSWERED "PRESENT"—15

Ammerman
Badham
Beilenson
Benjamin
Bonior
Coleman
Evans, Ga.
Gudger
Kildee
Le Fante
Pursell
Skelton
Volkmer
Watkins
Young, Mo.

NOT VOTING—40

Andrews, N.C.
Badillo
Bonker
Breckinridge
Brown, Calif.
Burgener
Burke, Calif.
Cavanaugh
Collins, Ill.
Derrick
Eckhardt
Fish
Florio
Forsythe
Giaimo
Johnson, Calif.
Koch
Krueger
Latta
McEwen
Meyner
Milford
Moss
Murphy, Pa.
Myers, Michael
Obey
Poage
Price
Pritchard
Quayle
Roe
Rooney
Rosenthal
Ruppe
Santini
Stark
Steed
Teague
Thone
Wilson, C. H.

The Clerk announced the following pairs:

Mr. Santini with Mr. Andrews of North Carolina.

Mrs. Meyner with Mr. Derrick.

Mr. Milford with Mr. Brown of California.

Mr. Badillo with Mr. Fish.

Mr. Florio with Mr. Eckhardt.

Mr. Johnson of California with Mr. Bonker.

Mr. Teague with Mr. Krueger.

Mr. Cavanaugh with Mr. Murphy of Pennsylvania.

Mr. Moss with Mr. Pritchard.

Mr. Price with Mr. Latta.

Mrs. Collins of Illinois with Mr. Quayle.

Mr. Rosenthal with Mr. Burgener.

Mr. Rooney with Mr. Forsythe.

Mr. Koch with Mr. Michael O. Myers.

Mr. Breckinridge with Mrs. Burke of California.

Mr. Roe with Mr. McEwen.

Mr. Charles H. Wilson of California with Mr. Ruppe.

Mr. Giaimo with Mr. Stark.

Mr. Steed with Mr. Obey.

Messrs. EVANS of Georgia, BONIOR, and LE FANTE, changed their votes from "yea" to "present."

Mr. BROWN of Michigan changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENDING THE DEFENSE PRODUCTION ACT OF 1950

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill (H.R. 4962).

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD) that the House suspend the rules and pass the bill (H.R. 4962), on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 385, nays 8, not voting 40, as follows:

[Roll No. 180]

YEAS—385

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bevill
Bedell
Beilenson
Bennett
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holland
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pursell
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rose
Rostenkowski
Roybal
Rudd
Runnels
Russo
Ryan
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Taylor
Thompson
Thornton
Tonry
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—8

Benjamin
Collins, Tex.
Crane
Hansen
McDonald
Rousselot
Skubitz
Symms

NOT VOTING—40

Andrews, N.C.
Badillo
Bonker
Breckinridge
Brown, Calif.
Burgener
Burke, Calif.
Cavanaugh
Collins, Ill.
Derrick
Eckhardt
Fish
Florio
Forsythe
Giaimo
Johnson, Calif.
Koch
Krueger
Latta
McEwen
Meyner
Milford
Moss
Murphy, Pa.
Myers, Michael
Obey
Poage
Price
Pritchard
Quayle
Roe
Rooney
Rosenthal
Ruppe
Santini
Stark
Steed
Teague
Thone
Wilson, C. H

The Clerk announced the following pairs:

Mr. Santini with Mr. Andrews of North Carolina.

Ms. Meyner with Mr. Eckhardt.

Mr. Milford with Mr. Giaimo.

Mr. Badillo with Mr. Cavanaugh.

Mr. Florio with Mr. Burgener.

Mr. Johnson of California with Mr. Derrick.

Mr. Teague with Mr. Brown of California.

Ms. Burke of California with Mr. Fish.

Mr. Moss with Mr. Bonker.

Mr. Price with Mr. Latta.

Ms. Collins of Illinois with Mr. Murphy of Pennsylvania.

Mr. Obey with Mr. Forsythe.

Mr. Stark with Mr. Pritchard.

Mr. Roe with Mr. Breckinridge.

Mr. Rooney with Mr. Ruppe.

Mr. Steed with Mr. McEwen.

Mr. Rosenthal with Mr. Quayle.

Mr. Krueger with Mr. Michael O. Myers.

Mr. Koch with Mr. Charles H. Wilson of California.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORT ON H.R. 3455, NUCLEAR REGULATORY COMMISSION AUTHORIZATION

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file a report on H.R. 3455, the Nuclear Regulatory Commission authorization bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us what the great hurry is?

Mr. UDALL. Mr. Speaker, if the gentleman will yield, this is a bill authorizing appropriations for the Nuclear Regulatory Commission. I have cleared it with the gentleman from Kansas (Mr. SKUBITZ) the ranking minority member on the committee, and the gentleman from Maryland (Mr. BAUMAN).

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3477, TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

Mr. MIKVA. Mr. Speaker, reserving right to object, I would like to engage the chairman of the Committee on Ways and Means in some colloquy concerning this bill that has been passed by the Senate.

Mr. Speaker, this bill has undergone some radical surgery since it left the House, some of it voluntary and some of it not so voluntary. As the Members know, the $50 rebate has been removed from the bill pursuant to the request of the President. But in addition, the other body took the jobs credit, which the House passed overwhelmingly in an amendment supported by the distinguished chairman of the committee, and converted it into an option of a jobs credit or an increase in the investment tax credit. And, it is this option which I, and I think other Members of the House, feel is not stimulative to the economy but in deed may be counterproductive to the overall idea of the jobs credit.

I am concerned about the position of the chairman and other members of the committee during the conference in insisting on the House position.

Mr. ULLMAN. If the gentleman will yield, the situation with respect to the jobs bill is that it is locked in. The Senate has one version and we have another, so we will have an opportunity in conference with the new jobs credit proposal. They have further, however, with their jobs credit, offered the option of the additional 2-percent investment credit.

I strongly approve of the new jobs credit. I think it is a new and innovative concept. I believe that on its own it gives ample incentives to the private sector. It takes this revenue and distributes it in a different way than does the investment credit, and I think it is heavily leaning toward the small business sector. I think it is a very defensible mechanism.

Mr. Speaker, I personally am going to give strong support to the House position and do everything that I can to get a conference report that will include the new jobs credit and nothing further in the area of business incentives. You understand, of course, I cannot commit the other conferees.

Mr. MIKVA. Mr. Speaker, further reserving the right to object, the other body, as it is sometimes want to do, put an additional provision in this bill which had nothing to do with anything the House passed, and it was something on which the House committee had no hearings or consideration at all.

I refer to section 204 of the Tax Reform Act of 1976 whereby the other body repealed the limitation we imposed last year on intangible drilling expenses. I realize that the administration is suggesting that something like this be included in the energy package, but it seems to me that that provision has no place in the economic stimulus bill. I would request the views of the chairman of the committee as far as returning to the House position on that matter is concerned.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. I yield to the chairman of the committee.

Mr. ULLMAN. Mr. Speaker, this is a matter that was recommended by the President in his energy reform recommendation package. In my judgment, if we consider this matter, that is where it should be considered. It is something that reverses a decision that the House and the Senate made last year, and if we are to do that, it would seem to me that we should hold hearings on the matter and go through the regular legislative process.

As the gentleman from Illinois (Mr. MIKVA) knows, the chairman of the committee cannot commit the conferees. I can give the gentleman my personal views, and I can tell him I will do everything I can to make sure that that will not be included in this bill or in this conference report but will be taken up in a responsible way when we get to a consideration of the energy package.

Mr. MIKVA. Mr. Speaker, I thank the gentleman for his assurances, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. ULLMAN, BURKE of Massachusetts, ROSTENKOWSKI, VANIK, BURLESON of Texas, CONABLE, and DUNCAN of Tennessee.

PERSONAL EXPLANATION

(Mr. SNYDER asked and was given permission to revise and extend his remarks.)

Mr. SNYDER. Mr. Speaker, on rollcall No. 175, the vote on the first suspension in today's order of business, I am recorded as not being present. I was unavoidably detained on official business, testifying before a subcommittee of the Senate Committee on Environment and Public Works.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, on Friday, April 29, 1977, my presence was required at West Point to participate in the official annual meeting of the U.S. Military Academy's Board of Visitors, of which I am a member.

Had I been present, I would have voted in the following manner: "Yes" on rollcall No. 171, H.R. 2, the Strip Mining Control and Reclamation Act, an amendment banning surface mining in alluvial valleys west of the 100th meridian, exempting commercial production begun prior to January 4, 1977; "no" on rollcall No. 172, an amendment earmarking $300 million from Outer Continental Shelf leasing receipts for funding the abandoned mine reclamation fees on coal mines; "no" on rollcall No. 173, an amendment to recommit the bill to the Ad Hoc Committee on Energy; and on rollcall No. 174, final passage of H.R. 2, "yes."

POSTPONING CONSIDERATION OF HOUSE RESOLUTION 334, FUNDING FOR LEGAL INTERVENTION IN A.T. & T. CASES

Mr. DENT. Mr. Speaker, due to the unavoidable absence of the gentleman from California (Mr. MOSS) today and at his request, I ask that consideration of House Resolution 334, funding for legal intervention in A.T. & T. cases, be postponed.

The SPEAKER pro tempore. The consideration of the resolution will be rescheduled.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY SELECT COMMITTEE ON CONGRESSIONAL OPERATIONS

Mr. DENT. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 489) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Congressional Operations, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 489

Resolved, That effective May 1, 1977, expenses of investigations and studies, to be conducted by the Select Committee on Congressional Operations, acting as a whole or by subcommittee, not to exceed $521,535, including expenditures (1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants; (2) for the procurement of services of individual consultants or organizations, thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and (3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and non-clerical functions; shall be paid out of the contingent fund of the House on vouchers by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $11,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)), and not to exceed $10,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Congressional Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

Resolved, That effective May 1, 1977, expenses of investigations and studies, to be conducted by the Select Committee on Congressional Operations, acting as a whole or by subcommittee, not to exceed $440,000, including expenditures (1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants; (2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and (3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions; shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $11,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and not to exceed $10,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Congressional Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. DENT (during the reading). Mr. Speaker, I ask that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. DENT) is recognized for 1 hour.

Mr. DENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope that we do not have to take more than 5 minutes on this funding resolution.

Mr. Speaker, I want to put into the RECORD just exactly what we are doing here. This resolution came into being because the other body had decided not to fund the Joint Committee on Congressional Operations as a result of the Senate Committee on Reorganization.

Therefore, Mr. Speaker, on March 28, 1977 the House in its wisdom constituted, by House Resolution 420, the Select Committee on Congressional Operations.

Mr. Speaker, that committee came before our committee with a request for $541,535. The Committee on House Administration, after deliberation and discussion with the chairman and ranking members and other Members of the House who were interested in that particular matter, came up with a recommendation of $440,000; and I recommend that it be accepted.

Mr. CLEVELAND. Mr. Speaker, as a senior member of both the Select Committee on Congressional Operations, which is proposed to be funded by the pending resolution (H. Res. 489), and the Committee on House Administration, from which the resolution was reported favorably, I believe it would be useful to emphasize for the record two aspects of the resolution.

First, as the chairman of the select committee, the distinguished gentleman from Texas (Mr. BROOKS), has noted, the rather substantial reduction in the funds recommended for the select committee may limit its ability to respond in an optimum way to the needs and requests of our colleagues. If this should prove to be the case—if, in fact, the select committee should demonstrate later in the session that its activities were being unduly circumscribed because of lack of funds—I am confident that most members of the Committee on House Administration would view a request for supplemental funds in a positive and openminded way.

Second, I think the record should show that the attitudes of most members of the Committee on House Administration toward the select committee are far more positive than the tone of the committee report (H. Report 95–227) might suggest. The negative quality of that report implies that the committee's chief objective was to restrict the select committee to the narrowest possible set of activities consistent with its enabling resolution, House Resolution 420. I do not believe this is an accurate reflection of the committee's intention.

While the committee must, of course, take seriously its responsibility to assure that the funds it recommends for all House committees are needed and that they will be spent in support of committees authorized activities, it should be emphasized that the committee has not objected to any of the select committee's ongoing activities. In no instance, has the Committee on House Administration found that the Select Committee on Congressional Operations is currently exceeding the authority given it by House Resolution 420. It is not that the committee report actually states otherwise—it does not—it is simply that the report's unfortunate tone may lead our colleagues to infer that the committee had some problem justifying the select committee's operations.

As a member of both committees, I am very much aware of the several areas of jurisdiction where a possibility of overlap or duplication may exist. That awareness, however, has in the past and will continue in the future to serve as a "yellow light," cautioning the select committee to pursue conscientiously its policy of close cooperation with the Committee on House Administration.

I have no doubt this will be continued and enhanced, for there is more than enough for both committees to do in the interests of a more responsible and effective House of Representatives.

Mr. BROOKS. Mr. Speaker, it is important to point out that the funds provided the Select Committee on Congressional Operations in House Resolution 489 will not be adequate to allow the committee to carry on the full range of activities authorized and expected by the Members of this body.

The resolution provides $440,000 to fund the committee for the next 8 months. This is equivalent to an annual rate of $660,000—which is approximately $237,000 less than the amount we originally estimated was necessary to support the committee's greatly increased workload.

We do not at this time intend to ask the House to restore all or any part of this reduction. The committee will do its very best to function as productively as possible even with this more than 25-percent cut. But I would be less than candid if I did not inform our colleagues that a substantial retrenchment of committee activities will be necessary.

We will not, for instance, be able to fill several vacancies which have occurred on the committee's staff since last year. This means, among other things, that we will not be able to keep pace with the increasing rate at which Members and committees are requesting our office management assistance.

It also means that our placement office staff will be stretched very thinly to keep up with the growing number of job applicants referred to us by Members and with the rising rate of requests from Members and committees for qualified staff employees.

It means, too, that the committee efforts to improve the information required by the House will be handicapped. It will become more difficult, also, to maintain our schedule of quarterly revisions of the Congressional Handbook and to keep up with our analyses of the growing number of court cases affecting the Congress.

These are not insurmountable problems, however, and I expect that our capable staff will find ways of overcoming some of these budgetary limitations. But it will not be easy, and some Members may find that the committee may not be able to respond to their requests as expeditiously as we would like.

Nevertheless, I am confident that our colleagues will find that they have made a sound investment in the future of this institution by equipping the select committee to carry on the work of the Joint Committee on Congressional Operations. At a time of growing complexity and change in the country, the Congress must be capable of assessing its own performance on a continuing basis and must be prepared to adapt to changing needs in an effective manner.

That, in a nutshell, is the role of the select committee, and it is one that we shall continue to demonstrate that we are capable of performing to the satisfaction of our colleagues.

The **SPEAKER** pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. **DENT**. Mr. Secretary, I move the previous question on the resolution, as amended.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the resolution, as amended.

The question was taken.

Mr. **FRENZEL**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 261, nays 131, not voting 41, as follows:

[Roll No. 181]

YEAS—262

Addabbo
Akaka
Alexander
Allen
Ambro
Andrews, N. Dak.
Annunzio
Applegate
Ashbrook
Ashley
Aspin
Baldus
Barnard
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bonior
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clay
Cleveland
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
D'Amours
Daniel, Dan
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dicks
Diggs
Dingell
Downey
Drinan
Edwards, Calif.
Eilberg
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Fuqua
Gammage
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gudger
Guyer
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Ireland
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kildee
Krebs
LaFalce
Le Fante
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Mahon
Mann
Markey
Mathis
Mattox
Mazzoli
Metcalfe
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Patten
Patterson
Pease
Perkins
Pickle
Pike
Preyer
Quillen
Rahall
Rangel
Reuss
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Rogers
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Ryan
Satterfield
Scheuer
Seiberling
Shipley
Sikes
Sisk
Skelton
Slack
Snyder
Solarz
Spellman
St Germain
Staggers
Stanton
Stokes
Stratton
Studds
Taylor
Thompson
Thornton
Tonry
Traxler
Tucker
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waggonner
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, Tex.
Wolff
Wright
Wydler
Yates
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—131

Abdnor
Ammerman
Anderson, Calif.
Anderson, Ill.
Archer
Armstrong
AuCoin
Badham
Bafalis
Baucus
Bauman
Bennett
Brown, Ohio
Broyhill
Butler
Caputo
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Crane
Daniel, R. W.
Devine
Dickinson
Dodd
Dornan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
Evans, Colo.
Evans, Del.
Evans, Ind.
Fenwick
Findley
Frenzel
Frey
Gilman
Glickman
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hansen
Harsha
Holt
Holtzman
Hyde
Jacobs
Jeffords
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Keys
Kindness
Kostmayer
Lagomarsino
Leach
Lott
McDonald
McKay
Madigan
Maguire
Marks
Marlenee
Marriott
Martin
Michel
Mikulski
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Myers, Gary
Myers, Ind.
Panetta
Pattison
Pettis
Pressler
Pursell
Quie
Railsback
Regula
Rhodes
Robinson
Roncalio
Rousselot
Rudd
Russo
Sawyer
Schroeder
Schulze
Sebelius
Sharp
Shuster
Simon
Skubitz
Smith, Nebr.
Spence
Stangeland
Steers
Steiger
Stockman
Stump
Symms
Thone
Treen
Trible
Tsongas
Vander Jagt
Walgren
Walker
Wiggins
Winn
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Wylie
Young, Alaska
Young, Fla.

NOT VOTING—41

Andrews, N.C.
Badillo
Bedell
Bolling
Bonker
Breckinridge
Brown, Calif.
Burgener
Burke, Calif.
Cavanaugh
Collins, Ill.
Derrick
Eckhardt
Fish
Florio
Forsythe
Johnson, Calif.
Koch
Krueger
Latta
McEwen
Meeds
Meyner
Milford
Moss
Obey
Pepper
Poage
Price
Pritchard
Quayle
Roe
Rooney
Ruppe
Santini
Sarasin
Smith, Iowa
Stark
Steed
Teague
Wilson, C. H.

Mrs. **FENWICK**, Mr. **EDWARDS** of Oklahoma, and Mr. **TRIBLE** changed their vote from "yea" to "nay."

Mr. **McCLORY** and Mr. **YATES** changed their vote from "nay" to "yea."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **BROOKS**. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The **SPEAKER** pro tempore (Mr. ERTEL). Is there objection to the request of the gentleman from Texas?

There was no objection.

FLOOD VICTIMS BITTER OVER DELAYS IN U.S. AID

(Mr. **RAHALL** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RAHALL. Mr. Speaker, as many of the Members have read in the Washington Post on Sunday, West Virginia is in dire need of your help in passing H.R. 6567 to amend the Small Business Act temporarily which is before the Small Business Committee. My bill has the following three temporary provisions.

First. Lowers the interest rate from 6⅝ to 3 percent.

Second. Provides for a "forgiveness clause" which provides for $5,000 and 1 percent interest on the remaining amount of the loan; and

Third. Provides for a grant for the elderly which are on disability or limited income.

I would like to have the Post article included so the Members have a better understanding of the flood problem.

The article is as follows:

FLOOD VICTIMS BITTER OVER DELAYS IN U.S. AID

(By Bill Peterson)

WILLIAMSON, W. Va.—Everywhere you turn up and down the Tug Fork Valley, there are homes broken in half, empty store fronts, watersoaked furniture piled along roadsides, slimy gray mud, and anger.

It has been almost a month now since the waters of the Tug broke over their banks, causing the worst flood in the region's history and driving 2,100 families from their homes on the West Virginia side of the river alone. Yet it looks like the flood happened only days ago.

Destruction and human despair are nothing new to this Appalachian valley. Floods, coal mining, poverty, and neglect have taken a heavy toll on its land and people before.

This time, the enemy is deemed a new one—the very people who were sent into the area to help it. "This is the worst federal recovery effort that I've ever seen," said Frank Tsutras, director of the Congressional Rural Caucus. "It's been a case of bureaucracy at its worst."

The statistics alone are devastating. As of Friday, 26 days after the flood, only 85 of the 2,100 eligible families in West Virginia had been placed in temporary trailer houses and campers. Only 37 of the 95 applications for small business loans had been approved. Only five of the 3,481 applicants for individual and family assistance had been approved.

Recovery efforts, hamstrung by what some see as bureaucratic bumbling and mountainous terrain, have moved at a snail's pace. Now, even hometown boosters are estimating that it will be five years—if ever—before Williamson, which boasts of being "the center of a billion dollar coalfield," returns to normal.

Indeed, the recovery effort—which has already cost the federal government $27 million—at times looked like something out of an old Keystone Kops movie. At one point, for instance, local officials became so frustrated in trying to reach U.S. Department of Housing and Urban Development officials that they threatened them with arrest to get them to come to a meeting.

As of Thursday, 25 persons were still sleeping unprotected or in the cramped back seats of their cars on a barren ridge above what was the tiny coal camp of Lobata, about 10 miles south of here. The only housing assistance that they had received were six broken-down cots they borrowed from national guardsmen. They cook their meals over camp stoves or open fires.

"They did bring in free hot food at first, but that all quit when the National Guard left. Mostly, I eat apples and oranges," Robert Moore, a father of nine who has lived on the ridge for more than three weeks, said the other day in a driving drizzle. "We don't know when we'll get some place to live. We've been lied to so much we don't believe anything anymore. Every day someone different comes around here. One tells you one thing. The next tells you something else. You don't know what to do."

His friend, Ike Johnson, who lost a nine-room house in the flood, kicked the dirt as Moore spoke. "We'd like to preach some funerals of the big shots in Washington running this thing. They sit up there with their big cigars and we don't get nothing," he said. "I tell you, this wouldn't happen if we were someplace overseas. The government gives Turkey and Guatemala millions when something like this happens and we don't get a damn thing."

Johnson and Moore are disabled miners, who normally don't have much in common with the business and social elite of Mingo County. Their frustrations with the bureaucracy, however, are echoed by many of the business and local officials who have dealt with recovery officials.

Frank DeMartino, managing director of the local chamber of commerce, for instance, says his group is considering filing a class action suit against the U.S. Army Corps of Engineers and the Federal Disaster Assistance Administration.

The corps, which local officials have pressured to build flood protection around Williamson for 30 years, is described by DeMartino as "the most poorly managed agency in government." It kept telling people that there was no danger of a flood right up to the time the flood occurred, he said. "The FDAA," he said, "is supposed to be the umbrella disaster agency, but I've never seen such a disorganized thing in my life . . . By the time they got off the ground, three weeks had passed."

The flood swept across the Tug Valley and wide sections of Appalachian Virginia, Kentucky and Tennessee on April 4, destroying or damaging 18,000 homes and 1,600 businesses by Red Cross estimates. A quarter of a million families suffered major property loss.

The Tug Valley was not declared a national disaster area, making it eligible for federal assistance, until three days later. The delay led to widespread feelings that officials in Charleston and Washington underestimated the severity of the flood.

"It all started too slow. People suffered. They had lost their homes and everything they owned. They were without food and clothing," said Robert McCoy Jr., mayor of Matewan, W. Va., a town of 1,200 that lost half of its homes and almost every business.

When disaster assistance centers opened, flood victims found themselves waiting in lines for two full days and getting conflicting advice. "It's the little guys who suffered most," McCoy said. "You can't imagine the mental anguish you go through when you've lost everything. People couldn't understand the red tape and the bureaucracy. It caused a great deal of unrest."

The most persistent criticism of the recovery effort was that there was a lack of policy-making leadership—especially on the federal level—on the scene in the crucial days after the flood.

FDAA, for instance, set up its West Virginia flood headquarters in Bluefield, a three-to four-hour drive from Williamson over some of the worst roads in America. It put its Kentucky headquarters in London, a five-hour drive from the Kentucky side of the Tug. This is the equivalent in driving time to setting up headquarters in Pittsburgh, or Trenton, N.J., if a disaster occurred in Rockville, Md.

HUD put a headquarters in Bluefield and Charleston, two hours away. The official reason, according to a HUD spokesman, was the agency couldn't find office and lodging space in Williamson. Local officials looked at it differently. "They wanted to stay in Holiday Inns and we don't have any here," one said.

Communications problems were probably inevitable.

G. L. (Jerry) Chafin, a Mingo County commissioner appointed to coordinate local recovery efforts, said he was unable to get basic information about federal aid from FDAA in Bluefield because persons there would not return his phone calls until he complained to the White House. Then, cooperation improved, he said.

HUD was another matter, however. The agency is almost universally condemned in the flood areas. As of Friday, an official spokesman in Washington said it had 1,000 employees under its jurisdiction in the four-state flood area, but had placed only 85 of the 7,098 families still homeless by the flood in emergency housing.

"We couldn't even get HUD in here to sit down and talk," Chafin said. "We tried for a week and a half. Their field people were causing us all sorts of problems. The state health people would go into an area and condemn homes, but HUD was going back in these same places and telling homeowners, "we can give you money to fix it up."

Finally, he said, a National Guard general told him, "I'll give you troopers and shackles and you bring them (the federal officials) in." Chafin said he then called the top HUD officials in the state and told him, "By God, if you don't get someone here, I'm going to have you arrested." It wasn't a threat. It was a promise.

HUD sent two low level officials to the meeting, he said. "But they told us they didn't have the authority to cooperate with us."

All this could be overlooked as black humor if it were not for the seriousness of conditions in the area, and the legacy of decades of neglect in the central Appalachian region, one of the nation's poorest and most isolated areas.

The flood laid bare in the most vivid terms in a decade the unresolved problems of the region: its susceptibility to the whims of nature; the shackles that corporate ownership has put on the area (80 per cent) of the land in Mingo County is owned by four corporations); the long-term effects of strip mining, which many believe was a major cause of the flood; its scandalously poor housing; and the fact that many of its people are either too old or infirm to care for themselves.

An official statement drafted by top HUD officials in Washington Friday, denied the agency had been slow to respond to the disaster or negligent in cooperating with local officials. The only thing it acknowledged was that "because of widespread nature of the disaster, inexperienced personnel may have been in supervisory positions in some areas."

Thomas P. Dunne, FDAA administrator, said in an interview that in the days after a disaster, federal officials are often lambasted only to be showered with praise and plaques later.

"I'd say over all, the federal government working with the state is doing as well as can be expected under the circumstances," he said. "I share the frustrations that local people have had, but over all things have gone well."

Unofficially, however, federal agencies have begun a rear guard action in a belated attempt to quell criticism. The day after an NBC television report from Burnwell, Ky., one of the flood areas, five federally owned emergency trailers suddenly appeared, and one field worker told local residents that "the heat is on from Washington." The following day a wave of top level FDAA and HUD officials from Washington began arriving in Tug Valley.

If this signals a change, it will be none to soon for Robert McCoy, a 63-year-old retired miner, or the other 30 families of Burnwell. McCoy has been watching the government work all week, and he has a few things he would like to tell Jimmy Carter about it.

First, it doesn't work very fast. Second, it never does one thing, or sends one man when two or three will do as well. Third, it seems to have forgotten nearly everyone in his community, which is made up almost entirely of descendants of the McCoys who battled the Hatfields across the river in the legendary feud that first brought this area to the nation's attention.

As late as Thursday, for instance, it had not been visited by a state health official to determine if water is safe to drink, or if the flood-soaked homes in the area are a health hazard.

"This is a forgotten place over here," McCoy said.

He and his son were the first people in Burnwell to receive a HUD house trailer for emergency housing. A crew brought it a week ago. Last Monday, another crew came to put concrete blocks under it. On Wednesday, a third crew brought a set of wood steps and set it beside the flimsy used trailer. On Friday, a fourth crew was supposed to come and hook up the electricity. And then some time this week more crews are supposed to hook up the water and sewer.

Meanwhile, McCoy can't move in. "They tell me it may be the end of next week before they'll get me in," he said Thursday. "I've never seen anything like it. The other day, I was about ready to tell them I don't want to fool with them anymore."

Many of the residents of Burnwell, who barely escaped the floodwaters and spent two days in the McCoy family cemetery on a hillside before they were rescued, have already given up on federal help. Bogar McCoy, Robert's brother, has already gone out and bought a trailer of his own. So has Don McCoy, a father of two, and others are thinking about it.

"All this dumb red tape stuff you have to go through is incredible," says another resident, Joan Carr, a college art teacher. "People have no transportation (many of their cars were lost in the flood). They have no homes, no clothes, and they have to mess around for weeks getting help."

One group, the Tug Valley Recovery Center, which has been feeding hundreds of people daily for weeks, called a work stoppage last Monday to demonstrate the community's displeasure with recovery efforts and plans a lobbying trip to Washington.

It has also been extremely critical of West Virginia's two senators, Senate Majority Leader Robert Byrd and Jennings Randolph, chairman of the Senate Public Works Committee. "Byrd gave us the bird," one placard said during Monday's protest.

Outwardly, the area's future should be booming. It's hills contain some of the richest veins of coal in the world, and President Carter's energy policy banks on coal as the nation's chief energy resource in years to come.

But even before the flood, this area had a severe housing shortage, widespread poverty, little industry, and terrible roads.

There is a great fear that the flimsy trailers that HUD is bringing into the area will never leave, and the county will be swamped with "tin can" housing. This happened after a flash flood killed 125 persons at Buffalo Creek, W. Va., 40 miles away, five years ago.

There is an equally serious fear that many local businesses will have great difficulty bouncing back. Many lacked flood insurance, and fear they will be unable to repay the 6⅝ per cent interest rate now in force in Small Business Administration disaster loans. Others fear another flood.

Already, one factory, West Virginia Armature has pulled out of Williamson, a town of 8,000. The Booknook bookstore has announced it won't reopen, and Ralph Farmer, general manager of Citizens Motors, the local Plymouth-Chrysler agency, says there is "90 per cent chance we'll close."

Upstream on the Tug in Matewan, the flood put every business in town, except one, out of commission, destroyed 70 homes, a brand new health clinic, and the town's sewer and water system.

"We're still in shock," Mayor McCoy said. "In a week or so all the disaster people will be gone, but we'll be left with the real long-term problems."

CHICAGO'S EXPERT ADVICE ON INSTANT REGISTRATION

(Mr. WYLIE asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. WYLIE. Mr. Speaker, I was opposed, at the outset, to President Carter's proposal to allow unregistered persons to appear at the polls on election day, produce some identification and then vote in Federal elections. I reasoned that this is an open invitation to wholesale fraud. But I was not locked in concrete on the issue, and my attention was aroused when another party was heard from.

This morning there appears in the Columbus Citizen—Journal an editorial commenting upon the testimony offered by John H. Hanly, chairman of the Chicago Board of Elections and retired Secret Service agent with regard to instant registration. I recommend it to the attention of my colleagues.

The editorial is as follows:

CHICAGO'S EXPERT ADVICE

> We Americans have faith in experts. When a malfunctioning appendix needs to be removed, we go to a surgeon. When the family car is sick, we take it to a garage. When we want to gamble on the market, we consult a stockbroker.
>
> Now we have this problem of increasing the turnout in elections. President Carter would solve it by allowing unregistered persons to appear at the polls on Election Day, show some identification and then vote in federal elections.
>
> Before we take this great leap into the unknown, we should listen to the expert from—where else?—Chicago.
>
> This is not to imply, of course, that the machine in Chicago still votes tombstones and family pets or that it lives by the hallowed slogan of "Vote Early and Often." Nevertheless, the Windy City does have a certain savoir faire in stuffing ballot boxes and rigging elections, and so its advice is useful.
>
> That advice came in testimony by John H. Hanly, a retired Secret Service agent who since 1973 has been laboring manfully to make Chicago elections squeaky clean. Chairman of the Chicago Board of Elections, Hanly begged a House committee considering Carter's plan to drop the idea.
>
> "But please, Mr. Congressman, don't subject us to this hazard," Hanly pleaded. "There's extreme danger of fraud and we don't want to go through this again."
>
> Hanly was most dubious of the identification would-be voters would show at the polls. "Thirty-six years in law enforcement has taught me that there is not such thing as a good identification card. Go to any forgery squad and you'll see. They're only as good as the presenter."
>
> Instant registration, he continued, would permit political zealots to go from precinct to precinct with a deck of phony indentifications and vote over and over. It would "set the cause of honest elections back years" and "totally erode the integrity of our elections."
>
> "Further," Hanly concluded, "it will congest and disrupt our polling places and certainly turn off, if not away, the voter who is civic minded enough to bother to get registered in the normal way."
>
> The man from Chicago is far more convincing that the theoreticians who never conducted an election and who sold Carter on the idea. There scheme ought to go back to the drawing board for much, much more work.

TAIWAN SHOULD REMAIN IN THE PICTURE

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, President Carter's son, Chip, is soon to accompany a mission to Peking. I am confident the President has given thought also to having him visit Taiwan and I sincerely hope this visit will take place.

Taiwan is one of the few countries that has demonstrated complete loyalty and friendship to the United States. They offered troops during our problems in Southeast Asia. Very few nations did this.

Taiwan is obviously concerned, lest the United States in its zeal to establish good relations with Peking, disavow our long friendship and withdraw recognition from Taiwan. Such a move would be interpreted by many other countries as saying the United States will stand by them only as long as it serves current purposes.

We should not, even by intimation, indicate that we are prepared to abandon this valiant little country which had demonstrated so successfully that the free enterprise system can flourish in the Far East. A visit there by the President's son will be highly appropriate.

LAW DAY, 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 60 minutes.

Mr. RODINO. Mr. Speaker, yesterday, May 1, was Law Day—a time when many Americans rededicated themselves to the principles and the supremacy of the law as the bulwark of our freedom and the foundation of our Nation's greatness.

The theme of Law Day this year is partners in justice, and it is appropriately chosen. For this Nation has recently ended a period of its history when many of its citizens felt they were not allowed to participate in the process of the law, when they felt isolated and alienated from justice itself.

Now we are seeing a resurgence of respect for the law and its institutions, in part because our citizens have a new awareness of the essential vitality of the law in their lives—and in part because we have seen that the institutions of the law do work properly, even under the most trying and painful circumstances.

Abraham Lincoln once said:

> Our defense is in the spirit which prizes liberty as the heritage of all men, in all lands

everywhere. Destroy this spirit and you have planted the seeds of despotism at your own door.

It was this spirit of liberty that our Founding Fathers sought to preserve in the Constitution and the Bill of Rights, establishing for all time the great principle that liberty and the law are inextricably bound together, that one cannot properly exist without the other.

They established another principle as well. It is that the law must reflect not only the will of the people but their character as well, that those same people must participate in the formation and in the advancement of the law.

We stand here in the House of Representatives today because in only 200 short years, we have proved that men and women working together in simple decency can secure through the law the precious rights of justice, equality and freedom. We have established that the dignity of the individual is paramount and inviolable in a free society. We have shown that ours truly is a government of laws and not of men.

But having achieved this, we face still a greater challenge—for while we have proved that a free people can make self-government work, we still must prove that a free people can make self-government endure.

If we are to be equal to this task, we must insure that our institutions of government work harmoniously with one another and, equally important, with all the citizens. For, as Mr. Justice Brandeis warned: "The greatest danger to freedom is an inert people."

It is our solemn obligation to raise the ethics of the law—and our Nation—and to restore the level of decency and probity that the future demands of us.

We must bring the logic, the wisdom and the imagination of the law to bear on the problems that confront America. We must update and improve our criminal and civil laws to provide for fairness, compassion and even-handed justice.

In recent months we have taken important steps toward these goals, aided by a growing sense of national unity and purpose that has been restored to the Nation. Many difficult decisions await us, many troubled times may lay ahead. But the determination and the spirit that molded this country have not wavered, and the objectives we have set for ourselves can truly be attained, so long as we remain—young and old, white and black, men and women—partners in justice and in freedom.

Mr. PEPPER. Mr. Speaker, I feel privileged to be able to participate in this special order which traditionally marks the recognition of Law Day by the Congress.

It is recognition so well deserved by the intimate role the law has played in the continuing development of our great society. Respect for the law and an individual's recourse to it in times of disagreement and confusion have been significant contributors to our heritage. May this continue to be true of our future.

It is only with such an ongoing effective reliance upon the law that America can develop its ideals. The freedoms and rights of individuals, protected as they are through our legal process, embody the basic notions which are so valued by us. A complementary idea, moreover, is that every individual has duties and demands to exercise in order to maintain the efficacy of the law.

We in the Congress understand this latter idea, and behavior here should exemplify our respect of the law. Perhaps the disturbing practices which have come to light over the past few years have brought disillusion into the public's awareness of their lawmakers. Clearly we can pay careful attention to our particular position and our conduct so that we reflect our faith in America's legal system. Our actions can and must bolster the public's own sense of duty under the law.

This public confidence throughout our history has permitted the law its particular role. It can be a force for stability and also a tool for productive, well-considered change.

The first point has been demonstrated over time. Confidence in the ability of our law to correct injustice and maintain social order gives us the freedom to develop our society peacefullly and out of the hands of chaos—hands which might otherwise push us to take actions that are later regretted. We have endured great tests of war, depression, and eroding confidence in our political institutions. Rather than decaying from within because of these trials, we have emerged stronger and more aware of the disturbing possibilities for abuse and disregard of the law in periods of hardship or disenchantment. We can certainly thank our continuing faith in the law and our ideals for this blessing.

As a tool for change, on the other hand, our legal process has liberated our greatest American resource, our people. Blacks, women, and all minorities have moved and continue to move into their rightful position of equality before the law and in society. Thus, these Americans are free to develop, to learn, and to contribute to our Nation. They can help fulfill our needs for reasoned judgment, creativity, understanding, and a sense of social responsibility and purpose. Surely, therefore, we can recognize and applaud this function of the law, as it can hold much promise for our future.

Finally, Mr. Speaker, we must remember how valuable the law has proved to be, and act so as to preserve its effectiveness. Respect for the law provides its strength, thereby allowing it to maintain stability while also bringing constructive change. Therefore, we must remember what the law has done as well as what it can continue to do in the future, being ever attentive to its special place in American society.

Mr. CORMAN. Mr. Speaker, since 1957 the American Bar Association has inaugurated May 1 as Law Day, U.S.A. and the Congress has traditionally recognized the significance of the celebration. It is a privilege for me to join with the respected chairman of the House Judiciary Committee and my other colleagues in paying tribute to our rule of law at a time when faith in our system of justice and governmental institutions is being restored.

For more than a decade we have witnessed a steady decline of confidence in Government leaders and institutions. The causes for this loss of trust are many and complex. However, one trend is undeniable. When justice is speedy, fair, and equitable respect for the law will grow. When the law is the champion of our basic liberties for all the people, it is the guardian of the Republic's future.

We have much to be proud of regarding our legal system but we cannot expect it to be the solution to all the ills of our society. The law cannot be expected to solve our complex and social problems. And we must not look to our laws to create morality.

"The law," as Samuel Johnson said, "is the last result of human wisdom acting upon human experience for the public good." Laws translate social change into social action and their flexibility permits rapid change in a fast moving society. Laws are stable instruments for discipline but they are only as effective as the respect they receive from the constituency they serve.

Today in this country, respect for the rule of law is on the rise. Government is attempting to be more responsive to its citizens and, in turn, the citizenry is participating more fully in its own institutions. With fuller participation the checks and balances of our democratic system operate fully and prevent abuses of the system.

This year's theme for Law Day is "Partners in Justice" and represents an effort to involve layman and legislators, the Executive, the Congress, and the Judiciary, State and local governments in the channeling of responsible change through law and reason. It is imperative that we all take stock of ourselves and determine how each of us can contribute to the rule by respecting it, revising it, and renewing trust in its place in this Nation's course. It is up to each of us to work peacefully and effectively to bring about changes in the law or in its administration which may be needed to assure fair and objective treatment for all of us. If this is done, our legal heritage will be preserved.

Mr. PANETTA. Mr. Speaker, perhaps the most often repeated principle about our Government is that we are a nation of laws, not of men. But as profound and ennobling as that principle may sound, the reality is that we are a nation of men, of people who largely determine whether we will indeed be a nation of laws.

For the law as we know it is the result of a subjective process—of legislating statutes and regulations, of enforcing each law as it applies to each situation, of interpreting laws and facts to insure constitutionality. It is from this partnership of legislature, executive, and judiciary that true justice is either achieved or lost.

As Government has grown and become more complex, this interplay of interests in our governmental process has become increasingly dominant in the lives of millions of Americans. It has also become increasingly disheartening.

Laws are often passed without careful consideration as to their impact; regulations and rules are adopted that oftentimes distort the true intent of the laws; enforcement has proven haphazard and arbitrary; and the judicial process itself is slow and cumbersome in providing meaningful due process.

Each branch of the Government is on the receiving end of skillfully presented arguments from individuals, interest groups, lobbyists, and lawyers to pass or not to pass a law, to enforce fully or only halfheartedly a law or regulation, to misuse the judicial process not to implement justice, but to slow it down.

But the celebration of this Law Day is not just a day to reflect on the failures of laws, but a day to rededicate ourselves to strengthen the partnership that is law itself in our nation.

We in the Congress must pledge ourselves to the enactment of effective and clearly stated laws, only if and when they are needed. The reckless passage of countless bills does not serve justice, but only undermines public confidence in the legislative process.

The executive branch must commit itself to proposing only those regulations and rules that are needed to properly implement the law, and it must enforce all laws strongly, equally, and fairly.

And the judiciary must not be slowed by stature, but recognize that it is the ultimate tool fashioned by our forefathers to insure speedy and true justice through due process.

If this partnership in democracy fails to work, then regardless of the principles we utter, our system of justice will fail. But if each branch can succeed as it was designed to succeed by the Declaration of Independence and the Constitution, then we cannot only expound the principle but believe in the reality of being a nation of laws.

Mr. GILMAN. Mr. Speaker, yesterday, May 1, was the day traditionally set aside for the annual observance of Law Day in the United States.

The theme for yesterday's observance "Partners in Justice" reminds us of the interrelationship and interdependence of all those men and women involved in the enactment, execution, and adjudication of laws in America.

My distinguished colleagues have eloquently proclaimed the obligation and necessity for all disparate groups within our legal system to join in a common purpose to insure the right of all citizens to "Liberty and Justice" under law.

Mr. Speaker, we should also recognize the universal appeal of the theme "Partners in Justice." Accordingly, and in the spirit of this observance, I urge my distinguished brethren in law, be that the venerable, unwritten common law, European law, Islamic law, or any other legal system, to associate with their counterparts here in America to systematically eliminate injustice wherever it exists and to promote the observance of internationally recognized human rights, whether or not embodied, within their own legal precepts.

I particularly address myself today to the well-known repression of human rights in the Soviet Union, Chile, Argentina, Uganda, Korea, and the British Commonwealth of Northern Ireland. I call upon these countries and the men and women within each nation's respective legal system in the spirit of Law Day to redress all such intolerable acts within their own borders, to use their good offices to encourage neighbors and allies to do the same, and to faithfully comply with the International Covenant on Human Rights and the Helsinki Accords.

Mr. FORD of Tennessee. Mr. Speaker, we in the Congress feel a special affinity toward the rule of law which is so strongly rooted in the fabric of this country. Our daily lives are filled with a succession of laws—some being born, the fruits of fertile, imaginative minds, some dying, the victims of coalitions of determined, well-informed men and women. Some we see grow to fruition, the product of this perserverant body, to come to be those things that guide and shape the lives of the people.

But the laws are merely hollow, arbitrary or dictatorial without the age-old tenet that stands behind them—justice. "Equal Justice Under Law" is what we here in Congress strive to attain. That is why some bills succeed and some bills fail. They are carefully scrutinized by each Member and weighed against their relative justice and fairness.

The partnership in justice does not, however, start and finish with us, nor with the Supreme Court who interprets the laws that we make before our great charter, the Constitution. Nor does it start with the President or even with our hallowed documents, the Declaration of Independence and the Bill of Rights. Justice begins with the people. Our Founding Fathers, those living today and the generations of Americans to come are all partners in the system of justice that has become symbolic of the American way of life.

Without the support of the American people, we in the Congress, the members of the judiciary and the President of the United States are all helpless to carry on the great tradition of this Government: A "Government of the People, by the People, and for the People."

We must all work together, every American, be he young or old, black or white, rich or poor, meek or powerful, all must join forces to sustain the system of justice that has made this country great.

Each one of us is a partner in justice and it must remain this way so that "Government of the People, by the People and for the People, shall not perish from the Earth."

Mr. ABDNOR. Mr. Speaker, congressional observance of Law Day is most appropriate because of our unique role and responsibility as a partner in justice. Too often when the concept of "justice" is considered or discussed, the role of the courts dominates. It should not. Were it not for the lawmakers and executors, the judiciary would not function.

We are, indeed, partners in justice. We each have our own responsibilities and should cling to these. Neither the executors of the law, nor the judges of the law should preempt the function of writing the law. As Members of Congress we should remind ourselves daily of our responsibilities in writing the law. Too often our laws are not clear in intent. Too often we delegate far too much responsibility in setting forth rules and regulations to implement our laws. Too often we are in such a rush to pass more laws that we pay no heed to the results of our earlier laws. Too often, through our legislative "solutions" we exacerbate the problem. Too often, our zeal for "reform" tends to cloud our commonsense and the last state of the "reformed" program is worse than the first—and I can think of no better example than what we did in tax reform last year.

As elected lawmakers representing our people, we need to take a special look at and have a new appreciation for our role as a vital partner in justice. And, we need to thank God every day for the wisdom provided our forefathers in the drafting of a Constitution providing for these equal partners in justice and making it difficult for any of the partners to rewrite the document to suit their own purposes.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of the special order today of the gentleman from New Jersey (Mr. Rodino).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Sarasin) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on April 28 and 29, 1977, I was absent from the House for the legislative session when it was considering H.R. 2, Strip Mining. Had I been present, I would have voted in the following fashion:

Rollcall No. 169: H.R. 2, Strip Mining, adoption of the rule (H. Res. 523) under which the bill was considered, "yea";

Rollcall No. 170: H.R. 2, Strip Mining, agreed to the motion that the House resolve itself into the Committee of the Whole, "yea";

Rollcall No. 171: H.R. 2, Strip Mining, agreed to the Baucus amendment that bans surface mining in alluvial valleys west of the 100th meridian, exempting commercial production begun prior to January 4, 1977, "no";

Rollcall No. 172: H.R. 2, Strip Mining, rejected the Conte amendment that sought to earmark $300 million from Outer Continental Shelf leasing receipts for funding the abandoned mine reclamation program before utilizing reclamation fees on coal mined, "aye";

Rollcall No. 173: H.R. 2, Strip Mining, rejected a motion to recommit the bill to the Ad Hoc Committee on Energy with instructions to consider the bill in relation to the energy message of the President on April 20, "nay"; and

Rollcall No. 174: H.R. 2, Strip Mining, final passage of the Strip Mining Control and Reclamation Act of 1977, "yea."

PRODUCT LIABILITY INSURANCE—SURVEY FINDINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Whalen) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, last month I chaired an ad hoc panel that testified on the subject of product liability insurance. Joining me on the panel were our colleagues, Ned Pattison, Don Pease, Joel Pritchard, and Newton Steers.

We had conducted a survey of manufacturers in our respective congressional districts and then combined our data to produce what we believe is the first truly objective and legislatively useful study of the nature and extent of product liability insurance problems in this country. Our findings were presented as testimony before the House Small Business Subcommittee on Capital, Investment, and Business Opportunities, chaired by John LaFalce.

A number of people have contacted us for information about our study, noting that there is otherwise a dearth of reliable information on the subject of product liability. Therefore, Mr. Speaker, I am taking this opportunity to share with our colleagues and the public the survey findings that we presented on April 4 to the Small Business Committee.

To begin with, I will summarize the principal statistical findings of our survey.

First, we found that the average increase in annual premiums, during the period 1970 to date, was 944.6 percent. The average increase in sales volume at the same companies, during the same period, was 162.1 percent. Thus, we found that premiums grew at a rate 5.8 times greater than that for sales at the respondent companies.

The sharpest rise in premiums occurred during the most recent period studied, 1974–76. During 1975 and 1976 product liability insurance premiums grew 326.3 percent; the comparable figure for sales was less than a tenth of that, 30.8 percent.

Second, we found that 15 percent of the firms included in our sample say that they do not feel they need product liability insurance and do not carry it. However, we also found that of the companies in our sample who want product liability insurance coverage, 21.6 percent say they either cannot afford it or cannot find a carrier willing to sell it to them.

Third, we discovered that one out of every three companies in our survey say that they have been forced to increase the price they charged for at least one product line as a direct consequence of increased product liability premiums.

Fourth, we learned that one out of every six respondent firms told us they had been forced to abondon at least one product line as a result of product liability insurance costs or problems.

In addition to these quantifiable findings, Mr. Speaker, our survey also came up with some important nonstatistical information. For instance, we found several cases illustrating how a small company can be forced out of business if it cannot obtain adequate product liability coverage. And we found that recent trends in product liability insurance make it even more difficult for certain small manufacturing companies to compete with large firms.

Another nonstatistical finding of our survey is evidence that manufacturers are being sued for products that were made, in some cases, 30 years ago and have been out of their control all of that time. Also, the strict liability concept apparently has imposed a tremendous hardship on certain firms whose products were modified by users after they left the manufacturers' control.

At this point in the Record, I would like to insert the "Observations" section of our joint statement.

The text follows:

OBSERVATIONS

On the basis of our survey findings, we feel we can make certain observations about the product liability problem. We do not come here as advocates for any particular position or piece of legislation. We just want to share with you our collective thoughts on certain germane issues. Our observations are outlined below.

1. *Federal Reinsurance Pool.* The product liability problem is very complex and may take some time to unravel further, even with the help of our survey findings. It is obvious that something must be done in the interim to help keep afloat those small companies that are now drowing in the red ink of product liability. Creation of a temporary federal reinsurance pool appears to be the simplest short-term answer to the present crisis, but we must bear in mind that it leaves unresolved many long-term problems.

2. *Period of Exposure.* Manufacturers are now being penalized for remaining in business a long time and making a product that holds up over the years. A company theoretically remains liable for every item it has placed on the market, no matter how obsolete it may be today. There is a clear need to limit or to define more precisely the length of the period of liability exposure.

3. *Modified Equipment.* We see some horrible cases of manufacturers being sued for product hazards that result from modifications made subsequent to the original sale. While few of these cases are ultimately successful, they do generate legal expenses and contingent-liability-related capital problems may arise during litigation. Some statutory guidance on this point might help to reduce the volume of cases being filed. Perhaps a contributory negligence type of approach might be considered.

4. *State of the Art.* Even if a manufacturer can show that every possible precaution was taken and that the product met the very highest standards at the time of manufacture, our common law of strict liability often holds the manufacturer to blame. Given the increasing presence of product safety laws and voluntary industry standards, plus the presence of the "reasonable and prudent man" test that is common to ordinary negligence cases, we feel that some statutory action may be in order so as to afford some protection to state of the art manufacturers.

5. *Uniform standards.* Product Liability has traditionally been a matter of state law. However, we can see a major problem here in that practically all manufactured goods are sold in interstate commerce nowadays and end up being used all over the country. Thus, a product that might be immunized in some way by a statute in Ohio might still be subject to liability claims in all of the other states, thus negating any significant effect the state law might have on insurance rates. Consequently, we feel that any rapid, meaningful changes in product liability law must either come from the federal government or else be in the form of a readily-adopted uniform code. The dictates of time seem to point towards the federal approach.

6. *Government Contract Policy.* We found a substantial number of small and not-so-small firms that were forced to "go bare" or else to self-insure despite their desire to be name insured. We learned that some government contracts are denied to those firms because they lack name insurance and we also know that many government prime contractors appear unwilling to buy from those companies. We feel that the Small Business Administration, along with the small business contract offices at the various agencies, should take corrective action to reduce this compounding of small companies' product liability insurance problems.

7. *Contingent Liability.* As our study shows, the dollar amount of claims filed far exceeds the amount of product liability awards paid in any given year. We feel that the SBA should undertake a program to somehow alleviate the capital flow problem that often arises from contingent liability situations.

8. *Reserve Fund.* In the course of our study, we discovered a troubling matter. It seems that if a company decides to self-insure and sets up a reserve fund for this purpose, then that fund is taxable as accumulated capital. Insurance premiums, on the other hand, are fully deductible business expenses. We urge this Committee to examine this particular federal tax policy and its impact on small businesses that are forced to self insure.

9. *Lawyers' Fees.* A number of correspondents blamed "litigation happy lawyers" and contingency fee arrangements for the rise in product liability claims. Our survey did not prove to be a useful analytical tool on this point, so we suggest the need for some further, more specific study.

10. *Workers Compensation.* A number of respondents suggested to us the adoption of some sort of workers compensation type of a program for the awarding of product liability damages. We have not done any original research on this topic and cannot offer any special insights. However, we do note that we have reservations about federal jurisdiction in this matter. Even if there was jurisdiction, our experience with workers compensation suggests the continued wisdom of setting up this sort of program at the state level, not the federal.

POLISH CONSTITUTION DAY—1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on May 3, 186 years ago, Poland adopted its first democratic constitution. This is a stirring and momentous event not only for the people of Poland, but for the entire world, for it must be remembered that Poland adopted this constitution only a few years after our own democratic Nation was founded. At that time, such freedoms as detailed in the Polish Constitution were almost unknown in most parts of the world. The Polish Constitution of 1791, the French Constitution of 1792, and the American Constitution are among the great landmarks in the growth and development of constitutional law the world over.

On Saturday, May 7, the Polish National Alliance will sponsor Chicago's annual Polish Constitution Day parade and it will be my pleasure and honor to be on the reviewing stand and at the Richard J. Daley Civic Center for the commemoration ceremonies which follow the parade.

Chicago Americans of Polish heritage gather each year to celebrate the traditions of liberty which bind our peoples so closely together and to pay tribute to those who have sacrificed and put their lives on the line in defense of that freedom. The May 3, 1791 Constitution of Poland is a landmark event in this history of man's struggle against tyranny, and the occasion will also be celebrated with a solemn mass on May 8 at Holy Trinity Church, 1118 Noble Street, in Chicago. At this point in the RECORD I wish to insert the 2-day program taking place in Chicago in commemoration of Poland's May 3, 1791 Constitution as well as a press release issued by the Polish National Alliance. The program and press release follow:

COMMEMORATION OF POLAND'S MAY 3, 1791 CONSTITUTION—SATURDAY, MAY 7, 1977

PROGRAM AT REVIEWING STAND

State and Madison Streets—12 Noon

Welcome

Mrs. Helen M. Szymanowicz, Vice President, Polish National Alliance, General Chairman, Poland's Constitution Day.

National anthems

Ms. Bronia Walacha, accompanied by 81st United States Army Band.

Parade narrator

Mr. Bruno Zielinski, WOPA Radio.

Parade director

John Gacy.

PROGRAM AT RICHARD J. DALEY CENTER—1:30 P.M.

Welcome

Mr. Roman Kolpacki, Commissioner, District 12, Polish National Alliance.

Invocation

Most Reverend Alfred L. Abramowicz, DD, Auxiliary Bishop, Vicar General.

Master of ceremonies

Hon. Aloysius A. Mazewski, President, Polish National Alliance, President, Polish American Congress.

Remarks

Hon. William C. Scott, Attorney General, State of Illinois.

Honorable Michael A. Bilandic, Acting Mayor, City of Chicago.

Principal address

Honorable Adlai E. Stevenson, U.S. Senator, State of Illinois.

Benediction

The Rt. Rev. Francis C. Rowinski, Bishop, Western Dioceses, Polish National Catholic Church.

CONCLUSION SUNDAY, MAY 8, 1977

Assembly for solemn mass

10:00 a.m.—Holy Trinity School Hall, 1123 Cleaver Street.

March to church

10:15 a.m.— to Holy Trinity Church, 1118 Noble Street, led by Council 80, PNA, Drum and Bugle Corps.

Solemn mass

10:30 a.m.—Reverend Casimir Polinski, C.R., Pastor, Celebrant and Homilist.

NEWS RELEASE

APRIL 12, 1977.

The 186th anniversary of the adoption of the May 3rd Constitution of 1791 by the old Royal Republic of Poland (Poland's Constitution Day) will be observed on Saturday and Sunday, May 7 and 8, by Chicagoland's Americans of Polish heritage.

A parade of bands, floats, marching units, drum and bugle corps will march down State street beginning at 12 noon on Saturday, May 7, and proceed South on State, from Wacker drive to Congress street.

Immediately following the parade civic ceremonies will be held at the Richard J. Daley Center (Civic Center Plaza), Clark, Dearborn and Washington streets.

The manifestation will conclude with a Mass offered on Sunday, May 8, at Holy Trinity church, 1118 Noble street at 10:30 a.m.

The annual commemoration of this event, which signified the spiritual and moral renovation of the Polish nation after a period of stagnation caused by foreign influences under the Saxon kings, has become a proud and integral part of the civic and patriotic activities not only in Chicago but also in many cities throughout the world.

To the Poles and their descendants May 3rd is a national holiday for it bestows upon the Poles a priceless heritage of humanitarianism, tolerance and a democratic precept conceived at a time when most of Europe lived under the existence of unconditional power and tyranny exemplified by Prussia and Russia.

Poland's parliamentary system actually began at the turn of the 15th Century, but a series of defensive wars, internal stresses, outside influences, widespread permissiveness and excessive concern for the rights of dissent brought Poland to the brink of disaster and anarchy in the 19th Century. Urgently needed reforms became imperative.

The May 3rd, 1791 Constitution was the first liberal constitution in Europe and second in the world, after the Constitution of the United States.

Following the American pattern it established three independent branches of government—executive, legislative and judiciary. Throughout the constitution runs a philosophy of humanitarianism and tolerance, such as—a perfect and entire liberty to all people—rule by majority—secret ballot at all elections—religious freedom and liberty.

But, most importantly, the constitution abolished the one vote veto powers of individuals who would undermine proposals, for their own dubious reasons.

The constitution curtailed the executive power of the King and council of inspection. It was forbidden them to contract public debts—to declare war—to conclude definitely any treaty, or any diplomatic act. It only allowed the Executive branch to carry on negotiations with foreign courts, always with reference to the Diet (Parliament).

In terms of democratic precepts, the May 3rd Constitution is a landmark event in the history of Central and Eastern Europe.

Among the authors of the Constitution were:

Ignacy Potocki, member of one of the most prominent families in the Royal Republic. He prepared the original draft of the Constitution.

Stanislas Kostka Potocki, brother of Ignacy, statesman, famed orator, member of the Permanent Council of the Diet.

The last king of Poland, Stanislas August Poniatowski, patron of arts and science who, although lacking qualities of bold leadership, was one of the most enlightened monarchs in the annals of Europe.

Speaker of the Diet, Stanislas Malachowski known in intellectual communities throughout Europe as "Polish Artitides" for his erudition and abiding sense of justice.

Rev. Hugo Kollontav, founder of the Commission of Education, which was, in fact, the first Ministry of Education in Europe.

Julian Ursyn Niemcewicz, adjutant of Kosciuszko, poet, writer and patriot who later visited the United States and was guest of Washington and Jefferson.

Most Rev. Adam Stanislas Krasinski, Bishop of Podola and close ally of the Pulaski family.

The Polish constitution was deemed too dangerous by the tyranny of absolutism still rampant in Europe. Thus Russia, Prussia and Austria decided to wipe out "the Polish cancer of freedom" from the face of the earth. In 1795 partitioned Poland ceased to exist as a state.

In terms of national life, she lost the entire 19th Century, being reborn in 1918.

Mr. Speaker, on the anniversary observance of Polish Constitution Day it is impossible to omit a reference to today's Poland, which is a far cry from what all patriotic and liberty-loving Poles had hoped it to be. They had dreamed, prayed, and worked for a liberated, free, and independent Poland. We all know that since the treacherous rape of their country at the end of the last war these Poles have not known freedom there.

Despite all of the outrages suffered by the heroic Polish people at the hands of their communist oppressors, these dauntless souls cling to their noble ideals as outlined in the Constitution of 1791. I am proud to join with Americans of Polish heritage in my own city of Chicago at the parade and commemorative ceremonies on May 7, in expressing support for the strong and unwavering desire of the Polish people that Poland once again be free to decide its own national destiny.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

Mr. MOAKLEY. Mr. Speaker, on Friday, April 29 I was necessarily absent. During the session, five rollcall votes were taken and I have requested this special order for the purpose of placing in the RECORD a statement on those votes.

A motion by the gentleman from Arizona (Mr. UDALL) that the House resolve itself into the Committee of the Whole for the consideration of the bill (H.R. 2) was agreed to by a yea-and-nay vote of 309 to 1. Had I been present and voting, I would have voted "yea"—rollcall No. 170.

An amendment offered by the gentleman from Montana (Mr. BAUCUS) to limit mining operations grandfathered under the bill was agreed to by a recorded vote of 170 to 149. Had I been present and voting, I would have voted "aye"—rollcall No. 171.

An amendment offered by my colleague from Massachusetts (Mr. CONTE) to earmark $300 million of OCS receipts to implement section 401 was defeated by a recorded vote of 86 to 226. Had I been present and voting, I would have voted "no"—rollcall No. 172.

A motion by the gentleman from Maryland (Mr. BAUMAN) to recommit the bill to the Ad Hoc Committee on Energy was rejected by a yea-and-nay vote of 83 to 228. Had I been present and voting, I would have voted "nay"—rollcall No. 173.

And the House passed the bill (H.R. 2), surface mining, by a yea-and-nay vote of 241 to 61. Had I been present and voting, I would have voted "yea"—rollcall No. 174.

MONTHLY LISTS OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 10 minutes.

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The February 1977 list includes:

AGRICULTURE

To Protect Tomorrow's Food Supply, Soil Conservation Needs Priority Attention. CED–77–30, February 14.

The Impact of Federal Commodity Donation on the School Lunch Program. CED–77–32, January 31.

Letter Report—

Has Agriculture's Soil Conservation Service effectively administered its program requiring soil conservation measures on farms within watershed areas? CED–77–13, December 27, 1976.

COMMERCE AND TRANSPORTATION

Improving and Maintaining Federal Aid Roads—Department of Transportation Action Needed. CED–77–31, February 3.

Speed Limit 55—Is It Achieveable? CED–77–27, February 14.

Lower Airline Costs Per Passenger Are Possible in the United States and Could Result in Lower Fares. CED–77–34, February 18.

Comments on the Study: "Consequences of Deregulation of the Scheduled Air Transportation Industry." CED–77–38, February 25.

Observation Concerning the Local Public Works Program. CED–77–48, February 23.

Program to certify the Agreements to Protect Employees Affected by Grants Made Under the Urban Mass Transportation Act of 1964. HRD–77–126, July 19, 1976.

Letter Report—

Actions by the Small Business Administration to help business women get loans through its section 8(a) program. CED–76–134, August 6, 1976.

Education, Training, Employment, and Social Services—

Examination of Financial Operations for Fiscal Year 1975 Shows Need for Improvements in the Guaranteed Student Loan Program. FOD–76–23, February 10.

Children in Foster Care Institutions—Steps Government Can Take to Improve Their Care. HRD–77–40, February 22.

The Employment Service—Problems and Opportunities for Improvement. HRD–76–169, February 22.

Employment Programs in Buffalo and Erie County Under the Comprehensive Employment and Training Act Can Be Improved. HRD–77–24, February 18.

Payment Problems in the Summer Youth Employment Program in New York City. HRD–77–18, February 2.

Letter Reports—

Possible misuses of Federal funds by local county boards of assistance of Pennsylvania's department of public welfare. HRD–77–10, February 11.

Was it proper to use Comprehensive Employment and Training Act funds to pay participants in a Washington, D.C. high school summer band program? GGD–77–16, February 15.

Abuse of Basic Educational Opportunity Grant Program at Holliston Junior College, Holliston, Massachusetts. HRD–77–45, February 15.

GENERAL GOVERNMENT

Action Being Taken to Prevent Refundable Payments of Social Security and Federal Unemployment Taxes by Charitable Organizations. GGD–76–102, February 1.

Summary of Open GAO Recommendations for Legislative Action as of December 31, 1976. OCR–77–1002, February 16.

Improvements Needed in Recording and Reporting Appropriation Data at Fiscal Yearend. FGMSD–76–3, February 17.

Government Printing Operation Improvements Since 1974. LCD–77–408, February 22.

Action Needed to Make the Executive Branch Financial Disclosure System Effective. FPCD–77–23, February 28.

Analysis of Travel Activities of Certain Regulatory Agency Commissioners During 1971–75. CED–76–155, October 6, 1976.

Letter Reports—

Comments on the President's 6th message for FY 77 under the Impoundment Control Act of 1974. OGC–77–10, January 31.

GAO comments on rescissions and deferrals of FY 1977 budget authority proposed by former President Ford. OGC–77–11, February 17.

General Services Administration's economic analyses of alternatives to use of leased building at Buzzard's Point, Washington, D.C. LCD–77–317, February 7.

Procedures available to Federal employees seeking reconsideration of unfavorable management actions and decisions. FPCD–77–21, February 8.

Proposed transfer of the Toms River Mail Processing Center to Hamilton Township, New Jersey. GGD–77–19, January 14.

Survey of extent and legality of federally provided protective services for Cabinet-level officials. GGD–76–38, January 7, 1976.

Costs of putting the National Bulk Mail System into action. B–114874, November 12, 1974.

HEALTH

Potential Effects of National Health Insurance Proposals on Medicare Beneficiaries. HRD–76–129, February 24.

Letter Report—

The Department of Health, Education, and Welfare should determine whether States are billing the Government for amounts that should be paid by Medicaid recipients. HRD–77–43, February 3.

LAW ENFORCEMENT AND JUSTICE

Opium Eradication Efforts in Mexico: Cautious Optimism Advised. GGD–77–6, February 18.

NATIONAL DEFENSE

The Army's Test of One Station Unit Training: Adequacy and Value. FPCD–76–100, February 9.

Status of the CH–53E Helicopter Program. PSAD–77–33, February 10.

Status of the B–1 Aircraft Program. PSAD–77–35, February 16.

Status of the Remotely Piloted Aircraft Programs. PSAD–77–30, February 18.

Status of the Utility Tactical Transport Aircraft System Program. PSAD–77–31, February 25.

Status of Advanced Attack Helicopter Program. PSAD–77–32, February 25.

Pacific Fleet Headquarters Efficiency Can Be Improved Through Consolidations. FPCD–76–98, February 4.

Need for Improved Headquarters Personnel Accounting—Navy Pacific Fleet. FPCD–76–93, November 17, 1976.

Need to Prevent Department of Defense from Paying Some Costs for Aircraft Engines that Contractors Should Pay. PSAD–77–57, February 28.

Improved Management Needed for Automated Information Handling Activities of Contract Administration. LCD–75–115, February 17.

Financial Management of Overseas Dependents Schools. FPCD–77–7, February 16.

Military Clothing and Textiles Required for War Reserves Can Be Reduced. LCD–77–411, January 24.

Proposed Relocation of the Air Force Communications Service Headquarters From Missouri to Illinois. LCD–77–312, December 29, 1976.

Letter Reports—

Price proposed and negotiated for 1976 deliveries of 111 TF–41 engines. PSAD–77–77, January 31.

Three Army contracts for technical services and noncomputer software products. PSAD–77–64, February 16.

Army and Navy can save tens of millions of dollars by changing the way they handle requests for cancellation of requisitions for materiel. LCD–77–201, February 17.

Effect of Defense's Profit '76 Study on new profit policy to reduce production costs by encouraging contractors to make more investments in capital assets. PSAD–77–75, February 17.

Actions by the Defense and Transportation Departments to improve training for Reserve units. FPCD–77–30, January 28.

Navy's settlement of four shipbuilding claims in June 1972. B–176834, May 15, 1973.

NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

Issues Needing Attention in Developing the Strategic Petroleum Reserve. EMD–77–20, February 16.

Indian Natural Resources—Opportunities for Improved Management and Increased Productivity—Part I: Forest Land, Rangeland, and Cropland. RED–76–8, August 18, 1975.

Indian Natural Resources—Part II: Coal, Oil, and Gas Better Management Can Improve Development and Increase Indian Income and Employment. RED–76–84, March 31, 1976.

Examination of Financial Statements of the Tennessee Valley Authority for Fiscal Year 1976. FOD–77–1, February 7.

Letter Reports—

Accuracy and integrity of Tennessee Valley Authority accounting procedures and financial statements. EMD–77–14, February 2.

Amount of Federal income taxes paid by class A and B electric utilities, using the tax data supplied to the Federal Power Commission. EMD–76–7, August 27, 1976.

Department of the Interior's process for approving coal mining plans. EMD–76–6, July 20, 1976.

Personnel turnover rates for calendar year 1975 for Federal Energy Administration components. OSP–76–23, May 24, 1976.

Gulf Oil Corporation's "double dip" (recovering certain increased production costs twice), permitted by the Federal Energy Administration's regulations for crude oil. OSP–76–13, February 9, 1976.

Comments on the Geological Survey's inadequate action on inspection regulations on the Outer Continental Shelf. RED–76–84, November 21, 1975.

Funds credited to the account of the Virgin

Islands for refunds from import license fees for crude oil imports under the provisions of Presidential Proclamation 4227 of June 19, 1973. OSP-75-14, June 13, 1975.

Federal efforts to conserve energy. B-178205, November 14, 1974.

Possible conflict of interest in hiring John Vernon, Jr., by the Federal Energy Administration. B-178205, November 12, 1974.

Information relating to the Department of Interior's leasing of minerals on public lands. B-164613, September 19, 1974.

Why the Office of Naval Petroleum and Oil Shale Reserves awarded a contract to Pacific Architects and Engineers, Inc., to drill two wells in Naval Petroleum Reserve No. 4 in Alaska. B-66927, May 30, 1974.

Complaints concerning the Mandatory Petroleum Allocation Program and the regulation of petroleum pricing. B-178205, May 3, 1974.

VETERANS BENEFITS AND SERVICES

Many Cardiac Catheterization Laboratories Underused in Veterans Administration Hospitals: Better Planning and Control Needed. HRD-76-168, February 28.

Followup Report on Services to Veterans in Delaware Under Title VI of the Comprehensive Employment and Training Act. HRD-77-16, February 16.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street, NW., Washington, D.C. 20548. Phone (202) 275-6241.

REBELS WIN CLASS L TITLE CHAMPIONSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, I would like to take this opportunity to share with my colleagues the athletic feats of one of the high schools in my district.

For the third time since 1970, the South Catholic High School basketball team of Hartford has captured still another State title. In March of this year, the Rebels won the class L title championship in a nip and tug battle against Warren Harding High School of Bridgeport, Conn.

The athletic skills of the players, the spirit of the student body, and the dedicated coaching of Joe Reilly has brought still another laurel to South Catholic.

I would like to extend my congratulations to these men as well as to thank them for the example which they have set with their unending drive and determination. I would also like to mention that five of the South Catholic players were recently placed on the all Hartford basketball team.

I wish the Rebels an advance wish for good luck for next year's season.

The article follows:

[From the Hartford (Conn.) Courant, Mar. 20, 1977]

South Rallies To Win Class L Title

(By Woody Anderson)

New Haven.—"After Paul makes his two foul shots . . ." So began Joe Reilly's speech during a timeout with 14 seconds remaining in the game and South Catholic trailing Warren Harding of Bridgeport, 76-75.

Reilly assumed 6-foot senior Paul Mercak would make both foul shots.

He did. And 10 seconds later 6-foot-6 sophomore John Pinone added another foul shot as the Rebels defeated the defending Class L champions, 78-76, with a blistering, tense comeback led by Steve Ayers.

It was the Rebels' 17th straight win and it atoned for the loss to Harding in the title game last year.

"I just blocked everything out," said Mercak of his game-winning foul shots before 6,193 persons in the nightcap of Saturday's four title games of the Connecticut Interscholastic Athletic Conference basketball tournament at the New Haven Coliseum.

"It was the toughest situation I've ever been in, by far," said Mercak who scored six points in the final period when the Rebels rallied from a seven-point deficit.

It was the Rebels' third state title since 1970. Over the last two seasons South is 49-4. Its 25-1 record this year is the most wins in a season.

South trailed most of the game. With 1:44 left in the first half Warren Harding, 23-3 and making its fifth title game appearance in the last six years, led by 12 points—its biggest margin—and by eight at halftime.

Behind Wes Matthews' 10 points in the third period the Presidents were able to lead, 66-59, setting the stage for the Rebels' comeback.

Ayers, a 6-foot senior who finished with 1,010 career points, took the quicker Presidents on one-on-one before fouling out with 1:34 remaining. He scored eight points in the initial 5:34 of the period. His last basket with 2:34 remaining brought the Rebels within one point, 74-73.

Mike McKay made two foul shots with 1:34 left giving the Presidents a 76-73 lead. Steve Granato scored from long distance at 1:20 to again bring the Rebels within one point.

The teams traded steals but the Presidents missed a shot with 34 seconds left, missed two foul shots, the undoing of the Bridgeport club.

The Rebels missed a foul shot with 18 seconds left but Mercak chased down the errant rebound and was fouled. He made both ends of the one-on-one as the South fans broke into a thunderous ovation. Twice during the final period South fans greeeted their players with standing ovations at timeouts.

The Presidents missed another shot and a tap and Pinone grabbed the rebound and was fouled with four seconds left. He made the first but missed the second. The Presidents grabbed the rebound and a full-court pass intended for Most Valuable Player Matthews was overthrown.

The game ended with Mercak galloping toward the South basket ahead of the field.

"We threw it away," said Harding head coach Jim Kish. "It was a great game, though. Great game."

Pinone, who scored 10 points and grabbed six rebounds, thought about the comeback.

"I think it was pride. There are a lot of seniors on this team. I think they wanted to make a good appearance."

Granato, one of the seniors, scored 17 points from the outside, handed out a game-high six assists and was one of the clutch players down the stretch.

Matthews topped all scorers with 29 points on 13 of 19 from the field. The Presidents made 30 of 59 shots from the field but only 16 of 30 from the foul line.

South made 32 of 55 from the field and 14 of 25 from the foul line.

CLASS L CHAMPIONSHIP

South Catholic (78); Ayers 13 2 28, Alvarez 2 1 5, Pinone 2 6 10, Granato 7 3 17, Merack 3 2 8. Madrak 4 0 8. Totals: 32 14.

Warren Harding (76); Matthews 13 3 29, McKay 5 7 17, Murphy 4 0 8, Reid 4 4 12, Spears 0 1 1, Bragley 2 1 5, Holbrook 1 0 2. Totals: 30 16.

Halftime score: Warren Harding 48-40.

Ayers Did His Part, Then Just Watched

(By Bohdan Kolinsky)

New Haven.—Steve Ayers could not sit and watch helpless as his South Catholic teammates were putting the finishing touches on a 78-76 come-from-behind victory over Warren Harding of Bridgeport and the Class L state basketball title Saturday night.

"It felt just like last year . . . frustrating," said the 6-foot senior who scored 28 point before fouling out with 1:34 left to play.

"I broke my toe in the first minute of the semifinal game last year and didn't play at all in the final (79-60 loss to Harding)," he continued. "It was frustrating to sit there and watch knowing I couldn't help any. I'll tell you one thing, it feels great to win."

Ayers, playing most of the second half with four fouls, surpassed the 1,000-point mark with his second basket of the second half. It was Ayers' final points of the night brought South to within one, 74-73, with 2:34 left and one minute later he was sitting on the bench.

Ayers was outvoted in the Most Valuable Player selections, losing out to Harding's Wes Matthews in a close ballot. Matthews scored a game high 29 point but missed an uncontested layup with 40 seconds left which could have given Harding a three-point cushion.

Ayers explained things were "kind of shaky in the first half. But the shots started to drop in the second half. I guess we needed that little bit of confidence."

South coach Joe Reilly felt it was "courage. It takes real courage to go three quarters, be eight or nine down, and come back to win." He didn't have to say much more.

FBI PROSECUTIONS ARE AN EXERCISE IN EX POST FACTO LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 10 minutes.

Mr. STRATTON. Mr. Speaker, I believe that Attorney General Griffin Bell has made a serious mistake in permitting the prosecution of former FBI agents for actions taken in earlier years and pursuant to what they believed to be lawful orders of their superiors at that time.

However, the indictments and trials turn out, this action can only inflict permanent damage not only on the FBI itself, but on all other police organizations in their continuing efforts to guard our land against international terrorism and subversion.

It is true that in the past couple of years our ideas seem to have changed about how much leeway police forces should have in protecting the domestic tranquility. But the actions Special Agent Kearney is being prosecuted for were taken in an earlier day, when it was assumed on all sides that the President of the United States did have special and unique authority when it came to protecting the Nation against enemies both foreign and domestic. It is not fair to indict loyal FBI agents today on the basis of standards of behavior that have come into vogue only after the actions for which they are now being prosecuted were taken.

After all, we would never have won the Battle of Midway in World War II if some naval agent had not stolen the Japanese code book out of their consulate in New York. And a recent bestseller, "A Man Called Intrepid," reveals that in the months before Pearl Harbor the British Secret Service and President Franklin D. Roosevelt, in an effort to resist the Nazi surge, took actions to protect this country that make even Watergate look pale by comparison.

Since 1939, this is what every intelligence organization assumed the President had the power—indeed the solemn obligation—to do when our people were in danger. To be sure those actions were taken at a time when our country was threatened with war or when we were actually involved in war. Yet in many respects the conditions of the post-World War II period also represented a challenge to the survival of our country so serious that for many years it bore the designation of "cold war." Certainly the actions of the specific terrorist organization to which Special Agent Kearney's work was directed represented a very real kind of domestic warfare against the peace and tranquility of the American people.

Lately some people have even criticized the FBI for not having warned us in advance about the Hanafi Muslims before they laid seige to Washington and took 134 hostages. But how could the FBI have possibly prevented this kind of terrorism as things stand now? For the Hanafi Muslims are American citizens, and under today's rules you cannot spy on U.S. citizens or wiretap their conversations.

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

Mr. PEPPER. Mr. Speaker, due to a meeting with a member of the executive branch I was not present on rollcall No. 181, adoption of House Resolution 489 to provide funds for the Select Committee on Congressional Operations. I support the resolution and would have voted "yes."

UNITED NATIONS AMBASSADOR ANDREW YOUNG COMMENDED FOR EXCELLENT WORK

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, yesterday's Washington Star carried a column by former Senator Eugene J. McCarthy criticizing our former colleague Andrew Young, and charging that Young's definition of his job as a "pointman" for this administration in African affairs, is a misinterpretation of the principle attached to United Nations work.

It would seem to me that Eugene McCarthy is history's last man to make such a charge. McCarthy gave this Nation matchless service as its "pointman" in the sixties when he aroused the conscience of this Nation and changed our direction in Vietnam. For him to now not recognize a similar mission for Andy Young with our emerging African nations is a sad turn of events.

For him to disqualify Andy Young "on form," is to remove substance itself from the public service, a matter against which McCarthy himself protested in the sixties. I hope he will reconsider his attitude toward Andy Young. I happen to believe that Ambassador Andrew Young's work in the United Nations as a mover and shaker is necessary and an altogether appropriate role if America is to protect itself and its best interests in Africa today. His concept of the united western front with the United States playing a major role in that front, and of development as the foremost effort in Africa rather than military aid, is logical, is right, and is long overdue, and will make for us far and away our best relationship for Americans throughout the world.

Today's Washington Post reminds us in a column by Jonathan Power of the excellent start that Andrew Young has made in this regard despite a rather petulant press coverage of the slips, and glaring oversights of the solid gains of his career so far. The article follows:

DESPITE PRESS ABUSE, A DETERMINED ANDREW YOUNG

(By Jonathan Power)

Why is United Nations Ambassador Andrew Young getting the Margaret Trudeau treatment from the American press? Even his grunts get headlines.

More seriously, he has been taken to task by The Washington Post, which said in one recent editorial that "being outspoken does not represent the sum total of virtue or wisdom. It also matters what you say." The New York Times, after criticizing him for being tedious and oversimple, asked him to "define his idea." But when Young recently spelled out in great length some of his thoughts in a State Department briefing, the press chose to highlight yet again the worn turf of Cuban troops in Angola. By my count there were eight important items in that press conference that got not a mention:

1) The rebel groups in the Shaba province in Zaire are the same rightwing forces that backed the Belgian puppet Tshombe immediately after independence in 1960.

2) This is not their first attempt; they tried the same thing last year (and no one noticed).

3) At the same time that Mozambique was signing a defense treaty with President Podgorny of the Soviet Union, it was also signing a treaty with South Africa to sell electricity.

4) Before Angola's Independence Day, representatives of the victorious MPLA came to Young and asked him to set up appointments with key members of Congress. "Their one message was 'please don't do to us what you did to the Cubans. Don't force us into the Marxist camp. We want to be non-aligned.' "

5) The United States' approach to Africa is essentially a developmental approach, hence the big boost the United States is giving to the World Bank and the African Development Bank.

6) This approach is far more effective than military aid because "the place where we are the most in trouble in Africa is the place where we have had the heaviest military assistance and that is Ethiopia."

7) The Rhodesian black Nationalists appear to be showing military restraint at the moment.

8) The British press did not pick up on Young's BBC interview (in which he called Britain "a little chicken" on race) as the press did here. Why? "I think one of the reasons . . . was people saw it on television and saw the humor attached."

Out of necessity, this is all too brief a synoposis of eight points that Young developed at some length. Andrew Young's "idea" is there for those who are prepared to give the serious time of day to it.

Young is now poised at perhaps the most critical juncture of his U.N. career so far: He is reconciled to casting his first veto, and that against his African friends. After months of quiet diplomacy, his alternative—the Indian-proposed "Resolution on a Declaration of Principles on South Africa"—is not strong enough as it presently stands for the Africans to feel they could withdraw their own resolutions calling for a mandatory arms embargo and a cessation of private investment in southern Africa.

Yet, despite the effort that he has put into trying to build a united front around his resolution over the last few weeks, he is not too disappointed. He feels that the five big Western nations are now in accord in a joint diplomatic thrust toward South Africa. This week on Wednesday special emissaries of the United States, Britain, Canada, Germany and France are scheduled to go to Pretoria to meet Prime Minister Vorster.

Although it is the beginning of a strong diplomatic offensive, Andy Young is determined to give the South Africans time. He does not want to back them up against a wall. Moreover, he wants to produce results "with a minimum of death and destruction."

The united Western front is so important, he argues, because "together we've got more real power than the Africans or the Soviets." Moreover, he feels that for two years, time is on their side—at least in Namibia and South Africa. A nonviolent solution is possible. In Rhodesia, however, events are rapidly spiraling out of control. A new more dangerous Patriotic Front military offensive is in the offing.

But restraint on the West's part will depend on progress by South Africa. He likens the concerted Western approach to the one used 15 years ago by John and Robert Kennedy when they were up against Gov. Ross Barnett of Mississippi at the time of the Freedom Riders. As long as Barnett went along and slowly loosened things up they were reasonable and did not push him too hard. It was only when Barnett betrayed them that Kennedy really got tough.

What then will Young do if this progress doesn't take place? He will take to the economic offensive—in fact it is already beginning to gather its own steam. Leon Sullivan, the Philadelphia-based black minister, has successfully lined up a number of U.S. companies investing in South Africa behind a tough code of business conduct. The Ford Motor Company in this year's annual report announced it was making no new investments in South Africa. Vernon Jordan of the Urban League is setting up a number of meetings with top U.S. executives to discuss their "economic responsibilities"; Young will go to all of these meetings. Sen. Dick Clark (D-Iowa) is likely to introduce legislation soon to limit tax credits for U.S. corporations operating in South Africa—as is now applied to firms working in Uganda. The tide of trade is also moving against South Africa. Already the United States does over $5 billion worth of business each year with Nigeria alone, compared with only $3 billion with South Africa.

Young, however, is optimistic that the West won't have to use the economic weapon. The South Africans, he believes, are soon going to realize they are living in a world economy from which they can't afford to be isolated. "My interest is not to dictate to the whites and the blacks in South Africa but to energize the situation so that they will work out a new relationship with each other based on a mutual respect for each other's rights."

"I have to believe we must succeed," he says, "though frankly I don't always see how. But nonviolence in civil rights days always sounded naive and idealistic. We never had the feeling we wouldn't succeed so we did succeed. I've always lived by my hopes, not by my fears. I intend to work that way with the rest of the world."

THE NATIONAL BOARD FOR PROMOTION OF RIFLE PRACTICE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, there have been recent comments in Congress urging an end to funding for the National Board for the Promotion of Rifle Practice. It has been called "an anachronistic and militarily useless civilian sharpshooting program." It has also been stated that the board has subverted its charter and become a public relations program which serves no actual defense role.

It might also be interpreted from their votes on the floor that these critics consider all defense and defense-related programs equally useless. Fortunately, this view is not widely held in Congress.

Let us review the facts: This board was established in 1903. It supports a civilian marksmanship program in more than 2,000 rifle clubs throughout the United States, having a total membership of 120,000 citizens, primarily between 12 and 19 years of age.

I believe the wisdom of the designers of the legislation for the civilian marksmanship program was well proven in the 1940's when our country was committed to total war. More than 1,700,000 American citizens who were called into service had received marksmanship training through the civilian marksmanship program before going into active duty. Additionally, more than 200 civilian marksmanship instructors who were beyond draft age volunteered to conduct training at military installations throughout the United States. After the war, President Truman said that if the United States was to remain strong, we would have to depend upon our citizens being trained and capable of backing up the Active and Reserve military forces. President Kennedy also favored a program to have rifle ranges and marksmanship training in our schools.

The Army has loaned about 18,000 rifles—primarily heavy-barreled caliber .22 single-shot, bolt-action target rifles—and has issued ammunition, targets and qualification medals to these clubs. They also receive training in weapons use, but crime rates continue to be low. There are no reports of the misuse of these weapons in any way.

Some opponents of the program apparently wish to believe the Army is arming the citizens of our country and that this will lead to crime and terror. I wish, when pondering this thought, they would consider the low crime rate in Switzerland where every able-bodied Swiss citizen is furnished an automatic rifle by the government to keep in his home.

Apparently, there are some who advocate antigun legislation who also seek to imply a warped relationship with the civilian marksmanship program. I repeat, the purpose of the Office of the Director of Civilian Marksmanship—ODCM—is to provide marksmanship training to citizens of the United States in the event they would be called into service in the defense of our country.

I support the continuation and hopefully the expansion of the civilian marksmanship program. Considering its well-founded and properly legislated establishment under title 10, United States Code, together with its proven value evidenced by wartime availability of trained marksmen and instructors, there is sufficient justification for the conscientious and enthusiastic support by Congress. A few years ago the Army chartered a study to be conducted by Arthur D. Little, Inc., a highly respected research organization in Massachusetts to evaluate the National Board for the Promotion of Rifle Practice and to determine the continuing need for the civilian marksmanship program. This was done in light of the development of nuclear weapons and new concepts of warfare within the Armed Forces. The final report concluded that the civilian marksmanship program contributed significantly to national defense and recommended an increase of Army support for the program.

I also believe there is another aspect of this program which should be considered. Most of those who have participated in or observed the activities of a marksmanship club or competitive matches would attest to the valuable training which our young people receive in discipline, sportsmanship, leadership, and even citizenship. The demands are high in safety, excellence in competition, and responsibility.

COMMON CAUSE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Escambia County Beacon, one of the better Florida weekly community newspapers, carried in its March 31, 1977, issue, a very interesting statement on Common Cause.

There are many in our country who have classified Common Cause in its true light, and they are not impressed. Nevertheless, because of common interest with the liberal media and support from that source, the true motivations of Common Cause are seldom made known.

The article in the Beacon by John F. McManus, is included for the edification of the Members of the House:

Common Cause A Liberal Front

(By John F. McManus)

Belmont, Mass.—John W. Gardner has announced that he is stepping down as the leader of Common Cause. Widespread reports of Gardner's intention repeated the customary baloney that he was an unlikely rebel who challenged the power boys in Washington, and that Common Cause itself was a "citizen's voice" or a "citizen's lobby" in the nation's capital. Both characterizations are dead wrong!

The real truth is that Gardner and his organization have always been mouthpieces for the same liberal claptrap that has been poisoning our nation for decades. In reality, neither Gardner nor Common Cause speaks for the truly average citizen. Instead, each is a messenger for the advocates of more government, more controls, and more regulation. Congressman John Ashbrook (R.-Ohio) has said that, to Common Cause, "Everything private or business oriented is bad; everything public or antibusiness is good." A look at the record suggests that he is absolutely correct.

FORERUNNER OF COMMON CAUSE

Common Cause was born in 1970 out of the sluggish remains of the Urban Coalition Action Council (UCAC), also led by John Gardner. UCAC was an assemblage of certified liberals from the civil rights movement, big labor, and the Eastern Establishment. Its projects included lobbying for a guaranteed minimum income for everyone, increased funding of the subversive federal poverty agency, additional food stamp eligibility, more urban renewal and a boost in federal Model Cities funding. If all of these projects had been adopted, our nation would by now be even further down the road to a totally controlled welfare state very like a Communist dictatorship.

THE NAME GETS CHANGED

Nobody ever got credit for suggesting it, but in 1970 UCAC changed its name to Common Cause. It was a big boost. A still bigger boost, however, came in the form of well over $100,000 in seed money from John D., David, Martha, Laurance, Nelson, and Stephen Rockefeller. John Gardner's longtime connection with the Rockefellers, as a trustee of the Rockefeller Brothers Fund and a member of the Council on Foreign Relations, made him a most acceptable recipient of cash from the pillars of the Eastern Establishment. And you can bet your last dime that the money didn't fight those power brokers.

Over 350,000 "little guys" have vented their frustration about the way our country is being run by joining, at fifteen dollars per year, this group started by the very persons who caused their frustrations.

COMMON CAUSE PROJECTS

Some probably do support all of Common Cause's dangerous proposals. But no one can convince us that even a sizable percentage of their 350,000 members want the following: another bureaucratic regulatory agency for consumer affairs; more federal power via the Voting Rights Act; control of elections through federal financing of House and Senate races; forced busing; a Soviet-style child development program; opposition to the Alaska pipeline; a federal law to block strip mining of needed coal; oil import quotas to deny our nation petroleum; gasoline taxes to inhibit freedom of movement; Marxist land use legislation; federal postcard registration, which would invite election fraud; so-called sunshine laws, which are designed to silence real citizen opposition to the socialization of America; and opposition to needed defense projects like the B-1 bomber.

To suggest, even in passing, that John Gardner or Common Cause speaks for the average American is absurd. And when Gardner leaves, it is our bet that nothing at Common Cause will change.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. Johnson of California (at the request of Mr. Sisk), for May 2 through May 4, on account of official business.

Mr. Fish (at the request of Mr. Rhodes), on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Rudd) to revise and extend their remarks and include extraneous material:)

Mr. Sarasin, for 5 minutes, today.

Mr. Whalen, for 5 minutes, today.

(The following Members (at the request of Mr. Glickman) and to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Dodd, for 10 minutes, today.

Mr. Moakley, for 5 minutes, today.

Mr. Brooks, for 10 minutes, today.

Mr. Cotter, for 5 minutes, today.

Mr. Stratton, for 5 minutes, today.

Mr. Pepper, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Roncalio, on H.R. 2527 on the Consent Calendar today.

(The following Members (at the request of Mr. Rudd) and to include extraneous matter:)

Mr. Don H. Clausen.

Mr. Harsha.

Mr. Rhodes.

Mr. Erlenborn.

Mr. Crane.

Mr. Walker.

Mr. Buchanan.

Mr. Sarasin in two instances.

Mr. Derwinski in two instances.

Mr. Steiger in two instances.

Mr. O'Brien.

Mr. Frenzel in three instances.

Mr. Symms in two instances.

Mr. Hansen in four instances.

Mr. Gilman.

Mr. Martin.

Mr. Kemp.

Mr. Whitehurst.

(The following Members (at the request of Mr. Glickman) and to include extraneous material:)

Mr. Rosenthal in 10 instances.

Mr. Sisk.

Mrs. Lloyd of Tennessee in five instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Brown of California in 10 instances.

Mr. Hamilton in 10 instances.

Mr. Benjamin.

Mr. Barnard.

Mr. Harrington.

Mr. Udall in six instances.

Mr. Delaney in two instances.

Mr. Miller of California.

Mr. Moakley.

Mr. Eilberg in 10 instances.

Mr. Murphy of Illinois.

Mr. Edwards of California.

Mr. Jones of Tennessee.

Mr. Smith of Iowa.

Mr. McDonald.

Mr. Lederer.

Mr. LaFalce.

Mr. Mazzoli.

Mr. Richmond.

Mr. Ammerman.

Mr. Teague in two instances.

ADJOURNMENT

Mr. GLICKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 35 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 3, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1376. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period October 1, 1976, through March 31, 1977, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

1377. A letter from the Director, District Unemployment Compensation Board, transmitting the Board's annual report for calendar year 1976, pursuant to section 313(c) of title 46, District of Columbia Code; to the Committee on the District of Columbia.

1378. A letter from the Director, U.S. Information Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1379. A letter from the Secretary, Postal Rate Commission, transmitting a report on the Commission's activities under the Privacy Act during calendar year 1976; to the Committee on Government Operations.

1380. A letter from the Secretary of the Interior, transmitting the annual report on the anthracite mine water control and mine sealing and filling program for calendar year 1976, pursuant to 76 Stat. 935 (30 U.S.C. 575); to the Committee on Interior and Insular Affairs.

1381. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

1382. A letter from the members of the National Study Commission on Records and Documents of Federal Officials, transmitting the final report of the Commission, pursuant to section 202 of Public Law 93–526; jointly, to the Committees on House Administration, and Government Operations.

1383. A letter from the Acting Secretary of Commerce, transmitting a draft cf proposed legislation to authorize an additional Assistant Secretary of Commerce; jointly, to the Committees on Interstate and Foreign Commerce and Post Office and Civil Service.

1384. A letter from the Attorney General, transmitting a draft of proposed legislation to provide for the implementation of treaties for the transfer of offenders to or from foreign countries; jointly, to the Committees on the Judiciary and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and referred to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 6415. A bill to extend and amend the Export-Import Bank Act of 1945; with an amendment (Rept. No. 95–235). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 6655. A bill to amend certain Federal laws pertaining to community development, housing, and related programs (Rept. 95–236). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 6802. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to extend the period during which refugee assistance may be provided; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. Murphy of New York, Mr. Ruppe, Mr. Treen, Mr. Ginn, Mr. Studds, Mr. Snyder, Mr. De Lugo, Mr. Hubbard, Mr. Pritchard, Mr. Bonker, Mr. D'Amours, Mr. Lent, Mr. Patterson of California, Mr. Hughes, Mr. Evans of Delaware, Ms. Mikulski, Mr. Akaka, Mr. Leggett, Mr. Bowen, Mr. Zeferetti, Mr. Oberstar, Mr. Forsythe, and Mr. Bonior):

H.R. 6803. A bill to provide a comprehensive system of liability and compensation for oilspill damage and removal costs, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. BROOKS (for himself, Mr. Fascell, Mr. Moorhead of Pennsylvania, Mr. Rosenthal, Mr. Fuqua, Mr. Harrington, Mr. Horton, Mr. Erlenborn, and Mr. Pritchard):

H.R. 6804. A bill to establish a Department of Energy in the executive branch by the reorganization of energy functions within the Federal Government in order to secure effective management to assure a coordinated national energy policy, and for other purposes; to the Committee on Government Operations.

By Mr. BROOKS (for himself, Mr. Moss, Mr. Rosenthal, Mr. Moorhead of Pennsylvania, Mr. Harrington, Mr. Fascell, Mr. Conyers, Mr. Horton, Mr. Koch, and Mr. Neal):

H.R. 6805. A bill to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. CLAY:

H.R. 6806. A bill to repeal section 1735 and 1736 of the Revised Status (22 U.S.C. 1199); to the Committee on International Relations.

By Mr. CORRADA:

H.R. 6807. A bill to amend the Marine Mammal Protection Act of 1972 in order to provide relief in cases where limitations on fishing imposed under such act contribute to certain local unemployment; to the Committee on Merchant Marine and Fisheries.

By Mr. COUGHLIN (for himself and Mr. Steers):

H.R. 6808. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. EILBERG:

H.R. 6809. A bill to amend title XX of the Social Security Act to provide cost-of-living increases in social services funding for child care under that title, beginning with the fiscal year 1978, over and above the 8-percent increase in such funding which is presently provided under Public Law 94–401; to the Committee on Ways and Means.

By Mr. FOUNTAIN (for himself, Mr. Brooks, Mr. Fuqua, Mr. Levitas, Mr. Aspin, Mr. Wydler, Mr. Brown of Ohio, and Mr. Corcoran of Illinois):

H.R. 6810. A bill to amend and extend title II of Public Law 94–369, to establish a new title to the State and Local Fiscal Assistance Act of 1972, and for other purposes; to the Committee on Government Operations.

By Mr. FORD of Tennessee (for himself, Mr. Conte, Mr. Carr, Mr. Evans of Delaware, Mr. Frenzel, Mr. Hillis, Mr. Lederer, Mr. Rose, and Mr. Ryan):

H.R. 6811. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. GRASSLEY (for himself, Mr. Gilman, Mr. Glickman, Mr. Hightower, Mr. Krueger, Mrs. Meyner, Mr. Kemp, and Mr. Devine):

H.R. 6812. A bill to encourage the establishment of wind erosion control and wildlife habitat areas which meet standards prescribed by the Secretary of Agriculture; to the Committee on Ways and Means.

By Mr. HANSEN:

H.R. 6813. A bill to declare the public policy of the United States and to remove all legal obstacles to the use of gold clauses; to the Committee on Banking, Finance and Urban Affairs.

By Mr. KELLY:

H.R. 6814. A bill to amend the Internal Revenue Code of 1954 to repeal the treatment of intangible drilling and development costs as an item of tax preference; to the Committee on Ways and Means.

By Mr. KETCHUM (for himself and Mr. Hyde):

H.R. 6815. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable only to aged, blind, or disabled individuals who are both citizens and residents of the United States; to the Committee on Ways and Means.

H.R. 6816. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable to a resident alien only if he has continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 6817 A bill to amend the National Labor Relations Act to permit an employer to discharge or discipline any employee whose conduct makes such employer liable for a penalty under the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. KINDNESS (for himself, Mr. McDonald, Mr. Collins of Texas, Mr. Derwinski, Mr. Symms, Mr. Badham, Mr. Badillo, Mr. Crane, and Mr. Ashbrook):

H.R. 6818. A bill to replace the program established under the Food Stamp Act of 1964 with a 5-year federally financed program established by the States; to the Committee on Agriculture.

By Mr. LEGGETT:

H.R. 6819. A bill to provide that Federal primary and Federal general elections are held on the last weekend in June and the first weekend in November, respectively, and to provide that polling places are open for at least 8 hours during each day of any such weekend; to the Committee on House Administration.

By Mr. LEGGETT (for himself, Mr. Brown of California, Mr. Don H. Clausen, Mr. Dellums, Mr. Edwards of California, Mr. Hawkins, Mr. Moss, Mrs. Pettis, Mr. Roybal, and Mr. Stark):

H.R. 6820. A bill to authorize and direct the Secretary of the Department of Health, Education, and Welfare to convey certain lands to D–Q University on fee simple absolute; to the Committee on Interior and Insular Affairs.

By Mr. MAGUIRE:

H.R. 6821. A bill to amend the Internal Revenue Code of 1954 for purposes of study and referral of worker populations for prevention, medical diagnosis, care, and treatment; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. St Germain, Mr. Boland, Mr. Beard, of Rhode Island, Mr. Drinan, Mr. Moffett, Mr. Harrington, Mr. Conte, Mr. Tsongas, Mrs. Heckler, Mr. Burke of Massachusetts, Mr. Studds, Mr. Early, and Mr. Markey):

H.R. 6822. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. MURPHY of New York (for himself, Mr. Biaggi, Mr. Ruppe, Mr. Treen, Mr. de la Garza, Mr. Studds, Mr. Pritchard, Mr. Eilberg, Mr. de Lugo, Mr. Young of Alaska, Mr. Hubbard, Mr. Patterson of California, Mr. Lent, Mr. Rogers, Mr. Bonker, Mr. Oberstar, Mr. Hughes, Ms. Mikulski, Mr. Akaka, and Mr. Trible):

H.R. 6823. A bill to authorize appropriations for the U.S. Coast Guard for fiscal year 1978, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. NICHOLS (for himself and Mr. Dickinson):

H.R. 6824. A bill to authorize the Secretary of the Interior to assist in the preservation of the Fort Toulouse National Historic Landmark and Taskigi Indian Mound in the State of Alabama, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'BRIEN:

H.R. 6825. A bill to amend the United Nations Participation Act of 1945 to allow the importation of certain strategic materials which are shipped from a country, other than southern Rhodesia, under a contract entered into before March 18, 1977, and which the seller certifies are not of southern Rhodesian origin; to the Committee on International Relations.

By Mr. ROBINSON (for himself and Mr. Fisher):

H.R. 6826. A bill to amend the Internal Revenue Code of 1954 to extend the time for making an election under subchapter S of such code with respect to a small business corporation; to the Committee on Ways and Means.

By Mr. ROGERS (for himself, Mr. Preyer, Mr. Scheuer, Mr. Waxman, Mr. Florio, Mr. Ottinger, Mr. Walgren, Mr. Staggers, Mr. Carter, and Mr. Madigan):

H.R. 6827. A bill to amend the Public Health Service Act to extend certain authorities and authorize appropriations for certain fiscal years for purposes of providing assistance to the States with respect to safe drinking water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SHIPLEY:

H.R. 6828. A bill to authorize the Secretary of the Interior to establish the Lincoln Homestead National Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. WHITEHURST:

H.R. 6829. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. PEASE (for himself, Mr. Lagomarsino, Mr. Seiberling, Mr. Ammerman, Mr. Rahall, Mr. Edwards of Oklahoma, and Mr. Patterson of California):

H.R. 6830. A bill to amend the Internal Revenue Code of 1954 to provide tax credit for political contributions to candidates for Congress, which is more limited than the existing tax credit for such contributions; to the Committee on Ways and Means.

By Mr. WRIGHT:

H.R. 6831. A bill to establish a comprehensive national energy policy; divided and initially referred for a period ending not later than July 13, 1977, as follows: sections 101 through 109 and sections 201 through 603 to the Committee on Interstate and Foreign Commerce; sections 110 through 121, and concurrently with the Committee on Interstate and Foreign Commerce, those portions of subpart 1 of part A of title I relating to financial assistance to residential customers defined in section 101, to the Committee on Banking, Finance and Urban Affairs; section 701 to the Committee on Government Operations; sections 721 through 746 to the Committee on Public Works and Transportation; title II to the Committee on Ways and Means; and sections 2 through 4 concurrently to all of the above committees.

By Mr. ANDERSON of California (for himself, Mr. Ford of Tennessee, Mr. Fary, Mr. Poage, Mr. Mottl, Mrs. Chisholm, Mr. John L. Burton, Mr. Frey, Mr. Gradison, Mr. Baldus, Mr. Harsha, Mr. Eilberg, Mr. Flynt, Mr. Boland, and Mr. Railsback):

H.J. Res. 427. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. BRADEMAS (for himself, Mr. Jeffords, Mr. Perkins, Mr. Quie, Mr. Beard of Rhode Island, Mr. Pressler, Mr. Miller of California, Mr. Kildee, Mr. Heftel, Mr. Hawkins, and Mr. Biaggi):

H.J. Res. 428. Joint resolution to provide the authority for the President to call a White House Conference on Aging in 1981, and for other purposes; to the Committee on Education and Labor.

By Mr. KINDNESS (for himself, Mr. Collins of Texas, Mr. Winn, Mr. Derwinski, and Mr. Hyde):

H.J. Res. 429. Joint resolution proposing an amendment to the Constitution of the United States to establish a Court of the States; to the Committee on the Judiciary.

By Mr. FITHIAN:

H. Res. 535. Resolution that Congress move expeditiously to resolve pending issues regarding national telecommunications policy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONALD (for himself, Mr. Murtha, Mr. Nichols, Mr. Quayle, Mr. Regula, Mr. Robinson, Mr. Rudd, Mr. Sarasin, Mr. Sawyer, Mr. Sebelius, Mr. Skubitz, Mrs. Smith of Nebraska, Mr. Snyder, Mr. Tonry, Mr. Treen, Mr Trible, Mr. Waggonner, Mr. Wampler, Mr. White, Mr. Whitehurst, Mr. Whitley, Mr. Bob Wilson, Mr. Winn, Mr. Young of Alaska, and Mr. Young of Florida):

H. Res. 536. A resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

115. By the SPEAKER: A memorial of the

Senate of the State of Hawaii, relative to Federal insurance of mortgages on leasehold property; to the Committee on Banking, Finance and Urban Affairs.

116. Also, a memorial of the Senate of the State of Hawaii, relative to maintaining the current level of aid to federally impacted areas for educational programs in the State of Hawaii; to the Committee on Education and Labor.

117. Also, a memorial of the Legislature of the State of Hawaii, relative to amending the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

118. Also, a memorial of the Senate of the State of Hawaii, relative to crown land claims; to the Committee on Interior and Insular Affairs.

119. Also, a memorial of the Legislature of the Territory of Guam, relative to Federal land takings in Guam; to the Committee on Interior and Insular Affairs.

120. Also, a memorial of the Legislature of the Territory of the Virgin Islands, relative to allowing the Legislature of the Virgin Islands the power to override line-item vetoes of the Governor; to the Committee on Interior and Insular Affairs.

121. Also, a memorial of the Senate of the State of Indiana, relative to extending the deadline for automobile emission controls; to the Committee on Interstate and Foreign Commerce.

122. Also, a memorial of the Legislature of the State of Hawaii, relative to retention of the cost-of-living allowance for Federal employees with military commissary and post exchange privileges in Hawaii; to the Committee on Post Office and Civil Service.

123. Also, a memorial of the Senate of the State of Hawaii, relative to extending national pollution discharge elimination system permits in Hawaii; to the Committee on Public Works and Transportation.

124. Also, a memorial of the House of Representatives of the State of Hawaii, relative to extending the dead line relating to the elimination of shipboard animal waste discharges; to the Committee on Public Works and Transportation.

125. Also, a memorial of the Legislature of the Territory of the Virgin Islands, relative to establishment of a veterans hospital in the Virgin Islands; to the Committee on Veterans' Affairs.

126. Also, a memorial of the House of Representatives of the State of Hawaii, relative to the distribution of Federal funds in Hawaii; jointly, to the Committees on Education and Labor, Government Operations, and Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STANGELAND introduced a bill (H.R. 6832) for the relief of Dr. Salvador S. Sambitan, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

98. By the SPEAKER: A petition of the City Council, Westminster, Calif., relative to low-cost spaying and neutering clinics; to the Committee on Interstate and Foreign Commerce.

99. Also, a petition of the City Council, Wilkes-Barre, Pa., relative to low-cost spaying and neutering clinics; to the Committee on Interstate and Foreign Commerce.

100. Also, a petition of the American Legion Post No. 3, Lincoln, Nebr., relative to changes in the method of payment of veterans' benefits; to the Committee on Veterans' Affairs.

101. Also, a petition of the City Council, Philadelphia, Pa., relative to renewal of the multifiber textile agreement; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

WHY VIETNAM PUT OUT THE RED CARPET

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, May 2, 1977

Mr. HARRY F. BYRD, JR. Mr. President, Kingsbury Smith, the able national editor of the Hearst newspapers, began a recent news analysis with this sentence: "Vietnam's Communist rulers want American taxpayers' money badly."

I ask unanimous consent that the text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Herald American, Mar. 20, 1977]

WHY VIETNAM PUT OUT THE RED CARPET

(By Kingsbury Smith)

WASHINGTON.—Vietnam's Communist rulers want American taxpayers' money badly.

That was clearly evident in the smiling reception the first U.S. official mission to Vietnam received on its arrival in Hanoi.

The red carpet welcome included living quarters that United Auto Workers President Leonard Woodcock, chief of the American delegation, said were so comfortable "I would feel well even if I were tired."

Quite a difference from the brutal treatment accorded American war prisoners during the Vietnam conflict.

Then the Hanoi dictatorship was relying on Russia and Communist China for war supplies to kill American soldiers and conquer South Vietnam.

Now it cannot get from the two Communist giants the economic and technical aid it needs to reconstruct the devastated, backward country.

So Hanoi has, in effect, been blackmailing the American government by linking information about missing American soldiers with demands for some of the $3.25 billion of reconstruction aid it claimed Richard Nixon, when President, promised it if it would sign the 1973 peace agreement.

One clause of the treaty provided for U.S. post-war aid to North Vietnam. Another provided for Hanoi's help in accounting for dead and missing Americans estimated to number about 2500.

On March 3 a Vietnamese Foreign Ministry spokesman said the United States must "disassociate itself from this erroneous policy" of wanting information on missing Americans but not wanting to provide the promised aid.

In his first meeting with Woodcock this week, Vietnamese Prime Minister Pham Van Dong made it clear Hanoi considers America still committed to the Nixon promise of $3.25 billion. Asserting that the question "does not relate to Mr. Nixon but to the United States," he said: "This is not just a question of money but of national responsibility and honor."

Either the man has colossal nerve or he thinks Americans are dopes. Henry Kissinger, as secretary of state, made it clear on June 18, 1975, that the North Vietnamese military conquest of South Vietnam in flagrant violation of the peace treaty invalidated that agreement and that all American undertakings in the peace accords thereby became null and void.

One former American ambassador to South Vietnam told me U.S. has no moral obligation whatsoever to help the Vietnamese Communist regime. Nor does he understand why the Carter administration considers it in American national interests to help strengthen that regime's tyrannical control of Vietnam, especially when the ultimate objective of Hanoi's rulers is generally acknowledged to be domination of all Indochina.

Some American oil companies would like the administration to lift the trade embargo on Vietnam so they can bid for a share of the offshore drilling concessions Hanoi has been negotiating with French, Japanese and West German oil companies. Oil deposits off North Vietnam's coast are thought to be substantial.

President Carter has made it clear he wants to normalize relations with Vietnam. Answering a question on his phone-in radio program March 5, he said Vietnam needed trade with the outside world so that it would not be completely dependent on the other Communist countries. He neglected to add they cannot give it what it needs.

In his apparent eagerness to recognize and help the Vietnamese Communist regime, the President seemed to be applying the apparent double standard that has marked the selective morality of his foreign policy.

While he and the State Department have risked impairment of relations with Russia, Brazil, Argentina, Uruguay and Ethiopia by taking a strong stand on the violation of human rights in those countries, his secretary of state, Cyrus Vance, told the Senate that South Korea's strategic importance to the United States out-weighed concern over human rights.

So, apparently, does Vietnam's undefined importance to America outweigh concern over the inhuman treatment of those South Vietnamese who were loyal allies of the United States.

From almost every non-Communist foreigner who has left Saigon in recent months comes reports of the ruthless repression of the South Vietnamese population, and especially of those who collaborated with the American forces.

One of the latest reports comes from Father Andre Gelinas, a French Canadian Catholic priest who lived in Vietnam from 1948 until he was expelled last year—15 months after the fall of Saigon.

In an article published in the Washington Post, Father Gelinas estimated that between 400,000 and 500,000 South Vietnamese have been sent to so-called "re-indoctrination" centers which means concentration camps.

Many other thousands of men, women and children have been forcibly transplanted from the cities to remote areas.

The cruel treatment of people in Saigon following the Communist take-over, led, according to Father Gelinas, to an "epidemic of suicides. Entire families killed themselves with revolvers."

"The bureaucratic mind," he added, "is

capable of a kind of sadism that is unbearable."

This is the kind of treatment the North Vietnamese Communist leaders have meted out to the people they used to claim they wanted to liberate from American imperialism.

If President Carter wants the morality tone of his foreign policy to ring true, a condition for normalizing relations with the Hanoi government should be respect for the human rights of those South Vietnamese who, encouraged by four American presidents to resist the Communists, stood with America to the bitter end.

TUITION RELIEF—IT'S ABOUT TIME!

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. DELANEY. Mr. Speaker, in hearings scheduled for the morning of May 12, the House Committee on the Budget will receive my testimony on the Tuition Tax Relief Act of 1977.

The taxpayers of this country are reaching the end of their rope in terms of taxes, inflation, and recession. This bill is a long overdue measure of fairness to our parents and students. It is aimed at average American families who are struggling to get together tuition for their sons and daughters at public and private institutions from elementary through graduate school throughout the Nation.

H.R. 3403 was introduced on February 9, 1977, and referred to our Committee on Ways and Means. As of this moment, 24 of my colleagues, from both sides of the aisle, have cosponsored the measure here in the House. You will recall that both the Democratic and Republican platforms of 1976 came out firmly behind equitable aid to education. S. 834, a similar bill introduced in the Senate on March 1, also enjoys broad bipartisan support.

The Tuition Tax Relief Act provides a deduction up to $1,000 per individual for tuition paid by a taxpayer to educate himself, his spouse, or his dependents. President Carter, in his inaugural address, stressed that preservation of the American family must be one of our national priorities—this is a family-oriented measure. The deduction is applicable across the board from grammar school through the university, including vocational schools. It is not "traditional parochaid" and applies at any institution charging tuition, for example, State universities, city colleges, and so forth. Public school teachers would obviously stand to gain by taking advantage of the legislation to obtain more advanced degrees.

The "above-line" deduction goes to individual taxpayers much as Federal veterans' benefits have gone to individual veterans—this approach does not enlarge the Federal bureaucracy.

In order to provide equitable treatment for Americans in lower income categories, an option has been included for a $250 tax credit in lieu of the deduction. Since deductions are subtracted from gross income in computing taxable income, while credits are subtracted from tax liability, people earning lower wages would find the credit option to their advantage.

Mr. Speaker, you will recall that an educational tax credit amendment to the Tax Reform Act passed the Senate in 1976 and went as far as Conference Committee. An education tax deduction was offered as a Senate floor amendment and came close to passage during the 94th Congress.

For the benefit of my colleagues, I have requested the Congressional Budget Office to undertake a cost-analysis of this bill. It should be clear to all that such a tuition deduction/credit represents more than simple tax justice—from a rigorous cost-benefits perspective, over the long-run, it makes sound economic sense for the country.

The time for us to act is now * * *

NOTE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. MAZZOLI. Mr. Speaker, last Friday, April 29, 1977, I was absent, because of previously scheduled commitments in my district. Had I been present I would have voted yes on roll No. 170 to resolve into the Committee of the Whole to consider H.R. 2; yes on roll No. 171 the Baucus amendment, to ban surface mining from certain alluvial valleys; no on roll No. 172, to use certain Outer Continental Shelf leasing receipts to pay for reclamation of abandoned mines; no on roll No. 173, to recommit H.R. 2 with instructions to the Ad Hoc Committee on Energy; and yes on roll No. 174, final passage of H.R. 2.

THE KENNEDY TAX CUTS PROVIDE AMPLE EVIDENCE THAT ECONOMIC PROSPERITY RESULTS FROM LOWER TAXES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. KEMP. Mr. Speaker, as one Member who has bipartisanly worked for and advocated for some time now reducing tax rates as an answer to the problems of both inflation and unemployment, I offer the following article by Warren Brookes of the Boston Herald American as an example of the bipartisan nature of this issue.

As Mr. Brookes points out in his articulate way, the Kennedy strategy of getting the country moving again by cutting tax rates on both personal and business incomes was highly successful in every regard.

Mr. Speaker, I have reintroduced the Kennedy tax cuts as a strategy for prosperity in the 1970's. It reduces personal and business tax rates, but most dramatically lowers the personal income tax rate of all Americans by the same percentage as did the Kennedy cuts of 1960's. I want, as Kennedy did, to encourage work, investment, and individual freedom as the road to prosperity.

The article follows:

JFK TAX CUTS: RECIPE FOR PROSPERITY

(By Warren T. Brookes)

As America ponders its uncertain economic future, with high inflation, high unemployment, spiraling government deficits, and weak investment, it is only natural that economists and pundits alike should be casting about for some "magic formula" for prosperity.

While no such simple "magic formula" exists, we can learn from history what works and what doesn't work. For the past few weeks, we have been carefully reviewing the past 26 years, from 1950 to 1976, to see if it offers any "clues" as to the steps that the next President should take to strengthen our economy.

In this analysis, we asked, in what period did the American worker and consumer fare best in terms of how much they earned, how well they were employed, and how little inflation they had to deal with?

GROWTH RATES AND ECONOMIC INDEXES

[In percent]

	Real disposable income	Real investment	Real ouptut	Money supply	Average annual inflation rate	Total Government spending	Average unemployment rate
1950–55	+17	+14	+30	+16	2.5	+61	4.0
1955–60	+14	+2	+14	+7	1.6	+39	5.0
1960–65	+16	+35	+35	+19	1.2	+38	5.7
1965–70	+21	+1	+19	+29	3.6	+65	[1] 3.4
1970–76	+17	+4	+15	+38	6.0	+87	5.9

[1] Indicates war years with major draft.

No objective economist reviewing this history can fail to come up with the same conclusion we reluctantly came to: The best economic record of any government in the past 26 years was under John F. Kennedy, from 1960 to 1965. During this period, which included one "Eisenhower budget" and four "Kennedy budgets:"

Real investment growth was the highest in modern history.

Inflation was the lowest in modern history.

Real industrial output growth was the greatest of any period.

Money supply grew less 60 percent as fast as output.

Real disposable income grew the fastest.

Government spending grew the least.

In short, the period from 1960–65 was the fiscal conservative's "dream economy"—with capital investment growing very fast, real output more than keeping pace, while government spending was very modest, and the money supply was under tight control. Both workers and consumers benefited with good wages and stable prices.

The only place where the Kennedy Administration "failed" was on unemployment, which remained relatively high, at close to 5.7 per cent throughout the period, although the trend was definitely down.

How is it possible, then, that such a "liberal" President as John F. Kennedy could have brought about such an ideal low-inflation, high-income growth situation? The answer is that when it came to fiscal matters, Mr. Kennedy and his Administration were not exactly "flaming liberals."

It should be remembered that Mr. Kennedy had as his Secretary of Treasury C. Douglas Dillon, a Republican who was one of the most conservative "money men" on Wall Street, an investment banker who knew the value of financial integrity.

Even though the Kennedy economic plan favored stimulating the economy by cutting taxes and modest deficits, it also favored "holding the line" on government spending. In other words, the emphasis was on leaving more money in private hands, rather than "running the printing press" with "easy money." Indeed, Mr. Kennedy's whole economic policy was so "conservative" in orientation, his own brother probably would be very uncomfortable with it today. Essentially it consisted of:

Holding government growth at very modest rates. During Mr. Kennedy's period, federal government spending grew only 28 percent compared with 65 per cent under Johnson and 92 per cent under Nixon and Ford.

Cutting taxes to stimulate growth, rather than increasing government spending.

Holding government deficits at a very modest level. Federal deficits under Kennedy amounted to .2 per cent of the GNP, about the same as under Truman and Eisenhower, and less than 1/10 of the level under Johnson, Nixon and Ford.

Holding the growth of the money supply well below the growth of the economy. Under Johnson and Nixon, the money supply grew more than twice as fast as output! Mr. Kennedy had, by far, of the tightest money controls of any Administration.

Commitment to free trade. JFK did more to encourage world trade and international economic freedom than any President in history, and in so doing encouraged the growth of U.S. multi-national corporations!

But, the single, most potent thing Mr. Kennedy did was to stimulate the economy, not by big government spending, but by what liberal economists now refer to contemptuously as "trickledown" economics—investment credits to business.

The reason Mr. Kennedy took this route is that during his trip to Germany in 1961, Chancellor Adenauer told him that the way Germany had grown so well was to stimulate heavy capital investment, and strong corporate profits, through tax incentives, both for rapid depreciation, and for re-investment in productivity gains.

Mr. Kennedy was impressed by the sharp contrast of Germany's booming economy with Great Britain's self-destructive labor-dominated welfare state—and he came back and sold the Congress and Big Labor on the biggest set of tax incentives ever given to American industry (including a number that Sen. Ted Kennedy is now trying to repeal).

The strategy worked. During the period from 1960–65, the country had the greatest capital investment boom in its modern history, and, not surprisingly, the greatest growth in real output and productivity, and the greatest growth in real disposable personal income, as government's share of the economy was held at less than 29 per cent compared with 37 per cent now.

The nation also enjoyed the greatest decline in poverty, as millions of Americans were "sucked up" out of the poverty line, not by government welfare programs, but by the "up-draft" of a burgeoning economy, fueled by strong capital investment, real job creation, and rapid gains in productivity.

In short, Mr. Kennedy gave the nation a period of five years of some of the best economic progress in our history and he did it by essentially conservative economic methods—methods which, unfortunately, his own party has not only completely abandoned, but in current years is actively attacking.

Unfortunately, the economic progress of the first half of the '60s was soon aborted, as President Johnson and a free-spending Democratic Congress began to pass every piece of social legislation in sight, and run a major war at the same time, all without new taxes. The result:

Spiraling government spending now growing three times as fast as the nation's real output, and three times as fast as it grew in Mr. Kennedy's years.

Annual deficits bigger than the entire federal budget in 1950!

Real disposable income now at a near standstill.

Inflation at the highest average rate in modern history.

Poverty now increasing for the first time in this century.

Unemployment at the worst level since the 1930s.

Real capital investment is at lowest rate in modern history.

Commitments for future social spending rising at 14 percent a year.

Indeed, Sen. Ted Kennedy and the rest of the liberals in his own party seem totally to have abandoned the economics of "Camelot" for the fiscal nightmares of "London."

As Thomas Galligan, a Democrat, and president of Boston Edison put it so well at a Boston conference recently, "President Kennedy, when he was in office, recognized the importance of encouraging capital investment. He was very impressed when he visited Germany and saw what was accomplished there. As a result, he came up with the tax principle of accelerated depreciation which did represent a real improvement in the economy."

Yet, mourns Mr. Galligan, "This nation has acted especially in recent years, and I regret, especially in the Democratic party, as though incentives of this type are something bad, or even something sinful."

We suggest that Mr. Kennedy go back and examine, as we have, the essentially conservative economic record of his brother, and begin to try to pound some economic sense into that party of his—instead of insisting on taking us down the route of Great Britain, and the fiscal sewer of Fabian socialism which the Democrats now seem to have adopted.

OPERATION PUSH LAUNCHES THE INNER-CITY SCHOOL PROGRAM

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. MURPHY of Illinois. Mr. Speaker, the Ford Foundation recently granted $200,000 to the PUSH Foundation in Chicago for Project Excel, a program aimed at improving the quality of education in our inner-city schools.

The program will be launched in three school districts: Chicago—11 schools, Los Angeles—nine schools, and Kansas City, Mo.—one high school.

Project Excel, as developed by the Reverend Jesse Jackson, will attempt to create an intellectual climate in our inner-city schools where excellence is both rewarded and expected.

Project Excel intends to accomplish this by organizing students, parents, school administrators, businessmen, and civic leaders into "councils of excellence." These "councils of excellence" will help create and coordinate educational programs in pilot inner-city schools.

The "councils of excellence" will be backed up by groups of career people—such as lawyers, businessmen, scientists, and journalists—who will tell students about their jobs and discuss career opportunities in their profession.

Subjects often not emphasized in inner-city schools, such as creative writing, debating, science, and art, will receive special attention by Project Excel in these demonstration schools.

Overall, Project Excel has four main goals. These are: First. To decrease the student dropout rate in each school by 15 percent. Second. To involve at least 200 students from each of the pilot schools in a variety of community activities, such as serving in hospitals or day-care centers. Third. To cut the cost of school vandalism by as much as 20 to 25 percent within 3 years. Fourth. To strengthen the system of accountability among students, administrators, and parents through various programs. Specifically, some of these programs might include "state of the school" addresses by principals; student-written grooming and conduct codes; and parent-designated homework hours.

Mr. Speaker, I would like to commend Reverend Jackson for his initiative in creating a program to improve our inner-city schools. Reverend Jackson recognizes the brutal fact that many inner-city high school graduates lack the fundamental skills of reading and writing. Project Excel is designed to change this situation, and deserves the support of every person concerned about the quality of American education today.

HOW NOT TO END NUCLEAR PROLIFERATION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. TEAGUE. Mr. Speaker, the honorable Mike McCormack has written an article entitled "How Not To End Nuclear Proliferation" which appeared in the Sunday, April 24 edition of The Washington Post.

Mr. McCormack is one of the few Members of Congress with an extensive scientific background. He spent 20 years as a research scientist before coming to Washington.

As a freshman Congressman, he headed a Task Force on Energy which conducted a thorough investigation of all energy research and development in the United States. Much of our first energy legislation was a direct result of the Task Force recommendations. Mr. McCormack has authored much of this legislation and has persistently lent his leadership and knowledge to the solution of the Nation's energy problems.

I believe his thoughts and concerns expressed in the recent Post article are important considerations for all of us in the Congress. I wish to insert the text of the article at this time.

How Not To End Nuclear Proliferation

President Carter's recent proposals to modify America's long-range nuclear energy policies, although intended to reduce the threat of nuclear weapons proliferation, could well have precisely the opposite effect; and would probably deny our country its only chance to produce the energy we will need for economic stability.

The President has proposed that we:

Defer indefinitely nuclear fuel reprocessing;

Restructure our nuclear breeder program and defer the date of breeder commercialization;

Fund research and development programs in alternate fuel cycles—"which do not involve direct access to materials usable in nuclear weapons."

The President also proposed a substantial increase in the number of conventional nuclear power plants, and proposed increasing our uranium enrichment capacity for domestic and foreign fuel requirements.

I commended the President for his initiative in making the energy crisis a major national issue, and I support his emphasis on conservation and shifting from oil and gas to the use of coal. I commend him for his attempts to reduce the threat of nuclear war and nuclear weapons proliferation.

However, his specific recommendations dealing with nuclear fuel reprocessing and breeder programs are clearly based on several fundamental assumptions that are unsubstantiated, and which I believe constitute a serious threat to the success of any program to overcome the energy crisis. They have been challenged by experts in this country and by our friends overseas, with whom we have obligations under the Nuclear Non-Proliferation Treaty. The assumptions are based on a recent report, funded by the Ford Foundation, which the President has apparently embraced in its totality.

BREEDERS AND WEAPONS

The first of these assumptions is that a program of research, development and demonstration involving the liquid metal fast breeder (LMFBR) will, in itself, uniquely contribute to the potential for nuclear weapons proliferation and constitute a "potential security risk." There is no theoretical or other justification for this assumption, and all experience demonstrates that it has no foundation in fact.

As far as is known, no weapon has been made from any fuel produced in any commercial nuclear power plant in the world. (India's nuclear explosives did not come from a power plant, but was made from a research reactor sold to India by Canada. This demonstrates the ease with which many nations can, if they wish, make weapons totally outside the energy program.)

There is every reason to believe that diversion to weapons would be less likely for breeders, because breeder fuel will be more difficult to handle than fuel from conventional nuclear plants. The next U.S. demonstration breeder reactor to be built, known as the Clinch River plant, will produce only about one-third as much plutonium, one of the materials that can be used to make weapons, as is produced in conventional nuclear power plants now going on the line in this country.

The reason that weapons have not been made from commercial nuclear power plant fuel is that it is much cheaper and simpler to make nuclear weapons from natural uranium using facilities designed and built exclusively for that purpose. Trying to divert nuclear power plant fuel into weapons production is the most expensive, clumsiest, dangerous and inefficient way for any nation to make a weapon.

The virtue of a breeder is that future models, which should be in operation late in this century, will produce more fuel than they consume. Thus, with a breeder program, the otherwise useless uranium-238 (which comprises 99.3 per cent of natural uranium) provides a potential fuel resource of extraordinary value to almost every nation. The United States has many tons of purified uranium-238 in storage which, when used in a breeder program, will produce the electrical equivalent of more than five times all the oil possessed by all the oil-exporting nations combined.

It will be easily seen why the breeder offers many nations of the world their only discernable hope of relative energy independence from OPEC and from the nightmare of worldwide inflation and economic chaos.

However, bringing a breeder technology to the point where commercialization can occur (possibly starting about 1990 in the United States) constitutes a difficult engineering challenge requiring many years. This country has had a small breeder in operation in Idaho since 1963. The next larger one, the Fast Flux Test Facility, is about 80 per cent complete at Hanford, Wash. The Clinch River plant will be the third in the series, followed by a full-size prototype plant to be built before 1990. Other nations, including France, England, Germany, Japan and the Soviet Union, have breeder programs under way. Each nation has chosen the same specific type, the liquid metal fast breeder, because it holds the most economic and technological promise. France and the Soviet Union are far ahead of us, and all these nations probably will be soon. France may soon start selling breeders on the international market.

Knowledgeable scientists throughout the world, dedicated to minimizing the threat of nuclear weapons proliferation, scoff at the suggestion that these breeder development programs, by themselves, constitute any special threat of weapons proliferation. What is required, they insist, to provide protection against weapons proliferation originating from the civilian nuclear energy program is strict controls over the reprocessing of nuclear fuels, including the manufacture of new fuel elements from reprocessed fuel.

OTHERS WON'T FOLLOW

The next assumption is that, if the United States defers or abandons breeder development and nuclear reprocessing programs, other nations will follow our lead. This suggestion has left our friends overseas openmouthed with amazement. Japan and most Western European nations do not have our supply of fossil fuels, and we cannot supply them with their requirements for either nuclear or fossil fuels. In their view, it is absolutely vital to their survival to proceed promptly with their breeder programs.

Only Canada and Australia, which have large supplies of uranium and a comparatively small electrical demand, can afford the "throw-away nuclear fuel cycle." (This involves burying the fuel rods, with the unused uranium and newly created plutonium still inside, after they are removed from a power plant.) No more profligate waste of energy resources could be imagined. If we were to do this, it would deprive us of the only source of fuel available to give us a chance at energy self-sufficiency, even if the President's proposals for conservation, coal and solar energy are successful. Other nations will not follow us if we choose this course.

The next assumption is that there are some "safe" breeder technologies which this country, and the other countries of the world, have bypassed in favor of the "unsafe" liquid metal fast breeder program. This represents a flight of fancy apparently born of wishful thinking. The basic fact is that any nuclear material which will produce energy in a power plant can be extracted from the fuel and used in a weapon, if one is willing and able to build the complex and expensive equipment to do it. (There are three nuclear fuels: uranium 233 and 235 and plutonium 239. All three will produce energy in a power plant, and all three can be used in weapons.)

An alternative to the LMFBR, breeding uranium-233 from thorium, is no safer than any other fuel cycle, especially since it, too, produces plutonium. The ease or complexity of extracting weapons material varies, but the difference between a simple technology and a more complex one is insignificant compared to the difficulty of diversion from one of them—if simpler technological and institutional procedures are, as they should be, adopted for all.

Any reprocessing and fuel fabricating system can easily be designed to make clandestine diversion of nuclear fuel immeasurably difficult, even for large terrorist groups. Furthermore, all fuel cycles and all breeder technologies, whether they use uranium, thorium or plutonium, require, within a factor of two, the same amount of weapons material. In short, there is no magic or simple proliferation-proof technology to which the United States can switch if we abandon the LMFBR.

GAMBLING ON URANIUM

The most dangerous unverified assumption of the Ford Foundation report is that far more recoverable uranium will be found in this country than intense exploration has indicated will be available.

During recent years a series of studies by federal and private agencies, and more recently by the National Academy of Sciences, have agreed that the known and probable reserves of uranium in this country total about 1.8 million tons and that this should be considered as the "prudent planning base." It will provide fuel for about one-half of the nuclear energy production required by this nation during this century, using a throwaway cycle and the President's figures for conservation and other energy sources. The Ford Foundation report simply assumes that much more uranium will be found and that recycling will therefore be unnecessary.

No one can know for certain how much uranium will or will not be discovered, but we would be taking a completely unacceptable risk if we were to proceed under the assumption that we will not need a breeder technology until sometime in the 21st Century because fuel will be found as we need it. This may happen, but if it does not, we will almost certainly suffer a serious energy shortage, with all the attendant social and economic disruptions—and be without the technology to do anything about it. The result would be catastrophic. Therefore, our energy policy must include the development of one or more breeder technologies and the reprocessing of our nuclear fuel, one of the most important energy conservation undertakings available to us.

We don't need to decide now whether or not we must commercialize one breeder technology or another, or to what degree. Such decisions can be made as late as 1990. However, we must be able to make such a choice at that time, and the cost of the research and development, between now and then, is insignificant compared to the losses we will suffer if we don't have the breeder when we need it, or the benefits if we do.

REGIONAL REPROCESSING

There is a rational solution to the dilemma that nations face in attempting to provide adequate supplies of energy while minimizing the potential for nuclear weapons proliferation. I suggest that our national energy policy should include a positive approach to making it work, rather than a negative approach that nothing can be done. If we adopt a positive approach, the other nations of the world may follow our leadership.

The rational solution involves the establishment of regional nuclear reprocessing centers, closely supervised by the International Atomic Energy Agency, with the involvement of all the participating nations. Two regional fuel centers could be established in the United States, and one each in Europe, Japan and the Soviet Union. (There is no secret national defense information involved.) Additional nuclear fuel centers could be established as needed, possibly in the Middle East and in South America.

In the United States all nuclear fuel would be owned by the federal government, which would be responsible for all facilities, security and accountability. Fuel elements would be leased to foreign and domestic utilities on the condition that they be returned and on condition that the leasing nations be subject to IAEA inspection.

No plutonium or other weapons material would ever be produced in pure form or in any form in which it could be used for weapons fabrication. Weapons material would always be blended with other materials to make it unworkable for weapons. For instance, a chemical reprocessing step would produce only blended uranium and plutonium, which could be used for fuel elements, but which would simply not work in a weapon.

Fuel fabricating facilities would be built immediately adjacent to the chemical separation plant, as would a facility for glassification of all waste for deep burial. New fuel elements could be slightly irradiated as a last step before being shipped from the facility. Thus, they would require the same heavy shielding that is necessary to return irradiated fuel elements from a nuclear power plant. There would be no shipment anywhere of any material which could be used for weapons, unless it would first be reprocessed through large, expensive, remote separation facilities.

With these procedures, it would be necessary to steal at least one, and perhaps several, 50-ton shipping casks in order to steal enough material to make a single weapon. Then it would be necessary to extract the weapons material, even from new fuels. This would reduce the potential for illicit diversion of weapons material virtually to zero.

U.S. LEADERSHIP REQUIRED

Of course, no system is perfect or foolproof. It should be obvious, however, that this nation and the world can have the energy required for economic stability and a high degree of nuclear security as well.

If some nation decides that, in spite of all the attendant problems, it is determined to obtain nuclear weapons, then it will obviously be much easier to make the weapons outside the fuel cycle, as was done by India. This could be done secretly today, regardless of any restraints the United States places on its own energy programs. It is more likely to happen if the United States does not provide leadership for a workable program to assure adequate controls and supplies of energy.

Above all else, this nation must lead, and from a credible position. The other nations of the world do not believe that we can provide them with nuclear fuel unless we have a breeder program and unless we recycle and reprocess our fuel. They are already turning away from us. Nations which are our friends are looking even behind the Iron Curtain for nuclear facilities and fuel.

One of the obstacles facing this nation as it attempts to deal with the energy crisis is the lack of understanding of the complex programs involved and the difficulty in obtaining accurate information concerning them. Nevertheless, we must demand that our nation's energy policies be based on scientific economic facts.

PERSONAL ANNOUNCEMENTS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. O'BRIEN. Mr. Speaker, I was unable to attend part of the debate on the first concurrent resolution on the budget, House Concurrent Resolution 195. As such, I would like to explain how I would have voted on the three amendments for which I was not present.

First, I would have voted for the amendment to increase budget authority and outlays for veterans benefits by $500 million. This increase is absolutely essential if the 95th Congress is to afford consideration of legislation to provide full pension benefits to veterans of World War I. I am a cosponsor of H.R. 55 and, through many thoughtful letters from my constituents, I am acutely aware of the need for the bill. Many of our World War I veterans are living at, or near, the poverty level and are frightened at the prospects of the cost of living in the next few years. The least we can do in our budget resolution is to give the Veterans' Affairs Committee enough flexibility in this budget function to hold meaningful hearings on this legislation. I would urge my colleagues to give their most serious thought to this option.

Second, I would have voted for the amendment which would have reduced budget authority to water projects by $100 million. I support a thorough review of the existing water projects for their need, environmental effect, and budgetary impact. The President has brought to our attention the importance of improving oversight of such costly projects and this is a first step toward reducing unnecessary Government expenditures.

Finally, I would have voted for the substitute amendment to the resolution which would have provided a 10 percent cut in the tax rate for all taxpayers. I have supported this proposal since the beginning of this session of Congress and believe it is a far more reasonable approach to providing taxpayer relief than by doling out a mere $50 rebate.

A MEMORIAL DAY SALUTE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. FUQUA. Mr. Speaker, on May 30, Memorial Day, this Nation will pause to commemorate and honor those who died in defense of our country's ideals.

Some died bringing our country into existence. Others died preserving it.

Regardless, their deaths were the results of acts of courage. Courage based on their love and devotion to liberty and justice. Devotion so great they sacrificed their own lives fighting to support these ideals.

Judge Charles C. Anderson, who serves the people of Jefferson County, Fla., which I have the privilege of representing in Congress, has written a tribute to our veterans.

Although his salute is specifically about those who served in World War II, I think it is indeed appropriate as a Memorial Day tribute to all of our brave soldiers who have died on our battlefields in the name of freedom.

I would like to submit Judge Anderson's tribute to the Congress and the Nation. It is as follows:

PASSING IN REVIEW—A HYMN TO HOLY SCARS

[Dedicated To The Dead Of World War II]

"Who is This King of Glory? It is the Lord strong and mighty, even the Lord mighty in battle.—Psalms 24: Verse 8.

"There's Something About A Soldier!"
Said The Angel Who Records
The Names Of All Those Numbered
In The Battle Book Of The Lord
"That Makes Michael And Our Master
When They Call The Roll Of The Dead
Rejoice With All The Warriors
Who Died Where Duty Led"

"See!" Said The Warrior Angel
To The Saviour Stained With Red
"Behold Your Battle Brothers
Their Bodies Too Have Bled
Yours Out Of Love For Losers
And They Are Losers—True?
Under The Cross Or The Star Of David
They Surely Lost With You"
Said Michael Looking At The Legions
Passing In Review

"Michael!" Said The Master
"Surely You Have Heard
That Those Who Die For Others
Are Winners By My Word
My Body Once Was Broken
Their Bodies Broken Too
By God! Shall Live Forever
Eternally—It's True
Those Whose Hearts Are Purple
Passing In Review"

Said Michael To The Master
Barking "Eyes Right" To The Review
"Which Of These Battalions
Bruised, Beaten 'Red White And Blue'
Partake More Of The Purple
Thine Own Eternal Hue?
The 'Big Red One' The 'Indian Head'
The Fallen Ones Who Flew
Or Those Soaking 'Swabbies'—God!
Those 'Gobs' Who Drowned In Blue
With Matted Hair And Dripping Limbs
Who Surface Now To You?"

Said The Colonel Of Creation
As He Snapped A Smart Salute

While Michael And His Angels
Quickly Followed Suit
"The Lesions Of These Legions
Christ Colored Are A Clue
Like The Colors Of The Rainbow
A Spectrum Of The True
Those Blown To Bits In Foxholes
Felled By Failing Wing
Or Laved With Love In Jordan's Depths
Where More Than Mermaids Sing
Alike With Equal Honor
Serve Their Purple King
The Wounds Of All These Warriors
Passing In Review
Are All Of Royal Purple
Mine Own Eternal Hue
These Galahads So Gory
Whose Winding Sheets Were Flames
Give 'Guts' To God In Glory
By God! I Know Their Names!"

Cried Michael To The Master
His Flashing Sword Held High
In The Radiance Of His Regal Wings
Arched Against The Sky
"Virtue Lives In Valor
For Valor Cannot Die!
Saints Should Be Saluted
And Believers Will Be Crowned
But 'Behold The Lord In Beauty'
Upon The Battleground!"

Said The Master To Saint Michael
"Archangel That Is True
Of All These Limping Legions
With Hurts Of Heavenly Hue
But The Heroes Of The Holy
Are No Especial Breed
They Stem From Every Circumstance
And Every Sort Of Seed
Through Virtue Not Through Valor
In Winding Sheets Of Lime
They Have Conquered Terror
And They Have Conquered Time
Virtue! More Than Valor!
But Yet With Bravery!
They Storned a Hill—Golgotha
And Were Crucified With Me!
And That Event—Oh Michael!
No Angel E'er Did See
Show Them To Their Quarters!
They Rank Higher Far Than Thee
In Barracks Built Of Rubbies Red
As The Blood Of Calvary!"

"For See Majestic Michael
Fantastic Though It Be
The Lord In The Life Of A Loser
Encarmines Eternity
Know! Oh Warrior Angel!
That More Than Mounds Of Sod
These Fighters Are Forever
The Flesh Of The Living God!"

By: Judge Charles C. Anderson (Written Good Friday—1977).

EDITOR'S REPORT

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. HANSEN. Mr. Speaker, a U.S. courtship of Cuba could be more fickle than a date with Jezebel. With Russia as her sponsor, Cuba is aggressively merchandising her seductive entrapment far and wide across the world.

The current question appears to be, "Can a peanut farmer from Georgia flirt with this Cuban Mata Hari financed by a Soviet bankroll and not be taken for a ride?"

Mr. Speaker, the following report by Editor-in-Chief William Randolph Hearst, Jr., of the Hearst papers deals in depth with the issue regarding Cuba—where is our President taking us in foreign policy?:

OUR BUDDIES IN HAVANA AND HANOI

(By William Randolph Hearst, Jr.)

NEW YORK.—A basketball team from the U.S.A. was badly beaten by the Cuban national basketball squad in Havana last Tuesday night. The score was 91 to 72. They were clobbered again Wednesday, 88 to 69. To two grinning U.S. senators, George McGovern and James Abourezk, both Democrats and both from South Dakota, the state whence came the U.S. basketball five, these were considered a great diplomatic victory, because it was the first time since 1961 that American athletes had played in Cuba.

To some of the rest of us, however, that score, which registered an impressive Cuban victory, represented the points being made by Cuban leader Fidel Castro over the United States in the important arena of worldwide diplomacy. In Africa, in the Mideast and in Moscow, he has been busily tallying goals for the last five weeks to the extent that—many believe—it should begin to embarrass foreign policy strategists in the White House and the State Department.

The fact that Castro has not been considered an embarrassment—and is not, even to this day—is puzzling. Indeed, Premier Castro's Cuba is high on the list of countries with which President Jimmy Carter wishes to establish rapid rapport. Cuba, in fact, ranks right next to or directly above Vietnam as a sought-after buddy for the United States in the foreign policy being established by Mr. Carter.

We may frown on other nations because of their attitudes about human rights, but all Jimmy Carter seems to be asking from the notable humanitarian leaders in Havana and Hanoi is friendship and liaison.

While we are attempting to establish some relationship with Cuba, at least through our athletes—and the idea of having some baseball teams join in the experiment is not to be discounted despite some postponements—Cuba's Premier Fidel Castro has been stirring up anti-American, pro-Marxist sentiment in strategic parts of Africa and has joined with the Soviets in arranging for the shipment of aggressive weaponry.

Betimes, as we seek to find some accord with Cuba on establishing some sensible arrangement for fishing limits, since our official boundary is 200 miles off our coasts and Cuba lies only 90 miles off Key West, the only official word we have heard from Cuba was offered last week by the peripatetic premier's brother, Raoul Castro, who said that if we wanted some kind of agreement, we must first withdraw from our naval base at Guantanamo Bay.

These are the initial responses to our gesture of friendship to Cuba.

When we sought to expand our relations with Vietnam and sent a delegation to Hanoi to determine the fate of hundreds of missing Americans servicemen, we got a cynical and sickening answer: 12 bodies, two of which turned out to be—to put it politely—misidentified.

These are the new "friends" President Carter seeks with his "new" foreign policy, even as he preaches at other nations about their failure to observe human rights to the satisfaction of Americans.

If this new direction for America in international affairs is puzzling to us, how much more confounding must it be to those who who are our historic and proven friends and allies?

Isn't it time to ask: What is President Carter's foreign policy? Where is it taking us? Is it based on domestic political considerations—a distraction to soften the upcoming harsh energy program he must impose? Is it based on inexperience, for after all, the U.S. of America is quite different than the state of Georgia? Or is it something else that involves a basic shift in U.S. policy and strategy?

If it is the latter, there is no question that Mr. Carter has deliberately thrown the dice in a mighty heavy game. One dispatch after another moving across the Hearst Special News Service wires during the past fortnight has recorded the apprehension, the nervousness, in capitals around the world, as others—more expert than I—seek to fathom the purpose of this abrupt departure from the established and accepted American position.

As the Hearst Newspapers' national editor, J. Kingsbury Smith, wrote this past week, Mr. Carter's "first major move in foreign policy appears to some as a masterful stroke of the kind of political wizardry that brought him victory in his presidential campaigns. To others it is seen as a combination of inexperience, incompetence and recklessness."

The joint Soviet-Cuban venture in Africa led by Castro was intended to show the world that the Soviets can exert their own primacy of Communist policies where it can hurt the Western World the most. And when Castro reasserted his demand that Israel be liquidated, it was calculated to show that Moscow can build its own Mideast bridges at American expense.

Seymour Freidin, London correspondent of the Hearst Newspapers, reports that during the past five weeks, while Castro was flitting around North Africa and into Marxist-run southern regions of the continent, his Cuban contact team, headed by Vice President Carlos Rodriguez, remained in Moscow. The group included two ranking Communist Party Cubans and a backup team of interpreters, radio operators and security types.

Before Soviet President Nikolai Podgorny left on his southern African mission, he was fully briefed on military requirements which Castro ascertained in advance, Freiden reports.

Authoritative sources contend that never before in the history of Soviet trouble-shooting has there been such a tandem operation. Until Castro, the Russians consistently refused leeway to other comrades.

It was the result of Castro's report to Moscow that President Podgorny was accompanied by General Sergei Sokolov, first deputy minister of defense, and General Viktor Samodourov, deputy head of the KGB. General Sokolov is the top arms dealer for the Kremlin and he busily prepared a shopping list while Podgorny forged a 20-year treaty with Mozambique, saw to the unloading of eight MIG–21 fighters, and exhorted black nationalists of Rhodesia, Namibia and South Africa to go on the warpath and join "anti-imperialist, anti-colonialist and anti-racist forces."

He also promised weapons to guerrillas in training camps in Mozambique who are under the supervision of Soviet and Cuban cadre instructors.

It should not be overlooked that Castro also conferred with the fanatical anti-Israel guerrillas in Algeria and Libya, helping to piece together the Soviet-Cuban jigsaw puzzle of Africa and the Middle East.

Thus, while we here at home are wondering what our president is doing, what he is thinking, what plans he has in store for a "new" American foreign policy, we can sit back and watch the unfolding mischief of their new Soviet-Cuban policy.

It is not a comforting perspective.

INCREASING THE ADVANTAGES OF INCUMBENTS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. FRENZEL. Mr. Speaker, writing in last Friday's Washington Post, David Broder analyzed a poll of congressional candidates, winners and losers, conducted for the Federal Elections Commission, and concluded that ending the incumbent till in the 1974 election law is the key issue in any 1977 election reform debate.

Candidates, both incumbents and challengers, agreed by a 72–42 percent margin that the 1974 act "increased the advantage an incumbent already has in running for reelection." Broder notes that taxpayer financing congressional elections, with spending ceilings, must increase the incumbent's advantage.

The Broder article follows:

WHAT "ELECTION REFORM" REALLY MEANT

(By David S. Broder)

It may be the greatest testimony to the honesty of the members of Congress ever provided. That's saying a lot, but it seems justified by the way those members of Congress answered the questions put to them in a survey conducted for the Federal Election Commission and released last week.

A word of explanation. Last November's election was the first conducted under the stiff disclosure requirements and contribution limits enacted by Congress in 1974. When the election was over, the FEC—the unit charged with administering the new law—had the bright idea of polling the real experts, the candidates who operated under the law, for their views on its effects.

For $57,000, the commission persuaded Richard Wirthlin, a leading Republican pollster, and Peter D. Hart, an eminent Democratic survey-taker, to combine forces for this project.

Hart Research Associates and Decision Making Information, Wirthlin's firm, interviewed key people in 850 House and Senate campaigns—an accurate 40 per cent cross section of the 2,150 who sought nomination and election last year. Most of the answers came directly from the candidates; the rest, from campaign managers.

The result is a fascinating catalogue of information about those campaigns, shattering a lot of popular myths.

The biggest victim of the survey is the very idea that gave birth to the 1974 campaign reform law—the notion that American politics is saturated and corrupted by runaway spending.

Quite the contrary. The median amount of money reported spent in a 1976 House or Senate campaign was $24,000. Less than one in five campaigns had a six-figure budget; only 1 per cent spent a million dollars or more.

These were not the high-powered campaigns we think of, with slick operators and media-manipulators. They were, in Hart's phrase, "mom-and-pop" operations. Less than one-third of the congressional candidates even had professional campaign managers.

Low spending and scant professionalism are a surefire formula for political defeat. The study reminds us that 7 out of 10 of those who filed for Congress were defeated in either the primary or the general election.

The study also shows that the biggest factor in determining one's chances of success is incumbency: 93 per cent of the incumbents won; 92 per cent of their challengers lost.

Overall, the survey tell us, the candidates were evenly split on the question of whether the new campaign law, on balance, helped the political process more than it hurt. The chief benefit, they said, was increased disclosure of the sources of campaign funds; the chief burden the voluminous reports that made such disclosure effective.

But on one key question—so much at the center of debate when the law was being passed—the candidates agreed by a 72 to 12 per cent margin that the act "increased the advantage an incumbent already has in running for re-election."

Even the people who wrote the 1974 law were honest enough to say that was the case. By a margin of 3 to 2, the 1976 incumbents conceded that they had passed a Watergate "reform" measure that made them even more immune from effective challenge.

That fact ought to be at the center of attention when Congress takes up the question of amending the 1974 law and possibly adding public financing for congressional campaigns.

The evidence is that the regulatory aspects of the 1974 law are strong enough, and probably need simplification. Most candidates are overregulated; they are no more corruptible than church mice, and just as poor.

What they need are not more regulations but more campaign cash. The question is how to get it to them. One answer might be to relax the curbs on private contributions. But in this survey, challengers said by a 4 to 1 margin that, if there were no limits on contributions, their incumbent opponents would have had an even greater advantage. And the incumbents agreed that was the case.

Unfortunately, there was no direct question in the survey on the candidates' attitude toward public financing of House and Senate races. Theoretically, that is a hopeful avenue. But the levels of public subsidy being discussed are minimal, compared to the lavish taxpayer-financed advantages of staff, offices, mailings and travel that incumbents already enjoy.

Adding equal amounts of campaign subsidies for incumbents and challengers and slapping a spending ceiling on, too, could just increase the safety incumbents already enjoy—as the 1974 "reform" did.

The great value of this survey is that it focuses attention on the right issue for the 1977 "election reform" debate. That issue is the effect any change in the law will have on the competitiveness of House and Senate races. Even the people who wrote the 1974 law now acknowledge that it had an incumbent "tilt" to it. Ending that "tilt" is the real test facing Congress.

CHANGES NEEDED IN THE FARM PRICE SUPPORT PROGRAM

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. SMITH of Iowa. Mr. Speaker, the Agriculture Committee is now considering proposals for extending and amending the Agricultural and Consumer Protection Act of 1973. This involves farm allotments, disaster payments, deficiency payments, loans, and a number of various components.

One of the witnesses testifying before the House Agriculture Committee was Harry Graham, an agricultural consultant, who has been well known in Washington agricultural policy circles for many, many years. He discussed these various matters currently under consideration in a concise and interesting way and I think readers of the RECORD might like an opportunity to read his throught-provoking statement. It is as follows:

A STATEMENT ON NATIONAL AGRICULTURAL POLICY: CHANGES NEEDED IN THE FARM PRICE SUPPORT PROGRAM

The Agriculture and Consumer Protection Act of 1973 expires at the end of the 1977 crop year and is up for renewal, change or burial. The last would mean a reversion to earlier farm support legislation and abandonment of several notable reforms of the 1970 and 1973 laws—including the "set aside" method of crop acreage adjustment, deficiency income payments for farmers and other innovations. Farm policy discussions in 1976 and early in 1977 were generally favorable to retaining these features. The board outlines of the 1973 law have not been in much dispute.

In several recent reports[1] the Agriculture Committee of the National Planning Association suggested changes in the law and its administration which the committee thinks would contribute to greater stability of supplies and prices of food commodities.

We have called for a more explicit program of grain reserves. The powers required for such reserves exist in the 1973 law. Because of the importance of grain in world food trade, in raw material for livestock output and in international aid for relief of hunger, we believe the United States should operate its commodity loan and purchase machinery to maintain a price-stabilizing grain reserve, to be coordinated with reserves held by other countries.*

We further believe that the national interest calls for establishment of annual production goals to fit a commodity reserve stabilization program.

Because of heavy export demand the acreage set-asides, price supports and deficiency payments provided for in the 1973 law have scarcely been used.

We believe the machinery should be kept in place in a 1977 extension of the law, with modifications in several provisions. In this report we express our views on these specifics:

Price support loans and commodity purchases—loan levels and management of stocks acquired.

Deficiency payments—target price levels and the relation of deficiency payments to price supports and to provisions for land set-asides or land retirement.

Individual farm acreage allotments—criteria for updating.

Disaster payments and crop insurance—conflicts and inequities that need to be resolved.

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[1] *Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States,* by Willard W. Cochrane, with a policy statement by the committee, 1974.

A Farm. Food and Land Use Policy for the Future, by Harold F. Breimyer, with a policy statement by the committee, 1976.

Foreign Grain Trade: A Crucial Subject for American Policy Makers, a policy statement by the committee, 1976.

*Footnote by W. E. Hamilton: I do not agree with any inference that the U.S. government should acquire or hold stocks for the purpose of maintaining a reserve. The provisions of government loan programs should be designed to encourage producers to carry stocks in periods of surplus and to minimize the acquisition of such stocks by the government.

PRICE SUPPORTS

Price support loans have been in force almost constantly since 1933. They enable an eligible producer to obtain a storage loan on his crop as an aid to orderly marketing. If market prices do not rise above the loan level, the loan becomes income to the producer as the government receives the commodity. The loan rate is a firm price floor for the borrower, but if enough farmers participate it also tends to establish a minimum market-wide price.[2]

Commodities turned over to the government have been used for food programs in the U.S., for food shipments abroad, and for commercial sale when market prices reached the specified release-price level. For a period in the 1960s they were also dispersed as payments-in-kind for idling of land.

The price support program always has had a double purpose that is sometimes internally consistent and sometimes conflicting. It is intended to be a stabilizer of supply and price of the product involved. To the extent quantity available and price are rendered less variable, producers and buyers are both affected. The stabilization effect reaches all the way to the consumer, and the use of reserve stocks for the purpose of stabilizing food prices is a justification for spending tax dollars.

The other purpose of the price support program is to bolster incomes of farmers. Nevertheless, no exact connection has ever been established between support rates and incomes. And the income purpose has gradually been downplayed.

Price support rates have been stated in law in terms of percentage of parity. In some past laws, the percentage has been specified. In others, including the 1973 act now in force, a range is given. The Secretary of Agriculture has authority to choose a support level within the range.

Although "parity" has a strong connotation of equity, the tendency in recent years has been to focus on actual dollars and cents values and let the percentage of parity be a derived figure. During the years when stocks were accumulating in the hands of the Commodity Credit Corporation, the support rate was decided on by dual criteria of the effect on supply and movement of the commodity and the consequence to farmers' incomes. The trend over two decades has been to reduce the level of price support (relative to market prices) and rely more on direct payments to underpin incomes of farmers. High supports had been found to lessen utilization and bring a build-up in the quantity held in CCC storage.

The same dual consideration enters into choosing terms of a new 1977 farm law. However, equally as much as attention now centers on the opposite sides of storage, namely, the terms of release prices. A number of proposals have been offered as to the relation between support price and release price.[3] Some call for a wide spread, some for a narrow.

Manifestly, the wider the spread the lower must the support price be, in order to keep CCC stocks from building up too much. Hence there is a trade-off between level of support and the width of the spread between support and release.

Another kind of suggestion is that the whole structure of support-release prices be adjusted up and down in line with the quantity of stocks the CCC holds. If the supply-demand situation is strong and not much of a commodity moves to the CCC, price supports can safely be kept at rather high levels. If instead large quantities begin to accumulate, a formula would go into effect whereby support and release prices would be lowered.

The judgment offered here is that the spread between support and release prices should be somewhat wider than in recent years. However, it should not be widened greatly, for then the support price would be so low and the release so high that the program would seldom function.

It is self-evident that if supports do effectively put a floor under prices farmers receive, there must be provision for release of stocks during another period when demand is strong relative to market supplies. Otherwise stocks would build up incessantly.

There is good reason to include the adjustment feature modifying support and release prices according to experience. This would protect against another period of excessive accumulation of stocks.

The adjustment formula should be put into the law. To ask the Secretary of Agriculture to make the decision would impose an intolerable political burden upon him. But because a downward adjustment would reduce the protection to income for farmers, a companion policy is needed, we believe, to retain features of target prices and direct deficiency payments (see below).

One word more needs to be said. In this discussion the Community Credit Corporation remains in place as the financing agent. It would continue to function much as in the past. It would make loans to farmers for the commodities they store (seal) on their own farms. It would renew those loans for one or more seasons. But when the commodity was delivered it would become subject to CCC control. The CCC would then manage its stocks according to the stabilization terms set in the law.

DEFICIENCY PAYMENTS

Direct "deficiency" payments from the Treasury to farmers came into being largely as a way to improve farmers' incomes running into the problems created by high commodity price supports.

The payments of the 1973 law are made when market prices fall below a target level. Payments are a flexible instrument for helping farmers. Whereas commodity price supports are stabilizing for both producers and consumers, payments give a stabilization benefit only to producers. It could be argued that payments, in stabilizing farm income, help stabilize the whole economy and thereby benefit consumers, but any such payments provide income support supplementary to that derived from price support if target prices are set higher than support prices. A choice must be made as to how much to use one versus the other.

Overreliance on direct payments could lead to excessive cost to the Treasury. But the flexibility of direct payments can be an asset in connection with the proposal noted above to adjust support-and-release prices according to the movement of commodity into CCC hands. When the CCC has a lot of commodity, deficiency payments can be the main supplement to farmers' incomes. When it has little, price supports can do that.

A second policy issue relates to level of target prices and therefore of income support.

The 1973 law set target prices in dollars and cents and added a provision that in 1976 and 1977 the targets were to be escalated according to changes in the index of prices farmers pay for production items, interest, taxes and wage rates. Note that in contrast to the parity index (which controls support prices), this figure does not include prices paid by farmers for items used in family living.

In addition, Section 808 of the Act directed the Secretary of Agriculture to conduct a "cost of production study" for certain commodities.[4] The clear inference is that information was to be collected that could be used in setting target prices, and perhaps loan rates too (directly or indirectly) in a future law.

The instruction called for including "a return on fixed costs." Although no objection can be raised to computing fixed costs, or to taking account of them in setting target prices, it would be unwise to try to cover all such costs, or even a high proportion of them, in the specifications of a new law.

The big issue concerns tying a return for land into a formula for income or price support. Land is a fixed factor. It is not the same kind of input as gasoline or fertilizer or human labor. The value of land anticipates net return in farming, and the future trend in its own price. That is to say, the value of land reflects probable income from it, which in turn, when a farm income support program is in force, can be affected by the amount of income received via that program. A ratchet effect would therefore be built in if target prices (or price supports also) were at a level that resulted in a substantial boost to net income. For as each increase in income became capitalized in a higher land value, the fixed cost calculated from that value could be raised, forcing a new, higher level of target (or support) price.

This is the danger in building a return on fixed cost into any support formula. In addition, the actual fixed cost for farmers who bought their land earlier is much below a cost calculated at current selling prices of land.

Also, operating costs are by no means uniform. Whose costs are therefore to be put into a formula?

To its credit, the U.S. Department of Agriculture in responding to the instruction of Section 808 showed direct costs separately from land allocation. Its data, therefore, allow various ways of calculating target or support prices.[5]

The third problem associated with deficiency payments in the 1973 law is that they are expected to constitute a remuneration for idling of land ("set-aside") that might be required for eligibility. This double-burden feature is clearly faulty. Any voluntary idling requires remuneration, equivalent to rent. Because a deficiency payment is not assured in advance but is only made if prices are found to have averaged below target, a farmer who participates by idling land is not guaranteed a rate of return that he can know in advance. In fact, he is not guaranteed any return on land at all. The combination of deficiency formula and set-aside is manifestly unworkable.[6]

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[2] The extent to which the support price becomes a minimum market price at a time of surplus depends on what is required of a farmer (as retirement of land) to make him eligible and the percentage of farmers who participate.

[3] Selected examples are Kenneth L. Robinson, "Unstable Farm Prices: Economic Consequences and Policy Options," *American Journal of Agricultural Economics*, December 1975, pp. 769–77; V. J. Rhodes, "Agricultural Production, Price, and Income Policy within a National Economic Policy," *In Search of a U.S. Food Policy*, Univ. of Mo. Agr. Exp. Station Sp. Report 183, 1976, pp. 18–27; and B. F. Jones, *Grain Reserves in Agricultural and Food Policy*, Purdue Univ. Agr. Exp. Station Bulletin No. 124, 1976.

[4] The language reads:

"The Secretary of Agriculture, in cooperation with the land grant colleges, commodity organizations, general farm organizations, and individual farmers, shall conduct a cost of production study of the wheat, feed grain, cotton, and dairy commodities under the various production practices and establish a current national weighted average cost of production. This study shall be updated annually and shall include all typical variable costs, a return on fixed costs equal to the existing interest rates charged by the Federal Land Bank, and return for management comparable to the normal management fees charged by other comparable industries. These studies shall be based upon the size unit that requires one man to farm on a full-time basis."

[5] *Costs of Producing Selected Crops in the United States*, 1974, U.S. Dept. of Agr., Econ. Res. Serv., ERS–620; and *Costs of Producing Food Grains, Feed Grains, Oilseeds and Cotton, 1974–76*, U.S. Dept. of Agr., Agr. Econ. Report No. 338.

The 1973 law gives the Secretary of Agriculture authority to put set-aside requirements as low or as high as he pleases,[7] and to permit additional voluntary set-aside. A separate payment would be made for the latter and, significantly, it would not be subject to limitation on size of individual payment.

Payments for retirement (idling) of land, we believe, should be independent of a deficiency payment formula.

INDIVIDUAL FARM ALLOTMENTS

Outdated individual farm allotments are no longer acceptable. They must be revised. The revision should be done with care. A purely historical base for allotments can be unfair and can have injurious effects on use of land. It would be wrong, for example, to give a big allotment where erodable land has been plowed.

As stated in earlier reports of this committee, we believe allotments should be based on a desirable pattern of land use, including conservation of soil plus water and environmental protection. It is easier to fit a land-use allotment base into a set-aside program which has moved away from the old plan of retiring acreage commodity by commodity. In any new allotment system, we believe only major categories of cropping designs should be prescribed. Within each category, the farmer would have a wide range of choice as to crops or pasture or timber uses.[*]

DISASTER PAYMENTS AND CROP INSURANCE

The 1973 farm law introduced a new feature of farm support legislation in that it gave relief in time of crop disaster. It provided for direct payments to eligible farmers who suffered substantial damage from drought, flood, or other natural disaster, including inability to plant crops covered in the law.

Establishing a regular plan for disaster payments instead of special bills each time a need arose was a good idea, but the 1973 provisions need revision on the basis of experience. First, the unevenness of coverage ought to be eliminated. Some commodity producers are treated more generously than others; and some, such as soybean growers, are omitted. A farmer's eligibility turns on his production in the current year compared with the normal production on his acreage allotment, and "normal" yield figures often are outdated.

A second problem is the relationship between a disaster payment program and the federal crop insurance program. Crop insurance is voluntary and financed primarily by producers. Eligibility for this kind of protection against disaster also is limited. It was removed from some areas because of high risk and the law's requirement for actuarial soundness. The actuarial basis of federal crop insurance presents questions of equity and effectiveness which should be studied to develop a plan for reform. Congress needs to consider the imbalance between publicly funded disaster payments and a partially overlapping crop insurance program financed largely by private funds. In both crop insurance and disaster payment programs, there is a danger of subsidizing farmers in high-risk production areas. The programs ought to provide reasonable protection for farmers against natural hazards without providing encouragement to production of crops unsuited to a given area.

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500 YEARS OIL SUPPLY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. WHITEHURST. Mr. Speaker, the following editorial appeared in the Virginia Observer on Friday, April 29, 1977, and was brought to my attention by the editor and publisher of that newspaper, Mr. Gordon Dillon. I am pleased to take this opportunity to share it with my colleagues and others who are concerned with seeking, and ultimately finding, a solution to our energy crisis.

I hope that this will be given full consideration by the individuals and agencies in our Government who have been charged with the responsibility for developing our national energy policy and programs. Certainly no such possibility should be left unexplored. Indeed, it should be pursued as expeditiously as possible.

The editorial follows:

500 YEARS OIL SUPPLY—SUPERIOR ANNOUNCES MAJOR BREAKTHROUGH IN SHALE OIL

(EDITOR'S NOTE.—If this major breakthrough in shale-oil is allowed by the Federal Government—a potential 3 trillion barrels of oil can be produced, enough to supply the United States for another 500 years. The alumini by-product would end U.S. dependence on foreign supply as well.)

WASHINGTON, D.C.—The Superior Oil Company has unveiled a newly developed process for economically producing oil from shale in the Rocky Mountains along with three other minerals including a substance for removing air pollutants from burning coal in industrial boilers. The process was developed and tested during a ten-year research and development program conducted by Superior.

The "multi-mineral oil shale process" would mine oil shale and recover from it raw nahcolite, alumina and soda ash, as well as oil, Ben Weichman, Superior's Oil Shale Development Manager said in a Washington news conference.

Mr. Weichman described the process as a four-step operation including mining, recovering nahcolite through secondary crushing and photosorting, retorting oil and leaching alumina and soda ash from spent shale. The remaining waste is returned underground to the mine.

He said The Superior Oil Company, along with the McDowell-Wellman Engineering Company, has tested and proven a new type of oil shale retort. He said the circular grate retort concept was patented by McDowell-Wellman and Superior has developed an oil retorting process for the circular grate machine. The circular grate has operated in the metals industry for many years and has a proven history for extremely high reliability. Mr. Weichman stated the economics indicate that oil can be produced in the range of $10–15 per barrel. Economics in the multi-mineral process depend on credits assumed for revenues generated by the other products.

One module would cost $270 million and process 28,000 tons per day of oil shale feed, Mr. Weichman said. From this quantity of low grade feed, 4,500 tons of nahcolite, 13,300 barrels of oil, 700 tons of cell grade alumina and 1,500 tons of dense soda ash would be produced.

The process has the potential of "assisting in the solution of the energy crisis to an extent greater than the Btu value of the shale oil produced," stated Mr. Weichman.

"Raw nahcolite can make available our vast coal resources as clean energy," Mr. Weichman said. It has been tested as a dry scrubbing agent and will absorb nearly 100 percent of the sulfurous oxides and up to 50 percent of the nitrous oxides from flue gas, under controlled conditions.

According to Mr. Weichman, one ton of nahcolite can clean the stack gas from the burning of about 25 tons of low sulfur coal and about 8 tons of high sulfur coal at present air pollution control standards.

Alumina, from which aluminum is made, would be extracted at a price competitive with alumina from foreign bauxite, and soda ash, a common industrial product, would also be produced, according to Mr. Weichman.

Socioeconomic impact of development would be minimized, he said, because the process has been designed so that construction can be completed in a step-by-step program.

Engineering and construction of the module can not be initiated, Mr. Weichman said, until a land exchange has been completed with the Department of Interior.

He said Superior now owns 6,500 acres of contiguous oil shale land in Colorado, but the configuration of the land does not lend itself to efficient mining. Negotiations for an exchange with Interior have been underway since 1970, he said.

"The public itself stands to benefit the most from Superior's efforts since 95 percent of the area containing the oil shale with the associated minerals is public land," Mr. Weichman said, and added that all governmental agencies should assist in bringing about an early commercial demonstration of this process as part of the national energy policy and program.

SENATOR JIM SASSER

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. JONES of Tennessee. Mr. Speaker, I want to take this opportunity to insert into the RECORD a recent newspaper article concerning Tennessee's junior U.S. Senator, JIM SASSER. Mr. SASSER was elected to the other body in last November's election and I think that this article describes accurately the commitment that he brings to his new job.

Tennessee has always contributed greatly to the deliberations of the Congress. Throughout the history of this great Nation, from the ranks of Tennesseans have come national leaders of the highest quality. They include President Andrew Jackson and range right up to Senators Estes Kefauver and Cordell Hull.

These men have risen to such heights because of their commitment to good government and because they have respected the wishes of the people they were elected to represent. Senator JIM

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[6] See George E. Brandow, *Issues in Food and Agricultural Policy—An Evaluation of Policy Instruments*, paper given at National Public Policy Education Conference, Zion, Illinois, Sept. 15, 1976; and Harold F. Breimyer, "The New Farm Program," *Economic and Marketing Information for Missouri Agriculture*, Univ. of Mo. Coop. Ext. Service, November 1973.

[7] Except in the case of cotton where an upper limit is placed on set asides.

[*] Footnote by W. E. Hamilton: The idea of basing allotments on a "desirable pattern of land use" is appealing from a theoretical standpoint, but it would be exceedingly difficult to implement through the political process.

SASSER carries out his duties in that same tradition.

The article follows:

SENATOR JIM SASSER

(By Morris Cunningham)

WASHINGTON.—Sen. Jim Sasser's first 100 days won't be recorded in the history books like President Franklin D. Roosevelt's, but they have been eventful.

The freshman Democrat interviewed and hired staff members, moved his Senate offices three times, found and rented a house, brought his wife, two children and some furniture to Washington, enrolled his children in school, carried out his Senate duties without missing a single roll call and spent most every weekend and two recesses in Tennessee.

Meanwhile, he accepted appointments to three committees and six subcommittees, was made chairman of one of the subcommittees, and showed up at all of the meetings of the nine panels without ever once being tardy.

What are his impressions of life in Washington, now that he has spent some time here?

"Well," he said, with the little boy grin tugging at his mouth, "It's a little more hectic than the pace to which I had been accustomed. I go from 8 in the morning to late at night, and I never seem to get finished. I just get so tired I have to quit.

"And of course," he added, the grin now quite pronounced, "It's more varied than what I used to do."

One thing Sasser didn't do, as a lawyer practicing in Nashville, was to move his offices every few weeks—a calamity that often befalls freshmen members of Congress in the early days of a session, as older members exercise their seniority and claim more desireable offices as they become available, leaving freshmen to scramble for what is left.

Sasser and his staff are now established in a five-room suite in the Dirksen Senate Office Building and a three-room suite in a nearby annex building.

They have reason to believe they will be in these quarters for awhile and are beginning to unpack the cardboard boxes from which they did business during two earlier stops, the worst of which was a cramped, three-room basement complex that defied all efforts at cleanliness.

With the moves behind them, handling and filing Sasser's big volume of correspondence is not quite as troublesome for Sasser's staff as it was for awhile.

"We get a terrific volume of correspondence," Sasser said. "Sen. (Howard) Baker (R-Tenn.) has indicated I'm getting five times as much on some subjects as he is."

Sasser, who claims he reads every letter that comes in and sees that each receives a full response, attributes his heavy volume of mail to the fact he is relatively fresh from the hustings and made many contacts during the 1976 campaigns, both personally and through the family members who worked for him.

Sasser's staff number 41, of whom 28 work in the Washington office and 13 in the offices in Memphis, Nashville and Knoxville.

Jerry Grant, 38, Sasser's administrative assistant and top aide, is from Denver, Colo., and worked for Sen. Gary Hart (D-Colo.) in Hart's winning Senate campaign in 1974, and worked for Sen. Henry Jackson (D-Wash.) in Jackson's presidential campaign in 1976.

Second in command in Sasser's office, under Grant, is Don Bagwell, who came here from Nashville where he worked for Commissioner Bob Clement at the Tennessee Public Service Commission.

Freshman senators usually have to wait awhile before gaining a subcommittee chairmanship but, in scarcely more than two months Sasser was appointed chairman of the general services subcommittee of the Senate Government Affairs Committee.

The assignment not only amounted to a gold star or merit badge, but also enabled him to stake out a claim on the General Services Administration (GSA) over which the subcommittee has legislative jurisdiction. Compounding the claim was President Carter's appointment of Sasser's friend, Joel Warren 'Jay' Solomon of Chattanooga as GSA administrator. The government's chief procurement and maintenance agency, GSA is responsible for about 10,000 government buildings, has about 25,000 employes and spends about $3 billion a year for supplies.

Sasser also is a member of the parent Government Affairs Committee, and has presided at some of the committee's sessions, including the confirmation hearing on Solomon.

Sasser is a member of the Budget Committee, and the Appropriations Committee, where he works closely with the chairman, Sen. John L. McClellan (D-Ark.), and another senior Mid-Southerner, Sen. John Stennis (D-Miss.)

McClellan appointed Sasser to five appropriations subcommittees, one of the most important of which is Public Works and Energy. It is headed by Stennis and handles funds for the Tennessee Valley Authority and other energy-related agencies, and also funds for the Lower Mississippi River and tributaries and other U.S. Engineer activities. Sasser also is assigned to the subcommittees on Housing and Urban Development and Independent Agencies, Military Construction, Treasury, Postal Service and General Government, and—the fourth one—Legislation, which handles funds for the Senate's own expenses.

The array of committee and subcommittee assignments obviously are enough to keep Sasser pretty well occupied. But he also appears on the Senate floor for debates and votes, runs his office, and handles the other responsibilities of being a Senator.

He spent the Lincoln Day recess in February and the Easter recess in April traveling over Tennessee attending breakfasts, luncheons, dinners, receptions and other affairs, and also has spent most weekends in Tennessee. "I think I have spent two weekends here," he said.

ARMY CHIEF CITES LOWER COSTS OF VOLUNTEER FORCE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. STEIGER. Mr. Speaker, Secretary of the Army Clifford Alexander has been doing a superb job in his few months in this post. He has displayed great insight and a keen perception of the status of today's Army.

Secretary Alexander assumed his position at a time when traditional critics of the all-volunteer military were making unjustified and unfounded criticisms of our military forces. Fortunately for the Nation, Secretary Alexander has chosen to look carefully at the facts and to evaluate for himself the degree to which today's Army is meeting the Nation's defense needs.

He has recognized that some legitimate problems need to be dealt with by improved management on the part of Pentagon officials. But he has also evaluated the criticisms and checked the facts. These facts show that the All-Volunteer Army is a bargain for taxpayers and that it has reduced the level of turmoil that the draft brought with it.

In an article by Norman Kempster in the April 14, 1977 Los Angeles Times, Secretary Alexander points out a number of the savings that have been realized by going to a volunteer force. Furthermore, he gives the reasons for these savings and gives specific examples of how turbulence within the Army has been dramatically reduced.

The article deserves the close attention of all of us. I commend it to your attention:

ARMY CHIEF CITES LOWER COSTS OF VOLUNTEER FORCE

(By Norman Kempster)

WASHINGTON.—In spite of handwringing in the Administration and Congress over military personnel costs, Army Secretary Clifford Alexander says the all-volunteer Army is a bargain for taxpayers.

"The volunteer Army is cheaper than a draft Army because we can avoid the internal turmoil that would be created if there was a draft," Alexander said in an interview.

Since the draft ended in 1973, he said, the Army has spent less on discipline of unruly troops and less on the training, equipping and transporting of recruits to meet higher turnover rates caused by the relatively short hitches served by draftees.

"There is also an additional cost to having less well trained groups of people handling more expensive and more sophisticated equipment," Alexander said.

He said he had ordered a study to determine the precise dollar value of the savings.

More than half of the Pentagon's $120 billion budget goes for personnel costs, an expense that has led President Carter to order a complete study of all military pay and fringe benefits. The cost of military personnel has increased 150% since 1967 when Congress voted to make military pay comparable to Civil Service pay.

Critics of the all-volunteer service have pointed to mounting personnel costs as a reason for considering a return to the draft. These critics contend that pay could be held down if the military did not have to complete for its recruits in the open civilian job market.

Alexander said there was no realistic chance of returning to the $90-a-month pay scale for recruits that once held down total personnel costs. But even if it were possible, he said, it would be grossly unfair because the Army needs only a small percentage of the 10.4 million persons between the ages of 17 and 21.

Since the draft ended, Alexander said, the Army has recorded substantial reductions in the number of absences without leave, desertions, courts-martial and less-than-honorable discharges.

Pentagon figures show that 17.7 soldiers per 1,000 deserted last year compared to 52 per 1,000 in 1973 and 73.5 per 1,000 in 1971. Defense Department records show there were 9,913 courts-martial of Army personnel for all causes last year compared to 20,922 in 1973 and 42,498 in 1971.

Some of the improvement probably can be attributed to the end of the Vietnam war rather than just to the termination of the draft. But Pentagon records show that the other services, which did not accept draftees, did not register similar dramatic drops in disciplinary problems.

The Navy's desertion rate last year was 24.8 per 1,000, up from 13.6 per 1,000 in 1973 and 11.1 in 1971. The rate for the Marine Corps was 69.2 per 1,000 last year compared to 63.2 in 1973 and 56.2 in 1971.

Navy, Marine and Air Force courts-martial declined in recent years, although not so sharply as Army courts-martial.

Although Alexander said he was confident that the all-volunteer program would continue to meet the manpower needs of the active Army, he was not so sanguine about the prospects for the National Guard and reserves.

There are 823,455 persons in the reserve forces of the Army, Navy, Marine Corps and Air Force, almost 56,000 below authorized strength. The shortage would be about 83,000 had not Congress reduced the authorized strength by 28,500 effective last October.

Unless something is done to reverse the trend, the reserve shortfall can be expected to increase in the next few years as persons who joined the reserves to escape the draft complete their enlistments and drop out.

Sen. Sam Nunn (D-Ga.), chairman of the Senate armed services manpower subcommittee, has suggested that the nation might have to use the draft to fill out the reserve forces.

Alexander said he would prefer to avoid using the draft for any purpose.

Instead of using the draft, he said, the Army must make reserve service more attractive.

"The jobs that reservists do must be made more productive," Alexander said. "That requires a stronger effort on all our parts to work with the reservists to make their training as relevant as possible."

In addition, Alexander suggested additional inducements, such as restoration of post-service education benefits, to bring more individuals into the reserves.

He said the Army must do a better job of using the skills of women soldiers. He said he had ordered commanders to "scrub out of their minds" the military's traditional sexual stereotypes.

Alexander said he had not yet decided whether he would support repeal of the law barring women from combat. He said he had little doubt that some women could perform most of the tasks of combat but that public opinion seemed to be against it.

THOUSANDS HONOR AUSTRIA AT BIRMINGHAM FESTIVAL

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. BUCHANAN. Mr. Speaker, each spring more than 100,000 Birmingham area residents enjoy the life, culture, and history of a foreign nation. This year they strolled through the Festspiele, sampling the food and flavor of Austria, listened to performances of works by Austrian composers and viewed the art of Austria.

In so doing, however, these visitors never left Birmingham.

This year, as has been the case for the last 27 years, a foreign country came to Birmingham to help bridge the gap of understanding between peoples during the annual Birmingham Festival of Arts.

This year, as in the past, the Birmingham Festival of Arts was a complete success, attracting thousands of local, national, and international visitors from all walks of life. The communitywide involvement and unity of spirit which permeate each festival have earned the city, which it is my privilege to represent in the Congress, and its festival recognition on an international scale. Our festival is considered as one of the "things to see and do" on calendars across the Nation.

The theme of the 1977 celebration was a salute to the vast cultural and artistic wealth of Austria. We were fortunate to have the participation of Austrian Ambassador and Mrs. Karl Schober and Dr. Hans Winkler, First Secretary and Cultural Attache, for the Ambassador's weekend and the myriad of activities surrounding it.

A major feature of the Ambassador's dinner is the induction of noted Americans into the Nation's first Arts Hall of Fame. This year's inductees included the noted actress Lillian Gish, the late movie producer D. W. Griffith, the late F. Scott and Zelda Fitzgerald and Broadway lyricist Hugh Martin.

The activities of the festival are not limited to the 10-day period of the festival. Specially prepared educational kits are distributed by educators to thousands of young people in the Birmingham schools where the students study the nation to be honored and prepare special projects.

Many of the Birmingham area's institutions of higher learning also participate—Birmingham Southern College with its plays, films and art exhibit; Miles College with its affiliate artist in concert; Samford University with its poetry and music and the University of Alabama in Birmingham with its art lecture, special exhibits, a ballet performance by the UAB Ballet and travel films and concerts by the UAB affiliated Town and Gown Theatre.

The University of Alabama in Tuscaloosa, although some 60 miles away, also sponsors annually an Art of Communication Symposium which, again this year, featured nationally and internationally known experts in the communications media.

Perhaps most importantly, Mr. Speaker, the Birmingham Festival of Arts is a people festival with activities open to all of the people of our area. Over the years, festival officials have made extra efforts to ensure that many free or low cost events will be provided. They have kept admission costs to a minimum to the extent that they have continued to fund projects which are very popular, but which do not bring in sufficient revenue to be self sustaining.

The Festival of Arts is a nonprofit organization with but one paid employee, but with hundreds of other volunteers.

The Salute to Austria is perhaps our most successful festival to date. Much of the credit for its success must go to festival chairman Mrs. Van Scott and festival president Peter G. Smith who worked tirelessly for its success. Vice President Jesse Miller and cochairman Mrs. Lee Styslinger, who will chair next year's festival, also played a major role in the success of the 1977 activities.

I would like to take a few moments, Mr. Speaker, to outline some of the outstanding activities of this festival.

The musical heritage which Austrian composers have given the world is matched by few nations and excelled by none. Performances in this year's festival included Gustav Mahler's "Symphony #2 in C Minor" with an outstanding performance by the Birmingham Symphony Orchestra and Civil Chorus; Mozart's "Grand Mass in C Minor" by the Episcopal Church of the Advent Choir; Haydn's "Mass in Time of War" by the First United Methodist Church Choir; a program of Austrian masters including Kropfrieter, Mozart, Bruckner and Schubert by the St. Luke's Episcopal Church Choir; Anton Bruckner's "Mass in E Major by the Independent Presbyterian Church Choir and a "Sacred Choral Concert of Austrian Composers" by the Highlands Methodist Church Choir, which closed the ceremonies.

The Birmingham-Southern College Theatre Group offered 2 Austrian plays: "LaRonde," a traditional play and "Self Accusation," an experimental, modern show. The University of Alabama in Birmingham Ballet company offered a colorful and delightful version of Cinderella entitled "Aschenbroedel," set in Austria where the tale originated. The Birmingham Creative Dance Company performed Austrian dances at several local schools.

The Birmingham Museum of Art featured special exhibits and offered Austrian chamber music.

This year's pageant also included a wide variety of other activities to appeal to the interest of virtually everyone. Some of the most popular events were the Markplatz, featuring a flea market and old time fiddlers' convention; the Festspiele, featuring an Austrian village with its food, artifacts, and Austrian performers; the Austrian cooking school and a sports car slalom on the streets of downtown Birmingham.

A particularly delightful and interesting aspect of the festival was the display of art by Birmingham and Austrian school children depicting how they see each other's countries.

Next year, the Festival of Arts will honor Belgium. We look forward to another meaningful cultural experience in the unique and beautiful celebration of the arts as expressed in the lives of other nations whose people and culture have so enriched our heritage.

FEA QUESTIONNAIRE—ANOTHER UNBEARABLE GOVERNMENT REGULATION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. SYMMS. Mr. Speaker, this Nation was founded on the principle that the function of Government was to protect individual liberty. The Founding Fathers understood very well what happens to people when taxes and regulations become unbearable. They knew that motivation is destroyed, creativity reduced, and productivity is reduced to low levels, when the Government becomes too large and too oppressive.

Today we are losing what they so earnestly fought for. We are creating a mass of Government regulations, and an army of tax collectors who interfere in every aspect of our citizens' lives.

The bureaus and agencies with their endless probing and harrassing are making a mockery of American freedom. It is no wonder that productivity is faltering. It is no wonder that honest businessmen are outraged. It is no wonder that every year our money buys less, and that poverty is increasing in spite of the grand programs of bread and circuses ordered by the Congress and the grand planners in the White House.

It is high time we woke up. The men who fought the revolution in 1776 had less to fight about than the average hard-working American citizen of today.

Recently, one of my constituents, Mr. Bob Nicholes, who operates a small independent Phillips oil distributorship in Caldwell, Idaho, had the misfortune to attract the notice of the Federal Energy Administration. He sent me a copy of a questionnaire which he is required by law to fill out.

How many of you could run a business while also hiring the people necessary to answer this kind of detailed questions.

I submit that we have created a monster named the FEA which does not belong in a free country. I submit that all which is missing to complete the total power of that Agency is black boots, the armbands, and the rubber hoses to compel answers from their hapless victims.

I ask, how long, just how long will the honest American business and working people continue to put up with this kind of irresponsible destruction of their freedom?

I say that the time has come for them to rise up and throw the rascals out. Agencies like FEA have no place in America.

Following is the text of the questionnaire as required by the FEA:

FEDERAL ENERGY ADMINISTRATION, PORTLAND AREA OFFICE,
Portland, Oreg., April 18, 1977.

Re: Bob Nicholes Oil Co. Case No. 021H00080.
GALE P. HILYER, JR., Esq.,
Seattle, Wash.

DEAR MR. HILYER: This is in regard to our audit of Bob Nicholes Oil Co. (Nicholes Oil) described in our letter of December 28, 1976.

We have reviewed the information furnished pursuant to our written request of December 28, 1976 to Nicholes Oil. It has been determined that for our initial review, additional information will be required from the accounting records, source documents, financial statements and/or summary reports of Nicholes Oil.

As such; the following is a list of the minimum records and/or reports which the Federal Energy Administration (FEA) will require to determine Nicholes' compliance with FEA Regulations. These records are requested to be made available to the FEA at Nicholes' place of business in Caldwell, Idaho by May 2, 1977.

MAY 15, 1973 RECORDS

I. Weighted average unit cost of each product in inventory on a firm wide basis.

A. Inventory records and/or reports which will indicate for May 15, 1973, or for the most recent prior date, the following:

1. Location of inventory.
2. Total storage available at that location.
3. Number of gallons in inventory.
4. Type of product in inventory.
5. Date inventory was taken.

B. Purchase invoices from all suppliers for the period April 1, 1973 through May 31, 1973 which will indicate the:

1. Number of gallons purchased.
2. Freight costs/discounts for product delivered/picked up.
3. Unit cost of product purchased.
4. Point of delivery/pick-up of product purchased.
5. Type of product purchased.

C. Copies of any firm-price purchase contracts which were in effect on May 15, 1973.

D. Check register or disbursements journal and cancelled checks for product purchases for the period April 1, 1973 through May 31, 1973.

E. Accounts payable ledgers for vendors supplying covered products to Nicholes Oil.

II. Sales prices for all classes of purchaser (as defined in 10 C.F.R. Section 212.31 and elucidated in Ruling 1975-2) that the firm has treated separately in its sales of each product. Per the definition referenced above, the following documents are required:

A. A description of all classes of purchaser and justification for each class (i.e.; price distinctions based upon a discount, allowance, add-on, premium, and an extra based on a difference in volume, grade, quality, or location or type of purchaser, or a term or condition of sale or delivery.)

B. Sales invoices for all sales from March 1, 1973 through May 15, 1973 which include the:

1. Name of purchaser.
2. Number of gallons sold.
3. Type of product sold.
4. The unit price of the product sold.
5. Total sale amount.

C. The above mentioned sales documents must either be sorted by class of purchaser or in a method to enable determination of the class of purchaser involved in each transaction.

D. Copies of any firm-price sales contracts which were in effect on May 15, 1973.

E. Cash receipts journal, accounts receivable customer records or journals and bank statements for the period from April 1, 1973 through June 30, 1973.

NOVEMBER 1, 1973 THROUGH APRIL 30, 1974 RECORDS

I. Weighted average unit cost of each product on a firm wide basis.

A. Inventory records and/or reports which will indicate for November 1, 1973 or for the most recent prior date, and for the date of each price change or for a date closest to the date of each price change for the period from November 1, 1973 through April 30, 1974 the:

1. Location of inventory.
2. Total storage available at that location.
3. Number of gallons in inventory.
4. Type of product in inventory.
5. Date inventory was taken.

B. Purchase invoices from all suppliers for the period October 1, 1973 through April 30, 1974 which will indicate that:

1. Number of gallons purchased.
2. Freight costs/discounts for product delivered/picked-up.
3. Unit cost of product purchased.
4. Point of delivery/pickup of product purchased.
5. Type of product purchased.

C. Copies of any firm-price purchase contracts which were in effect on November 1, 1973 or became effective during the period from November 1, 1973 through April 30, 1974.

D. Check register or disbursements journal, accounts payable ledgers, and cancelled checks for product purchases for the period October 1, 1973 through April 30, 1974.

II. Sales prices for all classes of purchasers (as defined in 10 C.F.R. Section 212.31 and elucidated in Ruling 1975-2) that the firm has treated separately in its sales of each product. Per the definition referenced above, the following documents are required:

A. Sales invoices for all sales from November 1, 1973 through April 30, 1974 which include the:

1. Name of purchaser.
2. Number of gallons sold.
3. Type of product sold.
4. The unit price of the product sold.
5. Total sales amount.

B. The above mentioned sales documents must either be sorted by class of purchaser or in a method to enable determination of the class of purchaser involved in each transaction.

C. Copies of any firm-price sales contracts which were in effect on November 1, 1973 or that became effective during the period from November 1, 1973 through April 30, 1974.

D. Cash receipts journal, accounts receivable customer records or journals reports, and bank statements for the period from November 1, 1973 through May 30, 1974.

If we can be of help in providing technical assistance or additional information regarding this request, please respond in writing to Eli Krommenhoek, Federal Energy Administration, P.O. Box 7219, Boise, Idaho 83707.

Sincerely,

K. M. MORTIMER,
Area Manager.

ENERGY CRISIS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. DERWINSKI. Mr. Speaker, the energy crisis, which President Carter has dramatized so well, is clearly dominating the opinions of our constituents as reflected in mail from home.

It is also an issue receiving a great deal of press commentary. An editorial in the Wall Street Journal of April 27, analyzes the President's emergency energy solutions, and I insert it at this time for the information of the Members:

1,001 YEARS OF NATURAL GAS

The conventional wisdom about President Carter's energy program seems to be that the gasoline tax won't fly in Congress, but that the other elements of the plan will sooner or later be enacted. Indeed, there is a deep suspicion among the political crowd that the gas tax was designed to lose, in the process drawing off the opposition's energies so the rest of the package could go through unmolested.

Our own estimate, though, is that the whole package will collapse a piece at a time. This estimate is not merely wishful thinking, although it certainly expresses our hopes. But it is more firmly based on the fact that the United States has been seriously thinking about energy for more than three years. Not only the general public, but also Congress and the press corps have developed a sophistication about energy issues, and we think we are now past the point of being vulnerable to blindly adopting scare scenarios and emergency solutions.

The notion that we may soon be freezing in the dark unless we sacrifice by paying higher taxes to Washington could not be sold to Congress by President Ford and Vice President Rockefeller when we were all relative greenhorns at the energy game. Yes, Mr. Carter certainly deserves his chance to scare Congress into action. But because he seems to learn quickly and is flexible rather than stubborn, there is a good chance Mr. Carter will discover the true shape of the energy problem in the process of failing to get any major portion of his package adopted.

Take natural gas, for example. Mr. Carter apparently thinks the United States is running out of the stuff. If that were true, we might be as scared as he seems to be. But in the course of the debates on his plan, the President will discover that while we are now consuming 20 trillion cubic feet of natural gas every year and that—if prices were only decontrolled—we have roughly 20,000 trillion cubic feet of natural gas at hand, with some estimates that there may be 50,000 trillion cubic feet of it. That is, enough to last between 1,000 and 2,500 years at current con- It was explained to them recently in a brief- sumption.

The President's energy advisers know this. ing by specialists of the American Gas Association. Experts in ERDA have been trying to tell the White House too, but have been snubbed apparently on the ground that this news would take the sting out of the scare.

What Mr. Carter has been told is that we have only 216 trillion cubic feet of proven reserves of natural gas, 10 years' supply. But that number was developed by the U.S. Geological Survey in 1974 relating resources available at 1974 technology and 1974 prices, of 52 cents per thousand cubic feet. USGS does not and never has projected what resources would be available at higher prices.

ERDA, though, has unofficially estimated that at an uncontrolled price of $2.25 the nation would be awash with natural gas. It would bring in 230 trillion cubic feet of what USGS calls "inferred reserves," make economic the 285 trillion cubic feet of Devonian shale in Appalachia, the 600 trillion cubic feet of Western "tight sands" and between 200 trillion and 300 trillion cubic feet of coal-seam methane.

At somewhere between $2.50 and $3.00 per thousand cubic feet, the industry could tap the big deposit—geopressured methane that exists at depths of 15,000 feet, both onshore and offshore, in the Gulf region. This natural gas dissolved in water runs to between 20,000 and 50,000 trillion cubic feet. If you consider that 1,000 cubic feet of natural gas is roughly equivalent to one million British Thermal Units, this exotic natural gas is not all that expensive at $3 per million BTUs. Americans now pay about $2.05 per million BTUs of natural gas delivered at their homes, $3 per million BTUs of fuel oil and $1.10 per million BTUs of electricity.

The only conceivable way Americans would freeze in the dark anytime in the near future is if the government continues to keep the price of natural gas from getting into the ranges that would finance tapping these reserves. Holding down the price is of course precisely what President Carter proposes, a ceiling of $1.75 per thousand cubic feet.

We can't believe that President Carter genuinely desires that we freeze in the dark because of his policies. Instead, we assume it will take him a little time to get fully informed on the true nature of the energy problem. Perhaps some friend will call him up and tell him about this editorial, and we can begin thinking of dancing in the dark instead of freezing in it.

THE LIMITATIONS ON SOLAR ENERGY'S ROLE IN OUR ENERGY FUTURE

HON. JOSEPH S. AMMERMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. AMMERMAN. Mr. Speaker, as the energy crisis has deepened in recent years, we have heard much about the role of solar energy in providing a solution, and we have seen a steady stream of bills introduced to promote this source. While we consider the stark realities of our energy dilemma, as well as the President's recent conservation proposals, it would be well to ponder the views of one of my State's most authoritative spokesmen on these issues, Dean Charles L. Hosler, of Pennsylvania State University's College of Earth and Mineral Sciences, on the role we can expect solar energy to play in our search for new sources.

The answer, in a nutshell, is that the utility of this concept will be severely limited in the near term, and we cannot expect solar sources to fulfill more than 10 to 12 percent of our energy needs in this century. Furthermore, any significant use of solar energy will entail enormous capital costs for such equipment as solar collectors.

Much of the attractiveness of the solar concept would appear to stem from the fact that the sun's rays are free—we have them in essentially unlimited quantities and need only apply them to man's needs. Yet if we are to maintain a perspective in this area it is essential to keep in mind an equally important fact. It is that sunlight is really no freer to man than the coal and oil which represent a transformation of the sun's rays into energy sources of a different type. All are there by the force of nature, and all require great investments of capital and labor to extract and apply them.

Dean Hosler's message, in short, is that there are no fancy, new solutions to our energy dilemma, and we must expect to rely on conventional energy sources such as coal, oil, natural gas, and nuclear fission, as well as better use of wood and other materials, for dealing with that dilemma throughout the remainder of this century.

At this point I would like to include in the RECORD a recent article from the Centre Daily Times in which Dean Hosler outlined his views on this question:

GUEST COLUMN: EVALUATING SOLAR ENERGY

(By Dr. Charles L. Hosler)

Solar energy is very much in the news these days—so much so, in fact, that there is concern that the level of enthusiasm for utilizing the sun's heat may have distorted the reality of what can be expected from this source in the next 25 to 30 years.

There are at present severe limitations on the practical applications of solar energy except to supplement home or industrial plant space heating or domestic hot water heating. Since most homes and plants are already built, and a very small number (perhaps one per cent) of them are replaced each year, it is not plausible to expect that, in this century, more than 10 to 12 per cent of our total energy needs could be satisfied by solar energy.

While there is promise of significant utilization of solar energy and its derivatives—such as wind, ocean thermal, and wave energy—in the next century, it must be recognized that the capital costs of putting any of these systems in place would be large, and the diffuse nature of solar energy would require that collection systems of any type occupy very large areas.

In Pennsylvania, for instance, millions of acres would have to be dedicated for fields of solar collectors—about 10 per cent of the state's surface area—by the year 2000 if all energy needs were to be provided by the sun's rays. This is roughly five times the area presently covered by buildings and roads—which may lead to second thoughts on the part of those who entertain the idea that solar energy is cheap and poses no environmental problems. If solar energy is free, so are oil and coal—the sun produced them at no cost to us although we do pay a high price to extract, process, and transport them.

Before proposing the permanent use of several million acres for hardware to collect solar energy in a state such as Pennsylvania, it should be considered that, by surface mining several thousand acres, the equivalent energy could be obtained from coal. The amount of land being actively used for surface mining at any one time would be several hundred times smaller than that permanently needed for solar collectors, and the mined areas can be restored to normal usage in a short time after the coal is removed. The cost of the energy to the consumer will be only a tenth or less of the price of solar energy.

Another energy alternative under active research is wind power. It is also very expensive and to provide Pennsylvania's energy needs, as many as several million windmills would have to dot the landscape. The proliferation of these huge (200-foot-high) structures, which would have to be connected by wires, would destroy whatever landscape we had left.

What's more, both solar and wind power would require storage of energy during cloudy, nighttime, or low-wind periods, and, of course, some type of power plant would be needed to convert the stored energy to usable form.

Even if a major breakthrough in the efficiency of solar or wind systems should occur today, it would take decades and tremendous amounts of money to put the hardware and distribution systems in place. It must also be remembered that the Arab nations, since their production costs are very low, can decide to reduce the price of oil at any time to equal or go below the cost of energy produced by alternative methods and make the alternatives immediately uneconomical.

All of this leads to the conclusion that there is really no realistic new energy alternative which can have a major impact for the rest of this century. We must become more proficient and self-sufficient in the use of conventional energy sources—coal, oil, gas, and nuclear fission, and perhaps make better use of wood and other biological materials. We must explore our country and its continental shelf more thoroughly to locate more fossil fuel resources. We must be more efficient and less destructive in extracting coal, oil and gas from the earth. We must move toward more energy-efficient industrial processes, appliances, transportation systems, and space heating. We must overcome the environmental hazards of burning oil and coal, and solve the safety and waste disposal problems of nuclear power plants. These are things that can be done at a steady pace and without disruption of our economy as we add new energy facilities and phase out old ones.

But most important of all, we must convince the public and our decisionmakers that there is no quick, cheap, easy answer to our problem. We must work hard and fast to develop conventional energy sources in order to survive the next 30 years, while, at the same time, we must keep the economy strong enough to support the research and development of the new energy sources we must have for the next century.

THE IMPORTANCE OF CAPITAL FORMATION

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. LENT. Mr. Speaker, our economy is in a state which can best be described as "stagflation." Most of our efforts to date have been centered on a short-term solution, such as the $50 rebate, and I believe we have so far given too little attention to ways to keep our economy healthy over the long run.

The key to the future economic well-being of the United States lies in increased capital formation, that is, the investment of savings in factories, equipment and new technology. These are productive investments, and are the source of jobs and income.

Recent studies of U.S. capital needs agree that the demand for capital will be increasing dramatically in the next 10 years—we will need $4.5 trillion or $21,000 for every man, woman, and child in the United States. This capital is needed to modernize and expand our industrial base and to meet the Nation's environmental requirements.

Thus, if the U.S. economy is to grow and prosper, we need new and efficient technology and increased productivity. The resulting efficiency will reduce inflationary pressures by keeping costs down. Lower costs mean that the individual's income will buy more, because he has a higher real income. Individuals with higher real income will increase their personal expenditures for goods and services, and jobs will be created to fill that demand.

Currently, tax laws discourage investment by taxing some income from investment twice—first taxing the corporation and then taxing the stockholder on the same income. Present tax laws often do not allow businessmen to recover their investments since provisions concerning depreciation allowances and capital gains are too restrictive.

In light of the benefits that a high rate of capital formation can produce, it is necessary to ask what can be done to encourage capital investment. One way is to eliminate the bias in our tax laws to insure that our productive capacity is increased enough through savings and investment to create full employment and to reduce inflationary pressures. This bias can be eliminated by:

Ending double taxation of corporate dividends. The present corporate tax is paid by consumers in higher prices. Corporations do not pay taxes, they are merely a form of doing business—people pay taxes.

Making depreciation allowances fairer and more realistic. Depreciation allowances for business under the tax code do not reflect the true cost of replacing plant and equipment; that is, capital goods. Because of inflation, the cost of capital goods increases while the depreciation allowance reflects the original cost—a printing press today costs far more than the same press purchased 10 years ago, but depreciation is allowed only on the "old" cost, not replacement cost. Thus, firms often have insufficient reserves to replace worn out or obsolete equipment, or to expand their facilities. A more realistic approach would be to permit business to "catch up" with inflation by permitting depreciation based on the cost of replacement.

Encouraging firms to invest in productive activities through a tax credit given to those firms who invest in capital goods. If the "Investment Tax Credit" is raised to 12 percent, made permanent and made fully refundable—that is, a cash rebate for those firms whose tax credit exceeds their tax liability—it would reduce the cost and increase the supply of capital—and in so doing, provide jobs and promote economic growth.

Finally, more equitable capital gains tax rates would make investment in productive assets more attractive. A smaller portion of the gain should be taxed the longer the asset is held to reflect inflation and to reward the investor for saving instead of consuming. Such an approach would help free locked-in capital, encourage new investment, and treat long-term investors and small businessmen more equitably.

These recommendations are only a few ways by which the health of free enterprise can be encouraged in the United States. Through the increased production of real goods and services resulting from increased capital formation, we can reach full employment without inflation.

For these reasons, I support the recommendation of the Republican Policy Committee for a permanent across-the-board cut in the tax rates, and the Jobs Creation Act authored by my colleague, Congressman Jack Kemp. These are realistic approaches to improving our Nation's economy, and not an exercise, as Milton Friedman described the proposed $50 plan, in "throwing money out of an airplane."

FOUNDRIES SUE OSHA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. HANSEN. Mr. Speaker, more and more businesses are reacting strongly against OSHA. The increasing number of Americans standing firm for their fourth amendment rights is now expanding to group action in tests of the constitutionality of the Occupational Safety and Health Act. I present for the Record a press release from Cast Metals Federation, April 22, 1977, that announces a recent court action by this industry which seeks a judgment requiring OSHA to obtain a search warrant prior to conducting an inspection. This is long overdue and most welcome.

Foundries Sue OSHA

On April 20, 1977 twenty-five foundries filed a joint civil action against F. Ray Marshall, U.S. Secretary of Labor and Eula Bingham, Assistant Secretary of Labor, in the Federal District Court for the District of Columbia. The complaint seeks a judgment declaring that the OSHA Act requires the Labor Department to obtain search warrants prior to making searches or inspections; declaring that warrantless searches and inspections by agents of the Secretary of Labor are in contravention of the statutory authority granted by the OSHA Act, and furthermore are unconstitutional and void in that they violate the plaintiff's Fourth Amendment rights under the U.S. Constitution.

The complaint also asked the court to issue an injunction restraining the Labor Department from conducting warrantless searches and inspections.

Many other foundries have indicated an interest in joining as plaintiffs in the suit and may be added in the next week or two.

More than forty additional foundries, while not participating directly in the law suit, have submitted contributions to help finance it. The Cast Metals Federation, which is made up of five major trade associations in the industry, has set up a separate fund to serve as a common account for participating companies and for contributions. Address of the fund is the CMF–OSHA Legal Fund. P.O. Box 128, Westchester, Illinois 60153.

On March 15 the Occupational Safety and Health Administration launched the National Emphasis Program (NEP) with the foundry industry as its first target. Under the NEP the foundry industry has been given a high priority for comprehensive safety and health inspections with every foundry in the country slated for an inspection in the next year or two. Originally OSHA thought it could conduct a crash program in less than a year, but it miscalculated the nature and size of the industry. OSHA believed there were 1,500 foundries in the country. Actually there are 4,500, eighty (80) percent of which have less than 100 workers. The agency now says it doesn't know how long the program will take. Planning alone took a year and a half.

The industry's concerns over the NEP were strongly voiced to OSHA while the program was in the development stage. The greatest concern was that it would be inconsistent—and discriminatory—for the agency to pinpoint the industry for health as well as safety matters, particularly at a time when OSHA is poorly staffed with inadequately trained hygienists.

Charles T. Sheehan, the Cast Metals Federation's, Vice President, termed OSHA a "bad law poorly administered". He said that Dr. Morton Corn, former Director of OSHA, in his final report to the Secretary of Labor in January, 1977 took twenty pages to list the shortcomings in OSHA's administration. He further quoted Dr. Corn's reference to the shortage of hygienists—

"In December 1975 . . . a decision was reached to use all new position allocations for compliance to hire health compliance officers or industrial hygienists. Very few qualified industrial hygienists were available for hiring and an ambitious three-year career development program for industrial hygientists was initiated in September 1976; approximately 200 individuals are enrolled at this time. It is planned to enroll appproximately 100 beginner industrial hygienists in this program during 1977."

Mr. Sheehan said that OSHA admits inadequate study before the program was announced, including the lack of any economic impact study.

As a consequence of these concerns about the OSHA–NEP and because of substantial and growing judicial support, the Cast Metals Federation stated in communications to its members that, while it might not appear to be in the best interest of some foundries, it is in the best interest of the industry to insist that rights guaranteed under the Fourth Amendment to the Constitution be asserted. This insistence would entail the refusal of entry of an OSHA inspector or inspection team to non-public areas of the premises unless and until a search warrant obtained upon a showing of probable cause was presented. The CMF did recommend to its foundries that they consult with their attorneys prior to taking such action.

The class action suit resulted when a group of foundries decided to pool their resources to fight OSHA's warrantless inspection program.

Sheehan said, "The Barlow case which declared the inspection provisions of OSHA unconstitutional won't be argued before the Supreme Court until next fall or winter.

This doesn't mean that foundries have to waive their rights until the case is heard. Also, in addition to the Barlow case, there have been many federal district courts which held that, while the OSHA act itself is not unconstitutional, the actions of the agency in seeking warrantless searches are unconstitutional. These cases are all based on the Gibson Products and Hertzler cases."

"Many foundries have turned OSHA inspectors away if they did not have a warrant. Some even turned them away when the inspectors arrived with a broad, general warrant. These cases are being litigated all across the country."

"Hopefully" Sheehan said, "this joint action will slow OSHA's stampede of enforcing its premature and ill-conceived National Emphasis Program as well as minimizing unnecessary legal expenditures foundries are being forced into, until such time as the legality of the Act or of OSHA's actions is determined."

WHAT AMERICA MEANS TO ME

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. WALKER. Mr. Speaker, I had the privilege this year of being among those who judged the national finals of the Voice of Democracy Contest sponsored by the Veterans of Foreign Wars of the United States. As I am sure my colleagues know, this is a very worthwhile program which allows young people to express their feelings about being an American and participating in our system of government. I myself participated in this contest as a high school student.

The speeches that eventually won awards in the States and in the Nation are among the best available material of expressing the worth of being an involved citizen of our great Nation. This year the State winner from Pennsylvania was Brian Kauffman of Myerstown in Lebanon County of my congressional district. For the benefit of my colleagues, I would like to provide them the opportunity of seeing Brian's speech, as well as the five speeches that were judged the best in the Nation in the 1976–77 contest. The texts of these six speeches follow:

WHAT AMERICA MEANS TO ME

(By G. Brian Kauffman)

During the British siege of Fort McHenry during the War of 1812, Francis Scott Key asked, in what is now our national anthem, "Oh! Say can you see . . .? Does that star spangled banner yet wave o'er the land of the free and the home of the brave?"

As America plunges into its third century as a democratic venture, I believe we must look ahead into the "dawn's early light" in order to see if we will still be a nation of self-government in the year 2076.

America has always been a nation of immigrants, the British, Dutch, Germans, Irish, and Slavs—all leaving their homeland, often penniless, seeking freedom. All of them finding it in America. It is because of this widely varied background that America has become the greatest nation on earth. This variety of heritages gave people a sense of appreciation for their new country and its freedoms. The self respect and pride of the individual are best exemplified in our free enterprise system which allows anyone to build a factory or start a business—a privilege unheard of in many countries.

The family business, once the mainstay of the American economic system has diminished until now. Big business, mass production, and computerization of this nation and its industries have dwarfed the individual, making him an insignificant number, one of millions on a spool of magnetic tape. This has lead to the oft used and most incorrect statement, "I'm just one." This should read, "I am one."

"One man" invented movable type opening the door to more effective communication methods. "One man" threw the world into the electric age by inventing the light bulb. And "One Man" working for only three years, influenced the course of the entire world gaining hundreds of millions of followers in what we know as the Christian movement.

Our forefathers received the many rights which a democracy had to offer and simultaneously accepted the responsibilities demanded by a government of the people. But times are changing and the emphasis is no longer on responsibilities but on rights and yet without the former the latter will soon collapse.

Our forefathers faced many obstacles in their search for freedom, and time and again, Americans have rallied to a cause whatever it might be, realizing and surpassing every goal they have set. Where is this spirit today? Why are we now willing to accept rights without fulfilling our responsibilities? Has the fear of standing out in our society become so great that we are no longer willing to be leaders and are always content to follow the crowd? A democracy demands the complete and undivided attention of all its members in order to prevent corruption. As was proven by the downfall of the Greek civilization, the worst enemy of freedom or democracy is apathy. Shabby politics and ultra-liberals have broken down the backbone of our political system while declining standards of morality have reduced our social system and now, in the opinion of many, our nation is on the brink of disaster.

It will soon be my generation's turn to make decisions which could alter the course of our nation. It will soon be my generation's turn to share the burdens of a democracy. Will I shirk my responsibilities? Or will I do more than what is expected of me in order to maintain the freedom of this country?

I see many things off in the shadows of the dawn of our third century as a nation; some good, some bad. But all of them will have to be faced, head-on. And with the spirit of our forefathers, we shall make the right decisions. I am ready to do my part to insure that "the star spangled banner in triumph shall wave o'er the land of the free and the home of the brave."

SPEECHES

(Deana Faye Reece, Harrisonville, Missouri, a Senior at Harrisonville Senior High School, recipient of the first place VFW $10,000 Admiral Leland P. Lovette Memorial Scholarship Award.)

When I think of America, I see it in a series of pictures. A small Midwestern town—clean and white and lazy in the morning sun. A teeming Eastern city—loud, blustery, moving quickly. The deserts and the marshes, the rolling hills and the plains, the farmer, the doctor, the banker and the mechanic—these are America. America is land. America is people. This land of ours means so many things, that it is hard to describe. There are five words that I always associate with America. First—freedom—freedom to be whatever you want to be; held only to the limits of your own visions; freedom to choose your God, and freedom to say what you think. Second—promise—the promise of a better way of life; the promise to every person his or her chance, regardless of race, sex or beliefs. Third—trust—trust in a government that has worked for over two-hundred years. Trust in the American way, where people are kind and good. Fourth—individuality—the right of every man to be his own man, one among the millions, but still an individual. And fifth—pride—pride in a country that stands tall among the world's giants—pride in our heritage, and pride in ourselves in realizing that to be an American is a unique privilege. Freedom, promise, trust, individuality, and pride—five words, with five totally different meanings, but combine them, and you get America. America is not only people and those indescribable feelings. America is also a land rich in the wonders of nature. Thundering mountains, slow moving rivers, golden wheat fields, these, too, are America. Edgar Lee Masters said, "This is the country that Cabot, Hudson, Raleigh, Coronado, Smith and DeSoto stared at with blinded eyes, doing all that they could to understand its meaning." I believe that is what every American does all his life. What is America and what does it mean to me? To me, America is home. A place safe, secure and happy. Can any of you imagine living in any other country besides America? I know I can't, because there is no country in the world that can compare to America. I could give endless examples of America, but I won't because in your own minds you all have your own pictures of what our country is. I am in awe of this great land of ours and nothing can express my feelings better than the words of Daniel Webster, "Thank God, I, also, am an American?"

(Jeffery Bryan Lockman, a senior at Hixson High School, Hixson, Tennessee, recipient of the second place VFW $5,000 Voice of Democracy Scholarship Award.)

The question is asked: What does America mean to me? This is a question that I cannot avoid. Today it seems that a man must have a reason to do the things he does. So why America? Why not live in another country? To say that I like it here would be flippant, for I have never traveled outside this country's boundaries. To say that just because I was born here, I therefore ought to stay would be blind duty. To say that I do not know what America means to me would show me to have a passive attitude about my country and therefore, render me prey to seemingly logical ideas which actually seek to obliterate the basic principles on which this country was founded.

To me, America does not mean simply a well formed government; it is not public buildings where laws are made and judged; it is not advanced communications systems which link one ocean with another. Although these things have helped make America great, they are not America. To me, America means people . . . People who are bound together by the same ideas and principles which have existed in the mind of man for centuries . . . Principles for which men have fought and died, and if necessary, will continue to fight and die.

What are these principles? What causes bind human beings together and enable them to throw off oppressive systems of government and carve out of an unexplored wilderness, a nation that is so great that it ranks among the greatest of all time? One of these causes is justice . . . not justice that is distorted by prejudice, hate, and greed; but justice that seeks to know the truth, and make sound decisions based upon that truth.

Another American principle is peace . . . Peace that stands erect in a world where injustice and bloodshed seem to have become the norms. When was the last time that you and your family lived in absolute fear of your home being destroyed in a time of war? Not since the Civil War has military conflict occurred within the continental boundaries of the United States. We in America can stand proud that our leaders have not waited for trouble to strike here before taking action. When we were threatened elsewhere, we stopped the trouble there.

But still, the question remains: What does America mean to me? I can quote history and cite facts as easily as the next man; but that still does not express what my country means to me personally. Let me express my feeling about America, my homeland:

America is waking up in the morning, knowing that no man can take away the freedoms which I enjoyed yesterday; knowing that I have chosen the work which I will do that day; and having the security of knowing that even though I may work for a private company, I am contributing to a financial system that will benefit not only myself, but others as well.

America is a promise . . . A promise that I will be given an equal chance at life; because even though my talents may not be as numerous as another man's, I may equal or excel his abilities by ambition and hard work.

America is an environment in which freedom lives and breathes . . . An environment that is suitable for the growth of youg men and women who will be tomorrow's leaders . . . Leaders who will stir up men's imaginations and inspire them to do the impossible, and do it with eagerness.

America is the foundation of my liberty. I depend upon her for freedom, justice, and peace. God forbid that the day should come when "Old Glory" no longer waves proudly in the breeze. For on that day my spirit will have been vandalized and my heart assaulted.

America: A dream built by men, a reality of today, a hope for tomorrow. For 200 years she has stood firm, and with God's help, always will.

(Craig Allan Keefer, a Senior at Newburgh Free Academy, Newburgh, New York, recipient of the third place **VFW $3,500** Voice of Democracy Scholarship Award.)

The meaning that the institution of America holds for me can most readily be discerned through a brief examination of the letters comprising the word "America". Each of these letters stands for one of seven important concepts that constitute what America means to me.

The leading "A" in America brings to mind the Ancestry that is shared by all of the peoples of the United States without regard to personal background. This ancestry of which I speak refers to the first American colonists. It is necessary that this ancestry should form the foundation of my meaning of America because these people and their beliefs formed the cornerstone upon which the United States of America was established.

The "M" reminds us of the Melting Pot that America truly is. It is very difficult to find another country with a populus composed of people with so many different backgrounds. The variety of ideas and customs that these people have brought into this country have helped it become the great nation that it is today. It is the combination of the best of these customs and beliefs that has come to be known as the American tradition.

The "E" in America represents the equality that, more and more, America has come to represent. This equality is not limited to any one prominent area but it applies to a number of realms within our country. It might be said by some that there is no true equality to be found anywhere in this country, however, this can be attributed to the fact that our country is, was and always will be composed of human beings, none of which is perfect. The important aspect of this is that equality has been strived for throughout our history and presently this equality is becoming more a reality than an ideal.

One of the greatest things about our country is that we have consistently had a government that was both responsive and responsible, signified by the letter "R". In general, our government has responded to the needs and desires of its people, and in so doing, it has become a tool for the benefit of the people rather than an instrument for their exploitation. In addition, all of the branches of our government have been accountable to the people for their actions, a factor which emphasizes America's democratic position.

This brings up one of the distinctives that definitely serves to make the United States a great place to live, that is, the importance of the individual, represented by the letter "I". This is perhaps one of the strongest points of the American philosophy. It is upon this concept that our voting system is based and it is through this voting process that the vast majority of decisions are made. This voting process determines the men and women who will be representing us in our government, and that, perhaps, is the most important decision that can ever be made. So we see that the individual is at the very heart of our political system, and this is an integral part of what America means to me.

The "C" is a symbol of the cloudy days that our country has already weathered. From the Whiskey Rebellion and the Civil War, right on up to the political events of the past few years, the strength of our country has been under a constant challenge. The fact that we have survived these events and; in most cases, emerged from them a bit stronger than we were when we began is a very reassuring thought.

Finally, this brings me to the most encouraging part in what America means to me and that is the Anticipation of the future, represented by the last "A" in America. The citizens of America can be very proud of the history of this country and the many accomplishments that have been inscribed in the annals of America. We can be happy to think of how nice things were way back when, but that's not the end. Our country is one in which much faith can be placed in spite of human errors of the past. Because of this, we can look to the future with an attitude of confidence and this is what has characterized the prospects for the future of America since its birth in 1776. This makes clear the one word that summarizes what America really means to me; and that word is hope. It is only because of this word that I can truthfully say the things I have already said. It's this word that will continue to fortify the strength of America and it's this word that will give people the desire to survive. Hope, the strength of the past, the light of the present and the key to the future!

(Wendy Sue Achorn, a Senior at Medomak Valley High School, Waldoboro, Maine, recipient of the fourth place **VFW $2,500** Voice of Democracy Scholarship Award.)

Simply being born is a miracle in itself . . . but, being born an American, surely is even more of a blessing . . .

Brought up in the American tradition . . . being taught its many freedoms . . . anticipating the wonderful life awaiting me . . . learning through the experience of others . . . has resulted in a greater understanding of what America means . . . yet, only now, am I beginning to realize the infinite variety of American life . . .

America to me . . . is ketchup! and peppermint lifesavers! . . . poetry and snowstorms . . . blue jeans and flannel shirts . . . mittens and snowmen! . . . America is Pepsi commercial—style fun, and wholesomeness! . . . football games and McDonalds stops! . . . Still, even though lost in a world of play and light-heartedness at times, I always come back to the deeper meaning of this great land . . .

Because to me America is also the history of accomplishment . . . From the landing of the pilgrims on our shores . . . to our astronauts landing on the moon . . . we have asserted ourselves . . . We have failed many times, but always tried again until we succeeded . . . From those early pioneers, the men and women of the Declaration . . . through the gold miners pushing westward . . . to moonwalkers . . . it is the American soul, the American mind, the American love of accomplishing what seems impossible . . . that makes up the American dream . . .

America is its great writers, old and new . . . Emerson and Thoreau, daring to express new ways of life and questioning established values . . . Steinbeck, and McKuen, and Rinder writing of the poverty and richness of American life and love . . .

America is its women, both great and unknown . . . From Susan B. Anthony, Dorothea Dix, and Elizabeth Stanton to Gloria Steinem and Betty Friedan . . . they all have done much to perfect the American dream . . .

America is its churches and church fellowship . . . worshipping God in various ways without fear . . . Our land is vast enough to accommodate all religions with a minimum of conflict . . . The whole world knows this and consequently many of the persecuted and underpriviledged from other lands have come here to participate in the American dream . . . Overcrowded already, America is always ready to accept more!

Above all . . . America is its people! . . . The freaks and the straights . . . the All-American boys and the good-time Disney girls! . . . Hippies and conformists! . . . Children in nursery schools, and senior citizens in nursing homes . . . Those who work for America and those who work against it . . . But, it is America . . . a land that admits and tolerates them all . . .

America is the fads brought on by these people . . . Diets and jogging . . . flagpole sitting, and goldfish swallowing . . . miniskirts, and gauchos . . . peace marches against the violence of war . . . Our fads are sometimes foolish and unhealthy . . . sometimes profound and lasting . . . yet they are always the unique products of the American experience . . . the American dream! . . .

America . . . land of many freedoms . . . land of many choices . . . and we, as Americans are free to choose from many varied life styles . . . Whether we follow someone else or make up something completely new is up to us . . . There are no restrictions . . . no one tells us what work we must do . . . how we must live our lives . . .

And yet sometimes . . . Americans are afraid . . . but what they fear, is common to all peoples of the world . . . They fear the possibility of war . . . sickness . . . they fear the loneliness of old age . . .

Sometimes, America is nostalgia . . . memories of the past . . . But, most of all America to me is hope! . . . hope for the future! America, which began as a burning hope in the hearts of our forefathers so many years ago, has become a profound inspiration to countless of millions of people the world over . . .

We must cherish and preserve this hope because it represents the American dream . . . the dream of a better life for us . . . and for all who come after us . . .

(David William Norsworthy, a Senior at Selma High School, Selma, Alabama, recipient of the fifth place **VFW $1,500** Voice of Democracy Scholarship Award.)

The cold, dreary day in December of 1903 seemed to stifle all activity around the little North Carolina community. The overcast skies and threat of rain made everything seem dull. But two brothers felt otherwise. On that day in December in Kitty Hawk, Wilbur and Orville Wright were to fly the first airplane and unknown to them, would change the course of history. When the Wright brothers had completed their flight, they were to reflect upon its characteristics. They knew that to handle in the air, their craft must be flexible, so they installed bendable wings onto the airplane. There was present also a cognizance of the strength achieved through flexibility.

America, two-hundred years after her birth, is equally aware of the strength achieved through flexibility, the capacity to bend, to change, to adapt. Foundations of governments are set on nothing less than the strength of their people, and citizens of this great land have built America upon their adaptability.

Jim Schofield, a New England merchant, his wife Angela and their four young children packed their bags and left Hartford, Connecticut in the summer of 1872 for an unknown area—the West. The long, trying journey through town and country, over hill and through valley finally brought them to their promised land—the wide plains of Wyoming. No farming had been tried, there was no green grass for grazing, but the Schofields somehow managed to survive the hardship and insecurity of the mysterious new land. If not for this strong-willed attitude and hunger for freedom, America would not be. The Schofield family, along with countless other settlers, epitomize the strength of the frontiersmen, But where did they get this strength? The ability to adapt to strange, unfamiliar, even threatening environments and circumstances was the well of strength which has been tapped time and again throughout our history.

Mother Nature, in all her beauty and mystery, can often be a harsh mistress. With all of our advanced technology and rapidly accelerating research and development, we are still at the mercy of the Elements. Earthquakes, tornadoes, storms and hurricanes batter, rip and crack at the earth, coming without warning and leaving only desolation in their wake. But even when disaster strikes, Americans cope with crisis through their flexibility. The recent floods in Colorado and the tornadoes that tore through the Midwest last year caused concern in America, but despite the magnitude of the damage no aid was required or was given by any other nations. The ability to respond to disaster is inherently present in all Americans, and this characteristic is a direct result of our ability to adapt to changing circumstances.

Not only is adaptability the key to expansion and to civil defense, but the ability to flex is essential for Liberty. Freedom is unobtainable without flexibility and, "Eternal vigilance is the price of liberty," stated one of our first ardent patriots, John Philpot Curran. When Mr. Curran spoke of "eternal vigilance," he was speaking of the need for an armed service to protect our most hallowed privilege; our freedom. The functional example of democracy for all the world to see, America must protect her freedom through a strong defense. While political adversaries of our nation reach out to conquer weaker nations, America stretches forth a protective hand. The Armed Forces necessarily must possess flexible qualities in such an aggressive world, or America would lose her sympathy for the small, freedom desiring nations. For, the stronghold of liberty must be protected by artilleries of open minded, freedom-loving citizens, not afraid to fight for the cause of liberty, but not hesitant to change to a more effective means of protection.

Adali Stevension remarked in Chicago in September of 1952 that, "Government (in a democracy) cannot be stronger or more tough-minded than its people. It cannot be more inflexibly committed to the task than they. It cannot be wiser than the people." The wisdom of 200 years is apparent when one reflects upon this nation of ours. America is like an airplane soaring straight and true, always climbing to greater heights. The craft of liberty, powered by strong wills, is guided by nothing less than the flexible character of those individuals that care enough to live as free men.

REALISM IN HUMAN RIGHTS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. LAFALCE. Mr. Speaker, I would like to take this opportunity to share with you the thoughts of Secretary of State, Cyrus Vance in his Law Day speech at the University of Georgia Law School in Athens. The Secretary of State, while advocating that we should be strong in our support of human rights around the world, also noted that our policy should be realistic and that we should not rigidly try to impose our values on other countries.

Our policy should be determined on a country-by-country basis in a flexible manner. Such an approach enables us to consider the issue of human rights along with other basic human needs, such as hunger and poverty. His position is well taken and I believe we should pay careful note to his views on this important issue. His speech reads as follows:

HUMAN RIGHTS AND FOREIGN POLICY

Dean Beaird, students, faculty and alumni of the University of Georgia Law School, distinguished guests: I am delighted to be here with you on Law Day. And I am honored by the presence of my friend Dean Rusk, a distinguished member of your faculty.

I speak today about the resolve of this Administration to make the advancement of human rights a central part of our foreign policy.

Many here today have long been advocates of human rights within our own society. And throughout our nation that struggle for civil rights continues.

In the early years of our civil rights movement, many Americans treated the issue as a "Southern" problem. They were wrong. It was and is a problem for all of us. Now, as a nation, we must not make a comparable mistake. Protection of human rights is a challenge for all countries, not just for a few.

Our human rights policy must be understood in order to be effective. So today I want to set forth the substance of that policy, and the results we hope to achieve.

Our concern for human rights is built upon ancient values. It looks with hope to a world in which liberty is not just a great cause, but the common condition. In the past, it may have seemed sufficient to put our name to international documents that spoke loftily of human rights. That is not enough. We will go to work, alongside other people and governments to protect and enhance the dignity of the individual.

Let me define what we mean by "human rights."

First, there is the right to be free from governmental violation of the integrity of the person. Such violations include torture; cruel, inhumane or degrading treatment or punishment; and arbitrary arrest or imprisonment. And they include denial of fair public trial, and invasion of the home.

Second, there is the right to the fulfillment of such vital needs as food, shelter, health care and education. We recognize that the fulfillment of this right will depend, in part, upon the stage of a nation's economic development. But we also know that this right can be violated by a government's action or inaction—for example, through corrupt official processes which divert resources to an elite at the expense of the needy, or through indifference to the plight of the poor.

Third, there is the right to enjoy civil and political liberties—freedom of thought; of religion; of assembly; freedom of speech; freedom of the press; freedom of movement both within and outside one's own country; freedom to take part in government.

Our policy is to promote all these rights. They are all recognized in the Universal Declaration of Human Rights, a basic document which the United States helped fashion and which the United Nations approved in 1948. There may be disagreement on the priorities these rights deserve. But I believe that, with work, all of these rights can become complementary and mutually reinforcing.

The philosophy of our human rights policy is revolutionary in the intellectual sense, reflecting our nation's origin and progressive values. As Archibald MacLeish wrote during our Bicentennial a year ago, "The cause of human liberty is now the one great revolutionary cause. . . ."

President Carter put it this way in his speech before the United Nations:

". . . All the signatories of the UN Charter have pledged themselves to observe and to respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world. . . ."

Since 1945, international practice has confirmed that a nation's obligation to respect human rights is a matter of concern in international law.

Our obligation under the United Nations Charter is written into our own legislation. For example, our Foreign Assistance Act now reads: "a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries."

In these ways, our policy is in keeping with our tradition, our international obligations and our laws.

In pursuing a human rights policy, we must always keep in mind the limits of our power and of our wisdom. A sure formula for defeat of our goals would be a rigid, hubristic attempt to impose our values on others. A doctrinaire plan of action would be as damaging as indifference.

We must be realistic. Our country can only achieve our objectives if we shape what we do to the case at hand. In each instance, we will consider these questions as we determine whether and how to act:

1. First, we will ask ourselves, what is the nature of the case that confronts us? For example:

What kind of violations or deprivations are there? What is their extent?

Is there a pattern to the violations? If so, is the trend toward concern for human rights or away from it?

What is the degree of control and responsibility of the government involved?

And, finally, is the government willing to permit independent, outside investigation?

2. A second set of questions concerns the prospects for effective action:

Will our action be useful in promoting the overall cause of human rights?

Will it actually improve the specific conditions at hand? Or will it be likely to make things worse instead?

Is the country involved receptive to our interest and efforts?

Will others work with us, including official and private international organizations dedicated to furthering human rights?

Finally, does our sense of values and decency demand that we speak out or take action anyway, even though there is only a remote chance of making our influence felt?

3. We will ask a third set of questions in order to maintain a sense of perspective:

Have we steered away from the self-righteous and strident, remembering that our own record is not unblemished?

Have we been sensitive to genuine security interests, realizing that outbreak of armed conflict or terrorism could in itself pose a serious threat to human rigths?

Have we considered *all* the rights at stake? If, for instance, we reduce aid to a government which violates the political rights of its citizens, do we not risk penalizing the hungry and poor, who bear no responsibility for the abuses of their government?

If we are determined to act, the means available range from quiet diplomacy in its many forms, through public pronouncements, to withholding of assistance. Whenever possible, we will use positive steps of encouragement and inducement. Our strong support will go to countries that are working to improve the human condition. We will always try to act in concert with other countries, through international bodies.

In the end, a decision whether and how to act in the cause of human rights is a matter for informed and careful judgment. No mechanistic formula produces an automatic answer.

It is not our purpose to intervene in the internal affairs of other countries, but as the President has emphasized, no member of the United Nations can claim that violation of internationally protected human rights is solely its own affair. It is our purpose to shape our policies in accord with our beliefs, and to state them without stridency or apology, when we think it is desirable to do so.

Our policy is to be applied within our own society as well as abroad. We welcome constructure criticism, at the same time as we offer it.

No one should suppse that we are working in a vacuum. We place great weight on joining with others in the cause of human rights.

The United Nations system is central to this cooperative endeavor. That is why the President stressed the pursuit of human rights in his speech before the General Assembly last month. That is why he is calling for United States ratification of four important human rights covenants and conventions, and why we are trying to strengthen the human rights machinery within the United Nations.

And that is an important reason why we have moved to comply with United Nations sanctions against Rhodesia. In one of our first acts, this Administration sought and achieved repeal of the Byrd Amendment, which had placed us in violation of these sanctions and thus in violation of international law. We are supporting other diplomatic efforts within the United Nations to promote basic civil and political rights in Namibia and throughout southern Africa.

Regional organizations also play a central role in promoting human rights. The President has announced that the United States will sign and seek Senate approval of the American Convention on Human Rights. We will continue to work to strengthen the machinery of the Inter-American Commission on Human Rights. This will include efforts to schedule regular visits to all members of the Organization of American States, annual debates on human rights conditions, and the expansion of the Inter-American educational program on human rights.

The United States is seeking increased consultation with other nations for joint programs on economic assistance and more general efforts to promote human rights. We are working to assure that our efforts reach out to all, with particular sensitivity to the problems of women.

We will meet in Belgrade later this year to review implementation of the Final Act of the Conference on Security and Cooperation in Europe—the so-called Helsinki Conference. We will take this occasion to work for progress there on important human issues: family reunification, binational marriages, travel for personal and professional reasons, and freer access to information.

The United States looks to use of economic assistance—whether bilateral or through international financial institutions—as a means to foster basic human rights.

We have proposed a 20% increase in United States foreign economic assistance for Fiscal Year 1978.

We are expanding the program of the Agency for International Development for "New Initiatives in Human Rights" as a complement to present efforts to get the benefits of our aid to those most in need abroad.

The programs of the United States Information Agency and the State Department's Bureau of Educational and Cultural Affairs stress support for law in society, a free press, freedom of communication, an open educational system, and respect for ethnic diversity.

This Administration's human rights policy has been framed in collaboration and consultation with Congress and private organizations. We have taken steps to assure first hand contact, consultation and observation when members of Congress travel abroad to review human rights conditions.

We are implementing current laws that bring human rights considerations directly into our decisions in several international financial institutions. At the same time, we are working with the Congress to find the most effective way to fulfill our parallel commitment to international cooperation in economic development.

In accordance with human rights provisions of legislation governing our security assistance programs, we recently announced cuts in military aid to several countries.

Outside the government, there is much that can be done. We welcome the efforts of individual American citizens and private organizations—such as religious, humanitarian and professional groups—to work for human rights with commitments of time, money, and compassion.

All these initiatives to further human rights abroad would have a hollow ring if we were not prepared to improve our own performance at home. So we have removed all restrictions on our citizens' travel abroad, and are proceeding with plans to liberalize our visa policies.

We support legislation and administrative action to expand our refugee and asylum policies, and to permit more victims of repressive regimes to enter the United States. During this last year, the United States spent some $475 million on assistance to refugees around the world and we accepted 31,000 refugees for permanent resettlement in this country.

What results can we expect from all these efforts?

We may justifiably seek a rapid end to such gross violations as those cited in our law: "torture, or cruel, inhuman or degrading treatment or punishment, or prolonged detention without charges . . ." Just last week our ambassador at the United Nations, Andrew Young, suggested a series of new ways to confront the practice of torture around the world.

The promotion of other human rights is a broader challenge. The results may be slower in coming but are no less worth pursuing, and we intend to let other countries know where we stand.

We recognize that many nations of the world are organized on authoritarian rather than democratic principles—some large and powerful, others struggling to raise the lives of their people above bare subsistence levels. We can nourish no illusions that a call to the banner of human rights will bring sudden transformations in authoritarian societies.

We are embarked on a long journey. But our faith in the dignity of the individual encourages us to believe that people in every society, according to their own traditions, will in time give their own expression to this fundamental aspiration.

Our belief is strengthened by the way the Helsinki principles and the UN Declaration of Human Rights have found resonance in the hearts of people of many countries. Our task is to sustain this faith, by our example and our encouragement.

In his inaugural address, three months ago, President Carter said, "Because we are free we can never be indifferent to the fate of freedom elsewhere. . . ." Again, at a meeting of the Organization of American States two weeks ago, he said, "you will find this country eager to stand beside those nations which respect human rights and promote democratic values."

We seek these goals because they are right—and because we too will benefit. Our own well-being, and even our security, are enhanced in a world that shares common freedoms, and in which prosperity and economic justice create the conditions for peace. And let us remember that we always risk paying a serious price when we become identified with repression.

Nations, like individuals, limit their potential when they limit their goals. The American people understand this. I am confident they will support foreign policies that reflect our traditional values. To offer less is to define America in ways we should not accept.

America fought for freedom in 1776 and in two world wars. We have offered haven to the oppressed. Millions have come to our shores in times of trouble. In time of devastation abroad, we have shared our resources.

Our encouragement and inspiration to other nations and other peoples have never been limited to the power of our military or the bounty or our economy. They have been lifted up by the message of our Revolution, the message of individual human freedom. That message has been our great national asset in times past. So it should be again.

ARMS AND THE MAN—THE DRUMS ARE BEATING AGAIN FOR THE DRAFT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. STEIGER. Mr. Speaker, James Grant, in the April 25 Barron's, had a superb editorial commentary on efforts to return to the draft. His editorial, "Arms and The Man—The Drums Are Beating Again for the Draft," discusses the arguments that have been raised in favor of a return to compulsory service and the arguments against it.

Grant pokes holes in a number of the attempted justifications for a return to conscription. He notes that military strength stands within 0.1 percent of authorized levels and that "the quality of recruits has rarely been better than it is right now." Furthermore, he points out that no more than 5 to 9 percent of the Defense Department payroll can be laid to the end of the draft and that a return to conscription would save only about $350 million. As he says—

> In Washington, that kind of money doesn't even make the papers.

The Grant commentary makes an excellent rebuttal to those who claim the Army is being too heavily populated by blacks. Particular attention should be drawn to the findings of Rand Corp. defense manpower expert Richard Cooper on the substantial improvement in black test scores. While 12 percent of blacks placed in the top three mental categories in 1953, 40 to 45 percent do today. Cooper rightly contends that the increase of blacks in the military is largely unrelated to the Volunteer Force. In any case, I doubt even staunch Volunteer Army opponents would suggest the United States should employ a quota system and bar blacks from military service if they are qualified. Such an action is abhorrent to our free society.

This gets to the crux of the question of the draft versus a Volunteer Army. As Grant says,

> The issue, rather, is liberty, the right not to be dragooned by the deadliest of lotteries, poked, processed and numbered, sworn to an oath and set to learning the 96-count manual of arms, all for freedom's sake.

James Grant's commentary is one of the most thoughtful, if not the most thoughtful, that I have seen on this debate. I hope it will receive the most careful consideration of all who read the RECORD. His editorial follows:

ARMS AND THE MAN—THE DRUMS ARE BEATING AGAIN FOR THE DRAFT

(By James Grant)

On the evidence available, the only notable event in the military career of Dwight E. Stone was his induction at Oakland, Calif., on June 30, 1973. He took basic training at Fort Polk, La., an easy day's drive from his birthplace in Gulfport, Miss. The record is silent on whether Stone found close-order drill to his liking, or how he passed his days thereafter. He served successively at Fort Monmouth, N.J., Fort Jackson, S.C., and finally, Fort Ritchie, Md., where he was mustered out on Nov. 14, 1974. Stone's discharge was not dishonorable, the Army reports, which, under the law, is all that it can say on the subject. As to Stone's induction, the Army offers no explanation at all. Dwight E. Stone, 24 years old and a free man, was uprooted from home and livelihood to serve as his nation, not then being under arms, saw fit. It may be scant consolation to Stone, but he happens to be the last man treated in this way. Some 800,000 soldiers, 555,000 sailors, 585 airmen and 192,000 marines, volunteers all, serve today solely because they so choose.

Yet, the draft, a burden now four years dead and buried, is by no means unmourned. "The real flaw," charged The New Republic in a recent editorial, "is that the volunteer army isn't volunteer at all, but to an increasing degree, mercenary." William R. King, professor of business administration at the University of Pittsburgh, warns of still higher manpower costs, which already constitute some 60% of the defense budget, and an ever-shrinking pool of recruits. "In the future," he said in testimony before the Senate Armed Services Committee last month, "there is reason to believe that (the volunteer force) might become an untenable economic burden to the nation." "It bothers me," declared Senator Sam Nunn (D., Ga.), whose manpower subcommittee sponsored Dr. King's research, "... that if we continue this program we now have for a period of 15 or 20 years, we are going to have a whole segment of the wealthiest people of our nation who have never served one day for their nation and never even felt inclined to." Though no bills lately have been introduced to revive the draft, the drums are beating.

To be sure, the critics have a small case. Attrition is far higher than expected—30% of all enlisted men are leaving the service before their hitch is up. Navy desertions are running twice those of the Vietnam years. Reserve forces—standby and ready—have fallen 230,000 below authorized strength. There aren't enough physicians in uniform. Conditions for a volunteer force, as Dr. King points out, may never be as favorable as they were for its first four years. Ranks have been thinned from more than three million in 1968 to 2.1 today. Teenage unemployment is appallingly high. A decline in the birth rate will mean steadily fewer 18-year-olds to recruit (just as it will in the Soviet Union).

Once this is said, however, critics find themselves desperately short of ammunition. The quality of recruits has rarely been better than it is right now. The proportion in the bottom mental category, which averaged 20% in the last 13 years of the draft, ranges between 4% and 6% today. Despite a 3% enlistment shortfall through the six months ended March 31, military strength stands within 0.1% of authorized levels. Dire forecasts to the contrary, American life seems no more "militarized" for the draft's demise. And it is plainly less coercive. Blacks are volunteering in record numbers, but the trend, widely deplored, strikes us as irrelevant. Critics contend that the cost of a volunteer army is breathtaking, but can do no better than to lay $3–$5.6 billion of total manpower costs—5%–9% of the payroll—to the end of conscription. The least ambitious scheme for a universal national service would run in the neighborhood of $8 billion. Dr. King, who professes alarm at future costs, concedes that a return to the draft would save perhaps $350 million, barring across-the-board pay cuts that might well speed the day of a military union. In Washington, that kind of money doesn't even make the papers.

Nor need costs be as high as they are. Civilian contractors, who perform maintenance and support duties more efficiently than troops, could do a great deal more. Recruiting pressures could be eased by only slight loosening of physical standards—a 10% extension of maximum and minimium weight limits, according to Martin Binkin of the Brookings Institution, would yield 5% more recruits. The military's reliance on first-term youth, who make up 60% of the armed forces, causes unnecessarily high recruiting and training costs. Some $2 billion could be saved according to Richard Cooper, analyst with Rand Corp., if an even balance of youth and experience were struck.

But opponents have more on their minds than the foibles of management. Since 1964, black enlisted men have risen from 10% to 17% of overall strength; they have doubled as a percentage of Army ranks, from 12% to 24%. To the New Republic, at least, the trend is ominous. Presumably, the magazine comments, "these 'volunteers' are the desperate unemployed who could find no other work, but felt they had to have a career of some kind." The premise—that only desperation could drive young men and women do job training, free food, housing, medical and dental care, $374 a month in cash, liberal retirement benefits and the genuine adventure of military life—is both patronizing and dubious. The implication that the volunteer army alone accounts for rising black enlistments ignores fact.

Not that it matters, or should matter; if relatively more blacks than whites, choose to serve, then by all means let them serve. If Jones wants to enlist and Smith doesn't, the New Republic says in effect, Jones mustn't be black and poor. If he is, then conscript Smith, who is white, thereby saving Jones from himself.

Neither is the point the "militarization" of American life, a threat seen in the ubiquity of Army brochures and, indeed, in the very existence of a professional fighting force. Under the draft, the military, then the war—one so senselessly conceived and carried out that it could only have been waged with conscription—preoccupied a generation, filling law schools and graduate programs with refugees. A new draft, critics say, would ensure the representation of liberal values within the military, yet 60% of the ranks nowadays are fresh from Main Street. A professional officer class has always lived apart.

In the end, debate must turn on neither money nor management nor race. The issue, rather, is liberty, the right not to be dragooned by the deadliest of lotteries, poked, processed and numbered, sworn to an oath and set to learning the 96-count manual of arms, all for freedom's sake. Conscription's more forthright friends own up to another interest in this matter—the use of national service in national management.

Blacks, after all, bore a disproportionate burden under the draft. Wages were low, the uniform unfashionable. Whites, in far greater relative numbers, found a way out. From the early Fifties through the Seventies, according to Cooper, blacks in mental categories one through three—the upper 70% of the population in measurable aptitude—have served in roughly twice the proportion of whites. First gradually, then suddenly, however, black test scores improved. Whereas 12% placed in the top three categories in 1953. 40%–45% do so today. "Although the numbers of blacks entering the military has increased steadily during the Seventies," Cooper concludes, "the increase is largely unrelated to the volunteer force. . . ." As to Senator Nunn's concern that rich men's sons may escape the sergeant's boot, Cooper adduces surprising data. Based on an ingenious study that correlates Zip Codes with enlistment patterns, he concludes that scions of the well-off (those not attending school) have volunteered at a rate almost exactly proportional to their numbers in the population. Aims so to speak, and the Man.

"Through the deferment system," writes Dr. King, "some people could not be channeled into skilll areas which were of critical need to the nation. Since no individual was coerced to change his occupational choice, such procedures may be considered to be motivational planning and management tools lost under the (all-volunteer army)." To Senator Sam Nunn, even a "minimally coercive" draft would require 18-year olds to register and sit through "an orientation program," designed to stir up interest in some form of national service. "I need three volunteers," cynical sergeants have barked since time immemorial, "you, you and you." In Washington nowadays civilian voices are echoing the threat.

PROTECTION FOR MOTHERHOOD

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. SARASIN. Mr. Speaker, once again we are being asked to seriously consider establishing another bureaucratic albatross, the Consumer Protection Agency. I remember the President requesting that we aid him in streamlining the present system—to help him make it more efficient. Somehow, I think this is not quite the approach we should be taking to meet that end. Perhaps if we were to examine the efficiency and effectiveness of existing consumer agencies, the need for reorganization, not addition, would be apparent. Would it not be better to improve our present Government units for consumer protection—to try to control and possibly even reduce the unacceptably high level of duplication and inconsistency in the existing maze of regulations?

We already have an Office of Consumer Affairs, headed by a Special Assistant to the President. In addition to that Office, there are numerous consumer representatives functioning throughout the Government. It is this duplication and waste in Government that is such a burden to our taxpayers. Let us protect the consumer from another agency.

I think a recent editorial in the Waterbury Sunday Republican is an excellent statement on this issue, and would like to have the text of that article inserted in the RECORD at this point:

PROTECTION FOR MOTHERHOOD

Voicing support for the consumers of America is akin to speaking out in defense of motherhood. Therefore U.S. Sen. Abraham A. Ribicoff and others have no compunction about hailing the proposed Consumer Protection Agency. He and others are almost daring opponents to admit they are "anti-consumer."

The proposal will permit Ralph Nader to dust off his slightly tarnished armor and sally forth again as the protector of the innocent consumer.

Neither Ribicoff nor Nader nor the others who favor the creation of the new bureaucracy predict the cost to the consumer. Sen. Charles Percy, Illinois Republican, has estimated the cost at $15 million the first year, $20 million the second and $25 million the third. Wanna bet!

If Ribicoff and the others would be honest with the public, then his bill could be assessed more fairly. But he ignores the countless governmental agencies—some estimates exceed 400—presently operating programs designed to benefit consumers. There are more than 1,000 different consumer-oriented programs at present.

Whom does OSHA protect, if not consumers? Was the Federal Drug Administration created to protect drug manufacturers? What about the Federal Communications Commission, the enforcers of anti-trust laws, the Food and Drug Administration, the Employment Standards Administration, and the host of other alphabetical units with staffs paid for by taxpayers?

Let's not deceive the public into thinking that every one of the existing governmental agencies was created merely to protect the industry and to oppress the consumer.

There is already fighting among agencies with some, for example, proposing that more coal be used to reduce oil imports and others prohibiting the use of coal to avoid air pollution.

Just imagine what will happen when the Consumer Protection Agency starts fighting with consumer protection bureaucrats already on other agency payrolls. The end result will be court cases which will negate all progress because the courts today are not noted for speedy decisions.

Meanwhile the consumers will pay the bill for federal employees in two different departments with two sets of opinions, for court staffs to evaluate them, and for the extra expense imposed on industry. The $25 million cost estimate by Sen. Percy is the tip of the iceberg.

Look at the controversy over saccharin. The pending prohibition is supposed to be in the interest of consumers. But the consumers of this nation won't abide by the decision and have told their congressmen so in no uncertain terms. Even Cancer Society authorities question the merits of the restrictions.

Yes, opposing consumers protection is like opposing motherhood. But medical experts will agree that there are times when motherhood can be harmful to health.

The Consumer Protection Agency backed by Ribicoff and others will cost consumers more than they will save—if they save anything.

ENERGY CROSSROADS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. SYMMS. Mr. Speaker, the United States today is at an energy crossroads. We have the highest technology in the world, the highest standard of living, and a number of excellent options available to develop energy supplies which would give us a rising standard of living for hundreds of years into the future.

Unfortunately, an attitude of fear, ignorance and superstition similar to that of the Middle Ages is sweeping the country. We still cannot understand why they arrested Galileo for saying the world was round or opposed the voyage of Columbus on the grounds that he would sail his ships and crew over the edge of the world. We still do not fully understand why the peasants and the people of the Middle Ages remained in darkness and poverty for so long.

However, maybe now it will be easier to understand because we are not beginning to experience the same kind of problem which caused the ignorance and poverty of the Middle Ages. Only this time, the "superstitions" and fear involve nuclear energy.

In my opinion, the failure to use and develop nuclear power will spell the end of Western civilization. While certain energy sources such as solar, wind, and geothermal will certainly assist in solving our future energy needs, they can never be enough to maintain a high level of civilization when the fossil fuels are depleted. Conservation is good and should be encouraged; however, conservation does not mean that our fossil fuels will last forever, it simply means that they will last a little longer.

The following item appeared in the Washington Post on April 29, 1977, and deserves thoughtful consideration:

TO THE STOCKHOLDERS OF ALLIED CHEMICAL: CAN WE DISCARD AN ENERGY SOURCE EQUAL TO 300 MILLION BARRELS OF OIL?

(The following is excerpted from the remarks of Chairman John T. Connor at the Annual Meeting of Stockholders of Allied Chemical in Morris Township, New Jersey, on April 25, 1977:)

I want to say that I agree basically (with President Carter) that we must make a major effort to conserve energy and to improve energy use efficiency.

But we can't save enough through conservation to make up for the expected shortfall in oil and gas production in the years ahead . . . I think we must increase our use of coal, we must drill offshore for gas and oil, we must encourage new methods of recovering a greater percentage of oil and gas from old reserves, we must develop solar power, we must expand our nuclear power industry.

Unfortunately the President made a policy announcement, two weeks before he unveiled his energy recommendations, that reduces the potential energy output of our nuclear power industry. The decision, revealed as part of a program intended to discourage the proliferation of nuclear weapons throguhout the world, postpones indefinitely the commercial reprocessing of nuclear fuel in the U.S. Subsequently, in his message to Congress last week. President Carter said the United States will defer indefinitely commercial reprocessing and recycling of spent fuels produced in U.S. civilian nuclear power plants.

That, of course, affects America's proposed energy policy in an important way. It also affects Allied Chemical very directly. For the last seven years we have been building, in partnership with the General Atomic Company, which is jointly owned by Royal Dutch Shell and Gulf Oil, a plant at Barnwell, South Carolina, to reprocess and recycle spent nuclear fuel.

Let me tell you how we got involved in the reprocessing business.

Our first participation in the nuclear fuel cycle dates back to 1955, at the time of the beginning of America's program which President Eisenhower called Atoms for Peace. The Atomic Energy Commission asked for bids to convert its supplies of uranium ore concentrate into uranium hexafluoride, a process which is a necessary step in the manufacture of nuclear fuel. Allied Chemical made the successful bid and subsequently built a plant at Metropolis, Illinois, to do the conversion work. We are operating that plant today, producing UF6 that goes into the manufacture of fuel rods for the nation's nuclear generating stations. It's a profitable operation.

Because of the experience gained in uranium and fluorine technology at Metropolis, Allied Chemical responded when the government began to encourage private industry to enter the fuel reprocessing field. It was a logical move for Allied Chemical, since reprocessing of nuclear fuel is basically a chemical operation. In 1966 Allied Chemical, in partnership with Aerojet General Corporation, entered into a contract to manage and operate the A.E.C.'s nuclear test reactors and chemical reprocessing facilities at the National Reactor Testing Station near Idaho Falls, Idaho. Of course we gained valuable experience in nuclear technology from this operation. Incidentally, Allied Chemical is today the sole operator of this facility, now called the Idaho National Engineering Labortary, under contract to the Energy Research and Development Administration.

In the meantime, the A.E.C. continued to encourage private industry to enter this field with its own plants. It did so in various ways—through public statements, by making reprocessing technology available and by adoption of a formal policy statement. As early as 1962, during the Kennedy Administration, the A.E.C. testified before the Joint Committee on Atomic Energy that it considered privately owned nuclear fuel reprocessing facilities an important factor for a self-sufficient nuclear power industry. In 1967, during the Johnson administration, the A.E.C. issued a policy statement which said, "the A.E.C. expects chemical reprocessing services to be contracted for between reactor operators and commercial fuel reprocessors without involvement of the A.E.C."

It was in this atmosphere, and in the belief that reprocessing offered a good business opportunity, that Allied Chemical applied for a permit, on November 7, 1968, to build a reprocessing facility. Two years later, on December 18, 1970, we were granted a construction permit by the A.E.C. to build a reprocessing plant, and work got under way at Barnwell the following month.

We and our partners worked closely with government nuclear safety experts, revising our plans many times to incorporate new and more elaborate safeguards required by the government at great cost. At all times we cooperated closely with the government, whose position continued to be clearly in favor of the development of a privately operated nuclear industry.

Despite the increasing anti-nuclear propaganda mounted by special-interest groups in the last couple of years, we have continued our financial support to permit completion of the Barnwell facilities as originally planned. In 1977, Allied Chemical's share of capital expenditures and current expenses will be about $11 million, and our total investment in facilities to date is $105 million.

Today, portions of the plant are complete and almost ready for use. But we do not have an operating license because of unduly protracted licensing hearings, continuing shifts in government policy and a court decision which has barred interim licensing until a generic environmental hearing, also greatly delayed, is completed. The matter of interim licensing is before the United States Supreme Court for review. But, with the President's recent statement on proliferation, the administration has taken a position that is the exact opposite of the government's long-standing position on reprocessing. Whereas the government once actively sought to induce companies to enter the reprocessing field, the administration is now publicly discouraging the idea of permitting the utilities to have their fuel recycled.

Allied Chemical and its stockholders are paying a heavy price for the government's failure to support a program it induced. We may have to pay an even heavier price, but we are working hard to try to make clear to the government's energy policy formulators the unique asset that Barnwell represents.

Reprocessing is important to our energy supply because it enables the utilities to get 50 percent more electricity out of every pound of uranium. In full operation, Barnwell would recover and recycle the energy equivalent of one million barrels of oil every operating day—some 300 million barrels a year. Even at the modest price of $10 a barrel, that would be the equivalent of $3 billion a year in imported oil. In light of President Carter's call for a strong, mandatory energy conservation program and the elimination of wasteful practices in the use of all forms of energy it is inconceivable to me that the government will direct this country to throw away the productive use of the energy equivalent of 300 million barrels of oil a year. Is that a sound conservation policy?

This huge contribution to energy supply is the reason other countries, especially those which don't have our domestic energy resources, will resist a U.S. attempt to discourage reprocessing of spent nuclear fuel in the existing and future light water nuclear reactors. Fourteen other nations already have some reprocessing capability and most have indicated their determination to use it for light water nuclear reactor fuel. Some of them can and apparently will go on to use the extracted plutonium in breeder reactors when they are developed, but that is a separate issue for future determination.

We believe the best way to prevent weapons proliferation is to discourage the growth of numerous small national recycling plants by concentrating reprocessing in a few large, secure centers operated under international control, perhaps under the International Atomic Energy Agency. The fact is that the United States cannot wish plutonium out of existence. Plutonium is now being produced every day in the existing light water nuclear reactors in many countries all over the world. The real question is, what do the public utilities do with the plutonium and unburned uranium in their spent fuel rods?

Barnwell offers a sound opportunity to work out safe controls in the use of plutonium. We have proposed that the government put it to work as a demonstration or evaluation center.

If Barnwell goes unused, our government will lose the opportunity it now has to persuade other nations that the number of reprocessing plants in the world should be limited and controlled. In short, the United States may lose forever the chance to participate in establishing effective international safeguards. And the United States may also lose forever an opportunity to lead the world toward safe handling and disposal of radioactive wastes from commercial nuclear reactors.

JOHN T. CONNOR,
Chairman, Allied Chemical.

FOOD AND POPULATION: VIII

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. RICHMOND. Mr. Speaker, in the April 24 edition of the Washington Post, an article entitled "Is This the End of the World's Golden Age?" appeared written by Theodore A. Wertime.

This article is excellent. In vivid colors, Mr. Wertime, an archeologist and lecturer, paints the history of this century, identifying the growth in world population—resulting in a rapidly rising demand for energy, food, housing, Government services, and machines—as the primary tragedy of our time.

The consequences of instability in our political and institutional arrangements, and of the rapid convergence of nearly all these problems are the twin dangers of our time. Coupled with what Mr. Wertime identifies as the other tragedies of this "Golden Age"—the failure of the developing nations to alleviate their poverty and the wastefulness of the affluent countries—population growth is heading mankind toward a disaster perhaps far more serious than nuclear war. The President of the World Bank, Robert McNamara, in an address of April 28, 1977, said that—

> In many ways, rampant population growth is an even more dangerous and subtle threat to the world than thermonuclear war, for it is intrinsically less subject to rational safeguards, and less amenable to organized control.

The article by Mr. Wertime is timely and necessary and I urge my colleagues to examine it carefully:

IS THIS THE END OF THE WORLD'S GOLDEN AGE?

(By Theodore A. Wertime)

It is no easier for a civilization to accept the facts of its aging than for a man or woman to do so for themselves. History is littered with the corpses of societies that failed to read the true portents of their threshold moment—that point at which the bell curve of exponential growth, prosperity and rising life expectancies began to turn downward toward decline.

Despite the autopsies conducted by 20th Century minds ranging from Oswald Spengler to Lewis Mumford, many people continue to believe that technology will inevitably rescue our own civilization in any pinch. And yet, a bare 30 years after Henry Luce's proclaimed "American Century," we accept as normal the gross and permanent depletion of our oil and natural gas, diminished research in agriculture, an unemployable body of baby boomers, inner cities in decay, a government lost in well-meant paper costing perhaps $100 billion a year, contingent national governmental commitments of $6.4 trillion, education grasping for a purpose.

Our crisis is not simply that of energy. It is one of self-indulgence on a gigantic scale.

To the historian, we seem to have compressed the final 400 years of the New Kingdom of Egypt and the final 200 years of Imperial Rome into the last decades of the 20th Century. We cannot credit technology as being our villain or our savior. The touchstone of a healthy civilization has always been its capacity to govern itself: to identify problems and to keep ahead of them by managing its technologies as well as its institutions.

The verdict that we are in trouble comes from four phenomena largely but not entirely peculiar to the present situation:

1. The fact of convergence, that nearly all problems—energy, government costs, trade, productivity, inflation, unemployment, international relations, demography, weather and even geophysics—are ever more interconnected and mutually reinforcing. It is not simply that a failure of crops in the Sahel, the Soviet Union or the United States has world repercussions. Such failures place a progressively greater strain on the structure of all institutions: prices, energy, banking, credit and governance. One can see this convergence in a physical way in the saturation of people and cars in such cities as Cairo, Rio or Bangkok, or in the declining nutrition of such countries as Indonesia as they have abandoned dependence on their own agriculture and come to import food from the United States.

2. The rapidity of world growth over the past 30 years in men, machines, energy consumption, demand for food and the service sector of government, amounting before 1970 to a doubling in most categories in about 15 years. The growth curve is really a bell curve, which can move downward along the same trajectory as that along which it rose: that is, unless constantly new input of technology, capital or cheap materials are injected into it. The most menacing fact is the probable exhaustion of world reserves of petroleum and natural gas by the year 2025, however many new superbasins are found.

3. The instability of political arrangements, particularly when competition for ever scarcer resources takes place. The United States functions in a web of international understandings, any single strand of which is essential to the whole. We depend today no less, and possibly more, on the oil resources of desert Saudi Arabia than on the contributions to NATO and Western defense of industrialized West Germany. In reverse fashion, our role as generator of capital or as consumer has incalculable ef-

fects on countries as remote from each other as Iceland and Korea.

4. The tendency of technologies to live a life of their own, true in all eras but especially ours. The automobile has become the sorcerer's apprentice of our society, consuming our precious petroleum at will and setting itself up as the bellwether of economic prosperity.

How fragile or durable, then, is the fabric of our particular future? How does one demonstrate that, unless we move drastically and with great speed to apply a new ethic of extracting less from nature, but with more equitable distribution and a technology to match, we too can go the way of the Hittites and the Romans?

A BRIEF GOLDEN AGE

There is a paradox here. The mid-20th Century, with all its frailities, was possibly the Golden Age of History. With Hitler and Stalin laid to rest, longevity rising everywhere in the world, movements afoot to bring political self-determination to all nations, treaties to govern the Antarctic and outer space on the books, such limited manifestations of cold war as Korea and Vietnam could even conceivably be excused. Man could strive for a wider variety of accomplishments, and with greater freedom of movement than ever before in history. Mechanical slaves capable of doing the dirtiest work, from automobiles, bulldozers and telephones to computers, brought hope of surcease to laborers everywhere. They were able to do so because of cheap energy.

Despite the era's imperfections, in no other age of history has individual lives been more precious, hope more widely spread about, morality more internationally prevailing.

The tragedies of this Golden Age were three.

1. The overgrowth of populations of machines in the developed countries and of men in the developing countries.

2. The consequent failure of the developing countries to catch up in any ways in standard of living and access to resources.

3. The wastefulness of the affluent countries, led by the United States helping to cause gross inflation on a world scale.

Thus, by the early 1970s, the world's greatest experiment in prosperity and equalization came to an end. World wealth would be transferred again and again by the rise in tin prices in 1973, in petroleum prices in 1973, in coffee prices in 1977, to name a few examples. But simple finiteness precluded that ever again would society be able to experience the quantum extensions of personal well-being of the 20th Century. One could mention a host of names and achievements, but high on the list would be Thomas Edison and the practical applications of inventiveness; Henry Ford and mass production; Alexander Fleming, penicillin and the dramatic drop in death rates. Any great adaptations of technology in the future—and certainly the necessities of the moment will force us into gigantic technical adoptations of everything from recombinant genes to solar and fusion energy—will go toward keeping the world from a major decline rather than toward world expansion.

This, by the way, is not the first example of growth curves cut off in full bloom. By all accounts the toppling of the civilizations of the Minoans, Mycenaeans, Hittites and Pharaonic New Kingdom of Egypt around 1100 B.C. rudely chopped off one of the most blossoming graphs of expansion in mankind and economic production in all history. It led to the first great Dark Ages in recorded Mediterranean events. Some historians credit drought for the debacle, others the movement of sea peoples. Minoan Crete may have been done in by the eruption of the volcano of Santorini. But prosperity returned only when entirely new iron age societies such as classical Greece, the Hebrew kingdom and the Etruscans emerged after half a millennium.

Thirteen hundred and fifty years later, the whole Mediterranean, governed by Rome, experienced a similar demographic bloodletting. Edward Gibbon tells us that from A.D. 250 to 265 the plague raged in every province and city of the Empire, at one stretch killing off 5,000 persons a day in Rome. The antecedents were many: drought, war, misgovernment, rapine, famine and interruption of trade. When it was finished, half of the population of the Roman Empire was gone and cities like Alexandria were shells of their former selves.

CHANGE IN THE WIND

One's sense of imminent shock in American and world history traces itself to the crisis in gold in 1970, the run on the dollar in 1971 and Nixon's New Economic Policy, the Arab oil embargo of 1973 leading to the tripling of prices of petroleum and doubling of prices of electricity, the cold winter of 1977 and the American-Chinese droughts of 1977. These are events not only in the newsworthy sense of the world, but markers of a world and American society on a road of rapid retreat from growth, into a retrenchment that is still hard to fathom, and with a much greater awareness of the vicissitudes of nature.

The demographic accompaniments of this period have been charted for us by Lester Brown in a Worldwatch Institute paper on population trends and by a Population Reference Bureau paper on "Rural Renaissance in America." Brown's paper tells us that world population growth peaked about 1970 and, despite certain dramatic exceptions such as Egypt, began to decline in the face of growing hunger. The Population Reference Bureau indicates that in 1970 Americans began to beat a retreat from urbanism and growth. They gave birth to fewer babies and migrated not only to the South and West but from cities to all rural areas.

The anticipatory shudders of great change in the wind do not come solely from the demographic breezes blowing, but from the appearance of convergence in nearly all events.

Let us look with a historian's eye at contemporary examples of the accumulating paralysis of planning and administration of modern life owing to convergence. Even natural events, thought in the mid-19th Century to be under human management, are reintruding into the modern calculus in much the manner that they encroached upon the cities of Sumer or Egypt 5,000 years ago, when those cities began to worry about their supplies of food and materials.

Today we use our sophisticated technologies to fathom future weather for its effect upon our delicately balanced food equation. We also keep an eye on such rare phenomena as the ozone layer, the buffer for living things against cancer-producing ultraviolet rays. During the past two months, the ozone layer has "heated up" again as an item of news owing to impingements from three technologic forces. They are as far removed from each other as the Concorde SST, the aerosol can and the newest defined menace—the widespread use of nitrogen fertilizers in agriculture.

Equally convergent and socially more urgent is the subject of energy. A new study of the dangers of nuclear power, prepared by three scientists of Clark University in Worcester, Mass., takes the most critical stand possible toward nuclear plants, now a fading energy resource for the United States. But its findings, not unexpectedly, are full of ironies. Not least is the fact that, weighed against the total spectrum of occupational hazards, population hazards, environmental degradation and catastrophic hazards, both coal and hydroelectric power offer higher risks of death than does nuclear power. This is another way of saying that the uncalculated risks of dying in coal mine cave-ins or from miner's lung or from sulphur dioxide or carbon dioxide in the atmosphere are not less, and are probably larger per capita, than the calculated risks from the processing and use of uranium in modern reactors.

What was significant about the study was the price that we pay for *all* modern sources of energy (as well as certain traditional ones). Like driving an automobile, conventional sources of energy are treated uncritically as burdens on human ingenuity and survival. Nuclear energy happens to stand out because of what Alvin Weinberg, former director of the Oak Ridge atomic laboratory, characterizes as "our Faustian bargain," the vigilance required for nuclear wastes over thousands of years (and, one might add, because of the question of who has access to plutonium in an age of nuclear proliferation).

Ozone and nuclear power are two threats to the stability and administration of contemporary civilization that come under reasonably constant scientific scrutiny. But what about the broader web of society and politics? One can choose mutually impinging events almost at random from the daily paper and again demonstrating a geometrically mounting feedback:

Riots against President Sadat's regime in Egypt because of administered rises in prices.

Announcements that American military pensions now take $9 billion out of the military budget as contrasted with $1.2 billion in the early 1960s.

The renewed threat of default by the city of New York in its wages and salaries, a threat terminated only when, as one financier put it, the city hocked even "its kitchen stoves."

A concern that Washington Metro would default on its bonds.

Each of these seems to have been an isolated strand in American and international life until one looks at the cumulative web, showing that each issue raises mounting levies on the credit of the United States, whether private or public.

One must recall that just a year ago two of the big six banks of New York City were placed on the Federal Reserve watch list for overextension of credits to the developing countries. As energy costs rose, the poorer countries were going into hock for some $40 billion each year for deficit financing; American schools, cities and counties were also feeling the strain of mounting energy costs.

Given our technology, American credit is seemingly limitless, until one estimates, as did Jack Anderson recently, that the total of American obligations is now some $6.4 trillion, wrapped up in Social Security, veterans' payments, welfare and the like. It is a contingent debt, the calling of even a part of which would imperil the total fabric of American finance.

AMPUTATING THE EARTH'S WINGS

Scale, magnitude, a very slippery balance of forces. A U.S. government with an estimated $6.4 trillion in contingent commitments. Military pensions at $9 billion a year. A drought over 60 per cent of the United States that could dwarf our capacity for disaster relief. Instability in Egypt and other Fourth World countries. Endemic water problems that blanket the West and that assure that even geologic water is now being irreparably exhausted. American imports of petroleum at $40 billion per year. An atmosphere threatened by coal, Concordes, aerosol cans and nitrogen fertilizers. Convergence on a scale perhaps unknown in history; but in form not unlike the convergence upon the Egypt of Ramses XI at the end of the New Kingdom, or the Rome of Diocletian in the closing days of the 3d Century A.D.

One aspect of the converging famines in energy comes down to us directly from the era of the Rameside pharoahs: deforestation of the earth's surface. First recorded when iron and glass became dominant materials in the Mediterranean about 1100 B.C., it led to the erosion of the Greek islands and the spreading desert in North Africa and the Middle East.

Blame fire-using man rather than the goat for the world's first two crises in energy. One, just noted, encouraged the Romans to organize a metal-yielding imperium in forested Europe. The second, some 18 centuries later, forced the wood-short countries of western Europe, led by England, to organize an Industrial Revolution based upon coal and steam.

But the deforestation of the world has not stopped and, by conservative estimates, goes on at the rate of 14 acres a minute.

The facts are set forth in Erik P. Eckholm's "Losing Ground," a 1976 study of world biologic environments. No one can browse casually in these denuded terrains, any more than one can be lighthearted about Amazonia. To watch the erosion of the Black Sea coast as forests of beech disappear; to join an energy team in briefings in India or Indonesia or the rapine of the slopes of the Himalayas or of Kalimantan; to hear Africans describe their personal search for charcoal; or to see the shipments of charcoal leaving Somaliland for the Persian Gulf is to see disaster converging from all sides. Earth is indeed a spaceship and we are cutting off its wings.

If the 1940s to the 1970s were a Hellenistic Golden Age (with merely the first symptoms of decadence and malaise), how much in the non-affluent '70s can we be said to have declined? The answer is not easy to give, simply because a great deal of our affluence was waste.

Our input into basic research has dropped by 40 per cent since the 1960s. Then again, a great majority of such research was spawned mainly for defense and for the space effort.

In a recent article the conservative economist Milton Friedman reminded us that the federal government now disposes of 40 per cent of America's gross national product. It is a figure which, as Friedman notes, puts us dangerously close to Chile and Britain on the road to authoritarianism.

A related symptom of decline has been our slowing growth in productivity, observed in 1974–1975 by economists Charles Kindleberger and Robert Gilpin. During the 1960s and '70s we no longer were a technologically creative society; like England, we had become more interested in consumption than production. The failure to act defensively on any major energy front in the three years since the Arab embargo of 1973–1974 is not simply a symptom of Watergate, but a symptom of a federalized leadership incapable—at least until now—of setting priorities on even the most basic needs. But the same can be said of warnings by such climatologists as Reid Bryson that the termination of the golden years of weather of the mid-20th Century required us to think of stockpiling food and conserving water on a large scale.

FACING ALTERNATIVES

In a threshold moment, weakness becomes strength if—and only if—it galvanizes a society to rapid innovation. The innovation, one must hasten to add, must fit within the old institutional frame of the society; methane, hydrogen, liquefied or gasified coal, or electric energy for a society geared to fluid energy; a new federalism—strong regional governments capable of tackling problems in terms of logic economic units, not arbitrary state borders—for a society geared to an old federalism. But innovation, not revolution. Total revolutions which tear down the old walls of society are almost always counterproductive.

Despite the objections of environmentalists to technologic fixes, one ingredient of the new era must be an industrial revolution that looks to other sources of energy than fossil fuels. We may have to buy time with unpalatable high technologies such as nuclear reactors, consolidated into nuclear parks in geologically stable areas such as Minnesota. But energy-conserving low technologies can help. New modes of building and insulating houses, small-scale production of food and fiber by householders, waste and water conservancy by individuals and communities, education and management through electronic systems, are all on the horizon of what are today called "appropriate technologies."

A plethora of new devices is waiting in the wings to take over as the engine of fossil fuels and contemporary materials runs down. The inventiveness of San Francisco residents in building means to recycle scarce water within their homes is but one example.

If new technologies are in the wings, waiting also is political change of a vast order, mainly toward a more authoritarian order, superimposed over a more diversified society. Given our energy and other pressing problems, the year 1980 is probably the cutoff date for serious progress toward a more conservationist and productive technical society—one geared to more widespread output by more persons in smaller units. After that, events will become less and less amenable to socio-technical persuasion and will require ever larger applications of political force.

Thresholds do not wait, especially those timed to exponential changes in resources. King Hubbert of the U.S. Geological Survey reminded us during the 1960s that American reserves of petroleum and natural gas would be consumed along a gaussian or bell curve. And consumed along such a curve they were, starting to run out in 1970 when he said they would. The threshold of the society as a whole is no more forgiving than that of the resources upon which it is based. That society which rises exponetially falls by the same geometrism—unless it is adapted to new organization as well as to new technologies.

For convergence is not simply complexity and interdependence in an ever more technologic planet. It is the multiplyingly deleterious feedback of institutions subjected to ever more overlapping impingements from malevolent forces. It belongs to an era of leveling of geometric growth, saturation of frontiers by men, animals and machines, mercantile competition for the pie of resources, autonomous technologies that defy control.

But it does not have to happen in this way. The most outstanding exception to the bell curve may be the moment of the birth of these United States in the late 18th Century, which saw the convergence of at least four revolutionary movements.

Richard G. Wilkinson in his recent "Poverty and Progress" expressed the view that, under the pressure of population growth, exhaustion of forests, land shortage and medieval inhibitions, 18th Century Europe had about run out its string.

What saved it was not simply the safety valve of migration to the American and Russian frontiers, but the opening of the new horizons of the Industrial and Scientific Revolutions. The two choices of the day were expressed by that which happened in 1789 in an England shorn of its American colonies and in a France still ridden with medieval institutions. The British choice was a peaceful institutional and technologic passage through the threshold, called "Industrial Revolution." The French choice was a violent political attack upon the threshold, called "French Revolution."

Jimmy Carter has not overstated the contemporary challenge. Modern society rides largely upon fossil fuels. (In an era without horses, an acre of American corn requires 80 gallons of gasoline to grow and get to market.) Cheap energy has been the foundation of all our productive technologies. The threat of destructive feedback dwarfs that of any other material shortage in recorded history.

The specifics of Carter's energy program are not the issue here. But, as in the 18th Century, we have our choices. We can launch a quiet, disciplined national effort to deal with the basic challenges boldly—and with the help of new technologies—but within the framework of our institutions, carrying out a benevolent, peaceful revolution rivaling those of William Pitt the Younger or Franklin D. Roosevelt. Alternatively, we will have to utilize ever tougher political controls to administer ever scarcer resources and to restructure a society unaccustomed to privation. Failure to do one or the other will lead to the rapid obsolescence of our society or to civil strife or both.

PROTECTING CONSUMERS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. TEAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include two editorials which appeared in both the Dallas Morning News and the Dallas Times Herald with respect to Mr. Carter's suggestion for the creation of an "Agency for Consumer Advocacy." It seems to me that the creation of such an agency would just be adding an additional burden to the taxpayers of this country:

[From the Dallas Morning News]

SUCH A NERVE

To contemplate the frustration of those who style themselves "consumer activists" is to enjoy a kind of perverse satisfaction. Seven years have the consumerists labored to bring forth a federal Consumer Protection Agency, and there is not, we rejoice to say, such an agency yet in existence.

The problem is that we may have one by the end of the year.

Where his two predecessors were loathe to give a Consumer Protection Agency sweeping powers to "speak for" consumers, Jimmy Carter is heartily in favor of the notion. The agency he proposes to create would be called the Agency for Consumer Advocacy, but the distinction between it and the Consumer Protection Agency would likely prove a fine one. "Advocates" always see themselves as protectors anyway.

Protectors of whom? Of all of us—rich, poor, smart, dumb, old, young, white, black. To the consumer activists we are all "consumers." We all think alike. We have the same interests.

This is of course the most impudent kind of nonsense, but it is the orthodoxy of the consumer advocacy movement. It is the orthodoxy that the massively Democratic Congress may be expected to engrave on tablets of stone once it gets around to acting on Carter's proposal.

What makes this sort of thinking nonsensical? Let us dwell on just one example—energy prices.

Consumerist—or, if you prefer, Naderite—orthodoxy holds that the lowest prices are the best prices. You see consumerists therefore crusading against rate increases for utilities and lobbying against deregulation of natural gas prices. Viscerally, many of us want to cheer them on, the prospect of higher, even higher, prices being no pretty one.

But then arises the question: Where is the realistic alternative to price increases? The utilities must cover their costs, and so they must raise their rates. The natural gas producers need the spur of higher prices to get them looking for and producing new supplies of natural gas. Is this not plain to us by now? For 23 years interstate natural gas prices have been regulated at a rate too low to encourage long-term replacement of supplies. In consequence, we are running out of natural gas.

Besides affording economic incentives, higher prices encourage conservation. We are told that utility bills this summer will be ghastly. Very well; we raise our windows, and turn on the buzz fans.

In fine, the matter of low prices is not so simple as the Naderite zealots suppose it to be. Which means there are widely divergent views on how the federal government should proceed with regard to energy prices. This being the case, it makes no sense to endow any bureaucrat, or any bureacracy with the power to represent the "consumer viewpoint" on this matter. There is no one consumer viewpoint, and the consumerist who pretends there is, is talking through his hat.

Of course this scarcely means that the consumer agency bill will not pass, and that various consumerists will not thereafter try to fob themselves off on us as our "spokesmen." No, the point is that they will be imposters. And we all know just how carefully imposters are to be listened to.

[From the Dallas Times Herald, Apr. 8, 1977]

Protecting Consumers

President Carter pledged during his campaign that one of his principal goals would be the reduction of the number of government agencies and an attack on bureaucratic red tape which frustrates citizens and adds billions to the cost of government.

Ignoring these promises, President Carter has now asked Congress to create an "Agency for Consumer Advocacy," an unguided missile which can create havoc in the functioning of government—all in the name of protecting the consumer.

It is our view that consumers are not a unique group standing apart from the rest of the citizenry. All of us are consumers; all of us are affected by the activities of all levels of government. The federal government is not an enemy of the people, nor a monster out to maul the consuming public.

The President and most governmental agencies may indeed need consumer advisers to insure that adequate attention is given consumer interests, but the creation of another bureaucratic conglomeration with vague powers and guidelines is an unnecessary and potentially dangerous move.

The Congress itself is, or ought to be, an "agency for consumer advocacy." Its members can make certain that consumers are heard during consideration of legislation and existing federal agencies can be instructed to be more sensitive to consumer needs.

But the Carter program, already embodied in legislation now before Congress, would establish an agency with a budget of $15 million, charged with advocating the views of consumers before other federal agencies. It could, for example, urge the Federal Communications Commission to set telephone rates that benefit consumers, take a position on whether the Food and Drug Administration should ban saccharin, advise the State Department and the White House about actions in regard to coffee agreements or shoe tariffs that might help hold prices down, and lobby for or against grain sales to foreign countries.

It could take another agency to court if it thought a given decision ignored consumer views. Exactly how the agency would operate would depend on the decisions, or whims, of the President and the person he names to head the consumer agency. The legislation does not define consumer interests nor provide any predictability as to the government's attitude when different groups of "consumers" have conflicting interests.

President Carter's special message to Congress also urged legislation giving citizens more of a right to sue the government, more chances to file class action suits and more help in making their views known to federal agencies and in court suits. The measures he recommends, the President said, will "enhance the consumer's influence within the government without creating another unwieldy bureaucracy."

We fail to see how the consumer agency could be kept small, given the comprehensive scope of consumer interests. But small or large, a consumer advocacy agency could gum up the works of all other departments and load the courts down with thousands of suits.

We believe deeply in the need to protect consumers, but we think that it is a job for President Carter, all of his cabinet officers and executive department administrators, all regulatory agencies and all the members of Congress.

Specific problems of consumers can be answered by specific legislation or specific regulations issued by governmental agencies. Creating a special agency with a vague charter will solve few problems but will, in all likelihood, cause needless conflicts and confusions.

SOCIALIST WORKERS PARTY REAFFIRMS ITS SUPPORT FOR TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. McDONALD. Mr. Speaker, the Socialist Workers Party—SWP—recently denounced our Government for denying a visa to Tariq Ali, a Pakistani resident in Great Britain who had been scheduled for a fundraising and promotional tour in Philadelphia, Washington, D.C., and New York City from April 18–22.

Tariq Ali did not qualify for a U.S. visa because he is a leader of a Trotskyite Communist organization actively involved in terrorism. Ali is a leader of the Fourth International—FI, the principal international coordinating body for Trotskyite communists which is actively engaged in revolutionary terrorism in Latin America and Europe. Ali is a leader of the International Marxist Group—IMG, the British section of the Fourth International and is a member of the FI's International Executive Committee—IEC—on which he uses the "nom de guerre," or alias, "Ghulam."

Tariq Ali's speaking tour was organized by the Socialist Workers Party's Viewpoint Speakers Bureau, which shares office space with the party's publishing house, Pathfinder Press, at 410 West Street, New York, N.Y. 10014 (212–741–0690). Ali is an articulate spokesman for the International Majority Tendency—IMT, the faction which controls the Fourth International and which since 1969 has promoted "armed struggle"—which includes terrorism—as the principal tactic for revolution. Ali's International Marxist Group of Great Britain is involved not only with the Saor Eire terrorist group in Northern Ireland, but with other terrorist and proterrorist Irish revolutionary factions.

The Socialist Workers Party is the U.S. section of the Fourth International. In the FI debates, the SWP and the Lennist-Trotskyist faction—LTF—it heads argue that terror may not be a useful tactic at this time, but that it may become useful under future conditions.

SWP political committee member Peter Camejo, the SWP's Presidential candidate, wrote:

> The word "terrorism" is commonly used to mean the politics of those who believe that violent actions against individual bourgeois figures can bring about social change, precipitate a revolutionary situation, or electrify or help mobilize the masses even if undertaken by isolated individuals or groups. Terrorism in that sense is rejected by the Marxist movement. But under the conditions of civil war, terrorist acts can have a totally different political import. Their isolated nature fades. In the process of an insurrection, terrorist acts may be advantageous to the workers movement. They may also be damaging. But terrorist acts that are not part of a generalized mass armed struggle remain isolated and are detrimental to the workers movement.[1]

Mary-Alice Waters. another member of the SWP political committee and member of the FI's international executive committee, characterized the debate between the international majority tendency and the minority LTF succinctly:

> The majority held that they too were for building parties but that revolutionary parties could only be constructed today in Latin America if the Trotskyists proved themselves the best guerrilla fighters, arms in hand. Such was the only path to either the vanguard or the masses.
>
> The minority felt that such a strategy could only lead to the political miseducation of the entire world movement and the decimation of the small Trotskyist parties and cadres in Latin America. Logically it would have to be extended beyond Latin America to other parts of the world.
>
> * * * * *
>
> Other supporters of the Latin American majority document have tried to shift the discussion onto the axis of "for or against armed struggle." We reject any implication that that is what the discussion is really about. If supporters of the minority view were against armed struggle, they would be Social Democrats or Stalinists, not Trotskyists. What we reject is the strategy of "pick up the gun" as the road to power. As a strategy it stands in the way of the construction of mass revolutionary parties throughout Latin America, and that is what the debate is about.[2]

Tariq Ali is employed by the Institute for Policy Studies' international project, the Transnational Institute, which has offices in Washington and Amsterdam, Netherlands. IPS and its TNI have had numerous members of revolutionary and terrorist groups on the payroll. Orlando Letelier, the director of TNI until his murder last year, has been exposed as a top level "agent of influence" funded by and responsive to the Soviet and Cuban secret police. The TNI provided Letelier with an academic "cover" for his extensive travels as a Communist agent, and Chilean Marxist-Leninist leaders in East

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Footnotes at end of article.

Berlin cautioned him against "blowing" that cover. Tariq Ali also travels extensively, purportedly on TNI business.

The documentation of Tariq Ali as a leader of the proterrorist ruling International Majority Tendency—IMP—of the Fourth International drawn from the secret "members only" publications of the Socialist Workers Party and the Fourth International previously appeared in the ninth chapter of my CONGRESSIONAL RECORD report, "Trotskyism and Terrorism," on September 9, 1976, page 29585.

The Socialist Workers Party was unable to obtain a visa for yet another Trotskyite terrorist this month. On April 14, Hugo Blanco, who led a Trotskyite terrorist movement in Peru in the 1960's and who admitted full responsibility for the murders of three Peruvian policemen during an arms raid on an isolated police post in 1962, was denied a visa. The Socialist Workers Party and its front for the support of Latin American revolutionaries, the U.S. Committee for Justice for Latin American Political Prisoners—USLA—had tried to exert pressure on the Department of State to admit Blanco in 1975 and 1976, which failed.

At the 1976 SWP national convention which he was not able to attend, Blanco sent a message of greeting from Stockholm which was read to the convention by Betsey Stone in her welcoming address. Blanco's message read:

> Dear American Comrades,
>
> I hope your convention will be successful and that you will continue to set an example of how to persevere in building the revolutionary party.[3]

Commenting "we know Hugo Blanco is with us in spirit at this convention," the SWP then made the admitted murderer "honorary chairperson" of its convention.

Yet the SWP claims it does not support terrorism.

The Socialist Workers Party also claims not to be a section of the Fourth International. In fact the SWP has full voting privileges at the FI's world congresses; provides funds for the Fourth International by directly paying for the English publication of FI literature and the FI's weekly magazine, Intercontinental Press, which according to SWP leader Barry Sheppard "come to many thousands of dollars a month"; has members with full voting powers on the FI's international executive committee; leads an important minority faction in the Fourth International; has members of the FI's international executive committee participating in the closed meetings of the SWP conventions, and national and political committees deliberations; and submits to investigations by the Fourth International's political police, the international control commission.[4]

Alan Jones, one of Tariq Ali's comrades in the leadership of the British IMG and a member of the Fourth International Executive Committee's "terrorism now" majority, attended the SWP 1976 national convention as the Fourth International's official spokesman.

Jones greeted the assembled SWP members on behalf of the Fourth International and described the developing revolutionary situation in Spain:

> Already we see in Spain, with the tremendous struggles of the Spanish workers, more important, in many ways more advanced political developments than in Portugal. * * *
>
> We now see these developments in the demonstrations for amnesty for political prisoners in Spain. A million or a million and a half participated in the last wave. These demonstrations are bigger than the demonstrations of 1936 in Spain. They're not yet armed. They don't yet have guns. That will come. * * *[5]

Jones concluded his address to the SWP National Convention with a description of the role of the Socialist Workers Party in the Fourth International's struggle for a worldwide Marxist-Leninist system:

> We will build the Fourth International, all of us. Firstly, the victories and the struggles in Europe and in the colonial world. Finally, the victory of the revolution in the United States. We will play a role with the Socialist Workers Party in creating the conditions for that victory. But it is you who will have to fight and who will have to deliver that final blow. * * *
>
> Long live the Socialist Workers Party!
> Long live the Fourth International!
> Long live the world socialist revolution![6]

In my remarks, "The Socialist Workers Party and Terrorism—An Update," of April 29, 1977, I quoted from the "Tasks and Perspectives Report" delivered by Larry Seigle to the 28th SWP National Convention in August last year.

A number of foreign Trotskyites also had messages read or personally delivered their praise of the SWP for its lawsuit at that convention. Karl Bergmann of the Political Bureau of the Revolutionary Marxist League, the Swiss section of the Fourth International, wrote:

> We would like to wish you special success in your court case against the imperialist U.S. government * * *.

"Comrade Francois," the representative of the Lambertist Organizing Committee for the Reconstruction of the Fourth International—OCRFI—a Trotskyite grouping outside the Fourth International which has close ties to Palestinian terrorist factions, delivered the following comments to the SWP convention:

> It is not possible in the limits of these greetings to deal with all the aspects of the present development and struggles of the SWP. But there is one thing we wish to emphasize. All the delegates at this convention—and all the members of the SWP—should not only be proud but conscious of the international importance of the blows their party has dealt the FBI and CIA.
>
> The fact that the political police of the ruling class of the most powerful imperialist country in the world has been obliged to retreat—and to retreat because of the offensive waged by the Trotskyist party—not only symbolizes the link between the struggle for democratic rights and the struggle for the socialist revolution, it is also an element which strengthens worldwide the struggle of all those who organize on the basis of the program of the Fourth International, and of all those who face repression.[7]

At the SWP 28th National Convention, Alan Jones discussed the relationship of the United States to the world revolutionary movement:

> We see today how in every country in the world, as I outlined, the direct intervention of U.S. imperialism or even the absence of that direct intervention affects the course of the class struggle. You have your revelations in the United States which you brought about, we have some of our own revelations in Europe. We find, for example, that the CIA finances—of course, everyone knew this, it's just that it can be proved for the first time—finances parties in Europe like the Christian Democrats in Italy.
>
> We found out something you should publicize—that the CIA has an official desk and telephone number in the British Ministry of Defense. They regard it as a branch office, I guess.
>
> We know that as the revolutionary movement develops in Europe, the United States cannot stand aside. It will be forced to intervene. We rely, just as the Vietnamese revolutionaries did, on the American working class and on the Socialist Workers Party to defend us against that intervention. And we also see more clearly how the revolutionary process throughout the world and in Europe is bound together.
>
> It is very important for us to understand the nature of this connection. The revolutionary struggle in any country is, of course, national in form. The tactics which have to be pursued to carry out that revolution must be decided in that country. But that struggle is not really national in content. When the Russian workers created the first workers state in the world, it was the Russian working class which conquered power. It was the Russian Bolsheviks which led them to victory. But it was the working class of the entire world which saved that revolution.
>
> Even the power of the Russian working class could not have defeated the imperialist intervention by itself. It took the struggle of the German, of the French, of the British, of the United States, of the Japanese, working classes to save that workers state.
>
> With the United States, we see a different interrelation. We see, as Trotsky said, that the fight of humanity will be decided on American soil. But that struggle will not be simply a struggle between the American working class and the oppressed nationalties of the United States against the American ruling class.
>
> That struggle will be a struggle between the working class of the entire world and the oppressed of the entire world against the most powerful ruling class which has existed in history. That is the only way in which that revolution can be successful.
>
> We are bound together in the following sense: For us to make developments in all the countries in the world, you have to carry on the struggle in the heartland of U.S. imperialism.
>
> But it is our struggle, the victories which will be gained outside the United States, which will be, so to speak, the shoulders on which you can stand to attack your own ruling class.
>
> We also know something else. You cannot fail even once.
>
> We—the comrades here—I speak for all the international comrades—can make a victory in a country such as Spain as we hope to, or another country in Europe, or a colonial country, and that will not decide the fate of humanity. We can have a defeat in a country, and that will not finally settle the fate of humanity. If you fail, that will settle it.[8]

In light of the SWP's efforts to obtain the Central Intelligence Agency's files "about the SWP and the Fourth International—the SWP's revolutionary socialist cothinkers in other countries," the analysis of the role of the SWP in the world revolutionary movement takes on added significance.

And so does a private meeting held between SWP leaders and the International Marxist Group Political Committee in London last October. Following the October 16–17, 1976, meeting of the united secretariat of the Fourth International in Brussels, Belgium, three members of the SWP leadership who were attending—Jack Barnes, Joseph Hansen, and Mary-Alice Waters—stopped over in London. A report to the SWP Political Committee on October 25, 1976, stated:

> The IMG comrades are anxious to help "internationalise" the SWP and USA's suit against the American government.[9]

The top IMG leaders include not only Tariq Ali and Alan Jones, but also Robin Blackburn, an associate of CIA turncoat and self-styled "revolutionary Socialist" Philip Agee. Agee and his "legman" Mark Hosenball, both American citizens, have been ordered deported from Great Britain as threats to national security. Agee, Blackburn and company have been involved in anti-CIA "exposé" articles in Great Britain.

The available evidence clearly indicates that Philip Agee's Fourth International friends have provided input for the SWP's litigational tactics. And it is outrageous that because the Attorney General has ordered the FBI to cease its surveillance of the Socialist Workers Party, the FBI no longer has access to the internal publications of the SWP and Fourth International which document that collusion.

In conclusion, it is worth examining a February 1976 speech by SWP National Committee member, Syd Stapleton, who heads the Political Rights Defense Fund—PRDF, the SWP's publicity and fundraising front for its lawsuit. Stapleton outlined the rationale for the suit in the following terms:

> This is the starting point for our strategy. As Marxists, we know that the ruling class of this country, one of the most bloodthirsty in history, will not peacefully hand over power to a majority who want socialism and oppose capitalist rule. To the contrary, the capitalists will use all methods, including, at a certain stage backing bands of fascist thugs to try to smash the worker's organizations by force. In this final showdown, the only power capable of defeating the armed violence of the rulers will be the independent, organized, power of the overwhelming majority, the workers and the oppressed.
>
> This means that a perspective for seriously defending democratic rights must be one that revolves around strengthening the class consciousness, self reliance and independent mobilization of the workers.
>
> From this point of view, the debate now going on about restructuring the capitalist state apparatus in some way, by reforming or abolishing the FBI or CIA, by shifting their functions into another department, by getting rid of this or that politician or official, or by providing for more congressional oversight of the FBI and CIA, is simply irrelevant to the real defense of democratic rights. The key goals should be a mass break with capitalist politics and the capitalist parties, and the building of a movement of the oppressed that can replace minority capitalist rule with socialism.
>
> It is in *this* context that we conduct our fight for the rights of the oppressed, and specifically, for the rights of our party.[10]

Footnotes at end of article.

Stapleton said that "over and above" the constitutionally guaranteed rights of freedom of speech and freedom of association, the SWP was attempting to assert new "rights" not enumerated by our Founding Fathers, and indeed certainly not envisaged by them.

Stapleton defined one of those "new rights" as "the right of a revolutionary party to organize, publish its ideas, and win people to its program." He did not mention that the Trotskyite Communists have and have had that option.

However, the Socialist Workers Party is, in Stapleton's words, "an openly avowed revolutionary Marxist party." The SWP reserves to itself the option to use any tactic, including armed struggle and terrorism, to take power. The SWP provides funds to its Fourth International "cothinkers" who are already engaged in revolutionary terrorism and subversion; its leaders sit on the ruling bodies of the Fourth International where they do not argue against terrorism, but only for better preparation and organization before using terrorism.

The SWP has no right to object to surveillance by the law enforcement and intelligence-gathering agencies of our elected representative Government who to protect American citizens from terrorism both here and abroad must be intimately familiar with the activities of the Socialist Workers Party and the Fourth International.

FOOTNOTES

[1] *International Internal Discussion Bulletin,* Vol. X, No. 8, June 1973, p. 11.

[2] *Internal Information Bulletin,* January 1972, No. 1 in 1972, pp. 4, 11.

[3] *Internal Information Bulletin,* September 1976, No. 10 in 1976, p. 28.

[4] *SWP Discussion Bulletin,* Vol. 34, No. 8, July 1976, p. 15.

[5] *Internal Information Bulletin,* September 1976, No. 10 in 1976, p. 22.

[6] *Ibid.,* p. 24.

[7] *Ibid.,* p. 26.

[8] *Ibid.,* p. 23

[9] *Internal Information Bulletin,* December 1976, No. 15 in 1976, p. 9.

[10] *International Information Bulletin,* April 1976, No. 5 in 1976, p. 24.

THE POLISH CONSTITUTION

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. DELANEY. Mr. Speaker, tomorrow, May 3, marks the 186th anniversary of the Polish Constitution of 1791—a deeply meaningful document for people of Polish descent living throughout the free world.

The Polish Diet reconvened after an Easter recess on May 2 in 1791 while both Russia and Austria were distracted with war against Turkey. The people of Poland were thus able to press on with constitutional reforms and a model bill of rights. On the morning of May 3, with the streets of Warsaw and approaches to the palace crowded with expectant throngs, Stanislaus Augustus produced the draft of the new constitution and cries of jubilation resounded from all sides.

Baron d'Escare, commenting on the scene, wrote:

> In France, to gain liberty, they began with anarchy; in Poland, the nation was given liberty and independence; the respect for law, for person and property was assured; and all this without violence, without murder, solely through the virtue of the courage of the Nation . . .

George Washington wrote:

> Poland . . . appears to have made large and unexpected strides toward liberty which . . . reflect great honor [upon her] . . .

Catherine the Great of Russia, on the other hand, looked upon such democratic developments with great misgivings. She regarded Polish reformers as "the Jacobins of Warsaw" and asserted that the new constitution would produce "disorders analogous to those of France." Soon relieved of war with the Turks, she set out "to fight the enemy in Poland." In a scene strangely foreshadowing events of World War II and thereafter, Catherine ordered the armies of Russia to cross the frontier on April 8, 1792. Although Thaddeus Kosciuszko, the Polish-American hero of our own Revolutionary War, put up an inspiring defense of his fatherland, Polish resistance was crushed by the invader. The constitution of 1791 was abolished as a "dangerous novelty;" Catherine ruled the conquered country through a puppet confederation. Finally, on September 23, 1793, Poland was partitioned and lost all of its eastern provinces to the Russians.

Mr. Speaker, I was privileged to sponsor in the current session, House Resolution 524, authorizing and requesting the President to issue a proclamation to designate May 3 of each year as "Polish Constitution Day." Let us never forget the aspirations for freedom and liberty under law voiced by the Polish people in 1791. May their day of true national liberation soon be a reality.

IDAHO ATTORNEY GENERAL SIDES WITH BARLOW

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. HANSEN. Mr. Speaker, on behalf of the Attorney General of the State of Idaho, Mr. Wayne Kidwell, I extend an invitation to all the State attorneys general to join with Idaho on behalf of Mr. Ferrol G. Barlow in his fourth amendment case against the Occupational Safety and Health Administration, which is presently before the U.S. Supreme Court.

I strongly urge my colleagues to favorably recommend to their respective States that they support Bill Barlow in his landmark constitutional battle against big Government's intrusion on individual rights.

I insert for the RECORD and for the benefit of my colleagues an article by Steven Ahrens of the Idaho Statesman of April 29, 1977, which illustrates the legal environment of this historic case. The article follows:

IDAHO INVITES STATES TO JOIN IN OSHA CASE

Idaho is inviting other states to join with it in filing briefs in support of a Pocatello businessman who has lodged a constitutional challenge to warrantless searches by the Occupational Safety and Health Administration (OSHA).

"We have notified the plaintiff (Ferrol G. Barlow) that we will join him as amicus curiae (a friend of the court)," Atty. Gen. Wayne Kidwell said Thursday. "The issue is not OSHA, but the Fourth Amendment. The Bill of Rights does protect individual rights and, in my opinion, specifically prohibits searches like this."

Barlow, a 61-year-old Pocatello electrical and plumbing subcontractor, refused to allow an OSHA inspector to inspect his shop 18 months ago because the inspector had no warrant.

A three-judge panel upheld Barlow, saying the OSHA provision allowing warrantless searches was unconstitutional. The U.S. Department of Labor subsequently asked the U.S. Supreme Court to hear the case and the high court agreed.

Kidwell added that he will ask to argue the question before the Supreme Court on Idaho's behalf.

Idaho's invitation to other states to join its side of the case is a response to a split in the National Association of Attorneys General (NAG) over the constitutional issue, Kidwell said.

"This might be interesting, because Minnesota is on the other side of the issue," he said. "It may be the first time we've had a clear-cut constitutional issue with the state attorneys general on opposing sides. Usually we're pretty much together on these things."

Minnesota intends to file an amicus curiae brief on the side of the Labor Department and has invited other states to join it, according to an April 19 letter from NAG.

That brought a letter from the Idaho attorney general to NAG, stating his belief that the three-judge panel's ruling was correct.

"Allowing a federal administrative agency to conduct warrantless searches upon whim and without probable cause represents one more crevice in the crumbling dam holding our constitutional freedoms," the Idaho letter said.

Since the national association's letter went out, Nevada, Mississippi, North Dakota and Indiana all have expressed an interest in coming in on Idaho's side, Kidwell said.

"I personally do not like the concept of a federal or state agency being able to conduct searches of a person's home or business without due process of law," he added. "This is a dangerous precedent for the country. The Barlow case raises the Fourth Amendment issue of whether an agency can conduct a search based on whim."

Kidwell emphasized he finds no fault with a search based on probable cause.

THOMAS J. McNULTY WILL RECEIVE 1977 PHILADELPHIA POLICE ATHLETIC LEAGUE MAN OF THE YEAR AWARD ON MAY 17

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. LEDERER. Mr. Speaker, it is fitting that we pause in the business of the House to honor, in a special way, Mr. Thomas J. McNulty of my home town, Philadelphia, on receiving the 1977 Philadelphia Police Athletic League Man of the Year Award. This award will be presented at a testimonial dinner on May 17, 1977, in Philadelphia. This award is given to an individual who has made many outstanding contributions to community and country and whose special interests have been a benefit to so many young people throughout the Delaware River Valley.

Thomas J. McNulty was born on May 31, 1926, in the Kensington section of Philadelphia. His early years were spent, during the depression, fighting the economic circumstances which offered very little opportunity for young people. Despite this difficult economic situation, Tom McNulty was able to complete his high school education.

When war came to his country, Tom McNulty enlisted in the U.S. Navy and served in the Southwest Pacific Theatre of Operations.

After his discharge in 1946, Tom McNulty became an apprentice in the Plumbers' Union. From this humble beginning, he rose to become the union's business manager.

Tom McNulty always understood the value of education. During these early years, he enrolled in the College of Industrial Relations at St. Joseph's, receiving certificates of excellence upon completing the program in 1952. He then enrolled in the evening school at the University of Pennsylvania. It was during this time that Tom McNulty was elected to serve on the union's executive board. In 1955, Tom McNulty was elected business agent for the union and business manager in 1977.

Mr. Speaker, Tom McNulty is an excellent example of the strength of our American character. His achievements have been the result of hard work against overwhelming odds. He should serve as an example to all of us.

Mr. Speaker, Tom McNulty spent his life trying to improve himself. His success has been an inspiration to all of the citizens in the Philadelphia community. More importantly, Tom McNulty has not forgotten his neighbors. He has a long record of public service and recognized as a leader in the labor movement. He was a member of the License and Review Board of the city of Philadelphia from 1962 to 1972. At present, he serves on the zoning board of adjustment for the city, a position appointed by our mayor, Frank L. Rizzo.

Besides all of this, Tom McNulty is a family man. His wife, the former Florence Campbell, has been by his side during good as well as bad times. His four children, Michael, John, Susan, and Thomas, are living testimonies to the love and devotion Tom and his wife share.

Tom McNulty is a religious man. As a member of St. Christopher's Roman Catholic Parish, he lives the true meaning of the Christian faith.

Mr. Speaker, Tom McNulty combines all the distinguishing character traits many people feel America has lost.

Both his private and professional life are embodiments of that American spirit. Therefore, I want to join with the distinguished Members of the Congress of the United States to pay tribute to this fine American.

THE LIMITS OF EDUCATIONAL TESTING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. HARRINGTON. Mr. Speaker, early in April, college admissions officers across the country select the students who will study for a college degree—a degree which traditionally has been the key to social acceptance, economic security, and leadership roles in both public and private life. These decisions by admissions officers directly affect the futures of millions of Americans each year. And year after year, these decisions have a subtle but profound effect on the quality of leadership we can expect from the next generation.

Unfortunately, too many of these decisions on college admissions are arbitrary judgments based on scores from standardized tests administered by the Educational Testing Service. The responsibility for these decisions rests in part with ETS and the College Entrance Examination Board, and the methods they use to test the worth of individual abilities. But far more of the responsibility rests with the college admissions officers, who have banded together behind the illusion of statistically accurate tests rather than exercise the more difficult responsibility of gaging individual performance and potential. It is the student who is affected the most by these decisions but who must take the test in order to be considered for admission, and is virtually powerless to alter its influence in the admissions process.

While college admissions officers are informed of statistical variations in entrance test scores, the students who take these dreaded Saturday morning test sessions are generally unaware that the score results are often only accurate within 60 points in the spread of 200 to 800 possible points. They are unaware of secret codes used by ETS and the colleges to identify "irregularities" in the tests, including allegations of cheating. Law school applicants do not know that their college grades are frequently secretly adjusted based on historical experience with other applicants from the same undergraduate institution.

What many students do know, of course, is that their applications at an alarming number of colleges and universities are not being considered because their test scores fall below an arbitrary threshold. Every rejected applicant senses what every college admissions officer knows: Insufficient consideration has been given to personal qualifications, and undue emphasis placed on the test.

It is ironic that a culture which stresses performance and achievement so often opts for convenient measurements instead of individual review. The economics of individualized admissions—especially when applications far outnumber available places in most colleges and universities—may encourage the use of statistical shortcuts. Certainly it is not an easy task to evaluate individual candidates and the admissions officers must feel a great sense of frustration with the process. But we must begin to search for alternative methods and to instill some creativity into the admissions process. At the least, the importance of academic admissions decisions demands that test statistics be considered by all concerned for exactly what they are—a rough approximation of test performance.

I have introduced into the Congress a "truth in testing law," to open the secrets of standardized testing to full public review. The goal is not to eliminate standardized tests, but to exert a greater influence on the procedure and serve as a catalyst for more individualized review in the admissions process. The law would require all reliability and validity studies conducted by test designers to be available to the general public. It would also require testing firms to attach to any test score a prominent warning that the seemingly exact number is only an approximation of the student's performance on the test, with an equally prominent indication of the margin of error involved.

In addition, the law would require testing firms to provide a test applicant with a specific description of the skills being tested, and an explanation of how the results will be disseminated. For too many students, the decision to take a standardized admission test creates a statistical shadow which follows him through life, often without his knowledge or control. Precise limits on test score dissemination must be defined in advance, so a test subject does not become a test victim.

The student should be notified if the results being reported contain additional notations about alleged irregularities in test administration. Often, a student receives a high score only to have it discounted because of an incorrect—but unknown—allegation of cheating or other unusual circumstances.

As a final check on possible error, the law would require that test questions be made public 30 days after the test is administered, along with a student's answers to those questions. Such a procedure could help to catch any computer correcting errors, and add a learning component to a process which over the years has offered so little to so few by way of intellectual growth.

This proposed legislation cannot alter the methods by which colleges and universities make their decision, but it can give applicants an incentive, and the tools to insist upon more individualized consideration. If the people of this country are truly concerned, as public opinion polls indicate, about the quality of political and social leadership, then attention must be paid to the process by which our leaders are selected. A nation that places its faith in creativity, individual expression, vision and courage cannot long survive if those qualities are not adequately considered in the process of college and university admissions. Quality is measured by more than a scale from 200 to 800.

Mr. Speaker, I insert a copy of the bill at the conclusion of my remarks, along with my letter to colleagues in the House asking their support for the bill.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 2, 1977.

DEAR COLLEAGUE:

Last week, I introduced the Testing Reform Act of 1977—the first legislative attempt to curb abuse of standardized test results and protect the rights of test subjects.

The purpose of the bill is threefold.

First, it is an attempt to define and strengthen consumer rights by requiring that test subjects know exactly what the test is measuring, what margin of error is involved in test scoring, and what manner test scores will be distributed to third parties.

The second purpose is to encourage educational institutions to reverse a disturbing trend—an increasing reliance on standardized test scores in the process of admitting and tracking students. This trend has discriminated unfairly against persons from numerous social and economic backgrounds, and persons who simply don't respond well to standardized test situations. An indirect effect has also been to force a uniformity of skills and backgrounds at educational institutions which ought to thrive on diversity and creativity.

Finally, the bill is designed to add a learning element to the testing process by making available to the student the test questions, the correct answers, and his or her own answers to a standardized test—all at a reasonable cost.

Those purposes in mind, the Testing Reform Act of 1977 would:

1. Give test subjects (or their parents) the right to know in advance what skills will be tested, how the tests will be scored, and what rights the test subject has under the law.

2. Give test subjects the right to obtain copies of the test questions and correct answers following administration of the test, and copies of their own answers after the test has been scored.

3. Prohibit testing companies from disseminating test information to anyone except those specifically cited in written requests from the test subject, and prohibit dissemination of test scores with auxiliary codes.

4. Require the cutoff of federal education funds to schools which deny admission to students solely on the basis of test scores which fall below a prescribed threshold.

5. Require test companies to display prominently on the front of tests and test scores a warning that the scores are only an approximation made within a defined margin of error.

6. All of the above.

The law also directs the Commissioner of Education to publish a list of testing firms which do not operate in conformity with the law. Schools using test scores from those firms would face a cutoff of education funds after appropriate due process proceedings.

I would welcome your co-sponsorship of this legislation. More importantly, I would welcome your suggestions on how this bill can be improved to best protect students and consumers without unduly burdening testing firms or educational institutions.

For more information, please contact Kelly Downey of my staff at 58020.

Yours sincerely,

MICHAEL J. HARRINGTON.

H.R. —

A bill to promote the rights of individuals who take standardized educational tests; to make such individuals, educational institutions, and other persons more aware of the uncertain reliability of such tests, and the problems of using such tests; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Testing Reform Act of 1977".

FINDINGS

SEC. 2. The Congress finds that—

(1) although standardized tests play a major role in the admission, placement, ranking, and tracking of students at all levels of our educational system, the rights and interests of the students who must take these tests have been neglected; and

(2) standardized tests play a major role in education despite the fact that the reliability of these tests is uncertain, and the results of such tests are often misleading and at best can give only an approximate evaluation of an individual's abilities.

It is therefore the intention of Congress in enacting this Act to enable test subjects to more fully exercise their rights with respect to standardized testing, and to make test subjects and persons who use such tests more fully aware of the implications of using such tests in education.

TITLE I—RIGHTS OF TEST SUBJECTS

STATEMENT ACCOMPANYING TEST SCORES

SEC. 101. (a) No funds shall be made available under any applicable program to an educational agency or institution which uses a standardized test administered by a testing agency which has a policy or practice of releasing test scores without including with such scores the standard error of measurement, as provided in subsection (b)(1), of each such score, and the following statement:

"These scores are approximations. The standard error of measurement reported with each score represents the statistical probability of the test subject achieving a score within the indicated range on repeated administrations of this examination."

(b)(1) The standard errors of measurement required to be reported by subsection (a) shall be placed with the report of the test scores in a manner, as prescribed by the Commissioner by regulation, which clearly identifies the standard error of measurement for each score reported. The standard error of measurement shall be stated in each case in terms of a range of numbers with the test score as the mid-point of such range, and a percentage representing the statistical probability of the test subject achieving a test score within such range on repeated administrations of the same test.

(2) The statement required by subsection (a) shall be displayed on the face of the report of the test scores in a manner, as prescribed by the Commissioner by regulation. which makes such statement readily apparent to any individual reading such report.

(c) No funds shall be made available under any applicable program to an educational agency or institution which has a policy or practice of releasing test scores without including the standard errors of measurement and statement required by subsection (a) in the manner prescribed by the Commissioner under subsection (b).

REVIEW AND INSPECTION OF STANDARDIZED TESTS

SEC. 102. (a) No funds shall be made available under any applicable program to an educational agency or institution which uses a standardized test administered by a testing agency which has a policy or practice of denying test subjects, the Commissioner, and researchers the right to inspect and review the standardized test and the correct answers to such test, in accordance with subsection (b).

(b)(1) A copy of each standardized test and the correct answers to such test shall be provided to each subject of such test who makes a request in writing to the administering testing agency. Copies shall be so provided upon receipt of the request, except that such testing agency need not provide copies before the scores of the tests have been reported to the requesting subject or to an educational agency or institution. A testing agency may require test subjects to pay for the expenses of duplication, handling, and shipping of the requested copies; testing agencies shall notify test subjects in advance of any such payments that will be required of requesting subjects.

(2) A copy of each standardized test and the correct answers to such test shall be provided by the administering testing agency to the Commissioner at the time at which such test must first be made available to a requesting test subject under subsection (b)(1). The Commissioner may not release or provide access to such test and answers except as provided in paragraph (3) of this subsection.

(3) A copy of each standardized test and the correct answers to such test shall be provided to any person engaged in educational, psychological, or other research provided that such person makes a request in writing to the Commissioner which states the nature of the research and the reasons that the test and answers are needed for such research. The Commissioner shall prescribe by regulation the information to be included in such request, and the form in which it shall be provided. The Commissioner shall determine in the case of each request whether the requesting individual has a legitimate research interest in the test and answers; if the Commissioner finds a legitimate research interest he shall provide the requested copies immediately, except that such copies shall not be provided before the time at which they must first be made available to a requesting test subject under subsection (b)(1). A testing agency may require such persons to pay for the expenses of application, handling, and shipping of the requested copies.

RELEASE OF TEST SCORES

SEC. 103. Except as provided in section 102 (b)(2), no funds shall be made available under any applicable program to an educational agency or institution which uses a standardized test administered by a testing agency which has a policy or practice of releasing, or which releases, the scores of a test subject to any person without the written consent of such test subject, or which releases any such score except upon the condition that the recipient of such score not release it to any person without the written consent of such test subject.

NOTIFICATION OF RIGHTS AND TEST INFORMATION

SEC. 104. No funds shall be made available under any applicable program to an educational agency or institution which uses a standardized test administered by a testing agency which fails to inform the test subjects before the administration of such test, by mailing such information or by posting such information at test centers, of—

(1) the subject matters included on such test and the knowledge and skills which it tests;

(2) the manner in which the test is scored, the statistical accuracy of such score, and the significance of such score in terms of the skills and knowledge it represents;

(3) the manner in which the test scores will be reported under section 101, the persons who will receive such scores, the purposes for which such scores will be used, and any additional information which will be derived from such score and the uses which will be made of such information;

(4) the right of the test subject under this Act and section 438(b)(1) of the General Education Provisions Act (20 U.S.C. 1232g (b)(1)) to prohibit the release of his test score without his written consent; and

(5) the right of the test subject to obtain a copy of the test and the correct answers, and the manner in which such test and answers may be obtained, as prescribed under section 102.

TITLE II—EXCLUSION OF STUDENTS ON THE BASIS OF TEST SCORES

SEC. 201. No funds shall be made available under any applicable program to an institution of higher education which has a policy or practice of denying admission to applicants solely on the basis of standardized test scores which are below a minimum standard set by such institution.

TITLE III—STANDARDIZED TESTING INFORMATION

SEC. 301. (a) The Administrator of the National Center for Education Statistics (hereinafter referred to in this title as the "Administrator") shall collect and disseminate statistics and other data related to standardized testing in accordance with this title and section 406 of the General Education Provisions Act (20 U.S.C. 1221e–1).

(b) The Administrator shall collect statistics and data relating to the validity, reliability, and standardization of standardized tests, and any other statistics and data relevant to an evaluation of such tests. The Administrator shall request testing agencies to provide to him any such statistics and data in the possession of such testing agencies, and any conclusions drawn by such testing agencies from such statistics and data.

(c) No funds shall be made available under any applicable program to an educational agency or institution which uses standardized tests administered by a testing agency which does not comply with requests by the Administrator for statistics and data required to be collected by him under subsection (b).

(d) Statistics and data provided by testing agencies to the Administrator under this title shall not include any personal information on any test subject or the test scores of any individual test subject. The Administrator shall prescribe by regulation means of protecting the privacy of test subjects in connection with statistics and data collected under this title.

TITLE IV—MISCELLANEOUS

ENFORCEMENT

SEC. 401. (a) The Commissioner shall take appropriate actions to enforce the provisions of this Act, as provided in this section.

(b)(1) Before terminating funding to an educational agency or institution on the basis of the failure of a testing agency to comply with any of the requirements of title I or title III of this Act, the Commissioner shall make a determination, after reasonable notice and an opportunity for hearing have been provided to interested parties, that such testing agency has failed to so comply, and shall publish such determination in a manner which will give adequate notice to educational agencies and institutions.

(2) The Commissioner shall terminate funding to an educational agency or institution only if, after making the determination and publication required by paragraph (1) with respect to a testing agency, he finds that such educational agency or institution is using a standardized test administered by such testing agency. The Commissioner shall notify such educational agency or institution at the time of such termination that no funds will be made available to it under any applicable program until it has ceased using such test, or, if it continues to use such test, until such testing agency is found to be in compliance with the requirements of this Act.

(c) Whenever the Commissioner, after reasonable notice and an opportunity for hearing, finds that there has been a failure by an educational agency or institution receiving funds under any applicable program to comply with the requirements for funding under title II of this Act, the Commissioner shall notify such educational agency or institution that further payments will not be made until the Commissioner is satisfied that it is in compliance with such requirements. Until the Commissioner is so satisfied, no further payments shall be made to such educational agency or institution.

RIGHT OR CONSENT OF PARENTS RATHER THAN TEST SUBJECT

SEC. 402. In any case in which the test subject is less than 18 years of age, and is being administered a standardized test for purposes other than admission or placement in an institution of higher education, the rights accorded to the test subject under sections 102 and 104 of this Act, and the consent required of the test subject under section 103 of this Act, shall be accorded to and required of the parents or legal guardians of such test subject.

DEFINITIONS

SEC. 403. For purposes of this Act—

(1) the term "applicable program" has the same meaning as an applicable program as defined by section 400(c)(1)(A) of the General Education Provisions Act (20 U.S.C. 1221 (c)(1)(A));

(2) the term "Commissioner" means the Commissioner of Education;

(3) the term "educational agency or institution" means any public or private agency or institution which is the recipient of funds under any applicable program;

(4) the term "institution of higher education" has the same meaning as an institution of higher education as defined by section 1202(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));

(5) the term "person" means an individual, partnership, corporation, association, company, firm, society, or joint stock company;

(6) the term "standardized test" or "test" means any test-administered to at least 10,000 individuals and any other test as prescribed by the Commissioner by regulation, which is administered in identical form to a large number of individuals, and is intended for use—

(A) for purposes of admission of individuals to educational agencies or institutions, or

(B) for purposes of ranking, placement, or tracking of students in educational agencies or institutions,

but does not include a test which is administered to a selected group of individuals solely for research purposes;

(7) the term "standardized test score" or "test score" means the numerical value given to the test subject's performance on a standardized test;

(8) the term "testing agency" means a person who creates, publishes, or administers a standardized test;

(9) the term "test subject" means an individual to whom a standardized test is administered; and

(10) an educational agency or institution shall be deemed to "use a standardized test" if it uses such a test for one of the purposes set forth in subparagraphs (A) and (B) of paragraph (6) of this section.

EFFECTS OF CALIFORNIA'S MARIJUANA DECRIMINALIZATION: A STEP IN THE RIGHT DIRECTION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. MILLER of California. Mr. Speaker, prior to July 1975, the possession of any amount of marijuana for personal use in California was considered a felony, punishable by incarceration in a State prison for up to 10 years, with stiffer punishment imposed for repeated offenders. In July 1975, SB 95 was enacted, and the possession of one ounce or less of marijuana for personal use became a citable misdemeanor, with a maximum penalty of $100. Under the new California law, no incarceration is imposed for such use of marijuana, and no increased punishment will occur for recidivists.

As the 95th Congress begins consideration of similar legislation at the Federal level, I think it will be helpful to have before us some very vital information relating to the impact of the California law. I, therefore, submit for the RECORD, the summary of "A First Report of the Impact of California's New Marijuana Law (SB 95)," as requested by the State legislature. This summary shows that a wide majority of our citizens, at least in my own State, approve of either decriminalization or legalization of relatively small amounts of marijuana possession for personal use. The summary also shows a major cost savings to California's law enforcement and judicial systems.

Additionally, the summary shows that more time and money can now be spent on treatment for persons who really do have severe drug problems, such as heroin addiction. I think the impact of the marijuana decrimininalization law has been a positive one for the State of California. No longer do persons languish in prison in my State as the result of personal use of small amounts of marijuana. No longer are the courts in by State bogged down with cases that involve persons who never should have been categorized as criminals, or who have been involved in the "victimless crime," if you will, of personal possession and use of small quantities of marijuana. And, equally important, our State has taken a forward step to show compassion for and to help those who have severe drug problems and who desire attention. I hope the summary, as printed below, will be helpful to my colleagues, and will show them that marijuana decriminalization is a step in the right direction:

SUMMARY AND OVERVIEW

Senate Bill 95 was enacted in July, 1975. It made possession of one ounce or less of marijuana a citable misdemeanor instead of a possible felony. Possession of more than one ounce for personal use was also made a misdemeanor.

A statewide survey of attitudes toward the new marijuana law shows that six in ten (61 percent) California adults either approve of SB 95 or believe that possession of small amounts of marijuana should be legalized. Even among those individuals who have never used marijuana, either legalization or the current approach is preferred over the reinstitution of stiffer penalties.

The survey also asked people about their experience with marijuana. While thirty-five percent of adults reported that they had at least tried marijuana, fourteen percent considered themselves current users. This is an increase over survey results obtained nearly two years earlier. However, less than three percent of respondents in the latest poll reported they had first tried marijuana within the past year, and only one in eight of them indicated that they were more willing to try or to use the drug because penalties had been reduced.

Analysis of available arrest and citation data show that changes have occurred under SB 95. In the first six months of 1976, reported possession offenses were reduced by nearly half compared to the same period in 1975. Concurrently, arrests of heroin addicts and other drug offenders increased significantly. Comparative marijuana trafficking arrests and amounts of the drug seized actually show a small but measurable decline.

The costs to enforce the marijuana laws was a major impetus for enactment of SB 95. Estimated costs were compared between the first half of 1976 and the same period in 1975, and although the data are incomplete, and probably conservative, there has been a reduction of approximately 75 percent in law enforcement and judicial system costs. Some law enforcement agencies have pointed out that changing possession of marijuana from a felony to a citable misdemeanor has reduced their ability to conduct searches and make arrests for other suspected offenses. While workloads have been reduced, there has been some direct SB 95 cost augmentation among police agencies stemming from record destruction requirements. Prosecutors, public defenders and the courts have also experienced diminished workloads as a result of fewer offenders and the abbreviated handling of citation and other misdemeanor marijuana cases. Probation departments see far fewer marijuana cases for investigation and supervision because of significantly reduced Drug Offender Diversion Program referrals.

In reviewing the SB 95 impact on state funded drug program enrollments, available client and cost data indicate an overall moderate decrease in marijuana related diversion referrals. However, there were large variations among counties in the use of drug programs for serving divertees, with many using probation or school-based drug education classes instead of treatment programs. In addition, enactment of AB 1274 extended the diversion program to include eligibility for heroin addicts and cultivation of marijuana for personal use. The loss of a marijuana workload in some of the larger counties' drug programs has been supplanted by treatment placements stemming from increased non-marijuana arrests in 1976 combined with greater willingness on the part of the courts to use community treatment alternatives for drug abusers eligible for diversion under AB 1274.

At the state level, the Controller's Office provided revenue information from which we have estimated an SB 95 related increase of several thousand dollars to the State General Fund. Other state departments reported minimal affects from SB 95. While the Department of Justice decreased its personnel in the criminal records section, record destruction petitions have been held up pending resolution of constitutional questions. In general, the impact on state departments such as Corrections, Youth Authority and Motor Vehicles has reportedly been minimal. Based on drug program data, there has been little overall fiscal impact on the Department of Health.

CONSUMER PROTECTION AGENCY

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. ERLENBORN. Mr. Speaker, the proposal for a Consumer Protection Agency has been haunting these halls for a decade. Fortunately, the American people have not allowed it to materialize. There are at least two reasons for this.

First, Americans believe, and rightly so, that there is too much Government interference in their lives. They are opposed to new layers of Government.

Second, after determining the consumer interest in the marketplace for more than 200 years, Americans are not anxious to turn this task over to some Federal bureaucrat. No one bureaucrat can adequately represent all consumer interests because there are often several such interests in one issue. The bureaucrat will have to come down somewhere, and when he does, he will be rejecting the legitimate consumer interests of millions of Americans.

Mr. Speaker, the Wall Street Journal recently explored the CPA issue in one of its editorials. I urge all of my colleagues to read it because it addresses the gut issue—would a CPA help or hurt consumers:

THE CPA'S PROBLEM

Congress is once again considering creation of a Consumer Protection Agency and since Jimmy Carter, not Jerry Ford, is President, it has a better chance than last time around. We've been wondering once again why it is that we don't think much of the idea, since we count ourselves consumer defenders of long standing.

The answer boils down to one thing: We have doubts about whether the backers of the CPA, and thus the people who would likely have influence in the staffing of this new government agency, are philosophically attuned to the consumer's interests. Do they really want consumers to have a wide choice of products and services at the lowest possible prices or do they just want more laws?

The two approaches may in some instances be compatible, but usually not. Laws that affect the manufacture and distribution of consumer products usually are restrictive, preventing manufacturers or distributors from doing this or that—like maybe putting saccharin or cyclamates in a diet soft drink.

Restrictive laws reduce the consumer's range of choices—between, say, a shoddy but cheap product and a high quality but expensive one. They also, by definition, reduce the potential for competition.

This newspaper has always felt that the interests of consumers were best served by a minimum of barriers to market entry and free competition. That is why it has supported, at odds with segments of the business community, such causes as unrestricted international trade—so that U.S. consumers will be free to buy Datsuns and Sonys if they choose—or elimination of the so-called "fair trade" laws, which barred retailers from cutting prices on certain branded merchandise.

Now it just might be possible that a CPA would be staffed by people who would fight crusades to break down legal barriers to entry into the various markets. If so, it could perhaps be useful.

But given the past crusades of the Naderites and others who style themselves "consumerists," we have stronger visions of a CPA that would lobby for laws that would actually deny consumers goods and services by trying to legislate prices down and quality up. Such laws end up serving as legislation against the consumer rather than for him. The word "market" is simply another name for consumers everywhere making free, voluntary choices of what to buy and how much to pay and producers everywhere making free, voluntary choices of what to sell and how much to ask. Anything that thwarts this process is not consumerist at all. Until we are firmly assured that the CPA would promote rather than thwart free markets, we will view it with skepticism.

SGT. ED WILKINSON

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. DON H. CLAUSEN. Mr. Speaker, the traditions of our old fashioned heroes, the men and women, who in the face of great danger, rescue others who find themselves in otherwise hopeless situations, is being carried on today by the many brave men who operate helicopter air rescue services. An outstanding example of such a hero, Sgt. Ed Wilkinson of the Sonoma County Sheriff's Department helicopter program, met an untimely and tragic death in a recent helicopter crash.

The following editorial and article from Santa Rosa Press Democrat reflect the high esteem in which Ed Wilkinson was held, and the many feats of valor he accomplished to merit that esteem:

FITTING MEMORIAL

We join the rest of his friends in mourning the tragic loss of Sgt. Ed Wilkinson in a helicopter crash last Sunday.

Ed Wilkinson was a brave and skilled pilot who was credited with saving 22 lives from July 1, 1972, to June 30 last year. The Sheriff Department's helicopter was used mostly for rescue operations, although it did perform valuable duty during some major criminal cases.

At The Press Democrat we had occasion to watch Ed Wilkinson in action many times. He was always the first over the sea cliff to rescue a stranded fisherman, the first into flood waters to carry lifelines to victims trapped by the high water. He was a dedicated law officer who used his skill as a helicopter pilot to save the lives of others.

We hope the death of Ed Wilkinson won't also mean the death of the Sheriff Department's helicopter program. Wilkinson believed in the helicopter as an instrument of mercy, and it would be ironic if his death resulted in the termination of that program.

In our view, the most fitting memorial the county could give Sergeant Wilkinson would be continuance of the helicopter program.

LETTERS TELL OF PILOT'S SKILL, COMPASSION

(By James E. Reid)

There are statistics to show how Sheriff's Detective Sgt. Ed Wilkinson—pilot of Angel One—touched the lives of the people of the Redwood Empire.

Dry figures about how he and his crew of observers saved 22 lives from July 1, 1972, to June 30 last year.

How they rescued 34 people in various situations during the same period, and found five lost people, located five boats whose occupants were in distress, helped investigate seven aircraft accidents and assisted ground crews in recovery of the bodies of 32 victims.

But Mrs. Ted Goff's letter of January 1972 tells what Wilkinson's flight of mercy meant to the victims themselves:

"There is so much to thank you for. Adequate words to express our gratefulness have deserted me. Your willingness to send the urgently needed helicopter, which was the only possible way to get out of that deeply crusted heavy snow and get the medicine for my husband, saved his life.

"We wish to sincerely thank your pilot Detective Ed Wilkinson and Deputy Oliver Del Ponte (the observer) for their kind and thoughtful treatment of us.

"By the time they reached us I believe I was in shock with anxiety about my husband. Their considerate attitude lessened the tension of the situation almost immediately."

Or the letter from Mr. and Mrs. Al Freitas, whose son Raul was one of three young men rescued from an island in the Russian River in January 1973—"These were probably the longest 24 hours of our life. Knowing we had your competent assistance was our only consolation. Our deepest gratitude to you and your staff."

There were many handwritten letters from people, moved emotionally to thank Wilkinson for rescuing loved ones. Not necessarily letters from other department heads thanking the Sonoma County Sheriff's Department for mutual aid, although there were many of those letters in Wilkinson's file as well.

Letters from James W. Cameron, sheriff of Yolo County in 1973; from Marin County Sheriff Louis P. Montanos; Napa County Sheriff Earl Randol; St. Helena acting Police Chief A. V. Angel; Assemblyman Barry Keene, D-Elk; and Mendocino County Sheriff Reno H. Bartolomie.

Charles W. Bates, special agent in charge of the Federal Bureau of Investigation office in San Francisco, noted Wilkinson's valuable assistance in capturing three bank robbers minutes after they held up the Bank of America branch at Valley Ford on June 18, 1976.

"Actually, the helicopter was used very little in actual police work," Sheriff Don Striepeke said Monday.

"Its main purpose—as attested to by the name "Angel One"—was in life saving and rescue work in this county and adjoining counties.

"There are at least 25 people alive today because of the Sonoma County helicopter and the crew that manned it, namely Wilkinson and, of course, there've been a great many more who have been rescued.

As for his personal feelings about Wilkinson, Sheriff Striepeke paused, searching for words to describe the man who had so often gone over a coastal cliff to rescue a fallen climber, or waded accross a swollen, chest-high stream in mid-December carrying a life line to a stranded victim during the flood season.

"I just don't know what to say.

"Ed and his helicopter—we called it his helicopter.

"Ed turned down promotions here three times for lieutenant. He always told me during the oral interviews he wanted to be lieutenant if he could take the helicopter with him. It got to be a joke with us," Striepeke said.

But the increased pay as a lieutenant, the chance for further promotion, could not lure Wilkinson away from his search-and-rescue duties.

Wilkinson, 41, died in surgery at Community Hospital of Sonoma County Sunday evening after his helicopter crashed near Barnes Road northwest of Santa Rosa.

During his 16 years as a Sonoma County sheriff's deputy, Wilkinson was involved in the rescue of untold numbers of people.

And he helped remove dead bodies from accident scenes using the Tri-County helicopters he owned, as well as the county helicopter.

This kept ground crews from having to expose themselves to hazardous situations.

Striepeke said an experienced helicopter mechanic will work on the wreckage of Angel One today examining each of the 85 critical pieces of its machinery to determine what caused the crash shortly before 6 p.m. Sunday that killed Wilkinson and critically injured his volunteer observer, Reserve Sheriff's Deputy, Gloria Baxter, 30, Healdsburg.

Services for Wilkinson will be at 2:30 p.m. Wednesday at the Christian Life Center under direction of Eggen and Lance Mortuary.

Donations to a memorial scholarship fund in Wilkinson's name are preferred by the family and may be sent in care of the Sonoma County Peace Officers Widows and Orphans Fund at the sheriff's office.

Wilkinson is survived by his wife, Carol Wilkinson, of Monte Rio; his daughter, Cindy Wilkinson, and his sons, Scott Wilkinson and Mark Wilkinson, all of Monte Rio; his stepfather and mother, Eugene and June Lake, of Santa Rosa; his step-brothers, Roger and Kenneth Lake, of Santa Rosa; his uncle, Albert Murray, of Santa Rosa, and his aunt, Rosemaie Cushman of Hollister.

Wilkinson was a member of the California Peace Officers Associaton, the Sonoma County Employees Association, the Sonoma County Sheriff's Employees Association, the Helicopter Association of America, the American Helicopter Society, and the National Bomb Data Center.

PRESIDENT BREAKS PROMISE TO OHIOANS

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. HARSHA. Mr. Speaker, President Carter's astonishing breach of faith with the people of Ohio over expanding ERDA's uranium enrichment plant at Portsmouth, Ohio, is no more understandable and no more defensible today than it was a week ago when he publicly announced his support for a switch from the gaseous diffusion process employed at the Portsmouth plant to the centrifuge method of enriching uranium.

Memories of the Presidential campaign bespeak the enormity of the promise broken. During the campaign, Jimmy Carter, the Democratic candidate, in expressing his unequivocal support for expansion of the Portsmouth facility, stressed the importance of the $4.4 billion add-on as a job-producer.

As an example, in one Carter-Mondale campaign ad, Jimmy Carter not only "strongly supports" the Portsmouth add-on, he accuses Gerald Ford of not being able to make up his mind about the project.

Candidate Carter told the people of Ohio that "we need a President concerned about jobs." Indeed we do, and after President Carter's sudden renunciation of a project for which he had publicly vowed support, Ohioans are asking: "Where is such a President?"

It is hard to believe that the Jimmy Carter who went through Ohio in October preaching his interest in jobs and his support for the Portsmouth add-on, is the same man who now sits in the White House and abandons his support for that project, at the cost of as many as 6,000 jobs.

I would like to share with my colleagues the full text of the Carter-Mondale campaign ad, of which I have made mention.

It provides further documentation of the incredible failure of President Carter to deliver on his promise to the people of Ohio, and it should serve to give others a better understanding of the justifiable outrage and despair being so openly expressed by Ohioans.

The material follows:

CARTER-FORD

PORTSMOUTH—JOBS

Jimmy Carter strongly supports using Federal funds to complete the Portsmouth add-on.

Gerald Ford once opposed this. Now he can't make up his mind.

Our unemployment rate is about 15%—the highest in Ohio.

We need a President concerned about jobs.

(Below is a statement recently released by Jimmy Carter—compare it to the Ford position:

I have long supported full authorization and funding for enlargement of the government-owned uranium enrichment facility at Portsmouth, Ohio. If I am elected, I will ask the Congress on a first priority basis to provide for the full $255 million in funding for the FY 1977 phase of this construction. I will also ask the Congress to authorize the $4 billion in funding needed to complete construction of the Portsmouth add-on. Furthermore, my request for these funds will not be held hostage to the highly controversial and fundamentally unsound Ford proposal for private ownership of uranium enrichment facilities. The President's proposal for an $8 billion subsidy to multi-national corporations to encourage their entry into the uranium enrichment business has delayed congressional action on Portsmouth throughout the past year.

I believe that technology as sensitive as nuclear fuel enrichment should remain under government control and ownership. The United States must once again become a reliable supplier of the fuel for peaceful atomic power reactors, and enlargement of Portsmouth is vital in regaining this position. Our uranium enrichment capacity has fallen short and we have been unable to accept new orders for nuclear fuel for over two years. We must proceed promptly with enlargement of the Portsmouth facility, and you can depend on me to provide the leadership needed to ensure full funding for this important program.

(Vote for Jimmy Carter and Walter Mondale, leaders, for a change.)

(Paid for and authorized by 1976 Democratic Presidential Campaign Committee, Inc.)

THE GOP ENERGY ALTERNATIVE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. RHODES. Mr. Speaker, the St. Louis Globe-Democrat has summarized the differences between the Republican energy program for America and the administration's carrot and stick approach.

The editorial sums up the main difference as being that the Carter proposals would lead to a controlled society, while the Republican alternative would move the country toward more freedom, more production and a more responsible society.

I urge that my colleagues take the time to read this comprehensive comparison between federalization of energy policy and stimulation of our great and productive free enterprise system.

Text of the editorial is as follows:

THE GOP ENERGY ALTERNATIVE

President Carter has handed the Republican Party a golden opportunity to regain much of its lost popularity by opting for an energy program heavily laden with punitive taxes and new federal controls.

It is a tribute to the new GOP leadership that it quickly took advantage of the Carter fumble and drafted a much more constructive and practical alternative to Mr. Carter's heavy-handed program.

The Republican program, as effectively outlined in a national television presentation Friday night by national chairman Bill Brock and Sen. Harrison H. Schmitt, R-N.M., includes:

Freeing new natural gas production from price controls.

Decontrolling oil prices gradually.

Requiring utilities using natural gas and oil to switch to coal "wherever practical."

Using tax incentives to achieve across-the-board fuel conservation.

Providing federal funds for development and research into new forms of energy.

One of the biggest pluses of the Republican proposal is that it makes no mention of a gasoline tax, a big tax on larger cars, a heavy tax on crude oil or extending federal controls to natural gas sold within states, all of which are part of the Carter plan.

As pointed out by Brock, the Republican program would stress increased production of energy as well as conservation. This is a tremendous difference in the two programs. Carter's program would do almost nothing to increase supplies because it would continue tough controls on oil and natural gas indefinitely. But the Republicans would allow producers to get the open market price for their products and thus give them incentive to explore for more oil and gas.

Republicans would rely on incentives to spur conservation as opposed to the threat of a five-cent gasoline tax yearly or a big levy on cars getting less than 12 miles to a gallon.

The GOP also would continue work on the fast breeder reactor program while Carter has ordered a halt to the fast breeder demonstration plant at Clinch River, Tenn. This could prove disastrous because the fast breeder process gets about 60 times as much energy from uranium as the present nuclear fission method.

Senator Schmitt, geologist and former astronaut who performed experiments on the moon, said there is no cause for alarm over the nation's energy problems, that many new kinds of effective energy sources can be developed in the years ahead if the private sector is permitted the freedom to develop new ideas and technologies.

This is the free enterprise alternative to Mr. Carter's statist approach, It would rely on private individuals rather than government controllers. It would spare Americans the probability of being hit with up to $70 billion in new taxes by 1985.

Republicans are taking the approach that the nation has ample natural gas and oil to avoid a crisis in the near future and sufficient time to develop new energy sources. This contrasts sharply with President Carter's claim that the United States won't be able to meet its oil needs in 10 years and must act hastily to implement a whole new range of new taxes and controls to meet the "crisis."

A newly issued report by 70 world geologists, engineers, economists and systems analysts supports the Republican position and refutes Mr. Carter's "crisis" claim. It says that the world probably has enough oil and natural gas for another 100 years. They generally agreed that even from conventional sources the world's oil and gas "would last at least until about the time period of 2020-2030."

It is important to the future of the nation, as well as the Republican party, that GOP leaders convince the American people that their program is far superior to the Carter Administration plans to straitjacket the oil and natural gas industries and impose heavy new taxes on the people.

Mr. Carter's proposals are taking the United States toward a controlled society. The Republican alternative would take the country toward a freer, more productive and responsible society.

WHAT DO THE SOVIETS WANT?

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. BAUMAN. Mr. Speaker, recent statements by Secretary of Defense Brown have alarmed many responsible American foreign policy analysts. These statements infer a relaxed attitude by our new Defense Secretary about a Soviet military buildup which is beginning to reach crisis proportions. The Prime Ministers of every Western European nation have warned our country about it, and it is clear to them what the Soviet Union is after.

Washington columnist John Lofton recently wrote about this after his own extensive study of the Soviet strategic buildup, and his comments deserve the attention of the Members.

The article follows:

[From the Arkansas Democrat, Mar. 28, 1977]

SEEING RUSSIA'S BUILDUP CLEARLY

(By John Lofton)

WASHINGTON.—Appearing on the nationally televised news program, "Meet the Press," the other day, Secretary of Defense Harold Brown displayed an alarming insouciance, an almost casual indifference towards the massive Soviet military buildup. When pressed for his opinion on what it is the Russians are seeking to accomplish, Secretary Brown declared:

"I don't see any way to define Soviet intentions. I am not even a telepathic, let alone a clairvoyant . . . I can't say what the Soviets will do five or 10 years from now."

In a truly astonishing statement, Secretary Brown said that he would begin to worry only "If, across the board, they (the Soviets) were ahead in numbers and payloads and in accuracy and a number of other things by a substantial factor, you know, like three or four. I think that would begin to have psychological and political effects . . ."

Translated into numbers, this means our Secretary of Defense would be bothered only when the Soviets had 4,000 Inter-Continental Ballistic Missiles (ICBM's) to our slightly over 1,000; 2,600 Submarine-Launched Ballistic Missiles (SLBM's) to our 650; a missile payload edge of four to our one; 1,600 heavy bombers to our 4,000; and an ICBM and SLBM warhead edge of 30,400 to our 7,600!

But back to those unpredictable Soviet intentions. One hardly has to be Jeanne Dixon or the Amazing Kreskin to see that the growth of their defense expenditures is consistent with the Soviets' well-documented theme of "quantitative and qualitative superiority" over the United States and its allies, a theme they have expressed publicly and systematically since 1961. Look at the record, as outlined by Soviet military specialist William Lee in a new study, "Understanding the Soviet Military Threat," published by the National Strategy Institute.

Since 1958, while U.S. defense spending has been declining:

The Soviet defense budget has increased as a share of its state budget, national income, and Gross National Product (GNP). Similarly, Soviet weapons procurement has risen as a share of machinery production.

Soviet defense expenditures have grown at an annual rate of 10 percent in the period of 1958–1970, and 8 to 10 percent in the period 1970–1975.

The trend in the share of Soviet GNP allocated to defense has been 10 to 12 percent in 1955, 8 percent in 1958, 12 percent in 1970, and 14 to 15 percent in 1975. As far as can be determined, the current Soviet Five Year Plan for 1976–1980 calls for a continuation of these trends, with defense expenditures expected to approach 18 percent of the Soviet GNP by 1980.

One implication of this growth, says Lee, is that it can be presumed that they "expect further political or diplomatic gains from the new military capabilities these expenditures will buy."

While Defense Secretary Brown may see only hazy fog when he looks into his crystal ball, others looking at Soviet military intentions see things much more clearly. In a letter this past January to Sen. William Proxmire, Gen. George Brown, chairman of the Joint Chiefs of Staff, wrote that the available evidence suggests that the Soviets are engaged in a program to achieve "military superiority," over the U.S. Gen. Brown says:

"Although the Soviets seek to avoid war, preferring to attain their strategic objectives in other ways, their military doctrine is premised on the notion that war is an instrument of policy and that success in war, even nuclear war, is attainable. Soviet strategic policy and force development continue to be based on this military doctrine, which calls for capabilities to fight, survive and win a nuclear war."

Appearing just a week or so ago before the Senate Foreign Relations' Subcommittee on Arms Control, Lt. Gen. Samuel Wilson, head of the Pentagon's Defense Intelligence Agency (DIA), testified:

"The development of Soviet offensive and defensive forces appears to reflect an intention to maximize war-fighting and damage-limiting capabilities which would enable the U.S.S.R. eventually to achieve the degree of military superiority over the West needed to wage intercontinental war, should one occur and survive it with resources sufficient to dominate the post-war period."

Commenting recently on the nonchalance of some toward the tremendous growth of the Russian war machine, Lt. Gen. Daniel Graham, the former head of DIA, said "there is an ominous parallel between today's reactions to the Soviet military buildup and the 1930s reaction by . . . British opinion-makers to Hitler's re-arming of Germany." The analogy is apt.

In his book, "The Gathering Storm," the theme of which is "how the English-speaking peoples through their unwisdom, carelessnness, and good nature allowed the wicked to rearm." Winston Churchill writes:

"The spirit of the British nation and of the Parliament they had newly elected gradually rose as consciousness of the German, and soon the German-Italian, menace slowly and fitfully dawned upon them. They became willing, and even eager, for all kinds of steps which, taken two or three years earlier, would have prevented their troubles. But, as their mood improved, the power of their opponents and also the difficulty of their task increased. Many say that nothing except war could have stopped Hitler after we submitted to the seizure of the Rhineland. This may indeed be the verdict of future generations. Much, however, could have been done to make us better prepared and thus lessen our hazards. And who shall say what could not have happened?"

Could this happen again? Most assuredly, the answer is yes. And it's shocking to see that, of all people, our secretary of defense apparently seems oblivious to this possibility.

OPPOSITION TO ENERGY STUDY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. CRANE. Mr. Speaker, I would like to speak out in opposition to the energy study recently quoted from President Carter from the Central Intelligence Agency. This report states that by 1985, demand will far exceed supply and result in severe shortages.

The report, which does not include any estimates of world oil and natural gas reserves, bases it predictions on a study of projected economic growth rates in major consuming countries and on the effect of conservation measures currently in place in those countries. The study is being used by the administration as a tool to scare the American people into conserving energy and in my opinion, should not be a guideline by which our energy policy is drawn.

One can dispute this report easily by looking at another source of study. An example is a report compiled by experts at a United Nations conference last summer. This study holds that the world probably has enough gas and oil for another hundred years and that oil and gas from conventional sources "would last at least until about the time period 2020–2030." It is also important to remember that the United States is abundantly rich in coal. The United States has vastly more units of energy in coal than the OPEC nations have in gas and oil—an estimated 600-year supply—and thus offers the most immediate answer to our energy shortages.

With these thoughts in mind, I would like to draw your attention to an article from the Wall Street Journal entitled "1,001 Years of Natural Gas":

REVIEW AND OUTLOOK: 1,001 YEARS OF NATURAL GAS

The conventional wisdom about President Carter's energy program seems to be that the gasoline tax won't fly in Congress, but that the other elements of the plan will sooner or later be enacted. Indeed, there is a deep suspicion among the political crowd that the gas tax was designed to lose, in the process drawing off the opposition's energies so the rest of the package could go through unmolested.

Our own estimate, though, is that the whole package will collapse a piece at a time. This estimate is not merely wishful thinking, although it certainly expresses our hopes. But it is more firmly based on the fact that the United States has been seriously thinking about energy for more than three years. Not only the general public, but also Congress and the press corps have developed a sophistication about energy issues, and we think we are now past the point of being vulnerable to blindly adopting scare scenarios and emergency solutions.

The notion that we may soon be freezing in the dark unless we sacrifice by paying higher taxes to Washington could not be sold to Congress by President Ford and Vice President Rockefeller when we were all relative greenhorns at the energy game. Yes, Mr. Carter certainly deserves his chance to scare Congress into action. But because he seems to learn quickly and is flexible rather than stubborn, there is a good chance Mr. Carter will discover the true shape of the energy problem in the process of failing to get any major portion of his package adopted.

Take natural gas, for example. Mr. Carter apparently thinks the United States is running out of the stuff. If that were true, we might be as scared as he seems to be. But in the course of the debates on his plan, the President will discover that while we are now consuming 20 trillion cubic feet of natural gas every year and that—if prices were only decontrolled—we have roughly 20,000 trillion cubic feet of natural gas at hand, with some estimates that there may be 50,000 trillion cubic feet of it. That is enough to last between 1,000 and 2,500 years at current consumption.

The President's energy advisers know this. It was explained to them recently in a briefing by specialists of the American Gas Association. Experts in ERDA have been trying to tell the White House too, but have been snubbed apparently on the ground that this news would take the sting out of the scare.

What Mr. Carter has been told is that we have only 216 trillion cubic feet of proven reserves of natural gas, 10 years' supply. But that number was developed by the U.S. Geological Survey in 1974 relating resources available at 1974 technology and 1974 prices, of 52 cents per thousand cubic feet. USGS does not and never has projected what resources would be available at higher prices.

ERDA, though, has unofficially estimated that at an uncontrolled price of $2.25 the nation would be awash with natural gas. It would bring in 230 trillion cubic feet of what USGS calls "inferred reserves," make economic the 285 trillion cubic feet of Devonian shale in Appalachia, the 600 trillion cubic feet of Western "tight sands" and between 200 trillion and 300 trillion cubic feet of coal-seam methane.

At somewhere between $2.50 and $3.00 per thousand cubic feet, the industry could tap the big deposit—geopressured methane that exists at depths of 15,000 feet, both onshore and offshore, in the Gulf region. This natural gas dissolved in water runs to between 20,000 and 50,000 trillion cubic feet. If you consider that 1,000 cubic feet of natural gas is roughly equivalent to one million British Thermal Units, this exotic natural gas is not all that expensive at $3 per million BTUs. Americans now pay about 2.05 per million BTUs of natural gas delivered at their homes, $3 per million BTUs of fuel oil and $10 per million BTUs of electricity.

The only conceivable way Americans would freeze in the dark anytime in the near future is if the government continues to keep the price of natural gas from getting into the ranges that would finance tapping these reserves. Holding down the price is of course precisely what President Carter proposes, ceiling of $1.75 per thousand cubic feet.

We can't believe that President Carter genuinely desires that we freeze in the dark because of his policies. Instead, we assume it will take him a little time to get fully informed on the true nature of the energy problem. Perhaps some friend will call him up and tell him about this editorial, and we can begin thinking of dancing in the dark instead of freezing in it.

SECRETARY OF STATE VANCE ADDRESSES GEORGIA LAW DAY OBSERVANCE

HON. DOUG BARNARD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. BARNARD. Mr. Speaker, the University of Georgia was honored to have Secretary of State Cyrus R. Vance deliver a major address entitled "Human Rights and Foreign Policy" during its Law Day observance on Saturday, April 30.

Former Secretary of State Dean Rusk, Senators HERMAN TALMADGE and SAM NUNN, Georgia Gov. George Busbee and I were privileged to be among the guests.

Mr. Vance spoke of the "resolve of this administration to make the advancement of human rights a central part of our foreign policy," and, in what is termed as the first policy statement on this issue, the Secretary said that:

> Our human rights policy must be understood in order to be effective and I want to set forth the substance of that policy.
>
> First, there is the right to be free from governmental violation of the integrity of the person . . .; second, the right to the fulfillment of such vital needs as food, shelter, health care and education . . .; and third, the right to enjoy civil and political liberties. . . ."

The entire text follows:

ADDRESS BY THE HONORABLE CYRUS VANCE, SECRETARY OF STATE

Dean Beaird, students, faculty and alumni of the University of Georgia Law School, distinguished guests: I am delighted to be here with you on Law Day. And I am honored by the presence of my friend Dean Rusk, a distinguished member of your faculty.

I speak today about the resolve of this Administration to make the advancement of human rights a central part of our foreign policy.

Many here today have long been advocates of human rights within our own society. And throughout our nation that struggle for civil rights continues.

In the early years of our civil rights movement many Americans treated the issue as a "Southern" problem. They were wrong. It was and is a problem for all of us. Now, as a nation, we must not make a comparable mistake. Protection of human rights is a challenge for *all* countries, not just for a few.

Our human rights policy must be understood in order to be effective. So today I want to set forth the substance of that policy, and the results we hope to achieve.

Our concern for human rights is built upon ancient values. It looks with hope to a world in which liberty is not just a great cause, but the common condition. In the past, it may have seemed sufficient to put our name to international documents that spoke loftily of human rights. That is not enough. We will go to work, alongside other people and governments to protect and enhance the dignity of the individual.

Let me define what we mean by "human rights."

First, there is the right to be free from governmental violation of the integrity of the person. Such violations include torture; cruel, inhumane degrading treatment or punishment; and arbitrary arrest or imprisonment. And they include denial of fair public trial, and invasion of the home.

Second, there is the right to the fulfillment of such vital needs as food, shelter, health care and education. We recognize that the fulfillment of this right will depend, in part, upon the stage of a nation's economic development. But we also know that this right can be violated by a government's action or inaction—for example, through corrupt official processes which divert resources to an elite at the expense of the needy, or through indifference to the plight of the poor.

Third, there is the right to enjoy civil and political liberties—freedom of thought; of religion; of assembly; freedom of speech; freedom of the press; freedom of movement both within and outside one's own country; freedom to take part in government.

Our policy is to promote all these rights. They are all recognized in the Universal Declaration of Human Rights, a basic document which the United States helped fashion and which the United Nations approved in 1948. There may be disagreement on the priorities these rights deserve. But I believe that, with work, all of these rights can become complementary and mutually reinforcing.

The philosophy of our human rights policy is revolutionary in the intellectual sense, reflecting our nation's origin and progressive values. As Archibald MacLeish wrote during our Bicentennial a year ago, "The cause of human liberty is now the one great revolutionary cause. . . ."

President Carter put it this way in his speech before the United Nations:

". . . All the signatories of the UN Charter have pledged themselves to observe and to respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world. . . ."

Since 1945, international practice has confirmed that a nation's obligation to respect human rights is a matter of concern in international law.

Our obligation under the United Nations Charter is written into our own legislation. For example, our Foreign Assistance Act now reads: "a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries."

In these ways, our policy is in keeping with our tradition, our international obligations and our laws.

In pursuing a human rights policy, we must always keep in mind the limits of our power and of our wisdom. A sure formula for defeat of our goals would be a rigid, hubristic attempt to impose our values on others. A doctrinaire plan of action would be as damaging as indifference.

We must be realistic. Our country can only achieve our objectives if we shape what we do to the case at hand. In each instance, we will consider these questions as we determine whether and how to act:

1. First, we will ask ourselves, what is the nature of the case that confronts us? For example,

What kind of violations or deprivations are there? What is their extent?

Is there a pattern to the violations? If so, is the trend toward concern for human rights or away from it?

What is the degree of control and responsibility of the government involved?

And, finally, is the government willing to permit independent, outside investigation?

2. A second set of questions concerns the prospects for effective action:

Will our action be useful in promoting the overall cause of human rights?

Will it actually improve the specific conditions at hand? Or will it be likely to make things worse instead?

Is the country involved receptive to our interest and efforts?

Will others work with us, including official and private international organizations dedicated to furthering human rights?

Finally, does our sense of values and decency demand that we speak out or take action anyway, even though there is only a remote chance of making our influence felt?

3. We will ask a third set of questions in order to maintain a sense of perspective:

Have we steered away from the self-righteous and strident, remembering that our own record is not unblemished?

Have we been sensitive to genuine security interests, realizing that outbreak of armed conflict or terrorism could in itself pose a serious threat to human rights?

Have we considered *all* the rights at stake? If, for instance, we reduce aid to a government which violates the political rights of its citizens, do we not risk penalizing the hungry and poor, who bear no responsibility for the abuses of their government?

If we are determined to act, the means available range from quiet diplomacy in its many forms, through public pronouncements, to withholding of assistance. Whenever possible, we will use positive steps of encouragement and inducement. Our strong support will go to countries that are working to improve the human condition. We will always try to act in concert with other countries, through international bodies.

In the end, a decision whether and how to act in the cause of human rights is a matter for informed and careful judgment. No mechanistic formula produces an automatic answer.

It is not our purpose to intervene in the internal affairs of other countries, but as the President has emphasized, no member of the United Nations can claim that violation of internationally protected human rights is solely its own affair. It is our purpose to shape our policies in accord with our beliefs, and to state them without stridency or apology, when we think it is desirable to do so.

Our policy is to be applied within our own society as well as abroad. We welcome constructive criticism, at the same time as we offer it.

No one should suppose that we are working in a vacuum. We place great weight on joining with others in the cause of human rights.

The United Nations system is central to this cooperative endeavor. That is why the President stressed the pursuit of human rights in his speech before the General Assembly last month. That is why he is calling for United States ratification of four important human rights covenants and conventions, and why we are trying to strengthen the human rights machinery within the United Nations.

And that is an important reason why we have moved to comply with United Nations sanctions against Rhodesia. In one of our first acts, this Administration sought and achieved repeal of the Byrd Amendment, which had placed us in violation of these sanctions and thus in violation of international law. We are supporting other diplomatic efforts within the United Nations to promote basic civil and political rights in Namibia and throughout southern Africa.

Regional organizations also play a central role in promoting human rights. The President has announced that the United States will sign and seek Senate approval of the American Convention on Human Rights. We will continue to work to strengthen the machinery of the Inter-American Commission on Human Rights. This will include efforts to schedule regular visits to all members of the Organization of American States, annual debates on human rights conditions, and the expansion of the Inter-American educational program on human rights.

The United States is seeking increased consultation with other nations for joint programs on economic assistance and more general efforts to promote human rights. We are working to assure that our efforts reach out to all, with particular sensitivity to the problems of women.

We will meet in Belgrade later this year to review implementation of the Final Act of the Conference on Security and Cooperation in Europe—the so-called Helsinki Conference. We will take this occasion to work for progress there on important human issues: family reunification, binational marriages, travel for personal and professional reasons, and freerer access to information.

The United States looks to use of economic assistance—whether bilateral or through international financial institutions—as a means to foster basic human rights.

We have proposed a 20% increase in United States foreign economic assistance for Fiscal Year 1978.

We are expanding the program of the Agency for International Development for "New Initiatives in Human Rights" as a complement to present efforts to get the benefits of our aid to those most in need abroad.

The programs of the United States Information Agency and the State Department's Bureau of Educational and Cultural Affairs stress support for law in society, a free press, freedom of communication, an open educational system, and respect for ethnic diversity.

This Administration's human rights policy has been framed in collaboration and consultation with Congress and private organizations. We have taken steps to assure first hand contact, consultation and observation when Members of Congress travel abroad to review human rights conditions.

We are implementing current laws that bring human rights considerations directly into our decisions in several international financial institutions. At the same time, we are working with the Congress to find the most effective way to fulfill our parallel commitment to international cooperation in economic development.

In accordance with human rights provisions of legislation governing our security assistance programs, we recently announced cuts in military aid to several countries.

Outside the government, there is much that can be done. We welcome the efforts of individual American citizens and private organizations—such as religious humanitarian and professional groups—to work for human rights with commitments of time, money, and compassion.

All these initiatives to further human rights abroad would have a hollow ring if we were not prepared to improve our own performance at home. So we have removed all restrictions on our citizens' travel abroad, and are proceeding with plans to liberalize our visa policies.

We support legislation and administrative action to expand our refugee and asylum policies, and to permit more victims of repressive regimes to enter the United States. During this last year, the United States spent some $475 million on assistance to refugees around the world and we accepted 31,000 refugees for permanent resettlement in this country.

What results can we expect from all these efforts?

We may justifiably seek a rapid end to such gross violations as those cited in our law: "torture, or cruel, inhuman or degrading treatment or punishment, or prolonged detention without charges. . . ." Just last week our ambassador at the United Nations, Andrew Young, suggested a series of new ways to confront the practice of torture around the world.

The promotion of other human rights is a broader challenge. The results may be slower in coming but are no less worth pursuing, and we intend to let other countries know where we stand.

We recognize that many nations of the world are organized on authoritarian rather than democratic principles—some large and powerful, others struggling to raise the lives of their people above bare subsistence levels. We can nourish no illusions that a call to the banner of human rights will bring sudden transformations in authoritarian societies.

We are embarked on a long journey. But our faith in the dignity of the individual encourages us to believe that people in every society, according to their own traditions, will in time give their own expression to this fundamental aspiration.

Our belief is strengthened by the way the Helsinki principles and the UN Declaration of Human Rights have found resonance in the hearts of people of many countries. Our task is to sustain this faith, by our example and our encouragement.

In his inaugural address, three months ago, President Carter said, "Because we are free we can never be indifferent to the fate of freedom elsewhere. . . ." Again, at a meeting of the Organization of American States two weeks ago, he said, "you will find this country . . . eager to stand beside those nations which respect human rights and which promote democratic ideals."

We seek these goals because they are right—and because we too will benefit. Our own well-being, and even our security, are enhanced in a world that shares common freedoms, and in which prosperity and economic justice create the conditions for peace. And let us remember that we always risk paying a serious price when we become identified with repression.

Nations, like individuals, limit their potential when they limit their goals. The American people understand this. I am confident they will support foreign policies that reflect our traditional values. To offer less is to define America in ways we should not accept.

America fought for freedom in 1776 and in two world wars. We have offered haven to the oppressed. Millions have come to our shores in times of trouble. In time of devastation abroad, we have shared our resources.

Our encouragement and inspiration to other nations and other peoples have never been limited to the power of our military or the bounty of our economy. They have been lifted up by the message of our Revolution, the message of individual human freedom. That message has been our great national asset in times past. So it should be again.

WE CAN HAVE FULL EMPLOYMENT WITHOUT INFLATION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. UDALL. Mr. Speaker, all of us can take some measure of encouragement from the gradual improvement in our economic outlook. Unemployment is falling slowly, and inflation—though still at historically high levels—seems to be moderating somewhat. That is the good news.

But the disgraceful fact remains that more than 7 million of our people did not have jobs to go to when they got up this morning. And millions more could only go to part-time, fill-in jobs when they want permanent work. We are still years away from anything approaching full employment, with no assurance that we can get there or stay there.

And the fact remains that the Congress has not taken the steps necessary to redeem the promise of the 1946 Employment Act: A job for every American worker.

A few weeks ago, John C. Davis, who served with distinction on the Council of Economic Advisers in the Truman administration, analyzed this sad and outrageous situation. He summarized it concisely:

> Primarily as a result of the propaganda put on by Nixon and Ford's 'free market' economists it is now widely believed that we cannot have full employment without inflation. This is nonsense. What we can't have is an economy operating without inflation, whether we have full employment or not, unless we place some restrictions on the ability of our oligopolies to set prices that contravene the forces of supply and demand.

Mr. Davis is correct. In our concern with the statistical measures of price, profit and employment, we lose sight of one of our fundamental economic problems: Concentration.

I urge my colleagues to read Mr. Davis' penetrating and persuasive diagnosis of this economic disease, and to join me in prescribing some strong medicine to cure it:

WE CAN HAVE FULL EMPLOYMENT WITHOUT INFLATION

(By John C. Davis)

It is a national disgrace that nearly 8-million people are without a job. To have allowed this to continue, year after year, seems unbelievable. That the Nixon and Ford administrations used unemployment as a tool for fighting inflation should have caused the American people to rise in wrath at such a heartless approach to this problem. It seems inconceivable that this could happen since we have national legislation, passed by Congress in 1946, which pledges the resources of the federal government to provide employment for every able-bodied person who wants a job.

There are two main reasons why this act, pledging maximum employment and purchasing power, was passed. One, it seemed evident from the Great Depression of the Thirties that another such breakdown in our economic system might well put an end to our society as we know it. We also learned as a result of government spending for World War II, that it is possible to have full employment without serious inflation provided the government is willing to commit enough money to that end and provided the program places some restraints on wage and price increases.

Surely one of the major tests of an economic system's success is its ability to provide useful and self-fulfilling work for its citizens. It is no answer to our unemployment problem to say that maintaining full employment isn't easy. It isn't, but it can be done if we commit enough of our resources to attaining this objective.

Primarily as a result of the propaganda put on by Nixon and Ford's "free market" economists it is now widely believed that we cannot have full employment without inflation. This is nonsense. What we can't have is an economy operating without inflation, whether we have full employment, or not, unless we place some restrictions on the ability of our oligopolies to set prices that contravene the forces of supply and demand.

It used to be true, prior to the period when so many corporations had the power to administer prices, that inflation was associated with high employment. But in recent years we have had some of our highest inflationary rates when we had high unemployment.

According to conventional economic wisdom prices will be lowered during a recession when unemployment is high. The theory is that these lowered prices will induce people to buy more, thus bringing about an increase in demand for labor to produce the additional goods now being bought. Thus unemployment will be reduced. This is the "free competitive market" theory relied upon by the Ford and Nixon administrations. This has little relevance to today's economic situation wherein some 1,000 large corporations with enough monopoly power to administer prices account for nearly one-half of our gross national product.

Today the more typical procedure is for these large corporations to maintain their prices, or to raise them, when demand falls off and unemployment is high. Just recall the increase in the price of automobiles in 1974 and 1975 when the automobile industry was renting extra lots to store the cars it couldn't sell at existing prices.

A recent study made for the Joint Economic Committee of the Congress, going back to World Was II, showed that many corporations raised their prices during every major recession for the last 30 years. To name only a few, these included food stores, utilities, rubber manufacturers, tobacco and aircraft.

This fact of administered prices has profound implications for President Carter and the American people. Unless Carter recognizes this economic fact of life, and so far he has shown little evidence that he understands it, he will be unable to keep his promise to put people back to work without inflation.

Unfortunately since taking office Carter has scaled down his employment goals as expressed during his campaign. Apparently his target now is to reduce unemployment from its present 7.5 per cent to 6.4 per cent during the forthcoming year. These goals are too low and are unacceptable. They are below the implicit goals envisaged by the Employment Act of 1946 which is still the "law of the land."

The unemployment goal for the coming year should be no more than 4 per cent unemployed. Even this is too high for a country that is the wealthiest nation in the world. If we can afford $115-billion for "defense" it is ridiculous to say we can't afford to spend what it takes to put our people back to work. Actually defense spending at such exorbitant levels lessens our national security and puts an intolerable pressure on prices. Defense spending is the most inflationary of all government expenditures and, with the exception of space exploration, provides fewer jobs than any other type of government spending.

During his campaign President Carter led the American people to believe that he would do better than have some 6-million to 7-million people without work for another year. We have a right to expect him to set a full employment goal wherein every able-bodied person is given a chance to productively contribute to his country and to receive a fair wage for the production that he, or she helps to create. To accept unemployment as a device for fighting inflation is the height of cynicism. This places the burden of fighting inflation on those least able to bear it.

To continue our present high level of unemployment guarantees that our future will deteriorate. Unemployment lowers community health. With high unemployment we cannot have safe streets, decent housing, adequate health care, or racial peace. Someone has rightly said that unemployment is an investment in decay. And unemployment is morally wrong. Jobs represent justice. No economic system deserves to survive if it cannot provide meaningful jobs for its people. How can we allow a situation to continue wherein millions of our people are demoralized through lack of work when there is so much useful work that needs to be done?

From a financial point of view we cannot afford anything less than full employment. According to a recent Library of Congress study unemployment at a level of 8 per cent compared with 3 per cent costs this nation $103 billion annually. Reduced government revenues caused by unemployment, when added to the costs of welfare, unemployment compensation payments, along with food stamps means that the already swollen federal deficit is still further increased.

If, and it seems axiomatic, unemployment is something we cannot afford, either morally or financially, why is it that the Employment Act is not carried out? Why are we willing to commit ourselves to the B–1 bomber which is conjectural as to its value, and already obsolete according to many authorities, that would cost us more over the years ahead than it would cost to provide useful employment at productive work for our people?

One reason is that there are a number of people yielding economic and political power who believe their own self-interest is best served when a considerable number of people are unemployed. This is because when jobs are scarce workers are more docile, they accept hazardous working conditions and they accept dirty jobs at low wages.

When jobs are plentiful workers are more likely to insist on decent working conditions.

In addition, business concerns enjoy the financial inducements offered to them to locate a plant in a particular area. Such inducements commonly include free land for the factory site, no taxes or reduced taxes for a period of years, and of course the feeling of importance they have as various state, county, or city officials vie with each other to get the proposed plant or business. In addition the unemployed have little economic or political power.

President Carter's modest program for dealing with unemployment results from a number of premises that are either fallacious, or only partly true. He has been led to believe that spending enough money to really reduce the number of people out of work would negate his promise to balance the budget in the next four years and would create unacceptable inflation.

But with, or without this spending, inflation will continue unless the President has the courage to place restraints on the power of big unions to negotiate wage settlements in excess of productivity and restraints on the power of big corporations to get prices that bear little relationship to those that would be set by supply and demand operating in a free market.

The ability of these oligopolies to administer prices means that in the absence of restraints prices will continue upward whether we have full employment or not. What Carter does not seem to realize is that full employment is conducive to lower deficits than high unemployment because people at work pay taxes instead of having to be supported by welfare or unemployment compensation.

The only acceptable approach toward full employment without inflation is to restore the wage-price guidelines. Unless President Carter reinstates the guidelines with a program to be made mandatory if a voluntary approach fails, his program will surely fail. The guidelines should be made applicable to those firms which the Federal Trade Commision designates as having enough monopoly power to administer prices.

The guidelines, as policy, can be simply put—wage increases must be related to productivity gains since all other wage increases are inflationary, and prices must bear a reasonable relationship to costs. Those opposed to the guidelines argue that this is an interference with the free market. But we aren't told that the market is already being interefered with, not in the interest of consumers, but to increase profits already unconscionable.

The issue is not between unemployment and inflation. The issue is between inflation and monopoly. Unless Carter has the courage to take a stand opposed by big unions and big business, his economic program will fail and the American people will be faced with continued high unemployment and unacceptable inflation.

The President should carry out the mandate laid down by the Employment Act. We know from experience that we can have full employment without inflation provided we are willing to commit enough resources to that end, and provided there is adequate restraint on wage and price increases.

I want to believe the new President has the courage to do this and that he will consider full employment to have a higher priority than the B–1 bomber and a higher priority than the making of ever more nuclear weapons. If he does not do this, his economic program will fail, and he will be just another President who lost his opportunity for greatness.

ILLEGAL ALIEN PROBLEM REQUIRES GOVERNMENT REORGANIZATION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. ROSENTHAL. Mr. Speaker, many of us in the Congress share with the new administration a commitment to the reorganization and streamlining of the Federal Government. We believe that solutions to many national problems have been impeded by our bureaucracy's overlapping jurisdictions, conflicting priorities and wrongly utilized personnel. The conviction that structure frequently makes policy underlies the great interest in a new Department of Energy, for example.

Few national problems have eluded solution as long as that of illegal aliens. Many sources estimate that there are 6 to 8 million aliens illegally residing in the United States today. This number is rapidly growing. The White House has calculated the cost to the Nation of these illegal aliens at $13 billion per year.

I am convinced a stop can be made to this flow of persons in flagrant disregard of our immigration laws. But I am equally certain that no such halt can be had until the various Federal agencies charged with enforcing the immigration laws are reorganized into a single, vital body with a unified set of policies, priorities and perspectives. The creation of such an agency is the object of a bill I have introduced, H.R. 3200.

There are two types of illegal aliens: First, those who enter without inspection (EWI), and second, those who overstay their visas—tourists and students. Although a majority of the illegal immigrants are from Mexico, many emigrate from Latin American countries, including the Dominican Republic, Haiti, Jamaica, Guatemala, Colombia, Peru, and Ecuador, and almost every other corner of the globe.

Although a majority of undocumented aliens, including most from Mexico, enter without inspection, at least 40 percent enter legally on temporary visas and remain after the expiration date. A majority of these aliens migrate to metropolitan cities, where higher paying jobs are available and assimilation is made easier. For example, the New York area alone contains approximately 1 million illegal aliens. And about 200,000 of these people are visa abusers.

A definite impact on our resources is created by the high numbers of illegal aliens residing in this country. Studies indicate that the labor market feels the crush the hardest. Illegal aliens increase the supply of unskilled workers, which results in a depression of the real and money wages of these employees. If these aliens work for below minimum wages, they will be hired before legal residents. According to the U.S. Immigration and Naturalization Service, illegal aliens hold a million well-paid jobs and at least an additional million low-paying jobs. Teenagers, disabled, and the unskilled feel keenly the impact on the job market of these millions of illegal workers.

Illegal aliens also seriously strain our social services. Many receive food stamps, welfare, medicaid, unemployment compensation, hospital care, and so forth. In addition, they have an acute effect on available housing, schools, and transportation systems. Unfortunately, many illegal aliens pay no taxes or contribute much less than they receive in tax-supported services. According to an Immigration Service study, illegals cost $13 billion a year in welfare expenditures, jobs taken from Americans, and money sent out of the country.

Our immigration problem must be corrected at its source. Responsibility for aliens is split among the State Department's Bureau of Security and Consular Affairs which handles the issuing of visas, the Justice Department's Immigration and Naturalization Service—INS—which enforces these visas, and the Department of Labor which issues labor certificates. Other agencies, such as the Social Security Administration, IRS, and the U.S. Customs Service, play a role in enforcement. The lack of coordination and cooperation among these agencies, in addition to the problems within each agency, has resulted in an ineffective immigration policy.

The solution which I have long been urging—closer integration of the interested Federal agencies to prevent entry of the illegal—is necessary to deal with this problem. The visa issuers in the State Department, the visa enforcers in the Justice Department, and the labor certifiers in the Department of Labor must be joined in one new independent agency with combined budget, management, and goals. I have recently introduced a bill, H.R. 3200, to create exactly that.

The State Department's consular operations perform three functions: First, visa issuance; second, passport and citizenship; and third, special consular services. Only 22 percent of personnel resources are devoted to consular operations despite the fact that these workload demands have increased dramatically in the past few years.

Visa applications are reviewed for accuracy and the likelihood of an applicant's complying with visa terms are assessed at the American Consulate. Because Presidents in recent years have stressed the importance of facilitating international travel, the issuance of visas by the Consular offices has been made as simple as possible. Visa issuance has increased 20 percent in the last 10 years.

The low priority assigned to the visa issuing function within the Department of State is a principal cause of difficulty in improving the overall effectiveness of these activities. Bright officers are attracted to diplomatic assignments and a difficulty in recruiting and keeping personnel has resulted. As many as one-third of the consular personnel move from one post to another in a given year. A great loss of productive time and expertise in handling applicants is lost due to this rotation.

Illegal immigration is not given much attention in foreign affairs either. Insufficient effort has been made by the State Department to inform host governments of the extent and nature of the illegal entry problem. To worsen this situation, foreign governments exert pressure on the State Department to review visa applications. In some cases visas have been issued improperly to satisfy political favors between the State Department and foreign countries. The State Department has claimed that the visa office is affected by political pressures when the visa refusal rate is too high in a particular country.

In addition to this "corruption," a considerable amount of subjective judgment by the officials is involved in screening applicants, because the intent of the alien is as important as the evidence presented. The consulate officer's authority, however, to issue a visa is not reviewable under law. This may be one of the contributing factors to the increasing number of fraudulent documents and practices.

As previously stated, immigration enforcement is primarily the responsibility of the Immigration and Naturalization Service. To prevent illegal entrance to the United States, INS conducts inspections at ports of entry and maintains a border patrol between entry sites. Another duty of INS is to carry on investigative activities within our borders against illegals who escape detection at entry or overstay their visas.

Due to a lack of resources and understaffing, INS is facing problems in meeting its goals. Former Commissioner Chapman of INS, when testifying this year before the House Judiciary Subcommittee on Immigration, Citizenship and International Law, simply admitted:

> We are totally incapable of stopping them. There are too many of them.

Lack of personnel has resulted in thousands of leads being left unfollowed.

Approximately 90 percent of the illegals apprehended by INS are of Mexican origin. According to Commissioner Chapman's testimony, 60 percent of the border patrol force operates on the Southwest border. In the past 3 years the force has been increased by 354 positions, all being assigned to the Southwest border. Due to this unequal allotment of manpower, relatively few illegals emigrating from the other Latin American countries and the rest of the world are being apprehended. These aliens flock to the cities, where assimilation is made easier. It is obviously more difficult to apprehend these people in interior locations, especially when a sufficient amount of manpower is not being utilized.

The Immigration and Naturalization Service's departure procedure suffers from many of the same problems as does its enforcement and prevention policies. An ineffective schedule departure system for the nonimmigrant aliens does not permit a rapid and accurate matchup between the entry and exit data on the alien. The departing alien merely drops off half of his I-94 card—received by nonimmigrant aliens on the arrival at the U.S. port of entry—at the airline ticket counter before boarding his plane. This card is supposed to be turned in by the carrier to INS. Many opportunities for error or deliberate fraud have resulted, together with an unreliable index of the number of nonimmigrant aliens actually leaving the United States.

Backlog of procedure, lack of detention facilities, and the high cost of jails, have forced INS to adopt the procedure of "voluntary departure." Only repeat and criminal violators are held for prosecution, while the remaining apprehended illegals are merely asked to leave the country. A high rate of abscondees do not leave the country as promised and simply change jobs and residences after their release. It is totally preposterous to expend scarce resources on the apprehension of illegals only to rely on their promise to leave the country.

In conclusion, the problems faced by the visa enforcers are varied. A situation has developed which cannot be handled satisfactorily by this agency.

The Department of Labor also plays a role in immigration, in that certification by the Secretary of Labor is required prior to issuance of an immigrant visa for all nonrelatives. To issue a labor certificate, the Secretary must certify that, first, there are not sufficient workers in the United States at the alien's destination able, willing and qualified to perform the job, and second, employment of the alien will not adversely affect wages and working conditions of similarly employed U.S. workers. A case-by-case review is necessary to allow an alien to enter, creating a heavy workload.

The Department of Labor statistics indicate that only 12 to 15 percent of the approximately 400,000 immigrants admitted annually receive a labor certificate. Of these, over half change occupations within 2 years, and in 1972, 4 in every 10 aliens applying for certification were already in the United States. The

Domestic Council Committee on Illegal Aliens, composed of high officials of 6 departments, conducted 2 years of investigation into the illegal alien problems. Included within their report issued in December 1976, are obvious shortcomings of the labor certification program:

First. Approximately 1.7 million people join the labor market annually, but less than 40,000 have labor certification.

Second. A negative labor certification decision does not decrease the number of immigrant workers arriving in the United States, because his place on the visa waiting list will be filled by someone else. Thus, there is no impact on the macro-labor markets.

Third. Fifty-seven percent of the alien workers change occupations quickly and there is no control over the worker after he arrives, so the impact on the micro-labor market is minimal.

Fourth. Many aliens apply for labor certification after they are in the United States and working. Thus, the labor certification decision has no real impact.

Fifth. Due to backlogs, it may take 2 years to secure a visa. As a result, the employer does not have a worker when needed, and when the alien finally arrives, his services might no longer be required.

In summary, the operations of INS, Visa Offices, and Department of Labor are seriously flawed. The problems do not cease within these agencies' borders; rather, they extend and are exaggerated by the lack of interagency communication.

The State Department and the Justice Department face the most severe communication problems. Their roles as visa issuers and visa enforcers cannot be handled satisfactorily, because one agency is unaware of the other's responsibilities and decisions. It should be one fluid process, but in actuality, there is no meeting point between the two agencies. Each deals with its own responsibilities, and although there is a great overlap among the agencies, a wide gap in communication is present. Examples abound.

INS and the Visa Office have separate computer systems and different "lookout" lists for apprehension. A centralized computer system is absolutely necessary to enable our country to deal effectively with the high rates of fraud.

Coupled with a lack of care in the issuance of student and tourist visas, the visa officers never learn what becomes of those people whose applications they approve. The State Department continues to issue many visas with few rejections, because INS does not notify the consular officers as to how many students are overstaying their visas. A more careful screening of fraudulent applicants who misrepresent their real intent to work and remain in the United States with false claims or documents is necessary.

The State Department believes that our relations with the source countries would not noticeably be affected if controls of ineligible aliens were tightened on a worldwide, nondiscriminatory basis. However, this cannot be accomplished without a unified policy as to the number of visas to be issued and the criteria to be used in issuance.

In dealing with the first preference for immigration, family reunification, the acting Comptroller General of the United States commented last year that—

> Although Department of State consulates have the ultimate responsibility for issuing immigrant visas to aliens not in the United States, they are not receiving sufficient information from INS to satisfy their questions concerning the validity of marriage relationships approved by INS.

How then, do the consulate officials decide?

There is a similar lack of communication between INS and other Government agencies. For example, the Social Security Amendments of 1972 prohibits illegal aliens from being issued a social security card. Notwithstanding this prohibition, millions of such cards are outstanding. Close cooperation between INS and the Social Security Administration is necessary, and presently unavailable, to monitor and evaluate efforts at enforcing the law and to assess the implications of the present situation.

In conclusion, the lack of cooperative interagency efforts has prevented the vast number of problems within each agency to be dealt with adequately. The three separate Federal agencies charged with administering the immigration and naturalization laws of the United States—the Visa Office of the Department of State, the Immigration and Naturalization Service of the Department of Justice, and the Department of Labor—are unable to cope efficiently and economically with the flow of illegal aliens due to their inherently inconsistent and incompatible policies, priorities, and perspectives. The presence of millions of illegal aliens is creating an increasing strain on needed jobs, housing, public assistance, transportation, medical facilities, and social services.

To solve the problem of the abundance of illegal aliens, we must attack it at its base. The comprehensive study of the illegal alien problem by the Domestic Council Committee on Illegal Aliens declared our immigration policy "ineffective" and concluded "the illegal immigration phenomenon is significant and growing." The report points us to the solution which I have long been urging—the creation of a single, independent agency having the combined functions of visa issuance, enforcement of immigration and naturalization laws, and labor certification. The independent agency would have jurisdiction over all matters concerning foreign persons entering the United States, and would also encourage formation of a unified policy with regard to aliens receiving Government benefits and services, and the enforcement of tax laws. Policy determinations, effective execution of laws, and fiscal accountability can only be achieved by a single, independent unit.

CRIME AND WHAT WE CAN DO ABOUT IT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. EDWARDS of California. Mr. Speaker, David L. Bazelon, Chief Judge, U.S. Court of Appeals for the District of Columbia Circuit, spoke at the Conference on Crime and What We Can Do About It on April 2, 1977. This conference was held in Chicago and was sponsored by the Center for the Study of Democratic Institutions. I was deeply moved by the insight and wisdom in the speech, and commend its study to my colleagues:

"CRIME AND WHAT WE CAN DO ABOUT IT"

Remarks of David L. Bazelon, Chief Judge, United States Court of Appeals for the District of Columbia

It is a great pleasure to be back in Chicago where I spent so many years of my life—and to be among so many old friends. And while this homecoming is most pleasant, the concern about crime that brought it about is not.

I think you will agree that we have not been brought together today by society's concern about white-collar crime, or violent crimes of passion, or organized crime, or political crime. These are important matters, to be sure. But they are not the source of the present outcry. I have no doubt that what *has* brought us together today is the justified alarm about the so-called crime in the streets. This morning I will be speaking only about the problems related to such offenses.

There has been a good deal of inflamed, get-tough rhetoric about crime from politicians seeking votes. This rhetoric is echoed by some academicians, who are asked—and funded—to advise us what we must do to keep the lid on. The public and the press are demanding that we hired hands in the criminal justice system—police, prosecutors, courts and corrections—sweep away this disturbing problem. But can we—without dealing with the social injustice that breeds this behavior?

For many years, it was widely believed that the solution to crime was to rehabilitate the offender. Now we are told by those who have studied recidivism rates over the last few decades that this expectation is beyond our abilities. The guiding faith of corrections—rehabilitation—has been declared a false god.

Of course, not everyone concedes that rehabilitation cannot work. Many corrections officials have argued that we have never really supported it enough to judge its possibilities and limitations. But I do not wish to rehash this debate with you this morning. For now, let's assume that a man's soul cannot be reformed by coercion or by the enticement of early release from prison. And let's assume that no one has the professional expertise to "cure" the people from the bottom of the socio-economic ladder who commit street crimes.

Conceding all this, should we strip our prisons of all nonessential services and settle for mere warehousing? If we cannot show that a particular program has lowered recidivism rates, should we toss it on the garbage heap?

The answer, I submit, is emphatically no. Rehabilitation—by which I mean educational, counseling, and social service programs—should never have been sold on the promise that it would reduce crime. Recidivism rates cannot be the only measure of what is valuable in corrections. Simple decency must count too. It is amoral, if not immoral, to make cost-benefit equations our lodestar in corrections. Neither the costs nor the benefits of providing or withholding vital human services can be objectified. Whether in prison or out, every person is entitled to physical necessities, medical and mental health services, and a measure of privacy. Beyond these requisites of decent custodial care, prisoners should be given the opportunity to make their time in prison something other than dead time, time without hope. They need programs to provide relief from boredom and idleness, which are surely among the greatest cruelties and causes of violence in our prisons as they are in our streets. For those that are willing, there should be tools available for self-improvement—libraries, classes, physical and mental activities.

If society cannot expect to rehabilitate the offender, what can it expect? Some people argue that because prisons have been such complete failures at reforming offenders, society could expect at least as much as it is now getting from the corrections system if we bulldozed all the prisons in this country and relied instead on community-based programs of surveillance, restraint, and support. The abolitionists rest their case on studies showing that institutionalization frequently increases the probability of recidivism, just as it increases the anger and alienation of the inmate.

Community-based programs are probably our most humane hope in dealing with people who have already turned to crime. Yet, I believe we delude society if we bill any of these programs as more than after-the-fact treatments that never prevent, and only occasionally cure, criminal behavior. If our goal is to reduce street violence, more is needed than additional probation officers. Even one-on-one supervision will not suffice. We must look to the conditions that bred the crime in the first place, or else expect the offender to break the law again when we send him back to those conditions.

Also, as much as I long for the day when we can dynamite the Bastilles of this nation, I fear that we will always need prisons to isolate dangerous offenders. The day Adam stepped from the garden, we had to begin worrying about protecting the sheep from the wolves. Some offenders simply must be locked up to protect society; otherwise, we face the prospect of escalating street violence, including lynchings to avenge the victims. Everyone would probably agree that the dangerous offender must be imprisoned. The problem—the terrible problem—is to define "dangerous" and then find the tools to measure it. As it now stands, we are being pushed to lock up ten suspected of being dangerous in an effort not to miss one who actually is. In my time this morning, I can only note the questions; I could not begin to answer them, even if I were able.

Where there is no alternative to incarceration, we should consider new approaches. The most basic change that can be made is to reduce the size of our prisons. Experience has shown that our super fortresses housing thousands of inmates carry a built-in brutality. Control over these huge populations tends to come by harsh disciplinary measures, or not at all.

On the other end of the spectrum from the abolitionists there are growing numbers of criminologists and politicians who are promising society great victories in the war on crime by changing our sentencing policies. They speak of flat sentences, uniform sentences, mandatory sentences, presumptive sentences. Under one proposal, a new sentencing commission would set standards, and appellate courts would review sentencing decisions to ensure that those standards are implemented.

Some of these proposals come from those who have given up on rehabilitation and indeterminate sentencing, which uses the unfixed release date to induce prisoners to reform themselves. Since prisons now seem to serve no purpose but punishment and isolation, they say, there is no reason that like crimes should not receive like sentences. These people rest their case for uniform sentences on fairness for prisoners themselves, who are too often kept ignorant of their release date or subjected to unequal treatment.

Perhaps it is true that "we have not achieved either the individual love and understanding or the social distribution of power and property that is essential if discretion is to serve justice." Yet, I still cling to the ideal of individualized justice. As others have recognized, "In abandoning individualism here, we make it progressively easier to abandon it elsewhere." I fear that if we shift from concern for the individual to mechanical principles of fairness, we may cease trying to learn as much as possible about the circumstances of life that may have brought the particular offender to the bar of justice.

At present, sentencing discretion is shared by prosecutors, judges, parole boards, and others. Uniform and mandatory sentencing would merely transfer most of this discretion to prosecutors, who would in effect set sentences by their decisions about whom to charge with what crime and whether to plea bargain. Since prosecutors need not reveal their reasons, their exercise of discretion is not reviewable.

Of course, keeping discretion in judges' hands is preferable only if judges explain their decisions and make themselves accountable to the public. Sentencing discretion cannot appear fair or serve justice or teach anyone anything unless its exercise is fully explained. Unfortunately, most judges now give only boilerplate reasons for their sentencing, if that. I would guess that some judges—those who are moved by retribution and vengeance—would be ashamed to say so forthrightly. Others suppose there must be right and wrong sentences, so they are embarrassed to reveal their understandable dilemma in not knowing one from the other. And finally, there are those who can't be troubled; if they bothered to probe their own minds, who knows what useful insights or disturbing biases they would find?

All the proposals for sentencing reform are worthless unless trial judges clearly and honestly reveal in writing the reasons for the sentence imposed. Without such reasons, no review—judicial or otherwise—would have any basis for determining whether the judge abused his sentencing discretion. And without reasons, we would be denied the experience which would be essential for fixing sentencing standards and guidelines by any court, commission or legislature.

I am also disturbed by the movement for mandatory and uniform sentencing because some people advertise it as a way of reducing crime. Led by Harvard's James Wilson and NYU's Ernest van den Haag, this group argues that increasing the certainty of a prison sentence will decrease the crime rate either by removing the more prolific criminals from the streets or by deterring others from yielding to temptation. Some politicians have told me that they are highly impressed with the theory, which they attribute to Wilson, that the current surge in crime is caused by the post-war baby boom. Apparently, the idea is that as this generation enters its crime-prone years, all that is required is essentially a holding action—put these people away until the population bulge passes, and eventually the problem of unacceptable crime statistics will largely solve itself.

What can society really expect from these proposals? Of course, all these proposals are almost certain to increase the number of prisoners, even if sentences are shortened. Most state systems are already overcrowded; many are operating at 130% or more of capacity. In one state the Department of Corrections has stopped issuing a capacity figure "because we keep passing it." One survey puts our national prison population at 276,000. In the last year, this country experienced the largest one-year increase on record. Billions of dollars in new prison construction is scheduled for the next few years; yet at a cost of $35,000 to $50,000 per cell, we can safely assume that overcrowding will get worse before it gets better.

Can society expect harsher sentences to deter crime? The white-collar offender may weigh the risks of punishment, but the street offender—the one who is the cause of our alarm—most probably does not. With no job, no opportunity, no close family ties, he may well believe he has more to gain than he has to lose. More than 3% of this nation's non-white male population between the ages of 18 and 34 was imprisoned in 1970. This is six times the percentage for whites. Can anyone doubt the connection between these out-of-proportion figures and the out-of-proportion unemployment rates and lack of opportunity facing this country's non-white slum dwellers?

Also, even *if* it is true that we can reduce crime simply by locking up enough lawbreakers, we must ask—for how long and at what cost to them and ourselves? Is the plan to keep them behind bars for life? Even if it succeeds, will this approach make our society more just, or merely more repressive?

Most disturbing, all these proposals fail to consider the social injustices that breed crime. Can it be true that this nation would rather build a new prison cell for every slum dweller who turns to crime than try to alleviate the causes of his lawlessness? I do not understand how academicians and politicians can have a clear conscience preaching repression as the solution to crime, unless of course they believe that despite the accident of birth everyone in this country is equally endowed, mentally and physically, and has the same opportunities they have had to get ahead.

If the present debates in corrections are aimed at making prisons less brutal and sentencing more fair, then the effort is worthwhile. But if they are aimed at reducing crime, they are dangerously off-target. They are dangerous because they risk repression and greater suffering. They are off-target because they encourage society to expect magic cures rather than facing the real causes of crime.

One of the few clues that we do have about the sources of street crime is that a viable family structure is crucial for social integration. A child needs a family because that is where his roots and his education are. Mothers and fathers who spend time with their child are better at it than are most organized group care arrangements. We are learning that the child-rearing practices of the poor do not differ markedly from the most affluent. Statistics show that with a rising income, the same mother spends more time with her child.

But many poverty parents have less time and energy for their families. They are easily overwhelmed simply by the struggle for survival. A frantic and harrassed mother is not a natural mother, and a father filled with failure and desperation is not a real father and he may not even stay around long enough to try. A parent who cannot put food on the table cannot convey to a child a sense of order, purpose or self-esteem. The poor are confronted by the same problems which confront the rich, and more of them. The difference is they simply do not have the resources or the time to cope. And when they slip, they find it all the harder to come back.

I am not saying poverty equals crime. That would be silly. I am merely stating the obvious: that poverty—and the deprivation and discrimination that so often go with it—creates the conditions that make street crime more likely.

It doesn't take an expert to guess that too many children reared in the slums, where acknowledgment of one's own identity or worth is impossible, will develop at best a hard insensitivity to other humans. My own experience with delinquents and criminals is that they feel cut off from and hated by society, and they in turn feel nothing but hatred toward their victims. Presentencing reports call these youths "street wise"—which means merely that they have the mental armor to survive in the streets. Almost every one of the thousands of criminal defendants that have come before me has had a long record reaching back to age 10, 9, or even younger. As the child is the father of the man, so is the juvenile delinquent the father of the hardened criminal.

None of our providers of treatment services—psychiatrists, psychologists, or social workers—have the know-how to implant our middle-class sensibilities into youngsters who have been actively neglected 24 hours a day, every day. There is no magic humanizing pill for these youths.

One step we *can* take is to guarantee to every family an income sufficient to enable parents to provide the kind of home environment their children need. Of course, we cannot be sure that more money given directly to the family will prevent delinquency, but there's no chance of preventing delinquency without it. Most important, it is right for its own sake.

We must also have sufficient job opportunities to provide a real alternative to crime for youths and adults. Unemployment among black teenagers ages 16 to 19 is now at 37%. For the poverty areas of our cities, the figure is put at 45%. The boredom of free time, the desire for money in the pocket, resentment about having no access, even by hard work, to the things that most of society enjoys—these are the ingredients of crime by youths.

Crime is not surprising. What amazes me is that so many deprived Americans accept their lot without striking out. Surely violent crimes among these people would be much more prevalent but for their religion, their welfare checks, and their alcohol. I am stunned by those who point to the many docile poor and say, "Their poverty doesn't force them to break the law, so why should it force others to?" Society should be as alarmed by the silent misery of those who accept their plight as it is by the violence of those who do not. I see no hope for reducing violent street crime in this country until our society reaches this level of concern and humanity.

Prison reform and tougher sentencing seem like hollow promises when we realize that it is this kind of crime with these causes that we are really talking about. At worst, the present attacks on crime are repressive. At best, they are mere nibbling.

Of the more humane reforms that I call "nibbling," Norval Morris argues that "it is a serious mistake to oppose any reform until all can be reformed." Of course I agree. Making sentences more fair and relieving overcrowding in prisons need not wait for the elimination of poverty in this country. Surely review of the sentencing judge's discretion—accompanied by a requirement that he give his reasons—could eliminate wide disparities in sentencing without ignoring differences in individual offenders that justify different treatment.

But what I reject is the notion we should strive to achieve only these changes in the criminal justice system. Instead, we must try to hold in mind the full picture. We must not forget that the people I have been speaking about in the criminal justice system are merely the end-products of our failing social justice system.

What ultimately is at issue in the debate over alternative responses to the crime problem is a question of the goal to be pursued: repressive order or moral order. To choose to eliminate social injustice is to choose a long, painful, and costly process. The only option I can imagine that is less appealing is not to choose. Creating order through repression will not be easy, and maintaining it, as the frustrations of the deprived grow, will be more and more difficult. As the poet Langston Hughes warned:

> What happens to a dream deferred?
> Does it dry up
> like a raisin in the sun
> Or fester like a sore—
> And then run?
> Does it stink like rotten meat?
> Or crust and suger over—
> Like a syrup sweet?
> Maybe it just sags
> Like it just sags
> like a heavy load.
> *Or does it explode?*

Everything I've said this morning, you've heard somewhere, sometime before. I've given you no new data or new theories. My purpose in coming here was to deliver a simple message: In the growing debate about corrections and the rising hysteria about crime, we have lost sight of old truths and old priorities. I believe there is a desperate need to inform the nation that there are no nostrums for street crime apart from social reform, and that to put social order ahead of social justice is repressive.

The crux of the dilemma is this: It is easy to concede the inevitability of social injustice and find the serenity to accept it. The far harder task is to feel its intolerability and seek the strength to change it.

THE FABULOUS FIFTY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 2, 1977

Mr. HANSEN. Mr. Speaker, coming up this month is the 50th anniversary of one of the greatest events in the history of mankind—the flight of the Lone Eagle across the Atlantic. This feat kicked off 50 fabulous years of aviation miracles.

Charles Lindbergh's flight may be overshadowed by other super achievements, but for its time, and in its time, a solo flight across the Atlantic Ocean in an aircraft of questionable reliability and durability was unbelievable. He was as alone and on his own as ever a person can be.

Lindbergh's achievement can never be praised too highly—this one brave deed ushered in the full possibilities and dreams of the air age which has brought the world together as never before, given man blessings of convenience undreamed of, and opened the mysteries of the universe for all to see and share.

I submit for the RECORD an excellent tribute to a distinguished American and to the flight of the "Spirit of St. Louis" as reported in the recent issue of Modern Maturity:

IT HAPPENED 50 YEARS AGO

(By Dan Carlinsky)

(NOTE.—May 1977 is the fiftieth anniversary of the fabulous Lindbergh flight, and the story still thrills us.)

He was a superhero. Small boys pasted his picture on their bedroom walls. Young women swooned at his smile in newspapers and wrote him long letters. Older women sighed. Men talked ceasely of his daring.

His fame knew no geographical bounds. The world over, kings and Presidents showered him with medals and gifts. And in New York City's most memorable display, three or four million people showered him with such a barrage of confetti and paper streamers that the air over Manhattan looked as though a blizzard was in progress. In the entire Western world, no living man or woman was better known or admired.

The man was Charles Augustus Lindbergh. His claim to fame: being the first person to make a solo flight nonstop across the Atlantic Ocean, New York to Paris. More important than a mere bold flying feat, his act symbolized man's conquest of the air.

We had been airborne since the Wright brothers flew at Kitty Hawk, in 1903, but it remained for Lindbergh's dramatic solo trip to prove to the world that the air age was really here.

No one who was old enough when "Lucky Lindy" flew the Atlantic has ever forgotten. It happened 50 years ago: May 20–21, 1927.

The story of the first nonstop solo Atlantic flight began 25 years earlier when, on Feb. 4, 1902, Charles Lindbergh was born in Detroit. Most of his growing-up years were spent in a house on the banks of the Mississippi River in the small town of Little Falls, Minn.

His parents' marriage was not a happy one. Charles Lindbergh Sr. was a successful lawyer and real estate man who became a Minnesota congressman. He spent little time at home with his wife and son. True, he once brought little Charles to Washington to sit at his side in the halls of Congress, and once took him on an exciting trip through Indian lands and lumberjack camps. But such father-son encounters were rare.

In his teens, young Lindbergh was a disinterested student at the local high school. When, during his senior year in 1918, it was announced that any boy volunteering for full-time farm work during the war would be given school credit, he jumped at the chance. Ambitiously, he set to work on his mother's farm at Little Falls. Soon, the armistice was signed and Charles had to figure out what to do with his life.

He went off to the University of Wisconsin, offering a final pass at the academic world. There he spent more time making daredevil runs on a newly acquired motorbike than studying, and early in 1922, after a year and some months, he left college. By that time, having progressed from motorboats, cars and motorbikes of his youth, he was ready for something else: flying.

He spent $500 on flying lessons and teamed up with a succession of partners in "barnstorming"—the current term for the game of hopping from town to town, from county fair to county fair, entertaining the crowds with stunts in the air and providing short plane jaunts to the eager public at $5 a ride.

Lindbergh was a parachutist and wing-walker (dazzling audiences by crawling out of the cockpit and standing on the plane's wing in midair). Eventually, he was also a pilot. Posters billed him as "Daredevil Lindbergh." To his cronies, the handsome, lean young man was "Slim."

In 1923, with another $500, he bought his own plane, a ramshackle machine with a top speed of 70 m.p.h. He flew through Texas, Mississippi, Tennessee, Kentucky, Missouri, Nebraska, Kansas, Colorado, Wyoming and other states, giving rides and air-shows that are still recalled by people who saw them as youngsters. Slim Lindbergh's whole existence was flying. He was living the life of an airborne hobo, but within him was a spirit that needed something even more exciting.

To learn more about piloting, he spent a year as an Army flying cadet, finishing at the top of his class and winning his reserve commission. He barnstormed a while longer and then, in 1926, went to work as an airmail pilot. He flew a twice-daily run from St. Louis to Chicago, in all kinds of weather. Four times he was forced to bail out with a parachute. Eventually, even that became dull to Lindbergh. He needed a new challenge.

It came in the autumn of 1926. Giving himself the rare treat of attending a movie (a World War I picture, "What Price Glory?" starring Victor McLaglen), Slim Lindbergh found his attention riveted to a newsreel report about a three-engine Sikorsky plane being built for a Frenchman and his crew of three, who were aiming for a nonstop ocean crossing. There was a $25,000 cash prize waiting, the newsreel said, for the first pilot or team to go nonstop, in either direction, between Paris and New York.

The prize, as Lindberg was later to find out, had been announced in 1919 by Raymond Orteig, a wealthy hotel owner. After five years, the offer expired, but in 1926 Orteig renewed the invitation. Transatlantic flights had been made, but never solo.

Not long afterwards, Lindbergh read that the Sikorsky plane had crashed and blown up, killing two of its crew. He decided to make a try for the money himself. He thought, however, that he would stand the best chance of completing the dangerous journey in a light, one-passenger plane. If he thought at all about the tremendous strain of just staying awake through a flight that would last more than 30 hours, he let those thoughts pass.

He found backers among several St. Louis businessmen who were interested in aviation and anxious to boost the name of the city of St. Louis. Impressed by the young pilot, they pledged some $15,000.

After several failed negotiations with various plane builders who thought he was foolhardy to plan such a solo flight, Lindbergh finally received a convincing and satisfactory offer from the Ryan Aircraft Co. of San Diego, Calif.

Meanwhile, other aspirants for the Orteig prize were in the running here and in Europe. At one point, fearing he'd be scooped, Lindbergh suggested the whole project be scrapped, but his backers urged him on. They proposed that he quit his job and go west immediately to work out a deal with Ryan. He did. He spent several weeks in San Diego in 1927, overseeing construction of his plane, which was to be dubbed the "Spirit of St. Louis."

The Ryan plane was a modified version of the standard Ryan M-2, with wingspan increased and fuel tank enlarged for the long trip. It held 451 gallons, good for 4,210 miles. (Lindbergh's New York-Paris route covered 3,610 miles.) For balance and safety the fuel tank was placed between the cockpit and the engine, which meant the pilot's view was blocked. To see straight ahead, Lindbergh had to lean out the window, turn the plane sideways, or use a periscope. He did all three.

The aircraft had a top speed of 129 m.p.h. and cruised at 97. It was painted silver, with the name, serial number and name of the manufacturer painted in black.

On May 10, Lindbergh left the West Coast for Long Island, N.Y. He stopped once, in St. Louis reaching his destination in 21 hours 40 minutes of flying time, a transcontinental record.

In the meantime, other pilots had tried for the Atlantic prize. Some had died; none had succeeded. Two other planes were still in the running, expected to take off from Long Island, as was Lindbergh, at any hour. The 25-year-old would-be soloist was not the favorite. He was, in fact, considered a little odd—this quiet, handsome man in his little one-engine plane. One newspaper called him the "Flying Fool."

The weather on Long Island and out over the Atlantic was rainy. But by this time, winning was the most important thing to Lindbergh. Fearing one of his competitors would get off the ground first if he waited for a clear day, he stayed only for news that a little break in the clouds was expected. Then he gave the word: On the morning of May 20, a Friday, he would make his try.

After a couple of hours of fitful sleep, he arose at 2:15 A.M. to prepare. It was still rainy—the moisture in the air had the plane's engine acting cranky, and the ground at Roosevelt Field was so muddy that several attendants had to push the plane to takeoff. It was barely light when pilot and plane, weighing little more than a large automobile, left the ground at 7:54 A.M.

Lindbergh's competition—more prudently, perhaps—was still on the ground. He was racing alone; he needed only to survive the test. Traveling with no radio equipment, to keep the weight to a minimum, he flew now high, now low, shifting with the weather. Constantly checking his compass and other instruments, and ignoring the few sandwiches he had brought for sustenance, he flew on.

Once, at 10,000 feet, he discovered ice on the wings and had to descend hurriedly. As he passed over Newfoundland, instead of landing, as cross-ocean pilots before him had done, he dipped down to 100 feet above the harbor at St. John's, buzzing the fishermen in their boats.

At night, the stars helped guide him. He could never take his eyes off the dials for more than a few seconds. He fought to stay awake. By the time he flew over Ireland on his second day aloft, radio had alerted the world of his escapade; villagers came out of their homes and gazed skyward.

By evening he was at the French coast. Relieved, he ate his sandwiches at last and headed for Paris. Shortly before 10 P.M., Paris time, he spotted the Eiffel Tower and the lights of the city. He flew north, found Le Bourget airport and, at 10:21, landed smoothly. His flying time had been 33 hours 30 minutes.

It was a Saturday night—probably the wildest Saturday night Paris had ever seen. A crowd of 100,000 flooded toward the plane, shouting his name. Someone grabbed his helmet, a thousand people reached out and touched him, reporters and photographers shouted and shoved. It was Lindbergh's first real taste of a frenzied crowd—something he would meet over and over again and never learn to like.

Escaping the mob, he was driven to the U.S. Embassy for a steak dinner. Then, after 4 in the morning, he finally went to sleep, wearing the ambassador's pajamas.

Lindbergh was wined, dined and honored in France, Belgium and England before returning home, with the "Spirit of St. Louis," aboard the U.S.S. Memphis. At home, where streets and mountains were already being renamed for him, he stopped first in Washington, D.C., to hear President Coolidge say of him, "Our messenger of peace and goodwill has broken down another barrier of time and space. . . ."

Then he went to New York for the famous tickertape parade and followed with a tour of all 48 states. A further trip through Central and South America lasted through the winter. Finally, on April 30, 1928, Lindbergh brought his plane to its final resting place, the Smithsonian Institution in Washington, where it can be seen today in the new National Air and Space Museum. Then he took a train to New York.

If the world of aviation would never be the same after his thrilling flight, neither would Charles Lindbergh's life. First came his marriage to Anne Morrow, then the tragic kidnap-murder of their firstborn son. Fleeing the clamoring American press and public, Charles and Anne went to Europe to live. The aviator hobnobbed with German officials and expressed his respect for Hitler's air force. He warned the U.S. to stay out of the brewing war.

Patriots pounced. Lindbergh, the superhero, was accused of defeatism and appeasement. He was pro-Nazi, they said, and a traitor. When America did enter the war, he was refused permission to fly with U.S. military forces. The hero was disgraced.

To a large extent, time healed the wounds. By the 1960s, Lindbergh was again dining at the White House. He continued his consulting work in aeronautics and was deeply involved in conservation and ecology. No fewer than two dozen books were written about him, the most recent being last year's "Lindbergh: A Biography," by Leonard Mosley.

In 1974, Charles Augustus Lindbergh died of cancer. His flight and his fame did not die with him. His name lives half a century after his amazing performance because, like Neil Armstrong's first steps on the moon, Lindbergh's voyage in the Spirit of St. Louis was "for mankind."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest has prepared this information for printing daily in the Extensions of Remarks section of the CONGRESSIONAL RECORD. Beginning today May 2, 1977, this information will be printed only on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 3, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 4

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

Appropriations

District of Columbia Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the District of Columbia.

1114 Dirksen Building

9:00 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue markup of proposed fiscal year 1978 authorizations for ERDA.

S-146, Capitol

Foreign Relations

International Operations Subcommitee

To mark up S. 1190, authorizing funds for fiscal year 1978 for the Department of State, USIA, Board for International Broadcasting, and ACDA.

4221 Dirksen Building

9:30 a.m.

Environment and Public Works

To mark up S. 252, proposed Clean Air Act amendemnts.

4200 Dirksen Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.

Until 2 p.m. 4232 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.

2228 Dirksen Building

Rules and Administration

To hold hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.

301 Russell Building

10:00 p.m.

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

6302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To continue hearings on S. 1288, authorizing funds for the Federal Trade Commission through fiscal year 1980.

235 Russell Building

Energy and Natural Resources

Parks and Recreation Subcommittee

To hold hearings on H.R. 5306, proposed Land and Water Conservation Fund Act amendments.

3110 Dirksen Building

Governmental Affairs

To continue markup of S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

3302 Dirksen Building

10:30 a.m.

*Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.

1318 Dirksen Building

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee

To mark up S. 1160, authorizing funds for security assistance programs for fiscal year 1978.

4221 Dirksen Building

1:00 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

5110 Dirksen Building

1:30 p.m.

Select Intelligence

To hold a closed business meeting.

357 Russell Building

2:00 p.m.

Governmental Affairs

To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.

3302 Dirksen Building

MAY 5

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

Appropriations

District of Columbia Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the District of Columbia.

1114 Dirksen Building

9:00 a.m.

Energy and Natural Resources

To consider proposed fiscal year 1978 authorization for ERDA.

3110 Dirksen Building

9:30 a.m.

Environment and Public Works

To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.

4200 Dirksen Building

Governmental Affairs

To hold hearings on the nomination of Lester A. Fettig, of Virginia, to be Administrator for Federal Procurement Policy.

1224 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.

2228 Dirksen Building

Rules and Administration

To continue hearings on S. 1072, to establish a universal voter regulation program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.

301 Russell Building

10:00 a.m.

Appropriations

Defense Subcommittee

To hold closed hearings on proposals to reprogram certain fiscal year 1977 funds for the Army, Navy, and Air Force.

1223 Dirksen Building

Banking, Housing, and Urban Affairs

To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.

5302 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.

5110 Dirksen Building

Governmental Affairs

To continue markup of S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.

3302 Dirksen Building

Human Resources

To mark up S. 602, to extend through fiscal year 1982 programs under the Library Services and Construction Act; S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages; S. 469, to establish a commission to study proposals for establishing the National Academy of Peace and Conflict Resolution: S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children; and proposed legislation to extend the Child Abuse Prevention and Treatment Act.

4232 Dirksen Building

10:30 a.m.

Agriculture, Nutrition, and Forestry

Nutrition Subcommittee

To hold hearings on legislation to extend and revise child nutrition programs under the National School Lunch Act and Child Nutrition Act.

322 Russell Building

Commerce, Science, and Transportation

To hold a business meeting.

235 Russell Building

2:00 p.m.

Governmental Affairs

To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.

3302 Dirksen Building

Select Small Business

To mark up bills authorizing funds for the Small Business Administration and for certain SBA programs: H.R. 692, S. 1367, 1368, 1369, 1370, and S. 1371; and to continue markup of bills providing disaster relief for small business concerns: S. 832, 1362, 1305, and 1306.

424 Russell Building

MAY 6

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 1303, authorizing funds for fiscal year 1978 through 1980 for the Legal Services Corporation.
Until 2:00 p.m. 4232 Dirksen Building

Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 807, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
3302 Dirksen Building

Select Small Business
To hold hearings to investigate problems in development of timber setasides.
424 Russell Building

10:30 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on legislation to extend and revise child nutrition programs under the National School Lunch Act and Child Nutrition Act.
322 Russell Building

11:00 a.m.
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for activities of the Peace Corps, to be followed by markup of this legislation.
4221 Dirksen Building

Joint Economic
To hold hearings to receive testimony on the April employment/unemployment situation.
6226 Dirksen Building

MAY 9

9:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

MAY 10

8:30 a.m.
*Governmental Affairs
*Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

9:00 a.m.
Energy and Natural Resources
To mark up proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

Human Resources
To mark up H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building

Environment and Public Works
To mark up proposed authorizations for fiscal year 1978 for environmental research and development programs.
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:00 p.m.
Human Resources
To mark up S. 705, to revise and strengthen standards for the regulation of clinical laboratories; and S. 621, 945, and 1217, to establish guidelines for regulating research relating to Recombinant DNA.
4232 Dirksen Building

MAY 11

9:00 a.m.
Energy and Natural Resources
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC, to hear Attorney General Bell.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act; S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
412 Russell Building

MAY 12

8:30 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Environment and Public Works
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Human Resources
To mark up S. 1303, authorizing funds for fiscal years 1978 through 1980 for the Legal Services Corporation; Black Lung Benefits program legislation; and possibly other pending legislation.
4232 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 13

9:00 a.m.
Human Resources
To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director, both of the Office of Drug Abuse Policy.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the

Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 470 and S. 471, pertaining to lands on the Umatilla Indian Reservation, Oregon.
Room to be announced

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Indian Affairs
To hold hearings on S. 103, 667, and 785, to convey certain Federal land to the Ely Indian Colony, Paiute, and Shoshone Tribes.
Room to be announced

MAY 19

10:00 am.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

9:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold oversight hearings on the implementation of the Wild Horses and Burros Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 905, the Central Arizona Indian Tribal Water Settlement Act of 1977.
Room to be announced

MAY 24

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 657, to establish an Earth Resources and Environmental Information System
5110 Dirksen Building

Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.
5110 Dirksen Building

Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

Select Indian Affairs
To hold hearings on S. 660, seeking an agreement with the Cherokee, Choctaw, and Chickasaw Indian Tribes of Oklahoma for the purchase or lease of their rights in the riverbed of the Arkansas River.
Room to be announced

Veterans' Affairs
To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.
Until noon 318 Russell Building

10:00 a.m.
Select Small Business
To hold hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
235 Russell Building

1:00 p.m.
Governmental Affairs
Governmental Efficiency Subcommittee
To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
1224 Dirksen Building

MAY 26

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
235 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Small Business
To continue hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
424 Russell Building

JUNE 6

10:00 a.m.
Select Indian Affairs
To hold oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 7

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings to evaluate information upon which the FDA based its decision to propose regulations banning the use of saccharin.
4232 Dirksen Building

Select Indian Affairs
To continue oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 8

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue hearings to evaluate information upon which the FDA based its decision to propose regulations banning the use of saccharin.
4232 Dirksen Building

JUNE 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

JUNE 10

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 657, to establish an Earth Resources and Environmental Information System.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.
5110 Dirksen Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.
235 Russell Building

HOUSE OF REPRESENTATIVES—*Tuesday, May 3, 1977*

The House met at 12 o'clock noon.

Dr. Holland B. London, president, California Graduate School of Theology, Glendale, Calif., offered the following prayer:

O God, our Heavenly Father, we thank Thee that through our Constitution we in America have the freedom to worship Thee.

Give wisdom and direction to our President and Members of this body.

We thank Thee for the prosperity that is ours today, and above all else, that our boys are not being asked to pay the supreme sacrifice for our freedoms.

Deliver us from all sins of intellect and from the pride that would make us suppose ourselves sufficient for the task without Thee.

We pray for strength and courage in these days of testing.

This I pray in Jesus' name. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on April 30, 1977, the President approved and signed a bill of the House of the following title:

H.R. 3843. An act to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 583. An act to amend chapter 5 of title 37, United States Code, to extend the special pay provisions for reenlistment and enlistment bonuses; and

H.R. 4876. An act making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4876) entitled "An act making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Magnuson, Mr. Proxmire, Mr. Hollings, Mr. Bayh, Mr. Chiles, Mr. Young, Mr. Case, Mr. Brooke, Mr. Mathias, and Mr. Weicker to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1031. An act to amend the act of July 2, 1940, to increase the amount authorized to be appropriated to the Smithsonian Institution for purposes of carrying out its functions under such act.

DR. HOLLAND B. LONDON

(Mr. MOORHEAD of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of California. Mr. Speaker, I am pleased that Dr. Holland B. London, an internationally known evangelist and president of the California Graduate School of Theology in Glendale, Calif., could be with us to give our opening prayer today.

Dr. London is widely acclaimed as a speaker and is much sought after by America's largest churches. He also conducts successful evangelistic campaigns around the world. In Ghana, Africa, more than 40,000 people attended a single service and over 4,000 were converted and baptized as a result of the week-long campaign. He has spoken in such well-known churches as the Presbyterian Church in Belfast, Ireland, pastored by Ian Paisley, Member of Parliament.

Dr. London began his duties as president of California Graduate School of Theology in January 1971. Under his leadership, enrollment has doubled and a very beautiful new library building has been built. In addition, seven extension schools have been added to the school's program expanding its outreach to places as far away as Honolulu, Hawaii, and Milwaukee, Wis. He has established an annual pastor's conference on campus to which pastors from across America come for teaching and inspiration. The work of the school in Glendale is an ever-broadening ministry of which we who live there are justly proud.

I know my colleagues join me in welcoming Dr. London today.

APPOINTMENT OF CONFEREES ON H.R. 4876, ECONOMIC STIMULUS APPROPRIATION ACT, 1977

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. Mahon, Whitten, Boland, Flood, Steed, Slack, McFall, Cederberg, Conte, and Coughlin.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT ON H.R. 4876, ECONOMIC STIMULUS APPROPRIATION ACT, 1977

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

VA ALLOWS CLAIM FOR LEUKEMIA VICTIM PAUL COOPER

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, several weeks ago I took to the floor to inform the Members of the plight of Paul Cooper, a retired Army enlisted man who is dying of leukemia at the age of 43.

Mr. Cooper 20 years ago had been ordered to stand unprotected some 3,000 yards from a nuclear test blast as a means of determining what high radiation exposure would do to human beings. Now that he is dying, perhaps as a result of that exposure, he had been seeking—unsuccessfully—a service-connected disability rating, primarily because he was properly concerned about the welfare of his wife and three children who will be left behind when he dies.

I am pleased to inform the Members that Veterans' Administration Administrator Max Cleland has written me to report that the claim has finally been allowed. The care of his wife and children will be assured.

It is a small victory, but an important one. To have denied this veteran his full rights as a veteran would have been as cruel as it would have been improper.

When men place their lives in danger on behalf of their Nation, as Mr. Cooper did that day in the Nevada desert, it is the obligation of the Government to provide for his family's future and education of his children. I am glad that the Veterans' Administration, no matter how long it took, finally saw fit to do the duty that is its to do. We cannot help Mr. Cooper any longer, but it is proper that he knows before his death that his wife will be provided for and his children will receive full educational opportunities.

We cannot rectify that what may have contributed to his death at so early an age, but at least we have done what we can to ease his mind about his family.

HAPPY BIRTHDAY, HENRY GONZALEZ

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WRIGHT. Mr. Speaker, I take this time to observe that today, May 3, is the birthday of one of our most popular and universally respected Members, the gentleman from San Antonio, the Honorable HENRY B. GONZALEZ.

In all my years in Congress I have not known a Member with a more highly developed sense of personal honor or a more finely honed code of professional integrity.

We in the Congress respect and admire HENRY GONZALEZ for the accomplishments of his legislative craftsmanship, which are legion. Those whom he serves hold him in their affection for the indefinable qualities of his spirit.

Having had the privilege of visiting in many congressional districts with many of our colleagues and observed them as they interacted with their constituents, I am of the opinion that there is not another Member of this body who is more sincerely and deeply beloved by his constituency than HENRY B. GONZALEZ.

It seems not inappropriate therefore to take this moment to wish him many happy returns of the day.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, as the senior Member in point of service of the Texas delegation, let me join with our majority leader, the gentleman from Texas (Mr. WRIGHT), and all my colleagues in this special salute to HENRY B. GONZALEZ on his birthday.

Mr. YOUNG of Texas. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. YOUNG of Texas. Mr. Speaker, I would like to associate myself with the remarks of the distinguished majority leader, and I do wish our distinguished colleague, the gentleman from San Antonio, many, many happy returns of the day.

Mr. CHARLES WILSON of Texas, Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Speaker, I would just like to observe, in my wishing of a happy birthday to the gentleman from Texas (Mr. GONZALEZ), that my mother, who managed his campaign in both the statewide campaign and in Trinity County, called me and asked me to wish him a happy birthday.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I wish to join my colleagues today in paying my fond respects to my good friend and neighbor, the Honorable HENRY B. GONZALEZ and say, "Feliz cumpleanos."

During his long political career, HENRY has never minded being "El Lobo Solo" or the "Lone Wolf" because in more than one instance he has been almost a single voice for what was an unpopular issue at the time. This was very true in his hometown of San Antonio when as a city council member he spoke out for integration. And again in the State senate, HENRY, with aid of our colleague Hon. CHICK KAZEN, set a record filibustering against desegregation laws. In these instances and in many others throughout his public life, HENRY has been a strong moral force who has led the way. When HENRY believes his cause is just, he will not buckle. This country needs more leaders with the backbone of HENRY B. GONZALEZ, who is one tough hombre. I am proud to call him my "amigo."

PROPOSED SOLUTIONS TO THE ILLEGAL ALIEN PROBLEM

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, last Sunday's edition of the Washington Post carried an article which I found deeply disturbing, and which I feel merits the attention and concern of my House colleagues. The Washington Post reported that a Cabinet-level task force including the Attorney General, the Secretaries of Labor and HEW, and a Deputy Secretary of State has recommended that illegal aliens who have lived in the United States for more than 5 years be permitted to remain as permanent residents.

With U.S. Immigration and Naturalization Service estimates placing the number of illegal aliens at between 6 and 8 million, there is no doubt that our illegal immigration problem has become a crisis. The recommendation of the task force on illegal immigration, however, is certainly no solution. It makes no sense to reward illegal aliens who have succeeded in "outfoxing" immigration officials for 5 years with permanent resident status.

In today's "Extension of Remarks," I am inserting an editorial from the Courier-Journal and Times which also appeared May 1, and which perceptively explores the scope of our illegal alien crisis and how it might be confronted with greater justice and effectiveness than the means proposed by the Cabinet-level task force.

I urge each of my House colleagues to review this editorial, and to join together in formulating a fair and meaningful solution to our illegal alien crisis.

ENCOURAGEMENT BY THE PRESIDENT OF INCREASED UTILIZATION OF MINORITY-OWNED BANKS

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, on April 25, the House of Representatives passed H.R. 5675 by a vote of 384 to 0. The legislation authorizes the Secretary of the Treasury to invest Treasury tax and loan deposits. These deposits currently constitute 20 percent of Treasury's operating cash. Presently, T.T. & L. funds earn no interest. They sit idle in commercial banks until they are called by Treasury. This represents a great loss to taxpayers, while at the same time allowing banks to make use of these funds. The net annual yield to Treasury from the investment authority in H.R. 5675 will be between $50 to $100 million after reimbursing banks for expenses they now incur without charge in servicing T.T. & L. accounts.

Mr. Speaker, another important consideration of this legislation, which its history supports, is its impact on minority-owned banks. At hearings held by my Subcommittee on Domestic Monetary Policy, representatives of the National Bankers Association endorsed this legislation. However, they expressed some apprehension over the immediate effects of the investment authority on some 83 minority-owned banks in the Nation. This concern has been ameliorated by authorizing Treasury to establish for a 5-year transition period, "special demand deposit" accounts in minority banks. Under the minority bank deposit program, more than 20 departments of the Government, as well as large corporations were encouraged to utilize minority banks; and this has significantly promoted their developmental needs.

In this regard, Mr. Speaker, a Washington Post article dated April 29, 1977, indicates that President Carter has taken the initiative to further encourage increased Federal deposits in minority-owned banks. I commend the President for this action.

ADMINISTRATION SHOULD MAKE NO COMMITMENTS FOR ECONOMIC AID TO VIETNAM

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, I understand, according to news accounts, that representatives of our Government are meeting in Paris today negotiating with diplomats from Vietnam for the purpose, it is said, of establishing diplomatic and commercial relations with that government.

I understand that one of the matters under consideration is the possibility of providing economic assistance to Vietnam.

Mr. Speaker, one of the problems we have had in dealing with this Vietnamese Government at the present time is that apparently some commitment was made, unbeknownst to the Congress, by the Nixon administration to provide economic aid, or reparations, to Vietnam after the war. It is said that the Nixon administration made such a commitment in a letter to the leaders of North Vietnam and that former Secretary of State Kissinger had promised more than $2 billion of such aid. They had no right to make that pledge. I deplore it.

Mr. Speaker, I warn the present administration to make no such similar commitments in Paris. The American taxpayers and Congress will not go along with this, in my opinion. I suggest that the administration listen, take heed, take warning, and make no such commitments during these Paris negotiations.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

JENNET JUANITA MILLER

The Clerk called the bill (H.R. 1405) for the relief of Jennet Juanita Miller.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CARMELA SCUDIERI

The Clerk called the bill (H.R. 1748) for the relief of Carmela Scudieri.

There being no objection, the Clerk read the bill, as follows:

H.R. 1748

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of the Immigration and Nationality Act, Carmela Scudieri shall be entitled to classification as a preference immigrant under section 203(a)(5) of the Act, upon submission of a petition filed in her behalf by Maria Nigro, a citizen of the United States, pursuant to section 204 of the Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARINA HOUGHTON

The Clerk called the bill (H.R. 1753) for the relief of Marina Houghton.

There being no objection, the Clerk read the bill, as follows:

H.R. 1753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Marina Houghton may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Reverend and Mrs. William C. Houghton, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 7, strike out "citizens of the United States," and insert in lieu thereof "a citizen of the United States and a lawfully resident alien, respectively,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIMITRIOS PANOUTSOPOULOS, ANGELIKI PANOUTSOPOULOS, AND GEORGIOS PANOUTSOPOULOS

The Clerk called the bill (H.R. 1940) for the relief of Dimitrios Panoutsopolous, Angeliki Panoutsopoulos, and Georgios Panoutsopoulos.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ROGELIO M. ENCOMIENDA

The Clerk called the bill (H.R. 2259) for the relief of Rogelio M. Encomienda.

There being no objection, the Clerk read the bill, as follows:

H.R. 2259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Rogelio M. Encomienda may be classified as a child within the meaning of section 101(b)(1)(F) of such Act, upon approval of a petition filed in his behalf by his adoptive parents, Renato P. Encomienda and Cecilia T. Maxino, citizens of the United States, pursuant to section 204 of such Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary of this Act shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 7, after "adoptive parents," insert "Mr. and Mrs.".

On page 1, lines 7 and 8, strike out "and Cecilia T. Maxino".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOULOS STEPHAN

The Clerk called the bill (H.R. 2292) for the relief of Boulos Stephan.

There being no objection, the Clerk read the bill, as follows:

H.R. 2292

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(23) of the Immigration and Nationality Act, Boulos Stephan may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of the Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIVIDAD CASING AND MYRNA CASING

The Clerk called the bill (H.R. 2369) for the relief of Natividad Casing and Myrna Casing.

There being no objection, the Clerk read the bill, as follows:

H.R. 2369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Natividad Casing and Myrna Casing may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of petition filed in their behalf by Winston A. and Pacita Ashford, citizens of the United States, pursuant to section 204 of this Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 6, strike out the word "petition" and substitute the word "petitions".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORA L. KENNEDY

The Clerk called the bill (H.R. 2658) for the relief of Nora L. Kennedy.

There being no objection, the Clerk read the bill, as follows:

H.R. 2658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Nora L. Kennedy, the widow of a citizen of the United States, shall be deemed to be an immediate relative within the meaning of section 201(b) of such Act, and the provisions of section 204 of that Act shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATRICIA R. TULLY

The Clerk called the bill (H.R. 2661) for the relief of Patricia R. Tully.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CHRISTOPHER ROBERT WEST

The Clerk called the bill (H.R. 2662) for the relief of Christopher Robert West.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MARLENE HOLDER

The Clerk called the bill (H.R. 2756) for the relief of Marlene Holder.

There being no objection, the Clerk read the bill, as follows:

H.R. 2756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Marlene Pyle shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, for the purposes of the Immigration and Nationality Act, Marlene Elizabeth Holder may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Wesley McD. Holder, citizens of the United States, pursuant to section 204 of the Act, and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DANIEL CROWLEY

The Clerk called the bill (H.R. 2940) for the relief of Daniel Crowley.

There being no objection, the Clerk read the bill, as follows:

H.R. 2940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of the Immigration and Nationality Act, Daniel Crowley shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct the required number from the appropriate quota for the first year that such quota or quotas are available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: That, notwithstanding the provisions of sections 212(a)(1) and (25) of the Immigration and Nationality Act, Daniel Crowley may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act: *Provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. AMELIA DORIA NICHOLSON

The Clerk called the bill (H.R. 2945) for the relief of Mrs. Amelia Doria Nicholson.

There being no objection, the Clerk read the bill, as follows:

H.R. 2945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Mrs. Amelia Doria Nicholson, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act, and the provisions of section 204 of that Act shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CHONG SUN YI RAUCH

The Clerk called the bill (H.R. 3081) for the relief of Mrs. Chong Sun Yi Rauch.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

MILOS FORMAN

The Clerk called the bill (H.R. 3085) for the relief of Minos Forman.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Maryland?

There was no objection.

FIDEL GROSSO-PADILLA

The Clerk called the bill (H.R. 3090) for the relief of Fidel Grosso-Padilla.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

OLIVE M. V. T. DAVIES AND HER CHILDREN

The Clerk called the bill (H.R. 3215) for the relief of Olive M. V. T. Davies and her children.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

CHIN-HO AN

The Clerk called the bill (H.R. 3461) for the relief of Chin-Ho An.

There being no objection, the Clerk read the bill, as follows:

H.R. 3461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Chin-Ho An shall be deemed to be an immediate relative within the meaning of section 201(b) of that Act and may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TULSEDEI ZALIM

The Clerk called the bill (H.R. 3838) for the relief of Tulsedei Zalim.

There being no objection, the Clerk read the bill, as follows:

H.R. 3838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Tulsedei Zalim may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mrs. Maharaji Zalim citizens, of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 7, strike out the word "citizens" and substitute the following: ", a citizen".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO CONVEY THE INTEREST OF THE UNITED STATES IN CERTAIN LANDS IN ADAMS COUNTY, MISS., NOTWITHSTANDING A LIMITATION IN THE COLOR OF TITLE ACT (45 STAT. 1069, AS AMENDED; 43 U.S.C. 1068)

The Clerk called the bill (H.R. 1403) to authorize the Secretary of the Interior to convey the interest of the United States in certain lands in Adams County, Miss., notwithstanding a limitation in the Color-of-Title Act (45 Stat. 1069, as amended; 43 U.S.C. 1068).

There being no objection, the Clerk read the bill as follows:

H.R. 1403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any provision of the Act of December 22, 1928 (45 Stat. 1069, as amended; 43 U.S.C. 1086–1068b), limiting the maximum acreage which may be conveyed thereunder, the Secretary of the Interior is authorized and directed to receive, consider, and act on an application by Weathersby Godbold Carter, Junior, and Richard T. Harris III, of Natchez, Mississippi, for conveyance of the interest of the United States in the following described land pursuant to and in accordance with all other applicable provisions of that Act, but without regard to acreage limitations:

Section 28, township 5 north, range 2 west, Washington meridian, Adams County, Mississippi.

SEC. 2. No conveyance may be made pursuant to the first section of this Act unless an application for conveyance is filed with the Secretary of the Interior within one year of the effective date of this Act.

With the following committee amendments:

Page 1, line 4, strike out "1086–" and insert in lieu thereof "1068–".

Page 1, lines 8 and 9, strike out "Harris III," and insert in lieu thereof "Harriss III,".

Page 2, following line 9, insert a new section as follows:

SEC. 3. Notwithstanding section 3 of the Act of December 22, 1928 (43 U.S.C. 1068b), conveyance of title under this Act shall reserve to the United States all minerals in the lands together with the right to prospect for, mine, and remove such minerals under applicable law and such regulations as the Secretary may prescribe, except that if the Secretary makes the findings specified in section 209(b) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2757, 43 U.S.C. 1719) and the conveyance meets the requirements of section 3 of the Act of December 22, 1928 (43 U.S.C. 1068b), the minerals may then be conveyed together with the surface as provided in section 209(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1719).

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT H. GLAZIER

The Clerk called the bill (H.R. 1413) for the relief of Robert H. Glazier.

There being no objection, the Clerk read the bill as follows:

H.R. 1413

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 518(b) of the National Housing Act, the property located at 228 Apsley Street, Philadelphia, Pennsylvania, which Robert H. Glazier of Drexel Hill, Pennsylvania, repaired in December 1971 and January 1972, pursuant to written authorization from the Federal Housing Administration, shall be deemed to have been covered by a mortgage insured under section 235 of the National Housing Act at the time such work was performed; and the Secretary of Housing and Urban Development is authorized and directed to pay Robert H. Glazier $1,285 in full settlement for the performance of such work.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIE GRANT

The Clerk called the bill (H.R. 1427) for the relief of Marie Grant.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

WILLIAM H. KLUSMEIER, PUBLISHER OF THE AUSTIN CITIZEN, OF AUSTIN, TEX.

The Clerk called the bill (H.R. 1436) for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex.

There being no objection, the Clerk read the bill, as follows:

H.R. 1436

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex., is relieved of all liability for payment to the United States of the sum of $6,575.23, representing the difference between the amount which should have been paid and the amount actually paid by the said William H. Klusmeier for postage on second-class mailings of the Austin Citizen for the period from March 5, 1973, to August 10, 1974, such underpayment having resulted from his reliance upon postal rates specified in good faith by the appropriate postmaster although such rates were erroneous.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said William H. Klusmeier sum of any amounts received from him on account of the underpayment referred to in the first section of this Act. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANKLIN R. HELT

The Clerk called the bill (H.R. 1557) for the relief of Franklin R. Helt.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I believe the gentleman from Massachusetts is going to offer an amendment from the floor. Is that correct?

Mr. BOLAND. Mr. Chairman, the gentleman from Maryland is correct.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

There being no objection, the Clerk read the bill as follows:

H.R. 1557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of the money in the Treasury not otherwise appropriated, to Franklin R. Helt, of Bronson, Texas, the sum of $4,759.52 in full settlement of all of his claims against the United States arising out of the failure of the Department of the Army to pay him a separation allowance from May 16, 1958, to May 16, 1959.

SEC. 2. No part of the amount appropriated in the first section of this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6: After "sum of" insert "$2,356.23, plus interest at the rate of 6 per centum".

AMENDMENT OFFERED BY MR. BOLAND TO THE COMMITTEE AMENDMENT

Mr. BOLAND. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND to the committee amendment: on page 1, line 6, strike "$2,356.23, plus interest at the rate of 6 per centum", and insert "$4,759.52".

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN EMPLOYEES OF THE NAVAL ORDNANCE SYSTEMS COMMAND

The Clerk called the bill (H.R. 1612) for the relief of certain employees of the Naval Ordnance Systems Command.

There being no objection, the Clerk read the bill, as follows:

H.R. 1612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated—

(1) to Donald L. Francke of Bloomington, Indiana, the sum of $442.98;

(2) to J. Keith Crane of Bloomfield, Indiana, the sum of $677.84;

(3) to Alvin S. Gilmore of Bloomington, Indiana, the sum of $861.50.

(4) to Charles H. Horrell of Bedford, Indiana, the sum of $1,755.02; and

(5) to Allan Hamilton of Spencer, Indiana, the sum of $560.98,

in full settlement of their claims against the United States for premium pay due them for services rendered, during an emergency situation, upon orders given by the Naval Ordnance Systems Command. Such pay has been denied them pursuant to section 5547 of title 5 which currently limits aggregate biweekly pay without regard for emergency situations requiring extended services by specialized personnel.

No part of the amount appropriated in this Act for the payment of any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 11: Strike "$861.50" and insert "$1,755.02".

An identical bill, H.R. 6511, was favorably reported and passed the House during the 94th Congress, but no action was taken in the Senate. The facts concerning the matter are set forth in House Report No. 94–1505 of that Congress which is appended hereto and made a part of this report. That report recommended the same committee amendment which is provided for in this report. The committee concurs with its previous recommendation.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN POSTMASTERS CHARGED WITH POSTAL DEFICIENCIES

The Clerk called the bill (H.R. 1613) for the relief of certain postmasters charged with postal deficiencies.

Mr. **ROUSSELOT**. Mr. Speaker I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

VELZORA CARR

The Clerk called the bill (H.R. 2563) for the relief of Velzora Carr.

Mr. **BAUMAN**. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER**. Is there objection to the request of the gentleman from Maryland?

There was no objection.

M. SGT. WILLIAM E. BOONE, U.S. ARMY, RETIRED

The Clerk called the bill (H.R. 2952) for the relief of M. Sgt. William E. Boone, U.S. Army, retired.

There being no objection, the Clerk read the bill, as follows:

H.R. 2952

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Master Sergeant William E. Boone, United States Army, retired, of Burlington, North Carolina, the sum of $1,410 in full settlement of his claims against the United States for reimbursement for amounts he was forced to pay for dental work authorized by the Army medical authorities at Womack Army Hospital, Fort Bragg, North Carolina, to be performed at Government expense during his period of active service but which was not completed through no fault on his part until after his retirement.

SEC. 2. No part of the amount appropriated in the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRI-STATE MOTOR TRANSIT CO.

The Clerk called the bill (H.R. 3314) for the relief of Tri-State Motor Transit Co.

There being no objection, the Clerk read the bill, as follows:

H.R. 3314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Tri-State Motor Transit Company of Joplin, Missouri, the sum of $1,725.60 in full satisfaction of its claims against the Department of the Army for transportation of a load of explosives to Fort Wolters, Texas, in May 1968. Such claim was presented too late for payment due to administrative delays by the Department of the Army in processing a Certificate in Lieu of Lost Government Bill of Lading despite diligent efforts to obtain such certificate by the Tri-State Motor Transit Company.

SEC. 2. Not more than 10 per centum of an amount equal to the sum appropriated by this Act shall be, directly or indirectly, paid to or received by any attorney in connection with the claim referred to in the first section of this Act. Any person violating this section shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. ELDER AND THE ESTATE OF STEPHEN M. OWENS, DECEASED

The Clerk called the bill (H.R. 3460) for the relief of William J. Elder and the estate of Stephen M. Owens, deceased.

Mr. **WYLIE**. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JOHN A. TOWNSLEY

The Clerk called the bill (H.R. 3620) for the relief of John A. Townsley.

There being no objection, the Clerk read the bill, as follows:

H.R. 3620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That John A. Townsley is relieved of liability to the United States in the amount of $581.28, representing overpayments of compensation paid due to administrative error to John A. Townsley prior to July 1, 1960, while employed in the National Park Service of the Department of the Interior. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this section.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John A. Townsley, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, with respect to the indebtedness to the United States specified in the first section of this Act.

(b) No part of the amount appropriated in subsection (a) of this section shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH J. ANDREWS

The Clerk called the bill (H.R. 3621) for the relief of Joseph J. Andrews.

There being no objection, the Clerk read the bill as follows:

H.R. 3621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and hereby is authorized and directed to settle and adjust the claim of Joseph J. Andrews, an employee of the General Services Administration, for reimbursement of the amount he was required to pay in legal fees for preparation of his defense to a civil suit instituted against him by Burman Anderson. An amount not to exceed $225 may be allowed in full and final settlement of the claim. There is appropriated out of money in the Treasury not otherwise appropriated the sum of $225 for payment of said claim. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. AARON WAYNE OGBURN

The Clerk called the bill (H.R. 3622) for the relief of Mr. and Mrs. Aaron Wayne Ogburn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and hereby is authorized and directed to settle and adjust the claim of Mr. and Mrs. Aaron Wayne Ogburn, for reimbursement of the amount they were required to pay for shipment of a privately owned vehicle from Germany to the United States incident to a permanent change of duty station. An amount not to exceed $446.45 may be allowed in full and final settlement of the claim. There is appropriated out of money in the Treasury not otherwise appropriated the sum of $446.45 for payment of said claim. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of service rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GARY DAVES AND MARC CAYER

The Clerk called the bill (H.R. 4533) for the relief of Gary Daves and Marc Cayer.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

COMDR. EDWARD WHITE RAWLINS, U.S. NAVY (RETIRED)

The Clerk called the bill (H.R. 1445) for the relief of Comdr. Edward White Rawlins, U.S. Navy (retired).

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CERTAIN POSTMASTERS CHARGED WITH POSTAL DEFICIENCIES

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that we may return to the bill (H.R. 1613) for the relief of certain postmasters charged with postal deficiencies, which was on the calendar as No. 27.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, does the gentleman have the committee amendment that corrects the printing error?

Mr. DANIELSON. Yes.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

H.R. 1613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, on such terms as it deems just and expedient, the United States Postal Service may compromise, release, or discharge, in whole or in part, the individual liabilities of the following postmasters and retired postmasters to the United States for losses resulting from the mailing at an improper rate, prior to 1969, of newspapers published by Fountain-Warren Publishers of Attica, Indiana:

(1) Vivian L. Smith (retired) of Waynetown, Indiana— ;

(2) Wayne Simms (retired) of Waveland, Indiana— ;

(3) Charles A. Boggs (retired) of Veederburg, Indiana— ;

(4) Joe Silotto of Dana, Indiana— ;

(5) Wayne Hillyer of Williamsport, Indiana— ;

(6) Lawrence D. Wolf (retired) of Attica, Indiana— ;

(7) Gordon Stockdale (retired) of Wingate, Indiana— ;

SEC. 2. (a) If any individual who is relieved under the first section of this Act of liability to the United States has paid or has had withheld from sums otherwise due him any amount in satisfaction of such liability, the Secretary of the Treasury shall pay to such individual, out of any money in the Treasury not otherwise appropriated, an amount equal to the amount so paid or withheld.

(b) No amount in excess of 10 per centum of the sum appropriated in subsection (a) of this section for payment to an individual who is relieved under the first section of this Act of liability to the United States shall be paid to or received by any agent or attorney of such individual on account of services rendered in connection with these claims. Any person violating the provisions of this subsection shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5: After "liabilities" insert "as set forth below".

Page 1, line 11: After "Indiana" insert "—$272.18".

Page 2, line 2: After "Indiana" insert "—$412.62".

Page 2, line 4: After "Indiana" insert "—$1,687.50".

Page 2, line 5: After "Indiana" insert "—$366.13".

Page 2, line 6: After "Indiana" insert "—$124.17".

Page 2, line 8: After "Indiana" insert "—$511.67".

Page 2, line 10: After "Indiana" insert "—$177.22".

The SPEAKER. The gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, the amendments which have just been read are to put the bill into the form in which it previously was adopted in committee. There was a printing error.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

EXTENDING AND AMENDING THE EXPORT-IMPORT BANK ACT OF 1945

Mr. NEAL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6415) to extend and amend the Export-Import Bank Act of 1945, as amended.

The Clerk read as follows:

H.R. 6415

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by inserting before the period at the end thereof the following: ", and shall also take into account, in consultation with the Secretary of State, all available information about observance of and respect for human rights and fundamental freedoms in the country to receive the exports supported by a loan or financial guarantee and the effect such exports will have on human rights and fundamental freedoms in said country".

SEC. 2. Section 2(b)(1)(A) of the Export-Import Bank Act of 1945 is amended by inserting before the period at the end of the third sentence the following: "and shall, in cooperation with other appropriate government agencies, seek to reach agreement on ways of reducing and eventually eliminating the use of all forms of government-supported export financing".

SEC. 3. (a)(1) The first sentence of section 2(b)(3) of the Export-Import Bank Act of 1945 is amended by inserting "(i)" immediately after "No loan or financial guarantee or combination thereof" the first time such phrase appears therein, by striking out "shall be finally approved by the Board of Directors of the Bank, and no loan or financial guarantee or combination thereof" and inserting in lieu thereof ", (i) in an amount", and by inserting immediately after "Union of Soviet Socialist Republics" the following: ", or (iii) for the export of technology, fuel, equipment, materials, or goods and services to be used in the construction, alteration, operation, or maintenance of nuclear power, enrichment, reprocessing, research, or heavy water production facilities,".

"(C) In the case of any loan or financial guarantee or combination thereof referred to in clause (iii) above, the Chairman of the Committee on Banking, Housing and Urban Affairs of the Senate and its ranking member, the chairman of the Committee on Banking, Finance and Urban Affairs of the House of Representatives and its ranking member, and the chairmen of the appropriate subcommittees thereof and their ranking members shall hold consultations with the Director of the Arms Control and Disarmament Agency and the Secretary of State within the twenty-five-day period referred to above. During such consultation, the Director of the Arms Control and Disarmament Agency and the Secretary of State shall (i) discuss in detail the adequacy of safeguards, guarantees, peaceful use assurances, conditions of supply, and other control mechanisms to which the country, which will receive the United States exports to be supported by the Bank's loan or financial guarantee or combination thereof, has agreed in any treaties or agreements and (ii) assess the prospects that such exports could further the development of a nuclear explosive capability in such country.".

(b) Section 2(b) of the Export-Import Bank Act of 1945 is amended by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively, and by inserting immediately after paragraph (3) the following new paragraph:

"(4) The Secretary of State shall report to the appropriate committees of Congress and to the Board of Directors of the Export-Import Bank if he determines that any country that has agreed to International Atomic Energy Agency nuclear safeguards materially violates, abrogates, or terminates, after the date of enactment of this paragraph, such safeguards or that any country that has entered into an agreement for cooperation concerning the civil use of nuclear energy with the United States materially violates, abrogates, or terminates, after the date of enactment of this paragraph, any guarantee or other undertaking to the United States made in such agreement or that any country that is not a nuclear-weapons state (as defined in article IX(3) of the Treaty on the Non-Proliferation of Nuclear Weapons) detonates, after the date of enactment of this paragraph, a nuclear explosive device. The Secretary shall specify which country or countries he has determined to have so acted, and the Board shall not give approval to guarantee, insure, or extend credit, or participate in the extension of credit in support of United States exports to such country unless the President determines that it is in the national interest for the Bank to guarantee, insure, or extend credit, or participate in the extension of credit in support of United States exports to such country and such determination has been reported to the Congress not less than twenty-five days of continuous session of the Congress prior to the date of such approval. For the purpose of the preceding sentence, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the twenty-five-day period referred to in such sentence.".

(c) The first sentence of section 2(b)(5) of the Export-Import Bank Act of 1945, as redesignated by section 3(b) of this Act, is amended by striking out "or" immediately after "the United States," and inserting before the period at the end thereof the following: ", or (C) the purchase of any liquid metal fast breeder nuclear reactor or any nuclear fuel reprocessing facility".

SEC. 4. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30" and inserting in lieu thereof "September 30".

The SPEAKER. Is a second demanded?

Mr. STANTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from North Carolina (Mr. NEAL) and the gentleman from Ohio (Mr. STANTON) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from North Carolina (Mr. NEAL).

Mr. NEAL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to take just a minute or two to explain the Eximbank and our bill.

The Bank is the official export credit institution of the United States. All our major trading partners have something similar, many of which are heavily subsidized.

Exim's function is to foster the expansion of U.S. exports by extending credit and guaranteeing loans in support of export sales. Since it lends at market-related rates, it makes a profit and is able to pay its own way. It is not an aid program, but a trade promotion institution.

The economic need for such a Bank is clear from recent balance of trade figures. Between 1970 and 1976 U.S. exports rose from $43 billion to $115 billion, up 167 percent. But at the same time, U.S. imports increased by 203 percent, from $40 billion to $121 billion. Our trade balance was in deficit by $5.9 billion in 1976, an almost $17 billion reversal of the $11 billion trade surplus registered in 1975. Current estimates call for an overall deficit in 1977 which could approach about $15 billion.

The employment associated with U.S. merchandise exports in 1976 total approximately 4.7 million, about 60 percent higher than the 1970 total of 2.9 million. Eximbank alone was responsible for 500,000 U.S. jobs in 1976.

Right now, the Eximbank needs a 3-month extension of its charter—from June 30, 1978 to September 30, 1978—in order to bring its programs in line with the recently revised fiscal year. This gives us an opportunity to deal with issues such as human rights and nuclear proliferation that are simply too important to wait until next year, when the Bank will need a charter renewal and new commitment authority.

In recognition of this situation the full committee passed H.R. 6415 by a vote of 29 to 1. All 19 subcommittee members cosponsored H.R. 6415. We believe the bill strengthens the Eximbank in light of recent international concern over human rights, export subsidy programs and nuclear proliferation. It is also consistent with the administration's policies, and is supported by the Bank, and the Treasury and State Departments.

Section 1 of our bill requires the Bank's Board to take into account, in consultation with the State Department, information on the human rights conditions in the country to receive Eximbank-supported exports and the effect of the exports on human rights. This provision gives the Bank the flexibility it needs to deal with human rights concerns while accomplishing its primary goal of supporting U.S. exports.

This is the first time in its history that the Bank has been required to look at human rights, and we are very proud to have sponsored it. I would like to echo Secretary of State Vance's recent call for a "realistic" U.S. stand on human rights abroad that is in keeping with "the limits of our power and of our wisdom." As he said:

> A sure formula for defeat of our goals would be a rigid, hubristic attempt to impose our values on others. A doctrinaire plan of action would be as damaging as indifference.

I would like to enter for the RECORD here a copy of the Secretary's speech.

Section 2 requires Exim, in cooperation with other Government agencies, to seek to reach agreement with other governments on ways of reducing and possibly eliminating Government support for exports. This section announces to other governments that the United States is willing to make a good faith effort—if they are—to reduce Government subsidies and allow exports to compete on the basis of price, quality, and service.

Section 3(a) requires Exim to bring any nuclear-related loan to Congress for the same 25-day consideration period that loans over $60 million now have. In addition, it requires that detailed nuclear proliferation information be provided by the Arms Control and Disarmament Agency and the Secretary of State. Such information is of critical importance in determining whether or not Congress should approve a nuclear-related loan, and no such information concerning proliferation dangers is currently required to be provided. Over the past two years, Exim has approved the sale of nuclear power plants for South Korea, Spain, and the Philippines. In two out of three countries, proliferation problems existed that the staff was barely able to discover before the 25-day period elapsed. Corrective measures were then attached as conditions of the loans, but without proliferation information a dangerous loan could be made.

Section 3(b) is equally important. Regional arms races may be exacerbated when countries in Latin America and the Middle East, for example, acquire nuclear powerplants. Countries may want to divert nuclear materials to nonpeaceful purposes. We should make the sanctions for such conduct as tough as possible. At the moment, no such sanctions exist—other than cutting off the shipment of nuclear materials. The cutoff of Exim credit for such conduct is a small but significant step signifying how important the United States considers nuclear safeguards to be. All of the nuclear provisions reflect the same concerns that President Carter has mentioned in recent speeches.

Finally, section 4 extends Exim's authorization through the transition quarter of 1978.

This is a good and fair bill which we have all worked on diligently. As I said earlier, it passed the Banking Committee by a 39 to 1 vote. I ask for your support, also.

Mr. Speaker, I include the address of the Honorable Cyrus Vance, Secretary of State, which I have referred to, at this point for the information of the Members:

HUMAN RIGHTS AND FOREIGN POLICY

(Address by the Honorable Cyrus Vance, Secretary of State, before the University of Georgia Law Day Ceremonies, Athens, Ga., April 30, 1977)

Dean Beaird, students, faculty and alumni of the University of Georgia Law School, distinguished guests: I am delighted to be here with you on Law Day. And I am honored by the presence of my friend Dean Rusk, a distinguished member of your faculty.

I speak today about the resolve of this Administration to make the advancement of human rights a central part of our foreign policy.

Many here today have long been advocates of human rights within our own society. And throughout our nation that struggle for civil rights continues.

In the early years of our civil rights movement, many Americans treated the issue as a "Southern" problem. They were wrong. It was and is a problem for all of us. Now, as a nation, we must not make a comparable mistake. Protection of human rights is a challenge for all countries, not just for a few.

Our human rights policy must be understood in order to be effective. So today I want to set forth the substance of that policy, and the results we hope to achieve.

Our concern for human rights is built upon ancient values. It looks with hope to a world in which liberty is not just a great cause, but the common condition. In the past, it may have seemed sufficient to put our name to international documents that spoke loftily of human rights. That is not enough. We will go to work, alongside other people and governments to protect and enhance the dignity of the individual.

Let me define what we mean by "human rights."

First, there is the right to be free from governmental violation of the integrity of the person. Such violations include torture; cruel, inhumane or degrading treatment or punishment; and arbitrary arrest or imprisonment. And they include denial of fair public trial, and invasion of the home.

Second, there is the right to the fulfillment of such vital needs as food, shelter, health care and education. We recognize that the fulfillment of this right will depend, in part, upon the stage of a nation's economic development. But we also know that this right can be violated by a government's action or inaction—for example, through corrupt official processes which divert resources to an elite at the expense of the needy, or through indifference to the plight of the poor.

Third, there is the right to enjoy civil and political liberties—freedom of thought; of religion; of assembly; freedom of speech; freedom of the press; freedom of movement both within and outside one's own country; freedom to take part in government.

Our policy is to promote all these rights. They are all recognized in the Universal Declaration of Human Rights, a basic document which the United States helped fashion and which the United Nations approved in 1948. There may be disagreement on the priorities these rights deserve. But I believe that, with work, all of these rights can be complementary and mutually reinforcing.

The philosophy of our human rights policy is revolutionary in the intellectual sense, reflecting our nation's origin and progressive values. As Archibald MacLeish wrote during our Bicentennial a year ago, "The cause of human liberty is now the one great revolutionary cause . . ."

President Carter put it this way in his speech before the United Nations:

". . . All the signatories of the UN Charter have pledged themselves to observe and to respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world . . ."

Since 1945, international practice has confirmed that a nation's obligation to respect human rights is a matter of concern in international law.

Our obligation under the United Nations Charter is written into our own legislation. For example, our Foreign Assistance Act now reads: "a principal goal of the foreign policy of the United States is to promote the increased observance of internationally recognized human rights by all countries."

In these ways, our policy is in keeping with our tradition, our international obligations and our laws.

In pursuing a human rights policy, we must always keep in mind the limits of our power and of our wisdom. A sure formula for defeat of our goals would be a rigid, hubristic attempt to impose our values on others. A doctrinaire plan of action would be as damaging as indifference.

We must be realistic. Our country can only achieve our objectives if we shape what we do to the case at hand. In each instance, we will consider these questions as we determine whether and how to act:

1. First, we will ask ourselves, what is the nature of the case that confronts us? For example,

What kind of violations or deprivations are there? What is their extent?

Is there a pattern to the violations? If so, is the trend toward concern for human rights or away from it?

What is the degree of control and responsibility of the government involved?

And, finally, is the government willing to permit independent, outside investigation?

2. A second set of questions concerns the prospects for effective action:

Will our action be useful in promoting the overall cause of human rights?

Will it actually improve the specific conditions at hand? Or will it be likely to make things worse instead?

Is the country involved receptive to our interest and efforts?

Will others work with us, including official and private international organizations dedicated to furthering human rights?

Finally, does our sense of values and decency demand that we speak out or take action anyway, even though there is only a remote chance of making our influence felt?

3. We will ask a third set of questions in order to maintain a sense of perspective:

Have we steered away from the self-righteous and strident, remembering that our own record is not unblemished?

Have we been sensitive to genuine security interests, realizing that outbreak of armed conflict or terrorism could in itself pose a serious threat to human rights?

Have we considered all the rights at stake?

If, for instance, we reduce aid to a government which violates the political rights of its citizens, do we not risk penalizing the hungry and poor, who bear no responsibility for the abuses of their government?

If we are determined to act, the means available range from quiet diplomacy in its many forms, through public pronouncements, to withholding of assistance. Whenever possible, we will use positive steps of encouragement and inducement. Our strong support will go to countries that are working to improve the human condition. We will always try to act in concert with other countries, through international bodies.

In the end, a decision whether and how to act in the cause of human rights is a matter for informed and careful judgment. No mechanistic formula produces an automatic answer.

It is not our purpose to intervene in the internal affairs of other countries, but as the President has emphasized, no member of the United Nations can claim that violation of internationally protected human rights is solely its own affair. It is our purpose to shape our policies in accord with our beliefs, and to state them without stridency or apology, when we think it is desirable to do so.

Our policy is to be applied within our own society as well as abroad. We welcome constructive criticism, at the same time as we offer it.

No one should suppose that we are working in a vacuum. We place great weight on joining with others in the cause of human rights.

The United Nations system is central to this cooperative endeavor. That is why the President stressed the pursuit of human rights in his speech before the General Assembly last month. That is why he is calling for United States ratification of four important human rights covenants and conventions, and why we are trying to strengthen the human rights machinery within the United Nations.

And that is an important reason why we have moved to comply with United Nations sanctions against Rhodesia. In one of our first acts, this Administration sought and achieved repeal of the Byrd Amendment, which had placed us in violation of these sanctions and thus in violation of international law. We are supporting other diplomatic efforts within the United Nations to promote basic civil and political rights in Namibia and throughout southern Africa.

Regional organizations also play a central role in promoting human rights. The President has announced that the United States will sign and seek Senate approval of the American Convention on Human Rights. We will continue to work to strengthen the machinery of the Inter-American Commission on Human Rights. This will include efforts to schedule regular visits to all members of the Organization of American States, annual debates on human rights conditions, and the expansion of the inter-American educational program on human rights.

The United States is seeking increased consultation with other nations for joint programs on economic assistance and more general efforts to promote human rights. We are working to assure that our efforts reach out to all, with particular sensitivity to the problems of women.

We will meet in Belgrade later this year to review implementation of the Final Act of the Conference on Security and Cooperation in Europe—the so-called Helsinki Conference. We will take this occasion to work for progress there on important human issues: family reunification, binational marriages, travel for personal and professional reasons, and freer access to information.

The United States looks to use of economic assistance—whether bilateral or through international financial institutions—as a means to foster basic human rights.

We have proposed a 20% increase in United States foreign economic assistance for Fiscal Year 1978.

We are expanding the program of the Agency for International Development for "New Initiatives in Human Rights" as a complement to present efforts to get the benefits of our aid to those most in need abroad.

The programs of the United States Information Agency and the State Department's Bureau of Educational and Cultural Affairs stress support for law in society, a free press, freedom of communication, an open educational system, and respect for ethnic diversity.

This Administration's human rights policy has been framed in collaboration and consultation with Congress and private organizations. We have taken steps to assure first hand contact, consultation and observation when members of Congress travel abroad to review human rights conditions.

We are implementing current laws that bring human rights considerations directly into our decisions in several international financial institutions. At the same time, we are working with the Congress to find the most effective way to fulfill our parallel commitment to international cooperation in economic development.

In accordance with human rights provisions of legislation governing our security assistance programs, we recently announced cuts in military aid to several countries.

Outside the government, there is much that can be done. We welcome the efforts of individual American citizens and private organizations—such as religious, humanitarian and professional groups—to work for human rights with commitments of time, money, and compassion.

All these initiatives to further human rights abroad would have a hollow ring if we were not prepared to improve our own performance at home. So we have removed all restrictions on our citizens' travel abroad, and are proceeding with plans to liberalize our visa policies.

We support legislation and administrative action to expand our refugee and asylum policies, and to permit more victims of repressive regimes to enter the United States. During this last year, the United States spent some $475 million on assistance to refugees around the world and we accepted 31,000 refugees for permanent resettlement in this country.

What results can we expect from all these efforts?

We may justifiably seek a rapid end to such gross violations as those cited in our law: "torture, or cruel, inhuman or degrading treatment or punishment, or prolonged detention without charges. . . ." Just last week our ambassador at the United Nations, Andrew Young, suggested a series of new ways to confront the practice of torture around the world.

The promotion of other human rights is a broader challenge. The results may be slower in coming but are no less worth pursuing, and we intend to let other countries know where we stand.

We recognize that many nations of the world are organized on authoritarian rather than democratic principles—some large and powerful, others struggling to raise the lives of their people above bare subsistence levels. We can nourish no illusions that a call to the banner of human rights will bring sudden transformations in authoritarian societies.

We are embarked on a long journey. But our faith in the dignity of the individual encourages us to believe that people in every society, according to their own traditions, will in time give their own expression to this fundamental aspiration.

Our belief is strengthened by the way the Helsinki principles and the UN Declaration of Human Rights have found resonance in the hearts of people of many countries. Our task is to sustain this faith, by our example and our encouragement.

In his inaugural address, three months ago, President Carter said, "Because we are free we can never be indifferent to the fate of freedom elsewhere. . . ." Again, at a meeting of the Organization of American States two weeks ago, he said, "you will find this country eager to stand beside those nations which repect human rights and promote democratic values."

We seek these goals because they are right—and because we too will benefit. Our own well-being, and even our security, are enhanced in a world that shares common freedoms, and in which prosperity and economic justice create the conditions for peace. And let us remember that we always risk paying a serious price when we become identified with repression.

Nations, like individuals, limit their potential when they liimt their goals. The American people understand this. I am confident they will support foreign policies that reflect our traditional values. To offer less is to define America in ways we should not accept.

America fought for freedom in 1776 and in two world wars. We have offered haven to the oppressed. Millions have come to our shores in times of trouble. In time of devastation abroad, we have shared our resources.

Our encouragement and inspiration to other nations and other peoples have never been limited to the power of our military or the bounty or our economy. They have been lifted up by the message of our Revolution, the message of individual human freedom. That message has been our great national asset in times past. So it should be again.

Mr. STANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to add my voice to that of the subcommittee's able chairman, the gentleman from North Carolina (Mr. NEAL) in support of this bill.

There is no reason why this bill should be considered controversial. In reality, all we are doing now is extending the authorization of the Eximbank for 90 days so that the period of authorization matches the revised fiscal period. This is basically a technical amendment which we are obliged to bring to the floor today because of the requirements of the Budget Act.

Before the committee began its hearing on this bill, Exim, the administration, and Congress all agreed that it would be sensible to grant a 3-month extension. We felt that the new administration and the new Chairman at the Bank ought to be given a little time to examine U.S. export policies and those of our competitors. We agreed that it would make sense to examine the Eximbank in detail next fall when they will have to come to us for their 3-year reauthorization.

As the subcommittee chairman has stated, however, we found that there were a few changes to the Eximbank's charter that needed to be dealt with right now. Two of these changes are worth mentioning.

Before Exim's Board of Directors may give final approval to export support exceeding $60 million, they are currently required to notify Congress—to give this House and the other body a chance to object, if necessary. In two instances in the past the House received proposals for nuclear power facilities under this rule, only to find relatively serious nuclear proliferation problems inherent in the proposals. It was only through our intervention that these problems were brought to the attention of the administration. Let me make it clear that this was not Exim's fault. Their job is to promote exports. Other agencies like the Department of State and the Arms Control and Disarmament Agency are in business to watch over proliferation issues.

But because we in the House must give Exim a green light, we have to make sure that Congress has the full story before we allow the export to proceed. To insure that this happens we require in this bill that the Secretary of State and the Director of the Arms Control and Disarmament Agency consult with the leadership of our committee and the relevant committee in the other body about the proliferation potential of the export under consideration. It is difficult to see any controversy in this provision.

The second important change is in the area of human rights. The committee has noted the strong position on human rights taken by the President and the stronger position expressed by the House on the legislation for the international development institutions.

Because of these strong expressions, we took a long look at the Export-Import Bank to see what role it might play in reinforcing U.S. policy on human rights.

Obviously, Eximbank is not an aid bank. It does not give developmental aid to developing countries. It is not controlled by foreigners. It does not even spend taxpayers' money. Eximbank is a U.S. agency which borrows and relends funds to enable American exporters to overcome credit market imperfections and compete on equal footing with European and Japanese competitors.

We looked at the questions of the probable effect of a prohibition of Exim support to human rights violating countries, and concluded that such a prohibition would not have its intended effect. The importing country would likely turn to another exporter for the products it needs, and instead of affecting human rights in other countries, such a prohibition would seemingly only injure U.S. exporters and the workers that depend on international commerce for their livelihood.

Because Exim support is just not the same sort of "carrot" that IDA or World Bank loans are, we decided on a different human rights approach. In this bill, we require the Eximbank to take into account human rights conditions in the country receiving the exports, and the effect that export would have on human rights conditions.

This puts human rights on an equal footing with some other very important criteria which Eximbank must consider—things such as the effect of the export on U.S. employment, the competitiveness of U.S. industry, and the availability of materials in short supply.

In conclusion, Mr. Speaker, I would urge my colleagues to support this 3-month extension of the Export-Import Bank.

Mr. Speaker and Members of the House, once again I say that this has been brought about by our committee on a 36-to-1 vote. We do feel we are cooperating with the administration in giving them more time. The purpose of this legislation is to bring it into balance with our own Budget Reform Act.

Mr. Speaker, again I urge the members of the committee to favorably consider this legislation here this afternoon.

Mr. NEAL. Mr. Speaker, I yield 5

minutes to the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Speaker and colleagues, I ask that the Members vote down this bill under suspension. I ask that the Members vote down this bill in order that we may put it on the regular calendar so that we may have a debate, particularly on the human rights issue as it affects the Export-Import Bank.

My colleague on the minority side has said that this is only a 3-month extension, and that that is why they are bringing it up under suspension. But he did not tell the Members that that 3-month extension is, in fact, a 15-month extension from today, because if we vote on this we will be extending it for 3 months from July 1, 1978, to September 30, 1978. Nor did he tell the Members that in that 15-month period it is expected that $14 billion in loans will be approved by the Export-Import Bank.

So we are really talking about the kind of extension that will result, over the next 15 months, in lending more than three times what we approved for the multilateral institutions such as the World Bank, the Inter-American Bank, the Asian Development Bank, and the African Bank.

It is for that reason that we should have an extensive debate on this issue. As a matter of fact, the committee report is not even available to the Members. I was able to secure a copy that was Xeroxed in the room outside, but the fact is that most of the Members are not being given the information that is necessary for them to make an intelligent judgment.

The bill recognizes that the issue of human rights is important, because the bill provides that all available information about the observance and respect for human rights be taken into account. But that is very weak and mild language compared to the language that this body approved overwhelmingly a short time ago when we passed the bill, H.R. 5262, which had to do with the multilateral institutions.

Mr. Speaker, it is in order that we have a debate on the human rights issue and include the same kind of language for the Export-Import Bank, and it is for that reason that I am asking that this bill be defeated.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Speaker, I thank the gentleman for yielding. I would like to associate myself with his remarks.

I must confess that I do not have a very able working knowledge of the operations of the Export-Import Bank and just exactly how it affects our relations with other countries. It is for that reason perhaps that I could see the necessity for a longer debate, a debate that would take place not under suspension of the rules but under the ordinary rules of the House of Representatives.

For that reason, Mr. Speaker, I associate myself with the gentleman's remarks.

Mr. BADILLO. Mr. Speaker, I thank my colleague, the gentleman from Iowa (Mr. Harkin).

I would like to see an opportunity for all the Members to have a working knowledge of how the Export-Import Bank operates. As a matter of fact, I myself was astonished concerning some aspects of it. I had been taking as fact some of the statements made in committee that we were dealing with foreign companies, and I was astonished when I received the report from the Export-Import Bank and found that in fact we are dealing with governments and that these loans are not made to private companies.

That is, of course, understandable. In these less developed countries there are no private companies. It is the same Government of Brazil, the same Government of Korea, and the same Government of the Philippines that we are dealing with.

As a matter of fact, we are providing them with hundreds of millions of dollars for nuclear reactors. I am sure the Members would be interested in knowing that, and, therefore, I believe we should have an extensive debate on this issue.

There is one other thing I would like to point out with respect to the Export-Import Bank. It has been said that these are short-term loans, and that they never go beyond 7 or 8 years. I just want to quote an example from the history of loans made to the Republic of Chile.

Mr. TSONGAS. Mr. Speaker, will the gentleman yield?

Mr. BADILLO. I would yield to the gentleman if I were given more time, but my time is limited. I would like to cover this point concerning Chile.

Mr. TSONGAS. Mr. Speaker, I am sure the gentleman can obtain more time.

Will the gentleman yield?

Mr. BADILLO. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Exactly who is making these statements to which the gentleman has referred?

Mr. BADILLO. The statement was made in the committee that the Export-Import Bank deals primarily with individual companies and not with countries, and that is why I secured a copy of the report.

Mr. TSONGAS. Mr. Speaker, can the gentleman identify who made that statement?

Mr. BADILLO. I believe that it was made by the chairman of the subcommittee.

Mr. TSONGAS. Mr. Speaker, can the gentleman also identify who made the statement that the Export-Import Bank does not engage in long-term loans?

Mr. BADILLO. I believe it was the same gentleman on the committee. It was either the chairman or it was the person who was there representing the Export-Import Bank.

The SPEAKER pro tempore (Mr. Kazen). The time of the gentleman from New York (Mr. Badillo) has expired.

Mr. NEAL. Mr. Speaker, I yield 1 additional minute to the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Speaker, we were told by the people who were there from the Export-Import Bank and by the members of the committee that these are short-term loans. It was at that time that I mentioned the loan to Chile, and the gentleman from the Export-Import Bank explained that this was, as he put it, a very unusual loan and was different from the other loans that were made. He said that the typical loan is only for a short period of time.

He further explained that the Chilean loan was very unusual because that went on for a period of over 15 years. That was the point at which they said the average loan was a short-term loan.

Mr. Speaker, I ask that this bill be defeated under suspension of the rules.

Mr. NEAL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the human rights language in H.R. 6415 would accomplish precisely what those of us who are concerned about this issue desire: It would require the Eximbank, for the first time, to consider the human rights condition in the country to receive Exim-suported exports and the effect of the exports on human rights. This is a provision of which all of us who have worked on this bill are proud.

The gentleman from New York, who cast the only dissenting vote in committee on this bill, believes that the human rights language he sponsored in another bill is the only way to deal with human rights whenever the issue surfaces. He is wrong for two basic reasons:

First, not all U.S. institutions affect human rights in the same way. The question is not whether human rights are involved, but how they are involved. It is absurd to assume that the Peace Corps, for example, affects human rights in exactly the same way as the U.S. foreign aid program.

Second, the Eximbank is not an instrument of U.S. foreign aid. As Mr. Badillo points out himself, the Bank encourages the production of American goods and services and helps provide desperately needed jobs for Americans. Because it lends money at market-related rates, it makes enough of a profit to pay its own way. Its objective is to support U.S. exports, and it is U.S. exporters who are its main beneficiaries. Exim's impact on the development of foreign countries is incidental, not direct.

In recognition of these facts, we have agreed on the human rights language in H.R. 6415 because it gives the Bank the flexibility it needs to deal with human rights concerns.

Under Mr. Badillo's human rights language, the Bank would be prohibited from supporting U.S. exports to certain countries. Since the countries would purchase the goods anyway from other willing suppliers, the United States would lose twice: The denial of Exim credits would have no effect at all on the human rights conditions in the country, and we would lose vital U.S. jobs.

Obviously, then, his language just is not appropriate for the Eximbank. The langauge in H.R. 6415 does the job we all want done: It encourages respect for human rights around the world.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Dellums).

Mr. DELLUMS. Mr. Speaker and members of the committee, in the brief moments that I have, I would not attempt to engage in a detailed discussion of the merits of the legislation before the body. However, I associate myself with the remarks of my distinguished colleague, the gentleman from New York (Mr. Badillo), and point out that my opposition is twofold: First of all, to the process that brings the bill to the floor; and second, in opposition to the bill in its present form.

On the question of process, Mr. Speaker, this bill has come to us under suspension of the rules, which does not provide an opportunity to debate, discuss, or attempt to amend the legislation.

Second, I am in opposition to the bill in its present form because while I compliment my distinguished subcommittee chairperson and the committee for its recognition of the issue of human rights as a factor in the activities of the Export-Import Bank, I am simply suggesting that the language does not go far enough.

Mr. Speaker, the President of the United States has been complimented for his diligence in pursuing the issue of human rights. I am simply suggesting that perhaps the greatest test of a nation's commitment to human rights is whether it is prepared to pursue those concepts, even when it hurts the country. That, it seems to me, is the issue being raised by the gentleman from New York (Mr. Badillo).

Mr. Speaker, I would suggest that we vote down this bill under suspension of the rules and bring it back under a rule in order to allow the bill to be discussed, debated, and amended on the floor of the House. Through that method, Mr. Speaker, we can discuss the serious question of human rights.

Mr. Speaker, if the President of the United States is committed to it and if the committee saw fit, in its wisdom, to put some loose language in it, then it would seem to me we ought to nail it down and require some specific action where we find that human rights have been so trampled upon that there is a need for some specific action, and provision for that should be written into the bill.

Mr. Speaker, I repeat, let us bring the bill to the floor in a manner which would allow the House to discuss and debate this very critical question. We are out there in the world community now as an advocate of human rights. I suggest that we implement them everywhere we can.

Mr. NEAL. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. Tsongas).

Mr. TSONGAS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, will the gentleman from Ohio (Mr. Stanton) yield me such additional time as may be necessary?

Mr. STANTON. Mr. Speaker, I yield the gentleman from Massachusetts (Mr. Tsongas) 2 minutes.

The SPEAKER pro tempore (Mr. Kazen). The gentleman from Massachusetts (Mr. Tsongas) is recognized for 6 minutes.

Mr. TSONGAS. Mr. Speaker, I would like to make just a couple of points.

One is that the argument came up in committee as to whether this is indeed a foreign-aid bill or whether it is unrelated to foreign aid. That was one of the issues brought up in the amendments, and it was overwhelmingly made quite clear that the Export-Import Bank is just that, a bank dealing with exports and imports and not dealing with foreign aid.

Second, the decision that the bill come up under suspension reflected the fact that it was voted favorably 38 to 1 and thus was within the authority of the committee to bring the bill up under suspension.

Thirdly, there are two new departures in this bill. One of them is with respect to human rights, which I applaud. I think it is a step in the right direction. The second item is with respect to nuclear-related issues, which I would like to address at this point.

Mr. Speaker, the committee has had two serious problems on the nuclear issue in the past. The first concerned a nuclear powerplant project for South Korea and received tentative Exim approval, pending its submission to Congress.

My colleagues will remember that there is currently a requirement in the procedure that new proposals over $60 million must be sent to the Congress for 25 days.

While the Korean proposal was being considered by the committee, it came to light that France, during this same period, had been negotiating with South Korea to build a fuel reprocessing facility, an issue that is very much in the public eye today. Since, as we all know, reprocessed fuel can be used for both powerplants and nuclear explosives, this development was particularly worrisome. The objections raised by Congress at that point stopped the nuclear powerplant financing until such time as the French agreed not to build the reprocessing facility.

The second example arose during our consideration of a nuclear export proposal for powerplants in Spain. In the same safeguard agreements with Spain, which controlled the destination of spent fuel, the committee discovered a significant loophole. If Spain were to have purchased nuclear fuel from another country to "burn" in U.S. built reactors, the spent fuel would not have been subject to U.S. safeguard agreements. This was a serious oversight in the agreement which we discovered really by chance.

The issue here is not one for which we would blame the Export-Import Bank for not recognizing these problems because this is a very complicated issue and one that requires a great deal of expertise. But we are trying to set up a mechanism whereby they can come to us for oversight and we can recognize them before the facility is built and not have to wait until after the nuclear explosive reality is there.

Mr. Speaker, I want to commend the chairman of the committee on his initiative in trying to do something about the spread of nuclear technology in today's world.

Mr. STANTON. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. Fenwick), a member of the subcommittee.

Mrs. FENWICK. Mr. Speaker, long before I came to the House of Representatives, for 20 years I had been working in civil rights and this is a matter that is very close to my heart. Certainly I would not be supporting this bill if I thought the terms of the legislation were inappropriate. One does not spend many years working in a cause merely to throw it away and compromise it on an issue involving banking and the Export-Import Bank. I do feel that this bill is a valid bill. We are facing a world where some 134 countries have been condemned as not having adequate protection for human rights. I think it would be a tragedy, particularly with the emphasis of the new administration, if this bill did not recognize our responsibilities in that regard, but I think it has recognized that responsibility. I think the language is good.

I believe there are many of us on the Committee on Banking, Finance, and Urban Affairs who feel strongly about this issue of human rights, and the fact that it passed in the committee with only one dissenting vote is evidence of that.

I strongly urge the passage of this bill.

Mr. HANLEY. Mr. Speaker, I would like to point out to our colleagues a problem which came to my attention in the bill as originally drafted by Mr. Neal's subcommittee which called for a detailed nuclear proliferation assessment statement from the Arms Control and Disarmament Agency in cooperation with the Secretary of State. It is likely that such assessment statements will invariably be subject to court challenge on the basis of adequacy. Past court challenges of domestic environmental impact statements have involved costly and time-consuming delays. These facts will not escape our foreign customers, and will do little to lend credibility to the U.S. position of reliability in return for acceptance of tough criteria. Happily, Mr. Neal recognized this potential difficulty and appropriate language in the form of my clarifying amendment was accepted by the full Banking Committee.

It is my understanding that the State Department proposed language to the subcommittee to limit judicial review, but this language was rejected on the basis that it might pose a constitutional question. In testimony before the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Senate Committee on Governmental Affairs yesterday, Paul Warnke, Director, U.S. Arms Control and Disarmament Agency stated:

I would like to make one other point with regard to proliferation assessment statements. When such a requirement is enacted into law, it is important to make it clear that no court should have jurisdiction to review the adequacy of any proliferation assessment statement.

In another instance when the Joint Atomic Energy Committee was considering H.R. 15419, to amend the Atomic Energy Act of 1954 in the 94th Congress, in a letter to Representative John Anderson dated September 13, 1976 from Robert Seamans, Administrator of the Energy Research and Development Administration, Seamans stated:

> If the assessment statement requirements are retained in H.R. 15419, we think it essential that the bill retain the provision making clear that judicial review is not available regarding the preparation or adequacy of assessment statements. Also, the legislative history should make it clear that, in establishing nuclear proliferation assessment statements, Congress does not intend to create a NEPA-like process.

Although this legislation was not enacted into law, the committee struck the requirement for the nuclear proliferation assessment statement.

Because of this serious potential threat of litigation I offered an amendment to substitute a consultation by the Director of ACDA and the Secretary of State for a detailed nuclear proliferation assessment statement. I believe that this is essential and is in accord with what the administration wants.

Additionally, this Congress must be assured, within the responsibilities of its oversight function concerning such loans, that nuclear export agreements do not violate existing proliferation restrictions. This is what this bill will assure.

However, we must be careful that we do not take on a responsibility for which we have no expertise or rightful jurisdiction. The new Ad Hoc Energy Committee and the other committees of the House look forward with great anticipation to what the President will say and suggest in this area. Within the provisions of our mandate, we should not restrict the opportunity for this issue to be addressed more fully in its larger context of foreign policy and foreign commerce considerations.

Therefore, Mr. Speaker, I submit that both the prerogatives and the overall intent of Congress can be recognized and protected without undue constraint on overseas nuclear construction programs consistent with national policies.

Mr. ANNUNZIO. Mr. Speaker, I support H.R. 6415 which extends the authority of the Export-Import Bank and urge my colleagues to carefully consider their vote on this legislation.

In this age of economic interdependency, few countries are able to meet all of their domestic needs without some sort of foreign trade. The Export-Import Bank, as the official export credit institution of the United States, assists the American businessman in trade promotion. This legislation is especially timely in view of the fact that our trade deficit is growing at an alarming rate.

The Continental Illinois National Bank & Trust Co. predicts that the United States could suffer a trade deficit this year twice as large as last year's $5.9 billion deficit. Our trade deficit for the first 2 months of 1977 alone was at an annual rate of $21 billion. This present position can be reversed, in part, through vigorous expansion and support of U.S. exports, support provided by the credit and loan-granting function of the Export-Import Bank.

I realize some of my distinguished colleagues hold the human rights provisions in this legislation to be inadequate. Despite these well-intended criticisms, I believe the provisions of H.R. 6415 strengthen more than ever before the Export-Import Bank's posture toward human rights and nuclear proliferation, and provide a sound foundation for future concern in these areas.

I will vote for this bill, and continue my support of the Eximbank and its programs.

Mr. REUSS. Mr. Speaker, H.R. 6415, to extend the Export-Import Bank Act of 1945, was sponsored by all 19 members of the Subcommittee on International Trade, Investment and Monetary Policy of the Banking Committee. Mr. Neal, the subcommittee's chairman, is to be congratulated for his leadership in bringing this bill to the Banking Committee as is Mr. Stanton of Ohio, the ranking minority member, who has also done an outstanding job on this legislation.

The bill passed the subcommittee unanimously, and the full committee by a 38 to 1 vote. The only negative vote was cast by Badillo, who thought the Eximbank should be treated in the same manner as the international financial institutions with respect to human rights. I disagree with his conclusion.

In committee I opposed a Badillo amendment to add to this bill the same human rights language that I proposed for the international financial institutions legislation. The Eximbank is simply not an international or regional development lending bank; it is a lender of last resort for U.S. exporters who sell their goods financed by Exim abroad. Money or guarantees from Exim do not go to foreign governments to help the development process; money or other Exim involvement goes instead to U.S. businesses and employees when they need help securing financing for an export transaction. Exim is not involved with foreign aid; it loans at market-interest rates. Exim makes a profit. It pays its own way.

Therefore, since the Bank does not "seek to channel loans" anywhere but supports U.S. exports instead, it is inappropriate to use the same human rights language that I suggested for other legislation which this body has voted upon. The development lending institutions and the Eximbank are not comparable, and neither are their effect on human rights.

The present human rights language of H.R. 6415 requires the Bank, for the first time in its 40-year history, to consider human rights conditions in the country to receive an Exim-supported export and to consider the effect that the particular export will have on the human rights conditions there. Also, we have defined "human rights" in our report language in the manner that Mr. Harkin and Mr. Badillo have suggested. With this in mind, I believe that anyone who shares the concern of the bill's 19 cosponsors, and my concern as well, that human rights must be protected around the world by the best means at our disposal, will recognize that H.R. 6415 does exactly that.

I support this bill as reported by the Banking Committee and urge my colleagues to do the same.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. Neal) that the House suspend the rules and pass the bill H.R. 6415, as amended.

The question was taken.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 281, nays 126, not voting 26, as follows:

[Roll No. 182]

YEAS—281

Abdnor
Akaka
Alexander
Allen
Ambro
Ammerman
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashley
AuCoin
Baldus
Barnard
Baucus
Beard, R.I.
Biaggi
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Carney
Carr
Cavanaugh
Cederberg
Chappell
Clausen, Don H.
Cleveland
Cochran
Cohen
Coleman
Conable
Conte
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Dicks
Dingell
Duncan, Oreg.
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Flippo
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frey
Fuqua
Gammage
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hamilton
Hanley
Hannaford
Harrington
Harris
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Kildee
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Le Fante
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh

McKay
McKinney
Madigan
Mahon
Mann
Marks
Marlenee
Martin
Mathis
Mattox
Mazzoli
Meeds
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Michael
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oakar
Oberstar
Obey
Panetta
Patten
Pattison
Pease
Perkins
Pettis
Pickle
Preyer
Pritchard
Pursell
Quie
Regula
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roybal
Rudd
Russo
Ryan
Santini
Sarasin
Sawyer
Sebelius
Sharp
Sikes
Simon
Sisk
Skelton
Skubitz
Smith, Iowa
Smith, Nebr.
Spellman
St Germain
Staggers
Stanton
Steed
Steers
Steiger
Stockman
Stratton
Stump
Thone
Thornton
Tonry
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Waggonner
Walsh
Watkins
Waxman
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—126

Addabbo
Anderson, Calif.
Armstrong
Ashbrook
Badham
Badillo
Bafalis
Bauman
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blouin
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Byron
Caputo
Carter
Chisholm
Clawson, Del
Clay
Collins, Tex.
Conyers
Crane
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dodd
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Edwards, Okla.
Eilberg
Emery
Evans, Ga.
Fish
Fithian
Fraser
Gaydos
Gilman
Hagedorn
Hall
Hammerschmidt
Hansen
Harkin
Harsha
Hawkins
Heckler
Holt
Holtzman
Ichord
Johnson, Colo.
Kasten
Kelly
Kemp
Ketchum
Kindness
Kostmayer
Lloyd, Tenn.
Lujan
McDonald
Maguire
Markey
Marriott
Metcalfe
Meyner
Mikva
Miller, Calif.
Moakley
Moorhead, Calif.
Mottl
Murtha
Myers, Gary
Nolan
O'Brien
Ottinger
Pike
Pressler
Quayle
Quillen
Rangel
Richmond
Roberts
Robinson
Rosenthal
Rousselot
Runnels
Satterfield
Scheuer
Schroeder
Schulze
Seiberling
Shipley
Shuster
Slack
Snyder
Solarz
Spence
Stangeland
Stark
Studds
Symms
Taylor
Traxler
Vanik
Volkmer
Walgren
Walker
Wampler
Weaver
Weiss
Wilson, Bob
Wolff
Yatron

NOT VOTING—26

Anderson, Ill.
Aspin
Burgener
Collins, Ill.
Derrick
Diggs
Eckhardt
Florio
Ford, Mich.
Forsythe
Johnson, Calif.
Latta
Milford
Moss
Patterson
Pepper
Poage
Price
Rahall
Railsback
Reuss
Rhodes
Ruppe
Stokes
Teague
Thompson

The Clerk announced the following pairs:

Mr. Teague with Mr. Anderson of Illinois.
Mr. Milford with Mr. Latta.
Mr. Moss with Mr. Pepper.
Mr. Eckhardt with Mr. Burgener.
Mr. Thompson with Mr. Aspin.
Mr. Johnson of California with Mr. Patterson of California.
Mr. Stokes with Mr. Rahall.
Mr. Florio with Mr. Reuss.
Mr. Ford of Michigan with Mr. Forsythe.
Mr. Derrick with Mr. Price.
Ms. Collins of Illinois with Mr. Railsback.
Mr. Diggs with Mr. Ruppe.

Messrs. YATES, RISENHOOVER, WHITE, and GOLDWATER changed their vote from "nay" to "yea."

Messrs. KOSTMAYER, MARKEY, and MOAKLEY changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEAL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill H.R. 6415, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON H.R. 6714

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may have until midnight tonight to file a report on the bill H.R. 6714, to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to extend and make certain changes in the authorities of that act, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONFERENCE REPORT ON H.R. 11, INCREASING AUTHORIZATION FOR LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1976

Mr. ROE. Mr. Speaker, I call up the conference report on the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

POINT OF ORDER

Mr. YOUNG of Missouri. Mr. Speaker, I make a point of order against the conference report.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. YOUNG of Missouri. Mr. Speaker, the inclusion of title II of the conference report on H.R. 11 is in violation of clause 4 of rule XXVIII of the Rules of the House of Representatives.

Mr. Speaker, it should be obvious to my colleagues that this bill—H.R. 11—has come back from conference with an unrelated, nongermane amendment.

Title 1 of this bill authorizes $4 billion to be channeled to State and local governments throughout the country to create new public works jobs. The goal is to reduce the Nation's high unemployment rate.

In contrast, title 2 concerns previously approved water projects, with a principal goal of providing new flood control, water management and recreational benefits.

The jurisdiction over title 2 currently rests with the Appropriations Committee, and no longer involves the Public Works Committee. Therefore, title 2 should be excluded from consideration now and allowed to be handled by the appropriate committee.

My argument of nongermaneness is based on several precedents cited in Deschler's Procedure. May I call your attention to 4.25 of Deschler's chapter 28 which reads:

> To a bill reported by the Committee on Public Works authorizing funds for highway construction and for mass transportation systems which use motor vehicles on highways, an amendment relating to urban mass transit (a subject within the jurisdiction of the Committee on Banking and Currency) and to rapid rail transportation and assistance to the railroad industry (within the jurisdiction of the Committee on Interstate and Foreign Commerce) was ruled out as not germane. 118 Congressional Record 34111, 34115, 92d Congress, 2nd Session, Oct. 5, 1972.

I would also like to cite 4.12 reading:

> An amendment relating to railroads generally, which was offered to a bill pertaining solely to urban transportation, was ruled out as not germane. 116 Congressional Record 34191, 91st Congress, 1st Session, Sept. 29, 1970.

Finally I ask you to refer to 4.12 which reads:

> To a bill establishing penalties for desecration of the American flag, an amendment establishing certain restrictions upon exporting the flag was ruled out as not germane. 113 Congressional Record 16495, 90th Congress, 1st Session. June 20, 1967.

These precedents form the basis of my point of order—that title 2 is simply not germane to the local public works bill.

The SPEAKER pro tempore. Does the gentleman from New Jersey (Mr. ROE) wish to be heard in debate on the point of order?

Mr. ROE. No, Mr. Speaker. We concede the point of order.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. ROE) concedes the point of order. The Chair sustains the point of order.

MOTION OFFERED BY MR. YOUNG OF MISSOURI

Mr. YOUNG of Missouri. Mr. Speaker, I move, in conformity with the matter involved in the point of order, that the House reject title II of the conference report.

The **SPEAKER** pro tempore. The gentleman from Missouri (Mr. YOUNG) is recognized for 20 minutes on his motion.

Mr. YOUNG of Missouri. Mr. Speaker, I yield myself such time as I may consume.

PARLIAMENTARY INQUIRY

Mr. ROE. Mr. Speaker, I have a parliamentary inquiry.

The **SPEAKER**. The gentleman will state it.

Mr. ROE. Mr. Speaker, I understand that the Chair has allotted 20 minutes to the gentleman from Missouri (Mr. YOUNG).

The **SPEAKER**. The gentleman is correct. And the gentleman from New Jersey (Mr. ROE) will also be recognized for 20 minutes.

Mr. ROE. I thank the Chair.

The **SPEAKER** pro tempore. The gentleman from Missouri (Mr. YOUNG) has yielded himself such time as he may consume. The Chair recognizes the gentleman from Missouri (Mr. YOUNG).

Mr. YOUNG of Missouri. Mr. Speaker, ever since we have been talking about water projects in the 95th Congress it has been of extreme importance to the State of Missouri that we have a proper determination as to Meramec Lake and Dam. Meramec Lake and Dam came about as a result of a flood in Missouri in 1937 and resulted in the passage of the Federal law in 1938.

We have now proceeded with the appropriations on Meramec Lake and Dam to the tune of about $25 million.

Mr. Speaker, what this portion of the bill that is before us would do would be, in effect, to make it a rescission bill. The President has the authority under the Budget Control and Impoundment Act of 1974 to send up rescission matters. That has not happened, Mr. Speaker, in my opinion; and that is why, if we are going to delete any of these projects, I think that should be done legally, pursuant to the law.

Mr. ROE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to call the attention of the Members of the House to the fact that although I conceded the point of order, I did so because as a parliamentary issue it was in fact nongermane. However, as a substantive proposal I support title II.

Mr. Speaker, for clarity, title II is a declaration by the Congress of the United States on projects previously authorized after long and difficult study, projects which, in some instances, have already been funded.

Mr. Speaker, I would call the attention of the Members of the House to the fact that this involves only fiscal year 1977 funds.

As I think most of the Members know, we debated this issue a number of times in considering the budget resolution; and the intent here is to go on with these basic water projects. Mr. Speaker, these projects have taken years upon years to get to the point at which they are now. Most of these projects, are literally under construction. Tens of millions of dollars have been spent on these projects.

What are these projects, Mr. Speaker? They are water supply projects in Wyoming, in Oklahoma, and in California. They are flood control projects in Louisiana. They are navigation projects that have been before this House and voted on numerous times.

Mr. Speaker, the western part of our State is practically out of its water supply. There are all kinds of drought problems affecting the whole food supply of the United States, and now we are considering not going ahead with these projects which are already under construction.

Mr. Speaker, the purpose of our whole jobs bill, is to provide needed construction projects throughout the States and providing jobs for people.

If these projects are closed down, Mr. Speaker, there are literally thousands of our neighbors in our districts who will be affected.

Mr. Speaker, if we are going to see people laid off and put out of work, why are we passing a public works jobs bill when, on the other hand, we are going to lay people off and put them out of work?

Mr. Speaker, the record proves over the years the need for these projects. Since we are talking about a jobs bill here today, these water resources projects are necessary to the reduction of unemployment. They provide long-term benefits for the communities and for the Nation. They provide recreational benefits and water supplies and as I mentioned before, navigation flood control projects.

Mr. Speaker, what this language in the conference report does, is to put the Congress on record as saying that we intend to see that these projects are completed. Any attempt now or in the future to defer to rescind funds for this particular purpose should be disapproved by the Congress.

Mr. Speaker, this is basically an attempt by Congress to express its long-term support for necessary public works in the field of water resources.

Mr. Speaker, for this and other reasons, I urge the defeat of this motion.

I also call one other point to the attention of my colleagues here in the House. If we are successful in defeating this particular motion, then we have to go back to conference with the other body on the public works bill. We had this public works bill ready to go for Presidential signature in February. If we do not get started now on this program, we are going to lose the whole construction period in the year 1977.

Therefore, Mr. Speaker, I would urge my colleagues to defeat this motion.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, I support title II of the conference report which provides for the continuation of 18 water resource projects which the President had previously requested that funds for 1977 not be spent.

Water resource projects are very effective at creating jobs and, although this title is not directly related to public works jobs in the generic sense, it is related to job creation and thus this bill was merely the vehicle chosen to express strong congressional intent that funds appropriated for fiscal year 1977 for these projects should be spent.

I agree with the distinguished chairman of the Subcommittee on Economic Development. While I would agree that this is not germane to the bill because of action taken in the other body, it is very important that we vote against this motion to strike because, as the gentleman from New Jersey (Mr. ROE) has previously stated, this would send the bill back to conference and further delay the jobs bill. It is very important that we get action on this bill today.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, title II of the conference report on H.R. 11 presents a dilemma both to those who support water resources projects and to those who oppose water resources projects.

There is no question that title II is a nongermane Senate amendment. A better position normally for the House is to oppose nongermane Senate amendments and quit letting the Senate with its lack of rules dictate to this body.

In this case, however, the question should be asked, "What is most important?" I believe the jobs bill portion of H.R. 11 should be enacted now and the inconvenience of having title II at this time should be overlooked. To reject title II would be to reject H.R. 11 and require a new conference and the naming of new conferees. I think the unemployed American deserves better than this from this body. I, therefore, believe title II should be sustained. I urge my colleagues to sustain title II.

I might say, Mr. Speaker, as I noted before, I do this with a certain sense of caution. I believe in the future conferees should be instructed not to accept nongermane Senate amendments in conference reports. Whenever this happens we find ourselves in the position of having to consider sometimes important issues without benefit of hearings, the give and take of subcommitee and committee actions, and review by the House.

Mr. ROE. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. ROBERTS), the chairman of the Subcommittee on Water Resources.

Mr. ROBERTS. Mr. Speaker, I rise in support of the conference report on H.R. 11 and wish to associate myself with the remarks of our chairman, the gentleman from California, the Honorable BIZZ JOHNSON.

I commend my colleagues who developed the original public works jobs program and are fortunate enough to be bringing it back to you from conference as an expanded program improved on the basis of operating experience.

It would give me a lot more satisfaction if I were taking the floor to ask you to reaffirm your support for the water pollution control amendments we took to conference along with the jobs bill.

But that just was not in the cards, and for one simple reason: The other body simply was not prepared to move toward the House position far enough to produce an agreement worth bringing back and asking you to vote for. What they were prepared to accept was not worth having; it would not have done the job.

When I refer to the House position, I do not mean it in any sense of rivalry between the two houses or any consideration of winners or losers here on Capitol Hill. What I am referring to is the fact that the House position is responsive to the public which wants to see this water pollution control program work and do so without unnecessary disruption, hardship, confusion and cost. If it does not, the public will be the losers out across the country.

If we are going to meet our responsibilities to the public, as represented by the State, city, and county governments sharing that responsibility with us—if we are going to meet our responsibilities to business, industry and agrculture, on whom the clean water program places great demands—our requirements have to be reasonable and capable of being met. The Federal Government has to offer solutions, and not be a part of the problem.

It was with these thoughts in mind, on the basis of literally years of testimony in oversight and investigative hearings, that we drafted the comparatively modest amendments contained in H.R. 9560 in the last Congress and in H.R. 3199 and title II of H.R. 11 this year.

We held the changes in the basic 1972 act to a minimum, incorporating only those that would improve the program beyond question and solve the real problems that the 1972 act had created, as documented in those hearings. And we selected only those that are urgently needed now.

There have been bigger bills, more far-reaching bills and bills that have taken longer to bring to enactment. But no bill of comparable scope has had the history of this one, which our Chairman, BIZZ JOHNSON, has rightly referred to as the product of a classic case of proper and complete legislative oversight.

Most of the provisions of the 1972 act have had the benefit of exhaustive study by the National Commission on Water Quality with a view toward considering more substantial midcourse corrections in the act. That will be a big job and one that has not been done yet. Some of the amendments in H.R. 3199 and title II of H.R. 11 coincide with recommendations of the Commission, but those provisions are the result of our own independent examination in the committee and were well under development by the time the Commission reported.

If there is one thing I want to get on the record today, it is the extent to which the House conferees were willing to bend over backwards to reach a compromise with the Senate on the substantive water pollution amendments in H.R. 3199. And we had to do it under the gun, with the jobs bill held up by the other body in the hope of forcing us to back down.

Before going into detail, I want to make a summary statement that pretty well characterizes the House approach in the conference. We were willing to cut way back on the duration of time extensions for the municipal and industrial treatment deadlines in the act. And we were willing to yield on our section 404 language and accept a moratorium.

That would have eased the immediate problems of municipalities and industry, and the farming, ranching, and forestry interests facing the prospect of overregulation by the Corps of Engineers in its court-ordered exercise of authority to control dredge and fill activities involving streams and wetlands.

But that would have meant that again this year or next year—as earlier this year, and last year and the year before—my subcommittee and the full committee would again have been burdened with these same issues, going over all the same ground we have covered in the past.

But we were willing to do it in the interest of principle, the principle being that the act should not work unreasonable hardships or subject anyone to needless disruption or threat of being dragged into court. Yet the Senate was insisting that we cut back on the time to the point where the extensions—or the moratorium—would be meaningless, or loaded with restrictions that would make even the modest relief they afforded unavailable to many.

There has been a fair amount of misleading talk about the conduct of the conference, which can only be set straight by recalling those basic terms of the original House bill, which was virtually a rerun of last year's H.R. 9560, which became points of dispute in conference.

Take section 404. Our bill would have limited the requirement for permits to activities in navigable waters and adjacent wetlands, with navigable waters defined as those now used or capable of being made usable for interstate commerce. It also provided for statutory exemption of normal, routine farming, ranching, and forestry activities, plus authority for the corps to issue general permits for activities of minimal environmental impact.

Among other things, it also provided a procedure whereby the Secretary of the Army could exercise permit authority over nonnavigable waters and wetlands adjacent to them at State request. Federal and federally assisted projects for which environmental impact statements had been submitted to Congress would be exempted.

However, the House was willing to settle for a moratorium until December 31, 1978, for phase II of the corps permit program, with primary tributaries of navigable streams with continuous flow year-round exempted from the moratorium. Phase I would remain in effect, and also would cover waters historically, but no longer used for interstate commerce. Phase II would go into effect December 31, 1980. And we were prepared to drop the exemption for Federal projects. This illustrates the degree of compromise we were prepared to accept, despite the individual preferences of most of us.

Yet the Senate insisted on a moratorium limited to phase III, extending only until July 1, 1978, along with statutory exemptions and general permit authority. The exemptions and general permit authority represented no great concession since they were contained in the Senate's own bill, S. 2710, in the 94th Congress.

With respect to the collection of operation and maintenance costs for municipal wastewater treatment facilities, the House bill provided that communities with ad valorem tax systems could apply them for this purpose. Industrial users would pay a surcharge depending on volume, strength, and other characteristics of wastes thus treated.

The House conferees were agreeable to a modification applying ad valorem systems to residential users, and those categories of commercial users designated by the Environmental Protection Agency. With respect to user charge requirements applicable to industry, the House merely sought a moratorium on the partial withholding of sewage treatment construction funds from noncomplying communities through December 31, 1978.

The Senate resisted any easing of the user charge requirements with respect to industry, and insisted on limiting use of ad valorem systems to commercial operations producing domestic-type wastes in small volume—an unacceptable alternative.

H.R. 3199 provided the EPA Administrator the authority to approve case-by-case extensions of deadlines for July 1, 1977, deadlines for municipal treatment works to meet the requirements of the act, up to July 1, 1982. It also provided similar relief to industries committed legally, shortly after enactment of the legislation, to have their wastes treated in a municipal plant subject to such time extension.

Other industrial dischargers would be granted similar extensions through July 1, 1979, if the Administrator found that best practicable control technology could not be met.

The House was willing to reduce the municipal and related-industry time extension to 18 months. It was also willing to reduce the case-by-case extension for industrial point sources responsible for their own treatment to October 1, 1978, and a list of considerations the Administrator could employ in evaluating requests for such extensions.

The Senate insisted on an October 1, 1978, deadline for municipal and industries to be served by municipal works covered by extensions. But, to qualify, an industry would have had to be committed to tie in to the municipal plant no later than December 31, 1974. As to industrial point sources, the Senate provision was far more rigid with respect to the criteria which the Administrator would be required to follow in considering extensions requests.

The House bill provided authority for the States to determine their own priorities with respect to categories of treatment facilities works eligible for assistance under the 1972 act. The Senate flatly rejected this proposal.

H.R. 3199 also would authorize a program of State certification in the construction grants program, enabling the States to certify project compliance with a number of requirements in the act in the grants application process. This the Senate rejected, willing only to provide funding for the States to assume functions delegated by the EPA Administrator but with no statutory assurance that a change of administration policy would not lead to withdrawal of the delegated authority.

Finally, the House bill provided for a deferral—not a forgiveness but a deferral—of industrial cost recovery payments required by the act to assure that industry pay the capital costs of municipal plant capacity needed to treat its wastes. This would have provided for a study to determine whether the requirement, attractive in principle, is backfiring in practice.

The Senate rejected the deferral provisions and would agree only to a study.

Mr. Speaker, these are only the highlights of the points in dispute in a conference that ran for eight sessions. I share the chairman's hope that they can be resolved once the Senate fulfills its commitment to examine the act and move on a bill this summer.

We did not dream up H.R. 3199 in a vacuum sitting here on Capitol Hill without anything else to do. We have been responding to the needs and problems of people trying in good faith to make the act work or comply with its requirements. If the Senate indeed fulfills its commitment to get into the area as we in the House have, if individual Members of the other body heed their constituents as we have, then prospects are pretty good that we will be back later this year with a bill ready to be sent to the President for his signature.

I want to once again commend my colleagues for their splendid efforts in this very difficult conference. Our chairman, Bizz Johnson, did an outstanding job in assuring that the position of the House was carefully considered at all times.

As chairman of the conference he was fair to all, and as a spokesman for the House conferees he was masterful in setting forth our position. In this his first conference since becoming chairman of the Committee on Public Works and Transportation, he demonstrated the leadership which has become a tradition in our committee.

I would also commend our very able chairman of the Subcommittee on Economic Development, Mr. Roe, and the ranking minority member of that subcommittee, John Paul Hammerschmidt, in their excellent work on the public works jobs bill; my friend and colleague, the ranking minority member of the Subcommittee on Water Resources Development, Don Clausen; the extremely able and very supportive ranking minority member of the committee, Bill Harsha; and our splendid colleagues who worked so diligently and effectively in the conference, Glenn Anderson, John Breaux, Henry Nowak, and Bob Edgar.

Mr. Speaker and Members of the House, it is very difficult for me to rise in opposition to my distinguished colleague, the gentleman from Missouri (Mr. Young), who is a most able member of the Subcommittee on Water Resources; however, I must.

Title II, which was adopted by the Senate and accepted by the House conferees, mandates that, except with respect to the Meramec Park Lake project in Missouri, fiscal year 1977 appropriations for water resources projects shall be made available for expenditure before the end of the fiscal year. It also disapproves prospectively any deferral or rescission of funds for these projects and reaffirms that the interest rate to be used in evaluating the projects is that set forth in section 80 of the Water Resources Development Act of 1974. Section 80 enacted into law the interest rate formula established by the Water Resources Council in 1968. It also enacted into law the so-called grandfather provision adopted by the Water Resources Council to determine the applicability of the 1968 formula to previously authorized projects.

Title II, as it relates to the deferral or rescission of budget authority, applies only to funds appropriated for fiscal year 1977. It has no effect with regard to fiscal year 1978 funding of water resources projects which is now under consideration by the House and Senate Appropriations Committees.

I urge my colleagues to support the conference report.

Title II was added to H.R. 11 by the Senate. The managers on the part of the Senate insisted on the retention of this title in its exact form. Although many of the House conferees have a great deal of sympathy for the position of the gentleman from Missouri with respect to the Meramec Park Lake project, the Senate prevailed in the conference. In yielding to the Senate on this matter we were aware that there is in fact now at the Appropriations Committee a deferral proposal submitted by the administration on this project with respect to some fiscal year 1977 funds. It would appear to me that the gentleman from Missouri's project will be decided not by title II but by subsequent action on the specific deferral proposal and the 1978 Public Works Appropriation Act.

Mr. ROE. Mr. Speaker, I just want to call to the attention of the Members of the House one more point. This issue has been debated back and forth many times, the last time on the budget resolution, where the vote of the House was 252 to 143 to sustain the Public Works Committee.

Mr. Speaker, if there are no more requests for time—and I do not have any and I do not know if the gentleman from Missouri has any—I would move the previous question on the motion.

Mr. YOUNG of Missouri. Mr. Speaker, I would like to yield myself 1½ minutes to close the debate on my motion.

Mr. Speaker, all of the gentlemen I have had the privilege of serving with on the Water Resources Subcommittee I think have done a tremendous job and those on our Public Works Committee also, with whom I have been very proud to serve.

I was a member of the Missouri General Assembly for 20 years and I handled almost all of the Federal legislation that this great body has passed in the last 20 years that affected the State of Missouri, including the Highway Beautification Act and many others. With all due respect for the different subcommittee chairman, I think they have missed the whole point in my motion. I would hope during the time that I serve in this body that I will be in a position to support the majority of the membership of this House, just as I did when I was a members of the Missouri Senate. I was for 20 years a member of the conference committee and tried to support the committee's position.

On this particular title the Members of the House have not had an opportunity to vote on the Meramec Lake and Dam.

I thank the Speaker and the gentleman from New Jersey and the gentleman from Texas for their courtesy this afternoon.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. Young).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. YOUNG of Missouri. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 108, nays 302, not voting 23, as follows:

[Roll No. 183]

YEAS—108

Ammerman
Andrews, N.C.
Archer
Ashbrook
Ashley
Bauman
Bedell
Beilenson
Bingham
Boland
Bonker
Breckinridge
Broomfield
Brown, Mich.
Broyhill
Burlison, Mo.
Carr
Cleveland
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Cornell
Coughlin
Crane
D'Amours
Daniel, R. W.
Devine
Downey
Early
Emery
Erlenborn
Evans, Del.
Evans, Ind.
Fish
Fowler
Fraser
Frenzel
Frey
Gibbons
Goodling
Gradison
Hamilton
Hillis
Holtzman
Hyde
Jacobs
Jeffords
Kasten
Kastenmeier
Kelly
Kostmayer
Lehman
Lent
Levitas
Lundine

McClory
McDonald
McHugh
Madigan
Maguire
Mahon
Martin
Mattox
Mazzoli
Meeds
Michel
Mikva
Mollohan
Montgomery
Mottl
Myers, Gary
Neal
Pattison
Pease
Pike
Quayle
Reuss
Rinaldo
Rodino
Rogers
Ruppe
Russo
Sarasin
Sawyer
Schulze
Seiberling
Sharp
Skelton
Solarz
Steers
Steiger
Stockman
Studds
Trible
Tucker
Vander Jagt
Vanik
Vento
Walker
Waxman
Whalen
Wydler
Wylie
Yates
Young, Fla.
Young, Mo.

NAYS—302

Abdnor
Abbaddo
Akaka
Alexander
Allen
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Armstrong
AuCoin
Badham
Badillo
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bevill
Biaggi
Blanchard
Blouin
Boggs
Bolling
Bonior
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Coleman
Collins, Ill.
Corman
Cornwell
Cotter
Daniel, Dan
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dickinson
Dicks
Dodd
Dornan
Drinan
Duncan, Oreg.
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
English
Ertel
Evans, Colo.
Evans, Ga.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fuqua
Gammage
Gephardt
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Grassley
Gudger
Guyer
Hagedorn
Hall
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Ireland
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kazen
Kemp
Ketchum
Keys
Kildee
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Le Fante
Lederer
Leggett
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
McCloskey
McCormack
McDade
McEwen
McFall
McKay
McKinney
Mann
Markey
Marks
Marlenee
Marriott
Mathis
Metcalfe
Meyner
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Myers, Ind.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Perkins
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Pritchard
Pursell
Quie
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Rangel
Regula
Rhodes
Richmond
Risenhoover
Roberts
Robinson
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Ryan
Santini
Satterfield
Scheuer
Schroeder
Sebelius
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Stratton
Stump
Symms
Taylor
Thone
Thornton
Tonry
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—23

Anderson, Ill.
Aspin
Burgener
Derrick
Diggs
Dingell
Eckhardt
Florio
Ford, Mich.
Forsythe
Gaydos
Johnson, Calif.
Latta
Leach
Milford
Moss
Pepper
Price
Rahall
Railsback
Stokes
Teague
Thompson

The Clerk announced the following pairs:

Mr. Teague with Mr. Price.
Mr. Milford with Mr. Aspin.
Mr. Moss with Mr. Stokes.
Mr. Eckhardt with Mr. Dingell.
Mr. Thompson with Mr. Rahall.
Mr. Johnson of California with Mr. Gaydos.
Mr. Florio with Mr. Anderson of Illinois.
Mr. Derrick with Mr. Latta.
Mr. Diggs with Mr. Burgener.
Mr. Ford of Michigan with Mr. Forsythe.
Mr. Pepper with Mr. Leach.

Messrs. MAHON, D'AMOURS, BOLAND, CARR, MIKVA, RINALDO, WAXMAN, ASHLEY, CRANE, and RODINO changed their vote from "nay" to "yea."

Messrs. DICKS, DORNAN, FASCELL, LOTT, ICHORD, and Mrs. COLLINS of Illinois changed their vote from "yea" to "nay."

So the motion was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The pending business is the unanimous-consent request of the gentleman from New Jersey (Mr. ROE) to dispense with the reading of the statement of the managers in lieu of the report.

Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 28, 1977.)

Mr. ROE (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. ROE) is recognized for 30 minutes.

Mr. ROE. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROE. Mr. Speaker, I rise to bring to the House the conference report on H.R. 11, the Public Works Employment Act of 1977. Chairman "BIZZ" JOHNSON, as chairman of the conference committee, deserves special recognition for his leadership and determination to bring this legislation to the floor today.

I also want to recognize my colleagues who participated in the development of this legislation in the Subcommittee on Economic Development, and pay particular tribute to the leadership of the ranking minority member of the subcommittee, the Honorable JOHN PAUL HAMMERSCHMIDT.

Each of the House conferees, RAY ROBERTS, chairman of the Water Resources Subcommittee, Mr. HAMMERSCHMIDT, BILL HARSHA, ranking minority member of the full committee, Mr. ANDERSON of California, Mr. BREAUX, Mr. NOWAK, Mr. EDGAR, and Mr. CLAUSEN of California, worked long and hard hours to reach this agreement with the Senate on this bill and deserve our thanks.

As chairman of the Subcommittee on Economic Development, I am indeed proud to support this conference report. This legislation has become familiar to all Members since it originated in the House as part of our economic stimulus package over 2 years ago.

Today, we are authorizing an additional $4 billion to extend a public works job-creating program that will put 600,000 unemployed persons to work and provide badly needed local public facilities in communities throughout the Nation.

Mr. Speaker, the conference report before the House today is a clear commitment to the American people that Congress is deeply concerned about unemployment. In my own State of New Jersey, our average unemployment rate for 1976 was 10.4 percent and, in my own district, the cities of Paterson and Passaic had unemployment over 13 percent. Nationally over 7 million Americans are still out of work.

During the first quarter of 1977, unemployment—particularly in the construction industry—did not show significant signs of improvement. Capital construction in the private sector is still lagging, and State and local government outlays for new construction have continued to drop. The recession has made it impossible for local governments to carry out the normal programs of capital expenditures for public works. In the 10-year period since 1967, State and local government outlays for new construction annually have dropped in volume from $30.8 billion to $22 billion in 1974 dollars. At this level we are not maintaining our national investment in public facilities.

Mr. Speaker, the legislation before you today will provide hundreds of thousands of meaningful and constructive jobs for people who would much rather earn a living than receive unemployment payments.

Let me remind my colleagues how much we have to spend every year because of unemployment. Last year, the Federal Government spent $19 billion on unemployment compensation payments. This year we will expend between $16 and $17 billion, and 23 States have been forced to borrow from the Federal Treasury as the demands of high unemployment have exhausted their unemployment compensation funds. In my own State of New Jersey, as of April 15, 1977, we have had to borrow a total of $638.9 million from the Federal unemployment compensation account, and I will insert a table in the RECORD which shows the balance sheet for the Federal unemployment account for April 15, 1977.

Mr. Speaker, adoption of this conference report is one clear way of insuring that the citizens of this country will be working and paying taxes instead of receiving unemployment benefits or welfare. The additional $4 billion authorized in this bill can be used productively and quickly on projects that are ready to go into construction this year.

Mr. Speaker, we learned many things from the first round of local public works funding. We learned that we can cut redtape and make public works construction an effective antirecession tool. The time limits in the original bill for drawing up regulations and approving applications will apply to the next round of funding. The new amendments to the act are first of all designed to simplify administration of the program and insure that there will be greater equity and fairness in selecting projects in the next round of funding. For example, the conferees agreed to eliminate the provision that allowed local jurisdictions to include the unemployed labor force of neighboring jurisdictions to qualify for assistance. This provision led to widespread "gerrymandering" with the result that many of our most distressed communities did not receive assistance. The provision that required 30 percent of the funds to go to areas with unemployment under the national average has been repealed.

The conferees also agreed to change the unemployment data period used for qualification from the 3 most recent consecutive months to the most recent 12-month period. This change will compensate for the seasonal fluctuations that distorted many communities' unemployment rates.

The conference committee agreed to the Senate formula for the distribution of funds among the States. Under this formula both the severity of unemployment as well as the numbers of unemployed will be taken into consideration.

There are several other provisions in H.R. 11 which I want to highlight for the Members. The House conferees agreed that school districts should receive equal priority with general purpose units of local government.

The conferees also agreed that counties should receive an equitable share of funds which reflects their level of unemployment and governmental responsibilities and provides that the program take account of unemployment throughout a county's area.

I am pleased that the conferees agreed to the House provision which provides that no grant will be made unless the applicant gives the Secretary satisfactory assurances that a minimum of 10 percent of the amount of the work is set aside for minority suppliers and contractors.

Another new provision requires that construction must be performed by private contractors through competitive bidding unless the Secretary finds that some other method, such as negotiated procurement in the case of architect-engineer services, would be more in the public interest.

This second round of funding will be limited as much as possible to the backlog of applications on file to avoid any long delay in preparing new applications to take advantage of this year's construction season. New applications will be received only where there are not enough applications on file to use up allocation of funds. It is important to emphasize that local officials will set their own priorities on project applications. We will not have a computer prioritizing the projects submitted by applicants in this next round of funding.

Mr. Speaker, we believe it is extremely important that Congress provide the EDA with guidance in how this program is administered. The distribution of funds within the States, and the system EDA proposes to select projects are crucial to public understanding of this program. The House Committee on Public Works and Transportation intends to hold oversight hearings on proposed rules and regulations as soon as possible so that this public works program will have a maximum impact in putting people back to work and in targeting the funds to the communities of greatest distress in the country.

Mr. Speaker, I strongly urge the adoption of the conference report on H.R. 11.

The statement referred to follows:

Federal unemployment account, April 15, 1977

Balance in account, March 15, 1977	$149,076,097.03
Additions	[1] 259,360,000.96
Funds available for loans	408,436,097.99
Advances to States, April 1, 1977	(203,050,000.00)
Balance in account, April 15, 1977	205,386,097.99
Alabama, December 1975	56,660,000.00
Arkansas, January 1976	30,000,000.00
Connecticut, March 1972	[2] 438,142,353.28
Delaware, November 1975	36,600,000.00
District of Columbia, November 1975	52,400,000.00
Hawaii, January 1976	22,500,000.00
Illinois, December 1975	751,600,000.00
Maine, September 1975	22,900,000.00
Maryland, March 1976	62,659,000.00
Massachusetts, April 1975	265,000,000.00
Michigan, April 1975	624,000,000.00
Minnesota, July 1975	172,000,000.00
Montana, April 1976	9,284,089.00
Nevada, January 1976	7,600,000.00
New Jersey, January 1975	638,902,000.00
Oregon, February 1976	18,450,000.00
Pennsylvania, October 1975	847,295,925.00
Puerto Rico, April 1975	67,000,000.00
Rhode Island, February 1975	74,800,000.00
Vermont, February 1974	[2] 45,567,878.23
Washington, April 1973	[2] 142,960,369.53
New York, February 1977	155,750,000.00
Florida, March 1977	32,000,000.00
Outstanding loans	4,574,071,615.04

[1] Date of first loan indicated for each State.

[2] State employers are paying additional FUT taxes to reduce outstanding loan total (title XII, section 1202.)

Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I rise in support of the conference report on H.R. 11. I commend my colleagues who developed the original public works jobs program and are fortunate enough to be bringing it back to you from conference as an expanded program improved on the basis of operating experience.

It would give me a lot more satisfaction if I were taking the floor to ask you to reaffirm your support for the water pollution control amendments we took to conference along with the jobs bill.

But that just was not in the cards, and for one simple reason: The other body simply was not prepared to move toward the House position far enough to produce an agreement worth bringing back and asking you to vote for. What they were prepared to accept was not worth having; it would not have done the job.

When I refer to the House position, I do not mean it in any sense of rivalry between the two Houses or any consideration of winners or losers here on Capitol Hill. What I am referring to is the fact that the House position is responsive to the public which wants to see this water pollution control program work and do so without unnecessary disruption, hardships, confusion, and, cost. If it does not, the public will be the losers out across the country.

If we are going to meet our responsibilities to the public, as represented by the State, city, and county governments sharing that responsibility with us—if we are going to meet our responsibilities to business, industry, and agriculture, on whom the clean water program places great demands—our requirements have to be reasonable and capable of being met. The Federal Government has to offer solutions, and not be a part of the problem.

It was with these thoughts in mind, on the basis of literally years of testimony in oversight and investigative hearings, that we drafted the comparatively modest amendments contained in H.R. 9560 in the last Congress and H.R. 3199 this year. The provisions of H.R.

3199 were added to H.R. 11 as title II so as to present the House position to the Senate.

We held the changes in the basic 1972 act to a minimum, incorporating only those that would improve the program beyond question and solve the real problems that the 1972 act had created, as documented in those hearings. And we selected only those that are urgently needed now.

There have been bigger bills, more far-reaching bills, and bills that have taken longer to bring to enactment. But no bill of comparable scope has had the history of this one, which our chairman, Bizz Johnson, has rightly referred to as the product of a classic case of legislative oversight.

Most of the provisions of the 1972 act have had the benefit of exhaustive study by the National Commission on Water Quality with a view toward considering more substantial midcourse corrections in the act. That will be a big job and one that has not been done yet. Some of the amendments in H.R. 3199 and title II of H.R. 11 coincide with the recommendations of the Commission, but those provisions are the result of our own independent examination in the committee and were well under development by the time the Commission reported.

We did not dream up H.R. 3199 in a vacuum sitting here on Capitol Hill without anything else to do. We have been responding to the needs and problems of people trying in good faith to make the act work or comply with its requirements. If the Senate indeed fulfills its commitment to get into the area as we in the House have, if individual members of the other body heed their constituents as we have, then prospects are pretty good that we will be back later this year with a bill ready to be sent to the President for his signature.

I want to once again commend my colleagues for their splendid efforts in this very difficult conference. Our chairman, Bizz Johnson, did an outstanding job in assuring that the position of the House was carefully considered at all times. As chairman of the conference he was fair to all, and as a spokesman for the House conferees he was masterful in setting forth our position. In this, his first conference since becoming chairman of the Committee on Public Works and Transportation, he demonstrated the leadership which has become a tradition in our committee.

I would also commend our very able chairman of the Subcommittee on Economic Development, Mr. Roe, and the ranking minority member of that subcommittee, Mr. John Paul Hammerschmidt, for their excellent work on the public works jobs bill; my friend and colleague, the ranking minority member of the Subcommittee on Water Resources Development, Mr. Don Clausen, the extremely able and very supportive ranking minority member of the committee, Bill Harsha; and our splendid colleagues who worked so diligently and effectively in the conference, Glenn Anderson, John Breaux, Henry Nowak, and Bob Edgar.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. Don H. Clausen), the ranking minority member of the Subcommittee on Water Resources.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of the conference report to accompany H.R. 11, the Public Works Employment Act of 1977. After extensive hearings by the Public Works Committee, consideration by the whole House, and the compromise agreement by the other body, this package is ready for final congressional approval. The task was not easy, for the process was complicated by the addition of the amendments to the Water Pollution Control Act, along with additional funding for the construction grant program for waste treatment plants. These matters have now been dropped from this bill and will be considered separately. On that note I wish to compliment the gentleman from California, the chairman of the Public Works Committee of the House for his splendid efforts on behalf of the House conferees and as chairman of the conference committee. Our distinguished chairman had the foresight to recommend the course of action we have followed when the conferees first met. The other body, after some reluctance, agreed.

The details of this conference report have been adequately explained by my distinguished colleagues on the other side of the aisle. I shall not reiterate those details. However, the essential features of this conference report deserve attention. The policy of the amendments can be summarized as providing economic stimulus to those areas of the country in greatest need. The State-by-State allocation formula reflects need. The elimination of the 70- to 30-percent split of funds and the elimination of the gerrymandering provision reflects need. The additional priorities for the handicapped, for energy conservation, for Indian projects, the set-aside for minority contractors, the preference for disabled and Vietnam era veterans for employment all represent a need. The conference committee reiterated the priority for local government projects. I emphasize that this is a local public works program.

A provision that will provide not only public works projects, but drought relief to those areas in the country suffering from drought conditions is included in this conference report. I am pleased to be a supporter of this provision, not only on the House floor, but also in retaining it in conference. In such projects, which may be substituted for currently approved projects, such projects will serve a dual purpose. I have long advocated the multipurpose project approach for public works for growth and development.

During consideration of the House bill and contained in the statement of managers is the recognition of the role of county governments for public works projects. I support the role of counties in building the needed facilities. Counties receive less than 7 percent of the total funds allocated in the first round. I expect that allocation to be more equitable in the next round of funding. County governments have broad responsibilities and deserve a greater piece of these public works funds. I support them in their efforts.

Finally, I urge the Economic Development Administration to immediately implement these changes in the law. The statement of managers reflects the urgency of implementing these changes. We expect regulations to be promulgated within 30 days. I urge enactment of this conference report.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report of H.R. 11. I want to concur fully with the distinguished chairman of our subcommittee, the gentleman from New Jersey (Mr. Roe), on his complete explanation of the bill. I also wish to commend the distinguished gentleman from Texas (Mr. Roberts), the chairman of the Subcommittee on Water Resources, as well as the gentleman from California (Mr. Johnson), the chairman of the full Committee on Public Works and Transportation. I further wish to commend the distinguished gentleman from California (Mr. Don H. Clausen), the ranking minority member on the Subcommittee on Water Resources.

Mr. Speaker, as previously stated by our distinguished chairman of the subcommittee, Mr. Roe, this bill contains an additional $4 billion to create public works jobs. This program is substantially the same as that which passed the House on February 24. Also, the conference report contains Senate language indicating strong congressional intent that funds which have been appropriated for water resource projects in fiscal year 1977 be spent. Earlier the President had asked that funds for a number of water resource projects be halted. The language contained in this bill merely reinforces earlier congressional expression that water resource projects are also job-creating measures.

Unfortunately, the conferees were unable to reach agreement on amendments to the Federal Water Pollution Control Act. The conferees spent a good deal of time trying to find a satisfactory compromise to the issues relating to water pollution control programs, which was attached to the jobs bill. However, as time continued to drag on, it became obvious that we could not resolve some of the serious questions of water pollution control and the further deliberation was prohibiting enactment of the jobs bill. Thus, title II which contained the water pollution control amendments has been deleted from the conference report. This action is regrettable because many communities are in desperate need of additional waste water construction grant moneys and the water pollution control program is one of the most effective job-creating measures.

The details of the public works jobs

program are now familiar to my colleagues so I will try to spotlight only legislation and procedural changes which may differ from the original act or its implementation. This bill provides an additional $4 billion for grants to State and local governments for the construction of public works facilities. These funds will be used to reduce the backlog of 22,000 applications still on file with the EDA.

The original $2 billion which was available for this program has been expended and because there were 12 times as many applications as there were funds available, these additional funds will be directed toward reducing this backlog. Primarily applications submitted to EDA prior to December 23, 1976, will be considered for funding. In cases where an area may not have a sufficient number of applications on file to use up its allocation of funds, new applications will be accepted from all communities which will be affected by that allocation of funds. I know there are those who will be disappointed that new applications will not be accepted. However, the conferees felt that with the present number of applications on file, it would be unwise to solicit more applications. Substantially increasing applicants would turn this round of funding into a lottery system similar to the first round and would create false hopes among local officials that their projects would be funded when there really are not sufficient funds to go around.

It will be necessary for local communities to revise their applications to reflect the use of the 12 most recent months' unemployment data and to redefine project areas as prescribed by this legislation. In the revision local officials will be able to set their priorities. It is anticipated that the amendments to the present applications will be simple and will be completed as quickly as possible. The precise procedure to be used in revising and evaluating applications must be outlined in further regulations by the EDA. These regulations will have a paramount effect on the projects which will be selected.

Prior to the issuance of guidelines and procedures, the Public Works and Transportation Committee will have oversight hearings in an effort to obtain maximum congressional input in these regulations and in an effort to assure equity among all communities.

This legislation provides a State allocation formula—a formula requiring that 65 percent of the funds be allocated according to the ratio of the number of unemployed persons in that State to the number of unemployed persons in all States and 35 percent of the funds be allocated among States with unemployment rates in excess of 6.5 percent for the preceding 12-month period. In addition, the law provides that each State shall receive at least three-fourths of 1 percent rather than one-half of 1 percent as contained in the original law. The previous maximum of 12½ percent to a single State shall apply.

Exactly how funds will be allocated within a State has not yet been determined. It is anticipated that EDA will divide funds among cities, counties, and other units of local government by targeting funds into areas having the highest unemployment. In States receiving a minimum allocation of funds, the Secretary is instructed to see that funds are not concentrated in one or two areas of the State, but are distributed throughout the State.

It is essential the Public Works and Transportation Committee perform its oversight function regarding these regulations and that a later evaluation be made of this program to determine its impact on the economy and local communities. Congress in its haste to provide funds to continue the public works jobs program did not have ample time to assess the real impact of this program. This must be a future goal. At this time it is important that these funds get to communities without further delay in an effort to maximize the upcoming construction season and to provide local communities with facilities which would not be possible without these moneys.

Mr. HAMMERSCHMIDT. Mr. Speaker, I further request that the distinguished ranking member, the gentleman from Ohio (Mr. HARSHA) be allowed to revise and extend his remarks immediately following my own statement.

The SPEAKER pro tempore (Mr. KAZEN). The gentleman from Arkansas will have to make a request for all Members to revise and extend their remarks in order to have that done.

Mr. HAMMERSCHMIDT. Mr. Speaker, that motion will be made later.

Mr. GARY A. MYERS. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield 1 minute to a distinguished member of the committee, the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Speaker, I rise in support of the conference report, however I do want to express two disappointments I have in the report. First, I did prefer the funding formula that the House had and I am disappointed to see that we exchanged that.

Second. I would have preferred the Senate position of the 85–15 split in lieu of dropping the 70–30 split on funding. I think some areas of the country will be hurt by dropping out the set-aside for those sections that fall between the 6.5-percent unemployment rate up to the national average. It is my hope that the burden of that change does not fall too heavily on rural America, which I suspect it probably will. I would also have preferred a provision in this bill which would have stipulated a completion date of 18 or 24 months to assure speedy application of the complete funding.

I do support the conference report, and ask others to support this bill which will provide useful public facilities and create badly needed jobs in the private sector.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I restate my request that the distinguished ranking minority member, the gentleman from Ohio (Mr. HARSHA), be allowed to revise and extend his remarks.

The SPEAKER pro tempore. General leave has already been granted for all Members to extend their remarks.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman's remarks appear following mine?

The SPEAKER pro tempore. The Chair will advise the gentleman that the remarks of other Members will have to be placed at the end of the debate. The gentleman cannot obtain the permission he requests.

Mr. HAMMERSCHMIDT. Mr. Speaker, a further parliamentary inquiry. I did notice a request that the distinguished chairman's remarks be allowed to be inserted at a particular point in the RECORD.

The SPEAKER pro tempore. The same ruling will have to be applied. The Chair did inadvertently make that ruling but the remarks of the chairman will be placed in the same place following debate in accordance with the request that all Members have permission to revise and extend their remarks.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Speaker, as a cosponsor of the Public Works Employment Act of 1977, I urge my colleagues to support the conference report on this vitally important legislation.

The conferees are presenting an attractive package to us. Permit me to enumerate briefly the improvements they have made in this bill.

First, in an effort to simplify the ratification process, the conferees have separated the jobs legislation from the controversial Water Pollution Control Act amendments.

Second, they have eliminated the objectionable 70–30 ratio in the 1976 law. This provision required that 30 percent of the total funding go to applicants in areas that had an unemployment rate above 6.5 percent, but below the national average. The other 70 percent of the funding went to those in areas where the unemployment rate was above the national figure. The provision caused widespread complaints that many areas with low jobless rates had received Federal aid while harder-hit communities were bypassed. Elimination of this provision will make the program more equitable.

Third, the conference report enables the Economic Development Administration—EDA—to consider an applicant's average unemployment for the previous 12 months, instead of the previous quarter, as provided in the 1976 law. This will enable applicants to provide a truer representation to EDA of their longer term unemployment problems.

Fourth, the conferees retained the provision of the 1976 law limiting grants to projects which can be started within 90 days, and requiring EDA to act on all new applications within 60 days after receipt of the application. This will insure that prompt action is taken to reduce unemployment.

There is an undeniable need for swift enactment of this legislation. Last year the Nation spent $19 billion on unemployment compensation, and every month 200,000 more workers are exhausting their entitlements. This bill authorizes less than one-third the amount now spent on unemployment compensation for the creation of 600,000 new jobs which will benefit both the public and private sectors.

The overwhelming response to the initial jobs program also indicates a need for immediate additional funding. Within 60 days of enactment of the legislation authorizing $2 billion for this program, applications totaling some $24 billion for local projects had been received. Prompt enactment of this measure will permit the EDA to release additional funds immediately to begin work on hundreds of local construction projects for which applications already are on file.

The House showed strong support for this measure by considering it so early in the session and approving it by the healthy margin of 295 to 85. The conferees have maintained this momentum by promptly presenting a solid conference report to us. If we approve it now, the appropriations bill can be passed within 2 weeks and funds will be available to Commerce this month. Applications can be approved by early June. Thus, construction projects can begin, and we can make significant strides in reducing unemployment as early as this summer.

The congressional leadership and the administration have identified the unemployment problem as a major priority of this new Congress. By passing H.R. 11 we made a strong commitment toward progress in this area. We must see that commitment through by acting favorably on the Public Works Employment Act conference report.

Mr. ROE. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia, the Honorable Bo Ginn.

Mr. GINN. Mr. Speaker, I ask for this time in order to make an observation and to propound a question to the distinguished chairman of the subcommittee. I compliment the gentleman from New Jersey (Mr. Roe) and the gentleman from Arkansas (Mr. Hammerschmidt) and all the members of this great subcommittee for their work in bringing this legislation to the floor. I fully concur in the conference report and shall vote for it. I call to the attention of the gentleman from New Jersey page 5 of the conference report, specifically section 107(h)(1), where it states:

> "(h)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall not consider or approve or make a grant for any project for which any application was not submitted for a grant under this Act on or before December 23, 1976.

In reviewing this language, Mr. Chairman, it occurs to me that there are communities which submitted applications under phase 1 for more than the arbitrary amount of $5 million as set by EDA. Some of the applications were approved for the amount of $5 million. It will take more funds to complete the projects. My question is this: Since these are continuing applications would they be eligible for consideration under phase 2?

Mr. ROE. If it is a separate application, yes. They also have an opportunity to request a waiver to go beyond the $5 million application.

Mr. GINN. I thank the gentleman for his clarification.

Mr. ROE. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New York (Mr. Biaggi).

Mr. BIAGGI. Mr. Speaker, I rise in full support of the conference report to H.R. 11, which contains my "Jobs for Americans" amendment. Passage of this legislation will be a dramatic demonstration of our commitment to reducing unemployment through job creation and prohibitions against illegal aliens taking jobs from Americans.

Briefly, my amendment adds a new but vitally important requirement on those States and local governments applying for funds under the act. The requirement is that they submit with their application, a certification acceptable to the Secretary that no contract will be awarded to anyone employing illegal aliens.

It would seem almost contradictory to pass this legislation without my amendment. For too long, Congress has passed massive job-creating bills which have included no specific prohibitions against the employment of illegal aliens. Consequently, illegal aliens have competed with Americans for these jobs. Considering that there are estimated to be 3 million illegal aliens employed in this Nation, it would appear as though they are faring quite well in the competition.

Today we are considering one of the largest job creating bills ever. My amendment attempts to remove the potential for abuse in this legislation. It is time to stop giving illegal aliens carte blanche access to our payrolls. My amendment provides that Americans will get the first and only crack at the jobs under this bill.

We consider this legislation at a time when the administration is deeply involved in the development of proposals to deal with the illegal alien problem. I am largely unimpressed with what has been offered thus far, but more importantly, we are several months away from the enactment of any new legislation dealing with illegal aliens. We have the opportunity today to address, in a direct fashion, the illegal alien problem. We can establish a precedent which will ban future employment of illegal aliens in any public service job. This amendment is immediate in its impact and effect. It is both a visible and clear demonstration that we are committed to providing more jobs for Americans, while protecting their rights under the law.

I wish to take this opportunity to pay tribute to my colleague from New Jersey (Mr. Roe), who was our spokesman in this conference. His diligence and untiring efforts, first in committee, then on the House floor, and finally in conference, have been instrumental in the development of this bill of which we are all proud. His commitment to the American worker is unquestionable. I urge our immediate passage of this legislation today so the President may sign the measure and make the jobs available to those in need across the Nation.

Mr. ROE. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Anderson).

Mr. ANDERSON of California. Mr. Speaker, I thank my distinguished colleague from New Jersey for yielding.

I would also like to take this time to commend the gentleman from New Jersey, the chairman of the Subcommittee on Economic Development; and Bizz Johnson, our full committee chairman, for their able leadership in bringing this legislation to the floor today.

I was privileged to serve as a conferee on this job creating legislation. The strong feeling of unity among the House conferees—from both sides of the aisle—was present throughout the many and lengthy meetings with the representatives of the Senate.

The concept of local public works projects as a dual purpose instrument to help revitalize the Nation's financially pressed communities and reactivate the distressed construction industry with its hundreds of thousands of jobless workers was initiated by our Committee on Public Works in 1975.

It does not take that much of a memory to recall that the country was suffering from its most serious economic recession since the Great Depression of the 1930's, and the major victim was the construction industry, whose unemployment rate—like today—was two to three times that of the general economy.

Under the leadership of Chairman Roe, 6 days of public hearings were conducted. More than 100 witnesses appeared and testified on the need for the public works jobs program. There was unanimous agreement that a properly directed program could effectively fight this unemployment and make a lasting contribution to the economic stability and well-being of communities all over America.

I have seen what these programs can accomplish in my Los Angeles County district. The local officials of Torrance, Long Beach, Carson, Wilmington, Avalon, Harbor City, Lomita, and San Pedro are looking forward to this new round of funding.

A major new concept contained in this legislation was brought to our attention by our full committee chairman, Bizz Johnson, during the final markup. It reflects the increasing responsibility of the Congress to insure that our intent is carried out by good, reasonable regulations.

To this end, the Subcommittee on Investigations and Review will monitor the operation of the program itself carefully and thoroughly and will review any new proposed rule or regulation to carry out this legislation before it is put into effect.

In this way, we can avoid those individual "horror" stories that our constituents relate to us with each new program that the Congress initiates.

The Local Public Works Capital Development and Investment Act amendments is a good act; and with the new national administration wholeheartedly supporting a redoubled public works jobs effort as part of its overall economic recovery package, and with the experience gained by the Economic Development Administration last round, I have every confidence that H.R. 11 will continue to make a substantial contribution to our economic comeback.

Mr. ROE. Mr. Speaker, I yield such time as he may consume to the Resident Commissioner from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Speaker, I would like to commend the work of the conferees with respect to this conference report, as well as the members of the Committee on Public Works.

Mr. Speaker, this law, once enacted and signed by President Carter, will provide for thousands of jobs in Puerto Rico and will help to revitalize our construction industry.

I rise in support of the conference report, and expect that it will be passed by the House.

Particularly, I would like to thank the gentleman from New Jersey (Mr. ROE) for the gentleman's fine effort toward the enactment of this bill.

Mr. YOUNG of Missouri. Mr. Speaker, I would like to explain my vote in opposition to H.R. 11. I strongly support the concept of public works jobs programs, such as this that channel billions of dollars to State and local governments to reduce the Nation's high unemployment rate. H.R. 11 will not only put thousands of unemployed persons to work but also assist local communities in construction of hospitals, schools, parks, and other public facilities. My support for projects of this nature was evidenced by my vote in favor of the original House-passed bill.

Why then am I voting against H.R. 11 today? For two reasons, one directly related to the jobs program; the other, related to the title II discussion of the President's action on a number of water projects across the country.

Concerning the jobs program itself, my research has indicated that Missouri will be shortchanged in terms of funds allocated. Under the original House-passed version, a formula was used that would have provided funds to each State on the basis of the number of unemployed persons in the State. That formula was fair and equitable; no State would gain special advantage or be penalized for political or other reasons. That formula would have provided Missouri with $65 million to create new public works jobs.

However, in the House-Senate conference, the less equitable formula used by the Senate bill was finally adopted. It effectively excluded States like Missouri, with high unemployment rates that fall just short of the 6.5-percent cutoff, from eligibility for a large chunk of that $4 billion. The result: Missouri now will receive only $35 million, just over half of the funds it originally would have received.

In short, the new formula is totally unfair to communities across Missouri that are fighting to reduce unemployment and get back on their feet economically.

My second objection relates to the decision in conference to include title II, which states that a series of water projects—with the exception of the Meramec Lake and Dam project in Missouri—would continue to be funded. It is my view that the decision to include title II in H.R. 11 is in violation of clause 4 of rule 28 of the rules of the House. The title is clearly not germane to title I. The jobs bill, aimed at reducing unemployment, was handled by the Public Works and Transportation Committee. In contrast, title II deals with projects that no longer are under the jurisdiction of the Public Works and Transportation Committee, but now rest with the Appropriations Committee.

For these reasons, then, I am reluctantly voting against H.R. 11.

Mr. ALEXANDER. Mr. Speaker, I rise in strong support of the conference report to H.R. 11, the public works jobs bill. As a sponsor of the 1976 act and this legislation as well, I commend the House conferees for their efforts. This bill is a product that will stimulate the economy and give a shot in the arm to local government efforts to provide basic community facilities and jobs for the unemployed.

In the first round of public works jobs grants last year, local units of government received 100 percent Federal funding for such varied projects as water and sewer system improvements, construction of civic centers and municipal buildings, school renovations and expansions, police and fire station construction, street and road repairs, park and recreation area construction, and numerous other job-creating proposals.

After the initial round of grants, the Economic Development Administration found itself with a backlog of some 22,000 unfunded applications. I believe that backlog is a testament to the real need for this public works jobs program.

The conference report before us today authorizes an additional $4 billion through December 31, 1978, for this program. It increases the minimum share of funds going to any State from one-half of 1 percent of the total appropriation to three-quarters of 1 percent. It will change the period of time for which an applicant's unemployment rate is measured by looking at 12 months of data, rather than 3 months of unemployment data. This provision will correct some inequities that resulted in the first round of grants due to seasonal fluctuations of employment in some areas of the country, including my own.

This bill gives school districts equal status with other applying units of local government, stresses energy efficiency as a factor in considering applications for construction or rehabilitation of public buildings, and provides special consideration for jobs for qualified disabled and Vietnam-era veterans.

All of these provisions are consistent, I believe, with President Carter's economic stimulus goals and deserve the support of this Congress.

It is my hope that the Economic Development Administration will give thorough and sympathetic consideration to applications funding water and waste disposal system projects in countryside communities, towns, and cities in nonmetropolitan areas. This makes good sense economically because such systems are essential building blocks in any plan for community economic development and help encourage private industrial and business investment in activities that can create long-term jobs. It makes sense environmentally because it not only helps insure the availability of sufficient safe water supplies but helps protect the environment from undesirable waste disposal practices.

Lack of financial resources to establish, improve, or expand water and waste disposal systems has been a major stumbling block in the community development progress of too many small communities, towns and cities.

Mr. Speaker, what we have in the present public works employment program is the foundation for building a present and future program that can make it possible to throw a hard block against any future repetition of the unemployment nightmare we have been living the past 5 years.

I urge adoption of the conference report.

Mr. JOHNSON of California. Mr. Speaker, today we bring before the House the conference report on H.R. 11, the Public Works Employment Act of 1977. This legislation is by now well-known to us all.

Over 2 years ago, the House leadership initiated this important piece of job creating legislation as part of our overall program to deal with one of the severest recessions this country has ever experienced since the Great Depression of the 1930's. Today, we are 2 years into our economic recovery, but the signs are still not good.

The unemployment rate has only declined from a peak of 9 to 7.5 percent nationally today. Over 7 million Americans are still unemployed, and our economic recovery has been deterred by continued job layoffs, shortages in fuel, and the severe winter conditions of this past fall.

The legislation before us today is one of the most important bills to be considered by the new Congress. As a key part of the economic stimulus package, it represents the first step by Congress and the administration to come to grips with the tremendous economic problems which burden the Nation.

Mr. Speaker, I want to congratulate the House Members that served with me on the conference committee on H.R. 11.

Congressman Roe, our distinguished chairman of the Subcommittee on Economic Development, and Congressman John Paul Hammerschmidt, ranking minority member on the subcommittee, both deserve special recognition for the long hours and hard work they put into this conference report. The success of the conference is also a tribute to the diligence and hard work of the other conferees: Congressman Roberts, chairman of our Subcommittee on Water Resources, and Bill Harsha, ranking minority member of our full committee, who both occupied leadership roles during this conference. Mr. Anderson of California, Mr. Breaux, Mr. Nowak, Mr. Edgar, and Mr. Clausen all contributed to this important job creating legislation. I want to express my deep appreciation to all these conferees for their hard work in resolving critical differences with the Senate bill and coming up with a bill that is directly targeted on the critical problem of high unemployment in the construction industry.

Mr. Speaker, putting our people back to work remains the Nation's No. 1 priority. The bill before us today is not a panacea for the economic problems of the country, but it will put some 600,000 unemployed people to work. The $4 billion authorized by H.R. 11 will provide essential community facilities for many of our Nation's most distressed areas. The program authorizes 100-percent grants to State and local governments for public works facilities that will quickly stimulate employment.

The funds will be targeted to reach the areas of highest unemployment. The conferees agreed to a provision that will allocate the funds among the various States based on a 65 to 35 ratio with 65 percent of the funds going to the States based on their total number of unemployed and 35 percent based on each State's relative severity of unemployment above 6.5 percent.

Mr. Speaker, one thing we learned from the first round of funding is that public works construction can be an effective countercyclical tool, and the same time factors that applied to the first round of funding will apply to the new act. New rules and regulations will be prescribed within 30 days, and the Public Works and Transportation Committee will be holding oversight hearings before they are prescribed. The Secretary of Commerce will not issue final rules and regulations until the House committee has reviewed the proposals. The Secretary is given 60 days to act on applications, and onsite labor must begin within 90 days of project approval.

Mr. Speaker, the $4 billion authorized by this bill will be made available immediately. At present, there are some 22,000 applications totaling about $24 billion on file at the Economic Development Administration, that are "ready to go." The existing file of applications can be activated immediately and new applications will only be accepted in those cases where there are not enough applications on file to use up a funding allocation.

Some errors were made during the first round of funding. In order to correct these errors, we have authorized $70 million to be set aside. These funds will be used to fund projects that were not received or considered or rejected solely because of an error on the part of the Federal Government during this first phase of the program.

In order that distressed areas within States with low overall unemployment may be assisted under this program, the conferees agreed to a provision that all States shall receive at least three-fourths of 1 percent of the $4 billion authorized. No State will receive more than 12½ percent of the funds, and the trust territories including the Pacific Islands compete equally with Guam, the Virgin Islands, and American Samoa for at least one-half of 1 percent of the funds.

One very constructive change is that the conferees agreed that local government officials should have the opportunity to list their project applications in order of priority.

In addition, the conferees agreed that school districts would be treated fairly and equally by adopting language in the bill that provides that projects requested by a school district shall be accorded the full priority and preference given public works projects of local governments.

County governments are recognized as performing essential services in meeting the needs of the unemployed. The Secretary of Commerce is directed in implementing this program to take into consideration the levels of unemployment throughout a county area.

Mr. Speaker, this legislation is vital to our national economic recovery. I urge the Members to join with me today in giving their overwhelming support to the conference report on H.R. 11.

I think that Members and the public are entitled to an accounting of the obstacles encountered by this legislation and the water pollution control amendments in H.R. 3199 which we took to conference as a package. We were able to overcome those obstacles with respect to H.R. 11, which comes back to the floor today in much the same form in which it passed the House and went to the Senate as a clean bill on February 24, more than 9 weeks ago. The fact that we overcame these obstacles is a tribute both to my colleagues on the conference committee and the cooperation and support we have had backing us in the House at large, particularly in the leadership, Committee on Rules, and the Committee on Appropriations.

We were unable to reach an acceptable agreement with the Senate on water pollution control amendments which we could in good conscience recommend to the House. Rather than yield, however, we negotiated hard over eight conference sessions, before the Easter recess and since, to the point where the Senate finally acceded to the House position that the jobs bill H.R. 11 should not be held up. As a result, the Senate offered to accept the original House proposal to separate the jobs bill from any consideration of water pollution funding or substantive amendments—a proposal offered on the first day of the conference—and move H.R. 11 to the floor of our respective bodies and down to the White House for signature.

The Senate side has also abandoned its notion that substantive amendments to the Water Pollution Control Act cannot possibly be taken up before next year, and committed itself to hearings later this month and an attempt to bring out a bill this summer. The vehicle is there, if the Senate chooses to use it, in the form of H.R. 3199 which is over there and which they can amend and send back to us at any time.

In addition to substantive amendments, it includes $17 billion in authorizations for construction of waste water treatment facilities. When they send it back, the House Committee on Public Works and Transportation is prepared to act instantly.

Based on this understanding, the States, the cities, the counties, and industry—all interests with a stake in the operation of the Water Pollution Control Act—will now have an opportunity to make the record in the Senate they have in the House year after year. And if Members on this side maintain their support for the House position on water pollution—the same solid support that made it possible for us to bring H.R. 11 to the floor today—prospects for enacting comparatively minor but urgent clean water amendments will be greatly strengthened. The House has acted twice, and now the responsibility is squarely in the Senate.

The House amendments in H.R. 3199 are indeed minor in terms of the scope of Public Law 92–500, the Water Pollution Control Act Amendments of 1972, urgently needed and thoroughly consistent with the 1972 act. They represent a carefully crafted response to problems which have developed since the passage of the act. They are based on the problems of people who have to comply with the act, the industries and the States and the municipalities, rather than the people who write the laws or regulations. They are the people we have been listening to for 2 or 4 years in what I would call a model of legislative oversight, in keeping with the scope, the cost and the complexity of the program mandated by the act.

These were the people who have told us repeatedly that extended funding alone is not the answer, that funding alone cannot alleviate the problems of redtape, the threat of bureaucratic overregulation, unrealistic requirements of compliance deadlines that cannot be met. The House amendments are not new to the Senate. In varying degrees, they have a history in hearings held by the Senate last year, the Senate bill and their markup discussions of last year, conference discussions with the House on H.R. 9560 last year, and the tentative agreements reached before that conference ended in disagreement.

That is all independent of the extent to which some were recommended or at least examined by the National Commission on Water Quality, which issued its report—last year. Yet, the other side, in an attempt to avoid even considering these amendments, took our jobs bill in H.R. 11 and added water pollution control funding. To get the House's position into conference, we had no recourse but to combine H.R. 11 with the funding and substantive amendments in H.R. 3199 in a single package to take to conference.

When we got into conference, we heard considerable discussion about leverage, hostages, comity, bargaining strategy, but very little about what is in the House bill or what was behind it in terms of the problems we all presumably are responsible for addressing.

We were told that our amendments would work major, far-reaching, irreversible and irrevocable changes in the act, which a fair discussion of H.R. 3199 would dismiss to the satisfaction of any reasonable person.

We were told that the Senate had not had an opportunity to consider our provisions sufficiently, an assertion disposed of by the history of these amendments I outlined a moment ago. It was particularly difficult to accept this argument in light of the history of the original public works jobs bill in the 94th Congress. In the interests of getting it out of conference the House conferees accepted a title establishing the countercyclical assistance program. Not only had we not considered it, or held hearings; we could not have. Countercyclical assistance is not even under the jurisdiction of our committee. And the committee with jurisdiction—the Committee on Government Operations—had not itself had an opportunity to examine it and urged us not to accept it. But we did, and on the basis of far less knowledge of its provisions than the Senate conferees have had an opportunity to gain with respect to our water pollution amendments.

Finally, we were told—and have been told again since conclusion of the conference—that the House was insisting on too much. I will say only this: There was scarcely a provision in H.R. 3199 that the Senate did not reject outright or seek to amend to the point where it would have been rendered meaningless. Now, however, the Senate is committed to move on a bill this summer.

Mr. Speaker, last fall when we went to conference on H.R. 9560, containing funding and substantive amendments, it appeared that agreement might be possible. And there were times during the conference on H.R. 11 that we had hopes of compromising our differences despite the difficulties I enumerated.

I remain hopeful that a continued House commitment to the principles in H.R. 3199 combined with continued willingness to negotiate in good faith, plus continued support from the public, will achieve the needed amendments to the water pollution control program in this session of Congress. Meanwhile, I urge acceptance of the conference report on H.R. 11 which has already been held up too long.

Mr. **HARSHA**. Mr. Speaker, I rise in support of the conference report on H.R. 11, the local public works jobs bill. I have considered it regrettable that the legislation has been held hostage in the Senate for so long and I commend my friend from California and fellow conferees for their firmness in conference that broke the bill free.

While I support the bill, however, I would counsel my colleagues to exercise some restraint in expressing their enthusiasm so as to avoid an excess of expectations around the country.

Not every community that applied for a grant under the initial $2 billion program is going to get its project funded. There is no way this bill can finance most of the applications on file.

I am concerned, too, that some projects will be funded while others of greater merit may not, an inescapable consequence of the time constraints mandated in the legislation, time constraints which burden applicants as well as the people down at EDA administering the program.

This might have been avoided if we had waited to get a better fix on the actual operation of the program once construction gets underway and the employment effects can be determined. I will have to admit that I am a little concerned about enacting a $4 billion program so quickly.

But these are just cautionary comments, Mr. Speaker. We have already incorporated a number of amendments based on problems arising in the first-round allocation process, causes of considerable concern. In that connection, I take some comfort in pointing out that the problems were less the responsibility of the outgoing administration than defects in the act and the burdens it created on the Economic Development Administration. The fact that they did as good a job as they did, and the changes we consider today clean up the original legislation, speaks well for the good-faith effort FDA made in coping with a monumental job.

I support this bill because the public works approach to job creation is a sound one, particularly with the great backlog of work to be done in this country, the needs of all our communities for basic public facilities.

The funds go for worthwhile facilities, by and large, in response to local needs and the ability to develop projects. Certainly, the direct beneficiaries, the unemployed workers in the construction field, are ready, willing and eager to go to work at their trade. It is private-sector employment. And it stimulates demand and spreads the benefits to the manufacturers and suppliers of goods and equipment in construction-related industries.

I do not wish, however, to confine my remarks to the jobs portion of H.R. 11, since we also took water pollution control act amendments to conference with the Senate. I have real concerns over the future of that program, of which the Senate's treatment of H.R. 3199 is only a symptom.

For the record, let us go back and take a look at the 1972 Water Pollution Control Act Amendments and the intent of Congress which they embodied, and then look ahead to 1983 when the more stringent standards of the act must be met. Only in those terms can we assess the real meaning of the Senate's refusal to come anywhere near meeting the House with respect to the amendments in H.R. 3199.

We all recognized in 1972 that the act mandated performance of business, industry, and Government that was unprecedented in the extent of change. We recognized too that there were environmental, social, and economic considerations—as well as unresolved questions of technological feasibility—that were unknown at that time.

We, therefore, called for establishment of the National Commission on Water Quality to examine some of these key considerations in time to make such mid-course corrections as appeared warranted. Now, if you were not serving in the Congress at that time, and many here today were not, or if you were but have forgotten this particular item, let the record today be clear: We agreed on behalf of the House to accept the 1983 standards, without any triggering device or subsequent action, only upon the Senate's acceptance of the section setting up the Commission and spelling out its mandate. That was an explicit understanding. One provision in exchange for another, an honorable compromise meeting deeply-held convictions on the part of the House conferees.

They reflected concerns that, although some of the unreasonably severe provisions originating in the Senate had been made more workable as a result of House efforts, problems indeed could arise by the time we got to 1983. The problems which no one had the foresight to anticipate then, such as to those addressed in H.R. 3199, merely indicate that if anything we underestimated the potential for problems, rather than overstating it, at the time.

So now we come to the minor, practical, workable, down-to-earth amendments in H.R. 3199, similar to those we incorporated in H.R. 9650 in the last Congress. These are minor, interim improvements which experience has shown to be urgently needed.

The Senate refused to come to a reasonable compromise in the last Congress, although the record was clear and the need to get a bill out was intensified by the prospect that authorizations could be exhausted. So no conference report last year on H.R. 9560.

I had hoped for more consideration this year, despite published reports suggesting that the Senate would try to avoid considering our amendments in the 95th Congress. That consideration was not forthcoming as the Senate sidetracked water pollution grant authorizations onto our public works jobs bill.

Our experience in the conference this year on H.R. 3199 offered the same dismal discouragement. How can we hope to even obtain good-faith consideration of what may be far-reaching changes in the 1972 act if the minor, interim improvements written into H.R. 3199 on the basis of exhaustive documentation get such cavalier treatment?

More specifically to the point, when the conference finally adjourned in disagreement, no member of the Senate conferees contradicted a suggestion from the other side that the Senate's "comprehensive" review of the 1972 act would take into the consideration the report of the National Commission on Water Quality, little if at all.

If that is the case, Mr. Speaker, the other side is prepared to break faith: with the House conferees, the compromise that made it possible to bring the 1972 act into being, the House at large, and the American public which thought it was getting a workable, rational, high-priority response to a grave national problem not to mention the breach of faith with the members of the National Commission on Water Quality including five Members from the other body and five from the House.

I hope that this is not the case, but I will have to say with all candor that the performance of the conferees on the other side, in the conferences of this year and last, offer little encouragement that this is not indeed the case.

And if so, there is a good likelihood as the 1983 standards are put into effect, that we will find industry and municipalities facing an impossible situation in terms of cost, confusion, and disruption that will make the controversy over section 404 of the act insignificant by comparison.

These are my concerns as of today. But we need not wait until the next decade to find out what the Senate is prepared to do. As a result of our getting the subject of water pollution amendments into conference, the Senate is now committed to seek a bill shortly. We have been told that only time is needed, that the Senate has not had sufficient opportunity to consider the provisions of our bill, that its Members may find considerable merit to them and come to the same conclusions as the House on the basis of the same evidence.

So we shall find out shortly. It will soon become evident to the Congress at large, the membership of the House and Senate at large, whether we can expect expeditious consideration of the problems the act has already created.

If not, the country will be on notice. The cities, the counties, the States, the business community, agriculture—all will know that the House addressed the issues and endeavored to resolve them. The Senate did not.

Mr. CLEVELAND. Mr. Speaker, I rise in opposition to the conference report on H.R. 11 as the wrong way to do a job that ought to be done right.

My opposition will not have the slightest effect on the outcome of the vote on the conference report, which doubtless will pass overwhelmingly. If there ever was a sure thing, this is it.

But it would be a very constructive thing for the country if we could somehow broaden or redirect or refocus our enthusiasm for public works spending as a means of stimulating the economy and creating jobs.

By that I mean two things: First, channeling the billions of dollars in legislation like H.R. 11 into the traditional, longstanding, high-priority programs like construction of housing, airport facilities, sewage treatment plants, highways, bridges, and the regular assistance programs of the Economic Development Administration.

Second, it would mean taking a hard look at the unnecessary constraints on such programs and eliminating the bottlenecks and bureaucratic redtape that unnecessarily increase their cost and delay their being carried out.

Use public works consciously to create jobs but get the most out of the billions of dollars authorized in these conventional programs and pump even more into them as necessary. That way we will get the short term construction impact as well as the longer term economic benefits.

I shall not belabor the point, Mr. Speaker. It is one I have made repeatedly in floor statements and individual views in the legislative reports accompanying H.R. 11 and its predecessor in the 94th Congress, H.R. 5247.

A good example of getting more out of existing programs is the State certification provision in H.R. 3199 that went down the drain in the conference with the Senate. In mentioning it, I will have to confess to some frustration over the fact that this provision, which the gentleman from Texas (Mr. WRIGHT) and I have worked for since 1974 and which passed the House twice, still has not been enacted into law.

By giving the States a larger role in the program for construction of sewage treatment facilities, we would: First speed up the project approval process; second, accelerate the cleanup of our waters; third, put more people to work faster; fourth, realize cost savings by reducing delay; and fifth, improve the environmental integrity of the construction grants program by strengthened management and oversight.

In citing this, I have no quarrel with the performance of the House conferees. On the contrary, I have only praise for the leadership and vigorous defense of the House position by the gentleman from California (Mr. JOHNSON), the gentleman from Texas (Mr. ROBERTS), the gentleman from Ohio (Mr. HARSHA), and the gentleman from California (Mr. DON H. CLAUSEN).

The fact is that State certification is an excellent example of the kind of amendments to the Water Pollution Control Act incorporated in H.R. 3199 and its predecessor H.R. 9560. Its reception in the Senate is likewise symptomatic of its posture throughout our negotiating efforts.

It is designed to counter problems unanticipated and unintended by Congress at the time of passage of the 1972 act; procedurally, it is totally consistent with the act's mandate for a genuine Federal-State partnership, optimum use of manpower and other resources, and strict curbs on redtape; in substance, it would advance the goals of the act by accelerating pollution abatement; as the outgrowth of investigative hearings beginning in early 1974, it has had the benefit of exhaustive analysis and support from groups representing governmental entities responsible for making the program work; finally, it does not represent an irrevocable or irreversible change in the way business is done under the act in that EPA would be free to withdraw certification authority from States on the basis of poor performance.

It has been endorsed by the Environmental Protection Agency, the National Commission on Water Quality, the Water Pollution Control Federation, the National Governors' Conference, the National Conference of State Legislatures, and the National Association of Counties, among others, including industry and professional groups involved in the program.

The provision has enlisted nearly 140 cosponsors in past Congresses and was strongly supported by the Subcommittee on Water Resources and the full Committee on Public Works and Transportation, and contained in bills which twice passed the House overwhelmingly.

The position of environmental organizations is far more difficult to characterize. In the 94th Congress, they endorsed it in principle while advocating amendments to scale down its application from 100 percent of projects to roughly 80 percent, and impose a somewhat rigid list of criteria for the EPA Administrator to follow in deciding whether to approve a program of certification from a given State. Later, my amendment to substitute judicial review of such determinations by the Administrator was approved.

In this Congress, however, environmental witnesses before our committee backtracked and wanted no part of State certification in testimony highlighted by two absurdities:

First, they had nothing but praise for the EPA delegation of considerable authority under the construction grants program to the State of California, which the agency itself regards as an example of State capability arguing for a program of certification. Yet they would not care to see it extended.

Second, they agree that the construction grants program management is underfunded and undermanned at both State and Federal levels, and likely to remain so even with the new administration's requested staffing increases for EPA. Thus they are stuck favoring a program mismanaged at the Federal level rather than one properly run by the States and EPA working together without duplication.

The Senate's position is even harder to describe. Despite expressions of support—albeit some only in principle—on the other side last year, State certification was not included in the Senate bill S. 2710. However, in last year's conference, the Senate was prepared to accept it for an initial 2 years.

But this year, the Senate side was adamantly opposed to State certification, and as the conference proceeded through offer and counter-offer, this provision was repeatedly resisted until late in the game. At that point, all the Senate would accept would be an authorization to allow the States to use a small percentage of their construction grant authorizations for program management staff, but without certification authority.

Curiously, during staff-level discussions during the Easter recess, an altogether different proposal was advanced by the Senate side, allowing States to go so far as to approve grants and make payments of Federal funds, and exercise the Administrator's authority with respect to the National Environmental Policy Act of 1969. At the same time, this alternative was so encumbered by statutory restrictions that few if any States could qualify for the next 5 to 10 years.

At no point in the conference, to the best of my understanding, was State certification discussed on its merits: the fact that it would simply give States increased authority, responsibility and funding to take over the routine, day-to-day operation of the construction grants program, and end the overlapping and duplicative paper-shuffling now performed by both State and Federal personnel; no mention of the safeguards built in, or the fact that the program would be strengthened by freeing EPA to do the auditing, monitoring, on-site inspections and troubleshooting this program so sorely needs.

Instead, the treatment given State certification was similar to that accorded most of the other House amendments: cut or gut.

Our House conferees were unable to bring back an acceptable agreement, and it is to their credit that they were unwilling to bring back anything else.

It is also to their credit that they managed to break loose the jobs bill, an action I applaud despite my lack of enthusiasm for that legislation, preventing it from being held hostage further by Senate conferees determined to force unacceptable action on water pollution upon the House.

Mr. ROE. Mr. Speaker, I rise in support of the conference report on H.R. 11, the Public Works Employment Act of 1977. I want to commend the distinguished chairman of the Public Works and Transportation Committee, the Honorable "BIZZ" JOHNSON, of California, for his diligent leadership during our conference with the Senate. The conference committee met eight times to resolve the differences between the House and Senate versions of this bill, and "BIZZ" JOHNSON, as chairman of the conference committee, deserves our special recognition for his leadership and determination to bring this vital job-creating legislation to the floor today. Most of you know the difficulties we have had in conference with the Senate; and other members of the committee will comment on our problems—but I want to take this opportunity to recognize our colleagues who participated in the development of this legislation in the Subcommittee on Economic Development, and pay particular tribute to the leadership of the ranking minority member of the subcommittee, the Honorable JOHN PAUL HAMMERSCHMIDT.

Each of the House conferees, RAY ROBERTS, chairman of the Water Resources Subcommittee, Mr. HAMMERSCHMIDT, BILL HARSHA, the ranking minority member of the full committee, Mr. ANDERSON of California, Mr. BREAUX, Mr. NOWAK, Mr. EDGAR, and Mr. CLAUSEN of California, worked long and hard hours to reach this agreement with the Senate.

As chairman of the Subcommittee on Economic Development, I am indeed proud to support this conference report. It is a good bill that corrects many of the inequities we found in the first round of funding. The legislation should be familiar to all Members here today—it originated in the House as part of our economic stimulus package over 2 years ago. Today, we are authorizing an additional $4 billion to extend a public works job-creating program that will put an additional 600,000 unemployed persons to work and provide badly needed local public facilities in communities throughout the Nation.

Mr. Speaker, the conference report before the House today is a clear commitment to the American people that Congress is serious about putting our unemployed people back to work. We are all painfully aware of the current condition of our Nation's economy, and this is a key part of the national economic stimulus program. Unemployment still remains at unacceptably high levels, with over 7 million Americans still out of work. In my own State of New Jersey, our average unemployment rate for 1976 was 10.4 percent, and in my own district, unemployment in the cities of Paterson and Passaic in January 1977 was over 13 percent.

In the construction industry, unemployment levels did not show significant signs of improvement during the first quarter of 1977. Capital construction in the private sector is still lagging. The high unemployment in the construction industry is partially caused by the fact that State and local government outlays for new construction have actually dropped. The recession has made it impossible for local governments to carry out the normal programs of capital expenditures for public works. In the 10-year period since 1967, State and local government outlays for new construction annually have dropped in volume from $30.8 billion to $22 billion in 1972 dollars. This level is too low to even maintain our national investment in public works infrastructure.

Mr. Speaker, the legislation before you today will provide the funds to stimulate badly needed investment in public facilities. It will provide hundreds of thousands of jobs in construction and in the related supply and materials industries.

The jobs created are not make-work jobs, but meaningful and constructive employment for our people who would much rather earn a living than receive unemployment payments.

Let me remind my colleagues that the amount we have to spend every year just to maintain our unemployed people, is breaking the financial backs of governments at all levels. Last year, the Federal Government spent $19 billion on unemployment compensation payments—this year, we are again spending between $16 and $17 billion. But the harshest fact is that a total of 23 States have been forced to take out loans from the Federal Treasury as the demands of high unemployment have exhausted their unemployment compensation funds. In my own State of New Jersey, as of April 15, 1977, we have had to borrow a total of $638.9 million from the Federal unemployment compensation account. The following table shows the balance sheet for the Federal unemployment account for April 15, 1977.

Mr. Speaker, adoption of this conference report is one clear way of insuring that the citizens of this country will be working and paying taxes instead of receiving unemployment benefits or welfare. The additional $4 billion authorized under title I of H.R. 11 can be used productively and quickly.

During the first round of funding last year, the Economic Development Administration received some 25,000 applications from all over the country totaling some $24 billion. Today, there are some 22,000 applications of ready-to-go projects on file at EDA as a result of the initial $2 billion appropriation in 1976. These projects are ready to go with the additional $4 billion authorization under H.R. 11.

The Public Works and Transportation Committee has made a number of changes to the local public works program under H.R. 11 which are designed to insure that the funds will be targeted to the areas of highest unemployment and greatest need, and that there will be more equity and fairness in the project selection in areas of high distress.

Mr. Speaker, I can truthfully say that we learned many things from the first round of local public works funding. We learned that we can cut redtape and make public works construction an effective antirecession tool. The time limits for promulgating regulations and approving applications will apply to the next round of funding. The amendments made to the act are designed to further simplify the program.

For example, the provision in the 1976 law which required that 70 percent of the funds go to areas where unemployment is above the national average and 30 percent of the funds to go to areas whose unemployment was below the national average but above 6.5 percent was eliminated when the Senate conferees accepted the House amendment. This 70–30 split caused severe inequities in the distribution of funds under the first round of funding because many areas with relatively low unemployment received Federal assistance while many of our hardest hit communities were bypassed.

This bill also eliminates the 1976 provision that allowed local jurisdictions to include the unemployed labor force of neighboring jurisdictions to qualify for assistance. This provision led to widespread "gerrymandering" among applicants' project areas, with the result that many of our most distressd communities did not receive assistance. This provision particularly discriminated against our central cities with some of the highest unemployment in the Nation.

In order that we may assist communities in targeting assistance to our distressed urban areas, the conference agreed that if an applicant uses the unemployment figures of a neighborhood or pocket of poverty within an urbanized area to qualify for assistance, that the project must not only be of direct benefit to the unemployed within that area but the project must also be located within the pocket of poverty.

This bill also changes the unemployment statistical data period used for qualification from the most 3 recent consecutive months to the most recent 12-month period. This change will compensate for the seasonal fluctuations that distorted many communities' unemployment rates. It is clearly the intent of the conferees that when the Bureau of Labor Statistics does not have unemployment figures for a community, of any size, that the Secretary of Commerce will accept State certified unemployment data.

The House conferees were particularly concerned that the administration not arbitrarily deny assistance to communities under 50,000 population because of the Bureau of Labor Statistics' inability to provide timely unemployment figures. The conference statement of managers makes it clear that the Economic Development Administration will accept State unemployment data for jurisdictions between 25,000 and 50,000 where the BLS does not have this data.

The conference committee adopted the Senate formula for the distribution of funds among the States. Under this formula both the severity of unemployment within a community as well as the numbers of unemployed will be taken into consideration. Sixty-five percent of the funds are to be allocated to the States based on the total numbers of unemployed and 35 percent will be allocated on the basis of relative severity of unemployment.

There are several other provisions in H.R. 11 which I particularly want to highlight: First, the House conferees agreed that school districts should receive equal priority with general purpose units of local government by including specific language in the bill that a project requested by a school district shall be accorded the full priority and preference to public works projects of local government.

The conferees also recognized the importance of county governments in delivering governmental services. The conferees agreed that applicant counties should receive an equitable share of funds in any area which reflects their level of unemployment and governmental responsibilities and provides that the program takes account of unemployment throughout a county's area of jurisdiction.

The conferees agreed to the House provision which will assist minority suppliers and contractors. Under this next round of funding, no grant will be made unless the applicant gives the Secretary satisfactory assurances that a miniumum of 10 percent of the amount of the work is set aside for minorities. The conferees agreed that this provision would be dependent on the availability of minority business enterprises in the applicant's jurisdiction.

Another provision that deserves our attention is the conferees' agreement to a new amendment which prohibits any project from being constructed by a State or local government through the use of its own employees. This provision is insured by requiring that construction must be performed by private contractors through competitive bidding unless the Secretary finds that some other method, such as negotiated procurement in the case of architect-engineer services, would be more in the public interest. Grantees are directed to set forth all conditions of contract award in advertised announcements and to comply with appropriate State and Federal laws or practices relating to the various types of contract awards.

This second round of funding will be limited as much as possible to the $22 billion backlog of applications now on file at the Department of Commerce to avoid delay and insure that projects are initiated as soon as possible so as to not lose this year's construction season. New applications will be received only when an applicant does not have enough applications on file to use up an area's "benchmark" or allocation of funds. It is also important to emphasize that local officials will have an opportunity to set their own priorities on project applications submitted. We will not have a computer prioritizing the projects submitted by applicants in this next round of funding.

Mr. Speaker, the statement of managers in the conference report accompanying H.R. 11 provides the Economic Development Administration with congressional guidelines of program policies and procedures. I want to call this to the attention of all my colleagues here today. It is extremely important that Congress provide the EDA with guidance in how this program is administered. Questions that relate to the distribution of funds within the States, and the system EDA proposes to accomplish this are crucial to our understanding of this program.

The House Committee on Public Works and Transportation intends to hold oversight hearings on EDA's proposed rules and regulations soon after the President signs this bill. I urge all of our Members to carefully review any rules and regulations before they are promulgated. It is our committee's intent to provide congressional guidance in administering this next $4 billion that the local public works program can truly have a maximum impact in putting our people back to work and in targeting the funds to the communities of greatest distress in the country.

Mr. Speaker, I strongly urge the adoption of the conference report on H.R. 11. The needs of our unemployed are clear to us all. There is no need to repeat all of the statistics that translate into the hundreds of thousands of unemployed in this Nation. We have a program that works and the administration has pledged to initiate the program quickly. Let us pass this legislation without further question.

Federal unemployment account, April 15, 1977

Balance in account, March 15, 1977	$149,076,097.03
Additions	[1] 259,360,000.96
Funds available for loans	408,436,097.99
Advances to States, April 1, 1977	(203,050,000.00)
Balance in account, April 15, 1977	205,386,097.99
Alabama, December 1975	56,660,000.00
Arkansas, January 1976	30,000,000.00
Connecticut, March 1972	[2] 438,142,353.28
Delaware, November 1975	36,600,000.00
District of Columbia, November 1975	52,400,000.00
Hawaii, January 1976	22,500,000.00
Illinois, December 1975	751,600,000.00
Maine, September 1975	22,900,000.00
Maryland, March 1976	62,659,000.00
Massachusetts, April 1975	265,000,000.00
Michigan, April 1975	624,000,000.00
Minnesota, July 1975	172,000,000.00
Montana, April 1976	9,284,089.00
Nevada, January 1976	7,600,000.00
New Jersey, January 1975	638,902,000.00
Oregon, February 1976	18,450,000.00
Pennsylvania, October 1975	847,295,925.00
Puerto Rico, April 1975	67,000,000.00
Rhode Island, February 1975	74,800,000.00
Vermont, February 1974	[2] 45,567,878.23
Washington, April 1973	[2] 142,960,369.53
New York, February 1977	155,750,000.00
Florida, March 1977	32,000,000.00
Outstanding loans	4,574,071,615.04

[1] Date of first loan indicated for each State.

[2] State employers are paying additional FUT taxes to reduce outstanding loan total (title XI, section 1202.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. ROE. Mr. Speaker, I have no further requests for time. I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. KAZEN). The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 335, nays 77, not voting 21, as follows:

[Roll No. 184]

YEAS—335

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Ashley
AuCoin
Badillo
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen, Don H.
Clay
Cohen
Coleman
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frey
Fuqua
Gammage
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gudger
Guyer
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Keys
Kildee
Koch
Kostmayer
Krebs
Krueger
Le Fante
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pritchard
Pursell
Quie
Quillen
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stanton
Stark
Steed
Steers
Stratton
Studds
Stump
Thompson
Thornton
Traxler
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—77

Abdnor
Archer
Armstrong
Ashbrook
Badham
Bauman
Beard, Tenn.
Brown, Mich.
Brown, Ohio
Broyhill
Burleson, Tex.
Butler
Cederberg
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Corcoran
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dornan
Edwards, Okla.
English
Erlenborn
Findley
Frenzel
Gibbons
Goodling
Gradison
Grassley
Hagedorn
Hansen
Holt
Jacobs
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Leach
Lott
Lundine
McDonald
McEwen
Marlenee
Marriott
Martin
Miller, Ohio
Montgomery
Moorhead, Calif.
Poage
Quayle
Robinson
Rousselot
Satterfield
Sebelius
Skubitz
Smith, Nebr.
Stangeland
Steiger
Stockman
Symms
Taylor
Thone
Treen
Vander Jagt
Walker
Whitehurst
Wiggins
Winn
Wylie
Young, Fla.
Young, Mo.

NOT VOTING—21

Anderson, Ill.
Aspin
Bedell
Burgener
Derrick
Eckhardt
Forsythe
Fraser
Gaydos
Goldwater
Hawkins
Johnson, Calif.
Latta
Milford
Moss
Pepper
Price
Rahall
Stokes
Teague
Tonry

The Clerk announced the following pairs:

On this vote:

Mr. Hawkins for, with Mr. Milford against.
Mr. Moss for, with Mr. Teague against.

Until further notice:

Mr. Eckhardt with Mr. Anderson of Illinois.
Mr. Pepper with Mr. Burgener.
Mr. Price with Mr. Forsythe.
Mr. Stokes with Mr. Aspin.
Mr. Derrick with Mr. Fraser.
Mr. Tonry with Mr. Gaydos.
Mr. Johnson of California with Mr. Bedell.
Mr. Latta with Mr. Goldwater.

Mr. GRASSLEY changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6689, AUTHORIZING FISCAL YEAR 1978 APPROPRIATIONS FOR DEPARTMENT OF STATE, U.S. INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING AND MAKING CERTAIN CHANGES IN FOREIGN PERSONNEL SYSTEM

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. 95-237) on the resolution (H. Res. 537) providing for consideration of H.R. 6689 to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REQUEST FOR PERMISSION FOR AD HOC COMMITTEE ON ENERGY TO SIT UNDER 5-MINUTE RULE FOR REMAINDER OF SESSION OF 95TH CONGRESS

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that the Ad Hoc Committee on Energy may be permitted to sit while the House is operating under the 5-minute rule for the remainder of this session of the 95th Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, for how long did the gentleman say? Did he say for the rest of the whole session?

Mr. ASHLEY. If the gentleman will yield, Mr. Speaker, I said for the remainder of this session of the 95th Congress.

Mr. Speaker, if the gentleman from California will withhold his reservation of objection for a moment, let me say that this unanimous-consent request has been discussed with the gentleman from Illinois (Mr. ANDERSON) and also has been discussed with the gentleman from Maryland (Mr. BAUMAN).

There are real and compelling reasons for this unanimous-consent request, and I would hope that the gentleman would withdraw his reservation of objection.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, what is the need for the committee to sit under the 5-minute rule during the remainder of the session? Does the gentleman mean that the members of the new energy committee do not need to be in the House at all during the rest of the session?

Mr. ASHLEY. If the gentleman will yield further, Mr. Speaker, would the gentleman hear me out?

Mr. ROUSSELOT. I would be delighted to yield for that purpose.

Mr. ASHLEY. The energy package came to the Congress just last Friday.

Mr. ROUSSELOT. Yes. We are aware of that.

Mr. ASHLEY. The component parts of the energy package have been referred to the legislative committees having jurisdictional authority over those component parts.

It is going to be necessary, as an example, for the Committee on Ways and Means and for the Committee on Interstate and Foreign Commerce to work morning and noon on that package.

Mr. RUSSO. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PROVIDING FOR CONSIDERATION OF H.R. 6179, ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS OF 1977

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 530 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 530

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 6179) to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Illinois, Mr. Murphy, is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 530 provides for the consideration of H.R. 6179, the Arms Control and Disarmament Act Amendments of 1977. This resolution provides for an open rule with 1 hour of general debate.

H.R. 6179 authorizes an appropriation of $14.6 million to fund the Arms Control and Disarmament Agency—ACDA—for fiscal year 1978. The amount is $1 million above the administration's request. The committee intends that this additional amount be used primarily to fund the public education program and research activities of the Agency.

This bill amends the act to give the ACDA Director authority to determine, in accordance with established personnel security procedures, whether agency's employees may have access to restricted data in the Energy Research and Development Administration and the Nuclear Regulatory Commission.

H.R. 6179 deletes the current restriction on the use of foreign research institutions and individuals. This will allow the Agency to use foreign research if it is more cost-effective or if such research is not available in the United States.

Thsi bill also creates a new executive level IV position, that of Special Representative for Arms Control Negotiations. This person will act as the alternate chief negotiator at the SALT talks, as well as carry out those responsibilities delegated to him by the Director.

Mr. Speaker, I know of no opposition to this rule. Therefore, I urge the adoption of House Resolution 530 in order that H.R. 6179 may be considered.

Mr. Speaker, I yield to the gentleman from Mississippi (Mr. Lott).

Mr. Speaker, I move the previous question.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Illinois has outlined correctly the terms of this 1 hour, open rule. As stated, it provides for the consideration of H.R. 6179, the Arms Control and Disarmament Act Amendments of 1977.

The legislation does several things:

First. It authorizes $14,600,000 to fund operations of the Arms Control and Disarmament Agency for fiscal year 1978. This represents a $2,400,000 increase over fiscal year 1977; $1 million above administration request.

Second. It eliminates the requirement that all research funded by ACDA be carried out by U.S. research institutions or individuals. I am advised that this provision is designed to improve the agency's research program cost-effectiveness.

Third. It permits ACDA to grant access to ERDA or Nuclear Regulatory Commission restricted data on the same basis that DOD or NASA grant access to ERDA/NRC restricted data. The purpose of this is to place ACDA, in the same position as other U.S. Government agencies with respect to the release of certain restricted data to employees and contractors.

Fourth. It creates a new executive level IV position of Special Representative for Arms Control Negotiations. The Special Representative would carry out those functions related to international arms control negotiations delegated to him by the Director, who is under the direction of the President and Secretary of State.

Mr. Speaker, I am aware of some questions that exist concerning the appointment of a Special Representative for Arms Control Negotiations. If we need such a position, why have we not had one before now? What kind of power will the Special Representative have? Will he be able to bind the United States to agreements during the course of negotiations?

I believe these questions are legitimate and very practical. As we debate this legislation, I hope these issues will be addressed.

I do not oppose the passage of this open rule.

Mr. MURPHY of Illinois. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4049, AUTHORIZING ADDITIONAL APPROPRIATIONS FOR U.S. RAILWAY ASSOCIATION

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 529 and ask for its immediate consideration.

The Clerk read as follows:

H. Res. 529

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4049) to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the United States Railway Association. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. Moakley) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 529 is the rule providing for the consideration of the bill (H.R. 4049) to authorize additional appropriations for the U.S. Railway Association for fiscal year 1978.

It is a 1-hour open rule making the committee substitute in order as an original bill for the purpose of amendment. The rule provides for one motion to recommit with or without instructions.

The bill authorizes appropriations of $13 million for fiscal year 1978 and the Congressional Budget Office estimates that $10.4 million will actually be spent with the balance to remain available during fiscal year 1979. The bill also requires USRA to submit a detailed report on all expenditures and use of funds within 30 days after the end of each fiscal quarter. CBO estimates that this will result in no additional costs.

Mr. Speaker, the U.S. Railway Association acts as the agent for the U.S. Government in oversight of the operations of ConRail in implementing the final system plan at the most equitable cost to the taxpayers. It is a party to the court action now underway to value the estates of the bankrupt Northeast railroads. Most of the money authorized will be used by the Association in connection with its legal and overhead costs in protecting the interests of U.S. taxpayers in implementation of the final system plan approved by Congress.

I do not believe that the authorization is controversial. I know of no opposition to the rule and I urge its adoption.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 529 is

the resolution providing for the consideration of H.R. 4049, a bill to authorize additional appropriations for the U.S. Railway Association, under a 1-hour, open rule. It also makes in order the consideration of the amendment in the nature of a substitute recommended by the Interstate and Foreign Commerce Commitee now printed in the bill as an original bill for purposes of amendment.

This legislation authorizes $13,000,000 for administrative expenses of the U.S. Railway Association for fiscal year 1978. The measure is designed to enable USRA to administer its duties to conduct litigation on behalf of the Government arising from the reorganization of the bankrupt railroads in the Northeast and Midwest, to provide funds and monitor their use by ConRail for working capital and rehabilitation, to assess ConRail's progress toward financial independence, and to provide for and monitor payment of certain preconveyance claims against the estate of the bankrupt railroads.

Mr. Speaker, the taxpayers of this country have spent a lot of money over the past several years in an effort to save certain railroads from their own managerial mistakes. ConRail was created as an instrument of that reorganizational effort. I just hope that money spent on ConRail is money well spent.

I know of no objections to the adoption of this rule at this time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 409, nays 0, not voting 24, as follows:

[Roll No. 185]

YEAS—409

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Badham
Badillo
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kildee
Kindness
Koch
Kostmayer
Krebs
Krueger
LaFalce
Lagomarsino
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Pursell
Quayle
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stratton
Studds
Stump
Symms
Taylor
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—24

Anderson, Ill.
Aspin
Burgener
Derrick
Eckhardt
Florio
Forsythe
Hawkins
Johnson, Calif.
Latta
Le Fante
Mathis
Milford
Mitchell, Md.
Moss
Price
Rahall
Rangel
Stokes
Teague
Tonry
Waggonner
Wilson, C. H.
Young, Alaska

The Clerk announced the following pairs:

Mr. Teague with Mr. Anderson of Illinois.

Mr. Waggonner with Mr. Derrick.

Mr. Milford with Mr. Florio.

Mr. Le Fante with Mr. Aspin.

Mr. Eckhardt with Mr. Forsythe.

Mr. Hawkins with Mr. Burgener.

Mr. Charles H. Wilson of California with Mr. Latta.

Mr. Stokes with Mr. Young of Alaska.

Mr. Rangel with Mr. Tonry.

Mr. Johnson of California with Mr. Mitchell of Maryland.

Mr. Moss with Mr. Price.

Mr. Mathis with Mr. Rahall.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS OF 1977

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6179) to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6179, with Mr. PATTISON of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before us, H.R. 6179, has three purposes:

First, H.R. 6179 authorizes an appropriation of $14.6 million for fiscal year 1978 for the Arms Control and Disarmament Agency.

Second, the bill amends the Arms Control and Disarmament Act to improve the efficiency and effectiveness of ACDA operations. The bill permits the use of foreign research institutions by deleting from the law the current requirement that only U.S. public and private research institutions and individuals be given research contracts. The bill also permits the Director of ACDA to grant access to Energy Research and Development Administration and Nuclear Regulatory Commission restricted data on the same basis that the Secretary of Defense or the Administrator of National Aeronautics and Space Agency grants such access.

Third, the bill creates a new executive level IV position of Special Representative for arms control negotiations. This person would be appointed at the discretion of the President with the advice and consent of the Senate. He or she would carry out such functions relating to international negotiations as the Director might designate.

Before explaining the bill in greater detail, I would like to make a few background observations.

The Arms Control and Disarmament Agency was created by the Congress in 1961. In 1975, the Congress made several important changes to the statute reinforcing and enhancing the status and role of the Agency. These changes included the following:

First. The Director of ACDA was made the principal arms control adviser to the President and the entire National Security Council. This is comparable to the role of the Chairman of the Joint Chiefs of Staff who is the principal military adviser to the National Security Council.

Second. Arms control impact statements were required to accompany requests for authorization or appropriations of defense, nuclear weapons, and other technology programs significantly affecting arms control policy and negotiations.

Third. The statutory restrictions on the use of funds for public information were deleted from the law.

The bill before us today is an extension of these congressionally initiated changes which were designed to have ACDA play the central role in the formulation of arms control policy.

The authorization of $14.6 million clearly reflects the intent of the Congress for ACDA to be the public spokesman on arms control goals and activities. This authorization also reflects continued congressional interest in the expansion of research in such vital areas as verification and nuclear safeguards. The committee provided $1 million in addition to funds sought by the administration primarily to support expanson of these two important ACDA functions.

The committee closely examined the administration's request to eliminate the ban on the use of foreign research institutions. Testimony showed that the current ban had prevented ACDA from using Canadian institutions with expertise relating to the safeguarding of heavy water reactors in its safeguards research program. Further testimony illustrated how use of foreign research institutions could save the U.S. taxpayer dollars whenever such research involves field testing of U.S. designed safeguard equipment overseas.

While concurring with the administration's request to permit use of foreign research institutions, the committee underscored in its report that ACDA should continue to support the development of U.S. research capabilities where none presently exists. Also, ACDA should only award contracts to foreign reseach organizations where no cost-effective U.S. capability exists.

The committee also examined the time-consuming and expensive duplication of security investigations of ACDA employees and contractors. The present law does not allow the Director of ACDA to grant access to ERDA and NRC restricted data. As a result, individuals with appropriate clearances granted through other agencies must be recleared when they become ACDA employees or contractors. Last year alone, $17,000 and nearly 11 months of research time were lost as a result of these reclearances.

Enactment of the security clearance provision of the bill would save the taxpayer money and would avoid unnecessary delays in hiring personnel and contractors for ACDA. It would in no way diminish the present security standards and practices of ACDA, which I might add are among the most stringent in the U.S. Government.

The new Executive Level IV Special Representative for Arms Control Negotiations would enable ACDA to have a high level official to lead U.S. delegations to international arms control negotiations since the bill provides the President with discretionary power to appoint a Special Representative with the advice and consent of the Senate. The President and the Secretary of State would of course continue to direct international arms control negotiations as is presently mandated by law.

Mr. Chairman, the Congress has long supported a strong Arms Control and Disarmament Agency. The committee believes the bill before us, H.R. 6179, strengthens the Agency by extending the authorities of the Act and by creating this new position to assist the Director.

Furthermore, H.R. 6179 will provide the funds to enable the administration to work toward a new SALT treaty, deal with the threat of nuclear weapons proliferation, and further restraints on weapons transfers.

Mr. Chairman, I urge passage of H.R. 6179.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we have before us legislation which is truly important and timely—important because of our commitment to a sound arms control program; timely because of our continuing efforts to achieve a just framework for the negotiation of a SALT II agreement.

Among other things, H.R. 6179 provides the Arms Control and Disarmament Agency with an authorization of appropriations which will allow the Agency to continue to participate in a wide variety of arms control negotiations including the strategic arms limitation talks. As you know, ACDA plays an important role in the interagency process carried on within the executive branch to develop strategic and conventional arms policies. In addition, ACDA officials provide us with leadership for arms control negotiations abroad.

The legislation before us will help ACDA provide for more overseas leadership by creating a new Executive Level IV position of Special Representative within the Agency. This legislative provision allows the President, if he so desires, to appoint a "Special Representative for Arms Control and Disarmament Negotiations" who would be confirmed by the Senate. As one of his dutes, the Special Representative would serve as the chief of the alternate U.S. SALT negotiating team which in effect would facilitate the formulation of SALT policies by our negotiators in both Washington and Moscow. I would also like to point out that if the President decides to create the Special Representative position, there will be no additional costs to the taxpayers.

H.R. 6179 will also save us money by permitting ACDA to use foreign research facilities where necessary. I would like to emphasize the fact that the committee has urged ACDA to continue to support the development of U.S. research capabilities. It has been recommended that ACDA should award foreign contracts only in situations where no U.S. technologies may exist. This particular provision of the bill also would allow ACDA to field test equipment in other countries without having to incur high transportation costs and expensive technical support services.

The legislation on the floor today also improves bureaucratic efficiency by expediting ACDA's granting of security clearances. H.R. 6179 places ACDA in the same position as NASA and DOD with respect to the release of AEC/ERDA restricted data to contractors and employees.

Finally, H.R. 6179 provides for a 1-year authorization of appropriations for the Arms Control and Disarmament Agency. Overall I believe that a 1-year authorization provides Congress with a better opportunity for effective oversight of ACDA.

The legislation actually authorizes $14.6 million for ACDA, $1 million more than the administration's request. I believe the extra amount is warranted given the very large responsibilities this Agency will be asked to fulfill in the coming year. I concur with the committee that the money should be spent on a better public affairs program as well as on research in such vital areas as nuclear safeguards and arms verification.

We all recognize the importance of safeguards and verification in relation to international security agreements. Verification in particular is central to our arms control policy and it will become increasingly important to our future national security. I sincerely hope that a firm and continuing commitment by the United States to improve verification techniques will result in just programs for arms limitations. Moreover, I am hopeful that this kind of legislation as well as our overall interest in the achievement of sound arms control programs will provide the United States and other nations with better opportunities to maintain the security of all.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield 2 minutes to the gentleman from Arizona, (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I will vote "no" on this $14.6 million authorization for the Arms Control and Disarmament Agency.

Under the directorship of Paul Warnke, I believe that this authorization is a potentially lethal weapon against our Nation's security and defense interests.

This Agency is responsible for advising the President on arms control negotiations. It participates in choosing the American negotiating team and provides various backup services to our negotiators, also under the leadership of Mr. Warnke.

Mr. Warnke's record shows that he is a firm advocate of unilateral abandonment by the United States of every weapons' system which is subject to negotiation at the strategic arms limitation talks (SALT) with the Soviet Union, as well as many others which are not currently under discussion.

This authorization constitutes congressional endorsement of Mr. Warnke's policy position that U.S. strategic superiority is meaningless. The authorization gives him necessary leverage to implement that view within the councils of our own Government, and in his position as Chief U.S. Negotiator with the Soviet Union at SALT.

A "No" vote against the authorization, on the other hand, signals needed congressional opposition to the public policy views of Mr. Warnke in the defense and arms control area.

I believe that my colleagues should seriously consider this matter as we vote on this authorization.

Mr. Warnke will in all likelihood implement various research and advisory initiatives under this authorization to justify and promote his publicly stated positions as follows:

Opposition to development of the B–1 bomber;

Opposition to the Trident submarine;

Opposition to the M–X missile;

Opposition to the Cruise missile; and

Opposition to the MIRVing of existing weapons.

In short, Mr. Warnke under this authorization will have the authority and development and deployment of nearly every defense system that could have any meaningful bargaining power with the Soviet Union in the SALT negotiations.

Five years ago, Mr. Warnke contended in Senate testimony that continued deployment of the Safeguard anti-ballistic missile system and multiple warheads for offensive missiles could only lessen the chances of reaching an arms control agreement. The fact that two arms control agreements were subsequently reached, because of such continued deployment, clearly refuted Mr. Warnke's arms control philosophy.

But his philosophy has not changed. He realizes that we have not developed any new ICBMs in a decade—that our B–52's date back to the early 1950's—and that our Poseidon and Polaris submarines also date back many years.

The B–1 bomber, MX missile, and Trident submarine are natural and necessary replacements for these weapons systems—and will strengthen our bargaining position with the Soviet Union. But Mr. Warnke does not believe in the kind of hard bargaining that is necessary with an adversary like the Soviet Union, and so will inevitably deploy his agency to oppose continuation of weapons systems that have long been considered necessary by the Congress.

Mr. Chairman, Mr. Warnke has demonstrated his intent to implement his parochial arms control views as director of the Arms Control and Disarmament Agency. He has disbanded the important verification and analysis bureau of the agency, which existed to develop ways to verify Soviet Arms violations.

This is another mistaken signal to the Soviets by Mr. Warnke that the United States is not interested or concerned about verification in future arms pacts.

I believe it is a mistake for us to vote for this authorization without some very clear signals to the administration and the world community that the United States will be second to none in national defense—and that we will not tolerate further arms buildup by the Soviet Union if they expect us to continue SALT negotiations.

Mr. BROOMFIELD. Mr. Chairman, I yield 25 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, the reason I have been given 25 minutes is that this statement will go down in history as one of the greatest addresses ever given in the U.S. Congress. Therefore that much time is obviously necessary.

Mr. Chairman, may I first say that I have been and will continue to be a supporter of the Arms Control and Disarmament Agency. I think it is essential that in this day and age of awesome weaponry that we have an agency that is devoted to negotiation and controlled limitations in the use of weapons. It is in that positive fashion that I approach the issue this afternoon.

When we reach the 5-minute rule, the amending stage, I will offer an amendment aimed at the certification procedures which I believe are absolutely essential.

I take this time now to point out to the Members that when we are speaking of technical procedures of the ACDA, that is a field in which expertise is obviously needed, when we speak of verification we are speaking of a political problem, and it is the political nature and concern over verification that I would like to address this afternoon.

It seems to me the more effective the procedures we can develop for verification—and in this case that will include proper reports to Congress on the issue of verification—the less concern we will have across the country as a whole and among special groups over whether or not arms control is effective. It seems to me that the proponents of arms control, and I put myself in that category, and the officials of this agency ought to be supportive of whatever steps we could take to improve verification procedures and to equip the Congress and therefore the public with the confidence that we do have effective procedures for verification.

I would like to point out to the Members that if our standards on verification are too low we may make violations irresistible or seem to be irresistible to our possible adversaries. Once these violations are exposed then we have a situation in which mistrust rather than trust is a major factor and which could do damage to future negotiations. So I say at the appropriate moment I will be offering an amendment to perfect this bill to the extent that we will have more effective verification procedures, but in view of the cooperation that the chairman of the committee and the Chief of Staff have continually given me over the years and in view of the hour and in view of the interest I know the Members have in reaching my amendment I will reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. I will be very brief.

I commend the gentleman from Illinois for his statement and I associate with his remarks. I will also be joining the gentleman in support of his amendment. I think it is absolutely essential that we have strong, valid, and credible verification procedures if we do indeed want to reach the kinds of arms control we consider necessary and desirable.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I will certainly wait with bated breath until the gentleman offers his amendment, but possibly as a prelude to his amendment can the gentleman give me some indication what his amendment is. I believe that the ACDA director wants to provide a verification team to go along with each of the bureaus. For instance, the Bureau of International Security programs will have its own verification unit, and the Bureau of Weapons Evaluation and Control would have one. Is the gentleman suggesting we should keep the verification units separate and distinct?

Mr. DERWINSKI. No. My amendment is aimed entirely at the reporting provisions to the Congress, in other words the reporting provisions on verification. Actually my amendment is a sense of Congress resolution and I will quote from the opening paragraph:

> It is the sense of Congress that effective verification of compliance is an indispensable factor in any international arms control agreement.

And then it specifically provides:

> in the case of any arms control agreement and treaty that has entered into force, any significant degradations or alterations—

Would be subject to verification procedures, and then it provides for reporting to Congress on a timely basis or upon request by the appropriate committees.

I actually am not changing or do not want to change whatever structuring there is going on in the agency. What I am concerned with is that Congress be properly advised of verification procedures so that we are not in doubt, we are not worried, we give them our support, and therefore hopefully the public support will be behind any of the steps they take. So I am not attempting in any way to alter the structure of the agency or tie the hands of the Administrator.

Mr. DOWNEY. I thank the gentleman.

Mr. BROOMFIELD. Mr. Chairman, I have no further requests for time.

Mr. ZABLOCKI. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 6179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Arms Control and Disarmament Act Amendments of 1977".

SPECIAL REPRESENTATIVE FOR NEGOTIATIONS

SEC. 2. (a) Title II of the Arms Control and Disarmament Act (22 U.S.C. 2561–2566) is amended by adding at the end thereof the following new section:

"SPECIAL REPRESENTATIVE FOR NEGOTIATIONS

"SEC. 27. The President may appoint, by and with the advice and consent of the Senate, a Special Representative for Arms Control and Disarmament Negotiations who shall perform such duties and exercise such powers (under the direction of the President and the Secretary of State, acting through the Director) as the Director may prescribe with respect to international arms control and disarmament negotiations and matters relating thereto.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(114) Special Representative for Negotiations, United States Arms Control and Disarmament Agency.".

USE OF FOREIGN RESEARCH INSTITUTIONS

SEC. 3. Section 31 of the Arms Control and Disarmament Act (22 U.S.C. 2571) is amended by striking out "United States" in clause (2) of the second sentence.

SECURITY REQUIREMENTS

SEC. 4. Section 45(c) of the Arms Control and Disarmament Act (22 U.S.C. 2585(c)) is amended to read as follows:

"(c) The Energy Research and Development Administration and the Nuclear Regulatory Commission may authorize any of their employees, or employees of any of their contractors, prospective contractors, licensees, or prospective licensees or any other person authorized by them to have success to Restricted Data under section 145 of the Atomic Energy Act of 1954, to permit the Director or any officer, employee, consultant, person detailed from other Government agencies, member of the General Advisory Committee or of an advisory board established pursuant to section 41(f) of this Act, contractor, subcontractor, prospective contractor, or prospective subcontractor, or officer or employee of such contractor, subcontractor, prospective contractor, or prospective subcontractor, to have access to Restricted Data which is required in the performance of his duties and so certified by the Director, but only if (1) the Director has determined, in accordance with the established personnel security procedures and standards of the Agency, that permitting such individual to have access to such Restricted Data will not endanger the common defense and security, and (2) the Director finds that the established personnel and other security procedures and standards of the Agency are adequate and in reasonable conformity to the standards established by the Energy Research and Development Administration and the Nuclear Regulatory Commission under section 145 of the Atomic Energy Act of 1954. Notwithstanding section 41(g) of this Act, the responsibility of the Director under clause (2) of the preceding sentence may not be delegated. Any individual granted access to such Restricted Data pursuant to this subsection may exchange such data with any individual who (A) is an officer or employee of the Department of Defense, or any department or agency thereof, or a member of the Armed Forces, or an officer or employee of the National Aeronautics and Space Administration, or a contractor or subcontractor of any such department, agency, or armed force, or an officer or employee of any such contractor or subcontractor, and (B) has been authorized to have access to Restricted Data under the provisions of section 143 of the Atomic Energy Act of 1954 or section 304(b) of the National Aeronautics and Space Act of 1958.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. Section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)) is amended by inserting in the second sentence immediately after "and other nondiscretionary costs)," the following: "and for fiscal year 1978 the sum of $14,600,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs),".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: Page 2, immediately after line 19, insert the following new section 4 and redesignate subsequent sections accordingly:

VERIFICATION OF ARMS CONTROL AGREEMENTS

SEC. 4. Title III of the Arms Control and Disarmament Act is amended by adding at the end thereof the following new section:

"VERIFICATION OF ARMS CONTROL AGREEMENTS

"SEC. 37. (a) It is the sense of Congress that effective verification of compliance is an indispensable factor in any international arms control agreement. In recognition of that fact and in order to assure that all arms control proposals made or accepted by the United States can be adequately verified, the Director shall report to the Congress, on a timely basis or upon a request by an appropriate committee of the Congress—

"(1) in the case of each element of any arms control proposal made to a foreign country by the United States, the judgment of the Director as to the degree to which such element can be verified by existing national technical means;

"(2) in the case of each element of any arms control proposal made to the United States by a foreign country, the judgment of the Director as to the degree to which such element can be verified by existing technical means;

"(3) in the case of any arms control agreement and treaty that has entered into force, any significant degradations or alterations in the capacity of the United States to verify the various components of such agreement or treaty;

"(4) the number of professional personnel assigned by Government agencies on a full-time basis to analyze arms control verification; and

"(5) the amount and percentage of research funds expended by Government agencies for the purpose of analyzing issues relating to arms control verification.

"(b) For purposes of paragraphs (1) and (2) of subsection (a), in assessing the degree to which specific elements of any arms control proposal can be verified by national technical means, it should be assumed that all measures of concealment not expressly prohibited could be employed and that 'standard practices' could be altered so as to impede verification.".

Mr. DERWINSKI. Mr. Chairman, my concern over the need for sound verification has several purposes among them being the need to keep verification uppermost in everyone's mind at a time when we are on the verge of negotiating a new SALT agreement.

As you know, verification serves to detect violations of an agreement which in effect provides for better national security. I believe that we can even better insure our security by providing for the proper accountability of verification to the Congress. I firmly believe that in this way, verification can build better domestic and international confidence in the viability of an arms control agreement. An ACDA manual on the subject of verification further states that:

> By providing evidence that the parties to an agreement are in fact fulfilling the obligations they have assumed, verification contributes to mutual trust among the parties, and helps to create a political environment necessary for further progress in arms control. At the same time, it provides an important safeguard against wishful illusions, and against possible manipulation of an atmosphere of trust in the pursuit of unilateral advantage.

As you know, the type of agreements concluded by the United States in recent years have been largely influenced by the technical possibilities of verification. Verification by national technical means, has become increasingly important to our arms control programs. It is my hope that Congress will encourage more research in this area and can be made better aware of our verification techniques and problems through timely reports in order that we can better assess the degree to which arms control proposals can actually be verified.

In this way we can better provide for confidence in not only a single agreement but a sound arms control program.

Mr. Chairman, this amendment, and I will go over it very briefly, expresses the sense of Congress that sufficient verification of compliance is an indispensable factor in any international arms control agreement when it specifically finds that in the case of each element of any arms control proposal made to a foreign country by the United States or made to the United States by a foreign country, the judgment of the Director as to the degree to which such element can be verified by existing technical means shall be reported to the Congress on a timely basis or upon a request by the appropriate committee of Congress.

Now, as I stated earlier, the purpose behind the amendment is my recognition of what I consider to be the political facts of life; namely, that there is in the United States, there is now and has been for many years, a public feeling that "you can't trust the Russians."

Now, whether this is right or wrong we might argue, but the fact is that feeling is there. If this is a true public feeling, obviously to meet this public concern, if we can demonstrate to the public that the verification procedures are thorough, they are exact, that Congress is fully informed, this will go a long way toward easing the instinctive opposition and doubt about any treaties or agreements that are worked out.

We know from past agreements with the Soviet Union that their record of compliance with international agreements is not that good. We know, in this very delicate area, that we should have proper information. The entire purpose of my amendment is to provide minimum procedures, because we are not really imposing great restrictions at all.

All we are providing is this—I reemphasize—that the director shall report to the Congress on a timely basis, or upon a request by an appropriate committee of the Congress, the information that may be needed on verification procedures. The amendment also provides, in subparagraph 3, that in the case of any arms control agreement and treaty that was entered into, for which any significant degradations or alternations in the capacity of the United States to verify the various components of such agreement or treaty occur, shall be subject to this reporting provision.

Considering the other reporting provisions I have seen attached to many bills from many committees, this will be a minimum imposition on the agency. I wish to emphasize that I personally am a supporter of the Arms Control and Disarmament Agency. I think it deserves support and deserves to be successful in its area of responsibility. My amendment is intended to provide that extra guarantee, that we in the Congress have the information needed to have trust and confidence in its development, and in turn the public, recognize that additional element of responsibility, also feels more comfortable, more relaxed, more confident in our officials.

That is, the very delicate assignment of negotiating major arms agreements with our adversaries. I believe this is a practical amendment, and I hope that it would have the support of the Members on the floor this afternoon.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, all Members who desire to improve the national security of our country through the conclusion of arms control agreements recognize the importance of adequate verification of these agreements, The U.S. Government must know that the Soviet Union as well as other parties to arms control agreements adhere to their commitments just as our Government does.

However, I find I am unable to support the amendment offered by my colleague from Illinois. It is not the Director of the Arms Control and Disarmament Agency who determines whether or not a violation of an existing arms control agreement has occurred. The President makes this determination on the basis of evidence collected by the intelligence community and subjected to further analysis within the intelligence community, the Defense Department, the State Department, and the Arms Control and Disarmament Agency. To impose a reporting requirement solely on the Arms Control and Disarmament Agency would be unreasonable.

The Arms Control and Disarmament Agency already has primary responsibility for determining whether or not proposed arms control agreements can be verified by U.S. National Technical Means. If any part of the proposal cannot be adequately verified, it is modified or new intelligence requirements and capabilities are determined to satisfy the verification requirements of the proposal.

Furthermore, the reporting requirements contained in the amendment are unnecessary. The capabilities of the U.S. Government to observe the behavior of foreign governments with respect to their treaty commitments are routinely discussed before the Congress in Defense Department and intelligence community authorization and appropriations hearings.

In addition, the activities of the Arms Control and Disarmament Agency with respect to its verification activities are reported to the Committee on International Relations and the Committee on Appropriations on a routine basis. For example, the Agency briefed the subcommittee on the reorganization of ACDA on April 15; additional material was supplied to the subcommittee on April 29 and May 2.

In my judgment the reports as are required by the amendment would bring out into the open those collection techniques which the former Director of ACDA urged be kept secret. This would not strengthen our ability to verify arms control—it would weaken it.

Mr. Chairman, the purposes of this amendment are laudable; however, the Congress is already being kept informed on the technical aspects of verifying arms control agreements through its authorization and appropriation processes.

The proposed amendment should be defeated because it is unnecessary.

In light of these facts, I urge the amendment be defeated.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong suport of the Derwinski amendment to H.R. 6179, the Arms Control and Disarmament Agency authorization.

Effective May 1, the Verification Bureau of the Arms Control and Disarmament Agency was abolished in order to, according to ACDA, strengthen the role of verification in arms control discussions. I might say that I find the logic in that action somewhat hard to follow.

By reassigning those individuals in the Verification Bureau to other bureaus to work directly on their specialty, I am told that greater emphasis will be placed on verification because they will be working more closely with the arms control negotiators. While that argument may seem plausible at first glance, there have been numerous reports that the real intention of the change was to eliminate middle level officials who have reportedly obstructed arms control agreements because of their hard line on verifications requirements.

The new alinement in ACDA certainly gives rise to skepticism about the real intention regarding verification. No longer will there be a separate voice that can provide a dissenting view on the bureau level. Under the new setup, a middle level official working on verification for a SALT agreement, for example, would present his views on verification to his bureau chief who would be negotiating the SALT agreement. If his chief disagrees with him, the verification dissent is vetoed, and that is it. And it would appear there is no chance for dissenting views to be presented at a higher level.

I will grant you that is the view of a skeptic; but we are talking about arms control and disarmament, which is an extremely emotional subject. The validity of any arms control proposal depends, in large extent, on the perception of our intentions by our adversaries, or in the case of SALT, by the Soviet Union. If it is the Soviets' perception that we are downgrading verification, whether it is true or not, we are placing ourselves in a very difficult and dangerous negotiating position.

The Director of ACDA, in his confirmation hearings, said: "Any agreement which is not verifiable is worse than no agreement at all."

Let me repeat what he said: "Any agreement which is not verifiable is worse than no agreement at all."

This amendment merely provides that since verification is an indispensable factor in any international arms control agreement, timely reports shall be made to Congress on verification aspects of arms control proposals. This amendment serves to reinforce the principle of verification so that there is no misunderstanding in anyone's mind that the United States has not downgraded the importance of verification.

Mr. Chairman, I urge support of the amendment.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, is the gentleman suggesting that because of the Director's reorganization plan, and because verification for strategic agreements is placed in the hands of strategic negotiators or related directly to our strategic negotiators that somehow we are going to not have adequate verification?

Mr. LAGOMARSINO. Mr. Chairman, I think that that perception could very well be had when the action is taken.

Mr. DOWNEY. How can the gentleman draw that conclusion when he considers the fact that it is not, for instance, ACDA that is carrying out the verification but it is the CIA, NSA, and the DIA? They are the ones and the Air Force who take the photographs and that, and with human resource purposes, make determinations of the matters fed to arms control people.

Does the gentleman suggest that a middle-level bureaucrat who has been transferred from one unit to another is somehow going to alter the position of the United States with respect to verification?

Does the gentleman not agree that we have a great number of agencies that are concerned with verification, as we must have if the agreement is to be verified?

Mr. LAGOMARSINO. I agree that we do have those agencies, but I am also concerned about how those views will be presented to the point where they can be considered.

Mr. DOWNEY. But I thought I got from the import of the gentleman's remarks the idea that because of the administrative change—and this is what the gentleman is suggesting—we really need the Derwinski amendment here in order to satisfy ourselves that there is some adequate verification.

I am just concerned with the fact that the gentleman really harbors the view that verification is not the cornerstone of the agreement, and that the agreement is going to be altered by this process, but I do not see how that is going to be done.

The CHAIRMAN. The time of the gentleman from California (Mr. LAGOMARSINO) has expired.

(On request of Mr. DOWNEY and by unanimous consent, Mr. LAGOMARSINO was allowed to proceed for 1 additional minute.)

Mr. LAGOMARSINO. No. In answer to the gentleman's question, Mr. Chairman, I think that verification is the cornerstone, as Mr. Warnke said. There is absolutely no question about that. I think it is very important not only that there be adequate verification procedures available but that they be able to be presented in a meaningful way.

I am not suggesting, nor is the gentleman from Illinois (Mr. DERWINSKI), that we require that the procedure that was in effect be continued, although I happen to think that would be a better way to proceed. But I think in light of the concern about this, we should at least, as we have done with numerous other agencies, require specific and separate reporting criteria so that reports can be made and verified in this situation by the committees of Congress.

Mr. DOWNEY. Mr. Chairman, if I understood the chairman of the full committee, he suggested that this reporting requirement is already mandated by a number of different agencies in reporting to Congress, and certainly the gentleman is well aware of the fact that the Senate would have to ratify any treaty. Certainly verification would be a very important part of that.

Mr. Chairman, I do not see how the Derwinski amendment makes any great difference in this procedure.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I speak as one who has been very concerned about the problem of verification ever since I have been in the Congress.

My support for this amendment does not arise just because we have had a change in administrations. I had exactly the same concern when Gerald Ford was President and when Fred Ikle was the Director of ACDA. In fact, I went to great lengths during the administration of President Ford to bring my concern to his attention. I recall vividly that I finally had a chance to talk to him during the campaign, during the course of one of the Air Force One flights, and at that time he read a letter of mine in which I expressed concern.

I mention that only as background so that no Member will think that my concern over verification arises just because a change in administrations has occurred. Nor does it relate to the personality of the new Director of ACDA.

As the chairman of the full committee will recall, I joined with him in a letter to President Carter endorsing the consideration of Mr. Warnke to be Director of ACDA. I have not had reason to change my opinion of him since that time. I think he is capable of doing a good job, and I have confidence in him in that position.

It may well be that some of the provisions of the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) are redundant, that they duplicate reports that are already required by law. If so, it is a harmless redundancy, and I think, one that is thoroughly justified.

The main point I would make, in addition to the points that have already been made, is that public support for arms control measures, depending upon whatever may emerge from SALT-II activities, is highly critical.

I believe that the reporting requirements spelled out in this amendment would enhance public confidence in whatever emerges.

Mr. Chairman, I will say finally that there is no reason that the reports or parts of the reports required by this amendment could not come to the appropriate committees under classification. It may well be that some of the information should be, at least for a time, if not for a long period of time, kept under classification. If so, I am sure the committees of the Congress would respect that classification.

Nevertheless, the existence of this requirement for reporting would, I believe, enhance public acceptance of whatever arms control agreements may be forthcoming.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The question was taken; and on a division (demanded by Mr. DERWINSKI) there were—ayes 22, noes 23.

RECORDED VOTE

Mr. DERWINSKI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 259, noes 148, not voting 26, as follows:

[Roll No. 186]

AYES—259

Abdnor
Addabbo
Allen
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Armstrong
Ashbrook
Badillo
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bevill
Biaggi
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Byron
Caputo
Carney
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
Delaney
Dent
Derwinski
Devine
Dickinson
Dodd
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Fithian
Flippo
Flood
Flowers
Flynt
Ford, Tenn.
Fountain
Fowler
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gilman
Ginn
Glickman
Goldwater
Goodling
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harsha
Heckler
Hefner
Hightower
Hillis
Holland
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jordan
Kasten
Kelly
Kemp
Ketchum
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Leach
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Mahon
Mann
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nichols
Nowak
O'Brien

Patterson
Pettis
Pickle
Poage
Pressler
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Robinson
Rogers
Rousselot
Rudd
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Sawyer
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Sisk
Skelton
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stangeland
Stanton
Steers
Steiger
Stockman
Stratton
Stump
Symms
Taylor
Thone
Traxler
Treen
Trible
Tucker
Van Deerlin
Vander Jagt
Waggonner
Walgren
Walker
Walsh
Wampler
Whalen
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—148

Alexander
Ambro
Ammerman
Annunzio
Ashley
AuCoin
Baldus
Baucus
Bedell
Beilenson
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burlison, Mo.
Burton, John
Burton, Phillip
Carr
Clay
Collins, Ill.
Conyers
Corman
Cornwell
Cotter
Danielson
de la Garza
Dellums
Dicks
Diggs
Dingell
Downey
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Fary
Fascell
Fenwick
Fisher
Foley
Ford, Mich.
Fraser
Gephardt
Giaimo
Gibbons
Gonzalez
Gore
Harkin
Harrington
Harris
Heftel
Holtzman
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Keys
Kildee
Koch
Lederer
Leggett
Lehman
Lundine
McCormack
McFall
Maguire
Markey
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Pa.
Myers, Michael
Nedzi
Nix
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pattison
Pease
Pepper
Perkins
Pike
Preyer
Reuss
Richmond
Roberts
Rodino
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ryan
Scheuer
Schroeder
Seiberling
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stark
Steed
Stokes
Studds
Thompson
Thornton
Tsongas
Udall
Ullman
Vanik
Vento
Volkmer
Watkins
Waxman
Weaver
Weiss
White
Wirth
Wright
Yates
Young, Mo.
Young, Tex.
Zablocki

NOT VOTING—26

Akaka
Anderson, Ill.
Andrews, N.C.
Aspin
Broyhill
Burgener
Derrick
Eckhardt
Florio
Forsythe
Hawkins
Johnson, Calif.
Jones, Tenn.
Krueger
Latta
Le Fante
Milford
Mitchell, Md.
Moss
Price
Quie
Rahall
Rangel
Roe
Teague
Tonry

Messrs. KOSTMAYER and TUCKER changed their vote from "no" to "aye."

Mrs. BOGGS and Mr. DIGGS changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, several Soviet defectors from the U.S.S.R. intelligence community have informed our Nation that over 85 percent of Soviet intelligence gathering is accomplished by merely subscribing to an American magazine called "Aviation Week and Space Technology." This excellent journal's reputation for accuracy and responsibility is acknowledged worldwide.

In Aviation Week's current issue, dated May 2, 1977, there is an awesome editorial, the opening line reads as follows:

> The Soviet Union has achieved a technical breakthrough in high energy physics application that may further provide it with a direct energy beam weapon capable of neutralizing the entire United States ballistic missile force and checkmating . . .

Repeat—

> . . . checkmating this country's strategic doctrine.

Verification—I repeat—verification is the name of this deadly game of disarmament. I rise to support this amendment because we are now entering an even more frightening period of Communist weapons proliferation where verification at best is almost impossible. I include herein the entire Aviation Week and Space Technology editorial by editor Robert Hotz and also include a subsequent hard-hitting research article in the same May 2, 1977, issue by Clarence A. Robinson, Jr., titled "Soviets Push for Beam Weapon."

BEAM WEAPON THREAT

The Soviet Union has achieved a technical breakthrough in high-energy physics application that may soon provide it with a directed-energy beam weapon capable of neutralizing the entire United States ballistic missile force and checkmating this country's strategic doctrine. Repeat: not checking but checkmating.

These developments are described in detail in this issue by Aviation Week & Space Technology Military Editor Clarence A. Robinson, Jr., in the story beginning on page 16. There are those in the official intelligence bureaucracy who will challenge our judgment in printing these facts on those Watergate-worn grounds of "national interest." We have been following this story for more than a year and have in fact refrained from printing it earlier because of what were then legitimate matters of intelligence security. But those considerations no longer exist.

The hard proof of eight successful Soviet tests of directed-energy beam weapon technology gives new and overriding urgency to bring these developments into the public domain and rip the veil of intelligence secrecy so that this whole matter of vital national urgency and survival will finally be brought to the attention of the President of these United States, the Congress and the citizens of this republic whose future is at risk. In all of the previous four years that these Soviet developments have been known to the official intelligence community, they have been stifled by a conspiracy of skepticism and silence and never once penetrated to the highest decision-making councils of this country.

TECHNOLOGY LEAP VERIFIED

The incredible story of how the Soviets leapfrogged a generation of high-energy physics technology and developed a workable experimental model of a directed-energy beam weapon now has been largely verified by the successive Soviet tests at Semipalatinsk and Azgir and the brilliant work of a small group of extremely young physicists in this country. The fact that this country still has a chance of avoiding a crippling technological surpise that could render its entire strategic missile force ineffective is due to the courageous, dogged and perceptive work of a handful of U.S. Air Force intelligence specialists who polarized around the leadership of Maj. Gen. George Keegan, Jr., recently retired chief of Air Force intelligence (AW&ST Mar. 28, p. 38).

We do not suggest any formal conspiracy to suppress the mounting evidence of a massive Soviet research, development and industrial push aimed at the goal of an anti-ICBM directed-energy beam weapon. Rather it was a combination of smug American assurance that the Soviets were simply not capable of out-reaching us in any technological race and the intellectual arrogance of elderly scientists who through the ages have spent their twilight years proving that the next generation of breakthroughs is "impossible."

In modern times, we have the continuing examples of Dr. Vannevar Bush, who thundered that the ICBM was a technical impossibility, and the assortment of scientists in the Eisenhower era who firmly believed that manned spaceflight should be abandoned because the human system could not survive its rigors. It was a similar group of high-energy physicists, some heavy with Nobel laurels, who encouraged the natural technical illiteracy of the Central Intelligence Agency to discount the steadily growing stream of Soviet developments and to lead the bitter intramural battles that suppressed the evidence from higher government councils for crucial years.

There is still considerable debate over the real significance of the Soviet tests at Semipalatinsk and Azgir and how long it will take the Soviets to translate their experimental developments into a usable weapon. But there is no longer much doubt among top-level U.S. high-energy physicists that it is feasible to develop a directed-energy beam device.

INITIAL SKEPTICISM OVERCOME

There also is an element in the Pentagon that can visualize the eventual Soviet deployment of the directed-energy beam weapon as the end game of an intricate chess exercise that began with the 1972 negotiation of the anti-ballistic missile treaty, which effectively stopped not only U.S. deployment of an anti-ICBM system but also most of its significant ongoing research and development. The hypothesis for this chess game, which ends in the early 1980s with the triumphant Soviet shout of "check and mate," involves the U.S. finding its strategic deterrent ballistic missile force stripped of any defensive system, with the Soviets using their anti-ICBM directed-energy beam weapon to negate any U.S. retaliation and a strong civil defense shield to minimize damage from the few warheads that might penetrate.

The race to perfect directed-energy weapons is a reality. Despite initial skepticism, the U.S. scientific community now is pressuring for accelerated efforts in this area.

It is absolutely essential that the remaining chapters of this debate be conducted in public where every American citizen, from President Jimmy Carter on down, is aware of the elements that will determine this nation's future. It is far too important an issue to be cloaked in the obscure bureaucratic infighting of the intelligence community.

It could be a fatal error for this country to continue to put its major strategic reliance on a single type weapon for which an effective counter is already looming on the technical horizon.

—ROBERT HOTZ.

SOVIETS PUSH FOR BEAM WEAPON

(By Clarence A. Robinson, Jr.)

WASHINGTON.—Soviet Union is developing a charged-particle beam device designed to destroy U.S. intercontinental and submarine-launched ballistic missile nuclear warheads. Development tests are being conducted at a facility in Soviet Central Asia.

The Soviets also are exploring another facet of beam weapons technology and preparing to test a spaceborne hydrogen fluoride high-energy laser designed for a satellite killer role. U.S. officials have coined the term directed-energy weapons in referring to both beam weapons and high-energy lasers.

A charged-particle beam weapon focuses and projects atomic particles at the speed of light which could be directed from ground-based sites into space to intercept and neutralize reentry vehicles, according to U.S. officials. Both the USSR and the U.S. also are investigating the concept of placing charged-particle beam devices on spacecraft to intercept missile warheads in space. This method would avoid problems with propagating the beam through the earth's atmosphere.

Because of a controversy within the U.S. intelligence community, the details of Soviet directed-energy weapons have not been made available to the President or to the National Security Council.

Recent events have persuaded a number of U.S. analysts that directed-energy weapons are nearing prototype testing in the Soviet Union. They include:

Detection of large amounts of gaseous hydrogen with traces of tritium in the upper atmosphere. The USAF/TRW Block 647 defense support system early warning satellite with scanning radiation detectors and infrared sensors has been used to determine that on seven occasions since November, 1975, tests that may be related to development of a charged-particle beam device have been carried out in a facility at Semipalatinsk.

Ground testing of a small hydrogen fluoride high-energy laser and detection of preparations to launch the device on board a spacecraft. Some U.S. officials believe the test of the antisatellite laser may be related to recent Soviet activities on a manned Salyut space station.

Test of a new, far more powerful fusion-pulsed magnetohydrodynamic generator to provide power for a charged-particle beam system at Azgir in Kazakhstan near the Caspian Sea. The experiment took place late last year in an underground chamber in an area of natural salt dome formations in the desert near Azgir and was monitored by the TRW early warning satellite stationed over the Indian Ocean.

New test site at Azgir under the direct control of the Soviet national air defense force (PVO Strany), commanded by Marshal of the Soviet Army General P. F. Batitskiy. Since the PVO Strany would be responsible for deploying a beam weapon to counter U.S. ICBM warheads, Marshal Batitskiy's role indicates a near-term weapons application for these experiments, U.S. officials believe.

Point-by-point verification by a team of U.S. physicists and engineers working under USAF sponsorship that the Soviets had achieved a level of success in each of seven areas of high-energy physics necessary to develop a beam weapon.

Shifts in position by a number of experienced high-energy physicists, who earlier discounted the Soviet capability to develop the technology for a charged-particle beam device. There is now grudging admission that the USSR is involved in a program that could produce such a weapon.

Recent revelations by Soviet physicist Leonid I. Rudakov during a tour last summer of U.S. fusion laboratories that the USSR can convert electron beam energy to compress fusionable material to release maximum fusion energy. Much of the data outlined by Rudakov during his visit to the Lawrence Livermore Laboratory has since been labeled top secret by the Defense Dept. and the Energy Research and Development Administration, but it gave a clue to U.S. scientists that the USSR is far ahead of the U.S. in controlled fusion by inertial confinement (compression of small pellets of thermal nuclear fuel) and weapons based on that technology.

Pattern of activity in the USSR, including deployment of large over-the-horizon radars in northern Russia to detect and track U.S. ICBM reentry vehicles, development and deployment of precision mechanical/phased-array antiballistic missile radars and massive efforts aimed at civil defense.

There is little doubt within the U.S. scientific or intelligence communities that the Soviets are involved in developing high-energy technology components that could be used to produce a charged-particle beam weapon, but there is a great difference of opinion among officials over whether such a device is now being constructed or tested in the USSR.

In increasing numbers, U.S. officials are coming to a conclusion that a decisive turn in the balance of strategic power is in the making, which could tip that balance heavily in the Soviets' favor through charged-particle beam development, and the development of energetic strategic laser weapons.

Most of the controversy centers on what tests are being conducted in an unusual research facility about 35 mi. south of the city of Semipalatinsk.

In the face of mounting evidence of Soviet efforts aimed at developing a charged-particle beam weapon for antiballistic missile defense, the Air Force's Scientific Technical Intelligence Committee (STIC) has scheduled a fall meeting to review new data.

The Semipalatinsk facility where beam weapons tests are taking place has been under observation by the U.S. for about 10 years. The central building at the facility is believed by some officials to contain a collective accelerator, electron injectors and power stores.

The building is 200 ft. wide and 700 ft. long, with walls of reinforced concrete 10-ft. thick, the entire facility, with its associated support equipment, is estimated to have cost $500 million.

The test site is at the southern edge of the Semipalatinsk nuclear test area, and it is separated from other test facilities. It is surrounded by a series of security fences.

The total amount invested by the USSR in the test project for the 10 years' work there is estimated at $3 billion by U.S. analysts.

The U.S. used high-resolution photographic reconnaissance satellites to watch as the Soviet technicians had four holes dug through solid granite formations not far from the main large building at the facility. Mine heads were constructed over each opening, and frames were built over the holes. As tons of rock were removed, a large underground chamber was built deep inside the rock formation.

In a nearby building, huge, extremely thick steel gores were manufactured. The building has since been removed. These steel segments were parts of a large sphere estimated to be about 18 meters (57.8 ft.) in diameter. Enough gores for two complete spheres were constructed. U.S. officials believe the spheres are needed to capture and store energy from nuclear-driven explosives or pulse-power generators. The steel gores are believed by some officials to be among the earliest clues as to what might be taking place at the facility.

The components were moved to the nearby mine heads and lowered into the chamber.

Some other U.S. physicists believe the steel gores are designed for underground storage of unused nuclear fuel for a magnetohydrodynamic or closed cycle gas core fission process needed to power beam weapons or for storing waste products from the fission process.

One of the major problems in gaining acceptance of the concept within the U.S. scientific community was to convince high-energy physics experts that the Russians might be using nuclear explosive generators as a power source to drive accelerators capable of producing high intensity proton beams of killing potential.

Initially, some U.S. physicists believed there was no method the Soviets could use to weld together the steel gores of the spheres to provide a vessel strong enough to withstand pressures likely to occur in the nuclear explosive fission process, particularly when the steel to be welded was extremely thick. U.S. officials later discovered that the Russians invented a process called flux welding and had been using it for years in producing pressure spheres. The flux welding process, according to some U.S. officials makes the bonded material weld as strong as, or stronger than, the steel walls.

U.S. officials, scientists and engineers queried said that the technologies that can be applied to produce a beam weapon include:

Explosive or pulsed power generation through either fission or fusion to achieve peak pulses of power.

Giant capacitors capable of storing extremely high levels of power for fractions of a second.

Electron injectors capable of generating high-energy pulse streams of electrons at high velocities. This is critical to producing some types of beam weapons.

Collective accelerator to generate electron pulse streams or hot gas plasma necessary to accelerate other subatomic particles at high velocities.

Flux compression to convert energy from explosive generators to energy to produce the electron beam.

Switching necessary to store the energy from the generators in large capacitors.

Development of pressurized lines needed to transfer the pulses from the generators to power stores. The lines must be cryogenically cooled because of the extreme power levels involved.

For several years, Air Force Maj. Gen. George J. Keegan, who until his recent retirement headed USAF's intelligence activities, has been trying to convince the Central Intelligence Agency and a number of top U.S. high-energy physicists that the Soviets are developing a charged-particle beam weapon for use in an antiballistic missile role.

Evidence was gathered by Air Force intelligence from a variety of sources, including early warning and high-resolution reconnaissance satellites, published USSR papers on high-energy physics and visits between Soviet and Free World physicists. In contacts with scientists deeply involved in developing components necessary for beam weapon application in both the USSR and the U.S., data was gleaned that clearly showed the Russians to be years ahead of the U.S. in most areas of technology, one U.S. physicist said. He added that it became increasingly clear that the Soviets were making a concerted effort to develop the technology in each area so that, if it was pulled together, a beam weapon and possibly related laser weapons could result.

All of the evidence that Gen. Keegan and his small team gathered about Soviet designs on charged-particle beams was presented to the CIA and its Nuclear Intelligence Board, which has so far rejected their conclusion that beam weapons development is evident.

Most of the evidence had been gathered over a four-year period and involved the entire spectrum of facilities for test and experimentation, research laboratories, power generation, electron injection, collective acceleration and beam propagation—all areas where the Soviet Union has outpaced the U.S., according to a U.S. official.

Some scientists and engineers refused to accept information that the installation at Semipalatinsk had anything to do with beam-generation tests or that levels of energy required for these experiments could be attained. And even if somehow the energy could be generated, it could not be harnessed for beam application, they said.

ENERGY LEVELS REQUIRED

Typical levels of energy required for use with a beam weapon are 10^{12} joules per pulse, with the energy of a particle of the beam from 1 to 100 giga electron volts. It is these levels of energy required that still cause some skepticism among high-energy physicists.

"Keegan refused to accept CIA's evaluation of the USAF intelligence data," one U.S. official said. "So, he systematically set about acquiring talented young physicists to analyze the information and to probe the basic physics of the problem—an area in which U.S. scienitsts were notably deficient."

One scientist in particular, a USAF civilian employe at Wright-Patterson AFB, Ohio, was influential in providing Gen. Keegan with an assessment of the information, which said that it appeared the facility at Semipalatinsk was being developed for use for nuclear power generation related to beam weapon work. His assessment was made very early in the observation of the facility, long before atmospheric data of possible beam weapons testing was obtained.

"These young physicists gathered to his cause by George [Gen. Keegan] were a very sharp group of young turks, and some have since gone on to gain stature within the high-energy physics crowd," one official said.

It was anticipated by Gen. Keegan and his advisers that the USSR would be forced to vent gaseous hydrogen from the experiments at Semipalatinsk and that early warning satellites could detect it.

UNDERGROUND TESTING

Liquid hydrogen in large amounts is believed by some officials to be utilized to cushion the nuclear explosive generator sphere and for cryogenic pumping of large drift tubes nearly a kilometer in length through which the beams are propagated for underground testing. In both cases, large amounts of gaseous hydrogen are formed and released into the atmosphere, probably carrying large amounts of nuclear debris or radioactive tritium that can be exploded at altitude and dispersed to avoid harming the people below, according to some U.S. scientists.

"Explosions of such gaseous hydrogen discharge are now being detected with regularity from Soviet experiments," a U.S. official said, "and scientific studies of the gas releases and explosions have confirmed their source as being near the Semipalatinsk facility."

USAF intelligence developed an acronym—PNUT—to refer to the test area at Semipalatinsk. The letter P is for possible, and the other letters stand for nuclear underground test. The CIA still refers to the site as URDF-3—unidentified research and development facility three.

In recent public pronouncements, Gen. Keegan has taken the CIA to task for having rejected Air Force intelligence information about Soviet beam weapon development. He also has spoken bitterly about a number of top U.S. physicists who refuse to accept even the possibility that the Soviets are involved in beam weapon development. Most of the physicists who would not accept the data were older members of the scientific community who had been involved in research and development from the early days of a project called Seesaw.

PROJECT ABANDONED

The U.S. attempted unsuccessfully to develop a charged-particle beam device under the project code named Seesaw. It was funded by the Defense Dept.'s Advanced Research Projects Agency but abandoned after several years.

A number of influential U.S. physicists sought to discredit Gen. Keegan's evidence about Soviet beam development. The general attitude within the scientific community was that, if the U.S. could not successfully produce the technology to have a beam weapon, the Russians certainly could not. "It was the original not-invented-here attitude," one U.S. physicist said.

There were about 20 hypotheses advanced by these physicists and the CIA's Nuclear Intelligence Board as to what the facility at Semipalatinsk was being used for by the USSR. One theory was that it was a supersonic ramjet test site and another was that it was a nuclear reactor test site for commercial applications. That was based on the layout, which resembled some reactors in the USSR.

"There is now no doubt that there is dumping of energy taking place at the site with burning of large hydrogen flames," one official said. "What bothered the Nuclear Intelligence Board at first was that it was hard to imagine that some seven technologies critical to the weapons concept could be perfected there within the time frame presented and not be detected by us.

"In each case, the Air Force was able to disprove the theories advanced, at least to USAF satisfaction," one U.S. official said. "But along the way Keegan became an outcast within CIA and the Defense Intelligence Agency. This was despite the fact that many times in the past it turned out that his intelligence information proved correct when it was not accepted at first. He [Keegan] made some great intelligence breakthroughs," another official said.

As evidence of Soviet intent mounted, the Air Force convened a munitions panel of its Scientific Advisory Board to examine the problem. The panel met at Livermore Laboratory for three days to study the data of Gen. Keegan and his technologists. Some members of that panel also were involved in the Seesaw project before it was halted.

"The panel of experts rejected virtually all of the Air Force's hypotheses. In an emotional meeting, they denigrated all suggestions of nuclear explosion generation, power storage, power transmission and collective acceleration," an official explained. "The bottom line was that the panel said there is no way to control or stabilize such a beam if a weapon is produced. The net result is that evidence about possible beam weapons development was rejected."

Later, some of the same physicists who rejected the charged-particle beam data realized the Soviets had made progress in many separate areas of required technology for beam weapon application. Some physicists involved sought funding from the National Science Foundation and Energy Research and Development Administration for nuclear power and beam generation studies, one official said.

In an effort to prove that USAF intelligence estimates were correct, Gen. Keegan and his young physicists set about trying to prove Soviet technology exists in areas necessary for beam weapons.

THEORETICAL BLOCKS ISOLATED

After isolating the theoretical roadblocks identified by the Scientific Advisory Board's munitions panel, the physicists, along with several new groups recruited by Gen. Keegan, went to work exploring possible USSR technologies.

Within a few months the team, under the direction of a young Air Force physicist, found that all the munitions panel's objections could be overcome "and had already been solved in the Soviet Union. Several breakthroughs in high-energy physics were involved," an official said.

Explosive generation was solved in the USSR by Soviet academicians Andrei Terletsky, who was once a KGB agent in Sweden, and Andrei Sakharov, who was instrumental in developing the Soviet hydrogen bomb and is now a dissident.

Soviet physicist Rudakov visited the U.S. in July, 1976, and outlined his major advances in electron beam fusion. ERDA immediately tried to cover up the ideas he presented at Livermore in response to a taunt by a Western scientist. It was all considered highly secret in the U.S. and "those seated there had to sit with their mouths open and not respond to Rudakov's outline," one U.S. physicist said.

"His idea startled the U.S. physics community by its magnitude—transforming laser and election beams to soft X-rays to compress fusion fuel at low energy levels. This is a real scientific breakthrough," the physicist said, "and could allow them to produce large amounts of fusion power to be used in producing energy for a beam weapon." Rudakov had such good results in using relativistic electron beams to achieve fusion that he now is developing a $55-million machine funded for this purpose in Russia called Angara 5, a physicist added.

Gen. Keegan and his physics team quickly determined that the next problem to be resolved was flux compression needed to convert energy from explosive generation to electrical energy to power an accelerator.

"Through open sources they learned that the Soviets had long since solved that problem," one expert said.

U.S. scientists meeting at Livermore objected and said that power pulses generated could not be conducted over known cabling without burning it up until Gen. Keegan's researchers discovered that pressurized gas lines invented in the U.S. years earlier by ITT and General Electric were available and in use by the USSR.

RECONNAISSANCE DATA

Pipes at the Semipalatinsk site leading from the underground chamber were spotted by reconnaissance satellite, but they were discounted by the CIA and munitions panel as being there for another application, possibly to exhaust supersonic ramjets. Photographs from satellites also revealed a number of tank cars near the test site loaded with liquid hydrogen. USAF intelligence officials believed it was being used by the Soviets for cryogenic pumping of beam drift tubes. This was considered impossible by U.S. scientists because they believe liquid hydrogen is too volatile and dangerous for cryogenic use. Again, however, papers have been published in the U.S.S.R. on the subject, and liquid hydrogen has been used for years for that purpose, one official said.

Officials believe that cabling leading from the underground granite chamber at Semipalatinsk carries power from a fission explosive generator to nearby transformers where it is stepped up. The power is cabled into giant capacitors inside one end of the large thick-walled building, they believe. Along the 700-ft. side are located the electron injector gun and the collective accelerator, according to their theory. The power is fed into them to produce a proton beam. The beam is bent at an angle by magnetic mirrors and propelled near the speed of light along the drift tubes running underground about a kilometer, they believe, and the drift tubes are evacuated to simulate operating the beam in space and are used only for beam propagation testing.

At one time, there were five concentric rings constructed around the building about 5 km. (3.1 mi) apart. At each 5 deg. of arc, a vertical sensor was placed. At first, U.S. analysts believed this arrangement was to monitor movement of gaseous hydrogen clouds. The geometry was so precise, however, that some believed the sensors were located to measure beam impact or for beam tracking.

Storing energy to manage its flow was the next area of technology that Gen. Keegan and his scientists investigated. They discovered that the Soviets had solved the problem earlier by using large water capacitors to store energy. Dense fields of energy/electricity can be stored using pressurized water as a dielectric with pressure to 100 atmospheres. This is considered another breakthrough by U.S. physicists, because the U.S.S.R. can store 40 times the density of energy that can be stored in the Free World, one official explained. "This technology is now being developed in the U.S.," he added, after it was completely verified under a contract with the Defense Nuclear Agency.

For the past 15 years there has been an open and free exchange between the U.S. and the U.S.S.R. in the high-energy physics area, one U.S. physicist explained. That exchange is related mostly to projects for nuclear power generation for commercial application, but by its very nature, the development of energy or offshoots of the technology has application to the beam weapons field, the official said.

"This is a field where to our knowledge there are few secrets. We go freely to their [USSR] laboratories and have few doors barred to us," a U.S. high-energy physicist said, "and the same thing is true for them in this country." This does not apply to laboratories where weapons development is being carried out.

Gen. Keegan's scientific team set out to prove the feasibility in another area of Soviet technology required for beam weapons use—switching. Switching the energy from its storage capacitors to the electron injector is a major element required for the weapon to function, according to U.S. experts.

A small U.S. company has devised a breakthrough in switching technology, a U.S. scientist explained, and has patented it. Theoretical feasibility has now been fully established, the scientist added.

The electron injector was the next area of investigation on which the team focused its attention. For this to be successful, several engineers have explained, a generator is needed to provide a steady stream of rapidly pulsed plasma of 100 millionelectron volts per pulse at levels of 10 megajoules/sec.

"This is pure Buck Rogers to the physicists at Livermore Laboratory, who refused to accept that the Soviets could accomplish it," one U.S. official said. U.S. scientists since have been able to confirm that Soviet high-energy institutes long ago solved problems of electron injection that place them years ahead of U.S. technology. "At the Institute of High-Energy Physics in Novosibirsk, U.S. scientists have found generator technology that, when scaled up, can be used as an electron injector." Such equipment is now being exported to the U.S. for commercial use. The Soviet technology involved is at least 10 years ahead of anything under development in the U.S.

CIA CHIEF INFORMED

In 1975, Gen Keegan disclosed his findings on Soviet technology related to beam weapons development to William Colby, then head of the CIA, and to a number of its nuclear scientific advisers.

"On the strength of Keegan's information that the Soviets were on the verge of developing a weapon to neutralize our ICBMs and SLBMs, Colby directed the formal convening of the CIA's Nuclear Intelligence Panel to consider the disclosures," according to a U.S. official.

In a final meeting last year with the panel, Gen. Keegan and his associates presented evidence over a three-day period to the panel. The panel went into executive session to study the data and then wrote its report. No copy of the report was ever presented to USAF intelligence.

That is standard, one official said, because copies of the report are routed only to those in authority within the CIA.

"What the report said was that there were no technological errors in USAF's analytical work. It was agreed by the board that there is a massive effort in the USSR involving hundreds of laboratories and thousands of top scientists to develop the technology necessary for production of a beam or other energy weapon for use against U.S. ICBMs and SLBMs," an official said. The report also said the board was unable to accept SUAF's detailed conclusions regarding the experimental site at Semipalatinsk. It reasoned, according to several sources, that since none of the key subtechnologies involved had been perfected in the U.S., it was implausible that the Soviets could be so far ahead. In any event, the U.S. scientific advisers to CIA were unwilling to concede that the Soviets could harness such advanced technology into a working weapon or demonstration system.

They were willing to accept that the technology had been developed independently, but not that it has been used in series for weapons work at either Semipalatinsk or Azgir, officials said.

Colby wrote a letter to former Secretary of State Henry Kissinger just before he left on a trip to negotiate with the Soviets about strategic arms limitations and mentioned that there "was a facility related to nuclear functions that were unknown but that it might have high scientific application," one official said. With that exception, none of the USAF intelligence data has ever been made available to the President, the Secretary of State or the National Security Council, he added.

The major argument now raging within the intelligence community is whether the facility at Semipalatinsk is experimental in nature and whether it will require a major effort by the USSR over many years to build more such facilities to use for weapons purposes.

"One of the problems is that some U.S. intelligence officials and scientists have difficulty in understanding the concepts involved. The technology is simply beyond their comprehension," an official said. The facility at Semipalatinsk is an example, the official continued. It depends on how it is visualized. "This is a case where the experimental hardware is identical to the equipment necessary to destroy an ICBM. If they can generate the charged particle beam to test the device and large amounts of hydrogen being burned there indicate they are, then they can generate for weapons use."

The giant vacuum drift tube underground at the facility is used only to simulate upper atmospheric and space conditions for the tests; in operational use, the weapon's beam would be fired from the collective accelerator front end.

"After 10 years of work at the site and after developmental testing of the beam for over a year, the only thing required is to scale the device for weapons application," he said. That could be accomplished by as early as 1978 with a prototype beam weapon, and it could be in an operational form by 1980, some officials believe.

Another big objection offered by some U.S. physicists and other scientists is that the beam from such a weapon will have to be propagated and bent to intercept incoming warheads in reentry vehicles, an extremely difficult task.

One possible solution is that a "magnetic mirror" can be used for beam bending to intercept reentry vehicles.

Despite strenuous objections from U.S. scientists over the feasibility of beam bending, USAF intelligence established a Soviet solution to the problem for the Soviet beam concept, an official said.

Precise pointing and tracking may not be required. "All that is needed is for the Soviet long-range precision radars now deployed in violation of the ABM agreement to detect avenues or windows for reentry vehicle trajectories against targets in the USSR. By aiming rapidly pulsed proton beams into these windows, ICBMs and SLBMs could be quickly saturated and destroyed," he explained.

The windows would be located from 1,000 to 2,000 naut. mi. out in space. "With this method, many acquisition and tracking problems could be overcome. By using the window concept to scatter the beam over a wide area through which warheads must transit, it is believed that not many beam weapon devices would be required to protect the USSR from a U.S. retaliatory strike," the official said.

Many deployment schemes of great simplicity are open to the Russians. One such scheme would be to place the collective accelerators vertically inside silos that the USSR now claims are for command, control and communication.

There are at least 150 of these silos that the U.S. is now overlooking by accepting the Soviet definition as command and control centers for their use. Using nearby silos linked to those with the accelerator for containment of the explosive generator, the Soviets could deploy such a system within a few years, an official said.

"Since the necessary radars are nearing operational readiness, all of the needed system components could be emplaced," he added.

"The one thing that George [Gen. Keegan] finds so pernicious about this whole thing is that CIA and other top U.S. officials scoff at the idea that the backward Russians can develop technology that we have been unable to develop in the U.S.," one official said. "He [Keegan] admits that he could be wrong. but he is not wrong about the Soviets' will to produce such a weapon and about the national assets they are devoting to it."

"From all of this evidence we have a good idea of where the Soviets are in development and where they are headed with beam weapons and high-energy lasers. Not much has been done in this country since Seesaw," a U.S. physicist said. "But there is certainly a lot of new interest now within the scientific community."

There is an effort under way to establish an agency in the U.S. to coordinate the development of directed-energy weapons. Some congressional staff members as well as officials within the Administration are pressing for this to be accomplished.

FRAGMENTED DEVELOPMENT

"Development is now fragmented with various factions from a number of agencies and laboratories trying to compete for funding. What is needed now is for a control point to be set up with some cohesion and orderly planning to develop the various components of technology required for weapons," one House staff member said.

John L. Allen, deputy director of Defense research and engineering for research and advanced technology, said:

"Science fiction writers have been fascinated with the concept of a directed-energy weapon that beams energy directly to a target, obviating the need for bombs, missiles or projectiles. A weapon of this type now appears not only to be possible, but we may even have a choice of the beams that can be used . . . electrons or other fundamental particles.

"These beams travel at or near the speed of light [186,000 mi./sec.] so that the delivery time is negligible, an attractive attribute for a weapon. The beams can also be moved rapidly from one target to the next. Thus, for defense against nearly simultaneous multiple attackers, directed-energy weapons are appealing."

He added that high-energy lasers are the most advanced of the directed-energy devices. "About 10 years ago, it became apparent that the generation and propagation of damaging levels of energy might be feasible," Allen explained. "However, the technical problems foreseen were formidable. High power is needed for useful lethal ranges. The achievement of such high power requires a strong foundation of basic knowledge of the physics and chemistry of highly excited gases, coupled with, in some systems, sophisticated high-volume, high-velocity gas flow technology. The flow rates involved in gas dynamic high-energy lasers are like those from a jet engine. The physical size is also comparable to a jet engine."

Allen said the Defense Dept.'s Advanced Research Projects Agency and the services are investigating the application of high-energy lasers. "Both the Army and Navy are pursuing terrestrial applications. The Air Force is pursuing airborne applications, and the Defense Advance Research Projects Agency is looking at the possible application of lasers in space defense with emphasis on chemical lasers. It is still too early to determine the potential cost effectiveness of high-energy lasers as weapons, but the next two or three years will yield a great deal of insight."

PROBLEMS CITED

"Particle beams—beams of electrons, for example—are not directly affected by the weather and may provide longer ranges than high-energy lasers in adverse weather. However, they have other problems. Charged-particle beams have a tendency to be unstable. They also are deflected by magnetic fields, so pointing and tracking uncertainties exist. If these problems can be solved, a viable weapon could result. We believe that charged-particle weapons might, in some applications, present a useful alternative or complement to the high-energy laser for giving us 'zero time of flight' weapons. We are pursuing projects at an exploratory level," Allen told the House Armed Services research and development subcommittee.

The Navy is seeking $6 million in Fiscal 1978 for a program called Chair Heritage to continue exploratory development of beam weapons, mostly related to accelerator development. It plans to transition to advanced development in Fiscal 1979. Navy is now working on a scaled-down advanced test accelerator. The design for the device was selected in July, 1976, and experiments with the accelerator are slated for completion in August, 1978.

The auto-resonant accelerator, a number of knowledgeable physicists believe, offers the potential for generating low-cost, extremely intense beams of high-energy heavy particles. The device is believed capable of generating beams of ions in the giga electron volt range. Power levels would be in the range of 10^{13} w. with pulse lengths on the order of a microsec., i.e., single pulses with an energy of 1–10 megajoules.

From the military application standpoint, the auto-resonant accelerator has the potential for being used to deliver the equivalent of pounds of TNT to blast targets at long range at the speed of light. The effects of neutron, hot X-ray and gamma radiation would have an equally destructive impact on warheads. Austin Research Associates is doing basic research with the auto-resonant accelerator.

With a program of technology development, senior experts in physics believe substantially higher energy levels can be delivered to targets at longer ranges.

The auto-resonant accelerator is not limited to pulsed operation. That limitation now is from the design of associated electron-beam diodes and power supplies. If E-beam diodes and power supplies can be developed that can be repetitively pulsed at the rate of 100-1,000 pulses/sec. for several seconds, average beam powers in the 1,000-megawatt range are believed possible.

"A number of military applications are possible by changing the total energy requirement and repetition rates. Some of these missions are close at hand," a U.S. physicist said.

Under current funding, U.S. officials are convinced that M. L. Sloan and William E. Drummond will complete their mathematical model for the auto-resonant accelerator by July. In a paper on the accelerator concept, Sloan and Drummond explain the principle: a conceptually simple and compact method of generating pulsed ion beams in the multi-ampere current range.

This accelerator scheme combines the basic concepts of traveling wave and collective acceleration. While the traveling wave is used for the acceleration process, the wave is a collective eigenmode of the electron beam-magnetic guide field cylindrical guide system rather than a vacuum wave guide mode as in a conventional traveling wave accelerator.

ECONOMY IN SIZE

Because of the collective nature of the medium of propagation, much higher effective accelerating fields can be sustained than in a conventional accelerator, allowing for economy in the size of the machine. This is extremely important in a weapons application.

The cyclotron wave used in the auto-resonant accelerator is a negative energy wave so that in the acceleration process where energy is delivered to the ions, instead of being degraded, the electric field energy of the wave actually grows.

If the auto-resonant accelerator achieves only a few percent efficiency in conversion of electron beam energy to ion energy, pulsed currents in the tens of amperes range or larger are anticipated.

The name auto-resonant accelerator is derived from the process involved—the novel feature is that as the cyclotron eigenmode delivers energy to the accelerated ions, it automatically extracts energy from the relativistic electron beam. Power is thus automatically fed from the relativistic beam to the resonant ions.

To provide the accelerating medium, the electron beam is propagated in a vacuum over a distance of several meters. The relativistic electron beam is the accelerating medium and is used to accelerate protons to high energies.

A puff of hydrogen can be allowed into the front or injector end of the auto-resonant accelerator. When the electron beam is turned on, the ionization process will strip the hydrogen atoms to bare protons at a predetermined rate, depending on the ambient hydrogen pressure and volume and the electron beam energy, current and cross-section. Juggling these quantities can adjust the production rate.

There are other promising concepts for collective accelerators at U.S. laboratories and research centers, but they are not all being actively pursued because of a lack of funding and coordination within the high-energy physics field, according to U.S. officials. These include:

Traveling potential well accelerator at Sandia Corp. funded by the Energy Research and Development Administration and the USAF Office of Scientific Research. Craig Olson at Sandia has developed the concept for controlling the acceleration of a potential well using an intense light source or lasers beamed into a low-pressure gas for a two-step photo ionization process. Olson uses laser beams at different wavelengths for ionization and cesium vapor for the gas.

Self-synchronized pinch model accelerator concept by Sidney Putnam at Physics International in San Leandro, Calif. This concept was proposed by Putnam in 1972, but no experimental work has been accomplished in the U.S. The Soviets, however, have picked up this concept and accomplished theoretical work with it. The concept uses a space non-charged neutralized electron beam, which contracts in an envelope around ions as it moves through the accelerator. This is based on local magnetic pinch effects.

Collective bunching model accelerator being developed under the Naval Research Laboratory along with a traveling wave accelerator using a slow space charge wave. Cornell University is doing the simulation work for the Navy.

Toroidal storage ring accelerator concept by Norman Rostoker at the University of California at Irvine. This concept provides for a small torus about four meters in diameter. A cloud of electrons is stably confined in the machine to trap ions inside a ring to focus them.

Electron ring accelerator at the University of Maryland under National Science Foundation sponsorship. This is a variation on the USSR smoke ring accelerator theme proposed years ago.

"Many possibilities are open for the U.S but remain unexplored," a senior U.S. official said. "Whether this results from lack of interest, lack of funds for research, lack of national focus for efforts in this field, or a belief that the possibility that such weapons may adversely effect detente is unclear. It does seem that the Soviets have taken a very different course which may eventually prove most U.S. planners and analysts to be wrong. If this proof comes early enough, it may then be too late for our research and development establishment to catch up on what may finally be agreed to be a very long Soviet lead in this field of strategic defense."

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to put in the RECORD the entire editorial in this week's Aviation Week, and the following article on high particle beam energy, which almost defies verification. That is why I support this excellent amendment.

Mr. SEIBERLING. Mr. Chairman, I object.

The CHAIRMAN. The request is not in order in the Committee of the Whole.

Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. KAZEN, having assumed the chair, Mr. PATTISON of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6179) to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes, pursuant to

House Resolution 530, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 395, nays 15, not voting 23, as follows:

[Roll No. 187]

YEAS—395

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashley
AuCoin
Badham
Badillo
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kildee
Kindness
Koch
Kostmayer
Krebs
Krueger
LaFalce
Lagomarsino
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Pursell
Quayle
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Taylor
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—15

Ashbrook
Bauman
Collins, Tex.
Crane
Dornan
Edwards, Okla.
Flynt
Hansen
McDonald
Rousselot
Rudd
Satterfield
Stump
Symms
Waggonner

NOT VOTING—23

Anderson, Ill.
Aspin
Burgener
Conyers
Dellums
Derrick
Eckhardt
Forsythe
Hawkins
Johnson, Calif.
Jones, Tenn.
Latta
Le Fante
Milford
Mitchell, Md.
Moss
Price
Rahall
Rangel
Roe
Skelton
Teague
Tonry

The Clerk announced the following pairs:

Mr. Teague with Mr. Anderson of Illinois.
Mr. Rangel with Mr. Derrick.
Mr. Milford with Mr. Latta.
Mr. Le Fante with Mr. Price.
Mr. Eckhardt with Mr. Burgener.
Mr. Jones of Tennessee with Mr. Rahall.
Mr. Johnson of California with Mr. Conyers.
Mr. Moss with Mr. Dellums.
Mr. Hawkins with Mr. Roe.
Mr. Mitchell of Maryland with Mr. Skelton.
Mr. Aspin with Mr. Tonry.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REQUEST THAT IT MAY BE IN ORDER TO TAKE UP THE CONCURRENT RESOLUTION ON THE BUDGET FOR 1978 TOMORROW

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that it may be in order to take up the concurrent resolution on the budget for 1978 tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the distinguished chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO) tell us why that is necessary to take it up tomorrow, Wednesday? Does that mean that we will be here on Friday?

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, let me say that I cannot respond to that question. I would refer that question to the distinguished majority leader.

Mr. ROUSSELOT. I would be glad to yield to the distinguished majority leader who I see is in the back of the Chamber and very anxious to tell us.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Texas for that purpose.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman from California for yielding so graciously. I would suggest to my distinguished friend from California that expedition of the business in the House would be best served if we come in tomorrow, work our will on the budget resolution and hopefully complete it tomorrow, Wednesday. There is no need for us to go late.

Mr. ROUSSELOT. I would assume that the gentleman's remarks would mean we will have a Friday session, then?

Mr. WRIGHT. Only if the gentleman from California is to assume that we were unable to complete the week's business on Thursday. The gentleman from California might desire to yield to the distinguished Speaker, the gentleman from Massachusetts (Mr. O'NEILL) for a reply.

Mr. ROUSSELOT. I would be most happy to yield to the distinguished Speaker.

Mr. O'NEILL. I thank the gentleman for yielding. Originally we were to consider the budget resolution on Thursday and the housing bill on Friday. After having consulted with the leader on the gentleman's side of the aisle, we thought it would be in the best interests of the House to bring up the concurrent resolution on the budget tomorrow, get it out of the way, and bring up the housing bill on Thursday, along with two other pieces of legislation that are minor in comparison, and that we could certainly finish before 3 on Friday.

The request on this came from the gentleman's own leadership. But if the gentleman has any objection it is all right with us.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, will we come in tomorrow at 12 o'clock?

Mr. O'NEILL. If the gentleman will yield, the answer is no, we will come in at 3 o'clock, in the normal manner. The various committees have already notified us that they have distinguished witnesses coming from various parts of the country to testify tomorrow. That was the original reason and the purpose of setting the schedule the way we did, to meet at 3 o'clock on Wednesdays. I might add that we have had complaints when we have come in earlier on Wednesdays. Until May 15, we will therefore continue to meet at 3 o'clock on Wednesdays.

This is all just a question of rearranging the order of legislation that we have scheduled for this week.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I was perfectly agreeable to meeting and completing the budget resolution last week but my understanding is that by bringing it up tomorrow we might be able to complete the schedule prior to Friday.

Mr. O'NEILL. If we could possibly complete the schedule prior to Friday, that would be fine. We are going to follow our schedule. We will come in tomorrow, on Wednesday, if there is no objection, and consider the budget. We will complete consideration of the budget. In light of the debate that took place last week, and the Budget Committee's decision to knock $7 million in the functional category that includes the pay raise, I do not anticipate the wasted time we had last week. Following the normal procedure we ought to be out of here at a reasonable hour tomorrow night.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, I would like to encourage the gentleman not to yield because we have a horse race down home on Saturday and anything that would expedite our getting out of here early Thursday night I would encourage.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, did I understand our Speaker to say the budget process produced a waste of time? Could the gentleman tell us about that?

Mr. O'NEILL. I thought that last week there was a tremendous amount of wasted time on one issue; we could have had an earlier vote.

Mr. ROUSSELOT. Which issues?

Mr. O'NEILL. One of the issues the gentleman from California had a say about. The issue of whether we would cut $7 million from the budget which the gentleman indicated related to a salary increase for Members of Congress.

Mr. ROUSSELOT. I do not think I talked on that at all.

Mr. Speaker, further reserving the right to object.

Mr. YATES. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Regular order is demanded.

Mr. ICHORD. Mr. Speaker, reserving the right to object, I shall object and I do object.

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

AUTHORIZING ADDITIONAL APPROPRIATIONS FOR U.S. RAILWAY ASSOCIATION

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4049) to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4049), with Mr. SIMON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. SKUBITZ) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 4049. This bill amends title II of the Regional Rail Reorganization Act of 1973—the III R Act—to authorize the appropriation of $13 million for fiscal year 1978 for administrative expenses of the U.S. Railway Association—USRA.

The bill requires the USRA to transmit during fiscal year 1978 to the Congress and the President detailed and comprehensive quarterly reports on all expenditures and use of funds. These reports must include information on the status of existing projects and proposed activities. The purpose of this requirement is to improve our oversight of USRA's activities.

These funds will enable USRA to administer its duties to conduct litigation on behalf of the Government arising from the reorganization of the bankrupt railroads in the Northeast and Midwest; to monitor ConRail's use of funds for working capital and rehabilitation; to assess ConRail's progress toward financial viability; and to monitor payment of certain preconveyance claims against the estate of the bankrupt railroads under the act.

Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. ROONEY) to handle the bill.

Mr. ROONEY. Mr. Chairman, this bill amends the Regional Rail Reorganization Act of 1973 to authorize additional appropriations not to exceed $13 million for the U.S. Railway Association for the period beginning October 1, 1978 and ending September 30, 1979. Considering inflation and USRA's workload, the $13 million being requested compares favorably to the $11.8 million which was authorized for fiscal year 1977. Also, as USRA estimates their expenses at $13.33 million for fiscal year 1977, the amount authorized in this bill does not represent an increase in funding over last year. In addition, it should be noted that the USRA has requested only $10.1 million to be appropriated at this time. This $10.1 million coincides exactly with the amount that was included in the Presidential budget. The difference between the $13 million authorization request and the $10.1 million appropriation request is accounted for by certain contingencies with regard to administrative expense. For example, the USRA appropriation request does not contain a provision for the funding that may be required if the special court rules it necessary for the Association to prepare evidence based on theories of value in addition to its own, or to respond to such theories as the court may allow the transferors to pursue. Also, the appropriation request does not include funds for studies that may be required in connection with the transfer or conveyance of additional rail properties under the supplemental transactions provision of the Railroad Revitalization and Regulatory Reform Act of 1976.

Testimony was received during the subcommittee hearings to the effect that over $8 million, or 80 percent of the amount of funds requested, are necessary to obtain legal assistance to litigate controversies that have arisen from the reorganization of the bankrupt railroads. Primarily, there is the question of determining the value of the properties conveyed to ConRail. The Railroad Revitalization and Regulatory Reform Act of 1976 provides that the amount of reimbursement should be based on "net liquidation value." The court is now in the process of determining the definition of the "net liquidation value." In this regard, I was very pleased to hear that 2 weeks ago, the special court ruled that the Penn Central and the other bankrupt estates, suffered no preconveyance compensable unconstitutional erosion. This is a very good decision for the Government.

Approximately $1.5 million or 15 percent of the amount requested, is necessary to supervise and monitor the use of the over $2 billion being provided to ConRail for working capital and rehabilitation. This portion of the funds is also necessary to monitor ConRail's progress toward the attainment of financial viability projected in the final system plan.

And finally, approximately $600,000 is necessary to administer the loan program provided in the Railroad Revitalization and Regulatory Reform Act of 1976, with regard to the payment of certain preconveyance claims against the estates, and rehabilitation loans to railroads such as the Delaware and Hudson, and the Katy.

The committee is convinced that USRA is operating in an efficient and effective manner. For example, we were informed that the staff of the USRA has been reduced from over 300 to 146, and that it will be reduced even further by the end of this fiscal year. Understandably, much of the work of USRA is in the legal field and we were informed that USRA not only has a moderate size staff, but moderate-sized salaries. Nevertheless, in order to improve our oversight of USRA's activities, this bill provides that quarterly reports on the use of all funds be submitted to the Congress and the President. These reports must be detailed and comprehensive and include information on the status of existing projects as well as proposed activities.

Mr. Chairman, I urge passage of this legislation.

Mr. SKUBITZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 4049 and urge the adoption of this authorization for USRA.

The U.S. Railway Association was formed as a result of the Regional Rail Reorganization Act of 1973. At that time, the Congress was interested in finding some solution to the problem of having seven bankrupt railroads in the Northeast.

The U.S. Railway Association was given two basic functions: First, to formulate a plan for resolving the railroad chaos in the Northeast, and second, to supervise and monitor the use of Federal funds by any surviving corporation or other body which took over operations of the bankrupt railroads. As you know, USRA in its preliminary and final plan for the railroads in the Northeast recommended a Government-assisted reorganization of those railroads. ConRail is the surviving corporation from that Government-assisted reorganization.

Some $2.1 billion has been authorized and appropriated by Congress to be used in order to insure that ConRail will be a successful corporation. Some of that money will eventually be paid back to the Government as loans are repaid. USRA has the primary responsibility for making certain that ConRail uses the money it has been given in the manner intended. It also has the responsibility for putting together the necessary legal defenses for the United States in defending any and all charges by the creditors or stockholders of the bankrupt railroads that the action by the United States was the taking of property without due process and just compensation.

USRA has been one of those organizations which is rare within the Federal bureaucracy. It has done what it was supposed to do in a competent manner and on a timely basis. Both the preliminary report on the organization of the railroads in the Northeast and the final system plan were delivered to Congress when they were supposed to be delivered. Both of these reports were of high quality and in very precise detail so that all of the Members of Congress knew all of the options available to them with respect to the railroads in the Northeastern United States. I am confident that USRA will continue to perform at a high level of competence.

The bill we have before us today simply provides an authorization for fiscal year 1978 in the amount of $13 million. To summarize the figures in the chart, $64.3 million of the $65.8 million authorized has been appropriated to USRA—all but $1.5 million of the amount authorized has been appropriated to USRA. USRA is requesting $13 million in authorizations for fiscal year 1978. The Ford budget contained a figure of $10.1 million and the current administration and the committee support the $13 million authorization.

The additional $2,900,000 over the Ford budget gives the association a margin of safety which I believe is necessary in order for it to adequately respond to whatever procedures the special court establishes for the conduct of litigation resulting from the reorganization of railroads in the Northeast. That litigation will require certain evaluation studies in order to provide an objective record for determining whether or not the United States has met its responsibilities to the Constitution in moving forward with the reorganization which had to take place if the Northeast was to have railroad service. In my judgment, it is a wise investment of tax dollars to make such money available to USRA so that the United States can have the best possible case when the matter comes before the court. In addition, USRA has a continuing responsibility to see to it that our investment in ConRail is adequately protected by insuring that ConRail will in fact succeeed.

Mr. Chairman, much of the USRA money is used in contracts to provide services involving analysis of the rail situation in the Northeast or legal fees for defense of the final system plan. Since its inception through February 1977, $16,159,000 has been used for salaries and administrative expenses at USRA, while $34,170,000 has been used in contracts.

At this point in time, the major contracts entered into by USRA involve legal defenses for the final system plan. The two law firms which have been employed by USRA are Wilmer, Cutler, and Pickering, and Hogan and Hartson, both in the District of Columbia. The division of work between the two firms is that Wilmer, Cutler, and Pickering is doing much of the theoretical and brief preparation required for the United States to defend the final system plan. Hogan and Hartson is providing much of the manpower and is working to a considerable extent on valuation problems involved in determining what the real worth of the properties involved in the reorganization is. In addition, much of the trial work will be done by Hogan and Hartson.

Therefore, Mr. Speaker, I join in supporting this bill for the 1978 fiscal year authorization of funds to the U.S. Railway Association and I urge my colleagues to vote for its passage.

The following figures represent authorizations made for USRA since its inception on a cumulative basis:

January 1974	$26,000,000
October 1974	40,000,000
February 1976	54,000,000
June 1976	65,800,000
Total authorized	185,800,000

The total amount of money appropriated to USRA since its inception is as follows:

January to June 1974	$6,000,000
June to December 1974	12,000,000
January to June 1975	7,000,000
June 1975	5,000,000
November 1975	10,000,000
March 1976	5,800,000
June 1976	6,500,000
August 1976	12,000,000
Total appropriated	64,300,000

Mr. STAGGERS. Mr. Chairman, we have no further requests for time on this side.

Mr. SKUBITZ. Mr. Chairman, I have no requests for time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—For the fiscal year ending September 30, 1978, there are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this Act such sums as are necessary, not to exceed $13,000,000. Sums appropriated under this subsection are authorized to remain available until September 30, 1979.".

SEC. 2. Section 202(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712(e)) is amended—

(1) by striking out "ANNUAL REPORT.—The" and inserting in lieu thereof "REPORTS.—(1) The";

(2) by redesignating clauses (1) through (7) thereof as clauses (A) through (G), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) For the fiscal year beginning October 1, 1977, and ending September 30, 1978, the Association shall transmit to the Congress and the President, not later than 30 days after the end of each quarter of such fiscal year, a comprehensive and detailed report on all expenditures and use of funds during the preceding fiscal quarter, including an assessment of the status of projects for such preceding fiscal quarter and a projection of activities proposed for the next fiscal quarter.".

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ALLEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my purpose in seeking recognition is to ask the distinguished chairman of the subcommittee one question.

Mr. Chairman, is it true that 89 percent of the money appropriated last year to this agency was used for lawyers and other litigation and expenses?

Mr. ROONEY. Mr. Chairman, if the gentleman will yield, yes; most of the money was used last year, as it will be this year for that purpose.

Mr. ALLEN. In other words, this $13 million will be used largely for lawyers' fees and litigation?

Mr. ROONEY. That is correct. They also have in-house lawyers, and some contracted out.

Mr. ALLEN. I thank the gentleman.

The CHAIRMAN. Are there any amendments to the committee amendment in the nature of a substitute?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Simon, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4049) to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association, pursuant to House Resolution 529, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ALLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 358, nays 50, not voting 25, as follows:

[Roll No. 188]

YEAS—358

Abdnor
Addabbo
Akaka
Alexander
Ambro
Ammerman
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Ashbrook
Ashley
AuCoin
Badillo
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gudger
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jeffords
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Keys
Kildee
Koch
Kostmayer
Krebs
Krueger
LaFalce
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pritchard
Pursell
Quayle
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Ruppe
Russo
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Thompson
Thone
Thornton
Tonry
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—50

Allen
Anderson, Calif.
Archer
Armstrong
Badham
Bafalis
Bennett
Bevill
Burleson, Tex.
Butler
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conyers
Crane
Daniel, Dan
Daniel, R. W.
Dornan
Findley
Flippo
Flynt
Gammage
Goldwater
Grassley
Hall
Hansen
Ichord
Jenkins
Kelly
Ketchum
Kindness
Lagomarsino
McDonald
Mahon
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Poage
Robinson
Roncalio
Rousselot
Runnels
Satterfield
Snyder
Spence
Symms
Taylor
Whitehurst
Young, Fla.

NOT VOTING—25

Aspin
Bonior
Brown, Calif.
Burgener
Derrick
Eckhardt
Fary
Forsythe
Hawkins
Jacobs
Johnson, Calif.
Jones, Tenn.
Latta
Le Fante
McEwen
Milford
Mitchell, Md.
Moss
Price
Rahall
Rangel
Roe
Ryan
Sikes
Teague

The Clerk announced the following pairs:

Mr. Teague with Mr. Burgener.

Mr. Sikes with Mr. Ryan.

Mr. Moss with Mr. Price.

Mr. Milford with Mr. Latta.

Mr. Le Fante with Mr. Derrick.

Mr. Jones of Tennessee with Mr. Brown of California.

Mr. Johnson of California with Mr. McEwen.

Mr. Hawkins with Mr. Aspin.

Mr. Fary with Mr. Roe.

Mr. Eckhardt with Mr. Jacobs.

Mr. Rangel with Mr. Bonior.

Mr. Mitchell of Maryland with Mr. Rahall.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER**. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION FOR AD HOC COMMITTEE ON ENERGY TO SIT UNDER 5-MINUTE RULE FOR REMAINDER OF THIS SESSION OF 95TH CONGRESS

Mr. **ASHLEY**. Mr. Speaker, I ask unanimous consent that the Ad Hoc Committee on Energy may be permitted to sit while the House is operating under the 5-minute rule for the remainder of this session of the 95th Congress.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. **PEPPER**. Mr. Speaker, while with some of my constituents, I was in conference with some of the Department and agency representatives; and I missed rollcalls 182, 183, and 184 today.

If I had been here, Mr. Speaker, I would have voted "yea" on rollcall 182, "nay" on rollcall 183, and "yea" on rollcall 184.

ETHICS IN GOVERNMENT ACT AND SPECIAL PROSECUTOR LEGISLATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

H. DOC. No. ————)

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committees on Armed Services, on the Judiciary, and on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

During my campaign I promised the American people that as President I would assure that their government is devoted exclusively to the public interest. I began fulfilling that promise by making information on my own financial interests publicly available. I have also required that all Presidential appointees disclose their business and financial interests, to remove any possibility of hidden conflicts of interest. In addition, I have obtained a commitment from these officials to adhere to tighter restrictions after leaving government, in order to curb the "revolving door" practice that has too often permitted former officials to exploit their government contacts for private gain.

To expand upon the actions I have taken so far, I am submitting to Congress the Ethics in Government Act of 1977. This bill will establish far-reaching safeguards against conflicts of interest and abuse of the public trust by government officials. The bill incorporates the standards I have required of my own appointees, and extends their coverage to other high-ranking officials. It builds upon the Comptroller General's two-year investigation of conflict of interest enforcement in the executive branch. It also parallels the unprecedented efforts the Congress has made to strengthen ethical standards for its Members.

In addition to strengthening conflict of interest controls through the Ethics in Government Act, I am today announcing support for legislation to authorize appointment of a temporary Special Prosecutor to handle cases of misconduct by high-ranking Executive Branch officials.

Both Houses have recently adopted new Codes of Conduct which are milestones in the history of government action to prevent actual or potential conflicts of interest. The leadership of both Houses have also pledged personal support for enactment of these new Codes into law. The Senate is currently considering S. 555, the Public Official Integrity Act of 1977, and the House, in addition to creating a Select Committee on Ethics to enact its new Code into law, has also been working on legislation to establish government-wide ethical standards. I am confident that through our joint efforts, legislation prescribing government-wide standards of conduct will be considered and passed this year.

The Ethics in Government Act calls for a three-part program of financial disclosure, creation of a new Office of Ethics in the Civil Service Commission, and strengthened restrictions on post-employment activities of government officials.

First, the Ethics in Government Act would require policy-making officials, whether political appointees or top-level career civil servants, to disclose publicly their financial interests. Currently, policy-making employees must file statements of financial interest, but these statements are not available to the public. In addition to requiring public disclosure, the Act would require collection of more extensive information about employees' financial interests than the current Executive Order. Each official's report will include information on:

—income, whether earned or from investments;
—gifts, including travel, lodging, food and entertainment;
—assets, liabilities and financial transactions;
—positions held in business and professional organizations;
—agreements for future employment.

The vast majority of government officials, of course, have always followed strict ethical standards. I respect their efforts and integrity, and I have carefully considered the new obligations that this legislation will place on them. The provisions of the Act would strike a careful balance between the rights of these individuals to their privacy and the right of the American people to know that their public officials are free from conflicts of interest.

Second, the Ethics in Government Act would strengthen existing restrictions on the revolving door between government and private industry. All too often officials have come into government for a short time and then left to accept a job in private industry, where one of their primary responsibilities is to handle contacts with the former employer. To restrict this kind of arrangement I propose:

1. An extension of the current prohibition on appearances before an agency of former employment on matters that were under the official's responsibility:
   —by extending the period of the prohibition from one year to two; and
   —by including informal as well as formal contacts.
2. A new and broader ban on formal or informal contact on other matters with agencies of former employment, for a period of one year after the end of government service.

These rules also reflect a balance. They do not place unfair restrictions on the jobs former government officials may choose, but they will prevent the misuse of influence acquired through public service.

Third, this Act would establish a new Office of Government Ethics in the Civil Service Commission. Under the existing Executive Order, guidelines have often been unclear, and enforcement has been ineffective in some agencies. An effective oversight office is essential if strict ethical requirements are to be enforced throughout the government.

Because I believe these responsibilities are so important, I am asking that the Office be headed by a Director who is a Presidential appointee, confirmed by the Senate. I want to designate an individual who is clearly accountable to me, to the Chairman of the Civil Service Commission and to the Congress for the supervision of ethical standards in the Executive Branch. The Director and his new Office would:

—issue general guidelines to agencies on what constitutes a conflict of interest, and how those conflicts can be resolved;
—make recommendations to me on any changes needed in laws and regulations governing conflicts of interest;
—monitor compliance by agencies and individuals with established requirements; and
—increase understanding throughout the government and on the part of the American people of the ethical standards of conduct required of Executive Branch employees.

This new Office will ensure vigilant enforcement of the standards that are established to protect the honesty and integrity of our government.

To complement the Ethics in Government Act, I am also announcing my support for legislation which would require appointment of a Special Prosecutor to investigate and prosecute alleged offenses by high government officials. I am not submitting my own bill, for legislation has already been introduced in the Congress which, with relatively small revisions, will conform to my own principles for sound Special Prosecutor legislation. Under those principles the Special Prosecutor would be appointed by a specially empaneled court. He or she could be removed from office only upon a finding of extraordinary impropriety or incapacity. The Special Prosecutor's jurisdiction would extend to alleged misconduct by the President, the Vice President, members of the Cabinet, and White House staff members.

This approach will eliminate all appearance of high-level interference in sensitive investigations and prosecutions. The American people must be assured that no one, regardless of position, is above the law.

I look forward to working with the Congress to enact both the Ethics in Government Act and Special Prosecutor legislation, so that we can help restore the faith of the American people in their government.

JIMMY CARTER.

THE WHITE HOUSE, *May 3, 1977*.

THE PLIGHT OF VLADIMIR LIFSHITZ

(Mr. **HUGHES** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **HUGHES** Mr. Speaker, I am gratified that I am able to participate in the vigil calling attention to "Helsinki's Unfulfilled Promise." This effort waged by my colleagues in the House brings into focus the situations of those men and women who wish to leave the Soviet Union and become reunited with their families but so far have not been able to do so due to the Soviets unwillingness to live up to the Helsinki accords.

Today, I would like to speak about Vladimir Lifshitz and his wife, Bella.

VLADIMIR LIFSHITZ

Vladimir and Bella Lifshitz are two refusniks from Vilnius, Lithuania. During the German occupation of their country from 1941 to 1944, they saw the virtual extermination of the large Jewish population. Now in their old age, they have been desperately trying to emigrate to Israel to be reunited with their children. The years may have dimmed their physical strength, but not their courage. For bravely they have made no fewer than 30 appeals to Soviet authorities for permission to join their two daughters. They have been refused on the basis of the "secrets" acquired when Vladimir served as a colonel in the Soviet Army. He left the service 28 years ago.

In a recent letter, their daughter Mrs. Jaffe wrote from Israel:

> The reason for their refusal was secret information that our father had because of his service in the Soviet Army (he left the Russian army in 1948). Both are sick and old people. Nobody from our relatives are left in Russia now. In Israel we are two married daughters with children.
>
> As you can see, the Soviets just find their own excuse and don't let them go. If the situation continues like that, very soon we'll be left without parents. We ask you to help us in any possible way to get them to us in Israel.

In April 1976, the Lifshitz' appealed again to the U.N. Commission on Human Rights. They wrote:

> For the past four years we have been trying in vain to get the decision to the question. More than thirty times we appealed to different Soviet organs and competent organizations which without any serious grounds, continue to refuse our request. The last refusal was given to us after the signing of the Helsinki Declaration in defense and cooperation in Europe. . . .
>
> My wife and I are old people. I am 68 and my wife is 62. We both are very sick people. We are invalids of the war and labor as well. I have not worked anywhere for the last fifteen years because of my illness. Before retirement, I worked 12 years in industrial enterprises not connected with any secrecy.
>
> We are alone here. Our two daughters, their husbands, our grandchildren and other close relatives live in Israel. For four years our children have been trying to help us emigrate to Israel through the Soviet organs, but all their efforts are in vain.
>
> Appealing to you for help, we ask you to take into consideration the fact that because of our health now, we especially need everyday assistance from our children and grandchildren. We hope that your particular interference and your appeal to Soviet organs will decide our fate and give us our legal rights to reunite with our families.

To deny an old man and his wife permission to leave the Soviet Union to live with their family in Israel is a cruel abrogation of the human rights so nobly espoused in the Helsinki accords. Although we do not know whether our calling attention to the Lifshitz' family and the many others, who for one reason or another, are denied the freedom to immigrate will give them the opportunity to leave, we have an obligation to make known the plight of Vladimir and Bella Lifshitz in the hope that the spotlight of truth will be strong enough to free them from the darkness of tyranny.

PRESIDENT'S MESSAGE ON FINANCIAL DISCLOSURE

(Mr. **DANIELSON** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **DANIELSON**. Mr. Speaker, I am delighted to point out that President Carter has sent this message on financial disclosure in the executive department and related matters up to the Hill. For some little time we have been awaiting the message. In the event the financial disclosure matter is referred to the Subcommittee of the Judiciary Committee of which I am chairman, I can assure the Members we will commence hearings almost immediately. We have been waiting for this bit of direction from Pennsylvania Avenue and I would imagine that within about 2 weeks we will be able to commence our hearings and try to work out a bill which will meet the needs of our country at this time.

BASIC PROBLEMS WITH THE RENEGOTIATION REFORM LEGISLATION—H.R. 5959

The **SPEAKER**. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

Mr. **GRASSLEY**. Mr. Speaker, I would like to bring to the Members attention three documents which very succinctly outline the basic problems with the renegotiation reform legislation—H.R. 5959. The House Banking Committee has scheduled a markup of this legislation tomorrow morning at 10.

The first document, a letter from the Congressional Budget Office to the chairman of the Banking Committee, Mr. REUSS, states in its estimate of manpower requirements of H.R. 5959 that—

> The provision that all financial statements shall be verified by an audit, along with the provision that renegotiation shall be conducted on a division and major product line basis, provide the basis for a nearly unlimited increase in workload.

I find it incredible that the administration, which has taken a firm position against increasing the size of Government, could endorse this legislation which writes a blank check for hiring thousands of additional Federal employees.

The second letter is an analysis of the renegotiation reform legislation by the Commission on Federal Paperwork. I quote:

> There are, however, areas where this proposed legislation would, in our view, create additional administrative and procedural burdens as well as unnecessary paperwork and redtape, the cost of which appears to outweigh the potential benefits.

The letter continues:

> The Paperwork Commission has recently completed an extensive analysis of product line accounting concepts. The findings of the study on Financial Accounting pointed out the insurmountable difficulty companies face in restructuring their books of account to comply with the federal requirements for product line reporting.

The Paperwork Commission concludes that—

> Adoption of the present language in the bill would remove the flexibility, limit the discretion of the Renegotiation Board, and significantly increase the reporting costs of the government and contractors, while obtaining little or no additional benefit over present procedures.

On the subject of mandatory audits the Paperwork Commission states:

> Clearly, the proposed legislation for mandatory auditing of every statement would place impossible demands and astronomical costs on the (Renegotiation) Board that would exceed any potential benefits.

It is difficult to believe that President Carter could ignore such strong objections to the provisions of this legislation from a Commission whose purpose is to reduce the burdensome involvement of Government in daily lives of the American taxpayers.

The third document is an industry summary of the cost of compliance with the current requirements of the Renegotiation Act based on the testimony of industry witnesses at the recent hearings on the proposed renegotiation reform legislation. I quote from that summary:

> The $190 million companies spent in FY 76 to comply—and passed on as contract costs to the Federal Government—were almost five times the amount ($40 million) determined to be excess profit. The negative economic impact on the government (taxpayer) is further compounded by the fact that on an after-tax basis the Federal Government will realise only 50% ($20 million) of the $40 million determined as excess profits. In effect the Federal Government paid

almost ten times ($190 million) what it netted ($20 million) as excess profits.

These statistics indicate that for every dollar that is recovered in excess profits the American taxpayer must pay $10 to insure that he or she is not being ripped off. The end result is that the taxpayer still has to foot the bill. This seems somewhat ridiculous when one considers that the Government spends over a billion dollars a year in salaries and benefits for 54,000 Federal employees whose sole purpose is to make sure that the Government receives a quality product for a fair competitive price from the defense-related contractors.

I insert the full text of these three documents at this point in the RECORD:

WASHINGTON, D.C.,
April 5, 1977.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Currency and Housing, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 4082.

Should the Committee so desire, we would be pleased to provide further detail on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE, APRIL 5, 1977

1. Bill number: H.R. 4082 (as amended by Subcommittee on General Oversight and Renegotiation).

2. Bill title: Renegotiation Reform Act of 1977.

3. Description of bill: This bill, as amended by the Subcommittee on General Oversight and Renegotiation, revises and extends the Renegotiation Act of 1951 to:

(a) extend the termination date of the Renegotiation Act 5 years to September 30, 1981;

(b) provide that the Board's determination of excess profits is final unless appealed to the U.S. Court of Claims;

(c) provide that renegotiation should be conducted by division and major product line within a division rather than on the basis of aggregate total business of a firm;

(d) eliminate the exemption from renegotiation of oil and gas wells, redefine the standard commercial article exemption, and exempt bank leasing companies;

(e) increase the minimum amount subject to renegotiation from $1 million to $4 million ($25,000 to $50,000 for brokers and agents);

(f) provide penalties for failure to file data required by the board or for filing misleading information;

(g) provide that interest shall accrue on excessive profits beginning the day following the year in which the profit was made;

(h) increase the compensation of the Chairman of the Board to level IV;

(i) provide that all financial statements submitted to the Board shall be verified by an audit, and that the audit shall be performed by the Government department or agency holding the contract if requested by the Board; and

(j) various other changes which are not significant to the cost estimate.

4. Budget impact:

Budget function 050 authorization amounts and estimated costs

[In millions]

Fiscal year 1977	6.8
Fiscal year 1978	9.8
Fiscal year 1979	10.5
Fiscal year 1980	11.0
Fiscal year 1981	11.7

5. Basis for estimate: This estimate is based on CBO economic assumptions. The increasing cost shown results from an assumed effective date for the legislation of 1 July 1977 and inflation. The bill will reduce the number of firms subject to renegotiation by increasing the threshold for brokers and agents from $25,000 to $50,000 and for others from $1 million to $4 million. It is estimated that this will reduce the number of filings by about 30%.

The work load of the board will be increased by the removal of exemption for oil and gas wells and redefinition of the standard commercial article exemption. In addition the provision that all financial statements shall be verified by an audit, along with the provision that renegotiation shall be conducted on a division and major product line basis provide the basis for a nearly unlimited increase in workload. This results because an audit may range from a simple desk review of contractor filings to an extensive field review of the contractors accounting system and the documents supporting a filing.

For purposes of this estimate it has been assumed that on average the effort devoted to an audit will increase by a factor of 2. It is further assumed that filings will increase 10% as a result of the change in exemptions.

The estimate does not include the costs which may be incurred by contractors in satisfying the filing requirements to allow the board to conduct renegotiation on a division and major product line basis.

This bill may increase general government receipts as a result of larger amounts of excess profits being determined, interest being assessed from the close of the year in which excess profits are made, and provision of civil penalties for late filing. No estimate of revenues from this bill is made because no consistent relationship could be determined between staff resources of the Board and determinations of excess profits.

It is estimated that the effect of penalties for late filing will be to encourage prompt filing of reports.

6. Estimate comparison: None.

7. Previous CBO estimate: None.

8. Estimate prepared by:

ROBERT E. SCHAFER,
(225-4844).

8. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

COMMISSION ON FEDERAL PAPERWORK,
Washington, D.C.

Hon. CHARLES E. GRASSLEY,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR CHUCK: Enclosed are staff comments on the paperwork implications of the Renegotiation Reform Bill, H.R. 4082.

The enclosed comments reflect the general views and principles of the Commission, however, owing to the press of time, I am forwarding them before the Commissioners have had an opportunity to approve them.

The staff is continuing to work on its analysis and will forward any additional information of use to the Committee.

With kindest personal regards,

Sincerely,

FRANK HORTON,
Chairman.

COMMISSION ON FEDERAL PAPERWORK,
Washington, D.C.

Hon. CHARLES E. GRASSLEY,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR CHUCK: Thank you for your letter to Susan Wagner requesting the staff of the Commission on Federal Paperwork to work on an analysis of the present and proposed Renegotiation Act.

The Commission has received numerous letters expressing concern over the impact of proposed product line reporting contained in the legislation.

As you may know, the Commission took action at its meeting on February 25th, on recommendations which provided for an inter-agency task force, to work with industry and consumer groups, to develop systems for collecting product line information which are compatible with corporate accounting systems. We believe that without a coordinated approach by agencies, the cost to industry will be astronomical.

I appreciate the efforts of your staff to work with Commission staff. I have directed them to provide you with an analysis of the Renegotiation Act paperwork provisions, and alternatives, as discussed with your staff.

With kindest personal regards,

Sincerely,

FRANK HORTON,
Chairman.

THE RENEGOTIATION REFORM ACT OF 1977

The Commission on Federal Paperwork has reviewed H.R. 4082, a Bill to revise and extend the Renegotiation Act of 1951. The Commission supports the purposes of the Bill and those provisions contained in it which strengthen the government's ability to prevent and recoup excess profits. There are, however, areas where this proposed legislation would, in our view, create additional administrative and procedural burdens as well as unnecessary paperwork and redtape, the cost of which appear to outweigh the potential benefits.

PRODUCT LINE REPORTING

Section 4 of the Bill proposes to amend section 105a(2) of the Act (Method of Renegotiation) to require the board to "renegotiate all contracts and subcontracts by division and by major product line within a division of the contractor or subcontractor." Besides the staffing and procedural implications of acquiring and analyzing the increased amount of detailed data, both the Board and those subject to renegotiation have a very fundamental problem of defining and isolating cost and profit data by product line. This is so because of the diversity of type, function and manufacturing processes for each product as well as wide differences in accounting practices both among and within individual companies.

The Paperwork Commission has recently completed an extensive analysis of product line accounting concepts. The findings of the study on Financial Accounting pointed out the insurmountable difficulty companies face in restructuring their books of account to comply with federal requirements for product line reporting.

The Commission feels that the intent of the Bill—to eliminate cross-subsidization between contracts—can best be served by permitting the Renegotiation Board the necessary flexibility to analyze segments of a contractor's renegotiatable business. Segments reporting is a useful indicator of a company's operations since it allows the board to make reasonable determinations of a contractor's aggregate performance by examining product lines, profit centers, and/or divisions on a case by case basis. The Commission concurs with the February 17, 1976, position of the Board on this matter (made in response to H.R. 10680, a substantially similar Bill), that the present statute allows the Board the necessary flexibility to carry out this function. The procedures for enforcing the statute are contained in the Board's November 17, 1975, administrative letter (75-15) on Segmentation Analysis. Adoption of the present language in the Bill would remove this flexibility, limit the discretion of the Board, and significantly increase the reporting costs of the government and contractors, while obtaining little or no additional benefit over present procedures.

MANDATORY AUDITING OF FINANCIAL STATEMENTS

Section 10 b of the Bill proposes to amend Section 105(e)2 of the Act to require a verifying audit of every financial statement submitted to the Board. Without question, this would impose very significant additional demands upon the Board. In testimony before the Sub-committee on June 12, 1975, (oversight hearings, pp 268 ff.) Admiral Rickover pointed out that the Board is seriously understaffed. The Admiral cited a GAO Report which showed that the Board's 8 accountants and 11 professionals were responsible for reviewing $40 billion of renegotiable business in 1974. While he stated that the Defense Department was "hard pressed" to adequately audit 1 contractor with 30 auditors, the Renegotiation Board was expected to audit 3500 statements with 19 people. Clearly, the proposed legislation for mandatory auditing of every statement would place impossible demands and astronomical costs on the Board that would exceed any potential benefits.

There are also indications that such a practice requiring individual audit and necessary follow-up and clarification would add to the already significant paperwork burden imposed on contractors. Exhibit A shows the time and cost of 17 selected companies who have provided the Paperwork Commission with information on their federal reporting costs. Although the OMB estimates that the 7,800 forms (RB–1 and RB–90) require 41,500 hours to complete, the average of 5+ hours for each apply to the two page forms only and do not take into account the voluminous backup material and supporting statements which must accompany the forms. One company was required to supply well over 100 pages of detailed supplementary material to support information on the RB–1. Another company spent almost 5,500 hours and $93,000 just to complete the two-page form RB–1. All companies asserted that the present reporting requirements were already too burdensome.

The Commission recommends that the Board be permitted to devise reporting and auditing procedures less costly and less cumbersome. These procedures might include one or a combination of such techniques as staggered or alternate year review of submitted statements; screening of the required Form RB–1; using a short form method of reporting; and selection sampling of individual contractor reports. The Commission feels that the current statutes provide for this, and recommends that provisions for mandatory audit of every financial statement be deleted from the Bill.

REPORTS TO THE SECRETARIES OF THE DEPARTMENTS

Section 10 C of the Bill proposes to amend Section 15 of the Act by adding a provision calling for annual reports to the Secretaries of the Departments. While the Commission feels that such summary reports may be useful, the Commission recommends that the form and timing of these reports be left up to the discretion of the Board.

The requirement for the Renegotiation Board to compile and disseminate information on each contract would appear to represent unnecessary and potentially confusing duplication. Present statutes regulating contract awards by government agencies require that a substantial amount of detailed and timely data be maintained by each awarding agency. Hence, it is presumed that the Departments themselves are the appropriate sources for accurate and up-to-date information on any particular contract.

The most serious problem with this proposal, however, is the difficulty for the Renegotiation Board to identify each and every awarding agency for each service or product provided by the contractor. As it is currently collected by the Board, contract information supplied with Form RB–1 does not provide the detail necessary for the Board to accurately determine the extent to which each agency accounts for a contractor's business.

The Office of Federal Procurement Policy in the Office of Management and Budget is presently developing a comprehensive data system which possibly could provide basic data to the Renegotiation Board. This avenue should be explored before the Renegotiation Board develops a new and duplicative data system. The OFPP will provide information on the agency responsible for the contract.

Company	Number employed	Sales (millions)	Form	Manual hours	Sales per year	Cost	
(a) No. 102	33,400	$2,333	RB–1	617	1		Required more frequently than necessary.
(b) No. 103	26,744	1,443	RB–1	500	1	$12,940	Data requested requires extensive reconciliation to records of reporting company. Interpretation of regulations required extensive time. Excessive detail worksheets are required to determine reportable data.
(c) No. 185	37,000	2,560	RB–1	524	1	13,100	Parent company only. Manual hours at $25 equals 524.
(d) No. 251	6,200	384	RB–1 RB–90	190		2,920	Agree with objective but feel reporting requirements are excessive and unnecessary, particularly for companies with very small percentages of Government contracts.
(e) No. 253	12,000	687	RB–1	50	1	350	
(f) No. 162	31,381	1,663	RB–1	246	1	3,711	
(g) Tex-1	20,064	581	RB–1	3,018	1	52,000	
Tex-17	81,000	2,330	RB–1	1,880	1	33,819	
Tex-4	46,800	1,260	RB–1	597	1	7,077	
(h) No. 101	600	1,268	RB–1	250	1	3,942	Report on aerospace division of Abax (Consumer Products Group) only.
(i) No. 174	23,261	1,578	RB–1	562	1	16,860	Kaiser report was "refined" 3 times and is believed to be very accurate. Does not include overhead or computer start-up costs. Recharge rates $30 per hour.
(j) No. 157	23,000	1,230	RB–1	324	1	8,000	May be for a single division only (will call back).
(k) No. 100	9,000	306	RB–1	1,008	1	11,744	
(l) No. 173	12,469	555	RB–1	53	1	600	Extremely.
(m) No. 219	46,595	2,421	RB–1	260	1	13,129	Very costly and unnecessarily time consuming due to multitude of expense allocations. Will expand geometrically with advent of segment reporting. Adds substantially to higher cost to producer and by Government. Paid for by higher taxes. Legislate it out.
(o) No. 190	66,934	2,273	NASA RB–1	2,200	1	55,000	Includes some NASA and DOD paperwork.
(p) No. 129	59,875	3,102	RB–90	90	1	NA	
(q) No. 024	18,700	820	RB–90	550	1	NA	
(r) NA	172,796	8,167	RB–1	NA		NA	

Renegotiation Board

(Company comment only)

The Renegotiation Board is one of the clearest examples of duplicate effort. It was established nearly 25 years ago to create a temporary mechanism for the elimination of excessive profits from defense contracts and subcontracts. The Truth-in-Negotiations Act (PL 87-653), enacted in 1962, empowers the government procurement agencies to obtain cost details from potential government procurement agencies as a basis for negotiating a contract price. This statute also provides for government audit of contract costs both before contract award and after contract completion. To require further reporting of costs to the Renegotiation Board imposes a duplicate burden on government contractors. The American Iron and Steel Institute, in a statement to the Senate Finance Committee, aptly sums up the situation by stating that—

(This expresses the feelings of industry in general):

"In light of all of this regulation and control, not to mention the paperwork and recordkeeping involved, there is room for doubt about the justification for maintaining another governmental agency charged with the responsibility to examine costs and profits on Government contracts and determine when profits are excessive and by how much. This cannot be considered anything other than double jeopardy. A contractor is subject to having his costs examined as a basis for negotiating a reasonable profit with the contracting officer. Then, after completing the contract, he is subject to examination by an entirely different government agency employing different standards as the basis for a possible finding that the profit was not reasonable. We can think of no possible justification for such duplication of regulation and reporting requirements in a peacetime situation, and therefore, firmly believe that the Renegotiation Act should be allowed to expire."

We commend the above for your attention.

Observations From the Hearings on H.R. 4082—A Bill to Reform the Renegotiation Act of 1951

During the testimony two different statements of companies' cost to comply with the current requirements of the Renegotiation Act of 1951 were given. One given by a smaller company was $16,000.00 per year. The other given by a rather large company, was $200,000.00 per year.

In fiscal 1976 3,067 companies submitted reports to the Renegotiation Board. Assuming that 25% (769) of those companies reporting would average $200,000.00 of cost each, and that 75% (2300) average $16,000.00 of cost each, the reporting companies in 1976 incurred a total cost of $190 million to comply with the Renegotiation Act of 1951.

OBSERVATIONS

1. In 1976 the net of all renegotiable profits and losses reported by the 3067 companies was $1 billion; of which only $40 million, or 4% were determined as excess profits.

2. The $190 million companies spent to comply—and passed on as contract costs to the Federal Government—were almost five times the amount ($40 million) determined to be excess profits.

3. The negative economic impact on the government (taxpayer) is further compounded by the fact that on an after-tax basis the Federal Government will realize only 50% ($20 million) of the $40 million determined as excess profits.

4. In effect the Federal Government paid almost 10 times ($190 million) what it netted ($20 million) as excess profits.

5. This significant excess of cost over benefit would be further enlarged if other costs were included, such as:

(a) Board Operating Costs;

(b) Costs associated with Congressional Hearings and Investigations on the part of both industry and government.

6. H.R. 5959 would further aggravate this serious imbalance because:

(a) Raising the threshold on standard commercial article exemptions and eliminating the exemptions for oil & gas and durable production goods will increase the number of annual reports filed with the Board;

(b) The requirement to report by major product divisions and product lines actually increases the number of reports by an amount equal to the average number of divisions and product lines per reporting company times the number of reporting companies;

(c) The requirement that every report be audited in detail could increase government audit manpower requirements by an amount approximately equal to the number of reports filed. Additional industry manpower required to respond would be roughly equal to that of the Federal Government.

THE EFFECT OF LIMITING HOSPITAL COST INCREASES ON 1978 BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 15 minutes.

Mr. CRANE. Mr. Speaker, in light of President Carter's proposal limiting hospital cost increases, I would like to comment on its anticipated effect on the fiscal year 1978 budget.

In recommending outlays for medicare and medicaid in fiscal 1978, the Budget Committee took into account anticipated savings as the result of enactment of the President's proposed 9-percent cap on hospital reimbursements to be implemented by January 1, 1978. These savings of $111 million in budget authority and $621 million in outlays are speculative, for they are dependent upon estimated program costs, which can vary widely according to the utilization of medical services by recipients, even without any expansion of services or eligibility requirements.

The greatest portion of the increase in medicare and medicaid costs has been the increased use of hospital services by the elderly. Even if the increase in charges for hospital services were held down, Federal expenditures would increase as the population grows older and lives longer past the age of 65. Therefore, it is unfair to make the hospitals the scapegoat for the rising costs of these programs. The factors affecting hospital costs are numerous and complex, many of which the hospitals cannot control even with a limit on revenues. Furthermore, it would be unrealistic to expect that the hospitals could continue to provide the same level of services while absorbing these uncontrollable increases.

Before we propose to limit increases in reimbursements to hospitals by public programs and third-party payors in the private sector, we should first examine the effect that Federal laws, regulations, and programs now have on hospital costs. I think we would find that a reduction in the Federal burden on hospitals would result in an equal, if not greater, savings in expenditures by both the private and public sectors than the administration's proposal.

By far the largest item in a hospital's budget is its payroll, which accounts for anywhere from 50 to 70 percent of the total expenditures. Any increase in employee wages or benefits will have a significant effect on hospital rates.

During the late 1960's and early 1970's hospital employee wages rose faster than those in other segments of the economy as they caught up with the national average. A second period of catch-up wages followed the removal of wage and price controls on hospitals in April 1974, several months after they were removed from the rest of the Nation.

During the control period wages for hospital emplyoyees rose an average of 4.9 percent per year on the Consumer Price Index, but quickly climbed at an annual rate of 12.1 percent between April and December 1974, after the controls were lifted.

Periodic increases in the Federal minimum wage have pushed hospital wages higher, as they have elsewhere. Congress has increased that minimum from 90 cents in 1956 to the present $2.30, an increase of 207 percent, and it appears it will be raised again this year. Since about 60 percent of a hospital's budget is wages, a 5-percent increase in the minimum wage could cause a 2- to 3-percent increase in the hospital's costs. In 1975 the increase in hospital wages accounted for 28.5 percent of the increase in per diem hospital costs. According to the Bureau of Labor Statistics, the average hourly wage rates for nonsupervisory hospital workers reflected a 14.7 percent increase for the period June 1974, to June 1975.

These wage increases are uncontrollable hospital costs, as union demands for higher wages and benefits under the threat of crippling strikes leave administrators little choice but to give in. Furthermore, many hospitals have had to revise their pension plans to meet federally mandated pension requirements. The cost to Yale-New Haven Hospital alone, to meet this requirement was $630,000, or 6.4 percent of its budget increase for fiscal year 1977. Clearly, the Carter plan will have no effect on these increases and may even escalate employee demands since hospitals will be allowed adjustments if wages rise above the 9-percent cap on reimbursements.

Another uncontrollable increase affecting hospital rates is the price hospitals pay for the goods and services they purchase, particularly for energy and medical supplies which accounted for 44.8 percent of the increase in per diem cost in 1975. Energy costs alone rose an average of 15.1 percent on the CPI each year between 1970 and 1975. The cost of pharmaceuticals and medical supplies increased over 11 percent in 1976. While hospital service charges rose 13 percent in 1975, fuel and utilities prices increased by 11.2 percent, despite Federal controls.

Malpractice insurance premiums have soared in the last few years, in large part due to excessive settlements handed down by juries. The average hospital liability insurance premium cost $110,000 in 1975, or nearly nine times the 1970 figure of $13,000. The average malpractice insurance cost per bed in Texas hospitals was only $13 per bed in 1970, yet in New York hospitals that cost increased from $348 to $1,447 in 1975 alone. Yale-New Haven Hospital's premium was increased by $900,000 in the current fiscal year. Obviously, these costs are reflected in the hospital per diem date. As a side effect, physicians tend to order more tests as a hedge against malpractice suits, further adding to the costs of hospital stays.

Rapid changes in medical technology in which expensive new equipment and new diagnostic and therapeutic techniques have improved the quality of health care and saved many lives which would have been lost previously. The number of intensive care units increased 130 percent between 1970 and 1975, and the nursing hours per patient day in these units increased from 14.2 to 15.5 in the same period, adding to the cost of treatment. One of the most sophisticated pieces of equipment, the computerized axial tomography—CAT—scanner, has a price tag of $300,000 to $600,000 and an annual operating cost of $400,000 to $500,000. Each CAT can perform over 2,000 scans per year at $225 per scan. By the end of this year U.S. hospitals will have 1,400 CAT scanners, which are used to detect brain cancer.

Hospitals also face higher construction costs due to increasing wage levels of construction workers and inflated material costs for modernization and expansion programs. The cost of borrowing capital for such projects has also increased, and none of these increases can be controlled by the hospitals.

Much outcry has been expressed over the number of excess hospital beds in the United States, yet this budget proposes another $505 million in outlays for health planning and construction. This excess capacity has mainly been the result of the Hill-Burton program, which was responsible for constructing 40 percent of the beds in non-Federal short-term hospitals in 1974, a year in which more than $15 billion was spent to operate Hill-Burton supported beds.

It has been estimated that 30 percent of all hospital beds nationwide are vacant, and the cost of maintaining these vacant beds is two-thirds that of occupied beds, which must be figured into the hospitals' fixed expenses. Recent studies have found there to be anywhere from 60,000 to 100,000 excess beds in the United States. While the extent to which excess capacity exists varies with the locality, the number of beds per 1,000 of the population rose from 3.5 to 4.4 from 1960 to 1975 on a nationwide basis.

The costs of maintaining unused beds must be added to certain other fixed costs, which remain unchanged when lengths of stay and bed occupancy are reduced. In attempts to reduce expenditures by decreasing average lengths of stay, little or no savings are actually realized, since the intensity of per diem services is increased and the cost of empty beds is added to overall expenditures.

The numerous Government regulations, both Federal and State, raise costs by requiring additional staff for the added paperwork, legal, accounting, and administrative tasks. Hospitals are affected by minimum wage laws, Taft-Hartley, ERISA legislation, OSHA, EPA, FDA personnel licensing standards, budget review, rate and reimbursement regulations, and quality assurance standards. If each of the more than 7,000 hospitals in the United States added just one employee at $10,000 as the result of Federal regulations, the annual added cost would be $70 million. Obviously, the number of extra personnel is much higher than that at untold expense, which is then passed on to the consumer.

Congressional action to increase the number of doctors in this country resulted in the doubling of medical school enrollment in the last 10 years. Because all of these students take their post-graduate training in hospitals, costs or stipends and salaries of interns and teaching physicians rose as well, adding to the costs of teaching hospitals.

The increasing coverage provided by third-party insurance and public funds has lead to increased utilization and, therefore, cost of medical care. Back in 1940, 82 percent of personal health care expenditures were paid by the consumer while only 35 percent of health expenses were paid directly in 1974. In 1950 when the hospital rate was $16 per day and private insurance paid only 37 percent of the bills, the consumer paid $10 out of pocket. In 1974 when that rate had climbed to $125 per diem, insurance paid 77 percent and the patient paid the remaining $28.50. That $28.50 purchased only $13 worth of services in 1950 dollars, so the real net cost increased only $3.

With only 10 percent of hospital expenses being paid out of pocket by the consumers in 1977, there is obviously little incentive to choose the least expensive service since the difference in cost to the consumer is negligible. He only pays $5 more for the $100 treatment than the one costing $50. In addition, reimbursement conditions in private insurance plans and public programs often encourage the use of the more expensive treatment. A service performed in the hospital may be reimbursed more fully than the same service in a physician's office and, therefore, costs less to the patient.

One cannot recite the many factors without considering the effects of the medicare and medicaid programs. Hospital admission rates for the elderly rose nearly 25 percent after the introduction of medicare, and the rate of surgical procedures in this age group increased 40 percent. The average length of stays for those over 65 also rose, increasing by nearly 50 percent the number of hospital days per elderly person. The proportion of the population over 65 has risen by 51.1 percent, from 6.8 percent in 1940 to 10.3 percent in 1974. Yet the elderly account for 22 percent of all hospital stays and occupy 32 percent of all hospital beds. The annual rates of price increases for medical services as measured by the CPI were 3.2 percent per year premedicare—July 1959 to June 1966—and 7.9 percent post medicare—June 1966 to June 1971.

During the period 1970 to 1975, health-related outlays of the Federal budget rose 74.1 percent, from $18.3 to $31.9 billion, a 40.5-percent increase in constant dollars. Even with the savings proposed under the 9-percent cap on hospital revenues, medicare and medicaid will account for $36.5 of the $44.3 billion in outlays recommended by the Budget Committee. There have been numerous bills introduced this session which would expand the services covered under those programs, adding to this figure.

If the administration and the Congress truly intend to hold down costs in health care, steps must be taken to ease the burden of Government regulations and reduce Federal expenditures. It is unfair to single out the hospitals for punitive cost controls, while exempting wage increases and without imposing cost controls on the supplies hospitals must purchase. A cap on hospital revenues, considering the hospitals' largely uncontrollable expenditures, can only lead to a rationing of health care and a decline in quality. We may not think we can afford to pay higher prices for health care, but we certainly cannot afford the alternative.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. Sarasin) is recognized for 5 minutes.

Mr. SARASIN. Mr. Speaker, on May 2, 1977, I was unavoidably detained from the House for part of the legislative afternoon. Had I been present, I would have voted in the following fashion:

Rollcall No. 181: House Resolution 489: Funding resolution, the House agreed to the resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Congressional Operations, "yea."

WHALEN LAUDS INCREASE IN FUNDS FOR ON-SITE OSHA CONSULTATION

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. Whalen) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, on March 14 I cosponsored H.R. 4984, a bill to provide for a program of on-site consultation by the Occupational Safety and Health Administration, OSHA. I placed an explanatory statement in the Record on March 22, noting that small businessmen in my district and throughout the country need and want advice from the Government on how to assure that their workplaces meet all of the applicable safety and health standards.

In my area, the State of Ohio already offers on-site consultative services, and receives some Federal financial support through a contract with OSHA. But it is obvious that the present size of the operation is not adequate to meet the demand. This is why I readily agreed to join Ron Sarasin and Bill Steiger in their proposal for an expanded Federal program.

Now, I see that the Department of Labor last week announced a proposal for an increase in Federal support for on-site consultative service relevant to OSHA.

According to a letter I received from Ms. Eula Bingham, Assistant Secretary for Occupational Safety and Health—

> The proposed changes would increase from fifty percent to ninety percent the level of Federal funding for on-site consultation contracts with the State under section 7(c)(1) of the Occupational Safety and Health Act."

This is the program in which the State of Ohio is already participating.

Thus, it appears as if there will be a significant increase in Federal support for on-site OSHA consultations without the need for lengthy legislative activity. This, in my opinion, will be of benefit to small businessmen and their employees throughout the Nation.

Mr. Speaker, I wish to commend our colleagues, Ron Sarasin and Bill Steiger, for their good work in focusing attention on this problem. And I also applaud the Department of Labor for its proposed action in response to our congressional initiative.

NEW DEVELOPMENTS SHOW THE IMPORTANCE OF PRODUCING NATURAL GAS FROM THE EASTERN SHALES FOR USE IN THE EAST AND MIDWEST

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, the President recently outlined his proposals for dealing with the energy issue. I addressed the House on those proposals on April 22. My remarks can be found in the Record of that date, pages 11855–11857.

We subsequently received the legislation recommended by the President for carrying out his proposals. This is a 283-page bill. What its length—and content—may be when it is returned to the President after consideration in the House and Senate remains to be seen.

As this legislation works its way through the legislative process, I am sure I will be speaking to the issue a number of times. But I want to take a few moments this afternoon to address one facet of the national energy equation. I am referring to the development of natural gas from the Devonian shales in the East and certain Midwestern States.

Two items have crossed my desk which make it very pertinent to bring this matter to the attention of the House.

The first is the annual survey of the results of drilling for natural gas in the United States.

The second is the testimony of the widely respected Institute of Gas Technology on what its research has shown about western shales and eastern shales. It is this shale from which we can extract oil or natural gas.

Taken together, three points emerge:

One, that the U.S. Geological Survey should be reprimanded for its inadequate reporting of the gas potentials in the shales, especially in the contrast between western and eastern shale.

Second, that the Energy Research and Development Administration has been pursuing the wrong course in putting most of its money into developing western shales and very little money into developing the eastern shales.

Third, that the administration has not stayed sufficiently abreast of the recent changes in knowledge about the potential of these shales and, as a result, has not put enough emphasis behind developing the eastern gas shales.

Let me deal with the annual natural gas survey first.

On April 7, the American Gas Association released its annual survey of the results of drilling for natural gas in the United States.

As is well known in the wake of the President's energy message, nationwide proved reserves of natural gas declined for the sixth straight year to a level of 216 trillion cubic feet as of the end of 1976. Total additions to reserves last year were only 7.56 trillion cubic feet, while during the same period we were producing 19.54 trillion cubic feet.

Let me say, parenthetically, that I am not unmindful of the statistics in the Wall Street Journal editorial last week on potential supplies of natural gas, estimates ranging upwards of 20,000 trillion cubic feet. I am aware also that a change in price to $2.25 would allow us to recover another 230 trillion cubic feet onto line from what the U.S. Geological Survey calls "inferred reserves," make economic the 285 trillion cubic feet of Devonian shale gas underlying the Appalachian States, the 600 trillion cubic feet of Western tight-sands gas, and 200 to 300 trillion cubic feet of coal-seam methane, all to add to that 216 trillion cubic feet in the AGA report.

But let us deal here with what those AGA figures have shown.

They show us that the U.S. producing industry found only 38 percent of new natural gas reserves of the amount withdrawn from known fields for current consumption last year. That should cause concern among all of us. Put in the simplest terms, we are using up natural gas at a rate about three times greater than we are finding it.

But overlooked in the conclusions reflected in the AGA's national overview is the emerging trend of new natural gas supply in the Appalachian States, a trend which runs counter to the national results.

The following table illustrates this point:

NATURAL GAS RESERVE ADDITIONS AND PRODUCTION IN THE APPALACHIAN STATES—1976

[In billion cubic feet]

State	Reserve additions (1)	Production (2)	Reserve additions/production ratio (1)/(2)
West Virginia	172.4	150.6	1.14
Ohio	146.7	89.8	1.63
Pennsylvania	142.8	90.0	1.59
New York	40.0	9.2	4.34
Kentucky	21.9	58.5	.37
Virginia	15.9	6.9	2.28
Appalachia total	539.7	405.0	1.33
National total	7,555.5	19,542.0	.38
Appalachian percentage of United States	7.2	2.0	N/A

Source: American Gas Association.

Note: Data for Maryland and Tennessee unavailable.

Mr. Speaker, in 1976 the six Appalachian States for which data are available produced 405 billion cubic feet of natural gas, but exploration and development drilling activity discovered a total of almost 540 billion cubic feet in those States, or 33 percent more than was produced.

Only in Kentucky, as the data show, was more gas produced than added to proven reserves, and the results in New York were particularly encouraging where 4⅓ cubic feet of gas were added to proven reserves for each cubic foot produced.

It is also interesting to note, as the table shows, these Appalachian States in 1976 produced only slightly more than 2 percent of the national total, while the region accounted for over 7 percent of new reserve additions:

Keep these figures in mind.

The second item to cross my desk is the testimony of Frank C. Schora, the senior vice president of the Institute of Gas Technology, before the Subcommittee on Interior of the House Committee on Appropriations.

I wish to quote some very important excerpts from this testimony:

> I am Senior Vice President of the Institute of Gas Technology, a non-profit scientific research organization affiliated with Illinois Institute of Technology in Chicago. IGT has specialized in conducting energy research, development and demonstration work and energy-related education programs for 36 years. I have been employed at IGT in various research positions since 1964. During that time, I have supervised much of the research work on oil shale.
>
> Research at IGT on oil shale began in 1956. Our efforts resulted in the development of an improved hydroretorting process which could extract up to 35 percent more usable energy from Colorado shale than the conventional thermal retorting processes which are generally considered to be ready for commercialization. An additional benefit of this second-generation process is its unique flexibility. The product yields could be altered to give mostly oil or mostly substitute natural gas (SNG). The importance of this flexibility is apparent after the record low temperatures of the past winter. The crude shale oil produced by the IGT process, unlike that from conventional retorting processes, is easily pumped. It could be economically pipelined to distant refineries, and it could yield large amounts of jet fuel and gasoline.
>
> The development effort has progressed satisfactorily and all of the improvements in processing Colorado shale that I have enumerated are presently being proved out in a 1-ton-per-hour process development unit (PDU) in Chicago.
>
> During the course of this work we have applied the IGT process to eastern U.S. shales. The results indicate that these shales—which until now have been considered poor candidates for retorting feedstocks—can be processed by IGT hydroretorting to give energy yields almost as high as those obtained from western U.S. shales of comparable organic carbon content. I am sure that this Committee is familiar with the Devonian shale deposits that spread across a large area from Iowa to the Atlantic. These deposits have recently received attention because of the potentially large amount of entrapped natural gas contained in them. The shale itself, however, has been essentially overlooked by the various organizations involved in shale oil development. The reason is simple. The Fischer Assay is a laboratory test commonly used to determine the value of the shale. This test provides an indication of the oil yields by conventional retorting. Eastern Devonian shales usually assay at about 10 gallons per ton. By comparison, large quantities of the Colorado and Utah shale reserves assay at 25 to 30 gallons of oil per ton of shale and some limited deposits are much richer. Considering the marginal economics of oil shale production compared to world oil prices, it is easy to see why attention has focused on the high Fischer Assay western shales where the economics should be more favorable.
>
> We discovered some time ago, and have confirmed in more extensive testing during the past year, that when we process eastern Devonian shale with the IGT hydroretorting process, we obtain yields of useful products equivalent to those from conventional retorting of Colorado shale. As an example, from a sample of oil shale from Powell County, Kentucky, which had a Fischer Assay of 10 gallons per ton, we obtained a product yield equivalent to about 25 gallons of oil plus 2000 cubic feet of SNG per ton. Similar results have been obtained with eastern shales from other locations.
>
> We are particularly excited about this discovery. Based on yield data for the IGT process and available geological information on eastern shale reserves, a new potential resource of 1 trillion (1 X 10^{12}) barrels of oil is now available. This energy might be recovered as economically as our western oil shale resources. This resource lies right under the area hardest hit by fuel shortages, close to refineries, where water is more plentiful than in the West, and where an infrastructure already exists to support mining and process plant operations.
>
> The obvious question that comes to mind is, "How can you get 25 gallons of oil plus 2000 cubic feet of SNG from a ton of shale that has a Fischer Assay of only 10 gallons per ton?" Our researchers have provided the answer to this question. Actually, the organic carbon content of many eastern and western shales is very similar. IGT researchers found that the 10-gallons-per-ton Kentucky shale and a 30-gallons-per-ton Colorado shale had organic carbon contents of 13.4 and 13.6 percent, respectively. However, the chemical characteristics of the organic carbon, known as kerogen, are quite different for the two shales. In performing the Fischer Assay, and the technically similar conventional retorting processes only about one-third of the kerogen is extracted from eastern shale,

> whereas more than two-thirds is extracted from western shales. In the eastern shales the remaining organic carbon is converted to solid carbon and remains in the shale. In the IGT hydroretorting process, however, most of the organic carbon in both shales is converted to oil and gas. More technical details about the IGT process are appended.
>
> We estimate that twelve years would be required to commission a commercial-scale demonstration plant if we were to follow currently accepted methods of development involving construction of a demonstration plant. However, if a larger-scale pilot plant were built and the demonstration plant were omitted, commercialization could be achieved in about eight years.

Mr. Speaker, that testimony speaks for itself. The amount of the natural gas which can be extracted from the eastern Devonian shales has been vastly understated by the Government, in light of this research. Emphasis ought to be put by ERDA in developing these eastern shales, instead of being almost solely limited, as it is now, to development of the western shales.

The White House fact sheet—28 legal pages long—accompanying the President's energy speech contained one sentence on Devonian shale: "Efforts to develop gas from Devonian shale will also be expanded." I am very pleased the President made that commitment. But one sentence in 28 pages of text is not going to bring the natural gas potentials of the Devonian shale onto line.

There are many States involved here. This is not just limited to the core States of Appalachia. The States involved include Appalachia, plus Iowa, Illinois, Indiana, Michigan, and Mississippi.

I cannot help but think that a majority of Members in this House—from all the country's regions—want to see as much natural gas as possible available to be brought onto line if we have another winter as severe as the one we have just come through. We had tens of thousands of people out of work all across the Northeast, the Midwest, New England, and the border States. We had schools closed, shopping centers shut down, and in many areas homes were without enough heat.

I do not see any reason why the people of western New York have to bring in the natural gas they need from foreign countries when a Government program with the proper direction could bring substantial increases in gas up from the Appalachian region. And, I might say, at substantially less cost to the consumers—home, commercial, industrial—than foreign natural gas. If our goal is to reduce dependence on foreign imports, development of the Devonian gas is consistent with it.

To hasten this process by relieving producers and industries seeking their own natural gas supply by drilling themselves, I urge Members to support the Natural Gas Small Producer Exemption Act, H.R. 2477 and subsequent bills.

BILL MOORHEAD of Pennsylvania and I are the principal House sponsors of the measure, and we have 53 other Members from 20 States joining with us. Those Members are:

COSPONSORS

Mr. Ashley of Ohio.
Mr. Brown of Ohio.
Mr. Cederberg of Michigan.
Mr. Cochran of Mississippi.
Mr. Collins of Texas.
Mr. Coughlin of Pennsylvania.
Mr. Dan Daniel of Virginia.
Mr. Dent of Pennsylvania.
Mr. Derwinski of Illinois.
Mr. Devine of Ohio.
Mr. Dornan of California.
Mr. Duncan of Tennessee.
Mr. Edwards of Oklahoma.
Mr. Flippo of Alabama.
Mr. Forsythe of New Jersey.
Mr. Guyer of Ohio.
Mr. Hall of Texas.
Mr. Hamilton of Indiana.
Mr. Harsha of Ohio.
Mr. Hyde of Illinois.
Mr. Kemp of New York.
Mr. Kindness of Ohio.
Mr. Lederer of Pennsylvania.
Mr. Lent of New York.
Mr. Lott of Mississippi.
Mr. Madigan of Illinois.
Mr. Mollohan of West Virginia.
Mr. Montgomery of Mississippi.
Mr. Moorhead of Pennsylvania.
Mr. Moorhead of California.
Mr. Murphy of Pennsylvania.
Mr. Murtha of Pennsylvania.
Mr. John T. Myers of Indiana.
Mr. Neal of North Carolina.
Mr. Pattison of New York.
Mr. Perkins of Kentucky.
Mr. Preyer of North Carolina.
Mr. Price of Illinois.
Mr. Pursell of Michigan.
Mr. Quillen of Tennessee.
Mr. Rahall of West Virginia.
Mr. Regula of Ohio.
Mr. Rousselot of California.
Mr. Rudd of Arizona.
Mr. Sebelius of Kansas.
Mr. Stockman of Michigan.
Mr. Symms of Idaho.
Mr. Vander Jagt of Michigan.
Mr. Walgren of Pennsylvania.
Mr. Walker of Pennsylvania.
Mr. Walsh of New York.
Mr. Whitehurst of Virginia.
Mr. Charles Wilson of Texas.
Mr. Yatron of Pennsylvania.
Mr. Young of Alaska.

This issue is separate from the question of whether or not to decontrol natural gas in general. There are Members on our bill who support decontrol, Members who oppose it, and some who have sought an in-between course. I have urged and voted for total decontrol, but that has nothing to do with the specific question here. If the realities persist of an administration and a majority in Congress not supporting decontrol we are not going to have decontrol. That may be the case.

Additional legislative means must be supported for bringing additional quantities of natural gas onto line as rapidly as possible, and the Natural Gas Small Producer Exemption Act is such a measure.

CRIMINAL CODE REFORM ACT OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, I am today introducing the Criminal Code Reform Act of 1977 for the consideration of the House. Identical legislation has been prepared and introduced in the Senate by Senator MCCLELLAN and Senator KENNEDY.

This is an important piece of legislation. It represents the culmination of many years of work and study by Senator MCCLELLAN, Senator KENNEDY, their staffs and the best legal minds at the Department of Justice. Many of the troubling issues concerning privacy, freedom of speech and assembly and other constitutional issues have been resolved. In addition, a number of important policy decisions involving sentencing and specific types of offenses have also been set forth in this bill.

In short, this measure is an important and substantial step toward the ultimate and pressing goal of recodifying, simplifying and modernizing the Federal Criminal Code of the United States.

The Committee on the Judiciary and its Subcommittee on Criminal Justice chaired by the gentleman from South Carolina (Mr. MANN), will conduct an exhaustive study of this bill and of the issues that are involved in recodification. Certainly the committee and the full House of Representatives will wish to make their own decisions on the many important subjects that are represented in this legislation, and we shall proceed carefully and cautiously to insure that those responsibilities are properly discharged.

Attorney General Bell, the Senate, and the House are agreed that we must make those changes in the criminal code to make it conform to these high standards.

I commend Attorney General Bell, Senator MCCLELLAN and Senator KENNEDY, together with so many others who have spent long hours of study and work to draft this bill. They have made an invaluable contribution to the process by which we shall establish a criminal code suitable to our modern times, yet one which preserves the traditional values of fairness, equality and justice.

Mr. Speaker, an outline of significant provisions of the bill follows my remarks.

THE CRIMINAL CODE REFORM ACT OF 1977: OUTLINE OF SIGNIFICANT PROVISIONS

PART I. GENERAL PROVISIONS AND PRINCIPLES

Chapter 1. General provisions

This chapter sets forth the general purposes of the Code, provides general principles of construction, and defines over one hundred terms that are commonly used in the Code and in the Federal Rules of Criminal Procedure.

Chapter 2. Jurisdiction

The general Code treatment of federal jurisdiction is introduced in this chapter. The Code defines offenses in terms of the underlying misconduct (e.g., kidnapping) just as a state penal code does, but in a separate subsection of each offense it specifies the particular circumstances under which the federal government may exercise jurisdiction over the criminal conduct (e.g., transportation of the victim across a state line). The basis for federal jurisdiction is not an element of the offense, but it will still have to be proved to the court beyond a reasonable doubt. This approach to federal jurisdiction permits far clearer definitions of offenses, and allows consolidation of numerous existing offenses into a single offense with several jurisdictional bases (e.g., the Code contains only one theft offense, with a listing of several specified circumstances permitting the federal government to prosecute for the theft). It also allows simplified instructions for juries. The jurisdictional bases in the Code have been tailored to avoid unnecessary expansion of existing federal jurisdiction.

The Code contains provisions for ancillary federal jurisdiction over certain offenses—primarily violent offenses— committed in the course of other federal offenses. For example, if the federal government prosecutes for a civil rights violation the Code will also permit it to prosecute for an assault or a murder committed in the course of the civil rights violation.

The chapter also sets forth principles of extraterritorial jurisdiction. In doing so it fills several gaps in current law (e.g., it permits a criminal trial of a former serviceman for a murder he committed overseas prior to being discharged).

Chapter 3. Culpable states of mind

This chapter sets forth the specific mental states (the "*mens rea*" elements) that are used throughout the Code in defining offenses. The chapter reduces the 79 different terms now appearing in Title 18 ("corruptly", "feloniously", "improperly," "willfully", "wantonly," etc.) to four defined terms ("intentionally", "knowingly", "recklessly", and "negligently") like the Model Penal Code and most modern state codes. This simplification will permit far greater clarity and uniformity of interpretation.

Chapter 4. Complicity

This chapter specifies the circumstances under which a person or organization may be criminally liable for the acts of another person or organization. It generally codifies the current law of aiding and abetting and of corporate liability.

Chapter 5. Bars and defenses to prosecution

A general statute of limitations and a bar to prosecution on grounds of immaturity are set out in this chapter, but otherwise the generally applicable bars and defenses are uncodified. They are, however, referred to by name and are specified as being left to further development by the courts through case law. (It is expected that sometime in the next few years the Congress may be able to attempt a codification of the basic elements of the more common defenses.)

PART II. OFFENSES

Chapter 10. Offenses of general applicability

This chapter defines the general offenses of attempt, conspiracy, and solicitation.

A general attempt statute makes it an offense to attempt to commit any federal crime. A new defense is created to cover an individual who renounces and abandons his attempt.

The conspiracy offense carries forward current law, including the "Pinkerton doctrine" under which a conspirator may be criminally liable for certain substantive offenses of his co-conspirators. A new defense of renunciation is added.

A general solicitation offense, similar to that appearing in the Model Penal Code and several modern state codes, is included. It makes it a crime to solicit the commission of any federal offense. (Current law covers only a few offenses such as subornation of perjury). Here too, a defense of renunciation is included.

Chapter 11. Offenses involving national defense

Three series of offenses relating to treason, sabotage, and espionage are set out in this chapter.

The treason series generally codifies current law. It adds a new section, however, penalizing use of weapons by para-military groups that intend to take over a function of government by force. Such an offense was recommended by the Brown Commission.

The Smith Act is repealed in its entirety.

The sabotage series of offenses generally codifies the current law statutes, except that the statute dealing with the spreading of false military information in wartime with intent to aid the enemy is repealed as unnecessary and potentially overbroad.

The offenses relating to espionage and release of classified information have not been revised. Because of the controversy surrounding this area, the existing statutes are moved, unchanged, to title 50 of the United States Code, with the Code simply cross-referencing to those provisions. (It is understood that after passage of the Code some attention may be given to modernizing these provisions.)

Chapter 12. Offenses involving international affairs

This chapter codifies various offenses pertaining to foreign relations and a series of offenses involving immigration, naturalization, and passports. Except for one new provision making it an offense to conspire within the United States to assassinate a foreign official, the offenses in this chapter are basically drawn from current law.

The Logan Act, prohibiting private communication with a foreign government with intent to influence its actions in a dispute with the United States, is repealed.

Chapter 13. Offenses involving government processes

This chapter covers various offenses that constitute obstructions of legitimate government functions.

The provisions of 18 U.S.C. 371 that covers conspiracy to defraud the government is converted from a conspiracy offense to a substantive offense of obstructing a government function by fraud. (The property fraud provision is covered by the Code's theft section.)

The offenses involving obstructions of justice are defined more precisely than in current law, and include specific provisions concerning the intimidation of witnesses and informants.

The contempt offenses are defined more clearly, the general criminal contempt statute is limited to a six-month penalty, and certain defenses are added to cover impossibility of compliance with court orders and non-compliance with illegal court orders.

The perjury series adds a new offense, false swearing, as a lesser-included perjury offense where the false statement is not material. Like the perjury offense now appearing in 18 U.S.C. 1623, the "two witness" rule is abolished and a defense of retraction is provided. A single false statement offense consolidates in one statute over 50 false statements statutes appearing in current law; an oral false statement to a government official is an offense only if it is volunteered to an investigator or if an investigator first advises the declarant that making such a false statement is an offense. A new defense of retraction is added to the false statement offense.

The bribery and corruption series of offenses is clarified in order to make the provisions more effective than they are today. A new offense is added to cover a government official's speculating for his own profit on the basis of information coming to him in an official capacity. The offense of retaliating against a public official is expanded to include economic retaliation.

Chapter 14. Offenses involving taxation

This chapter codifies general internal revenue offenses and customs offenses.

The internal revenue offenses codify the provisions of existing law except that, as the Code is structured, an intentional understatement of income with intent to evade taxes may be prosecuted even though there is no net tax deficiency. The penalties for the internal revenue offenses are made dependent upon the amount of taxes evaded.

Chapter 15. Offenses involving individual rights

This chapter covers offenses involving civil rights, political rights, and privacy.

The coverage of the present civil rights statutes is expanded. 18 U.S.C. 241 is recodified, not as a conspiracy offense, but as a substantive offense, thereby permitting a prosecution if an individual acts alone. In addition, the coverage is extended to protect aliens as well as citizens. Finally, the convoluted jury instructions required by the *Screws* case are obviated by a modification of the requirement that the defendant specifically intend to deprive the victim of a federally protected right.

The provisions of the Civil Rights Act of 1968 are expanded to cover discrimination on the basis of sex as well as on the basis of race, color, religion, or national origin.

A detailed series of election offenses is provided for the first time in federal law. Included among them is an offense of obstructing a political campaign by "dirty tricks" such as the Watergate burglary. (The only reason the federal government had authority under existing law to prosecute for the Watergate burglary was because of its occurrence within the boundaries of the District of Columbia).

In the course of codifying the current offenses of eavesdropping and wiretapping, there is added an offense covering the possession of an eavesdropping device with the intent that it be used unlawfully. In addition, the offense of mail interception is broadened to cover all forms of communication other than speech.

A general offense is created to penalize a federal official's disclosure of private information that has been furnished to the government by a citizen in seeking to obtain a federal benefit.

Chapter 16. Offenses involving the person

This chapter codifies offenses involving homicide, assault, kidnapping and hijacking, and sexual contact. Most of the offenses appearing in this chapter may be federally prosecuted not only if they are directed against federal officials or take place on federal enclaves, but also if they occur in the course of certain other offenses over which federal jurisdiction exists.

The reckless endangerment of human life during the commission of any other federal offense is made a separately prosecutable crime. It provides a means of raising automatically the penalty for a routine regulatory offense if it is committed in a fashion that may cause death. (E.g., this section would augment the penalty for a simple industrial pollution offense if it were committed by dumping a highly concentrated poison into a stream feeding into a municipal water supply.)

The offense of rape is defined without distinction as to the sex of the offender or of the victim; forcible sodomy in a federal prison, for example, is therefore included within the offense. Special corporation of a victim's testimony is not required for prosecution, and a proscription is imposed upon the ability of the defense at trial to explore the prior sexual history of the victim. The offense of "statutory rape" applies only if the defendant is at least five years older than the victim, thereby eliminating coverage of sexual conduct between peers.

Chapter 17. Offenses involving property

This chapter contains offenses involving arson and other property destruction; burglary and other criminal instrusion; robbery, extortion and blackmail; theft and fraud; counterfeiting and forgery; commercial bribery; and various monetary offenses.

In the arson series, approximately 70 current statutes relating to arson and property destruction are consolidated into three sections.

The extortion offense changes the result of the Supreme Court holding in *United States* v. *Enmons,* in which the Court held as a matter of statutory construction of the Hobbs Act that the existing offense was not applicable to otherwise extortionate conduct in the course of a labor dispute where the property to be obtained could have been lawfully secured through collective bargaining (e.g., higher wages). The extortion offense in the Code focuses, in the labor context as elsewhere, upon the means used rather than the ends sought, bringing such conduct within the definition of extortion.

The theft section in the Code replaces approximately 70 theft and fraud statutes appearing in current law. The penalty for the offense is made to vary with the kind and value of the property stolen. The penalty for "joy riding" by a person less than 18 years old is reduced to a maximum of six months' confinement. Two new offenses are added to the theft series—an offense covering pyramid sales schemes and an offense covering large-scale consumer frauds.

A series of five forgery and counterfeiting offenses replaces approximately 80 such offenses in current law.

The application of various commercial bribery provisions in current law is clarified, and the labor bribery statutes are extended to encompass bribery in union membership procedures and work placement as well as improper expenditure of union assets.

Chapter 18. Offenses involving public order, safety, health, and welfare

This chapter sets forth series of offenses involving organized crime; drugs; explosives and firearms; riots; gambling, obscenity, and prostitution; and miscellaneous public health provisions.

In addition to a recodification of the 1970 racketeering statutes, there is included a new offense of operating a racketeering syndicate. The federal loansharking laws have been broadened to reach (as a lesser included offense) grossly usurious credit transactions.

The drug offenses are primarily a codification of the 1970 statutes except that simple possession of more than 100 grams of an opiate (which would carry a retail value of at least $4,000) is made a more serious offense than simple possession of other drugs, and except that simple possession of 10 grams or less of marijuana (approximately 20 cigarettes) is not continued as a federal offense. The several provisions of current law providing for a doubling of the penalty for repeat offenders are eliminated. There is added, however, a two-year mandatory minimum sentence for trafficking in an opiate unless the offense was committed under one of four specified mitigating circumstances.

The offense of using a firearm in the course of committing a federal crime is made subject to a mandatory minimum penalty of two years' imprisonment, to be served consecutively with the sentence for the underlying offense, unless one of four specified mitigating circumstances is present.

The riot offenses of the existing law are substantially narrowed, both in terms of the definition of the substantive offenses and in terms of the federal ability to prosecute. An incitement to riot may not be prosecuted unless a riot actually occurs. A riot is defined to require at least ten participants instead of three as in current law.

The obscenity offense is narrowed to cover only (1) assaultive pandering to a minor or to an adult who is given no opportunity to avoid exposure to the material, and (2) commercial dissemination. The section defines obscene material to accord with recent Supreme Court decisions concerning obscenity.

The conducting of a prostitution business is prohibited, but prostitution itself is not made a federal offense. The Mann Act is repealed.

The assimilated crimes act is continued in order to reach minor, uncodified offenses committed in federal enclaves, but because of the existence of a complete federal Code there will be less occasion for its use than has existed in the past. Accordingly, the penalty for assimilated crimes is limited to a one-year maximum.

PART III. SENTENCES

The sentencing provisions are changed substantially from current law.

In general, the maximum terms of imprisonment are somewhat reduced from those in current law; the maximum fines are substantially increased; the special provisions of current law for special dangerous offenders, youth offenders, and narcotics offenders are eliminated; a provision is added to require notice of fraud victims in order to facilitate class actions for recovery of losses; a provision is added to permit a court to order an offender to make restitution; and the death penalty provisions are eliminated (except for the existing death penalty for aircraft hijacking which is retained in title 49 of the United States Code).

More important, however, are the structural and procedural changes in sentencing. The Code sets forth four generally recognized purposes of sentencing—deterrence, protection of the public, assurance of just punishment, and rehabilitation. A sentencing commission is created and directed to establish guidelines to govern the imposition of sentences for all federal offenses, taking into consideration factors relating to the purposes of sentencing, the characteristics of the offender, and the aggravating and mitigating circumstances of the offense. In sentencing offenders, a judge will be expected to sentence within the range specified in the guidelines, although if he considers the guideline range inappropriate for a particular case he is free to sentence above or below the guideline range as long as he explains his reasons for doing so. If, an offender is sentenced above the range specified in the guidelines he may obtain appellate review of his sentence; if he is sentenced below the range specified in the guidelines the government may obtain appellate review of the sentence. The system is designed to promote greater uniformity and fairness, while retaining necessary flexibility. Although a parole system is retained under the current draft of the bill, a defendant may be sentenced to imprisonment without eligibility for parole if that is the sentencing commission's recommendation for such a case.

Each offense in the Code is described as a certain grade of felony or misdemeanor or as an infraction, as is common under most modern state codes. This provides a shorthand method of referring to the penalties and other considerations that apply to the offense.

PART IV. ADMINISTRATION AND PROCEDURE

The chapters appearing in this part consolidate, clarify, and codify existing procedural sections of Title 18. Except for the provisions noted below, the codification is accomplished without substantial change in the existing law.

The provisions concerning court-authorized wiretapping have been modified slightly. The statute permitting wiretapping without court order in emergencies is limited specifically to offenses involving treason, sabotage, or espionage, or to offenses involving a risk of death. The provision of current law stating that nothing contained in the wiretapping chapter shall be construed to limit the constitutional power of the President is eliminated because of the controversy it has provoked and because it is without any legal effect.

The extradition statutes are materially modernized and simplified.

The jurisdiction of United States Magistrates is expanded to encompass all misdemeanors, and to permit trial of offenses carrying six months or less without the necessity of obtaining a waiver of jury trial.

An entirely revised series of provisions dealing with mental competency is included in order to overcome the inadequacies of the current law. Included is a provision for the civil commitment of an individual who is acquitted by reason of insanity; although state commitment proceedings may be preferred, federal commitment proceedings are provided to ensure that a genuinely dangerous individual will not be released prematurely.

The ability of the federal government to collect fines that have been imposed by the courts is substantially increased as a result of permitting recourse to the Internal Revenue Service lien procedures.

PART V. ANCILLARY CIVIL PROCEEDINGS

Chapter 40 covers public civil remedies. It expands the civil forfeiture proceedings of existing law, carries forward existing provisions involving civil restraints of racketeering, and provides the Department of Justice with authority to seek injunctions against general fraud schemes and consumer fraud activities.

Chapter 41 covers private civil remedies. It carries forward civil actions against racketeers and eavesdropping offenders, and adds a civil action against fraud offenders.

More important is the chapter's creation of a system to compensate the victims of violent federal crimes; funding for such compensation will be derived from collected fines—a source of revenue that will be many times the amount necessary for the purpose.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New Jersey (Mr. RODINO).

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PUBLIC MAY BE FORCED TO USE ELECTRONIC BANKING

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, "In the future, merchants and bankers will make it more difficult for customers to cash checks at places of business without presenting a bank's check authorization card. Thus consumers who want the convenience of performing financial transactions while shopping will need this bank service." Check guarantee/authorization terminals are viewed as an intermediate step toward point-of-sale terminals which will transfer funds instantly from the consumer's checking account to the merchant's account. The public will "literally be forced to accept electronic banking because there will simply be no alternative."

This is a quote from the study released early in April by Peat Marwick Mitchell & Co., the big accounting firm. Since the inception of electronic funds transfer systems I have expressed this fear about the implications of EFT on our society.

This past February I chaired general consumer credit information hearings at which time I warned financial institutions and credit card companies to curb their headlong flight into electronic funds transfer systems. I fear that the situation will develop in the following manner:

Financial institutions, with little or no knowledge of the technology involved, are purchasing extremely expensive electronic equipment to keep up with the competition. Suppliers of this equipment stress the speed, efficiency, and reduction of paperwork as benefits of switching to electronics. Because the issue of "sharing" has not yet been settled, each banker wants to be the first to be established at the local merchants.

Bankers see also the new profits and reduction of headaches and buy into the systems only to discover, too late, that the volume of transactions required to make the systems cost/effective is not that easy to reach. Also, the new headaches involved in clearing up webs of computer errors—and do not let anyone tell you that they do not occur—bankers find affect not only their institutions, but also consumer confidence in the credibility of the entire system of EFT's.

It is true that consumers seem to accept most anything for convenience sake. Some EFT use has been generated for this reason, but when that growth levels off and the bankers still are not realizing their dreams other means will be employed to increase the use of the EFT systems. How? My answer was shockingly echoed by the words of the Peat Marwick Mitchell & Co. study with which I opened this statement.

I want to stress that neither my words nor the predictions of the accounting firm are meant to be sensational scare tactics. Instead they are based on what has actually happened in the limited EFT experiments now being conducted.

Peat Marwick Mitchell & Co. undertook this survey of EFT experiments and legislation in each of the 50 States at the request of the National Commission on EFT. The study expands on the original mandate of the Commission by offering educated predictions concerning the future of EFT activities. These predictions are based on what the firm found was already happening in areas of the country with older, more extensive EFT experiments—Atlanta, for example, where the Honest Face check authorization/guarantee program operates.

The Atlanta experiment shows that merchants have been cashing checks only of those customers who also can produce an Honest Face card. Other experiments in different parts of the country have shown signs of trouble on the commercial side.

Addressograph Multigraph Corp., a supplier of EFT equipment, announced that it was dropping its line of point-of-sale—POS—terminals because of a lack of commitments from banks.

Glendale Federal Savings & Loan Association of Glendale, Calif., announced that it was closing its experimental electronic fund transfer program. The reason being that it did not generate enough new savings deposits to justify operational costs. Twenty POS terminals located in supermarkets were closed.

Bell Federal Savings & Loan, Chicago, had placed an experimental network of EFT terminals in Jewel supermarkets, but they recently closed their program. Neither Bell Federal nor Jewel were satisfied with the experiment. Jewel's complaint was that the S. & L. had not distributed enough cards to make the system worthwhile. Mr. Edmond Shanahan of Bell Federal said that a year ago he would have described the program as the greatest advance he had seen, but today they have no intention of rushing into another experiment. He said:

> We are going to just sit back and watch how other systems develop.

The S. & L. wanted Jewel to carry out its original agreement and have the terminal manned by a store clerk, while Jewel wanted to eliminate the need for this additional staff person. As Mr. Shanahan put it, Bell Federal was investing in the system to make it easier for the consumer to make deposits. If that consumer also wanted check verification or cash withdrawal services, those would be provided, but they were not the primary aim of the S. & L. No automated terminal has been developed to take deposits in a manner the banks will trust. Therefore, the experiment has ended.

From these few examples of what has been happening it can be seen that it is not only the financial institutions who have a stake in gaining the maximum number of EFT transactions possible once an investment in electronic equipment has been made. To assure the volume required, merchants and bankers might try making it difficult for consumers to use any other payment system.

The National Commission on EFT recommended in its interim report, released the end of February, that—

> Fair choice among payment methods be preserved, and that unfair or discriminatory methods be prohibited.

On the surface that statement sounds reassuring, but consider the existing difficulties of trying to make a purchase with a check these days. It is true no additional charges are attached, but it is also true that the laborious procedures now imposed on the consumer would discourage most anyone.

Most stores require identification for your check cashing in addition to a driver's license, usually two credit cards. As was stated before, in Atlanta, merchants are refusing checks unless the customer has an Honest Face card. Some stores in other parts of the country require check users to stand in a separate line—usually a block-long queue. Some stores even require the check user to go through the time-consuming and humililating procedure of having a picture taken before the check will be accepted.

The National Commission on EFT has stated that cash is the only legal tender and the only form of payment a creditor can be compelled to accept. If one looks at the actual situation in the marketplace today, however, he will see that the use of cash over a credit card has been discouraged. It becomes extremely difficult to rent a car, for example, without using a credit card. When checking into a motel without a credit card the consumer must pay cash in advance as a deterrent.

In this way credit card use has been promoted. Now with the introduction of debit cards in our society, merchants are looking to them as a panacea for the problems encountered with credit cards. The Peat Marwick Mitchell & Co. study says:

> Merchants are becoming reluctant to continue to accept the burdensome use of national credit cards. Making authorization calls, paying transaction charges, embarrassing some customers by refusing check authorizations, and being forced to wait for payments are all typical, unpleasant features of the credit card system. These sources of dissatisfaction may prompt replacement of credit cards with debit cards.

Other concerns which I have voiced about the emerging EFT systems were also a part of the Peat Marwick Mitchell & Co. study. Concern that as these systems become more advanced and develop into networks, safeguarding of consumer privacy will become more difficult. Consumer information can be circulated more broadly under the emerging networks. Also the information can be more easily retrieved from computers than from the old filing systems and in any form or category desired. Thus fishing expeditions become more profitable.

The report cautions businessmen to study the benefits of EFT systems carefully before making expensive investments. They are warned about the disastrous effects of computer errors:

> Processing errors can be devastating to an EFT project. Once the customer is the victim of an inaccurately processed electronic transaction, he is likely to lose all confidence in the system . . . in the course of our survey, we have seen more than one instance where this has happened to EFT projects.

In conclusion, I want to congratulate Peat Marwick Mitchell & Co. on their thorough report. I sincerely hope the National Commission on EFT will reconsider its recommendations in the consumer area now that they have the benefit of this study. I can assure you that the Consumer Affairs Subcommittee, which I chair, will keep these findings seriously in mind as we proceed with preparations for the coming credit card hearings.

THE 175TH ANNIVERSARY OF THE FIRST CHARTERED GOVERNMENT OF THE CITY OF WASHINGTON

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 15 minutes.

Mr. DIGGS. Mr. Speaker, numerous dates have special historical significance to our Nation's Capital. Over the next 2 months six of these historical dates will be recognized, each marking an event of major importance to the political evolution of local government in the District of Columbia. These six dates, with a brief explanation of their significance, are as follows:

May 3, 1802. President Thomas Jefferson signs the congressional act (2 Stat. 195) incorporating the City of Washington. Charter provided for a presidentially appointed mayor and 12-member elected council home rule government.

June 1, 1802. President Jefferson signs commission appointing Robert Brent first mayor of the City of Washington. Charter specified that the mayor be a citizen and resident of the City prior to appointment. No compensation provided.

June 3, 1802. Robert Brent, in a letter to President Jefferson, accepts the commission.

June 4, 1802. First mayor dines with the President. Robert Brent, responding to a presidential invitation of June 3, dines with Mr. Jefferson in the Executive Mansion.

June 7, 1802. First municipal election in the City of Washington. White-male property taxpayers go to the polls and elect twelve council members from a field of over twenty-five candidates. Charter specified that Council members be at least twenty-five years of age and residents of the City. No compensation provided.

June 14, 1802. First Council of the City of Washington convenes for the first time. The historic meeting takes place in the Capitol. Congress had adjourned. Daniel Carroll of Duddington is elected the first council chairman.

Today, May 3, marks the beginning of a continuing quest to advance local self-government in the Nation's Capital. President Thomas Jefferson's signing of the first home rule charter of the City of Washington on May 3, 1802 initiated an evolutionary constitutional partnership between the Federal Government and local officials in the District of Columbia.

The fundamental legal foundation of that partnership is found in article I, section 8, clause 17 of the U.S. Constitution, which provides that Congress is to exercise exclusive legislative authority in the District of Columbia. Since 1802, Congress had delegated varying degrees of legislative authority to local government in the District of Columbia. However, such delegation cannot presume the renunciation by Congress of ultimate responsibility for the exercise of this delegated authority by local officials. The Constitution, therefore, requires the Congress to exercise oversight of District of Columbia government operations and finances.

President Jefferson early recognized that part of this constitutional partnership requires Presidential and congressional concern pertaining to decisions of the Federal Government which might adversely affect the operations and financial welfare of local government in the District of Columbia. The record of Jefferson's successors, in this regard, has been mixed. But, the historical record does indicate that at crucial junctures, numerous presidents and congressional leaders have recognized and advanced the principle that it is in the Federal interest that the local government be financially sound and operating effectively so that the Nation's Capital projects a favorable image to visitors and functions as a comfortable, secure, and viable city for its residents and adjacent populations.

The first congressional charter for the city of Washington—see attached text—provided for an elected 12-member city council and an appointed mayor. The legislative authority of the city council was largely restricted to local municipal operations. Taxing authority was restricted by Congress. For example, a ceiling on property tax rates was written into the charter. The courts remained under Federal jurisdiction as did significant elements of the criminal and civil codes. Congress would gradually expand local legislative authority and after 1820 Congress authorized the election of Washington's mayors.

The current congressional charter of the District of Columbia, enacted after a 100-year period of virtually direct Presidential and congressional governance of the Nation's Capital, provides the broadest delegation of authority ever extended to an elected local government in the District of Columbia; that authority, some observers conclude, is broader, in most respects, than that delegated to cities generally by the legislatures of the States. This delegated authority is now exercised in the District of Columbia by an elected Mayor and 13-member City Council as provided in the Home Rule Charter passed by Congress and signed by the President on December 24, 1973.

If past historical patterns hold, Congress may well expand the parameters of this delegated authority in future amendments to the charter.

A brief biography of each of the major participants in our Nation's Capital's first home rule government follows:

PRESIDENT THOMAS JEFFERSON

On May 3, 1802, the President signed the legislation incorporating the City of Washington. This act was the first congressional municipal charter for local home rule government in the District of Columbia. Under the charter, the corporate powers were exercised by an elected twelve-member city council and a mayor appointed by the President of the United States.

President Jefferson was actively interested in local matters in the Capital and served as President of the first Board of Public Education in the City of Washington. The President reportedly contributed $100 out-of-pocket to the public school fund.

Mr. Jefferson for over thirty years, beginning in 1790, would be actively involved in the planning and development of the national Capital.

ROBERT BRENT, FIRST MAYOR OF WASHINGTON

On June 1, 1802, President Jefferson appointed Mr. Brent, the first mayor of the City of Washington. On June 4, 1802, the President invited Mr. Brent to dinner at the White House to discuss local matters and how the President might assist the mayor in the exercise of local duties.

Mr. Brent was a member of a family that owned land in the area that became the national capital. The mayor was involved in numerous manufacturing adventures, with mixed success, in the Capital.

Mayor Brent eloquently and persistently explained to Congress the City's difficult financial circumstances. The mayor often reminded Congress that the City's slender tax base could not finance the improvement of the Capital's broad streets or the opening of new streets necessary to the development of the Capital. Mayor Brent annually requested from Congress, without success, special appropriations to help cover these expenses. Congress would not significantly recognize such obligations until the 1830's.

Mayor Brent was instrumental in establishing the first public school in the City of Washington. Along with newspaper publisher and City Council member, Samuel H. Smith, Mayor Brent was a founder of the Capital's first "society for the promotion of the arts and sciences," the Columbian Institute.

Mayor Brent was reappointed annually until 1812. The Mayor, 38 at the time of his initial appointment in 1802, died in 1819.

DANIEL CARROLL, OF DUDDINGTON, FIRST CITY COUNCIL CHAIRMAN

On June 14, 1802, Mr. Carroll was elected chairman of Washington's first city council. Councilman Carroll was elected to the 2nd Council, but would not serve again until 1820 when he was elected as alderman in the 18th Council.

Mr. Carroll was born in a fine mansion on the banks of the Anacostia River in 1764. Much of the Carroll family land would become the City of Washington when the District of Columbia was established by Congress in 1790. Mr. Carroll was involved in the early real-estate development of the Capital.

Mr. Carroll died in Washington on May 9, 1849, just short of his 85th birthday. Editorials in the local press recognized his many years of civic and public service.

RESULTS OF THE FIRST CITY COUNCIL ELECTION

On July 9, 1802, the National Intelligencer, Washington's leading newspaper, announced the results of the election of Monday, June 7, as follows:

WASHINGTON CITY, JUNE 9TH, 1802

On Monday the election for a council was held in the three divisions of this city. The right of suffrage was exercised with the utmost harmony, dignity and decorum. And yesterday the judges of election counted the ballots in the presence of the Marshal, when the twelve citizens first named appeared to be those elected.

The whole number of votes given were:

In the 2d ward	50
In the 3d and 4th ward	103
In the 5th ward	88
Total	288

The following are the votes given to the several persons named as candidates:

	2d Ward	3d and 4th	5th	Total
Daniel Carroll	36	102	66	204
George Blagden	37	100	65	202
James Barry	27	87	55	169
William Brent	35	57	65	157
Benjamin Moore	24	70	35	129
James Hoban	23	46	55	124
Nicholas King	29	60	35	124
A. B. Woodward	27	45	51	123
Samuel H. Smith	26	55	40	121
William Prout	13	61	46	120
Thomas Peter	23	45	47	115
John Hewitt	23	45	30	98

The above twelve, being the highest in vote, are elected.

It is estimated that there were no more than 325 potential voters in the City, so the turnout was nearly 90 per cent. Over twenty-five candidates received votes in this at-large partisan election.

At least eight of the Councilmen were involved in local real-estate development. Daniel Carroll also owned the largest brick manufacturing operation in the area and operated quarries in Virginia. Of the other Councilmen, one was a newspaper publisher, one a merchant, another an architect, and one, Augustus B. Woodward, a practicing attorney and a confidant of President Jefferson.

FIRST CITY COUNCIL ELECTION

On June 7, 1802, as authorized by the charter of May 3, 1802, those white male property owning residents twenty-one or older went to the polls to elect Washington's first City Council. To be eligible to vote, all property taxes had to be paid in full.

Three taverns served as polling places for the election. One of those polling places still stands—Rhodes' Tavern—on the northeast corner of 15th and F Streets, N.W.

The Rhodes' Tavern building is as old as the White House and is the oldest extant commercial building in the downtown area. Today the building is a souvenir shop. This historical building may be demolished by its present owners for commercial development.

THE FIRST MEETING OF THE CITY COUNCIL

On June 14, 1802, the City Council held its first meeting in the Capitol Building. Congress had adjourned a month earlier.

The first action taken by the Council was to elect a Chairman. Daniel Carroll was elected.

Two of the first acts passed by the Council regulated the size of bricks and provided that "a seal of the City of Washington shall be the representation of an edifice supported on fifteen columns, having the word 'Washington' at the top; the words 'City seal,' with the figure '1802' at the bottom and the motto 'Union' beneath the dome." Whatever became of this first seal of the City of Washington?

The local government would not have its own City Hall until the 1820's when the first section of the building was completed. This building, Washingtons' first City Hall, still stands at 451 Indiana Avenue N.W. and is presently used by the District of Columbia courts.

CITY OF WASHINGTON FIRST HOME RULE CHARTER 1802

CHAP. LIII.—An Act to incorporate the inhabitants of the City of Washington, in the District of Columbia.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the inhabitants of the city of Washington be constituted a body politic and corporate, by the name of a mayor and council of the city of Washington, and by their corporate name, may sue and be sued, implead and be impleaded, grant, receive, and do all other acts as natural persons, and may purchase and hold real, personal and mixed property, or dispose of the same for the benefit of the said city; and may have and use a city seal, which may be broken or altered at pleasure; the city of Washington shall be divided into three divisions or wards, as now divided by the levy court for the county, for the purpose of assessment; but the number may be increased hereafter, as in the wisdom of the city council shall seem most conducive to the general interest and convenience.

SEC. 2. And be it further enacted, That the council of the city of Washington shall consist of twelve members, residents of the city, and upwards of twenty-five years of age, to be divided into two chambers, the first chamber to consist of seven members, and the second chamber of five members; the second chamber to be chosen from the whole number of councillors elected, by their joint ballot. The city council to be elected annually, by ballot, in a general ticket, by the free white male inhabitants of full age, who have resided twelve months in the city, and paid taxes therein the year preceding the election's being held: the justices of the county of Washington, resident in the city, or any three of them, to preside as judges of election, with such associates as the council may, from time to time, appoint.

SEC. 3. And be it further enacted, That the first election of members for the city council shall be held on the first Monday in June next, and in every year afterwards, at such place in each ward as the judges of the election may prescribe.

SEC. 4. And be it further enacted, That the polls shall be kept open from eight o'clock in the morning till seven o'clock in the evening, and no longer, for the reception of ballots. On the closing of the poll, the judges shall close and seal their ballot-boxes, and meet on the day following in the presence of the marshall of the district, on the first election, and the council afterwards, when the seals shall be broken, and the votes counted: within three days after such election, they shall give notice to the persons having the greatest number of legal votes, that they are duly elected, and shall make their return to the mayor of the city.

SEC. 5. And be it further enacted, That the mayor of the city shall be appointed, annually, by the President of the United States. He must be a citizen of the United States, and a resident of the city, prior to his appointment.

SEC. 6. *And be it further enacted,* That the city council shall hold their sessions in the city hall, or, until such building is erected, in such place as the mayor may provide for that purpose, on the second Monday in June, in every year; but the mayor may convene them oftener, if the public good require their deliberations. Three fourths of the members of each council may be a quorum to do business, but a smaller number may adjourn from day to day: they may compel the attendance of absent members, in such manner, and under such penalties, as they may, by ordinance, provide: they shall appoint their respective presidents, who shall preside during their sessions, and shall vote on all questions where there is an equal division; they shall settle their rules of proceedings, appoint their own officers, regulate their respective fees, and remove them at pleasure: they shall judge of the elections, returns and qualifications of their own members, and may, with the concurrence of three fourths of the whole, expel any member for disorderly behaviour, or mal-conduct in office, but not a second time for the same offense: they shall keep a journal of their proceedings, and enter the yeas and nays on any question, resolve or ordinance, at the request of any member, and their deliberations shall be public. The mayor shall appoint to all offices under the corporation. All ordinances or acts passed by the city council shall be sent to the mayor, for his approbation, and when approved by him, shall then be obligatory as such. But if the said mayor shall not approve of such ordinance or act, he shall return the same within five days, with his reasons in writing therefor; and if three fourths of both branches of the city council, on reconsideration thereof, approve of the same, it shall be in force in like manner as if he had approved it, unless the city council, by their adjournment, prevent its return.

SEC. 7. *And be it further enacted,* That the corporation aforesaid shall have full power and authority to pass all by-laws and ordinances; to prevent and remove nuisances; to prevent the introduction of contagious diseases within the city; to establish night watches or patrols, and erect lamps; to regulate the stationing, anchorage and mooring of vessels; to provide for licensing and regulating auctions, retailers of liquors, hackney carriages, wagons, carts and drays, and pawnbrokers within the city; to restrain or prohibit gambling, and to provide for licensing, regulating or restraining theatrical or other public amusements within the city; to regulate and establish markets; to erect and repair bridges; to keep in repair all necessary streets, avenues, drains and sewers, and to pass regulations necessary for the preservation of the same, agreeably to the plan of the said city; to provide for the safe keeping of the standard of weights and measures fixed by Congress, and for the regulation of all weights and measures used in the city; to provide for the licensing and regulating the sweeping of chimneys and fixing the rates thereof; to establish and regulate fire wards and fire companies; to regulate and establish the size of bricks that are to be made and used in the city; to sink wells, and erect and repair pumps in the streets; to impose and appropriate fines, penalties and forfeitures for breach of their ordinances; to lay and collect taxes; to enact by-laws for the prevention and extinguishment of fire; and to pass all ordinances necessary to give effect and operation to all the powers vested in the corporation of the city of Washington: *Provided,* that the by-laws or ordinances of the said corporation, shall be, in no wise, obligatory upon the persons of non-residents of the said city, unless in cases of intentional violation of by-laws or ordinances previously promulgated. All the fines, penalties and forfeitures, imposed by the corporation of the city of Washington, if not exceeding twenty dollars, shall be recovered before a single magistrate, as small debts are, by law, recoverable; and if such fines, penalties and forfeitures exceed the sum of twenty dollars, the same shall be recovered by action of debt in the district court of Columbia, for the county of Washington, in the name of the corporation, and for the use of the city of Washington.

SEC. 8. *And be it further enacted,* That the person or persons appointed to collect any tax imposed in virtue of the powers granted by this act, shall have authority to collect the same by distress and sale of the goods and chattels of the person chargeable therewith; no sale shall be made unless ten days previous notice thereof be given; no law shall be passed by the city council subjecting vacant or unimproved city lots, or parts of lots, to be sold for taxes.

SEC. 9. *And be it further enacted,* That the city council shall provide for the support of the poor, infirm and diseased of the city.

SEC. 10. *Provided always, and be it further enacted,* That no tax shall be imposed by the city council on real property in the said city, at any higher rate than three quarters of one per centum on the assessment valuation of such property.

SEC. 11. *And be it further enacted,* That this act shall be in force for two years, from the passing thereof, and from thence to the end of the next session of Congress thereafter, and no longer.

APPROVED, May 3, 1802.

REMARKS OF JOHN E. ANTHONY, PRESIDENT, ARKANSAS FORESTRY ASSOCIATION AT ANNUAL ARKANSAS STATE CONGRESSIONAL DINNER

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

Mr. **ALEXANDER**. Mr. Speaker, it was my pleasure last evening to join fellow Arkansans at the annual Arkansas State congressional dinner sponsored by the Arkansas State Chamber of Commerce, Associated Industries of Arkansas, Inc., and the Arkansas Chamber of Commerce executives. Our keynote speaker was John E. Anthony, of Rordyce, Ark., who, as president of the Arkansas Forestry Association, addressed us on the state of the forestry industry in Arkansas.

A prominent businessman, John is president of several firms, including the Bearden Lumber Co. at Bearden, the Hot Spring County Lumber Co. at Malvern, the Saline Lumber Co. at Benton, and the Arkansas Pallet Manufacturing Co. at Bearden. He is manager of the Anthony Timberlands and president of the Bank of Bearden.

He is a member of the board of directors, Associated Industries of Arkansas, Inc., and of the executive committee, Southern Forest Products Association. I think my colleagues will agree that, upon viewing his credentials, John Anthony is well qualified to speak for the forestry industry.

I would like to share with my colleagues the remarks which John Anthony made to the Arkansas State dinner. I agree that conservation of trees results in the preservation of forests. The force and clarity of these remarks makes a solid case for the continuation of time tested practices of the forest industry.

The article follows:

Remarks for Arkansas State Chamber Washington Dinner

Thank you, Mr. Mason, for that generous introduction. Distinguished members of the Arkansas Congressional Delegation and wives; honored guests at the headtable; members of the Congressional Staffs; ladies and gentlemen; it is an honor and a pleasure for me to have an opportunity to address you.

One sunny day this past winter my grandfather. Mr. Garland Anthony, who is 93, asked me to send the mill's backhoe over to his house to dig some holes for him. Mr. Garland is what I would consider a prime example of the American dream come true. A country boy, with little opportunity for formal education, he worked his way up the ladder. In his lifetime he has made a great many things happen, most of which involved the forest.

A little later, I drove over to see what project he had going and found that he was planting about 2 acres of fruit trees. As amazing as he is, I'll have to admit that an orchard at this point in his life surprised me. I told him, "Mr. Garland, I'll bet you are the only 93 year old man in America planting an orchard this year." He laughed and said, with a twinkle in hs eye. "Well, I did tell the nursery that I wanted early bearing trees."

I'm not sure where Mr. Garland gets his zest for life, but I suspect a large part of it comes from his love for watching things grow, especially his trees. And contrary to the feeling of many, he does not view the cutting of a tree as "the end"—he sees the harvest of a tree, even at his age, as "a new beginning."

To any other audience a speech about Arkansas' forests and its industry would require some background on our history, and how we got where we are today. However, I believe most of you recognize that Arkansas is a heavily forested state and that the forest industry is an important part of our economic picture and has been since the beginning. But the Arkansas forest of today is much different from the one found by the settlers.

For example, the Ozark region at one time was not forested as it is now. A fellow by the name of Marbut wrote a soil report on the Ozark region in 1911. In it he said "The greater part of the Ozark dome and a large portion of the rest of the region was, up to the middle of the 19th century, a region of open woods, large areas being almost treeless. The whole region, in its vegetation, was closely allied to the western prairies." However, the settlers overgrazed it, and within a few years the greater part of the region was entirely covered with a vigorous growth of young trees.

Likewise, the early pioneers found almost pure pine forests in southern Arkansas. They were more open and park-like than today's forest. This was the result of unplanned management by nature and the Indians. These forests were regularly burned by wildfire caused by lightning, or by Indians to flush out game. In fact, until the 1930's it was the common practice of farmers to burn over the woods each spring.

Since hardwood trees cannot live where there is fire and pine can, the periodic burning killed the hardwood while the pine flourished. However, with the coming of timber management and fire protection, today's forests have become more dense and mixed with hardwood and pine.

Settlers also gazed upon a vast forest of bottomland hardwoods in the Mississippi Delta. While parts of that land has been converted to crop production, the one and one-half million acres of remaining hardwood forestland in the Delta does grow a valuable crop of high grade hardwood.

Today's forest covers about 18,000,000 acres of Arkansas—more than half of our land area. It is divided about equally between pine and hardwood. It is a common belief that the forest industry owns most of the forestland. Not true. The largest single owner of timberland in Arkansas is government, with almost 3,000,000 acres, most in the National Forest. About 4,000,000 acres is owned by the many individuals and companies that make up the forest industry. The remaining 11,000,000 acres is owned by private individuals throughout the state. There are, thank goodness, 160,000 separate ownerships that average about 70 acres each. This forest resource base is responsible for providing one in every four manufacturing jobs in our state, making the forest products industry the number one manufacturing industry in Arkansas with direct and induced employment of 175,000.

But where do we go from here?

We know that the need for wood products and fiber will increase dramatically in this quarter century. All studies indicate that the national demand for wood products and fiber will double over that span of time, and that—as a result—the South will inevitably become the nation's woodbasket of the future.

In a recent publication prepared by the University of Arkansas, the question of the future of Arkansas' forests and their economic impact on our state was considered. Here are some results. We are growing more timber than we are cutting. However, we know that the growth potential of our forests, with intensive management, use of forest genetics, and improved technology, can be increased several times, perhaps even doubled on forestlands owned by government and industry.

If the private non-industrial owner can also be persuaded to practice more intensive forest management, increasing productivity by even 50%, then a total of 136,000 new jobs can be created by the year 2000, with an increase of more than 1 billion dollars in personal income for Arkansans, using 1972 dollars, and a total employment in the forest industry of 300,000.

Can we achieve this? Of course we can—but, it must be done through the concept of conservation—not preservation. Conservation is "the wise use of man's resources." We contrast this with preservation—"to preserve, to close up, to restrict, to can or pickle."

In recent years there has been a great outcry for the preservation of America's forests. While the forest industry subscribes to and supports some preservation—and the establishment of wilderness areas, except for certain special areas, we do not advocate the preservation of trees, but the perpetuation of the forest.

The recent fervor for "setting aside" ever increasing amounts of land has exceeded all bounds of reason. Currently over 15,000,000 acres of wilderness has been set aside—with more now under consideration. These are areas where "earth and communities of life are untrammeled by human foot, where man is a visitor and does not stay". Some groups are projecting goals of more than 100,000,000 of these acres. I seriously question whether our nation can afford to deprive its citizens of the benefit of the vast resources of an area this large. Especially when we are also losing 3000 acres of agricultural and forestland per day to urbanization. Certainly there is a place for wilderness—but just as certainly there is a limit to the amount needed.

If I have learned anything in my years in this industry, it is this—people are mighty particular about trees, and the bigger they get and the older they get, the more protective people become. I am reminded of a conversation Senator Bumpers and I had in the Ouachita National Forest as we hunkered down in the bushes watching for a red cockaded woodpecker in a grove of very old shortleaf pine. The timber was quite large and obviously in a state of decay. This is the native habitat of the red cockaded woodpecker, an endangered specie. I made the observation that this is the type of timber that needs to be harvested as it is through growing and will soon die. The Senator remarked, and I believe he spoke for many when he said, "It gives me pleasure just knowing it's out here." And certainly it gives me pleasure also. However, we must understand that these trees will not stay the same. Nature will harvest them and replace them with new vegetation. Our position is that the amount of unproductive acres must have some reasonable limit if the broader interests of society are to be served.

So it becomes our task to develop a way to achieve the economic progress that I mentioned earlier through conservation—wise use, and more intensive management of our forestland while recognizing the validity of the other, non-economic values of the forest.

You have heard the phrase "multiple use" applied to our forests. This is a term meaning that forestland will be managed to provide for a variety of uses, not just timber. These uses are wildlife, aesthetics, grazing, watershed and timber. Many millions of privately-owned acres are managed using this concept. The National Forests, as directed by law, are managed in this way, and we fully support this principle. While the 3,000,000 acres of National Forestlands will be managed for "multiple uses", we all must understand that every single acre cannot have a picnic table, a squirrel, a deer, a tree farm and a scenic overlook. Some areas are more adaptable to certain single uses than others. Some areas will logically be set aside for recreation, others for wildlife habitat and hopefully large areas will be set aside for timber production. Fortunately, management for timber does not preclude the other uses. Timber can be produced in conjunction with almost all of the other multiple uses.

It must be recognized, however, that some forests are going to have to be intensively managed for the production of timber so that other areas can be more intensely managed for the other uses. In order to provide the wood needed, it is widely believed that the industry lands in Arkansas will have to be those intensely managed acres.

We have already begun our efforts to meet the demands that will be placed on the forest. But as is almost always the case when there is change, barriers, created by misunderstanding, have been formed to some of our practices by well-meaning individuals and organizations. I'm sure these barriers can be overcome by logic and explanation.

Last month I picked up my morning paper to see a picture of a Little Rock fifth grade class with signs stating "recycle your paper so trees won't become extinct like the dinosaur". I could almost have cried. I can readily see why the public would be up in arms over our practices if they believe this is true. But perhaps the public doesn't know, as I know, that more than 100 million trees were planted in Arkansas by forest industry and private landowners this year—not to mention the billions of seedlings that emerged as a result of natural regeneration.

Perhaps this illustrates all too clearly the misunderstanding of what goes on in our forests. And if that fifth grade teacher and her class believe that trees are becoming extinct, we can imagine how they must feel about such complex and technical issues as clearcutting, use of herbicides, monoculture, stand conversion and others.

But misunderstanding is only present because we as an industry have failed to tell our story. We have done a poor communications job. We'll try to correct that. However, at the risk of sounding trite, I must say that we need to learn to "trust our foresters". When a doctor says "take these pills", we follow his instruction. When a lawyer says "we'd better settle out of court", we fork over the funds, and when our banker says "sign on the dotted line", we execute. However, when our forester says "cut that tree", all the bankers and lawyers and doctors rise up and shout "it's not ready for harvest", "ecologically unsound", "aesthetically unpleasant", "environmentally damaging", "pine monoculture", or any of a dozen other responses designed to keep the man who has spent his lifetime in the forest from practicing his trade. But in the forest, the forester is the professional trained to make the decision, and we must learn to trust his judgment.

But since communication is our problem and understanding will solve it, you will begin to hear more and more from us explaining our position on why and how things are done. If we intensely manage our privately-owned industrial lands, if the National Forests are managed under the multiple use concept, and if we can encourage the independent landowner to manage his forest, then the employment goal of 300,000 Arkansans can be met with ease.

For many years our state has had the benefit of able representation in the congress. Our industry has always found our congressional delegation to be responsive and supportive. As a unit they have come to our assistance in recent sessions. The passage of the National Forest Management Act last year was a major milestone in the management of our National Forests. The just enacted Forestry Incentive Program as an aid to small independent tree farmers received the uniform support of our delegation. Current efforts to reestablish a U.S. Forest Service Research Station at UA Monticello in conjunction with the forestry school to study uneven aged forest management has received the unqualified support of our delegation. They have recognized that while our industry, one of the most energy independent of all in that we process and utilize wood wastes for our energy needs, is heavily dependent on fuel needed to transport raw material to our mills and our finished product from them. Gentlemen, we thank you for your support.

And so, to finalize, I can return to the beginning. Arkansas' forests have always been a mainstay of its economic and social wellbeing. This resource, a renewable resource, which requires only soil, sunshine, rain and time to renew itself, stands ready to do even more in the future.

Having said all these things, one final personal remark. I was raised in an Arkansas sawmill town, which no longer exists, served by a railroad to that town, which no longer exists. And I am living proof that cinders from a sawmill smokestack will not harm you. I've spent my lifetime in the forests and mills of Arkansas and East Texas. In the course of these years I have observed the forestry technique of almost every company that operates in our part of the world. I've seen prescriptive burning, herbicide application, clearcutting, site preparation, selective harvesting, shelterwood cuts, seed tree stands and, in general, every aspect of forestry presently known to the profession. I have walked on every type of dirt native to our state and observed the trees growing there. Almost daily I spend some time in the woods. It is a rare trip that I do not see deer, coyote, turkey, fox, squirrel, raccoon, opossum, snakes and varmits of all types—and in significant numbers. I can report to you that the state of the Arkansas forests is excellent. It is filled with wildlife as never before. It is a young, growing, vigorous forest, comprised of all the species of trees that you can imagine and some which you have probably never heard of. I am proud to be a part of the industry that manages that forest and can sincerely say that in my 20 years of active participation in its management, I have never seen techniques applied to it by forestry professionals that I could not support.

As I was walking up here this evening my friend Ben Burton—thinking probably that I would be nervous—remarked to me: "Remember, you can't say 'trees' without smiling."

I hope that you, too, will remember that fact.

THE PLIGHT OF ANATOLY ALTMAN: SOVIET PRISONER OF CONSCIENCE

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. AMBRO) is recognized for 5 minutes.

Mr. AMBRO. Mr. Speaker, approximately 2 years ago, the United States joined with other European nations to sign the Helsinki accords on the status of Europe. At that time, a number of us were unhappy with the substance of the pact because it included, among other things, apparent recognition of the boundaries of the Soviet satellites in Eastern Europe. We were somewhat reassured, however, when the final Helsinki agreement contained some strong language regarding human rights including liberalized traveling privileges and emigration with an emphasis on the reuniting of families. Unfortunately, for the Soviet Union, these were merely words on a piece of paper which they seem to have no qualms about ignoring and no intention of honoring.

It was my hope, when the Helsinki agreement was made public that a statement such as this would become unnecessary, because the Soviet Union, in fulfilling its commitment, would permit free emigration and would release those prisoners of conscience presently incarcerated. The past 2 years have shown that this was not to be the case, and therefore, I would like to place before my colleagues in this House of Representatives the sad plight of Anatoly Altman, my "adopted" prisoner of conscience:

Anatoly Altman was one of the 11 defendants in the infamous first Leningrad trial of December 15, 1970, accused of attempting to hijack an airplane to Israel—I am sure that it will be recalled, that it was only the outraged protests coming from this Congress and other responsible groups all over the world that persuaded the Soviet Government to alter the original death sentence meted out to those convicted of the hijacking attempt. Altman was originally sentenced to 12 years, which term was then reduced to 10 years in "strict regime." Under this severe penalty, a food and clothing parcel and only one letter are allowed to reach the prisoner each year, and he may have only one visit every year after one-half his sentence has been served. In the case of Anatoly Altman, this harsh regimen has been carried out to its cruelest and most irrational extent.

This is especially evident in the ruling that has prevented him from growing a beard, in fulfillment of one of the tenets of his orthodox Jewish faith. From his cell in Perm Oblast Prison, Altman has, for the past 2 years, attempted to engage the Soviet prosecutor, General Rudenko, in a dialog about his legal right to wear a beard while serving his sentence. This is not a whim of Altman's, but a matter deeply touching his religious faith. As he noted in a letter to Rudenko:

> I remain true to my old ideals and belief in God. I am an Israelite. Having been denied all other opportunities to follow the dictates of my faith, I have at least tried to carry out one small demand of it by the wearing of a beard.

Altman's beard, in fact, does not conflict with Soviet law. With little else to occupy him intellectually, the prisoner has researched every judicial document in the prison library and all internal rules on correctional labor institutions handed down by the Ministry for Internal Affairs, and nowhere is the wearing of a beard by a prisoner deemed illegal. However, Soviet prison camp actions have little to do with Soviet law, particularly where a Jewish prisoner of conscience is concerned, and Altman's beard displeased the camp administrator. Therefore, he was ordered to shave it off or have it removed by force. Altman agreed to shave, if the administrator would produce one document proving that the wearing of a beard was forbidden.

The administrator produced no documents, but instead, he produced Lieutenant Nikolaiev who invaded Altman's cell one morning, handcuffed him to his bed and shaved off his beard. To compound the outrage, Nikolaiev filed a report charging the prisoner with "resistance" for which he was deprived of his visiting rights.

While this might seem a small and insignificant incident to us, it is indeed a rapier-like violation of the most basic human rights.

Mr. Speaker, prior to his arrest, Anatoly Altman was a wood engraver whose only real crime was in taking article XIII of the Universal Declaration of Human Rights literally and applying for a visa to Israel. In the 2½ years that I have been a Member of Congress, I have written numerous letters to Mr. Altman and to the Soviet officials inquiring as to his health and the status of his prison sentence. Unfortunately, all of these efforts have been greeted with a profound silence. Frankly I do not know if Mr. Altman has been receiving my communications, and I strongly suspect that—in violation of international postal regulations—he has not. If the Soviet officials think that they will deter me, then they are quite mistaken. I will continue my efforts on behalf of the just and humane cause of Anatoly Altman, in the hope that this time next year Soviet compliance with the Helsinki accords will make presentations such as this one unnecessary.

DR. JAMES C. FLETCHER—SPACE LEADER

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 30 minutes.

Mr. FUQUA. Mr. Speaker, within a few days Dr. James C. Fletcher, the Administrator of NASA, will depart the National Aeronautics and Space Administration, after having served 6 years as its Administrator. His distinguished tenure as the leader of our Nation's civilian space agency has been marked with significant space program progress triumphs and major contributions to our quality of life and economic well-being. During his term of office Viking has landed on Mars; the Space Shuttle, a low-cost transportation system to and from space, has been undertaken. Much investigation of the planets of the solar system has been achieved. At the same time, the technology of our space program has been successfully transferred to our economy under the guidance of Dr. Fletcher. Dr. Fletcher's distinguished career in industry, Government, and the university has made him an effective, aggressive proponent of the national space program. His guidance has expanded well into the international space program including the successful Apollo-Soyuz test program and undertaking of the development of a spacelab by the European space agency. Dr. Fletcher's strong management ability has improved the skill and dedication of an already highly effective space program-Government-industry-university team.

As in the past we can expect he will go on to serve a major role in our scientific and technical community.

I congratulate him on his outstanding service to the United States and wish him well in his new endeavors.

Mr. WINN. Mr. Speaker, this Nation has been reaping the benefits of the space program for almost a decade. We experience their benefits every day. We monitor our weather systems with satellite photography; we communicate by way of satellite relays; emergency rescue systems utilize space age electronics; cardiac pacemakers are possible due to space age electronics—the list can go on and on. This is made possible by the outstanding efforts of the National Aeronautics and Space Administration.

Dr. James C. Fletcher, the fourth Administrator of NASA, has provided the guidance and direction for this outstanding organization since April 1971. During that period we have seen the benefits of the application of space age technology become commonplace. Additionally, we see the space transportation system about to become a reality. These accomplishments have been made during a very economically austere period. However, due to the outstanding managerial capabilities of Dr. Fletcher, we have continued to move forward in basic and applied research.

Our thanks and praise are extended to Dr. Fletcher for the fine job that he has done. We also wish him the very best in his future endeavors.

Mr. TEAGUE. Mr. Speaker, Dr. James C. Fletcher has served his nation well. Since 1971, Dr. Fletcher has led our space program as Administrator of the National Aeronautics and Space Administration. Six years ago Dr. Fletcher brought to NASA an already distinguished career in industry and university community. His experience in the aerospace industry, leading to the presidency of Space General Corp. and later as the eighth president of the University of Utah, made him a man eminently equipped to lead NASA through a demanding and important period. Under Dr. Fletcher's direction a successful Mars exploration was accomplished through the Viking program. The United States-Soviet, Apollo-Soyuz test program was successfully concluded. NASA has been strengthened in its technology and aeronautics programs by his efforts. His leadership has provided the momentum for the development of the Space Shuttle—our Nation's first, low-cost transportation system.

Many achievements and awards are a part of Dr. James C. Fletcher's career. He is a Fellow of the Institute of Electrical and Electronics Engineers, the American Institute of Aeronautics and Astronautics, the American Academy of Arts and Sciences, the American Astronautical Society, and the National Academy of Engineering. But perhaps his greatest achievement is his ability to inspire and encourage those around him.

To his friends, Dr. Fletcher is best known as a humble man and good father. A man who seeks to achieve without seeking acclaim. Dr. James C. Fletcher is an outstanding American whom we all wish well in the future.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Florida (Mr. FUQUA).

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A WHITE HOUSE CONFERENCE ON AGING

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 10 minutes.

Mr. PEPPER. Mr. Speaker, one of the significant achievements of this century has been that of stretching the life span for most Americans.

Contributing to this increased longevity have been the great discoveries in the field of medicine which have dramatically reduced the death rate among the young and middle aged. Many of the crippling and health-wasting diseases that we were so familiar with in our childhood days, are almost totally unknown by today's generation.

Just the other day, I read a report that when one small pocket of smallpox susceptibility is wiped out in eastern Africa, that once dread disease will cease to exist on the face of the Earth.

Technological advances, too, have played their part in giving Americans a longer life. Labor-saving machines in industry and agriculture have relieved workers of life-exhausting labor.

As a result of these and other factors, we are witnessing a population explosion of the elderly.

In 1900, there were only 3.1 million Americans 65 years of age and older. By 1970, there were 20 million and today we are approaching the 23 million mark.

Mr. Speaker, aging first came into national focus in 1950 when President Harry S Truman directed the Federal Security Agency to hold a National Conference on Aging to assess the problems emerging as a result of the great increase in the number of elderly in the population.

The 816 citizens who were delegates to that Conference took no action as a body, but each of the 11 sections developed recommendations that became the first guidelines for broadly conceived Federal action.

The problems of the aging persisted, however, and in some areas even became more intense as the population climbed.

By 1958, the magnitude and complexity of the problems resulting from our rapidly increasing population of those over 65, prompted Congress to enact legislation requesting President Dwight D. Eisenhower to call a White House Conference on Aging, which was held January 9–12, 1961 with 2,800 delegates present.

Among the fruits of this conference were legislative proposals for medicare and medicaid, increased social security benefits, the Older Americans Act which established the Federal Administration on Aging and counterpart State units on aging.

Increased financial support for new programs in health care and related social services, housing, employment training for older workers and new volunteer programs also were achieved as a result of recommendations of the Conference.

Mr. Speaker, in spite of the apparent success of these Conferences, there was still no comprehensive set of national policies on which all levels and parts of Government were working together to achieve. Older people were still disadvantaged, and at least a fifth of them were still in the desperate life-destroying circumstances of dire poverty.

Reorganization within the Department of Health, Education, and Welfare in the late 1960's was generally interpreted as a downgrading of the Administration on Aging, especially when about two-thirds of its program responsibilities were gradually transferred to other units and agencies.

Faced with these problems, Congress in 1968, passed enabling legislation, in the form of a joint resolution, Public Law 90–256, which declared that it be the sense of Congress, that a White House Conference on Aging be called by the President of the United States in 1971, to be planned and conducted by the Secretary of Health, Education, and Welfare.

Thirty-four thousand delegates attended the 1971 White House Conference on Aging, bringing with them the input of 500,000 representatives of the aging from the grass roots level.

This Conference was divided into 14 sections and 18 areas of special concern. At the conclusion of the deliberations, 665 specific recommendations were adopted.

The House Select Committee on Aging, the establishment of which was a top priority recommendation of the Conference, has just finished a line by line study of the 1971 report. Although much progress has been made as a result of these recommendations, we find a great many of them still unimplemented almost 6 years after the close of the Conference.

Effectuating these remaining recommendations will be one of the main tasks of our committee during this Congress.

But now, inflation, fuel shortages, high utility costs, rising property taxes, drought, a record-breaking severe winter have pointed to the need for much new legislation and policy commitments to meet the continuing and unforeseen needs of our elderly.

Mr. Speaker, because the precedent for these conferences is so clearly established, I am submitting today a joint resolution calling for a third White House Conference on Aging to be held in 1981.

It is not too early to get the wheels in motion and to make preliminary plans for this most important conference whose recommendations are so vital to the continued improvement of the plight of our elderly.

The joint resolution follows:

H.J. RES. —

Joint resolution to provide the authority for the President to call a White House Conference on Aging in 1981, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "1981 White House Conference on Aging Act".

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) the number of individuals 55 years of age or older is now 43,000,000 and, will, by the end of this century, be over 57,000,000;

(2) nearly 3,300,000 older persons have incomes below the poverty level, as determined by the Federal Government;

(3) there is a great need to improve the economic well-being of older persons;

(4) there is a great need to make comprehensive and quality health care more readily available to older persons;

(5) there is a great need for expanding the availability of suitable and reasonably priced housing for older persons, together with services needed for independent or semi-independent living;

(6) there should be a more comprehensive and effective social service delivery system for older persons;

(7) there should be a more comprehensive long term care policy responsive to the needs of older patients and their families;

(8) there is a need to promote greater employment opportunities for middle aged and older persons who want or need to work;

(9) there is a need to develop a national retirement policy that contributes to the fulfillment, dignity and satisfaction of retirement years for older persons; and

(10) false stereotypes about aging and the process of aging are prevalent throughout the country and policies should be developed to overcome such stereotypes. (b) (1) It is therefore the policy of the Congress that the Federal Government should work jointly with the States and their citizens to develop recommendations and plans for action to meet the challenges and needs of older persons, consistent with the objectives of this joint resolution.

(b) In developing programs for the aging pursuant to this joint resolution emphasis should be placed upon the right and obligation of older persons to free choice and self-help in planning their own futures.

AUTHORITY OF THE PRESIDENT, SECRETARY AND THE FEDERAL COUNCIL ON THE AGING

SEC. 3. (a) The President is authorized to call a White House Conference on Aging in 1981 in order to develop recommendations for further research and action in the field of aging which will further the policies set forth in section 2 of this joint resolution. The Conference shall be planned and conducted under the direction of the Secretary in cooperation with the Commissioner on Aging, the Federal Council on the Aging, and such other Federal departments and agencies as are appropriate. Such assistance may include the assignment of personnel.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, energies and the improvement of the conditions of older people, the Conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the field of aging and of the general public, including older persons themselves.

(c) A final report of the White House Conference on Aging, which shall include a statement of a comprehensive coherent national policy on aging and recommendations for the implementation of that policy, shall be submitted to the President not later than 180 days following the date on which the Conference is adjourned. The findings and recommendations included in any report required by this subsection shall be immediately available to the public. The Secretary shall, within 90 days after submission of such report, transmit to the President and to the Congress his recommendations for administrative action and the legislation necessary to implement the recommendations contained in such report.

ADMINISTRATION

SEC. 4. (a) In administering this joint resolution the Secretary shall—

(1) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate in carrying out the provisions of this joint resolution;

(2) render all reasonable assistance, including financial assistance, to State agencies on the aging and to area agencies on aging, and to other appropriate organizations to enable them to organize and conduct conferences on aging prior to the White House Conference on Aging;

(3) prepare and make available background materials for the use of delegates to the White House Conference on Aging as he may deem necessary and shall prepare and distribute any such report of the Conference as may be necessary and appropriate; and

(4) engage such additional personnel as may be necessary to carry out the provisions of this joint resolution without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

(b) In carrying out his functions under clause (2) of subsection (a) the Secretary shall assure that conferences will be so conducted as to assure broad participation of older persons.

(c) In carrying out his responsibilities under this joint resolution the Secretary shall assure that current and adequate statistical data and other information on the well-being of older persons in the United States is readily available, in advance of the White House Conference on Aging, to participants in the White House Conference on Aging, together with such information as may be necessary to evaluate Federal programs and policies relating to aging. In carrying out the requirement of this subsection the Secretary is authorized to make grants tc, and to enter into contracts with, public agencies and nonprofit private organizations.

ADVISORY COMMITTEES

SEC. 5. The Secretary is authorized and directed to establish an advisory committee to the White House Conference on Aging which shall include representation from the Federal Council on Aging and other public and private, non-profit organizations as appropriate. The Secretary is authorized and directed to establish such other committees, including technical committees, as may be necessary to assist in planning, conducting and reviewing the Conference. Each such committee shall be composed of professional and public members and shall include persons from low-income families and from minority groups. A majority of the public members of each such committee shall be 55 years of age or older. Appointed members of any such committee, while attending conferences or meetings of the committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not to exceed the daily rate pre-

scribed for GS-18 under section 5332 of title 5, United States Code (including travel time); and, while away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of such title for persons in government service employed intermittently.

DEFINITIONS

SEC. 6. For the purpose of this joint resolution—

(1) The term "area agency on aging" means the agency designated under section 304(a)(2)(A) of the Older Americans Act of 1965.

(2) The term "State agency on aging" means the agency designated under section 304(a)(1) of the Older Americans Act of 1965.

(3) The term "Secretary" means the Secretary of Health, Education, and Welfare:

(4) The term "Commissioner on Aging" means the Commissioner of the Administration on Aging.

(5) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

ANTICOMPETITIVE REQUIREMENTS OF FEDERAL TRADE COMMISSION ORDERS

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 15 minutes.

Mr. METCALFE. Mr. Speaker, today I am introducing legislation to make it clear that the Federal Trade Commission is not to be permitted to discriminate among competitors in such a way as to place one party at an unfair competitive disadvantage vis-a-vis its competitors. We in Congress expressed our concern about this problem when we enacted the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act early in January of 1975, and my bill is designed to carry out the public policy directions we established there.

The issue of the authority of the Commission to do so was recently discussed in the Court of Appeals for the 7th Circuit in the case of Johnson Products against FTC. Three days prior to oral argument in that case, but 17 months after Johnson had been complying with a cease and desist order, the FTC offered the company the opportunity to apply for reopening the proceeding before the Commission. The company had requested this a year earlier, but had been refused by the Commission. No resolution of the case on reopening, at this point, can remedy a regulatory policy which arbitrarily placed Johnson at an unfair competitive disadvantage vis-a-vis other competitors in the industry. Although the court sent the case back to FTC, this will not end this practice. I am informed that in other cases there exist situations in which the Commission is imposing discriminatory affirmative action requirements on some competitors but not on others.

I believe that the FTC should now be reminded by the Congress, as it has been from time to time by the courts, that it is directly charged by Federal law with duties pertaining to restraint of monopoly and maintenance of fair competition, and that it would not want to encourage with its left hand conditions which its right hand is engaged in restraining. Nevertheless, this is the result of some of its affirmative action requirements in orders issued ostensibly to prevent unfair or deceptive acts or practices.

We in Congress must accept our responsibility for overseeing the activities of the independent agencies we create, to insure that they do not go beyond the authority we intended them to exercise. We cannot leave the whole burden of this oversight responsibility to the Federal courts, which, as we all know, are already overloaded.

The bill which I am introducing would simply provide that no provision of any cease or desist order issued to prevent any unfair or deceptive act or practice shall be valid or enforceable unless that provision is ordered in accordance with a previously published rule of general application to all competitors. It should be possible to prevent unfair or deceptive acts by enjoining their continuation. My purpose is simply to make it clear that the Commission must act fairly and not place any competitor at a competitive disadvantage.

In this connection, I want to make it quite clear that the requirements of my bill cannot be satisfied by any effort the FTC might make to enter an order against only one company and then merely send notice of that order to that company's competitors. Such a procedure would be doubly unfair—unfair to the one company because an order is entered only against it, and unfair to all its competitors because of lack of fair procedures in trying to penalize them for violating the order entered against the one company in a proceeding in which they did not have an opportunity to appear and state their situations. That would merely be an end-run avoidance of the public rulemaking procedures my bill requires the FTC to follow.

In this context we are talking about companies which are in fact in competition with each other for the same dollar, and selling the same or similar products, and not any rigid or narrow or legalistic definition of competition based on share of market, methods of selling, or other factors not actually related to the question of whether factually the companies are in competition.

My bill would not in any way interfere with the authority nor hamper or impede the abilities of the Commission to issue true cease and desist orders.

I am troubled at the time-consuming and costly procedures of the FTC in attacking unfair trade practices on a company-by-company basis. My bill does not, however, address these problems. As I have indicated, all my current bill does is to prevent unfairness between competitors resulting from Federal Trade Commission orders and it would apply only to orders which are issued after enactment of the Magnuson-Moss Act, on January 4, 1975.

Mr. Speaker, it seems to me that this is a matter of fundamental fairness. Competitors should be treated alike by their Government. Moreover, all of us are well aware of the tendency of the bureaucracy to expand their authority and to exercise jurisdiction in ways that the Congress never intended and that are seriously detrimental to business enterprises and to our economy. I think that we have here just such a situation and that it is important that we take appropriate steps to correct it.

I am hopeful that my bill will receive prompt consideration, because the problem it addresses urgently requires remedial action.

PRESIDENT CARTER REGRETTABLY DELAYS WELFARE REFORM

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, yesterday, President Carter issued his statement which broadly defined the goals to be accomplished in his final welfare reform bill and declared that specific recommendations will not be submitted to Congress until August. His statement was a tragic disappointment for the exponents of welfare reform since it failed to make difficult choices between reform alternatives, or provide guidelines for adequate benefit levels to be provided under a new welfare system. The President's statement failed to provide the necessary impetus for substantial fiscal relief for overburdened State and localities now bearing huge welfare costs.

Particularly distressing was the timeline for implementation of a new welfare system. Four years is far too long to provide immediate relief critically needed for State and local governments and to provide adequate assistance to the poor and unemployed in our States.

As one who has designed a welfare reform bill, I realize the difficulty in making the choices between alternative strategies to provide cash assistance and jobs to the poor and unemployed. These difficult choices, however, should not be the cause of delay in implementing a welfare reform plan. It is incomprehensible that the President acknowledges the present welfare system to be "worse than we thought," but then, postpones implementation of a new program for 4 years. If the present system is so bad, why continue it any longer than we have to?

Now that the President has brought welfare reform into public attention, Congress has the responsibility to enact legislation which will meet the needs of the poor and provide State fiscal relief. Congress can begin by creating an ad hoc Committee on Welfare Reform to debate the substantive issues of welfare reform, establish priorities and options which the Congress can consider in enacting a new welfare system.

In the spirit of this constructive, substantive debate on welfare reform and in light of the President's broad recommendations, I would like to share with my colleagues the latest information on H.R. 952, the Minimum Income Maintenance Act.

I have received many letters from State Governors commenting on H.R. 952 and expressing their concern for enactment of welfare reform legislation to relieve their States' financial burden and to provide an efficient, adequate welfare program to meet the needs of their citizens.

In response to their letters, I stressed the need to keep welfare reform before this Congress and enclosed a memo which addresses many of their concerns. I would like to provide for our colleagues a copy of this correspondence and to provide letters sent by the Governors of Connecticut, Louisiana, and Arizona as examples of the kind of response I have received on H.R. 952 and the importance of welfare reform to them.

The material follows:

U.S. CONGRESS,
Washington, D.C.

DEAR GOVERNOR:

The Senate Majority Leader and others have made statements indicating that welfare reform should be put on the "back burner" while Congress considers energy legislation. I, for one, believe that welfare reform should be a high priority for the Congress and am doing what I can to insure that significant welfare reform becomes a major accomplishment of this Congress.

I am pleased that your letter responded to my welfare reform bill, the Minimum Income Maintenance Act (H.R. 952). Your comments were most helpful and I have made some revisions in the latest draft of the bill to respond to some of the legitimate concerns which were raised. I have attached a memo which highlights some of the issues raised, explains in greater detail some features of the bill and indicates what changes have been made.

I have enclosed a copy of the latest draft of the bill and I would appreciate any additional comments which you may have. Your response will be put into the *Congressional Record* to keep this important issue before Congress.

Sincerely,

EDWARD I. KOCH,
Member of Congress.

MEMORANDUM ON H.R. 952

H.R. 952 has received a great deal of comment particularly on how its provisions may affect current state and local welfare programs. This memo discusses some of these comments, clarifies questions which were raised and indicates the changes made in the latest redraft of the bill.

1. Increased state cost resulting from immediate categorical eligibility for Medicaid and social services received some comment. While combining AFDC, general assistance and SSI programs into one federally-financed program would relieve state and local financial burden, fear was expressed that state-funded Medicaid and social service costs would increase. In the redraft of the bill, the HEW Secretary is required to submit recommendations regarding eligibility for Medicaid and social services.

2. The retrospective accounting period for determining eligbility and the amount of benefit on a quarterly basis was felt to be inflexible and unresponsive to a sudden loss of employment or casualty experienced by state welfare recipients. In the latest redraft, this accounting period has been changed to a monthly basis. Language is included to allow less-frequent redeterminations for those persons whose unearned income such as pensions, disability benefits remain unchanged from month to month.

3. State administration was a high priority in many of the comments. Fears that state welfare workers would lose their jobs, and federal administration would be unresponsive to local individual needs was expressed. In H.R. 952, federal eligibility standards and federal assumption of all costs is proposed. The HEW Secretary may authorize appropriate state administration of some aspects of the program. Local recipient needs can be accomplished by an efficient, well-organized federal administration.

4. A standardized work expense formula was recommended by a number of comments. Flat standard percentage deductions or a fixed dollar amount was suggested so as to achieve greater administrative simplicity. Specifying work-expense items in the bill was also suggested to standardize the type of exemptions allowed and provide equity between employed recipients. In the latest redraft of the bill, the HEW Secretary is given flexibility in this area. Language has been added to allow the standard deduction for work-enabling expenses such as transportation, taxes and child care and at the same time, allow administrative simplicity provided by a standard deduction or fixed dollar amount for these expenses.

H.R. 952 receives strong support for its utilizing the BLS lower family budget figure to provide cost-of-living variation between regions and to provide an adequate benefit level. The bill provides a consistent benefit-reduction formula for work income and calculates unearned income into its benefit formula; these points are considered strong features of this bill.

STATE OF CONNECTICUT,
Hartford, January 25, 1977.

Hon. EDWARD I. KOCH,
House of Representatives, Longworth Office Building, Washington, D.C.

DEAR REPRESENTATIVE KOCH: Thank you for your letter and attached material concerning welfare reform.

The State of Connecticut has made an initial review of your proposed bill and we believe that it is sound and generally in keeping with positions that we have taken in the past.

The idea of providing assistance for those who are not now covered by any of the federal/state programs is a very positive step. I support the concept of a more sensible policy in relating income to benefits and believe your proposal to reduce them to achieve an even benefit reduction schedule to achieve zero benefits related to certain levels of income is constructive. The retention of a greater amount of income, such as you propose, is preferable to the existing system in the Aid to Families with Dependent Children Program and the approach you suggest promises greater simplicity than the program we are presently administering.

I would like to make several additional points relative to your proposal.

I believe that the benefit levels are quite low under your proposal. In Connecticut there would be a benefit reduction for virtually all those who presently receive assistance under the AFDC program. The fact that these cases could be grandfathered for a period of two years does not seem to me to address the basic issue of the adequacy of the level of benefits. I might note that I believe the same result of reduced benefits would be present in New York as well as in a significant number of other states. I note that the proposed benefit level would be considerably lower than the present poverty level as defined by the federal government. This problem would be especially important if the states are not permitted to supplement the basic floor which is established under the proposal.

It might be better initially to establish broader regional identifications than are characteristic in the metropolitan and non-metropolitan statistical areas. The fact that the latter are so numerous can lead to the possibility of significant benefit level differences within very closely located geographical areas.

My initial impression with the asset section of your proposal leads me to believe that the levels may be too liberal, although I am hesitant to conclude this without further detail.

I assume that because the proposal provides for administration by the Federal Government, you are also proposing that the benefit levels be financed entirely by the federal government. I have been in favor of federal financing and believe this would be an important step in assisting states and localities to meet their total financial obligations.

I appreciate having the opportunity to comment to your thoughtful proposals.

With best wishes,

Cordially,

ELLA GRASSO, *Governor.*

STATE OF LOUISIANA,
Baton Rouge, February 3, 1977.

Hon. EDWARD I. KOCH,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: The summary and text of your bill to accomplish welfare reform have been reviewed. As a result of my review I wish to make the following comments:

1. The problem of meeting the maintenance needed of those who are financially indigent is one that extends from one corner of our country to the other. As a national problem it needs to be addressed from a national standpoint with national resources. Therefore, I support the concept set forth in your bill which would provide for a national system of public aid to be financed from a general fund.

2. The problem faced by intact families of bread-winners whose income is so low that it is exceeded by established need standards is one that needs to be addressed seriously by Congress. Your proposal, as well as others, and the problem which it addresses, needs thorough study and examination in order to arrive at an approach that would be acceptable to the American people. I am confident that this issue will now receive this necessary examination.

3. With over forty years experience in the operation of public assistance programs, Louisiana and other states have built comprehensive networks of administrative offices that are staffed with experienced personnel who are responsive to the needs of the states' indigent population. To develop and implement a national program of income maintenance which would not utilize this organization and experience to the fullest extent possible would not, in my opinion, be in the best public interest. I am not prepared at this point to give my support to any proposal that would not take full advantage of administrative resources that are readily available through finely-tuned state organizations.

I am gratified that you have expressed concern about the needs of the states and am especially pleased that you have acted on that concern in a positive way with the introduction of a legislative proposal that would shift a fiscal obligation to the national level. Thank you for giving me the opportunity to review and comment on your welfare reform proposal.

Sincerely,

EDWIN EDWARDS.

OFFICE OF THE GOVERNOR,
Phoenix, Ariz., January 12, 1977.

Hon. EDWARD I. KOCH,
House of Representatives, Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN KOCH: The staff of the Assistance Programs Bureau of the Arizona Department of Economic Security has reviewed the Summary of the Minimum Income Maintenance Act (MIMA), and concur that its provisions offer encouraging solutions to many of the deficiencies in our current welfare systems. We find that its most outstanding features are:

1. Maximum payment levels established regionally, and based on BLS, would be more current, equitable, and realistic than many of the variable and sometimes outdated standards now used by the different state systems.

2. Standardized income deduction and disregard policies would greatly simplify our current complex regulations and ensure a more equitable distribution of benefits to needy families and individuals.

3. Consolidation of the present multiplicity of assistance programs into one uniform system could not help but decrease operational costs, simplify regulations, reduce eligibility error determinations, and thus offer greater benefits to the needy population with a lesser local and federal tax burden.

4. Universal extension of benefits to virtually all who are needy would alleviate the frustrating impasse of truly impoverished persons who do not happen to fall into the presently established categories, and for whom little or no public assistance is available.

5. Work incentive scaling of benefits, along with mandatory work registration provisions, would appear to be the ideal solutions to work disincentive inherent in some of our present benefit payment methods and would also answer to the well-known, widespread public sentiment against an alleged discouragement by public welfare systems of personal initiative and family self-sufficiency.

The MIMA indeed offers encouraging reforms and hopeful solutions. We offer to you, Congressman Koch, and to the Congress of the United States, our full support in this endeavor.

Sincerely,

RAUL H. CASTRO,
Governor.

Mr. Speaker, I am pleased by the response which H.R. 952 has received and feel that it establishes a national welfare system which provides equitable, adequate cash assistance for impoverished persons and provides financial relief to State and local governments. The bill provides specific benefit levels and a formula for calculating earned and unearned income into a sliding scale of assistance for poor and unemployed people. It provides work incentives and enables employed persons to have more income than they would if they were not employed. Therefore, I am reintroducing this bill along with 15 cosponsors.

PRINTING OF RULES OF AD HOC COMMITTEE ON ENERGY

Mr. ASHLEY. Mr. Speaker, pursuant to rule XI, clause 2, I submit herewith for printing in the CONGRESSIONAL RECORD the rules of the Ad Hoc Committee on Energy:

RULES FOR THE AD HOC COMMITTEE ON ENERGY (95TH CONGRESS) RULE NO. 1—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committee.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of the House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under Rule X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record as soon after adoption as practicable.

RULE NO. 2—REGULAR AND SPECIAL MEETINGS

(a) A minimum of 48 hours' notice of regular meetings and hearings of the committee shall be given to all members except that the chairman, acting on behalf of the committee, may schedule a meeting or hearing for the consideration of emergency matters at any time. As much notice as possible will be given to all members when emergency meetings or hearings are called; *Provided, however,* That an effort has been made to consult the ranking minority member. Copies of bills and reports or other written materials to be considered by the committee are to be sent to members of the committee at least one day in advance of consideration by the committee, except in cases of emergencies.

(b) If the chairman of the committee is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at the meeting.

(c) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

RULE NO. 3—OPEN MEETINGS

As required by Clause 2(g), Rule XI, each meeting for the transaction of business, including the markup of legislation, of the Committee shall be open to the public except when the Committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, However,* That no person other than members of the Committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE NO. 4—RECORDS AND ROLLCALLS

(a) The result of each rollcall vote in any meeting of the committee shall be made available for inspection by the public at reasonable times at the committee offices, including a description of the amendment, motion, order or other proposition; the name of each Member voting for and against, and whether by proxy or in person, and the Members present but not voting.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

(c) A rollcall vote shall be demanded by one-fifth of the Members present.

RULE NO. 5—PROXIES

A vote by any member in the committee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee during each rollcall in which such member's proxy is to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. The member does not have to appear in person to present the proxy.

RULE NO. 6—POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned and to hold such hearings and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpoena may be authorized and issued by a committee under subparagraph (a)(2) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpoena issued by the committee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

RULE NO. 7—QUORUMS

No measure or recommendation shall be reported to the House unless a majority of the committee is actually present. For the purposes of taking any action other than reporting any measure, issuance of a subpoena, closing meetings, promulgating committee orders, or changing the Rules of the Committee, the quorum shall be one-third of the committee. For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

RULE NO. 8—HEARING PROCEDURES

(a) The Chairman, in the case of hearings to be conducted by the committee shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least 48 hours before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) Unless excused by the chairman, each witness who is to appear before the committee shall file with the clerk of the committee, at least 48 hours in advance of his appearance, a written statement of his proposed testimony.

(c) When any hearing is conducted by the committee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority. The chairman may accomplish this by recognizing two majority members for each minority member recognized.

(e) The following additional rules shall apply to hearings:

(1) The chairman at a hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person it shall—

(A) afford such person an opportunity voluntarily to appear as a witness;

(B) receive such evidence or testimony in executive session; and

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session, if given at an executive session, when authorized by the committee.

RULE NO. 9—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include:

(1) The statement required by section 308 (a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(2) The estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(3) A summary of the oversight findings and recommendations made by the Committee on Government Operations under clause (2)(b)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days, commencing on the day on which the measure or matter(s) was approved, excluding Saturdays, Sundays, and legal holidays, in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (2) and (3) of subparagraph (c) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as

(B) the filing of any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House.

RULE NO. 10—BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE NO. 11—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b)(1) In the case of travel outside the United States of members and staff of the committee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States shall be initiated by the Chairman and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, members and staff attending meetings or conferences shall submit a written report to the Chairman covering the activities and other

pertinent observations or information gained as a result of such travel.

(c) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. 12—OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee, provided that such procedures and action are not inconsistent with the foregoing rules of the Committee or the rules of the House.

RULE NO. 13—DESIGNATION OF CLERK OF THE COMMITTEE

For the purposes of these rules and the Rules of the House of Representatives, the Staff Director of the Committee shall act as the Clerk of the Committee.

SENIOR CITIZENS' LEGISLATIVE PACKAGE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, today I am introducing a set of three bills of special interest to senior citizens which, combined with other bills I have cosponsored in this area, will round out my package of senior citizens' legislation for the 95th Congress.

The first of these bills would expand the medicare program by making hearing aids and dentures eligible items for reimbursement under medicare, part B. Many seniors are unable to purchase these items on their limited incomes, and I consider the failure of Medicare to cover these to be a serious oversight.

Among the physical ravages that advanced age often brings are loss of hearing and a deterioration of dental health that necessitate hearing aids and dentures. Both these ailments can rob an older person of the opportunity to live happily and to continue to be productive. They can also bring financial ruin.

A serious hearing loss can be psychologically devastating to an older person struggling to remain self-sufficient in his or her later years. Loss of the permanent teeth can bring more serious physical consequences, since this condition often forces the elderly to resort to an inadequate diet and can produce other severe health problems.

I find this oversight in the medicare program to be especially perplexing in view of the logic that is used to provide coverage for lenses prescribed following cataract surgery. With regard to these lenses, the Social Security Administration has determined that they serve as replacements for internal body organs and can be covered, therefore, as prosthetic devices under medicare, part B. Certainly this logic applies to dentures and hearing aids as well, indicating coverage should be justified on the same basis.

Last year the Social Security Administration conducted a study of the costs that would be associated with a proposal of this type and found that medicare expenditures for hearing aids would amount to about $300 million for each of the first 2 fiscal years of operation. The estimate for dentures is $2 billion for the first year if damaged dentures are repaired rather than replaced. It is important to note that medicare expenditures for both items would be higher in the first year of coverage, because of the number of people who would be immediately eligible for coverage, and would decline in subsequent years.

The second bill I am introducing today deals with the SSI program, which has been a disaster to those for whom it was supposed to provide simple and efficient service.

The basic problem with the program is that the Federal benefit is, and has been from the beginning, too low, especially in high cost of living areas. A total of 38 States have either no State supplementary payment or else do not supplement benefits to the largest single group of SSI participants—aged persons living alone. This means that in many areas SSI benefits are lower than the Federal poverty level. In the Northeast, even with State supplements we have SSI recipients who cannot afford adequate diets as their rents and other living expenses increase.

One of the more effective ways of providing relief to SSI recipients in high cost of living areas is through a special housing allowance to those who spend more than one quarter of their income for housing needs, and that is what my bill accomplishes. This would address the most pressing problem since so large a percentage of SSI recipients' expenses is represented by housing.

The allowance I propose consists of the difference between what an SSI recipient is paying for shelter and what constitutes 25 percent of his or her income. I believe the figure of 25 percent is both reasonable and logical because it conforms to the standards set under the section 8 housing assistance payments program is which eligible persons are given a Federal housing benefit equal to the difference between the market value of a rental unit and a maximum of 25 percent of income. Under this program no one is expected to pay in excess of 25 percent of income for housing, and some very low income persons may pay as little as 15 percent of income. No eligible person may receive more than $1,200 per year under the supplement I am proposing. For purposes of this bill, housing would be defined as including rent or mortgage payments, real estate taxes and essential utilities.

The third bill in my package provides a Federal tax exemption of the first $5,000 of retirement income received by a taxpayer under any type of retirement program, either public or private, if the taxpayer is 65 years of age or older.

Mr. Speaker, I continually hear from elderly persons in my district who are concerned over rising property taxes and the general rise in the cost of living that is so difficult to cope with on fixed, retirement income. While we at the Federal level have no control over local property taxes, I think this special Federal income tax exemption would help to alleviate the problems resulting from the local and State tax situation and enable our senior citizens to retire with greater security and dignity.

These three bills can help to provide equitable relief to senior citizens, who have contributed so much to our society during their working years and in many cases are having severe financial difficulties due to the rampant inflation of recent years.

There are a number of other very good proposals pending in the 95th Congress which I support and which I hope will be enacted. Some of the other measures I have cosponsored for senior citizens include H.R. 65, a bill to end mandatory retirement policies; H.R. 5450, a proposal to abolish the outside earnings limitation under social security; and H.R. 4369, which would provide medicare coverage for prescription drugs and encourage the prescribing of drugs by generic name.

I feel that mandatory retirement policies discriminate unfairly against senior citizens and that no employer should be permitted to establish an arbitrary retirement age. There is considerable evidence that allowing older, experienced workers to stay in the job would contribute to the growth of our gross national product through increased productivity and purchasing power for a large segment of the population. I have long believed that the social security outside earnings limitation is unjust and doubly penalizes the poor because it applies only to income earned as wages. There is a great deal of support for the proposal to eliminate it.

Health care costs in this country have been soaring, and the prescribing of drugs by brand name contributes to this enormous rate of inflation. By allowing medicare coverage for prescription drugs while encouraging prescribing by generic name, we extend more fair treatment to the aged and at the same time help to cut health care costs.

Mr. Speaker, I do not contend that the six bills I have just described will solve all of the problems faced by senior citizens, nor do I wish to imply that this is all we should consider. But I do believe that each of the proposals represents a significant step toward extending fairer treatment to seniors.

I hope that the 95th Congress will work toward swift enactment of these and other proposals of interest to senior citizens, and I will be in full support of these bills as they move through the legislative process.

OLDER AMERICANS MONTH—A CALL FOR INDEPENDENCE FOR THE ELDERLY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on April 11, 1977, President Carter proclaimed May as "Older Americans Month." In doing so, he stated:

> We must find ways to assure that older citizens will continue to lead useful and productive lives. And we must find ways to use their experience, judgment and ability.

I share the President's views and join him in pursuing that objective.

The House Select Committee on Aging, which I chair, is responsible for advising Congress and the American people, on methods of meeting the challenges of growing old in America.

Since its creation in 1975, the committee has investigated the social, medical, economic, and legal aspects of aging. As most know, the problems are many and the need is great. What we have come to realize is the frightening extent to which millions of older Americans are victimized—deprived of their right and ability to function normally in society.

I am aware of a study commissioned by the National Council on the Aging in 1975 to determine the public's perception of aging. That study concluded—

> That most older people have the desire and the potential to be productive, contributing members of our society. They do not want to be put on the shelf, warehouse, and excluded from social and economic activities.

While "advancing age" surely alters our lives, it need not diminish one's right to independence, security, and continued productivity. Unfortunately, acting on misshapen stereotypes we too often rob older Americans of these rights.

Each year we encourage or force thousands of older people to retire. Today, only 3 percent of the entire civilian labor force is over age 65.

The committee held hearings which fractured the stereotypes which pervade mandatory retirement several weeks ago. Testimony revealed that companies without mandatory age retirement are not "top-heavy" with older persons, and the number of workers actually waiting until they are forced to retire is extremely small. General Motors reported that 89 percent of its employees retire before 65, 9 percent retire between 65 to 67, and 2 percent retire at 68. Exxon, General Foods, and others, reported only 20 to 30 percent of their workers wait until 65 to retire.

Given the relatively small population who want and are able to continue working past the age of 65, it appears that mandatory retirement based solely on age opens relatively few jobs while it inflicts psychological, physical, and financial damage on the older worker who is forced to retire.

Moreover, as older workers are forced to retire, they tax an already strained social security system. In 1975, persons over 65 constituted 11 percent of the total population; by the year 2025, those over 65 will represent approximately 16 percent of the total population, an increase of 26 million persons. The economic consequences of this shift in population are staggering. A few years ago, the ratio of workers to social security beneficiaries was 4 to 1; today the ratio is 3.2 to 1; by the year 2030, the ratio will approach 2 to 1. As an increasingly smaller number of workers supports an increasingly larger number of beneficiaries, we must ask whether the economy and the country would not be better served if the older worker who wants to work and is able to work were permitted to remain in the labor force.

Each day of the year more than 4,000 Americans reach the age of 65. There is no evidence that on that day their ability to function productively in the economy vanishes. There is, in fact, ample evidence to support Shaw's observation that "some are younger at 70 than most at 17." Who would tell Margaret Mead, who is 75, that her contributions to the study of sociology ended at age 65? Who would tell Arthur Fiedler, who is 83, or Leopold Stokowski, who is 94, that those over 65 cannot contribute meaningfully to our appreciation of music? The older American can continue to bring valuable contributions and skills to the labor force.

Why then does mandatory retirement exist? In part, because social security arbitrarily set a certain age for receipt of benefits. In part because Congress refused to protect workers over 65 in the Age Discrimination in Employment Act. And in part because we have not rid ourselves of the stereotype of the enfeebled older worker. In fact older workers perform as well and often better than younger workers in jobs requiring experience.

Mandatory retirement creates a host of additional problems. There is evidence that forced retirement accelerates the aging process, brings on physical and emotional problems, and causes economic deprivation.

In an affluent society, mandatory retirement, when based on age alone, is discriminatory, unjust, unnecessary, and more importantly, a waste of human talent.

I am confident that the findings of the committee will assist the Congress in assessing the need to enact legislation we have introduced to eliminate mandatory retirement in employment.

Depriving the person who is able and willing to continue to work of the right to work, because by some arbitrary standard that person is old is an act of cruelty. But that is not the only cruelty perpetrated against the elderly.

Every year, thousands of older Americans are unnecessarily institutionalized. More than 1 million older people live in nursing homes, mental hospitals, general hospitals, old age and retirement homes and other institutional settings which, in general, suffer from misdirection and inadequate service. Criteria for admission to these facilities are usually vague and variable. For example, one-third of the aged residents of State mental hospitals have no serious mental impairment at all, but simply have no place else to go.

Criteria for nursing homes are even hazier. State hospitals discharge many of their elderly, including those who are mentally disturbed and require psychiatric care to nursing homes. One study of nursing home patients in Massachusetts concluded that as many as 40 percent of its residents could be treated at home for a lower cost if the law allowed. In testimony provided by HEW we discovered that between 14 to 25 percent of the 1 million institutionalized elderly may be unnecessarily maintained in an institutional setting. Tragically, the Federal Government perpetuates needless institutionalization of the elderly. Of medicaid's $3.2 billion budget for the elderly—almost 70 percent goes to nursing homes and only 1 percent for home health alternatives. The vast majority of elderly must rely largely on medicare and medicaid support, neither of which will pay for home health care services. Although preventive health care is far cheaper for both the patients and the Government—medicare and medicaid do not provide coverage for annual checkups, professional and nutrition counseling, and diagnostic services. And while those over 75 suffer visual and hearing losses at rates 2 to 3 times that of those less their age, medicare and medicaid do not cover the elderly's eyeglasses, hearing aids, and dentures, and other necessary medical appliances.

While many nursing homes are properly labeled homes, because they offer compassionate care, others are more properly labeled nursing houses or nursing factories—places where those whom society has rejected are sent to die—uprooted, isolated, treated with condescension rather than compassion. It is not surprising to discover that a large number of deaths occur soon after the elderly are institutionalized.

The 23 million elderly people of this country want and deserve an alternative to institutionalization. Congress is beginning to view home health care as that alternative. Just last month, the House Committee on Aging was able to defeat a proposal to cut back funding for home health services.

Institutionalization of the elderly should cease to be society's place of first resort. Rather, it should be the place of last resort—for only those who choose and need such services. Home health care offers elderly the flexibility of choice and the option to remain independent—an ideal which must be preserved in our democratic society.

The elderly person forced out of a job or forced into an institution is in a very real sense a victim—a victim of societal stereotypes and misdirected legislation. But victimization of the elderly does not stop in the labor force or in health care. Crime against the elderly exacts a financial, physical, and psychological cost which is immeasurable. The committee heard elderly victims tell of being raped, beaten, mugged, and assaulted, their savings depleted by medical costs spending days in hunger waiting for the next social security check. Ironically the elderly victim is the least likely to report crime either because he or she fears retaliation or is unable to afford the pursuit of justice.

Every year, nearly 20,000 senior citizens are robbed of their checks from social security, usually by direct looting of their mailboxes. During these first days of the month, when social security, pensions, public assistance, and other checks arrive, robberies, burglaries, and assaults escalate. The tragedy of crime is compounded for those elderly to whom social security checks mean food and shelter. The physical and financial scars of crime are deepened by the psychological scars. One elderly couple in New York City committed suicide rather than live out their lives in fear of being beaten again. Others imprison themselves behind bolted doors and barred windows, dreading their next trip to the grocery store, afraid to attend civic and religious functions.

The Subcommittee on Housing and Consumer Interests, chaired by the Honorable EDWARD ROYBAL, has been studying the issue of crime against the elderly since the committee's creation. Hearings held by the subcommittee have revealed that the elderly are frequently the victims of property crimes—burglary, robbery, and larceny. These older victims, who are most frequently on fixed incomes—43.8 percent of elderly couples are below the poverty level—with little or no savings, are virtually unable to recoup monetary losses. They also do not have the resources to replace stolen items or repair damaged property. Even the loss of $20 an amount of money that does not register on the FBI crime index, can represent a much greater relative loss to the older person on a small, fixed income. This amount of money can deny food or essential drugs, or cause a utility bill to go unpaid. For these reasons, the subcommittee has recommended passage of a victim compensation bill, with special provisions to provide coverage for property loss and damage to needy elderly victims. This recommendation is included in a report which was recently adopted by the Aging Subcommittee on Housing Consumer Interests and the full committee.

Interestingly enough, I found, as the former chairman of the House Select Committee on Crime, that older people commit very few crimes themselves, and that most of the crime committed in the United States is youth related. Furthermore, I have learned that the most productive returns that we can get for the expenditure of our public moneys with respect to crime is money spent on the prevention of crime, especially youth crime, aimed at citizen participation.

The Subcommittee on Housing and Consumer Interests supports this conclusion. They believe, as I, that the best hope for reducing crime against the elderly is to reduce juvenile delinquency and youth crime. They have recommended that Congress direct its attention to innovative proposals designed to head off the juvenile crime problem by attacking it in the schools where many of the problems develop. They have suggested that H.R. 1137, a bill I introduced to provide for a National Conference on Learning Disabilities and Juvenile Delinquency, be enacted.

Society victimizes the elderly in subtle as well as obvious ways. In the area of social services, hearings revealed that one-third of the elderly poor are hampered in their ability to get to and from shopping areas, medical outlets, and civic activities.

The ability of many elderly to obtain food, medical care, to participate in social activities and civic affairs is tied to their access to inexpensive, well-coordinated, barrier-free transportation systems.

Yet most transit vehicles and facilities are designed with the so-called normal person in mind—someone who can climb steep steps, endure uncomfortable seats, and walk long distances in terminals. Millions of elderly simply do not fit this description of normality. Those senior citizens who must rely on public transit must not be shut off from the mainstream of activity. These individuals should be assured reasonable access to their doctors, shopping areas, senior citizen centers, churches, employment opportunities, social events, and friends; they must not be involuntarily segregated in isolation from their community.

The committee has recommended legislation designed to provide increased transportation opportunities for the elderly, including reduced air fares, and tax exemptions for providing nonprofit transportation for the elderly.

I am pleased to report that our recommendation that airlines offer the elderly reduced air fares on a standby basis was enthusiastically endorsed by the House last month. We hope that similar action will be taken on the Senate side in the very near future.

The needs of the elderly are great. But we must not feel like Sisyphus pushing a boulder up a hill to no productive end. With the strong continued support of the President, the Congress, and concerned organizations and individuals, we will work together to assure the aged, the aging, and so the American people, their right to independence, security, and dignity in later years. Let this month—"Older Americans Month"—mark the beginning of that mutual effort.

To this end, I would like to submit for my colleagues' attention the sentiments of a retired widow, Ms. Thelma Yocum of North Miami, Fla., who expresses so beautifully the frustrations and disappointments of growing old in America today:

RETIRED WIDOW

My Social Security doesn't buy too much
I must economize.
Coffee . . . that's too dear,
I'll drink tea.
Here is an ad . . . 100 bags 89c.
Oh there are lots of specials
I have coupons.
Seven dollars must be spent.
That's not hard.
At Check-Out stand
My specials all in line
Coupons in my hand
All goes well until I see
$1.49 for my tea!
Oh wait Miss . . . that's on sale.
"Don't worry I will take it off."
The specials are marked at regular price
That thing runs so fast.
I don't see too well,
Did I get the special price?
Did she take off for my tea?
I do not know,
I check when I get home.
I see no specials there.
What can I do?
I would really like to cry,
But tissues are so high
I can't even afford to cry.

CONFERENCE REPORT ON H.R. 4876

Mr. MAHON submitted the following conference report and statement on the bill (H.R. 4876) "making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes":

CONFERENCE REPORT (H. REPT. 95-238)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4876) "making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 10, and 12.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 8, 11, 13, 14, 15, 16, 17, and 19, and agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

CHAPTER V

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

Accounts, Collection and Taxpayer Service

For an additional amount for "Accounts, collection and taxpayer service", $2,000,000.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 5, and 9.

GEORGE MAHON,
JAMIE L. WHITTEN,
EDWARD P. BOLAND,
DANIEL J. FLOOD,
TOM STEED,
JOHN M. SLACK,
JOHN J. MCFALL,
SILVIO O. CONTE,
LAWRENCE COUGHLIN.
Managers on the Part of the House.

JOHN L. MCCLELLAN,
WARREN G. MAGNUSON,
WILLIAM PROXMIRE,
ERNEST F. HOLLINGS,
BIRCH BAYH,
LAWTON CHILES,
MILTON R. YOUNG,
CLIFFORD P. CASE,
EDWARD W. BROOKE,
CHARLES MCC. MATHIAS, JR.,
LOWELL P. WEICKER, JR.
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4876), making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I

CHAPTER I

Department of the Treasury

Antirecession Financial Assistance Fund

Amendment No. 1: Appropriates $632,500,000 for the antirecession financial assistance fund as proposed by the House instead of $925,000,000 as proposed by the Senate.

Environmental Protection Agency

Construction Grants

Amendment No. 2: Deletes language proposed by the Senate to appropriate $300,000,000 for the Section 206(a) construction grants reimbursement program. This language is unnecessary in view of the conferees decision to concur in the House language providing funds for the reimbursement program.

Amendment No. 3: Restores language proposed by the House and stricken by the Senate to appropriate $300,000,000 for the Section 206(a) construction grants reimbursement program.

CHAPTER II

Department of Labor

Employment and Training Administration

Community Service Employment for Older Americans

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate, amended to read as follows: "$59,400,000, of which $44,500,000 is to carry out section 906 (a)(1) of the Older Americans Act."

The conferees are agreed that the amount in the bill, $59,400,000, together with $90,600,000 appropriated previously, will support a level of 37,400 jobs and shall be utilized for a 12-month period beginning July 1, 1977, and ending June 30, 1978. During this period, it is the intent of the conferees that 29,900 jobs be allocated to national contractors and that 7,500 jobs be allocated to the States according to the formula in the basic law.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CHAPTER III

Economic Development Administration

Drought Assistance Program

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment which appropriates $175,000,000 for a drought assistance program, contingent upon enactment of authorizing legislation. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Local Public Works Program

Amendment No. 6: Provides bill language which makes funds for necessary administrative expenses available until September 30, 1979, as proposed by the Senate, instead of language making such funds available until expended as proposed by the House.

Job Opportunities Program

Amendment No. 7: Deletes proposal of the House to appropriate $162,500,000 for the Job Opportunities Program.

CHAPTER IV

Department of Transportation

Federal Highway Administration

Amendment No. 8: Appropriates $200,000,000 for safer off-system roads as proposed by the Senate instead of $150,000,000 as proposed by the House.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment that reads as follows:

In lieu of the matter inserted by said amendment, insert the following:

Railroad-Highway Crossings Demonstration Projects

For necessary expenses of railroad-highway crossings demonstration projects, as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Assistance Act of 1974, to remain available until expended, $16,000,000, of which $10,666,667 shall be derived from the Highway Trust Fund. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Federal Railroad Administration

Amendment No. 10: Appropriates $50,000,000 for railroad rehabilitation and improvement financing funds as proposed by the House.

Amendment No. 11: Deletes chapter heading.

Department of the Treasury

Office of the Secretary

Amendment No. 12: Restores language related to investment in fund anticipation notes as proposed by the House.

CHAPTER V

Department of the Treasury

Amendment No. 13: Deletes center heading.

Amendment No. 14: Deletes $17,935,000 for salaries and expenses, as proposed by the Senate.

Amendment No. 15: Deletes $1,300,000,000 for special payment to recipients of certain retirement and survivor benefits, as proposed by the Senate.

Amendment No. 16: Deletes $600,000,000 for special payment to recipients of aid to families with dependent children, as proposed by the Senate.

Internal Revenue Service

Amendment No. 17: Deletes center heading.

Amendment No. 18: Inserts headings and restores language proposed by the House, amended to appropriate $2,000,000 for accounts, collection and taxpayer service instead of $5,000,000 proposed by the House.

Amendment No. 19: Deletes $1,363,000,000 for rebates in excess of tax liability, as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1977 recommended by the Committee of Conference with comparisons to the budget estimates, and the House and Senate bills follows:

Budget estimates of new (obligational) authority[1]	$23, 793, 849, 000
House bill	23, 306, 919, 000
Senate bill	20, 395, 984, 000
Conference agreement	20, 101, 484, 000
Conference agreement compared with:	
Budget estimates of new (obligational) authority	−3, 692, 365, 000
House bill	−3, 205, 435, 000
Senate bill	−294, 500, 000

[1] Includes $7,871,000,000 requested for fiscal year 1978.

George Mahon,
Jamie L. Whitten,
Edward P. Boland,
Daniel J. Flood,
Tom Steed,
John M. Slack,
John J. McFall,
Silvio O. Conte,
Lawrence Coughlin,
Managers on the Part of the House.
John L. McClellan,
Warren G. Magnuson,
William Proxmire,
Ernest F. Hollings,
Birch Bayh,
Lawton Chiles,
Milton R. Young,
Clifford P. Case,
Edward W. Brooke,
Charles McC. Mathias, Jr.,
Lowell P. Weicker, Jr.,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. **Burgener** (at the request of Mr. **Rhodes**), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. **Rudd**) to revise and extend their remarks and include extraneous material:)

Mr. **Grassley**, for 5 minutes, today.

Mr. **Crane**, for 15 minutes, today.

Mr. **Sarasin**, for 5 minutes, today.

Mr. **Whalen**, for 5 minutes, today.

Mr. **Kemp**, for 15 minutes, today.

(The following Members (at the request of Mr. **Vento**) to revise and extend their remarks and include extraneous material:)

Mr. **Rodino**, for 15 minutes, today.

Mr. **Annunzio**, for 5 minutes, today.

Mr. **Gonzalez**, for 5 minutes, today.

Mr. **Diggs**, for 15 minutes, today.

Mr. **Alexander**, for 60 minutes, today.

Mr. **Mitchell** of Maryland, for 30 minutes, today.

Mr. **Ambro**, for 5 minutes, today.

Mr. **Fuqua**, for 30 minutes, today.

Mr. **Pepper**, for 10 minutes, today.

Mr. **Metcalfe**, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. **Rudd**) and to include extraneous material:)

Mr. **Robinson**.

Mr. **Rhodes**.

Mr. **Derwinski** in two instances.

Mr. **Taylor**.

Mr. **Shuster**.

Mr. **Grassley**.

Mr. **Steers**.

Mr. **Martin**.

Mr. **Hansen** in five instances.

Mr. **Broyhill**.

Mr. **Winn**.

Mr. **Gilman**.

Mr. **Dornan** in two instances.

Mr. **Brown** of Ohio in two instances.

Mr. **O'Brien**.

Mr. **Moorhead** of California in two instances.

Mr. **Walsh**.

Mrs. **Holt**.

(The following Members (at the request of Mr. **Vento**), and to include extraneous matter:)

Mr. **Anderson** of California in three instances.

Mr. **Gonzalez** in three instances.

Mr. **Phillip Burton** in two instances.

Mr. **Howard** in two instances.

Mr. **Lehman**.

Mr. **Carney** in two instances.

Mr. **Richmond**.

Mr. **Mineta**.

Mr. **Holland** in three instances.

Mr. **Hubbard** in two instances.

Mr. **Corman** in five instances.

Mr. **Dingell** in two instances.

Mr. **Obey** in five instances.

Mr. **Murtha**.

Mr. **Glickman**.

Mr. Teague.
Mr. Hamilton.
Mr. Eilberg in five instances.
Mr. Stump.
Mr. Luken in 10 instances.
Mr. LaFalce.
Mr. Rangel.
Mr. Jacobs.
Mr. Gibbons.
Mr. Harkin.
Mr. Harrington.
Mr. Drinan in two instances.
Mr. Dent.
Mr. Solarz.
Mr. Fauntroy.
Mr. Fary.
Mr. Mann in six instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1031. An act to amend the Act of July 2, 1940, to increase the amount authorized to be appropriated to the Smithsonian Institution for purposes of carrying out its functions under such Act; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 11. An act to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

ADJOURNMENT

Mr. VENTO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p.m.), the House adjourned until Wednesday, May 4, 1977, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1385. A letter from the President of the United States, transmitting an amendment to the Department of Justice fiscal year 1978 budget request (H. Doc. No. 95–140); to the Committee on Appropriations and ordered to be printed.

1386. A letter from the President of the United States, transmitting proposed fiscal year 1977 appropriation language for the Department of Labor (H. Doc. No. 95–141); to the Committee on Appropriations and ordered to be printed.

1387. A letter from the President of the United States, transmitting an amendment to the Veterans' Administration fiscal year 1978 budget request (H. Doc. No. 95–142); to the Committee on Appropriations and ordered to be printed.

1388. A letter from the Secretary of the Interior, transmitting a proposed plan for the use and distribution ot the Sisseton-Wahpeton (Devils Lake) Sioux judgment funds in docket 363 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

1389. A letter from the Director, Defense Security Assistance Agency, transmitting proposed training requirements for fiscal year 1978 under the international military education and training program, pursuant to section 542 of the Foreign Assistance Act of 1961, as amended (90 Stat. 732); to the Committee on International Relations.

1390. A letter from the Chairman, Interstate Commerce Commission, transmitting the final report on the Commission's proposed new rules of practice, pursuant to section 305(a) of Public Law 94–210; to the Committee on Interstate and Foreign Commerce.

1391. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation; transmitting the financial report of the Corporation for the month of January 1977, pursuant to section 308(a)(1) of the Rail Passenger Services Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1392. A letter from the Treasurer General, National Society of the Daughters of the American Revolution, transmitting the Society's audit report for the years ended February 28, 1977, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

1393. A letter from the Secretary of Transportation, transmitting a report on alternative methods for financing completion of the Interstate Highway System, pursuant to section 150(a) of Public Law 94–280; to the Committee on Public Works and Transportation.

1394. A letter from the Acting Administrator of General Services, transmitting prospectuses proposing 13 repair and alteration projects, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1395. A letter from the Federal Cochairman, Coastal Plains Regional Commission, transmitting the ninth annual report of the Commission, covering fiscal year 1976 and the transition quarter, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1396. A letter from the Administrator of Veterans' Affairs, transmitting a report covering calendar year 1976 on cases in which equitable relief was granted, pursuant to 38 U.S.C. 210(c)(3)(B); to the Committee on Veterans' Affairs.

1397. A letter from the Chairman and a member of the National Study Commission on Records and Documents of Federal Officials, transmitting the alternate report of the dissenting members of the Commission, pursuant to section 202 of Public Law 93–526; jointly, to the Committees on House Administration, and Government Operations.

1398. A letter from the Comptroller General of the United States, transmitting a report on the issues surrounding the management of agricultural exports (ID–76–87, May 2, 1977); jointly, to the Committees on Government Operations, Agriculture, and International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 537. A resolution providing for the consideration of H.R. 6689. A bill: To authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes (Rept. No. 95–237). Referred to the House Calendar.

Mr. MAHON: Committee of Conference. Conference report on H.R. 4876 (Rept. No. 95–238). Ordered to be printed.

Mr. GIAIMO: Committee on the Budget. House Concurrent Resolution 214. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978 (Rept. No. 95–239). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on International Relations. H.R. 6714. A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that act, and for other purposes (Rept. No. 95–240). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 6833. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Horsehead Flats and Winona Units of the Pick-Sloan Missouri Basin program, North Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BEARD of Tennessee (for himself, Mr. Broyhill, Mr. Lott, and Mr. Moorhead of California):

H.R. 6834. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

By Mr. BEARD of Tennessee (for himself, Mr. Frenzel, Mr. Lott, Mr. Martin, Mr. Moorhead of California, and Mr. Symms):

H.R. 6835. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fees and other reasonable litigation costs; to the Committee on Education and Labor.

By Mr. BEARD of Tennessee (for himself, Mr. Lott, Mr. Moorhead of California, and Mr. Walker):

H.R. 6836. A bill to establish a procedure under which the Congress may disapprove rules or regulations adopted by the executive branch which are contrary to law or inconsistent with congressional intent or which exceed the mandate of the statutes which they are designed to implement; to the Committee on the Judiciary.

By Mr. BEARD of Tennessee (for himself, Mr. Lott, and Mr. Mitchell of New York):

H.R. 6837. A bill to amend title 18 of the United States Code to increase certain penalties for gun control offenses and to allow the United States to obtain appellate review of certain sentences relating to gun control offenses; to the Committee on the Judiciary.

By Mr. BEARD of Tennessee (for himself, Mr. Lott, Mr. Nichols, and Mr. Ichord):

H.R. 6838. A bill to amend the Endangered Species Act of 1973 in order to clarify the provisions of the act regarding Federal agency cooperation; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of California (for himself, Mr. Ammerman, Mr. Beard of Rhode Island, Mr. Carr, Mr. English, Mr. Hawkins, Mr. Hightower, Mr. Hubbard, Ms. Keys, Mr. Le Fante, Mr. Marriott, Mr. Nolan, Mr. Patterson of California, and Mr. Scheuer):

H.R. 6839. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 6840. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private food label product shall not be deemed unlawful per se; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mr. BYRON:

H.R. 6841. A bill to provide for a program, to be carried out through the Secretary of Labor, of projects and an advisory council to promote economic stability by increasing productivity, improving job security, encouraging retention of jobs in lieu of cyclical layoffs, and promoting the better use of human resources in employment; jointly, to the Committees on Banking, Finance and Urban Affairs and Education and Labor.

By Mr. CONABLE (for himself, Mr. Frey, and Mr. Bowen):

H.R. 6842. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. Wolff, Mrs. Heckler, and Mr. Pursell):

H.R. 6843. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

Mr. DINGELL (for himself and Mr. Markey):

H.R. 6844. A bill to regulate the siting, design, construction, and operation of facilities to be used for the transportation, storage, and conversion of liquefied natural gas; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG (for himself, Mr. Nix, Mr. Michael O. Myers, Mr. Lederer, Mr. Benjamin, Mr. Brodhead, Mr. Carney, Mr. Edgar, Mr. Hannaford, Mr. Harrington, Mr. Kostmayer, Mrs. Lloyd of Tennessee, Mr. Moakley, Mr. Nolan, Mr. Rinaldo, Mr. Roe, Mr. Trible, Mr. Vento, Mr. Charles Wilson of Texas, and Mr. Wolff):

H.R. 6845. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to authorize group life insurance programs for public safety officers and to assist State and local governments to provide such insurance, and for other purposes; to the Committee on the Judiciary.

By Mr. FRASER (for himself, Mr. Harkin, and Mr. Patterson of California):

H.R. 6846. A bill to insure the development of U.S. ocean mining capabilities and to support the continuation of the Law of the Sea Conference negotiations; jointly, to the Committees on Interior and Insular Affairs, International Relations, and Merchant Marine and Fisheries.

By Mr. GILMAN:

H.R. 6847. A bill to amend the Internal Revenue Code of 1954 to allow certain low and middle income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT (for himself and Mr. Kelly):

H.R. 6848. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

By Mr. HAMMERSCHMIDT (for himself, Mr. Mitchell of New York and Ms. Mikulski):

H.R. 6849. A bill to provide combat bonuses for honorable Vietnam service through tax credits; to the Committee on Ways and Means.

By Mr. HARKIN (for himself and Mr. Ammerman):

H.R. 6850. A bill to amend the Internal Revenue Code of 1954 to deny any deduction for amounts paid or incurred to advertise tobacco products; to the Committee on Ways and Means.

By Mr. HARKIN (for himself, Mr. Gore, and Ms. Holtzman):

H.R. 6851. A bill to establish a program for repairing and replacing unsafe highway bridges; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. HEFNER:

H.R. 6852. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for maintaining a household a member of which is an elderly dependent of the taxpayer; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma (for himself, Mr. Burleson of Texas, and Mr. Vander Jagt):

H.R. 6853. A bill to amend the Internal Revenue Code to change the period for the payment of certain taxes; to the Committee on Ways and Means.

By Miss JORDAN:

H.R. 6854. A bill to amend titles XVIII and XIX of the Social Security Act to require each hospital providing patients with inpatient hospital services under the programs or plans under such titles to furnish each such patient with written notice of charges for particular inpatient hospital services provided by the hospital to the patient; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. LENT (for himself, Mrs. Schroeder, and Mr. St Germain):

H.R. 6855. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McFALL:

H.R. 6856. A bill to repeal the act of June 23, 1936; to the Committee on Interior and Insular Affairs.

By Mr. MARKS:

H.R. 6857. A bill to amend title II of the Social Security Act to repeal the earnings test, to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits and make other changes assuring equal entitlement for men and women, to permit the payment of benefits to a married couple on their combined earnings record, to provide that individuals age 65 and over may elect to be exempt from social security coverage, to provide prorated benefits for the month of a beneficiary's death, to eliminate the 5-month waiting period for disability benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. MIKVA:

H.R. 6858. A bill to amend the Voting Rights Act of 1965 to provide that the provisions of such act with respect to residence requirements for voting and the casting of absentee ballots shall apply in election of all Federal officers, and for other purposes; to the Committee on the Judiciary.

H.R. 6859. A bill to amend the Federal Election Campaign Act of 1971 to provide that any listing of candidates for Federal office shall appear on election ballots before any other listing; to the Committee on House Administration.

By Mr. MIKVA (for himself, Mr. Addabbo, Mr. Bonior, Mr. Duncan of Tennessee, and Mr. Lehman):

H.R. 6860. A bill to correct inequities in certain sales representatives practices, to provide protection for certain sales representatives terminated from their accounts without justification, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURTHA:

H.R. 6861. A bill to amend title 5, United States Code, to repeal the provisions therein requiring mandatory separation of employees who reach age 70; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H.R. 6862. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 6863. A bill to amend title XVI of the Social Security Act to provide for the payment of a special housing allowance to each recipient of supplemental security income benefits whose housing expenses exceed an amount equal to 25 percent of his or her income, so as to reduce such expenses to that amount; to the Committee on Ways and Means.

By Mr. OTTINGER (for himself and Mr. Oberstar):

H.R. 6864. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. QUIE:

H.R. 6865. A bill to provide for the regulation of the process by which the people of the United States nominate candidates for President and Vice President; to the Committee on House Administration.

By Mr. RAILSBACK (for himself, Mr. Kastenmeier, Mr. Anderson of California, Mr. AuCoin, Mr. Baldus, Mr. Badillo, Mr. Beilenson, Mr. Blanchard, Mr. Caputo, Mr. Cleveland, Mr. Cochran of Mississippi, Mr. Cornell, Mr. Edgar, Mr. Fascell, Mrs. Fenwick, Mr. Fraser, Mr. Fithian, Mr. Glickman, Mr. Hannaford, Mr. Harrington, Mr. Jacobs, Ms. Keys, Mr. Koch, Mr. Kostmayer, and Mr. Lent):

H.R. 6866. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. Kastenmeier, Mr. McCloskey, Mr. McHugh, Mr. Madigan, Mr. Mazzoli, Mr. Mikva, Ms. Mikulski, Mr. Mineta, Mr. Mitchell of New York, Mr. Moakley, Mr. Nolan, Mr. Ottinger, Mr. Patterson of California, Mr. Pepper, Mr. Pursell, Mr. Rangel, Mr. Simon, Mrs. Spellman, Mr. Stockman, Mr. Studds, Mr. Trible, Mr. Tsongas, Mr. Walker, and Mr. Weaver):

H.R. 6867. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. **RAILSBACK** (for himself, Mr. Kastenmeier, Mr. Gephardt, Mr. Giaimo, Mr. Winn, Mr. Wirth, Mr. Whalen, Mr. Wolff, and Mr. Vento):

H.R. 6868. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. **RODINO**:

H.R. 6869. A bill to codify, revise, and reform title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. **STARK** (for himself, Mr. McCloskey, Mr. Winn, Mr. Burgener, Mr. Mineta, Mr. Tsongas, Mr. Weiss, Mr. AuCoin, Mr. Corman, and Ms. Holtzman):

H.R. 6870. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to extend the period during which refugee assistance may be provided; to the Committee on the Judiciary.

By Mr. **TRAXLER**:

H.R. 6871. A bill to amend the Interstate Commerce Act to provide financial assistance to common carriers by railroad to cover the cost of operation and rehabilitation of certain lands; to the Committee on Interstate and Foreign Commerce.

By Mr. **WHITEHURST**:

H.R. 6872. A bill to prohibit the use of appropriated funds to carry out or assist research on living human fetuses; to the Committee on Interstate and Foreign Commerce.

By Mr. **AuCOIN** (for himself, Mr. Lundine, Mr. Corrada, Mr. McHugh, Mr. Oberstar, Mr. John L. Burton, Mr. Baldus, Mr. Stark, Mr. Badillo, Mr. Emery, Mr. Hubbard, Mr. Watkins, Mr. Glickman, Mr. Rahall, Mr. Mitchell of New York, and Mr. Mineta):

H.R. 6873. A bill to amend title V of the Housing Act of 1949 to increase and extend authorities thereunder, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. **BALDUS**:

H.R. 6874. A bill to amend section 812 of the Agriculture and Consumer Protection Act of 1973 to provide for the expedited reporting of large sales of agricultural commodities for export; to the Committee on Agriculture.

By Mr. **DRINAN**:

H.R. 6875. A bill to amend the Truth in Lending Act to require biannual examinations of creditors, to require public disclosure of certain information obtained in such examinations, to require persons affected by violations of the act to be so notified, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6876. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

By Mr. **FISHER** (for himself and Mr. Burleson of Texas):

H.R. 6877. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of small business investment companies electing to be taxed as regulated investment companies; to the Committee on Ways and Means.

By Mr. **HAMMERSCHMIDT**:

H.R. 6878. A bill to amend Public Law 88–482; to the Committee on Ways and Means.

H.R. 6879. A bill to amend section 2 of the act of August 22, 1964, to prevent circumvention of import restrictions through the production or manufacture of articles from foreign meat in foreign trade zones, territories, and possessions of the United States; to the Committee on Ways and Means.

By Mr. **METCALFE**:

H.R. 6880. A bill to amend the Federal Trade Commission Act to make it clear that the Federal Trade Commission is not authorized to include in its orders to cease and desist unfair or deceptive acts or practices provisions which are unfair, discriminatory, or anticompetitive by reason of requiring affirmative action not generally applicable to all competitors; to the Committee on Interstate and Foreign Commerce.

By Mr. **ANDERSON** of California (for himself, Mr. Mitchell of Maryland, Mr. Nedzi, Mr. Fuqua, Mr. Taylor, Mr. Bennett, Mr. Gaydos, Mr. Annunzio, Mr. Sebelius, Mr. Metcalfe, Mr. Leggett, Mr. Van Deerlin, Mr. Stump, Ms. Pettis, and Mr. Evans of Colorado):

H.J. Res. 430. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. **BEARD** of Tennessee (for himself, Mr. Walker, and Mr. Miller of Ohio):

H.J. Res. 431. Joint resolution proposing an amendment to the Constitution of the United States with respect to the assignment of public school students; to the Committee on the Judiciary.

By Mr. **BEDELL** (for himself, Mr. AuCoin, Mr. Badillo, Mr. Beilenson, Mr. Brown of California, Mr. Cohen, Mr. Eilberg, Mr. Gilman, Mr. Hannaford, Mr. Heftel, Ms. Holtzman, Mr. Howard, Mr. Kostmayer, Mr. McCloskey, Mr. Moakley, Mr. Moffett, Ms. Mikulski, Mr. Murphy of Pennsylvania, Mr. Ottinger, Mr. Pease, Mr. Rodino, Mr. Roybal, Mr. Simon, Mr. Vento, and Mr. Charles Wilson of Texas):

H.J. Res. 432. Joint resolution to support the goals of the U.S. Delegation to the Law of the Sea Conference in reaching an equitable and effective international agreement; to the Committee on International Relations.

By Mr. **LOTT** (for himself, Mr. Whitten, Mr. Montgomery, Mr. Bowen, and Mr. Cochran):

H.J. Res. 433. Joint resolution to restore posthumously full rights of citizenship to Jefferson F. Davis; to the Committee on the Judiciary.

By Mr. **QUIE**:

H.J. Res. 434. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination and election of the President and Vice President of the United States; to the Committee on the Judiciary.

H.J. Res. 435. Joint resolution proposing an amendment to the Constitution of the United States relating to the term of office of President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. **GIAIMO**:

H. Con. Res. 214. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

By Mr. **ALEXANDER**:

H. Res. 538. Resolution relative to determining a telecommunications regulatory policy; to the Committee on Interstate and Foreign Commerce.

By Mr. **SIMON** (for himself and Mr. O'Brien):

H. Res. 539. Resolution to amend rule XLIV of the Rules of the House of Representatives to require complete financial disclosure respecting spouses and dependent children of persons filing reports under such rule and to require that Members who provide professional services to clients disclose the names and charges respecting each client; to the Committee on Rules.

By Mr. **THONE** (for himself, Mr. Conte, Mr. Jeffords, and Mr. Kindness):

H. Res. 540. Resolution to insure that the quality and quantity of free broadcasting service not be impaired; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

127. By the **SPEAKER**: Memorial of the Assembly of the State of California, relative to water conservation; to the Committee on Agriculture.

128. Also, memorial of the Legislature of the State of Utah, relative to calling a Constitutional Convention for the purpose of proposing an amendment to the Constitution of the United States to guarantee the preservation of human life; to the Committee on the Judiciary.

129. Also, By Mr. **RUDD**: Memorial of the Legislature of the State of Arizona, relative to establishing a National Patriotism Week; to the Committee on Post Office and Civil Service.

130. Also, memorial of the Legislature of the State of Ohio, relative to funding for the construction and completion of an expansion of Ohio's Uranium Enrichment Facility at Piketon (Portsmouth), Ohio by the Energy Research and Development Administration; to the Committee on Science and Technology.

131. Also, memorial of the Legislature of the State of Hawaii, relative to amending the Internal Revenue Code to promote the sale of residential land subject to leaseholds; to the Committee on Ways and Means.

132. Also, memorial of the House of Representatives of the State of Hawaii, relative to promoting employment in the private sector through tax incentives; to the Committee on Ways and Means.

133. Also, memorial of the Legislature of the State of North Dakota, relative to enactment of a long-range and comprehensive energy conservation and development program; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, Science and Technology, and Ways and Means.

134. Also, memorial of the House of Representatives of the State of Hawaii, relative to consideration of a moratorium on enforcement of production regulations affecting Hawaii's sugar industry; jointly to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

135. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to adequately funding research on the impact of the Argo Merchant oil spill; jointly to the Committees on Merchant Marine and Fisheries, and Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. **BYRON**:

H.R. 6881. A bill to amend the act entitled "An Act for the relief of Alice W. Olson, Lisa

Olson Hayward, Eric Olson, and Nils Olson; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 6882. A bill for the relief of Yick Bong Au Yeung; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 6883. A bill for the relief of Edwin E. Caimol; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

102. By the SPEAKER: Petition of National Association for the Advancement of Colored People, Chester Branch, Chester, Pa., relative to reaffirming the authority of the State Public Utilities Commission to regulate the interconnection to the communications network of nonutility provided equipment utilized in local telephone service; to the Committee on Interstate and Foreign Commerce.

103. Also, petition of the Liberal Party of New York State, New York, N.Y., relative to renewing the Multifiber Textile Arrangement; to the Committee on Ways and Means.

SENATE—*Tuesday, May 3, 1977*

Legislative day of Thursday, April 28, 1977

The Senate met at 4 p.m., on the expiration of the recess, and was called to order by Hon. WENDELL R. ANDERSON, a Senator from the State of Minnesota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

As we come together for our daily prayer, O God help us to remember, that "they that wait upon the Lord shall renew their strength." Keep us at prayer that we may become a better people in a better nation. Make us ever sensitive to the painful needs and frustrated hopes of so many. Create among us an aristocracy of intellect, of spirit and of humble service as our only aristocracy. In solving problems and creating new programs give us the grace to draw upon the uncommon wisdom of the common man. Grant Thy grace to this Nation that we may rightly use our power and our skills for the advancement of Thy kingdom on Earth. We pray in the name of Him who taught us to pray "Thy kingdom come, Thy will be done on Earth as it is in heaven." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 3, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL R. ANDERSON, a Senator from the State of Minnesota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ANDERSON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Monday, May 2, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, two bills were moved to the Consent Calendar yesterday, having been cleared for action on yesterday. I know of no objection that has been received against considering them at this time.

Mr. BAKER. Mr. President, if the majority leader will yield, is he referring to orders 90 and 91?

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. They are cleared.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

I ask unanimous consent that the Senate proceed to Calendar Orders Nos. 90 and 91 on the Unanimous-Consent Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ZUNI LAND TRANSFER, CLAIM, AND LAND MANAGEMENT

The Senate proceeded to consider the bill (S. 482) to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico; to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and to authorize such tribe to purchase and exchange lands in the States of New Mexico and Arizona, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 3, line 20, strike "settoff" and insert "setoff";

On page 4, line 11, following "department of the" insert "United States";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall require, through purchase or exchange, the lands described in subsection (b).

(b) The lands to be acquired under subsection (a) are lands in the State of New Mexico upon which the Zuni Salt Lake is located and which are more particularly described as follows: Lots 3 and 4, east half southwest quarter, west half southeast quarter, section 30, township 3 north, range 18 west, lots 1 and 2, east half northwest quarter, west half northeast quarter, section 31, township 3 north, range 18 west, southeast quarter southeast quarter, section 25, and east half northeast quarter, section 36, township 3 north, range 19 west, all of the New Mexico principal meridian, New Mexico, containing approximately 618.41 acres, more or less.

(c) Title to the lands to be acquired under subsection (a) shall be taken and held in trust in the name of the United States for the benefit of the Zuni Indian Tribe of New Mexico (hereinafter in this Act referred to as the "tribe"), and such lands shall be exempt from State and local taxation.

SEC. 2. (a) Notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 13, 1946 (60 Stat. 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment on any claims of the tribe against the United States with respect to any lands or interests therein in the State of New Mexico or the State of Arizona held by aboriginal title otherwise, which were acquired from the tribe without payment of adequate compensation by the United States. Such jurisdiction is conferred notwithstanding any failure of the tribe to exhaust any available administrative remedies. Any party to any action under this subsection shall have the right to have any final decision of the Court of Claims reviewed by appeal to the Supreme Court of the United States.

(b)(1) Any award made to any Indian tribe other than the Zuni Indian Tribe of New Mexico before, on, or after the date of the enactment of this Act, under any judgment of the Indian Claims Commission or any other authority, with respect to any lands that are the subject of a claim submitted by the tribe under subsection (a) shall not be considered as a defense, estoppel, or setoff to such claim, and shall not otherwise affect the entitlement to, or amount of, any relief with respect to such claim.

(2) Any award made to the tribe pursuant to subsection (a) shall not be considered as a defense, estoppel, or setoff to the claims pending before the Indian Claims Commission on the date of the enactment of this Act in docket 196 (filed August 3, 1951) and docket 229 (filed August 8, 1951) and shall not otherwise affect the entitlement to, or amount of, any relief with respect to such claims.

SEC. 3. (a) For purposes of making additions to the Zuni Indian Reservation, the tribe may, subject to approval by the Secretary, purchase or otherwise acquire any lands within the State of New Mexico or the State of Arizona which are contiguous to such reservation.

(b) The tribe may, subject to approval by the Secretary, exchange any lands held by such tribe which are not contiguous to the Zuni Indian Reservation for lands of equal or comparable value held by any person, any State, any agency or political subdivision of a State, or any agency or department of the United States.

(c) Title to any lands which are—

(1) acquired by the tribe under subsection (a), or

(2) acquired by the tribe under subsection (b) and which are contiguous to the Zuni Indian Reservation, shall be taken and held

in trust in the name of the United States for the benefit of the tribe. Any such lands shall be considered for all purposes as part of such reservation, and shall be exempt from State and local taxation.

(d) Title to any lands acquired by the tribe under subsection (b) which are not contiguous to the Zuni Indian Reservation shall be held in the name of the tribe.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-111), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE MEASURE

S. 482 is designed to accomplish three major objectives. First, section 1 directs the Secretary of the Interior to acquire through purchase, trade or otherwise the 618.41 acres upon which the Zuni Salt Lake is located, and hold such land in trust for the Zuni Indian Tribe. The State of New Mexico owns the land, but supports this provision and is willing to trade the lake and land to the Federal Government for land of comparable value.

Second, notwithstanding certain statutes of limitations, section 2 confers jurisdiction upon the Court of Claims to hear and determine an aboriginal land claim that the Zuni tribe failed to file in the Indian Claims Commission under the act of August 13, 1946 (60 Stat. 1049, 1055) which established that forum.

Third, section 3 authorizes the Zuni Tribe to purchase and exchange lands in the States of New Mexico and Arizona. This authority is needed by the tribe to overcome the restrictions in the act of May 25, 1918 (40 Stat. 570) which expressly prohibits further expansion of Indian reservations in New Mexico and Arizona.

BACKGROUND

The Zuni Indian Tribe has occupied a large portion of the American Southwest since time immemorial. The first non-Indian contact with the Zunis came in 1450 when the Spanish explorer Coronado came in search for the cities of Cibola. Archaeological and anthropological data established the ancestral Zuni occupation of a large portion of western New Mexico and eastern Arizona. The Zunis gathered salt from the Zuni Salt Lake, not only for religious purposes, but also for use in the home and trade with other tribes. Many old trails led to the lake, and salt from the lake has been found in the ancient cliff dwellings in Arizona and New Mexico.

The earliest official recognition of the Zuni Pueblo as a land-holding entity occurred when the Spanish Governor of the Province of New Mexico granted the Zunis land in 1689. Recognition of such grants was made in 1848 when Mexico ceded the territory of New Mexico to the United States by the Treaty of Guadalupe Hidalgo (9 Stat. 922). The Executive order of March 16, 1877, set apart an unreasonably small reservation for the Zuni Indians. The area set aside was later enlarged by Executive order of May 1, 1883, and modified by Executive order of March 3, 1885. The reservation boundaries were further modified by a Presidential Proclamation of March 2, 1909, at which time some lands were withdrawn but later restored by Executive order of February 17, 1912.

The reservation was again modified by the Executive order of November 30, 1917; however, the act of May 25, 1918 (40 Stat. 561) prohibits any further changes in Indian reservation boundaries in the States of Arizona and New Mexico except by Act of Congress.

ZUNI SALT LAKE

The Zuni Salt Lake is a most sacred shrine of the Zuni Tribe and plays a very prominent role in the present religion and culture of the Zuni people. The Zuni Salt Lake is located about 18 miles due south of the existing Zuni Reservation boundary, Zuni legends and tradition indicate that the lake was known as the Salt Mother, and had been once located at the present site of the Zuni Pueblo; but because Salt Mother had become offended at the lack of attention, she removed herself a short distance away from the pueblo. Even in current times, there are many pilgrimages each year to the Salt Lake to propitiate Salt Mother and to engage in vital sacred ritual.

The Zuni Indian Tribe has made repeated efforts through the years to obtain the Zuni Salt Lake, and just recently the tribe purchased all of the lease rights to the area for $250,000.00. The title to the land is presently held by the State of New Mexico; nonetheless the State has expressed a willingness to trade this land to the federal government for exclusive use of the Zunis in exchange for land of comparable value located elsewhere within the State of New Mexico.

ABORIGINAL LAND CLAIM

The Zuni Indian Tribe claims aboriginal ownership to over 5.2 million acres located in the States of New Mexico and Arizona. The Zunis have never filed a claim against the United States to determine the exact acreage, the date of taking by the United States, or the value of the land at the time of the taking.

The Indian Claims Commission was created by the Act of August 13, 1946 (60 Stat. 1049, 1055) to hear and determine claims that tribes or groups of Indians had against the United States and which had accrued prior to the enactment of the enabling legislation. Under that Act, the Statute of Limitations required the Indians to file their claims with the Commission by August 13, 1951.

Unfortunately, the Zuni Indian tribal leadership failed to comprehend the absolute necessity of filing a claim during the statutory five-year period ending in 1951. The Bureau of Indian Affairs, according to the current tribal leadership, had involved itself in the internal traditional government of the Zuni to the extent that the tribal government was hopelessly confused and virtually impotent. It was not until August of 1970 that the tribe, after considerable effort, finally adopted a constitutional government under the Act of June 18, 1934 (48 Stat. 984). It should be noted that the great majority of other Indian tribes which organized pursuant to that Act did so during the 1930's and early 1940's.

Since the Zunis were not represented by legal counsel until recently, the Tribe relied wholly upon the Bureau of Indian Affairs to protect their legal interests. Members of the traditional tribal council stated that the Zuni land claim was never explained or interpreted to them and that they could remember no general meetings wherein the claim was discussed with the people.

In recognition of the cultural diversity and the range of sophistication of the Indian tribes who might file potential claims in the Indian Claims Commission, Congress imposed upon the Commission and the Bureau of Indian Affairs through its agency superintendents the following duty with respect to giving notice to Indian tribes of their right to assert claims before that Commission:

"As soon as practicable the Commission shall send a written explanation of the provisions of this chapter to the recognized head of each Indian tribe and band, and to any other identifiable groups of American Indians existing as distinct entities, residing within the territorial limits of the United States and Alaska, and to the superintendents of all Indian agencies, who shall promulgate the same, and shall request that a detailed statement of all claims be sent to the Commission together with the names of aged or invalid Indians from whom depositions should be taken immediately and a summary of their proposed testimonies. 25 U.S.C. Section 701(a)."

The foregoing provision squarely placed upon the agency superintendent the obligation to "promulgate" or make known to the tribe and individual Indians the content of the Indian Claims Commission Act in order that the tribe or an individual Indian could prepare a detailed statement of all claims to be sent to the Indian Claims Commission. The superintendent was further required to obtain the names of aged or invalid Indians from whom depositions should be taken immediately in order to preserve the testimony.

In the case of the Zuni Indian Tribe, the letter from the Indian Claims Commission was sent to the Governor of the Zuni Pueblo in care of the agency superintendent. There is nothing in the record which indicates that the superintendent did anything to "promulgate" or make known the contents of the Indian Claims Commission Act to the Zuni people. In fact, there are various affidavits in the record of the hearing before the Senate Subcommittee on Indian Affairs, 94th Congress, which indicate that there were never any public meetings held to discuss the Indian Claims Commission Act and that the content of the letter from the Indian Claims Commission was never made public or translated or otherwise made known to the Governor, the Tribal Council, or the people in general.

The record further indicates that officials of the Bureau of Indian Affairs having jurisdiction over the Zuni Tribe prepared a letter for the Governor's signature wherein the Governor denied knowledge of any claim which the Zuni Tribe may have had against the United States. The Governor who signed the letter in an affidavit stated that when he signed the letter denying knowledge of the claims, he did not know what he was signing but assumed that it had something to do with the Homestead Act. The prepared letter was then forwarded to the Indian Claims Commission as evidence that the Superintendent had fulfilled his obligation imposed by the Indian Claims Commission Act to give notice and explanation to the Zuni people of the provisions of the Indian Claims Commission Act.

It should be noted that other than the Bureau of Indian Affairs, the Zuni Tribe had no offices, no employees, no tribal counsel, or any other person in a position to provide them with information as to the Indian Claims Commission Act. The responsibility of the Superintendent was increased appreciably since at that time the Governor and Councilmen in all likelihood could not read the explanation given by the Indian Claims Commission Act without the aid of an interpreter.

In addition to the specific, Congressionally imposed obligation to provide notice and explanation of the rights provided under the Indian Claims Commission Act, the Federal Government has a fiduciary responsibility to the Zunis and to all other Indian tribes. This special relationship has long been recognized by both Congress and the courts.

In face of the statutory responsibility imposed on the Bureau of Indian Affairs pursuant to the Act of August 13, 1946 (60 Stat. 1049, 1955) and the Federal Government's fiduciary responsibility to Indian tribes, the Zuni Tribe and their legal counsel argue for enactment of S. 482 on the grounds that the treatment of the Zuni claims at the hands of the local Bureau of Indian Affairs officials reveals shocking violation of previously stated trust responsibility which has not only harmed the Zuni people, but benefited the Federal Government, the guardian.

NEED

Legal title to the Zuni Salt Lake is presently held by the State of New Mexico, and, under laws and policies of that State, the Zuni Tribe is prohibited from purchasing the land directly from the State. However, existing New Mexico law does provide for exchanges between the Federal Government and the State of New Mexico. Enactment of S. 482 would permit the Secretary of the Interior to trade, purchase or exchange such land necessary to effect an appropriate exchange with the State of New Mexico in order to obtain trust title for the Zuni Indian Tribe to the Zuni Salt Lake.

The Indian Claims Commission Act clearly precludes the filing of any present action by the Zuni Indian Tribe because of the Statute of Limitations. This bill serves as the only certain means for allowing the Zuni Tribe the opportunity to have its claim heard before the United States Court of Claims by specifically waiving the Statute of Limitations as to the Zuni Indian Tribe. This waiver is not general in nature and shall not serve as a precedent for any other outstanding Indian claim.

Finally, the Zuni Indian Tribe is prohibited by statute (25 U.S.C. 211) from expanding the reservation land base in the States of Arizona and New Mexico. Enactment of S. 482 would provide the Tribe with authority to overcome such prohibition, and to launch a realistic program to consolidate its land base for optimum utilization.

LEGISLATIVE HISTORY

S. 482 was introduced by Senators Pete Domenici and Harrison Schmitt on January 28, 1977, and is identical to the Senate-passed version of S. 877 of the 94th Congress.

Hearings conducted by the Senate and House Committees on Interior and Insular Affairs in the 94th Congress included extensive and comprehensive documentation. At both hearings administration and Zuni tribal officials presented their views and recommendations on the measure. Administration officials recommended against enactment, while tribal officials favored enactment.

Additional hearings in the Senate in this Congress did not appear likely to produce substantially new evidence; therefore, the Select Committee on Indian Affairs agreed to place S. 482 on the committee agenda for immediate consideration.

A companion measure, H.R. 3787, is presently pending before the House Committee on Interior and Insular Affairs.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SIOUX BLACK HILLS CLAIM

The bill (S. 838) to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20(b) of the Act of August 13, 1946 (c. 959, 60 Stat. 1054), as amended, is hereby further amended by adding a new sentence at the end thereof, as follows: "Notwithstanding any other provision of law, upon application by the claimants within thirty days from the date of the enactment of this sentence, the Court of Claims shall review on the merits, without regard to the defense of res judicata or collateral estoppel, the determination of the Indian Claims Commission entered February 15, 1974, adjudging that the Act of February 28, 1877 (19 Stat. 254), effected a taking of the Black Hills portion of the Great Sioux Reservation in violation of the fifth amendment, and shall enter judgment accordingly.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–112), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE MEASURE

S. 838 authorizes the U.S. Court of Claims to review, without regard to the technical defense of *res judicata* or collateral estoppel, the determination of the Indian Claims Commission entered February 14, 1974, that the act of February 28, 1877 (19 Stat. 254), effected a taking of the Black Hills portion of the Great Sioux Reservation in violation of the fifth amendment.

BACKGROUND

The Sioux Black Hills claim is for the 1877 acquisition of their Black Hills country without the payment of just compensation. In 1975, over 50 years after the claim was first instituted, the Court of Claims ordered the claim dismissed on the technical ground of *res judicata* without reaching the merits of the case. What has happened is that the Indian Claims Commission, on February 15, 1974, handed down a decision holding: (1) that by the act of February 28, 1877 (19 Stat. 254), the United States took the Black Hills from the Sioux Nation and became liable to pay just compensation for that property under the fifth amendment; (2) that the Sioux Black Hills land and minerals, including gold unlawfully removed prior to the 1877 act, had a fair market value on February 28, 1877, of $17,550,000; and (3) that, as a measure of just compensation for withholding payment from 1877, the United States owed the Sioux up to an additional $85 million in interest upon the principal of the sum due. *Sioux Nation of Indians* v. *United States,* 33 Indian Claims Commission 151 (1974).

Following a Government appeal, the Court of Claims on June 25, 1975, issued an opinion reversing that part of the Commission's holding which required the payment of interest. In characterizing the course of conduct by which the United States had acquired the Black Hills portion of the Great Sioux Reservation, the court conceded that "[a] more ripe and rank case of dishonorable dealings will never, in all probability, be found in our history * * *." *United States v. Sioux Nation of Indians,* 518 F. 2d 1298, 1302 (Ct. Cl. 1975). The facts and the law applicable thereto, however, were deemed irrelevant. Specifically, on the theory that it had decided in another case 33 years ago,[1] whether "rightly or wrongly," that the Sioux did not possess a fifth amendment claim under the 1877 act, the Court of Claims invoked the judicial doctrine of *res judicata* and ruled that the question of whether the Sioux are entitled to just compensation today could not be litigated.

On December 8, 1975, the Supreme Court—as it has in virtually every case arising under the Indian Claims Commission Act—denied a Sioux petition for a writ of certiorari to review the Court of Claims' judgment. This action was not unexpected since, as decided by the Court of Claims, the case involved only a technical legel defense, and not the substantive merits of the Sioux claim or a broad principle of law. The sole remaining recourse for the Sioux, therefore, is to ask Congress to waive the Government's defense of *res judicata* and thus permit the Black Hills claim to be heard and determined on the merits. A brief review of the historial events which led up to the acquisition of the Black Hills gold lands by the United States will demonstrate why that request for legislative relief should be granted.

The Treaty of April 29, 1868

Following the so-called Powder River War of 1866–67, the United States and the Sioux entered into the Treaty of April 29, 1868 (15 Stat. 635), under which, among other agreements: (1) the United States confirmed title in the Sioux Nation to the Great Sioux Reservation embracing virtually all of the present State of South Dakota west of the Missouri River (article 2); (2) the Sioux surrendered all rights to their country outside the Great Sioux Reservation, subject to articles 11 and 16 of the treaty (article 2); (3) the United States promised the Sioux an off-reservation right to hunt on certain lands in Kansas and North of the North Platte River (article 11); and (4) the United States recognized a Sioux right to continue to use, but not permanently to inhabit, an area about twice as large as the Great Sioux Reservation "north of the North Platte River and east of the summits of the Big Horn Mountains * * *," that is, portions of Nebraska, Wyoming, and Montana (article 16).

The United States made three further major commitments to the Sioux in the 1868 Treaty. First, the Government guaranteed that the Great Sioux Reservation was "set apart for the absolute and undisturbed use and occupation" of the Sioux (article 2). Second, the Government agreed "that no persons except * * * [Federal personnel] authorized to enter upon Indian reservations * * * shall ever be permitted to pass over, settle upon, or reside" on the reservation (article 2). Third, the Government promised that no cession of all or any part of the Great Sioux Reservation would have any force or validity "unless executed and signed by at least three-fourths of all the adult male Indians, occupying or interested in the same * * *" (article 12).

The Black Hills country of South Dakota lay in the western part of the Great Sioux Reservation, and was well known to be valuable for gold long before execution of the 1868 Treaty. For the Sioux, the Black Hills also possessed great religious significance. The Sioux claim is based upon the unilateral acquisition of the Black Hills by the United States under the act of February 28, 1877, in violation of the terms of the 1868 Treaty.

The Act of February 28, 1877

In 1874, a military expedition headed by Lt. Col. George Armstrong Custer reported the presence of gold in paying quantities within the Black Hills. The widespread publicity given Custer's reports stimulated an invasion of the Great Sioux Reservation by substantial numbers of non-Indian gold-seekers. Initially, the United States maintained troops on the reservation to enforce the treaty provision barring outsiders. The "gold fever" so increased during the winter of 1875, however, that the Commissioner of Indian Affairs succumbed to the political argument that occupancy of the Black Hills by non-Indians was inevitable, and that the United States should acquire the land from the Sioux.

Pursuing the theme, the Commissioner brought a large Sioux delegation to Washington in May of 1875 to discuss the surrender of the Black Hills country as well as the extinguishment of the off-reservation rights the Sioux possessed under articles 11 and 16 of the 1868 Treaty. In a meeting with the delegation June 3, President Grant warned that, if the Sioux refused to sell, "the Government might not make strong efforts to keep them [the goldseekers] out." (33 Indian Claims Commission 151 at 251.) Two weeks later, the Government dispatched the so-called Allison Commission to negotiate with the Sioux for the right to occupy the Black Hills "for mining purposes."

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[1] *Sioux Tribe* v. *United States,* 97 Ct. Cl. 613 (1942), *cert denied,* 318 U.S. 789 (1943).

The Allison Commission negotiated with the Sioux throughout the month of September 1875 without success. Upon receiving word of the Commission's failure, President Grant in early November, with the concurrence of the Secretary of War and the Secretary of the Interior, decided that, although non-Indians still were forbidden from entering the Black Hills, the Army would be directed not to enforce the law. This order was kept secret in official Washington. The Army in fact withdrew from the Black Hills about November 17, 1875, and miners thereafter flocked into the area in increasing numbers.

Simultaneous to its drastic change in military policy, the Grant administration began to pressure Congress for legislative action that would force the Sioux to sell the Black Hills. Taking up an earlier suggestion by the Commissioner of Indian Affairs, the Secretary of the Interior strongly recommended that Congress, through use of the appropriation power, cut off food supplies (rations) for the Sioux unless the Indians agreed to a land cession. Congress did not then put this cruel proposal into effect.

Unable to move Congress, the administration deliberately precipiated a crisis in relations with the Sioux. Specifically, on December 3, 1875, the Secretary of the Interior instructed the Government's agents in Dakota and at Fort Peck, Mont., to notify the Sioux in the Yellowstone and Powder River country west of the Great Sioux Reservation that, unless they returned to the reservation by January 31, 1876, they would be declared "hostiles." Hostile Indians, whether men, women or children, could be shot on sight.

During the winter of 1875–76, the Sioux were hunting off the reservation with the permission of the Government's agents, as they had a right to do under article 16 of the 1868 Treaty. The severity of the winter made an immediate trek of several hundred miles back to the reservation by men, women and children physically impossible. The Secretary's own messenger could not return until well after the January 31 deadline. Nonetheless, on February 1, 1876, the Secretary of the Interior notified the Secretary of War that the order to return had not been followed, and that the Sioux were being turned over to the Army for appropriate military action.

Custer was searching for Sioux "hostiles" when he met his famous defeat at Little Big Horn on June 25, 1876. As soon as the news of the battle reached Washington on July 5, during the centennial celebration of this Nation's independence, Congress became so incensed that it attached what the Sioux call the "sell or starve" rider to the Indian Appropriations Act of August 15, 1876 (19 Stat. 176, 192). Under this rider, the Sioux were to receive no further rations until they ceded the Black Hills to the United States and surrendered all rights outside the Great Sioux Reservation. Since most of the Sioux already had been dismounted and disarmed, and were confined to the reservation, they could not hunt. The new law thus gave the Sioux the infamous option to "sell or starve."

Armed with congressional authorization for his conduct, President Grant appointed yet another commission to negotiate with the Sioux. Despite the ultimatum contained in the 1876 Appropriations Act, the Commission proved unable to extract the signature of more than 10 percent of the adult male Sioux, including 18-year-olds, to a cession agreement—far less than the 75 percent approval for a land sale required under Article 12 of the 1868 Treaty. Nonetheless, in the act of February 28, 1877, Congress unilaterally effected the acquisition by the United States of the Black Hills, comprising 7,345,157 acres, and "abrogated" all off-reservation rights possessed by the Sioux under Articles 11 and 16 of the 1868 Treaty.

As previously noted, the Sioux Black Hills claim stems from the premise that the 1877 act constituted a fifth amendment taking of the Indians' property, and the Indian Claims Commission eventually so concluded.

Prior proceedings

During the years after 1877, the Sioux repeatedly sought permission from Congress to present the Black Hills claim to an impartial tribunal. The doors of the Court of Claims initially were closed to them (as well as to other Indian tribes) because the jurisdiction of that court did not extend to "any claim against the Government * * * dependent on any treaty stipulation entered into * * * with the Indian tribes," Act of March 3, 1863 (12 Stat. 765); section 1 of the Tucker Act of March 3, 1887 (24 Stat. 505). Finally, a special statute enacted in 1920, granted the Sioux permission to bring suit in the Court of Claims. Act of June 3, 1920 (41 Stat. 738).

The Sioux filed 13 cases under the 1920 act, covering a total of 18 claims. The court dismissed all 13 cases between 1938 and 1949. The case involving the Black Hills was dismissed in 1942, about 19 years after the suit first had been instituted. As is more particularly set forth below, after the Black Hills claim was refiled in 1950 under the provisions of the Indian Claims Commission Act, the most important nonsubstantive legal issue faced by both the Commission and the Court of Claims was whether the court in 1942 actually had reached and disposed of the Sioux fifth amendment claim on the merits.

Act of October 27, 1974

At the same time that it determined the Government's liability on the Black Hills claim, and fixed the value of the land and minerals taken from the Indians, the Commission also ruled that the United States was entitled to a credit for food, rations, and provisions furnished to the Sioux under the 1877 act. In direct reponse to the Commission's ruling, Congress amended section 2 of the Indian Claims Commission Act to provide that "expenditures for food, rations or provisions shall not be deemed payments on the claim." Act of October 27, 1974 (88 Stat. 1499). In so amending the act, which under the Commission's offset formula would have wiped out substantially all of the interlocutory award (including interest) entered in favor of the Sioux, Congress was aware of the Government's appeal to the Court of Claims and clearly expected that appeal to be decided on the merits. Similarly, when he signed the 1974 Act, President Ford also stated that, while the Black Hills claim, with interest, could amount to nearly $103 million, "If such claim is held to be valid, it would be unfair and unjust to avoid paying it by deducting the cost of previously supplied food and provisions."

The res judicata defense

The key question considered by both the Indian Claims Commission and the Court of Claims was whether the Court 1942 dismissal of the Sioux claim was for lack of jurisdiction under the 1920 special jurisdictional act, or whether the 1920 act did confer jurisdiction and the court's 1942 dismissal rested on a full adjudication of the Black Hills claim on the merits. The Commission ruled that the United States had waived the defense of res judicata and that, even if there had been no waiver, the Court of Claims had dismissed in 1942 for lack of jurisdiction and had not reached the substantive issue. With the Government's technical objection to the suit thus eliminated, the Commission could and did pass upon the merits of the Sioux fifth amendment claim.

On appeal, the Court of Claims followed the exact opposite approach and, without reaching the substantive issue, instead disposed of the case on the technical defense of res judicata. In so ruling, the court adopted a "lenient" attitude toward the Government's "explanation of its pleadings." The court recognized that the Government had not expressly pleaded the defense of res judicata, but nevertheless held that the United States had shown through argument that it did not intend to waive that affirmative defense. The court further concluded over Judge Davis' forceful dissent that, whether "rightly or wrongly" decided, its 1942 decision barred the Sioux claim for a fifth amendment taking. In view of this holding, the court did not consider the Sioux Black Hills claim on the merits.

NEED

The enactment of S. 838 is needed to waive certain legal prohibitions so that the Sioux tribal claim may be considered on its merits before an appropriate judicial forum.

The Sioux are seeking payment of just compensation on the grounds that the 1877 acquisition of their Black Hills lands was a fifth amendment taking. In 1975, over 50 years after the case was first instituted, the Court of Claims ordered the claim dismissed on the technical defense of *res judicata* without reaching the merits of the case. S. 838 would amend the Indian Claims Commission Act to authorize the Court of Claims to adjudicate the claim on its merits.

LEGISLATIVE HISTORY

S. 838 was introduced by Senator James Abourezk on March 1, 1977, and is identical to section 1 of S. 2780 which passed the Senate in the 94th Congress on August 2, 1976.

The Senate and House Committees on Interior and Insular Affairs compiled a considerable hearing record on this issue in the 94th Congress. At the Senate hearing, administration officials, legal counsel to the Sioux Nation and traditional leaders presented their views and recommendation. The administration recommended against enactment; counsel to the Sioux Nation argued for enactment; and the Sioux elders expressed a preference for the return of the Black Hills rather than a cash settlement.

Additional hearings in the Senate in this Congress did not appear likely to produce substantially new evidence; therefore, the Select Committee on Indian Affairs agreed to place S. 838 on the Committee agenda for immediate consideration.

A companion measure, H.R. 2664, is presently pending before the House Committee on Interior and Insular Affairs.

COST AND BUDGETARY CONSIDERATIONS

If the bill is enacted and the suit successful to the Sioux Nation, the cost to the United States would approximate $85 million. The timing of the expenditure is indeterminate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider en bloc the votes by which the bills were passed.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the votes by which the bills were passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there is a nomination on the executive calendar which has been cleared, I believe, on both sides of the aisle.

Mr. BAKER. Mr. President, if the majority leader would yield, the only item I have on my calendar is cleared, and we have no objection to the confirmation of the nomination.

Mr. ROBERT C. BYRD. I thank the minority leader.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination.

NATIONAL SCIENCE FOUNDATION

The second assistant legislative clerk read the nomination of Richard C. Atkinson, of California, to be Director of the National Science Foundation for a term of 6 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR METZENBAUM AND SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Mr. METZENBAUM be recognized for not to exceed 15 minutes; and that I be recognized for not to exceed 15 minutes after Mr. METZENBAUM.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there is a budget waiver on the calendar, Calendar Order No. 95. It is with respect to the consideration of H.R. 5040, and I understand it has been cleared on both sides.

WAIVER OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONSIDERATION OF H.R. 5040

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 95.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

There being no objection, the Senate proceeded to consider Senate Resolution 143 waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of H.R. 5040.

Mr. BAKER. Mr. President, reserving the right to object—and I shall not object—there is no objection. It is cleared on this side.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That (a) pursuant to 402(c)(1)(A) of the Congressional Budget Act of 1974 (Public Law 93–344; 88 Stat. 297), subsection (a) of such section shall not apply with respect to the consideration in the Senate of the bill (H.R. 5040) to authorize additional appropriations for the Department of State for fiscal year 1977.

(b) Such waiver is necessary for the following reasons:

(1) United States contributions to UNESCO, the authorization of appropriations for which is the principal purpose of this bill, were suspended by Congress in December 1974 until such time as the President certified to Congress that UNESCO had adopted policies more consistent with that organization's original objectives; such certification having been made on December 29, 1976, funds are now needed for the payment of United States arrearages; and

(2) the other appropriations authorized by the bill—for migration and refugee assistance in Indochina, for aid to Soviet refugees, and for the construction of Foreign Service buildings in Cairo—represent needs which were not identified by the committee until this session of Congress.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–116), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE RESOLUTION

Section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House or the Senate to consider any bill or resolution which directly or indirectly authorizes the enactment of new budget authority for a fiscal year unless that bill or resolution is reported in the House or Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year. Because H.R. 5040, which authorizes enactment of new budget authority which would become available in fiscal year 1977, was reported by the Senate Foreign Relations Committee on April 21, 1977, a resolution waiving section 402(a) of the Budget Act with respect to H.R. 5040 must be adopted before this bill can be considered by the Senate. In reporting favorably on the resolution, the Budget Committee is simply recommending that the Senate proceed to full consideration of H.R. 5040 and is not prejudging the merits of the bill.

Committee criteria

The Budget Committee is extremely reluctant to recommend the adoption of resolutions waiving section 402(a) of the Budget Act. This section was included in the Budget Act to insure that all authorizing legislation is considered as far as possible in advance of the fiscal year in which it will take effect so that it could be considered in the formulation of the first concurrent resolution. In addition, this section was included to provide the Appropriations Committee with some reasonable notice of needed appropriations for the coming fiscal year so that the Appropriations Committee can meet the appropriations timetable spelled out in the Budget Act.

Legislation authorizing the enactment of new budget authority which is reported to the Senate after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of seven days after Labor Day for the completion of the entire appropriations process. The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be lightly waived. Under these circumstances, the Budget Committee, in deciding whether to favorably report resolution waiving section 402(a) of the Budget Act, will consider factors including: the reporting committee's effort to meet the May 15 deadline, the delay in the appropriations process engendered by the delayed reporting of the authorization, and whether the enactment of the authorization will significantly affect the national priorities in the congressional budget.

BUDGET IMPLICATIONS

H.R. 5040 authorizes $89.5 million in fiscal year 1977 for the Department of State. The programs authorized in H.R. 5040 include assistance for migration and refugee programs administered by the United Nations Commissioner for Refugees and for aid to Soviet and East European refugees not settling in Israel; funds for foreign service buildings and funds for international organizations and conferences.

Of the $89.5 million authorized by H.R. 5040, $72.6 million has already been appropriated in the supplemental appropriation bill. Full funding of the remaining $16.9 million would require an additional supplemental appropriation during fiscal year 1977.

In favorably reporting the resolution, the committee notes that the Foreign Relations Committee made every effort to report all major authorization bills prior to May 15, 1976. The necessary Presidential certification that UNESCO had complied with congressional conditions for renewed payment of U.S. dues and assessments was not made until December 29, 1976, however, and it was therefore impossible for the Foreign Relations Committee to comply with the Budget Act deadline. Furthermore, the need for expanded aid for migration and refugee programs did not become clear until the early months of calendar year 1977. In addition, the need for a housing complex of Foreign Service buildings did not arise until January 1977 when it became clear that a long-term need for such buildings existed in Cairo to serve the American mission there.

Consideration will not delay the regular appropriations process because the fiscal year 1977 supplemental contained most of the funds for this authorization. The amounts appropriated in the supplemental were within the function 150 ceilings. With respect to the excess authorization, we are advised that no further funding is expected.

Under these circumstances, the Budget Committee reports favorably on Senate Resolution 143, and recommends that it be adopted.

TRANSFER OF MEASURE TO UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the General Orders Calendar which has been cleared for passage by unanimous consent today. It is Calendar Order No. 92, a bill to authorize appropriations for the Federal Election Commission for fiscal year 1978.

I ask that the clerk transfer that measure to the Unanimous-Consent Calendar for consideration on tomorrow.

The ACTING PRESIDENT pro tempore. It will be so transferred.

Mr. ROBERT C. BYRD. Mr. President, I have no further need for time.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I would like to reserve my time under the standing order for the moment. I have a request for part of that time, and the Senator requesting it is not present on the floor. I reserve my time.

Mr. ROBERT C. BYRD. Mr. President, do we have an order for morning business?

The ACTING PRESIDENT pro tempore. No. We have an order for the Senator from Alaska for 15 minutes.

Mr. ROBERT C. BYRD. I have no objection.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska, Mr. STEVENS, is recognized for not to exceed 15 minutes.

TRANSPORTATION OF ALASKAN NATURAL GAS

Mr. STEVENS. Mr. President, last fall, immediately prior to the worst natural gas crisis this Nation has ever experienced, Congress passed the Alaska Natural Gas Transportation Act—an act that we expected would expedite the construction of a transportation system for Alaska's natural gas to what we call the south 48. In the law, we, the Congress, charged the Federal Power Commission with the responsibility of making a recommendation to the President by May 1 on the selection of one of three proposals then before it.

One proposal, sponsored by El Paso Alaska, is the trans-Alaskan all American route. It would construct a pipeline from Prudhoe Bay to Prince William Sound along the right-of-way established for the Trans-Alaska pipeline system for about 700 of the 800 miles of the oil pipeline route.

The natural gas would be liquefied at Gravina Point, near Cordova, and shipped by LNG vessel to the west coast where it would be distributed throughout the country to the gas-starved areas of our country.

Another proposal, one I consider more controversial, was proposed by Arctic Gas. This proposal would ship gas East from Alaska's North Slope through the Canadian Mackenzie River Delta, cut across the pristine wilderness of the Arctic National Wildlife Refuge, pick up the Mackenzie River Delta gas, and then traverse thousands of miles of Canadian wilderness, through an area of unsettled Canadian Native land claims, and eventually wind up in the Midwestern portion of the United States.

A third route, proposed by the Alcan group, would ship gas via pipeline from the North Slope along the trans-Alaska pipeline right-of-way, and then down along the Alcan Highway, eventually following a line similar to the Arctic Gas to the Midwest.

Mr. President, the Federal Power Commission did meet the deadline and it did file its report with the President yesterday.

The first application received by the FPC was filed by Arctic Gas, more than 3 years ago. El Paso filed its application shortly after that, and in July of last year, the Alcan proposal was filed.

In essence, Mr. President, the FPC has had 3 years in which to gather evidence, sift through voluminous testimony and make a clear cut recommendation to the President by the deadline we established through the law we passed last year.

Three years of dealing with a natural gas question is a very long time.

The FPC filed its recommendation with the President in time. And what a recommendation it was. Or better stated, what a recommendation it was not.

It has been said that there were 49,000 pages of testimony, appendices, and submissions—enough material to reach a rather impressive and ordered recommendation. And yet, following 3 years of exhaustive study, the Commissioners of the FPC, in my opinion, copped out. They really made no recommendation at all.

The FPC, the only repository for the entire case presented by all three sides, took the most convenient course. Instead of making a recommendation on a specific route as Congress mandated in the Alaska Natural Gas Transportation Act of 1976, the FPC reached a stalemate and failed to endorse any one of the three proposals. Two Commissioners stated that the Arctic Gas route should be selected. Two others favored the Alcan route, and all four decided that "in the absence of timely and acceptable agreements with the Canadian Government," the El Paso route should be chosen.

The inability of the FPC to make a specific recommendation now leaves the multibillion dollar decision squarely in the hands of the President. Sixty days after the President's recommendation, the Congress must review his choice.

Mr. President, I want to make it quite clear that I am not at all pleased by the rather cavalier manner in which the four Commissioners of the FPC finally addressed the issue. We in the Congress intended that the President be given a recommendation by the FPC. We did not intend that the route selection carry any less importance than any other decision by the FPC. I do not believe we intended for the FPC report to merely contain a few noncontroversial comments and conclusions. We did not intend for the FPC to parrot the charges of the three competing interests. We stated very explicitly that the FPC should submit to the President—and I quote from the act:

> A recommendation concerning the selection of such a transportation system.

Therefore, Mr. President, I am forced to ask the question: Where is that recommendation? I submit to the Senate that the FPC did not do its job.

The next step, however, under this act, following the nonrecommendation of the FPC now lies with the Federal agencies. It is my hope that the agencies and departments of the remainder of the Federal Government will exhibit more backbone and make specific recommendations to the President in accordance with the congressionally established deadline of July 1 of this year. The decision by President Carter, as I stated, is an enormous one, one that will have far-reaching economic, international, and political ramifications. It is one which already is consuming the attention of many members of the Canadian Parliament, members of the Canadian Cabinet, and, of course, members of our Government, both in the executive branch and in the Congress.

Despite the FPC copout, the Commission report does contain some worthwhile comments. One proposal that received a rather backhanded endorsement was the El Paso all-American route. According to the FPC, in the absence of an agreement with the Canadian Government:

> A United States pipeline be built in Alaska and a tanker system can deliver the gas to the continuous United States at an economical price.

There was apparent unanimity in that recommendation, if you can call it that. As I stated, there was less than a consensus in the choice of an overland route.

The Commission stated that an overland route should be selected only if the Government of Canada will make the route available "on acceptable terms and conditions." This is a key point. One that should not be overlooked, and, Mr. President, implicit in the letter that was sent to the President by the FPC is the assumption that if the pipelines carry gas from Alaska's North Slope through Canada, then Canada will, in fact, increase its exports of their gas resources to the United States.

This is contrary to the announced Canadian policy, as I know it. The Canadians have announced a reduction in the export of their gas to the United States. They did announce that if it were possible to develop some of their additional reserves, they might fulfill the existing contracts, but I have never seen a statement by a single responsible Canadian official that indicates that if the Alaska gas pipeline does go through Canada there would be any commitment to additional contracts for the delivery of additional gas to the United States beyond that already covered by contracts not fulfilled to date.

On July 14 the Foreign Relations Committee will begin hearings on the ratification of the Hydrocarbon Treaty, the basic document between the United States and Canada which would permit the construction of a jointly undertaken pipeline.

When the Congress passed the Trans-Alaska Pipeline Act in 1973, there was included in title III a series of questions that had to be answered before a pipeline carrying oil or gas across Canada could prudently be built.

The questions are:

First, the willingness of the Government of Canada to permit the construction of pipelines or other transportation systems across Canadian territory for the transport of natural gas and oil from Alaska's North Slope to markets in the United States, including the use of tankers by way of the Northwest Passage;

Second, the need for intergovernmental understandings, agreements, or treaties to protect the interests of the Governments of Canada and the United States and any party or parties involved with the construction, operation, and maintenance of pipelines or other transportation systems for the transport of such natural gas or oil;

Third, the terms and conditions under which pipelines or other transportation systems could be constructed across Canadian territory;

Fourth, the desirability of undertaking joint studies and investigations designed to insure protection of the environment, reduce legal and regulatory uncertainty, and insure that the respective energy requirements of the people of Canada and of the United States are adequately met;

Fifth, the quantity of such oil and natural gas from the North Slope of Alaska for which the Government of Canada would guarantee transit; and

Sixth, the feasibility, consistent with the needs of other sections of the United States, of acquiring additional energy from other sources that would make unnecessary the shipment of oil from the Alaska pipeline by tanker into the Puget Sound area.

Mr. President, those are serious questions and questions which have not been answered to my knowledge by the State Department or the executive branch, and it is my hope that the Foreign Relations Committee will insist upon answers to the questions that were set forth in the Trans-Alaska Pipeline Act before proceeding with the Hydrocarbon Treaty. For it is during that series of hearings that we in Congress must diligently attempt to make sure that the FPC proviso—that Canada meet the requirements of that act and that "timely and acceptable agreements with the Canadian Government to make a route available for an overland system"—be made.

Mr. President, I shall say a few words about the trans-Alaskan All-American proposal.

As it was stated in the rather lengthy report, El Paso "would generate more jobs, more personal income, more property subject to tax and more indirect economic activity than would the other proposals."

The proposal of the El Paso organization does have the advantage in the analysis of net national economic benefits, because all of its tax payments would go to the United States and virtually all of its wage and material payments would go to U.S. citizens.

As a matter of fact, the trans-Alaskan line, designed to transport up to 3.2 billion cubic feet per day, would offer substantial employment impacts throughout the United States. The employment impacts, distributed among the three types of labor, primary, secondary and induced, should be convincing to Members of Congress. For example, in New England there would be a total employment impact of 36,900 man-years, in the Middle Atlantic States, 119,800 man-years, in the East North Central, 90,500 man-years, in the West North Central States, 17,100 man-years, in the South Atlantic States, 67,600 man-years, in the East-South Central States, 43,500, in the West South Central States, 132,000 man-years, in the Mountain States, 9,500 man-years, and in the Pacific States, 248,000 man-years.

The total employment offered by the trans-Alaska route, Mr. President, as I have shown, is enormous. It covers actual construction of the pipeline, the workers who will be employed in converting raw materials into the finished products and supplies which will be purchased by El Paso for use in project construction, as well as the labor required to manufacture the pipe, compressors, steel plate for the ships, and other components.

Mr. President, so far as I know the White House and the President have not given any indication of the direction the administration wants to take in the final selection, and that is quite understandable. Following the nonrecommendation by the FPC, and the questionable situation with Canadian Native claims, the Hydrocarbon Treaty, and the substantial employment and economic benefits of the all-American line, the choice of the final route selection should be a decision which should be very carefully made, using all help the administration can receive from the agencies and departments designated by Congress to assist the President in doing his job.

Mr. President, the letter from the Federal Power Commission to the President is a most interesting one, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. I would call attention specifically again to some of the statements made in the letter to the President, which show that the law we passed last year was not complied with.

One of the FPC statements says that in calculation of net national economic benefit, all three systems produce the same relative results, but that El Paso has the advantage, because all of its tax payments go to the United States, and virtually all of its wage and material payments go to Americans.

It also says that the El Paso system would require the least capital, and that El Paso is the least vulnerable to cost overruns and would be the easiest system to finance.

Mr. President, I find it hard to believe that after arriving at such conclusions, the FPC would fail to make the recommendation which would be consistent with our national purpose.

It is unfortunate, in my opinion, that the FPC has copped out with respect to its duty. This is, to my knowledge, the first time that Congress ever assigned to the FPC the duty to make a recommendation rather than a decision. Perhaps that was our mistake, but, again, it was a very singular assignment we made. We told them to make a recommendation on the route. The FPC had three completed route proposals before it and 3 years of study behind it and yet it failed to make the choice.

I ask unanimous consent to have printed in the RECORD a table showing the employment impact by census regions which I summarized in my statement, together with the letter that was addressed to the President, as I mentioned.

There being no objection, the table was orderd to be printed in the RECORD, as follows:

TRANS-ALASKA GAS PROJECT EMPLOYMENT IMPACT BY CENSUS REGION (MAN-YEARS)

Census region	Employment			
	Primary	Secondary	Induced	Total
New England (Connecticut, Maine, Massachusets, New Hampshire, Rhode Island, Vermont	5,800	5,000	26,100	36,900
Middle Atlantic (New Jersey, New York, Pennsylvania)	5,800	28,100	85,900	119,800
East-North-Central (Illinois, Indiana, Michigan, Ohio, Wisconson)		23,800	66,700	90,500
West-North-Central (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota		4,600	12,500	17,100
South Atlantic (Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia, District of Columbia)	11,600	8,300	47,700	67,600
East-South-Central (Alabama, Kentucky, Mississippi, Tennessee	5,800	6,900	30,800	43,500
West-South-Central (Arkansas, Louisiana, Oklahoma, Texas)	8,400	29,000	94,600	132,000
Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming)	200	2,600	6,600	9,500
Pacific (Alaska, California, Hawaii, Oregon, Washington)	63,500	38,000	147,100	248,600
Total	101,100	146,300	518,000	765,500

Note: Totals may not add due to rounding.

EXHIBIT 1

WASHINGTON, D.C.,
May 2, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is the recommendation of the Federal Power Commission pursuant to Section 5 of the Alaska Natural Gas Transportation Act of 1976. We have come to the following basic conclusions:

1. It is in the best interests of the citizens of the United States that a system be built in the near future to transport natural gas from the North Slope of Alaska to the contiguous United States.

2. Three competing groups have applied for a certificate of public convenience and necessity to construct and operate such a system. They are the Alaskan Arctic Gas Pipeline Company, El Paso Alaska Company, and Alcan Pipeline Company. The first and third applicants propose overland systems, while the second is a pipeline and tanker route.

3. We recommend that an overland system through Canada be selected, if such a route is made available by the Government of Canada on acceptable terms and conditions. If appropriate, discussions could be undertaken after the completion of proceedings before their National Energy Board. Until the Canadian Government has made a decision whether a land route is available, it

would be premature for this Commission to recommend a route, unconditionally.

4. In making a decision between the two overland routes, it will become obvious to the reader of this recommendation that additional information is needed as well as an understanding of the intentions of the Government of Canada. Based on today's circumstances, reasonable men can disagree on the right course of action. Under present circumstances and expectations, Chairman Dunham recommends Alcan, Commissioner Watt Alcan, Commissioner Holloman Arctic, Commissioner Smith Arctic.

Commissioners Holloman and Smith recommend that an overland system through Canada be selected. Section 5(d) of the Alaska Natural Gas Transportation Act precludes the Commission from basing its recommendation upon the fact that Canadian authorities have not at this time rendered a decision authorizing a pipeline system to transport Alaskan natural gas through Canada. They, therefore, recommend approval of the Arctic proposal, conditioned upon timely affirmative decisions by the Government of Canada to make the route available and, after development, to allow simultaneous transportation of Canadian natural gas reserves from the Mackenzie Delta. In the absence of a Canadian determination that development and transportation of Mackenzie reserves should be permitted, the Alcan project should be approved, subject to the Government of Canada's making the route available on acceptable terms and conditions. In the absence of timely and acceptable agreements with the Canadian Government to make a route available for an overland system, a United States pipeline and tanker system can be built and can deliver gas to the contiguous United States at an economical price, and the El Paso project should be selected.

5. In the absence of agreement with the Canadian Government, a United States pipeline can be built in Alaska and a tanker system can deliver the gas to the contiguous United States at an economical price.

6. Any of the proposed systems can be financed without extraordinary risk-bearing by consumers or taxpayers, if investors are allowed the opportunity to earn an adequate return commensurate with the unusual size and degree of risk in this project. Alternatively, consumers and taxpayers could assume the risks of noncompletion of the system or interruption of service in return for a lower delivered cost of gas.

In reaching these conclusions, we have exhaustively considered the massive record compiled here and material outide the record, as directed by the Alaska Natural Gas Transportation Act. Our full recommendation covers hundreds of points. In the last analysis, we find the following items to be the most important and we recommend that you and the Congress direct your attention primarily to the confirmation or modification of these conclusions.

A. At least 20 trillion cubic feet of producible natural gas exist at Prudhoe Bay in Alaska, enough to provide about five percent of our natural gas consumption for the next 25 years. These volumes are adequate to support an economical transportation system.

B. This gas must be produced and delivered to markets both for its own value as energy and because its extraction is necessary to avoid a long-term reduction in oil production from Prudhoe Bay.

C. This gas can be delivered to the contiguous United States and successfully marketed by any one of the three competing applicant groups: Arctic, Alcan and El Paso.

D. Each system will have some adverse environmental impacts. We believe all of these impacts to be acceptable, given proper precautionary measures. Arctic would involve crossing the Arctic National Wildlife Range, and other lands now little used by man. The other projects would generally follow existing utility corridors—a distinct environmental advantage.

E. An overland route can deliver each unit of gas more cheaply than a land and water route using liquefied natural gas technology. If Canadian gas is also developed, the sharing of facilities will lower Arctic's cost of service to Americans slightly below that of Alcan.

F. Calculations of Net National Economic Benefit produce the same relative results for the three systems. El Paso has an advantage in this analysis, because all of its tax payments go to the United States, and virtually all of its wage and material payments go to Americans.

G. Using our best estimate of the likely ultimate construction cost (not the applicants' figures), El Paso's system would require the least capital, with Alcan and Arctic costing somewhat more.

H. Arctic has the greatest risk of major cost overruns beyond our estimate, primarily because of its difficult winter construction schedule. El Paso is least vulnerable to such overruns.

I. Each of the systems can be constructed basically in the manner proposed, with the qualifications and conditions contained in our report.

J. Each of the systems should operate reliably once service begins. El Paso has a slightly higher likelihood of service interruption due to its complex nature and greater seismic risk.

K. El Paso would be the easiest system to finance because of its slightly lower initial cost and because of Federal guarantees of bonds for its tankers under Title XI of the Merchant Marine Act.

L. All of the above cost conclusions assume the simultaneous development and transportation of Canadian reserves in the Mackenzie Delta. Arctic's proposed route has the advantage of passing directly through this area. Should the Canadian Government decide not to proceed with the development of those reserves at this time, the overall balance of cost advantages shifts to Alcan.

M. Should additional gas be found in the vicinity of the transportation system, expansion capability could become important. Arctic can expand to deliver up to 3.5 billion cubic feet per day (Bcfd) from Prudhoe Bay, at a small cost. Any such expansion would lower the unit cost of gas delivered. Alcan is designed to start at 2.4 Bcfd, but can expand to 3.2 Bcfd at a small additional cost. El Paso can also expand its pipeline deliveries to 3.2 Bcfd at low cost, but its costs for ships, terminal facilities, and operating expenses will rise more rapidly proportionate to increased deliveries.

N. The North Slope gas should be distributed as widely as possible throughout the United States. Wide distribution will encourage broad-based financing for the chosen project, an important consideration in an undertaking of this size. Furthermore, because there is always some threat of service interruption, no area of the country should be allowed to become too heavily dependent on the Alaskan gas.

O. A choice must be made as to who shall bear the ultimate risks of project failure, service interruption, or massive cost overruns. If investors are to bear them, they will expect a commensurate return. If they do not receive such a return, the project cannot be privately financed. If consumers or taxpayers bear the risks, their charges, in the event of success, should be lowered in return for the service they have rendered. Our recommendation outlines the dimensions of each plan and contains specific suggestions for implementing either approach.

The decision now before you, we recognize, will significantly influence this nation's energy future. Therefore, beyond providing our best thinking in these recommendations, the commissioners and staff of the Federal Power Commission stand ready to assist you in every way.

Sincerely yours,

RICHARD L. DUNHAM,
Chairman.
JAMES G. WATT,
Vice Chairman.
DON S. SMITH,
Commissioner.
JOHN H. HOLLOMAN III,
Commissioner.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that?

Mr. STEVENS. I withhold that for a minute.

Mr. MUSKIE. Mr. President, before proceeding with the budget resolution, I understand there is a reservation of time on another matter for the distinguished Senator from Idaho (Mr. McCLURE). I am happy to yield to him at this point.

Mr. STEVENS. Mr. President, for that purpose, I yield such of the time of the minority leader as the Senator from Idaho may need.

RESOLUTION OF GRATITUDE AND BEST WISHES TO CORA RUBIN LANE

Mr. McCLURE. Mr. President, I send to the desk a resolution, and ask unanimous consent that it be in order to proceed to its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Idaho?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, the resolution has been cleared with Senator CHURCH on my side of the aisle, so there is no objection.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 162) expressing the gratitude and best wishes of the Senate to Cora Rubin Lane.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the resolution.

Mr. McCLURE. Mr. President, on May 5, a grand lady, Mrs. Cora Rubin Lane, of Boise, Idaho, will celebrate her 100th birthday. For 36 years Mrs. Lane was employed in the U.S. Senate, beginning her career in 1908 as a messenger for the Select Committee on Standards, Weights and Measures. She later worked in the Committee on Agriculture and Forestry, the Committee on Education and Labor, and under the late Senator William E. Borah for the Committee on Foreign Relations. At the time of the Senator's death in 1940 she was a member of Senator Borah's personal staff.

We often forget the employees of the Congress who work in anonymity but who nevertheless make an important contribution to the well-being of the American people by devoting their lives to public service. Cora Lane is such an individual. Her 36 years as a Senate employee, and particularly her years with Senator Borah, are worthy of commemoration in and of themselves, but she has achieved another milestone by reaching her 100th birthday. In acknowledging that milestone, the Senate also says "thank you" for years of service.

Mrs. Lane lives alone in Boise, and is a particularly valued member of the community. As the current occupant of the Senate seat held by Senator Borah, it is my pleasure today to offer a resolution to express the gratitude and best wishes of the Senate to Mrs. Lane. I am happy to have Senator CHURCH as a cosponsor of this resolution.

Mr. CHURCH. Mr. President, I am pleased to join with Senator McCLURE in paying tribute today to Cora Rubin Lane, who served not only the Senate, but also Idaho, through her years of employment on several committees and ultimately on the staff of Idaho's greatest Senator, William Borah.

As a member of the Senate Foreign Relations Committee, I wish to make special mention of Mrs. Lane's service on the staff of that committee under Senator Borah, who served himself as chairman for 8 years.

But in paying tribute to Mrs. Lane, we are not only recognizing the 36 years of service of an Idahoan to the Senate of the United States. We are also recognizing an important anniversary in Mrs. Lane's life: Her 100th birthday.

It is, therefore, fitting that the Senate approve the resolution Senator McCLURE and I have offered expressing our gratitude and appreciation to Cora Rubin Lane on this important occasion in her life.

Mr. McCLURE. Again I thank the Senator from Alaska and the Senator from Maine for their courtesy.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 162

Whereas Cora Rubin Lane, of Boise, Idaho, effectively served the Senate and the People of the United States for thirty-six years, most notably as secretary, assistant, advisor, and friend to the late Senator William E. Borah, and

Whereas said Cora Rubin Lane will celebrate the milestone of her 100th Birthday on May 5, 1977.

Resolved, That the Senate expresses its gratitude and appreciation to Cora Rubin Lane for the long and outstanding service rendered by her, and expresses its best wishes to her on the occasion of her 100th Birthday.

SEC. 2 The Secretary of the Senate shall transmit a copy of this Resolution to Cora Rubin Lane.

Mr. BAKER. Mr. President, the matter that I reserved my standing order time for has now been disposed of, and I yield back my time under the standing order.

FIRST BUDGET RESOLUTION, 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of Senate Concurrent Resolution 19, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 19) setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

The Senate resumed the consideration of the concurrent resolution.

Mr. MUSKIE. Mr. President, has the first committee amendment been reported?

The ACTING PRESIDENT pro tempore. We have no committee amendments.

Mr. MUSKIE. Mr. President, the Senate today begins debate on Senate Concurrent Resolution 19, which is the first concurrent resolution on the budget for fiscal year 1978.

The first concurrent resolution, Mr. President, is the most comprehensive measure we will examine in this session. Our deliberations on it will shape the economic and budgetary priorities for the next year. The funding levels we adopt will test the ability of the Congress to follow a consistent policy and exercise restraint.

In sum, the committee recommends the following targets for fiscal year 1978:

Total new budgetary authority of $497.4 billion.

Total budget outlays of $458.8 billion.

Revenues of $395.6 billion.

These result, Mr. President, in a deficit of $63.2 billion and a public debt level of $789.6 billion.

As we begin the third cycle under the congressional budget process, it is appropriate to recall once again that the process is not merely a bookkeeping device.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Maine yield for a unanimous-consent request?

Mr. MUSKIE. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that John I. Brooks of my staff be granted the privilege of the floor during the consideration of the concurrent resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. I yield.

Mr. BELLMON. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be allowed to remain on the floor during the consideration of and votes on the concurrent resolution: Robert S. Boyd, Letitia Chambers, Becky M. Davies, Robert E. Fulton, Edmond (Ted) Haggart, Barry A. Kinsey, S. Gary Kuzina, Charles D. McQuillen, David M. Shilling, and William L. Stringer.

I also ask unanimous consent that the following members of various Senators' staffs be granted the privilege of the floor:

Mark Bisnow of Senator HEINZ' staff, Gary Dickenson of Senator DOLE's staff, Charles Gentry of Senator DOMENICI's staff, Jan Olson of Senator HAYAKAWA's staff, Michael Maloof of Senator GRIFFIN's staff, Judith Schwartz of Senator STEVEN's staff, and Michael Shorr of the staff of the Committee on Human Resources.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be allowed to remain on the floor during consideration of and votes on Senate Concurrent Resolution 19: John McEvoy, Karen Williams, Sid Brown, Van Ooms, Jim Storey, Dan Twomey, Tom Dine, Faye Hewlett, Mary Jane Checchi, Bob Sneed, Charles Flickner, Terry Finn, John Giles, Rodger Schlickeisen, Don Campbell, Tony Carvevale, George Merrill, Becky Beauregard, Pat Gwaltney, Mike West, Ira Tannenbaum, and Peggy Watts.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be allowed to remain on the floor during consideration of and votes on Senate Concurrent Resolution 19: Mike Joy, on behalf of Senator HOLLINGS; Hal Gross, on behalf of Senator CRANSTON; Rick Brandon, on behalf of Senator CHILES; Alan Chvotkin, on behalf of Senator ABOUREZK; Dick Andrews, on behalf of Senator BIDEN; Alan Yuspeh, on behalf of Senator JOHNSTON; John Haynes, on behalf of Senator ANDERSON; and Paul Clark, on behalf of Senator SASSER.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 248

Mr. MUSKIE. Mr. President, on behalf of the Committee on the Budget, I call up amendment No. 248 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) proposes an amendment numbered 248.

The amendment is as follows:

On page 2, line 8, delete "$799,800,000,000" and insert in lieu thereof "$789,600,000,000".

On page 2, line 10, delete $81,400,000,000" and insert in lieu thereof "$89,600,000,000".

After page 4, line 26, insert the following new section:

SEC. 3. Pursuant to section 304 of the Congressional Budget Act of 1974—

(a) Section 1 of S. Con. Res. 10 is revised to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

"(1) the recommended level of Federal revenues is $349,300,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $10,200,000,000;

"(2) the appropriate level of total new budget authority is $469,800,000,000;

"(3) the appropriate level of total budget outlays is $408,800,000,000;

"(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $59,500,000,000; and

"(5) the appropriate level of the public debt is $708,300,000,000."

(b) Section 2 of S. Con. Res. 10, paragraphs 1 to 10, 13, 16, and 17, is revised as follows:

"(1) In paragraph (1)(B) (outlays for National Defense) strike out "$100,100,000,000" and insert "$98,900,000,000".

"(2) In paragraph (2)(B) (outlays for International Affairs) strike out "$6,800,000,000" and insert "$6,500,000,000".

"(3) In paragraph (3)(B) (outlays for General Science, Space, and Technology) strike out "$4,400,000,000" and insert "$4,600,000,000".

"(4) In paragraph (4)(B) (outlays for Natural Resources, Environment, and Energy) strike out "$17,200,000,000" and insert "$15,800,000,000".

"(5) In paragraph (5)(B) (outlays for Agriculture) strike out "$3,000,000,000" and insert "$4,500,000,000".

"(6) In paragraph (6)(B) (outlays for Commerce and Transportation) strike out "$16,000,000,000" and insert "$14,900,000,000".

"(7) In paragraph (7)(B) (outlays for Community and Regional Development) strike out "$10,550,000,000" and insert "$10,100,000,000".

"(8) In paragraph (8)(B) (outlays for Education, Training, Employment, and Social Services) strike out "$22,700,000,000" and insert "$20,900,000,000".

"(9) In paragraph (9)(B) (outlays for Health) strike out "$39,300,000,000 and insert "$39,000,000,000".

"(10) In paragraph (10)(A) (new budget authority for Income Security) strike out "$170,900,000,000" and insert "$167,300,000,000"; and (10)(B) (outlays) strike out "$141,300,000,000" and insert "$136,900,000,000".

"(11) In paragraph (13)(B) (outlays for General Government) strike out "$3,500,000,000" and insert "$3,700,000,000".

(12) In paragraph (16)(B) (outlays for Allowances) strike out "$800,000,000" and insert "$700,000,000".

"(13) In paragraph (17)(A) (new budget authority for Undistributed Offsetting Receipts) strike out "—$15,600,000,000" and insert "—$15,100,000,000"; and (17)(B) (outlays) strike out "—$15,600,000,000" and insert "—$15,100,000,000"."

Mr. MUSKIE. Mr. President, I ask unanimous consent that the committee amendment be agreed to and that the resolution, as thus amended, be treated as original text for the purpose of further amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. HARRY F. BYRD, JR. Reserving the right to object, will the Senator from Maine elaborate just a bit on what this amendment is and why he is asking unanimous consent?

Mr. MUSKIE. Yes, of course. May I say to the Senator this amendment reflects changes in the third concurrent budget resolution for 1977, which the Committee on the Budget has agreed to and submitted to the Senate, so that we may consider them as part of one document, Senate Concurrent Resolution 19.

Mr. HARRY F. BYRD, JR. The purpose of the unanimous-consent request is to put both the amendment and the resolution simultaneously before the Senate; is that correct?

Mr. MUSKIE. Yes. Of course, any part of it is subject to amendment, any number may be subject to amendment. It is as if it had been reported out as a separate budget resolution or a fourth one for fiscal 1977. The committee thought it would simplify procedure to report them both as one document for consideration by the Senate.

Mr. HARRY F. BYRD, JR. Does the amendment offered by the Senator from Maine take the place of the third concurrent resolution?

Mr. MUSKIE. That would be its effect. It will be a lower outlay number, a lower deficit number, and other numbers will be adjusted accordingly. What it reflects is a reduction in the outlays reflecting the reestimates which the Office of Management and Budget reported and which the Senator and I discussed earlier this year, adjusted somewhat by the committee in response to an analysis made by the Congressional Budget Office. But the net result is a reduction in outlays for fiscal 1977 so we may have the discipline of a lower ceiling to apply for the remainder of fiscal year 1977.

Mr. HARRY F. BYRD, JR. In the amendment which the Senator from Maine has just sent to the desk, does that call for a $60 billion deficit?

Mr. MUSKIE. For fiscal 1977 the deficit number I believe is lower than that. I believe it is $59.5 billion. That is on page 2, line 13. Does the Senator have a copy of the amendment?

Mr. HARRY F. BYRD, JR. I do not have a copy of the amendment.

Mr. MUSKIE. It is amendment No. 248.

Mr. HARRY F. BYRD, JR. I now have a copy.

Mr. MUSKIE. Will the Senator turn to page 2, line 13. He will note the new deficit number, which is, I think, roughly $9 billion lower.

Mr. HARRY F. BYRD, JR. I used $60 billion. I rounded it off. The Senator's is $59.5 billion. Does this deal also with fiscal 1977?

Mr. MUSKIE. This is fiscal 1977. This amendment is fiscal 1977. Senate Concurrent Resolution 19 is fiscal 1978. The deficit figure I have just given the Senator is $10.25 billion less than the deficit reflected in the third concurrent resolution, which this would amend.

Mr. HARRY F. BYRD, JR. So the resolution itself deals with 1978 but the amendment will deal with 1977?

Mr. MUSKIE. It will deal with 1977.

Mr. HARRY F. BYRD, JR. Is it correct that the committee recommends that the revenue figure be raised by $2 billion and not by the $10 billion which the OMB suggests because of the withdrawal of the tax rebate plan?

Mr. MUSKIE. That is right. The revenue figure is raised by $1.6 billion. The bulk of that is the increase in estate and gift taxes due to accelerated collections by the Treasury Department. Four hundred million dollars is the result of the postponement in the effective date in the change in the standard deduction which the administration recommended and which the Senate has approved. We did not change the revenue number for fiscal 1977 to reflect the withdrawal of the rebate.

Mr. HARRY F. BYRD, JR. That was my next question.

Mr. MUSKIE. We did not, for the reason that we still believe the economic projections are such as, in our judgment, to require that kind of stimulus, and we needed to leave room in that figure to reflect the committee's conviction. That clearly will not reflect action by the Congress at this time on the pending tax bill. The tax bill has been passed by the Senate. It is in conference and the rebate is dead, for that purpose. Nevertheless, our reading of the state of the economy tells us that it was a mistake to abandon the proposal and that we should have stimulus of such magnitude. The only effect of holding the revenue figure at the figure stated in this amendment is to indicate our conviction on that point.

That does not in any way affect the outlay ceilings. The outlay ceilings are limited and have been reduced as indicated in the proposed amendment.

Mr. HARRY F. BYRD, JR. But the budget authority, if I read it correctly, is proposed to be increased by $9 billion?

Mr. MUSKIE. The budget authority has been reduced by $3.1 billion.

Mr. HARRY F. BYRD, JR. By $3 billion. But the Senator proposes to increase the budget authority over the OMB figures by $9 billion?

Mr. MUSKIE. For 1977? No. The changes from the third budget resolution are as follows, and I will list them for the Senator: Budget authority is down by $3.1 billion. That is largely a reflection of the fact that the payments in excess of tax liability and payments to others who would have received payments if the $50 tax rebate had been approved are not likely, so we have eliminated those on the outlay side of the budget and on the budget authority side. We reduce that figure by minus 3.1.

Outlays have been reduced by $8.65 billion.

Revenues have been raised by $1.6 billion.

The deficit has been reduced by $10.25 billion.

The public debt estimate has been reduced by $10.1 billion.

So all the numbers go down except revenues which go up $1.6 billion.

Mr. HARRY F. BYRD, JR. To get back to the unanimous-consent request, which is the pending request, if that request is agreed to both the third concurrent resolution and the amendment will be before the Senate for consideration and amendments could be proposed to either, I assume.

Mr. MUSKIE. Yes. The purpose of the amendment, may I say to the Senator, is to simplify the procedure for considering. There is no limitation that I am aware as to amendments Senators may offer to either.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MUSKIE. I thank my good friend from Virginia for giving me that opportunity to explain the amendment. Mr. President, I renew my request.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The amendment was agreed to.

Mr. CRANSTON. Will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. I yield.

Mr. CRANSTON. I thank the Senator. I ask unanimous consent that Hal Gross of my staff may have the privilege of the floor during the consideration of the pending legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I now return to my opening statement.

As we begin the third cycle under the congressional budget process, it is appropriate to recall once again that the process is not merely a bookkeeping device. It is a policy tool that helps to give us control over the fiscal direction America takes. Without this process, the Congress would lose its ability to assess overall economic and fiscal policy and influence the course of the economy. Without a means to agree on total spending and major priorities before commitments are made, the Congress would be unable to examine critically the difficult policy choices made necessary if we are to limit total Federal spending.

Establishing realistic economic and fiscal policies and making choices among competing priorities are difficult tasks, but, as I have stated before, I have confidence in the ability of this body and the Congress to live up to the expectation and the promise of the Congressional Budget Act.

Over the past 2 years, the Congress has accepted the need for an expansive fiscal policy to promote economic recovery. Our need today is to shape a policy for next year which will continue that steady growth.

We have proven in the first 2 years of the budget process that we can establish and enforce aggregate fiscal targets which maintain a floor under revenues and a ceiling on spending. The establishment and maintenance of an effective fiscal policy is a central purpose of the Budget Act. Equally important, we have begun to examine the content of the Federal budget and arrange priorities to meet national needs. Both of these tasks are equally important aspects of the budget process.

In drafting the Federal budget for fiscal year 1978 the Budget Committee has had to consider the overriding economic circumstances the Nation now confronts: a continued high rate of unemployment, an inflation that could reignite to an accelerated pace if imprudent policies are followed, and a complex international situation, which the American people have only recently come to respect.

The committee has also had to deal with broad demands for increased Federal action in such areas as national defense, energy research, agriculture, veterans, education, as well as in grants to States and local governments.

In attempting to reconcile the demands of fiscal policy with issues of Federal priority, the committee has benefitted from the guidance and analysis of expert opinion, both in the field of economics and in broad areas of public policy. The Budget Committee report which we debate today reflects, however, much more than an exercise in budgetary and fiscal management. It reflects the concerns of the American people as we have endeavored to represent them.

While there are differences in emphasis among individual members of the committee, I believe that the budget resolution we put before the Senate today reflects a number of broadly recognized concerns. These were evident throughout the course of our hearings and markup sessions which were preparatory to our report. They included:

A continued, and wide-ranging, public concern as to the need to return our Government to a balanced budget as soon as this is consistent with our Nation's overall economic circumstances.

A growing public concern that the size of government itself has become unwieldly and that we should be skeptical of any new initiative for which financing is not clearly available.

During the course of our markups, it has been the Budget Committee's difficult responsibility to balance the concern of economy with these clear-cut needs for public action. I am hopeful that as we debate this resolution, and as the Senate considers the upcoming legislative calendar which this resolution is designed to guide, that we be aware that this will be a shared responsibility.

The temptations to relax the disciplines of the budget process may be stronger now because the economy is again on the upswing, due in large part to congressional policies of the last 2 years. Pressures for additional spending can be expected to grow.

Let me sound a clear warning: Congress must continue to resist these pressures. Each committee must diligently evaluate ongoing programs and consider discontinuation of programs of lesser merit. This is central to an effective congressional budget process and is embodied in the sunset legislation now being considered by the Congress.

PRIORITIES FOR FISCAL 1978

With a new President and a continuing economic recovery, I am cautiously optimistic that we can:

Achieve a steady rate of growth which will keep America moving toward full employment and a balanced budget;

Avoid action which would increase the rate of inflation;

Provide real growth in the defense budget that will make clear to other countries our commitment to our national security;

Maintain adequate Federal support for health, education, and other social services;

Provide for an energy program that meets our needs.

Mr. President, all of these priorities are reflected in Senate Concurrent Resolution 19.

No Member of the Senate—I emphasize that, no member of the Senate—will like all of the figures in the first budget resolution. There may well be amendments to the resolution as reported by the Budget Committee. The commitee's recommendations are not carved in stone. The resolution reported by the committee is the best compromise the committee can put before the Senate. It is our reflection of national priorities. We may be wrong. The Senate must now work its will using the committee resolution as a reference point. I am anxious to see the Senate accept the discipline of its decisions. Let us make our changes now, in a conscious and orderly fashion so that we can later then enforce the result as we pass individual spending and tax measures.

FISCAL POLICY IN FISCAL YEAR 1978

The levels of revenue and spending in the proposed budget reflect the committee's choice of a policy for steady long-term growth.

The American economy is still only partially recovered from its worst postwar recession. After nearly 2 years of recovery, the unemployment rate in all segments of the labor force remains close to postwar record highs, while production and real income remain far below capacity.

In the latest recession, real output fell by over twice as much as in other postwar recessions, but thus far it has recovered at only an average rate. As a result, real output is now only about 4 percent higher than it was 3 years ago, and industrial production has barely passed its previous quarterly peak. Over 7 million Americans, including about 2½ million heads of households, remain without work.

The message is clear. If this unacceptable situation is to be overcome, we must adopt policies that maintain a steady and continuing economic recovery.

If full employment is to be reached, the current recovery must be extended over a much longer period than the 34 months averaged by other peacetime recoveries since World War II. On the basis of the previous average, the present recovery would end early in 1978, leaving the economy stranded with high unemployment, unacceptably low utilization of plant and equipment, and continuing inflation. We cannot allow this to happen. The costs of failure are too high. The committee has determined to follow policies for fiscal year 1978 that offer the best hope for prolonged recovery.

Mr. President, in reporting the third concurrent resolution for fiscal year 1977, 2 months ago, the committee aimed at an average growth rate of real GNP of 5½ to 6 percent over the next 2 years. This is an ambitious goal, given the present weakness in investment and export demand and the recent demise of the tax rebate. Growth at a 5½- to 6-percent rate is unlikely unless a strong 1977 economy revives investment demand in 1978 and renewed growth abroad expands markets for U.S. exports. Otherwise, real growth may be about 5 percent and unemployment will fall less rapidly. The administration's economists anticipate an acceleration of investment activity, although present economic data does not provide much support for this optimism.

Mr. President, I ask unanimous consent to have printed in the Record at this point a table which shows the economic assumptions underlying the committee's recommendations in comparison with those of the administration's current budget estimates for fiscal year 1978.

There being no objection, the table was ordered to be printed in the Record, as follows:

ECONOMIC ASSUMPTIONS

[Calendar years; dollar amounts in billions]

	Senate Budget Committee		Administration April budget estimates	
	1977	1978	1977	1978
Gross national product:				
Current dollars	1,876	2,088	1,877	2,103
Constant (1972) dollars	1,325	1,393	1,327	1,400
Growth rate:				
Year over year	4.8	5.1	4.9	5.6
4th quarter over 4th quarter	5.7	4.6	5½-6	5-5½
Consumer Price Index: percent change: year over year	5.9	5.4	6.2	5.7
Unemployment rate: 4th quarter	6.8	6.3	6¾-7	(1)
Interest rates: 3-mo Treasury bills, monthly average	5.0	5.2	4.6	4.6

[1] About 6.

Mr. **MUSKIE**. Mr. President, the unemployment rate has fallen from 7.9 percent in the fourth quarter of 1976 to 7.3 percent in March 1977. A continuing reduction in unemployment will occur over the next 2 years if a steady recovery is maintained. Total employment from the end of 1976 to the end of 1978 should increase by about 5.2 million as a result of the expansion of the economy and the jobs programs provided in the fiscal year 1977 third concurrent resolution and proposed in the committee's recommendations.

THE BUDGET DEFICIT

The Federal deficit projected in these recommendations, as those of the three preceding fiscal years, is largely a result of unacceptably low levels of economic activity and high levels of unemployment. A weak economy shrinks Government revenues at the same time that it raises costs of unemployment compensation and other income support programs.

The Budget Committee is committed to achieving a balanced budget. Since large budget deficits result from a weak economy, steady economic growth must be maintained. The unacceptably large budget deficits can be eliminated only by a strong economy.

The committee recognizes that large budget deficits are inevitable when the economy is weak. However, a return to full employment, with a strong private sector, may make budget surpluses necessary in future years. When private investment demands become sufficiently strong—and I hope the administration's optimism in this respect is confirmed by events—budget surpluses will be required to reduce private and public consumption and release resources for needed investments in energy, environmental quality, and other areas.

The committee has exercised considerable fiscal restraint in holding its recommendations for outlays at the levels proposed in the resolution and in reducing the size of the projected deficit. Indeed, the committee found it necessary, after preliminary agreement on functional totals, to engage in a "second round" of cuts in budget authority and outlays, in spite of its recognition that this might adversely affect the funding of programs with considerable merit. This resulted in a reduction of $2.5 billion in budget authority and $1.9 billion in outlays from the preliminary totals. Taken together with an addition of $.1 billion to the revenue floor, the second round of cuts reduced the projected deficit by $2 billion.

REVENUES

The committee's revenue target of $395.6 billion assumes enactment of $18.4 billion of tax reductions.

However, H.R. 3477, the tax bill passed by the Senate just last Friday, would provide $20.2 billion of tax reductions in fiscal year 1978, or $1.8 billion more than was assumed in the first budget resolution. I urge the Senate tax bill conferees to return with a conference version which comes as close as possible to the level of tax reductions targeted in the budget resolution, and thus hold any resulting budget deficit increases to a minimum.

Although the revenue target set in the budget resolution is slightly over $9 billion lower than the level of budget receipts recommended by the administration, almost half this gap is attributable to different economic assumptions and estimating and accounting differences. Half of the remaining $4.6 billion of lower revenues stems from the President's recommendation to delete any new tax relief for business—a now unrealistic assumption in light of subsequent congressional action to retain the business tax reductions.

FEDERAL OUTLAYS

The committee's recommended outlay target reflects considerable fiscal restraint.

The $458.8 billion outlay total is $1.5 billion below what would be spent if the same policies and laws contemplated in the third concurrent resoution were continued through fiscal year 1978. Had the committee simply taken the same policies, adjusted them for inflation and changes in various beneficiary groups, the level of outlays now recommended for fiscal year 1978 would have been $460.3 billion. The committee's recommendation falls $15.6 billion below the total outlays recommended by the authorizing committees in their March 15 reports, $6.0 billion below those of the appropriations committee, and $2.9 billion below the level recommended by President Carter in his April budget update.

Though the committee's recommended outlay target is lower than current policy, it would permit increased funding for critical programs to support energy research, agriculture, education, and local and State governments.

The committee is proposing a tight budget which clearly has not accommodated all of the suggestions from other committees and the administration. This means that committees will be obliged to weigh priorities among programs within their jurisdiction and to set program levels that conform to the totals finally adopted in the congressional budget.

CONTROLLABILITY OF BUDGET OUTLAYS

Mr. President, the difference between budget authority and outlays is crucial to understanding and controlling the budget. The terms are sometimes used interchangeably, as if they meant the same thing. But to the extent that most oulays in any particular fiscal year result from commitments under budget authority enacted months or even years before, the outlays and deficit of any current fiscal year are largely predetermined by past events. They are largely not controllable by legislation in the current year; they are bills that must be paid. Moreover, an exclusive emphasis on the outlays and deficit in a particular year may obscure the fact that new budget authority enacted in the same year actually fuels the engine of future outlays.

During the 3 years of existence of the budget process, the Budget Committee has sought to formulate a Federal fiscal policy which takes account of these realities. That fiscal policy has been designed—to limit the otherwise unrestricted growth of budget authority and direct it toward the most urgent naional priorities, and—to encourage the sound, steady economic growth in the private sector necessary for national employment and prosperity and generation of tax revenues adequate to balance the budget.

Mr. President, the Senate should recognize that almost $3 out of every $4 in fiscal 1978 outlays recommended in Senate Concurrent Resolution 19, as reported, are of the type classified as "relatively uncontrollable under present law." These relatively uncontrollable outlays include spending that is mandatory under present law—for example, social security and unemployment benefits—which will account for almost three-fifths or 60 percent of fiscal year 1978 outlays, as well as outlays resulting from contracts and obligations entered into in years prior to fiscal year 1978.

These proportions have remained fairly constant for the 3 fiscal years for which the congressional budget process has been in effect.

INFLATION

Inflation is a constant concern to all Americans. While the inflation rate has fallen from the levels of 2 or 3 years ago, it continues to be unacceptably high.

Our present inflation results primarily from inflationary momentum that has been incorporated into the system. Wage demands reflect previous increases in prices, and prices are increased to cover higher wages. This underlying inflation should decline gradually over time. However, inflationary expectations make it especially necessary to follow steady fiscal and monetary policies.

Recognizing both the necessity for a steady recovery and the risks involved in excessive stimulation of the economy, the committee has recommended a prudent fiscal policy designed to produce moderate and steady growth. It does so in the hope that this fiscal responsibility will lower inflationary expectations, improve confidence, and contribute to a strong private sector.

In addition to general fiscal restraint, the committee's recommendations are designed to discourage specific actions which increase prices and inflation rate in particular sectors.

The committee recognizes, for example, an urgent need for Congress to move quickly to curb the rapid inflation in medical care costs and recommends lower outlays in the health function to reflect enactment of legislation to reduce such inflated costs. The committee endorses the targeted public service jobs plan, which emphasizes employment and training for structurally unemployed, unskilled workers, youth, and welfare recipients.

COORDINATION OF FISCAL AND MONETARY POLICY

Mr. President, the committee's fiscal targets are consistent with real economic growth of about 5½ percent through the end of 1978. This growth rate asumes a revival of investment demand, expanded foreign markets for U.S. exports and an accommodative monetary policy.

Fiscal and monetary policies must be coordinated to insure that congressional fiscal policy is not thwarted. It is essential that monetary policy support the fiscal policy enacted by the Congress to prevent a substantial rise in interest rates which could choke off badly needed investment and impair the recovery.

I believe that the Federal Reserve Board will cooperate fully in insuring the Nation's economic recovery because of the fiscal restraint and avoidance of inflationary spending in the first concurrent resolution.

Now, Mr. President, let me summarize the major thrusts of the committee's spending recommendations.

NATIONAL DEFENSE

Mr. President, the committee recommendation for the national defense budget—function 050 at page 30 in the report—continues the trend begun in fiscal year 1976 of providing significant real growth in defense programs. This growth is primarily aimed at the modernization of our forces and insuring the readiness of equipment.

The committee recommends for national defense $120.3 billion in budget authority and $111.6 billion in outlays. This level of spending is based on the committee's belief that progress must be made at the strategic arms limitation talks with the Soviet Union. At the same time it is essential as I stated earlier, that no doubt exist about our commitment to the national security of the United States.

It is apparent that the Soviet Union has made significant gains in increasing the size and in improving the capabilities of its defense forces. Two main reasons for the present Soviet position are their desire to achieve parity with the United States in the capabilities of strategic offensive forces and to improve the strength of their general purpose forces for activity beyond the U.S.S.R. The U.S. defense budget counterbalances these Soviet gains by establishing a foundation for substantial increases in U.S. strategic and general purpose force capabilities, some already achieved or planned over the next decade.

Revisions in defense manpower policies could provide savings in the fiscal year 1978 budget which could be made available for increased funding for the procurement of weapons systems and the improved readiness of equipment. Moreover, the committee's recommendation assumes that 15 percent of any October 1977 pay raise will be absorbed through savings in Department of Defense activities, which is consistent with previous experience.

INTERNATIONAL AFFAIRS

The committee recommends budget authority of $9.3 billion and outlays of $7.3 billion for the international affairs function—function 150 at page 36 of the report. The committee believes that this country's stake in the economic wellbeing of its allies and friends is increasing and multilateral and bilateral assistance should reflect that stake.

Exports of goods and services now account for almost 10 percent of our gross national product. One quarter of those exports go to developing countries. Almost all of the growth in this function is for development assistance to those countries whose economies have been hard hit by the recession and the high cost of energy. Without timely financial support from the United States and other industrial nations, international trade and U.S. markets will be severely disturbed. Without U.S. leadership, the multilateral development banks which administer much of this assistance are less likely to obtain larger contributions from other industrial countries and the richer OPEC nations.

I would observe in passing that detailed justification for several administration initiatives was not provided until the committee's markup was underway. In the future, adequate and timely consultation with the committee will greatly facilitate the consideration of new programs.

PHYSICAL RESOURCES

Mr. President, the committee's recommendations in the physical resources areas include a major commitment to the continued acceleration of energy research and development programs essential to treating the serious long-term energy problem, widely discussed in recent days. At the same time, our recommendations provide the basic support to achieve the clean water goals the Nation has set for itself, through continuation of Federal grants for construction of wastewater treatment facilities.

The committee has tried to allow for full funding for those disaster and commodity price support programs which maintain the viability of the family farm and the agriculture sector of our economy. The committee is concerned, however, about the possibility of sharply increasing and uncontrollable future farm subsidy programs under proposed long-term legislation being considered this year. The distinguished ranking member of the Budget Committee, Senator BELLMON, has rightly pointed out that the loan programs for farmers can be designed to have no net budget cost and that farm subsidy programs can be limited to predictable spending levels when averaged over several years. But, Mr. President, the direct subsidy programs must be controlled by legislation now if we are to avoid losing control in future years.

Under the committee's recommendations, grants to State and local governments for the environment, transportation, community and regional development, and revenue sharing, as well as for human resources programs, would increase in total over 10 percent compared to the level of this fiscal year. This would be an important step in improving the capital infrastructure of our vast country.

HUMAN RESOURCES

In the human resources area, the budget resolution as reported to the Senate makes room for additional Federal efforts in several high priority programs serving the Nation's human needs. The Budget Committee assumed substantial funding increases will be provided for education programs; the veterans' medical care system and other veterans' benefits; cost-of-living increases for recipients of social security and other such payments; programs aimed at improving health care services, planning, and research for the general population; and social services grants to help the neediest and most vulnerable groups in our society.

Mr. President, the first budget resolution for 1978 will continue the strong congressional commitment to public service jobs for unemployed adults and strong initiatives to combat youth unemployment. The pending economic stimulus supplemental for 1977 will fund 725,000 CETA jobs by the end of fiscal 1978, to be targeted mainly on the long-term unemployed and persons with low income. It will also fund a major expansion of youth jobs and training programs.

A major problem confronting all Americans the past several years has been the rapid inflation in health care costs. As I mentioned earlier, the Budget Committee urges Congress to take measures this year to bring these costs under control. Senate Concurrent Resolution 19 assumes such an effort will yield outlay savings of $800 million for the medicare and medicaid programs.

The resolution sets an outlay figure for income security programs that is $1.4 billion below the estimated current policy total, based on possible administrative and legislative savings that have been proposed by the President or suggested by other committees. Increases for new legislative initiatives, of course, would not be precluded.

BACKGROUND TO COMMITTEE RECONSIDERATION

On April 12, the Budget Committee reported the first budget resolution for fiscal year 1978. The 1978 resolution is designed to limit Federal spending to the maximum extent consistent with continuation of the steady economic growth planned and encouraged through the congressional budget process for the past 3 years.

A number of events, however, have occurred since the 1978 resolution was reported, which led the committee to further consider that resolution and the third resolution for 1977 adopted by

Congress in March. These events include:

First. The long-awaited special report by the Office of Management and Budget, as evaluated by the Congressional Budget Office, on reestimates of outlays to be expected during the current fiscal year.

Second. The appearance of new economic data reflecting a sharp rebound in the economy after the harsh winter prevailing at the time the third resolution was considered, raising the question of whether the economic assumptions of the resolution were still valid.

Third. President Carter's withdrawal of the rebate and associated special payment portions of his economic stimulus program.

Fourth. President Carter's submission of a broad-ranging set of proposals for a national energy program.

In order to analyze the significance of these events for the congressional budget, the committee met four times in recent days. These meetings included a hearing with the President's chief economic and budget advisers.

FIRST RESOLUTION RECOMMENDATION REAFFIRMED

Based on this thorough review, the committee has voted to reaffirm its spending recommendations of $497.4 billion in budget authority and $458.8 billion in outlays and a revenue floor of $395.6 billion set forth in S. Con. Res. 19 for the coming fiscal year—fiscal year 1978. We made no changes.

Regarding the current fiscal year—fiscal year 1977—the committee recommends the following revisions in its committee amendment which reduces the deficit forecast for the present fiscal year by $10.25 billion to $59.5 billion.

First. A reduction of $3.1 billion in budget authority which reflects minor technical adjustments and elimination of the funds that would have been required for the refundable rebates to taxpayers and the special payments to nontaxpayers originally proposed as part of the President's stimulus program in January. It is the committee's judgment that these payments will not be enacted.

Second. A net reduction of $8.65 billion in expected Federal outlays, based on the most recent OMB/CBO forecasts. This reduction also includes elimination of the amounts for the rebates and special payments mentioned above.

Third. An increase of $1.6 billion in expected revenues based on the latest Treasury/CBO estimates of tax receipts. These increased tax collections largely represent more rapid than anticipated collections of estate and gift taxes.

Fourth. A reduction of $10.25 billion in the deficit predicted for the current fiscal year, reflecting these reduced outlay and increased tax collection estimates.

Fifth. A reduction in the predicted Federal debt for both fiscal years 1977 and 1978 as a result of this lower deficit estimate.

The committee has, however, reaffirmed the revenue floor established in the third resolution, which contemplated significant temporary tax relief during this fiscal year. Although the President has indicated he no longer supports such a proposal, the committee's evaluation of the economic circumstances confronting our Nation today leads it to reaffirm its judgment about the advisability of tax stimulus in some form in 1977. The committee believes it would be imprudent at this time for the congressional budget to eliminate the possibility that such legislation can be enacted.

The committee believes that the fiscal policy provided in the third concurrent resolution for fiscal year 1977 was sound. Fiscal policy must be steady in order to be effective and should not be altered in the absence of significant changes in economic circumstances. The committee is not persuaded that significant changes in economic prospects for 1977 and 1978 have taken place since the adoption of the third budget resolution for fiscal year 1977. Although many economic indicators rose sharply in February and March, these changes largely reflected a rebound from severely depressed January levels caused by the severe weather, not a resurgence of underlying economic strength.

The committee thus believes that the economic evidence available does not justify a significant change in course for the congressional budget for fiscal year 1977 or 1978 at this time.

On the other hand, the latest available data about the actual rate of Federal outlays and tax collections—which indicates a lower deficit will occur in fiscal year 1977 than had previously been anticipated—should be reflected now in the congressional budget. These reestimates do not reflect any major change in the program or priority assumptions in the congressional budget. Rather, they simply are a technical reestimate by the OMB and CBO of tax collections and outlays during fiscal year 1977 for these programs and priorities, based on actual experience to date.

THE PRESIDENT'S ENERGY PROGRAM

The committee considered the advisability of making changes to the reported first budget resolution for fiscal year 1978 in response to President Carter's proposed energy plan which he outlined to the Congress on April 20. Several considerations have led to the committee's decision not to adjust the first budget resolution at this time as a result of the President's energy proposals:

First. No official budget estimates or program details are available at this time to support the President's plan;

Second. No congressional analyses of the President's plan have yet been made, nor have possible congressional alternatives been considered;

Third. Some of the President's proposals could be accommodated within the reported targets, such as his energy research and development recommendations; and

Fourth. After full congressional consideration of the energy situation, any required adjustments can be made in the second budget resolution later this year.

DEBATING THE RESOLUTION

Mr. President, let me conclude with a word of caution about debating priorities.

As my Budget Committee colleagues know well, it is easy to drift into a discussion of individual programs or line items in a budget discussion. Favorite programs or areas of expertise are prime candidates for programmatic debate.

The Budget Committee has successfully avoided this pitfall. We recognize that program jurisdiction belongs to the authorizing and appropriations committees. We have focused our attention, instead, on aiding Congress in establishing its broad national priorities.

Of course, we discuss individual programs and utilize the special expertise of our members. But we do not vote to include or exclude a given program or even an amount for such a program except in rare cases where the program is of such magnitude as to constitute itself a significant national commitment.

In the course of this debate, I urge each Senator to avoid colloquies in support of funding for this or that program. No such guarantee can be made in the budget resolution. That will take place in other committees and on the floor through the summer. This debate should focus on broad totals and on any changes necessary to implement the national priorities of the Congress.

AMENDMENTS

The Budget Act does contemplate the possibility of amendments to this resolution, which is the budget committee's considered recommendation to the Senate. The purpose of this debate is to allow the Senate to work its will in creation of an appropriate and comprehensive congressional budget.

The Budget Act provides a few important changes in Senate procedure affecting this debate. As you know, in creating the Budget Act, we limited debate on this first budget resolution to 50 hours, with no more than 2 hours allowable to each amendment and no more than 1 hour to amendments to amendments, debatable motions or appeals.

There are also several special rules affecting amendments. Amendments must be germane. In addition, amendments will be in order, even to sections of the legislation which have already been amended, as long as those further amendments propose to change a figure or figures then contained in the resolution so as to make the resolution mathematically consistent or to maintain such consistency.

Mr. President, as I have done often since the Budget Committee began its work 18 months ago, I commend my fellow committee members for their diligence, for their hard and successful work in a new field, and for their political courage in coming to grips with the conflicting demands that budgeting always entails.

I particularly commend and thank Senator HENRY BELLMON, whose bipartisan objectivity and support, more than any other single ingredient, have guaranteed our success to date.

Finally, I wish to commend the staff of the Budget Committee for their highly professional support to the members of this committee in the preparation of the first concurrent resolution and in the operation of the budget process.

Through constructive, informed debate, and through compromise I am convinced that we can produce a congressional fiscal policy and a congressional budget addressed to national needs.

Mr. President, I yield the floor.

The **PRESIDING OFFICER** (Mr. FORD). The Senator from Oklahoma is recognized.

Mr. BELLMON. Mr. President, I wish to begin by thanking the distinguished chairman of the Budget Committee for his kind comments.

I also thank the Senator from Maine for the steady, thoughtful leadership that he has continued to provide the congressional budget process here on the Senate side.

This has been a difficult period, Mr. President, for our new congressional budget process, and it is, I believe, largely due to the fact that our chairman has used his great skill and considerable degree of diplomacy that we have been able to keep the process on track during the last several weeks.

Mr. President, consideration of the first concurrent resolution for fiscal year 1978 by the Senate today marks the beginning of the third year of the congressional budget procedure. This is the sixth time in a period of 2 years that the Senate has taken the opportunity to carefully consider its economic policies and national priorities by expressing its judgment on the desirable level of total Federal revenues, total Federal expenditures, and the distribution of expenditures among areas of national priority. The successes achieved so far in making orderly and well-informed decisions demonstrates the continued viability and obvious desirability of the budget process.

The resolution also marks the first time a budget resolution has been fully formulated during the transition period from one administration to another. The transition to a new administration has complicated the process this year in a variety of ways. Receipt of the new administration's budget amendments has left less time for deliberation by all committees of Congress. Recently received proposals, along with major legislative proposals expected in the near future, leave major uncertainties in certain areas of the budget. In addition, the administration's recent reversal on economic policy recommendations by withdrawing its rebate proposal has added an additional complication. In spite of these obstacles, the committee has persevered in giving full consideration to a broad range of budget alternatives. It has produced a budget resolution which I can again support, and I urge my colleagues to join me in this effort. I recognize that this will be difficult for many of my colleagues, but I urge them to consider the circumstances peculiar to this year's budget resolution, and to recognize the overriding importance of having in place a budget resolution which will provide guidance and restraint on the deliberations of Congress for the remainder of this year. In view of the many proposals which will be forthcoming from the administration, along with congressional alternatives and initiatives, it is particularly important that Congress this year should be guided by a reasonable, if not perfect, set of budget guidelines.

Mr. President, the overall fiscal policy represented by the budget resolution recommended by the Budget Committee represents a continuation of the 2-year economic policy program initiated by Congress in the third concurrent resolution for fiscal year 1977. However, since the fiscal year 1978 first concurrent resolution was originally reported by the committee, the administration has withdrawn nearly 50 percent of the economic stimulus it orginally proposed. As already explained by the distinguished chairman of the Budget Committee, the committee believes that this is an overraction to a very limited amount of favorable economic data that has been received recently. The committee amendment to Senate Concurrent Resolution 19 is therefore of a technical nature, and is intended to reflect the committee's unchanged judgment on the needs of economic policy while taking account of more recent information and realistic assumptions about outlays, budget authority, and revenues for fiscal year 1977.

My colleagues will recall that at the time of the third concurrent resolution, the Budget Committee was in substantial agreement on the need for a stimulative economic policy over the 1977–1978 period. There existed at that time nearly unanimous agreement on the approximate magnitude of the initiatives that were appropriate in light of anticipated economic trends and the desire to produce more substantial progress in reducing the level of unemployment. The budget resolution for fiscal year 1978 recommended by the committee does not depart significantly from the economic policy plan initiated earlier this year.

My colleagues will also recall that earlier this year there was considerable disagreement as to the desirable timing and mix of economic policies which would best serve the interests of sustained economic growth over the next 2 years and beyond. While the fiscal year 1977 third concurrent resolution was designed to accommodate the administration's economic policy proposals, it was emphasized that this resolution would also accommodate somewhat different economic stimulus programs, such as that proposed by my Republican colleagues. I share with my colleagues the view that the original administration economic policy proposal inadvisably focused on providing substantial immediate fiscal stimulus in 1977 and providing expenditure stimulus in 1978. It was precisely because favorable economic data in early 1977 were fully expected that my colleagues were initially critical of the administration's policies and offered a constructive and positive alternative designed to sustain economic growth in 1977, 1978, and beyond.

While the recently reported economic data for the first quarter of 1977 may discredit the administration's proposal, it does not change the appropriateness of the economic program endorsed by my Republican colleagues. Rather, these developments confirm our expectations regarding the early part of 1977; they leave unchanged the possibility of slower economic growth later in the year and in 1978, due largely to the rising burden of personal income taxes. Under the revenue projections incorporated in this budget resolution, which correspond to the tax bill recently passed by the Senate, personal income taxes will amount to approximately 11 percent of personal income in fiscal year 1978. This percentage is significantly higher than the 10 percent figure for fiscal year 1976; this 1 percent increase represents approximately a $14 billion shift of income from spendable income to tax revenues.

Mr. President, I shall restate that for emphasis.

This increase in personal income taxes from 10 percent of personal income to 11 percent of personal income will amount to a $14 billion unlegislated automatic tax increase on American taxpayers. It amounts to a $14 billion shift of income from those who earned it to the Federal Treasury.

It will have a significant effect of retarding the growth of consumer expenditures in late 1977 and 1978. I deeply regret that the Senate has not seen fit to recognize the need for additional permanent tax reductions in the tax bill passed last week.

What has happened is that in effect, by not reducing income taxes, we are allowing this inflationary caused income increase to take place, and that is bound to be a brake on our economic growth.

In spite of the serious reservations I have already stated, given the original judgment of the Budget Committee concerning fiscal policy over the coming 2 years, I share in their judgment that we should not now dramatically alter the plans which were based on these judgments merely because of 1 month of favorable economic data. The reported data is encouraging and it holds out the hope that the more optimistic range of economic forecasts will be realized. I sincerely hope that events will bear out these optimistic expectations, but I believe it is unwise to base our economic policies and our budgetary assumptions on that expectation. The present situation presents a challenge to the Budget Committee and to the Congress to maintain its focus on the next fiscal year and beyond, and to avoid falling into the trap of reacting to the latest month's statistics with stop-go fiscal policy reactions. A budget procedure is designed in part to attain a more stable and steady fiscal policy environment, and I hope my colleagues will support our efforts to maintain this posture.

I recognize that even though the amended revenue figure for fiscal year 1977 leaves room for additional tax reduction stimulus, it is unlikely that any tax cut initiated at a later time would have a significant impact in this fiscal year. It would perhaps be more appropriate to reflect our conviction that additional tax reductions would be appropriate by recommending a lower revenue target for fiscal year 1978. The amendment to provide the lower revenue target was defeated, however, in the Budget Committee's considerations. In recognizing that the amended fiscal year 1977 numbers disguise the fact that any further revenue reductions would be unlikely to take effect in fiscal year 1977, I support the amendments recommended by the committee as an indication that Congress should not significantly alter its economic policies at this time.

I recognize that the tax bill—the primary vehicle of our economic policies—has now been acted on by the Senate. The rebate has been withdrawn and the superior alternative of a permanent tax cut has not been substituted in its stead. I regret this essentially political action. I had hoped that economic logic and greater foresight would prevail.

In larger perspective, the most regrettable outcome of the 4-month exercise in formulating economic policy is that we end up with policies that rely too heavily—over 50 percent of the total added stimulus—on the expenditure side of the budget for economic stimulus. True to original objections, most of these programs are not even off the drawing board. After the President's change in position on the rebate, we are left with a budget for fiscal year 1978 that is higher in expenditures and higher in revenues than would have prevailed under alternative economic policies.

As the distinguished chairman of the Budget Committee has pointed out in his remarks, the committee has recommended some modest reductions below the current policy level of outlays for fiscal year 1978. Total budget authority is modestly above current policy. The success of the committee in arriving at this restraint owes much to the determination of the chairman in initiating a second review of the entire budget after preliminary targets had been set. I would like to commend our distinguished chairman for this demonstration of fiscal responsibility and join with him in supporting the targets we now recommend. A few comments on specific budget functional categories are in order.

Before I go to that, I would like to call the attention of the Senate to some of the inflationary considerations that the committee has had to think about.

INFLATION

Mr. President, I continue to be gravely concerned about the rate of inflation still being experienced in the economy. The current inflation is primarily a result of the momentum built into price and wage adjustments experienced in the last 2 years, and, more recently, the effects of severe winter weather on energy demands and on food supplies. Inflation cannot be stopped in its tracks with this year's economic policies alone, but we can and must address our policies to a steady reduction of inflation. I am acutely aware of the inflationary pressure exerted by budget deficits, both on the demands for resources and on the financial system for monetary expansion. We must constantly balance the need for growing demands to support a recovering economy against these inflationary pressures. I believe the fiscal policy recommended by the committee strikes an acceptable balance. In addition I am convinced that monetary policy will and should remain accommodative. I am hopeful that our constant awareness of the causes of inflation as reflected in our budget deliberations and resolutions will help to alleviate the inflationary fears which contribute to a perpetuation of inflation.

Mr. President, the details of the budget resolution and the programmatic policies embraced by it also have a strong impact on inflation. I am hopeful that the employment initiatives targeted on persons most difficult to employ even under strong economic conditions will alleviate present and future inflationary pressures in our labor markets. In any future decisions on employment programs, such as those hinted at in the President's recent statement on welfare reform, we must be certain that these programs do not provide wages and opportunities that will draw workers away from private employment possibilities and contribute to the inflation labor costs.

I am also hopeful that Government initiatives to restrain medical care costs will be successful and will contribute to a lower rate of inflation.

Mr. President, the Budget Committee recommends targets for the national defense function of $120.3 billion in BA and $111.6 billion in outlays. These targets provide for an increase above current policy of $1.9 billion in budget authority and $0.4 billion in outlays. They reflect a continuation of a major national priority decision reflected in last year's resolution. These budget targets allow a significant increase in the resources devoted to the continued and accelerated development and modernization of our defense weaponry. By allowing for real increases in expenditures for research and development and for procurement, these budget targets support a defense policy that will assure continued technical superiority and overall military balance. At the same time that real increases are allowed for R. & D. and for procurement, the Budget Committee has not relaxed the drive for increased efficiency throughout the Department of Defense that was initiated last year. Within the total defense category, part of the funds for force modernization and improved readiness are derived from various manpower reforms and the absorption of a portion of the October pay raise. Examples of possible manpower reforms which are contemplated in this budget resolution include training efficiencies, reduced personnel turnover, civilian grade reductions, civilianization of some base support activities, expanding the recruiting base, and retirement reform.

In the agriculture function, function 350 of the budget, the committee has recommended budget authority of $2.2 billion and outlays of $3.7 billion. In setting these budget targets, the committee is acutely aware of the uncertainties peculiar to the agriculture function. The total for the agriculture function is dominated by stabilization programs. Outlays for these programs are difficult to predict due to the many uncertainties surrounding agricultural prices in the future. The targets recommended by the committee anticipate a number of alternatives being considered in conjunction with this year's reauthorization of farm legislation. While the outlays resulting from agricultural stabilization programs will always be unpredictable, I believe the Budget Committee and the Congress should seriously consider ways to stabilize and make more predictable and manageable the total budget commitment to these programs in future years. I believe we should explore ways to provide a year-to-year basis for planning our budget commitments, in order to prevent an open ended and unpredictable level of expenditures on these programs in future years. I believe it is desirable to attempt the same in some of our human resources programs.

In the community and regional development function, 450 of the budget, the committee recommends $7.6 billion in budget authority and $10.7 billion in outlays. The language in the committee's report accompanying the first budget resolution states that the budget authority target for function 450 assumes funding for the community development block grant program at current policy—approximately $3.5 billion. This language is not intended to control the division of funds among programs and activities within the function, but attempts only to define an assumption on which the committee's functional totals are based. The Budget Committee's recommendation would not prevent the Banking Committee from completing its review of possible changes to the Housing and Community Development Act and submitting the legislative recommendations to the full Senate. Any adjustments in fiscal year 1978 budget authority or outlay targets which become necessary could be accommodated in the second budget resolution to be considered in September.

In the natural resources, environment and energy function, 300, the committee recommends budget authority of $20.5 billion and outlays of $19.9 billion. In arriving at these budget targets, the committee had no information on which to make even the most preliminary of judgments about the President's proposed energy programs. While no actions are assumed or reflected in the budget, either in revenue totals or in budget authority and outlays in function 300, I would like to raise an initial warning against allowing the energy problems to be used as an open-ended justification for increasing the size of the Federal Government sector and expanding the Federal Government's control of the private sector of the economy. We must use caution against allowing the energy problem to be used as a justification for higher Federal taxation and control of our Nation's resources by the Government. It may be necessary to expand the Federal Government's involvement in some ways, but these possibilities must not be taken lightly. We must in our deliberations guard against creating open ended and uncontrollable budget commitments for the Federal Government. We must avoid increasing the overall burden of taxation on our citizens, and we must be aware of unnecessarily disruptive regulations or controls.

In the income security function, 600 of the budget, the committee recommends budget authority of $173.7 billion and outlays of $145.9 billion. In considering the impact of these budget targets on the assisted housing programs, several points should be recognized. First, in recognition of the overall growth pressures on the Federal budget, the target for this function exercises restraint on new commitments which can produce large outlays far into the future. In this regard, outlays in assisted housing are projected by the Congressional Budget Office to growth from $2.5 billion in fiscal year 1976 to about $8 billion in fiscal year 1982, even without increases over the fiscal year 1977 current policy level. We should be very careful about further inflating that growth. Second, in recommending a target for function 600 which does not asume a major expansion of the assisted housing program, the committee is cognizant of the fact that the Carter administration has not yet formulated its own housing strategy.

Secretary Harris has stated that the Department of Housing and Urban Development may propose some changes to the programs now authorized. The expansion now of assisted housing could be incompatible with the overall approaches ultimately developed by the administration. In light of the upcoming debate on welfare reform, there is need for caution now in expanding programs—such as assisted housing—which may need drastic revision after a revised public assistance system is put in place. For this reason, I urge my colleagues to support the budget targets slightly below current policy which are recommended for function 600.

I recognize that many of my colleagues will favor a more vigorous restraint on Federal outlays than is represented by the fairly modest reduction below current policy which is recommended by the committee. I join with them in expressing concern over a budget deficit that is larger than I would prefer. However, in light of the transition to a new administration and the time required for the administration to provide its guidance and recommendations on restructuring the executive branch and reforming many programs, the first concurrent resolution for fiscal year 1978 is a difficult time to initiate bold and substantial reductions and reordering of national spending priorities.

It is clear, however, that if the budget process is to realize its full potential in the future, we must firmly resolve to incorporate more substantial, if difficult, restraints on Federal spending in future budget resolutions. The challenge of setting budget targets which provide meaningful guidance and restraint will be particularly difficult in the coming years. The Congress will be faced with a constant flow of proposals for major changes in Federal programs. Welfare reform will be proposed, tax reform will be proposed, and the administration's energy proposals are already being considered. The Budget Committee and the Congress must avoid the dangerous posture of simply "accommodating" proposals which are offered by the administration. On the other hand, we cannot simply fail to reflect any judgment with regard to major proposals, opting instead to wait and "reflect the will of the Senate" in revising subsequent budget resolutions. The committee and the Congress must intensify its efforts to provide an analytical perspective and a budgetary rationale which provides an overall restraint in these areas of substantial legislative reform.

I would point out to my colleagues that the 5-year budget projections provided by the Congressional Budget Office this year in its annual report clearly indicate that a substantial improvement in the efficiency of Federal programs and corresponding restraints in expenditures for existing programs will be necessary if future budgets are to allow continued tax relief or the initiation of new Federal programs. Even in the event of moderate to strong economic performance by the non-Federal sector of the economy, we will not have the luxury of adding new programs on old and new expenditures on old. A proliferation of Federal programs in the late 1970's, such as was experienced in the late 1960's, which spelled disastrous consequences in terms of continued escalation of Federal expenditures and continuation of substantial Federal deficits.

The challenge indicated by this long-range budget analysis is to pursue overall budget policies, accompanied by regulatory and other structural program reforms, which will bring about a sustainable strength in the non-Federal sector of the economy. I take note and considerable encouragement from the language incorporated in the committee's report accompanying the fiscal year 1978 first concurrent resolution:

> The Committee recognizes that full employment and balanced budgets may not always be compatible, but it interprets this as a challenge to government policies to increase the strength of the private sector in order to eliminate the potential conflict.

With regard to the more immediate future, some of my colleagues are understandably disturbed by the pattern of fiscal year deficits that would result from the fiscal year 1978 first concurrent resolution in conjunction with the present status of the fiscal year 1977 budget. With the administration advertising the possibility of a budget deficit of $49 billion or lower for fiscal year 1977, some of my colleagues find it difficult to support a revised budget deficit of $59.5 billion for fiscal year 1977, along with a larger $63.2 billion for fiscal year 1978. They may be understandably reluctant to accept an apparently larger budget deficit than the administration claims is necessary. I would like to offer my colleagues the following perspective in encouraging them to support the committee's recommendations. First, as I have already mentioned, the Congress must demonstrate its ability and determination to pursue a fiscal policy of its own design. Among the assumptions incorporated in the Budget Committee's recommendations is that of an unchanged economic policy for fiscal year 1977 and fiscal year 1978. The committee is thereby recommending to the Congress to demonstrate its determination to avoid a knee-jerk reaction to the latest economic data.

During a period of economic recovery, we have been led to believe that deficits should also be recovering—that is, getting smaller. While I am not in full accord with the fiscal policies represented in the last two budget resolutions, as I have already indicated, let me offer this additional perspective that may mitigate some of my colleagues' concerns. The reduced fiscal year 1977 deficit, if it materializes, will be due to a sizeable shortfall of expenditures. During the first half of the fiscal year, Government agencies were unable to meet the expenditure plans they had originally set last October. The reason for this are not fully known at this time. However, they appear to be due partly to changed economic conditions and participation in Government programs, partly due to the administrative mechanism of many programs and agencies, and partly due to overestimates of required or achievable expenditures at the outset of the fiscal year. This represents a serious problem for the budget and for federal fiscal management which the Budget Committee will continue to work with the administration to resolve. The outcome will approximate one of two possibilities: first, actual spending will be restored to previously planned levels, or second, lower rates of spending will continue and make fiscal year 1978 figures lower than currently estimated.

The fiscal year 1978 budget resolution recommended by the committee assumes that expenditures for the rest of the fiscal year will regain planned levels. Under these assumptions, the Federal deficits for the rest of this year and those planned for fiscal year 1978 on a quarter-by-quarter basis present an acceptable pattern of budget deficits. The trend is not that of a growing budget deficit. The deficit for fiscal year 1977 in total is lower primarily because of the shortfall in the first half of the fiscal year. These developments are behind us and cannot be altered after the fact. But we can assure that the trend of Federal budget deficits from here on out, beginning with the third quarter of fiscal 1977, reflect improving economic conditions and their impact on the Federal budget. I believe that the policies and economic trends encompassed by this budget resolution produce that result.

On the other hand, if Federal spending continues to fall short of earlier plans through the rest of this fiscal year and into fiscal 1978, then the fiscal year 1978 deficit will be significantly short of the $63.2 billion recommended in this budget resolution. How far short cannot be estimated now. Congress will have the opportunity to resolve these uncertainties in the fiscal year 1978 second concurrent resolution this September, before the fiscal year begins. It may at that time be possible to reflect declining budget deficits in our fiscal year totals, as well as our quarter-by-quarter calculations.

Mr. President, the attention focused on the budget and the pattern of deficits is indicative of the greater sensitivity of the Congress to budget and economic policy as a result of the budget process. Although this is seen largely as uncertainty and frustration presently, we can turn this to a longrun benefit. We can increase our awareness that over 75 percent of the budget is uncontrollable due to entitlement programs and due to budget authority granted in previous years which results in subsequent outlays. We can focus more attention on our budget authority decisions in subsequent budget resolutions. Because such decisions in many cases do not affect the deficit in the current fiscal year, and because of the political focus on the current budget deficit, these budget authority decisions may tend to escape proper scrutiny. If we can become more aware, if we can take a longer view of the budget, then we will be pleasantly surprised in future fiscal years as deficits decline and become more controllable as we finally bring the budget into balance.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The **PRESIDING OFFICER**. Who yields time?

Mr. **HARRY F. BYRD, JR.** Will the Senator yield me some time?

Mr. **MUSKIE**. I am happy to yield whatever time the Senator would like.

Mr. **HARRY F. BYRD, JR.** I thank the Senator.

Mr. President, Senate Concurrent Resolution No. 19 is, in the judgment of the Senator from Virginia, totally unacceptable.

I shall outline briefly a number of reasons that I feel this resolution, this spending program, is cause for alarm and should be cause for concern on the part of the American people.

First, the deficit recommended by the Budget Committee for fiscal year 1978 is $3 billion more than the committee envisions for fiscal year 1977.

Two, while revenues taken from the American people will be increased by $47 billion during 1978, the American people will get no benefit from those additional revenues in the way of any reduction in their taxes.

Not only will the entire $47 billion in additional revenues be used for increased spending, but the increased spending will go beyond the $47 billion and will total $50 billion.

A $50 billion increase in spending for fiscal year 1978 is what the budget resolution calls for. Mr. President, that is an increase of 12.5 percent, in that 1 year, over fiscal year 1977.

A little while ago the distinguished Senator from Oklahoma mentioned the shortfall in spending, which is to say that the Government has not been able to spend all the money that already has been appropriated to it. But despite that, this budget resolution calls for an additional spending in fiscal 1978 of $50 billion. That is an increase of 12.5 percent.

Mr. President, when the Senate Concurrent Resolution No. 19 is compared with the proposal of President Carter for fiscal 1978, we find that the Budget Committee recommends a $5 billion deficit greater than the deficit recommended by the President.

Mr. **MUSKIE**. Will the Senator yield?

Mr. **HARRY F. BYRD, JR.** The President's deficit is placed at $58 billion. The Budget Committee's proposal is for a $63 billion deficit.

Yes, I yield to the Senator.

Mr. **MUSKIE**. I caution the Senator that with respect to that conclusion, the deficit is the product, of course, of spending and revenue estimates. We consider the President's economic assumptions over-optimistic, given the present economic statistics. As a result, we are more cautious in predicting growth in revenues in 1978.

Our more cautious prediction on revenue growth contributes at least half of the difference between the President's deficit numbers and ours.

In addition, we think we have been more realistic in projecting the cost of interest on the national debt, given present conditions, and that contributes some more of the gap.

So the difference in the deficit numbers does not reflect that much of a difference in spending.

As a matter of fact, we are $2.9 billion lower than the President's 1978 outlay numbers. So that on spending, we are below the President.

Mr. **HARRY F. BYRD, JR.** I thank the Senator for developing those points.

When I mentioned the President's deficit, I did not mention his deficit with approval, I might say.

Mr. **MUSKIE**. I understand.

I do not quarrel with the Senator's raising the point. But I think it is important to understand the difference in assumptions.

We have had some arguments with the President and his budget advisers on those differences which permit him to say to the country that he has a lower deficit when the actual fact is, when we look at all the figures, we are below him in spending and the differences are really related to economic assumptions.

I know the Senator will appreciate having that information.

Mr. **HARRY F. BYRD, JR.** I do.

Mr. **MUSKIE**. I understand his disapproval of the budget resolution. I do not quarrel with his right to express that disapproval.

Mr. **HARRY F. BYRD, JR.** I do appreciate having that information from the Senator from Maine, because it is very desirable to have the assumptions made known to the Senate. The Senator from Virginia happens to feel that the President of the United States and his administration have advocated too much spending and too high a deficit, just as I feel that the Budget Committee itself has advocated too much spending and too high a deficit.

Mr. **MUSKIE**. The Senator has always made that difference of opinion very clear. I am not trying to obfuscate his position at all. I think he has made it very clear. I appreciate his candor and his frankness, which reflect his own deeply held convictions.

Mr. **HARRY F. BYRD, JR.** I thank the Senator from Maine.

Mr. **BELLMON**. Will the Senator from Virginia yield?

Mr. **HARRY F. BYRD, JR.** I am glad to yield to the Senator from Oklahoma.

Mr. **BELLMON**. The Senator from Maine very properly called attention to the shortfall spending which the administration has announced. I should like, for the record, to show where these shortfalls are occurring.

I also point out that these were early in the fiscal year and there is some indication that those shortfalls may now be made up.

In military spending, there is a shortfall of $1.2 billion. I do not think the Senator from Virginia would expect us to reduce the military category by that amount.

Also, in NASA spending, there is a slight shortfall. Another shortfall came in the spending for function 500, which is largely an entitlement program, where some of that will be changed if the economic situation changes.

The biggest shortfall comes in function 600, where there is a very definite reduction in spending due to the increase in the economy, the pick-up in jobs and the reduction in the demand for certain types of welfare programs. So I think that, rather than expecting the present resolution to reflect those, it is better to wait and see what happens in the economy so we can know better next year.

I also point out that most of these are entitlement programs which the Budget Committee cannot deal with under the present law.

Mr. **HARRY F. BYRD, JR.** I thank the Senator from Oklahoma.

As far as the Senator from Virginia is concerned, he has no critical concern about the shortfall. I would just as soon there would be more shortfall. The more shortfall we have, the better I like it.

The only reason I brought up the shortfall was to say that, even though we are not spending all the money Congress has already appropriated, this new budget proposal proposes to increase spending by another $50 billion, making a total of $459 billion, or, we might say, $460 billion.

Mr. **MUSKIE**. Will the Senator yield?

Mr. **HARRY F. BYRD, JR.** Yes.

Mr. **MUSKIE**. I think that, in response to that, I ought to emphasize the point that the budget resolution sets spending targets. Our responsibility is to try to accommodate what would be required to meet the Government's obligations if the policies of the administration and the Congress are implemented. That is not to say that we recommend spending every nickel. If we were to take that stance, our change in the 1977 budget would not reflect the reduction in outlays resulting from reestimates. We are not urging that the savings be spent; indeed, we reduced outlays in order to reflect the reestimates.

I wish to say this to the Senator on the point that Senator BELLMON has made: It is a temptation to assume that shortfalls in 1978 will occur comparable to those for which we have just made adjustments in the 1977 budget; there is nothing in the information available to us to suggest that that will happen. I personally hope it will. I hope that we shall get better information on why the shortfalls occur so that, when we come in with targets like this, we can be a little more precise with respect to them.

(Mr. **MATSUNAGA** assumed the chair.)

Mr. MUSKIE. But the experience of fiscal 1976 and the transition quarter and now of fiscal 1977 suggest that comparable shortfalls may, indeed, occur. If that happens, and if that is our experience between now and September, I should expect that the second resolution—which will be the hard one, with binding ceilings—may well reflect some additional information on shortfalls. I am certain the Senator from Virginia joins me in that hope.

Mr. HARRY F. BYRD, JR. I certainly do join the Senator from Maine in that hope. The Senator from Maine has been around this town for so long that I think he knows that official Washington, sooner or later, will find the means to spend whatever amount of money is appropriated. So I am not at all concerned about the shortfalls. I wish that they would continue and I wish that the money would remain in the Treasury, because I think the Government is spending far too much money.

With the economy improving as those who have brought in this resolution say that it is improving, then it seems to me that we should have less spending and we should have less deficits than are envisioned by this resolution.

As a matter of fact, when the Budget Committee brings in a recommendation for a higher deficit in fiscal 1978 even than we have in fiscal 1977, what it is saying, in effect, is that in the second year of the recovery, we need more stimulus than in the first year.

Mr. MUSKIE. Will the Senator yield on that point?

Mr. HARRY F. BYRD, JR. Yes.

Mr. MUSKIE. The Senator has just stated something that I have repeated and repeated to the administration as being the consequence of its change in economic policy. We challenged Budget Director Bert Lance on the very point the Senator has just made. I threw those two figures at him. As a matter of fact, I think it was the distinguished Senator from New Mexico (Mr. DOMENICI) who made that very point to Mr. Lance as being reflective of our concern.

We made the argument to the administration that what we need is stimulus now and that the scenario in the future ought to be a decline, not an increase.

Mr. HARRY F. BYRD, JR. May I say to the Senator, the budget resolution does not call for that.

Mr. MUSKIE. But I say to the Senator from Virginia, the change in circumstances is a product of an administration decision, not ours. We did not propose the elimination of the rebate. I know the Senator approved the elimination of the rebate, but we did not. If the Senator will examine the third concurrent resolution in comparison to the first budget resolution for fiscal 1978 as we have proposed it, there was a decline in deficit from 1977 to 1978. Now, the programmatic needs of the budget are not something that can be arbitrarily adjusted, except to the extent that shortfalls make it possible. I expect there will be shortfalls. The gap the Senator is talking about may be reduced. That is the only argument Mr. Lance had.

But our whole argument to him was the very one the Senator is making, that what we ought to have is stimulus now, not down the road in 1978.

Mr. HARRY F. BYRD, JR. The budget proposal has it in both places, but it has greater stimulus in 1977 than in 1978, because of the substantial increase in spending which this resolution calls for.

I am now speaking of the spending. I do not think anyone will dispute the fact that the spending, under the budget proposal, under the Senate concurrent resolution which we are now considering, will be increased by $50 billion during fiscal 1978. The deficit will be $63 billion, which is greater than the deficit projected for 1977.

Mr. MUSKIE. I say this to the Senator: With respect to spending, this resolution is lower than the figure of the administration. It is lower than that of current policy, it is lower than that of the authorizing committee, and it is lower than that of the Appropriations Committee. This is the lowest spending number for fiscal 1978 that is pending in the administration or in Congress.

Mr. HARRY F. BYRD, JR. That is no recommendation, because the administration spends and Congress is a great spender.

Mr. MUSKIE. Let me make my second point. I have made the point over and over in my opening statement that this deficit, as was last year's deficit, as was the 1976 deficit, is almost totally the product of a weak economy and unemployment.

Mr. HARRY F. BYRD, JR. There is a difference of viewpoint.

Mr. MUSKIE. When 7 million Americans are out of work, they are not paying income taxes. That means that the revenue side of the deficit is the product of their noncontribution to the revenues of this country.

Second, unemployment compensation benefits amount to about $13 billion. That kind of spending is recession related, and until the recession is eliminated—in other words, until we have a strong economy—that is going to be there. Unless Congress is prepared to repeal the unemployment compensation program and throw unemployed people out on the street, that spending is unavoidable.

I finally made the point that three-quarters of the spending, as reflected here, is mandated by law—social security, unemployment compensation, similar payments. They are mandated by law.

The Budget Committee has no authority to reduce those payments. Congress can change the law, but we cannot. When we have a recession of this kind, programs such as unemployment compensation and food stamps generate more spending. That is why the Budget Committee recommended that we have the stimulus in 1977, so that we can stimulate the recovery, move toward a reduction in these kinds of spending.

However, when the stimulus is reduced and the recovery slow, that kind of spending is not going to be reduced. That is why we get the kind of topsy-turvy result that bothers this Senator as well as the Senator from Virginia.

Mr. HARRY F. BYRD, JR. This so-called stimulus has been going on for a long time now. The spending stimulus has been going on for a long time. The deficit stimulus has been going on for a long time.

To go back to 1974, there was an increase in spending of $22.5 billion. In 1975, because of the assertion that we needed to stimulate the economy, there was an increase of $57 billion in spending. There was a deficit of $45 billion that year. Then we come to 1976. There was another increase in spending of $40 billion, with a deficit of $66.5 billion.

We have had stimulus all along, for years, and the more we go into this deficit spending, the more difficult it is to get ourselves out of the problems which for the most part, in my judgment, have been created by reckless and irresponsible spending on the part of Congress and the administration—and I use the plural, not the singular, when I speak of administrations. That has been true of all administrations in recent years.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. BELLMON. I say to the Senator from Virginia that the Budget Committee is fully aware of the Senator's concern, and we share that concern. It was on the motion of our chairman that, after we had prepared the original budget, we went back over it and cut almost $2 billion out of the various functions in order to hold spending down.

The problem here is not the controllable items. The problem comes from these items which, under our present law, are entitlement programs. They simply continue to rise, and the Budget Committee does not have the authority to cut them back.

Mr. MUSKIE. The Senator refers to the $50 billion rise in outlays between 1977 and 1978. Let me identify the source of those.

The two biggest items are growth in defense spending and growth in social security payments.

The growth in social security is attributable to cost-of-living increases for social security beneficiaries and growth in the numbers of beneficiaries—the demographics.

The other items of growth reflected in the $50 billion spending growth are the energy program; public service jobs and youth employment, which are related to the unemployment problem; medicare and medicaid; and interest on the public debt. Those are the major items.

If the Senator can suggest ways in which those can be eliminated, then he would have the answer to the $50 billion spending growth.

Also, we have an inflation rate of 6 percent a year; and on a $400 billion budget, that is $24 billion. Much of that inflation is for Government programs indexed to inflation by law—retirement, social security. Every department, including Defense, asks for an allowance for inflation in order to offset a reduction in their purchasing power.

There may be a way of having adequate defense, for example, and force them to eat inflation and force them to eat their requirements for new weapons, for pay increases. The pay increases in the Federal Government amount to several billion dollars in the next year.

It may be that what Congress should begin considering is forcing people to live on the dollars they now receive, without adjustment for inflation and without adjustment for the growing numbers of people on social security, and so on. But Congress has not made that decision. The Budget Committees cannot make that decision.

With respect to the three-fourths of the Federal budget that is reflected by those kinds of commitments, we have to give Congress our honest estimate of the consequences of the present law with respect to these payments.

If Congress does not like the present law—if, after looking at the results, Congress wishes no $50 billion increase in spending—then Congress has the prerogative of changing it, but the Budget Committee cannot.

If we were to come in here and say to the Senator that we do not need the $50 billion and reported an outlay number $50 billion less as a result, I think we would be reporting a budget that would be so unrealistic that nobody would pay attention to it. It might be a pious wish, but I cannot imagine that the laws would be changed to make that kind of budget projection possible.

Mr. HARRY F. BYRD, JR. The fact is that the budget resolution projects a deficit for 1978 greater than the deficit for 1977. The President is committed to a balanced budget in 1981.

Mr. MUSKIE. That is right.

Mr. HARRY F. BYRD, JR. How is the Government, how is Congress, how is the President, how is the country going to get to a balanced budget, when we find that in 1978 we will have the largest deficit in the history of the Government, with the exception of 1976?

Mr. MUSKIE. May I say to the Senator in the first place we have not yet had a deficit in any fiscal year covered by the budget process that has been as large as that projected in the budget resolution, not once. The 1976 budget deficit, the actual deficit, was below the deficit projected in the congressional budget.

Mr. HARRY F. BYRD, JR. The 1976 deficit——

Mr. MUSKIE. Actual deficit.

Mr. HARRY F. BYRD, JR. The 1976 deficit was $66.5 billion.

Mr. MUSKIE. And the budget resolution for that year projected a deficit of $74 billion.

Mr. HARRY F. BYRD, JR. I do not know about the projection.

Mr. MUSKIE. What I am saying to the Senator is the Senator is arguing on this floor as though we were coming here and urging a deficit of x billions of dollars. In the first place, the deficit program is the arithmetic result of the outlay and revenue numbers.

We have talked about the pressures on the outlay numbers over which we have no control and which the Senator would like to ignore and which I too would like to ignore. But the fact is the law says that people who have retired on social security are entitled to certain payments, and I see no motion in this body or in Congress to reduce those payments whatsoever.

The law says the social security payments shall rise in response to a rise in the cost of living. I do not know of anybody who has proposed to eliminate that provision of the law.

Mr. HARRY F. BYRD, JR. The social security payments do not come from the general revenues of the Government. The social security payments come from the employee and the employer.

Mr. MUSKIE. Ah, now the Senator and I are talking the same language. But when that contributes to the deficit the Senator deplores that as though what he has just said has no effect on the budget. Of course, it comes from them and they are entitled to it, and the law says they are entitled to it, but the result is to increase, to contribute substantially to, that $50 billion increase in outlays that the Senator deplores.

Mr. HARRY F. BYRD, JR. The social security pays its own way. It does not come from the general revenues, as the Senator so well knows.

Mr. MUSKIE. May I suggest to the Senator then that he sit down and do the computation, and we would be glad to help him, in order to eliminate that part of the deficit.

But the fact is we have had the unified budget for all these years, and the Senator makes comparisons between 1978 and 1977. Both of those are unified budgets. Both of those include the social security program. Both of those reflect increases in the cost of living.

But he complains about the $50 billion rise in spending between those 2 years, and that rise includes $8 billion attributable to increases in the payments relative to social security, $8 billion of the $50 billion.

Then when you take medicare in addition that is $3 billion more.

I do not object if the Senator is complaining about any part of this as long as he understands what some of the mandated elements of this budget are. I mean with respect to the discretionary parts of the budget I would have no objection to the Senator's focusing on those and criticizing me or the Budget Committee. I have no objection to that. But you cannot ignore that which is a fact of budget life. Nobody, but nobody, proposes to reduce social security costs by reducing benefits or by increasing taxes at this point.

Mr. HARRY F. BYRD, JR. I want to say again that the social security fund pays its own way. The fund is paid in by the employee and the employer. It pays its own way.

I am complaining about the $63 billion deficit which is greater than the deficit for 1977. I think it is a great mistake to have a greater deficit in 1978, fiscal 1978, than is projected for fiscal 1977.

Now, to go back to some figures, in 1970 the total outlays were increased over the previous year by $12 billion; this was an increase of 6.5 percent. In 1971 they were increased by $15 billion, an increase of 7.6 percent.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. May I get these figures into the record?

Mr. MUSKIE. I want to say on social security that it does not pay its way.

Mr. HARRY F. BYRD, JR. Let me get these figures into the record. In 1972 the increase in outlays was $20 billion, being an increase of 9.4 percent; in 1973 the increase in spending was $16 billion or a percentage increase of 6.9 percent; in 1974 the increase was $22.5 billion, a percentage increase of 9.1; in 1975 the increase in spending was $57 billion, representing a 21-percent increase in spending; in 1976 the increase was $40 billion, with a 12.2-percent increase; in 1977, $43 billion increase representing an 11.7-percent increase; and in 1978 it will be $50 billion, with a 12.2-percent increase. The deficit, as mentioned, will be $63 billion which will be the highest except for fiscal 1976 of $66.5 billion.

Mr. MUSKIE. Mr. President, Will the Senator yield further?

Mr. HARRY F. BYRD, JR. Yes.

Mr. MUSKIE. The Senator made the point that social security pays its own way. It certainly is so designed, but the effect of the recession on the social security system is that in fiscal 1978 we estimate the receipts will be $88.1 billion, outlays of $92 billion. That is a difference of $3.9 billion which the social security system is not paying. That, incidentally, is slightly more than the amount by which the deficit in 1978 rises above the deficit in 1977, a very interesting coincidence.

The point is that even with respect to social security there are recession-oriented costs, the costs of the recession that make that a deficit operation. So that if you wanted to reduce that social security deficit you would have to do something about benefits, about cost-of-living increases, and I know there are a number of Senators who would like to increase social security benefits this year. The Budget Committee received recommendations to that effect, and we have received letters to that effect from other Senators. But the social security system, in a recession, is affected by the same problems that affect general Government revenues and general Government programs.

Mr. HARRY F. BYRD, JR. The big increase in the deficit, that is the bulk of the deficit, of course, comes from other departments of Government not from the social security system.

Mr. MUSKIE. I have gone over those for the Senator. Defense is the biggest one.

Mr. HARRY F. BYRD, JR. It comes from all departments of Government.

Mr. MUSKIE. The national defense share of the $50 billion increase is $13 billion; $8 billion is for social security. There is $21 billion.

Then there is energy. Everybody says we have got to do something about energy, we have got to provide more research and development. So energy is a component.

Then we have public service jobs and youth employment. People say get the unemployed off welfare and put them to work, so we have to provide jobs to put them to work. That is part of the $50 billion.

Medicare and medicaid, interest on the public debt; those are some of the components of the $50 billion increase in spending.

Mr. HARRY F. BYRD, JR. I might point out also there are five other nondefense functions which will cost $17 billion more next year than this year.

Mr. BELLMON. Mr. President, will the Senator from Virginia yield for a point?

Mr. HARRY F. BYRD, JR. Yes.

Mr BELLMON. I am very much in accord with the Senator's objective of getting a balanced budget. I want to say to the Senator from Virginia that the Budget Committee is as much distressed about this apparent move in the wrong direction as is the distinguished Senator from Virginia. I have had some figures prepared as to what we would have to do to get to a balanced budget now.

First, I shall discuss the possibility of just cutting 10 percent out of the various controllable programs, not the uncontrollables. We cannot do anything about interest on the Federal debt, social security, railroad retirement, Federal retirement programs, and unemployment compensation. If those are going to be changed, it takes an act of Congress which the Budget Committee is not empowered to pass.

So it turns out that the total of these entitlement programs for 1978 comes to $222.8 billion. We cannot touch that. So if we were trying to cut 10 percent out of the total Federal budget, it would mean making a cut of 18 percent in the programs that we can control.

So if we do that it means cutting defense $20 billion, the national resources, environment and energy functions $3.6 billion, highways $5.4 billion, community and regional development $1.9 billion, education $4 billion, health research and other services $1.4 billion, the foodstamp program $1 billion, the child nutrition program $1.1 billion, SSI $1.1 billion, and revenue sharing $1.7 billion.

It takes a very sharp cut in controllable programs, something like 18 percent, in order to produce a 10-percent cut in the Federal budget.

I also have a budget here in balance. It shows what we have to do to balance the budget. Having gone through this 10-percent cut we still wind up with a deficit of $18 billion. A 16-percent cut across the board gives us an $18 billion deficit. It requires a cut of almost 20 percent in controllable items, including defense. We have to balance that imbalance by cutting the noncontrollable items, and that takes an even greater cut because the 10 percent still leaves us with an $18 billion deficit. If we are going to go in and cut the nonentitlement programs enough to balance the budget it would mean taking a 25-percent reduction in each of these, and it would create such a negative impact on the economy that the revenues would go down so that even at that we would not have the budget in balance.

All of us on the committee share the Senator's concern. As a practical matter, the budget we brought to the Senate is as good as we can do under the present circumstances.

Mr. HARRY F. BYRD, JR. I do not think anyone advocated or stated that the budget can be balanced in 1 year. The only way the budget is going to be balanced is if the trend is in the direction of a balanced budget. This is what concerns me: The trend is not in the direction of a balanced budget. It is getting more out of balance instead of more in balance.

Mr. BELLMON. If the Senator will yield, the trend is in the right direction because we are cutting below current services expenditure levels. If the Senator will look at the figures, he will find each year since the budget process has been in place we have reduced the level of Federal spending below what it would have been if we had simply continued the existing programs and factored in the effect of inflation. So we are making substantial reductions in the controllable items over the years by holding below current services policy.

Mr. HARRY F. BYRD, JR. That is very fine. What the Senator is saying is that the spending is not increasing to the same degree it would have increased if it had not been for the Budget Committee, and that is fine.

Mr. BELLMON. This is the reversal of past trends.

Mr. HARRY F. BYRD, JR. I certainly commend the Senator and the committee for that. But insofar as the deficits are concerned we still are going in the opposite direction from a balanced budget because, as I have pointed out, there has been only 1 year where the deficit has been greater than it will be in the upcoming year. But so far as the point the Senator from Oklahoma makes it is certainly a good one, that had it not been for some effort on the part of the Senator from Oklahoma and the Senator from Maine, and others, the rate of increase would have been even greater than it has been.

Mr. President, I recognize the difficulties which face Congress and for that matter the administration. I certainly do not expect the budget to be balanced in 1 year. It would not be practical to do that. But I do think that it is very important that this country get back to a balanced budget, and I do not see how we are going to get back to a balanced budget unless we set the trend. By that I mean unless we substantially reduce our deficits each year until we can get back to a balanced budget rather than increasing the deficit.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. BELLMON. Mr. President, I ask unanimous consent to have printed in the RECORD a chart showing the action that would be required to balance the budget for fiscal year 1978 and also another chart showing what a 10-percent across-the-board cut in Federal spending would mean in various categories.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

BALANCING THE FISCAL YEAR 1978 BUDGET

Summary: The attached tables illustrates three approaches to balancing the fiscal year 1978 Federal Government Budget. Table I shows the impact of raising taxes to close the gap between revenues and expenditures. It should be noted that even after raising taxes $64.7 billion (16%), the Budget would not be balanced due to the negative economic impact of increased taxes (reduced income, reduced investment, greater unemployment, reduced tax revenues).

Table II shows the impact of balancing the Budget through expenditure cuts in all programs except "entitlement" programs (programs mandated by law—cannot be cut unless laws are changed) and National Defense programs. The magnitude of the spending cut would be 46% and the impact of the cut on each affected program is shown on Table II.

Table III includes National Defense programs in the cut list. The average cut is 26% and amounts to a $28.6 billion cut in National Defense, among other cuts.

Table IV shows the results of a 10% reduction across the board in fiscal year 1978.

Senator HENRY BELLMON,
Senate Budget Committee.

May 3, 1977.

TABLE I.—*Balancing the budget by raising taxes*

[In billions of dollars]

Fiscal year 1978 outlays under recommended first concurrent resolution	$458.8
Revenues under recommended first concurrent resolution	395.6
Additional revenue needed to balance budget	63.2

SOURCE OF ADDITIONAL TAX REVENUE

	Existing law	Tax increase	Total tax
Individual income tax	$176.0	$44.3	$219.4
Corporate income tax	58.4	12.2	70.6
Social insurance and other taxes	161.2	7.7	168.9
Total	395.6	63.2	458.8

Magnitude of tax increase=16%.

Impact of tax increase on various income categories of taxpayers:

Annual adjusted gross income:	*Average Annual Additional Tax per Taxpayer*
0–$5,000	$225
$5,000–$10,000	600
$10,000–$15,000	1,050
$15,000–$20,000	1,300
Over $20,000	3,900

TABLE II. *Balancing the budget by cutting all nonentitlement programs except national defense—assume fiscal year 1978 budget to be balanced at present level of tax revenue (no tax increases)*

[In billions of dollars]

Revenues under recommended first concurrent resolution, fiscal year 1978	$395.6
Less:	
Entitlements mandated by present law:*	
Interest expense	43.0
Social security (OASDI)	92.0
Railroad retirement	3.9
Federal retirement and disability	11.1
Unemployment compensation	13.4
Disabled coal miner benefits	1.0
Medicare	25.1
Medicaid	11.3

TABLE 11. *Balancing the budget by cutting all nonentitlement programs except national defense—assume fiscal year 1978 budget to be balanced at present level of tax revenue (no tax increases)*—Continued

[In billions of dollars]

Agriculture (price supports, farm income stabilization)	2.2
Veterans benefits and services (compensation, pensions, readjustment benefits, health care, etc.)	19.8
Total entitlements	−222.8
Add back additional receipts: Undistributed offsetting receipts	+16.6
Dollars available for all nonentitlement activities for the Federal Government	189.4
Less: National defense	−111.6
Total available for all nondefense activities	77.8

*"Entitlements" are not included in programs to be cut since "entitlements" cannot be cut until Congress changes current law.

Summary: To balance the FY 78 Budget without raising taxes and without cutting National Defense, activities and programs which cost $141.0 billion must be cut to $77.8 billion! Attached is a list of the necessary cuts in non-Defense programs.

Magnitude of cuts in nondefense programs=45%.

NECESSARY CUTS—ASSUME CUT ALL NONDEFENSE PROGRAMS ON AN EQUAL PRO RATA BASIS

[In billions of dollars]

	Recommended FCR fiscal year 1978 level	Budget balance level	Amount of cut
International affairs (security assistance, economic assistance, Food-for-Peace, Eximbank)	7.3	4.0	3.3
General science and space	4.7	2.6	2.1
Natural resources, environment and energy	19.9	10.9	9.0
Agriculture research and other services	1.5	.8	.7
Highways, air, rail, mass transit, postal service and other commerce/transportation	19.1	10.5	8.6
Community and regional development (urban renewal, public works/countercyclical assistance, community development block grants)	10.7	5.9	4.8
Education, CETA training and other employment	22.9	12.6	10.3
Social services (public assistance)	4.1	2.2	1.9
Health research and other services	8.0	4.4	3.6
Food stamps	5.4	2.9	2.5
AFDC	6.1	3.4	2.7
Child nutrition, other food programs	3.3	1.8	1.5
Supplemental security income (SSI)	5.7	3.0	2.7
Other income security programs	4.1	2.3	1.8
Law enforcement and justice	3.9	2.1	1.8
IRS, GSA, legislative, and other general government	3.8	2.1	1.7
Revenue sharing and general fiscal assistance	9.7	5.3	4.4
Allowances—civilian agencies pay increases	.9	.5	.4
Total	141.1	77.3	63.8

TABLE III. *Balancing the fiscal year 1978 budget by cutting all nonentitlement programs including national defense*

[In billions of dollars]

Revenues under recommended first concurrent resolution, fiscal year 1978	$395.6
Less:	
Entitlements mandated by present law:*	
Interest expense	43.0
Social security	92.0
Railroad retirement	3.9
Federal retirement and disability	11.1
Unemployment compensation	13.4
Disabled coal miner benefits	1.0
Medicare	25.1
Medicaid	11.3
Agriculture (price supports, farm income stabilization)	2.2
Veterans benefits and services (compensation, pensions, readjustment benefits, health care, etc.)	19.8
Total entitlements	−222.8
Add: Undistributed offsetting receipts	+16.6
Dollars available for all nonentitlement activities of the Federal Government	189.4

*"Entitlements" are not included in programs to be cut since "entitlements" cannot be cut until Congress changes current law.

Summary: To balance the fiscal year 1978 budget without raising taxes and without cutting "entitlement" programs, activities and programs which cost $252.6 billion must be cut to $189.4 billion! Attached is a list of the necessary cuts in these "nonentitlement" programs.

Magnitude of cuts in nonentitlement programs=25%.

NECESSARY CUTS—ASSUME CUT ALL NONENTITLEMENT PROGRAMS ON AN EQUAL PRO RATA BASIS

[In billions of dollars]

	Recommended FCR fiscal year 1978 level	Budget balance level	Amount of cut
National defense	111.6	83.7	27.9
International affairs (security assistance, economic assistance, Food-for-Peace, Exim Bank)	7.3	5.5	1.8
General science and space	4.7	3.5	1.2
Natural resources, environment, and energy	19.9	14.9	5.0
Agriculture research and other services	1.5	1.1	.4
Highways, air, rail, mass transit, postal service, and other commerce/transportation	19.1	14.3	4.8
Community and regional development (urban renewal, public works/countercyclical assistance, community development block grants)	10.7	8.0	2.7
Education, CETA training and other services	22.9	17.2	5.7
Social services (public assistance)	4.1	3.1	1.0
Health research and other services	8.0	6.0	2.0
Food stamps	5.4	4.0	1.4
AFDC	6.1	4.6	1.5
Child nutrition and other food programs	3.3	2.5	.8
Supplemental security income (SSI)	5.7	4.3	1.4
Other income security programs	4.1	3.1	1.0
Law enforcement and justice	3.9	2.9	1.0
IRS, GSA, legislative and other general government	3.8	2.8	1.0
Revenue sharing and general fiscal assistance	9.7	7.3	2.4
Allowances—civilian agencies pay increases	.9	.7	.2
Total	252.7	189.5	63.2

TABLE IV. *Impact of a 10 percent across-the-board cut in Federal spending*

[In billions of dollars]

Outlays under recommended first concurrent resolution, fiscal year 1978	$458.8
Less 10 percent	−45.9
Less:	
Entitlements mandated by present law:*	
Interest expense	43.0
Social security	92.0
Railroad retirement	3.9
Federal retirement and disability	11.1
Unemployment compensation	13.4
Disabled coal miner benefits	1.0
Medicare	25.1
Medicaid	11.3
Agriculture (price supports, farm income stabilization)	2.2
Veterans benefits and services (compensation, pensions, readjustment benefits, health care, etc.)	19.8
Total entitlements	−222.8
Add: Undistributed offsetting receipts	+16.6
Dollars left for all nonentitlement activities of the Federal Government	206.7

* "Entitlements" are not included in programs to be cut since "entitlements" cannot be cut until Congress changes current law.

Summary: To reduce the FY 78 deficit by a 10% "across the board" reduction in spending without raising taxes and without cutting "Entitlement" programs, activities and programs which cost $252.6 billion must be cut to $206.7 billion! Attached is a list of the necessary cuts in these "non-entitlement" programs.

Magnitude of cuts in nonentitlement programs=18%.

NECESSARY CUTS—ASSUME CUT ALL "NONENTITLEMENT" PROGRAMS ON AN EQUAL PRO RATA BASIS

[In billions of dollars]

	Recommended FCR fiscal year 1978 level	Reduced deficit level	Amount of cut
National defense	111.6	91.5	20.1
International affairs (security assistance, economic assistance, Food-for-Peace, Exim bank)	7.3	6.0	1.3

	Recommended FCR fiscal year 1978 level	Reduced deficit level	Amount of cut
General science and space	4.7	3.9	.8
Natural resources, environment, and energy	19.9	16.3	3.6
Agriculture research and other services	1.5	1.1	.4
Highways, air, rail, mass transit, postal service, and other commerce/transportation	19.1	15.7	3.4
Community and regional development (urban renewal, public works/countercyclical assistance, community development block grants)	10.7	8.8	1.9
Education, CETA training and other services	22.9	18.8	4.1
Social services (public assistance)	4.1	3.3	.8
Health research and other services	8.0	6.6	1.4
Food stamps	5.4	4.4	1.0
AFDDC	6.1	5.0	1.1
Child nutrition, other food programs	3.3	2.6	.7
Supplemental security income (SIS)	5.7	4.6	1.1
Law, enforcement and justice	3.9	3.2	.7
IRS, GSA, legislative, and other general government	3.8	3.1	.7
Revenue sharing and general fiscal assistance	9.7	8.0	1.7
Allowances—civilian agencies pay increases	.9	.6	.3
Other income security programs	4.1	3.3	.8
Total	252.7	206.7	45.9

Mr. MUSKIE. Mr. President, I have information that might appropriately be printed in the RECORD at this point. I have a memo on the economic effects of attempting to balance the fiscal year 1978 budget, and this memo covers probable economic consequences in three hypothetical cases. One involves cutting outlays, or increasing taxes, by $63 billion, another by the full amount necessary to balance the 1978 budget, and the third by an outlay cut of 10 percent.

Each of those policy options would result in severe economic consequences.

I ask unanimous consent that the memo and an attached table be printed in the RECORD for the benefit of Senators.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE BUDGET,
Washington, D.C., May 3, 1977.

ECONOMIC EFFECTS OF ATTEMPTING TO BALANCE THE FISCAL YEAR 1978 BUDGET

We have estimated the effects on GNP, employment and inflation in 1978 of attempting to balance the FY 1978 budget. The results are summarized below and explained more fully in the table on page 2.

Case A: Cut Outlays (or Increase Taxes) by the Estimated $63 Billion Deficit for FY 1978

An attempt to balance the FY 1978 budget by cutting outlays by the amount of the estimated deficit would lower GNP by $95 billion, eliminate 1.7 million jobs and raise the unemployment rate by 1.4 percent by the end of 1978. The inflation rate during 1978 would be 0.3 percent lower at the end of 1978. Because federal receipts would fall by $24 billion in this policy-induced recession, the attempt to balance the budget would prove self-defeating, and the deficit would fall by only $39 billion.

As shown in the table, tax increases of the same magnitude would have roughly similar effects.

Case B: Cut Outlays (or Increase Taxes) by the Full Amount Necessary to Balance the FY 1978 Budget

Because of the lower federal receipts produced by a weak economy, it would be necessary to cut outlays by about $100 billion in order to balance the FY 1978 budget. If this were done the decline in GNP would be $145 billion, 2.8 million jobs would be lost and the unemployment rate would be 2.3 percent higher at the end of 1978. Inflation during 1978 would be 0.4 percent lower. The effects of the tax increases required to balance the FY 1978 budget are also shown in the table.

Case C: Cut Outlays by 10 Percent

A 10 percent reduction in outlays would lower GNP by $65 billion and employment by 1.2 million at the end of 1978. The unemployment rate would then be 1.0 percent higher and the inflation rate 0.3 percent lower during 1978.

ESTIMATED EFFECTS OF RESTRICTIVE FISCAL OPTIONS ON GNP, EMPLOYMENT, UNEMPLOYMENT, INFLATION, AND BUDGET DEFICIT

	Impact on GNP (billions) 1978:4	Impct on employment (millions) 1978:4	Impact on unemployment rate (percentage points) 1978:4	Impact on inflation (CPI percentage points) 1977:4 to 1978:4	Impact on budget deficit (billions) fiscal year 1978
Case A:					
1. $63,000,000,000 outlay cut	−$95	−1.7	+1.4	−0.3	−$39
2. $63,000,000,000 tax increase	−80	−1.5	+1.3	−.4	−43
Case B:					
3. $100,000,000,000 outlay cut	−145	−2.8	+2.3	−.4	−63
4. $95,000,000,000 tax increase	−120	−2.2	+1.9	−.6	−63
Case C:					
5. 10 percent ($46,000,000,000) outlay cut	−65	−1.2	+1.0	−.3	−27

Note: Tax increases are assumed to be composed of 70-percent personal taxes, 20-percent corporate taxes, and 10-percent social insurance contributions. Outlay decreases are assumed not to affect entitlement programs or defense expenditures, but are prorated across other outlay items in the fiscal year 1978 1st concurrent resolution as reported by the Senate Budget Committee.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that three tables that I had prepared to be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1959 to 1978, INCLUSIVE

[In billions of dollars]

Year	Receipts	Outlays	Surplus (+) or deficit	Debt interest
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974	181.2	198.7	−17.5	29.3
1975	187.5	238.5	−51.0	32.7
1976	201.1	270.0	−68.9	37.1
Transition quarter	54.1	65.1	−11.0	10.4
1977[1]	233.6	309.5	−75.9	42.3
1978[1]	269.8	337.8	−68.0	46.8

[1] Estimated figures.

Source: Office of Management and Budget and U.S. Department of the Treasury.

ANALYSIS OF FEDERAL RECEIPTS AND EXPENDITURES, FISCAL YEARS 1970–78

[In billions of dollars]

	1970	1971	1972	1973	1974	1975	1976	Transition quarter	1977[1]	1978[1]
Receipts:										
Individual income taxes	90	86	95	103	119	122	132	39	149	169
Corporate income taxes	33	27	32	36	39	41	41	8	57	72
Subtotal, income taxes	(123)	(113)	(126)	(136)	(158)	(163)	173	47	206	241
Excise taxes (excluding highway)	11	10	11	10	10	9	11	3	10	11
Estate and gift	4	4	5	5	5	5	5	1	6	6
Customs	2	3	3	3	3	4	4	1	5	5
Miscellaneous	3	4	4	4	5	7	8	2	7	7
Total, Federal fund receipts	143	134	149	161	181	188	201	54	234	270

Footnotes on following page.

ANALYSIS OF FEDERAL RECEIPTS AND EXPENDITURES, FISCAL YEARS 1970-78—Continued

[In billions of dollars]

	1970	1971	1972	1973	1974	1975	1976	Transition quarter	1977 [1]	1978 [1]
RECEIPTS—Continued										
Trust funds (social security and highway, less interfund transactions)	51	54	60	71	84	93	99	28	116	132
Total	194	188	209	232	265	281	300	82	350	402
Expenditures:										
Federal funds	156	164	178	186	199	239	269	65	310	338
Trust funds (less interfund transactions)	40	48	54	61	70	86	97	30	108	121
Total	196	212	232	247	269	325	366	95	418	459
Unified budget surplus (+) or deficit (−)	−2	−24	−23	−15	−4	−44	−66	−13	−68	−57
Federal funds deficit	−13	−30	−29	−25	−18	−51	−68	−11	−76	−68

[1] Estimated figures.

Source: Office of Management and Budget and Department of Treasury.

UNIFIED BUDGET RECEIPTS, OUTLAYS AND SURPLUS OR DEFICIT FOR FISCAL YEARS 1958-78, INCLUSIVE

[In billions of dollars]

Fiscal year	Receipts	Outlays	Surplus (+) or deficit (−)
1958	79.6	82.6	−3.0
1959	79.2	92.1	−12.9
1960	92.5	92.2	+.3
1961	94.4	97.8	−3.4
1962	99.7	106.8	−7.1
1963	106.6	111.3	−4.7
1964	112.7	118.6	−5.9
1965	116.8	118.4	−1.6
1966	130.8	134.6	−3.8
1967	149.5	158.2	−8.7
1968	153.7	178.8	−25.1
1969	187.8	184.6	+3.2
1970	193.8	196.6	−2.8
1971	188.4	211.4	−23.0
1972	208.6	231.9	−23.3
1973	232.2	247.1	−14.8
1974	264.9	269.6	−4.7
1975	281.0	326.1	−45.1
1976	300.0	366.5	−66.5
Transition quarter	81.8	94.8	−13.0
1977 [1]	349.4	417.4	−60.0
1978 [1]	401.6	459.3	−63.0

[1] Estimated figures.

Sources: Office of Management and Budget and U.S. Department of the Treasury.

ADDITIONAL STATEMENTS SUBMITTED ON SENATE CONCURRENT RESOLUTION 19

Mr. DURKIN. Mr. President, it seems that this distinguished body is most generous in its kind words for the 29.6 million veterans of this Nation. But it concerns me that this body may not offer adequate funds to those people who have given so much to our Nation. For, when it comes down to actual programs for veterans, which require "dollars and cents" and not merely words, the Budget Committee has recommended a ceiling for the veterans' function which is totally inadequate.

The amendment we offer, as members of the Senate Veterans' Affairs Committee, will restore $500 million in budget authority and $400 million in outlays to veterans' programs. These funds represent the minimum amount which is necessary if the Senate is to consider any meaningful pension reform, improvements in the GI bill, and adequate health care.

Last year the Senate passed major pension reform legislation. Veterans throughout the country have experienced the real problems of having their pension decreased each time there is a cost-of-living increase in social security benefits. Pension reform is an absolute necessity for the 95th Congress. We must provide a system where pension reductions would not occur when social security cost-of-living increases are made, which would improve financial assistance to veterans below the poverty line, and which would eliminate inequities in the present pension structure.

The ceiling recommended by the Budget Committee will also have the practical effect of prohibiting consideration of necessary reforms in the GI bill, a program in which I have taken a strong interest since I have been in the Senate. Specifically, the Budget Committee ceiling will prevent consideration of legislation which would extend the delimiting date or provide for acceleration of tuition. Let me briefly explain why these two bills are so important to the Vietnam era veterans:

On May 31 of last year, 3.6 million post-Korean veterans lost their benefits under the GI bill. Of these 3.6 million veterans, 482,000 were caught by the 10-year deadline while in the middle of educational programs made possible by benefits provided by the Veterans' Administration. The effect is that 482,000 veterans who were in training for productive employment as of May 31, 1976, will not be able to continue their training because of the delimiting date. And of the 3.6 million veterans who have lost their benefits under the GI bill, many have used only a small portion of their entitlement.

The bill extending the delimiting date will expand for up to 3 years the 10-year deadline for use of benefits for the 482,000 veterans who lost their benefits on May 31, 1976, while in school. The extension is restricted to those veterans enrolled in an approved program full-time upon the expiration of the 10-year deadline last May 31, or to those students involved in training programs funded through the Law Enforcement Assistance Administration. The extension would last until the veteran completed his course of study or training, or until his 45 months of benefits expired, or after 3 years, whichever comes first.

The extension would allow that group of 482,000 veterans the opportunity to finish the program of training and education they have begun.

Accelerated tuition is specifically designed to help veterans in States that do not have low-cost colleges. In those States, it is often too expensive for the veteran to attend school with only his GI benefits. South Dakota, New Mexico, Arizona, Hawaii, Colorado, Nebraska, Louisiana, Wyoming, Montana, Mississippi, Maine, Idaho, Utah, Rhode Island, Delaware, Alaska, New Hampshire, Ohio, Indiana, and Pennsylvania all have less than 10 schools in the entire State which cost less than $750.

The program would be limited to students with a bona fide need—that is, veterans with tuitions and fees greater than $750 annually. The bill would also require that the veteran show that he can finish his program of education or training within the abbreviated period he will be receiving benefits.

Mr. President, the programs I have oulined are of deep importance to this Nation's veterans. If the Senate Veterans' Affairs Committee is to be allowed the budgetary flexibility to even consider pension reform or reform of the GI bill, we must be given sufficient latitude in the veterans function. I, therefore, urge full support of this body for our amendment to restore 500 million in budget authority and $400 million in outlays to veterans' programs.

Mr. CHILES. Mr. President, I would like to enter a word in support of the first concurrent resolution on the budget for 1978. The Senate owes its continued respect to our chairman, Senator MUSKIE and our ranking minority member, Senator BELLMON, for the balanced and bipartisan leadership they have provided in developing and defending the congressional budget process.

The budget resolution reported by the committee represents many difficult choices. We took one pass through all the functions and arrived at preliminary totals which were considerably lower than the sum of what the various other committees of the Senate had recommended in their particular areas of jurisdiction. Even so, we found that our first round totals would have produced a 1978 deficit of over 65 billion.

Most of the committee felt this was too large to be accepted by the American people, and larger than necessitated by economic conditions. We therefore undertook a second round of considerations and trimmed another $2 billion of outlays and $2.5 billion of budget authority. Each of the reductions which could have funded programs which could well be justified when looked at only on their own merits. For each function there was at least one Budget Committee member who would have liked to see funding increased to a higher level.

We have debated many of the options for higher or lower spending within the Budget Committee. I hope we can now begin to debate them on the floor of the Senate. One of the major reforms of the new congressional budget process is the requirement that all committees report their desired legislation early in the budget cycle so that the Senate and the public can see how they fit into the total picture of Federal spending. Each function in the budget represents a recognized area of public concern. We must look at these all together to decide which concerns should have top priority at this time where we can find room in the current budget for new initiatives.

The difficulty of reconciling increased demands for Federal spending to meet changing national needs with the need for a reasonsible budget ceiling leads me to emphasize two aspects of budget-making which require further consideration by Congress. First, we must pay more careful attention to the long-term costs of proposed legislation. Second, we must be more willing to reduce or abandon old programs in order to make room for new ones.

Each year we find that our ability to set priorities on spending is reduced by commitments made in prior years. For example, the Congressional Budget Office estimates of 1978 current policy outlays included $25.5 billion of noninflation cost increases from 1977—6.1 percent growth due to prior year decisions.

In some cases, like military procurement or public works projects, this is due to the long-term spendout of budget authority appropriated when a program begins. In other cases it represents the increase of participation rates or unit costs of entilement programs. Either way, the conclusion is the same. We must not be enticed by the appeal of proposals which have a low initial cost, without carefully examining what the costs will be as the program gains acceptability and momentum. Not all of the costs can be anticipated at the outset. As new efforts are introduced and evaluated, weaknesses and gaps become apparent and improvements are suggested which usually increase costs.

I am glad that the Budget Committee has begun to focus on these long-term effects. We started our process with a 5-year projection of the costs of continuing current policies, and we asked for the 5-year cost of new programs recommended by the authorizing committees. In some instances we have called the attention of the Senate to the long-term implications of present or proposed expenditures.

I am not suggesting that all programs with increasing future costs be rejected. Rather, the Senate must clearly recognize these costs and see how they fit with our long-term economic policy.

Recent reports of the Congressional Budget Office have emphasized the difficulty we will face in meeting our dual goals of reaching full employment and approaching a balanced budget by 1981. Congress has risen to the challenge of stimulating employment by running large deficits for the last 2 years. We must now meet the other half of the challenge of economic stability by decreasing those deficits and avoiding a new spiral of inflation as the economy recovers.

I have argued in the Budget Committee and on the floor of the Senate that we should not let temporary economic stimulation become an excuse for permanent increases in the rate of Federal spending. Despite the considerable discipline shown by Congress for the last 2 years—often at the expense of appealing programs and benefits—Federal spending continues to grow faster than the total economy.

I believe that three major efforts currently underway will enable us to make these tradeoffs in a more informed manner.

The first effort is mission budgeting. Under the Budget Act next year each agency must start to submit a mission budget, relating its activities to major national needs and objectives. When we get these submissions we will be able to tell more clearly where we have duplications of effort within an agency or across agencies. Over the last 2 years we have been experimenting with developing mission budget presentations in the Department of Health, Education, and Welfare, and the Department of Defense. We have found this a useful tool in pointing out where we have overlapping programs, where we have failures to coordinate programs with similar missions, and where there has been a failure to consider all the alternatives to fullfill mission objectives most efficiently.

The second effort is zero-based budgeting, which the President is introducing. These two efforts are complementary since there is no way to conduct a zero-based review unless the missions of a program have been clearly identified. I am hopeful that a realistic attempt at zero-base budgeting will allow us to begin finding ways to fund desirable new initiatives and priorities within current funding levels, and thus to slow the growth of Federal spending relative to the total economy.

The third component of this package is the sunset legislation currently being considered by the Government Affairs Committee. This legislation puts additional teeth in the process of choosing between programs by specifying a cycle of automatic termination dates for all programs unless their renewal is specifically justified by the authorizing committees. I expect this legislation to contain provisions requiring sunset evaluation to be conducted in terms compatible with mission budgeting, and requiring an estimation of their impact on 5-year budget projections.

Considered together, these three areas of budget reform constitute a complete method for achieving the two critical improvements in the budget process which I have been emphasizing—a better focus on long-term costs and a better way of examining choices and tradeoffs in spending proposals.

Mr. President, I cannot say that I consider the Budget Resolution before us to be ideal. I would like to see lower figures for overall spending and the deficit. I would like to see a lower level of the Budget Authority that commits us to future year expenditures. In committee I proposed several billion dollars of reductions in many of the functions to achieve lower totals.

Overall, I believe that the resolution as reported reflects a reasonable balance among competing national priorities and a reasonable amount of fiscal restraint. The target recommended by the Budget Committee leaves ample room for continuing real growth in military procurement and for meeting our international commitments. Increases are assumed for energy research and development, though a comprehensive energy package has not reached the stage of development where a budget projection is possible. Major increases have been assumed for elementary and secondary education to fund new initiatives for education of the handicapped and the disadvantaged. There is also room for increased grants for higher education.

Funding levels for all retirement programs—veterans, social security, military, and civil service—are sufficient to provide cost-of-living increases so that senior citizens are protected against the effects of inflation.

There is room for new initiatives in health services and training, taking account of the achievement of hospital cost controls proposed by the President. Major increases in grants to State and local governments are provided by a package of permanent and temporary programs, including local public and temporary employment programs, community development block grants, countercyclical revenue sharing, and child welfare services, as well as continued growth in spending for permanent housing, health, education, social services, highway construction, and general revenue sharing. The proposed targets also assume a continued commitment to space exploration and funding of basic scientific research.

In some of these areas the Budget Committee recommendation would require some of the increases to come from savings in old programs. In others, new programs are simply added to old. I hope that as Congress considers the details of authorizing and appropriating legislation, it will carefully examine where further savings and efficiencies can be achieved.

I believe that our levels of funding for Federal programs are facing several constraints which are even more important than the availability of money. For any program to be successful, it must have the devotion of individuals who will believe the program is in some way special. This kind of commitment cannot come by writing a check, it can only come by a clear sense of direction. Inspiring people to act in a new direction means diverting their energies from an old direction. Holding onto old programs can dilute the attention available for new programs and impede their success. Ultimately, all Federal efforts depend on public aceptability. Unless we can restore public confidence that Federal programs are being implemented selectively and efficiently, the basis for their acceptability will disappear. I believe that the public desire to see us move toward a balanced budget is an expression of the public demand for making hard choices and for setting realistic goals about how much government can achieve at any one time.

Mr. CRANSTON. Mr. President, while the budget process is no longer novel, we can continue to applaud the budget discipline with which—over the past 3 years—the Congress has learned to live.

I was one of those who worked hard to establish this process, and I have served on the Budget Committee since its inception, trying to make the process work.

Under the very able and vigorous leadership of the distinguished Senator from Maine (Mr. MUSKIE), and with the bipartisan cooperation and great supportive effort of the distinguished Senator from Oklahoma (Mr. BELLMON), the budget process has become a significant force in the Congress—greatly affecting both the procedures under which legislation is considered in this body, and the substance of any legislation involving Federal expenditures.

The budget process gives the Senate three important new opportunities each time a budget resolution is reported to the Senate floor:

The opportunity to establish economic goals and to provide a fiscal policy which is consistent with them, in the long-range pursuit of the elusive twin objectives of a balanced budget and a healthy economy;

The opportunity to apply needed restraint to the constant pressure for growth of the Federal budget; and

The opportunity to adjust priorities established in each year's Presidential budget submission to a set of priorities more representative of the will of this body.

The Senate has not always taken advantage of these opportunities, Mr. President. But, they are there.

Sometimes, in its short history, the Budget Committee—after hard work, prolonged debate, and due consideration—has given the Senate a resolution to consider which, in my view, has satisfactorily balanced the competing considerations—one which I believed required no amendment. Occassionally, the committee has presented a resolution which I felt was deficient in one particular or another. And, on those occasions, I have sought to amend it.

For I have never believed that the survival of the budget process depended upon acceptance by the rest of the Senate of the exact views of a majority of the Budget Committee. As the distinguished chairman of the Budget Committee has said of another budget resolution reported by the committee, "This resolution is not Holy Writ."

But, while providing critique in the form of separate views and occasionally offering amendment, I have always voted to support the budget resolution finally adopted by the Senate.

Mr. President, I continue to serve on the Budget Committee, and I continue to believe in the budget process and the discipline it imposes. But I believe this resolution requires amendment.

At the appropriate time, Mr. President, I will offer an amendment to increase the budget authority and outlays for veterans' benefits and services to provide adequate funds in function 700 so that our Nation's veterans will not be deprived of our efforts to meet three major needs unanimously perceived by Senators of both parties who serve on the Veterans Affairs Committee:

The need for health care maintenance;

The need for pension reform; and

The need for improvements in readjustment benefits.

I have no doubt that, sooner or later, the Senate will want to meet all three of those major needs of the Nation's veterans that I have cited.

The Budget Committee has no quarrel with the merits of these veterans' programs. But, it has set its functional targets too low to permit funding of these programs, arguing the need for a tight budget.

I, too, believe in a tight budget. But I believe there is room now—and need now—for the amendment. An investment now in health care maintenance and particularly in pension reform will save money later.

Mr. President, I hope the Senate will adopt the amendment which I am offering to increase necessary funding for veterans programs.

Mr. President, I am submitting an amendment to the First Concurrent Resolution to increase Function 700, Veterans' Benefits and Services, from $19.8 billion in budget authority and outlays to $20.3 billion and $20.2 billion, respectively. I am joined in this amendment by the full membership of the Veterans' Affairs Committee, Senators TALMADGE, RANDOLPH, STONE, DURKIN, MATSUNAGA, STAFFORD, THURMOND, and HANSEN, as well as by Senators STEVENS, INOUYE, MCGOVERN, HASKELL, MCINTYRE, and MCCLELLAN. That amendment, which I am submitting for printing at this time, and which I intend to call up tomorrow, is explained in an April 22, 1977, letter to all Members of the Senate.

Mr. President, I ask unanimous consent that the text of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., April 22, 1977.

DEAR COLLEAGUE: We would like to have your support for an amendment we will offer to the First Concurrent Resolution on the Budget for Fiscal Year 1978 to provide $20.3 billion in budget authority and $20.2 billion in outlays for Function 700, Veterans' Benefits and Services. This would restore $500 million in budget authority and $400 million in outlays to veterans programs—about half of the amounts cut from the figures which Senator Cranston originally proposed in a motion during the Budget Committee mark-up session to set levels of $20.8 billion in budget authority and $20.7 billion in outlays. (The Veterans' Affairs Committee had recommended $20.5 billion in both budget authority and outlays in its March 15, 1977, Report to the Budget Committee (copy enclosed) based on Administration economic assumptions, estimates of caseload and average expected payments, and projections. Senator Cranston's motion reflected application of Congressional Budget Office estimates to the Veterans' Affairs Committee's policy judgments.)

While fully sharing the Budget Committee's view regarding the need for fiscal restraint, we are convinced that the Committee exercised excessive restraint in recommending $19.8 billion in budget authority and outlays for veterans programs. The Veterans' Affairs Committee's recommendations were based on very careful scrutiny of the needs for veterans programs within rigorous standards of fiscal responsibility. In fact, during the Committee's mark-up of its Report to the Budget Committee, it rejected amendments, based on proposals which have substantial backing in the Senate, that would have added $1.2 billion to the recommended spending levels for this Function.

Our Committee's recommendations, in addition to maintaining existing programs and meeting current inflation, are designed to allow for efforts to meet three major needs requiring additional funds:

Pension reform: The 94th Congress, in Public Law 94–432, found inadequacies and inequities in the veterans pension system. The Committee plans to proceed with a reform measure similar to that which passed the Senate last year (S. 2635) in order to provide a system under which pension reductions would not occur when Social Security cost-of-living increases are made, to improve assistance to the large number of veterans below the poverty line, and to eliminate inequities in the present structure before an expected wave of World War II veterans enters the program. (See pages 7 to 9 of the Report to the Budget Committee.)

From $.3 to .5 billion over the Administration's request is needed for pension reform. The levels recommended by the Budget Committee would allow no room for pension reform in FY 1978 if cost-of-living increases and minimal health care improvements are provided in other programs. If pension reform were to fall victim to the Budget Committee's recommendations, we would lose a valuable opportunity for long-range planning and sound fiscal policy.

Readjustment benefits/improvements: Since the effective date of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, inflation has seriously eroded G.I. Bill benefits. The eight-percent cost-of-living increase granted in 1976 was not sufficient to offset inflation since the time of the 1974 increase, and subsequent inflation means further significant losses in the purchasing power of G.I. Bill dollars. An increase of at least $.5 billion over the President's request (which includes no provision for cost-of-living increases for G.I. Bill programs) is needed in both budget authority and outlays to offset these years of inflation completely, or, in the alternative, to provide for a partial offset to infilation plus other improvements in the G.I. Bill, such as acceleration of payments and extension of the delimiting period. (See pages 9 to 11 of the Report to the Budget Committee.)

Health care maintenance: The Veterans' Affairs Committee recommended health care funding increases of $148 million in budget authority and $129 million in outlays over the amounts recommended by the President. These proposed increases are needed primarily to keep pace with advances in medical technology and realistic workload estimates and to correct certain inadequacies and deficiencies in medical care, including those identified by the Joint Commission on the Accreditation of Hospitals and overdue weatherization projects to conserve energy in VA medical facilities. (See pages 11 to

17 and 23 to 27 of the Report to the Budget Committee.)

The Budget Committee's action, if approved, would confront the Veterans' Affairs Committee and the Congress with very unfortunate and unfair choices: either denying just pension or compensation cost-of-living increases—something that we believe will not and should not be done; or failing to proceed with pension reform, with G.I. Bill improvements or adequate rate increases to counter the effects of inflation in that program, or with needed initiatives and corrective measures in health care.

Such choices are not necessary. We should, instead, be prepared to make reasonable, equitable improvements in the pension, G.I. Bill, and health care programs without sacrificing fairness in one program to the needs of another, and without playing off one group of veterans against another.

Both fairness to veterans and sound economic considerations, therefore, clearly support restoration of part of the Budget Committee cuts in the recommended levels for Function 70, Veterans Benefits and Services. The Veterans' Affairs Committee and the Congress could, within the limits of the partial restoration which we are now advocating, manage to provide improvements, counter-inflationary measures, and reforms where they are most critically needed in veterans programs. We would greatly appreciate your support for this amendment.

Sincerely,

Alan Cranston, *Chairman*, Robert T. Stafford, *Ranking Minority Member*, Jennings Randolph, Richard (Dick) Stone, Strom Thurmond, John A. Durkin, Spark M. Matsunaga, Clifford P. Hansen.

(This concludes additional statements submitted on S. Con. Res. 19.)

Mr. MUSKIE. Mr. President, unless there are other Senators who wish to speak, and I do not see any at this point, I express my appreciation to the Senator from Virginia for enabling us to get some pertinent discussion into the RECORD on the questions he has raised and my colleague from Oklahoma for his contribution to the discussion, and we hope that every Senator reads what we have had to say before we resume discussion of this resolution tomorrow afternoon.

With that, I suggest the absence of a quorum so that I may check with the majority leader on whether he wishes to continue this session.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until tomorrow at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE PUBLIC HEALTH SERVICE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the order for the recognition of Mr. METZENBAUM has been completed—I believe that is the only order that has been entered other than my own, is that not correct?

The PRESIDING OFFICER. There is an order for the majority leader to follow the Senator from Ohio.

Mr. ROBERT C. BYRD. Yes; I thank the Chair.

I ask unanimous consent that following the orders for the recognition of Senators that have previously been entered on tomorrow, the Senate proceed to the consideration of H.R. 4975, an act to amend the Public Health Service Act.

Mr. President, I withhold that request for the moment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States announced that on April 30, 1977, he approved and signed the enrolled bill (S. 489) to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes.

ETHICS IN GOVERNMENT ACT OF 1977—MESSAGE FROM THE PRESIDENT—PM78

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

During my campaign I promised the American people that as President I would assure that their government is devoted exclusively to the public interest. I began fulfilling that promise by making information on my own financial interests publicly available. I have also required that all Presidential appointees disclose their business and financial interests, to remove any possibility of hidden conflicts of interest. In addition, I have obtained a commitment from these officials to adhere to tighter restrictions after leaving government, in order to curb the "revolving door" practice that has too often permitted former officials to exploit their government contacts for private gain.

To expand upon the actions I have taken so far, I am submitting to Congress the Ethics in Government Act of 1977. This bill will establish far-reaching safeguards against conflicts of interest and abuse of the public trust by government officials. The bill incorporates the standards I have required of my own appointees, and extends their coverage to other high-ranking officials. It builds upon the Comptroller General's two-year investigation of conflict of interest enforcement in the Executive Branch. It also parallels the unprecedented efforts the Congress has made to strengthen ethical standards for its members.

In addition to strengthening conflict of interest controls through the Ethics in Government Act, I am today announcing support for legislation to authorize appointment of a temporary Special Prosecutor to handle cases of misconduct by high-ranking Executive Branch officials.

Both Houses have recently adopted new Codes of Conduct which are milestones in the history of government action to prevent actual or potential conflicts of interest. The leadership of both Houses have also pledged personal support for enactment of these new Codes into law. The Senate is currently considering S. 555, the Public Official Integrity Act of 1977, and the House, in addition to creating a Select Committee on Ethics to enact its new Code into law, has also been working on legislation to establish government-wide ethical standards. I am confident that through our joint efforts, legislation prescribing government-wide standards of conduct will be considered and passed this year.

The Ethics in Government Act calls for a three-part program of financial disclosure, creation of a new Office of Ethics in the Civil Service Commission, and strengthened restrictions on post-employment activities of government officials.

First, the Ethics in Government Act would require policy-making officials, whether political appointees or top-level career civil servants, to disclose publicly their financial interests. Currently, policy-making employees must file statements of financial interest, but these statements are not available to the public. In addition to requiring public disclosure, the Act would require collection of more extensive information about employees' financial interests than the current Executive Order. Each official's report will include information on:

—income, whether earned or from investments;
—gifts, including travel, lodging, food and entertainment;
—assets, liabilities and financial transactions;
—positions held in business and professional organizations;
—agreements for future employment.

The vast majority of government officials, of course, have always followed strict ethical standards. I respect their efforts and integrity, and I have carefully considered the new obligations that this legislation will place on them. The provisions of the Act would strike a careful balance between the rights of these individuals to their privacy and the right of the American people to know that their public officials are free from conflicts of interest.

Second, the Ethics in Government Act would strengthen existing restrictions on the revolving door between government and private industry. All too often officials have come into government for a short time and then left to accept a job in private industry, where one of their primary responsibilities is to handle contacts with the former employer. To restrict this kind of arrangement I propose:

1. An extension of the current prohibition on appearances before an agency of former employment on matters that were under the official's responsibility:

—by extending the period of the prohibition from one year to two; and
—by including informal as well as formal contacts.

2. A new and broader ban on formal or informal contact on other matters with agencies of former employment, for a period of one year after the end of government service.

These rules also reflect a balance. They do not place unfair restrictions on the jobs former government officials may choose, but they will prevent the misuse of influence acquired through public service.

Third, this Act would establish a new Office of Government Ethics in the Civil Service Commission. Under the existing Executive Order, guidelines have often been unclear, and enforcement has been ineffective in some agencies. An effective oversight office is essential if strict ethical requirements are to be enforced throughout the government.

Because I believe these responsibilities are so important, I am asking that the Office be headed by a Director who is a Presidential appointee, confirmed by the Senate. I want to designate an individual who is clearly accountable to me, to the Chairman of the Civil Service Commission and to the Congress for the supervision of ethical standards in the Executive Branch. The Director and his new Office would:

—issue general guidelines to agencies on what constitutes a conflict of interest, and how those conflicts can be resolved;
—make recommendations to me on any change needed in laws and regulations governing conflicts of interest;
—monitor compliance by agencies and individuals with established requirements; and
—increase understanding throughout the government and on the part of the American people of the ethical standards of conduct required of Executive Branch employees.

This new Office will ensure vigilant enforcement of the standards that are established to protect the honesty and integrity of our government.

To complement the Ethics in Government Act, I am also announcing my support for legislation which would require appointment of a Special Prosecutor to investigate and prosecute alleged offenses by high government officials. I am not submitting my own bill, for legislation has already been introduced in the Congress which, with relatively small revisions, will conform to my own principles for sound Special Prosecutor legislation. Under those principles the Special Prosecutor would be appointed by a specially empaneled court. He or she could be removed from office only upon a finding of extraordinary impropriety or incapacity. The Special Prosecutor's jurisdiction would extend to alleged misconduct by the President, the Vice President, members of the Cabinet, and White House staff members.

This approach will eliminate all appearance of high-level interference in sensitive investigations and prosecutions. The American people must be assured that no one, regardless of position, is above the law.

I look forward to working with the Congress to enact both the Ethics in Government Act and Special Prosecutor legislation, so that we can help restore the faith of the American people in their government.

Jimmy Carter.

The White House, *May 3, 1977.*

MESSAGE FROM THE HOUSE

At 4:08 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that:

The House has passed the bill (S. 36) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The House disagrees to the amendments of the Senate to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Ullman, Mr. Burke of Massachusetts, Mr. Rostenkowski, Mr. Vanik, Mr. Burleson of Texas, Mr. Conable, and Mr. Duncan of Tennessee were appointed managers of the conference on the part of the House.

The House disagrees to the amendments of the Senate to the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Mahon, Mr. Whitten, Mr. Boland, Mr. Flood, Mr. Steed, Mr. Slack, Mr. McFall, Mr. Cederberg, Mr. Conte, and Mr. Coughlin were appointed managers of the conference on the part of the House.

The Speaker has appointed as members of the Commission on Security and Cooperation in Europe Mr. Fascell, Mr. Yates, Mr. Bingham, Mr. Simon, Mr. Buchanan, and Mrs. Fenwick.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

The House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 2. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes;

H.R. 2527. An act to authorize the Secretary of Agriculture to convey certain lands in the Sierra National Forest, California, to the Madera Cemetery District;

H.R. 4007. An act to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes, and for other purposes;

H.R. 4390. An act to authorize appropriations for continuation of construction of distribution systems and drains on the San Luis Unit, Central Valley project, California, to mandate the extension and review of the project by the Secretary, and for other purposes;

H.R. 4962. An act to extend the Defense Production Act of 1950;

H.R. 5025. An act to amend title 38 of the United States Code in order to revise the provisions therein relating to the construction, alteration, and acquisition of Veterans' Administration medical facilities; and

H.R. 6550. An act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes.

ENROLLED BILL SIGNED

The Speaker has signed the enrolled bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

The enrolled bill was subsequently signed by the President pro tempore.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

With an amendment:

S. 11. A bill to provide for the appointment of additional district court judges, and for other purposes (title amended) (Rept. No. 95–117).

Without amendment:

S. Res. 163. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 11, a bill to provide for the appointment of additional district court judges, and for other purposes. Referred to the Committee on the Budget.

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Without amendment:

S. 1443. An original bill to amend the Privacy Act of 1974 to extend the life of the Privacy Protection Study Commission to September 30, 1977 (Rept. No. 95–118).

By Mr. ABOUREZK, from the Select Committee on Indian Affairs:

Without amendment:

S. 773. A bill authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes (Rept. No. 95–119).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Alan K. Campbell, of Texas, to be a Civil Service Commissioner for the remainder of the term expiring March 5, 1979.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Gladys Kessler, of the District of Columbia;

Robert McCance Scott, of the District of Columbia;

Robert Alan Shuker, of the District of Columbia;

Annice McBryde Wagner, of the District of Columbia; and

Paul Rainey Webber III, of the District of Columbia, to be associate judges of the Superior Court of the District of Columbia.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 2. An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2527. An act to authorize the Secretary of Agriculture to convey certain lands in the Sierra National Forest, California, to the Madera Cemetery District; to the Committee on Energy and Natural Resources.

H.R. 4007. An act to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes, and for other purposes; to the Committee on Finance.

H.R. 4390. An act to authorize appropriations for continuation of construction of distribution systems and drains on the San Luis Unit, Central Valley project, California, to mandate the extension and review of the project by the Secretary, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4962. An act to extend the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 5025. An act to amend title 38 of the United States Code in order to revise the provisions therein relating to the construction, alteration, and acquisition of Veterans' Administration medical facilities; to the Committee on Veterans' Affairs.

H.R. 6550. An act to authorize certain appropriations for the territories of the United States, to amend certain acts relating thereto, and for other purposes; to the Committee on Energy and Natural Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

S. 1443. An original bill to amend the Privacy Act of 1974 to extend the life of the Privacy Protection Study Commission to September 30, 1977. Placed on the Calendar.

By Mr. HELMS:

S. 1444. A bill to provide that the United States Canal Zone shall be represented by a Delegate to the House of Representatives; to the Committee on Armed Services.

By Mr. METZENBAUM:

S. 1445. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 1446. A bill to preserve and promote ethical standards throughout the executive branch and for other purposes; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA:

S. 1447. A bill to provide that certain persons who were originally appointed as supplemental security income hearing examiners under pre-1976 provisions of title XVI of the Social Security Act shall without any restriction be deemed appointed as administrative law judges; to the Committee on Governmental Affairs.

By Mr. CHURCH (for himself, Mr. WILLIAMS, Mr. DOMENICI, Mr. BROOKE, Mr. CLARK, Mr. PELL, Mr. HUMPHREY, Mr. RANDOLPH, Mr. DECONCINI, Mr CHILES, Mr. PERCY, and Mr. GLENN):

S.J. Res. 48. A joint resolution to provide the authority for the President to call a White House Conference on Aging in 1981, and for other purposes; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS:

S. 1444. A bill to provide that the U.S. Canal Zone shall be represented by a Delegate to the House of Representatives; to the Committee on Armed Services.

Mr. HELMS. Mr. President, one result of the Panama Canal negotiations which some of us have been long predicting is the deterioration of the morale of the U.S. workforce in the Canal Zone. We must have U.S. citizens able and willing to fulfill the key positions if we hope to maintain the safety and practical operational capability of the canal for strategic and commercial maritime traffic. It does us no good to have sovereignty over the canal if we do not have a workforce that is ultimately loyal only to the United States.

I regret to say that these predictions are becoming true. At a recent hearing of the House Subcommittee on the Panama Canal, held in the Zone, Canal Zone Gov. Harold R. Parfitt reported as follows:

> The Panama Canal workforce has always been characterized by a high degree of stability, but in 1976 the resignation rate was 30 percent over the average for the previous 9 years ago and 57 percent over the average for the previous three years. Prospective employees are wary in seeking employment with the Panama Canal when doubt exists as to the future security and tenure of their positions and the conditions which might prevail under a new treaty.

One way which would contribute to a hopeful atmosphere in the Canal Zone, and a greater feeling of security, would be to provide for a nonvoting delegate to the U.S. House of Representatives from the Canal Zone. At the present time, U.S. citizens living in the Canal Zone—some of whom have lived there all their lives—have no representative in Congress to whom they can turn for a prompt hearing of Canal Zone problems. The bill which I am introducing would provide such a representative.

The Canal Zone with its various installations and the canal are territory and property of the United States. Congress has always treated it as such and made all needful rules and regulations for the Canal Zone under article IV, section III of the Constitution. Congress has approved a Canal Zone Code, and has passed other legislation affecting the Canal Zone countless times. The U.S. Supreme Court has upheld this legislation down through the years. There is no reason, therefore, why Congress, by legislation, cannot provide a nonvoting delegate to the House, just as it has done with the District of Columbia, Guam, and the Virgin Islands.

At the present time, Congress has provided that the Government of the Canal Zone is headed by the Governors appointed by the President for terms of 4 years, its judicial branch is headed by a U.S. district judge for the Canal Zone. Its legislative branch is the Congress. This government is called upon to perform many duties of the State, city, and county government but has no permanent representative in Congress.

The Canal Zone has a land area of 362 square miles. Its population is 44,198 of whom 39,200 are U.S. citizens. In contrast, the District of Columbia has an area of 61 square miles, and a population of 756,510; the Virgin Islands have an area of 132 square miles and a population of 62,468; Guam has an area of 209 square miles and a population of 84,996. Only the Canal Zone does not have a nonvoting delegate.

The Canal Zone has a strategic importance far greater than either the Virgin Islands or Guam, or even Alaska, or Hawaii, which for many years before becoming States had delegates in the Congress. Citizens living in the zone pay U.S. income taxes—thus creating a situation of taxation without representation.

The Congress as the legislature for the Canal Zone faces many problems, some of them intricate. Arriving at wisely reasoned decisions requires the continuous presence of an elected delegate from the zone territory, familiar with the problems of its citizens.

The bill which I am introducing today is virtually identical with S. 2570 which I introduced in the 94th Congress. It is identical with H.R. 1588, introduced in the House by Congressman DANIEL FLOOD of Pennsylvania, who has long been a champion of the rights of the United States and of U.S. citizens in the zone.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1444

A bill to provide that the United States Canal Zone shall be represented by a Delegate to the House of Representatives

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DELEGATE FROM THE CANAL ZONE

SECTION 1. The first section of the Act entitled "An Act to provide that the unincorporated territories of Guam and the Virgin Islands shall each be represented in Congress by a Delegate to the House of Representatives", approved April 10, 1972 (48 U.S.C. 1711), hereinafter in this Act referred to as the "Act", is amended by striking out "and the territory of the Virgin Islands" and inserting in lieu thereof the following: ", the territory of the Virgin Islands, and the Canal Zone".

ELECTION

SEC. 2. Section 2(a) of the Act (48 U.S.C. 1712(a)) is amended—

(1) in the first sentence thereof, by inserting "from Guam and the Delegate from the Virgin Islands" immediately after "The Delegate";

(2) by inserting immediately after the first sentence thereof the following new sentence: "The Delegate from the Canal Zone shall be elected by the citizens of the United States residing in the Canal Zone at a general election held in November 1978, pursuant to regulations established under section 4(b), and at a general election every second year thereafter."; and

(3) in the second sentence thereof, by striking out "The Delegate" and inserting in lieu thereof "Each Delegate".

ELIGIBILITY

SEC. 3. Section 3(c) of the Act (48 U.S.C. 1713(c)) is amended by inserting "or possession" immediately after "territory".

ELECTION PROCEDURE

SEC. 4. Section 4 of the Act (48 U.S.C. 1714) is amended—

(1) by inserting "(a)" immediately after "SEC. 4.";

(2) by striking out "The legislature of each territory" and inserting in lieu thereof the following: "The Legislature of Guam and the Legislature of the Virgin Islands"; and

(3) by adding at the end thereof the following new subsection:

"(b) The Governor of the Canal Zone shall prescribe regulations for conducting general elections for the office of Delegate from the Canal Zone, and shall submit a copy of such regulations to each House of the Congress not later than January 1, 1978. Such regulations shall take effect on March 1, 1978, unless either House of the Congress passes a resolution before such date which specifically disapproves of all or part of such regulations.".

PRIVILEGES OF DELEGATE

SEC. 5. Section 5 of the Act (48 U.S.C. 1715) is amended—

(1) by striking out "and the Delegate from the Virgin Islands" and inserting in lieu thereof the following: ", the Delegate from the Virgin Islands, and the Delegate from the Canal Zone"; and

(2) by striking out "the Delegate from each territory" and inserting in lieu thereof the following: "each Delegate".

SPECIAL ELECTION

SEC. 6. The Governor of the Canal Zone shall conduct a special election for the office of Delegate from the Canal Zone not later than thirty days after the date of the enactment of this Act. Such Delegate shall be elected by the citizens of the United States residing in the Canal Zone on the date of such special election. The term of such delegate shall commence not later than ten days after the date of such special election and shall end upon the commencement of the term of the person elected Delegate in the general election in 1978.

By Mr. METZENBAUM:

S. 1445. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

Mr. METZENBAUM. Mr. President, today I am introducing S. 1445, a bill to restore and promote competition in the petroleum industry.

There is no commodity with greater impact on our economy than oil. And yet, it is this very same commodity that is produced, refined, transported, and marketed in a highly integrated, anticompetitive, and concentrated manner. Small increases in the cost of petroleum products have profound economic effects on consumers. Each increase of a penny a gallon in the retail price of gasoline costs consumers $1 billion a year: A penny-a-gallon increase in prices of all petroleum fuels will cost, directly or indirectly, nearly $3 billion a year more—that is $60 a year for a family of four people.

On February 24 of this year, the distinguished Senator from Indiana, Senator BAYH, introduced S. 795, the Petroleum Industry Competition Act of 1977. This bill provides a major step forward in restoring competition to the petroleum industry, and is a measure which I strongly support. I commend and applaud the leadership of Senator BAYH in continuing to lead the fight for divestiture. S. 795 addresses itself to three major aspects of divestiture in the petroleum industry—production—transportation—and marketing and refining.

I believe that we must split up this third segment into two distinct elements—marketing and refining—for it is in these areas of the petroleum industry that many abuses of competition occur. Time and time again, the top eight oil firms have been able to exert excessive control on refiners for their marketing divisions. Through this device they have been able to squeeze out smaller, independent marketers who often offer more competitive prices. In testimony before the Senate Antitrust and Monopolies Subcommittee, Dean Walcutt, president of Certified Oil Co., a nonbranded, independent marketer, highlighted this problem:

> As we see it, our competition is using its subsidized retail operations to drive us out of business.

Mr. Walcutt went on to say that with one of his suppliers, it was cheaper to buy gas from the supplier's retail outlet than from his wholesale outlet. This practice, Mr. President, is not new to the petroleum industry. According to a study conducted by a member of my staff, in the 2-year period between 1972 and 1974, 30,000 retail gasoline stations in the United States went out of business. Through tacit agreement between the giant oil and gasoline companies, free, competitive pricing, especially at the wholesale level, is not allowed. Consequently, the corner gasoline station, and ultimately, some 216 million consumers, will pay a price at the pump over which we have no meaningful control.

Evidence indicating the need for vertical divestiture in the petroleum industry could go on for hours. In the interest of time, I will cite only a few figures used by Senator BAYH:

In 1973, the 20 largest oil companies accounted for 76.3 percent of the crude oil produced in the United States. Moreover, the Federal Trade Commission has estimated that in 1970 those same 20 companies accounted for 93.5 percent of this Nation's reserves of crude oil.

In 1973, the 16 largest oil companies controlled pipelines that received 92 percent of the crude oil accounted for in all pipelines reporting to the interstate Commerce Commission.

Also in this same period, the 20 largest oil companies maintained 82.9 percent of the total U.S. refining capacity.

Again in this same time period, those 20 companies accounted for 77.2 percent of the total U.S. gasoline market.

These major companies have only tightened their control in the ensuing years. Only by isolating the four separate interests and operations can we adequately insure true competition and fair prices. Accordingly, the bill that I am introducing will prohibit any major marketer from owning or controlling any interest in any production asset, refining asset, or transportation asset; or any major refiner from owning or controlling any interest in any production asset, marketing asset, or transportation asset; as well as incorporating Senator Bayh's bill.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

The President's energy message included provisions implementing strong gasoline conservation measures that would increase consumer prices. Before we enact measures which will cost consumers billions of dollars, we must insure that the present structure of the industry is truly competitive. I urge my colleagues to give this legislation careful consideration.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1445

A bill to restore and to promote competition in the petroleum industry, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Divestiture Act of 1977".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds and declares that—

(1) this Nation is committed to a private enterprise system and a free market economy, in the belief that competition spurs innovation, promotes productivity, prevents undue concentration of economic, social, and political power, and helps preserve a democratic society;

(2) vigorous and effective enforcement of the antitrust laws and reduction of monopoly and oligopoly power in the economy can contribute significantly to reducing prices, unemployment, and inflation;

(3) existing antitrust laws have been inadequate to maintain and restore effective competition in the petroleum industry; and

(4) the extraordinary dimensions of the remedy required by this Act necessitate expenditure, judicial supervision of the divestitures and attendant actions required by this Act.

(b) It is the purpose of the Congress in this Act to facilitate the creation and maintenance of competition in the petroleum industry, and to require the most expeditious and equitable separation and divestment of assets and interests of vertically integrated major petroleum companies.

TITLE I—INDUSTRY COMPETITION

DEFINITIONS

Sec. 101. As used in this title—

(a) "person" means an individual person or a corporation, partnership, joint stock company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated, and whether or not domiciled or incorporated within the United States. It does not include any authority of the United States or of the several Sates;

(b) "control" means a direct or indirect legal or beneficial interest in or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates of officers, or contractual relations which substantially impair the independent business behavior of another person;

(c) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(d) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(e) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between a State and a foreign nation;

(f) "energy resource" means crude oil, natural gas liquids and condensate;

(g) "refine" means to change by any operation the physical or chemical characteristics of petroleum or petroleum products in order to create a derivative product for resale, exclusive of the operations of passing petroleum through a separator to remove gas, placing petroleum in settling tanks to remove basic sediment and water, dehydrating petroleum and generally cleaning and purifying petroleum;

(h) "refined product" means any product, whether liquid or gas, which is produced by a refinery asset;

(i) "marketing asset" means any asset used in the sale and distribution of gasoline or fuel oil, including diesel and distillate, to ultimate consumers at a retail motor fuel outlet, other than the initial sale with transfer of ownership to customers at the refinery;

(j) "operate" means engaging in the business of selling gasoline and diesel, directly or indirectly, or through any agent who receives any commission, compensation, or payment because of the sale of such product.

(k) "production asset" means—

(A) natural deposits of crude oil, or condensate and natural gas liquids;

(B) any asset used primarily in the exploration for, development of, or production of any energy resource including, but not limited to, an interest in real property, whether or not such real property is developed or undeveloped; and

(C) geological and geophysical information;

(l) "refinery asset" means any asset used in the refining of an energy resource;

(m) "transportation asset" means any asset used in the transportation within the United States by pipeline or gathering line of crude oil or refined product;

(n) "major marketer" means any person which, during the calendar year 1974 or in any subsequent year, alone or with affiliates, marketed or distributed one hundred and ten million barrels of refined product within the United States;

(o) "major producer" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, produced within the United States either a total of thirty-six million five hundred thousand barrels of crude oil, condensate and natural gas liquids, or whose interest in crude oil, condensate and natural gas liquid production totaled thirty-six million five hundred thousand barrels;

(p) "major refiner" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, refined within the United States one hundred and ten million barrels of refined product, including that refined by another refiner under a processing agreement;

(q) "petroleum transporter" means any person which transports an energy resource or refined product by pipeline in commerce within the United States;

(r) "Outer Continental Shelf" means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (67 Stat. 29) and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

(s) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, and the Outer Continental Shelf;

(t) "Commission" means the Federal Trade Commission; and

(u) "prohibited asset" means any marketing asset, production asset, refining asset, or transportation asset, the retention of which is prohibited by section 102 of this Act.

UNLAWFUL RETENTION

Sec. 102. Notwithstanding any other provision of law, five years after the date of enactment of this Act, it shall be unlawful—

(a) (1) for any major producer to own, or control, any interest in any refinery asset, transportation asset, or marketing asset;

(2) for any petroleum transporter to own or control any interest in any production asset, refinery asset, or marketing asset;

(3) for any major refiner to own or control any interest in any production asset, marketing asset, or transportation asset; or

(4) for any major marketer to own or control any interest in any production asset, refinery asset, or transportation asset; and

(b) for any person who owns any refining asset, production asset, or marketing asset to transport any energy resource or refined product in which he has any interest, by means of any transportation asset in which he has any interest.

EXEMPTIONS

Sec. 103. (a) The Commission may, upon application by any person required to divert interests in assets under section 102 or prohibited from using assets by section 102(b), exempt any major producer, petroleum transporter, major refiner, major marketer, or any other person from the operation of section 102 with respect to any transportation asset upon a finding—

(1) that such transportation assets are so integral a part of other assets, the retention or use of which is not prohibited under section 102, that no public purpose would be served by the divestment of or prohibition of the use of any such transportation asset; and

(2) that the retention or use of any such transportation asset will not tend to injure competition or otherwise subvert the purposes of this Act.

(b) In order to facilitate the purposes of this section, the Commission is authorized to exempt any corporation formed or reorganized as a result of compliance with this section from the prohibitions contained in section 8 of the Act of October 5, 1914 (38 Stat. 732; 15 U.S.C. 19) for a period not to exceed one year.

REPORTS

Sec. 104. Each person subject to section 102 shall, within thirty days from the date of enactment of this Act, file with the Commission a report listing their prohibited assets. The Commission may order subsequent reports from persons subject to section 102 and may order reports from such other persons as it requires. Appeals from an order of the Commission issued under this section must be filed with the court within five days after the order has been served and the court must grant or deny the appeal, or modify the order as it deems proper within ten days.

PROHIBITION ON SOLICITATION

Sec. 105. It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, power of attorney, consent, or authorization regarding any security of a corporation subject to the requirements of section 102 or a subsidiary corporation thereof in contravention of such rules.

ENFORCEMENT

SEC. 106. (a) The Commission, in accordance with such rules, regulations, or orders as it deems appropriate to carry out the purposes of this Act, shall require each person subject to the provisions of section 102 to submit to the Commission within 18 months of the date of enactment of this Act, a plan or plans for the divestment of the prohibited assets. Such plan must—

(1) be fair and equitable to all affected persons; and

(2) substantially accomplish the required divestiture within 5 years of the date of enactment of this Act.

The Commission, within one hundred and twenty days after the submission of the plan or plans by the persons subject to section 102, shall file its plans with the court; except that no plan shall be filed which will not substantially accomplish divestment of prohibited assets on or before five years from the date of enactment of this Act. Failure of any person or persons to file a plan or plans shall not relieve the Commission of its duty to file its plan or plans for the divestiture of the prohibited assets of that person or persons.

(b) The plan required under subsection (a) of this section shall be devised by each person subject to the provisions of this Act, with respect to their own interests only, in consultation with the officers and employees of the Commission, and the Securities and Exchange Commission under guidelines which the Commission, with the advice and counsel of the Securities and Exchange Commission, shall promulgate.

(c) The Commission shall institute suits or actions only in the court established under title II of this Act for such relief as is appropriate to assure compliance by any person with this Act, including, but not limited to, orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willful failure to comply with lawful orders of the court.

(d)(1) In the administration of the provisions of this section, the Commission shall have primary oversight jurisdiction and responsibility for the preparation and final approval of the required divestiture plans.

(2) The Securities and Exchange Commission shall advise the Commission as to the conformity of each such plan with general standards of fairness and equity with respect to the interests of the holders of debt and equity interests in corporations affected by the operation of section 102.

(e) In carrying out the provisions of this Act, the Commission and the Securities and Exchange Commission are each authorized to utilize all powers conferred upon them separately, and all sanctions associated therewith, by any other provision of law.

(f) The Commission and the Securities and Exchange Commission shall serve as advisers to the court in any reorganization proceeding related to the operation or enforcement of the provisions of section 102 of this Act.

FAIR AND EQUITABLE

SEC. 107. Simultaneously with the filing of the Commission's plan with the court, the Securities and Exchange Commission shall file separately and independently an analysis of the conformity of such plan with general standards of fairness and equity with respect to the holders of debt and equity interests of any corporation affected by the provisions of section 102.

STATEMENT OF DIFFERENCES

SEC. 108. Any person subject to the provisions of section 102, not later than sixty days after the date on which the Securities and Exchange Commission and the Commission have filed the reports pursuant to the requirements of section 106, shall be entitled, as a matter of right, to file with the court a statement of differences with the proposed plans.

JUDICIAL DISPOSITION

SEC. 109. After the filing of the plans by the Commission, the court shall—

(a) give notice to all persons affected by the plans;

(b) permit the intervention by all persons having legally cognizable rights affected by the final disposition of the plans;

(c) resolve in hearings on the record such disputes of law and fact as may arise between and among the affected persons, the Commission, and the Securities and Exchange Commission regarding the disposition of the plans for divestiture of the prohibited assets;

(d) prior to entering a final order regarding the implementation of the plans, give an opportunity to all interested persons to file written comments on the plans; and

(e) no later than two years from the filing by the Commission of its plans, issue orders causing the implementation of the plans in such a manner as will accomplish the purposes of the Act within five years of its enactment and be fair and equitable to all persons affected.

The court shall have the power to modify the plans as it deems necessary.

Notwithstanding any other provisions of law, the Attorney General of the United States may intervene in any matter before the court as a matter of right. The court may seek the advice of the Attorney General concerning any matter before it.

ADMINISTRATIVE SUPPORT

SEC. 110. Notwithstanding any other provision of law, the Commission and the Securities and Exchange Commission may contract for the services of such persons including lawyers, economists, accountants, appraisers, securities analysts, neutral experts, and such other personnel as may be necessary to expeditiously carry out the responsibilities vested in each of them respectively by the provisions of this Act.

SANCTIONS

SEC. 111. (a). Any person or any officer, director, or partners thereof, who violates any provision of this Act shall forfeit and pay to the United States a civil penalty of not more than $100,000 in the case of an individual, or not more than $1,000,000 in the case of a corporation. Such penalties shall accrue to the United States and may be recovered in a civil action brought by the Commission. Failure to obey any order of a court pursuant to this Act shall be punishable by such court as a contempt of court.

(b) Any person or any officer, director or partner thereof, who violates a lawful order of the Commission issued pursuant to this Act shall forfeit and pay to the United States, for each violation, a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

SALE OF SECURITIES

SEC. 112. (a) The Commission shall promulgate such rules, regulations, and orders as it deems necessary to require that any plan or plans for divestment of the prohibited assets shall provide for the maintenance of competitive conditions in capital markets for the sale of notes, securities, or assets pursuant to such plan or plans.

(b) To this end, the Commission shall require that the size, timing, and other conditions of sale for such notes, securities, or assets shall be such as to encourage broad participation by underwriters and potential purchasers.

(c) The Commission shall promulgate such rules, regulations, and orders as it deems necessary to assure that competitive conditions are maintained in capital markets when loans, leases, and other financings are entered into by persons required to submit a plan or plans required pursuant to this section during the pendency or in conjunction with such plan or plans.

TITLE II—TEMPORARY INDUSTRY DIVESTITURE COURT

ESTABLISHMENT

SEC. 201. There is hereby created a court of the United States to be known as the Temporary Petroleum Industry Divestiture Court (hereinafter referred to in this title as the "court") which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The court shall be dissolved by order of the Chief Justice of the Supreme Court upon a determination that its purposes have been accomplished and at such time its power, jurisdiction, and any unfinished business shall be transferred to the United States District Court for the District of Columbia.

JUDGES

SEC. 202. The Chief Justice of the United States shall designate one of such judges as chief judge of the court and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members and any such division may render judgment as the judgment of the court.

REFERENCE JURISDICTION

SEC. 203. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act. The court or a panel thereof may, at any stage of a proceeding under this Act, refer to proceeding or any part thereof or any issue therein to a referee in bankruptcy to hear and determine any and all matters not reserved to the court or panel by this Act, or to referee as a special master, to hear and report generally or upon specified matters, or to a special master for such action with respect thereto as the court or a part thereof may direct.

TRANSFER JURISDICTION

SEC. 204. (a) A single judge or panel of the court may exercise all functions of the Judicial Panel on Multidistrict Litigation as provided under section 1407 of title 28, United States Code, with respect to any matter before the court.

(b) The Judicial Panel on Multidistrict Litigation shall exercise no function with respect to any matter before the court.

GENERAL JURISDICTION

SEC. 205. The court shall have exclusive jurisdiction, without appeal, except as otherwise provided in this Act, of all plans, actions, and suits brought under this Act or which relate to any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or of any divestiture required by this Act. The jurisdiction of the court shall not include any action brought by the Department of Justice or the Commission under the antitrust laws or the Federal Trade Commission Act.

COMPULSORY PROCESS

SEC. 206. Notwithstanding any other provision of law in the execution of its responsibilities and powers under this title the court may issue its process to any person and service thereof may be had in any district where such person resides, transacts business, or may otherwise be found. The court, in aid of the execution of ths provision, may issue such writs as may be provided under section 1651 of the 28, United States Code.

RULES

Sec. 207. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act.

APPEAL

Sec. 208. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. Within thirty days after entry of a judgment or order, interlocutory or final, by the court a petition of a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals of the United States. No interlocutory appeal may be filed without certification of the court. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this section. The court and the Supreme Court upon review of judgments and orders of the court shall have exclusive jurisdiction. Except as provided in this section, no court, Federal, State, or territorial, shall have jurisdiction or power to consider any appeal involving any action or suit brought under this Act or any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or any divestiture required by this Act.

CLERK AND EMPLOYEES

Sec. 209. (a) The court may appoint a clerk who shall be subject to removal by the court. The court may appoint or authorize the appointment of such other officers and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts.

(b) The officers and employees of the court shall be subject to the removal by the court or, if the court so determines, by the clerk or other officer who appointed them, with the approval of the court.

(c) Referees and special masters appointed under section 203 shall be compensated as provided under section 40 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States"; approved July 1, 1898 (30 Stat. 544, 556), as amended (11 U.S.C. 68).

(d) The clerk shall pay into the Treasury all fees, costs, and other moneys collected by him and make returns thereof to the Director of the Administrative Office of the United States Courts.

LAW CLERKS AND SECRETARIES

Sec. 210. The judges of the court may appoint such law clerks and secretaries as may be necessary.

LIBRARIAN, MARSHAL, AND BAILIFFS

Sec. 211. (a) The court may appoint a librarian and necessary library assistants who shall be subject to removal by the court.

(b) The court may appoint a marshal, who shall attend the court at its sessions, be custodian of its courthouse or chambers and offices, have supervision over its custodial employees, take charge of all property of the United States used by the court or its employees, and perform such other duties as the court may direct. The marshal shall be subject to removal by the court. The marshall, with the approval of the court, may employ necessary bailiffs. Such bailiffs shall attend the court, preserve order, and perform such other necessary duties as the court or marshal may direct. The bailiffs shall receive the same compensation as bailiffs employed for the district courts of the United States.

SEAT

Sec. 212. The principal seat of the court shall be in the District of Columbia. The court may sit at such times and places within the United States as the court may designate.

SEAL

Sec. 213. The court shall have a seal which shall be judicially noticed.

SESSIONS

Sec. 214. The time and place of the sessions of the court shall be prescribed by the chief judge pursuant to rule of the court.

CONFLICTS

Sec. 215. No judge of the court, receiver in bankruptcy, or special master shall hear or determine any matter in which he has a conflict of interest.

APPROPRIATIONS

Sec. 216. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. RIBICOFF:

S. 1446. A bill to preserve and promote ethical standards throughout the executive branch and for other purposes; to the Committee on Governmental Affairs.

Mr. RIBICOFF. Mr. President, at the request of President Carter, I am today introducing the Ethics in Government Act of 1977. This legislation, among other things, would require full public financial disclosure by high-level officials in the executive branch.

The Governmental Affairs Committee is presently holding hearings on S. 555, the Public Officials Integrity Act of 1977 introduced by Senator Percy, myself and over 20 other cosponsors. Title III of this legislation would require public financial disclosure by high-level officials in all three branches of the Government. Representatives of the administration will be testifying at these hearings. The committee looks forward to working with the administration and other interested parties to enact comprehensive and effective legislation in this area.

In his statement today, President Carter also announced his support for the special prosecutor provisions found in title I of S. 555. Again, I thank the President for his support of this legislation. I look forward to working with the Department of Justice in perfecting this legislation.

Mr. President, I ask unanimous consent that the President's statement and the text of the Ethics in Government Act of 1977 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1446

A bill to preserve and promote ethical standards throughout the executive branch and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ethics in Government Act of 1977".

TITLE I—GOVERNMENT PERSONNEL FINANCIAL DISCLOSURE REQUIREMENTS

PERSONS REQUIRED TO FILE

Section 101. (a) Upon assuming the position of an officer or employee designated in subsection (f), an individual shall file a report as required by subsection 102(b).

(b) Upon the transmittal by the President to the Senate of the nomination of an individual to a position, appointment to which requires the advice and consent of the Senate, such individual shall file a report as required by subsection 102(b).

(c) Upon becoming a candidate for nomination or election to the office of President or Vice President, as determined by the Federal Election Commission, an individual shall file a report as required by subsection 102(b).

(d) Any individual who is an officer or employee designated in subsection (f) during any calendar year and performs the duties of his position or office for a period in excess of 60 days in that calendar year shall file on or before May 15 of the succeeding year a report as required by subsection 102(a).

(e) Any individual who occupies a position designated in subsection (f), before leaving such position, shall file a report as required by subsection 102(a), unless such individual has accepted employment in another position designated in subsection (f).

(f) The officers and employees referred to in subsections (a), (d) and (e) are—

(1) the President;

(2) the Vice President;

(3) each officer or employee of an Executive agency, as defined in section 105 of title 5, United States Code, including a special Government employee as defined in section 202 of title 18, United States Code, whose pay rate either is specified in subchapter II of chapter 53 of title 5, United States Code, or is at a comparable or greater pay rate under another authority; and

(4) each officer or employee, including a special Government employee as defined in section 202 of title 18, United States Code, whose position is classified at GS 16, GS 17 or GS 18 of the General Schedule prescribed by section 5332 of title 5, United States Code, or who is in a comparable position under another authority; each member of a uniformed service whose pay grade is at or in excess of 0-7 under section 1009 of title 37, United States Code; and each officer or employee in any other position determined to be of equal classification.

(g) Reasonable extensions of time for filing any report may be granted under procedures prescribed by the Director of the Office of Government Ethics established by Title II of this Act, but the total of such extensions shall not exceed ninety days.

CONTENTS OF REPORTS

Sec. 102. (a) Each report filed under subsections 101(d) and (e) shall include a full and complete statement, in such manner and form as the Director of the Office of Government Ethics may prescribe, with respect to—

(1) the source and amount of: (A) each item of earned income or aggregate of such items from a single source totalling $100 or more, including any fee or other honorarium received in connection with the preparation or delivery of any speech, attendance at any convention or meeting, or the preparation of any article for publication; and (b) any gift with a fair market value of more than $25 or gifts aggregating $250 or more from a single source, including transportation, lodging, food, or entertainment, other than political contributions otherwise required by law to be reported and gifts from a personal friend or relative with whom the reporting individual has no contact in the course of his official duties;

(2) the source and category of value of income (other than earned income and gifts) received during the year which exceeds $100 in value or amount from any one source;

(3) the identity and category of value of any personal property held, directly or indirectly, in a trade of business or for investment or the production of income, other than

household furnishings, works of art, jewelry, and collections of stamps, coins, and similar items, and which has a fair market value of at least $1,000 at any time during the year;

(4) the identity (except the address of a personal residence) and category of value of each item of real property held, directly, or indirectly, which has a fair market value in excess of $1,000 at any time during the year;

(5) the identity and category of value of each liability owed, directly or indirectly, other than to a relative, which exceeds $2,500 at any time during the year;

(6) the identity, date, and category of value of any direct or indirect transaction, other than with a spouse or minor child, in securities or commodities futures during the year which exceeds $1,000, except that the identity of the recipient of any gift to any tax-exempt organization described in section 501(c) of the Internal Revenue Code of 1954 involved in such a transaction need not be reported;

(7) the identity (except the address of a personal residence), date, and category of value of any direct or indirect purchase, sale, or exchange, other than a transaction with a spouse or minor child, of any interest in real property during the year which exceeds $1,000 in value as of the date of such purchase, sale, or exchange, except that the identity of the recipient of any gift to any tax-exempt organization described in section 501(c) of the Internal Revenue Code of 1954 involved in such a transaction need not be reported;

(8) any interest in a patent right, copyright, or mineral lease, and the nature of such interest, held during the year;

(9) the identity of all positions held as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, and any educational or other institution; *provided* that this paragraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity;

(10) a description of the date, parties to, and terms of any agreement or arrangement with respect to: (A) future employment; (B) a leave of absence during the period of the reporting individual's Government service; (C) continuation of payments by a former employer other than the United States Government; and (D) continuing participation in an employee welfare or benefit plan maintained by a former employer.

(b) Each report filed under subsections 101 (a), (b) and (c) shall include a full and complete statement, in such manner and form as the Director of the Office of Government Ethics may prscribe, with respect to information required by paragraphs (3), (4), (5), (8), (9), and (10) of subsection (a), as of the date of filing, and the sources and amounts of earned income and other payments for the year of filing and the preceding calendar year.

(c) The categories for reporting the amount or value of the items covered in paragraphs (2) through (7) of subsection (a) are as follows:

(1) up to $5,000;
(2) from $5,000 to $15,000;
(3) from $15,000 to $50,000;
(4) from $50,000 to $100,000; and
(5) greater than $100,000.

(d) For purposes of paragraphs (1) through (8) of subsection (a), the report shall include the gifts, unearned income, and the source (but not amount) of earned income received by and the assets, transactions, and liabilities of a spouse and minor child occupying the household of the reporting individual.

(e) The holdings of and the income from a trust or other financial arrangement from which the reporting individual, spouse, or minor child occupying the same household receives income or in which such person has a beneficial interest must be reported according to the provisions of this section; *provided* that if the beneficiary of the trust or arrangement does not have knowledge of the identity of the holdings and sources of income, the report shall so indicate and the reporting individual shall provide that the information will be submitted by the trustee or other appropriate person.

FILING OF REPORTS

SEC. 103. (a) Each officer and employee identified in subsection 101(f) shall file the report required by this Title with the designated official of his agency.

(b) In addition, the President, the Vice President, the head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in that Office, and each full-time member of a committee, board or commission appointed by the President shall submit a copy of his report to the Director of the Office of Government Ethics.

(c) Each individual identified in subsection 101(b) shall file the report required by this Title with the agency in which he will serve and a copy of such report with the Director of the Office of Government Ethics.

(d) Each individual identified in subsection 101(c) shall file the report required by this Title with the Federal Elections Commission.

FAILURE TO FILE OR FALSIFYING REPORTS

SEC. 104. (a) (1) Any individual who knowingly falsifies or fails to report any information required under section 102 shall be fined in an amount not exceeding $5,000 or imprisoned for not more than one year, or both.

(2) The Attorney General may bring a civil action against any person who fails to file a report as required by section 101 or who fails to report any information which such person is required to report under section 102. The court in which such action is brought may assess against such person a penalty in any amount not to exceed $5,000.

(b) The head of each agency and the Director of the Office of Government Ethics shall refer to the Attorney General the name of any individual they have reasonable cause to believe has failed to file a report or has falsified or failed to file information required to be reported.

(c) The President, the Vice President, and the head of each agency, or the Civil Service Commission, may take any appropriate personnel or other action in accordance with applicable law or regulation against any individual failing to file a report or information or falsifying information.

CUSTODY OF AND PUBLIC ACCESS TO REPORTS

SEC. 105. (a) Each agency shall make each report filed with it under this Title available to the public within forty-five days after the receipt of such report and furnish a copy of the report to any person upon written request; *Provided,* That this section does not require public availability of:

(1) information pertaining to the holdings and sources of income of a trust or other financial arrangement designed to insulate the reporting individual, his spouse, or minor child from knowledge of the holdings and sources of income of the trust if such trust or arrangement has been approved under regulations prescribed by the Civil Service Commission, with the concurrence of the Attorney General, as necessary to avoid potential or apparent conflicts of interest under section 208 of title 18, United States Code, and other applicable laws and regulations; *Provided,* That the instrument or agreement establishing the trust or arrangement and the identity and category of value of assets initially placed in the trust or arrangement shall be made available to the public under this section; and

(2) the report filed by any individual in the Central Inteligence Agency, the Defense Intelligence Agency, or the National Security Agency, or any individual engaged in intelligence activities in any agency of the United States, if the President finds that due to the nature of the office or position occupied by such individual, public disclosure of such report would compromise the national interest of the Federal Government.

(b) The agency shall require any person inspecting or receiving a copy of a report under subsection (a) to supply his name and address and the name of the person or organization, if any, on whose behalf he is requesting a report and may require the requesting person to pay a reasonable fee in an amount which the agency finds necessary to recover the cost of reproduction and mailing of such report. The names and addresses of persons and organizations inspecting or receiving a copy of a report shall be made available to the reporting individual and to the public.

(c) (1) It shall be unlawful for any person to inspect, obtain, or use a report—

(A) for any unlawful purpose;

(B) for any commercial purpose;

(C) for determining or establishing the credit rating of any individual; or

(D) for use, directly or indirectly, in the solicitation of money for any political, charitable, or other purpose.

(2) The Attorney General may bring a civil action against any person who inspects, obtains, or uses a report for any purpose prohibited in paragraph (1). The court in which such action is brought may assess against such person a penalty in any amount not to exceed $5,000.

(d) Any report received by an agency shall be held in its custody and be made available to the public for a period of 5 year after receipt of the report. After such five year period the report shall be destroyed.

REVIEW OF REPORTS

SEC. 106. (a) The Director of the Office of Government Ethics and the head of each agency shall make provisions to assure that each report filed under subsections 103(a) and (c) and each copy of a report filed under subsection 103(b) is reviewed to assure compliance with applicable laws and regulations.

(b) The Director of the Office of Government Ethics shall review, on a random basis, not less than five per centum of the reports filed under subsection 103(a).

ADDITIONAL REPORTING REQUIREMENTS

SEC. 107. Nothing in this Title shall be construed to prevent the President from requiring officers or employees not covered by this Title to submit confidential financial statements.

EFFECTIVE DATE

SEC. 108. This Title shall take effect on January 1, 1978, and the reports filed under subsection 101(d) on May 15, 1978, shall include information for calendar year 1977.

TITLE II—OFFICE OF GOVERNMENT ETHICS

OFFICE OF GOVERNMENT ETHICS

SEC. 201. (a) There is established in the Civil Service Commission (hereinafter referred to as the "Commission") an office to be known as the Office of Government Ethics.

(b) There shall be at the head of the Office of Government Ethics a Director (hereinafter referred to as the "Director"), who shall be appointed by the President, by and with the advice and consent of the Senate.

AUTHORITY AND FUNCTIONS

SEC. 202. (a) The Director shall provide, under the general supervision of the Commission, overall direction of executive branch policies related to preventing conflicts of interest on the part of officers and employees of any Executive agency, as defined in section 105 of title 5, United States Code.

(b) The responsibilities of the Director shall include—

(1) developing and recommending to the Commission, in consultation with the Attorney General, rules and regulations to be promulgated by the President or the Commission pertaining to conflicts of interest and ethics in the executive branch, including rules and regulations establishing procedures for the filing, review, and public availability of financial statements filed by officers and employees in the executive branch as required by Title I of this Act;

(2) developing and recommending to the Commission, in consultation with the Attorney General, rules and regulations to be promulgated by the President or the Commission pertaining to the identification and resolution of conflicts of interest;

(3) monitoring and investigating compliance with the public financial disclosure requirements of Title I of this Act by officers and employees of the executive branch and Executive agency officials responsible for receiving, reviewing, and making available such statements;

(4) conducting a random annual review of not less than five per centum of the financial statements filed by officers and employees in the executive branch as required by Title I of this Act to determine whether such statements reveal possible violations of applicable conflict of interest laws or regulations and recommending appropriate action to correct any conflict of interest or ethical problems revealed by such review;

(5) monitoring and investigating individual and agency compliance with any additional financial reporting and internal review requirements established by law for the executive branch;

(6) interpreting rules and regulations issued by the President or the Commission governing conflict of interest and ethical problems and the filing of financial statements;

(7) consulting, when requested, with agency ethics counselors and other responsible officials regarding the resolution of conflict of interest problems in individual cases;

(8) ordering corrective action on the part of agencies and employees which the Director deems necessary;

(9) requiring such reports from executive agencies as the Director deems necessary;

(10) assisting the Attorney General in evaluating the effectiveness of the conflict of interest laws and in recommending appropriate amendments;

(11) evaluating, with the assistance of the Attorney General, the need for changes in rules and regulations issued by the Commission and the agencies regarding conflict of interest and ethical problems, with a view toward making such rules and regulations consistent with and an effective supplement to the conflict of interest laws;

(12) cooperating with the Attorney General in developing an effective system for reporting allegations of violations of the conflict of interest laws to the Attorney General, as required by section 535 of title 28, United States Code;

(13) providing information on and promoting understanding of ethical standards in Executive agencies.

(c) In the development of policies, rules, regulations, procedures and forms to be recommended, authorized or prescribed by him, the Director shall consult when appropriate with the Executive agencies affected, and the Attorney General.

ADMINISTRATIVE PROVISIONS

SEC. 203. Upon the request of the Director, each Executive agency is directed to—

(1) make its services, personnel, and facilities available to the Director to the greatest practicable extent for the performance of functions under this Act; and

(2) except when prohibited by law, furnish to the Director all information and records in its possession which the Director may determine to be necessary for the performance of his duties.

AUTHORIZATION OF APPROPRIATIONS

SEC. 204. There are authorized to be appropriated to carry out the provisions of this Act, and for no other purpose—

(1) not to exceed $1,000,000 for the fiscal year ending September 30, 1978;

(2) not to exceed $1,000,000 for each of the four fiscal years thereafter.

ANNUAL PAY

SEC. 205. Section 5316 of Title 5, United States Code, is amended by adding at the end thereof the following:

"( ) Director of the Office of Government Ethics".

TITLE III

Sec. 207 of title 18, United States Code, is amended to read as follows:

207. Disqualification of former officers and employees: disqualification of partners of current officers and employees.

"(a) Whoever, having been an officer or employee of the executive or judicial branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, after his employment has ceased, knowingly—

(1) acts as agent or attorney for or otherwise represents himself or any other person (except the United States) in any formal or informal appearance before, or

(2) makes any contact on behalf of himself or any other person (except the United States) with the intent to influence any department, agency, court, court-martial, or any civil, military, or naval commission of the United States or of the District of Columbia, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States or the District of Columbia is a party or has a direct and substantial interest and in which he participated personally and substantially as an officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, while so employed, or

"(b) Whoever, having been so employed, within two years after his employment has ceased, knowingly—

(1) acts as agent or attorney for or otherwise represents himself or any other person (except the United States) in any formal or informal appearance before, or

(2) makes any contact on behalf of himself or any other person (except the United States) with the intent to influence any department, agency, court, court-martial, or any civil, military, or naval commission of the United States or of the District of Columbia, or any officer or employee thereof, in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter involving a specific party or parties in which the United States or the District of Columbia is a party or has a direct and substantial interest and which was actually pending under his official responsibility as an officer or employee within a period of one year prior to the termination of such responsibility, or

"(c) Whoever having been so employed—

(i) at a rate of pay specified in subchapter II of chapter 53 of title 5, United States Code, or a comparable or greater pay rate under another authority; or

(ii) in a position classified at GS 16, GS 17 or GS 18 of the General Schedule prescribed by section 5332 of title 5, United States Code; in a position classified at O–7 or above under section 1009 of title 37, United States Code; or in a comparable position under another authority,

within one year after his employment with the department or agency has ceased, knowingly—

(1) acts as agent or attorney for or otherwise represents any other person (except the United States) in any formal or informal appearance before, or

(2) makes any contact on behalf of any other person (except the United States) with the intent to influence the department or agency in which he served as an officer or employee, or any officer or employee thereof, in connection with any judicial, rule-making, or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter which is pending before such department or agency or in which such department or agency is a party or has a direct and substantial interest—

"Shall be fined not more than $10,000 or imprisoned for not more than two years, or both: *Provided*, that nothing in subsection (a), (b) or (c) prevents a former officer or employee, including a former special Government employee, with outstanding scientific or technological qualifications from acting as agent or attorney for or otherwise representing, or making any contact on behalf of another person in connection with a particular matter in a scientific or technological field if the head of the department or agency concerned with the matter shall make a certification in writing, published in the Federal Register, that the national interest would be served by such action or appearance by the former officer or employee; *Provided further* That subsection (c) shall not apply to a former special Government employee who did not perform duties of his position in the department or agency for more than sixty days during the period of three hundred and sixty-five days immediately preceding the date of termination of his services with such department or agency.

"(d) Whoever, being a partner of an officer or employee of the executive branch of the United States Government, of any independent agency of the United States or of the District of Columbia, including a special Government employee, acts as agent or attorney for anyone other than the United States before any department, agency, court, court-martial, or any civil, military, or naval commission, of the United States or of the District of Columbia, or any officer or employee thereof, on behalf of any other person (except the United States), in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest and in which such officer or employee of the Government or special Government employee participates or has participated personally and substantially as a Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which is the subject of his official responsibility—

Shall be fined not more than $5,000, or imprisoned not more than one year, or both.

To the Congress of the United States:

During my campaign I promised the American people that as President I would assure that their government is devoted exclusively to the public interest. I began fulfilling that promise by making information on my own financial interests publicly available. I have also required that all Presidential appointees disclose their business and financial interests, to remove any possibility of hidden conflict of interest. In addition, I have obtained a commitment from these officials to adhere to tighter restrictions after leaving government, in order to curb the "revolving door" practice that has too often permitted former officials to exploit their government contacts for private gain.

To expand upon the actions I have taken so far, I am submitting to Congress the Ethics in Government Act of 1977. This bill would establish far-reaching safeguards against conflicts of interest and abuse of the public trust by government officials. The bill incorporates the standards I have required of my own appointees, and extends their coverage to other high-ranking officials. It builds upon the Comptroller General's two-year investigation of conflict of interest enforcement in the Executive Branch. It also parallels the unprecedented efforts the Congress has made to strengthen ethical standards for its members.

In addition to strengthening conflict of interest controls through the Ethics in Government Act, I am today announcing support for legislation to authorize appointment of a temporary Special Prosecutuor to handle cases of misconduct by high-ranking Executive Branch officials.

Both Houses have recently adopted new Codes of Conduct which are milestones in the history of government action to prevent actual or potential conflicts of interest. The leadership of both Houses have also pledged personal support for enactment of these new Codes into law. The Senate is currently considering S. 555, the Public Officials Integrity Act of 1977, and the House, in addition to creating a Select Committee on Ethics to enact its new Code into law, has also been working on legislation to establish government-wide ethical standards. I am confident that through our joint efforts, legislation prescribing government-wide standards of conduct will be considered and passed this year.

The Ethics in Government Act calls for a three-part program of financial disclosure, creation of a new Office of Ethics in the Civil Service Commission, and strengthened restrictions on post-employment activities of government officials.

First, the Ethics in Government Act would require policy-making officials, whether political appointees or top-level career civil servants, to disclose publicly their financial interests. Currently, policy-making employees must file statements of financial interest, but these statements are not available to the public. In addition to requiring public disclosure, the Act would require collection or more extensive information about employees' financial interests than the current Executive Order. Each official's report will include information on:

—income, whether earned or from investments;
—gifts, including travel, lodging, food and entertainment;
—assets, liabilities and financial transactions;
—positions held in business and professional organizations;
—agreements for future employment.

The vast majority of government officials, of course, have always followed strict ethical standards. I respect their efforts and integrity, and I have carefully considered the new obligations that this legislation will place on them. The provisions of the Act would strike a careful balance between the rights of these individuals to their privacy and the right of the American people to know that their public officials are free from conflicts of interest.

Second, the Ethics in Government Act would strengthen existing restrictions on the revolving door between government and private industry. All too often officials have come into government for a short time and then left to accept a job in private industry, where one of their primary responsibilities is to handle contacts with the former employer. To restrict this kind of arrangement I propose:

1. An extension of the current prohibition on appearances before an agency of former employment on matters that were under the official's responsibility:

—by extending the period of prohibition from one year to two; and
—by including informal as well as formal contacts.

2. A new and broader ban on formal or informal contact on other matters with agencies of former employment, for a period of one year after the end of government service.

These rules also reflect a balance. They do not place unfair restrictions on the jobs former government officials may choose, but they will prevent the misuse of influence acquired through public service.

Third, this Act would establish a new Office of Government Ethics in the Civil Service Commission. Under the existing Executive Order, guidelines have often been unclear, and enforcement has been ineffective in some agencies. An effective oversight office is essential if strict ethical requirements are to be enforced throughout the government.

Because I believe these responsibilities are so important, I am asking that the Office be headed by a Director who is a Presidential appointee, confirmed by the Senate. I want to designate an individual who is clearly accountable to me, to the Chairman of the Civil Service Commission and to the Congress for the supervision of ethical standards in the Executive Branch. The Director and his new Office would:

—issue general guidelines to agencies on what constitutes a conflict of interest, and how those conflicts can be resolved;
—make recommendations to me on any changes needed in laws and regulations governing conflicts of interest;
—monitor compliance by agencies and individuals with established requirements; and
—increase understanding throughout the government and on the part of the American people of the ethical standards of conduct required of Executive Branch employees.

This new Office will ensure vigilant enforcement of the standards that are established to protect the honesty and integrity of our government.

To complement the Ethics in Government Act, I am also announcing my support for legislation which would require appointment of a Special Prosecutor to investigate and prosecute alleged offenses by high government officials. I am not submitting my own bill, for legislation has already been introduced in the Congress which, with relatively small revisions, will conform to my own principles for sound Special Prosecutor legislation. Under those principles the Special Prosecutor would be appointed by a specially empaneled court. He or she could be removed from office only upon a finding of extraordinary impropriety or incapacity. The Special Prosecutor's jurisdiction would extend to alleged misconduct by the President, the Vice President, members of the Cabinet, and White House staff members.

This approach will eliminate all appearance of high-level interference in sensitive investigations and prosecutions. The American people must be assured that no one, regardless of position, is above the law.

I look forward to working with the Congress to enact both the Ethics in Government Act and Special Prosecutor legislation, so that we can help restore the faith of the American people in their government.

JIMMY CARTER.

THE WHITE HOUSE, *May 3, 1977.*

By Mr. MATSUNAGA:

S. 1447. A bill to provide that certain persons who were originally appointed as supplemental security income hearing examiners under pre-1976 provisons of title XVI of the Social Security Act shall without any restriction be deemed appointed as administrative law judges; to the Committee on Governmental Affairs.

TEMPORARY ADMINISTRATIVE LAW JUDGES

Mr. MATSUNAGA. Mr. President, in an effort to speed up the social security hearings and appeals process, and reduce the huge backlog of pending social security cases, Congress, in 1975, "drafted" 195 hearing examiners then working under the supplemental security income, SSI, program and authorized them to hear appeals on all types of social security appeals in accordance with the Administrative Procedures Act. The hearings officers, who had "permanent," career status, were designated "temporary" administrative law judges. In increasing their responsibilities and workload, however, Congress intended that their status and pay should also be increased. In their reports on the legislation, Public Law 94-202, both the Senate Finance Committee and the House Ways and Means Committee recommended that the new "temporary" administrative law judges be converted to permanent status as soon as possible under the existing Civil Service Commission procedures. All of them had experience in the hearings and appeals process, the committees pointed out, urging that the conversion be expedited by the Civil Service Commission.

It is indeed ironic that these hearings officers, dedicated to the elimination of Government redtape, should themselves be the victims of bureaucratic delay. But that is what happened. To date, only a few of them have achieved the permanent status of administrative law judge. Some 180 are still awaiting review of their applications by the Civil Service Commission. Despite the pleas of the Social Security Administration and the two congressional committees, it appears unlikely that the Commission will act in the near future. In the meantime, a great principle is being ignored—the principle of equal pay for equal work. The "temporary" administrative law judges are not receiving pay equal to that of the Government's other administrative law judges, although they are doing the same type of work.

To remedy this injustice, I am today introducing legislation which would convert the hearings officers to the status of "permanent" administrative law judge immediately, just as if the Civil Service Commission had approved their applications. My bill does not provide for any type of retroactive pay; it merely gives the hearings officers the status that Congress intended for them to have, and provides that they will be fairly paid for their work in the future.

A bill which is identical to mine has recently been introduced in the House of Representatives. Since the 180 temporary administrative law judges have been denied equity for nearly 2 years, I believe it is essential that the 95th Congress act promptly on the relief measure.

Mr. CHURCH (for himself, Mr. Williams, Mr. Domenici, Mr. Brooke, Mr. Clark, Mr. Pell, Mr. Humphrey, Mr. Randolph, Mr. DeConcini, Mr. Chiles, Mr. Percy, and Mr. Glenn):

S.J. Res. 48. A joint resolution to provide the authority for the President to call a White House Conference on Aging in 1981, and for other purposes; to the Committee on Human Resources.

1981 WHITE HOUSE CONFERENCE ON AGING

Mr. CHURCH. Mr. President, I introduce today a joint resolution authorizing the President of the United States to call a White House Conference on Aging in 1981. Action is being taken in the House of Representatives today.

Many of my colleagues will recall the legislative and administrative impetus gained from three previous national conferences on aging.

In 1950, the first national conference on aging helped to sensitize our Nation to the intensifying problems of older persons. Recommendations on 11 subjects were developed by 816 participants at that conference, and they became the first guidelines for broadly conceived national action to attack the problems of our Nation's aged and aging Americans.

The 1961 White House Conference on Aging enabled more than 103,000 persons to participate in about 670 county and community meetings throughout the Nation. Action recommendations in 20 subject areas were developed by 2,800 delegates to the conference. Many of the reccomendations were implemented during the 1960's, including medicare, social security improvements, the Older Americans Act, the Age Discrimination in Employment Act, and changes to the National Housing Act benefitting the elderly.

The 1971 White House Conference on Aging involved nearly 1 million people. Altogether 38,000 persons attended State conferences on aging, and more than 500 local conferences were held. Most of the recommendations were initially conceived at the State and local levels. An overriding goal was to assist the aging person to maintain independence and to provide dignified protection and assistance for those unable to maintain full independence. This philosophy has been the cornerstone of virtually all major aging legislation passed by Congress since 1971.

Much progress has been made, but much more remains to be done. We do not yet have a comprehensive national policy on aging. Yet, by the end of this century, there may be over 35 million persons 65 years of age or older. Now, nearly 3.3 million older Americans have incomes below the official poverty level, and another 2 million or so are barely above. There is still a pressing need to assure adequate income; to improve health care and make it more readily available; to expand housing opportunities; to improve social services; to provide employment opportunities and develop a national retirement policy responsive to the needs of older persons; and to develop policies to overcome age discrimination in all areas of our society.

A third White House Conference on Aging is needed to assure that the momentum generated by previous White House Conferences does not falter and die. Such a conference can focus on further development of national policy and action in the field of aging. It is needed to provide specific guides for legislation and action at the community, State, and national levels. It would allow older Americans, providers of services, specialists in aging, and key decisionmakers in the public and private sectors to participate in the development of these policies. The conference would also provide a means to take stock of the actions to implement the recommendations of the 1971 White House Conference on Aging.

My resolution calls upon the President to convene a White House Conference on Aging in 1981, planned and conducted under the direction of the Secretary of Health, Education, and Welfare. It would authorize assistance to States to conduct State and local conferences prior to the White House conference. My resolution would also insure broad participation of older persons themselves throughout conference planning and implementation.

A final report would be submitted to the President within 180 days after the conference is adjourned, and it would be made available to the public. The resolution also requires the HEW Secretary to transmit his recommendations for legislation and administrative action to the Congress and the President within 90 days after submission of the final conference report.

This White House Conference on Aging must include a more substantial effort to provide conferees and other policymakers with necessary information about the true status of older Americans in income adequacy, housing, health care needs, and other key areas. Conferees must also have access to the best and most up-to-date information on the status and effectiveness of our current efforts. All too often, participants in the 1971 White House Conference on Aging needed essential data to help steer policy discussions and recommendations. But this information was frequently unavailable. This was particularly true on issues concerning the minority elderly and housing.

My resolution specifically requires the Secretary of HEW to determine what information will be needed by the conferees, and to commission special studies to evaluate the adequacy of statistical resources and provide needed information on a timely basis to conferees at the local, State, and national levels. There is still time to participate in the design for the next census, if we know what information is needed. There is still time to conduct special research studies to provide essential data for important legislative and policy decisions.

It is my hope that areas in which new information will be needed can receive serious and thoughtful consideration during hearings on this resolution. The amount of time required for development of this information is an important reason for having the conference in 1981, rather than in 1980, as a number of people have suggested. A compelling case can be made for having the conference in 1980, however, and this is also a matter which should be explored at length in hearings.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res 48

Joint resolution to provide the authority for the President to call a White House Conference on Aging in 1981, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "1981 White House Conference on Aging Act".

FINDINGS AND POLICY

Sec. 2. (a) The Congress finds that—

(1) the number of individuals 55 years of age or older is now 43,000,000 and, will, by the end of this century, be over 57,000,000;

(2) nearly 3,300,000 older persons have incomes below the poverty level, as determined by the Federal Government;

(3) there is a great need to improve the economic well-being of older persons;

(4) there is a great need to make comprehensive and quality health care more readily available to older persons;

(5) there is a great need for expanding the availability of suitable and reasonably priced housing for older persons, together with services needed for independent or semi-independent living;

(6) there should be a more comprehensive and effective social service delivery system for older persons;

(7) there should be a more comprehensive long term care policy responsive to the needs of older patients and their families;

(8) there is a need to promote greater employment opportunities for middle aged and older persons who want or need to work;

(9) there is a need to develop a national retirement policy that contributes to the fulfillment, dignity and satisfaction of retirement years for older persons; and

(10) false stereotypes about aging and the process of aging are prevalent throughout the country and policies should be developed to overcome such stereotypes.

(b)(1) It is therefore the policy of the Congress that the Federal Government should work jointly with the States and their citizens to develop recommendations and plans for action to meet the challenges and needs of older persons, consistent with the objectives of this joint resolution.

(2) In developing programs for the aging pursuant to this joint resolution emphasis should be placed upon the right and obligation of older persons to free choice and self-help in planning their own futures.

AUTHORITY OF THE PRESIDENT, SECRETARY AND THE FEDERAL COUNCIL ON THE AGING

Sec. 3. (a) The President is authorized to call a White House Conference on Aging in 1981 in order to develop recommendations for further research and action in the field of aging which will further the policies set forth in section 2 of this joint resolution. The Conference shall be planned and conducted under the direction of the Secretary in cooperation with the Commissioner on Aging, the Federal Council on the Aging, and such other Federal departments and agencies as are appropriate. Such assistance may include the assignment of personnel.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, energies and the improvement of the conditions of older people, the Conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the field of aging and of the general public, including older persons themselves.

(c) A final report of the White House Conference on Aging, which shall include a statement of a comprehensive coherent national policy on aging and recommendations for the implementation of that policy, shall be submitted to the President not later than 180 days following the date on which the Conference is adjourned. The findings and recommendations included in any report required by this subsection shall be immediately available to the public. The Secretary shall, within 90 days after submission of such report, transmit to the President and to the Congress his recommendations for administrative action and the legislation necessary to implement the recommendations contained in such report.

ADMINISTRATION

SEC. 4. (a) In administering this joint resolution the Secretary shall—

(1) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate in carrying out the provisions of this joint resolution;

(2) render all reasonable assistance, including financial assistance, to State agencies on the aging and to area agencies on aging, and to other appropriate organizations to enable them to organize and conduct conferences on aging prior to the White House Conference on Aging;

(3) prepare and make available background materials for the use of delegates to the White House Conference on Aging as he may deem necessary and shall prepare and distribute any such report of the Conference as may be necessary and appropriate; and

(4) engage such additional personnel as may be necessary to carry out the provisions of this joint resolution without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

(b) In carrying out his functions under clause (2) of subsection (a) the Secretary shall assure that conferences will be so conducted as to assure broad participation of older persons.

(c) In carrying out his responsibilities under this joint resolution the Secretary shall assure that current and adequate statistical data and other information on the well being of older persons in the United States is readily available, in advance of the White House Conference on Aging, to participants in the White House Conference on Aging, together with such information as may be necessary to evaluate Federal programs and policies relating to aging. In carrying out the requirement of this subsection the Secretary is authorized to make grants to, and to enter into contracts with, public agencies and nonprofit private organizations.

ADVISORY COMMITTEES

SEC. 5. The Secretary is authorized and directed to establish an advisory committee to the White House Conference on Aging which shall include representation from the Federal Council on Aging and other public and private, non-profit organizations as appropriate. The Secretary is authorized and directed to establish such other committees, including technical committees, as may be necessary to assist in planning, conducting and reviewing the Conference. Each such committee shall be composed of professional and public members and shall include persons from low-income families and from minority groups. A majority of the public members of each such committee shall be 55 years of age or older. Appointed members of any such committee, while attending conferences or meetings of the committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not to exceed the daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, (including travel time); and, while away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of such title for persons in government service employed intermittently.

DEFINITIONS

SEC. 6. For the purpose of this joint resolution—

(1) The term "area agency on aging" means the agency designated under section 304(a)(2)(A) of the Older Americans Act of 1965.

(2) The term "State agency on aging" means the agency designated under section 304(a)(1) of the Older Americans Act of 1965.

(3) The term "secretary" means the Secretary of Health, Education, and Welfare.

(4) The term "Commissioner on Aging" means the Commissioner of the Administration on Aging.

(5) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this joint resolution.

ADDITIONAL COSPONSORS

S. 247

At the request of Mr. GOLDWATER, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 247, to provide recognition to the Women's Air Forces Services Pilots for their service to their country during World War II.

S. 1137

At the request of Mr. ANDERSON, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1137, to amend the Internal Revenue Code of 1954.

S. 1307

At the request of Mr. THURMOND, the Senator from North Dakota (Mr. YOUNG) was added as a cosponsor of S. 1307, to deny veterans' benefits to certain individuals.

S. 1362

At the request of Mr. ROBERT C. BYRD, the Senator from Virginia (Mr. SCOTT) was added as a cosponsor of S. 1362, a bill to amend the Small Business Act to reduce the rate of interest on disaster relief loans.

SENATE RESOLUTION 25

At the request of Mr. BUMPERS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of Senate Resolution 25, amending rule III of the Standing Rules of the Senate.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. GRIFFIN, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Senate Concurrent Resolution 5, relating to the Missing in Action in Vietnam.

SENATE RESOLUTION 163—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF S. 11

(Referred to the Committee on the Budget.)

Mr. EASTLAND, from the Committee on the Judiciary, reported the following original resolution:

S. RES. 163

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 11, a bill to provide for the appointment of additional district court judges. Such waiver is necessary to permit consideration of the authorization of additional federal district and circuit court judges for fiscal year 1977. Similar bills, S. 286 and S. 287, were passed by the Senate prior to May 15, 1976, but failed of final passage because not taken up by the House of Representatives prior to the adjournment of the 94th Congress. Final enactment of S. 11 will likely require encumbering of funds for the final quarter of Fiscal Year 1977 not in excess of $7,700,000, an amount equal to the estimate submitted by the Committee on the Judiciary March 15, 1976. If consideration of S. 11 is prevented, the current backlog of cases in the federal district courts will continue to rise, the burden on sitting judges will also increase, and the administration of justice will be significantly impeded.

AMENDMENTS SUBMITTED FOR PRINTING

FOREIGN RELATIONS AUTHORIZATION ACT—S. 1190

AMENDMENT NO. 250

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. PERCY. Mr. President, this year is the 35th anniversary of the Voice of America. On this occasion I want to congratulate the outstanding personnel of VOA, past and present, who have worked—sometimes against heavy odds—to make the Voice truly representative of the spirit and ideals of America, with respect for the truth and with courage to adhere to the truth.

As a staunch supporter of our country's efforts in the international broadcasting field, I have sought in recent years to strengthen these efforts, and to reorganize them to achieve greater effectiveness. Progress has been made. Radio Free Europe and Radio Liberty have been merged and reestablished under an open congressional authorization and appropriation process through the Board for International Broadcasting. The Voice of America Charter last year was enacted into law to put teeth in VOA's mandate to broadcast accurate, objective, and comprehensive news which would increase its credibility among listeners everywhere in the world.

Now, on this 35th anniversary, I believe the time has come to make the

Voice of America an independent agency free of the bureaucratic interference which has hampered its news presentation for so long. I am convinced that the Voice of America must be emancipated from the interference of diplomats and bureaucrats who have limited the Voice's ability to tell the whole truth in a timely manner and has thus deprived the Voice of the credibility it needs to do its job as a representative voice of a free society. VOA must be free to broadcast the news, whether that news is offensive to the leaders behind the walls of the Kremlin or embarrassing or inconvenient to bureaucrats in Washington or diplomats in American missions abroad.

Moreover, it is also time to take action to reorganize our governmental structure for the conduct of international information and cultural activities. The ongoing situation in which radio broadcasting, cultural activities, and official foreign policy articulation are concentrated for the large part in the U.S. Information Agency has caused deep confusion. administrative chaos, and conflict of purpose which serves the Nation poorly. Even greater problems are caused by the division of responsibility for cultural affairs between the USIA and the State Department's Bureau of Educational and Cultural Affairs.

The problem here lies in the distinction between information and culture. Obviously all meaningful communication involves the transmission of some kind of information, and putting foreign people in touch with American culture involves, of course, transmitting information about American culture.

USIA very properly defines culture very broadly to include all aspects of our domestic life as a nation and people. Culture therefore includes information not only about the arts, letters, education, and science, but also information about the American economy, governmental system and even the views of our citizens on international affairs. USIA engages in all these activities, but so does the State Department which conducts another part of the culture program, the exchange-of-persons activities. There is no doubt that these two programs would run more smoothly if they were combined in a single cultural agency.

What culture does not include is information that has to do with a spokesman role, that is, the explanation and advocacy of the U. S. Government's foreign policy. In this country, unlike authoritarian states, the Government does not control culture. The genius of this country—political, economic, social, and especially artistic—lies in its intensely private and individualistic nature. For us to represent that society and culture overseas in a fashion which mixes it all up in the day-to-day advocacy of our Government's foreign policy is a betrayal of good sense. How can we expect foreign peoples to believe what we say about our free and open society when they hear it from the same person whose primary job is to persuade them to support the latest U.S. policy moves vis-a-vis the Middle East or Rhodesia? The officers who handle this spokesman role overseas should be responsible directly to the State Department which has effectively handled this activity here in the United States for a long time.

It seems clear that establishment of an independent Voice of America, the combining of USIA and State Department cultural activities into one agency, and the concentration of U.S. official foreign policy articulation in the State Department would bring a new logic to the execution of these phases of governmental activity and subsequently make them more efficient in management, more effective in carrying out their missions, and more in keeping with the purposes which the people through Congress have mandated to them.

In addition, it is time to make a greater investment in the Voice of America so that its broadcasts can be heard more distinctly and more broadly throughout the world. Not only must transmitter power be increased, as President Carter has already recommended, but the Voice of America must have the resources to speak in more languages. It is astonishing that the Soviet Union, the People's Republic of China, the Federal Republic of Germany and the United Kingdom all broadcast in more languages than does the Voice of America. Radio Moscow broadcasts in 84 languages, VOA in only 36. Egypt broadcasts in 32 languages, almost as many as VOA.

In Western Europe, Radio Moscow broadcasts in 23 languages, while VOA is only allowed to broadcast in four languages. VOA does not broadcast to Japan in Japanese, but broadcasters of Communist nations broadcast 154 hours a week in Japanese to Japan.

VOA broadcasts to Latin America, Asia, Africa, and the Middle East, in their local languages, are dismally insufficient.

To correct the situation, to set the Voice of America free, to increase VOA broadcasting with greater transmitting power in more languages, to combine the cultural activities of the USIA and the State Department in one agency, and to concentrate U.S. official foreign policy articulation in the State Department—where it belongs—I am now submitting an amendment to the Foreign Relations Authorization Act.

The amendment specifies that the President shall devise and transmit to Congress by September 30 a plan to reorganize the State Department and USIA in accordance with these proposals.

I place particular emphasis on freeing the Voice of America, because bureaucratic interference with VOA's news presentation is indefensible in a free society. This interference is insignificant when compared with the total and absolute political control exercised over the media of the Soviet Union and the nations of Eastern Europe, but a free society is expected to tell the truth and is not true to itself unless it does.

Interference with the Voice of America has frequently distorted its news presentation to its own detriment with listeners and to the advantage of competing international broadcasters such as the BBC. Kenneth Giddens, until last month the director of the Voice of America for 8 years, told his employees at a recent VOA anniversary celebration that they have had a proud record, but that they could have done even better had they "not been hindered by the timid restraint often imposed by the nervous and fearful." Giddens said that VOA had "sometimes been forced to do less than a professional job."

To illustrate the seriousness of the interventions made by higher authority in the White House, State Department and USIA in order to manage Voice of America news presentation, I cite the following:

USIA pressure on the Voice to minimize the early news breaks in the Watergate coverup story.

State Department and USIA refusal to allow the Voice to broadcast the text of Alexandr Solzhenitsyn's book "The Gulag Archipelago."

Prohibition by a former USIA director of Voice news analyses on the death of Chinese leader Mao Tse-tung.

Attempts to curb Voice reporting of internal unrest in Poland immediately before and after the price increases in that country last fall.

Refusal of the American Embassy in Moscow to allow a Voice correspondent to cover an interview with the Soviet author Andrei Amalrik in 1969.

White House intervention last year to disallow Voice reporting of a visit of a group of Baltic American leaders with President Ford.

Delay of a Voice backgrounder on the SALT talks because USIA's policy office did not like a statement in it which was a direct quotation from Dr. Fred Ikle, then Director of the U.S. Arms Control and Disarmament Agency.

These examples of meddling with VOA news indicate the horrendous problems confronted by executives, broadcasters, and correspondents of the Voice as they seek to carry out their work in accordance with the VOA Charter. It is eminently desirable that they be given the independence to do the job according to the highest journalistic standard, just as the BBC External Services can do.

A senior BBC official, commenting on this question, wrote that—

> The value to the British national interest of the BBC not only being independent but being seen to be independent is well understood in the Foreign and Commonwealth Office, and it is only on rare occasions that efforts are made to influence the BBC's programme output. The BBC's attitude towards such efforts has always been to listen politely, to give due consideration to the views of the FCO, but to reject them when they are in conflict with the BBC's own view of its editorial obligations.

I think that this attitude, which has contributed to the high credibility of BBC broadcasts across the world, is one we would do well to emulate by making the Voice of America similarly independent.

The amendment which I am submitting can be a major step toward achieving VOA's freedom and toward restructuring the international information, cultural and radio broadcasting activities of the United States. I invite the support and cosponsorship of my colleagues and the favorable consideration of the administration.

To those already in positions of influence within the present structure, I am certain that under this amendment they would have the opportunity to participate in the devising of a plan to accomplish these desirable objectives. There should be a place in the proposed new organizational arrangements for all the fine men and women who seek to continue constructive public service in the international information, cultural and radio broadcasting fields.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 250

At end of Title V, add following new section:

STRENGTHENING INFORMATION, CULTURAL, AND RADIO ACTIVITIES

SEC. 553. (a) Upon considering the organization of the Department of State and the United States Information Agency for the conduct of international information, cultural, and radio broadcasting activities, the Congress finds—

(1) a clear distinction between—

(i) the function of explaining and advocating U.S. foreign policy, which may be described as "policy articulation"; and

(ii) "cultural activities," which serve to strengthen international understanding in general, and to portray American values and American society in its diversity and as a whole. Such activities include not only exchange-of-persons programs and efforts to convey information about the arts, letters, education and science, but also efforts to convey information about the American economy and governmental system and even the views of American citizens on international affairs.

(2) that the responsibility for policy articulation abroad should be carried by the Department of State, which already has this responsibility for domestic audiences;

(3) that for purposes of greater efficiency and effectiveness, all cultural activities presently divided between the United States Information Agency and the Department of State should be combined in a single agency, which should operate with a significant degree of autonomy;

(4) that global radio broadcasting by the Voice of America, in addition to constituting a significant international news source, is both an important cultural activity, serving to portray American values and society, and also an important medium for the articulation of official U.S. policy; and that these potentially conflicting roles can be better reconciled—and the stature and credibility of VOA broadcasts enhanced—if the Voice of America is reestablished as a separate agency with a clear mandate to broadcast accurate, objective, and comprehensive news, to represent American society in its totality, and to provide such air time as is necessary for the articulation by executive branch spokesmen of official U.S. policy.

(5) that Voice of America programs should be made available to additional audiences by means of increased transmission facilities and broadcasts in more languages.

(b) Not later than September 30, 1977, the President shall transmit to the Chairman of the Senate Committee on Foreign Relaions and the Chairman of the House Committee on International Relations a plan for reorganization of the Department of State and the United States Information Agency in compliance with subsection (a) of this section.

EXPORT ADMINISTRATION ACT—S. 69

AMENDMENT NO. 251

(Ordered to be printed and to lie on the table.)

Mr. DURKIN submitted an amendment intended to be proposed by him to the bill (S. 69) to amend and extend the Export Administration Act.

CONGRESSIONAL BUDGET, 1977—SENATE CONCURRENT RESOLUTION 19

AMENDMENT NO. 252

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself, Mr. TALMADGE, Mr. RANDOLPH, Mr. STONE, Mr. DURKIN, Mr. MATSUNAGA, Mr. STAFFORD, Mr. THURMOND, Mr. HANSEN, Mr. STEVENS, Mr. INOUYE, Mr. MCGOVERN, Mr. HASKELL, and Mr. MCINTYRE) submitted an amendment intended to be proposed by them jointly to Senate Concurrent Resolution 19, setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

NOTICES OF HEARINGS

MANUEL D. PLOTKIN, DIRECTOR OF THE CENSUS

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on the nomination of Manuel D. Plotkin to be Director of the Census. The hearings will begin at 8:30 a.m. in room 3302, Dirksen Senate Office Building on Tuesday, May 10, 1977.

ADDITIONAL STATEMENTS

THE ATHENS PLAN

Mr. NUNN. Mr. President, I recently was privileged to meet with members of the Veterans of Foreign Wars Club Post 2872 in Athens, Ga., and one topic of discussion was the All-Volunteer Force.

I ask unanimous consent that a summary of a proposed alternative to the Volunteer Force presented to me by Post 2872 and entitled the "Athens Plan" be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

THE ATHENS PLAN

Purpose.—To maintain adequate level of trained military personnel at a reduced cost.

All 18-year olds required to serve three months in branch of military. Minimum physical standards and training assignments according to capabilities.

Upon completion of three months service, have choice of continued reserve obligation for specified number of years or spend additional three years nine months in military. If additional time in military chosen, will become eligible for educational support (tuition, books, subsistence) for equal period of time. This period of education would include college, technical training, apprenticeship, etc. Those serving four years would have no reserve time obligation.

This plan would provide a large pool of trained military personnel at a minimum of cost. It would not obligate the military for large expenditures for pensions as will be likely under the present situation since the career military could be reduced and would serve largely a training function. The education expenditures would be regained in a matter of years due to increased tax payments as a consequence of higher income resulting from additional education.

Mr. NUNN. Mr. President, as indicated in the plan, the concept of universal military training is not a new one, but Post 2872 has developed some imaginative proposals which would broaden the scope of universal military training. In presenting their ideas, the members of VFW Post 2872 have made a valuable contribution to the needed national debate on the future viability and possible alternatives to the All-Volunteer Force. This is precisely the type grassroots involvement needed to foster a continuing dialog on this subject, so important to the security of our Nation.

The notion of universal military training is not new. Such a policy is followed in several countries. A minimum training period of 3 months is short enough that it will not be a great inconvenience, but long enough for basic training. It will provde the necessary training for those going on Reserve status and a minimum level of martial competence may be maintained by monthly, or semimonthly, reserve drills.

Those going into the military for 4 years would form a smaller cadre of trained personnel with advanced training in specialized fields. The education expenditure would be similar to the "GI bill." This program paid for itself in increased taxes only a few years after its termination.

The proposed plan would not only provide this country with the trained military personnel needed, at a lower cost than now, but would have the added benefit of raising the educational level of the Nation. It would make advanced education available to everyone. At a time of falling enrollments in educational institutions, additional students would not tax the present facilities and would prevent the loss of a great deal of educational potential that is currently available.

REVERSE DISCRIMINATION IN HIGHER EDUCATION

Mr. HELMS. Mr. President, today many distinguished educators are warning of a massive assault upon the institutional autonomy of America's colleges and universities by the Federal bureaucracy. Federal bureaucrats have entangled college administrators and professors in a web of Federal regulations, reports, and controls which not only exhaust university resources, but which also define university policy. Obviously, college presidents and administrators who cannot perform their work free of Government control cannot protect their faculties from Government interference in the classroom.

Officials of the various Federal administrative agencies are charged with implementing laws passed by Congress by the adoption of rules and regulations which follow the language and are within the scope of the congressional intention. However, all too often Federal bureaucrats act as lawmakers themselves, rather than as law administrators. Nowhere is this distortion of the proper administrative role more exaggerated than in the actions of HEW bureaucrats imposing hiring and admission quotas upon institutions of higher education.

Recently I introduced, along with seven of my colleagues, S. 1361, the Academic Freedom Act of 1977 to curb these excesses of bureaucratic rulemaking. This legislation would especially affect the HEW imposed quota system in higher education.

Several days ago, I received a letter from Dr. Morton Teicher, dean of the School of Social Work of the University of North Carolina at Chapel Hill. He also enclosed an article which he had written concerning the problems presented by this institutionalized discrimination in the journal of the National Association of Social Workers, Social Work. Dean Teicher's article entitled "Reverse Discrimination" is a clear and concise statement of the divisive and detrimental results of this HEW imposed policy. A policy which rather than correcting social wrongs of the past, is fostering new social problems.

Mr. President, I ask unanimous consent that Dean Teicher's letter and article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE UNIVERSITY OF NORTH CAROLINA,
Chapel Hill, April 26, 1977.

Senator JESSE HELMS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HELMS: I wish to congratulate you on the legislation you have introduced to relax enforcement of the affirmative action regulations.

You may be interested in a little piece on this subject which I published five years ago.

Sincerely,

MORTON I. TEICHER,
Dean.

REVERSE DISCRIMINATION

The development of "affirmative action" programs for minority groups is posing some intractable problems. These problems arise from the existence of conflicting, fundamentally incompatible values. On one hand, we social workers value righting the wrongs perpetrated for too long on minority groups. On the other hand, we value the right of all persons to be treated equally.

Distributive justice requires the dissemination of benefits to all without depriving any individual or group of something it values. This is far more in keeping with fairness and equity than the idea of redistributive justice, which confers benefits on one group at the expense of others. Redistributive justice, then, leads to reverse discrimination.

Redistributive justice is advocated to atone for our failure to live up to the belief in the capacity and the dignity of each human being. This failure does not negate the soundness of that belief. Rather, it should spur us to correct the failure—not the belief. When practices fail to reflect principles, then we should change our practices, not our principles.

For social workers, the issue has come to the forefront in agency and university hiring practices and admissions policies of schools of social work. Social agencies, especially those serving ghetto populations, are giving preference to minority group members in employment. Universities, beset by pressures from the U.S. Department of Health, Education, and Welfare, are similarly giving preference to women and minority groups. Some schools of social work have adopted quota systems in dealing with candidates for admission.

These practices conflict with the fundamental social work belief in individual human dignity and the libertarian belief that each person is entitled to be judged and valued as an individual. Quota systems and preferential treatment are artificial restrictions on this right because they substitute irrelevant group characteristics such as race or religion for consideration of an individual's capacity and potential. Respect for the individual is a basic part of social work's credo and commitment. We cannot reconcile this conviction with treating people only as representatives of a racial group.

When we try to eliminate discrimination and compensate for past wrongs by quota systems, we substitute one injustice for another. We deny the inherent equality of all people and undermine the proposition that each individual should have the same opportunity to achieve and to be judged according to his merits. We pit group against group and destroy the possibility of harmonious interaction. Quotas are pernicious instruments; they represent an unacceptable means for achieving a desirable end. "Preferential quotas are condescending, divisive and detrimental to the integrity of a university."[1]

A quota system institutionalizes discrimination and must be vigorously opposed. Ultimately, it is a form of segregation. The progressive democratization of the university through the elimination of any criterion for admission other than merit has been one of the success stories of America. Now some of the benighted beneficiaries of that victory ally themselves with those antilibertarian forces that would have blocked their own access to education. They are ready to eradicate the victory of equal opportunity over discriminatory quotas, for which their forebears fought so hard. That victory has only been partially won. We cannot falter now by substituting a host of irrelevant and inappropriate considerations for merit. The test a university must apply to each candidate is merit—not inherited status.

Some advocates of quota systems believe that quotas will redress wrongs and thus produce equal opportunity, when actually they eliminate equal opportunity. Quotas have historically been used for exclusion. They were an insidious manifestation of institutionalized bigotry, covertly designed to exclude unwanted groups. They were wrong in the past and they are wrong now, even though they are now designed to achieve inclusion, rather than exclusion. Discriminatory practices are wrong, no matter what their intent. Whether they are for or against particular groups, quota systems are morally indefensible.

For social workers, the distinctions among people based on race, ethnic background, religion, or creed that inhere in quota systems are particularly abhorrent. Our regard for the individual and our objection to hereditary caste as a status determinant should make quota systems especially impossible for us to accept.

For schools of social work, the argument that quotas for admission will produce student bodies that represent the proportion of racial, ethnic, or religious groups in society is a curious expression of bigotry. Proportional representation on a group basis is highly discriminatory. What taxonomy shall be used to categorize the groups that should be represented? Among the characteristics that defy classification are the following: cultural, economic, ethnic, gender, geographic, linguistic, national, occupational, racial, religious, social class, and tribal.

Some minority groups include the following: the aged, American Indians, Asian-Americans, Blacks, capitalists, Catholics, Chicanos, easterners, factory workers, farmers, German-Americans, Hispanic Americans, Hungarian-Americans, immigrants, Irish-Americans. Italian-Americans, Jews, the lower class, migrants, nomads, northerners, Polish-Americans, the poor, Puerto Ricans, slum-dwellers, southerners, Swedish-Americans, the upper class, wasps, westerners, and youths.

Who is not a member of a minority group? Who cannot find a place among this woefully incomplete list of minorities?

We are all minorities. Each of us comes from a distinctive racial, religious, or ethnic stock. Each of us is a newcomer or a descendant of newcomers. Even the native Americans—the Indians—came to North America from across the Bering Straits 25,000 years ago. Each of us has ties to our own roots. Each of us has pride in our origins. Each minority contributes to America—to its building, its evolution, and its maintenance.

—MORTON TEICHER.

REHABILITATION ACT SECTION 504 REGULATIONS PRAISED

Mr. CRANSTON. Mr. President, last Thursday HEW Secretary Joseph A. Califano, Jr., signed the regulations implementing section 504 of the Rehabilitation Act of 1973. These regulations appear to be strong and effective and generally responsive to the points I raised with the Secretary in my letter of April 22, 1977—which was printed in the RECORD at page 12410 on April 27, 1977—and to the concerns expressed by handicapped individuals from California and around the country.

Mr. President, I believe that these regulations will mark the beginning of the full recognition and affording of the civil rights of handicapped persons and will markedly change the way that public and private programs and facilities relate to the needs of handicapped individuals.

Although reasonable persons can differ on the particulars of a specific provision—as to whether it goes too far, or not far enough, or is too specific, or not specific enough, for example—I believe that the Secretary and the task force chaired by HEW General Counsel-designate Peter Libassi, have throughout acted appropriately, responsibly, and in the very best of faith. I congratulate them for the product of their hours and hours and days and days of extraordinarily detailed, lengthy consideration. I look forward to the prompt promulgation of similar regulations by all other Federal agencies following the HEW lead regulations.

Mr. President, these regulations have been characterized by Dr. Frank Bowe, director of the American Coalition of Citizens with Disabilities, Inc., as marking—

> A historic milestone in the struggle of disabled people for full equality of opportunity in our nation . . . [and as] an eminently

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[1] Editorial, "Discrimination by HEW," *New York Times*, March 2, 1972.

enforceable document that is fair, sensible, and balanced.

Certainly, there is no more qualified evaluator of the merit of these regulations than Dr. Bowe and the people whom he represents.

Mr. President, the regulations represent only a blueprint. What must follow now is an orderly and comprehensive plan for full and effective enforcement. This is the task which now confronts the Secretary, the General Counsel, and the new Director of the Office for Civil Rights, David Tatel—who is highly qualified and is himself disabled. I have urged them to meet with representatives of handicapped persons this week to begin a series of discussions on the formulation of this enforcement plan.

Mr. President, I ask unanimous consent that an April 28, 1977, press release by Dr. Bowe, his April 28, 1977, letter to Secretary Califano, and his April 28, 1977, letter to Mr. Libassi be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Press Release From American Coalition of Citizens With Disabilities, Inc., Apr. 28, 1977]

STATEMENT BY DR. FRANK BOWE, ACCD DIRECTOR

Joseph A. Califano, Jr., Secretary of Health, Education, and Welfare, today signed a regulation implementing Section 504 of the Rehabilitation Act of 1973.

This is indeed a cause for rejoicing. The Secretary has acted with courage, compassion, intelligence, and creativity in moving firmly to end discrimination on the basis of disability in all Federally assisted programs and activities. Having reviewed the regulation he issued today, I am enormously pleased with the scope and breadth of the protection it offers. This regulation prohibits discrimination in education, employment, health, and social services. It marks a historic milestone in the struggle of disabled people for full equality of opportunity in our nation. And the regulation is an eminently enforceable document that is fair, sensible, and balanced.

Disabled Americans throughout the country have cause for deep satisfaction and pride in the work they did to secure a strong regulation. Today I congratulate Secretary Califano on behalf of the people ACCD represents and pledge to him full support in the difficult task of implementation and enforcement.

AMERICAN COALITION OF CITIZENS
WITH DISABILITIES, INC.,
Washington, D.C., April 28, 1977.

JOSEPH A. CALIFANO, Jr.,
Secretary, Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: I am writing to express my deep satisfaction and pleasure with the action you have taken today to begin the process of ending discrimination on the basis of disability in Federally assisted programs and activities. Having reviewed the regulation you issued this morning, I am enormously pleased with the scope and depth of the protection it offers. I believe this regulation to be an eminently fair one that will be readily enforceable and that will be viewed by disabled Americans throughout this nation as cause for rejoicing.

The regulation is and has been controversial. In taking the action you did, you showed courage, compassion, intelligence, and creativity. You have chosen for the Office for Civil Rights experienced and capable individuals who will be able to carry out this regulation with sensibility and sensitivity. You have set an excellent example by yourself employing disabled individuals who are fully qualified for the work they will be doing. For all of these reasons, I today pledge the full support and cooperation of ACCD in the efforts you and your staff will make to implement and enforce this regulation.

Your action, as you know, is far-reaching in its implications. This regulation has important applications in almost all HEW programs. It serves as a basis for similar regulations in other departments and agencies of the Federal government. It vitally affects the regulations for P.L. 94–142, the Education for All Handicapped Children Act of 1975, and for P.L. 94–488, the State and Local Fiscal Assistance Amendments of 1976. I believe disabled Americans have sound reason to believe they have gained in you a good and powerful friend whose wisdom and sensitivity will be invaluable in the years to come.

Sincerely yours,
FRANK G. BOWE, Ph. D.,
Director.

AMERICAN COALITION OF CITIZENS
WITH DISABILITIES, INC.,
Washington, D.C., April 28, 1977

PETER LIBASSI,
General Counsel-Designate, Health, Education, and Welfare, Washington, D.C.

DEAR PETE: I am writing to express my deep satisfaction with the work you and your staff did, and with the action the Secretary took, to begin the process of ending discrimination on the basis of disability in Federally assisted programs and activities.

The regulation is and has been controversial. The work you and your staff did, with the active involvement of the Secretary, did, I believe, balance the issues and resolve the arguments that were presented in a fair and sensible way. This was, I know, no mean task and I believe you deserve great praise for your efforts.

I am today pledging ACCD support and assistance in the work to implement and enforce Section 504 with recipients of HEW financial assistance. Please feel free to call upon us when you feel we may be able to help.

Thank you.

Sincerely yours,
FRANK G. BOWE, Ph. D.,
Director.

CLARIFICATION OF AMENDMENT NO. 242 TO H.R. 3477

Mr. HELMS. Mr. President, this past Friday, April 29, the Senate, by voice vote adopted my amendment No. 242 to H.R. 3477 giving bona fide purchasers certain protection with respect to IRS tax liens. This amendment was the result of a compromise and agreement between all the parties and had the approval of the Acting Commissioner of the Internal Revenue Service.

Immediately prior to passage. I made a few remarks about the amendment for the purpose of establishing legislative history. These remarks appear in the right hand column at the bottom of page 12930 of the RECORD. Unfortunately these remarks were not complete. Therefore, I ask unanimous consent that the following addition be inserted in the RECORD:

At the end of the first paragraph in the comments of Senator HELMS, appearing at the bottom of the right hand column of page 12930 of the CONGRESSIONAL RECORD, after the words "who never personally lived in his residence.", add the following new sentence: "The term 'residence' also includes the land contiguous to the residence."

The PRESIDING OFFICER. Without objection, it is so ordered.

PAST PRESIDENTS OF NAACP

Mr. RIEGLE. Mr. President, this Friday, May 6, 1977, is the annual recognition dinner of the Grand Rapids, Michigan Chapter of the NAACP. This year's theme is "A Promenade of Past Presidents," and will include tributes to 10 past presidents of the chapter.

These 10 men and women have provided their special talents and leadership in service to the community, and are to be commended for their work on behalf of the community of Grand Rapids. I wish to join with the people of Grand Rapids in offering my thanks and appreciation for their service to the area.

Mr. President, I ask unanimous consent that the biographies of the 10 past presidents of the chapter be printed in the RECORD.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

BIOGRAPHIES OF PAST PRESIDENTS

MELVIN A. TARDY

A member of St. Luke's AME Church, Mel Tardy is 54 years old, came to Grand Rapids in 1946 after completion of his military obligations. He attended Morehouse College, Grand Rapids Junior College and the University of Michigan. He started the Newborn Community Action Program and served it as an Urban Agent; became director of the Franklin Hall Complex in 1967 where he founded the free walk-in treatment clinic. He is a member of the Governor's Advisory Committee on Health; appointed member of Grand Rapids Transit Authority and is presently employed as Director of Program Development for Kent-CAP, Inc.

He worked for nineteen years on the Chesapeake & Ohic Railroad and was one of the original group that implemented the GAP Program, and is past president of the Grand Rapids Branch NAACP. During his tenure as its president, the NAACP sued the Grand Rapids Public Schools for violation of the school desegregation laws.

CARL A. THOMASSON

A retiree of the Michigan Consolidated Gas Company, Mr. Thomasson was born on March 16, 1908, in Warren, Arkansas. He attended Hampton Institute and graduated from the Douglass High School in 1929. He moved to Michigan after high school graduation and attended Olivet College for two years. In 1934, he moved to Grand Rapids where he met and married the former Mary Harris. He was elected to the NAACP presidency the same year that the Grand Rapids Urban League was begun, approximately 1943.

Mr. Thomason is an active participant in the Kent County Democratic Party and was the Executive General Chairman of the Regional III Training Conference for the NAACP in 1968. Believing that civil rights begins with the ballot box, he has continued to support all voter registration drives.

ATTY. ALPHONSE LEWIS

Born in Mobile, Alabama, spent much of his youth in Muskegon, Michigan, has lived and worked in Grand Rapids for the 30 years and has taken an active role in all isues affecting Black people. He was educated at

Howard University and the University of Michigan from where he received his Doctor of Laws degree. In his years as a practicing attorney, he has seen the problems of the Black community and quietly taken many opportunities to help. As the Chairman of the Model Cities Neighborhood Citizens Committee, he became a visible force in a group of articulate citizens who worked for constructive and positive change. He is currently married to the former Sonia Worden. He has had a lifetime involvement in the NAACP and has been its past president. He is Chairman of the Business and Professional League.

ELIAS LUMPKINS

Mr. Lumpkins is also a member of the St. Luke AME Church. He was born in Vicksburg, Mississippi and has lived in Grand Rapids for 32 years. He is a graduate of the former South High School, Grand Rapids Junior College and Michigan State University. He is married to Ruth Lumpkins and is the father of three sons.

Presently, he is Director of the Upward Bound Program and Special Services Program at Calvin College. Past president of, and still active in the local NAACP. Prior to his current position, he has been both, a teacher and a principal in the Grand Rapids Public School System. In his own words, Eli says his present aspirations are "to continue working with young people, and to contribute to the improvement of my church, my community and, hopefully, the world as a whole."

DR. W. W. PLUMMER

This 54-year old dentist, has lived in Grand Rapids for the past 25 years. During these years, he has been busy in community and civic affairs, refusing to accept office in any of them, except his presidency of the Grand Rapids Branch NAACP. Dr. Plummer was born in Detroit, educated in Meharry Medical College and feels that "titles mean no more than the man behind them." His one immediate ambition is to continue his successful dental practice.

FRILEY JOHNSON

Mr. Johnson is 60 years old, married to the former Hazel Bunn and has lived in Grand Rapids for the past 40 years.

He was formerly president of the Grand Rapids Branch NAACP, is an elected member of the Kent County Board of Commissioners, serves on the county's Legislative Committee, the Board of Public Works and the Board of Institutions; member of the Kent-CAP Governing Board, member of the Neighborhood Health Services Board and is Chairman of the Franklin-Hall Advisory Council.

WILLIAM M. GLENN

Mr. Glenn, an active participant in community affairs, is Housing Coordinator for Senior Neighbors, Inc., received the 1971 Bill of Rights Award from the Western Michigan chapter of the American Civil Liberties Union. The great-grandson of an escaped slave, the 74 year old civil rights leader was cited for 44 years of "struggles for civil liberties in Kent County." Among his civil rights victories was a suit against the Kieth Theatre which required Blacks to sit in the balcony. The court decision outlawed segregated seating; in 1941, he was one of the first black employees in a local factory producing parachutes and other war materials; he filed a complaint with the Fair Employment Practices Commission which led to opening all Grand Rapids war production employment to Black workers. While a factory worker, he became president of the local NAACP and later chairman of the housing committee of the Urban League where he played a active part in planning the Campau Housing Project.

Bill Glenn served four years on the City's Community Relations Commission, served as Chairman of the Commission's Senior Citizens Subcommittee on Housing and as a member of the Mayor's Housing Committee On the Family Planning Board, he served and held office as treasurer for two terms His present involvement centers around his efforts to coax the city into providing more units of federally subsidized low-cost, centrally located housing for Senior Citizens. He is currently president of the Grand Rapids Concerned Senior Citizens Club, the local affiliate of the National Council of Senior Citizens.

ROY S. ROBERTS

Aged 37, born in Arkansas, raised in Muskegon, Michigan and residing in Grand Rapids, Michigan, Mr. Roberts attended the Grand Rapids Junior College and Western Michigan University. He is married to Maureen Roberts and is the father of 3 children, sons Ricky, Ronald and daughter Robin.

His present position is that of Director of Human Resource Management for the Diesel Equipment Division of General Motors Corporation. He believes in community service, as proven by his past performance records: past president of the Grand Rapids Branch NAACP; former County Commissioner; serves on the Blodgett Hospital Board of Directors; serves on the Board of Directors for the Ferris State College of Business. He has been an instructor at Aquinas College and Grand Valley State Colleges. His aspirations: "To go as far in corporate business as my abilities, initiative, opportunity and, most importantly, as God will let me go."

HAZEL M. GRANT

Ms. Grant is a mover. Although born in Cassopolis, Michigan, she graduated from high school in Three Rivers, Michigan and is a current resident of Grand Rapids. In 1932, she was the first Black woman selected to work as Chief Registrar in the City Hall in the City Clerk's office. She served in this position for 31 years. She is an officer of the Pierian Club, a local civic organization whose main existence for being is "to help someone less fortunate." She is a member of the Grand Rapids Urban League and serves on that organization's Women's Guild. Not only is she a lifetime member of the NAACP, she has been a member since 1922, and served as its president from 1964 through 1966. She is a member of St. Phillip's Episcopal Church where she is the Church Secretary. She was instrumental in bringing about Federal Housing in Grand Rapids which the local real estate board fought for a period of 16 years.

As stated before, Ms. Grant is a mover as well as a doer. She helped to bring June Shaglehoff of the National Education staff to address the local Board of Education which resulted in the organizing of the "Committee of 51," a group whose purpose was to study school desegregation in Grand Rapids. She belonged to CORE (Congress on Racial Equality), and helped to organize the city, jointly Black and White, to protest the slaying of the five children who were killed in a church in Alabama. Ms. Grant, a widow, and retired, still fights for civil rights.

JEROME SORRELLS

Born 38 years ago in Middletown, Ohio, he was raised in South Haven, Michigan, moved to Grand Rapids in 1956 where he attended Aquinas College and Davenport Institute of Business. He had several different jobs including that of laborer at General Motors Corporation and orderly at Blodgett Memorial Hospital. His primary interest was decent housing for the Black community. With this interest as his starter, he formed his own construction company, Community Development, Inc., of which he is the successful president. He is married to Mayjewel Sorrells and is the father of several children. He is president of the City Independent Contractors Association, president of the State Association of Minority Contractors; past president of the NAACP and is Chairman of the City Planning Commission for the City of Grand Rapids.

THE AIR FORCE AID SOCIETY

Mr. GOLDWATER. Mr. President, many Members of this body feel that the military services do not do anything to help themselves. Let me tell them and anyone else who cares to read my remarks that this is far, far from the truth. The Air Force Aid Society has been in existence for many, many years, and the accomplishments it has attained for members of the Air Force through contributions from those members and friends are, indeed, exceptional ones and this society is a model for not only the other services but a model for private industry to follow. Recently we held our annual meeting and out of that came the director's report and the balance sheets, and so forth. I ask unanimous consent that the director's report of Maj. Gen. Reginald C. Harmon, retired, be printed in the RECORD, together with the balance sheet of the Air Force Aid Society and a statement of income, expenses, and principal of funds, plus supplemental information, statement of assistance, and summary of assistance by military sections. This is an achievement that the Air Force has every reason to be proud of and it is an achievement that indicates that the military is perfectly willing and able to take care of a large portion of their own problems; of course, there are problems that cannot be solved, that have to be solved by the Federal Government, namely, the Congress. I am very proud of serving on the board of this organization, and I trust that these insertions will be of help to my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DIRECTOR'S REPORT

(By Maj. Gen. Reginald C. Harmon)

The Air Force Aid Society was touched by sadness during the year 1976 on three occasions; first, when Mr. Floyd Odlum, a former member of the Board of Trustees, who had served for twenty-three years from 1945 to 1968, died in June; second, when our President Mr. John M. Costello, who had served as President since 1974 and had been a member of the Board of Trustees since 1944, longer than anyone in the history of the Society, died in August; and, third, when Mr. Carl H. McClure III, who was Secretary for 11 years and General Counsel for 29 years and who had been a member of the Board of Trustees since 1949, died in November. These three men, whose dedication and devotion to the Society will long be appreciated and remembered, had a combined membership on the Board of Trustees of 84 man-years. Each of them will always be missed by all who are interested in the welfare of this organization.

Instead of reviewing the figures contained in this report, which are really self-explanatory, I should like to discuss several of the policies of the Society and the reasons for them. However, before I do that, I should like to present two facts which I deem important. One concerns a change in the membership of the board and the other is of historic importance.

The former is that the bylaws were amended to enlarge the Board to include two new members making a total of 17 instead of 15. The Chief Master Sergeant of the Air Force was made an ex officio member and another elected member was added to produce a total of an odd number of members rather than an even number. The latter is an item of information of which I believe everyone connected with the Aid Society should be justly proud; that over the years, it has provided emergency assistance to 512,000 Air Force personnel at a cost of $52,000,000, and provided educational assistance to over 14,000 of their children at a cost of $24,000,000 making a grand total of 526,000 people assisted at a cost of approximately $76,000,000.

It has always been my belief that the National Headquarters of any corporation should maintain contact with its field offices in order to communicate effectively with them and understand their problems. Therefore, during my tenure as Director, I have tried to visit the Aid Society offices at as many Air Force bases as possible. I visited 59 of them during the year 1976. This requires great effort due to the unavailability of Air Force transportation in most cases within the Continental United States. However, I believe it is worth it.

During the course of these visits, I am frequently asked about the necessity of referring applicants for certain kinds of assistance to the American National Red Cross. The reason is that the Red Cross, as a very strong national organization, raises vast sums of money each year for certain kinds of relief of military personnel. It is essential that the money raised for such purposes be utilized first. Otherwise, the Air Force Aid Society would be taking over the responsibility of the Red Cross, thereby depleting the Society's funds unnecessarily. By fostering a complementary relationship between these two agencies, we maximize relief funds available to those in need.

We have also been asked on many occasions to explain the criteria for providing educational assistance. "What do you have to do to get educational assistance?" There are two requirements. First, the applicant has to establish need. The Aid Society cannot afford to provide educational assistance for people who do not need it. In defining "need," this organization is more liberal than any I know. In fact, it is far more liberal than the corporation at Princeton, New Jersey, which advises charitable corporations with educational assistance programs, recommends. The belief of that organization is that we are much too liberal. However, having been in the service many years myself, I am quite aware of the problems of service people. A service family with a given income is less able to educate its children than is a family with the same income which enjoys the stability of always living in one place. Second, the applicant has to establish that he has the scholastic ability to be able to finish the college curriculum of his choice at the school of his choice in the regular period of four years. We are not looking for the star of the class but we are looking for the student who can reasonably be expected to finish college in the prescribed period. We make that determination by an examination of his high school record, by an evaluation of the results of his aptitude tests, and in close cases by a consideration of the recommendation of his teachers, all in the light of the location and environment in which the applicant was raised.

Through years of experience, study and the accumulation of statistical information, the people who run this program have worked out a system by which they can make a reasonably accurate prediction as to whether a particular applicant can be expected to be successful in college. A few years ago, several of the colleges and others suggested that all needy students be assisted who were accepted by some college. As a test, we tried that method in the school year of 1969–70. The percentage of failures rose so high, however, that we had to go back to the old method within one year. A recent evaluation, comparing that year with four school years before and four years after, revealed that the percentage of students who continued successfully through all four years of college was a little over one-half the percentage for each of the other eight years. Therefore, it is quite obvious that the system of helping all of those who are needy and who have been accepted by some college simply does not work. This may be due to the fact that many colleges are so anxious to get students that their admission requirements are not strict enough.

During my field visits, I have been asked many times why the Society charges interest on educational loans now and did not do so before. I should like to explain the whole matter. For several years there had been a feeling on the part of many of the Trustees that some interest should be charged on educational loans as is the policy of most other charitable organizations with educational assistance programs. The reasons for that school of thought were that such a policy would add some needed financial security to the Society to assure that it would always be able in the future to do for Air Force people what it is doing now. Additionally, the charge of a reasonable rate of interest for educational loans would preserve the dignity of the student concerned. There were others on the Board who felt that the Society could meet its obligations in the future without charging interest and who did not want to burden Air Force children with more financial liability. After much discussion, the Board passed a resolution at its meeting in 1975 which provided that in the school year beginning in the fall of 1976, there would be a modest charge of interest. This was later implemented by the Director with the approval of the Executive Committee, to be a rate of 5 percent interest, to begin not when the money was borrowed but when the student graduated or for other reasons the payments on the loan were due and finally to not add the interest to the monthly payments but simply extend the time during which payments would have to be made. For example, if the period of payments of a certain amount per month without interest would be 78 months, with interest at 5 percent, the period would be about 91 months. It appears that this is a sensible compromise of this question.

There are two other misconceptions that have been mentioned to me a few times, which I should like to answer. One is that there are rare occasions when someone mentions the fact that he has been a regular contributor to the Air Force Aid Society for many years and, therefore, should be given some priority in being granted educational or other types of assistance. This, of course, is not true. Unlike insurance companies or clubs of various kinds, I know of no charitable corporation of this type where contributors are given prior consideration for assistance. The other misconception is the belief on the part of some that more educational assistance is granted to the children of officers than to those of enlisted men. Nothing could be farther from the truth. Of 2,027 children now being assisted by the Society, only 316 are the children of officers and of that number only 75 are on active duty. The others are either retired or deceased.

In closing, I should like to invite anyone who has any questions concerning either the policies or the operating procedures of the Air Force Aid Society, which I have not anticipated in this article, to address them to my office, and we will do our best to answer them. I should also like to thank the people of the Air Force at all levels, my counterparts in the Army Emergency Relief and Navy Relief Societies, the representatives of the American National Red Cross, and last but not least my own staff at National Headquarters for their excellent cooperation which made 1976 a successful year for the Society.

FACTS ABOUT AIR FORCE AID SOCIETY

INTRODUCTION

The Air Force Aid Society, a civilian corporation, was incorporated under the laws of the District of Columbia on March 9, 1942, for the purpose of collecting and holding funds and relieving the distress of Air Force personnel and their dependents. On March 1, 1946, the Air Force Aid Society was authorized to begin operating as the official emergency relief organization of the Air Force.

FUNDS OF THE SOCIETY

For administrative control, all funds of the Air Force Aid Society are either the General Fund, which is used for carrying on the regular assistance program, or the Educational Fund, which is reserved exclusively for assistance in financing the higher education of eligible Air Force children.

SOURCE OF FUNDS

No governmental funds are received or used by the Air Force Aid Society for assistance purposes.

Contributions.—Voluntary contributions made largely through the generosity of Air Force personnel are its main support.

All contributions made to the Aid Society are deductible by the donors in the computation of their income tax returns.

Annual Memberships.—Any individual, military or civilian, may become a member of the Air Force Aid Society by donating at least $1.00. There is one annual card and the amount of the donation shown thereon will indicate the class of membership.

Permanent Memberships.—A donation of at least $50.00 and less than $500.00 entitles the donor to a Life Membership. A donation of $50.00 or more entitles the donor to a Patron Membership. Permanent membership may be purchased on an installment plan.

Life and Patron members receive a permanent laminated membership card and a certificate of membership. Patron members are mailed a copy of the Annual Report, and other members may receive a copy on request.

The payment of membership fees to the Aid Society should not be considered as a form of insurance by the contributor. Contributions to the Society give the members the satisfaction of knowing that they are integral parts of a plan and an activity designed to help members of the Air Force to take care of emergency situations beyond their control and resources.

While clubs and organizations within the Air Force cannot become members of the Society, they may, through special fund raising activities, make donations. All such donations of $50.00 or more, including those received from civilian firms, will be appropriately acknowledge with a "Certificate of Appreciation."

Memorial Honor Role.—A Memorial Honor Roll was established by the Air Force Aid Society in 1942. It provides a means through which contributions may be made to either the General Fund or the Educational Fund in memory of a decreased loved one or friend either military or civilian. A biographical sketch of the person memorialized is placed in leather-bound volumes at National Headquarters.

A contribution of $5.00 or more with the name and address of the contributor, the name of person to be memorialized, and the name and address of the next of kin will be given to the Air Force Aid Society Officer or mailed to Air Force Aid Society, 1117 N. 19th Street, Suite 700, Arlington, Virginia 22209. A card containing the donor's name will be forwarded from National Headquarters to the next of kin advising that the memorial has been established.

THE GENERAL FUND

Who is eligible.—The following classes of individuals are eligible for assistance from the General Fund:

1. Air Force personnel and their dependents.

2. Air National Guard and Air Force Reserve personnel on extended active duty with the Air Force, and their dependents.

3. Air Force personnel who retired from active duty and their dependents.

4. Dependents of deceased Air Force and Army Air Forces personnel who died on active duty or in retired status.

THE GENERAL HENRY H. ARNOLD EDUCATIONAL FUND

In October 1946 the Board of Trustees authorized the establishment of the Educational Fund, and on September 13, 1950, it was designated "The General Henry H. Arnold Educational Fund," in memory of General of The Air Force, Henry Harley Arnold, who died on January 15, 1950.

Purpose.—The Educational Fund was established as a means to give deserving young men and women some financial assistance in attaining a college education (undergraduate work only) or vocational training after graduation from high school.

Administration.—The Educational Fund is administered by the Director, Air Force Aid Society, National Headquarters, 1117 N. 19th Street, Suite 700, Arlington, Virginia 22209, in accordance with policies approved by the Board of Trustees.

Eligibility.—Dependents other than spouse, of:

USAF personnel who died on active duty or in retired status;

USAF and USAFR personnel who retired from active duty;

USAF personnel on active duty;

Air National Guard and Air Force Reserve personnel on extended active duty with the Air Force;

may be eligible.

AIR FORCE AID SOCIETY—THE GENERAL HENRY H. ARNOLD EDUCATIONAL FUND

HONOR GRADUATES 1976

Kathy Anne Arkwell, B.S. Biology, Bradley University, CMSgt. and Mrs. Kenneth G. Arkwell.

Benjamin Scott Branton, B.S. Physics, Summa Cum Laude, Florida Technological University, CMSgt. (Ret.) and Mrs. William Branton.

Rebecca Jane Brooks, B.S. Biology/Chemistry, Cum Laude, Abilene Christian College, SMSgt. and Mrs. John R. Brooks.

Karen Doble, B.A. Elementary Education, Summa Cum Laude, Glassboro State College, TSgt. (Ret.) and Mrs. William Doble.

Judith L. Hayes, B.S. Nursing, Magna Cum Laude, Niagara University, SMSgt. (Ret.) and Mrs. Ben Hayes, Jr.

Debra L. Head, B.S. Nursing, Honors, University of Central Arkansas, SMSgt. (Ret.) and Mrs. Kenneth E. Head.

James M. Kron, B.S. Mechanical Eng., Honors, Lehigh University, MSgt (Ret) and Mrs. Charles M. Kron.

Robert M. Miller, B.A. Music, Cum Laude, Miami University, Lt Col (Ret) and Mrs. Max Miller.

Sandra Lee Mullen, B.A. Social Work, Magna Cum Laude, University of Wisconsin—Eau Claire, CMSgt and Mrs. Clarence W. Mullen.

Nancy J. Ruiz, B.S. Physical Therapy, Honors, Texas Woman's University, TSgt (Ret) and Mrs. Rudolph B. Ruiz.

Gaynor S. Smith, B.A. French, Magna Cum Laude, University of South Carolina, MSgt (Ret) and Mrs. Beverly G. Smith.

Mark Stolz, B.S. Electrical Engineering, Honors, University of Colorado, Lt Col (Ret) and Mrs. John J. Stolz.

Albert J. Stone, Jr., B.S. Chemistry, Cum Laude, Lewis and Clark College, Maj (Ret) and Mrs. Albert J. Stone.

Karen S. Strughold, B.S. Special Education, Cum Laude, Northern Michigan University, MSgt (Ret) and Mrs. Melvin K. Strughold.

Mary Kay Uchmanowicz, B.S. Communication Disorders, Cum Laude, University of Massachusetts, Maj (Ret) and Mrs. Lawrence Uchmanowicz.

Thomas E. Wiggins, B.S. Architecture, Honors, Georgia Institute of Technology, TSgt (Ret) and Mrs. John J. Wiggins.

Sarah A. Walburn, B.A. Elementary Education, and Interdisciplinary: Biology/Chemistry, Cum Laude, Colorado Women's College, TSgt (Ret) and Mrs. James Wh. Walburn.

AIR FORCE AID SOCIETY

BALANCE SHEET, DEC. 31, 1976 AND 1975

	1976				
	National headquarters	Military units	Consolidated	1975 consolidated	Increase (decrease)
GENERAL FUND					
Assets:					
Cash	$50, 269	$156, 131	$204, 400	$312, 930	($106, 540)
Loans receivable		742, 226	742, 226	900, 494	(158, 268)
Less Reserve for uncollectible loans		(215, 454)	(215, 454)	(179, 790)	(35, 664)
Other assets (at nominal values)	14		14	14	
Total	50, 283	682, 903	733, 186	1, 033, 658	(300, 472)
Investments (at cost):					
Cash	295, 458		295, 458	113, 164	182, 294
Government bonds	3, 247, 100		3, 247, 100	2, 152, 755	1, 094, 345
Corporate bonds and notes	5, 168, 450		5, 168, 450	5, 019, 200	149, 250
Common stocks	12, 815, 545		12, 815, 545	13, 268, 608	(453, 063)
Total investments	21, 526, 553		21, 526, 553	20, 553, 727	972, 826
Total	21, 576 836	682, 903	22, 259, 739	21, 587, 385	672, 354
Fund principal	21, 576, 836	682, 903	22, 259, 739	21, 587, 385	672, 354
THE GENERAL HENRY H. ARNOLD EDUCATIONAL FUND					
Assets:					
Cash:	11, 717		11, 717	34, 451	(22, 734)
Loans receivable	10, 702, 999		10, 702, 999	9, 876, 650	824, 349
Less: Reserve for uncollectible loans	(675, 225)		(675, 225)	(592, 779)	(82, 446)
Total	10, 039, 491		10, 039, 491	9, 320, 322	719, 169
Fund principal	10, 039, 491		10, 039, 491	9, 320, 322	719, 169

Quoted market values: Government bonds, $3,378,710; corporate bonds and notes, $5,485,875 common stocks, $14,149,901.

The accounts of the National Headquarters are examined by independent Certified Public Accountants (see opinion below) and the accounts of the Military Units are audited as may be required by the Auditor General, Air Comptroller, United States Air Force.

AUDITORS' OPINION ON NATIONAL HEADQUARTERS

MARCH 14, 1977.

AIR FORCE AID SOCIETY,
Arlington, Va.

DEAR SIRS: We have examined the balance sheet of the National Headquarters, Air Force Aid Society as of December 31, 1976 and the related statement of income, expenses, and principal of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Transactions resulting from operations during the year 1976 through military personnel at various stations of the Air Force, and the cash, loans receivable, and other balances applicable to the Military Units of the Society at such stations, are not included in the accounts of the National Headquarters of the Society. Our examination did not extend to transactions of the Military Units, nor to cash, loans receivable, or other balances applicable thereto, nor did it extend to a consolidation of such transactions and balances of the military units with those of the National Headquarters.

In our opinion, the balance sheet and statement of income, expenses, and principal of funds on pages 8 and 9 present fairly the financial position of the National Headquarters, Air Force Aid Society as of December 31, 1976 and the results of its operations and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours truly,

HASKINS & SELLS.

AIR FORCE AID SOCIETY

STATEMENT OF INCOME, EXPENSES AND PRINCIPAL OF FUNDS FOR YEARS ENDED DEC. 31, 1976 AND 1975

	1976			1975 consolidated	Increase (decrease)
	National headquarters	Military units	Consolidated		
GENERAL FUND					
Income:					
General donations and memberships	$28,993	$448,035	$477,028	$327,779	$149,249
Memorials	25,145	882	26,027	2,402	23,625
Royalties	405		405	290	115
Income from investments—net	954,235		954,235	836,705	117,530
Total	1,008,778	448,917	1,457,695	1,167,176	290,519
Expenses:					
Education fund:					
Data processing, forms, postage, etc	3,669		3,669	19,221	(15,552)
Salaries, employee benefits and payroll taxes	73,282		73,282	74,238	(956)
Total educational fund expenses	76,951		76,951	93,459	(16,508)
Campaign expenses	7,815		7,815	9,113	(1,298)
Insurance and fidelity bonds	554		554	4,655	(4,101)
Office equipment and maintenance	869		869	893	(29)
Office supplies, printing, stationery, travel, etc	13,907		13,907	9,377	4,530
Professional accounting and legal fees	5,500		5,500	6,894	(1,394)
Salaries, employee benefits, and payroll taxes	105,956		105,956	100,523	5,433
Sundry military unit expenses		10,064	10,064	14,104	(4,040)
Total	211,552	10,064	221,616	239,023	(17,407)
Net income before deductions for assistance	797,226	438,853	1,236,079	928,153	307,926
Grants and provisions for loss on loans:					
Grant to widow, for vocational training	400		400	400	
Grants by military units		28,489	28,489	27,319	1,170
Provision for loss in collection of loans		132,600	132,600	141,500	(8,900)
Total	400	161,089	161,489	169,219	(7,730)

	1976			1975 consolidated	Increase (decrease)
	National headquarters	Military units	Consolidated		
Net income from operations	796,826	277,764	1,074,590	758,934	315,656
Net gain (loss) on sale of securities	437,764		437,764	(657,761)	1,095,525
Transferred to (from) military units	449,730	(449,730)			
Transferred to educational fund	(840,000)		(840,000)	(400,000)	(440,000)
Net income (loss)	844,320	(171,966)	672,354	(298,827)	971,181
Principal at beginning of the year	20,732,515	854,870	21,587,385	21,886,212	(298,827)
Principal at end of the year	21,576,835	682,904	22,259,739	21,587,385	672,354
THE GENERAL HENRY H. ARNOLD EDUCATIONAL FUND					
Income:					
Donations	3,344	155	3,499	22,813	(19,314)
Memorials	555	115	670	672	(2)
Income from investments—net				30,982	(30,982)
Net income before deductions for assistance	3,899	270	4,169	54,467	(50,298)
Less loss on loans:					
Provision for loss in collection of loans	125,000		125,000	54,000	71,000
Loans written off due to death				3,252	(3,252)
Total	125,000		125,000	57,252	67,748
Net income (loss) from operations	(121,101)	270	(120,831)	(2,785)	(118,046)
Net loss on sale of securities				(45,163)	45,163
Transferred from military units	270	(270)			
Transferred from general fund	840,000		840,000	400,000	440,000
Net income (loss)	719,169		719,169	352,052	367,117
Principal at beginning of the year	9,320,322		9,320,322	8,968,270	352,052
Principal at end of the year	10,039,491	0	10,039,491	9,320,322	719,169

NOTES

1. The General Henry H. Arnold Educational Fund Administrative Expenses.—The administrative expenses of the educational fund are borne by the general fund and accordingly, are shown in the income statement of the general fund.

2. Retirement Plan.—The Society has a noncontributory insured retirement plan covering substantially all of its full-time employees. The total retirement expense for the year was $19,638.

AIR FORCE AID SOCIETY SUPPLEMENTAL INFORMATION

COMPARATIVE SUMMARY OF MILITARY CASH ACTIVITY FOR YEARS 1976 AND 1975

Command and year	Total contributions and memorials	Previous uncollectible loans repaid	Expenses paid by field	Grants	Loans	Repayments	Receipts over (under) disbursements
ADC:							
1976	$10,387	$173	$4	$1,299	$40,266	$44,092	$13,083
1975	10,097	60	1	1,775	49,513	50,594	9,462
AFLC:							
1976	24,880	529		1,237	46,724	44,962	22,410
1975	20,013	395	1	1,362	40,449	66,282	44,878
AFSC:							
1976	19,698	40	4	780	56,909	49,833	11,878
1975	16,615	60	5	1,107	53,113	50,915	13,365
ATC:							
1976	75,019	323	28	6,309	207,017	190,670	52,658
1975	45,419	184	22	3,959	190,334	219,399	70,687
MAC:							
1976	38,685	562	22	2,162	121,188	114,977	30,852
1975	28,487	213	11	1,491	119,016	135,546	43,728
PACAF:							
1976	23,462	47	26	350	18,702	32,926	37,357
1975	24,836	38	43	336	31,562	51,145	44,078
SAC:							
1976	73,442	455	31	6,722	202,098	239,420	104,466
1975	61,381	719	74	7,778	273,950	313,046	93,344
TAC:							
1976	87,168	155	54	4,598	223,472	199,189	58,388
1975	35,062	230	10	4,180	203,280	209,980	37,802
USAFE:							
1976	40,344	118	4	3,852	73,374	89,406	52,638
1975	36,612	(64)	2	1,391	103,269	129,911	61,797
All others:							
1976	55,102	366	9,891	1,180	54,726	97,565	87,236
1975	38,063	134	13,935	3,940	75,062	116,117	61,377
Total:							
1976	448,187	2,768	10,064	28,489	1,044,476	1,103,040	470,966
1975	316,585	1,969	14,104	27,319	1,139,548	1,342,935	480,518

STATEMENT OF ASSISTANCE

	Amount
General fund loans	$1,044,476
General fund grants	[1] 28,889
Educational fund loans	2,496,021
Total assistance military and dependents	3,569,386
Loan repayments:	
General fund	1,103,040
Educational fund	1,628,763
Total	2,731,803
Assistance in excess of repayments	837,583

[1] Includes vocational grant by national headquarters.

SUMMARY OF ASSISTANCE BY MILITARY SECTIONS

	Loans	Grants
CHAP	$2,155	$35
Dental	48,837	1,808
Other medical	54,823	1,719
Death of sponsor or in family	42,985	547
Travel	225,950	2,535
Basic maintenance	484,564	20,515
Off-duty terminal and nonterminal bootstrap	34,467	
Car and life insurance [1]	19,536	
Emergency car repairs [2]	115,538	
Vocational training spouse [3]	12,388	
Other	3,233	1,330
Provided in field	1,044,476	28,489

[1] Provided when funds are not available for life insurance, or car insurance due to nonreceipt of pay. Car insurance also requires that the auto be essential for commuting to and from duty station and no other means of transportation is available.

[2] Car repairs limited to emergency when car is essential for commuting to and from duty station and no other means of transportation is available.

[3] Vocational training for spouse of active duty personnel who because of family financial problems, desire to provide a second source of income.

LESSONS FROM THE BRITISH EXPERIENCE

Mr. GOLDWATER. Mr. President, history will show that the problems of the United States have been suffered by virtually every country that has ever lived on the face of the Earth. These countries ceased to exist because they would not read the history that they had available, history that would have shown them to be making the same mistakes made for centuries. We have a very good example in this world today that we should be looking at, and that is the former great economic power, our mother country, England. England is wasting away economically, politically, and there does not seem to be much that they are trying to do to stop it.

Mr. Arthur Shenfield who was president of the Mont Pelerin Society from 1972 to 1974, has written an article entitled "Lessons from the British Experience," and I think every Member of the Congress should read this. In fact, I would hope that every American could some way get a copy of this article, read it, compare what England has been doing to what we are doing now, and ask the simple question, How long before we become just a number on the pages of history? I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LESSONS FROM THE BRITISH EXPERIENCE

(By Arthur Shenfield)

(Arthur A. Shenfield served as the president of the Mont Pelerin Society from 1972 to 1974. He has been a visiting Distinguished Professor of Economics at Rockford College, Illinois, as well as a visiting professor at the graduate schools of business at the University of Chicago and Temple University (Philadelphia). Professor Shenfield practiced law at the English Bar from 1945 to 1955. He then served as economic director of the Federation of British Industries (to 1964), the Confederation of British Industry (1964–1967), and the (British) Industrial Policy Group (1967–1969). He is presently a Regents' Visiting Professor at the University of California at Davis.)

There is a family in England which claims to be descended from a collateral branch of the Hapsburgs. But the claim is of uncertain validity, and so the family is popularly known the the Perhapsburgs. I recount this circumstance because until fairly recently the British people enjoyed and understood the legacy of a political and economic system of a long, legitimate, and intellectually and morally noble lineage. But now the British people and everything around them are encircled by a great question mark, a great perhaps; and the political and economic system that they have allowed themselves to become enmeshed in is of extremely doubtful legitimacy. Of course this is painfully familiar to most of us, and I am sure to most of you. Hence if I rehearse the more obvious causes of this calamitous change in British fortunes, I shall do so not because I think that you are not aware of them. I know that you are. I shall do so only to take note of them and their possible relevance to the American situation, so that I may then proceed to elements in our situation which I believe are not so easily perceived.

Of the obvious, and obviously injurious, influences which have changed the British situation in the past generation or two, there are in my judgment five principal ones, all resulting in policies of a fatefully destructive character. All are familiar to you. Some are to be found in America in an even more virulent form than in Britain itself. Some, fortunately for you, are not.

First, the tremendous waste caused by the nationalization of great industries. The British case has been one of immense and growing losses by those industries which were nationalized under the illusion that control of them would enable the whole economy to be planned and thus raised to unprecedented heights of prosperity, or under the sister illusion that control of them would give the people, not capitalists, control of their economic destiny. Loss, waste, inefficiency, and above all the absence of control, are the story of what nationalization has really brought to the British people. For the most part you have not had this experience. Not that there are not some elements of the American economy which are nationalized, and not that they are not wasteful; consider, for example, the United States Post Office. With us the Post Office not only carries letters and parcels; it also runs the telephone service. Consider what kind of telephone service you would have, and what it would cost you, if it were run by your Post Office.

However, the really important point about nationalization is not that it produces waste on an immense scale, but that it is fraudulent in its essential nature. Bear this in mind if it ever happens that the voices now to be heard urging the nationalization of your oil industry, or of parts of it, command a big response from the voters. The fact is that so-called public ownership is private ownership in its most vicious form; or, perhaps more accurately, in its only vicious form. The public has nothing properly described either as ownership or as control over, say, the railways or the coal mining industry in Britain, nor would they in comparable cases in America. Once nationalized these industries become the private property to all intents and purposes of the bureaucrats who run them and of the labor unions which run the workers in them—perhaps more the latter than the former. The only functions of the public are to pay the take-it-or-leave-it prices imposed upon them and to pick up the tab when the losses have to be met. The power of the concept of nationalization arises from the captivating falsehood that public ownership means public ownership, when in fact it means private ownership of this vicious form. This semantic confusion is perhaps well illustrated by the story of a youthful Chinese Emperor who was walking in the countryside with his tutor, when they passed some sheep in a field. The tutor, seeking to test the knowledge of his charge, said, "What are those animals?" and the Emperor said, "They are pigs." His tutor said, "The Son of Heaven is of course entirely right. However I have to point out that this particular species of pig is normally called a sheep."

Now if President Carter, who possibly is at the young Emperior's stage in economic education, were to become enamored of public ownership of any part of the oil industry, it would be well for his mentors to say, "The anointed of the people is of course entirely right. However it is necessary to point out that this species of public ownership is properly called private ownership." Here endeth the first British lesson.

Secondly, labor union power. I need not dwell on this at length. You are familiar with it, since you have the same phenomenon here, though not yet in as virulent a form as we have. More than anything else the power of the labor unions is destroying the British economic system, and perhaps also, which is worse, the political system of constitutional, Parliamentary, and liberal democracy. You are not as unlucky as we are because your unions are not as deeply infected with mindless opposition to wealth—creating free enterprise. But the important point about the labor union is that the people should realize that every man, woman and child in this country, as in Britain, carries a ball and chain on his or her feet which represents the cost of union power. That applies to the members of even the most privileged unions because they also carry a ball and chain which represents the cost to them of the power of other unions: and in anything beyond a short run the net cost is great even to them. Here too semantics sow confusion: for hardly anything is more powerful than the well-judged misuse of language. Millions of people believe in labor unionism because they think that it is merely a form of marking agency for people's labor. What's wrong with that? Or that it represents the inalienable right of free association. What's wrong with that? Or that it stands for the defense of the weak bargainer, the worker, against the strong bargainer, the employer. What's wrong with that? The truth is in each case different, as you will see brilliantly expounded in the writings of Professor W. H. Hutt. Labor unionism is a curse to Western civilization, which has thus nurtured a viper in its bosom for a century and more, mainly under the influence of these erroneous beliefs which I have mentioned. The essential truth is that the labor union is a power structure which first climbs on the worker's back, and from that favored position climbs on the back of the whole society. It serves the interest not of the workers but of its own power holders.

Our ball and chain is bigger than your ball and chain, but your ball and chain can grow. Indeed there is a feature of this past Presidential election which suggests that it may have already grown, or be about to grow, politically in a most ominous manner. I shall return to this point shortly.

Thirdly, state welfare. There is a tremendous welfare mess in Britain. Yet in my judgment the welfare mess in America is worse. On this you do not have to learn a lesson from the British experience, except in relation to certain elements in it. Rather it is we who have to learn a lesson from your experience. However, though both countries have the welfare mess, the welfare mix is different, and so in qualified form each country has a lesson to learn from the other.

In our mix there is the National Health Service, wasteful, hypocritical, oppressive, and destructive of the whole system of medicine that has grown up with civilization since Hippocrates. It is perhaps a bigger ball and chain than any other that the British people have fastened upon themselves. Its true character is not yet apparent to a sufficient number of British people, but it will be as its bankruptcy becomes more and more evident. Though with Medicare and Medicaid you have begun to slide down our road, you do not yet have a comprehensive national health service. Perhaps Senator Kennedy and others will repair that omission for you. If they do, I venture to suggest that the waste, oppression, and undermining of professional standards in this country will be monumental, and will lead to the bankruptcy of the system faster than it has in Britain. For when the National Health Service was instituted, the inherited qualities of the British people were more conducive to success for the service, if success were possible, than those of any other nation. But success was impossible. And failure in this, as in other socialistic quests for the rainbow's end, has gone far to erode the very national qualities needed for success in anything.

In your mix there are other forms of the welfare mess which are worse than ours. Of course you can afford more waste than other nations, and if you undermine the spirit of self help, your destruction may take longer than that of other people. But the ultimate results will be the same. If you include public education in the welfare system, as you should for it is an essential part of it, then in my judgment the mess is far worse in America than in Britain; though unfortunately we are now fast slipping down your road in public education. Public education is essentially a system in which the American people as taxpayers spend a dollar to get a dime's worth of education, or worse, perhaps a dollar to get a dollar's worth of miseducation.

This is difficult for Americans to grasp because early in American history the people correctly decided that education was a good thing and therefore worth buying. Unfortunately this has led them to fantastic error as taxpayers. When education was bought privately, then by and large a dollar spent got a dollar's worth of true education. When it was bought publicly but under the typical control of very small local authorities which were close to the taxpayers, then also a dollar spent probably reaped a dollar's true worth. But not now, with the immense public system ranging from the first grade to the Behemoth University, against which Russell Kirk directs his well-aimed bolts and arrows. Such a huge system serves not education, but the private interests of the educationists. Thus here we are again at the phenomenon of nationalization, which serves private, not public, interests. The same applies in the relief of poverty, which serves the interests of the poverty-fighting administrators more than those of the poor. To return to education, I suggest with the utmost confidence that if all public education were abolished and all education were bought voluntarily and privately, the American people would be a much better educated people and they would spend less for a superior education than they now spend for an inferior one.

Fourthly, intervention by the government or governmental authorities in the affairs of industry. In America this intervention is mainly through the agency of regulatory bodies, such as the ICC, the CAB, the FCC, the FTC, the FPC, the FMC, the FDA, the CPSC, the EPA, the OSHA, etc. Through these agencies you have done great harm, and are doing growing harm, to American industry and thus to American prosperity. Most of what these agencies do is also done in Britain, but not in the same way and usually in a more flexible and less heavy-handed way. Yet governmental intervention in Britain is disastrous to the nth degree, and it presents many lessons to you and others on what should not be done. Our interventions are a marvelous example of the blind, the lame, and the halt, in the shape of the government, insisting on leading the sighted, the swift, and the hale, in the form of successful private industry. It is now a canon of policy for the British government to interfere with this, that and the other; to support lame ducks; to infuse the taxpayers' money into unsuccessful businesses so that the successful businesses must support them and thus become less successful themselves. Of course you have always done this very thing by means of the tariff on imports, but owing to the enormous free trade area within the United States the effect has been far less destructive than what is now happening in Britain. But wait and see what Mr. Carter may do in pursuit of the mirage of "full employment." If the pursuit is really determined, and the Humphrey-Hawkins Bill is an ominous portent of it, it will produce the same economic debility that is now familiar in Britain.

The most prominent and most devastating form of the non-regulatory type of intervention goes under the name of incomes policy that is, wage and price controls. You are familiar with these, but fortunately you abandoned the most serious attempt to impose them. We have been less wise and less fortunate. The British used to declare with pride that they were of the bulldog breed. When they got their teeth into something, they never let go. Or, if they had to admit that they could muddle, they claimed that they always muddled through. They often lost the first battles in war, but they always won the last. If at first they did not succeed, they tried, tried, and tried again. However, if you seek to make pigs fly, you will have to try, try, and try again for evermore. So too with wage and price controls. They always fail because they must fail. Before any incomes policy succeeds, the oceans will freeze, the moon will turn to green cheese. and two and two will make five. Wage and price controls are the most insidious and destructive form of governmental intervention there is, and it is this that Britain has foolishly tried, tried, and tried again to make effective. When President Nixon instituted wage and price controls on August 15, 1971, he began to do more harm to the American people than he or his lieutenants did in 1972 with that third-rate burglary that we have heard so much about. Fortunately the controls were unwound. But if one looks at the economic outlook of those now in the ascendant in Congress, and perhaps soon to be in the White House, one must reckon with the possibility that the controls will come again. After spending billions of dollars "to put the American people back to work," as Jimmy Carter and Walter Mondale have urged you to let them do, they may attempt to hide the untoward effects as British governments have done. First you step on the expenditure accelerator to get full employment, and then you say to the people "don't worry, the result will not be inflationary," because with your left foot you are going to step on the brake, and the brake is the wage and price controller. But it turns out that the left foot not only fails to halt the acceleration; it also damages the mechanism of the car. If your new rulers are in a mood to spend and spend and spend, tax and tax and tax, elect and elect and elect, a la Harry Hopkins, you had better get your storm windows up soon.

Fifthly, excessive taxation. There is no need to dilate on this. It is an almost universal phenomenon in the Western world. It is the expression both of the excessive intrusion of the state into the citizen's affairs, which is eating at the vitals of the free society, and of the redistribution of wealth and income demanded by the worship of the fetish of "social justice"; which, so far from being justice of any kind, is only the self-serving cry of the mentors of political majorities with the power to rob political minorities. This latter element in excessive taxation is especially prominent in Britain and has very much to do with our debility. It is strong and rampant in America also, and there can be few greater duties for the good citizen than to expose the true character of "social justice" and of those who ride to fame or power under its banner.

All these influences together lead to the governmental clipping of the currency, namely that very inflation which governments pretend to dislike and now and again offer to control. The destructive effects of this inflation are the most frightening features of the British scene. Insofar as the same causes of inflation operate in the United States, the lesson from the British experience should be a pressing and penetrating one.

Now there are features of the British scene which are perhaps not so obvious as the influences which I have described, and it is to these that I now turn. The first is this. What is happening to Britain is happening to a country of former outstanding achievement. It is not pleasant for an Englishman to talk about what is going on in his country. It is not pleasant to awake every morning and read the newspapers to see what new idiocy the government has perpetrated or permitted, what new failure it has displayed, what cranky nonsense some churchman or other prominent public figure has expressed, what Alice-in-Wonderland economics some labor union leader has enunciated while bringing his fist down on the table, what new item from *Animal Farm* or *1984* comes true to life, and so on; even though all this is partly offset by the still remaining admirable features of British society, the still breathing culture, the still unsubmerged civility, decency, respect for law, and standards of personal behavior among politicians and civil servants, though unfortunately these are not what they were. The point to be borne in mind is that if this is the account of the decay of a nation, it is the decay of an A–1 nation. This is not a dropout who is flunking his examinations as expected. This is the one who used to be top of the class.

This is the nation which once displayed the highest level of political and economic understanding. This is the nation from which the pioneer economists and many of the greatest political philosophers once sprang. This is the nation which once developed the most mature treatment of political problems with the highest degree of common sense and tolerance. This is the nation which bequeathed to you the ideas which inspired the marvelous Constitution which has blessed you for nearly 200 years and which still survives even the wrecking activities of some of the Supreme Courts of the past 40 years. If socialism can destroy this A–1 nation, it can destroy any A–1 nation. This is an omnious truth that Americans, who rightly regard their nation as par excellence of A–1 character, should read, mark, learn and inwardly digest.

Secondly, a special reason for the decay of political standards and skill in Britain has been the supplanting of the old Liberal Party by the Labor Party, which is the party organized and financed by the labor unions. When the two great parties were the Conservatives and the Liberals, the labor unions gave their support to one or the other according to the advantages they offered. This was bad, sometimes very bad, as in the case of 1906 when the Liberal government gave the unions a unique and unprecedented exemption from the normal laws of contract and tort. Pressure from sectional interests is always bad. But it did not then tie half of the political power indissolubly to the most menacing sectional interest in the nation. So too in the days of Sam Gompers and for many years after, American unions threw their weight in favor of Republicans or Democrats according to what they could extract from them, but carefully avoided attaching themselves to one party, except for a time in Wisconsin. But now the AFL–CIO boasts of the grip which it has on the Democratic Party. To the extent that it converts the Democratic Party into the counterpart of the British Labor Party, it will grip the American people into the same vise that the British people are now in. To have one of the two great parties a plaything or a financial client of the union power structure, the interests of which are in sharp conflict with those of the whole society, is a prescription for political disaster. If the AFL-CIO merely claimed that in the particular circumstances of 1976 it supported the Democratic party for what might prove to be passing reasons, that would be one thing. But if it so closely attached itself to that party as to become its permanent paymaster and manipulator, that would be a very different thing. It would repeat a major disastrous element in the British experience, which thus presents a lesson of the first importance to Americans. Even those who would reject my view of the character of labor unions, and would view them with a more benevolent eye, should in my judgment be fearful of this particular development.

Thirdly, the behavior of conservatives when a society is on a downward run. If, when they take office in socialist interludes, conservatives seek no more than to hold the position left to them against further decline, then the downward run will continue. Since the last war the British Conservatives have been in office for nearly seventeen years as against about fourteen and one half for the Labor party. Yet essentially we have been ruled by the ideas and policies of the Labor party for almost the whole thirty-one and one-half years. It is not just a case of me-tooism, which is familiar amongst "liberal" Republicans in America. It is much more a case of lack of courage to undo the work of their enemies which they know to be wrong. They believe themselves to be better managers than their enemies, and therefore able to make a tolerable result even of their enemies' own system. Of course what Britain needs, and what America will need, is a party that will roll back the work of socialism, not make the best of the bad job it produces. But that will require courage and resolution of a kind that few conservatives have shown in our time.

Fourthly, the need to know and understand one's enemies. We cannot defend our civilization against the baleful forces which are now rotting it without knowing our enemies. Where our enemy bears the face of the great imperialist power of Russia, this is not difficult, though even there many love to delude themselves with vain hopes of peaceful and reliable accommodation. But in the field of ideas it is much harder. It is ideas, not interests, that rule the world. Even when it looks as if men are moved principally by their interests, they are not. For then they are moved by what they think their interests are, and what they think their interests are is determined by their ideas. Now in the civilized world which developed in the 18th and 19th centuries, and conspicuously in Britain, one treated one's ideological opponents as worthy men. One shied away from the argumentum ad hominem because it debased debate. One wrangled with one's opponents on the footing that they had as much attachment to truth as one-self; that they were mistaken but not dishonest. In many cases this is now a dangerous illusion. We cannot close our eyes to the fact that many modern ideologues wish to subvert the only political and economic system in which the competitive search for truth, and tolerance for differing views on truth, are possible. In these cases it is a delusion to believe that there can be a bridge of tolerance between them and us, except in the sense that freedom of speech belongs to them as much as to us. When they advocate the destruction of our society, we are not obliged to assume that they are merely mistaken. We are entitled to examine as much as the mere error of their ideas.

Nor, in an age when every journalist or television "personality" obliges us with his views on economics, and when the faculties of the grossly expanded universities are flooded with "economists" and "sociologists" whose competence is little better than that of the journalists or television "personalities," are we obliged to extend to every self-appointed or university-appointed pundit the courtesies of civilized debate. Thus when Professor John Kenneth Galbraith makes his name and fortune by means of a sustained sneer at those whom he envisages as "establishment economists," we ought not to be backward in laying bare the true character of his work. We have heard Professor B. A. Rogge describe Galbraith as arrogant and wrongheaded. True, but there is more to it than that. In the groves of academe one sometimes comes across men who are arrogant and wrong headed but yet, in an eccentric way, are respectable scholars. In all Galbraith's popular works there is hardly an idea of note which is not an affront to scholarship. The run-of-the-mill bad economist seeks truth but, being a bad economist, fails to find it. Galbraith is a bad economist of a different stamp. The quest for truth is not outside his purview, but it is not his primary concern, which is to have an effect.[1] As Professor Scott Gordon has pointed out, he will sometimes leave a clever or well-turned sentence to stand when retooling it would serve his argument better.[2]

Here there is an important lesson to be learned from the British experience. It is ideas that have undermined the splendid British society of yesterday. And who propagated these ideas? Of scholars of integrity like Tawney, who were only the propagators of honest error, very few. Beatrice Webb was not above cooking the evidence for her intellectual positions, as late in life she confessed; and both she and Sidney were aware of the Stalinist horrors when they wrote their paean of praise to the "new civilization" of Soviet communism. Bernard Shaw was unrestrained in his admiration for those who ruled with jackboot and whip, but he could not forebear to complain publicly about the heavy personal taxation which he, as a very rich man, had to bear in wartime Britain, that very Britain of mildness, decency, and consideration for others which he despised. Harold Laski could not restrain his pen from his habitual and silly little lies when corresponding with Justice Holmes.

When dealing with political questions Bertrand Russell was as fickle in his attachment to truth as to his wives. Kingsley Martin thought that his nose might be taken to be Jewish, and so prepared for a cosmetic operation when it seemed possible that the Nazis would invade Britain. The socialist intellectual movement in Britain abounded in contemptible men, and we suffer now because they were not perceived as such.

There is a lesson here especially for the American businessman. There is a remarkable dichotomy in his attitude to ideas. On the one hand he is suspicious of ideas. He deals in facts, he believes. This is a survival from the old tradition that writers and talkers were inferior to doers, that college professors should keep out of practical affairs, and that a man had to meet a payroll before he knew what made the world go round. On this side of his mind the businessman must learn the truth expressed in Goethe's Faust, namely that "the most important thing to understand is that facts are themselves theories." If the businessman does not learn to understand the importance of ideas, he will find himself the slave of the ideas of his enemies. But on the other hand he is fatally ready to accommodate himself to his enemies' ideas, and even to finance their propagation, if they are presented with an attractive varnish of appeal to good citizenship. Thus see how he goes half way to accept his enemies' position when he defends business profit. And see how readily he swallows the fraudulent concept of the "social responsibility of business," which is one of his enemies' best weapons for breaking down his defenses. See also how he will make munificent gifts to universities and foundations whose faculties or staffs are busily engaged in undermining the free enterprise system. The American businessman needs to acquire an understanding respect for ideas, and he needs to learn how to distinguish between those ideas which will sustain him and those which will betray him. There are dangers in urging him to support the former with his money, but at least we whose trade is ideas should move heaven and earth to dissuade him from supporting the latter.

My account of the British condition has been a sad one. But the condition is not irremediable. It is much too early to say that the British are no longer a great people. There is much evidence that at the deepest levels of intellectual discourse in Britain healthy ideas are in the ascendant. There is therefore good reason for hope of a national regeneration. Then perhaps as we go up again, we shall meet you coming down, but I hope not. Rather I hope that you too will resume your once unhampered upward progress. Then I shall be content if we catch up with you.

YOUNG PEOPLE WITHOUT JOBS—HOW REAL A PROBLEM?

Mr. HATHAWAY. Mr. President, as we consider the jobs and stimulus packages arranged before us, we must not lose sight of the attitudinal part of work preparation. As much a part of career development as academic and vocational achievement are the changing expectations of our youth.

Ironically, that segment of our work force with the highest rate of unemployment has become most disenchanted with the ethics of accomplishment through hard work.

I realize that this article speaks in the language of hyperbole. Nonetheless, it can stand as a warning sign of dangers ahead to our productivity and national purpose. As President Carter calls for conservation, sacrifice, and, using the rhetoric of William James, "the moral equivalent of war" we must respond by reaffirming the values of hard work and the satisfaction of a job well done. Mr. President, I ask unanimous consent to have printed in the RECORD the following article from U.S. News & World Report.

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[1] See the self-revealing article by John Kenneth Galbraith in *Fortune*, December 1962.

[2] See Scott Gordon: "The Close of the Galbraithian System," p. 636, the *Journal of Political Economy*, Vol. 76, July–August 1968.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOUNG PEOPLE WITHOUT JOBS—HOW REAL A PROBLEM

In all the furor centering on the nation's stubborn unemployment problem, one point stands out:

Official figures show that more than 1.6 million of the country's 7.6 million jobless—1 in every 5—are teen-agers. Among nonwhite youths, 2 of every 5 can't find work.

Yet jobs for the unskilled are going begging nearly everywhere. Fast-food restaurants in most areas have trouble getting and keeping help. Construction, packing and warehouse jobs often go unfilled. Farmers are still short of hands in harvest season. And home-owners complain constantly about the lack of help for cleaning inside and yard maintenance outside.

Even routine office jobs such as filing, typing and card punching are hard to keep filled in most cities. Selling positions, particularly of the door-to-door type, are going unclaimed everywhere.

What's behind this seeming paradox? Staff members of *U.S. News & World Report* in key cities sought the answer from job counselors, employment agencies and businessmen. Their reports point up a widespread change in attitude among a great many young people.

Marion Dansby, a placement supervisor in Raleigh with the North Carolina employment-security commission, sums it up this way: "Today the teen-agers we get seem to be more selective, more demanding, less willing to put forth a little bit of effort.

"When I first came here a decade ago, they were out beating down doors and not depending on me to do the whole bit for them. Now they say, 'You get me a job,' and then they just go home until you call them."

Even without salable skills, Dansby adds, the majority of those teen-agers have high expectations for positions and salary. "Most are overconfident. Particularly if they have a high-school diploma, they think they should get the job they want at the start. They are not willing to work up from sales clerk or stock clerk."

A Milwaukee, Wis., high-school student Carla Jackson replies: "There are jobs in the newspaper, but there's always something wrong with them when you call. They are in a part of the city you'd need a car to get to, or they have strange hours, or the pay is not even minimum wage. I'd have to be penniless to take some of those jobs—sweeping sidewalks or washing dishes."

ARE NOT PREPARED

In Chicago, a group of businessmen from 40 major companies recently funded studies on why young people can't find work. William Higginson, special assistant to the president of that group, known as Chicago United, commented: "Here in Chicago we have page after page of job openings in the newspaper, and we have thousands of teenagers wanting work. More and more service jobs are opening, but the kids aren't prepared for them.

"I believe the schools just aren't giving students the necessary vocational and business training, let alone finding them part-time jobs so they have some experience by the time they graduate."

George Yoxall, personnel manager of Inland Steel Company in Chicago, agrees, and adds this point: "We hire school dropouts or graduates who are 18 or older, but the problem is that many are functionally illiterate. Some cannot read or do math at a sixth-grade level. Some have records of arriving late at work, and many of them have quit five or six jobs since they've left school.

"Obviously, parents and schools aren't preparing teen-agers for the work world."

One major source of teen-age jobs is in fast-food restaurants. But resistance to doing this kind of work appears to be growing in many cities.

Ronald Hill, regional personnel supervisor in Fairfax, Va., for Gino's, Inc., explains: "Ten or 15 years ago, it was a lot of fun and glamorous to work in a Gino's restaurant. Now the reply is, 'Who, me—flipping hamburgers?' "

The number of youths looking for work in fast-food shops in the Washington area has dropped, says Hill. "I don't know whether it's their high-school counselors or their parents or the teen-agers themselves, but for the most part they are more demanding about the hours they work, the money they earn and the kind of work they do," he adds.

This is confirmed by Scott Mitchell, director of personnel for the Twin Bridges Marriott Hotel in Arlington, Va. "No particular job has a teen-age following today," he says. "McDonald's and other fast-food work, which was once a big fad, has grown old. Young people know that it is hard work with only minimum wages."

It's a different story on the West Coast, apparently. Says Gera Curry of the California employment-development department in Los Angeles: "Kids are waiting in line for jobs at fast-food places. Jobs go very quickly." Norman Habermann, president of Collins Foods International, Inc., which sells Kentucky Fried Chicken, concurs: "We have 20 kids waiting in line for each of these jobs, at the minimum wage."

Household work appears less popular everywhere, however. Rachelle Haky, work-experience co-ordinator at University High School in Los Angeles, comments: "We eventually fill most of the household-cleaning jobs, at $2.50 to $3 an hour. But often the attitude of students is that such work is demeaning. It has no status. Many people just don't like to clean houses."

INCONVENIENCES CITED

Yard work is often in the same category. Marie Williams, director of placement with the St. Louis Urban League, insists that if a teen-ager really needs to work, he will take any job. But in practice, many of those who are starting to look for work for this summer don't want to mow lawns or dig gardens, she says, "because of the heat or other inconveniences."

A counselor at a large high school in a partly blue-collar Chicago suburb puts it this way: "There is a definite mentality here that some jobs are too demeaning for the children of this community."

In Houston, Alan Ribnick, vocational counselor at Yates High School, sums up the situation as he sees it: "The work ethic is dead. Somewhere along the line, people have lost sight of pride in what they do. Kids no longer realize that whatever job they have, it has some dignity. For example, they hold the trash man in low esteem, but where would we all be without him?"

Ribnick continues: "The first time there is a hassle on the job, they just quit. This general lack of respect for anyone in authority is an attitude developing at home, passed to school and then to an employer."

There are cases, he concedes, where young workers are sometimes victimized—or think they are.

Take the case of Bob McGowan, 18, a high-school senior. McGowan quit his last job, as a furniture mover, because "the management kept changing everything around." As he puts it, "I got sick of them telling me to do extra things plus my regular duties. They took advantage of me."

Young McGowan isn't about to settle for just any job, such as a sacker, stock boy, service-station attendant or waiter. "These are just stupid little jobs," he says, "I want to do something that starts at the top, but I know I can't. I know I'm spoiled. If they want me to work on week-ends, I won't work for them. That's just the way it is."

Not all teen-agers have this attitude. Nancy Dunlap is a senior at the same school and has been working at a private club in Houston for three years. She started as a check girl at minimum wages and has advanced to assistant-manager trainee at $3.25 an hour. She is now in a co-operative-education program, where she goes to school part of the day and works part time.

"I've got some idea about what I want to do or not do, when I go out and face the cold world," she explains. "But most of my friends don't want to go out and work. They say it takes too much of their time."

STATUS SYMBOL

Prestige plays an important part in a teen-ager's willingness to work these days, according to John Carroll, Jr., chairman of the department of occupations at another Texas high school. His comment: "Having a job has become a socially competitive thing which our economy is just not ready to bolster."

And Marcia Zehl, vocational counselor at Houston's Lee High School makes this point: "They are looking for prestige jobs, and they just can't be the president of a bank when they're a junior in high school."

Similar remarks come from many who deal with teen-agers in New York. Albert Eidinger, who runs a placement agency and has been in the employment business there for 29 years, was asked if the work ethic is really dead.

"I'm sure of it," he replied. "Today, it's 'get as much as you can for as little as you can.' " The basic problem for many teen-agers now, in his view, is that "they just don't want to work."

He qualifies that by adding: "Although some youngsters do want to work, a lot are making a pseudoeffort."

Louis Bergman, who runs the Interboro Employment Agency in Manhattan, says: "Some teen-agers are coming in for jobs for which they may not be qualified. They feel in some cases that physical work is beneath their dignity. Instead, they want to work with their minds if they've got any education."

Says a teacher in New Canaan, Conn., Bettie Wilson: "I don't find an awful lot of youngsters willing to do odd jobs. They don't feel they have to work.

"Many of the youngsters feel that if they have to get their hands dirty this is distasteful. They must have something in the white-collar bracket. They don't think in terms of starting at the bottom because they figure, 'My dad's an executive; why should I dig ditches?' "

Not all teen-agers are in this category. Among many who are not is 14-year-old Mark Reinecke of New Canaan. Says Mark: "I have two older sisters and an older brother, who all worked. So now I'm doing as much as I can to get money for college and my needs."

He spent his spare time last winter plowing snow with a tractor. Recently, he sent out fliers around his neighborhood offering to plant gardens, clean out attics, garages and basements, cut grass and wash windows for $2 an hour. So now, "I'm really booked up for after school and every week-end."

Asked about his fellow teen-agers, Mark commented: "Most of them are a little bit anxious to work, but not everybody wants to work that bad. Kids used to go out and find jobs. But now I guess they sit around more and wait for the jobs to come to them."

GUIDELINES FOR A STRONG SOCIETY

Mr. THURMOND. Mr. President, on April 17, 1977 there appeared in the Sunday, Augusta Chronicle-Herald newspaper, Augusta, Ga., a column entitled "Guidelines for Strong Society."

In this column the Chronicle editor, Louis C. Harris, outlines the tract "Ten Pillars of Economic Wisdom."

These points are as valid today as they were when first published many years ago. In fact, each year they seem to carry more weight, as our economy becomes more complex.

Mr. President, I aks unanimous consent that this column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

GUIDELINES FOR STRONG SOCIETY

(By Louis C. Harris)

It requires no economist schooled at Harvard to advise the average American that the cost of living, like a homesick eel, is striving to get out of hand. John Q. Citizen recognizes that as a fact every time he digs into his pocketbook—and finds its contents shrinking.

There is no easy solution to the problem, although I don't think I would be amiss if I were to suggest the cause is the federal government. It's living on borrowed money, our money! And if you think that we can restore the nation economy's health while cheering on Washington to continue its "something for nothing" program, you've got to believe in the Tooth Fairy, Santa Claus and Cinderella.

Sometime ago I bumped into a tract entitled "Ten Pillars of Economic Wisdom." It is a thoughty thesis compiled by the American Economics Foundation. Age, however, is no factor. Its observations are timeless. Read on—and see for yourself:

"1) Nothing in our material world can come from nowhere or go nowhere, nor can it be free; everything in our economic life has a source, a destination, and a cost that must be paid.

"2) Government is never a source of goods. Everything produced is produced by the people, and everything that government gives to the people, it first must take from the people.

"3) The only valuable money that government has to spend is that money taxed or borrowed out of the people's earnings. When government decides to spend more than it thus receives, that extra money is created out of thin air, through the banks, and when spent, takes on value only by reducing the value of all money, savings and insurance.

"4) In our modern exchange economy, all payroll and employment come from customers, and the only worthwhile job security is customer security; if there are no customers, there can be no payroll and no jobs.

"5) Customer security can be achieved by the worker only when the "boss" is allowed, by the worker, to do the things that win and hold customers. Job security, therefore, is a partnership problem that can be solved only in spirit of mutual understanding.

"6) Because wages are the principal cost of everything, widespread wage increases, without corresponding increases in production, simply increase the cost of everybody's living.

"7) The greatest good for the greatest number means, in its material sense, the greatest goods for the greatest number which in turn means the greatest productivity per worker.

"8) All productivity is based on three factors: (1) natural resources, whose form, place, and condition are changed by the expenditures of (2) human energy (both muscular and mental) with the aid of (3) tools.

"9) Tools are the only one of these three factors that man can increase, and tools come into being in a free society only when there is a reward for the temporary self-denial that people must practice in order to channel part of their earnings away from purchases that produce immediate comfort and pleasure and into new tools of production. Proper payment for the use of tools is essential to their creation.

"10) The productivity of the tools—that is, the efficiency of the human energy applied in connection with their use—is highest in a competitive society in which the economic decisions are made by millions of progress-seeking individuals, rather than in a state-planned society in which those decisions are made by a handful of all-powerful people regardless of how well-meaning, unselfish, sincere and intelligent those people may be."

You may want to recall these axioms when next you reflect on the sickening clip at which prices and taxes are rising.

It will be even better to weigh them against the ringing campaign promises that, like the daffodils that rise to the beckoning of spring, can be counted on to sound when election time rolls around.

WELFARE REFORM

Mr. MOYNIHAN. Mr. President, last night I had the honor to address the Empire State Chamber of Commerce. I took this to be an excellent opportunity to discuss with my compatriots from New York the subject of welfare reform, now much on the minds of all cf us.

In the hope that my remarks may constitute a useful addition to the general debate on this issue, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

CUI BONO?

(Address of Senator DANIEL P. MOYNIHAN to Empire State Chamber of Commerce, May 2, 1977)

This is as good a day as any to talk about the subject of welfare reform, and in the ecumenical spirit of this occasion allow me to begin by recalling the remark of that eminent 19th Century New York Republican leader, Roscoe Conkling, who observed that when Dr. Johnson remarked that patriotism was the last refuge of a scoundrel he underestimated the potential of reform.

The first reform of the current season came some weeks ago when the Secretary of Agriculture, Bob Bergland, announced that there would be a reform of the food stamp program, a proposal which in the large few could seriously oppose. Among other things the Secretary proposed that we discontinue the present practice of requiring recipients to pay in cash for some portion of the value of the scrip they receive. In addition, he proposed that the complicated system by which eligibility is determined—using itemized deductions from income—be replaced by a uniform national standard deduction. This is the kind of measure which commands instant assent from New Yorkers, and so it did.

But not yet from me. That is the message I am trying to get across down here in Washington.

I come from a state with serious money problems, with serious tax problems. We are the only state in the Union to have, in recent history, come near to a collapse of our credit. We have avoided this, and it is now altogether beyond us thanks to our Governor and our Legislature, but it was a crisis within the memory of even this city of short memories. The fiscal crisis of our largest city is scarcely over. This weekend the City of New York (much to their credit—they are getting the hang of these things) made public the projections of an econometric model of the City which they have constructed with some help from the Wharton School. Put plain, following the loss of 650,000 jobs since 1969, they project a loss of another 212,000 by 1981, at which point they hope to have stabilized at a lower figure. As a rough estimate, I calculate that one job in the City, until this time, has supported 2.25 persons, and this would seem close to the national average, which I calculate at 2.31. That being so, a loss of 862,000 jobs should be accompanied by a population loss of 1,940,000 if a new genuine stability is to be reached. But the City projects nothing like that large a population loss: rather it suggests that only a little more than a quarter that number. Hence we can see there are difficulties ahead.

Not least are the difficulties in paying taxes. We are the heaviest taxed state in the Union.

In one decade our per capita taxes increased by 175 percent, to $1,205, the highest amount in the Nation. In 1965 we were tenth in the Nation in the amount of state and local taxes per $1,000 of income. Today, in this if little else, we are first.

We are also first in payment of Federal taxes. With 9.0 percent of the population, the Commissioner of Internal Revenue in 1975 estimated our tax contribution as a percentage of total Federal revenue burden at 13.3 percent. California is next with only 9.7 percent.

Food stamps is just one of those programs which Federal taxes pay for. It was begun in 1961 by President Kennedy as a modest program which provided a harmonious mix of political and moral objectives. It helped the needy, and did so by unloading on them our surplus agricultural products—accomplishing on a domestic level what (I fear) the Food for Peace Program did internationally. It was one of those ideas New Yorkers instinctively supported. By 1975 its total benefits were $4.4 billion.

Yet where did we—we in New York—end up with that program? New York received (in fiscal year 1975, the last year for which final data are available) a total of some $211 million in benefits. Our average "bonus" per person was $14.75, the lowest amount in the Nation. (California got $20.90.) Altogether New York got $211,185,656 from this program.

And, altogether, since New York provides 13.3 percent of federal revenues, and the food stamp program costs $4.4 billion, New York "paid" $585 million for this program.

And, finally, a Senator from New York State has got to ask: Is the $373 million dollar loss worth it to New York State?

I would hope I might be understood as having a large view of the national interest, such as not being incapable of perceiving the national interest as something larger than that of my State. And yet I do represent New York. And who the hell else has been on the verge of bankruptcy lately?

And so I turned eagerly to Food Stamp Reform. Hopefully, the Secretary of Agriculture was alert to the seeming imbalance of costs and benefits for New York. Or, more broadly, the Secretary would in his reform plan surely demonstrate the new Administration's commitment to assisting the troubled old Northeast. These surely would be good first standards for reform, would they not be?

And so I asked a very natural question for a Senator from New York: I asked whether the President's proposal helped or hurt New York. You may be surprised—though you should not be surprised—to learn that no one knows.

My office called the Senate Agriculture Committee, the Senate Nutrition Committee, and the Department of Agriculture. And the same question was posed: What is the effect on New York State of Mr. Carter's food stamp proposal? No one could answer that question.

I learned that there exists no state-by-state analysis of these proposals. There is a regional analysis, however, and it speaks volumes. Let us compare the South and the Northeast in three significant categories: the percentage of people now receiving food stamps who will become ineligible for them, the percentage of recipients who gain under the reform plan, and the percentage who lose under the reform plan.

In the South, 5 percent of recipients are made ineligible; in the Northeast, 10.9 percent are made ineligible—more than double. In the South, 19.9 percent of recipients will lose benefits; in the Northeast, 50.2 percent will lose benefits. In the South, 47.1 percent of recipients will gain benefits; in the Northeast, 16.1 percent of recipients will gain benefits.

New York is part of the Northeast in this calculation, and it is clear that we in the Northeast lose a great deal under the Secretary's food stamp plan. We are disadvantaged in every category. The Secretary knew this, yet he proceeded with his plan. We are forced to assume the President knew it as well.

Where we in New York lose even more than our neighbors is today not known. The Department of Agriculture is now doing a new computer program for me, and will find out. The problem is in part technical: a statistical sample is necessary, and is possible for New York and several other large states, but not possible for most states where the sample is too small to reveal reliable data. But the problem is not simply technical: it is fundamentally political. No one wondered how this program affects New York. No one asked. We have not been in the habit of asking others, and Washington, taking its cue from us has not been in the habit of asking itself. And as a result, the Secretary devised and now promotes a plan whose effects on the Northeast are dismal, and whose effects on our State he did not trouble to determine.

It is time, now, to change our habits, and thereby to change the habits of those with whom we deal here in Washington. There are many questions to ask about every program, but one rule to which we must adhere is to ask, in every case, "What does this mean for New York?" To take an example, Mr. Bergland's proposal would, by eliminating itemized deductions, remove from the rolls those with a minimally decent income but great expenses. It would hurt most, that is, New Yorkers who work but who have low wages and large families. It strikes me that these are people—hard put now to keep body and soul together—whom we want to help, not to injure. How many such families are there in New York? Will a loss of food stamps force some of them onto welfare? How much will this cost our State in the end? If the people we are asking do not know, we will have to insist that they find out.

This should not be seen as a lack of generosity on our part, or a new streak of mean-spiritedness. Not at all. It is simply an acknowledgement that our State has severe economic problems, and that these problems will not be solved unless we insist on fair treatment when taxes are paid and when federal dollars are doled out. Of the new programs, of the new formulas, of the new policies, it is madness for us today to fail to ask—out of embarrassment at being thought crude, perhaps—what's in it for us? Until we begin to ask that question, and insist that the answer be a fair one, our State will never emerge from its financial crisis.

I am happy to say that on the House side of our delegation Congressman McHugh and Congressman Richmond, both members of the Agriculture Committee, are asking the same questions. But I would wish this made clear. Somebody in Washington had better make a case for Mr. Bergland's Food Stamp Program than has been done if I am not to be forced to consider it one more instance of the plunder of New York by a Federal government that seemingly cannot realize that New York is in trouble and can no longer be the bonanza of last resort for the rest of the Nation.

HELICOPTER HEROISM AWARD—CAMERON C. BANGS, M.D.

Mr. GOLDWATER. Mr. President, on Monday evening, May 2, it was my honor and pleasure to have been the speaker at the annual AVCO/AWA Helicopter Heroism Award dinner at the Mark Hopkins Hotel in San Francisco. First, I would like to incorporate in these remarks a description of the award and the reason for it and then a brief biography of the recipient, Dr. Cameron C. Bangs. Dr. Bangs, after being flown by the Oregon National Guard helicopter to an icy glacier nearly 8,000 feet high, was able to save two victims of an aviation accident, the other passenger having been killed. Dr. Bangs is active in volunteer rescue work and should serve as a good example to all Americans in the whole area of doing unto others. Therefore, I ask unanimous consent that these items be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AVCO/AWA HELICOPTER HEROISM AWARD

1977 is the eleventh year that the Aviation/Space Writers Association (AWA) and Avco Corporation have collaborated to honor acts of outstanding heroism involving the use of a helicopter.

Since 1966, this award has been presented to a distinguished roster of pilots and crew members, both civilian and military. The international competition draws nominations from all over the world.

This year the AVCO/AWA award is being presented to Cameron C. Bangs, M.D. of Oregon City, Oregon, for his courageous rescue of two crash victims off Oregon's 10,497 ft. Mt. Jefferson in May 1976. Avco Corporation is presenting Dr. Bangs with an honorarium and medallion. His name will be inscribed on the permanent "Helping Hand" trophy displayed at Avco Lycoming Stratford.

The Aviation/Space Writers Association convened here tonight includes leading U.S. and Canadian journalists and public relations representatives who write for and about the aviation industry. Avco Corporation, Greenwich, Connecticut, a leading aerospace manufacturer, is the parent company of the Avco Lycoming Division in Stratford, Connecticut, which makes the famous Lycoming gas turbine engines.

CAMERON C. BANGS, M.D.

Dr. Cameron C. Bangs was born in Brattleboro, Vermont in 1937. He received his medical degree from the University of Vermont and completed his internship in Oregon in 1964. He served his residency at the Emanuel, Veterans Administration and University of Oregon Medical School Hospitals. In 1968, Dr. Bangs established general practice in a one-story house across from the modern Williamette Falls Hospital in Oregon City.

His first experience with hypothermia (severe loss of body heat) was in 1969 when he used the new "quick thaw" method of dipping a person in 110° water to save the life of a trapped mountain climber whose temperature had dropped below 90°. It was the first time anyone can remember this technique being used in Oregon.

Dr. Bangs is an expert skier and an active member of the Ski Patrol on Mt. Hood where he serves as physician and instructor in first aid and mountain rescue techniques. He gives lectures on these topics as often as three times a week to various public service groups and teaches survival to Explorer Scouts, sheriffs and mountain rescue teams. He has run seminars in Alaska, Banff and Yosemite, and has written a number of articles on the prevention and treatment of hypothermia for medical journals and local newspapers. He is an active crusader for public education to prevent hypothermia, frostbite and mountain accidents. Dr. Bangs has also been active in drug rehabilitation programs.

Dr. Bangs, his wife, Jean, and their four children live on a 50-acre farm near Molino, south of Oregon City. The whole family skis, hikes and climbs. Peter, age 14, is an expert skier, mountain climber and a survival expert himself. He has helped his father on rescues and accompanied Dr. Bangs on a National Geographic project on the Juneau Ice Cap in 1974. Pamela is 11 years old, Christopher 9, and Polly 2. Mrs. Bangs is a skilled horse trainer.

A NUCLEAR PROBLEM

Mr. THURMOND. Mr. President, on April 21, 1977, the Aiken Standard newspaper, Aiken, S.C., published an editorial entitled, "A Nuclear Problem."

This editorial addressed President Carter's decison to terminate Federal assistance to the Allied General Reprocessing Plant at Barnwell.

The editor wisely raises the question as to why the country should be denied development of technology for the reuse of nuclear waste.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Aiken (S.C.) Standard, Apr. 21, 1977]

A NUCLEAR PROBLEM

President Carter's decision to cut off federal help for the Allied General Reprocessing Plant at Barnwell has been greeted with cheers and moans. Opponents of nuclear power are happy; defenders of the nuclear industry are discouraged.

Federal cooperation at the Barnwell plant is essential if it is ever to operate. This use of public funds is a factor, but not an overly significant one. More important is the Nuclear Regulatory Agency's approval of licenses, a process which seems further away now than ever before.

Mr. Carter has taken a stand. It is a strong stand, not without merit. The problem of waste fuel and the reprocessing of it is a complex matter.

One of the weaknesses in the argument to abandon the Barnwell plant is that the nuclear waste stored in temporary facilities throughout the country is a cup ready to run over. The waste is produced by conventional nuclear plants. According to energy expert Barry Commoner, there is enough storage for 930 metric tons of waste, and there is room for only 50 more metric tons.

Should the nation forget the conventional plants because the waste they create contains plutoniums? Will we use more underground burial sites without making an effort to try Allied General's reprocessing method?

Some scientists believe that technology can find ways to reuse all but a very small part of nuclear waste. Our energy system would be self-perpetuating. The Barnwell plant at the moment, does not have that capacity. However, advances in technology rarely are made in quantum leaps. There must be intermediate steps. The Barnwell plant is one.

Mr. Carter seems confident that the nation does not need nuclear reprocessing. He wants to discourage the use of plutonium. Shutting down the Barnwell plant is, in a sense, a symbolic gesture. We only hope the President is ready to unveil a waste storage program which is less hazardous than reprocessing.

YOUTH EMPLOYMENT AND TRAINING ACT OF 1977

Mr. DURKIN. Mr. President, last Thursday I submitted amendment No. 230 to the "Youth Employment and Training Act of 1977," S. 1242. The purpose of my amendment is to insure that the funds for the three programs that are part of the bill are equitably distributed to all States, especially small States such as my own New Hampshire which might inadvertently receive little benefit because of our small population. Under my amendment, the Secretary of Labor would undertake to assure that an equitable proportion of candidates for the Young Adult Conservation Corps, established by the bill, would come from each State. That proportion will be not less than one-half of 1 percent. Also, the funds for the broad range of employment and training programs for youth included in the third part of the bill would be distributed in such manner so that no State would receive less than one-half of 1 percent of the funds. The bill as presently written provides that not less than one-half of 1 percent of the funds for youth community conservation and improvement projects should go to any one State.

I strongly support this legislation. Unemployment in our country is a national disgrace. Even more disgraceful is the extraordinarily high unemployment rate among our Nation's youth. In March, the unemployment rate among 16- to 19-year-olds was almost 19 percent, nearly three times the national average. This situation means that close to one-fifth of those on whom our future rests are becoming disaffected and alienated because we cannot provide them with meaningful work.

Government concern cannot be the total answer to this problem, but it can be an important beginning. The Youth Employment and Training Act will provide tens of thousands of jobs for those who most need them. Just as importantly, these will not be "make work" jobs just to keep idle hands busy. Rather there will be opportunities for training so that young people can improve their chances of finding permanent meaningful employment. Neighborhood improvement and rehabilitation, a necessity in many communities, would move forward as these enthusiastic young people are given the opportunity to display their talents in ways that will make us proud.

Support for the Youth Employment and Training Act is broadbased, and will continue to grow. A failure to deal with youth unemployment will cause us sorrow not just today, but also tomorrow. Helping our young unemployed through these difficult times is not a handout to them, but rather an investment by an entire Nation which must have their contributions in order to remain strong.

I urge my colleagues' support of S. 1242 and the amendment I have offered which will strengthen its impact across the land.

AMERICAN HOTEL AND MOTEL ASSOCIATION SUPPORTS CORRECTION OF TAX RESTRICTIONS ON TRAVEL OUTSIDE THE UNITED STATES

Mr. GOLDWATER. Mr. President, last Wednesday, I offered an amendment to treat conventions and educational seminars held in the North American area the same under our tax laws as meetings held within the United States. The amendment was almost identical to a provision reported by the Finance Committee last year.

Although the Senate rejected that amendment by a narrow vote, I am announcing my intention to raise the matter at another time in the near future.

Mr. President, I am encouraged to do this because it has come to my attention after the vote that there was a misunderstanding among some of my colleagues in the Senate that the U.S. travel industry would be pleased if my amendment were rejected. The truth is just the opposite.

In fact, the American Hotel and Motel Association, which is a federation of hotel and motel associations in all 50 States, the District of Columbia, Puerto Rico and the Virgin Islands, confirmed its support of my amendment just last week in a telephone call their Washington representative placed to my office. The association earlier had sent a letter to all members of the House Ways and Means Committee and Senate Finance Committee strongly endorsing the North American exemption.

It is true that the travel industry supports, as I do, a total repeal, worldwide, of the tax restrictions on travel. But the American Hotel and Motel Association specifically states in its letter that until repeal can be achieved, it "would favor the North American exemption—which would insure that our neighboring countries not retaliate against us and curtail their tourist and convention business in this country."

Mr. President, the domestic travel business recognizes that the stricter tax rules on attending foreign meetings are not in the interest of the United States. Our travel groups oppose curbs on travel of any kind—at home or abroad.

This protectionist-type argument was made by opponents of my amendment last week, but in fact such an approach is likely to stir retaliation against travel to the United States. If we discourage Americans from going to educational seminars and conventions outside the country with the most stringent tax laws of any free nation in the world, why should other governments hesitate to apply the same rules against travel to our country?

Mr. President, I would remind my colleagues that the United States already stands as the No. 1 convention site in the world. Of all the international conventions scheduled up to October of 1985, we have the greatest share. Do we want to risk losing that prominent position? If we discourage visits to educational seminars and conventions in foreign countries at the same time we are the major beneficiary of such events, we might cause the very retaliation to which the American Hotel and Motel Association has alluded in its letter.

Secondly, I would clarify for some Senators that my amendment did cover cruise ships which are used for transportation or for the actual conduct of seminars or conventions. There may have been a misunderstanding that the amendment did not apply to cruise ships, but I want to assure any Senators who are interested that it would have restored deductions of this type.

Third, I would like to reemphasize my concern for the economy of Mexico by reading from a cable I received last month from the Mexico City Chamber of Commerce. It reads:

> Section 602 discouraging convention travel to Mexico has motivated cancellation ninety large conventions and estimated revenue of two hundred and fifty million pesos for principal convention cities. Furthermore, it has been evident that the sale of conventions which had been growing at rate of twelve percent yearly was discontinued upon approval of this law and has shown cancellations of conventions which had been previously contracted. Please consider grave consequences for Mexican economy not only effective for present but causes terrible impact on several years in future because of advanced site selection procedure of convention associations. This unfriendly policy if maintained will certainly cause unavoidable consequences and reduce purchase capacity of Mexicans in United States with bad results for your own commerce principally on border area.

Mr. President, Mexico has spent $9 billion more in recent years in the United States for goods and products than we have spent there. Yet, we are damaging her purchasing power by discouraging Americans from traveling to Mexico. We not only have taken an unfriendly action which shows indifference to a sister nation of the American Continent, but we have weakened her ability to buy our own exports.

Finally, it was said the present tax law allows deductions for two foreign meetings. This is false when you consider the effect the law has. For all practical purposes the law bans these deductions. It sets so many limitations, such as the per diem restriction and bookkeeping requirements, that Americans are discouraged from going outside the country. My office has received numerous letters from businesses or professional groups who have cancelled foreign meetings because of the new tax law that had been previously scheduled. As far as they are concerned, the law does not allow any foreign travel at all. It is too restrictive and too much trouble.

Mr. President, I ask unanimous consent that the letter by the American Hotel and Motel Association urging correction of the tax law be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Exact original was sent to all members

of the House Ways and Means and Senate Finance Committee.

AMERICAN HOTEL AND MOTEL ASSOCIATION,
Washington, D.C., March 3, 1977.

Hon. AL ULLMAN,
Chairman, Committee on Ways and Means,
Washington, D.C.

DEAR CONGRESSMAN ULLMAN: The American Hotel & Motel Association is a federation of hotel and motel associations located in the fifty states, the District of Columbia, Puerto Rico and the Virgin Islands, having a membership in excess of 6,500 hotels and motels containing in excess of 850,000 rentable rooms. The American Hotel & Motel Associations maintains offices at 888 Seventh Avenue, New York City, and at 777 14th Street, N.W., Washington, D.C.

Last year, Congress passed the Tax Reform Act of 1976. Section 602 of that law limits the amount of tax deductions that can be taken by an individual or corporation on a business convention overseas. The section as passed was not the same exact version as voted on by either the Senate Finance Committee, or the House Ways and Means Committee.

We recognize that the business travel section of the tax law previous to the Tax Reform Act was fraught with administrative difficulties, and too susceptible to abuse and confusion. We could understand why more exact language and a more objective law was called for; but, we feel that the law as passed in the '76 Reform Act was far more severe than necessary.

The law should have been focused upon the vacation disguised as a business trip and not on all legitimate conventions that take place overseas. The law has had a serious economic impact on many U.S. hotel corporations who have properties outside the United States.

* * * * *

on tourism and trade with us; and they contain many resort properties that are American owned or managed, that entertain American tourists who arrive on American airlines.

The oft-discussed retaliatory potential of this law still exists. Last year, for example, 429,000 Canadians visited the United States expressly to attend conventions, conferences and seminars. There is a real possibility that Section 602 will hinder this free flow of tourist trade between us and our neighboring countries. Even the Helsinki Agreement, to which the United States is a party, states that countries should ". . . encourage increased tourism on both an individual and group basis" and ". . . facilitate the convening of meetings as well as travel by delegations, groups and individuals. . . ."

The reporting requirements of the new law are onerous and extremely difficult in practice. The per diem limitation is confusing since the government changes it constantly and also provides for special appeals by a civil servant that would not be available to a private citizen. In addition, many government officials are not even bound by per diem requirements; rather, they are just reimbursed for their actual travel expenses. Government employees may be given special rates by hotels and motels; they may often eat at government installations, and can often stay in smaller, less expensive hotels that would be difficult for a private citizen attending a convention to do so.

These are just some of the problems of the new law and although we are doing all we can to understand it, and comply with it, we are finding it very difficult. We think that the law should be completely repealed and a new law with adequate reporting requirements and no limitation on travel be drawn up.

If such a repeal of the law is not practical, we would be in favor of many other refinements which would make the present law workable. For example, we would favor the so-called North American exemption (this would exempt Canada, Mexico, the Caribbean and Bermuda) which would insure that our neighboring countries not retaliate against us and curtail their tourist and convention business in this country; and, we would favor a *repeal* of the requirement that subsistence expenses not exceed the dollar per diem rate for United States civil servants—civil servants' per diem rates, as I have mentioned, are not the best indicias of travel costs.

Pleas for relief from newly passed tax laws are probably common, but in our case the law has gone beyond the problem of tax subsidized vacation travel and into the hindering of business and the hurting of foreign relations with close and friendly countries. We ask that you reconsider the law you have passed and review the impact of Section 602.

Sincerely,

ALBERT L. MCDERMOTT,
Washington Representative.

CONCERNING MILITARY RETIREMENT COMPENSATION

Mr. THURMOND. Mr. President, on March 28, 1977, I inserted into the CONGRESSIONAL RECORD on page 9237, an editorial entitled, "Intellectual Dishonesty," from the March 1977 issue of the Retired Officer magazine, published by the Retired Officers Association. My reasons for doing this was to help balance magazine articles and Associated Press news reports on military retirement compensation reported to be misleading and out of context. The original news reports resulted in follow-up stories and editorials containing selected statistics apparently out of context to emphasize a point.

Mr. President, the Associated Press by letter dated April 19, 1977, has now responded to the Retired Officers Association concerning the editorial article in the CONGRESSIONAL RECORD. A copy of the letter was provided to me with a request that I insert the Associated Press response in the RECORD. In the interest of clarification and an effort to be fair to both of these fine organizations, I am confident my colleagues and others would appreciate seeing the Associated Press rebuttal together with a reply to them, dated April 27, 1977, from the Retired Officers Association.

This controversy reflects the tension in an emotional issue in the midst of deficit spending and spiraling inflation upon which the Congress will ultimately address by weighing national security issues against personal security and faith in Government issues.

In my judgment, it is very important that all facts be surfaced on any issue. In presenting the facts on such a complex matter, as military retirement pay and fringe benefits, it also is very important that the news organizations, as well as other publications, present the pros and cons of an issue in a balanced context.

Mr. President. in an effort to present both sides of the controversy between the Associated Press and the Retired Officers Association, I ask unanimous consent that the letters between these two organizations, dated respectively, April 19, 1977, and April 27, 1977, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE ASSOCIATED PRESS,
Washington, D.C., April 19, 1977

Col. MINTER L. WILSON, Jr., Ret.
Retired Officers Association,
1625 I Street NW No. 503
Washington, D.C.

DEAR COLONEL WILSON:

Your March issue of the Retired Officer attacks The Associated Press for two stories concerning military pensions. It accuses us, among other things, of "intellectual dishonesty . . . serious factual inaccuracies . . . (and) "a new low in incompetent and unfactual reporting."

We believe that all the facts presented in The AP stories were accurate and laid out in a balanced fashion.

The central facts presented in the stories are unchallenged: That the costs of military pensions have risen dramatically in recent years, from less than 2 per cent of the military budget in 1962 to more than 8 per cent in the current year. Spending on all military pensions now exceeds what the Navy spends on shipbuilding, what the Air Force spends to buy missiles and airplanes. Indeed, it now exceeds the entire Army payroll. And the costs are continuing to rise.

It is of course understandable that those who receive these pensions should defend them. But your editorial misstates what we said.

To be specific:

The editorial implies, falsely, that the stories urged cuts in benefits to persons now receiving military pensions.

The AP stories were news stories. They "suggested" no course of action.

A spokesman for the Taxpayers Union was quoted as calling pensions paid to those who also hold civilian jobs with the federal government as "fat." In the next paragraph a spokesman for the Retired Officers Association was quoted as saying, "A military retiree has earned his retirement pay." We reported no proposals to cut benefits to persons now drawing pensions. In fact, all present proposals concerning the military pension system would apply only to future retirees and would take several years to be phased in. So much for the supposed suggestion by AP.

The editorial says the story by Brooks Jackson "fails to recognize in any way that those military retirees earned their retired pay." False. The story quoted Maurice Lien, a spokesman for the Retired Officers Association, as saying pensions compensate for forced retirements, family separations and other hardships of military life.

The editorial says Jackson's story implies "that each retiree is drawing an unjustifiable huge amount." We reported facts. Whether or not the level is justifiable is, of course, a matter of opinion which we left to the reader.

The editorial says the current average pension is $6,648 a year, "not much above the official poverty level." Actually, the average pension for the third quarter of 1976 was $6,800, according to the U.S. Budget published before your editorial appeared. The average is higher now.

And the poverty level for an urban couple for 1975 was $3,506 a year, assuming no other income. For a family of four it was $5,500. These are the latest figures from the Census Bureau.

The editorial pulls a quote out of context to accuse Evans Witt unfairly of stating that about half of all military retirees are in their late 30's and early 40's. What

Witt said was that about half the retirees who are now employed by the federal government are in their late 30's and early 40's.

The editorial states, as if we had omitted it ourselves, that the Dual Compensation Act treats reserve retirees and regular retirees differently when they take civilian federal jobs. In fact, our story made this point.

The editorial states that "By selective omission of pertinent fact, AP manages to imply that most military personnel voluntarily retire after 20 years of service." The fact is neither story said any such thing and neither was meant to imply anything of the sort.

Jackson's story said: "Today, a typical E–7 sergeant retires at age 41 after 22 years of service (and draws) $534 a month in retirement pay . . . A typical career lieutenant colonel would retire after 25 years of service at age 46 and would draw retirement pay of $1,282 a month."

The editorial argues that it would have been fairer for Witt to say that pensions range up to 61 per cent of "Regular Military Compensation," rather than up to 75 per cent of salary, or active duty base pay. We can see the point here. But the editorial goes on to make an utterly false statement about the level of benefits paid by private pension plans.

It says, "The typical private pension plan provides the retiring employe with more than half his salary." This is not true. A Banker's Trust Company survey of 271 major private pension plans showed that 80 per cent of them pay less than 40 per cent of the final salary as benefits, after 30 years of service.

Furthermore, fewer than half the private sector workers are covered by any pension plan at all. For the lucky minority who are, benefits don't typically start until age 65, or at best age 55.

The editorial says "The present number of retirees, while increasing, will be essentially stable into the foreseable future."

First, a thing cannot be "increasing" and "stable" at the same time.

Second, the U.S. Budget projects, on the basis of the Pentagon's actuarial data, that the number of retirees will increase by 54,000 between this year and next, to 1.22 million.

The editorial argues that CHAMPUS health insurance is "not free." The fact is, retirees do not pay to be covered by this insurance, while similar private health plans often cost hundreds of dollars a year. Persons receiving private pension benefits, furthermore, are not typically covered by their former employer's health insurance plans, and must either rely on Medicare or purchase insurance coverage on their own.

Whether this situation is good or bad, appropriate or abusive, is for others to judge. Our stories accurately stated the facts. Your editorial fails to do so.

This is sent in the belief that you and your readers are interested in setting the record straight.

Sincerely,

BURL OSBORNE.

THE RETIRED OFFICER MAGAZINE,
Washington, D.C., April 27, 1977.

Mr. BURL OSBORNE,
Assistant Chief of Bureau, The Associated Press, 2021 K Street, N.W., Room 606, Washington, D.C.

DEAR MR. OSBORNE: Thank you for your April 19 letter. We assume it was meant to serve as a response not only to my March editorial, "Intellectual Dishonesty," but also to the January 24 telegrams signed by Lt. Gen. John W. Carpenter III, TROA's President, and sent to the Associated Press Bureau Chief in Washington and your President in New York. No other answer has been received as of this date.

Neither have we seen any effort by AP to present an unbiased report on military retirement—to set the record straight—as General Carpenter requested.

Our disappointment over Associated Press' performance, in this instance, mirrors that of many TROA members who have communicated with us. You should know that your two stories generated more negative comment than any others during General Carpenter's three-year tenure as President.

Nothing in your reply to us has changed our opinion that the Evans Witt and Brooks Jackson stories were slanted, biased and intellectually dishonest reporting.

We do not agree with your statement that "all the facts presented in the AP stories were accurate and laid out in a balanced fashion." Neither do we agree that "the central facts presented in the stories are unchallenged."

As we pointed out in our editorial, your selective omission of pertinent facts leaves the reader with most of the negative "facts" and few of the balancing "facts."

Mr. Osborne, your response is another exercise in semantics. It exhibits the same lack of balance as the original articles. One wonders what your AP subscribers' reactions would be were you to put the original stories on the wire, point by counterpoint, with our editorial. We believe they would be highly disappointed in the quality and objectivity of the AP stories.

To illustrate once again—this time in response to your letter (April 19, 1977)—why we find your reasoning so faulty, consider these examples:

Your statement that "the costs of military pensions have risen dramatically in recent years, from less than two percent of military budget in 1962 to more than eight percent in the current year" is true insofar as it goes. But that is exactly the problem. You don't tell us why. Instead, you compare retired pay to "shipbuilding, missiles, airplanes and the Army payroll." TROA knows why retired pay has risen. Do your subscribing editors? Or their readers? Our editorial provided answers.

You say our "editorial implies, falsely, that the (AP) stories urged cuts in benefits to persons now receiving military pensions. The AP stories were news stories. They suggested no course of action." If you believe our editorial "implies falsely" that AP's stories "urged cuts in benefits to persons now receiving military pensions," I can only remind you that we said no such thing. However, we did say, and do reiterate, that "some shortsighted persons would suggest the American people renege on the benefits promised those who served their nation faithfully." Perhaps, AP doesn't recognize that the men and women who have already served most of their adult lives in military uniform, but haven't yet retired, can be seriously short-changed in that retirement. It has happened in the past (e.g. repeal of recomputation in 1958) and many active duty service men and women today feel themselves further threatened by adversely slanted press stories such as yours.

Our Association is always pleased to work with news organizations in the interest of accuracy. But let's face reality. Your reporter's contact with us, and his quote of our spokesman, served little purpose other than that old journalistic ploy of making it appear all bases had been touched.

We continue to believe that your articles projected an unwarranted implication for the average reader that "each retiree is drawing an unjustifiably huge amount." How did you do this? Simply by omitting the average pay for all retirees combined or for officers and enlisted separately. You focused on a single officer and enlisted rank. Your resulting examples were several thousand dollars higher on an annual basis than government statistics show to be average ($5,076 for enlisted, $10,092 for officers, $6,648 combined—based on 30 June 1976 DoD statistics, latest available insofar as we knew at that time). As you note in your letter, poverty level income for an urban family of four is $5,500.

As for "pulling your statement out of context," we fail to see how you arrived at that conclusion. Your letter says "about half the retirees who are now employed by the federal government are in their late 30's and early 40's." Our editorial said, ". . . the unfortunate wording of the AP statement projects the untrue inference that half the retirees holding federal jobs are in their late 30's and 40's. The fact is only 28 percent are under 45 years of age." Does 28 percent equate to "about half?"

We agree your article mentioned Dual Compensation. We did not say you didn't; we merely provided additional important detail.

Nothing you have said changes our minds that, "by selective omission of pertinent facts, AP manages to imply that most military personnel voluntarily retire after 20 years of service." We are pleased to know you did not mean to say or imply any such thing.

We concur in the basic figures cited for E–7 sergeant ($534 per month) and lieutenant colonel ($1,282) retirement pay per your example. But please, again, as we pointed out earlier, those examples are far above the average for enlisted ($423 per month) and officers ($841).

Your concession that it would have been fairer to say that "pensions range up to 61 percent of "Regular Military Compensation" rather than 75 percent of salary, or active duty base pay" is appreciated.

Our statement that "the typical private pension plan provides the employee with more than half his salary" was based on a projected work life of 30 years. The 1975 Bankers Trust Company Study of Corporate Pension Plans (p. 29, Table 26) shows only those earning $50,000 or more get less than one half the final years compensation in conventional pension plans which include the Social Security Benefit. We agree and regret that an unfortunate number of private sector workers are not covered by any pension plan at all.

As your letter points out, some "54,000 military will retire between this year and next." The figure you quote equates to about four percent new retirees. We consider that "essentially stable" in today's terms.

We agree that retirees do not pay an insurance premium for CHAMPUS health insurance. Our editorial did not so argue.

We appreciate your recognition that we are interested in setting the record straight. We are searching for some means to allow your subscribers and readers, as well as ours, to see the "facts" from our viewpoint as well as yours. If you have the solution, we are ready to cooperate.

Sincerely,

MINTER L. WILSON, Jr.,
Colonel, USA, Retired, Editor.

(This concludes additional statements submitted today.)

ORDER FOR CONSIDERATION OF H.R. 4975 AND TO RESUME CONSIDERATION OF SENATE CONCURRENT RESOLUTION 19 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the orders for the recognition of Senators have been completed, the Senate proceed to the consideration of Calendar Order No. 82, H.R. 4975, an act to authorize appropriations for fiscal year 1978 for biomedical research and related programs, and that no later than 2 o'clock p.m. tomorrow the Senate resume consideration of Senate Concurrent Resolution 19, the concurrent resolution.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the majority leader and I have discussed this matter previously and I am in accord with the request. I wanted to make sure, however, that it was understood that nothing in this request will abridge the right of any Member to offer amendments to the pending measure, even notwithstanding that the hour of 2 o'clock may have arrived.

Mr. ROBERT C. BYRD. The Senator is correct.

This cuts an outside limit, for the time being, under the order on consideration tomorrow of the public health service bill. If the hour of 2 o'clock should arrive and final action on the public health service bill has not then been completed, the Senate would set that measure aside and would resume consideration of the budget resolution.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order—and at the moment I do not anticipate using any of my time—the distinguished junior Senator from Ohio (Mr. METZENBAUM) will be recognized for not to exceed 15 minutes, after which I will be recognized for not to exceed 15 minutes, after which the Senate will proceed to the consideration of H.R. 4975, the public health service authorization.

Amendments to that measure will be called up. Rollcall votes may occur on amendments to the measure. A rollcall vote may occur on final passage. However, that is not absolutely definite at this point.

But, in any event, if the hour of 2 o'clock arrives and the action has not been completed on the public health service bill, the Senate will resume consideration of the congressional budget resolution.

In the event the public health service bill is disposed of before 2 o'clock, Mr. President, by unanimous consent, the Senate would resume consideration of the concurrent budget resolution immediately.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There will be votes on amendments to the congressional budget resolution tomorrow.

The Senate may be in late tomorrow evening, if necessary, to complete action on the concurrent resolution.

I think I should emphasize this and underline it, and I say it again, that the Senate will stay in tomorrow evening until action is completed on the congressional budget resolution.

This could mean a late session. However, I would hope that the Senate would not be in too late and, as things appear at this time, I do not anticipate that it would require a late session. But I believe all Senators should be prepared if that necessity should arise.

Mr. BAKER. Mr. President, if the majority leader will yield, I made inquiry on this side of the aisle to see what amendments might be offered on tomorrow and to try to get some estimate of how our progress might go tomorrow on this matter.

I cannot find any substantial number of amendments that are likely to be offered on this side. But I take this opportunity to urge my colleagues to let us know tomorrow as soon as possible if they do have amendments or, indeed, if they have colloquies they wish to engage in on the budget resolution so we can try to finish it as soon as possible.

I would hope we could finish it tomorrow, especially if the Senate stays in late.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

I think that about sums up the program for tomorrow.

I repeat that there will be rollcall votes tomorrow afternoon and the Senate is expected to stay in late to complete action on the congressional budget resolution.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to; and at 7:05 p.m., the Senate recessed until tomorrow, Wednesday, May 4, 1977, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 3, 1977:

DEPARTMENT OF STATE

L. Douglas Heck, of Oregon, a Foreign Service Officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

Rozanne L. Ridgway, of the District of Columbia, a Foreign Service Officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Finland.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of Title 10, United States Code, section 3962:

To be general

Gen. William Eugene DePuy, 503-16-0459, Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Henry Everett Emerson, 457-38-2896, Army of the United States (major general, U.S. Army).

CONFIRMATION

Executive nomination confirmed by the Senate May 3, 1977:

NATIONAL SCIENCE FOUNDATION

Richard C. Atkinson, of California, to be Director of the National Science Foundation for a term of six years.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

CYPRUS AND HUMAN RIGHTS

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. PHILLIP BURTON. Mr. Speaker, the April 21, 1977, issue of the Hellenic Journal, which is published in San Francisco, ran a most thoughtful editorial on the question of human rights and Cyprus and the ultimate question of aid to Turkey.

The editorial was called to my attention by my good friend, Frank Agnost, editor and publisher of the Hellenic Journal, because he is aware of my great and continuing concern in this matter.

I am taking the liberty of placing the full editorial in the RECORD at this time so that my colleagues will also have an opportunity to read it:

CARTER'S STAND ON HUMAN RIGHTS: WILL HE ACT ON CYPRUS?

(EDITOR'S NOTE.—The issue of aid to Turkey will be discussed in Congress soon, possibly within the next two weeks. The Hellenic Journal suggests that readers clip Dr. Mouschovias' editorial and send it to President Carter at The White House, Washington, D.C. 20500. A stronger stand by the President on the specific issue of human rights on Cyprus might assure that the American taxpayers will not be supporting the illegal Turkish occupation of Cyprus.)

Persident Carter has taken a refreshingly admirable position in placing foreign policy on a moral base. He has repeatedly stated his intention to speak out for human rights wherever they may be violated and to link foreign aid to the issue of human rights. A fundamental departure from the policies of past administrations, which acquiesced to or openly aided repressive regimes around the world, seems to have taken place.

Yet the President's vigorous criticism of the Soviet Union for violations of human rights is unaccompanied by a similarly outspoken stand toward gross violations of human rights in the "Free World."

For that reason, the Soviet leaders may see the President's policy as aiming at an erosion of their system from within through encouragement of dissidents—the Achillean heel of repressive regimes—and they may react accordingly. Worse, yet, the American public may begin wondering whether Mr. Carter's stand on human rights, so selectively applied, is anything more than a politically expedient move.

What could possible justify Mr. Carter's silence on the demonstrably blatant violations of human rights by Turkey on Cyprus?

The Soviet Union restricts immigration. Turkey has been forcefully expelling Greek Cypriots and colonizing the occupied part of Cyprus; reports of the International Red Cross speak of "wholesale expulsion and decimation of the Greek civilian population."

The Soviet Union confines dissidents in mental institutions. Turkey gives no chance for a dissident to exist in occupied Cyprus. Several thousand Cypriots have been killed. Prisoners were carried to Turkey and tortured. Fathers have been forced to witness the rapes of their wives and young daughters before being murdered in cold blood.

Thousands of Cypriots (in a population of only half a million), many of whom have been seen under arrest by Turkish occupation forces, are still missing. Civilians are being beaten and terrorized. Even Turkish Cypriots and their newspapers in occupied Cyprus are complaining of repression by the Turkish army.

The list of human rights violations by Turkey on Cyprus is endless and has been substantiated in a report issued by the European Commission on Human Rights (see *The London Sunday Times*, January 23, 1977) after an investigation. Press reports state that Congressional committees may investigate the issue too.

Why the silence in the White House? There is little the United States can do to restore human rights in the Soviet Union—although this does not mean that it should condone their violation. There is much that the U.S. can do to restore human rights on Cyprus.

The occupation of Cyprus was carried out and is maintained (in violation of international and American law) by Turkish forces equipped with American-made weapons. It is ironic but true that the American taxpayer is involuntarily subsidizing the Turkish occupation of Cyprus.

In accordance with U.S. law, an embargo of arms to Turkey will go into full effect on October 1, 1977 unless there is another lifting of the embargo similar to that pushed through by President Ford and Secretary Kissinger in 1976.

Despite the President's expressed concern for human rights and obedience of the law, the provision of the Ford budget to allocate $250 million to Turkey has not been deleted by the Carter Administration. Whether by omission or design, the Carter Administration may end up doing more damage than Dr. Kissinger did by overt commission.

If the President is genuinely concerned with human rights, and we believe that he is, Cyprus is a case in which he can most easily demonstrate it in word and deed. He can speak out, as he and the Vice President did during the campaign, and his words will bring hope to the 200,000 Cypriot refugees, who have been deprived of their most basic human rights for nearly three years now. The President can also act, and his action (allowing the embargo of arms to Turkey to go into full effect, as the law provides) will have immediate results. Without American arms supplied directly or indirectly, Turkey cannot maintain its occupation of Cyprus. Without American economic aid, Turkey cannot afford to purchase arms elsewhere.

By Mr. Denktash's own admission, it is the fear that the Carter Administration may enforce its stand on human rights that induced Turkey to enter the present round of negotiations on Cyprus. Dr. Kissinger's appeasement policy had kept Turkey intransigent. If Turkey receives aid prior to a just, written agreement on the Cyprus problem, recent precedents guarantee that the present round of talks will fail too. Turkey will use them only to gain time to solidify its partition of Cyprus.

It would be naive to think that Turkey "would turn east" if the U.S. allows its own laws to take effect and reimposes an arms embargo until the occupation of Cyprus is ended and human rights are restored on the island nation. Turkey knows well that it cannot align itself with the eastern bloc while maintaining its own independence for long. The Turks will not exchange their own freedom for a piece of Cyprus.

Since human rights are such an important issue that President Carter has taken the risk of possibly forestalling a SALT II agreement (with the consequence of a new expensive and dangerous arms race), how can we understand his silence on proven violations of human rights on Cyprus by Turkey? Will the President speak out and act?

Time is running out. The refreshing breeze of morality in foreign policy that emanated promisingly from the White House cannot but lose its strength if it is aimed so selectively and confined so narrowly. Human rights for all; not just for dissidents in adversary nations.

—TELEMACHOS CH. MOUSCHOVIAS,
For The Hellenic Journal.

REPUBLIC OF CHINA MEMORIAL

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. STUMP. Mr. Speaker, the Arizona State Legislature has once again expressed its strong support for maintaining close diplomatic relations with the Republic of China, as witnessed by the adoption of a concurrent memorial on April 22, 1977. As a former member of that esteemed body, it gives me great pleasure to share the memorial with you, and commend it to your attention.

The text of the concurrent memorial follows:

HOUSE CONCURRENT MEMORIAL 2005

A CONCURRENT MEMORIAL

Urging the President and Congress of the United States to maintain close diplomatic relations with the Republic of China.

To the President and Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, the United States of America is on the threshold of a new administration with fresh objectives and new people in the positions being vacated by the former administration; and

Whereas, the State of Arizona would like to have its position known to these new people on Sino-American relations; and

Whereas, the State of Arizona has in the past, on more than one occasion projected to the former administration, its position on what it feels the relationship should be between these two great countries; and

Whereas, the Thirty-third Legislature of the State of Arizona would like to make known to our new leaders its sentiments on foreign policy that it believes are just and deserved with the Republic of China; and

Whereas, the Republic of China has been a continuous and faithful ally of the United States, supplying both moral and economic support to the benefit of both nations, has made every effort to develop a free enterprise-based democratic form of government and has pledged its human and economic resources to the defense of free people everywhere; and

Whereas, the cultural interchange between the Republic of China and the United States has benefited both nations.

Wherefore, your memorials, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the President and Congress of the United States make every effort to develop better social and economic relations with the Republic of China.

2. That the President and Congress of the United States do not in any way detract from our diplomatic relations with the Republic of China and not concentrate any major efforts on development of any temporary and precarious relations with the People's Republic of China.

3. That the Secretary of State of the State of Arizona, transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.

POSITION STATEMENT ON CARTER ENERGY PROGRAM

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. DINGELL. Mr. Speaker, even before President Carter formally delivered the outline of his energy program to the Congress last week, all Americans sensed that a comprehensive program calling for major change in the way we use energy was in the offing. Now that the program has been presented in detail, we are beginning to ask how it will affect each one of us, and whether its benefits are worth the cost. Given the intense interest of the Congress and, in particular, the commitment of Speaker O'NEILL to expeditious consideration of President Carter's proposals, I am optimistic that there will be a timely and constructive legislative response to the program.

The President's energy program contains many strong points; but it is not without shortcomings. Commitments to reduce oil and natural gas consumption through more efficient energy use and through increased utilization of coal are strong and proper energy goals. Proposing to encourage conservation by increasing the prices of petroleum products through taxes rather than through decontrol reflects a responsiveness on the part of the President to public concern that oil producers should not be permitted to reap windfall profits through OPEC pricing decisions. One of the purposes of congressional hearings and of markup of the President's proposals will be to identify any shortcomings and to correct any deficiencies in the legislation before it becomes law.

Much of the President's program builds upon existing law, particularly the Energy Policy and Conservation Act—EPCA. The automobile fuel efficiencies which are the break-point for imposition of tax penalties or receipt of rebates under the President's "gas guzzler" tax proposal are already mandated by EPCA as average fuel efficiency standards applicable to the entirety of a manufacturer's new car production.

Similarly, EPCA authorizes energy efficiency labeling of appliances to achieve targeted improvements in efficiency and, if labeling is inadequate to achieve the required improvements, the act authorizes imposition of efficiency standards upon appliance manufacturers. The establishment of national energy efficiency standards for new buildings is also already required by law.

The President's proposals for imposition of a wellhead tax on crude oil production builds upon the crude oil pricing provisions established in EPCA in order to prevent crude oil producers from reaping windfall profits. The billion barrel strategic petroleum reserve program supported by the President is already authorized by EPCA. Moreover, several administrative actions proposed by the President will be carried out under existing statutory authority.

The President is to be commended for his willingness to utilize the tools which are already at his disposal in responding to the energy crisis facing the Nation. Past administrations refused to recognize and utilize many of the same authorities which were also available to them. Congress should assist the President with those parts of his program that reach beyond existing law and accelerate progress toward attaining the energy goals which the President has set forth and which most of us have already endorsed.

I believe, however, that we should examine carefully those proposals which appear merely to duplicate existing law and lead to an unnecessary degree of Government involvement in the U.S. energy system.

The "gas guzzler" tax may be one such example of unnecessary duplication. EPCA already requires auto manufacturers to meet fuel efficiency standards for the entirety of their new car production. To avoid the substantial civil penalties which would be imposed if the manufacturer failed to meet these standards, auto makers have an adequate incentive to adjust the prices of their cars to discourage purchases of low mileage new cars and to encourage the purchase of more fuel efficient cars.

Taxes and rebates applicable to auto manufacturers under the proposed "gas guzzler" tax would be redundant and may well not achieve any additional energy conservation beyond that to be achieved under existing law. However, the "gas guzzler" tax contemplates granting of rebates to manufacturers of imported cars, while it is unlikely that those manufacturers would pay significant taxes. Therefore, the likely consequence of the "gas guzzler" tax program would be the subsidization of manufacturers of imported cars through taxes collected from domestic manufacturers. This subsidy would stimulate purchases of imported cars and will, therefore, work to the disadvantage of the U.S. economy in general and to the domestic auto industry in particular. I regard this issue as adversely affecting American jobs, rather than encouraging energy conservation.

Congressional consideration of the President's proposals should not focus exclusively on the individual elements of the program. Congressional debate must also address the relationship between the stated objectives of the President's energy program and competing goals of other high priority national programs, including economic stabilization and environmental protection. For example, crude oil production taxes and higher natural gas wellhead prices offer a potential for creating substantial inflationary pressures and might also result in reduced economic growth and higher unemployment. The administration's desire to tighten automobile emission standards under the Clean Air Act appears to sacrifice automobile fuel efficiency and, therefore, to be in conflict with those of the administration's energy policies which are directed at reducing gasoline consumption.

President Carter has indicated that his energy proposals are designed to achieve a 40-percent reduction in oil imports, or a level of 7 million barrels per day, by 1985. This reduction is to be achieved through conservation, and through an aggressive effort to shift from our present heavy reliance on oil and natural gas to expanded utilization of coal. A critical and as yet unanswered question is whether the Nation can increase its coal consumption by more than 50 percent in the face of current health, safety, environment issues and requirements and regulations regarding both underground and surface mining of coal. Should the program succeed in raising demand for coal, but fail to make more coal available, the consequence would very likely be an enormous misallocation of capital accompanied by higher coal prices, rather than expanded coal utilization.

To avoid economic depression, the President's programs will have to address the delicate balance which must be struck between higher energy prices to promote conservation and protection of consumer purchasing power. Crude oil and gasoline taxes alone could raise the price of energy by more than $15 billion by early 1979. The revenues from these taxes would have to be fully rebated to consumers in a timely manner if purchases of other goods and services were to remain undampened by higher petroleum prices.

While an appropriate tax rebate system might be able to neutralize the recessionary effect of higher petroleum prices, the potential inflationary and recessionary impacts of the natural gas pricing component of the President's program will have to be given an especially careful look by the Congress. Unless the higher natural gas prices proposed by the President manage to bring forth proportionate increases in supplies, the per unit cost of natural gas will increase, and the result will be more inflation rather than more energy. In this regard, the President's proposal to permit previously discovered gas under expired contracts to rise from the current ceiling of 52 cents per thousand cubic feet—Mcf—to $1.42 or more per Mcf, thereby raising consumer cost by more than $6 billion in 1980, appears to lack economic justification.

The portion of the President's program dealing with rate and regulatory reform of the electric utility sector proposes one program which may directly benefit consumers. Requiring utilities to set rates based upon actual costs of service will remove the artificial subsidies which presently exist between classes of electricity users and should ultimately lead to reduced capital and energy waste. A realistic emphasis on cogeneration of electricity would serve further to reduce the capital and fuel burdens placed upon industrial, commercial, and residential electricity consumers.

These comments on President Carter's energy program are offered to indicate my support for his emphasis on difficult but achievable long-term goals, while at the same time indicating that some components of the President's program pose special problems. Because energy affects all Americans, but in different ways, the Congress will soon find itself in the unenviable position of having to make many complex and politically difficult choices. Congress must strive to give full consideration to the long-term benefits of reduced energy consumption and to avoid focusing disproportionate attention on the short-term costs associated with higher energy prices. I am optimistic that the Congress can serve the best interests of the Nation by placing long-term national energy needs above political expediency.

President Carter has said that, aside from preserving the national security through preventing war, solving our energy problems must be this country's highest priority. It will be the greatest domestic challenge facing the 95th Congress. To convince the American public of the seriousness of this problem and to achieve enactment of his legislative recommendations will demand all the leadership that the President can exercise. The President has issued a bold challenge. I hope that he, the Congress, and the American people are ready to meet that challenge.

WILLIAM H. SULLIVAN IS NOT QUALIFIED TO SERVE AS U.S. AMBASSADOR TO IRAN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. DRINAN. Mr. Speaker, one of the least noted but most disturbing appointments by the Carter administration was the designation on April 12 of William H. Sullivan to succeed former CIA Director Richard Helms as U.S. Ambassador to Iran. By his past conduct and statements, Mr. Sullivan has demonstrated that he is not fit to serve as the representative of the United States in Iran.

Mr. Sullivan served as Ambassador to Laos from 1964 through 1969. Called our "military proconsul" by Senator Symington, Mr. Sullivan had a principal role in organizing and supervising the secret army which we maintained, illegally, in that nation. Mr. Sullivan reportedly played a major role in selecting the targets for the massive U.S. bombing of Laos. He later concealed from Congress the existence of this bombing program. In his testimony before a Senate committee in 1969, he stated that the President had the legal right to order the bombing of a nation with which we were not at war.

Mr. Sullivan's consistent insensitivity to our Nation's Constitution and its laws plainly render him unfit to serve as our representative abroad. His attitude is particularly disturbing in the light of the nation in which he will serve. Iran has a huge and still growing stockpile of sophisticated American weapons and a leader who entertains grandiose ambitions of increased power for his nation and himself. President Carter's nomination of William Sullivan to succeed a man of similar experience and outlook, former CIA Director Richard Helms, suggests the perpetuation of our misguided policy of arming the Shah to the teeth while ignoring his dangerous ambitions and his deplorable denial of human rights within Iran.

The Nation magazine on April 30 called attention to Mr. Sullivan's shortcomings in an editorial entitled "Carter's Worst Appointment." Mr. Carter's policies of ending the secretive conduct of foreign policy and reaffirming our commitment to human rights are both betrayed by the appointment of Mr. Sullivan. If we are to make a clean break with the policies which resulted in the disastrous war in Southeast Asia we must reject this unwise appointment. As The Nation editorial concludes:

> What possible rationale can there have been for choosing William H. Sullivan as ambassador to Iran? How can the Senate find a single reason for confirming him?

I hope that the Senate will reject the nomination of Mr. Sullivan and the policies which he represents.

The editorial from The Nation follows:

Carter's Worst Appointment

In the jargon of the CIA, William H. Sullivan has been chosen to "run" its principal agent in Iran and the Persian Gulf, who happens to be the Shah. President Carter has, shockingly, nominated Sullivan as his Ambassador to Teheran. The Senate, which, in one of Sullivan's previous incarnations, was treated with brazen contempt by this professional diplomat-agent, should reject the nomination.

One of the ominous conclusions to be drawn from the appointment of Sullivan is that the world has been divided up into fiefs for the CIA and domains for the rest of the American diplomatic establishment. Iran clearly belongs to the CIA. One recent ambassador there was Richard Helms, the former CIA director who played such a dubious role in the Watergate affair that it is said the only reason he has not been prosecuted for perjury before Congress is that it is known that he would implicate other high officials.

Going far back, it was the CIA that returned the Shah to his peacock throne in the days after World War II when the hapless Mossadegh was threatening to nationalize the oil companies. So the U.S. intelligence community and its friends at the Pentagon have been "running" Iran, through agents high and low, for a long time. Now Carter proposes to continue that sinister arrangement, with Sullivan in charge. The billions of dollars worth of arms we are selling the Shah will be safe for a while.

Sullivan's record is extraordinary and utterly disqualifying. He should never have been made ambassador to the Philippines, where he has been since 1973. From 1964 to 1969 he was ambassador to Laos (Senator Symington once called him our "military proconsul" there). During those years of the Indochina war he ran the secret army we organized in that once-tranquil little country. Our planes dropped about a million tons of bombs there in the course of that brutal and futile operation. Sullivan personally chose the targets and they included numbers of hamlets of no military value. In his testimony before Congress he managed to conceal that this bombing had gone on.

In 1969 Symington asked Sullivan if he thought the President had the legal right to order the bombing of a country with which we were not at war. "Yes sir," was his response. Four years later he broke the record for flip and cynical testimony before Congress when he answered a question about the President's authority to bomb Cambodia with this astonishing statement: "For now I'd just say the justification is the re-election of the President." It should also be noted that, while Sullivan was our Laotian proconsul, the CIA set up in that country a flourishing opium traffic which reached American soldiers in Vietnam in the form of heroin, with the disastrous results that are well known.

These facts are part of the record of the man President Carter has named to represent him, and therefore us, in Iran. He is well fitted by experience to run secret Presidential wars and to lie to Congress about them. If the Shah, whose crazily growing military force is entirely dependent on American technicians in and out of uniform, decides on a bit of a war out there in the Gulf, Sullivan is the ideal agent to help him pursue it. If it's a little question of concealing political murders by that brutally repressive regime, the President could not have picked a better man.

But if Carter means one word he has said about human rights, he could not have picked a worse man. What possible rationale can there have been for choosing William H. Sullivan as ambassador to Iran? How can the Senate find a single reason for confirming him?

DISCLOSURE OF TAX RETURNS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. LEHMAN. Mr. Speaker, it has been my practice since my first campaign for Congress in 1972 to make a full disclosure of my tax returns.

In keeping with this practice, I am including in the CONGRESSIONAL RECORD my Federal income tax returns for the year 1976:

Federal Income Tax Return

Name: William and Joan Lehman.

Address: 2269 NE. 163 Street, North Miami Beach, Fla. 33162.

Occupation: U.S. Congressman. Spouse: Self employed.

Exemptions: 2.

Wages, salaries, tips, and other employee compensation, $44,600.

Dividends, $4,452, less exclusion of $200, $4,252.

Interest income, $26,196.

Income other than wages, dividends, and interest, $315.

Total, $75,363.

Adjustments to income, $3,636.

Subtract line 14 from line 13, $71,727.

Adjusted gross income, $71,727.

Tax, $15,970.

Enter 2% of line 47 but not more than $180, $180.

Balance,$15,790.

Credits, $165.

Balance, $15,605.

Other taxes, $166.

Total, $15,771.

Total Federal income tax withheld, $11,362

1976 estimated tax payments, $3,675.

Total, $15,037.

Balance due IRS, $734.

UNITED STATES-CANADIAN INTERESTS: VIEWS OF THE CANADIAN AMBASSADOR TO THE UNITED STATES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. LAFALCE. Mr. Speaker, when we, in the United States, examine our foreign policy, it often happens that we overlook our policy toward our northern neighbor, Canada. While the interests of our two countries are often similar, this situation need not always be the case and I believe it is important that we take the time to examine closely the relations between our two countries. For that reason, I would like to take this opportunity to share with you the reflections of Mr. J. H. Warren, the Canadian Ambassador to the United States, in his address to the Empire Club of Toronto on March 31, 1977. He has expressed very well the changes in the Canadian-United States relationship over the past number of years:

Reflections From Washington

(Notes for an address by Mr. J. H. Warren, Canadian Ambassador to the United States)

Mr. Chairman, as a Canadian born in the tobacco fields of Kent County and educated in Ottawa and at Queen's University, it is a special honour to have been invited to address the Empire Club of Toronto. I hope the invitation was not issued in error. Do you often invite life-long supporters of the Ottawa Roughriders and Montreal Canadiens?

Despite what you may have read to the contrary, I am still around—indeed enormously enjoying the fascinating job of representing Canada in the United States. I expect to continue to serve Canada for at least some years ahead. That the full 35 years of pensionable public service have now passed comes as somewhat of a surprise, even to me! That the years have tumbled together with such rapidity perhaps says something of the richness and fascination of the life of our country since I joined the wartime Navy in 1941. To some the experiences between 1939 and 1945 remain evergreen. For others, there is a remoteness about the combat, now removed by over 30 years from current day reality. (Last year my younger son asked me which of the World Wars I had been in?!) But those were formative years. They imparted a sense of discipline and commitment to our country which has remained. This does not make the wartime generation any better, or any worse, than the preceding or succeeding one. But those of us who survived that testing time feel, perhaps, a particular responsibility to ensure—together with those who came after us—that what was preserved against external threat does not dissolve through lack of internal will.

The title of my talk "Reflections from Washington" is purposefully ambiguous. It will permit me to say something about the state of relations with the United States and about how current Canadian phenomena may appear to our close neighbours to the South and others outside Canada. On occasion it is well, perhaps most importantly at times of doubt and introspection, to remember Burns' admonition—

"Oh wad some power the giftie gie us
To see oursels as others see us!
It wad frae monie a blunder free us
An' foolish notion"
(st. 8 To a Louse—1786).

And, also, in this context, I shall be saying a word or two about how it feels to be a Canadian Ambassador who for some time has had the privilege of representing and speaking for Canada.

CANADA/US RELATIONS

Canada's relations with the United States have changed perceptibly, if gradually, over the last few years—and for the better. And it will be necessary for both countries to work hard over the years ahead to make sure that this remains the case. Although we have a long way to go before there could be said to be an informed United States public opinion about Canada, even this aspect of the relationship has undergone considerable improvement. This evolution reflects in part a recognition by Americans of the limitations on their power to go it alone in an increasingly interdependent world. Likewise it reflects their need and desire to cultivate, with greater perception, their allies and friends. So far as Canada is concerned, this more considered and considerate attitude is also evidence of an enhanced awareness of the United States' stake in Canada; not just in terms of US exports and investment or sources of energy and raw materials, but also as a zone of security and stability for the continent.

While strident versions of Canadian nationalism, bordering on anti-Americanism, have not been particularly helpful in the relationship, those voices, together with calmer and more considered expression of positive Canadian concern for our identity and place in the world, have also contributed to a more active United States interest in what Canada really is, and is becoming.

I sense that we are getting away—admittedly slowly—from the unreality of earlier US assumptions—assumptions which had it that Canada would automatically be on side, or that its interests would be adequately served by the American decision taking process and that, if this proved in practice not to be entirely true, the problem could be patched up by some relatively minor adjustment or by exception.

Elements of this usually friendly misconstrual of our situation remain a part, but a diminishing part, of public perceptions in the United States. Certainly these perceptions of quasi-automatic interest and identity no longer hold true for the US business community, which has raised many questions about our economic performance and policies. Nor is it shared by Congress, which has recently found itself reacting to a variety of constituency concerns arising from Canadian actions which have had direct impact in the United States. And this rather laissez-faire attitude is certainly not true of the current or previous United States Administration. Both have been careful and circumspect in their dealings with Canada. This, of course, has not prevented them—as is normal between governments—from seeking to ensure that Canadian actions did not adversely affect American interests or if they did that such effect was minimized.

I think there has been a growing awareness on both sides of the border that much of what we have to do in our respective countries cannot be done in complete isolation, wtihout potential reciprocal disadvantage. This is certainly true in such areas as the environment, trade and mutual defense.

We have reached a point, realistic and desirable in my view, where both governments see advantage in good management of the relationship. Both are now aware of the need for early problem identification, prenotification, consultation and negotiation—all designed to cope with the range of problems that arise. And it is recognized that such problems are inevitable when two economies and people are so closely inter-connected and when any significant action taken by one is likely to have a perceptible impact on the other.

A similar recognition has been taking place also in the broad field of multinational relations. Here, however, the break with the past is less obvious given the history of international cooperation between the United States and Canada over the post-war period. With one or two notable exceptions there has been similarity in the main international objectives of US and Canadian foreign policy—for example, NATO Defense, trade liberalization, assistance to developing countries. While this has for the most part continued to be the case it is less of a general rule. Thus we have seen marked differences of policy with respect to China and Cuba; we have noted Canada's outreach to Europe and Japan as part of its policy of diversification of relations. And we have observed a more forward position in Canada than in the United States relative to the needs and aspirations of the developing countries (but President Carter is, I believe, moving to change that situation).

Even when our broad objectives are the same, there are often differences about means and timing. These differences however are usually resolved in moving towards international consensus, and I believe that reconciliation of US and Canadian points of view on tactical questions has on occasion been catalytic in finding such consensus.

Canada's international contribution, both in terms of material and human resources (NATO, Aid, Peacekeeping) and in terms of the creativity of its thinking about world problems has been a positive factor in the bilateral relationship with the United States. It has created a favourable background against which United States leaders have found themselves able to address positively the multitude of housekeeping issues that come up between us as North American neighbours. And I think it is now common ground that another and distinctive voice from North America above the Rio Grande is, from the point of view of proper balance, a desirable feature of international deliberations. This is the more so as other countries have come to appreciate that the Canadian point of view is no mere echo of Washington. Indeed, it is the number of significant occasions when our voice has been different which has lent credibility to our distinctive acceptance of Canada as an important participant in the consideration and resolution of world problems. We are now, and properly so, a participant in the Summit Meetings of the world's major industrialized countries.

The relationship with the United States is at present in reasonably good health. While there was plenty to discuss during the Prime Minister's visit with President Carter, there was no so-called "list of irritants" on the table. This is not to say, however, that difficult and contentious issues will not arise in the future—issues which will test whether we have the capacity and maturity to ensure the resolution of problems which are negotiable and to accept that from time to time matters will arise where the conflicting interests of the two countries may not prove fully reconcilable.

The next year or so will, I think, prove particularly interesting to students of Canadian/US relations. In making this observation I am not referring to the existence of a new Administration in the United States nor the pressing Federal/Provincial problems we are facing here. I am, however, thinking of the number of important issues which will be before us. I do not propose to take you through the full US/Canadian agenda, but a few examples may suggest that skilled navigation will be required as we move ahead.

On the environmental front, by this summer, the report of the International Joint Commission on the Garrison Diversion Project in North Dakota shall be in the hands of both governments. This project engages important interests in North Dakota and downstream in Manitoba where the potential adverse environmental impact has given rise to great concern. It is to be hoped that on the basis of the factual findings and recommendations of the IJC the two governments will be able to find an acceptable solution. The President, as you may know, has recommended against further funding of this project until a study of benefits and costs is completed by the new Administration.

On the West Coast the routing of incoming tanker traffic is a matter of considerable sensitivity on both sides of the border. Alaskan North Slope oil is, as you know, expeced to be flowing south sometime later this year.

On the East Coast the Canadian Government is not disposed to permit the transit of large volumes of hydrocarbons through the dangerous waters of Head Harbor Passage on the New Brunswick coast. This is the proposed access route for a refinery which commercial interests wish to construct at Eastport in Maine.

In the North, we are permitting drilling in the Beaufort Sea and the Americans share our concern about the potential adverse effect on the environment in the Sea and, indeed, on their Alaskan coast.

In trade, we shall be working in this period to complete the bargaining in the current Geneva round of Multilateral Trade and Tariff Negotiations. Given the sharp difference in the trading patterns of Canada on the one hand and the other industrialized countries on the other, one can be reasonably sure that the negotiations will be vigorous before Canada can feel assured that "reciprocity" has been achieved. In particular we shall wish to see that the United States uses its full authority to reduce tariffs to zero. The importance of this objective for Canada is illustrated by the fact that some seventy per cent of U.S. dutiable imports from Canada fall within the low duty zone of five per cent or less. We shall also seek to ensure that the general tariff cutting formula and related sector negotiations do indeed provide enhanced opportunities for the manufacture and upgrading of Canadian resources—opportunities which have been denied us under the traditional escalated tariff structures of most of the importing nations.

In the automotive sector, the two governments now have to consider the results of the parallel studies on the North American industry undertaken over the past two years. These reports, together with the realities of the international competitive situation, should help point the way ahead for this key industry. It is our perception, which seems to be shared by the U.S., that we have to enter a period of intensive discussions on the future of the North American industry. The agenda for these discussions will include not only bilateral issues, but multilateral aspects of trade in automobiles, particularly imports of vehicles and parts from off-shore sources and the place of automotive trade in the Geneva negotiations.

The extension by the two countries of their respective fisheries jurisdiction to 200 miles has made urgent the question of long-term fisheries arrangements between them as well as resolution of the issue of our disputed seaward boundaries, particularly in the Georges Bank area on the East Coast, but also on the West Coast and in the Arctic. It was only with considerable difficulty that the two sides were able to work out an interim fisheries arrangement to carry us through until the end of 1977. If the earlier discussions are any guide to what the future may hold—both important fisheries and potential hydrocarbon resources are at stake—our negotiators will have their work cut out for them to secure a satisfactory agreement by year end. As the Secretary of State for External Affairs has stated in the House of Commons, the two sides have agreed, in order to ensure that the boundary matter does not drag on interminably, that if by the end of 1977 no negotiated agreement has been reached, there would be third party reference. Both Governments would prefer to reach a negotiated settlement.

On the bill of fare for this year are important questions for both countries concerning the development and transportation of natural gas from the Prudhoe Bay/Mackenzie Delta area to southern markets.

Closer to home, here in Ontario, is the question of tolls on the Seaway. And we shall be working to bring about changes in United States laws and regulations which inhibit the holding of conventions in Canada.

Each of the examples I have just given involves large constituencies of interests in the two countries. They are strong, vocal and have considerable political clout. So the way ahead will not be easy.

But just as each coin has two sides it is clear that a demonstrated capacity to deal with these difficult issues will further reinforce the notion that Americans and Canadians know how to live together in ways that recognize and accommodate their differences.

Certainly there are many areas on the horizon where the period ahead holds promise of positive developments. I would think that defense re-equipment and procurement is one of these where, as in the case of long-range patrol aircraft, Canadian procurement decisions will be welcomed by the United States Government in terms of a strengthened Canadian defence capability.

The 1972 Great Lakes Water Quality Agreement, a landmark in the history of our environmental relations, comes up for review this year. Prime Minister Trudeau and President Carter have agreed that the review should aim at improving the Treaty rather than merely continuing it, as we must be able to deal with new and dangerous sources of pollution, as well as the old challenges. Success in this joint effort will surely be greatly welcomed on both sides of the Lakes.

The Law of the Sea negotiations which are scheduled to resume later this year could, if successful, mark a significant breakthrough in the capacity of countries to deal jointly with world economic, sea transport, fisheries, seabed resources and environmental problems. On the other hand, failure could herald chaos in maritime jurisdiction for many years to come. In terms of Canada/US relations these negotiations hold the possibility of being significant pluses or minuses in terms of the possible reconciliation of some divergent interests as well as in terms of international recognition of some that are the same—as for example in our parallel views about the fishery and management of salmon.

The positive attitude of the United States towards Canada, of which I have spoken, is, of course, predicated on some rather basic notions. Americans feel that despite our being a different country we are fellow North Americans and that our attitude is basically friendly. Americans have considered also that Canada was and would remain a stable and well managed country. And it has been believed that on the business side we were basically free-enterprisers like them.

In the last few years some of these overly simplified notions have been tested by actions taken or policies introduced, arising from Canada's desire to have a surer hand on the development of its economy and to assure the maintenance and growth of our distinctive cultures.

Some of our actions have given rise to puzzlement in the United States, and in traditional business circles, to a measure of concern. Thus, Americans have had to adjust to our foreign investment review procedures as well as to the actions taken by Canada in support of our broadcasting and publishing industries.

In the resources sector, Americans have had to realize that Canada was not the unlimited storehouse it was thought to be; that Canadians would wish to control the rate at which nonrenewable resources were depleted and that in the case of energy Canadians were not automatically ready to share dwindling supplies of oil and gas on a North American basis. Americans have also had to come to understand better the jurisdictional powers enjoyed by the provinces of our country, including the right to take resources under public ownership and control. The entry of the Government of Canada into the field of hydrocarbon exploration and development through Petro-Canada was also something of a surprise. That it should have been, notwithstanding the great number of other countries which have state owned oil companies, is perhaps another indication of the oversimplified view which many Americans have of Canada.

In the field of the encouragement of the arts and of individual artists, our philosophies, experience and circumstances differ. An increasing number of Americans are becoming aware of the extent to which the federal and provincial governments provide support in Canada—and increasingly understand why in the interest of our cultural identity and development they do so.

The process of coming to accept some of these differences and innovations of the Canadian experience has yet to run its course. If we are accepted for what we truly are—and this is increasingly the case—then I believe much unnecessary friction can be avoided. For our part we must accept that the policies of the United States with its different global and domestic imperatives will not always coincide with or be supportive of those of Canada.

This is well illustrated in the trade field. While the broad thrust of US economic policy is in the direction of trade liberalization, their laws and regulations are capable of highly restrictive application in response to domestic pressures for protection. The world is closely watching how, in the next few weeks, President Carter and his Administration will respond to the recommendations for action against imports recommended by the United States International Trade Commission in the case of shoes, colour television sets and sugar.

A world in which many countries have not recovered from the 1974–75 recession and are facing difficult balance of payments situations is also anxiously awaiting further evidence of the forward direction of the United States economy. Here I think the news is good. The Administration expects that this winter's dislocation will have only modest and short run effects and that for the year as a whole real growth will be between five and three-quarters and six per cent measured quarter to quarter, with an underlying inflation rate of about the same magnitude. This is taken to imply for this year a substantial increase in the United States 1976 trade deficit of $9.2 billion. The stimulative measures being taken in the United States should be helpful to a number of countries which are looking for export led growth to help them overcome current difficulties. With its large stake in the US market Canada is, of course, directly affected. I expect our resource industries will benefit significantly from stronger US economic activity. The extent to which our manufacturers are able to do so will depend on relative competitiveness, which is a matter of considerable concern. The lower value of the Canadian dollar should provide some help for our exports, but I think fundamental improvements have to be made in the area of our manufacturing costs and productivity if we are to regain our position in export markets and hold our own against manufactured imports. From this point of view as well as that of our problems of unemployment and lingering inflation Mr. Macdonald's budget tonight is awaited with more than usual interest. While a number of our economic problems are indeed serious, I doubt the outlook is as dark as the recent gloomy and Cassandra-like article in *Business Week* would have readers believe.

What Mr. Macdonald has to say tonight will also be read with great care in New York, Washington and elsewhere in the United States. Since our bout of inflationary disease and introduction of controls, there has been something of a wait and see attitude about Canadian economic performance and prospects. These uncertainties and the questioning in the business community of measures taken in the resources area—for example potash legislation in Saskatchewan—have naturally been greatly compounded by US bewilderment about what is happening in Quebec and what this may portend for Canada as a whole. Indeed the Quebec situation has probably provoked more serious thought and concern about the well-being of their neighbour to the North than at any time in United States history. This consideration is of a quite different kind than the superficial knee jerk reaction that for example swept the United States on the question of Taiwan participation in the Olympics or the current outcry by special interest groups and well intentioned citizens with respect to our seal hunt.

I think most Americans were taken aback by the results of the Quebec election and the stated intention of the Parti Quebecois to try to lead the people of Quebec out of Canada. Americans are not likely, I believe, to identify the aspirations of the P.Q. in this regard with their revolutionary struggle to throw off the British yoke, but rather to recall the deeply bruising experience and long unhealed wounds of their Civil War.

Against this background, and in part because they assume that Canada is a land much like their own, Americans find it difficult to grasp that a group of people, even of different culture and tongue, would wish to forego the potential of the broader horizon for what they would see as the disadvantages of a more limited if culturally and linguistically more homogeneous status.

There has also been a feeling in the United States, as in other countries, that Canada is fortunate among nations, has much of its destiny yet to be fulfilled and remains a land of great opportunity for those who were born there or through immigration have had a chance to share in the Canadian adventure. Measuring these prospects against the problems and limitations present in so many overseas countries, Americans and other foreigners are bound to find it difficult to understand why any group in our country would wish to put the future at risk, their own, and that of their fellow Canadians.

At another level of perception, and although this is unspoken, Americans are, I believe, concerned about a diminution of stability in Canada, and hence in North America, should the separatist forces in Quebec gather in strength and the separation of the Province become a realistic possibility. The prospect of stability being imperilled in a friendly neighbouring country which stands both between the lower 48 and Alaska and between their country and the USSR is, I believe, not something Americans wish to contemplate.

These are, I believe, some of the considerations in the minds of our American friends. Their government has however been extremely careful in any comment they have made on the Quebec situation. President Carter, expressing his clear personal preference for the continuation of Canadian federation, stressed that this is an internal matter for Canadians to work out themselves. I think you can take it that overwhelmingly Americans wish us well in dealing with the challenge to Canadian unity, indeed in dealing with the whole range of current problems whether economic, constitutional or social which may stand in the way of the growth, stability and health of Canada and the Canadian society. At the governmental level it is clear, following the Prime Minister's visit, that our relations with the United States Administration are set in a highly promising and constructive direction.

I am optimistic that we Canadians will find the will and the sense of community to overcome our present difficulties both economic and political. We have seen what can happen in terms of unemployment and inflation from excessive expectations and demands relative to available resources. We have experienced the constraints of the sorts of measures which have had to be taken when the economic situation must be taken in firm hand. We perceive with increasing clarity that an export dependent society cannot afford the luxury of loss of competitiveness. We have seen that international financial markets do react to events in Canada in terms of willingness to invest and the cost of borrowed money. These messages have reached or are surely reaching home.

I believe that what has happened in Quebec has caused most Canadians to rediscover in their different ways what Canada as a whole means to them. This enhanced awareness and appreciation of what it is to be Canadian will, I hope, make it possible for us to forge a new consensus in our country. I think of a consensus encompassing the legitimate aspirations of our French speaking compatriots—including many who now consider separatism as their prefesser option—a consensus capable of encompassing also the aspirations for change in Canada's other regions and provinces which are compatible with the imperatives of the sound governance of our whole country.

A Canadian Ambassador necessarily must be concerned with all the problems affecting our relations with other countries, irrespective of where they may have had their origin within Canada. He inevitably comes in his thinking and in his presence to have a feeling for a passionate involvement in all that goes into the make-up of our country.

There is that about our seas, our shores, our skies, our space, our city sights—our countryside and forest scents—there is in the coming of our Spring—the glory of our Fall fulfillment, even our winters long—there is in all this the essence of a land unique to us—an essence which pervades, transcends—which knows no local barriers. I trust that Canadian Ambassadors for countless years ahead will be able to sing the praises of this essence and will have, as I have had, the honour, to represent one Canada from sea to sea, our Canada in all its rich diversity.

The Governor General in his New Year's message said: "This great and marvelous country belongs to us all." Like him, I trust that the Canada we pass on to our children and our children's children will be undiminished in any way, indeed that out of our present travail will come an even richer heritage.

AFFIRMATIVE ACTION AND THE AMERICAN PEOPLE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. BIAGGI. Mr. Speaker, I read with great interest a recent Gallup poll which assessed the opinion of a cross sampling of the American people on the question of affirmative action.

The results were astounding. By an 8-to-1 margin those surveyed indicated their opposition to affirmative action, and their support of ability being the determinant for admission to schools and the obtaining of jobs. What was most revealing was the fact that nonwhites, for whom these programs were supposed to be of the most benefit, opposed preferential treatment by greater than a 2-to-1 margin.

The overwhelming opposition to affirmative actions programs surprised even Gallup who observed:

> Rarely is public opinion, particularly on such a controversial issue, as united as it is over this question. Not a single population group supports affirmative action.

I have long opposed the growth of affirmative action programs and their corresponding reliance on arbitrary quotas. The Supreme Court is expected to hand down a decision challenging the constitutionality of a California medical school admissions program which uses race as a criteria. Hopefully they will strike these and similar programs down on the grounds that they are creating a reverse discrimination far more serious than the discrimination these programs were supposed to rectify. If public opinion is any indication of the future of affirmative action, it would appear that time is indeed running out.

I offer the findings of the Gallup poll for my colleagues' consideration:

AFFIRMATIVE ACTION: MAJORITY REJECTS "REVERSE DISCRIMINATION"

(George Gallup, Washington Post, May 1, 1977, Princeton, N.J.)

The American people, by an overwhelming majority, believe that ability, as determined by examination, and not preferential treatment to correct past discrimination, should be the main consideration in selecting applicants for jobs or students for college admission.

The issue of "affirmative action"—described by its critics as "reverse discrimination"—will come before the U.S. Supreme Court this fall.

Even non-whites and women, who have most to gain by affirmative action, vote for making ability, as determined by tests, the main consideration in filling places in industry and in college.

Overall the public votes 8 to 1 in favor of ability. Non-whites vote more than 2 to 1 on the same side; women vote almost exactly as men do—8 to 1—for objective criteria.

The question asked to determine attitudes toward affirmative action in hiring and education:

"Some people say that to make up for past discrimination, women and members of minority groups should be given preferential treatment in getting jobs and places in college. Others say that ability, as determined by test scores, should be the main consideration. Which point of view comes closest to how you feel on this matter?"

Rarely is public opinion, particularly on such a controversial issue, as united as it is over this question. Not a single population group supports affirmative action. Attitudes are fairly uniform from region to region and among all age groups. Some differences do exist by education, but all groups back objective data such as test scores as the main qualification in jobs and education.

The national results as well as the findings by important population groups:

Should women and minorities be given preferential treatment in jobs, education?

[In percent]

	Yes[1]	No[2]	No opinion
National	10	83	7
Men	10	84	6
Women	11	82	7
Whites	8	86	6
Nonwhites	27	64	9
College	10	84	6
High school	8	87	5
Grade school	18	70	12
East	11	83	6
Midwest	9	84	7
South	12	82	6
West	9	85	6
Under 30 years	11	83	6
30–49 years	10	84	6
50 years and older	9	83	8

[1] Yes, should be compensated.

[2] No, ability should be determinant.

A STORY OF MEDICAL CARE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. MURTHA. Mr. Speaker, on Sunday, April 24, I attended an appreciation day held by the Black Lick Valley Medical Association which has been instrumental in attracting doctors and securing a medical center for the Borough of Nanty Glo and the Black Lick Valley.

Mr. Tom Woodring is the president of this very important association. Many Nanty Glo citizens have worked tirelessly in trying to attract personnel to provide the medical services for this entire area. I have to commend Dr. Robert Hartnett who has for 14 years served the Nanty Glo area, and the young doctor, Royal Koeller, who has just come out of the Navy and assumed the medical directorship of the Black Lick Valley Clinic.

I know the asssociation will be fruitful. I know the people of Nanty Glo and the Black Lick Valley appreciate their dedication and effort. I commend the staff of the center itself. Also deserving credit is the Outreach Program of Johnstown Memorial Hospital. Without the backing of a hospital, without its expertise and advice it is practically impossible for a community to do this on their own.

Ever since I have been in the State legislature, I have worked with various communities in trying to attract doctors to rural areas. This is an extremely difficult task for a small area. We have been successful in many cases. I have introduced legislation that would forgive loans to induce young doctors to become involved in rural areas. But because of the long hours, the extraordinary pressures put on a doctor who is somewhat isolated from the large medical centers, pressures on the family, the desire to specialize, and various other reasons, many doctors prefer to work near a hospital where they can communicate more closely with their colleagues, where they can upgrade their education continually, and where they can work more reasonable hours.

So I know that it is one of the most difficult tasks for the community to attract medical personnel. It takes tremendous dedication, desire, and hard work. As Mr. Tom Litz said at the appreciation day, he got many gray hairs trying to attract a physician to this area.

So I compliment Memorial Hospital, the past and present doctors and their families, the personnel of the medical center itself, and the members of the Black Lick Valley Association for their dedication, their hard work, and the results that they have achieved in bringing expert medical services to this area.

POLISH 3D OF MAY CONSTITUTION DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. DERWINSKI. Mr. Speaker, today marks the anniversary of the traditional Independence Day of Poland, which commemorates the adoption of the Polish Constitution of May 3, 1791. This important day is a reminder to all, that Poland was one of the first pioneers of liberalism in Europe.

While their historic homeland remains under the shadow of Soviet domination, free Poles throughout the world still recognize May 3, as a time for remembering and honoring this proud event.

History sadly records that only 4 years after this first democratic constitution was adopted, Poland was conquered and partitioned by her powerful neighbors, Russia, Prussia, and Austria. Yet through the decades, this spirit embodied in the Polish constitution has never died in the hearts of Poles who have remained in their native land or who have migrated to other countries. This day serves as a reminder of the cultural links between this Nation and the free Poland that existed prior to the outbreak of World War II.

While many invasions and subsequent partitions have prevented Poland from developing her democratic ideals into a permanent form of government, they have failed to break the spirit of her people. Poles everywhere are confident that their future will see a flourishing Poland, inspired by her great traditions and ideals. The May 3d Constitution Day symbolizes the Polish people's longheld belief in freedom and liberty and their longstanding desire for free rein from communism and Soviet domination.

It is particularly fitting for Americans to pay tribute to this major contribution to democracy in the world. Even more so, we honor the event since the United States was able to build and grow on its own constitutional government while Poland, as early as 1795, was subjected to partitions and exploited by neighboring powers.

Although Poland is clamped in the grip of the Soviet bloc today, the Polish people of all lands proudly commemorate this day of Polish democracy and freedom. They look forward once again to the time when they will truly have the independence both in the national life of Poland and the individual lives of its citizens. Thus, this day, which should belong to every Pole, not just those living apart from the mother country, will receive true significance throughout the world.

EXCLUSIVE TERRITORIAL FRANCHISES

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. BROYHILL. Mr. Speaker, today, I am introducing legislation to provide that antitrust challenges to territorial arrangements utilized in the soft drink industry and by small- and medium-sized grocers to market their private label food products shall not be judged on the basis of the "per se" rule—under which such arrangements are conclusively presumed to be illegal, regardless of the merits of the case. Instead, under the terms of this bill, such arrangements shall be judged under the "rule of reason" test which affords the defendant the opportunity to present economic evidence and legal arguments on the lawfulness and competitive benefits of such arrangements. The bill also makes clear that when exclusive territorial franchises exist as an integral part of a distribution scheme, which also includes a per se violation, then the whole scheme may be found to be per se illegal, if appropriate.

The legislation is needed, because of certain recent litigation. With respect to private-label food products, the Supreme Court in the Topco case found these arrangements to be per se unlawful. However, the majority, concurring, and dissenting opinions all suggested that Congress examine this question. Further, the FTC is now challenging these exclusive territorial arrangements in the soft drink industry. Although the Commission staff is now proceeding under a "rule of reason" theory, the FTC originally argued for a per se approach and there is no guarantee that a subsequent reviewing court might not find these arrangements per se unlawful.

I want to emphasize that this legislation does not provide these two industries with an exemption from the antitrust laws. Rather, it merely guarantees that a reviewing court will examine all the evidence when determining the competitive effects of exclusive territorial franchises. Indeed, the two tribunals that have examined this question in detail—that is, the Federal District Court in the Topco case and the FTC's administrative law judge—both found that these arrangements actually fostered competition.

The bill I am introducing today is identical to legislation which was reported from the Interstate and Foreign Commerce Committee during the 94th Congress. Unfortunately, the bill got caught up in the scheduling stampede in the closing days of the last Congress. Therefore, I hope that we can act quickly on this matter in the 95th.

VETERANS' ADMINISTRATION SETS EXAMPLE IN EMPLOYMENT OF THE HANDICAPPED

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. TEAGUE. Mr. Speaker, in conjunction with my survey of the Federal departments and their affirmative action programs in employing the handicapped, I am pleased to bring to your attention, today, the report of the U.S. Veterans' Administration.

The Veterans' Administration has not only exercised its responsibility and excelled in its employment of disabled veterans; but has managed to recruit and retain a high level of handicapped civilians—approximately twice the national, Federal-wide employment average. More than 1 in every 10 of the VA's employees have some disability.

With the appointment of the exceptional new Administrator of Veterans Affairs, the Honorable Max Cleland, and the example he sets as a capable public servant, I trust the employment record of the Veterans' Administration in these areas will continue to excel and, under his leadership, move upward during this administration.

I commend the employment record of the Veterans' Administration and the following report to the attention of my colleagues and the several other Federal departments and agencies as an example to follow:

WASHINGTON, D.C., *April 22, 1977.*

Hon. OLIN E. TEAGUE,
Chairman, Committee on Science and Technology, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As the Administrator of Veterans Affairs, I am deeply concerned that disabled veterans and other handicapped individuals be accorded full employment opportunities not only within the VA itself, but throughout the public and private sectors as well.

We are happy, therefore, to provide you with the best available information in response to your several questions about employment of handicapped individuals in the Veterans Administration. The responses are sequenced in accordance with the numbers of your questions.

(1) The current VA affirmative action program plans covering both headquarters-level and field station-level requirements are contained in VA Circular 00–76–12. Enclosed are copies of this circular and the supplement which extended its expiration date to June 30, 1977. (See enclosures 1 and 2.)

(2) The latest available data show that as of December 31, 1976, the VA employed 12,499 individuals with reported handicaps. (The categories of reportable handicaps have just been expanded from the 17 in effect on December 31, 1976, to 58. Because data under this expanded handicap coding system will not be available for some time, all of the

figures cited in this letter are as of December 31, 1976.)

It is also noteworthy that the VA employed 14,520 disabled veterans. Of these disabled veterans, 4,122 are included among the 12,499 employees reported as handicapped. The disabling conditions of the remaining 10,398 disabled veterans were not covered by any of the 17 handicap categories then in effect.

Handicapped individuals and disabled veterans taken together numbered 22,897; this amounts to more than one in every ten of VA's 222,567 employees.

(3), (4), and (5) As the listing on enclosure 3 shows, all 17 types of handicaps recorded by Federal agencies were represented within the VA work force. The handicap category with the highest number of VA employees—more than 3,000—was deformity or impaired function of the lower extremity or back. Another five categories each include more than 1,000 employees.

We cannot give any authoritative basis for why some handicap categories are represented in greater numbers than others. The VA does not prohibit the employment consideration of persons with any category of handicap. Rather, the principle under which VA operates is one of selective placement which encourages the matching of each handicapped individual with a suitable position. We expect that this approach will continue to foster the successful employment of individuals with a wide range of disabilities.

(6) Handicapped employees were employed in nearly all of VA's more than 300 occupational series. All VA positions are considered open to qualified handicapped individuals.

(7) Efforts to remove existing architectural barriers from VA buildings and to ensure that new VA construction is barrier-free are helpful in making the VA's work environment accessible to handicapped individuals. In addition, job site modifications are made to accommodate the needs of individual handicapped employees when appropriate. Examples of the aids which have been provided to handicapped employees include Braille reference books for blind individuals, telephones with amplifiers and special sight signals for deaf and hearing-impaired persons, tape recorders for those with impaired writing functions, etc.

In addition to the above, we are providing you with a copy of two recent VA issuances which cover VA's employment of handicapped persons and are closely related to the questions in your letter. (See enclosures 4 and 5.)

We hope that you find this information helpful.

Sincerely,

MAX CLELAND,
Administrator.

DATA AS OF DECEMBER 31, 1976

Handicap category and number of VA employees

Amputation—1 major extremity	470
Amputation—2 or more major extremities	90
Deformity or impaired function—upper extremity	1,128
Deformity or impaired function—lower extremity or back	3,054
Vision—one eye only	1,111
No usable vision	223
Hearing aid required	492
No usable hearing	261
No usable hearing with speech malfunction	108
Normal hearing with speech malfunction	59
Tuberculosis—inactive pulmonary	1,393
Organic heart disease (compensated) valvular, arrhythmia, arteriosclerosis, healed coronary lesions	1,429
Diabetes—controlled	1,213
Epilepsy—adequately controlled	304
History of emotional or behavioral problems requiring special placement effort	585
Mentally retarded	426
Mentally restored	153

THIS LEGISLATION IS WHAT WE NEED

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert an editorial which appeared in the Salem Leader and Democrat, of Salem, Ind., into the CONGRESSIONAL RECORD:

THIS LEGISLATION IS WHAT WE NEED

If you've been looking for a cause to support, wait no longer. It's here in the form of legislation introduced by Ninth District Congressman Lee H. Hamilton that would provide funds for the replacement of decaying bridges.

The Department of Transportation has made a survey of bridges over the country and determined that about one out of six is deficient. If the department had concentrated its survey in Washington County, Indiana, the figure probably would have been a lot higher.

Condition of bridges in this county is a growing problem that is brought up at every meeting of the county commissioners. The frustrating aspect of discussing the problem is that there is no financial solution.

Many of the bridges in Washington County were constructed back in the days when the narrow structures provided ample room and support for small, light weight horses and buggies, and even for the cars that were around in those days. But, compare the weight of one of Henry Ford's Model Ts with the weight of a Lincoln Continental, or for that matter, the weight of most any American made, standard sized car.

On top of that, trucks today are hauling many tons more than our early settlers ever dreamed could rumble across a bridge at one time.

County Highway Superintendent Sherrill Anderson says there are 230 bridges that fall under the jurisdiction of his department. Of that number, there are 25 iron truss bridges, built between 1880 and 1900, and all of those should be replaced within the next five years, he said.

Also, many of the other 200 or so concrete bridges, built between 1900 and 1930, are one-lane. Most are in fairly good condition, but require constant attention from the highway department.

The most need involves those 25 truss bridges, Anderson said.

The cost of replacing a bridge runs anywhere from $100,000 to $250,000. The larger spans cost the higher figure, while smaller ones can be replaced for between $100,000 and $150,000, Anderson estimated.

Hamilton notes that poor bridges cause all sorts of difficulties for schools, industry, agriculture, and the general public. "Impassable bridges mean delayed shipments and lost business for individual firms and farms. Given the projected increase in industrial and agriculture production and the deterioration in rail and water transport services, many businessmen and farmers are beginning to think the disrepair of bridges may seriously hamper America's economic growth," the Congressman said.

Under the bill proposed by Hamilton—the Bridge Safety Act of 1977—$720 million would be appropriated each year until 1990 to be used exclusively for bridge replacement and repair. Those funds would be directed to those states whose need is the greatest, and emergency funding would be provided for replacement or repair of bridges in counties whose need is critical. Our needs in Washington County, in our opinion, can certainly be deemed critical.

As it now stands, with the money we are able to get from the state and from local tax sources, it will be virtually impossible for us to replace all the bridges that need replacing, and all the bridges that should be replaced. We don't expect the federal government to come up with enough to do the entire job all at once, but if Hamilton's bill goes through, the assistance we get in Washington County will be very welcome and, undoubtedly, will relieve the commissioners of one of their biggest problems.

In discussion with Senator Richard Lugar last week, he told us there is no way the federal government is going to be able to provide money to replace all local bridges, considering the vast number of bridges there are across the country. Hamilton agreed with this, but noted that his bill is a start in the direction of easing this major problem for counties.

"The time has come for us to set right a situation that has been neglected too long. The problem of decaying bridges is urgent, and Congress must act to insure the safety of those who must travel over our nation's bridges," Hamilton said.

We couldn't agree more.—Cecil J. Smith.

PHILADELPHIA BUSY REPAIRING ROADS AFTER SEVEREST WINTER IN HISTORY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. EILBERG. Mr. Speaker, the Philadelphia Streets Department's Highway Division is having its busiest spring ever, repairing city roads and highways in the aftermath of the severest winter Philadelphia has had in recent history.

In the 2-month period from February 22 to now, highway crews have used over 2,366 tons of material to repair 58,817 potholes on area roads.

Five thousand of these repaired potholes were on streets for which the Pennsylvania Department of Transportation is responsible. The city crews fixed these conditions on major roads like Broad Street and Roosevelt Boulevard in the interest of public safety.

The city got an early start on its pothole repair program at the direction of Mayor Frank L. Rizzo who requested a crash program of repairs of area roadways in late January.

Mayor Rizzo has also instructed the Highway Division to begin accelerated program of fixing plumbers ditches and highway cave-ins that occurred, because of the extremely bad winter.

An additional half million dollars has been given to the Streets Department to repair a backlog of 10,000 plumbers ditches and roadway cave-ins.

The Highway Division currently has hired seven outside ditch restoration crews to work with city crews in attacking this backlog.

MIDDLE EAST TRADE PROBLEMS: THE REAL CAUSE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. BINGHAM. Mr. Speaker, I was interested to note the report in yesterday's Washington Post to the effect that the Saudi Arabian Government has canceled negotiations for the time being on a large contract for the construction of a national telecommunications system because of exorbitant commissions being raked off by some of Saudia Arabia's own leaders.

This information should be particularly noted by the House, because in the lobbying over antiboycott legislation (H.R. 5840) passed recently by the House, the business community frequently pointed to this particular deal as having been lost by an American firm and given to a European firm in retaliation for proposed U.S. antiboycott legislation.

It now becomes clear that this allegation is a canard in several respects. In the first place, the contract had not been given to a European firm. That firm, Philips, a Dutch conglomerate, was only negotiating for the contract. Second, the American firm that wants the contract, ITT, is not out of the running and now, apparently, been invited to submit new bids. Finally, and most important, this development suggests that it is not antiboycott legislation that has created problems with this project, but the questionable performance of some Saudis. Practices such as these, whether demands for payoffs and exorbitant commissions, or use of secondary and tertiary boycotts, deviate from sound, internationally accepted business practices.

Mr. Speaker, the antiboycott legislation passed by the House is reasonable and workable legislation. It simply holds Saudi Arabia and other Arab countries to the same standards of busines practice that virtually all the other nations of the world hold to. It would discourage the use of secondary and tertiary boycotts by prohibiting Americans and American firms from complying with such foreign boycott demands.

The American business community and Arab nations should stop blaming antiboycott legislation for disrupting or threatening to disrupt trade, and look to the real cause of difficulties in trade with the Middle East.

The Washington Post article follows:

SAUDIS RESTRAIN SPENDING, REJECT BIG TELEPHONE DEAL

(By Jim Hoagland)

PARIS, May 1.—Saudi Arabia's Crown Prince Fahd has killed a sales deal that would have brought a Saudi middleman commissions totaling more than $100 million out of a $7 billion contract for telephone service in the kingdom.

The Saudi agent who lost what rivals were calling "the commission of the century" because of Fahd's decision is Prince Mohammed bin Fahd—the son of the crown prince.

Fahd's action is depicted by Arab and European sources as one of the first serious moves by the Saudis to curb the frenetic government spending and exorbitant payoffs to local agents by foreign firms that have accompanied Saudi Arabia's amassing of enormous wealth for its oil exports.

"It must have been a painful moment for Fahd, but he wanted to set the example that would show that the time of wild spending had to come to an end," said one business source close to the negotiations between Philips, the giant Dutch conglomerate, and the Saudis for the installation of a nationwide automatic telephone system.

If it had been granted, the Philips contract would have been perhaps the largest single commercial deal yet to be made in the newly wealthy Middle East oil-producing lands. The Philips estimate was $6 billion over the Saudis own projection.

Sales commissions have been a sensitive issue in Saudi Arabia since staff investigations for the U.S. Senate and the Securities and Exchange Commission produced admissions from American companies that they paid some Saudi middlemen exorbitant commissions which in a number of cases were intended as bribes to high officials for getting contracts.

Neither Prince Fahd nor his son was named in those investigations. The crown prince, who is also prime minister, has reportedly been concerned, however, about the image being given the country by highly placed princes receiving large commissions from foreign firms.

Fahd's role in killing the Philips deal and his son's commission is also an important sign of his determination to change his own image as he moves closer to the throne. Once known as a playboy, he dropped $6 million at a Monte Carlo gambling casino in one night three years ago. He has given up all gambling and other pastimes that might draw criticism in the rigidly Islamic society of Saudi Arabia since King Faisal was assassinated in 1975 and Fahd became crown prince to King Khalid.

Fahd's decision to break off exclusive negotiations with Philips after technical experts told him that Saudi Arabia should spend no more than $1.2 billion on the telephone system has opened the race for a scaled-down but still lucrative contract to other companies.

International Telephone and Telegraph, the American multinational, is one of an estimated 11 companies being asked by the Saudis to submit bids for the work, which centers on installing of the most technologically advanced automatic exchanges and increasing the number of telephones from 200,000 to 700,000.

The American embassy has quietly but strongly lobbied the Saudis to give a major share of the contract to an American company, according to Arab sources.

Spokesmen for ITT and Philips, which has also been invited by the Saudis to submit a new cost estimate for the system, said that the Saudis had not yet formally called for bids but would probably do so within a month.

Details of the cancellation, which was decided on in February when Fahd chaired a meeting of the Council of Ministers in the absence of King Khalid, who has been in London for surgery, are only now beginning to filter through the business community in Europe.

The proposal that Philips produced during a year of negotiations went far beyond the telephones and exchanges that were to be installed. Philips offered a package that included the building of 1,000 dwellings for its staff in Saudi Arabia and five-year maintenance of the system, informed sources report.

"Even the commission on the subcontract for the locks on the doors of the staff housing would have made me a wealthy man," one Arab sales agent said to a friend after the Philips proposal was rejected.

Philips spokesmen confirmed Friday that Continental Telephone, an American company based in Atlanta, was to have carried out a major part of the job on subcontract from Philips. The spokesmen refused to confirm or deny the overall price that had been suggested, the total of commission due agents or that Prince Mohammed bin Fahd had represented Philips.

Two months ago sales agents in Saudi Arabia felt that Philips had the enormous contract wrapped up after a year of noncompetitive negotiations. The Saudis have been spending on a lavish scale on infrastructure, and gladly paying the highest premiums for speed and quality.

The resulting inflation rate, which had gyrated between 20 to 30 per cent, had begun to concern the country's rulers, however. Fahd reportedly has passed the word that contracts are to be carefully scrutinized, budgetary controls established and observed, and expenditure stretched out even if it means falling behind on project timetables.

The Saudi minister of post, telephone and telegraph, Alawi Kayyal, told Arab reporters three weeks ago that Philips had asked 24 billion Saudi riyals ($7.2 billion) for the contract, while the ministry's estimate for work had been one-sixth that figure.

Unable to reconcile the huge discrepancy, the ministry suggested that the Philips offer be rejected, and Fahd accepted that recommendation in the Council of Ministers.

IRS ASSISTANCE TO TAXPAYERS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. GIBBONS. Mr. Speaker, I have already announced that on May 12, 1977, the Ways and Means Oversight Subcommittee will hold a hearing to investigate the problems of small businesses and low-income taxpayers. I am announcing today a second hearing to evaluate the success of the Internal Revenue Service efforts to respond to the problems of these groups, as well as the problems of other taxpayers, through the agency's taxpayer service programs and its new Problem Resolution Procedure. The hearing will be held at 8:30 a.m., May 19, 1977, at a place to be subsequently announced.

This will be the third hearing the Ways and Means Oversight Subcommittee has held on the topic of IRS assistance to taxpayers. It is part of a continuing effort to monitor the quality of the service the IRS provides.

A special area of concern this year will be operation of the IRS problem resolution offices that are designed to aid taxpayers who were not helped by IRS' usual channels. The subcommittee also wants to know whether an IRS plan to have employees specialize has succeeded and whether the additional burdens imposed by the Tax Reform Act of 1976 are a major problem. We also have a special interest in evaluating the service provided to the poor and the elderly by volunteers trained in IRS education programs.

At the May 19 session, the subcommittee will hear from representatives of the Internal Revenue Service. In a change from what had been previously announced, the Service's May 19 appearance will be the only appearance by the IRS during the 2 days of hearings. The

IRS testimony will address the issues raised on both hearing days. In addition, representatives of several public organizations interested in assistance to taxpayers will also be appearing on May 19. A final list of all witnesses will be released prior to the hearing.

PRODUCTIVITY—HEARTBEAT OF A FREE ECONOMY

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. ROBINSON. Mr. Speaker, it is axiomatic that, in a free enterprise economy, the "better way of life," which remains a national aspiration through succeeding generations, depends heavily for its realization on a steady growth in productivity.

Increased productivity is not merely a matter of an individual's working faster or longer. It involves a recognition of the interaction of human will and ingenuity with natural resources and technological capabilities, and with economic forces.

Our national productivity has been one of our proudest boasts, but it has come under challenge in recent years from some other nations which have intensified dramatically their productive capabilities.

I thought it might be of interest to the House to note that a concern for the future growth of productivity is being expressed in our good neighbor to the north, Canada.

Because I believe it raises some questions which are pertinent to our own outlook, I include at this point the text of a full-page advertisement which appeared in a Canadian newspaper, the Spectator, on March 26, 1977. I should emphasize that I am not acquainted with the writer of the statement, or with his business.

The advertisement follows:

WHERE ARE WE GOING CANADA?

What will Canada be like in ten years? What plans does our government have to ensure that our country will grow and prosper? Do the people we have elected to run Canada really have our economy and our future under control? Will inflation continue unchecked? What happens after the A.I.B. legislation is removed?

Will you forever have to demand and bargain for more and more dollars just to maintain the standard of living you have to-day?

Will our productivity continue to fall while at the same time we ask for higher wages?

Where are you and I going?

WHY I AM COMPELLED TO EXPRESS MY VIEWS

My name is Dave Braley. I am the owner of Orlick Industries Limited, a relatively small manufacturing and distributing company located in Hamilton.

I am expressing my thoughts, and feel compelled to do so, because I am concerned.

As a father I am concerned about the future we are creating for our children. As a businessman I am concerned about ever increasing controls on free enterprise.

As a Canadian I am concerned that our country remain a land of opportunity.

The views that are being expressed in this statement has been gathering within me for a considerable period of time. I can no longer contain them and must make this public expression now because of the frustration I feel about the way our country is being run. I know that I am not alone in my frustration.

WITH OR WITHOUT QUEBEC

We all want the better things in life. In the society created by our government, everyone seems to be entitled to their share—whether they work for it or not. That is the crux of our problem. While we claim to be advocates of the free enterprise system, we, at the same time, foster the growth of social dependence. The two ideals cannot live together. Look around you. There are two very evident groups of people today. Those who want to work and take pride in their achievements and those who are content to idle themselves while others work to suport them. Government policies have encouraged the growth of this latter group. Why should they work? The government has made welfare attractive!

They have, slowly but surely, eliminated individual desire to succeed by taking away the rewards of individual effort.

Is this the aim of our government? I don't believe it is. It's a trap that we have fallen into. We started by helping those who could not help themselves. It was and still is our responsibility to do so. But we went too far. Our politicians discovered that the more they gave away, the greater was their goodwill and acceptance in the voting booth. They have, however, given away too much.

Politicians, it seems, have always had the knack of evading important issues by simply diverting our attention. Never was this more evident than it is today. While our economy is flat and inflation our enemy, politicians concern themselves with the possibility that Quebec may separate from Canada. With or without Quebec, we are all headed for trouble unless the elected officials at all levels of government apply themselves to the real issues.

The most important matter we have before us at this time is the impending removal of the A.I.B. legislation. It appears that it will be removed in much the same manner as it was put on, in a haphazard style. What will happen to wages and prices after the A.I.B. has gone? If anyone in government can tell me how they plan to keep wages and prices from skyrocketing after controls are lifted completely—I would like to hear their plan.

HISTORIANS MAY SAY WE WERE THE OVER-PROTECTED PEOPLE

Nowhere in the history of man have people been given the kind of protection we have today. The working man is protected by his union. Businesses are protected by tariffs. Welfare assistance protects everyone against poverty. Very soon, there is the possibility that the guaranteed annual wage will protect us against loss of employment. We soon will be so well protected against every possible event, that no one will have to worry about working. And that's exactly why protectionism is wrong. Over protection destroys the desire to work. When you are fully protected from cradle to grave, why should you work?

If no one works, nothing will ever be accomplished—we cannot and will not progress. We can all point to examples of how protectionism breeds incompetence. Government run operations are prime examples. There is no doubt in my mind that such public institutions as the Post Office, the CBC, the CNR and the Canada Pension Plan would be more efficient and profit producing if they were in the hands of private industry.

Instead of government wanting more and more control over services and industry, they should be thinking of ways to release as much as possible of government operated functions to the private sector. Then, government would truly succeed. Then we would all have a far more secure future than any government protectionist plan could produce.

THE KEY TO OUR GROWTH IS PRODUCTIVITY

When a person, through hard work at his job, produces more he should in return, receive more money. By earning more he is in a position to buy more and thereby enjoy more of the good things in life.

When a country as a whole, produces more, it too generates more money, spending increases and the economy grows.

Unfortunately, Canada's productivity does not support the wages that are being paid. We are simply not earning our money, or the standard of living that we demand.

In a recent announcement, it was stated that Canada had the dubious honour of having higher hourly wages in manufacturing than the overall hourly rate paid in the U.S.A.

We are not producing enough to justify this difference. At these rates the price of Canadian made products must be higher and world demand for our goods will drop. In other words, we are pricing ourselves right out of competition.

WHAT CAN WE DO?

First, we should all accept responsibility for our current economic situation. It does no good for labour or management to blame one another. We are all at fault, some to a lesser degree than others. But we are all guilty of asking or demanding too much without paying the price.

If our productivity, over the past ten years, had kept pace with the increase in wages, we would not be fighting what appears to be a losing battle with inflation. Before you ask for more money—ask why you deserve it!

WHAT CAN OUR GOVERNMENT DO?

They can make a better attempt to curb their spending and stop the loss of public money through inefficient management. Government, as we know it, never was intended to make money. In our society that's the job of industry. Government doesn't have to show a profit—and they don't. As long as our government continues to operate a railway, our postal system, a radio and television network, and pension plans, we will have to pay for their inefficiency through higher taxes.

Given the opportunity, private enterprise could make these government operations profitable. If they weren't profitable we just wouldn't have them.

Instead of imposing controls on private industry the government should be more eager to assist them. Remember, if business doesn't make a profit—if business doesn't make money to pay wages—no one else can. Certainly not the government, they only spend money. As a matter of fact, they spend more now than our government spent during war time economies. Apparent uncontrolled spending by government can be supported in only one way, by demanding more and more tax dollars. They spend more. We give more, and the country gets deeper and deeper into financial trouble.

WHERE DO WE GO FROM HERE?

It is not an impossible situation. We can change our attitudes. Our government can change its policies. That's one of the great things about the country in which we live. We can change and do it all peacefully and within the framework of our *constitution*.

Where else but in a free country would someone like myself set forward such ideas as those I have expressed. I have done so because I believe our government will listen. All we have to do is speak up. I have done just that in this paid advertisement and I will continue to speak up whenever I feel the need to do so.

If you would like to express your viewpoints on the matters I have dealt with I would be happy to hear from you.

Please write to Dave Braley, c/o Orlick Industries Limited, 35 Glen Road, P.O. Box 5190, Hamilton, Ontario, L8S 4L3.

SPEECH BY CONGRESSMAN JOSEPH L. FISHER

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. STEERS. Mr. Speaker, I have the pleasure to introduce into the Record a speech made by our colleague, Joseph Fisher, concerning the Potomac River. Congressman Fisher's 10th District in Virginia and the 8th Congressional District in Maryland sit on opposite shores of the Potomac. Together we share the beauty of the "Nation's river" as well as the problems now facing the Potomac and the surrounding land.

It was my predecessor, Gilbert Gude, who first expressed concern and proposed concrete measures to restore the Potomac to its natural beauty and historical prominence. As you will note from the text of the speech, Joseph Fisher has captured the same concern that Gilbert Gude has. I look forward to working with Congressman Fisher in completing the work on the Potomac River begun by Gilbert Gude.

The article follows:

Speech by Congressman Joseph L. Fisher

The Potomac River is one of the most beautiful and interesting rivers on the east coast. The main stem of the river, starting at Cumberland, Maryland, is wide and almost bucolic, with sections that seem very far from civilization and disturbances. The bends at Paw Paw add a touch of adventure, with the unknown just around the turn. There is white water at Harpers Ferry, and then more free, lazy flowing until Great Falls. At the falls the river becomes temporarily wild and exciting, and then more confined as it cuts through the high palisades. As it flows calmly past the urbanized area around Washington, the Potomac grows wider and becomes tidal as the Chesapeake Bay begins to assert its influence.

The beauty of the river is not its only significance; it has also been important in our history. The first European exploration of the river came in 1608 with Captain John Smith. George Washington loved the river and chose its shores for his home and for the city that was to be his new country's capital. Important commerce ran parallel to the Potomac in the Chesapeake and Ohio Canal to Cumberland. The river figured in the story of the Civil War and was in fact part of the boundary between the sides.

But the setting for this beautiful and historic river is fragile. Many forces are at work to change it in irremediable ways. Second home and flood plain development are the most obvious factors that are endangering the present condition of the river. For the same reasons that some of us want to protect the river and keep it accessible to public use and enjoyment, the developers and buyers of second homes want to build along the Potomac. Second homes are not innately bad, but most of these developments are poorly planned, contributing to erosion and pollution of the river and blocking public access to the river. When this development occurs in the flood plain it increases the likelihood of flood damage to property, both at the point of development and downstream.

For these reasons, I am continuing the efforts begun by former Congressman Gilbert Gude to enact legislation for the protection of the shores of the Potomac River. I will very soon be introducing a new bill, tentatively called the Potomac Shorelands Act. The purpose of the bill is to establish a commission to develop a Federal, state, and local plan for the protection and appropriate use of the river shore from Cumberland to Washington.

What the Potomac Shorelands Act envisions is a cooperative effort between all levels of government, with each doing what it does best. The local governments will use their planning and enforcement powers to improve land use. State and Federal governments will assist the local governments and where absolutely necessary take steps to obtain land so as to secure its use and benefits for people. The plan for the use of the shorelands will itself be prepared as a joint effort. The majority of the members of the commission will be appointed by the governors of their states with the advice of the local government officials. Advice and assistance to the commission will come from the Federal government. Much of the work of the commission will be conducted in open sessions and hearings conducted in the areas directly concerned so that the citizens of the area can stay in touch with and comment on the plan as it evolves.

The commission, which will work with the staff of the National Park Service, will have members appointed by the governors of Maryland, Virginia, and West Virginia, with the advice of local officials, and the District of Columbia, and representatives of the C&O Canal Historical Park Commission, the Interstate Commission on the Potomac River Basin, and the public.

In public meetings throughout the region the commission will work out a plan that takes account of the views of citizens who love the river and are concerned about its future. The plan will spell out the roles of the Federal, state, and local governments in protecting and managing the Potomac shorelands. The basic reliance for protection will be on local planning, zoning, and related efforts. The commission will specify minimum standards for local land use which would be compatible with the purposes of the act, and most of the land along the shore would be designated to come under those standards. If the local governments do not adopt adequate standards within three to five years, then the Federal standards would be applied.

Secondary reliance would be placed on a very limited amount of Federal, state, or local land acquisition. The sites to be acquired and the purposes for which they will be used will be identified in the commission's plan. They would be confined to a relatively few access places, superior scenic spots, or environmentally fragile areas. In addition appropriate private concessions and other arrangements would be indicated.

The basic concept behind the plan would be to leave existing uses of the land such as agriculture and private homes intact to the greatest extent possible and severely limit the spread of public ownership. Already the Maryland shore is protected by the C & O Canal Historical Park. Much of the Virginia shore, particularly in Fairfax and Arlington counties, is also in public hands. The commission will be charged with keeping the Federal power of land condemnation only as a last resort in a limited number of clearly delineated areas.

In addition, the policy governing such Federal acquisition as is necessary will be to minimize the impact on the present owners. The actual taking of land could be postponed during the lifetime of the owner.

Options for purchase could be negotiated. Measures short of fee acquisition such as leasing and easements could meet the needs of the plan.

After a year of intensive work, building on the many studies that have already been published, the commission should be finished with the plan. The plan would then provide the basis for actions at the several levels of government to make protection of the Potomac shorelands a reality.

The C & O Historical Park has well begun the task of protecting the Maryland shore of the Potomac. I hope that not too long from now the Virginia and West Virginia shores can also be protected, although according to a more locally oriented program. Then the natural wonders of the Potomac as we know it today will be here for generations to come.

LEGIONNAIRES HAVE RIGHT POSITION ON PANAMA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. HANSEN. Mr. Speaker, American Legion Commander William Rogers has returned from the Panama Canal Zone and reiterates the opinion of a majority in this country that the canal must not go to a foreign government.

Commander Rogers speaks for most Americans, and I urge my colleagues to read his brief remarks as they appeared in the May American Legion magazine:

National Cmdr. William J. Rogers recently returned from the Panama Canal Zone and commented, "Our position is right. We should not negotiate a treaty that would turn the canal over to as unstable a government as currently exists in Panama."

Rogers cited a Cuban threat in Panama as another reason for the Legion's firm stand on the canal, pointing out that the Cuban embassy is the largest in the small republic.

During his 3½ day stay in Panama, Rogers received a briefing on the canal from personnel at the Panama Canal Company and met with the Governor of the Panama Canal Zone, Harold R. Parfitt. He also met with the U.S. Ambassador to Panama, William J. Jorden and received State department and military briefings.

Rogers had lunch with Panamanian negotiators involved in the current round of talks with U.S. diplomats. "They wanted our support," said Rogers. "They seemed to know that American Legion support is crucial in their efforts to get a new treaty before the Senate."

Commander Rogers met with Legionnaires at Posts 1, 2, and 3 in the Zone and said those who worked in the Zone deserved the thanks of all Americans. "Too often," he said, "we are inclined to forget the United States citizens not only built the Canal, but paid cash for the land upon which it is built along with maintaining and improving it in cooperation with their Panamanian coworkers.

"We Legionnaires are not opposed to granting the people of Panama greater opportunities for employment within the Zone . . . but we do oppose, for national security reasons, transfer of United States property to another government that has admitted that it cannot guarantee the security or rights of free passage of the canal."

ABORTION AND TEENAGE PREGNANCIES

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. OBEY. Mr. Speaker, if we truly want to stop abortion we have to do more than wish that it would stop; we have to attack the conditions that lead to abortion in the first place. One of the things we must do is to make sure that alternatives to abortion are readily available to pregnant women. This is especially true of young women—particularly teenagers—because according to recent statistics, we are in the midst of a virtual epidemic of teenage pregnancy and abortion.

More than a million, or 1 out of every 10 women between the ages of 15 and 19 become pregnant each year, and 300,000 of those pregnancies are terminated by abortion. Not only do one-third of all teenage pregnancies end in abortion, but teenage abortions account for well over one-third of all the abortions performed in this country.

This is a tragic situation. I think it is essential that we give these young women every opportunity and encouragement to seek alternatives to abortion, and I think Federal policy should move in that direction. Current Federal programs are woefully inadequate to meet the needs of pregnant teenagers. For instance, the eligibility requirements for medical assistance discourage self-sufficiency and virtually force pregnant teenagers to go on walfare in order to obtain medical benefits. In addition, because many pregnant young women are forced to quit school, their incomplete education and lack of skills make them high risk candidates for unemployment, which fosters further dependence on public assistance.

For many of these young women, abortion may seem to be the only alternative, and that is why I have cosponsored the Life Support Centers Act, a bill authored by my colleague, Congresswoman SPELLMAN, which would provide pregnant teenagers with medical and social support that would discourage them from taking the abortion route. This legislation would establish life support centers through State and local health agencies and nonprofit organizations which would provide a wide range of medical, social and counseling services to pregnant teenagers. These services would include prenatal health care for the young woman, postnatal health care for both mother and child, social services for the mother—including educational and vocational counseling, referral to other agencies and adoption services for those who desire them.

This legislation is not a hand-out for irresponsible teenagers—it is an attempt to deal with a very real problem that is likely to get worse and certainly is not going to go away. It is important, of course, that we try to reduce the number of teenage pregnancies, but we cannot ignore those teenagers who do become pregnant. The Life Support Centers Act I have cosponsored is certainly not the entire answer to the problem of teenage pregnancy and abortion, let alone to the problem of abortion generally. But it is a reasonable, practical step we could take which would save the lives of countless unborn children.

UNIVERSAL VOTER REGISTRATION

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. RHODES. Mr. Speaker, the House Administration Committee is currently considering H.R. 5400, the universal voter registration bill. That legislation would allow voters to register at the polls on election day.

The Iowa House of Representatives is considering a similar provision. The Iowa House standing subcommittee on election laws and procedures has reported out a provision to remove registration cutoff dates—thus making it possible to register on election day.

In an article prepared for the Des Moines Register, State Representative Tom Tauke explains methods to be used for identification and vertification of the validity of registration, two points that are crucial to the success of simplified registration. The Iowa system, Tauke says, would assure honest balloting by imposing safeguards in the registration procedure.

I urge my colleagues to take time to read this outline of a process that would open registration to more Americans, while guaranteeing the integrity of the registration process. Text of the article is as follows:

HOUSE OF REPRESENTATIVES,
Des Moines, Iowa.

During the past 10 years, Iowa has taken major steps to remove the barriers which serve as deterrents to voting in elections. Each barrier removed has resulted in a greater degree of citizen participation. With the initiation of each procedure designed to make voting accessible to more people—procedures such as postcard registration, handicap voting provisions, elimination of durational residency requirements—critics have predicted massive fraudulent voting. Their predictions have never come true. Within the last decade there has not been a single conviction in Iowa of willful fraudulent voting. Cook County, Illinois we are not.

On Friday, April 22, 1977, the Iowa House State Government Committee recommended for passage a bill which would remove the sole remaining barrier—registration cut-off dates. The proposal recommended, which passed with a unanimous vote, establishes a procedure for registration at the polls on election day.

The procedure for election day registration contains two basic provisions:

1. Presentation of identification establishing an elector's identity and place of residence.

2. Verification of the registration.

IDENTIFICATION

Under this proposal, a person may register on election day by presenting a driver's license with the elector's correct name and address. If the driver's license does not contain the person's correct address, some other form of printed identification which does contain the person's correct name and address could be presented in conjunction with the license.

Anyone who does not have a driver's license, which some senior citizens do not have, could register by having another person attest to his or her identity and place of residency.

Either the driver's license or affidavit procedure would satisfy the identification requirement.

VERIFICATION

Under the present Iowa law, political parties have ten days from the time registration closes until election day to examine the list of registered voters to determine if all are qualified electors. If any are not, the political party may issue a challenge to the questionable registration

This same system can work with registration at the polls on election day with only a small adjustment in the time frame. If persons registering at the polls are required to cast their votes on a paper ballot kept separate and apart from other ballots, the registration could be verified before the ballots were counted. The paper ballot would be sealed in an envelope which would have the person's registration form attached to the outside. Prior to counting the ballots, a political party would have three days to verify the registration. The ballots of persons whose registrations were not challenged would be counted on the Friday following the election.

This verification procedure has been in effect for three years in Iowa for persons who believe they are properly registered but whose names have been omitted from the election register. The three day delay has allowed election officials time to correct the error and then count the ballot. It is not a new procedure. It has been tested and it works. We have found we do not have to disenfranchise citizens because of clerical errors; we do not need to disenfranchise citizens because of registration laws.

By requiring all identifying information to be placed on the outside of the ballot envelope, verification can take place without destroying the secrecy of the ballot. Once an elector's registration is verified, the ballot is removed from the envelope and intermingled with other ballots prior to being counted.

With 90% of the eligible electors in Iowa already registered, the number of registrations in Iowa is not predicted to be an unmanageable number. The two other states which have registration at the polls, Minnesota and Wisconsin, have experienced large numbers of registrations on election day because their normal method of registration is restrictive. Minnesota, for instance, closes registration 20 days before an election. Iowa closes registration only 10 days before an election. Neither Wisconsin nor Minnesota have mobile registrars able to register voters 365 days a year, 24 hours a day. Iowa does have this provision.

It is imperative that Iowa have statutes governing registration at the polls on election day. Without it we will have chaos If the federal proposal is adopted without Iowa law, we will have two classes of voters—those voting only for federal offices and those voting for every office on the ballot. The electors who presently are not registered are at the outer fringe of political involvement. Giving them only partial voting privileges would heighten their non-involvement. We cannot allow that to happen.

Iowa has a tradition of giving bi-partisan support to all election law changes. For the past 10 years no major election law has been enacted without complete agreement from both political parties. This proposed legislation passed the House committee with every member from both political parties present voting in favor of the bill.

Registration at the polls on election day will extend the franchise to all Iowans for all offices.

CONSUMER PROTECTION AGENCY IS ANTICONSUMER

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. GRASSLEY. Mr. Speaker, in recent months you have heard a great deal about reorganization of the Federal Government, a pet project of President Carter. But at the same time he is talking about reorganization and reduction of the Government, he is advocating creating another Government agency—the Agency for Consumer Protection. In the next few weeks, a major effort will be made in Congress to establish this latest concept of big government.

Labeling the Agency for Consumer Protection as a consumer agency is deceptive, if not downright fraudulent. The Agency will cost taxpayers $15 million a year initially, $17 million the second year. No one knows where the price tag will stop. But it is estimated the Agency will cost us billions of dollars a year indirectly, through higher prices for all the products we buy and services we use. It will add to Government complexity, delay, and redtape, and lead ultimately to inflation and unemployment.

The backers of the Agency for Consumer Protection are primarily those groups which have tried to hamstring business for years and have helped add to the layers of bureaucracy in the Government, namely the Ralph Naderites and other so-called public interest groups. These people envision the Agency as a "strike force," which would bring lawsuits on behalf of consumers. The problem is, these lawsuits would tie up business and government so badly that nothing would be accomplished. We taxpayers, we consumers, would foot the bill. Incidentally, the Agency has been carefully drafted to avoid any investigation of labor disputes or agreements, even if those labor matters greatly affect the availability and prices of goods and services.

Proponents have basically admitted their new Agency would not be able to handle the job, no matter how large it is, for they say that in addition to creating the Agency, Congress should establish consumer offices in each existing department and regulatory agency. I agree that the consumer does need a voice in departments such as Labor, Commerce, and so forth, and I have suggested as much to President Carter. After all, the consumer does have a strong, though not always correct, spokeswoman in the Department of Agriculture, Carol Foreman. Since we will have these departmentalized consumer offices, why should we establish another super agency? Besides, we already have 33 agencies and departments operating more than 1,000 consumer-related programs. These ought to be made to serve their original purpose, rather than be allowed to continue failing to do their job, or be placed into a new network of operations.

One problem any consumer office or agency faces currently is, who is the consumer? Is it the farmer who wants higher prices for his products or the housewife who wants cheaper food prices? Is it the blue collar worker who wants tariffs on imports to protect his job or the manufacturer who wants a free market so he can sell his products abroad? Any new consumer agency will have a difficult time deciding which side to represent. Intervening on behalf of one consumer group could injure consumers on the opposite side of the fence.

The public has learned that it is not only Congress, but even more so the bureaucracy which is unresponsive and unaccountable to the people. A good example is the recent Food and Drug Administration proposal to ban saccharin. It took strong pressure from the public to modify that ban. The problem still has not been satisfactorily resolved, and Congress may take some action along that line.

Certainly we do not need more Washington bureaucrats, who never venture beyond the marble walls of this city, writing more regulations or imposing more standards on Americans, especially when those bureaucrats are immune to public opinion.

A poll taken 2 years ago showed that the majority of Americans did not want any consumer protection agency, by a margine of 4 to 1. I doubt that the sentiment has changed, especially in light of the disastrous impact such an agency would have on the economy and the pocketbook.

But unless members of the public speak up now, they will soon find that a new superbureaucracy, costing them untold billions of dollars, frustration, and trouble, has been crammed down their throats. Advocates of the new consumer agency want to hurry this legislation along so it will be passed and on the books before the consumers have a chance to protest.

MASTER TEACHER IN HUMANITIES

HON. DAN GLICKMAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. GLICKMAN. Mr. Speaker, I was recently pleased to hear from the National Humanities Faculty that Ms. Betty F. Dillon, a member of the faculty at Wichita High School South was selected as one of 50 outstanding intermediate and secondary school teachers and selected to participate in the National Humanities Faculty's 2-year Master Teachers in the Humanities Program.

The competition for entry into this program was rigorous and I am proud to share with my colleagues in the House the fact that Ms. Dillon, a resident of the Fourth Congressional District, which I represent, was the only teacher selected from the State of Kansas.

A CRISIS OF CONFIDENCE IN GOVERNMENT

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. HARRINGTON. Mr. Speaker, I have been speaking at chambers of commerce, political rallies, and school assemblies during the past few years about a crisis of confidence in Government. The crisis comes in part from our constitutional framework, which divides power and responsibility so ingenuously that it is difficult to tell who is in control and who should hold accountability for the direction in which we are traveling. But the crisis is also one of leadership—or the absence of it. Too many of our national leaders are content to bow to parochial interests of their district or region, or the parochial interests of various groups, for the sake of political expediency.

Few, however, are willing to demonstrate the kind of courage, foresight, and vision to withstand the tide of these parochial pressures long enough to fashion unpopular national outlooks on any number of pressing issues. In the end, in the attempt to placate and please the various components of our interest-group political system, we have been such a miserable failure as to now find ourselves rated somewhere below lawyers and undertakers in the public opinion polls. We are like the indigent parents who give their children everything they ever asked for only to find that they are neither loved nor respected.

I come to this conclusion as a liberal Democrat. But the same realization can be reached from any viewpoint, as a recent speech by conservative columnist George Will attests. The speech was delivered last month at the National Conference of State Legislatures, and has been excerpted by that organization's periodical.

I ask that those excerpts be included in the RECORD, and I recommend them to the attention of my colleagues:

(By George Will)

It is always a delight to be outside of Washington, which has been described as an enclave surrounded on four sides by reality. I have been, for reasons that now elude me, a practicing Republican at one point or other. When asked to explain this "dereliction of taste," as my Democratic friends describe it, I explain it by saying that I grew up in central Illinois and, at an age when I was really too tender to make such momentous decisions, I became a Chicago Cubs baseball fan and got used to losing; tremendous training if you want to be a Republican.

My remarks this morning really do not proceed from any ideological basis, but from my experience in Washington observing from within the Senate staff, and now from a position in journalism, the legislative process. My only philosophy guiding me is that of my favorite philosopher, Yogi Berra, who once said that you could observe a lot just by watching. I have not quite come to the conclusion that Bismarck came to not long ago that if you want to retain your respect for either laws or sausages, you don't want to know too much about how either is made.

A CRISIS OF CONFIDENCE

I do think that there is in this country, however, a crisis of public confidence in the legislative process, in law, and in government in general. This is related to the fact that, as you hear increasingly in Washington from men in the political process, politics isn't much fun any more. It's not fun for the governors and it's not fun, if you believe the polls, for the governed. It seems to me it's important to ask why this is so and what might be done about it.

The key to what I want to say is in the statistic that was given right at the end of your NCSL movie, that during their 1975 session, the Minnesota state Legislature passed 787 laws. I don't know a thing about the state of Minnesota, but that's too many laws for a legislative body to responsibly handle. It is part of a legislative glut that is, needless to say, worse in Washington, but afflicting legislatures everywhere.

THE COMPLEXITY OF PUBLIC AFFAIRS

It's apparent that government is everywhere these days. It consumes 38 per cent of the gross national product, and one out of six Americans who works today works for government. The complexity of public affairs has expanded much faster than the average citizen's understanding of it, and this has given the public a sense of helplessness and of alienation. To compound this problem, many Americans recognize that at the state as well as the national level, many decisions are made, not by elected officials, but by appointive executive agencies that cannot be held accountable and indeed are not responsive to any electorate.

If you read the Constitution as I read it, you will see that the Presidency, far from being an inherently imperial office, is a Constitutionally very weak office. I never tire of reminding my friends in the Congress of the United States that all the power that matters in the American government resides in legislatures, and when the Presidency is said to have acquired imperial powers it is not because the Constitution grants them, and not really because they have been usurped, but because legislatures have either through default or through positive action conferred powers that they should rightfully exercise on the executive.

But we have come to a point, after these three episodes, where the least three credible sentences in the English language today are: (1) the check is in the mail; (2) of course I'll respect you as much in the morning; and (3) I'm from the government and I'm here to help you.

There is a feeling increasingly that the government is more of a nuisance to the country than an improvement and skepticism has grown about both the competence and the motives of government. And it is this doubt about the motives of our governing officials that is the most alarming development of all.

HOW GOVERNMENT OPERATES

To understand this, I think it might be useful to consider the following proposition: If you want to understand how government operates at the Washington level, don't bother reading the Constitution, for that has precious little to do with it. Read instead the pages of the District of Columbia telephone directory that list all of the organizations located in Washington the names of which begin "National Association of . . ." These are, of course, the trade associations, and we're all familiar with the big ones, e.g., the National Association of Manufacturers, the National Association of Broadcasters. You're not so familiar with the National Crushed Stone Association or the National Association of Truck Stop Operators or the National Ice Association. Or 2,200 or so others that feel it necessary now to locate in Washington to advance their private economic interests through legislation or through regulation or through some form of manipulation of public power.

But a good bit of the lobbying done in Washington is not defensive lobbying. It is offensive lobbying in several senses of the word. It is an attempt by private interests to use the Government for private purposes and it has, increasingly, the serene co-operation of men in public life. I refer, of course, to the shoe manufacturers who try to get the Government to protect us from a plague of cheap Italian shoes, or the steel manufacturers who try to get the Government to confer an advantage on domestic steel producers. The list is limitless.

The question is, how do they get away with it, and the answer is that in our democracy, people increasingly feel that what matters is not how many numbers are on one side of an issue, but who's paying attention. The average American is too busy to pay attention to what Congress is doing. The average American is too busy to read the fundamental document of American Government at the national level, which certainly is not the Congressional Record, but the Federal Register, where the discretionary acts of this executive branch are recorded. The people of Minnesota are, I am certain, too busy to pay attention to what 787 different bills contain. But someone is always paying attention, as you very well know. They are the people in your lobby when you get to your office Monday morning.

A TOO CASUAL RELATIONSHIP

Now what has changed obviously in modern times, and especially since 1933, is both the legal and the psychic relationship of the citizen to his government at all levels. We live in an age when people hold the Government not only generally responsible for the level of economic growth and prosperity in community, but they hold Government to be a legitimate target of their campaign to capture it to serve the interests of narrow economic or sectional interests. There is growing up between various interest groups and Government a dangerous and perverse and all too casual relationship.

We are losing our ability to distinguish between the public and the private interest simply because the Government has found no resources in the current public philosophy, either Republican or Democratic, to draw the line between that which is and that which is not the legitimate business of Government.

I think you can see this decline in public philosophy by the fact that the common complaint about Government is that Government is not responsive. Now that's a fascinating word. It's fascinating to me in two senses. First of all, because it's absurd. Government is responsive to a fault. Second, it's an alarming word because it's value-free. That is, there's a sense in which the Government exists only to respond to whatever felt stimulus it receives.

One of the jobs of a legislature at the state or national level, is obviously not just to respond to demands, but to censure them; to say that some cannot be met. To say, as Arthur Balfour once said, that the business of government is to tell people what cannot be done. Because without people in public life refusing to be responsive, without them having a coherent view of the national interest that is more complicated than a mere maelstrom of private interest, then it seems to me that you have government that is adrift. It is unable to command the respect of the people that it is trying pathetically hard to serve.

This, again, is where I come back to the paradox. Never has Government been more anxious to please, and never, it seems to me, has it had a more difficult time pleasing people. And part of the problem, of course, is the sheer multiplication of law that we saw referred to at the end of the movie. The more law grows in this country, the more public business grows, the more Government expands into every nook and cranny of life, the more legislatures, the first branches of Government, the branches most responsive to the people, go into eclipse.

There is something in the atmosphere of Government today, that is, in an amoral, value-free way, merely responsive. There is something in this that accounts for the mushrooming growth of law, the mushrooming growth of executive discretion as a result of that law, the exhaustion of legislators, and the short-temperedness of the American public. And it is destined to get worse, there being in democracies an insatiable appetite for government, and a tendency to conscript more of the public's wealth for political purposes than is consistent with the continued production of that wealth.

Now, there is a good side to all this—that I may be wrong. I frequently am, I am told, and a disgustingly large number of people disagree with me on a lot of matters. So I would leave you simply with the hope that I perhaps am wrong and the hope that we can disagree in an amicable way in the great American manner, which I will demonstrate in a story about a town near mine in Illinois where a rather dour Methodist minister and a rather jolly Irish priest had been competing for 20 years for the souls of the village. And one day they met on the street and the rather jolly Irish priest says, "Oh, come now, Reverend. Can't we be friends? After all, we both serve the same God." The rather dour minister looked at him for a moment and said, "Yes, we both serve the same God. You in your way, and I in His." Needless to say, I identify with that Methodist.

MEMORIAL TO THE REVEREND DR. WILLIAM McCONAGHY

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. WALSH. Mr. Seaker, yesterday, in Syracuse, N.Y, a memorial plaque was dedicated for permanent placement at the headquarters of the New York State Council of Churches.

It honors the memory of the Reverend Dr. William H. McConaghy, who was minister of the First Presbyterian Church of Syracuse from 1960 until his death in 1972, and who was perhaps our community's most outstanding leader in the field of human rights and ecumenical relationships.

Dr. McConaghy came to Syracuse about the time I became mayor in the early 1960's, a time of racial unrest throughout the entire Nation.

With his counsel and advice, I established the Mayor's Commission on Human Rights, and he became its first and most outstanding chairman. Later he served with distinction on the State's Commission for Human Rights; as organizer and president of the Syracuse area Council of Churches; organizer and first president of Brick House, an alcoholic rehabilitation center for wayward men; as organizer of the Syracuse chapter of the United Nations Association.

His other activities on behalf of his fellow men are literally too numerous to mention.

I considered him one of my closest advisers and closest friends; and his untimely death was a loss keenly and permanently felt by his family, his friends, and his city.

In his years in Syracuse, his outreach touched the entire community. His memory has been perpetuated in several ways by the dedication of this plaque and is perhaps the most significant recognition of the mark made by one of America's outstanding men.

NEW LOOK AT OSHA SHOWS COMMONSENSE AND COMPASSION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. SOLARZ. Mr. Speaker, the new Assistant Secretary of Labor for Occupational Safety and Health, Dr. Eula Bingham, has been described by Business Week as a person "filled with commonsense." She also is a person who believes that her mission is to "save human lives."

Last week she took two steps which deserve some attention from Congress. She set up a program to make compliance with health and safety regulations easier for small business. She issued an emergency standard which will affect 150,000 workers exposed to benzene, overwhelming evidence of which shows that it causes leukemia.

I include an article in the Wall Street Journal and the Washington Post describing these actions in the RECORD:

[From the Washington Post, Apr. 30, 1977]

DRIVE ON FACTORY HEALTH HAZARDS—SWIFT BENZENE CRACKDOWN ORDERED

(By Helen Dewar)

The Labor Department yesterday ordered a 90 per cent reduction in worker exposure to benzene, a chemical believed to cause leukemia. The department said its action was only the first installment in a new and more aggressive effort to rid the workplace of health hazards.

"This is only the beginning," said Eula Bingham, assistant secretary for occupational safety and health, in announcing a temporary emergency standard to cut the permissible level of benzene breathed by more than 150,000 workers in 1,200 refining, rubber, printing and other industrial plants.

It was only the sixth time in the six-year history of the Occupational Safety and Health Administration that an order has been issued putting new standards into effect immediately pending hearings on a permanent regulation. Under normal procedures, new standards cannot take effect until after hearings and other time consuming steps.

Bingham cited what she called conclusive evidence that benzene, a petroleum derivative that is used in production of rubber, chemicals, detergents and motor fuels, causes leukemia in human beings.

She said a recent survey of exposed workers at two Ohio rubber plants by the National Institute for Occupational Safety and Health showed that the incidence of leukemia among benzene-exposed workers was at least five times the normal rate.

No further delay in curbing exposure to benzene could be tolerated, said Bingham, a chemist and environmental health expert who fought for stricter job health standards in private life before President Carter tapped her to head the government's controversial job health and safety program.

The benzene order will take effect May 21.

Rubber workers and others have been pushing for years for protections against benzene as a health hazard and possible carcinogen. An appeal for an emergency order against benzene from the United Rubber Workers and other unions was rejected last year by the Ford administration.

"I believe this signals a new day for an agency which in the past has been criticized for acting too slowly when lives are at stake," said Labor Secretary Ray Marshall, who joined Bingham at the press conference announcing the new benzene standards.

While labor unions generally praised the benzene order as long overdue, the AFL–CIO Industrial Union Department petitioned the U.S. Court of Appeals here for review of the OSHA's new standard, on grounds that its permissible level of benzene exposures is still too high.

Reaction from affected industries was spotty. Goodyear said many of its facilities already meet the new permissible level. Goodrich said it has always controlled exposure but three of its chemical operations may not be in compliance.

The American Petroleum Institute was "very concerned," especially about limitations on benzene's use in unleaded gasoline, said API's refining director, Raymond Wright. Chris Waisenen, labor law attorney for the U.S. Chamber of Commerce, said the need for some benzene curbs is generally recognized.

The emergency order reduces permissible worker exposure to benzene from its present level of 10 parts per million parts of air to one part per million, based on an eight-hour average, and eliminates the peak level of 50 parts per million for any 15-minute period.

It also requires employers to measure worker exposure to benzene, provide workers with protective equipment and clothing, and institute medical surveillance, educational training and strict record-keeping programs.

OSHA officials estimated the costs of meeting the emergency standards at about $40 million for all the affected industries.

[From the Wall Street Journal, May 2, 1977]

LABOR AGENCY PROPOSES TO GIVE GUIDANCE ON OSHA RULES TO MORE SMALL CONCERNS

WASHINGTON.—Seeking to mend its political fences with Congress, the Labor Department is proposing to give more small businesses guidance on how to comply with federal job-safety and health rules.

Under new proposed regulations, the department said it would pay 90% of a state's cost to send consultants to visit a workplace and identify unsafe conditions, up from the present 50% contribution.

The proposal, if adopted, is expected to encourage a number of states without consultation programs to adopt them. Sixteen states don't provide such help, and the cost is a major factor for many of them. In states that do offer such consultation, the extra money is likely to encourage them to promote this help more vigorously.

HOPES TO EASE CRITICISM

The Labor Department hopes the new program also will ease some criticisms of its Occupational Safety and Health Administration. Business groups and Congress have pressured OSHA to provide small businesses with more guidance on how to meet safety and health rules.

In a letter sent Friday to all members of Congress, Eula Bingham, the Carter administration's new Assistant Secretary for Occupational Safety and Health, said the proposal was issued "in response to the wishes of Congress and because of our desire to assist employers, particularly small businesses, in their efforts to provide safe and healthful workplaces."

Despite congressional enthusiasm for on-site consultation programs, demand in the past from small businesses has been meager. In the past 18 months, in a dozen states with federal contracts to provide consulting visits, about 15,000 small businesses have sought such assistance. In the past three years, about 50,000 concerns have sought the visits in the 22 states that operate their own job-safety plans. There are more than three million small-business concerns in the U.S.

CONSULTATION CONTRACTS

Although $9 million has been appropriated for the Labor Department to pay for consultation contracts with states in the fiscal year ending next Sept. 30, only about $6 million has been spent because states haven't sought the additional funds.

The department's new proposal would permit states to hire one consultant for every four safety and health inspectors. Consultants would visit a workplace only when requested by the employer.

Although the consultants can't issue complaints if an employer is violating safety and health laws, the regulations require the consultant to request "immediate elimination" of any hazard threatening "imminent danger."

If a violation is considered serious, the consultant will give the employer "a reasonable time" to correct the problem. If corrective steps aren't taken, the consultant is supposed to notify OSHA. Nonserious violations aren't reported to the Labor Department.

NATIONAL TEACHERS MEDAL

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. MOORHEAD of California. Mr. Speaker, it has come to my attention that one of my constituents, Wendy Coffelt Kazanjian, daughter of Dr. and Mrs. R. Wendell Coffelt of Glendale, Calif., has been awarded the National Teachers Medal by the Freedoms Foundation at Valley Forge for the year 1976. I want to take this opportunity to congratulate Wendy upon receipt of this coveted award which denotes distinction both in civic and professional achievements.

Wendy holds a bachelor of arts degree in psychology and a master of science in education from the University of Southern California. During the past 7 years she has served as a master teacher for the University of Southern California and California State University, Los Angeles, teacher training program. As head teacher at Los Feliz School, she organized an ecology club which was recognized by the President of the United States and the Environmental Protection Agency for its work in the school and community in conservation and ecology. She also was selected to teach in the Los Angeles city schools district program for the mentally gifted students.

In addition, she has shown leadership by initiating student government, developing a student newspaper, and creating the first debate and oratory program at Los Feliz School. Her activities have been extended also to organizing assemblies honoring national civil rights leaders.

Her distinguished record of leadership and educational and professional achievement represents a tremendous example of dedicated and gifted service to her community and State. She is to be commended for her outstanding accomplishments in so few years.

FOREIGN RELATIONS AUTHORIZATION ACT OF 1978

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. HARRINGTON. Mr. Speaker, before us for action today is the Foreign Relations Authorization Act for fiscal year 1978, which provides $1.68 billion for the operations of the State Department, the U.S. Information Agency, the Board for International Broadcasting, and contributions to some international agencies. If the hearings held at the subcommittee and full committee levels on this bill provide any indication of a more general disinclination to perform a genuine review of these programs—especially those administered by the international broadcasting agencies—in light of the changing features of the international scene and the welcome redirections in our foreign policy, then I can only assume that my dissenting vote on this measure will be one among very few.

As I stated in my testimony before Chairman FASCELL's Subcommittee on International Operations, to uncritically perpetuate the activities of such agencies as Voice of America, Radio Free Europe, and Radio Liberty—in fact to augment the transmitting facilities of these broadcasters—into an era that promises fundamental change in the style in which we conduct our relations with other nations seems to me to be a basically unsound approach and a potential hindrance to the furtherance of any efforts aimed at a general relaxation of international tensions.

I would hope that instead of unquestioningly engaging in this process again next year, we might have the benefit of a comprehensive review and fundamental reevaluation of all U.S. international broadcasting operations with a view toward insuring that these programs are consistent with and complementary to our foreign policy objectives.

Submitted below, for my colleagues' consideration, is a copy of my April 5 statement, presented before Chairman FASCELL's Subcommittee on International Operations:

STATEMENT OF HON. MICHAEL J. HARRINGTON BEFORE SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

Thank you Mr. Chairman, for this opportunity to appear before the Subcommittee. I am here today to testify against the proposed $16,152,000 budget authorization for USIA Radio Facilities. May I also use this as an opportunity to register my opposition to the Administration's recommendation that present United States international broadcast transmission facilities, utilized by Radio Free Europe/Radio Liberty as well as by the Voice of America, be supplemented by additional transmitters over the course of the next few years.

In my view, the continuation of these programs, in any form of bureaucratic reorganization, represents a disillusioning willingness on the Administration's part to carry over into a potentially new era in our foreign policy a lingering vestige of the cold war. An anachronism by most standards, this group of entities has shown itself to be markedly ineffectual when it comes to really providing the citizens of the Soviet Union and Eastern Europe access to other points of view.

The recent controversy surrounding the suggested nomination of William E. Griffith for membership on the Board of International Broadcasting reinforces my own feelings that these programs still retain the taint of CIA involvement and funding in the minds of many both here and abroad, and I would not be one to doubt that what was the case in this regard through 1971 is not still the case today.

The candid approach begun by President Carter in the formulation, implementation and presentation of American foreign policy, both to our own citizens and to those in other nations, does not seem to me to be best served by either these types of individuals or these kinds of programs. The Administration's endorsement of the propaganda/information relayed by these agencies, which have as their stated purpose the representation of the people and policies of the United States in the most favorable light, seems inconsistent with President Carter's call for humility, an attitude glaringly lacking from our conduct of foreign policy in the past and consequently the more necessary in that of the future. As the President stated in his Statement to the World, "We will not seek to dominate nor dictate to others. As we Americans have concluded one chapter in our Nation's history and are beginning to work on another, we have, I believe, acquired a more mature perspective on the problems of the world.

It is a perspective which recognizes the fact that we alone do not have all the answers to the world's problems. I would hope that we have gained some degree of that humility over the course of these past turbulent years, at least enough to know that we must begin to curtail efforts which conceive as their purpose the rendering of our society as one which is impervious to error and free from fault.

If the objective of these programs, and the concern of the President, are the achievement of an accurate representation of the American people, may I suggest that this might be better accomplished by involving the American public, in a substantive fashion, in the formulation of those policies which will have direct and concrete effects upon the lives of those in other nations. Similarly, by a broadening and expansion of programs such as the Peace Corps, which implement the type of grass-roots, people-to-people approach encouraged by the Administration, our efforts are freed of the overtones of information manipulation which resonate throughout those programs under consideration here today.

To date, the President has made impressive steps toward forging bonds by breaking the linkage so carefully guarded by Secretary Vance's predecessor, and I applaud his human rights initiatives as positive means of fostering freedom and attaining increased international understanding. Along these same lines, it seems to me that the projected London Summit and subsequent North-South dialogue can be used as additional forums for effectively honoring these basic commitments and conveying a message by lending leadership to those efforts directed at redesigning the world's terms of trade, so that equitable and humane relations between nations may yet come to pass. These, Mr. Chairman, seem to me to be the appropriate means for achieving our ends—by concrete action instead of electronic persuasion, by forward-looking approaches rather than by throwbacks to a discredited past.

PREPARING FOR THE HELSINKI ASSESSMENT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. DRINAN. Mr. Speaker, one of the milestones in the continuing effort to secure international compliance with basic principles of human rights is the forthcoming conference in Belgrade to review the Helsinki Final Act. Representatives of the 35 nations which signed the Helsinki agreement on August 1, 1975, will gather in Belgrade on June 15 to set the agenda for the review conference itself, which will begin in mid-September.

We are all familiar with the failure of the Soviet Union to comply with the "Basket III" human rights provisions of the Helsinki Final Act. It is essential that we seize the opportunity provided by the Belgrade Conference to focus world attention on the Soviet Union's systematic denial of the most fundamental human rights to its citizens, particularly those of the Jewish faith who seek to emigrate to Israel.

In the April 11 issue of the New Leader Mr. William Korey, director of the International Council of the B'nai B'rith described the importance of the forthcoming conference in an article entitled "A Test in Belgrade: Preparing for the Helsinki Assessment." As Mr. Korey notes—

> Because the agreement carries no enforcement machinery, focusing public attention on persistent violators at the watchdog conferences provides the sole means of implementation.

I commend Mr. Korey's outstanding article to the attention of my colleagues:

A TEST IN BELGRADE: PREPARING FOR THE HELSINKI ASSESSMENT

(By William Korey)

When the Helsinki Final Act was adopted on August 1, 1975, dissenters in the USSR and many of their friends abroad despaired. The West, it was felt, had capitulated to Soviet demands for domination of Eastern Europe without extracting any compensatory benefits. Andrei Sinyavsky tells of weeping as he read the agreement, and his response was by no means atypical among participants in the Soviet democratic movement.

Yet the Helsinki declaration, through its Basket III provisions on human rights, has actually had the effect of kindling hope in the Soviet bloc; it has sparked demands for both emigration and greater freedom of expression. Even Sinyavsky, after reexamining the document, has come to the conclusion that it holds a great potential. But that potential can only be realized, he stresses, if the West vigorously presses Basket III items.

A crucial test of Western determination will come next June 15, when representatives of the 35 nations that signed the pact assemble in Belgrade. They will spend some six weeks preparing an agenda for the substantive review conference (probably on an ambassadorial level) that is scheduled to be held in Belgrade three months later and will examine what has happened since Helsinki. Because the agreement carries no enforcement machinery, focusing public attention on persistent violators at the watchdog conferences provides the sole means of implementation.

Moscow's sensitivity to the importance of the upcoming talks was already evidenced in the Soviet press last fall. An outpouring of articles, mainly in the weekly *Literaturnaya Gazeta* and the daily *Pravda,* boasted of the USSR's adherence to Helsinki's human rights provisions and criticized the West for failing to do likewise, as well as for its unfounded attacks on alleged Soviet noncompliance. And Chairman Leonid I. Brezhnev himself, at the October 25 plenum of the Communist Party Central Committee, insisted: "We are consistently carrying out those provisions of the Final Act adopted in Helsinki that concern the expansion of cultural and other ties and contacts among peoples, and the expansion of information exchanges."

But that fact is that the USSR has hardly changed its ways in any of these areas. Within two months of the Brezhnev statement, for example, the KGB closed down an academic symposium on Jewish culture after arresting its 13 organizers and confiscating the papers to be read. Earlier, the American intellectuals who were supposed to be participants had been refused visas.

Soviet abridgements of Helsinki obligations pertaining to the reunion of families have been equally egregious. The Final Act calls upon the signatories to "deal in a positive and humanitarian spirit with persons who wish to be reunited with members of their family," and to handle applications for exit visas "as expeditiously as possible." Nevertheless, the Soviet Union has continued to harass and intimidate would-be emigrants.

That the Kremlin is not prepared to meet the Helsinki test was made abundantly clear by the February 10 arrest of physicist Yuri Orlov, chairman of a small private group of Soviet citizens engaged in monitoring Soviet compliance with the agreement (see "The Road to My Arrest" by Yuri Orlov, NL, March 14). The authorities' determination to silence the committee is also believed to have been a major factor in the subsequent expulsion from the USSR of George Krimsky, the Russian-speaking Associated Press correspondent who had particularly close ties with Orlov and his associates.

Aware, however, that all their repressive and public relations efforts to head off a Basket III confrontation could prove to no avail, the Soviet leaders have simultaneously been preparing a detailed strategy for coping with the issue at Belgrade. Indeed, this was one of the principal items on the agenda when the Warsaw Pact powers met in Bucharest last November 25.

The overall objective of this planning, according to a Congressional study mission sent to Europe by the Commission on Security and Cooperation, is to minimize discussion of human rights at Belgrade and limit, if not eliminate, future review sessions. Soviet participants, the mission reports, will insist upon "the blandest possible nation-by-nation accounting" at the June meeting. They are expected to urge, too, that primary attention be shifted from Belgrade to a series of pan-European conferences proposed by Brezhnev on such matters as transport, energy, environment, disarmament, and economic cooperation.

Should these tactics fail, the Soviet delegation—to judge from recent articles in *Pravda* and *Izvestia*—will be prepared to take the offensive, accusing the United States and Western European countries of restrictive immigration policies. Documentation of alleged U.S. abuses in the treatment of racial minorities is also being accumulated.

The West, meanwhile, has yet to decide exactly how it will attempt to counter the Soviet maneuvers. The Congressional study mission found among the U.S. and its allies "only a limited consensus on what to expect and seek" from the Belgrade sessions. Detailed evaluations of the signatories' respective track records since Helsinki have not been prepared, and a definite approach to assuring future periodic review sessions—the lifeblood of the Helsinki agreement—has not been developed.

No one doubts the Administration's interest. Long before President Jimmy Carter took office, on November 15, he had said "consummation of the Helsinki agreement concerning human rights would be an ever-present consideration" in his thinking about Soviet-American relations. This commitment was soon demonstrated by the President's supportive letter of February 5 to Andrei Sakharov; by the State Department's denunciation of the Czech repression of "Charter 77" signers; by Secretary of State Cyrus Vance's February 24 testimony before a Senate committee that U.S. foreign aid to human-rights violators will be reduced.

And when Brezhnev warned last month that the American human rights thrust would undermine détente, Carter rebuffed his threats. The President stated the U.S. would not retreat from its advocacy of freedom even as it pursued the objectives of détente—arms limitation and the renewal of SALT talks.

Nonetheless, it is now essential to translate the Administration's concern into a precise plan of action for Belgrade. One step in this direction is being made by the Commission on Security and Cooperation, headed by Representative Dante Fascell (D.-Fla.). The 15-member advisory body—six from the House, six from the Senate and three from the Administration—is, through open meetings and extensive research, accumulating evidence of noncompliance by the Communist countries.

The Commission's most striking data has come from interviews with some 900 recent Soviet Jewish emigrants, which revealed the following: 60 percent were subjected to harassment as a direct result of applying for exit visas; one-third were fired from their jobs; two-thirds were maltreated by customs officials or border guards during their departure. (Still, those were the lucky ones. About 1,500 of their brethren have been repeatedly refused exit visas, in many cases since 1970.)

The critical questions are when and how the Commission's findings are to be used. Answers must be found soon by the policymakers in the State Department if Belgrade is not to be a fiasco, and if periodic review sessions for determining the effectiveness of Helsinki—no matter who might find this uncomfortable—are to be assured.

Upon signing the Helsinki Final Act, President Gerald Ford declared: "History will judge this Conference not by what we say today, but by what we do tomorrow—not by the promises we make, but by the promises we keep." The statement would appear to be an appropriate guideline for the American delegation to Belgrade—both as it prepares for the talks and as it sits around the conference table.

SOVIET UNION CONTINUES TO VIOLATE HUMAN RIGHTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. BIAGGI. Mr. Speaker, as we continue to focus attention on those nations which violate the human rights of their citizens, I present another case from the primary depriver of human rights, the Soviet Union.

Mr. Vladimire Lazaris has been trying to emigrate from the Soviet Union since July 1973. The Soviet Union's "excuse" for denying him this fundamental right is his knowledge of confidential information which he obtained while working as a patent attorney. Mr. Lazaris denies possession of any information which could be considered sensitive.

As a result, Vladimire Lazaris is unable to join his wife and 5-year-old retarded son who waits for him in Israel. The consequences of the Soviet Union's denial of emigration for Mr. Lazaris have been devastating to the Lazaris family. The Israeli physician attending the child feels the separation from his father has seriously hindered his development.

I personally spoke with Mrs. Lazaris during her recent visit to the United States. She feels the loss of family ties has become an unbearable strain on all concerned. I was most impressed with her direct and earnest plea for help. It is my hope the Lazaris' prayers will soon be answered and the family reunited. It represents the height of tragedy when political ideologies ravage family life. Rafael knows that he needs his father. He does not know what is meant by Soviet Jewry, discrimination, confidential information, or political conflict.

The right to emigrate is fundamental to a civilized society. Denial of this right, especially when it involves a family, is repugnant to a civilized society.

Cases such as the Lazaris prove further that the deprivations of human rights continue in the Soviet Union. It provides us with the incentive to continue to speak out against these practices and work for their early end. I urge my colleagues to join with me on behalf of the Lazaris family by contacting Soviet authorities to allow Mr. Lazaris to emigrate as he wishes.

I respectfully submit for the RECORD an article from the Daily News of Wednesday, March 23, 1977, by Peter McLaughlin, about the tragic plight of the Lazaris family:

SHE PLEADS FOR HER MATE, WHO IS TRAPPED IN RUSSIA

(By Peter McLaughlin)

Esther Lazaris looks longingly at the pictures of her husband, Vladimir, trapped in their native Russia, and of her 5-year-old son, Raphael, suffering from cerebral palsy, who awaits her return home to Israel.

She hopes and prays that someone will listen to her plight, that someone will care and perhaps help.

"If the people in the United States care, they can do anything," she says. "I want to talk to congressmen, businessmen, the people—anyone who can help to get my husband out of Russia. My son needs him. He doesn't understand why his father is not with us. I need him."

NEEDED PARENTS' OK

She told of her husband's plight in the Manhattan offices of the New York Conference on Soviet Jewry, which arranged for her trip to New York.

"We decided to emigrate to Israel, and we made plans to leave in 1973," the soft-spoken woman explained. "My husband couldn't get his parents' permission to leave. No matter what your age, you have to have your parents' permission before the authorities will let you leave.

"We talked very hard and long about it, and we decided I must leave with our son. We felt that Jews must live in their own homeland, Israel. He thought his parents would relent and that we would be together in six months or a year, so that we could suffer for that time."

Vladimir was right. His parents relented and gave him permission to leave. "When he wrote and told me he had permission," Esther said, "I was overjoyed and happy. I felt our separation would soon be over. It was really the beginning our our suffering."

Three months after Vladimir applied, Soviet authorities told him he was being refused because he had knowledge of state secrets. Soon after, he was thrown out of his job as a patent lawyer. He was refused again in 1975, this time without an explanation.

"It's absolutely untrue that my husband knew any state secrets," she said. "There is no logical reason for the Soviet authorities to make these accusations and refuse my husband the right to leave. If I would know why they're keeping him at least I could understand.

"The years pass like days and we are still not together, Esther said. "It's hard for me. I don't know what will happen to my child. I don't know what will happen to my husband. We must be together. Raphael needs his father. I need my husband. I'm crying for help."

PHILADELPHIA MARKS ARBOR DAY WITH PLANTING OF 10,000TH TREE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. EILBERG. Mr. Speaker, culminating one of Philadelphia's most important Bicentennial projects, Mayor Frank L. Rizzo has joined in the ceremonial planting of a flowering white dogwood as the final tree in the Pennsylvania Horticultural Society's "10,000 Trees Program."

The 10,000th tree planting was the focus of Philadelphia's celebration of Arbor Day 1977—an annual occasion that calls attention to the many benefits derived from trees.

Mayor Rizzo also launched the "10,000 Trees Program" in December 1973, when he planted the first sapling in Penn Treaty Park.

Mayor Rizzo joined Mrs. Ernesta Ballard, president of the Pennsylvania Horticultural Society; C. Stuart Brown, chairman of the "10,000 Trees Program" for the society; and Robert C. McConnell, director of Fairmount Park, in placing the 10,000th tree near the Japanese Tea House and Garden in Fairmount Park.

The "10,000 Trees Program" was jointly sponsored by the city of Philadelphia, the Pennsylvania Horticultural Society, Philadelphia '76, Inc., and the Fairmount Park Commission.

Attending the ceremonies were 40 eighth-grade students from the Austin Meehan Middle School, representing all of the elementary and secondary school students throughout the city who contributed pennies, nickels, and dimes to take part in this project. The Meehan School was one of the largest contributors, raising approximately $400 to plant a "Children's Forest" in Pennypack Park across from the school.

During the ceremony, Park Director McConnell gave the mayor a plaque and a flag from the National Arbor Day Foundation of Nebraska City, Nebr., naming Philadelphia as "Tree City, U.S.A." for its parks and street tree planting and maintenance programs over the years.

Since the days of William Penn and his plan for a "green countrie towne," Philadelphia has been in the forefront of all major cities in the planting, care, and maintenance of trees. Mayor Rizzo has encouraged tree planting and maintenance programs, both public and private, through the city's own capital budget program and through Federal and privately funded programs.

A TRIBUTE TO A. DEAN ORR

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. DENT. Mr. Speaker, I rise today to pay tribute to an outstanding citizen and devoted public servant: A. Dean Orr of Vandergrift, Pa. For nearly two generations Dean Orr has contributed his time and considerable talents to making his country, State and community a better place to live.

At a time of crisis in 1942 he volunteered to serve in the U.S. Army Medical Corps and spent 3 years at war. He landed at Normandy on D-Day and received the Silver Star for heroism. In 1956 Dean was appointed the director of the district sales tax office in Greensburg, Pa., and in 1958 he was elected to the post of tax collector for his hometown of Vandergrift, a position which he still holds.

For over a quarter century Dean Orr has served his community and undertaken many worthy civil causes. Just recently his untiring and ceaseless efforts resulted in the planning and development of the Worthmoreland Park, a recreational facility that will serve the people of Westmoreland County, Pa., for years to come. This park is a fitting and living tribute to a man who has given so much for the well-being of others.

A. Dean Orr is a close personal friend and I know him to be a first rate community leader. His civic contributions have been recognized by a grateful community which has named him Vandergrift's "Citizen of the Year." In addition, the Westmoreland Board of County Commissioners has designated May 12, 1977 as "A. Dean Orr Day" in recognition of a lifetime of public and community service.

Mr. Speaker, Dean Orr justly deserves the thanks of his country and community and he richly merits recognition by this House. On behalf of the U.S. House of Representatives and the citizens of Westmoreland County therefore, it gives me a great deal of personal pleasure to pay tribute to a heroic American, dedicated public servant, and devoted community leader—A. Dean Orr of Vandergrift, Pa.

SOCIETY BIGGEST DEAF BARRIER

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. HARKIN. Mr. Speaker, a recent article in the Council Bluffs Nonpariel, by Charles Bisbee, entitled, "Society Biggest Deaf Barrier," is an excellent article outlining the problems that our deaf citizens have in coping in our society.

I am very proud of the Iowa School for the Deaf which is located in Council Bluffs and which has been educating our deaf citizens for over 100 years in the State of Iowa. There is much that we, the hearing, must learn about the capabilities and desires of our deaf citizens. I believe that the article by Charles Bisbee certainly points out some of the more important features that we should understand about what it is like to be deaf in our society. The article follows:

SOCIETY BIGGEST DEAF BARRIER

(By Charles Bisbee)

You don't hear the police siren as it races down the street behind your car.

It's not because the car windows are rolled up and the radio is on and the heating or air conditioning runs full blast. You just can't hear the siren.

The telephone rings while you're sitting next to it, but you don't hear the ring.

The judge asks for your plea to the charge, and you don't understand.

You haven't been thrust into a complex, futuristic society. This is your everyday world, a "barrier of communication" with society you simply accept. You're one of the 184,000 Iowans who are deaf.

Yet deafness is not a handicap.

"On the contrary," said Dr. C. Joseph Giangreco, superintendent of the Iowa School for the Deaf. "Deaf people get along very well in society. They're teachers, ministers, printers. They work in banks. They work with computers. They do everything everyone else does."

Except hear the sounds of that society. So society "has to give them a break," Dr. Giangreco said.

Preparing a deaf person for society is the job of ISD. Funded by state appropriations, the 122-year-old school provides a K–12 education for deaf children. The 354 children enrolled this year will receive an education comparable to that of any other public system in Iowa.

The children are taught English, mathematics, physical education, industrial arts and sign language.

When the student graduates, Dr. Giangreco said, they are ready to compete in society.

But is society ready to accept them?

Dr. Giangreco believes society is, at least in the Council Bluffs-Omaha area.

Because of the school's location, Council Bluffs is perhaps more aware of deaf people than other areas of the state.

"We have to pat Council Bluffs on the back. The city has opened its heart to the deaf." School graduates have good employment prospects in both Council Bluffs and Omaha, said Giangreco.

But Joe Myklebust, president of the Iowa Association of the Deaf, believes there is job discrimination against deaf people. Many employers won't hire deaf persons because "they're afraid of the lack of ability to communicate."

Deaf people would have more success in finding work, he suggested, if they could take an interpreter to job interviews.

Myklebust added, however, that while most deaf people do work—"there's very, very few on welfare"—they are usually "underemployed."

Deaf people are frequently passed over for promotions and are not "given opportunities equal to those given hearing persons," he said, "There's that communications barrier."

Myklebust worked 35 years as a printer. He now teaches a course in career education to deaf people at Iowa Western Community College. For recreation, he participates in the college's golf league.

Although he's the only deaf instructor on the faculty, Myklebust says he "gets along all right with the hearing people." Communication between deaf and hearing persons is a "two-way street," he believes, with both groups needing to put forth effort.

Overcoming that barrier is one of the purposes of the Iowa Association of the Deaf.

The West, meanwhile, has yet to decide The group, which charges dues of $1.50 a year, holds convention every two years. The next convention is scheduled for June 23–26 at Lake Okoboji.

Another purpose of the association is to watch national and state legislation pertinent to deaf people.

Myklebust said the association is currently watching proposals before the Iowa Legislature that would transfer governance of ISD from the Board of Regents to the Iowa Department of Public Instruction, and another proposal mandating the state to provide courtroom interpreters for deaf people.

Deaf persons have difficulty getting a fair trial, Myklebust said, because there is little communication between a deaf defendant or plaintiff and the opposing attorney. "And there's no law right now saying the court has to provide an interpreter."

Dr. Giangreco is also watching the proposal for courtroom interpreters.

"Deaf people should have the same rights as everyone else, but our biggest concern is that our (the school's) role is unclear. There's a misunderstanding by federal and state legislators on what it's like to be deaf."

Recent federal legislation encouraging all children to attend public schools may be disastrous for deaf children, Dr. Giangreco feels.

"A hearing five-year-old child begins school with a vocabulary of 7,000 words. Here, they start with nothing. I hope a generation of deaf children aren't destroyed while we're experimenting with education.

"If a child is hard-of-hearing," Dr. Giangreco continued "he should be in the public schools. If he's deaf he should be here."

Dr. Giangreco has worked with deaf children for 25 years. He believes that while there is greater acceptance of deaf people by the community now than 25 years ago, society has "ignorance" of the deaf and their problems.

"I wouldn't call it prejudice," he explained. "Twenty-five years ago sign language was a dirty word. But people are ignorant of the deaf. Insurance companies are ignorant. They force higher premiums on deaf people just because they're deaf."

High insurance rates are cited by employers who don't like to hire the deaf, Myklebust said, and much more improvement of communications needs to be done.

"People need to become aware of what deaf people are doing and what they can do—given the chance."

The rate of deafness in the general population runs between one and two per cent, Giangreco said.

"That's a constant. But if society meets them half-way, then there's no problem."

THE BICENTENNIAL REVOLUTION

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. MARTIN. Mr. Speaker, in an attempt to encourage young people, who will become the leaders of tomorrow, to devote their best thinking to the critical choices the United States must make as it enters the third hundred years of its history, I have sponsored an essay contest. Juniors and seniors in both public and private high schools from Iredell, Lincoln, and Mecklenburg Counties, which comprise the Ninth Congressional District of North Carolina, were invited to participate.

The essays were to be based on reflective thought on the purpose of the bicentennial and what has been accomplished by the United States during that time and how the celebration and the national awareness it raised can help guide the American future.

We often fail to utilize the ideas of students, who are frequently the source of refreshing and valid opinion on problems that trouble our society. It is important that we listen to the ideas of our youth.

With these thoughts in mind, I want to call to your attention an essay written by Kathy O'Neill, a student at Charlotte Catholic High School, Charlotte. N.C:

THE BICENTENNIAL REVOLUTION

(By Kathy O'Neill)

Thesis: The word "American" has always been synonymous with the word ingenuity—new ideas in a new nation. Even now, two hundred years after the birth of this country, the creativity of the people in this country is known throughout the world.

A child in a nursery plays with a set of multi-colored building blocks. He models a tall tower, and perhaps many other things before his attention is caught by another toy. Later, another child finds the tower and adds more blocks to it, making it more sturdy and colorful. Yet another imaginative youngster joins in the game and builds a row cf miniature towers almost exactly like the first.

The people who first came to live in America in the seventeenth century were very much like the children in the nursery. They were inventors; not because they wanted to be, but because their survival in the New World depended on their ingenuity.

They were of a unique breed, these people who sought freedom in America. Each one of them had a different reason for uprooting their families and traveling across the Atlantic. Whatever their purposes, the pilgrims were driven to come to America by their own feelings. They were very much open to new ways of life, and took advantage of the things that this land had to offer them. It is a well known fact that the Indians introduced new foods to the pilgrims, and helped them adapt to the wilderness. The settlers themselves were a creative group, and through their primitive inventions and the more sophisticated ones of their descendants, this country became a leading industrial power of the world.

In the late eighteenth century, the Industrial Revolution began in the United States. An Englishman by the name of Samuel Slater memorized the plans for cotton spinning and weaving machines that were invented in Britain. Knowing that he was not allowed to take any plans out of the country, he ran a big risk to share his plans with inventors in this country. Other people expanded on the ideas he brought, and the American factory system was born. Our government was very anxious to encourage inventors, and began to issue patents to them. They were given exclusive rights to their ideas for a period up to fourteen years.

The "tower of blocks" had been built and its structure improved. Mass production became commonplace, as the number of towers was increased.

It is interesting to think of this country's inventiveness as occurring in cycles, or stages. The pilgrims began with learning new concepts in the age old question of survival. The people during the Industrial Revolution gave us the second phase of invention.

And we are now entering the third phase of invention. In the past few decades we have taught man to fly, and just years later we flew him to the moon. Fifty years ago the typical calculator was the size of a large room. Now they are small enough to fit in one's pocket. The same acre of wheat or corn which fed only a few people a couple of years ago now feeds many more.

At this time in the history of this country, we are again "improving the structure" of the child's tower. We have made many important discoveries recently; it is now our job to expand upon our discoveries. The bicentennial is a celebration and a birthday party. But even more importantly, it is an event that shows that the American spirit of ingenuity is continuing, and that the tower will never crumble.

RAY L. PETERSON, SR.

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. MOORHEAD of California. Mr. Speaker, in Bishop, Calif., on May 14, a friend of mine, Mr. Ray L. Peterson, Sr., will be honored by the Rotary Clubs of their 526th District upon his retirement as district governor. I know my colleagues join me in saying a hearty "well done" to Ray as he is demoted by his fellow Rotarians.

Ray has been a member of Rotary since 1951 and has served in many special places of leadership, including both president—1956–57, 1957–58, 1959—and secretary—1953–54, 1954–56. He is a firm believer in Rotary principles and has worked hard to make the program successful in the San Fernando Valley area as well as to enlist others in it. In fact, he was local Rotary information chairman for 9 years, district Rotary information chairman 2 years, and served 7 years on a team which presented a special Rotary information program to the clubs in the district.

Ray's business is insurance. He and Doris Jean have two married sons and four grandchildren. Although born in Nebraska, he has deep roots in southern California. He is a graduate of USC at Berkeley.

When Ray is not busy with Rotary activities, one can always find him engaged in some other useful community project. There is a long list in which he has taken part already, among them: The two times he served as chairman of the YMCA fund drive in Sun Valley, the 6 years he was civil defense chairman, and the time he spent as a member of the mayor's advisory committee.

Now that he has completed his duties as Rotary International's district governor, I feel sure he will be involved in other activities which will be helpful to his fellow Sun Valley residents. I wish him well.

FIFTY-FIVE-MILES-PER-HOUR SPEED LIMIT

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. HOWARD. Mr. Speaker, from time to time I receive grumblings concerning the 55-miles-per-hour speed limit. In the past I have replied to those grumblings with convincing statistics that support the wisdom of this House in enacting the provision that resulted in a 55-miles-per-hour speed limit; those statistics reflect the tremendous saving of life and limb and the extensive energy conservation resulting from the reduced speed.

In the May 1977 issue of Better Homes and Gardens is an article by Mr. Michael P. Scott entitled, "Epilepsy: An update on treating brain disorders that can afflict anyone—anytime." The article is an excellent review of epilepsy, its causes, symptoms, treatment and effect. For that reason alone I would ask all my colleagues to read it.

I doubly ask them to read it because of the added insight it affords of a wonderful impact of the 55-miles-per-hour speed limit that none of us had envisioned. The article notes that automobile accidents are a major cause of epilepsy and that:

> The 55-miles-per-hour speed limit has proved to be the single most effective preventive for new cases of epilepsy because it has reduced the number of head trauma injuries resulting from automobile accidents.

I hope that after reading the article and noting that "190,000 Americans still sustain seizure-producing head injuries each year from automobile accidents alone," that there will be less grumbling about the 55-miles-per-hour speed limit and more recognition of the immeasurable contributions it is making to the well-being of our people.

EPILEPSY: AN UPDATE ON TREATING BRAIN DISORDERS THAT CAN AFFLICT ANYONE—ANYTIME

(By Michael P. Scott)

There are five simple bits of information that would greatly improve the understanding and even the prevention of epilepsy if only more Americans knew them:

Anyone, at any time, can be afflicted by epilepsy.

Epilepsy is not one condition, but many.

Epilepsy is not a disease; it's a symptom of a brain disorder.

Automobile accidents are a major cause of epilepsy.

A majority of those afflicted are successfully treated.

Just look at the Epilepsy Foundation of America's (EFA) 1977 poster child, Suzy Berge, above. According to her father, epilepsy means nothing more to a 12-year-old Suzy than taking three pills a day. Suzy's a trouper in the truest sense of the word. Her first seizure occurred only a short time before she was to appear in a gymnastics recital. With professional aplomb, she appeared and *then* went to see a doctor. Suzy symbolizes the hopeful side of epilepsy—the medical and drug control of severe seizure-producing disorders.

Unfortunately, there's a darker side of epilepsy. Some of its victims describe their lives as "living with a time bomb. You walk around knowing that any minute it might go off. You never know when or where, only that it will be at some particularly inappropriate time or place."

Epilepsy research is progressing at a rapid pace and although a cure remains elusive, effective treatment is readily available. But the attitudes most of us have about persons with epilepsy are slow to change.

Here, then, is a guide to these serious brain disorders that may afflict as many as 4 million Americans.

WHAT IS EPILEPSY?

Every breath you take, every blink of your eyes is controlled by electrochemical energy impulses from brain cells called *neurons*. Normally, these impulses "turn off" after obeying their specific command. When they don't turn off, the body reacts by twitching or jerking, and the person may lose consciousness. These erratic physical and mental activities are called seizures.

High temperature, infection, head injury, or alcohol or drug abuse can cause a single seizure in anyone. But when seizures happen repeatedly, a person is said to have epilepsy.

WHAT ARE THE MOST COMMON EPILEPSIES?

One of the most confusing aspects of epilepsy is the terminology used to describe it. In 1969 the International League Against Epilepsy reclassified the disorders.

Once the seizures were known only as grand mal (big sickness), petit mal (little sickness), psychomotor or temporal lobe, and focal. Today there are as many as 20 different seizure types, and the experts now refer to seizure-producing brain disorders as *"the epilepsies."*

Epileptic seizures may be classified according to the part of the brain they affect or, to some extent, to the victim's reactions.

Partial and generalized seizures are two broad categories that describe how extensive the erratic electrochemical brain discharges are.

Simple partial seizures are confined to only one part of the brain. Depending on which part of the brain is involved, the victim's hands or feet may tingle or jerk convulsively, or he may see a flashing light in his field of vision, or speak nonsense, feel dizzy, or experience unusual or unpleasant sounds, smells, or tastes. Usually he remains conscious.

Complex partial seizures manifest themselves in inappropriate actions. The victim may hear inexplicable noises or see things that are not there, appear to be in a dreamy state, remain motionless, or move automatically but purposelessly—repeatedly picking at his clothes, for instance.

Generalized convulsive seizures are the stereotyped epileptic seizure. In one kind—a tonic-clonic seizure (formerly grand mal)—the disturbed electrical impulses involve the entire brain. As a seizure begins, the victim may utter a peculiar gutteral cry, then stiffen and lose consciousness. If standing, the victim will fall. His rigidity gives way to quivering and jerking, and may progress to wild thrashing movements. He may lose control of his bowels and bladder, foam at the mouth, and turn blue. The final stage of the attack is a deep stupor that may last for several minutes and is followed by a long period of deep sleep.

Generalized nonconvulsive seizures include the former petit mal, which is now called an absence seizure. It usualy afflicts children under age 14 and is characterized by five- to 15-second lapses of consciousness. During the absence seizure, the child may appear to be in a dreamlike state, unaware of the momentary attack. Repeated eye blinking, about three blinks per second, is another characteristic. Some children are able to continue whatever activity they are engaged in during an absence attack—riding a bicycle, for instance. Most children are completely unaware they are having an attack and continue with their activities after it is over. Because absence seizures are commonly mistaken for daydreaming, they often go undiagnosed.

Febrile, or fever, seizures affect youngsters under the age of three and are not necessarily epileptic seizures. As the name implies, the seizures are caused by high body temperatures that affect the youngsters' immature nervous systems. Only when a child continues to have seizures without fever after the age of three or four can he be diagnosed as having an epilepsy.

There are many seizure patterns: Some may start as partial an progress to generalized, and some persons with epilepsy may have more than one type of seizure. But usually, no pattern can be found to the events that bring on an epileptic seizure. A seizure can be precipitated by many causes including bright or flickering lights, sleep deprivation, loud music or a sudden noise, tension, fatigue, and hyperventilation (rapid, heavy breathing while at rest).

Some persons with epilepsy are able to predict the onset of a seizure. The warning sign, called an *aura*, may be a tingling sensation, a buzzing noise, or just a "funny feeling," in the head, stomach, or chest.

Usually seizures last only a few minutes, but in some cases they follow each other so closely that they appear to be continuous. This condition (status epilepticus) places a severe strain on the respiratory system and can eventually cause death if not stopped by emergency medical treatment.

WHAT CAUSES EPILEPSY?

There is no single answer. Among the causes are unusual birth trauma, drug or alcohol abuse, fever, infectious diseases, brain tumors, abscesses, and congenital brain malformations. In the elderly, poor blood circulation in the brain is often a cause. Anything that is potentially harmful to the brain is a potential cause of epilepsy.

Most Americans ignore the increasingly significant role head injuries play in causing epilepsy. Although the 55-mile-per-hour speed limit has reduced the number of head injuries caused by automobile accidents, the EFA says 190,000 Americans still sustain seizure-producing head injuries each year from automobile accidents alone. These 190,000 will have one or more seizures within three years of the accident. Almost 50,000 will develop persistent seizures that tend to resist therapy. The Foundation recommends the use of protective headgear for motorcyclists, snowmobilers, and football and hockey players.

Heredity plays some role in the epilepsies, although it appears that what is inherited is not the condition itself but a tendency to be susceptible to seizures, or more vulnerable to the types of injury that produce epilepsy. Epilepsy is *not* contagious, and while it predominantly afflicts young people, it can afflict anyone regardless of age.

HOW ARE SEIZURES DIAGNOSED?

The electroencephalograph (EEG), a machine that records the brain's electrical activity, is a major diagnostic tool. EEG tracings help scientists learn where an epileptic discharge begins, where it spreads, its intensity, duration, and time of occurrence.

Variations on the EEG—remote control and portable devices that permit 24-hour EEG tracings to be recorded—are also being used. Computerized axial tomographic scanners (CAT scanners) employ sophisticated X-ray techniques to make detailed images of the interior of the brain. The effectiveness of the CAT scanner is still being studied, but researchers hope it will help them pinpoint brain damage that causes seizures.

Video monitoring is a technique in use at the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS) and other major epilepsy research centers. Three television cameras transmit pictures of the epileptic patient's face, his entire body, and his EEG tracing. The three images are projected on a television screen (using a "split-screen" technique) and recorded. When the recording is played back, scientists are able to see facial and bodily reactions accompanying an epileptic seizure along with the EEG tracing. Video monitoring helped refine the classification of seizures and also uncovered some misdiagnosed epilepsies that were later correctly treated.

Teachers often are the first to detect *absence* seizures in children because parents often misinterpret the seizures as daydreaming.

HOW IS EPILEPSY TREATED?

Drug therapy is the most common and effective treatment for epilepsy. The reclassification of seizures has made it easier for physicians to treat specific seizure disorders with specific drugs or drug combinations. About 80 percent of the seizure disorders can be wholly or partially controlled by drug therapy.

Most seizures are kept under control by using one or more of 15 commonly prescribed anti-convulsant medications. Two very common drugs in use today are *phenobarbital* and *phenytoin* (commonly prescribed under its trade name, Dilantin). Two drugs recently approved for use in epilepsy—*carbamazepine* (Tegretol) and *clonazepam* (Clonopin)—are being used with success for patients who were not able to tolerate or who did not respond to other drug therapies.

Determining the "ideal" drug therapy (one that stops the seizures within minimum side effects) requires careful analysis of the amount of the various drugs in the patient's blood. To do this, physicians use highly sophisticated laboratory procedures, such as *Gas-Liquid Chromatography* (*GLC*), which measures even minute amounts of drugs in the bloodstream. The Epilepsy Foundation has promoted the use of GLC testing in hospitals across the country and supports the training of technicians to operate the complex equipment. A newer testing method called EMIT measures drug concentrations in saliva.

The sophisticated testing devices have revealed a surprising and perhaps tragic fact: Some persons whose epilepsy could be controlled by drugs do not always take their seizure-controlling medications regularly. Some are simply forgetful, others try to lower drug costs by taking less medication or taking it only when they sense an impending seizure. To effectively treat epilepsy, drugs must be taken exactly as prescribed by the patient's doctor.

Because the cost of anti-convulsant drugs is prohibitive for many people, the EFA has begun a nationwide low-cost prescription service. It is expected that the service could save persons with epilepsy millions of dollars a year in drug costs. (Details on the service are available from any EFA local chapter or from the Foundation's headquarters, 1828 L Street, N.W., Washington, D.C. 20036.)

Surgery is sometimes used as a treatment where the epilepsy is caused by a brain lesion that can be reached and removed without impairing other brain functions.

WHAT IS BEING DONE TO PREVENT EPILEPSY?

The 55-mile-per-hour speed limit has proved to be the single most effective preventive for new cases of epilepsy because it has reduced the number of head trauma injuries resulting from automobile accidents.

NINCDS is sponsoring research into the effectiveness of anti-convulsant drugs at centers across the United States; a screening project under NINCDS sponsorship is providing continuing analysis of the anti-convulsant properties of new chemical compounds; the Epilepsy Foundation is sponsoring a quality control program to assess the uniformity and accuracy of the various laboratory procedures used to determine drug levels in the bloodstream; and NINCDS is collecting data on 50,000 mothers and their children to determine the histories of many neurologic disorders, including epilepsy. The study has already shown that children who experience complex or abnormally long febrile seizures are more likely to develop a subsequent epilepsy.

The national Commission for the Control of Epilepsy and Its Consequences will present the results of its yearlong study this July. The report is expected to cover not only the status of epilepsy but how society is dealing with it.

WHAT ARE THE SOCIAL CONSEQUENCES OF EPILEPSY?

In the past, persons with epilepsy have been discriminated against by employers, insurance companies, schools, driver's license agencies—even by county officials who issue marriage licenses.

Today, the situation is improving. Many states now permit the person with epilepsy to obtain a driver's license provided he has a doctor's certificate stating he has been seizure-free for a period of time, usually one or two years.

The Epilepsy Foundation has formed a national group life insurance plan that provides up to $25,000 coverage for persons with epilepsy and their families.

There still are some state laws that cry out for change. Among these are laws that permit parents to "give back" an adopted child who is found to have epilepsy, require physicians to report patients with epilepsy to state agencies, and allow the involuntary sterilization of persons with epilepsy.

The Epilepsy Foundation is working closely with self-help groups across the country as they deal with local bar associations and legislatures in an attempt to change discriminatory laws.

Of all the myths about epilepsy, the most damaging is the one that equates it with mental retardation. The fact is that persons with epilepsy are of at least normal intelligence unless their seizures are caused by a brain injury which in itself impairs intelligence.

Behavioral disturbances are more common in persons with epilepsy than in the general population, but EFA says that fact shouldn't come as a surprise. We'd all develop personality problems if we were continually shunned, shut out of the job market, or prevented—by law or custom—from doing as others do.

Finding a job—and then keeping it—is a major problem for many persons with epilepsy. As many as 25 percent of those whose seizures are controlled by drugs are estimated to be chronically unemployed.

The EFA has begun a placement service for young persons with epilepsy in five major cities. TAPS (training and placement service) hopes to break the cycle of application and rejection that plagues young persons with epilepsy who are seeking first time employment.

The military still excludes persons with epilepsy, mostly because they may be beyond the reach of medical attention rather than because of the condition itself.

A Los Angeles nonprofit corporation, Epi-Hab, specializes in on-the-job training, employment counseling, placement, and technical instruction for persons with epilepsy. Epi-Hab's director, Dr. Frank Risch, says productivity in the corporation's workshops often exceeds that of competing firms. Seizures and accidents have not affected the company's workmen's compensation insurance rates. (Epi-Habs are also located in Phoenix, Arizona, and Evansville, Indiana.)

The biggest hurdle a person with epilepsy faces when seeking employment is the prospective employer's misconceptions. Many employers think that persons with epilepsy will disrupt the normal office or plant routine.

In fact, those persons with drug-controlled epilepsy have better safety, production, and attendance records than their fellow workers.

Federal legislation now prevents employers who do business with the government or who accept federal grants from refusing to hire qualified persons with epilepsy purely on the basis of their illness.

With only a few restrictions, persons with epilepsy can lead normal lives. The American Medical Association recently agreed with the Epilepsy Foundation that youngsters with epilepsy should not necessarily be barred from contact sports. Specialists emphasize that where possible, children should not be overprotected but should be allowed, instead, a normal childhood. As one British spokesman put it: "If a child with epilepsy wants to climb a tree, he should climb that tree. Which is worse—a broken leg or a broken heart?"

FIRST AID FOR A MAJOR SEIZURE

Here are some things you can do if someone you know has a major epileptic seizure.

Before the seizure

Help him lie down.
Remove his glasses and/or false teeth.
Loosen tight clothing.
Place a pillow or coat under his head.

During the seizure

Do not force anything into his mouth.
Do not restrain his movements.

Move any hard or sharp objects out of the way.

Stay with him and observe his activities.

After the seizure

Turn the person on his side to allow saliva to drain out of his mouth.

Do not give him anything to drink until he is fully awake.

When to call for emergency help

If the person does not start breathing after the seizure.

If the person has one seizure after another.
If the person injures himself.

Some things to remember

You can not stop a seizure once it has begun.

It is not necessary to restrain someone having a seizure.

Most persons suffering from a seizure have difficulty breathing.

Unconsciousness may continue as long as 15 minutes.

The person may awake confused and sleepy.

LIGHTS OFF IN TIMES SQUARE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. DORNAN. Mr. Speaker, recent revelations concerning the depiction of infants and children engaged in sex acts with adults in current pornographic magazines and films have sickened millions of Americans and made them realize how far the pornographers will go to appeal to the perverse appetites of their customers. How long are we going to put up with this?

Recent events have also proved that the porno plague is not only a serious moral problem—but an economic disaster, as epitomized by the decline and fall of the once majestic Times Square. The "Great White Way" has deteriorated from one of this Nation's prime tourist attractions to a garish red-light district of pornography, prostitution, sleazy massage parlors, crime, and pollution.

An article in the Los Angeles Times on Friday, April 29, 1977, tells of the method one morally outraged New York citizen—Mr. Alex Parker—has employed to protest "the filth, the sickness and crime" of Times Square. Hopefully, his courageous action will inspire business leaders in all communities where pornographers have gained a foothold to speak out. I commend Mr. Parker and request that the complete article be entered in the RECORD as follows:

LIGHTS OFF IN TIMES SQUARE—THIS IS A STORY WITHOUT A HEADLINE

(By Charles T. Powers)

NEW YORK.—Times Square pulls itself out of the gutter slowly in the morning coughing and spitting, patting itself down for a crumpled smoke, slurry eyes blinking for a belt to get the blood flowing.

From a perch in one of the windows of Alex Parker's building at 42nd St. and Broadway, an intersection that both Parker and the neighborhood pornographers like to refer to the "the crossroads of the world," an observer can mark the transition from dark to dawn as much by the arrival of the day-shift girls at the $10 "encounter studios" as by the light in the sky.

Times Square doesn't stop. In the morning, it merely slows down for a while. By the time the rush-hour subways are roaring just beneath the streets into the busiest underground railroad station on earth, the dope dealers are lined up on 42nd under the marquees of the all-night skin flicks (where the grinding projectors never stops, short of breakdown), selling their stuff at cut rates for the reduced morning traffic.

"Good smoke here. Loose joints. THC and acid."

"Black beauties. Got black beauties."

Alex Parker had seen it too long. He thought about it, and he made a decision. He would shut off his lights.

Parker is a 57-year-old builder and developer, and a man of quixotic notions. He is the current owner of the triangular building that started out, in 1904, as the home of the New York Times and which for 50 years—"since Hoover beat Al Smith," as Parker likes to say—has flashed world news headlines in a band of running lights that circle three stories above the streets.

Thursday, in protest of what he called "the filth, the sickness and crimes" of Times Square, Parker turned off his famous sign.

He will keep it off, he vows, until he has 100,000 signatures on a petition demanding that the city's politicians do something about cleaning up "the heart of the world's greatest city."

"If it takes until next year," he said, "so be it."

Parker's plan is to heave the signatures before the city fathers, in the hope of forcing them to face the hag they fear most, rejection at the ballot box.

That's all well and good, it was pointed out to Parker, but if the flesh peddlers of Times Square feared negative results at the ballot box, they would have been gone long ago.

It is hard to find a politician in New York who favors pornography, pimping, prostitution and drug-dealing. What nourishes what is known as "porno world" here has more to do with the city's laws, its undermanned police department and its overworked court system.

Times Square has been no stranger to crackdowns and cleanups in the past, particularly in the last five years.

A couple of weeks ago, Mayor Abraham D. Beame, warming up for what everyone supposes will be a reelection campaign announcement, took a tour of the porno joints, including "bottomless bars" that police had raided a day or two before.

"I think it's an outrage," said the mayor, blinking into the television lights of a press corps that had been well recruited, "that the courts should allow this to happen."

Many New Yorkers avoid Times Square altogether if they can. It is a river of human traffic, congested sidewalks, hucksters, hustlers, boxtop cardsharps, tourists, wanderers, the homeless, the helpless and the tragic.

Within its fist of knotted streets, one can observe the cream of the country's drama. And yet, half a block away from the front door of any theater, there is available—presumably for reduced rates—any sex act known to man. And the drug, on the way, to help you enjoy it.

At the corner of 43rd and Broadway, at 11:20 a.m. Thursday, Alex Parker stood, his tie knotted just so, waiting for the lights to go out.

"I got 11:29 and 20 seconds, Mr. Parker," said a photographer. Passersby stopped.

"Whoozat?" they demanded.

"Just some nut," somebody said.

The lights went off, maybe a few seconds early, too early for the gathered newsmen to catch the last headline to pass the lights.

Down the street, between 11:37 and 11:39, two men entered a place called "The Dating Room" at 251 W. 42nd St. According to the sign on the door, their satisfaction would be guaranteed. Parker's building with its sign, was just half a block away, and unless you know what to look for, you would never know anything was missing.

GRAIN RESERVES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. RICHMOND. Mr. Speaker, the development of a domestic grain reserve designed to lend stability to domestic and international grain prices and to establish an emergency supply of grain for possible disasters as well as the need to commit this Nation to a campaign to eliminate hunger and malnutrition throughout the world was a focus of an important seminar sponsored by the Bread for the World this weekend in my congressional district.

I would like to call to the attention of my colleagues the resolution which they adopted:

Whereas, on May 1, 1977 50 concerned citizens were called together by Bread for the World in Brooklyn to discuss the creation of a domestic grain reserve and its implications on world hunger; and

Whereas, it has been demonstrated that there are inadequate world grain reserves and draught and other causes have rendered grain production unstable which drives up prices and forces poorer countries out of the world grain market; and

Whereas, it has been demonstrated that when adequate world grain reserves are maintained, price fluctuations are minimized even in times of small harvest; and

Whereas, the United States, Canada and other large grain producers, through climatic and other circumstance may themselves experience shortage;

Therefore be it resolved: That we call upon the House Agriculture Committee and the Congress to ratify and approve the Weaver Amendments to the 1977 Farm Bill creating a 35 million ton domestic grain reserve which would include a 10 million ton emergency reserve.

Robert Holliday, 71 Pierrepont, St.; Bernice Hudson, 24 Bay Bridge Parkway, 11209; John Campolasso, 70 Remsen Street; Miriam Campolasso, 70 Remsen Street; Mary Margaret Cronin, 29 W. 74th St. 10023; Adele M. Kornell, 70 Remsen Street, H. Boldin, 384A 5th St. 11215; Frank Walinski, 490 Pacific St. 11217; Herbert Brautigamy, 464 Clinton Ave. 11238; Anne Sonsie, 6807 60th St., Ridgewood, 11227; Kathryn M. Maher, 6014 Putnam Ave., Ridgewood, 11227; F. E. Nelson, 138 Montague St.

Joseph M. Gagliano, 72–15 61st St., Ridgewood, 11227; Lawrence J. Becker, 3411 Wayne Ave., Bronx, 10467, Apt. 12K; Grace Dodge Becker, 3411 Wayne Ave., Bronx, 10467, Apt. 12K; Joan Stanley, 223 Jay St., Brooklyn; Claire dePinot, 14 Schermerhorn St.; Leonard Casso, 27–10 Eighth St., Astoria, 11102; Rev. James Spengler, 222 Tompkins Ave.; Mrs. Nidia Lopez, 150 Tompkins Ave.; Sister May Hegarty, 419 W. 33rd St., N.Y., N.Y. 10001; Sonny Causey, 195 Maujer St., Brooklyn 11206.

PHILADELPHIA TO BE FULL OF FREE NOONTIME ENTERTAINMENT THIS SUMMER

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. EILBERG. Mr. Speaker, the city of Philadelphia is going to be full of free noontime entertainment this summer.

Mayor Frank L. Rizzo has just announced that the city of Philadelphia, together with the newly formed Cultural Affairs Council and the Philadelphia Convention and Visitors Bureau, are joining forces to present two major noontime programs this summer for Philadelphians and vistitors alike.

According to the mayor, this is part of a program to make Philadelphia an attractive and exciting place in which to live, work, or visit.

The city will be encoring one of its most successful and popular summer programs, the "76 Days of Fun" series of entertainment spectaculars on John F. Kennedy Plaza, 15th St. and J. K. Kennedy Blvd., beginning Tuesday, June 7 and running through Thursday, September 1.

The other program, "POP '77," is in its third year at the Independence Mall Theater, between 5th and 6th Sts., Market to Arch. It will daily showcase Philadelphia's outstanding performers, beginning Wednesday, June 29, and running daily through September 2.

The "76 Days of Fun," which is coordinated by the Recreation Department and Office of the City Representative, provided a wide variety of entertaining shows for some 400,000 people during its first eight summers of operation. Program highlights last summer included professional boxers sparring a few rounds on the plaza, a pro-am celebrity media basketball game, performances by outstanding visiting high school bands, and unusual events like cowboy trick ropers and Argentinian gauchos. This year, it will include performances by opera, dance, and drama troupes, singers and musical combos, both on the amateur and professional level.

Both programs are looking for experienced individuals and groups interested in donating their talents to provide free and wholesome entertainment for the program, and I am confident, Mr. Speaker, that residents and visitors alike will find much to entertain them this summer, thanks to the activities of the city, the Cultural Affairs Council and the Philadelphia Convention and Visitors Bureau.

ST. MARY'S ROMANIAN BYZANTINE CATHOLIC CHURCH OF YOUNGSTOWN, OHIO, OBSERVES MILESTONE

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. CARNEY. Mr. Speaker, Sunday, May 15, 1977, is a milestone in the history of St. Mary's Romanian Byzantine Catholic Church. Established some 70 years ago, St. Mary's Catholic Parish is located at 73 South Prospect Street in Youngstown, Ohio. On May 15, St. Mary's will have a groundbreaking ceremony for the construction of a new church complex.

The program for the day includes celebration of the Divine Liturgy by the Romanian Catholic priests in attendance, together with Msgr. Octavian Barlea, Apostolic Visitor for Catholic Romanians in the United States. Following the Liturgy, a Requiem Memorial Service—Parastas—will be offered for all deceased members of the congregation.

The groundbreaking ceremony will take place at 12:30 p.m. at Glenwood Avenue, and at 1:30 p.m., a festive banquet will be held at the Tippecanoe House on Canfield-Meridian Roads in Youngstown.

Mr. Speaker, the Romanian people of the Byzantine Catholic Rite are a deeply religious people. They are also patriotic citizens and pillars of our community.

I would like to take this opportunity to extend my sincere, heartfelt congratulations to Rev. John Pavel, pastor of St. Mary's Catholic Church, and the devoted parishioners of St. Mary's, on reaching this important milestone in the history of their church. It will be my pleasure, and my privilege, to be present for the festivities on this happy occasion.

MINNESOTA WOMEN: A PROFILE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. FRASER. Mr. Speaker, in 1976 the Council on the Economic Status of Women was established by the Minnesota State Legislature. Eight public members appointed by the Governor, five State senators and five representatives serve on the council. Representative Linda Berglin chairs the council; Nina Rothchild is executive secretary.

The purposes of the council are described in the recent publication, Minnesota Women: A Profile.

> The legislation creating the Council states that its rôle is to "study all matters relating to the economic status of women in Minnesota, including matters of credit, family support and inheritance laws relating to economic security of the homemaker, educational opportunities, career counseling, contributions of women to Minnesota's per capita and family incomes and state revenues, job and promotion opportunities, and laws and business practices constituting barriers to the full participation of women in the economy."
>
> In addition, the Council shall also study "the adequacy of programs, services and facilities relating to families in Minnesota including single-parent families and members beyond the nuclear or immediate family."

Minnesota Women, one of a series of reports by the council, provides information about women in several areas: general characteristics, education, marital and parental status, families, income and poverty, employment, and State service. Information about minority women is included within these subject categories.

This particular report is intended to provide basic information for more specialized studies. It is my understanding that one of these will be a study of the changing life patterns of Minnesota women, and how these patterns affect economic status and the need for social services.

Minnesota Women: A Profile provides a clear and readable portrait of the status of women in Minnesota today and indicates some long-term trends. Marjorie C. Gritzke is responsible for the research and statistics, Susan Lasley for the graphics.

The profile has been sent to every public library and college library in Minnesota. It is also available for $2.60 from: Documents Section, State of Minnesota, 140 Centennial Building, St. Paul, Minnesota 55155.

I would like to insert in the RECORD at this time some excerpts from Minnesota Women: A Profile. The following are primarily from the highlights section.

HIGHLIGHTS

Life expectancy for women nationally has increased from 48.3 years in 1900 to 75.3 years in 1973. The average woman today has over 40 years of active life after her youngest child is in school.

An increasing proportion of Minnesota women are urban residents. Over ⅔ of all women live in urban areas or small cities, and less than 12% of Minnesota women live on farms.

Women represent an increasing proportion of the elderly. Since 1900, Minnesota women have increased from being 46% of those over age 65 to 58% of that age group.

The likelihood that women age 65 or older will be in poverty is more than twice that of a man in the same age group.

Historically a higher percentage of boys than girls has gone to college, but in the past few years this gap has almost closed. Two-thirds of all students at Minnesota's vocational-technical institutes, however, are male.

Recent trends in marriage and divorce have resulted in fewer women who are married. In 1975, 45% of Minnesota women age 14 and above were single, widowed, or divorced. Fifteen years earlier, only 34% were in these categories.

Divorce rates in Minnesota have risen sharply. In 1950, the ratio of marriages to divorces was 7:1. In 1974, the ratio was 3:1.

Birth rates in Minnesota are down and desired family size has decreased. In 1967, only 1 of 3 married women in the U.S. expected to have two children or less. Seven years later, that proportion had doubled so that 2 of 3 married women expected two children or less.

The number of female single-parent families in Minnesota with children under age 18 has more than doubled in the last fifteen years. In 1960, such families numbered 25,007, and in 1975 it is estimated they numbered 58,759.

In 1974, poverty was a greater problem for female-headed families than male-headed families.

Approximately 1 of 20 male-headed families, 1 of 4 white female-headed families, and 1 of 2 black female-headed families fell below the poverty level.

The typical AFDC family lives in a metropolitan area, consists of one or two children, and is headed by the mother.

Most AFDC children have fathers absent from the home. Almost ¾ of AFDC children receive no support money from their absent parent.

Over 80% of AFDC mothers are in the labor force or are needed full-time at home.

The changing role of women in this century is most dramatically illustrated by their increased participation in the labor force. More than half of all Minnesota women age 16–64 are now employed or actively seeking employment.

Although Minnesota women make up 28% of the full-time, year-round labor force, they receive only 18% of the pay.

The greatest increase in labor force participation in the last fifteen years has been among younger women of childbearing age. In 1960, 36% of women age 20–34 years were in the labor force; in 1975, it is estimated that the percentage had increased to 60%.

There has been a substantial increase in two-earner families. Between 1963 and 1974, the percent of married couples filing income tax returns showing both spouses with earnings went from 26% to 59%.

The earnings gap between full-time, year-round men and women workers continues to widen. Estimates are that the median income in 1974 for men was $13,020 and for women was $7,204 a year—a difference of more than $100 a week.

Over 90% of all women state employees earn less than the average of salaries of male state employees.

There are five times as many job classifications in "male jobs" in state civil service as there are in "female jobs," and over ¾ of all state employees work in jobs which are essentially segregated by sex.

Despite their changing economic and social role, few women hold public office in Minnesota. Ninety-four per cent of state legislators, 97% of county commissioners, 95% of municipal officials, 92% of township officials, and 87% of school board members are male.

THERE IS ONLY ONE WAY TO RUN AN AIRLINE

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. BYRON. Mr. Speaker, Dick Henson is an important and outstanding member of the western Maryland community. Through his efforts, the Sixth Congressional District, particularly Hagerstown, has become a more attractive place for business and industry to locate. Fifteen years ago, Dick began airline service in Hagerstown. Prior to Henson Aviation, service into and out of Hagerstown was spotty at best; today, there are 20 flights a day into three major cities, offering connections to any part of the globe.

Needless to say, Dick Henson has brought to Hagerstown a wonderful convenience for the residents and a necessary service for the business and industrial community. I would like to share with my colleagues in the U.S. House of Representatives, the following article which appeared in the Hagerstown newspapers, the Morning Herald and the Daily Mail:

THERE'S ONLY ONE WAY TO RUN AN AIRLINE

(By Dick Henson)

Sixteen years ago, airline service in and out of Hagerstown was a snap.

In 1961, there were no complex timetables to reckon with and none of those computerized ticketing gizmos to fool with.

It was all much simpler then. The trouble was, you could only go to Pittsburgh from here. And then only on nice days when there were enough fellow passengers to lure one of the Allegheny airliners that served the city into landing here.

The way Dick Henson saw it, that was no way to run an airline. In 1962, Henson decided he knew how to do it better and he started his own airline.

Evidently, he knew what he was doing. Fifteen years later, Hagerstown has an airline offering 20 flights a day into three major cities for connection to any part of the globe.

In just a decade and a half, Henson's do-it-yourself approach to air transportation has grown from a fleet consisting of one government surplus airplane to an airline that's the seventh largest commuter operation in the country.

Today Henson's growing airline will celebrate its 15th birthday and he is about to sign a second ten-year contract with Allegheny Airlines to continue air service here.

Actually, when Henson began flying a spruced up Twin Beech between here and Baltimore in 1962, he had no intention of being in the airline business.

As he recalls it, he was discouraged by Allegheny's lack of service and felt the city needed—and could support—better service.

Allegheny disagreed and Henson had to set up his own operation to prove them wrong

"I said we had airplanes at the airport so why don't we start our own airline," says Henson. His operation didn't exactly become a money-maker overnight.

At times, there were so few passengers that he had to use a single-engine plane to ferry them around.

"I lost $5,000 during the first two months," he recalls. But gradually, as word spread that Dick Henson was bound and determined to keep Hagerstown on the air route map, passenger loads picked up.

By 1967, Henson's struggling airline wasn't struggling so much anymore and Allegheny began to take notice. While the big airline continued to serve Hagerstown, it watched Henson's line carry more and more passengers.

Eventually, a sort of showdown at the airport transpired. "They said they didn't think Hagerstown was big enough for two airlines. I said I think you're right. You serve it right, and I'll get out," Henson told Allegheny.

The bigger airline figured Henson knew what he was doing and it entered into an agreement with Henson to let him run his own fleet of small airliners while carrying the Allegheny colors.

That was ten years ago. Today, Henson keeps five Beech 99 airliners flying 6,500 route miles each day. Last year, the Allegheny Commuter system carried nearly 200,000 passengers.

Allegheny used Henson's idea to start eleven other similar operations on the East Coast. His is considered one of the most successful.

And Henson says the secret of that success has been safety, reliability and—most importantly—frequency.

By offering flights, nearly once every hour, Henson says local residents can rely on the airport for long trips and will use his airline regularly.

"We aren't just catering to the times when we can make money. Really, this is what's making the airline go," says Henson.

"People don't care what kind of plane they fly in. They just want to get there on time," he says.

Henson says he adds more flights as his operation carries more passengers. Soon, he hopes to add a larger airplane to his fleet of 15-passenger Beeches.

His ultimate goal is to have as many flights into and out of Hagerstown as possible, perhaps as many as 30 a day.

After 15 years of progress at the hands of Dick Henson, it turns out that you can still go to Pittsburgh from Hagerstown. But it's not as simple as before.

COMMUTER TRAIN SERVICE IS VITAL TO MARYLANDERS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mrs. HOLT. Mr. Speaker, the commuter trains formerly operated by Penn Central, and now by ConRail, in my State of Maryland are extremely important to Federal and private sector employees residing along the Baltimore-Washington corridor. Over 500 Marylanders ride in overcrowded and extremely uncomfortable passenger cars every workday. I have ridden with them.

I want my colleagues to know that the conditions are less than desirable; and that is an understatement. At any rate, Federal employees and others who use the trains are a dedicated and usually uncomplaining lot. As long as the trains run, they prefer to ride in rather than drive through hectic traffic on Route 50, the Baltimore-Washington Parkway, and the congested streets of the District of Columbia.

Some weeks ago, ConRail posted notices on the trains and at the stations en route that it would terminate the commuter lines between Baltimore and Union Station within 60 days. This has caused consternation among the riders. In this connection, I took the lead in drafting a Maryland delegation letter to Mr. Richard Spence, president, ConRail, urging ConRail to continue negotiations with the Maryland Department of Transportation and make all possible efforts to insure that the commuter trains do not stop running.

I believe that such means of transportation as the commuter train are going to be more and more important as our Nation seeks to save fuel and find alternatives to the individualized gasoline consuming automobile. We here in Congress must stand ready to put forth the leadership and assist in every way possible with efforts and programs that will provide affordable light rail transportation for the people.

I am extremely concerned about the prospect of any future deterioration or termination of rail commuter service between Baltimore and Washington, D.C.

THE UNFAIR BANNING OF SACCHARIN

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. FRENZEL. Mr. Speaker, the Sun Newspapers, a group of weekly suburban editions that are published within my district, carried an editorial last week which I believe is worthy of the perusal of all Members.

The editorial urges immediate action to "restore use of saccharin and curb the FDA."

At least one major reformation of the Delaney amendment, sponsored by Congressman MARTIN and cosponsored by myself and over 180 others, is now pending in the Health Subcommittee of Interstate and Foreign Commerce. The chairman of that subcommittee is known to be working on a version of his own and is expected to begin hearings soon. I urge the rapid beginning of those hearings and swift passage of an amendment to modify the Delaney amendment so that saccharin will be made available to those who desire it. The editorial follows:

The Unfair Banning of Saccharin

All kids drink soda pop, but diabetic kids can only drink diet pop. Recently, it was determined in one inconclusive study in Canada that saccharin in huge doses causes cancer in rats. As far as is known, no human has ever contracted cancer from saccharin in 80 years of the additive's use.

All diet pop contains saccharin. On July 1, 1977, saccharin will be banned in the U.S. by the Food and Drug Administration (FDA). From that time on diabetics will not be able to drink pop.

Juvenile diabetics, of which there are a rapidly growing number in the U.S., have an uncertain future. The odds against a long life are very large. Blindness and kidney disorders are among the more serious complications from this disease. Even great athletes, Jackie Robinson, for example, frequently do not live past middle age.

As one father wrote us, "My son is a diabetic. He could be blind by the time he is 20 and dead by the time he is 50, and the government in its wisdom wants to protect him against the mathematically remote, if not impossible, chance of contracting cancer in his old age.

"You know what my boy will be able to drink by the time the FDA ban becomes effective? A glass of water!"

If the FDA is concerned about saccharin, why not express that concern in the form of a warning on the label of each can of diet pop similar to the cancer warning required on each pack of cigarettes.

Cigarettes are far more harmful than saccharin and they get by with a warning, while saccharin and diet pop have to be banned causing hardship and discomfort for a group of people, diabetics, who already have all the problems they need.

The FDA claims it had no choice other than to ban saccharin. It points to a mandate from Congress that all substances known to cause cancer in test animals and suspected of causing cancer in humans be banned.

While that may be true, we are concerned with the arrogance exhibited by FDA officials and their refusal to give industry time to develop a substitute for the artificial sweetener. The FDA's recent decision to allow saccharin to be sold over-the-counter as a drug is a small consolation; it will do little to help the diabetics who depend on food manufactured with saccharin.

We hope Congress will take immediate action to restore the use of saccharin and to curb the FDA.

ON THE SUBJECT OF AIRCRAFT NOISE

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. TAYLOR. Mr. Speaker, the Aviation Subcommittee of the House Committee on Public Works and Transportation, of which I am a member, has been holding hearings during recent weeks on the subject of aircraft noise and, specifically, legislation introduced by Subcommittee Chairman Glenn M. Anderson, H.R. 4539, which would involve the Federal Government in several complex aircraft noise abatement programs including provisions which would: First, mandate the preparation of land-use programs for areas surrounding airports, and, second, provide a financing mechanism for the retrofit or replacement of existing aircraft.

The pressure for action in this area stems from two sources: First, the threat of lawsuits against airport operators for alleged damages arising from the operation of aircraft, and, second, the regulation adopted by the Federal Aviation Administration, effective in January of this year, which requires phased retrofit or replacement of existing aircraft not meeting the noise standards for new aircraft set forth in part 36 of the Federal Aviation Regulations.

Now, Mr. Speaker, many of us are concerned that Congress is being stampeded on this issue. It appears that we are being asked to take action on the basis of these outside factors—and the result could well be the enactment of unwise legislation, if we are not careful.

The ranking minority member of the Aviation Subcommittee, Hon. Gene Snyder, has come forward with a different approach. He proposes that Congress act to eliminate or reduce the pressures for action which now confront us by: First, precluding lawsuits against airport operators for damages from aircraft noise if the litigant acquired the property where injury is alleged to have occurred after the airport came into existence, and, second, permitting aircraft not meeting part 36 noise standards to operate for the remainder of their useful lives.

It seems to me that these proposals make eminently good sense, and I urge my colleagues to accord them the consideration they deserve. It is incumbent upon all of us, in my view, to weigh objectively just where we stand on the question of aircraft noise at the present time. When we consider the fact that technology right now is in the process of alleviating the aircraft noise problem, many of us question the need for embarking on multibillion-dollar programs in this area.

In addition, we should recognize that aircraft noise may not now be the national problem which some allege it to be. According to FAA, while some 6 million people are affected by aircraft noise—a little over 2 percent of our population, only about 600,000 are said by FAA to be severely impacted—less than one-quarter of 1 percent of our citizens.

Mr. Speaker, a cogent commentary on this subject appeared in the May 1977 edition of the Acorde Report, a publication of Acorde, Inc., Medford, Oreg., George E. Miligan, president.

The item follows:

The Neighbor's Noisy Wagontires

As a normally wasteful nation. many of our citizens have included airports on the list of "throw-away" items. Thus, if an urban-located airport later becomes surrounded by home owners who were aware of its existence when they bought, it has become fashionable to sue for subsequent noise damages, and ultimately to "throw away" the offending airport. We really can't afford it.

Unless this trend is halted by a transportation-conscious Congress, the nation will not only run out of places for relocation, but will offer encouragement to those persons promoting a leap back into the cave. And who ever heard of shutting down trains and highways because they create too much noise?

There is someone seriously seeking a solution. Rep. Gene Snyder (R-Ky.) has introduced a bill (H.R. 5706) which would prohibit the filing of lawsuits for damages by anyone who purchases or leases property near an existing airport. Thinking taxpayers are likely to favor Snyder's proposal, if they consider the public cost of never-ending transplants for required airport facilities.

Without question, every member of modern society is benefitted many times daily by the fruits of air commerce. These include: all first-class mail; daily produced and "hot" radio-isotopes for hospital scanners and therapy applications; bank papers to keep money flowing; and the extremely important movement of personnel, supervising the business world which sends home the nation's paychecks.

The "closer-in" the landing places for air commerce, the more efficiently it serves its public missions. If airports are required to be moved farther and farther out of town, the citizens of those areas ultimately will be picking up the tab to do so. That doesn't seem too smart.

"Back to the cave" may sound like real he-man existence, but very few modern people would actually consider taking the first step. That's what's happening, though, every time another airport is closed or sued out of financial existence. Congressman Snyder's idea needs all the help that you can give it.

PHILADELPHIA HONORS OUTSTANDING FEDERAL CIVIL SERVANTS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. EILBERG. Mr. Speaker, the Philadelphia Federal Business Association recently held its annual Federal Civil Servant Awards Ceremony at the Philadelphia Naval Shipyard. This program, under the direction of Col. Harry Dutchyshn, district engineer, Army Corps of Engineers, and Roy Pirritano, the colonel's executive assistant, recognizes outstanding contributions by Federal employees in scientific, nonscientific, and community service categories.

This year there were 22 nominees who were screened by a panel of Federal officials including Thomas Taylor, director, Consolidated Civilian Personnel Office, Philadelphia Naval Shipyard; William Hamlet, Regional Personnel Officer, Housing and Urban Development; William Waters, Regional Commissioner, Internal Revenue Service; and Rose La Pore, Acting Regional Commissioner, Social Security Administration.

The finalists were then selected by a panel consisting of John Bunting, chairman of the board, First Pennsylvania Bank; Dr. Marlin Clausner, assistant to the president, Temple University; and Vince Leonard, television news anchorman, Station KYW.

The award winners were announced by Robert E. Sperry, president of the association and regional director, U.S. Civil Service Commission. Along with my friend and colleague, the gentleman from Pennsylvania (Mr. Lederer), I had the privilege of presenting the awards to the winners.

This year's winner in the scientific category was Dr. Herbert L. Rothbart, supervisory chemist, Eastern Regional Research Center, Department of Agriculture, Wyndmoor, Pa. He has had an illustrious career in scientific research beginning in 1958 in academia and culminating in his appointment to a Federal position in 1966. Since that time he has received numerous awards. He has won this year's award for providing creative and outstanding leadership to a research team which developed new theorectical and applied approaches in chemical separations culminating in the development of new food materials from meat byproduct tallow. The approach will benefit consumers, the agricultural community, foreign trade balance, and provide an additional source of calories for the world food supply.

The winner this year in the nonscientific category was Mr. Oscar Markowitz, supervisory engineer, Aviation Supply Office, Philadelphia, Pa. He began his Federal career in 1942 with the old Signal Corps and immediately received awards for outstanding achievements in engineering design and development. He has worked at the Naval Air Development Center and since 1960 at the Naval Aviation Supply Office where he has pioneered the application of failure free warranty/reliability improvement warranties in DOD.

He is being honored this year for introducing and bringing to fruition new and revolutionary concepts in long-term warranties within the Department of Defense, for taking a personal interest in organizing the philosophies and selling these new warranty concepts to various elements within the Navy, and other defense agencies with results in improving the ability to maintain defense forces ready at lower costs.

This year's winner for community service was Mr. Daniel H. Conway, mathematical statistician, Naval Ship Engineering Center, Philadelphia, Pa. He is a fine employee with excellent academic credentials, including graduation with honors, and experience in both the public and private sector serving as senior member and officer in numerous professional organizations. This in itself, is an accomplishment. But, as with any of our dedicated Federal employees, he takes that extra step, sacrifices his valuable time, to assist those less fortunate than himself.

He has unselfishly given of himself to a variety of charitable institutions. His contributions of time and effort have aided the sick, blind and the healthy, the young, and the old. His concern for others, exemplified by such generosity, has benefited his community for many years. He has worked with the blind, reading to them, talking to them, driving them to appointments, making them feel important, or just being there to listen. And served as chairman of the Philadelphia Blind Guild from 1960 to 1965, arranging weekly socials, holiday events, summer activities, and fund raising. An ordained deacon of his parish, he performs liturgical duties, visits the sick and conducts religious classes.

The other finalists in the competition were as follows:

Scientific category: Robert J. Casey, Naval Ship Engineering Center, Philadelphia Division.

Nonscientific category: Joseph W. Reilly, Jr., Defense Industrial Supply Center.

Community service: Samuel D. Lee, Aviation Supply Office.

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL—FINAL REPORTS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. BROWN of Ohio. Mr. Speaker, on Thursday, April 7, the Seventh District Congressional Youth Advisory Council members for the school year 1976–77 met in Urbana, Ohio, to present their final reports and recommendations on legislation they had studied during the current year.

I am pleased to place those reports in the RECORD for the benefit of my colleagues.

This is the 6th year that I have sponsored the Seventh District Congressional Youth Advisory Council, which consists of upperclassmen from approximately 40 high schools and joint vocational schools from throughout my district.

The council is organized each fall, at which time each of four committees selects a legislative issue to study during the year. Following the organizational meeting, each of the students of each committee receives a packet of information from me, compiled by the Library of Congress and through the cooperation of the congressional committees with jurisdiction over each legislative topic. The packets contain the broad range of viewpoints concerning each legislative topic and give the students a representative background of the issues upon which to build their opinions as they study the legislation.

In January and February, each of the four committees conducted a 1-day hearing with expert witnesses representing the broadest possible spectrum of viewpoints on each topic. Following the hearings, the committees began drafting their final reports and recommendations on their selected topics. On April 7, all of the council members, along with the members selected by their schools for the 1977–78 school year, met at Urbana College for the presentations and for discussion and voting on the issues.

The topics this year were: Marion-Union Counties—Nuclear Power Safety, which passed as amended 57–10 with 1 abstention; Champaign-Logan Counties—the Equal Opportunity and Full Employment Act of 1975, which was defeated by an unrecorded teller vote; Clark County—An Agency for Consumer Advocacy, which was referred back to the committee for further consideration by a 33–2 vote with 21 abstentions; and Greene County-Mad River Township—Strip Mining Legislation, which passed unanimously on a voice vote without amendments.

I was especially pleased that this year's committees selected topics of current major interest and importance to the general public and here in Congress. I have benefited by the study of these young adults. I am confident that many of my colleagues can also benefit and am pleased to make the reports available in the RECORD.

CLARK COUNTY—S. 200: AN AGENCY FOR CONSUMER ADVOCACY

Chairman, Lynda Rinker; Vice Chairman, Laura Emmert; Secretary, Pam White; Sgt. at Arms, Chip Roberts.

Majority.—Jeff Ulery, Pam White, Cheryl Hinson, Doug Urban, Amy Neer, Laurie Kanouse.

Minority.—Laura Emmert, Chip Roberts, Lynda Rinker, Steve Weed, Beth Holloway.

This bill contains several fallacies for which reasons it is impractical, unreasonable, and unnecessary. Some of these follow, briefly:

(1) Stated in Section 2 of this proposed bill: "Federal programs which fail to provide benefits that are commensurate with the costs thereof may be a factor in the economic problems of the United States."

If such is true, the best solution to this problem would be to expand and/or support these already existing federal programs—instead of considering the impractical alternative of forming a new agency which would merely add to the present network of bureaucracy—of which the public complains.

(2) The mere establishment of an Agency for Consumer Advocacy (ACA) would contradict the original purpose of American government of, by, and for the people. Supporters of this bill claim that the government is contemptible of the same people that it was conceived for. Also, the establishment of such an agency with "watchdog" powers over all the other agencies would most definitely cause antagonistic feelings among them.

(3) One of the expressed purposes of the ACA is to be a source of aid to consumers—but there are already existing sources of aid for consumers. There are many privately-run organizations, such as the Better Business Bureaus, Ombudsmen, Chambers of Commerce, and also manufacturers that have banded together in order to give consumers special services such as NAM (National Association of Manufacturers), which represents nearly 80% of the manufactured goods in the U.S. These plus the many federal agencies which attend to consumer safety and problems with special divisions, i.e., the Federal Trade Commission (entrusted to protecting the fairness and freedom of competition and trade in the U.S.), the Food and Drug Administration and the Office of Consumer Affairs—both of the Department of Health, Education, and Welfare (HEW).

(4) Another expressed purpose of the ACA would be to, "disseminate information of interest to consumers." Sec. 2, Part B.

Much information can be obtained at present from such sources as: Consumer's Digest Magazine, Consumer's Report Publications. The interested consumer can also find a vast amount of printed matter on almost any subject by writing their Representative, or the federal agencies, or by going to a public library.

(5) The ACA itself is a fraud upon consumers who have been misled into believing that it would be a simple solution to all their daily problems. One agency could not possibly handle the complaints of approximately 200 million people. It is stated in the bill that the administrator will only consider petitions submitted (in writing) by a "substantial number of persons"—which is vague (to say the least). This petitioning and review-

ing process would prove to be very time consuming.

(6) The outlined procedures pertaining to the Administrator are impractical. The administrator is to be: (1) Appointed by the President, (2) Co-terminous with the President, (3) the "head" of an Independent Government Agency.

1.—Presidential appointments have been known to lead to patronage/spoils, i.e., a person could be appointed as a reward for supporting the President in his election.

The only qualifications listed in this bill are not well-defined: "The Administrator shall be an individual who by reason of training, experience, and attainments is exceptionally qualified to represent the interests of consumers." Sec. 3, Part A.

Thus the President could legally appoint nearly anyone.

2.—(Pertaining to co-terminous with President) This would cause an upheaval in this ACA every election, impeding all the action in progress—making the whole process even longer with more red tape.

3.—The fact that it would be an Independent Government Agency means that the Executive Branch would have no control over it. Once more, the Administrator would have no authority or superior to answer to. He would have almost unlimited power with no supervision.

(7) Another bad thing about this bill is the section dealing with the removability of the Administrator. It seems that this person can only be removed for dreadful deeds. Sec. 3, Part A states: ". . . May be removed by the President for inefficiency, neglect of duty, or malfeasance in office."

The Administrator could follow the dictates of his colleagues or of his own prejudices without being technically out of line, for example—if the Administrator came from an agricultural background, he would naturally take the side of his own concern in any issue concerning it; and therefore would not be able to represent the true interests of consumers. No person is without prejudices or special interests, large or small, thus it is highly unfeasible that one person could actually represent the millions of U.S. consumers. Also, how could that one agency handle all the facets of consumer products? Where would it begin?

(8) The final insult of this bill is the astronomical cost of operating such an agency—which would fall on the shoulders of the tax-payers, of course, hurting them more than the ACA could ever possibly help them. The authorized appropriations, which are listed in this bill in Sec. 19, increase steadily by millions of dollars every year:

1st year—8.5 million,
2nd year—15 million,
3rd year—20 million,
4th year—25 million!!

Plus an additional 2 million each year for the printing and distribution of their cost and benefit assessment statement, as described in Sec. 24 of this proposed bill.

Aiding consumers is something that is all to the benefit to businesses. Good consumer relations could only help the economy of the business world—so why is the business community so alarmed over this bill? This bill, if passed has the potential to damage (perhaps irreparably) the economy and the business world. This, America does not need.

Reviewing all the preceding facts, it is doubtful if this agency could ever possibly measure up to the public's/consumer's expectations.

Minority Report

It has been proven that the best decisions are made by people who possess the broadest range of information from all sides of an issue. So, far, however, only the industry's point of view has been adequately represented in the Federal Government's decision process. Consumers are constantly being faced with rising prices, defective or dangerous products, and poor service. As a general rule these consumer complaints have been unanswered and their interests unrepresented. An Agency for Consumer Protection would meet these needs faced by consumers.

The independent Agency for Consumer Advocacy (ACA), as proposed in S. 200, could:

Seek judicial review of federal agencies.

Gather information from industries to carry out investigations, if the previous agency handling the problem finds no serious reason to object.

Serve as a register of consumer complaints and company responses, and make these records available to the public.

Request any agency to take up a consumer complaint in the area of the agency.

The ACA would not create an undue bias in Government agencies in favor of the consumer, nor would it hamper the ability of other Federal agencies to operate effectively.

Our country has traditionally relied on an adversary system to produce government and judicial decisions that are fair and as consistent with the public interests as possible. The Consumer Protection Act of 1975 completes the adversary system by including the representation of interests previously neglected.

The following paragraphs discuss five areas of importance we have found in S. 200.

COST

It is estimated that in the long run the ACA, with its regulations, could save society billions of dollars in reduced property damages and health cost, just to name a few. The ACA could exist at a fraction of the cost already spent by Federal agencies on the regulation or promotion of business interests. The cost of this agency is small when you consider the large amounts of money, it could save by representing the consumer's interest.

POWER

Several of our opponents have argued that the ACA would have too much independence and power, however, the legislation is full of safeguards which would prevent this occurrence. The ACA's actions will be governed by legal rules and precedents developed over many years to protect the interests of all parties. The only power this proposed agency could have would come from the strength and validity of the arguments it advances on behalf of the consumers.

LESS BUREAUCRACY

The present system for the consumer protection involves too much red tape for the average American buyer. The ACA if enacted would cut the complications of the many agencies that now exist. Instead of many agencies the ACA would centralize them, thus having only one agency to deal with consumer protection.

TESTING

Today, there is much money wasted in the business world. Too many faulty products have to be recalled because of defects. This costs the taxpayers money. If the ACA was enacted, it could point out faults before they reach a full manufacturing stage.

REPRESENTATION

In the past the public's welfare has been left to federal agencies whose chief area of responsibilities and chief contacts are not with consumers, but with business interests, however, the ACA could change this. The average American consumer cannot adequately represent himself before the Federal Government, whereas the ACA could represent the consumer and have a general idea of legislation that may include the complaint.

CONCLUSION

When the Federal Government acts without adequately considering the interests of consumers, the welfare of the whole country suffers, for such decisions directly affect the prosperity, the safety, and the health of the entire country. When an incident happens involving defective material which a Federal agency knew about, but failed to react on the defect, the country as a whole pays a terrible price.

Consumer complaints are too important to be left to chance with a Federal agency whose chief area of responsibilities and contacts are not with consumers, but with business interests. The consumer's interest is fragmented and grossly under-represented in ordinary agency regulatory business. This has created a ratio of consumer to business representations of 1 to 100. The ACA, as proposed in S. 200 would be a positive step towards righting the present imbalance.

THE CITY CONTINUES TO NEED ADDITIONAL RESOURCES FOR FIRE-FIGHTING

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. FAUNTROY. Mr. Speaker, yesterday, during the budget hearings of the Subcommittee on the District of Columbia of the House Appropriations Committee, we heard from Mr. Larry Loigman of the Concerned Citizens for Fire Protection.

His statement, I think, captures the importance of adequate fire protection for Washington, D.C., and the need to insure adequate funding of our fire protection system. The statement follows:

Statement of Larry S. Loigman

I am Larry Loigman, of 2141 Eye Street, Northwest, a member of Friendship Fire Association and the National Fire Protection Association. I am speaking today as the chairman of the Concerned Citizens for Fire Protection, the ad hoc committee for fire safety in the District of Columbia. This group was formed after several loss of life fires last year, in which the closest fire company to the blaze was "out of service" under a money-saving rotational system. We are opposed to any reduction in the capability of the Fire Department to fully protect the lives and property of Washington residents, workers, and visitors.

The Fire Department of the District of Columbia is being deprived of the resources needed to properly safeguard the people and property of this City. It was inadequately funded in fiscal 1976; it is inadequately funded in fiscal 1977; and, unless you make some decisive improvements in the next few weeks, it will be inadequately funded in fiscal 1978.

I am sure that you are aware of the awesome responsibilities entrusted to the Fire Department. A century ago, Washington could depend on a volunteer force to fight fires. Today, the nation's capital, a city of three-quarters of a million residents and perhaps a greater number of daily commuters and visitors, must have a professional Fire Department, properly manned, equipped with modern apparatus and support capabilities, if it is to carry out its mission of preventing and extinguishing fires. The fire service today must deal with highly complicated technical problems, posed by modern construction and materials; we cannot expect it to operate with obsolete techniques, inadequate manpower, and out of date equipment. It cannot operate when its functions are impaired by budgeting that does not reflect its needs.

The budget preparation process for the Fire Department, as with other city agencies, is designed to minimize any appearance of dissent within the government. Mr. Copple, from the Mayor's budget office, tells each department head how much money he can ask for in his budget request; and he, or someone from his office, sits in on each of these sessions. He is not here because he finds these hearings entertaining or enjoyable; rather, he is monitoring the statements of agency officials for compliance with the Mayor's budget directives, which prohibit the advocacy of new programs, or requests for additional funding. Thus, when you heard the Fire Chief present his budget request a short time ago, you could not get the clear expression of his professional judgment regarding Fire Department operations. You heard Chief Johnson's remarks, as censored by the Mayor's budget office, and that is why my comments may appear to present a much more alarming picture than the Chief's.

The function of this Sub-Committee must go beyond that of an auditor, who determines simply that the rows and columns add up correctly, and that the proper items are listed on the proper lines. Forty-seven people died in Washington in calendar 1976 due to destructive fire; of those, eleven deaths resulted from fires in which companies on the usual first alarm assignment were out of service on a rotational basis. No one can establish that those fatalities were causally related to the rotational plan. But the suspicion and doubt—that perhaps they might have been saved—should lead to a very close scrutiny of this budget, to insure that everything possible is being done to prevent the continued deterioration of the Fire Department.

Furthermore, this Sub-Committee has a duty to all Americans (not just those in the metropolitan Washington area), to guarantee that federal facilities in the nation's capital are adequately protected. During calendar 1976, the General Services Administration logged 187 responses by the District Fire Department to GSA properties; the Government's fire loss in these instances was estimated at more than $180,000. In addition, the local Department provides special details for White House helicopter flights; routine fire protection to federal property not under GSA control (e.g., the Smithsonian Institutions, National Capital Parks); and mutual aid to the firefighters of the Military District of Washington. No special federal reimbursements are made now for these services; and, under the regulations recently promulgated by the National Fire Prevention and Control Administration (15 CFR 1810, no such reimbursements are expected.

In recognition of your oversight responsibilities in this area, I have gone into some rather detailed discussions of how and why the Fire Department is operating as it is—and what impact this has on the people and property under its protection. I hope that these remarks will inform you of existing conditions, and enable you to assess the future needs of the Fire Department with greater accuracy.

PROPERTY LOSS INCREASING

One useful indicator of the Fire Department's work is the property loss figure. Property destroyed by fire in fiscal 1972 was valued at 3.8 million dollars; in fiscal 1976, the total was 7.6 million dollars. While insurance may cover some of this loss, much that is irreplaceable is also consumed by destructive fire. The poor, who are least likely to have full insurance coverage, are the ones who lose proportionately more of their property when a fire strikes. For owners of commercial buildings, the growing fire loss is reflected another way: their insurance premiums went up by 21%, effective last December 1 (rate increases for homeowners' and other types of policies are now pending). Why is the property loss (and, with it, insurance rates) increasing? There are many reasons, some of which are completely independent of Fire Department activity (such as inflation). However, let's examine some aspects which are closely related to fire suppression.

FIRE-FIGHTING, TEAMWORK, AND ROTATION

The Fire Department has operated without an increase in its 53 companies—32 engine companies 17 truck companies 1 fireboat and 3 rescue squads—since 1958. I do not know how familiar you are with fire-fighting tactics; very briefly, however, engine companies are responsible for getting water from hydrants to the fire for extinguishment; truck companies (what used to be called hook-and-ladders) operate as search and rescue units, removing persons from the fire building, and to "ventilate" and "overhaul," operations which enable the engine companies to apply water more effectively. Fireground tactics call for certain positioning of each company assigned, so that all areas are covered, and to prevent spread of the fire to other nearby structures.

Efficient fire-fighting, therefore, requires that all elements of the team respond promptly, size up the situation, and quickly begin the type of work in which they specialize. When a unit is removed from the picture, and has to be replaced by one coming from a greater distance, it takes that much longer for the team to become organized on the fire-ground and to begin the process of extinguishing the fire. The precious seconds or minutes that are lost may result in needless civilian deaths and injuries; or in additional property damage.

In August 1975, the use of a rotational out-of-service plan was begun in the District of Columbia. Under this economy program, 3 or 4 companies were placed out of operation each day and night tour or duty; the companies involved were changed from one shift to the next, and scattered about the city, leading to the characterization of this system of "firehouse roulette" by the leader of the firefighters' union.

A news conference, organized by Concerned Citizens and supported by numerous other community groups, was held to protest the rising toll, in life and property, claimed by fires in areas where companies were out of service. Two days later, Mayor Washington announced that he had found $1.3 million that could be reprogrammed to Fire Department use; and, on November 20, 1976, the rotation plan ended.

RESCUE SQUAD ROTATION

However, even with the additional funding, only 51 companies could be operated; two of the heavy duty rescue squads, that used to be full time units, were disbanded; personnel from engine companies man the squads only if they are available (otherwise, a more distant rescue squad must be dispatched; when the squad capability is being utilized, the engine company is obviously out of service, and more distant pumpers are required to fill in for them.) In fact, statistics examined by Concerned Citizens show that, for at least one month (January 1977), Rescue Squad 3 was not available for more time due to the cross-manning (i.e., because its personnel were manning Engine Company 15) than the time spent on actual runs for the squad company. The combination units of Engine 6/Rescue Squad 1 and Engine 15/Rescue Squad 3 became, overnight, the two busiest companies in the city, since their single crews now handle the workload previously distributed to a total of 4 separate companies.

Clearly, this jury-rigged combination squad/engine plan does not provide the service that fully manned, separate units used to give us. Rescue Squad personnel must receive advanced training to insure maximum familiarity with the assortment of special equipment they need to use; with the units officially eliminated, these skills are being lost. Furthermore, since other firefighters, not specialists in rescue work, are being "detailed" to the combination companies involved, the crews are forced to work with men inexperienced in these particular duties. Although there was a policy requiring the dispatch of a rescue squad whenever another arriving unit reported smoke or fire in a building, this system has been all but abandoned since the combination units were established. This is in spite of their essential work; as the Fire Protection Handbook notes, "Rescue is the first and most important consideration at any fire incident, and may preclude any attempts at extinguishment until the rescue operation is complete." In the face of the increasing need for these vital units and their services in medical emergencies, extrications (through the use of the special Hurst tool), water rescues, and special fire-fighting situations, their capability is being seriously degraded.

COMPANY MANNING

The teamwork which I discussed earlier must also operate at the company level. In the standard company manning—five men for the engines, six for the trucks—each is assigned to a specific task to be performed, or a certain tool to be used; the additional manpower of the rescue squad companies is often needed for assistance. Because the strength of the uniformed fire-fighting force has actually decreased (from 1,435 in fiscal 1972 to a projected 1,427 in fiscal 1978), we find that some companies are working with less than the normal complement of firefighters. (In fact, 45 authorized but vacant positions were abolished in last year's budget, and the budget now under consideration would restore only 38 of the unfilled firefighters' jobs.) For example, truck companies are often forced to run with only five men, increasing the workload on each man, obviously, by one-sixth. A greater risk of line-of-duty injury to members of undermanned companies has also been noticed. Undermanning also means a greater use of personnel on overtime, a procedure which is fiscally unsound and which places a tremendous strain, physically and mentally, on the men involved.

Lack of funding has also resulted in unusual delays in advancing firefighters to the classification of technician, and in promotions to higher ranks. Frequently, half of the battalion chiefs on duty are actually captains, acting in the next highest rank (but receiving no added compensation for the added responsibilities); and a similar situation exists in many of the companies. This reduced opportunity for formal advancement has led, in some degree, to a drop in morale among the firefighters.

INSPECTIONS

Another possible explanation for the rising property loss figure is the frightening decline in fire prevention inspections by the Department. Inspections of structures of all types are essential for a variety of purposes. They inform residents and building occupants of fire hazards, so that these may be corrected before an emergency is created; they are a means for providing advice for further fire safety measures, such as the need for adequate planning of exists or the installation of smoke detectors. Inspections by firefighting companies alert members to special hazards which would require unusual techniques for extinguishment and control of fires; they familiarize members with the locations of exits, standpipes, and sprinkler systems. The firefighters should be sufficiently aware of the layout of buildings in their first alarm districts so that they will know exactly how to fight a blaze in those structures. The Fire Prevention Division must conduct its inspections to guarantee the safety of those in buildings used for public assembly, or where special hazards are present, and to see that fire safety codes are complied with during construction, renovation, and occupancy phases. This enforcement aspect is in answer to the city's responsibility to avoid tragedy in places occupied by persons other than their owners.

What are the statistics on inspections? Those by the Fire Prevention Division declined, from 26,900 in fiscal 1974 to 24,100 in fiscal 1976—and, although this budget proposal says they will go up to 30,000 in fiscal 1978, we doubt that, with a lower expenditure estimate than for fiscal 1976, FPD will actually achieve that goal. The important inspections by the Fire Fighting Division were 6,100 in fiscal 1974, only 2,600 in fiscal 1976—and will be reduced to 2,000 in fiscal 1978. These inspections cannot be one-time visits—buildings are remodeled, occupancies are changed, manufacturing methods are altered, people become forgetful if not reminded about fire safety practices. The inspection aspect of fire service just cannot be neglected as it has been in recent budgets.

OTHER DEFICIENCIES IN THE BUDGET

Some other deficiencies in this budget, all of which reduce the effectiveness of fire protection in Washington, must be called to your attention. No provision has been made to hire the additional personnel needed to adequately staff the various support offices. For years, the Safety Office, Research and Planning, Communications, Fire Prevention, and Fire Investigation have been operating without the manpower needed to perform their jobs properly. Only a very few school children can be reached by the limited Community Relations staff in their fire safety presentations. There are no funds for innovative programs, such as those in nearby suburban jurisdictions. Essential equipment is often lacking in quality.

For example, large quantities of relatively new fire hose are not being used, because it is of such inferior grade that the firemen prefer to use older hose—even though that too is likely to burst on the fireground. Retreaded tires are even in use on some of the apparatus! The Apparatus Division used to keep the Fire Department's repair shop open at night; another economy move converted it to a daytime only operation. Now, firemen and their disabled apparatus often wait for hours until an on-call mechanic can return (on overtime) to tow the vehicle to the shop, where it is not repaired until the next day.

The capital budget establishes an apparatus replacement program, calling for five new engines and one new aerial truck each year, beginning with fiscal 1978. This level of replacement might be sufficient, were it not for the fact that vehicles have not been purchased in suitable numbers in the last few years. The NFPA's Fire Protection Handbook says, "The normal life expectancy for first-line apparatus will vary from city to city, depending upon the relative amount of use of the equipment and the adequacy of the maintenance program. In general, a 15-year life expectancy has been considered normal for first-line pumping engines."

By fiscal 1978, there will be nine pumpers above the 15-year NFPA recommendation. The real crunch will come the following year, since 11 1966 pumpers are currently in active service. To make up for an inadequate program in the past, the apparatus replacement funds must be boosted significantly for the next few years, so that the Fire Department does not fall farther and farther behind.

BUDGET ACTUALLY DECREASING

I think that it should be pointed out that the size of the Fire Department operating budget, in real terms, is actually decreasing. A comparative analysis shows that:

In fiscal 1972, the Fire Department budget was 4.34 percent of the City's overall operating budget; in fiscal 1978, it is projected to be only 3.20 percent. While the City's total budget rose by 126.3 percent during that period, the Fire Department's increase was only 66.5 percent. Comparing fiscal 1978 with the current fiscal year (1977), the overall budget request is up 34.3 percent (including federal transfers), while the Fire Department's share is only 7.46 percent greater—approximately the inflation rate.

The Fire Department has been particularly hard hit with various inflationary costs, such as the price increases for fuel oil and gasoline. Increases to cover those amounts are necessary for operations, yet add nothing to productivity; they increase the budget, but do not increase the capability to deliver services.

PROFESSIONAL JUDGMENTS, POLITICS, AND PLANNING

The City Council's response to the crisis in the Fire Department has been somewhat unsatisfactory. While reluctant to give the needed funds, the Council did attempt to intrude on the professional judgment of the Fire Department's leadership. A proposed resolution (PR 1–266) would have given the Council veto power over almost every policy decision by the Fire Chief. Some members of the Council devised preposterous reorganization plans. One, for example, would have eliminated some aides to battalion chiefs (although the Fire Protection Handbook says, "One of the positions most important to fire department efficiency is that of chiefs' aides or assistants. . . . [they are] essential to efficient management and operations"); another would have done away with some of the chiefs themselves! A patchwork plan, devised by those knowing next to nothing about the Fire Department, is a totally inadequate response to the problem. Instead, governing officials must rely on the professional planning of the Fire Chief and his assistants. The trained experts must decide what the Department needs to cope with an expanding Metro system, or the current housing boom (2199 housing units permits were issued last year, five times the 1975 figure).

SUMMARY

I hope, Mr. Chairman, that the City Council and your Subcommittee will stop thinking in terms of "re-programming" and "cost-saving" and other piecemeal solutions, which may culminate in disaster. Fire protection is a component of public safety of the highest priority. This City is entitled to the full measure of protection; and you should only too willingly give the Department the resources it needs to provide that.

America Burning, the Report of the National Commission on Fire Prevention and Control, noted: "Saving lives, reducing property losses, and preventing firefighter injuries are far more important considerations than efficiency in government. It is far better to err on the side of overmanning than to risk the public's safety through manpower cuts. Economy-minded governments should be concerned with getting greater productivity from their fire departments, not with saving dollars to the possible detriment of their citizens' safety."

You must not remain indifferent to the very real concerns about the operations of the Fire Department in Washington. We need more than "minimal" funding, which puts day-to-day work on a shoestring basis, while failing to meet contingencies and prepare for future needs.

According to the Georgetown University Poll, directed by Government Professor Robert Hitlin (now at American University), the D.C. Fire Department is listed as the department of city government with which the greatest number of residents are satisfied (72 percent in February 1976, 84 percent in February 1974). I do not believe that they want an economy level of service delivery; they recognize the the importance of full strength for this vital agency.

The firefighters, who are engaged in the most dangerous of all occupations, want to do the best job that they can; the people want the best Fire Department anywhere. They need your help. If sacrifices are to be made in the City's budget, they must be in programs that can be delayed or deferred without endangering people's lives. Give the Fire Department the money and manpower it needs to save lives and property.

Thank you.

POLISH CONSTITUTION DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. FARY. Mr. Speaker, May 3 marks the anniversary of the adoption of the great Polish Constitution of 1791 "a benchmark in the struggle of men to form governments guided by the consent of the governed."

We observe today the 186th anniversary of Poland's Constitution as an important milestone in the history of human freedom. On this sobering yet inspiring occasion we are reminded that the people of Poland were once free—that they once enjoyed the ideals of personal liberty that we as Americans so highly cherish.

Poland's Constitution was drawn up at a time when absolute monarchy was the prevailing form of government on the European Continent. This constitution drastically curtailed the powers of the monarch and made him more responsive to the needs of the people. The rigid class distinctions of the Middle Ages were set aside, religious freedom was guaranteed, and the principles of equality were clearly enunciated in this historic document.

The significance of Poland's May 3 Constitution is that it was adopted without anarchy and bloodshed. This historic document was held as an example in England, France, and the New World, at a time when revolution was the echo of political change against the submission of the minds of free men to the dictatorial philosophies of its suppressors.

The years following May 3, 1791, brought about the partitioning of Poland in 1793, 1795, 1939, and 1945, and numerous repressions. As a result it gave Poland a stunning courage of fidelity to her nation and unceasing devotion to the ideals of freedom. Poland's dedication to democracy has been put to test for many generations. In our time its was tested during World War II, when Polish forces in exile, organized under allied command, fought valiantly at Monte Cassino. The inscription on the monument to the Polish dead reads:

> We Polish soldiers for our freedom and yours, have given our souls to God, our bodies to the soil of Italy, and our hearts to Poland.

These qualities are deeply imbued in the many fine Polish-American citizens of the Fifth Congressional District. I am continually impressed with their great patriotism, loyalty, and ability to take on formidable challenges. I am also proud of the outstanding record of community involvement that has been compiled by the Polish Americans.

I share with my Polish-American brethren the hope that Poland will one day be able to join the family of free nations. I hope that my colleagues will join with me in reflecting on the courage of the valiant Polish people who so richly deserve to walk in the sunlight of liberty.

The people of Poland have not been forgotten. They are remembered today in this House, and they are remembered in the hearts of 10 million Polish Americans who hope and pray for the day that Poland will be free.

I join these 10 million Americans in this hope and in this prayer.

SUPPORT FOR INSTALLATION OF AUTOMATIC SPRINKLERS IN NURSING HOMES

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. O'BRIEN. Mr. Speaker, since the beginning of the 95th Congress, many of us have cosponsored legislation to require that automatic sprinkler systems be installed in nursing homes and acute care institutions. This concept has been endorsed by many fire departments across the country, and I am including today a resolution of support adopted by the New England Association of Fire Marshals.

There are two main approaches to providing Federal incentives to nursing homes to help them install the automatic sprinklers. One bill provides loans at low interest rates which would be made available to nursing homes participating under medicare and medicaid. I have sponsored an alternate approach which would add Federal grants to rural care homes and to those homes with severe capital shortages. My bill applies to nursing homes participating in the medicare, medicaid, and veterans' affairs programs. I would urge my colleagues to take a close look at the General Accounting Office report recommending installation of these sprinkler systems. This report states in clear terms the need for sprinklers to save lives, lessen injury, and reduce damage to property. I invite any coponsors to my bill, H.R. 3780.

The material follows:

WEST HAVEN FIRE DEPARTMENT,
West Haven, Conn., April 26, 1977.

Hon. GEORGE M. O'BRIEN,
Rayburn House Office Building,
Washington, D.C.

DEAR SIRS: I am in receipt of a newsletter from the University of Maryland with the lead story about your proposed legislation requiring automatic sprinkler protection in nursing homes. I am enclosing that bulletin plus two resolutions that address the same subject that were passed by two organizations that I belong to.

There has been a lot said about the use of fire resistive construction to protect property but I strongly feel that property is not the question but the protection of life, especially when people are bedridden and unable to care for themselves.

In my opinion fire resistive construction can be compared to the construction of a furnace. The structure after a fire is still sound and has contained the fire within the structure but unfortunately humans are unable to withstand the high temperatures and build-up of gases.

The answer to the fire problem in nursing homes is known to fire officials throughout the United States but somewhere along the line the fire service has lost their input into building codes and therefore fire resistive construction has been given preference over automatic sprinklers.

Speaking for myself and many concerned fire officials throughout the country, nursing homes of frame construction with a properly installed sprinkler system is 100% safer than one of fire resistive construction.

In closing if there is anything you can suggest that can be done to help in passing this important legislation, I would be more than happy to volunteer. I will be in Washington the week of May 15th through the 19th and if you can find time I would like to discuss this problem further.

Very truly yours,
CHARLES E. RAUBESON,
Fire Marshal/Department Chief.

[From the Maryland Fire and Rescue Institute Bulletin, February 1977]

BILL ORDERS NURSING HOME SPRINKLERS

Legislation mandating the installation of automatic sprinkler systems in nursing homes has been introduced in the United States Senate and House of Representatives. The bill would require skilled and intermediate care nursing homes to install the sprinklers as a condition of certification under medicare, medicaid and veteran's programs.

Sponsored by Rep. George M. O'Brien of Illinois, the proposed legislation also would provide financial assistance to the nursing facilities.

"One of the major drawbacks in assuring that nursing homes are protected with sprinklers," Rep. O'Brien said, "is the cost of purchasing and installing the systems. The bill which I am introducing will meet the monetary need of many nursing homes so they can install these vitally important sprinklers."

The legislation authorizes long-term, 20-year loans to eligible facilities in an amount necessary to cover the purchase and installation of automatic sprinklers. The loans would bear a low interest rate, set at not more than one (1) percent higher than the average discount rate set by the Federal Reserve Board at the time the loan is made.

The bill also contains grant provisions which will help nursing homes serving primarily rural or low-income populations.

During his introduction of the legislation, O'Brien referred to the tragic fire at the Wincrest Nursing Home in Chicago last January, resulting in the deaths of 32 people and injuries to 50 others. "The Wincrest Home was of fire resistive construction materials," Congressman O'Brien said, "and was further protected with a noncombustible roof. It complied with other Life Safety Code features, but it did not have the lifesaving sprinklers."

Similar legislation was introduced in the last session of Congress, but did not receive serious attention from the same House and Senate Committees which must now consider Rep. O'Brien's bill.

RESOLUTION —

Whereas: The New England Association of Fire Marshals is concerned over the loss of life, by fire, in hospitals, convalescent homes and homes for the aged and

Whereas: The existing fire regulations do not provide for mandatory installation of automatic fire extinguishing equipment in all buildings and

Whereas: Fire resistive construction of buildings, saves buildings, but not lives and

Whereas: Many new throwaway products are introducing additional hazardous conditions and

Whereas: The Health Care Business now represents one of the largest industries in the United States and

Whereas: Large numbers of patients are physically or mentally unable to assist themselves in time of danger and

Whereas: The reliability of a properly installed and maintained automatic sprinkler system, to protect life and property, is well established and

Whereas: Sprinklers detect a fire, give an alarm and either extinguish or hold a fire in check until outside aid arrives. They also control indirectly the amount of smoke generated. They would limit a fire to a size that would be controllable by attendants and would also provide the time necessary to remove residents to a safe area. Be it therefore

Resolved: By The New England Association of Fire Marshals, that the Association urgently petition The N.F.P.A. and the U.S. Dept. of H.E.W. to make every effort for the early approval of regulations to require the mandatory installation of automatic sprinkler systems in all Hospitals, Convalescent Homes and Boarding Homes, regardless of the type of construction or number of stories of the buildings, for the protection of the sick, disabled and elderly. This resolution includes both new and existing facilities.

THE FLOOD OF ILLEGAL ALIENS THAT MAY SOON OVERWHELM US

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. HUBBARD. Mr. Speaker, our illegal immigration problem has reached crisis proportions. Now is the time for the Congress and the White House to act firmly and fairly to confront the illegal alien crisis. I would like to share with my House colleagues an extremely perceptive editorial, which appeared in the May 1, 1977, edition of the Courier-Journal and Times outlining the scope of this crisis and setting forth a number of constructive, just, and effective means of confronting it. The editor and publisher of this respected Kentucky newspaper is Mr. Barry Bingham, Jr., and its opinion page editor is Mr. Robert T. Barnard.

The article is as follows:

FLOOD OF ILLEGAL ALIENS THAT MAY SOON OVERWHELM US

The Carter administration appears to be coming to grips with the problem of illegal aliens, which has grown to alarming proportions in recent years. The solution, if we are not to resort to such extremes as figuratively dismantling the Statue of Liberty, can't come too soon.

Two groups that have been studying the question are due to report to the President in the next few days. Conflicting opinions from different members of the administration suggest that whatever is proposed will be controversial. But the situation has reached the point where almost any firm action would be better than continued unchecked illegal immigration.

No one knows exactly how many illegal immigrants are presently in this country. But the best estimates range from six to eight million, with the number believed to be expanding at the rate of half a million each year. That's well above the 400,000 annually admitted as legal U.S residents.

Most of the illegal immigrants come from Latin America, particularly Mexico. Contrary to popular belief, most are young, able-bodied men who do not strain this nation's social services. But they do take jobs, usually the lowest-paid, unskilled variety. While this is work that most Americans don't want to do, the fact that these illegal aliens hold down jobs while millions of Americans are unemployed is political dynamite.

Even as these aliens take away American jobs, however, they are themselves victimized by their situation. Because they are here illegally, many employers exploit them, providing subsistence wages and substandard working conditions. If the workers complain, they risk being reported to the Immigration Service. One way to tackle both this exploitation and the flow of illegal immigration is that favored by Labor Secretary Marshall: stricter enforcement of labor laws to discourage employers from hiring cheap labor.

Earlier this year, Attorney General Bell called for a law making it a crime to hire anyone known to be an illegal alien. That's an old proposal, but it makes little sense. Some employers might be scared enough to scrutinize the credentials of prospective employes more closely. But such a law also would open the door to discriminatory treatment of all Hispanic people, including legal residents and citizens.

Another solution proposed from time to time is requiring all citizens and legal residents to carry identification cards, as legitimate aliens must. The new alien cards issued two months ago are claimed to be fraud-proof, which gets around one objection to such a procedure. But a more important one is the traditional American resistance to anything smacking of governmental regimentation.

One way to reduce illegal immigration could be a major increase in the border patrols. That's easier said than done, however, with 2,000 miles of open territory along the Mexican border, the chief crossing point. Nobody wants to see anything resembling the Iron Curtain along this border. And though doubled manpower and resources might catch more furtive immigrants and perhaps deter others, it wouldn't make more than a dent in the total numbers.

A more realistic course could be to raise some of the ceilings on legal immigration. The main reason people take the risk of illegal entry is because waiting for a visa can take years. Only 120,000 persons may enter from the Western Hemisphere each year, but many times that number apply. Until this year, this quota was filled on a first-come, first-served basis, and Cuban refugees, considered to have priority because of a law giving them special status, filled most of it.

THE AMNESTY OPTION

Last March, however, a federal court ruled this this priority treatment was discriminatory. The court ordered that all aliens from the Western hemisphere who applied for U.S. visas between July 1968 and December 1976, but entered illegally because the line was impossibly long, should be entitled to remain "until further notice" without threat of deportation. An amnesty for these people (and perhaps for other illegal aliens, too) is one of the options being considered by the Carter administration.

A recent change in the immigration law, designed to correct the Cuban imbalance, in one way has made the situation worse. Since January 1, a ceiling of 20,000 has been put on the number of immigrants from any single country in the Western hemisphere.

While that helps would-be immigrants from some smaller nations, it worsens the plight of Mexicans. They have been emigrating legally to the United States at an average rate of 40,000 a year. What's more, they account for by far the largest number of illegal immigrants. Perhaps Mexico should be treated as a special problem. But whether or not this is done, increases in individual country ceilings and in the total of 120,000 might relieve part of the difficulty.

In the end, however, the factors that drive people to leave their native lands and seek work in the United States must be considered in any realistic program to curb illegal immigration. If economic and social conditions weren't so poor in most Latin American countries, and if progress didn't seem so far down the road, people wouldn't endure the risks and exploitation associated with illegal entry to the U.S. Doing more to help these countries improve their standards of living could be the most effective way of tackling our own problem of illegal aliens.

In any event, something must be done. This country is no longer an empty land waiting to be populated. Legal immigration at present rates could add more than 13 million persons to the population of the United States by the end of the century. If unchecked, illegal immigrants are expected to swell that number by another 28 million.

There are limits to the additional immigrants that our nation of 215 million citizens can absorb, either economically or socially. A total of 41 million new entrants over the next two decades could stretch those limits intolerably. If President Carter lets the opportunity slip now, the pressures will be far worse in years to come.

IN DEFENSE OF AMBASSADOR YOUNG

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. RANGEL. Mr. Speaker, our former colleague and present U.S. Ambassador to the United Nations, Andrew Young has recently been criticized by the media and many other individuals for his comments regarding the apartheid government in South Africa. It is important that those of us who know the Ambassador convey to his detractors our sentiments that we believe his comments are valid, and more importantly that they deserve to be carried to as wide a forum as possible.

Our Nation has on numerous occasions expressed its disapproval of the apartheid regime in South Africa. The new administration will shortly be holding talks with the leaders in South Africa in order that we can impress upon them the urgency of the racial problem which they face and thus the need to deal with it in good faith.

The comments which the Ambassador has been making with respect to South Africa may sound slightly harsh but are in fact consistent with the facts. The government in South Africa is indeed abhorrent and the sooner the United States publicly adopts this policy, perhaps the realization will reach the leaders in South Africa that the potential for our support does not exist. Only when they realize that we will aline ourselves with the forces struggling for self-determination, will the minority begin talking in earnest about majority rule and thus end the violence that now exists.

I believe that in the spirit of open government, something that the new President is very much concerned about, we all should be applauding Ambassador Young for his comments. At last we have a spokesman in the field of foreign policy who speaks the truth without couching it in language which makes the meaning difficult to ascertain. I would hope that he would continue to do so.

I would like to share with my colleagues an editorial that was recently aired over one of my local radio stations in New York. I think that the commentary makes clear the need for the Ambassador to continue to speak out. The editorial follows:

> U.N. Ambassador Andrew Young has taken some unpopular positions and stated some uncomfortable notions. For instance, he has said that in the event of an East-West showdown in South Africa, he sees no reason why the U.S. should come in on the side of the racist South African Government.
>
> Andy Young warns that Black Americans would not tolerate it and that Black Service men would even refuse to fight on the side of South Africa.
>
> Andy Young's statements have angered some conservatives who feel that his statements are Anti-White, and racism in reverse. His critics ignore the fact that Rhodesia and South Africa practice a form of aparthied that systematically attempts to reduce their Black citizens to beast of burden with no human rights at all. Andy Young says things that comfortable, complacent politicians don't like to hear, but for many Black Americans, Ambassador Young's stance is encouraging. He might just be a politician that does not reside in someone's vest pocket and that is refreshing.

PORTSMOUTH, OHIO, URANIUM ENRICHMENT FACILITY

HON. THOMAS A. LUKEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. LUKEN. Mr. Speaker, I rise today in full support of continuing construction of a uranium enrichment facility at Portsmouth, Ohio.

The President's recently announced energy policy indicates a redirection of national efforts away from the gaseous diffusion method for uranium enrichment which was to be developed at Portsmouth, to the centrifuge process. This decision may jeopardize the Federal Government's commitment to the Portsmouth facility, but I stress that this need not be the case.

There is no technical or engineering reason why construction of a centrifuge facility cannot go forward at Portsmouth, Ohio. There is enough power to operate a centrifuge facility, $40 million has already been spent in preparation for the Portsmouth uranium enrichment site, environmental impact studies which have been completed indicate the area is similar to one required for a centrifuge facility and the area is virtually free of earthquake or tornado threats.

I stress that support for the Portsmouth facility is strong. I have cosigned an Ohio congressional delegation letter to the President, as well as forwarding my own correspondence, outlining the reasons for the centrifuge facility to be constructed at Portsmouth, Ohio. I, along with my Ohio colleagues, have also reminded the President of his campaign commitment to this area and his promise of financial prosperity which would have been realized with a $4 billion Federal commitment to an area of 19 percent unemployment.

I am also including at this time a joint resolution adopted by the General Assembly of Ohio on April 27, 1977, requesting the Congress fulfill the commitment of two Presidents by authorizing the funding recommended to complete an expansion of Ohio's uranium enrichment facility.

For years, development of Portsmouth was the main hope for an economically depressed region. This promise should not be removed so quickly, or be so easily denied.

The joint resolution follows:

HOUSE JOINT RESOLUTION No. 34

Joint resolution to memorialize the Congress of the United States to fulfill the commitments of two Presidents by authorizing full funding for the construction and completion of an expansion of Ohio's Uranium Enrichment Facility at Piketon (Portsmouth), Ohio by the United States Energy Research and Development Administration

Be it resolved by the General Assembly of the State of Ohio,

Whereas, The 112th General Assembly recognizes that adequately supplying America's present and future energy needs, including the need for nuclear energy, is necessary to America's survival; and

Whereas, America's nuclear energy needs are expected to triple within the next eight years; and

Whereas, Pursuant to the commitments of two Presidents, the Ohio uranium enrichment facility, located at Piketon (Portsmouth), Ohio has been scheduled for expansion by the United States Energy Research and Development Administration to increase the production of enriched uranium, a fuel source vital to America's nuclear energy capabilities; and

Whereas, the proposed federal budget for fiscal year 1978, now before the United States Congress for consideration, contains funding recommendations sufficient to complete a scheduled $4.5 billion expansion at the Ohio uranium enrichment facility; now therefore be it

Resolved, That we, the members of the 112th General Assembly of the State of Ohio, in adopting this resolution, memorialize the Congress of the United States to fulfill the commitments of two Presidents, by authorizing the funding recommended to complete an expansion of Ohio's uranium enrichment facility; and be it further

Resolved, That the Secretary of State transmit properly authenticated copies of this Resolution to the President Pro Tempore and to the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives, the two United States Senators from Ohio, each member of the United States House of Representatives from Ohio, and the President of the United States.

REAL PROPERTY TAX RELIEF: "THE CIRCUIT-BREAKER"

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. GILMAN. Mr. Speaker, one of the most distressing problems confronting our Nation's millions of homeowners is the escalating real property tax. Too many of our senior citizens and our low- and middle-income families are being forced out of their homes as a result of the crushing financial pressure exerted upon them by the burdensome property tax.

Congress must assist our Nation's hard-pressed homeowners who ask only a fair chance in their struggle against accelerating real property taxes.

In introducing previous legislation, H.R. 1485—to which H.R. 3057, and H.R. 3058 are identical measures—I called for the creation of a task force to study and evaluate the taxation of real property by State and local governments. It is my hope that the recommendations from this study might result in State and local governments adopting methods of raising revenue more effectively and with less burdens than the current system of real property taxation entails.

However, pending creation of such a task force and in order to provide more immediate relief, I am proposing a limitation on property taxation in the form of a "circuit-breaker."

This circuit-breaker will entitle a property owner to a tax credit of not more than $500, if the taxes paid on his real estate exceed 5 percent of his adjusted gross income (AGI) or if his rent payments for principal residence exceed 5 percent of his AGI. During the taxable year 1977, the AGI maximum would be $10,000; in 1978 the AGI limitation would be $15,000; and in 1979 and thereafter, the AGI limitation would be $20,000. For example, if a homeowner's adjusted gross income in 1977 is $8,000 and the amount paid in property taxes is $700, then he would qualify for a $300 Federal income tax credit, since the $300 is the amount above and beyond the 5-percent tax limitation of $400—5 percent of $8,000 equals $400.

Accordingly, the taxpayer, having paid the local real estate tax of $700, thereafter is entitled to a Federal income tax credit of $300—representing the property tax "overload."

Only that portion of the taxpayer's real property that is maintained as a principal residence would qualify for a Federal income tax credit. "Four acres is the maximum farm acreage that could be included as part of a principal residence. A tax credit for joint ownership, joint rentals, and cooperative housing is also included in my bill.

Mr. Speaker, the plight of real property taxpayers is underscored by some of the taxes imposed in my region.

In 1971, the total property tax levied by Orange County, N.Y., stood at $16,948,281. Five years later, in 1976, that figure was a staggering $27,777,022—an approximately 61-percent increase. Low- and middle-income homeowners struggling to maintain—and in many instances struggling to save their homes—are all too familiar with the astronomical rate of property tax increases.

In Orange County alone, 1,932 parcels of land were put up for the tax sale in 1975 by the county for nonpayment of property taxes, as compared to 906 parcels in 1974. Although local taxes have doubled and tripled in some areas of the county, the county's annual population growth was only 2.4 or 12 percent during the last 5 years.

Mr. Speaker, it is not uncommon for some taxpayers in my congressional district to pay a real estate tax of $2,500 on a $55,000 home, or for a taxpayer in a $40,000 home assessed in 1968 at 50 percent valuation to pay a property tax of $1,584 and in 1975 to pay on the same home—revalued at nearly $80,000 and reassessed at 100 percent—taxes of $3,200. With mortgage rates climbing above 9 percent and the "average" new home selling for $42,600 in 1975—over the 1965 "average" of $22,900—the combined effect of increased mortgage rates and home purchase prices has excluded more than one-half of all American families from the housing market. Added to this grim picture are the increased costs of running our governmental institutions. Citizen demand for Government service and performance, fed by an inflationary economy, has resulted in staggering costs of governmental programs: Schools, fire and police protection, public works, and social services all are expensive programs causing us to approach property tax limits beyond which taxpayers cannot meet.

Mr. Speaker, similar tax burdens exist in other parts of the Nation, where the taxpayer is being crushed by double-digit inflation, alarming high unemployment, and staggering Federal, State, and local taxes. The picture is clear, the point does not need to be belabored—low- and middle-income taxpayers require relief from these crushing taxes.

In the interest of alleviating these tax burdens, I urge my colleagues to support this "circuit-breaker" tax legislation, and I insert the full text of my bill at this point in the RECORD:

H.R. 6847

A bill to amend the Internal Revenue Code of 1954 to allow certain low and middle income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residence or of the rent they pay for their principal residences

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44 the following new section:

"SEC. 44A. RESIDENTIAL REAL PROPERTY TAXES OR RENT PAID BY CERTAIN LOW AND MIDDLE INCOME INDIVIDUALS.

"(a) GENERAL RULE.—In the case of an eligible individual, there shall be allowed as a credit aaginst the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the amount of real property taxes paid or accrued by him during the taxable year which were imposed by a State or political subdivision thereof on property owned and used by him as his principal residence during the taxable year, and

"(2) the amount of rent paid or incurred by him during the taxable year with respect to property used by him as his principal residence during the taxable year.

"(b) Eligible Individual.—For purposes of this section, an individual shall be treated as an eligible individual for any taxable year if—

"(1) the sum of—

"(A) the real property taxes referred to in subsection (a)(1) which are paid or accrued by the individual during the taxable year, plus

"(B) the rent referred to in subsection (a)(2) which is paid or incurred by the individual during the taxable year,

exceeds

"(2) 5 percent of the individual's adjusted gross income for the taxable year.

"(c) Limitations.—

"(1) In General.—The amount allowable as a credit under subsection (a) for any taxable year shall not exceed $500 ($250 in the case of a separate return by a married individual).

"(2) Income Limitation.—

"(A) In General.—The amount allowable as a credit under subsection (a) for any taxable year (determined after the application of paragraph (1) and without regard to this paragraph) shall be further reduced (but not below zero) by an amount equal to 5 percent of the excess (if any) of the adjusted gross income of the taxpayer over the applicable limitation (one-half of the applicable limitation in the case of a separate return by a married individual).

"(B) Applicable Limitation.—For purposes of subparagraph (A), the term 'applicable limitation' means—

"(i) in the case of taxable years beginning in 1977, $10,000;

"(ii) in the case of taxable years beginning in 1978, $15,000; and

"(iii) in the case of taxable years beginning after December 31, 1978, $20,000.

"(3) Joint Ownership.—In the case of any property owned jointly, and used as a principal residence during any calendar year, by two or more taxpayers, the total amount allowable to all such taxpayers as a credit under subsection (a)(1) with respect to such property for taxable years of such taxpayers beginning in such calendar year—

"(A) shall not exceed $500, and

"(B) shall be apportioned among such taxpayers ratably on the basis of the relative amounts of such taxes paid by each such taxpayer during such calendar year.

"(3) Joint rentals.—In the case of any property rented and used as a principal residence during any calendar year by two or more taxpayers, the total amount allowable to all such taxpayers as a credit under subsection (a)(2) with respect to such property for taxable years of such taxpayers beginning in such calendar year—

"(A) shall not exceed $500, and

"(B) shall be apportioned among such taxpayers ratably on the basis of the relative amounts of rent paid by each taxpayer on such property during such calendar year.

"(d) Definitions and Special Rules.—

"(1) Determination of status.—For purposes of this section, the determination of whether an individual is married shall be made in the manner prescribed by section 143.

"(2) Property used in part as principal residence.—In the case of property, only a portion of which is used by the taxpayer as his principal residence, there shall be taken into account, for purposes of subsection (a), so much of the real property taxes or rent paid by him on such property as is determined, under regulations prescribed by the Secretary or his delegate, to be attributable to the portion of such property used by him as his principal residence. For purposes of this paragraph, in the case of a principal residence located on a farm, so much of the land comprising such farm as does not exceed 4 acres shall be treated as part of such residence.

"(3) Real property tax on cooperative housing.—For purposes of subsection (a)(1), an individual who is a tenant-stockholder in a cooperative housing corporation (as defined in section 216(b))—

"(A) shall be treated as owning the house or apartment which he is entitled to occupy by reason of his ownership of stock in such corporation, and

"(B) shall be treated as having paid real property taxes during the taxable year equal to his proportionate share, as determined under section 216(a)(1), of such taxes paid or incurred by such corporation.

"(4) Change of principal residence.—If during a taxable year a taxpayer changes his principal residence, subsection (a) shall apply only to that portion of the real property taxes or rent paid by him with respect to each such principal residence as is properly allocable to the period during which it is used by him as his principal residence.

"(5) Real property tax in case of sale or purchase of principal residence.—If during a taxable year a taxpayer sells or purchases property used by him as his principal residence, subsection (a)(1) shall apply only to the portion of the real property taxes with respect to such property as is treated as imposed on him under section 164(d), and, for purposes of subsection (a)(1), the taxpayer shall be treated as having paid such taxes as are treated as paid by him under such section.

"(6) Rent.—For purposes of this section, the term 'rent' means any amount paid or incurred for the right to occupy property, exclusive of any charges for utilities or services (other than incidental services) furnished by the landlord as a part of the rental agreement (whether expressly set forth in the agreement or not).

"(e) Adjustments for Refunds.—

"(1) In general.—The amount of real property taxes paid by an individual during any taxable year shall be reduced by the amount of any refund of such taxes, whether or not received during the taxable year.

"(2) Interest.—In the case of an underpayment of the tax imposed by this chapter for a taxable year resulting from the application of paragraph (1) of this subsection, no interest shall be assessed or collected on such underpayment for any period before the sixtieth day after the date on which the taxpayer receives the refund of real property taxes which caused such underpayment."

(b) The table of sections for subpart A of part IV of subchapter A of such Code is amended by inserting after the item relating to section 44 the following new item:

"Sec. 44A. Residential real property taxes or rent paid by certain low and middle income individuals."

(c) Section 6401(b) of such Code (relating to treatment of excessive credits as overpayments) is amended by inserting ", 44A (relating to residential real property taxes or rent paid by certain low and middle income individuals)," before "and 667(b)", and by striking out "and 43" and inserting in lieu thereof "43, and 44A".

Sec. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1976.

HOUSE OF REPRESENTATIVES—*Wednesday, May 4, 1977*

The House met at 3 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord God is my strength and my song, and He has become my salvation.—Isaiah 12: 2.

O God, our Father, we join the troubled hearts across our land in offering our prayers unto Thee. Separated by prejudice, divided by hostility, and embittered by ill will, we lift our hearts to Thee, praying for gifts we cannot receive until we learn to live in peace with one another. Forgive us, O God, and come anew into all our hearts to keep us strong and steady in the midst of common need, ready to serve one another and eager to do our full part in solving the problems of our national life.

Grant us patience to endure our hardships, humility to accept our achievements, and the faith to keep on working to make our dreams come true for the good of our country and of all mankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if it would be the disposition of the Chair, after the 1-minute speeches, at the appropriate time to entertain a motion for a call of the House.

The SPEAKER. Yes.

Mr. BAUMAN. I thank the Chair, and I withdraw my reservation of objection.

The SPEAKER. Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 482. An act to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico; to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and to authorize such tribe to purchase and exchange lands in the States of New Mexico and Arizona; and

S. 838. An act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes.

VIEWS AND RECOMMENDATIONS OF JOINT ECONOMIC COMMITTEE WITH RESPECT TO ECONOMIC ISSUES TO BE DISCUSSED AT SUMMIT CONFERENCE IN LONDON

(Mr. **BOLLING** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **BOLLING**. Mr. Speaker, the Joint Economic Committee is releasing a report today containing its bipartisan views and recommendations on a number of economic issues that are likely to be discussed at the Summit Conference in London on May 7–8.

An outstanding panel of witnesses, including representatives from Japan, Germany, Great Britain, and the United Nations Conference on Trade and Development, along with American spokesmen for business and labor presented their views at the JEC hearings in mid-April.

The hearings were an effort to be helpful to the administration by reviewing many of the issues President Carter would discuss with foreign heads of state.

I am calling the report to your attention because I think it will be useful to you and your staff as we deal with these issues in the Congress.

It contains additional views of individual Members. Copies may be obtained from the JEC office in room G–133, Dirksen Senate Office Building.

QUOTATIONS OF MR. JOSEPH RAUH

(Mr. **GONZALEZ** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **GONZALEZ**. Mr. Speaker, on April 19, 1977, Congressman RICHARD BOLLING addressed the House for 1 minute regarding a letter he received from Washington attorney Joseph Rauh. Mr. Rauh replied through his letter to Congressman BOLLING to what he considered an attack on him by me.

Mr. Rauh in the letter said that I had quoted him out of the book, "Act of Vengeance," by Trevor Armbrister. However, in the speech I made earlier to the House, I did not quote Mr. Rauh, I made reference to part of the writing of Mr. Armbrister, who is considered to be a favorable biographical writer about Mr. Richard Sprague.

For the RECORD let me bring to your attention the quote from Mr. Armbrister to which I made reference:

> Fom the beginning both Rauh and Sprague recognized how much they needed each other. Rauh knew that in order to push ahead with the civil litigation, he had to coordinate his moves with the prosecutor. Sprague realized that ultimate success in the murder prosecutions would depend to a large degree on how much other pressure Rauh could put on the union in Washington, D.C. Although they remained poles apart on such issues as capital punishment and criminal civil rights, they understood and trusted each other and developed a fine rapport. "If they hadn't been working in tandem," Chip Yablonski said later, "I don't think that either one of them could have pulled it off. It required a dual movement, and that's what their partnership supplied."

Just prior to this paragraph in the book, Joseph Rauh is quoted as saying:

> We were pushing a dozen suits simultaneously (in reference to the union reformers and the sons of Yablonski tackling Boyle in court). * * * To call it strategy would be an overstatement. We just fought them all.

BORIS CHERNOBILSKY

(Mr. **BONIOR** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **BONIOR**. Mr. Speaker, Boris Chernobilsky, a member of the refusnik community of Moscow, was detained last October and charged with "hooliganism," under a statute that carries penalties of 1 to 5 years in prison. The charges stemmed from his presence at a peaceful protest at the Supreme Soviet by Moscow Jews.

Mr. Speaker, all the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to protect basic human rights from violation by the state. Yet, recent weeks have seen a crackdown on dissidents in the Soviet Union reminiscent of the worst excesses of the Stalin regime.

One victim of this recent crackdown has been Boris Chernobilsky whose only "crime" seems to be his desire to emigrate to Israel and his willingness to speak out against government policies which prevent it.

My participation in this "orphans of Exodus" vigil is motivated by a desire to see an end to the type of unnecessary disregard for human rights being experienced by Mr. Chernobilsky and his fellow countrymen. It is also my hope that by speaking out before the Congress and the Nation that I can in a small way help Mr. Chernobilsky and his family in their quest to emigrate.

PARIS TALKS IMPROVE PROSPECTS OF GAINING ADDITIONAL INFORMATION ON MIA'S

(Mr. **MONTGOMERY** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **MONTGOMERY**. Mr. Speaker, I am pleased to report that prospects for gaining additional information on Americans missing in action in Southeast Asia have improved as a result of the current talks in Paris between the United States and the Socialist Republic of Vietnam. I have been in communication with the American delegation and have been told that the "nuts and bolts" of actually carrying out a search operation has been intensified by Vietnam in their efforts to locate grave and crash sites. Search teams are in the field gathering information from villagers on crash sites.

I am encouraged by the fact that the Vietnamese delegation included Mr. Vu Hoang, who is in charge of the Vietnamese search operation. Hoang was in Paris to answer questions posed by the American delegation and explain in greater detail exactly what is being done to gain information on the MIA's. It is my understanding that one difficulty impeding the search operation is the loss of grave markers which have disappeared with the passage of time.

I would like to commend the members of the American diplomatic delegation representing us in Paris and I am pleased that further talks are tentatively scheduled within the next 2 weeks.

While I realize we will never be able to achieve a complete accounting, I do believe the current Paris talks will result in some additional information on the MIA's.

RESIGNATION AS MEMBER OF HOUSE OF REPRESENTATIVES

The **SPEAKER** laid before the House the following communications, which were read:

WASHINGTON, D.C., *May 4, 1977.*

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, Washington, D.C.

DEAR MR. SPEAKER: Enclosed please find my letter of resignation addressed this day to the Honorable Edwin W. Edwards, the Governor of the State of Louisiana.

My short stay in the House has been the most rewarding experience of my life. I am tremendously impressed by the integrity and industry of its members. I have made friends whom I will never forget.

Keep my seat warm and tell my colleagues not to forget me because I am running again and will win again.

With kindest personal regards, I am,

Sincerely,

RICHARD A. TONRY.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 4, 1977.

Hon. EDWIN W. EDWARDS,
Governor, State Capitol,
Baton Rouge, La.

DEAR GOVERNOR EDWARDS: This is perhaps the hardest letter I have ever had to write.

I am sure you are familiar with the continuing controversy that has surrounded my election to Congress. My own personal investigation and that of the House Committee has convinced me that there were fraudulent and illegal votes cast in my favor and in favor of my opponent. I sincerely believe and have always felt that if all the fraudulent and illegal votes were subtracted from the total I would still be declared the winner.

However, what I believe is not important. What must be protected is our beloved Louisiana and this Nation. That fraudulent votes were cast at all is deplorable. This democracy must be protected and the people of the First Congressional District must rest with the assurance that their Congressman has been elected by a majority of the people.

I have enjoyed nothing as much as serving my people in Congress. I know I have been a good Congressman.

But the divisiveness must be cured and the will of the people in the First Congressional District must be definitively recognized.

For these reasons, I hereby tender my resignation as the United States Representative for the First Congressional District.

I respectfully request that you call a new election as soon as possible so that the people of my district will not be without representation for any significant length of time.

Sincerely,

RICHARD A. TONRY.

MAKING IN ORDER CONSIDERATION TODAY OF CONFERENCE REPORT ON H.R. 4876, ECONOMIC STIMULUS APPROPRIATION ACT, 1977

Mr. **MAHON**. Mr. Speaker, I ask unanimous consent that it may be in order today to consider the conference report on H.R. 4876, making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6655, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977

Mr. **MURPHY** of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95–241) on the resolution (H. Res. 541) providing for consideration of the bill (H.R. 6655) to amend certain Federal laws pertaining to community development, housing, and related programs, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 6689, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEAR 1978

Mr. **MURPHY** of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 537 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 537

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 401(b) and 303(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6689) to authorize fiscal year 1978 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The **SPEAKER**. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. **MURPHY** of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 537 provides for the consideration of H.R. 6689, the Foreign Relations Authorization Act for fiscal year 1978. This resolution provides for an open rule with 1 hour of general debate. In addition, the bill will be read for amendment by titles instead of by sections, and the resolution waives points of order against the consideration of the bill for failure to comply with sections 401(b) and 303(a) of the Congressional Budget Act of 1974.

Section 401(b) of the Budget Act provides that it shall not be in order to consider any bill which provides new spending authority which is to become effective before the first day of the fiscal year which begins during the calendar year in which such bill is reported—October 1, 1977.

Section 303(a) prohibits consideration of a bill which provides new spending authority described in section 401(c) (2) (c) to become effective during a fiscal year until the first concurrent resolution on the budget for such year has been agreed to by the Congress.

Without the waivers provided in House Resolution 537, a point of order could be raised against consideration of the bill. During the Rules Committee hearings on H.R. 6689, it was agreed, therefore, that the gentleman from Florida (Mr. FASCELL) would offer an amendment to the bill adding a new section to H.R. 6689 providing that no authority to make payments under the bill shall be effective except to such extent or in such amounts as are provided in appropriation acts. The Budget Committee will have no objections to the bill when this amendment is added.

Mr. Speaker, I know of no opposition to this rule. Therefore, I urge the adoption of House Resolution 537 in order that H.R. 6689 may be considered.

Mr. **BAUMAN**. Mr. Speaker, will the gentleman yield?

Mr. **MURPHY** of Illinois. I yield to the gentleman from Maryland.

Mr. **BAUMAN**. Mr. Speaker, I notice in reading this rule that once again the language of the rule curtails the minority's right to offer a motion to recommit with or without instructions. That customary language, "with or without instructions" is deleted.

I understand the controversy that has existed about this question during this session, but this rule does potentially preclude the right of the minority if an amendment is adopted in the Committee of the Whole which changes one portion of the bill or if a substitute for the bill is adopted.

Mr. Speaker, could the gentleman from Illinois (Mr. MURPHY) give us the rationale as to why, with a 2-to-1 majority, the majority members of the Committee on Rules feel compelled to limit our rights in this respect?

Mr. **MURPHY** of Illinois. Mr. Speaker, as the gentleman from Maryland (Mr. BAUMAN) stated, this has been a subject of controversy in the Committee on Rules.

However, as the gentleman from Missouri has ably described to the ranking member on the Republican side in the Committee on Rules, this is a clean bill; and the minority has a right to offer a motion to recommit. If during the consideration of this clean bill, a substitute is offered, there will flow therefrom a continuing right of the minority to offer a motion to recommit; the minority is protected. On the other hand, if we adopted what the gentleman from Maryland wants to do, the minority would be given two opportunities to do the same thing, in effect.

Mr. **BAUMAN**. Mr. Speaker, if the gentleman will yield further, I really do not think the minority is going to upset the plans of the majority. However, the majority's intentional curtailment of our rights, as the gentleman has just indicated, not only is unfortunate but disparages the rights of the 70 million Americans the minority party represents.

Mr. **MURPHY** of Illinois. Mr. Speaker, I do not think it is a curtailment of the minority's rights. There is no rule that says that the minority is, in every instance on a clean bill, allowed to offer a motion with instructions. It has been a custom. We in the Committee on Rules want to get back to the rules and forget about the custom.

Mr. **BAUMAN**. Mr. Speaker, if the gentleman will yield further, I think the majority has overturned a good many customs. This is one, however, that they should adhere to.

Mr. **LOTT**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Illinois has said that House Resolution 537 is a 1-hour, open rule providing for the consideration of H.R. 6689, the Foreign Relations Authorization Act for fiscal year 1978. The resolution waives sections 401(b) and 303(a) of the Congressional Budget Act, which sections relate to legislation providing entitlement authority and to new spending authority before the first concurrent resolution on the budget for the year has been agreed to, respectively. Finally, the resolution permits the bill to be read for amendment by titles instead of by sections.

It is my understanding that amendments will be offered on the floor to remove the conflicts with the Budget Act. The waivers are necessary strictly in order for the measure to be considered at all.

The Foreign Relations Authorization Act for fiscal year 1978 is a little different authorization bill than we have had before. I say that because this time not only is the annual State Department authorization of appropriations included but also the authorization for the U.S. Information Agency and the Board for International Broadcasting—which makes grants to Radio Free Europe/Radio Liberty. If I recall correctly, all three of these authorizations have not been combined in the same bill in the past few years. Could it be that this year's combination is designed to allay the opposition that has been building concerning the spending of our tax dollars for other than purely domestic purposes?

This legislation authorizes a total of $1,676,908,000 for fiscal year 1978 plus such sums as may be necessary to pay for pay raises. Taking into consideration all three major spending categories—State, USIA, and Board for International Broadcasting—this bill exceeds last year's appropriation by $167,809,000. In addition, it outstrips the President's budget request by $51,791,000.

I would like to point out one more fact. The measure contains an authorization of $389,412,000 for "international organizations and conferences." I was not able to find an itemized list of these organizations in the bill or the committee report, and I understand there are 44 of them. It might be helpful to know what these organizations are and their cost-effectiveness before we authorize so much money for them.

Mr. Speaker, I oppose the rule because of the continuing practice of waiving points of order for violation of the Budget Act and because of excessive authorization. This bill needs more work in the committee.

Mr. MURPHY of Illinois. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced the ayes appear to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 391, nays 23, not voting 18, as follows:

[Roll No. 189]

YEAS—391

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashley
Aspin
AuCoin
Badham
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kildee
Kindness
Koch
Kostmayer
Krebs
Krueger
LaFalce
Lagomarsino
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Pressler
Preyer
Pritchard
Pursell
Quie
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Rudd
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Stump
Taylor
Thompson
Thone
Thornton
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—23

Armstrong
Ashbrook
Bauman
Broyhill
Collins, Tex.
Crane
Dornan
Edwards, Okla.
Gaydos
Grassley
Hansen
Ichord
Lott
McDonald
Martin
Poage
Quayle
Quillen
Rousselot
Symms
Walker
Whitten
Young, Fla.

NOT VOTING—18

Badillo
Burgener
Dent
Dingell
Forsythe
Goldwater
Holt
Johnson, Calif.
Latta
Le Fante
Milford
Moss
Price
Roe
Rose
Sikes
Teague
Young, Alaska

The Clerk announced the following pairs:

Mr. Teague with Mr. Price.
Mr. Le Fante with Mrs. Holt.
Mr. Milford with Mr. Burgener.
Mr. Moss with Mr. Goldwater.
Mr. Dent with Mr. Young of Alaska.
Mr. Dingell with Mr. Rose.
Mr. Sikes with Mr. Roe.
Mr. Johnson of California with Mr. Latta.
Mr. Badillo with Mr. Forsythe.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORTS ON CERTAIN PRIVILEGED RESOLUTIONS

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file reports to accompany certain privileged resolutions relating to contested elections.

The SPEAKER pro tempore (Mr. ROBERTS). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONFERENCE REPORT ON H.R. 4876, MAKING ECONOMIC STIMULUS APPROPRIATIONS FOR FISCAL YEAR ENDING SEPTEMBER 30, 1977

Mr. MAHON. Mr. Speaker, pursuant to the order of the House granted today, I call up the conference report on the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 3, 1977.)

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. MAHON) is recognized for 30 minutes, and the gentleman from Michigan(Mr. CEDERBERG) is recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, on March

15 the House passed a bill providing $23.3 billion in economic stimulus appropriations for the fiscal year ending September 30, 1977. The bill went to the other body and certain adjustments were made. The bill we bring before the Members in the form of a conference report today is not for $23.3 billion, but for $20.1 billion, so that there is a reduction of over $3 billion in the bill that passed the House.

This is explained by the fact that the President withdrew the request for the $50 rebate after the House passed the bill, and the Senate took this into consideration. Therefore, the bill was sharply reduced.

The conference report provides new budget authority totaling $20,101,484,000. As reported, the conference report is $3,692,365,000 below the budget estimates, $3,205,435,000 below the House bill, and $294,500,000 below the Senate bill.

On the day following the filing of the conference report, the President transmitted to the Congress a budget amendment rescinding his request of $3,193,535,000 for the tax rebate program for fiscal year 1977. Thus, the conference report would now be $498,830,000 below the budget.

What is contained in the bill? There are provisions in the bill which I personally do not support, and I suspect that many Members of the House do not support every item in the bill, but this was the best we were able to work out in the House originally and in the conference. Briefly, here is what is in the bill:

As I said, there is a total of $20 billion; $4 billion is for local public works. We use this bill as a vehicle to provide most of the annual appropriation for revenue sharing, and the amount in the bill for revenue sharing is $4.9 billion. Then, there is in the bill $7.9 billion for public service jobs, a program not popular with some Members of the House but popular with others.

For additional employment and training programs, we have $1.4 billion. We provide $632 million, the amount that was originally provided in the House bill, for antirecession financial assistance, a form of revenue sharing. The other body added $293 million to the House figure, but the other body receded from its position in the conference, and the House provision of $632 million for antirecession financial assistance was adopted.

There are $300 million in the bill for the EPA program of reimbursement for construction grants. There is the sum of $59.4 million for community service employment for older Americans. Then, there is $175 million for emergency drought assistance, growing out of the fact that we have had some very unfavorable weather in many parts of the country this year.

That just about tells the story of this $20 billion economic stimulus bill. We hope it will stimulate employment, but will not stimulate additional inflation. We do not know just what the trend would be, although predictions have been made in more than one way as to what the situation may be. But, this is the product of the conference, and I think we have no alternative other than to approve the conference report.

Mr. Speaker, I urge support of the conference report.

Mr. CEDERBERG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the chairman of the committee has quite adequately discussed this conference report. I am not sure how much economic stimulus this will provide. We are faced with a situation where the bill contains a large number of items, some that we may agree with and some that we may not. For instance, I happen to agree with general revenue sharing, while I do not agree with some of the other parts of the bill. So when the Members vote on this legislation, they have to recognize that we are just going to have to take the whole package. Frankly, I have not really decided what my position will be on it. I think it is probably much higher than I would like it to be, and I have some reservation as to how much economic stimulus the bill contains. It may be that it will stimulate inflation more than it will stimulate the economy. But I do not see how we can do anything else, having come out of the conference.

Mr. Speaker, I have no further requests for time on this conference report.

Mr. CONTE. Mr. Speaker, I rise in support of this conference report on the economic stimulus appropriations bill. I believe that we have equitably resolved our differences with the Senate, and have brought back a bill which will meaningfully respond to our employment needs.

I am particularly pleased that the Senate agreed to my amendment to provide $50 million for railroad rehabilitation through the redeemable preference share program. This amount will go a significant way toward getting genuine rehabilitation work underway this work season, providing jobs clearing rights of way, replacing track and ties, and ditching. These are real meat and potatoes jobs, and I am pleased that the Senate saw fit to go along with my proposal.

This rehabilitation work is particularly important in light of the President's announcement of an energy policy which is heavily dependent upon conversion to coal. In their present condition, there are few railroads which could handle the extra weight and pressure of extensive coal shipments. This rehabilitation funding is the first step toward achieving a workable rail transportation network which can handle the extra demands expected to be placed on it by coal conversion.

We have also included $1 billion for a youth service corps for young people ages 16 to 21. The rural component of this program is very similar to legislation I have proposed to reestablish a program modeled after the old Civilian Conservation Corps, or CCC. Through this youth service corps program, we will create some 72,000 jobs by the end of 1977 and 154,000 jobs by the end of 1978. These jobs are only a start, but they will significantly ease unemployment among young people, where unemployment is the worst.

We have also included funds for the Comprehensive Employment and Training Act, which will provide an additional 50,000 title II jobs by the end of 1977 and an additional 75,000 jobs by the end of 1978; and will provide an increase to 500,000 title VI jobs by the end of 1977 and 600,000 title VI jobs by the end of 1978.

We have also provided funds for an additional 14,800 jobs through the community service employment for older Americans program. This will be a significant help for those of our older Americans who need some additional income in order to maintain themselves and who can provide invaluable service to others through these programs.

In short, Mr. Speaker, the funds in this bill will stimulate the American economy and alleviate the effects of current high and unacceptable rates of unemployment. I strongly urge the adoption of this conference report.

Mr. MILLER of Ohio. Mr. Speaker, I rise in opposition to the conference report on the so-called Economic Stimulus Appropriations Act. The conference report is defective in that it is based on a premise that responsible economists and commonsense keep rejecting and that defective premise is that the United States can spend itself to prosperity. Instead of stimulating the economy in a responsible manner, outrageous deficit spending mandated by this and similar legislation, robs the private sector, where most of the jobs are located, of necessary capital. Putting business and, consequently, millions of jobs on a shaky economic foundation is hardly a prudent thing to do. The results of spending money that we do not have creates inflation which causes unemployment and business decline.

In all honesty, Mr. Speaker, this should be called the Inflation and Unemployment Stimulus Act. Our President campaigned on the promise of a balanced budget in 1981 and I had great expectations we could do so. I cannot see how this promise can be kept as long as legislation like this is continually approved.

I am disappointed that revenue sharing funds were thrown in with the makework project money in the bill. I strongly support the revenue sharing as a way to preserve the viability of the several States and their local governmental units. I unequivocally support full funding for revenue sharing and had the revenue sharing funding provisions been extricated from the fiscally irresponsible provisions of this conference report, I would have voted for the revenue sharing provisions. A separate vote on revenue sharing should have been scheduled.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 326, nays 87, not voting 19, as follows:

[Roll No. 190]

YEAS—326

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Baldus
Barnard
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Chisholm
Clausen, Don H.
Clay
Cochran
Cohen
Coleman
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Daniel, Dan
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Dickinson
Dicks
Diggs
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frey
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gudger
Guyer
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Kildee
Koch
Kostmayer
Krebs
Krueger
LaFalce
Lederer
Leggett
Lehman
Lent
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Luken
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pressler
Preyer
Pritchard
Pursell
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ruppe
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Simon
Sisk
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Steed
Steers
Stokes
Stratton
Studds
Thompson
Thornton
Traxler
Treen
Trible
Tsongas
Tucker
Udall
Van Deerlin
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—87

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Brown, Ohio
Broyhill
Burleson, Tex.
Butler
Cederberg
Chappell
Clawson, Del
Cleveland
Collins, Tex.
Conable
Corcoran
Crane
Daniel, R. W.
Devine
Dornan
Edwards, Okla.
English
Erlenborn
Findley
Frenzel
Gibbons
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hansen
Holt
Ichord
Jacobs
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Leach
Levitas
Lujan
Lundine
McDonald
McEwen
Marlenee
Marriott
Martin
Miller, Ohio
Moorhead, Calif.
Myers, Gary
Myers, Ind.
Neal
Pike
Poage
Quayle
Robinson
Rousselot
Rudd
Runnels
Satterfield
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stangeland
Steiger
Stockman
Stump
Symms
Taylor
Thone
Vander Jagt
Walker
Whitehurst
Wiggins
Young, Fla.

NOT VOTING—19

Badillo
Breckinridge
Burgener
Dent
Dingell
Forsythe
Gammage
Howard
Johnson, Calif.
Latta
Le Fante
Mathis
Milford
Moss
Price
Roe
Sikes
Teague
Ullman

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Teague against.

Mr. Le Fante for, with Mr. Milford against.

Mr. Johnson of California for, with Mr. Mathis against.

Until further notice:

Mr. Gammage with Mr. Price.

Mr. Badillo with Mr. Latta.

Mr. Howard with Mr. Burgener.

Mr. Moss with Mr. Breckinridge.

Mr. Dingell with Mr. Roe.

Mr. Sikes with Mr. Ullman.

Mr. DERRICK and Mr. HALL changed their vote from "nay" to "yea."

Mr. LUNDINE and Mr. SHUSTER changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 4, strike "to carry out section 906(a)(1) of the Older Americans Act, $59,400,000," and insert: "$59,400,000, of which $29,700,000 is to carry out section 906(a)(1) of the Older Americans Act."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert: "$59,400,000, of which $44,500,000 is to carry out section 906(a)(1) of the Older Americans Act".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 4, line 19, insert:

DROUGHT ASSISTANCE PROGRAM

For expenses necessary to carry out the Community Emergency Drought Act of 1977, $225,000,000: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

DROUGHT ASSISTANCE PROGRAM

For expenses necessary to carry out a community emergency drought assistance program, $175,000,000: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 6, line 15, insert:

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

For necessary expenses of railroad-highway crossings demonstration projects, as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Assistance Act of 1974, to remain available until expended, $20,000,000 of which $13,333,333 shall be derived from the Highway Trust Fund.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

For necessary expenses of railroad-highway crossings demonstration projects, as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Assistance Act of 1974, to remain available until expended, $16,000,000 of which $10,666,667 shall be derived from the Highway Trust Fund.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to, and on the amendments in disagreement, and that I may have permission to insert extraneous tabulated matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEAR 1978

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6689) to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6689, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. FASCELL) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 6689, the Foreign Relations Authorization Act for fiscal year 1978.

H.R. 6689, which was approved by the Committee on International Relations, by voice vote, on April 28, provides authorization for appropriations for fiscal year 1978 of $1,676,908,000 for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting. The bill provides the essential basic funding for the United States to formulate and implement its foreign policy and to conduct our relations with foreign governments and international organizations. This bill is distinct from the foreign assistance bill to be acted on by the House next week and security assistance legislation which is still being considered by the International Relations Committee.

Title I of the bill provides authorization for $1,314,410,000 for the Department of State in categories relating to the administration of foreign affairs, international organizations and conferences, educational exchange, migration and refugee assistance and other nondiscretionary costs. Title I also contains an annual authorization of $25 million for the Inter-American Foundation beginning in fiscal year 1979.

Title II makes several changes in the Foreign Service personnel system. The major provision establishes a career candidate program to improve procedures for on-the-job testing of Foreign Service career aspirants prior to their commissioning.

Title III provides authorization of $293,518,000 for the operations of the USIA including the Voice of America.

Title IV provides authorization of $68,980,000 for the Board for International Broadcasting which supervises and makes grants to Radio Free Europe/Radio Liberty.

The major changes in dollar amounts from the executive requests are these:

First. The committee increased the amount in title I for the "administration of foreign affairs" by $20,185,000 to fund eight new positions in the State Department and to provide an extra $20 million to begin shifting to acquired properties where we now pay exhorbitant rents. This should effectuate significant long-term savings.

Second. The committee reduced by $11,125,000 the amount in title I for "international organizations and conferences" in order to keep funds for the total authorization for UNESCO within $60 million. This will enable the United States to retain its vote and will pay our dues through a little more than half of 1977.

Third. The committee reduced by $9,439,000 the amount in title I for "international commissions" to eliminate dual authorization for certain projects authorized by other laws.

Fourth. The committee increased the amount in title I for "educational exchange" by $5 million to provide funds for initiatives relating to our obligations under the final act of the Conference on Security and Cooperation in Europe, signed at Helsinki.

Fifth. The committee increased the amount for "migration and refugee assistance" of title I by $23 million. This includes $3 million for assistance in resettling in the United States, those Soviet and Eastern European refugees who wish to do so, as well as $20 million for assistance to Soviet and East European refugees settling in Israel. This funding continues a program begun by congressional initiative in 1972.

Sixth. The committee increased the amount in title III for "acquisition and construction of radio facilities" by $10,080,000 to provide for the first stage of implementation of the President's international broadcasting report for upgrading of the Voice of America's facilities. This amount would allow installation of four 250-kilowatt transmitters in Woofferton, England, and four more in Liberia. Since the committee reported out H.R. 6689, it is my understanding that the State Department has approved a supplemental budget request for these additional facilities, but that the request has not yet been officially transmitted to Congress.

Seventh. The committee increased the amount in title IV for the Board for International Broadcasting by $10,250,000. This provides $5 million to continue authority for funds to offset unexpected fluctuations in foreign currency rates and $5,250,000 for installation in Germany of four new transmitters for Radio Free Europe/Radio Liberty as recommended in the President's report. It is my understanding that an official request from the President for the $5,250,000 for the new transmitters will be sent to Congress shortly.

Mr. Chairman, the amounts authorized by this bill are not large as compared to either the total budget or to the immense amounts expended by other departments and agencies. Nevertheless, the amounts authorized in H.R. 6689 are substantial, and I would, therefore, like to take just a few moments to outline just a few of the important functions for which funds would be authorized by this bill.

First and foremost, this bill provides the funds for our diplomats to carry out this Nation's efforts to achieve a lasting peace. It authorizes funds for our efforts to make the United Nations the instrument for peace it was designed to be, and for important peacekeeping efforts both by regional organizations, such as the Organization of American States, and by U.N. peacekeeping forces in Cyprus and on the Golan Heights. In addition to promotion of peace, this bill authorizes the funds required to protect vital U.S. security and economic interests around the globe. It provides the resources needed to maintain our diplomatic relations with 135 nations and more than 90 international organizations and to enable the Department of State to coordinate the shaping and implementation of U.S. foreign policy among the numerous departments and agencies of our Government.

Some specific examples of ways in which funds authorized by this bill serve the interests and needs of the American people are:

The provision of consular services for citizens who encounter difficulties abroad;

The development of economic data important to U.S. industry and labor in expanding our export markets and the protection of U.S. interests at numerous trade and other economic conferences:

Negotiations to enable our armed forces to use facilities abroad important to our own security;

Protection of U.S. fishing and economic interests at international conferences formulating a new law of the sea;

Provision of alternative news and information sources to peoples around the world who have no access to a free press;

The maintenance of institutional relationships with Canada and Mexico designed to protect our mutual water resources;

Protection of the world's environment through joint efforts to control pollution of the oceans;

Opportunities for our students and scholars to travel abroad and learn firsthand about foreign cultures and governments;

Insuring the availability of passports,

in a timely fashion, to Americans wishing to travel abroad; and

Maintenance of important global institutions to protect health, insure safe shipping, and provide for orderly telephone, radio and postal communications.

These are only a few of the many specific ways in which this bill promotes the interests of the United States.

In conclusion, Mr. Chairman, I would like to point out that while the amount authorized to be appropriated in this bill represents a modest increase in the original executive branch request, the total authorization is $46,104,000 under the amount the International Relations Committee recommended to the Budget Committee on March 15.

I will now yield to my colleague, Mr. BUCHANAN, the ranking minority member of the Subcommittee in International Operations.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Florida yield for a question.

Mr. FASCELL. Certainly.

Mr. BAUMAN. Mr. Chairman, I wanted to direct a question to the distinguished gentleman from Florida regarding the U.S. mission to the United Nations. I read the report and saw no reference to any increase in the members of the staff of the United Nations Ambassador.

But, I did see in the gentleman's just published hearings, on page 50, the explanation of the State Department request of what appears to be $220,000 for five domestic positions to staff the Washington office of the U.S. Ambassador to the United Nations. As the gentleman may be aware, it was publicly mentioned in the press about 2 months ago that the United Nations Ambassador was planning to set up, described in the article I read, a public relations and lobbying office in Washington, which he would use to promote his own radical views.

When I checked with the State Department, they told me that they now have 163 positions dealing with support of the United Nations mission in Washington, and an additional 107 positions in New York directly attached to the mission.

Could the gentleman explain to me why we need, at a cost of $220,000, five new positions to be made available to Ambassador Young, and what exactly they will be doing that this staff already in existence is not doing?

Mr. FASCELL. As the gentleman knows, the Ambassador to the United Nations currently has a Washington office, but this is a provision for new positions. The gentleman is correct. The figure, as I recall, was $220,000 for five additional positions. That was the administration request. The subcommittee considered it very carefully, and we decided that under the expanded responsibilities which the administration has assigned the Ambassador, it is necessary that the Ambassador maintain a Washington office.

Mr. BAUMAN. The amount is $90,000, and not $220,000?

Mr. FASCELL. For the five positions, $220,000 is the request.

Mr. BAUMAN. Was there any specific justification in the way of a description of the role that these new employees would fulfill, as compared to the 163 the State Department says they already have supporting the United Nations mission?

Mr. FASCELL. Well, the way it was explained to us—I do not recall the details on each specific job description—but it was that the President had determined that in his administration the United Nations Ambassador should play a more effective role in terms of congressional relations and other expanded activities through this office. Therefore, we felt that it was reasonable and sensible to give him specific employees for his own office as distinguished from all the other employees whom the gentleman detailed, who are in the International Organizations Bureau of the Department of State, although based in New York. There is no question about that. These five new employees would be assigned specifically to the Ambassador.

Mr. BAUMAN. I thank the gentleman. I think he has answered my question.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Texas.

Mr. HALL. I notice that the bill provides $20 million for assistance to Soviet and Eastern European refugees settling in Israel. I believe the gentleman stated that was something that began in 1972?

Mr. FASCELL. Yes; that was a congressional initiative.

Mr. HALL. Would the gentleman explain to me upon what basis, and the reason why, the U.S. Government should spend that amount of money for Soviet and Eastern European refugees settling in Israel, where our interests are not involved?

Mr. FASCELL. Well, obviously the answer is that the Congress felt that our interests were directly involved.

Primarily, it is a humanitarian rationale. The United States has always been in the forefront of refugee assistance. One could draw a line anywhere one wishes on how generous we ought to be in the humanitarian sense, but obviously this amount of money does not take care of all of the people who need or want assistance. The United States is involved in other programs. The gentleman is correct on that score.

The answer to the gentleman is that the United States feels that it is in our interests to help these people on a humanitarian basis to escape that kind of harassment and repression, and to show our willingness under our own system to extend a helping hand.

Mr. HALL. Will the gentleman yield for a further question?

Mr. FASCELL. I yield to the gentleman from Texas.

Mr. HALL. Are there other Western bloc nations that are paying any sums of money to these refugees who move into Israel or any other country?

Mr. FASCELL. Of course, the Government of Israel.

Mr. HALL. Other than Israel?

Mr. FASCELL. There are other countries which are making contributions in a variety of ways with respect to refugees, not only directly, but also through international programs.

In other words, it is not a one-sided thing. It is not just the United States handing out money to help a specific class of refugees going to Israel. A lot of people are in the act.

Let us face it, we could spend a lot more money if we wanted to help more people. This program takes care of about 7,000 people. That is a lot of refugees. When one considers there are over 7,000 who would like some help, who would like to get out, we are making, in my opinion, a justifiable contribution.

Mr. HALL. Is this amount of $20 million dollars more or less than it was last year?

Mr. FASCELL. The same amount.

Mr. HALL. The same amount?

Mr. FASCELL. Yes.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

The gentleman said we are spending $50 million to help 7,000 people?

Mr. FASCELL. I did not say that at all.

Mr. JOHNSON of Colorado. If the gentleman will yield further, I thought the gentleman said there were 7,000 people who were helped.

Mr. FASCELL. I said there were 7,000 people who were helped, but not with $53 million. The program is $20 million.

Mr. JOHNSON of Colorado. Is the gentleman talking about the $20 million set aside specifically for those going to Israel?

Mr. FASCELL. Yes.

Mr. JOHNSON of Colorado. So there are 7,000 people?

Mr. FASCELL. In that program, yes.

Mr. JOHNSON of Colorado. Is that just anybody who wants to leave the Eastern European bloc nations?

Mr. FASCELL. It is not "anybody." That "anybody" is one who is able to leave and is defined as a refugee.

Mr. JOHNSON of Colorado. It used to mean you were a refugee if you ran away from a country, you were a refugee if you ran away from war or slipped away. Now I understand these countries have limitations on the number of people who can leave and, actually, these people are leaving with that government's permission.

How many people are leaving from the Soviet Union and how many people are leaving from the other European countries?

Mr. FASCELL. For fiscal year 1978, the figure is estimated at 18,000 refugees leaving the Soviet Union, 7,000 of whom will go to Israel. Another 6,000 refugees will leave Eastern European nations, most to go to countries other than Israel.

Mr. JOHNSON of Colorado. Is the $20 million paid directly to the individuals or is it paid to the Government of Israel?

Mr. FASCELL. No. It is paid to the Jewish Agency for Israel, which is an arm of the Israeli Government. They assist refugees in this very difficult transition by providing housing, language training, and other needed services.

Mr. JOHNSON of Colorado. The gentleman talks about refugees. There are these people who are leaving Romania, Czechoslovakia, Poland, and other countries, who presumably qualify for this $53 million worth of aid. Do these people leave without money or with money? Do they leave with the government hot on their heels or are they escorted to the border? Do they have places to go in Vienna?

Mr. FASCELL. I know what the gentleman is getting at, and I would be glad to answer. If the gentleman wanted to try to get out under the same conditions, I do not think he would like it. The answer to the gentleman's question is that these Eastern European refugees leave both legally and illegally, usually with very limited means. Vienna is one of the asylum areas where refugees are assisted prior to their relocation in other countries.

Mr. JOHNSON of Colorado. Are they really refugees?

Mr. FASCELL. The answer is that, by all standards, they are. Why? Because they leave their countries as the result of a fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion. Secondly, because of that fear these people cannot return to their countries or they are liable to wind up in jail.

Mr. JOHNSON of Colorado. Is that true of every country in the Eastern European bloc?

Mr. FASCELL. No, it is not true of every country in the Eastern European bloc, and the people who are not considered refugees do not get this help.

Mr. JOHNSON of Colorado. How do we make that distinction?

Mr. FASCELL. We make that distinction through voluntary organizations who assist these people and apply the defintion found in the 1967 U.N. Protocol Relating to the Status of Refugees.

Mr. JOHNSON of Colorado. But who are the individuals who make that decision?

I appreciate the gentleman giving me the time to harangue him about this subject, but we have never had any detailed explanation from the Committee on International Relations on this particular subject.

We are supposed to accept this amount of money every year without receiving much information. Every year since 1973, since I have been here, we have gone through the reports, and we do not find any information in them. We have no way of knowing what the programs actually are and who is helped by this money. It seems sometimes that we are just asked to buy a pig in a poke. I have never been able to get any information from the committee until this very moment.

Mr. FASCELL. Mr. Chairman, the gentleman can get as much information as he wants. We are loaded with information. He can ask for it now, and we will put it in the Record. I am on the gentleman's side, and I am trying to supply any information he wants.

Mr. JOHNSON of Colorado. Mr. Chairman, I am not the only Member who should have it. The information should be available to the whole body.

Mr. FASCELL. Yes; of course. Actually it is all in the Record. It has been put in the Record, by the committee. We would be glad to put any information that is desired in the Record now. That is what I am explaining to the gentleman.

The answer to the gentleman's question is that the State Department contracts with nine voluntary agencies representing major religious and ethnic groups in the United States, who then administer the funds under the overall migration and refugee assistance program. Those agencies are the American Fund for Czechoslovak Refugees, the American Joint Distribution Committee, the International Catholic Migration Commission, the International Rescue Committee, the Polish American Immigration and Relief Committee, the Tolstoy Foundation, United HIAS Service, and the World Council of Churches. In the area of assistance to Soviet Jewish refugees proceeding to Israel, the State Department contracts with the United Israel Appeal. The host government and the United Nations High Commissioner for Refugees help decide who is to be considered a refugee.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman.

Mr. FASCELL. Mr. Chairman, I think the gentleman has asked very proper questions. The Members are absolutely entitled to this information.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Missouri.

Mr. VOLKMER. Again, Mr. Chairman, I want to be sure I understand this. Going back to the figure of 7,000 refugees, the amount of money is approximately $20 million; is that correct?

Mr. FASCELL. Yes.

Mr. VOLKMER. That amounts to a figure of not quite $300 per refugee?

Mr. FASCELL. The per capita amount is $3,000.

Mr. VOLKMER. Mr. Chairman, is that figure to cover basically the costs incurred from the time they leave the country until they arrive in Israel? Does it include only those costs? It bothers me that we are spending that kind of money if it covers only getting from one place to another.

Or does that figure also include assistance for a year or for 6 months? What does it actually include?

Mr. FASCELL. It covers expenses of care and maintenance in Vienna and Rome and transportation to Israel, but the majority of the funds are used in Israel to provide housing, language training, job training and other expenses necessary to make a new home for these people. The Israeli Government spends a significant amount of its national budget for these purposes. The total is estimated at $40,000–$50,000 per refugee family writ, of which the United States contributes $3,000.

Mr. VOLKMER. There is no assistance program included for a year or 2 years or anything like that?

Mr. FASCELL. No, there is not. This is a program the Congress has authorized annually only as it is needed.

Mr. VOLKMER. Mr. Chairman, I thank the gentleman.

Mr. BUCHANAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I commend the gentleman from Florida on his handling of his important legislation and on his comprehensive, persuasive explanation of its provisions. As ranking minority member on the International Operations Subcommittee, I am uniquely situated to appreciate the talent and energy the gentleman has devoted to H.R. 6689.

The bill before the House provides the wherewithal for the United States to conduct its diplomacy and to project the image of a vital, dynamic democracy to the rest of the world. In my opinion, the United States has the finest, most professional foreign service in the world. They have earned our respect and they deserve our support.

In addition to authorizing fiscal year 1978 funds for the State Department and the U.S. Information Agency, H.R. 6689 also increases our ability to communicate directly with hundreds of millions of people throughout the world, many of whom have no other window to the West. Pursuant to the President's recommendations on international broadcasting, the Committee on International Relations has authorized the expenditure of some $20 million for additional radio transmitters in Europe, Africa, and Asia so that the Voice of America, Radio Free Europe, and Radio Liberty can more clearly and effectively spread the message of the United States.

The committee has provided an additional $5 million for educational and cultural exchange in an effort to foster the principles contained in the Final Declaration of Helsinki. We have authorized $20 million so that the State Department can begin a program of purchase, or renting with an option to buy, properties abroad rather than continue with the wasteful and costly process of renting facilities.

We have met the administration's requirements for repayment of our arrearages to the United Nations Educational, Cultural, and Scientific Organization, a matter that was thoroughly debated and discussed in February when we considered the fiscal year 1977 State Department supplemental authorization.

In short, Mr. Chairman, the $1,676,908,000 requested for the conduct of foreign affairs has been carefully and thoroughly considered. The bill before you was reported unanimously by the Committee on International Relations. I am convinced that the funds authorized are absolutely essential to the effective conduct of American diplomacy in an era of increasing interdependence among nations.

I urge prompt and favorable consideration of H.R. 6689.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, there is a tendency when bills are routinely processed on an annual basis to overlook some of the details. I would like to emphasize a few of the major points contained in this legislation before us.

I also realize, our frustrations with foreign affairs being what they are, that the State Department quite often becomes a whipping boy. I would like to point out to the Members that I believe we should be kind to the State Department. After all, it is the only one we have.

Of all the departments of Government, the State Department is the smallest, and yet in a way it probably has the most expertise among its members in comparison to others unit. The requirements of language facility, the educational background, and the experience of American diplomats are quite impressive.

Notwithstanding our occasional differences of opinion as to policy, I think we are well served by this dedicated, able group of individuals who are serving the United States in the State Department at home and abroad.

In addition to the Department of State, this bill also covers the budget for the U.S. Information Agency. I call the attention of the Members specifically to the fact that in this year's proposal the committee has brought before us there is almost $20 million for additional radio facilities for the Voice of America. This is especially important at a time when there are more and more sophisticated efforts being made to jam their radio broadcasts. It is important that the Voice of America have a more effective technical ability to penetrate that kind of interference, because now, more than ever before, we are engaged in a battle for men's minds.

The Voice of America serves a very necessary and positive role. In addition, there is a budget figure of $68 million for the Board for International Broadcasting. I would like to remind the Members that that covers Radio Free Europe and Radio Liberty. These two entities have operated since shortly after World War II, and for some years they were subsidized, and I think properly so, by the Central Intelligence Agency. Some years ago a few overzealous Members decided to rip the cover off their operation.

Since then, Radio Liberty and Radio Free Europe have been administered by the Board for International Broadcasting.

Here, again, in their budget figure of $68,950,000, about $58 million is for the grants to operate Radio Free Europe and Radio Liberty; and approximately $5.2 million is for additional facilities.

Mr. Chairman, it is especially important to note that these radio stations broadcast in 22 languages to 65 million people in Eastern Europe and to the non-Russian people within the U.S.S.R. Furthermore, at a time when there is major emphasis on the Helsinki agreement and human rights, the so-called third basket aspect of it, it is especially important that we have these facilities, the Voice of America, Radio Free Europe, and Radio Liberty, to penetrate Eastern Europe and especially the Soviet Union to provide the people there with legitimate information on international developments and legitimate information on developments in their own countries which their controlled press and their controlled communications media do not provide them.

Mr. Chairman, I think the subcommittee has done a fine job with this bill; and I commend this bill to all of the Members and ask support for this proposal this afternoon.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

I would like to associate myself with his remarks. I support his views, and I hope very much that the subcommittee bill will be approved.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. ZABLOCKI), the distinguished chairman of the full committee.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of H.R. 6689, and I commend the gentleman from Florida (Mr. FASCELL) and his Subcommittee on International Operations for their expeditious—yet thorough—consideration and markup of this comprehensive piece of legislation. The report accompanying this bill, which was prepared largely by the gentleman's subcommittee, aptly summarizes and explains the executive request as well as the committee's specific recommendations.

The gentleman from Florida has clearly outlined the bill's main features and consequently, I will not attempt to cover that ground again. I would, however, like to make a few brief comments about certain aspects of the bill which I believe are of particular significance.

As a longtime supporter of Radio Free Europe and Radio Liberty, I am pleased to note that title IV provides some much-needed additional funding to upgrade the Radios' transmission facilities—as recommended by the President in his report of March 22, 1977.

Let me emphasize that the additional $5 million included in the bill for the construction of four new RFE/RL transmitters represents only a portion of the investment which will ultimately be needed to enable these Radios to reach their target audiences effectively. According to the President's report, a total of 11 additional 250 kW transmitters for RFE/RL are required to compensate for current transmitting deficiencies—a number which some experts believe should be more than doubled. In any case, this is a start in the right direction. It is high time, in fact, that these technical deficiencies, resulting from years of budgetary restraint and neglect, be finally addressed—and H.R. 6689, with President Carter's strong backing, does precisely that.

The bill also adds $10,080,000 to the amount initially requested by the executive branch for "acquisition and construction of Radio facilities" for the Voice of America—again to implement the President's recommendations to improve VOA's transmission capability. Specifically, this additional funding would provide $6,340,000 for installation of four 250-kilowatt transmitters at Wooferton, England, and $3,740,000 for transmitters in Subsaharan Africa.

A few key statistics provided by former VOA Director Giddens during the subcommittee's authorization hearings reveal why this additional funding is necessary:

As an international broadcaster, the Voice of America ranks fourth in hours per week—778 hours—as compared with 2,000 hours per week by the Soviet Union; 1,406 hours per week by the People's Republic of China; and 1,100 hours per week by Egypt. I repeat—Egypt.

In terms of languages, the Soviet Union again ranks first—broadcasting in 84 languages worldwide; the People's Republic of China ranks second, 43; West Germany ranks third, 37—tied with the BBC 37, and the Voice of America ranks a poor fourth, 36. For a country like the United States, which has the world's most advanced radio technology and programing expertise, this is a very mediocre showing, indeed.

In communicating with the rest of the world, we are simply not keeping up with the competition. We need to improve both the quantity and the quality of our broadcast coverage. I understand that the Fascell subcommittee will be holding a series of extensive hearings on this entire subject and in the process, will review a number of organizational proposals originally put forward by the so-called Stanton and Murphy Commissions which are presently being studied by the administration. This is, I believe, a welcome development, but first and foremost, we need to strengthen our signal—and be heard. This bill provides a modest effort toward the achievement of that important goal.

Finally, Mr. Chairman, title IV of the bill establishes a $5 million contingency fund for fluctuations in currency exchange rates. This was a proposal by the General Accounting Office which I originally offered in committee as an amendment to the Board for International Broadcasting Act of 1973. The provision is necessary to insure the smooth functioning of Radio Free Europe and Radio Liberty during periods in which dollar devaluation tends to erode the level of funding approved by the Congress.

While appropriations for the Board for International Broadcasting are in dollars, grants provided RFE and RL for operating expenses and salaries are largely in German marks. The contingency fund would permit a constant level of grants regardless of changes in exchange rates—with dollars flowing out of the fund when dollar value declines and into the fund when the value increases. The creation of such a fund is, in my judgment, a step long overdue.

Mr. Chairman, I have merely touched upon a few of this bill's very extensive provisions. I believe H.R. 6689 is a good bill, which reflects the new administration's best estimate of its foreign affairs requirements for fiscal year 1978, as well as the independent judgment of the Committee on International Relations.

Mr. Chairman, I urge the adoption of H.R. 6689.

Mr. BUCHANAN. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. Mr. Chairman, I want to express my strong support for the funding for Radio Free Europe and Radio Liberty included in this bill and would like to commend the members of this subcommittee of the International Relations Committee for their wisdom and foresight in this regard.

Both Radio Free Europe and Radio Liberty have been the subject of much controversy in recent years. Opponents have expounded the theory that, in these days of détente, the two Radios are an anachronism of the cold war era of the fifties and sixties—out of touch with the enlightenment of the 1970's. Would that it were so—unfortunately, détente is often still a chimera which flees to safekeeping behind a battalion of Russian tanks.

The semantics have changed, but the problem persists. A decade ago, we spoke of "captive nations." Today, the phraseology revolves around "dissidents" and "human rights." Whatever the words, we are still speaking of the suppression of basic human dignity for millions of people. To those who dare to speak out against repression in their own countries, or who only dare to dream of better days, Radio Free Europe and Radio Liberty are the voice of freedom and hope. To cut their lifeline now, as our Nation embarks on new initiatives with respect to human rights, would be tragic.

Witnesses who have appeared before the Commission on Security and Cooperation in Europe, the watchdog of the Helsinki accords, have reported extensive listenership behind the Iron Curtain for both Radios. This is important firsthand testimony to the impact of both Radios, and the continuing vitriolic attacks in the Soviet press are additional evidence of their effectiveness.

We all pray for real détente and freedom for the peoples of the world and I commend our continuing efforts in this direction. By the same token, it would be unrealistic to think that we have done more than simply scratch the surface. Radio Free Europe and Radio Liberty have a major role to play in the 1970's and I strongly support their continued operation and funding.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, I want to raise a question about the practice of the State Department and its representatives and the interests of the American consumers in connection with negotiations to draft international agreements, such as the International Sugar Agreement now being drafted in Geneva.

International commodity agreements negotiated by the Department of State often exert a tremendous impact upon retail consumer prices. For example, the International Coffee Agreement, ratified last August, provided for a price floor but no price ceiling. As a result of that omission and other factors, consumers will be paying over $5 per pound for coffee this summer.

In the past, industry representatives have generally accompanied American delegates to commodity conferences as "trade advisors." They continue to do so today. Thus, at the most recent meeting of the International Coffee Organization, officials of Coca-Cola and a major coffee broker joined the American delegation. At the current sugar negotiations in Geneva, the domestic industry is well represented by eight individuals affiliated with sugar growers, processors, and commercial users.

The American consumer, however, has been conspicuously absent from these crucial meetings in the past. I am pleased to report, however, that Secretary Vance has reversed that practice by appointing three qualified individuals to serve in an advisory capacity as retail consumer representatives to the American delegation during the sugar negotiations in Geneva. The State Department has also issued a consumer impact statement exploring the effect of various policy options at the negotiations upon American consumers. Thus, for the first time, we can be certain that the average American consumer is being taken into account by American negotiators at an international commodity conference.

Mr. Chairman, I would think, therefore, that it would be the sense of this committee and the sense of this law that whenever the Secretary of State anticipates that the result of any negotiation—and this is a crucial phrase—concerning international commodity agreements involving a commodity whose domestic production has been historically less than its domestic consumption at this time, he should prepare an impact statement and appoint appropriate consumer representatives to speak on behalf of the American people when there is a possibility that the American consumer will be seriously disadvantaged as has happened in connection with negotiations on sugar.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I want to say that I wish to commend the gentleman from Massachusetts (Mr. DRINAN) for his leadership and initiative with the Department of State with respect to the matter the gentleman has just announced on the floor. At his request, an impact statement was prepared on the subject of the sugar negotiations. This impact statement is available to Members of the Congress and other concerned individuals.

In addition, through the initiative and leadership of the gentleman from Massachusetts, the Department of State did appoint three consumer representatives to their negotiations.

As far as the committee is concerned, as a matter of policy, we feel that this kind of effort should continue by the Department of State. We believe that it will be useful.

Some question has been raised and I am delighted to read the gentleman's policy statement about the adverse effect of such a program on agricultural products, but I believe, with the modification that the gentleman has expressed, that is pretty well taken care of.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I want to thank the gentleman from Massachuetts because the gentleman has distinguished between those products which are not produced in this country in excess of our domestic demands and those produced in excess of domestic demand.

In other words, the producers of wheat and corn and soybeans produce a large share of their crops for the sole purpose of selling them to people in foreign countries, so we should in no way impair that. In fact, it would be self-defeating. If we were to require impact statements or in any way hold up on those negotiations, we would really hurt our producers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FASCELL. Mr. Chairman, I yield 2 additional minutes to the gentleman from Massachusetts (Mr. DRINAN).

Mr. SMITH of Iowa. If the gentleman will yield further, what the gentleman is talking about is only a commodity where we produce less than we use and must import. In that case, the negotiations are to determine the price foreigners charge us rather than what foreign customers pay us.

Mr. DRINAN. That is precisely correct. I thank the gentleman for his comments.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

I have some serious concern that what the gentleman was talking about might smack a little bit of embargoes on sales or exports of products like wheat, corn, and whatever. But the gentleman is clearly talking about items that have been historically imported like coffee and sugar, and I think it is important that the American consumer be protected, so I commend the gentleman.

Mr. DRINAN. I thank the gentleman for his comments.

I am talking about what has happened with respect to the American consumer with regard to coffee, sugar, and other commodities.

Mr. Chairman, I yield back the remainder of my time.

Mr. BUCHANAN. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, although I have some very serious reservations about portions of this bill and may well join attempts to amend some of those portions, I rise in support of titles III and IV of H.R. 6689, the Foreign Relations Authorization Act for fiscal year 1978.

Included in the authorization for the U.S. Information Agency are funds for construction of additional radio transmitters in England and Liberia. These transmitters would serve to reverse the growing Soviet lead in international broadcasting. The Soviet Union broadcasts worldwide 1,998 hours a week compared to the Voice of America's 788 hours per week. The additional transmitters would permit the United States to increase its broadcast hours and also increase its signal strength to the Soviet Union, Eastern Europe, the Middle East, and Africa.

Increased signal strength to the Soviet Union is a vital factor in reaching greater audiences in the major Soviet cities. Recently Soviet dissident Vladimir Bukovsky told a group of us about his experiences in the Soviet Union. He said that the Soviet people rely on international radio broadcasts for their information about the West. He said:

> Millions listen to the Voice of America, even the prison guards.

But he also said:

> It was much more difficult to receive VOA signals in the city because of competing frequencies. Once outside the major urban areas, VOA reception improved.

According to technical reports I have seen, the addition of the four new transmitters in England will significantly improve VOA reception in Soviet cities. It will mean reaching greater audiences, and it will also serve to strengthen VOA's means of communicating our support of basic human rights for the Soviet people.

As we consider the Foreign Relations Authorization Act, I would also like to call to the attention of my colleagues a recent International Relations Committee staff study, "U.S. Information and Cultural Programs: Focus on Latin America, 1976," which analyzes the operation of the U.S. Information Agency (U.S. Information Service as it is called overseas) in four Latin American countries. While I have emphasized the Voice of America, VOA is not the only important element of USIA's operation. As this study shows, USIS press, radio and television activities, its exchange and seminar programs, its binational centers, library and information center activities are also important parts of USIA's mandate to "promote a better understanding of the United States in other countries, to explain U.S. policy and to accurately depict American society." Those are not easy guidelines to follow; but it is encouraging that, at least according to this study, USIS activities are viewed as valuable elements for promoting U.S. foreign policy objectives.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Chairman, I rise in support of this legislation and associate myself with the remarks of the preceding speakers who have endorsed this bill.

I particularly approve and support the U.S. Information Agency appropriation, whose principal transmitter for VOA is located within my congressional district. To my knowledge this is a most efficient operation and I indeed consider this installation an asset to the district that I have the honor of representing. I urge my fellow Members to support this most important function of the State Department.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, at the appropriate point I will offer an amendment to strike $90,000 from the administrative expenses of the State Department in order to refuse funding for the five additional positions that have been requested by United Nations Ambassador Andrew Young to serve apparently as a personal staff for him within the State Department in Washington.

The State Department informs me there are 163 persons directly involved in the State Department in Washington for the support of the U.N. mission. In addition there are 107 persons in the U.N. mission in New York. I see no reason why the Congress should increase the bureaucracy in view of the expressed sentiments which Ambassador Young has repeatedly made. His pronouncements have caused embarrassment to the United States and in fact the President has had personally to clarify Mr. Young's positions. The State Department even has had to reprimand the Ambassador. We in Congress have no obligation to offer him a personal staff which would be engaged in what one press account indicated would be lobbying Congress and presenting the Ambassador's unusual views to the Nation and abroad.

It seems to me that this is an extraordinary request and, while the amount may be small in comparison to the total in the bill, this is the only instance in which Congress will have an opportunity to exercise any political discretion over the United Nations Ambassador. The vote on the amendment is, in fact, a referendum on that which Mr. Young has said and done.

I would hope that this amendment would be supported when it is offered.

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I take this time to inquire from the chairman of the Committee on International Relations about what takes place when we retire our radio facilities in the various countries. Right now we have approximately $20 million in the bill for acquisition of sites and also the facilities. What takes place? Do we leave the site? What type of contract do we enter into with other countries in order to place a facility in one definite location? What happens if we decide to move: Do we give the facility to them? Do we sell it to them?

Mr. FASCELL. The answer to the first part of the question is that each contract varies as to what its terms are and as to what payments are and as to what costs are.

With respect to the second part, on the residual benefits, each case has to be determined again on an individual basis according to each specific arrangement. Let us take Okinawa, as an example, where we are closing down our radio transmitters. The transmitters are so old that they are not worth anything to anybody and we are just moving them off the site and the site, by agreement, is going to go back to the owners.

But the gentleman's point is well made. I do not want to give any expensive facility to anybody unless there is some kind of reciprocity. One of the questions we ask time and time again in our committee is just the question the gentleman is asking. We also are looking down the road to the point where, for whatever reason, we will have to terminate an agreement and we want to know what will happen to this expensive equipment. We want to be sure that the interests of the United States are protected. That is why, in last year's bill, we provided that the transmitters for Radio Free Europe/Radio Liberty be acquired by the Board for International Broadcasting and then be U.S. Government property.

Mr. MILLER of Ohio. Mr. Chairman, I asked the same question in our Appropriations Subcommittee. I have not really had an answer, so I am very interested in it. I am very happy to know that the gentleman from Florida is looking into this and is well aware that sometimes we are giving away expensive equipment.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, there is just one other item. I am sure we would not want to leave a misrepresentation on our Foreign Relations Authorization Act report. This is on the first page, the second line of the second paragraph.

Mr. FASCELL. Mr. Chairman, if the gentleman will yield further, the gentleman is very observant. It is a horrible error. We could not get a star print. The error is so obvious, that on the next page it does give the correct amount.

Mr. MILLER of Ohio. I just wanted to make sure that the House is aware that the amount in the bill is not $1,676,000, but it is $1,676 million.

Mr. FASCELL. Mr. Chairman, if the gentleman will yield further, the gentleman is eminently correct. The gentleman is carrying out his oversight responsibilities with great zeal.

Mr. SIMON. Mr. Chairman, I commend the committee for increasing support for the Fullbright-Hays exchange programs somewhat, but I hope that when this bill goes to the conference committee with the Senate that we will consider the somewhat higher figures the Senate seems likely to emerge with. Since 1967 in terms of real dollars, our contribution to this important program has diminished about 30 percent. The world in which this Nation lives is a world which needs more and more of an exchange of people, of ideas, of understanding. And unfortunately too often our legislative action does not recognize that priority. I am inserting into the RECORD the appropriations for the past decade, reflecting, unfortunately, a trend in the wrong direction:

History of CU appropriations (1967–77)[1] expressed in 1967 constant dollar terms

[Dollars in thousands]

	1967 constant dollar rate	1967 constant dollar amounts	Actual appropriations	Actual difference (minus)	Percent difference (minus)
1967	$1.00	$46,999	$46,999	------	--
1968	1, 0333	48,564	45,123	$3,441	7
1969	1.0832	50,909	31,425	19,484	38
1970	1.1472	53,917	32,301	21,616	40
1971	1.2065	56,704	37,176	19,528	34
1972	1.25	58,749	40,816	17,933	31
1973	1.3005	61,122	45,250	15,872	26
1974	1.4169	66,593	50,587	16,006	24
1975	1.5735	73,953	53,300	20.653	28
1976	1.6783	78,878	55,325	23,553	30
1977	1.7887	84,067	59,019	25,048	30

[1] Mutual Educational and Cultural Exchange Act appropriations only (Fulbright-Hays Act).

Mr. MICHEL. Mr. Chairman, instead of a lengthy discussion of the issues surrounding the giveaway of the Panama Canal, I would like to bring to your attention some unfinished business. Before we get into a debate on the pros and cons of negotiating a new canal treaty I would like someone in the majority to answer the following questions:

First. On April 2, 1976, then-candidate Jimmy Carter told the Idaho Statesman the United States should refuse to relinquish control of the Panama Canal itself. On May 9, 1976, Carter said he would oppose relinquishing actual control over the canal. On May 21, 1976, he told the Baltimore Sun:

> I will never relinquish actual control of the canal . . .

Are we supposed to just forget he said these things? Was Carter lying to the American people then? Is this yet another in a long series of broken campaign promises?

Second. The New York Times reported on February 1, 1977, that State Department officials feared that "premature disclosure of American negotiating positions would increase the already formidable opposition in Congress and in the country to any handover of the jurisdiction of the zone." Is the Carter administration secretly giving away the Canal?

Third. The same Times news story stated:

> American officials are also faced with the task of trying to get agreement on treaty language that would seem to accommodate President Carter's 1976 campaign statement that he would never give up "complete control or practical control" over the zone.

Is this yet another case where the Carter administration is using cosmetics to hide ugly facts?

Fourth. The New York Times reported on March 18, 1977, that—

> Panama's negotiation team flew secretly to Washington last weekend for day long discussions with the United States delegation of issues to be resolved for a new Panama Canal treaty.

Is this what the President calls an open administration?

Mr. Chairman, President Carter has broken so many campaign promises they are going to have to rewrite the record book. But where is the outrage in the Congress? Where is the media disclosures of this awful record of duplicity? The time has come for Congress to stand up to this breaker of promises, and the issue on which to take a stand is certainly this one. He said he would never give up control. Everything points to a long, secret, deceitful and dishonest series of moves aimed at giving up control without saying so. I am sick of this and I hope you are. Let us put an end to this nonsense and remind the President his word is supposed to be his bond.

A final word, Mr. Chairman. Is it not ironic that an administration so vocal in its concerns for human rights should be so eager to deal with the "supreme leader," Gen. Omar Torrijos, a two-bit, cutrate, tinhorn, Latin American dictator? That the President of the United States should seek to hand over the canal to this comic-opera villain, this resident of the fever swamps of totalitarianism, is almost beyond belief.

Mr. BADILLO. Mr. Chairman, I am pleased to rise in support of H.R. 6689, the foreign relations authorization bill. There are certain aspects of the bill that I am particularly pleased about, and that I am particularly happy to support.

One of these is the provision that authorizes a special appropriation of $20 million for assisting Soviet and Eastern European immigrants that resettle in Israel. I am aware that we have, in the past, authorized funds for resettling refugees in this country, and it is perceptive and compassionate for the committee to have recommended similar funds for Israel. Each day we read of new instances where Soviet citizens are increasingly harassed and persecuted, not only because they are critical of the government, but simply because they wish to leave the country and emigrate to Israel. When they finally are allowed to leave the country, many of these people have difficulty in settling in a new country and adapting to a new way of life. The funds that we authorize this afternoon will help to ease the thorny path of resettlement of many Eastern European people in the country that many of them have chosen, and that is a fine thing.

This bill, in many ways, takes into account both the President's and my own deep commitment to human rights. It is appropriate at this time that the title of the Coordinator of Human Rights at the State Department be elevated to Assistant Secretary. As the concern of our leadership grows for the individual liberties and freedoms of citizens around the world, the status we give to the person holding the very sensitive and delicate job of formulating our policy in that critical area is very important. It states to the world, and to our own Government as well, that we do place a great value on human rights, and we do take the attendant problems involved in our foreign policy.

I am pleased to see as well, in that context, that we are continuing to withhold our dues to UNESCO. The Congress recently passed a very restrictive piece of legislation in regard to the Arab boycott. That was done because this country has a national commitment to uphold civil rights and censure all institutionalized discrimination. UNESCO has been guilty of the most blatant discrimination against Israel, and until they regain their proper focus as a non-political entity within the United Nations, I applaud the decision to restrict our support of the Organization.

Finally, I am pleased to see within the bill a provision directing the President to place special emphasis on the development and use of light capital technologies in connection with the United Nations Conference on Science and Technology. During the past months, in connection with my committee work on the multinational lending institutions, and my deep interest in the problems of illegal immigration, it has become clear to me that we must encourage, within an international framework, the development of light capital technologies within developing countries. The tendency is in the rapidly developing countries to create modern industry that does not provide the maximum number of jobs for people who desperately need them. With low technology projects, such as agriculture and construction, more jobs are created, and, in the long run, fewer people will be forced to leave their homes—and their countries—to seek work. It is a farsighted and good idea, both in terms of developing a foreign policy that will serve the needs of the countries that we aid, and will also help us to stem the increasing tide of people seeking their economic rights by crossing our borders.

I commend the committee for including these concerns in this legislation, and I urge all my colleagues to join me in voting for its passage.

Mr. BUCHANAN. Mr. Chairman, I reserve the balance of my time.

Mr. FASCELL. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Relations Authorization Act, Fiscal Year 1978".

TITLE I—STATE DEPARTMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. (a) There are authorized to be appropriated for the Department of State for fiscal year 1978, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) For the "Administration of Foreign Affairs", $762,005,000.

(2) For "International Organizations and Conferences", $389,412,000.

(3) For "International Commission", $21,839,000.

(4) For "Education Exchange", $88,100,000.

(5) For "Migration and Refugee Assistance", $53,054,000.

(6) For increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs, such amounts as may be necessary.

(b) Amounts appropriated under this section are authorized to remain available until expended.

TRANSFER AUTHORITY

SEC. 102. Funds authorized to be appropriated for fiscal year 1978 by any paragraph of section 101(a) (other than paragraph (6)) may be appropriated for such fiscal year for a purpose for which appropriations are authorized by any other paragraph of such section (other than paragraph (6)), except that the total amount appropriated for a purpose described in any paragraph of section 101(a) (other than paragraph (6)) may not exceed the amount specifically authorized for such purpose by section 101(a) by more than 10 per centum.

CONTRIBUTION TO THE WORLD HEALTH ORGANIZATION

SEC. 103. Notwithstanding the limitation contained in the proviso in the paragraph under the subheading "Contributions to International Organizations" in title I of the Act of October 25, 1972 (86 Stat. 1110), $7,281,583 of the amount authorized to be appropriated by section 101(a)(2) of this Act may be used to pay the unpaid portion of the United States assessed contributions to the World Health Organization for the calendar years 1974 through 1977.

ASSISTANCE FOR REFUGEES SETTLING IN ISRAEL

SEC. 104. Of the amount authorized to be appropriated by section 101(a)(5) of this Act, $20,000,000 shall be available only for assistance for the resettlement in Israel of refugees from the Union of Soviet Socialist Republics and from Communist countries in Eastern Europe.

EMERGENCY ASSISTANCE FOR AMERICANS INCARCERATED ABROAD

SEC. 105. Section 3 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (22 U.S.C. 2670), is amended—

(1) by striking out "and" at the end of subsection (h);

(2) by striking out the period at the end of subsection (i) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subsection:

"(j) provide assistance, on such terms and conditions as the Secretary may determine, to United States citizens incarcerated abroad.".

FOREIGN SERVICE BUILDINGS

SEC. 106. (a)(1) Subsection (a) of the first section of the Foreign Service Buildings Act, 1926, is amended by striking out "pursuant to" in the first sentence and inserting in lieu thereof "to carry out".

(2) Subsection (b) of such section is amended by striking out "under authority of" and inserting in lieu thereof "to carry out".

(b) Section 6 of such Act is amended by striking out "of not less than ten years".

ASSISTANT SECRETARIES OF STATE

SEC. 107. (a)(1)(A) Paragraph (1) of section 624(f) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(f)(1) There shall be in the Department of State an Assistant Secretary of State for Human Rights who shall be responsible to the Secretary of State for matters pertaining to human rights and humanitarian affairs in the conduct of foreign policy. The Secretary of State shall carry out his responsibility under section 502B of this Act through the Assistant Secretary.".

(B) Paragraph (2) of such section 624(f) is amended in the text preceding subparagraph (A)—

(i) by striking out "Coordinator for Human Rights and Humanitarian Affairs" and inserting in lieu thereof "Assistant Secretary of State for Human Rights"; and

(ii) by striking out "(including" and all that follows through "action)".

(2) Section 502B of such Act is amended—

(A) in subsection (b) by striking out "Coordinator for Human Rights and Humanitarian Affairs" in the first sentence and inserting in lieu thereof "Assistant Secretary of State for Human Rights"; and

(B) in subsection (c)(1) by striking out "Coordinator for Human Rights and Humanitarian Affairs" in the text preceding subparagraph (A) and inserting in lieu thereof "Assistant Secretary of State for Human Rights".

(3) Section 505(g)(4)(A) of such Act is amended by striking out "Coordinator for Human Rights and Humanitarian Affairs" in the text preceding clause (i) and inserting in lieu thereof "Assistant Secretary of State for Human Rights".

(4) Section 5(d)(1) of the Arms Export Control Act is amended by striking out "Coordinator for Human Rights and Humanitarian Affairs" in the text preceding subparagraph (A) and inserting in lieu thereof "Assistant Secretary of State for Human Rights".

(5) The individual holding the position of Coordinator for Human Rights and Humanitarian Affairs on the date of enactment of this section shall assume the duties of the Assistant Secretary of State for Human Rights and shall not be required to be reappointed by reason of the enactment of this section.

(b)(1) Section 104 of the Immigration and Nationality Act (8 U.S.C. 1104) is amended—

(A) in subsection (a)(2), by striking out "Security and";

(B) in subsection (b)—

(i) in the first sentence, by striking out "Security and" and all that follows thereafter through "Assistant Secretary of State" and inserting in lieu thereof "Consular Affairs, to be headed by an Assistant Secretary of State for Consular Affairs";

(ii) by striking out the second sentence; and

(iii) in the third sentence, by striking out "administrator" and inserting in lieu thereof "Assistant Secretary of State for Consular Affairs";

(C) in subsection (d), by striking out "Security and"; and

(D) by repealing subsection (f).

(2) Section 105 of such Act is amended by striking out "administrator" both places it appears and inserting in lieu thereof "Assistant Secretary of State for Consular Affairs".

(3) Section 101(a)(1) of such Act is amended by striking out "administrator of the Bureau of Security and Consular Affairs of the Department of State" and inserting in lieu thereof "Assistant Secretary of State for Consular Affairs".

(4) The individual holding the position of administrator of the Bureau of Security and Consular Affairs on the date of enactment of this section shall assume the duties of the Assistant Secretary of State for Consular Affairs and shall not be required to be reappointed by reason of the enactment of this section.

(5) Any reference in any law to the Bureau of Security and Consular Affairs or to the administrator of such Bureau shall be deemed to be a reference to the Bureau of Consular Affairs or to the Assistant Secretary of State for Consular Affairs, respectively.

(c) The first section of the Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes, approved May 26, 1949 (22 U.S.C. 2652), is amended by striking out "eleven" and inserting in lieu thereof "thirteen".

(d) Section 5315 of title 5, United States Code, is amended—

(1) by repealing paragraph (1); and

(2) by striking out "(11)" in paragraph (22) and inserting in lieu thereof "(13)".

SAINT LAWRENCE SEAWAY TOLL NEGOTIATIONS

SEC. 108. (a) There is established an advisory board (hereafter in this section referred to as the "Board") to advise the Secretary of State with respect to the negotiations with Canada concerning toll increases on the Saint Lawrence Seaway and the Welland Canal.

(b) The Board shall consist of 15 members appointed by the President from among representatives of groups in the Great Lakes area which would be affected most directly by increased tolls, including port directors, port authorities, maritime labor, shipping companies, shippers, and consumers.

(c)(1) Members of the Board shall each be entitled to receive the daily equivalent of the maximum annual rate of basic pay in effect for grade GS–15 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Board.

(2) While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(d) The Board shall cease to exist on the date designated by the Secretary of State as the date on which the negotiations described in subsection (a) are completed or on September 30, 1978, whichever occurs first.

UNITED NATIONS CONFERENCE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

SEC. 109. (a) The President shall take appropriate steps to ensure that, at all stages of the United Nations Conference on Science and Technology for Development, representatives of the United States place important emphasis, in both official statements and informal discussions, on the development and use of light capital technologies in agriculture, in industry, and in the production and conservation of energy.

(b) As used in this section, the term "light capital technologies" means those means of production which economize on capital wherever capital is scarce and expensive and labor abundant and cheap, the purpose being to insure that the increasingly scarce capital in the world can be stretched to help all, rather than a small minority, of the world's poor; that workers will not be displaced by sophisticated labor-saving devices where there is already much unemployment; and further, that poor nations can be encouraged eventually to produce their own capital from surplus labor time, thus enhancing their chances of developing independently of outside help.

INTER-AMERICAN FOUNDATION

SEC. 110. Section 401(s) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)) is amended—

(1) by inserting "(1)" immediately after "(s)"; and

(2) by adding at the end thereof the following new paragraph;

"(2) There is authorized to be appropriated not to exceed $25,000,000 for each fiscal year (beginning with fiscal year 1979) to carry out the purposes of this section. Amounts appropriated under this paragraph are authorized to remain available until expended.".

FOREIGN EMPLOYMENT

SEC. 111. (a) Subject to the condition described in subsection (b), the consent of Congress is granted to—

(1) any retired member of the uniformed services,

(2) any member of a Reserve component of the Armed Forces, and

(3) any member of the commissioned Reserve Corps of the Public Health Service,

to accept any civil employment (and compensation therefor) with respect to which the consent of Congress is required by the last paragraph of section 9, article I of the Constitution of the United States, relating to acceptance of emoluments, offices, or titles from a foreign government.

(b) No individual described in subsection (a) may accept any employment or compensation described in such subsection unless the Secretary concerned and the Secretary of State approve such employment.

(c) For purposes of this section, the term—

(1) "uniformed services" means the Armed Forces, the commissioned Regular and Reserve Corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration;

(2) "Armed Forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard; and

(3) "Secretary concerned" means—

(A) the Secretary of the Army, with respect to retired members of the Army and members of the Army Reserve;

(B) the Secretary of the Navy, with respect to retired members of the Navy and the Marine Corps, members of the Navy and Marine Corps Reserves, and retired members of the Coast Guard and members of the Coast Guard Reserve when the Coast Guard is operating as a service in the Navy;

(C) the Secretary of the Air Force, with respect to retired members of the Air Force and members of the Air Force Reserve;

(D) the Secretary of Transportation, with respect to retired members of the Coast Guard and members of the Coast Guard Reserve when the Coast Guard is not operating as a service in the Navy;

(E) the Secretary of Commerce, with respect to retired members of the commissioned corps of the National Oceanic and Atmospheric Administration; and

(F) the Secretary of Health, Education, and Welfare, with respect to retired members of the commissioned Regular Corps of the Public Health Service and members of the commissioned Reserve Corps of the Public Health Service.

(d) Section 1032 of title 10, United States Code, is repealed.

LIABILITY OF CONSULAR OFFICERS

SEC. 112. (a) Sections 1735 and 1736 of the Revised Statutes of the United States (22 U.S.C. 1199) are repealed.

(b) The repeals made by subsection (a) shall not affect suits commenced before the date of the enactment of this Act.

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: Page 2, line 5, strike out "$762,005,000." and insert "$761,915,000.".

Mr. BAUMAN. Mr. Chairman, as I indicated earlier to the Committee, this amendment would simply strike $90,000 from the total $220,000 budget which exists in this authorization for the personal office of the United Nations Ambassador located in the State Department in Washington, D.C. I should make it plain that this amendment does not in any way diminish, except for these five new positions, the rather extensive 163 member staff that the U.N. Ambassador has at the State Department supporting the United Nations mission. As I indicated, there are now 163 persons, at least on his present general staff according to the information given to me by the State Department today. In addition to that, he also had at his disposal 107 persons at the United Nations mission in New York City. It would seem to me with nearly 300 people directly or indirectly involved in supporting the U.N. mission, there is no necessity for creating five additional slots, which would be personally under the direction of the Ambassador, particularly in view of Mr. Young's damaging conduct.

Mr. Chairman, I add an additional factor to support this position. Aside from his pronouncement Mr. Young has made since he assumed this post, I would refer to the CONGRESSIONAL RECORD of March 10 in which I detailed in a rather specific manner the history of one of Mr. Young's personal appointments, that is, as a delegate to the United Nations Human Rights Commission, Mr. Brady Tyson. Mr. Tyson is apparently an avowed Marxist and a member of at least two front groups dominated by Marxists and Communists. This is the same person that apologized to the Commission on Human Rights for what he said was the terrible past policy of the U.S. Government regarding Chile.

I have written to President Carter and received a response from his assistant, Mr. Moore, saying the President will in time respond to my objections to Mr. Tyson and my suggestion that he should be removed from his position. If more Government personnel are to be placed at the disposal of Mr. Young for his appointment they may well be of this same radical character. If he continues to make statements that embarrass the United States then we in the U.S. Congress ought not to grant any additional staff to be used to propagandize his views.

Mr. Chairman, I would hope the House would support my position.

Mr. Chairman, as further evidence of the empire building in which Ambassador Young is engaged I insert at this point a March 7, 1977, column by Evans and Novak in which a fuller picture is given of the unusual staff arrangements he has been provided. The column, it should be kept in mind, was written even before the numerous disastrous statements which Mr. Young has subsequently made. I believe, as I said before, that your vote on the pending amendment is in fact your expression of approval or disapproval of Mr. Young and his conduct as U.N. Ambassador.

The article follows:

THE CARTERIZING OF ANDREW YOUNG'S JOB

(By Rowland Evans and Robert Novak)

Behind the pulpit from which Ambassador Andrew Young is trumpeting sometimes controversial opinions about U.S. foreign policy, a different, unheralded set of changes ordered by President Carter is transforming Young's United Nations office.

The Carterization of Andy Young's new job is leaving crusty old diplomatic hands breathless, but the key unanswered question remains: Will Young truly influence U.S. foreign policy, as most of his predecessors never came close to doing, or is this window dressing to amortize Mr. Carter's debt to the black voters who played the critical role in electing him? That question is being widely asked, nowhere so much as in the elegant foreign embassies in Washington and the U.N. chancelleries in New York.

Already Ambassador Young has become sole beneficiary of the following unpublicized exemptions from President Carter's highly visible moves to trim the federal bureaucracy and impose controls over selecting U.S. ambassadors:

Exemption one: For the first time, Young as chief U.S. delegate will have a special U.N. staff in Washington. Mr. Carter is asking Congress for a supplemental appropriation at an annual rate of about $250,000 to finance three full-time officers and two secretaries plus additional sums for "travel expenses." That strongly implies that some in the ambassador's State Department office will go with him as contact points between him and the White House.

Exemption two: Alone among the multiplicity of new ambassadors to be appointed by Mr. Carter, Young's top U.N. ambassadorial aides need no clearance through the new Commission on Ambassadorial Appointments.

Young has already selected his top two U.N. deputies and the head of his new Washington staff. At the U.N., James Leonard, who is white, is the new no. 2 and Donald McHenry, who is black, is the new no. 3. Neither one is in the foreign service (though both used to be). They replace two foreign service officers with impressive diplomatic experience.

Young has chosen Dr. Anne Forrester Holloway, a 35-year-old international relations PH.D who is black, to head his new Washington office. Her initial staff, certain to balloon under the unbreakable rule of the Washington bureaucracy, includes a congressional U.N. lobbyist, the first ever, a regular foreign service officer adviser and a secretary.

This new bureaucracy contradicts Mr. Carter's promise to reorganize the government down, not up.

But that is not all the new President has given to Andy Young. In his effort to persuade Young to leave Congress and take the U.N. job. Mr. Carter gave him carte blanche to choose the Assistant Secretary of State for International Organizations. The man chosen for this job (previously filled by a career foreign service officer) is Charles William Maynes, 38, most recently secretary of the Carnegie Endowment for International Peace.

Some diplomatic experts here feel this extraordinary treatment of Andy Young, hand-in-hand with Young's apparent license to say what he wants on complex foreign issues, is more symbolic than substantive. "This is just more Jimmy Carter cosmetics," one told us.

In fact, however, that may be grossly erroneous The explanation given the House appropriations subcommittee for the $130,000 supplemental money (covering only five months) for Young's Washington operation was specific: Andy Young will sit with the National Security Council, and of course with the Cabinet; he will be closer to multilateral diplomacy in the U.N. than Vance can be on the seventh floor at State; and his advice will be crucial in Carter foreign policy.

Subcommittee members were wide-eyed, and showed it by voting an unspecific $200,000 cut in the overall $1.7 million asked. "Everybody likes Andy Young," Republican Rep. Elford Cederberg of Michigan told us, "but this is something else."

Moreover, U.S. allies, particularly in Europe and Africa, are spinning like tops to keep up with the diplomatic sayings of the preacher-politician turned diplomat.

After Young's stirring speech at Howard University here Wednesday night, in which he said American blacks "can never be free" until blacks in South Africa are free, one Western European diplomat hurried to cable his foreign minister not to be alarmed. U.S. policy, he said, had not changed.

Perhaps not. Yet, the special world that Mr. Carter has created for Andy Young may argue differently. His new office here, his unique standing in the Oval Office and his role as the authoritative voice of black America may give him influence beyond any Mr. Carter had in mind. At the very least, it has placed Andy Young at the pinnacle of a foreign policy machine fully equipped to compete with Vance and the State Department.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first let me point out that the permanent representative to the United Nations, unlike other American Ambassadors, is also of Cabinet rank, and has Washington responsibilities as well as New York responsibilities. Therefore, there is a need for a Washington office, as the chairman of the subcommittee pointed out, this has always been the case, and for adequate staff for that office.

I would say further, in direct response to the concerns of my distinguished friend from Maryland, that as I understand these additional positions, they were created to enable this particular United Nations Ambassador to have greater communication with the Congress. This, at least in part, is the reason for the creation of those positions. I would say that the very things he has talked about are good reasons why there needs to be more communication with the Congress. As I said to the gentleman privately, I think it is very important that the United Nations Ambassador have adequate communications with persons such as the gentleman who offered the amendment. I think it is very important that those of us in the Congress have the opportunity to communicate our concerns to this particular Cabinet officer, who is in this sensitive position.

I personally have been concerned about too much shooting from the hip, by both Andrew Young and by the President of the United States, and I have expressed that before, and I urge the gentleman to do so likewise. But, I think these staff positions are needed in order that there might be more communication.

I would say that I personally have tremendous confidence in the character, the integrity, the basic ability of our present Ambassador to the United Nations. I think the only thing that is required is that persons who have legitimate concerns for our country's sake have adequate opportunity to express to him those concerns, that he might weigh those into his thinking.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I am happy to yield to the gentleman from Maryland.

Mr. BAUMAN. I understand the gentleman's concern for increased communication between Ambassador Young and the gentleman from Maryland or any other Member of Congress. I would suggest to the gentleman from Alabama that if anyone feels the need to communicate or understand Mr. Young's position, he need only flick on the knob of the television news every night, because he is either on the tube apologizing or being attacked by the Israelis, the Arabs, the South Africans, the British, or whomever he has insulted that particular day.

Mr. BUCHANAN. Let me deal directly with that for just a moment. I think that in this new administration both the President of the United States and the United Nations Ambassador have discovered some things in their present responsibilities that perhaps they were not made as painfully aware of previously in their political careers. That is, that in the case of Ambassador Young, almost everything of that nature we find has come, not as a result of a formal policy statement by the Ambassador, or even as a result of a formal part of an interview, but as a private interpretation of an offhand response, often to a private individual who is not a press person.

For example, the gentleman mentioned the British. Let me tell the gentleman exactly what happened in the famous incident in which Ambassador Young allegedly called the British racists and said they had invented racism. Mr. Young was being interviewed on British television by a British interviewer. He had said many things supportive of the British and of the relationships between our two countries. He had praised their present leadership in Africa and indicated his support for their leadership. The interviewer made some gratuitous comments about racism in the United States and, with a smile, the U.N. Ambassador responded, "Wait a minute, you are the ones who invented racism."

And, he said, in effect, "You are not in a position to call the kettle black, you are the pot, and you ought not to be calling our country racist."

He said then, with a smile, in effect that the British also ought not to be racists either, and the British themselves were not offended. It was the way it was picked up by the press in the United States and used, as if he had made some formal statement gratuitously accusing the British of being racists and inventing racism, which made the controversy here.

I think that has been generally true. I think almost every incident that has been blown out of proportion and has been twisted in press reports has been an offhand comment that has been turned into a very serious foreign policy statement by the press. What I think is that we need is to have a little patience and give the man a little time.

I have absolute confidence in his basic character and high ability.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. BUCHANAN) has expired.

(On request of Mr. SYMMS and by unanimous consent, Mr. BUCHANAN was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I would just like to ask the gentleman if he wants to go on record as defending the absolute insult toward the black American fighting men, when the Mr. Young—our Ambassador to the United Nations—has been reported as having said that half the black American fighting men would not fight for America if called upon.

Mr. BUCHANAN. Would the gentleman repeat his question?

Mr. SYMMS. The Ambassador to the United Nations made the statement that the black American fighting men in the U.S. Armed Forces just would not fight if they were called upon to do so. I think it is an insult to them and that these black men of honor are owed an apology.

Mr. BUCHANAN. If he made that statement, I would say to the gentleman, I would strongly disagree with it. I would have to look at the whole statement before I comment on it. If he said that, I would disagree. I do not agree with everything the distinguished Ambassador says. I believe in his basic integrity, and I say we ought not destroy his ability to communicate with the Congress more completely by adopting the amendment offered by the gentleman from Maryland.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. BUCHANAN) has again expired.

(On request of Mr. CRANE and by unanimous consent, Mr. BUCHANAN was allowed to proceed for 1 additional minute).

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. I thank the gentleman for yielding.

I am wondering how my distinguished colleague feels about the statement the Ambassador made about the Cuban troops being a stabilizing influence on the African Continent.

Mr. BUCHANAN. I will say to my friend, the gentleman from Illinois (Mr. CRANE), I will be a much happier person when the Cuban troops are out of Africa. There is a view that it is better to have the Cubans there, who can be evicted at will, than the Russians, who are much harder to get rid of, and the absence of one might cause greater reliance on the other. I personally feel the quicker we get the Cubans out of Africa, the better off we will be.

Mr. CRANE. The gentleman does not necessarily see them as a stabilizing influence?

Mr. BUCHANAN. No, I do not.

Mr. CRANE. I thank the gentleman.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, concerning the proposed reduction of funds, it seems to me that it really is not proper to make it a personal matter with respect to the individual holding the office, regardless of the comments that have been made. I personally have a high regard for our ambassador to the United Nations. I know him to be a very capable, credible and trustworthy person. I see nothing to be served by impugning his character. I do not think we should use that as a basis to eliminate the request for funds which has come from the Executive to enable him to do the kind of job they want him to do.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to make it very clear that I served here in the Congress with the gentleman from Georgia and I do not impugn his character. I do seriously question his judgment. That is my only basis for offering this amendment. I do have a strong disagreement with providing him a personal staff which will be propagandizing his radical views and lobbying the Congress. There is nothing personal in that opposition. I disagree with the Ambassador's policies and statements and will continue to fight against such dangerous views.

Mr. FASCELL. I am glad to hear the gentleman say that. I appreciate having the Record show that. I thought all the time this was a personal attack on Andrew Young, Ambassador to the United Nations. While that may be a considerable matter of discussion somewhere, I do not see that as a proper basis for an amendment to cut out five slots in the gentleman's office.

Mr. BAUMAN. If the gentleman will yield further, it is not retribution. It is opposition. It is aimed exactly as the gentleman from Maryland described at his mistaken policies and blunders.

I think if the gentleman rereads my remarks, he will not see any personal attack against the Ambassador to the United Nations. I disagree with his views and will continue to do so.

Mr. FASCELL. To get back to the amendment, I am not sure it will close that office, which, in any event, I do not wish to close. But I would like to get back to the positions and leave personalities aside. A few years ago, there were 125 people in the New York office. There are now 107. We only had 117 members in the U.N. at that time. We now have 147.

So we have on the New York end an increase in the workload of the staff simultaneously with a decrease in the number of personnel.

We have had the same problem here. The State Department across the board has been very careful about increases in personnel, and we have been very miserly when it comes to increasing their personnel.

I cannot remember how many were involved in their total request for increase in personnel, but as a matter of fact they have been very constant in their personnel levels through the years.

So this is not an unwarranted increase in their staff. The same is true of the number of people here in the International Organizations Bureau. The number of people who have been in that section has gone down while the workload has gone up.

We now have a new administration, and the administration wants to give the Ambassador a different kind of role. That is the reason for having these additional people. There are going to be two senior staff members, two secretaries, and a staff assistant. Their responsibility will be to help implement and integrate policy within the administration itself, because the Ambassador is being given an enlarged role. This is done to help him with respect to his input on the National Security Council, and it is important with respect to his other duties in Washington that he get this increased staff.

Mr. Chairman, I think it would be unfortunate, for this small amount of money, for us to take this kind of action against the Ambassador. Therefore, I hope the amendment is voted down.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to make this inquiry of the chairman of the subcommittee:

I understand that there was also in the budget some $32,000 for travel for those five persons who would be stationed here in Washington. Is that amount of money still in the bill?

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I do not have the breakdown on travel. I would guess that that amount is still in the budget.

Mr. MILLER of Ohio. In the orginal budget there was some $30,000 included in the appropriation for travel.

Mr. FASCELL. I do not have the travel justification before me, but my guess is, yes, the travel money is still in there.

Mr. MILLER of Ohio. It is not included in the $80,000?

Mr. FASCELL. It is included in the $220,000 requested.

Mr. Chairman, the gentleman raises a good point. But, as some Member just whispered behind me somewhat facetiously, if we were to strike this out, we would have the travel allowance without the people to travel. So we had better leave the people in here.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I would like to point out that, as I understand it, the total budget of $220,000 does include travel as well as salaries. The gentleman from Maryland (Mr. Bauman) is referring to the increase in that budget rather than the total budget.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Bauman).

The question was taken; and on a division (demanded by Mr. Bauman) there were—ayes 19, noes 41.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. BAUMAN. Mr. Chairman, I withdraw my point of order of no quorum.

The CHAIRMAN. The point of order is withdrawn.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I renew my demand for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 91, noes 318, not voting 23, as follows:

[Roll No. 191]

AYES—91

Abdnor
Applegate
Archer
Armstrong
Ashbrook
Badham
Bafalis
Bauman
Bennett
Burke, Fla.
Butler
Byron
Caputo
Cederberg
Clawson, Del
Cochran
Coleman
Collins, Tex.
Corcoran
Crane
Daniel, Dan
Daniel, R. W.
Devine
Dickinson
Dornan
Edwards, Okla.
Emery
Ertel
Evans, Del.
Frey
Gaydos
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hammerschmidt
Hansen
Harsha
Holt
Hyde
Jacobs
Jeffords
Kasten
Kelly
Ketchum
Kindness
Kostmayer
Lagomarsino
Leach
Lott
McDonald
Marlenee
Marriott
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Myers, Ind.
Pressler
Quayle
Rhodes
Rinaldo
Robinson
Rousselot
Rudd
Satterfield
Schulze
Sebelius
Shuster
Sikes
Smith, Nebr.
Snyder
Spence
Stangeland
Stockman
Symms
Taylor
Trible
Vander Jagt
Walker
Whitehurst
Wilson, Bob
Winn
Wylie
Young, Alaska
Young, Fla.

NOES—318

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barnard
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Dicks
Diggs

Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Evans, Colo.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Fuqua
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gudger
Guyer
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Ireland
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Keys
Killdee
Krebs
Krueger
LaFalce
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Preyer
Pritchard
Pursell
Quie
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Richmond
Risenhoover
Roberts
Rodino
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Skelton
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Steed
Steers
Steiger
Stokes
Stratton
Studds
Stump
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Van Deerlin
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
White
Whitley
Whitten
Wiggins
Wilson, C. H.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—23

Brown, Mich.
Burgener
Clausen,
Don H.
Dent
Dingell
Forsythe
Gammage
Hillis
Holtzman
Johnson, Calif.
Koch
Latta
Le Fante
Milford
Moss
Price
Roe
Rogers
Rose
Teague
Tucker
Ullman
Wilson, Tex.

Mrs. BOGGS and Mr. WIRTH and Mr. GONZALEZ changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 2, line 7, strike out "$389,412,000" and insert in lieu thereof "$228,910,000"; and immediately after line 18, insert the following new subsection:

(c) No funds appropriated under this section may be used for contributions to the assessed budgets of the United Nations, its specialized agencies, and the International Atomic Energy Agency, for calendar year 1978 and of the United Nations peacekeeping forces in the Middle East for the fiscal year ending October 24, 1978, in an aggregate amount which is greater than the amount which bears the same ratio to the sum of all such budgets as the population of the United States bears to the total population of all members of the United Nations.

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, the gentleman in the well is one of our most intellectual Members, and he deserves the attention of the House.

Mr. CRANE. Mr. Chairman, I cannot resist after those gracious remarks by my distinguished colleague from the great State of Illinois (Mr. DERWINSKI) to thank the gentleman and reminding all the Members that everything I know I owe to my distinguished colleague from the Fourth Congressional District. The gentleman has been my tutor, particularly in foreign affairs; so it is with that tutelage behind me that I cannot help but note that as part of this State Department authorization bill, we are contemplating a reduction in UNESCO funding, to a level $11.1 million below the administration request. As I understand things, the reason for this action is the continuation of UNESCO sanctions against Israel—for the latter's excavations in East Jerusalem—and the condemnation of Israeli education policies in the occupied territories.

While I applaud this desire to keep the heat on UNESCO, I cannot help but ask myself—and each of you—if UNESCO would have even readmitted Israel to participation if we had not withheld our financial support from that organization in the first place. Moreover, I am reminded that UNESCO is not the only example of high-handed U.N. actions motivated by political exigencies rather than any respect for the U.N. Charter or the cause of world peace. Have we forgotten about the U.N.'s equation of zionism with racism, its unconscionable expulsion of Nationalist China and suspension of South Africa from membership, or its hypocritical double standard on human rights. Unless we are prepared to argue that these are matters of no great significance, logic suggests we consider applying the same tactic to the entire U.N. that seems to have produced at least some concessions from UNESCO——the cutting of our financial contributions.

As a matter of fact, when European UNESCO dropped Israel from participation in late 1974, the United States withheld all of its former financial support, not just part of it.

Predictably, UNESCO began to have financial difficulty and soon thereafter, the light of reason began to penetrate the dark cloud of politics that overshadowed the Israeli suspension in the first place. If the United States were to utilize a similar approach vis-a-vis the entire U.N., it is likely no other patsy could be found to shoulder the financial burden and the same pressure for "reform" would result. At the very least, such a tactic is worth a try, if for no other reason than to make those who have the political power in the U.N. at least somewhat responsible for the consequences of exercising it.

The way things stand now, the 70 nonalined countries, excluding India, who have the balance of voting power in the U.N. pay only 3.5 percent of its regular budget. By contrast, the United States, which is consistently outvoted while trying to get the U.N. to adhere to its own Charter, pays 25 percent of all the U.N.'s bills and the only reason it does not pay more is that once before Congress unilaterally reduced our contribution to the U.N. Up until that action was taken, in 1972, the U.S. contribution each year came to at least 31.5 percent of the U.N. budget, so it cannot be said that we have not paid our fair share. And since the U.N. accepted the 1972 cutback, it cannot be argued that the United States would be expelled for nonpayment of dues if we reduced our contribution again.

Above all else, one thing stands out about the U.N. and that is that it cannot get along without the United States. Realization of that fact may be the sole redeeming grace of the organization, but unless the United States somehow indicates that the U.N. has to be something more than a partisan political organization or a forum for opportunistic rhetoric, it will keep on taking selfish advantage of our generosity.

For fiscal year 1977, it is estimated that total U.S. contributions to the U.N. and all its agencies will come to $517 million and for fiscal 1978 they are expected to increase to $548 million. Our 25 percent share of the regular U.N. budget—which does not include voluntary, peacekeeping or special humanitarian programs—in 1977 will exceed $95 million, and in 1978 it will increase to $105 million And for what—more of what we have seen ever since the U.N. failed to act when Soviet tanks rolled into Czechoslovakia to crush out the smoldering embers of individual freedom and self-expression?

Under terms of my amendment, U.S. contribution to the U.N. regular budget, the budgets of its specialized agencies, the International Atomic Energy Agency, and U.N. peace-keeping forces in the East would be reduced to the same percentage as the U.S. population when compared to that of all U.N. member nations. Inasmuch as the United States had, in 1976, 5.59 percent of all the population represented in the U.N. that would mean the contributions to the U.N. provided for in this bill would be reduced from $218,119,000—or 25 percent of all shares—to $57,617,000—or 5.59 percent. This is not as drastic a step as was taken when we withheld funds from UNESCO but, given the unwillingness of so many other nations to keep current with their dues or to pay up their back debts, it should have a salutary effect. If not, the worst that would happen is that, after a year or so, our arrearages would catch up to those of the Soviet Union.

Just for the record, if the contribution levels of all nations were put on a population, rather than a national income basis, the Red Chinese would have their share of the regular U.N. budget increased from roughly 5.5 percent to a more realistic 21.5 percent—based on 1975 figures; India would go from 1.2 percent to 16.5 percent and the 70 nonalined nations I mentioned earlier would collectively have their share increased from 3.5 to 20.5 percent. The Soviet Union, on the other hand, would have its share reduced somewhat, in case any of my colleagues suspect that I have in mind picking on any one nation.

Mr. Chairman, over the years the United States has invested roughly $6 billion in the U.N. To protect our investment, I urge adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CRANE) has expired.

(On request of Mr. SYMMS and by unanimous consent, Mr. CRANE was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding to me. As I understand his amendment, it is to make the payment that the United States makes to the United Nations accord with the population?

Mr. CRANE. That is correct.

Mr. SYMMS. I just think the headlines of this evening's Washington Star, which say that the United States will not oppose a U.N. seat for Vietnam, should be considered by the Members. It is just one more reason why the gentleman's amendment should be supported. We are already outvoted in that body by an astronomical number, and we are going to add one more vote of people who are known to be our enemies and who we know will vote against us. That is one more reason why we should pay only our fair share.

Mr. CRANE. I thank the gentleman for his support. I would argue further that this is consistent with our historic rule of one man, one vote. The United Nations, under this amendment, would simply adhere to a principle required domestically by our own Supreme Court.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it pains me to differ with my friend from Illinois, but there are a few things that must be said.

Frankly, I have no doubt that the amendment will be rejected. My point in taking the floor, is to discuss the U.N. I think that every so often we ought to, in candor, look at this world body.

The facts of life are that the U.N. is an imperfect institution. We should not expect perfection from it, but we also should note that it is a necessary institution, and we need something like the U.N. What we have to learn to do is to live with it, regardless of imperfections.

In the first place, we still have the veto power, and as long as we have that veto power, our real national interests will not be adversely affected. Second, over the years we have reduced our contribution from what was originally 40 percent down to 25 percent. It was our colleagues, the gentleman from Alabama (Mr. BUCHANAN) and the gentleman from Pennsylvania (Mr. NIX) who were there in 1973 and completed the negotiations that brought it down to 25 percent.

Then, what we have to look at is what the United Nations represents to some of the other countries of the world. For a small country, the U.N. is the practical vehicle for conducting most of its diplomacy. Granted, there is a lot of excessive rhetoric, but I have even heard some excessive rhetoric in this body. There is no difference between the excessive rhetoric at the U.N. and the occasional excessive rhetoric in any legislative body. We understand that, and as long as we act responsibly—which we want to do at the U.N.—and as long as, when the chips are down, we have the Security Council to work out the practical solutions to problems, so long as we keep in mind that when we are debating the realities of international complications, we are going to have certain countries have their spokesmen sound off for their own domestic political purposes, we should not be too upset, surprised, or disappointed at that. Heaven knows, Ambassador Moynihan did a fairly good job of speaking for domestic political purposes when he was there.

We are a responsible nation; we are a responsible nation in an ever-smaller world in the sense of communication and contact, and this is no time to be cutting the budget of a necessary world today.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I am delighted to yield to my distinguished friend.

Mr. CRANE. It is because I listened to the persuasive rhetoric of my distinguished colleague for lo, these many years that I have purposely avoided cutting our commitment. What this amendment does is simply change the formula from participation on a gross national product basis to a per capita basis. It does have the practical effect of reducing the percentage, but it does not cut it out entirely because I know, as my distinguished colleague has elaborated on many times, the U.N. performs such a valuable service to the Third World.

Mr. DERWINSKI. The gentleman, I know, is a professor of history. He obviously is not a mathematician, because he does not stop to realize that under his amendment, countries like Bangladesh, India, Indonesia, countries with huge populations, would have to pay a disproportionate share, and OPEC nations, with tremendous oil income and small populations, would pay a relatively minor share.

Mr. CRANE. If the gentleman will yield further, as the gentleman well knows, countries with huge populations, such as India and Red China, would contribute more under this formula. But they can afford it as India demonstrated when it developed a costly nuclear capability. And back during the Vietnam war, the Red Chinese were putting about $200 million annually into that effort, which is roughly what they would, under this formula, now pay to promote the U.N. goals of peace and freedom.

Mr. DERWINSKI. But I would say to the gentleman that the only way we could lower our contribution is to negotiate at the United Nations. This requires action under the Charter of the United Nations.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. CRANE and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. CRANE. If the gentleman will yield further, I would simply address his final point by reminding my distinguished colleague that we did unilaterally cut the amount before. We are still in good standing. We have demonstrated that.

Mr. DERWINSKI. That was in a voluntary contribution, we obviously have the right to raise or lower our voluntary contribution.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment proposed by my colleague from the State of Illinois.

The time has long come for the rest of the world to stop taking this country's goodwill for granted. Today we represent just over 5 percent of the United Nation's total member-nation population, yet we pay 25 percent of that organization's budget. The Soviet Union, on the other hand, pays only about half our share while supporting a population much larger than our own. This cannot be allowed to continue.

What my colleague proposes is a prudent course of action in which the U.S. contributions to the world organization would be adjusted according to the size of our own population. At the same time, those U.N. members who have continued to rely on U.S. financial support would be required to pay their fair share.

Once and for all we must put an end to this flagrant inequity; 32 years has been long enough.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. CRANE).

The question was taken; and on a division (demanded by Mr. CRANE) there were—ayes 31, noes 84.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 149, noes 257, not voting 26, as follows:

[Roll No. 192]

AYES—149

Abdnor
Addabbo
Ambro
Andrews, N. Dak.
Applegate
Archer
Armstrong
Ashbrook
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bevill
Bowen
Breaux
Brinkley
Burke, Fla.
Burleson, Tex.
Butler
Byron
Chappell
Clawson, Del
Cleveland
Cochran

Coleman
Collins, Tex.
Corcoran
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
Eilberg
Emery
English
Evans, Ga.
Evans, Ind.
Fish
Fithian
Flippo
Flowers
Flynt
Frey
Fuqua
Gaydos
Ginn
Goldwater
Guyer
Hagedorn
Hall
Hammerschmidt
Hansen
Harsha
Heckler
Hightower
Holt
Hubbard
Huckaby

Hughes
Hyde
Ichord
Ireland
Jenkins
Jenrette
Jones, N.C.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Lent
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McDonald
Mahon
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Nichols
Pettis
Poage
Pressler
Quayle
Quillen

Regula
Rinaldo
Roberts
Robinson
Rousselot
Rudd
Runnels
Russo
Santini
Sarasin
Satterfield
Schulze
Sebelius
Shipley
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stangeland
Stockman
Stump
Symms
Taylor
Thone
Treen
Trible
Volkmer
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Whitten
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—257

Akaka
Alexander
Allen
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Aspin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cornwell
Cotter
D'Amours
Danielson

de la Garza
Delaney
Dellums
Derwinski
Dicks
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Fary
Fascell
Fenwick
Findley
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hefner
Heftel
Hollenbeck
Horton
Howard
Jacobs
Jeffords
Johnson, Colo.
Jones, Okla.
Jones, Tenn.

Jordan
Kastenmeier
Keys
Kildee
Kostmayer
Krebs
Krueger
LaFalce
Leach
Lederer
Leggett
Lehman
Levitas
Long, La.
Long, Md.
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mann
Markey
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Gary
Myers, Michael
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar

Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Preyer
Pritchard
Pursell
Quie
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Risenhoover
Rodino
Roncalio
Rooney
Rosenthal
Rostenkowski

Roybal
Ruppe
Ryan
Sawyer
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Steed
Steers
Steiger
Stokes
Stratton
Studds
Thompson
Thornton

Traxler
Tsongas
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Whalen
Whitley
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Mo.
Young, Tex.
Zablocki

NOT VOTING—26

Ashley
Brown, Mich.
Burgener
Clausen, Don H.
Conyers
Dent
Diggs
Dingell

Forsythe
Gammage
Hillis
Holland
Holtzman
Johnson, Calif.
Koch
Latta
Le Fante

Milford
Moss
Price
Roe
Rogers
Rose
Teague
Tucker
Ullman

The Clerk announced the following pairs:

On this vote:

Mr. Burgener for, with Ms. Holtzman against.

Mr. Latta for, with Mr. Gammage against.

Mr. Teague for, with Mr. Dingell against.

Mr. Milford for, with Mr. Brown of Michigan against.

Mr. BROWN of California changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DORNAN: On page 13 immediately after line 7 add the following new section:
>
> "SEC. 113. None of the funds authorized to be appropriated in this Act shall be used for the purpose of negotiating the surrender or relinquishment of the Canal Zone or the Panama Canal."

Mr. DORNAN. Mr. Chairman, I rise today to give this body the opportunity to record its support of U.S. rights and control both in the Canal Zone and over the Panama Canal.

As my colleagues are well aware, the State Department has been holding intensive negotiations with the Republic of Panama to formulate a new treaty which in the opinion of most observers and experts will effectively remove the control of the United States from both the Canal Zone and over the canal itself.

When campaigning for the Presidency, Mr. Carter said that he "would never give up complete control or practical control of the Panama Canal Zone."

Let us not only make his promise a reality, but let us go one step further and assure the American people that the Members of Congress will never permit our Government to give up any sovereign treaty rights that the American people have over the Panama Canal.

The people of the United States have a tremendous investment in the canal. The total purchase cost of all rights was $161,938,571, more than the combined costs for Alaska and the Louisiana Territory.

What is more, we actually bought the canal four times: first, from Panama; second, from Colombia; third, from the private landowners; and fourth, from the French investors who failed badly in their attempt to build a canal.

Total investment of the American taxpayers in the Canal Zone is in the neighborhood of $7 billion.

In addition to our great financial investment, the United States holds sovereign rights to the Canal Zone and to the canal "in perpetuity." In fact, the words "in perpetuity" appear five times in the 1903 treaty between the United States and Panama:

> The Republic of Panama grants to the United States *in perpetuity* the use, occupation and control of a zone of land and land under water for the construction, maintenance, operation, and sanitation and protection of said Canal. . . .
>
> The Republic of Panama further grants to the United States *in perpetuity* the use, occupation and control of any other lands and water outside of the zone above described which may be necessary. . . .
>
> The Republic of Panama further grants in like manner to the United States *in perpetuity* all islands within the limits of the zone above described and in addition thereto the groups of small islands in the Bay of Panama. . . .
>
> The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned . . . which the United States would possess and exercise as if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power and authority. . . .
>
> The Republic of Panama grants to the United States *in perpetuity* a monopoly for the construction, maintenance and operation of any system of communication by means of Canal or railroad across the territory between the Caribbean Sea and the Pacific Ocean.
>
> The Canal, when constructed, and the entrance thereto shall be *in perpetuity*. . . .
>
> If the Republic of Panama shall hereafter enter as a constituent into any other government or into any union or confederation of states, so as to merge her sovereignty or independence in such government, union or confederation, the rights of the United States under this convention shall not be in any respect lessened or impaired. (Emphasis added)

I would also like to call the attention of my colleagues to another important factor in this "sovereignty" argument.

Section 701, title 2 of the Canal Zone code—last revised in 1963—reads:

> The government of the United States possesses, to the exclusion of all foreign nations, sovereign rights, power and authority over the air space above the lands and waters of the Canal Zone. Until Congress otherwise provides, the President shall prescribe, and from time to time may amend, regulations, governing aircraft, air navigation, air navigation facilities, and aeronautical activities within the Canal Zone, 76A Stat. 29.

As my colleague, the gentlemen from Kentucky (Mr. SNYDER) so ably explained its importance last session—June 18, 1976:

It is a firmly established concept in international law that a nation has absolute sovereignty over its superjacent airspace above the land and water areas that constitute that nation's territory. It should be obvious to all that the United States of America under no circumstances could declare in law that it has absolute sovereignty over the air space above the lands and waters of the Canal Zone unless it had sovereignty over the territory which comprises the Canal Zone itself.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. DORNAN was allowed to proceed for 2 additional minutes.)

Mr. DORNAN. Mr. Chairman, let me remind my colleagues that it was the Government of Panama that relinquished its sovereignty over the Canal Zone. Panama acted by solemn treaty with the United States. We thus have the sovereignty "in perpetuity" and therefore should not relinquish it at one of—if not the most dangerous periods in recorded history.

The Panama Canal is critical to the defense of the United States. With the wrong kind of government in power in strategic Panama which controls the canal—and the present Government of Panama is typical of what I mean by the wrong kind of government—the consequences to the free world would be untold.

Gen. Omar Torrijos, the Panamanian dicator, was never elected. He seized power in 1968. Was deposed in 1969. Seized power again. His sympathies to Castro are no secret. In 1976, together with 200 Panamanians, he visited Cuba on a state visit.

For the last 8 years, Torrijos has been part of a Moscow-Havana-Panama axis. The United States can never tolerate a pro-Castro government controling the canal. We must have ready access to the Atlantic and Pacific oceans. We can ill afford the luxury of two independent naval fleets to meet any crisis which might arise.

Mr. Chairman, anyone who understands geopolitics knows that there are three critical strategic waterways on the surface of this Earth. The Suez Canal is one. As told by a front-page story in the Los Angeles Times and confirmed by a story in Time magazine, the Suez Canal became the object of a near nuclear conflict in October of 1973. Our radar sites in Turkey and along the Bosporus detected Soviet nuclear warheads coming down to Egypt to be implanted in the warheads of Soviet-made missiles because of a conflict that partially involved a canal; the Suez Canal. We all know the inflation and the cost to world trade of that narrow but strategic body of water remaining closed for years. The second critical water passage is the Strait of Malacca in Southeast Asia. It is in jeopardy.

In my eight trips to Vietnam I visited at least 12 air bases where we laid down concrete runways of 10,000 to 13,000 feet some of which can handle Boeing 747-size aircraft, and these bases now are firmly in control of Communist forces with easy capability to overfly constantly, and thereby control, the Straits of Malacca.

And now we negotiate away our absolutely critical control of the third and I believe most important waterway, the Panama Canal. We cannot give this world resource to an unstable dictator.

Then there is the No. 3 man, Colonel Orriega, who is the head of Panamanian G–2 intelligence. Colonel Orriega's automobile was used to place bombs in our zone just October of last year. This is the height of arrogance and international irresponsibility. I do not believe that we have sovereignty there running to the core of the Earth, but the words do say, "As if we were sovereign." There are other rights of sovereign property that we have exercised for 74 years. Maybe sometime in the future we will be able to negotiate with a stable government, that respects human rights but to consider negotiations where we talk of surrendering totally our presence is unthinkable.

I urge my colleagues to consider the seriousness of the amendment I am offering today and to give further careful consideration to the documentation which I am inserting today before that time when we will sit as the House—rather than as the Committee.

The material follows:

An American Canal on American Soil Under American Control—For the Good of the Entire World!—Documentation Regarding Perpetual United States Possession, Ownership and Control of, Title to, and Sovereignty Over the Canal Zone and the Panama Canal Under the 1903 Treaty With the Republic of Panama as Revised and Updated in 1936 and 1955

I. On March 8, 1880, President Rutherford B. Hayes sent a special message to Congress in which he declared:

". . . I deem it proper to state briefly my opinion as to the policy of the United States with respect to the construction of an interoceanic canal by any route across the American isthmus.

"The policy of this country is a canal under American control. . . . If existing treaties between the United States and other nations, *or if the rights of sovereignty or property of other nations stand in the way of this policy . . . suitable steps should be taken by just and liberal negotiations to promote and establish the American policy . . .*

An interoceanic canal across the American isthmus . . . will be the great ocean thoroughfare between our Atlantic and our Pacific shores, and virtually a part of the coast line of the United States. Our merely commercial interest in it is greater than that of all other countries, while its relation to our means of defense, our unity, peace, and safety, are matters of paramount concern to the people of the United States. *No other great power would under similar circumstances fail to assert a rightful control over a work so closely and vitally affecting its interest and welfare.*

"Without urging further the grounds of my opinion, I repeat—that *it is the right and the duty of the United States to assert and maintain such supervision and authority over any interoceanic canal . . . as will protect our national interests."*

II. On March 3, 1899, President William F. McKinley approved a rivers and harbors act of Congress titled, "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes." Section 3 of that Act, in part, reads as follows:

"That the President of the United States of America be, and he is hereby, authorized and empowered to make full and complete investigation of the Isthmus of Panama with a view to the construction of a canal by the United States across the same to connect the Atlantic and Pacific oceans; . . . And generally the President is authorized to make such full and complete investigation as to determine the most feasible and practicable route across said isthmus for a canal, *together with the cost of constructing the same and placing the same under the control, management, and ownership of the United States."*

III. On January 18, 1902, the Isthmian Canal Commission appointed by President McKinley under the rivers and harbors act of 1899, reported to the President of the United States. In its report, the Commission headed by Rear Admiral John G. Walker, one of the ablest naval officers of his generation, declared:

". . . a new arrangement must be made if an isthmian canal is to be constructed by our Government across the Isthmus of Panama.

"The grant must be not for a term of years, but in perpetuity, and a strip of territory from ocean to ocean of sufficient width must be placed under the control of the United States. In this strip the United States must have the right to enforce police regulations, preserve order, protect property rights, and exercise such other powers as are appropriate and necessary."

IV. The Spooner Act of 1902 mandated the President as follows:

". . . the President is hereby authorized to *acquire . . . perpetual control of a strip of land, the territory* of the Republic of Colombia . . . and the right to use and dispose of the waters thereon, and to excavate, construct, and to *perpetually maintain, operate, and protect thereon a canal* . . . the sum of ten million dollars is hereby appropriated out of any money in the Treasury not otherwise appropriated, toward the project herein contemplated . . ."

V. The Isthmian Canal Convention of 1903 (Hay-Bunau Varilla Treaty) states the following:

Article II: *"The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land* under water for the construction, maintenance, operation, sanitation and protection of said Canal of the width of ten miles extending to the distance of five miles on each side of the center line of the route of the Canal to be constructed . . ."

Article III: "The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located *to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority."*

VI. Article 3 of the 1904 Constitution of the Republic of Panama states:

"The territory of the Republic remains subject to the jurisdictional limitations stipulated, or which may be stipulated in public treaties concluded with the United States of North America for the construction, maintenance, or sanitation of any means of interoceanic transit."

VII. The 1904 U.S.-Panama Boundary Agreement states:

"Whereas by the terms and provisions of Article II of the Convention for the Construction of an Interoceanic Canal between the United States of America and the Republic of Panama, signed by the representatives of the two nations on November 18, 1903, the ratifications of which were exchanged, at Washington on the 26th day of February, 1904, the United States acquired the right of use, occupation, and perpetual control from and after the said 26th day of February, 1904, in and over the Canal Zone and other lands, waters, and islands named in said Article II of the convention aforesaid; and . . ."

"Whereas in order that said work of construction of said interoceanic canal may be systematically prosecuted, and in order that a government for the Canal Zone created by the terms and provisions of said Article II of said convention may be successfully organized and carried forward, it is necessary that the extent and boundaries of the *said territory ceded to the Government of the United States by the Government of the Republic of Panama* under the terms and provisions of said convention shall be provisionally determined and agreed upon . . ."

VIII. In the 1907 decision, *Wilson* v. *Shaw, Secretary of the Treasury*, the Supreme Court cited the plaintiff's contentions. Among them:

"He contends that whatever title the Government has was not acquired as provided in the act of June 28, 1902, by treaty with the Republic of Colombia. . . . Further, it is said that the boundaries of the zone are not described in the treaty . . ."

The Court declared:

"A short but sufficient answer to that subsequent ratification is equivalent to original authority. The title to what may be called the Isthmian or Canal Zone, which at the date of the act was in the Republic of Colombia, passed by an act of secession to the newly formed Republic of Panama. . . . A treaty with it, *ceding the Canal Zone*, was duly ratified. 33 Stat. 2234. Congress has passed several acts based upon the *title* of the United States.

"It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this Nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate. . . ."

"Alaska was *ceded* to us forty years ago, but the boundary between it and the English possessions east was not settled until within the last two or three years. Yet no one ever doubted the *title* of this republic to Alaska."

I call to your attention that the Court used the words "cede" and "title" in reference to both Alaska and the Canal Zone—and used the same words in the same decision.

IX. The Panama Canal Act of August 24, 1912, specified in Section 3:

"That the President is authorized to declare by Executive order that all land and land under water within the limits of the Canal Zone is necessary for the construction, maintenance, operation, sanitation, or protection of the Panama Canal, and *to extinguish, by agreement when advisable, all claims and titles of adverse claimants and occupants. Upon failure to secure by agreement title to any such parcel of land or land under water the adverse claim or occupancy shall be disposed of and title thereto secured in the United States* and compensation therefor fixed and paid in the manner provided in the aforesaid treaty with the Republic of Panama, or such modification of such treaty as may hereafter be made."

X. By Executive Order on December 5, 1912, President William H. Taft, in accordance with the Panama Canal Act of 1912, took possession of all land in the Zone. That order reads:

"Lands in Canal Zone to be Taken for Canal Purposes: By virtue of the authority vested in me by the Act of Congress entitled 'An Act to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone,' approved August 24, 1912, I hereby declare that all land and land under water within the limits of the Canal Zone are necessary for the construction, maintenance, operation, protection, and sanitation of the Panama Canal, and *the Chairman of the Isthmian Canal Commission is hereby directed to take possession, on behalf of the United States, of all such land and land under water; and* he may *extinguish*, by agreement when practicable, *all claims and titles of adverse claimants* to the occupancy of said land and land under water."

XI. The 1914 U.S.-Panama Boundary Convention states:

"Whereas, Gen. George W. Davis, then Governor of the Canal Zone, on behalf of the United States of America, and Messrs. Tomas Arias and Ramon Valdes Lopez, then Secretary of Foreign Affairs and Attorney General, respectively, of the Republic of Panama, acting on behalf of that Republic, entered into an agreement on the 15th day of June, 1904, by the terms of which *the Republic of Panama delivered over to the United States of America, the use, occupation, and control in perpetuity of the zone of land ten miles in width* described and mentioned in articles II and III of the Canal Treaty . . ."

"It is agreed that the Republic of Panama shall have *an easement* over and through the waters of the Canal Zone in and about Limon and Manzanillo bays to the end that vessels trading with the City of Colon may have access to and exit from the harbor of Colon, subject to the police laws and quarantine and sanitary rules and regulations of the United States and of the Canal Zone established for said waters. . . ."

XII. The 1914 Treaty between the U.S. and the Republic of Colombia declares in Article I:

"The Republic of Columbia shall enjoy the following rights in respect to the interoceanic Canal and the Panama Railway, *the title to which is now vested entirely and absolutely in the United States of America, without any incumbrances or indemnities whatever."*

XIII. The 1936 Treaty of Friendship and Cooperation between the U.S. and Panama contains the following Article XI:

"The provisions of this Treaty shall not affect the rights and obligations of either of the two High Contracting Parties under the treaties now in force between the two countries, nor be considered as a limitation, definition, restriction or restrictive interpretation of such rights and obligations, but without prejudice to the full force and effect of any provisions of this Treaty which constitute addition to, modification or abrogation of, or substitution for the provisions of previous treaties."

I call to your attention that in commenting on this Article in his Summary of Essential Features of this agreement, printed in the Report of the Senate Foreign Relations Committee on the Treaty, Secretary of State Cordell Hull declared:

"The juridical status of the Canal Zone, as defined in article III of the 1903 convention, thereby remains unaltered."

XIV. The 1955 Treaty of Mutual Understanding and Cooperation between the U.S. and Panama was the subject of Senate hearings. Assistant Secretary of State for Inter-American Affairs, Henry F. Holland was questioned as follows:

"Senator Fulbright. Would you say that there is anything in this agreement which might possibly be construed as a waiver of our paramount rights in the Canal Zone?

"Mr. Holland. No, sir; and, as a matter of fact, I believe that the permanency and stability of those rights are strengthened by this treaty because of the inclusion in the treaty of the phrases that I referred to in my opening statement. That is the inclusion of the phraseology in the preamble that no part of the treaty of 1903 or the treaty of 1936 or this treaty can be changed save by mutual agreement of the parties, and the specific and affirmative recognition in article I by the parties of the absence of any obligation on the part of either party to change the annuity . . ."

"Senator Wiley. As I understood from you, Secretary Holland, there is nothing in this present treaty that would in the slightest degree depreciate all the attributes of sovereignty that we possess.

"Mr. Holland. That is true; and so true is it, that in the course of the negotiations the Panamanians advanced several small requests which, 1 by 1, had considerable appeal, but all of which we refused, *because we did not want to leave 1 grain of evidence that could a hundred years hence be interpreted as implying any admission by the United States that we possess and exercise anything less than 100 percent of the rights of sovereignty in this area."*

XV. In *Roach v. United States*, 453 F. 2d 1054 (5th C.A.) *cert. den'd*, 406 U.S. 935, decided on Dec. 30, 1971, the Court of Appeals declared:

"The Canal Zone is an unincorporated territory of the United States. Convention between United States and Republic of Panama, Nov. 18, 1903, 33 Stat. 2234, arts. 2, 3; General Treaty between United States and Panama, Mar. 2, 1936, 53 Stat. 1807; 2 C.Z.C. § 1 et seq."

XVI. Section 701, Title 2 of the Canal Zone Code (last revised in 1963) reads:

"The Government of the United States possesses, to the exclusion of all foreign nations, sovereign rights, power, and authority over the air space above the lands and waters of the Canal Zone. Until Congress otherwise provides, the President shall prescribe, and from time to time may amend, regulations governing aircraft, air navigation, air-navigation facilities, and aeronautical activities within the Canal Zone. 76A Stat. 29."

International law recognizes that a nation has absolute sovereignty over the superjacent air space above the land and water constituting its sovereign territory.

THE ANNUITY

The Hay-Herran Treaty of 1903 between the U.S. and the Republic of Colombia, never ratified by the latter, states in Article XXV:

"As the price or compensation for the right to use the zone granted in this convention by Colombia to the United States for the construction of a canal, together with the proprietary right over the Panama Railroad, *and for the annuity of two hundred and fifty thousand dollars gold, which Colombia ceases to receive from the said railroad*, as well as in compensation for other rights, privileges and exemptions granted to the United States, and in consideration of the increase in the administrative expenses of the Department of Panama consequent upon the construction of the said canal, the Government of the United States binds itself to pay Colombia the sum of ten million dollars in gold coin of the United States on the exchange of the ratification of this convention after its approval according to the laws of the respective countries, and also an annual payment during the life of this convention of two hundred and fifty thousand dollars in like gold coin, beginning nine years after the date aforesaid . . ."

The identical financial features of this Article were incorporated in Article XIV of the Hay-Bunau Varilla Treaty with Panama. Clearly, we could not offer less to Panama than already offered to Colombia.

The annuity therefore was to indemnify for loss of income from the Panama Railroad, and never was a lease payment.

"Subsequent increases in the annuity were made in the 1936 and 1955 Treaties. Both Treaties spell out that the increases were not required by any treaty provision.

The annuity was increased in the 1936 Treaty to $430,000. Senate Report 2375 dated June 27, 1956 from the Committee on Interstate and Foreign Commerce explained this:

". . . the monetary agreement with the Republic of Panama of June 20, 1904, provided for payment of the annuity in gold

> balboas. Hence, when the American gold dollar, and later the Panamanian balboa, were devaluated as the result of abandonment of the gold standard by the United States in 1934, *the annuity payment in gold balboas was increased to $430,000 solely to compensate for the decrease in gold content of the balboas.*"
>
> The 1955 Treaty increased the annuity to $1,930,000 purely as an act of generosity on our part.
>
> Subsequent devaluation of the dollar has raised the figure to $2,328,200 at the present time.

The CHAIRMAN. The time of the gentleman from California (Mr. Dornan) has again expired.

Mr. DORNAN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. RONCALIO. Mr. Chairman, I object.

Mr. BUCHANAN. Mr. Chairman, reserving a point of order.

The CHAIRMAN. Objection is heard.

Mr. DORNAN. Mr. Chairman, may I ask the source of the objection?

Mr. RONCALIO. Mr. Chairman, I am the source of the objection. I asked the gentleman to yield 5 minutes ago.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. BUCHANAN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DORNAN

Mr. BUCHANAN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mr. Buchanan as a substitute for the amendment offered by Mr. Dornan: Page 13, immediately after line 7, insert the following new section:
>
> "PANAMA CANAL
>
> "Sec. 113. Any new Panama Canal treaty or agreement negotiated with funds appropriated under this title must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property, and defense of the Panama Canal."

Mr. BUCHANAN. Mr. Chairman, three Presidents of the United States have felt that it is in the interest of our country that we ought to negotiate with the Panamanians a possible new treaty.

The present President has indicated this is his intention. Each has felt we would protect the vital interests of the United States in so doing.

This amendment, which this House passed in previous legislation in identical form, simply seeks in a positive way to insure that our vital interests are protected.

This amendment provides that any new treaty or agreement negotiated with funds appropriated under this title must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property and defense of the Panama Canal.

This amendment which we have passed in other earlier legislation does, I believe, protect our rights and interests. Three Presidents and two Secretaries of State say we should negotiate. They believe this method is in our interest, will calm the situation in Panama, and indeed, improve our relations with all Latin America.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I rise in support of the Dornan amendment and in opposition to the substitute amendment.

Mr. Chairman, the distinguished Senator from South Carolina, the Honorable Strom Thurmond, has in the past succinctly made two major points regarding the Canal Zone and Panama Canal and the current treaty negotiations which I would like to call to the attention of this body. They are worthy of your closest attention.

The first is the difference between title, or ownership, and sovereignty.

The second is the value of the canal in relationship to the growing might of the Soviet Union's seapower and to our own Navy.

Let me quote his remarks briefly:

> At least six earlier Isthmian canal treaties had failed in Congress, because they did not give the United States sufficient capability to defend and maintain such a Canal. It was historically clear that Congress would not authorize a Canal which was under the sovereignty of another nation.
>
> This is the explanation of the Treaty of 1903, which granted to the United States the rights of sovereignty in perpetuity. The two concepts are essential: sovereignty and perpetuity. The one implies the other. Sovereignty is the highest power or authority, the supreme and independent political authority. It is a contradiction in terms to speak of sovereignty as subordinated in any way to the authority of another. You either have sovereignty or you don't.
>
> Now there is a confusion abroad in the land between title—that is, ownership—and sovereignty. Let me say that there is all the difference in the world between the two. You can have ownership without sovereignty, as any homeowner can tell you. You can also have sovereignty without ownership, unless that ownership is acquired by eminent domain. It is, therefore, clear that if the United States surrenders sovereignty in any territory, even where it has ownership, then the titles to U.S. property therein are not worth a tinker's dam, except in so far as the real sovereign so pleases.
>
> Sovereignty, therefore, is not a title. It is authority in operation. As soon as authority ceases to operate, it ceases to exist. That is why the grant of sovereignty in the 1903 Treaty is so important. We are not talking about some abstract legality, or some splitting of legal hairs; we are talking about practical day-to-day operations. The authority to act cannot be shared without disagreement, disaffection, and ultimately disaster.
>
> I need not point out that the dominant sea power in the world today is the Soviet Union. A battle for the control of the sea-lanes—both on the surface and below surface—is now in progress. Attention focuses on the narrow waterways of the world—that handful of places where all ships must come together for the shortest and most efficient conclusion of their varied journeys. One thinks of the Straits of Gibralter, the Straits of Malacca, the Cape of Good Hope, Cape Horn, the Panama Canal, and the Suez Canal. It is not only the efficient voyage of a single ship that is in question; it is the deployment of whole fleets. The significant fact is that if a short-cut is suddenly not available, the number of ships on station at any given time must be increased by a large co-efficient, to accomplish the same mission. The opening of the Suez Canal was, for the Soviet Union, the same as a sudden boost in the size of its fleets. The closing of the Panama Canal would be the same as the loss of a sizable segment of the U.S. Navy.
>
> Even though our strategic battle plans are drawn up on the basis of a so-called "two-ocean" navy, there are sizable local conflicts and even economic confrontations that rise to strategic proportions, but yet will fall short of a general confrontation with the Soviet Union. We must think of the whole range of military possibilities, and the whole inter-national complex of strategic waterways, rather than an isolated problem of defending our historic territory.
>
> This is why we must not look to the past, or founder upon the outdated concepts of the 60's, before the Soviet Union became a preeminent naval power. The future belongs to our children, as well as to the children of Panama and of Latin America.

Let me repeat four key sentences:

> Sovereignty, therefore is not a title. It is authority in operation. As soon as authority ceases to operate, it ceases to exist.
>
> The opening of the Suez Canal was, for the Soviet Union, the same as a sudden boost in the size of its fleet. The closing of the Panama Canal would be the same as the loss of a sizable segment of the U.S. Navy.

Let me now make a third point. For the past several years the State Department has been telling us that if we did not surrender the Canal Zone to Panama there would be either sabotage of the canal, or worse, namely another Vietnam in Central America.

In effect they were saying that the only way we could keep the canal open was to give it away.

Well, the representatives of the State Department have recently discarded that ridiculous argument. They are now saying publicly that they do not expect such violence, but "fear a deterioration in relations between Panama and the United States."

Those of you who were led to believe that hostilities in Panama might be imminent without a new treaty can shed your fears.

The State Department has found that argument to be counter-productive both among the people and here in the Congress.

For these three reasons I strongly urge support of this amendment.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to just ask a question. Is this not the same bipartisan State Department sell-out language that was before the House last year?

Mr. BUCHANAN. No. This is the same bipartisan, pro-American, pro-President amendment, that we talked about and passed last year.

Mr. METCALFE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is now time for us to give a tremendous amount of reasoning on this very crucial vote.

Mr. Chairman, I rise in opposition to the Dornan amendment and in support of the Buchanan substitute amendment. As the chairman of the Subcommittee on Panama Canal, I would like to bring out just a few facts which I think will cause us to vote sensibly and responsibly.

The present treaty is outdated. Mr. Dornan's remarks are not really germane to what we should be talking about this evening. What these amendments address themselves to is simply a question of whether we shall provide money for our negotiators.

I think it is rather inflammatory for my distinguished friend form California (Mr. DORNAN) to say that we are relinquishing the control of the Panama Canal. In effect, what we are really asking is, are we afraid to negotiate? Are we just going to let things ride? I submit to the Members that this will never happen, because Panama is a sovereign country, and it has dignity. A new treaty will better recognize Panama's dignity as a nation, as well as the dignity of the Panamanian people.

On January of this year, eight Latin American chiefs of government wrote to President Carter and expressed the need for continuing serious negotiations. Latin America is solidly behind Panama.

Also, I might call to the attention of the Members the fact that Panama now has a seat on the United Nations Security Council. I submit to the Members, out of my years of participating in hearings in Panama and here in Washington, the treaty must be negotiated.

What the Dornan amendment would do, in effect, would be to say to those radicals who have had riots down there, "We give you a basis for your continuing to riot." To forget about the negotiations is to forget about our long heritage and our friendship that we have had with Panama. The Dornan amendment is simply saying that the negotiators are not free to negotiate but rather we are dictating to them before all conceptual agreements have been arrived at. The interests of the United States will be protected, as was indicated when the Panama Canal Subcommittee visited the isthmus right after the Easter recess, when we met with the Panamanian foreign minister and other negotiators. He assured us that he wanted U.S. citizens to remain in Panama to run the canal, and he expressed the desire that Panama wanted to use the excess land to develop some recreational and industrial facilities that would create more jobs.

I think that it is important for us not to be the "Big Brother," not to be the "Big Threat," but to say that we are not too big to negotiate because we are confident that we are not going to give up our entire rights; that we are not going to give up our bases; that America will make friends in Latin America.

I urge the rejection of the Dornan amendment and the adoption of the Buchanan substitute.

Mrs. FENWICK. Mr. Chairman, I move to strike the last word, and I rise in support of the Buchanan amendment.

The CHAIRMAN. The gentlewoman from New Jersey is recognized for 5 minutes.

Mrs. FENWICK. One minute will do.

Mr. Chairman, I would like to speak very much in the vein of my colleague from Illinois, who has just spoken. We are a great Nation, and we have nothing to fear. If we cannot talk to a small nation, it will be a very, very sad day. We must be willing to sit down at a table and negotiate and talk with a small nation.

There are 500 square miles there in the zone, a strip 10 by 50 miles. There are golf courses there that are not necessary for the defense and security of our Nation. The locks and dams will be defended, but we have got to be able to negotiate, not just because it will make other nations happy, but for our honor. We have given our word, and we have got to stick to it.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to my colleague from California.

Mr. DORNAN. Mr. Chairman, I was going to ask the gentlewoman from New Jersey, because I concur basically with the opening part of her statement, does she really believe we are negotiating with a small nation. We are not. We are negotiating with one single man, a strongarm dictator, who seized power in 1968. The very first time he left his country for a visit to Mexico City, he was deposed. He came back covertly and reseized power again with his Palatine guard, the Guardia National, and he has deliberately set a policy of lowering the educational standards of his Guardia and lowering their age average so that they will remain through immaturity permanently loyal to him. A virtual Palatin Guard.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, we negotiated with every other dictator in the world, and I see no reason to stop now.

Mr. LAGOMARSINO. Mr. Chairman, I do not see anything wrong with negotiating a treaty either, except I see no point in negotiating the treaty we are talking about here.

Let me tell the Members what it is. This is what the Panamanians want: They want to abrogate the treaty of 1903; to end our Panama Canal Zone Government immediately upon signing a new treaty; to end the U.S. jurisdictional matters in the Canal Zone within 3 years, turning over everything to the Panamanians. They want us to eliminate all of our military bases and military presence when the treaty ends in the year 2000, and for the United States to pay a greatly expanded amount for the rights we already have there.

The only thing we have not agreed upon, according to their negotiators and according to our own negotiators, are these: Under what circumstances would our military be able to come back, after the year 2000, to enforce any rights we might have in the Canal Zone?

The Panamanians talk about the United Nations being a guarantor of those rights. We all know how effective that would be.

The only other thing we have not agreed upon is the amount of money we will pay. The Panamanians apparently turned down an offer we have made of somewhere between $33 million and $44 million additional a year.

I see no point at all in continuing to pay moneys to negotiate that kind of a treaty, a treaty to give away or surrender our canal rights.

I strongly support the Dornan amendment and I oppose the Buchanan substitute.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

We have been through all of this, and the gentleman from California has had the time. I am just thinking about the others who have not spoken. Can we move that all debate on these amendments close in about 10 minutes?

Mr. DORNAN. Mr. Chairman, if the gentleman will please yield, there are 69 new Members in this body who have never had the opportunity to discuss this. This was one of the major issues in my campaign—very hard-fought campaign.

Mr. FASCELL. I am trying to be reasonable about this.

Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from California (Mr. DORNAN) and the amendment offered as a substitute by the gentleman from Alabama (Mr. BUCHANAN), and all amendments thereto, close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was granted will be recognized for 50 seconds each.

PARLIAMENTARY INQUIRIES

Mr. MITCHELL of Maryland. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MITCHELL of Maryland. Mr. Chairman, was the limitation set on debate a time period of 10 minutes?

The CHAIRMAN. The gentleman is correct. The time limitation is 10 minutes.

Mr. MITCHELL of Maryland. Ten minutes. And may I ask the Chairman, how many Members were standing? I figured there were roughly 120 Members standing.

The CHAIRMAN. At the time the unanimous consent request for limitation of debate was agreed to the Chair saw 14 Members on their feet. That observation was made at the time the request for limitation was agreed to, and not later on. The Chair saw 14 Members standing at the time the request for limitation was agreed to, and under the precedents the Chair has discretion to divide the remaining time only among those Members.

Mr. DELLUMS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DELLUMS. Mr. Chairman, would the Chair announce the names of the Members who were standing? The gentleman from California was standing at the time of the agreement to the limitation. This gentleman from California was on his feet, and I do not recall hearing my name announced.

The CHAIRMAN. The Chair named each Member he saw standing at the time the unanimous consent agreement for a time limitation was agreed to.

Mr. DELLUMS. Mr. Chairman, I believe the Chair should name those Members.

The CHAIRMAN. The Chair has stated the names of the Members he saw standing at the time.

Mr. DELLUMS. May I ask, Mr. Chairman, who were they?

The CHAIRMAN. The Chair will once again read the names of the Members who were seen standing at the time the unanimous-consent request was agreed to.

The gentleman from Florida (Mr. FASCELL);

The gentleman from Alabama (Mr. BUCHANAN);

The gentleman from Illinois (Mr. DERWINSKI);

The gentleman from California (Mr. DORNAN);

The gentleman from Illinois (Mr. FINDLEY);

The gentleman from Idaho (Mr. SYMMS);

The gentleman from Maryland (Mr. BAUMAN);

The gentleman from Kentucky (Mr. SNYDER);

The gentleman from Ohio (Mr. ASHBROOK);

The gentleman from Tennessee (Mr. QUILLEN);

The gentleman from New York (Mr. GILMAN);

The gentleman from New Jersey (Mr. THOMPSON); and

The gentleman from California (Mr. DELLUMS).

Mr. JOHN L. BURTON. Mr. Chairman, I have been standing here for 5 minutes. I have a motion. I offer a preferential motion so that I may be recognized for 5 minutes.

The CHAIRMAN. The Chair has not recognized the gentleman.

Mr. CRANE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. CRANE. Mr. Chairman, did I understand the Chair to say there were 14 Members standing, and that the time limitation is for 10 minutes?

The CHAIRMAN. The gentleman is correct. The limitation on debate for each Member is 50 seconds.

Mr. CRANE. I thank the Chair.

(By unanimous consent, Mr. BUCHANAN yielded his time to Mr. DERWINSKI.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I hope that during the remainder of the debate we can continue this discussion in a proper fashion. We have an honest disagreement among Members. This is a legitimate subject, and this should not be a situation in which the gentleman who offered the amendment does not get proper respect for his point of view.

I think that the commonsense of the House will prevail. Let us conduct this debate in a proper fashion. This is an issue that is going to plague us for some time. It is a major international problem, and any time it is debated it deserves the sober attention of the House.

Mr. Chairman, this language on which we are going to vote is language that we can all support. Regardless of any rhetoric during the campaign by any candidates for any office, this is practical langauge. We have voted on it before in an overwhelming fashion, and I hope the Members will believe me when I say the Panama Canal issue is one issue that has to be approached with statesmanship and with bipartisanship.

Mr. Chairman, we must rise above our own domestic political rhetoric if we are eventually to solve this problem, and I hope we will do so by supporting the Buchanan amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I believe this is the proper approach, and I urge the adoption of my substitute.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DORNAN) for 50 seconds.

Mr. DORNAN. Mr. Chairman, I rise to offer a preferential motion.

The CHAIRMAN. Does the gentleman from California (Mr. DORNAN) have such a motion?

Mr. DORNAN. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Clerk will report the motion offered by the gentleman from California (Mr. DORNAN). Is there such a motion at the desk?

Mr. DORNAN. Mr. Chairman, the motion is offered to get time for debate, providing 5 more minutes on each side, and this is to try to wipe out this part of the bill. The motion is to strike all after the enacting clause.

The CHAIRMAN. Does the gentleman have such a motion?

Mr. JOHN L. BURTON. Mr. Chairman, I have such a motion at the desk.

The CHAIRMAN. Does the gentleman from California (Mr. DORNAN) have such a motion at the desk?

Mr. JOHN L. BURTON. I have a preferential motion in writing at the desk.

The CHAIRMAN. The gentleman from California (Mr. JOHN L. BURTON) has not been recognized. The gentleman from California (Mr. DORNAN) has been recognized for 50 seconds.

PREFERENTIAL MOTION OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I have my motion in writing.

Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. DORNAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from California (Mr. DORNAN) is recognized for 5 minutes in support of his preferential motion.

Mr. DORNAN. Mr. Chairman, I appreciate how sensitive this issue is, and I know for how many hours, and hours going back for years, most Members have had to sit and listen to debates on this issue. But this issue increases in importance as the world grows more fragile and more dangerous.

When I went down to the canal last month with a large congressional delegation, nine Members of our House, led by the distinguished gentleman from West Virginia (Mr. SLACK), one of our outstanding subcommittee chairmen on Appropriations, it was a most informative factfinding trip. An eye opened. And I did go there with an open mind. At least I tried.

I did not feel that there was clear language in our past treaties about whether the Canal Zone is as purely sovereign as is Alaska or as the Louisiana Purchase lands the way some Presidential candidates have interpreted those points.

However, when I went down there, I found some very disturbing contradictory testimony from some embassy people there. Good people, yes, but nevertheless suffering from a case of what senior State Department members themselves call "clientitis." We gleaned totally different viewpoints from the excellent, I repeat excellent, Canal Zone Governor, Mr. Harold Parfitt, and from the obviously dedicated and superbly informed commander of the Southern Army Command. Also, excellent interviews were conducted with some of the unfairly maligned zonians. By the way I found these Americans to be thoughtful, good citizens every bit as rational and loyal to American interests as any of our fine Embassy people with whom I disagree.

When I got back to this House I received calls from gentlemen willing to identify themselves. They were from our military organizations. They felt that for the first time in years of their service in the Pentagon and on the Hill they were being insulted by being blocked from closed hearings on the Senate side. They told me that some of the people on the negotiating team were not forthcoming when they denied, repeat denied, that our Joint Chiefs of Staff had told them that the Panama Canal was a critical seaway and a critically strategic area to the defense of this country.

Mr. Chairman, I tried to be respectful to our three Ambassadors. They are obviously good and decent men. Dedicated men. I have not engaged in any of this rough dialog referring to one of them as an agent of a foreign power. I do not believe any of that. I am simply making the point that the No. 1 man in Panama's Government is unstable politically. That the No. 3 man in this dictatorship is unstable and probably a terrorist bomber. They have been denying human rights for years, usually by exiling opponents—so far their oppression is benevolent, thank God, in that Torrijos bans people to Miami rather than shooting them as the murderer Castro did.

This regime's No. 3 man, Colonel Orriega allowed his automobile to be used to demolish American property with terrorist bombs in the Canal Zone in October.

Mr. Chairman, if we are going to run from this important area because some followers of Torrijos, like spoiled but vicious children, threaten that they are going to blow up our property then I shudder for our country's future. How can we give our canal to a country that has had 54 governments since 1903. I tell you General Torrijos will have that canal blown up under him, whether the opposition is from the right or from the left just to bring him down. If people say we cannot defend our property there, how in blazes can he.

Mr. Chairman, I heard the most frightening language about Torrijos' plans from a former Panamanian foreign minister at an evening social affair last month. He had been foreign minister during the 1967 negotiations. This very pleasant and urbane gentleman recently hosted the sons of Sargent Shriver and President John F. Kennedy, who were on a fishing trip there last October.

This former minister told us, the distinguished gentleman from West Virginia (Mr. SLACK), and the distinguished gentleman from Virginia (Mr. ROBINSON) will recall this, that Panama was going to raise canal tolls tenfold. Can you imagine this inflationary disruption of world trade. Keep in mind that the United States has operated our canal as an international trade resource. Fair to all nations. The minister said there would be discretionary tolls—repeat—discretionary tolls. Awful. That means economically strong nations—that is we—will pay more. A lot more. To use a canal built by American sweat and lives and treasure.

He talked about oil under the Arab countries being their resource and said that this isthmian geography was the Panamanians' natural resource. I agree partially. But it was our Nation that conquered the killing yellow fever and built an engineering wonder of the world.

He said that if Panama has a choice between a hospital and putting capital investment back into the canal, maybe they will build a new hospital.

Mr. Chairman, that might be a moral decision, but to world trade and to the trade of this country it could mean the absolute deterioration of the complex massive locks. And a disaster for our Atlantic-Pacific trade and, also, for world trade.

My final point is this, Mr. Chairman. People from the Pentagon tell me they have submitted reports, suppressed, about the canal. Some of these are fine senior officers who have gallantly served our Nation in combat and peace—peace that they secured for us—they tell me about the absolute strategic importance of our canal when we are pressed to shift part of our Pacific Fleet to face an Atlantic or Mediterranean crisis. Remember, that only 13 of our carriers cannot transit the canal. Everything else in our fleet can with ease, including the new carrier *Tarawa*. Only a few supertankers, also cannot go through, less than 2 percent of the world's ships. This is still a vital waterway—not as some falsely claim, an aging liability not worth the grief.

When a high ranking naval officer tells me that he submits a report about the need to use the canal to shift Pacific Fleet vessels to save perhaps a friend like Israel and his report is rejected and bounced back to his desk because it is not in line with Government policy, then we are in deep trouble. When this fine gentleman and great naval hero says that he feels like resigning after decades of dedicated service to our country because of this sell out, then I feel there is something very ugly about talk of unilateral giveaway, particularly when it is to a dictator who takes a 200-man delegation to Communist Cuba to pay homage to a mass murderer, the destroyer of the Monroe Doctrine, the ultimate Latin suppressor of human rights, killer Castro. I ask my colleagues to please support my fair and very clear amendment. Thank you.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to say this in opposition to my friend's position. It would not take too many people, as my good friend, the gentleman from California, said, to drop a few grenades and mortar shells into the canal and render it useless.

Then we have no property and nothing to negotiate with. In the interest of sound business practices as well as in the interest of this country's relationships, I think we should accept the Buchanan amendment and, unfortunately, I find myself in opposition to the gentleman from California.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I cannot yield to the gentleman since I do not have control of the time, the gentleman from Florida (Mr. FASCELL) has yielded to me.

But, Mr. Chairman, I think we ought to negotiate while it is still a functioning canal because one cannot sell a badly damaged canal.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I cannot yield to the gentleman at this moment but I will try to yield to the gentleman later.

And I now yield to the gentleman from Illinois (Mr. METCALFE).

Mr. METCALFE. Mr. Chairman, I thank the distinguished gentleman from Florida for yielding to me.

I might say, Mr. Chairman, that I have relegated to myself as chairman of the Subcommittee on the Panama Canal the decision that I will not be emotional about the Panama Canal Treaty possibilities, and that I will try to be completely objective, and think in terms of the best interests of the United States.

Let us set the record straight. I am not concerned about all of these emotional arguments that have been presented, but rather ask where are we today in our relationship with Latin America? Today our negotiators are working continuously to arrive at conceptual agreements. That is as far as we have gone. These agreements have not gone into any of these irrelevant matters that have been brought up here. It is simply a question of what actions we will take when we receive the conceptual agreements and from that point on we in this Congress ultimately will have an opportunity to vote on the species. There will be some implementing legislation and at that time we will express what our thinking is through the medium of legislation. The Senate will be voting on the treaty. We will be voting on whether or not we want to dispose of any property.

Therefore I say it is not right for us to cut off the negotiations now since we really have not gotten to that stage at which we really know what these negotiations will produce.

Mr. FASCELL. Mr. Chairman, I rise in support of the Buchanan amendment and against the Dornan amendment. I think it is more sensible for us to continue with the positive approach already taken in the conference report language to last year's appropriation bill. It will protect our interests and give us a chance to vote affirmatively on the measure.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I thank the gentleman from Florida for graciously yielding to me. Let me say that this is the last time I will ask the gentleman to yield. I just want to again make this very important point about some, I repeat only some, arrogant people threatening to blow up our canal and whether or not we can defend our property against terrorist violence. We can. The distinguished gentlemen from Arizona (Mr. RUDD and Mr. STUMP) and the gentleman from West Virginia (Mr. SLACK) and the gentlewoman from California (Mrs. BURKE) were all present at the Command Headquarters of the Army in the Canal Zone, last February when I asked the distinguished commander there this question: Drawing upon your entire career of 33 years of military service can you thoughtfully answer this question . . . "Can your forces defend this canal against sabotage or terrorism?"

The Members who were there, nine of us, will recall that he took a very thoughtful pause and then this distinguished military commander said, and I quote him verbatim, he said:

> Given a treaty that we cannot live with or defending this canal, I tell you this, yes, I can defend this canal.

Three days ago I sat in the Strategic Air Command Headquarters at Omaha, Nebr., with SAC's commander, General Dougherty, and he told Mr. MARRIOTT and me that the President knows that after he assumes office he cannot go before the people of this country or the world and say, "I cannot defend my country, my military strength is not sufficient." And he said that as the commander of SAC he also cannot say that. But I tell you that this is not the case with Gen. Dennis McAulliffe. He meant it emphatically and literally when he said "yes, we can defend our canal." Why are we negotiating in fear? Why this gutless whining "but they will blow it up if we do not give it to him." This boastful dictator, making us whine is what is hurting our posture and image in Latin America. We will never be disrespected for standing tall for our legitimate treaty rights.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the preferential motion offered by the gentleman from California (Mr. DORNAN).

The preferential motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I think it would be a serious mistake for us to tie the hands of our negotiators in Panama. Therefore I rise in support of the Buchanan amendment and in opposition to the Dornan amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, the reason that I oppose the Buchanan amendment and support the Dornan amendment is I believe these negotiations started on a faulty premise to begin with. I think we should start over with a new premise, including all of the Latin American nations who have an equal stake in this just as we do. Then the negotiators would be negotiating for a lasting solution and would protect our perpetuity.

The present negotiation goal is nothing but a sellout on the American people.

Then we could have a negotiation that would be meaningful. This negotiation would be nothing but a sellout.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I rise in opposition to the Buchanan amendment and in support of the Dornan amendment in order to focus our Nation's attention on the need to preserve our national interest in this vital waterway and to prevent the surrender or relinquishment of the canal. This amendment does not prevent negotiation; it merely stresses the dangers of relinquishment and surrender of the canal. Our Inter-American Subcommittee of the House Committee on International Relations recently visited the canal and conferred with the canal negotiators and discussed the issue with many United States and Panamanian officials, including Panamanian President Lakas.

Mr. Chairman, the Panama Canal is vitally important to our economy and to our national security. I urge my colleagues not to act too hastily in abandoning this important waterway.

By all means, let us negotiate new terms assuring a fair return to Panama but at the same time let us preserve our hard-won and hard-fought proprietary interests in the canal and let us preserve the opportunity to properly defend those interests.

The Chair recognizes the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Chairman, I want to reiterate that there has been a lot of discussion that we ought not to quit talking with the Republic of Panama. I agree with that. The Dornan amendment does not say stop talking; it says we shall not negotiate just one thing: The giving away, the surrender of the Panama Canal. They can negotiate anything they want to down there with the Dornan amendment. I say to the Members my constituents do not want us to negotiate giving away $7 billion worth of their tax money, and I do not believe the Members' constituents do either. Let us let them talk. I just say vote for the Dornan amendment and they cannot negotiate to give it away. That is all. It just says that one thing.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, the issue is very clear. If we want to preserve American sovereignty over the Panama Canal, we will vote for the amendment offered by the gentleman from California (Mr. DORNAN). The amendment offered by my good friend, the gentleman from Alabama (Mr. BUCHANAN) contains the usual sellout position on the canal taken by the Department of State. It is meaningless. It says it will preserve our vital interest. One administration's vital interest is another Secretary of State's sellout. The voters back home read the Members' statements about preserving American control of the Panama Canal and the Members now have a chance to stand by their statements. The proper way to do that is to tell the negotiators that they cannot surrender our control over the canal. That is what the gentleman from California seeks to do. The Members have their choice to vote for surrender with the Buchanan amendment or to vote to keep the canal with the Dornan amendment. It is as simple as that, and that is the way the people back home will and should interpret it.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, I rise in opposition to the Dornan amendment.

Mrs. BURKE of California. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentlewoman from California.

Mrs. BURKE of California. Mr. Chairman, I rise in opposition to the Dornan amendment and support of the Buchanan amendment. The Dornan amendment, if passed, would not only signal an end to the possibility of fruitful renegotiations in Panama; but it would further alienate the hopes of this administration and the majority of this Congress for overall improved relationships with the whole of Latin and South America. For indeed, the Panama Canal Zone renegotiation is being taken as the prime test of our future role in this hemisphere. We are at a turning point. Our current status in Panama is regarded by our Latin American neighbors as the last vestige of American colonial power and is, therefore, the major stumbling block for an ameliorated diplomacy with them.

The existence of the Canal Zone, an area 500 square miles, is the heart of the objections by Panama to our present treaty. Panamanians make up 70 percent of the employees in the zone, but some 3,500 Americans live in the area with independent police forces, courts, school system and the area is totally independent of the Panamanian Government. This governmental structure costs $22 million a year to operate. But more importantly, this area is an American colony existing at a time when the United States takes the position, internationally, that we are not colonialist.

The treaty negotiations have become the object of considerable controversy in recent years. The key issues have become: First, defense of the canal; and second, if the treaty is changed, who will operate the canal? I believe that we must maintain a defense presence in Panama because it remains an important defense asset to the United States. The canal allows us to shift military forces and logistic support between the Atlantic and Pacific Oceans to overseas areas. The Joint Chiefs of Staff have been in close contact with the negotiators and have a representative on hand to insure that our defense position is maintained. But we maintain defense bases all over the world without undermining the sovereignty of the host nation.

Our financial interests in this waterway have greatly diminished over the past years. Only 12 percent of total U.S. waterborne exports and imports by tonnage pass through the canal. We have become dependent on alternative means of transport, such as container ships, supertankers, and large bulk carriers. However, the canal is still a major source of income to the Panamanians; 13 percent of their annual GNP. Yet, we deprive them of real control of the area. And we may well be depriving this country of countless allies.

I, therefore, urge my colleagues to join with me in voting against the Dornan amendment and in support of the Buchanan amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I rise in support of the Dornan amendment.

I yield back the remainder of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Alabama (Mr. BUCHANAN) as a substitute for the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 110, noes 62.

RECORDED VOTE

Mr. SNYDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 182, not voting 30, as follows:

[Roll No. 193]

AYES—220

Addabbo
Akaka
Alexander
Allen
Ammerman
Anderson, Ill.
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burlison, Mo.

Burton, John
Burton, Phillip
Carney
Carr
Cavanaugh
Cederberg
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Danielson
de la Garza
Delaney
Dellums
Derwinski
Dickinson
Dicks
Diggs
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erlenborn
Ertel
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fisher
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fraser
Frenzel
Gephardt
Giaimo
Glickman
Gonzalez
Goodling
Gore
Gradison
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Heckler
Heftel
Horton
Howard
Jacobs
Jeffords
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Jordan
Keys
Kildee
Kostmayer
Krebs
LaFalce
Leach
Lederer
Leggett
Lehman
Long, La.
Long, Md.
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Martin
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Pa.
Myers, Gary
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pike
Preyer
Pritchard
Quie
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rodino
Roncalio
Rosenthal
Roybal
Ruppe
Ryan
Sarasin
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Simon
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steers
Steiger
Stockman
Stokes
Studds
Thompson
Thornton
Traxler
Tsongas
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whalen
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Zablocki

NOES—182

Abdnor
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bevill
Biaggi
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Byron
Caputo
Carter
Chappell
Clawson, Del
Cochran
Coleman
Collins, Tex.
Corcoran
Cornwell
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Devine
Dornan
Duncan, Tenn.
Edwards, Okla.
Eilberg
Emery
English
Evans, Del.
Evans, Ga.
Fary
Fish
Fithian
Flippo
Flood
Flowers
Flynt
Fountain
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Grassley
Gudger
Guyer
Hagedorn
Hall
Hammerschmidt
Hansen
Harsha
Hefner
Hightower
Hollenbeck
Holt
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jenkins
Jenrette
Jones, N.C.
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McDonald
McEwen
McKay
Mahon
Mann
Marlenee
Marriott
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Nix
Pettis
Pickle
Poage
Pressler
Pursell
Quayle
Quillen
Rinaldo
Risenhoover
Roberts
Robinson
Rooney
Rose
Rostenkowski
Rousselot
Rudd
Runnels
Russo
Santini
Satterfield
Schulze
Shipley
Shuster
Sikes
Skelton
Skubitz
Smith, Nebr.
Snyder
Spence
St Germain
Stangeland
Stratton
Stump
Symms
Taylor
Thone
Treen
Trible
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zeferetti

NOT VOTING—30

Brown, Mich.
Burgener
Clausen, Don H.
Conyers
Dent
Dingell
Florio
Forsythe
Gammage
Hillis
Holland
Holtzman
Johnson, Calif.
Koch
Latta
Le Fante
Milford
Minish
Moss
Myers, Michael
Price
Roe
Rogers
Sisk
Stanton
Steed
Teague
Tucker
Ullman
Wiggins

Mr. MARKEY and Mr. WALGREN changed their vote from "no" to "aye."

Messrs. FUQUA, MURPHY of Illinois, and GAYDOS changed their vote from "aye" to "no."

So the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: on page 13, immediately after line 7, add the following new section:

SEC. 113. None of the funds authorized to be appropriated in this Act shall be used for the purpose of negotiating reparations, aid or any other form of payment to the Socialist Republic of Vietnam.

Mr. ASHBROOK. Mr. Chairman, it certainly will not be necessary for me to take 5 minutes to explain my amendment. I will not take more than 1 minute.

This amendment is very simple. It simply prohibits the use of funds for negotiating aid to Communist Vietnam.

During the vote on the previous matter I was watching the "CBS Evening News." The news switched to Paris where an announcement was made that the United States is giving up on its opposition to the Vietnam nations going into the United Nations, and they gave considerable time to the Vietnamese position. The Vietnamese position right now, I would inform the House, is that they believe the United States owes them $4½ billion—and these are the words I copied down—"and credits."

Mr. Chairman, I do not think any Member of this body believes that the United States owes Vietnam $4½ billion or even $4½ million. Therefore, my amendment is very simple, and I urge its adoption.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, may I ask the gentleman, on what is that $4½ billion based? Does the gentleman know?

Mr. ASHBROOK. That is their figure, it is not my figure, I would say to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, the $4½ billion figure is based on a letter that President Nixon sent to the Vietnamese, but that is all out the window now.

As I understand it, there was a report on the ticker tonight that Secretary of State Vance said Wednesday that the United States will refuse to pay war reparations to Vietnam. As chairman of the Subcommittee on Asian and Pacific Affairs of the Committee on International Relations, I intend to see to it that they keep to that promise that we will not pay any reparations.

Mr. ASHBROOK. Mr. Chairman, I appreciate the comments of the gentleman from New York. I hope that the Members will support this amendment.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Yes, I will be glad to yield to the gentleman from Mississippi, although I am now using my 5 minutes and I said I would not need 5 minutes.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman's yielding.

I was not planning on speaking on this amendment, but I wish to say that I agree with the gentleman from Ohio (Mr. ASHBROOK). We have told the Vietnamese face to face that the United States is not going to give any reconstruction aid to the Vietnamese at this time.

The concern I have with the gentleman's amendment, though, is that it could stop negotiations that are going on at this time in Paris. We are making headway on the question of the missing in action. This concerns me as it relates to the negotiations that are in progress in the Paris talks. There is ample protection in the authorization and appropriation acts that states no reconstruction funds for Vietnam. This amendment would, in my opinion, stop the talks.

Mr. ASHBROOK. Mr. Chairman, I assume that my friend and able colleague, the gentleman from Mississippi (Mr. MONTGOMERY), is talking about the MIA's. This amendment would in no way prohibit the United States from negotiating the return of the MIA's unless, of course, the Communists make that contingent on reparations.

Mr. MONTGOMERY. Mr. Chairman, the gentleman is not talking about the MIA's in his amendment; he is talking about the reconstruction funds. If they bring this matter up, I am afraid that under the gentleman's amendment we could eliminate any talks at all on the return of the MIA's.

Mr. ASHBROOK. Mr. Chairman, I would say to my colleague that if the Communist Vietnamese say, "We are not going to discuss the MIA's until you give us reparations," that would be another matter, but my amendment does not address that subject. I believe the American people would not want to give reparations to the Vietnamese.

Mr. MONTGOMERY. The Vietnamese have not said that. However, I am concerned that this might stop the talks in Paris concerning return of the MIA's.

Mr. ASHBROOK. Mr. Chairman, I will say to my friend that if that would stop the talks, it would be one-sided. It would be entirely on their part and not on our part.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do so with some reluctance, because a day like this causes me to lose my hard-earned conservative image.

However, I would like to have the Members keep in mind the fact that what we are acting on this afternoon is the authorization bill for the Department of State, covering housekeeping and salaries. It pertains to the mechanical operations and the housekeeping of that Department, and it provides funds for the individuals involved to conduct our foreign policy under direction of the President and the Secretary of State. We are not voting on funds that will be paid to Vietnam, and we are not voting to implement any program. All we are doing is authorizing our Department of State to continue to represent us all over the world.

Personally, I am opposed to any reparations, aid, or any payment at all to the so-called Socialist Government of Vietnam. I am opposed to it, but this is not the bill to which to attach such an amendment, because what the gentleman is doing basically is that he is saying to our diplomats, "You cannot even have a contact or an agreed-upon meeting." The gentleman is starting to erect impediments even before they have a legitimate means of communication.

Therefore, Mr. Chairman, as much as I appreciate the political potential of this amendment, this is the wrong bill to be offering this amendment. This is a Department of State authorization, not an appropriation for the Socialist Government of Vietnam.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding.

Maybe I was under the mistaken belief that it would be the State Department which would be sending people who would be conducting these negotiations. It would not be the Department of Labor, HEW, or the Department of Commerce, as I understand. My understanding is that it would be the State Department.

Mr. DERWINSKI. The gentleman will remember, however, that the conduct of foreign policy is the responsibility of the President of the United States, carried out through the Department of State.

Mr. ASHBROOK. That we pay for.

Mr. DERWINSKI. No one in the State Department is going to be negotiating away or making a commitment that does not subsequently have to receive the concurrence of Congress. Consequently, what the gentleman is doing is saying, "You cannot even normalize communications."

Frankly, I think we ought to go slowly with Cuba, Vietnam, and a number of these other countries; but I say to the gentleman that this is not the proper vehicle for such an amendment.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I was wondering why the gentleman was campaigning for the Panama amendment just a few moments ago. He made no comments about his position then.

Mr. DERWINSKI. That was for the very same purpose, because the issue is the same.

Mr. CHARLES H. WILSON of California. The gentleman supported the Panama amendment; did he not?

Mr. DERWINSKI. The Panama amendment is the same amendment we adopted a year ago. It merely says that U.S. national interests shall be protected. Naturally, the State Department is going to protect our national interests.

Let me sum it up: The gentleman is in the wrong pew with this amendment.

What we have to do, Mr. Chairman, is to let the State Department function under the President and under the Secretary of State. We will have an opportunity later on to do something else if the gentleman is concerned with what they negotiate.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield on that point?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, the gentleman from Illinois (Mr. DERWINSKI) has always tried to be honest with us.

What this amendment does not do is precisely what he is talking about. It does not prevent talks; it does not prevent negotiations.

What it says is that no money shall be authorized to be appropriated for the purpose of negotiating reparations, aid, or any other form of payment to the Socialist Republic of Vietnam.

They can entertain; they can send over Ping-pong players if they want to, but they cannot negotiate reparations, aid, or other payments to Communist Vietnam.

That is what we are talking about.

Mr. DERWINSKI. No, we are not.

Again, let me get back to the basics. The basics are that this is a bill in which we are authorizing funds for the individuals and the entities that conduct foreign policy. We are not attaching an amendment to the vehicle by which any payment would be made, so the gentleman is basically premature.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the President has stated on several occasions that the recognition of Vietnam, the admission of Vietnam into the United Nations, and the normalization of relations with Vietnam would be tied and linked with a full and exhaustive accounting.

Today, Mr. Chairman, we have heard news that the administration is taking away its opposition and has agreed to admit Vietnam into the United Nations and is seeking to expedite the normalization of diplomatic relations with Vietnam, at a time when we still do not have a full accounting of the missing in action.

Mr. Chairman, 18 months ago the Select Committee on the Missing in Action traveled to Hanoi along with our distinguished chairman, the gentleman from Mississippi (Mr. MONTGOMERY). At that time we were promised that there would be extensive efforts to seek information about the missing in action. In that 18-month period, [illegible] that interim, we still did not have any substantial results or any substantial undertaking by the Vietnamese Government.

All we have had is the production of some 11 bodies.

Mr. Chairman, if this is not indicative of the true intentions of the Vietnam Government and the administration's actions today are not indicative of their good intentions to abide by prior promises with what the President is urging us to do and is nothing more than the Secretary of State has publicly stated today and on prior occasions that there would be no reparations and no aid for Vietnam. I think by endorsing this amendment we are reiterating national policy as stated by the Secretary of State and by the administration.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the gentleman from New York (Mr. GILMAN) served with me on the Select Committee on Missing Persons in Southeast Asia and I know that the gentleman is as anxious as I am to get that issue settled, and yet I think we certainly would be ill advised to tie the administration's hands while it is in the process of negotiating. I do not understand why the gentleman from New York would want to do that.

Mr. GILMAN. It is very, very clear and very obvious that these are the only bargaining chips left to negotiate with and we will be throwing away all of them at this point without obtaining a full accounting and if we do so then we will never receive a full accounting of those missing in action.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment. I will not take very long.

The gentleman from Ohio is indeed on the wrong track. There are no funds in this bill for reparations. To try to attack the negotiations as if this would in some way protect every Member here on the issue of reparations is false logic.

In addition to that there is already a provision in the law, though I am not sure whether it was through the gentleman from Ohio's amendment or not. In the Foreign Assistance Act, section 620 (f) as amended in 1962, assistance to any Communist country, including North Vietnam, is prohibited. A prohibition against agricultural aid to North Vietnam is found in sections 102 and 411 of Public Law 480. The Department of State Authorization Act of 1973, section 13, flatly prohibits assistance to North Vietnam except by specific act of the Congress.

To pass this amendment adds absolutely nothing to that, except, perhaps to confuse and obstruct. In my judgment, it is bad legislation, and this is not the place to do it.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to make one point, and I rise in support of the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) and that is that I would like to point out, with due deference to the gentleman from Florida (Mr. FASCELL) and to the distinguished gentleman from Illinois, that this is a bill that deals with the State Department funds. This amendment deals with funds to be appropriated for the administration and the State Department and its operations. I would say this is precisely the right place and precisely the right point to do this, and if we are going to vote, then this is the bill to do it on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 266, noes 131, not voting 35, as follows:

[Roll No. 194]

AYES—266

Abdnor
Addabbo
Allen
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
AuCoin
Badham
Bafalis
Barnard
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Biaggi
Blanchard
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Byron
Caputo
Carney
Carter
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Derrick
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Eilberg
Emery
English
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Fountain
Fowler
Frenzel
Frey
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harsha
Hefner
Hightower
Hollenbeck
Holt
Horton
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Leach
Lederer
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
Luken
McClory
McDade
McDonald
McEwen
McKay
Madigan
Mahon
Mann
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nichols
Nowak
O'Brien
Patten
Patterson
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pursell
Quayle
Quie
Quillen
Rahall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rooney
Rostenkowski
Rousselot
Rudd
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Sawyer
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Skelton
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stangeland
Stockman
Stratton
Stump
Symms
Taylor
Thone
Thornton
Traxler
Treen
Trible
Vander Jagt
Volkmer
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—131

Akaka
Alexander
Ammerman
Ashley
Aspin
Badillo
Baldus
Bedell
Beilenson
Benjamin
Bingham
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burlison, Mo.
Burton, John
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Corman
Cornell
Danielson
Dellums
Derwinski
Dicks
Diggs
Dodd
Downey
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Evans, Colo.
Fascell
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Giaimo
Harkin
Harrington
Harris
Hawkins
Heftel
Howard
Jordan
Kastenmeier
Kildee
Kostmayer
Leggett
Lehman
Long, La.
Lundine
McCloskey
McCormack
McFall
McHugh
McKinney
Maguire
Markey
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Montgomery
Moorhead, Pa.
Nedzi
Nix
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Pattison
Pease
Pepper
Pritchard
Rangel
Reuss
Richmond
Rodino
Roncalio
Rosenthal
Roybal
Ryan
Scheuer
Schroeder
Seiberling
Simon
Smith, Iowa
Solarz
St Germain
Stark
Steed
Steers
Steiger
Stokes
Studds
Thompson
Tsongas
Udall
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Whalen
Wirth
Yates
Young, Tex.
Zablocki

NOT VOTING—35

Brown, Mich.
Burgener
Burton, Phillip
Clausen, Don H.
Conyers
Dent
Dingell
Drinan
Florio
Forsythe
Gammage
Heckler
Hillis
Holland
Holtzman
Johnson, Calif.
Koch
Latta
Le Fante
Long, Md.
Milford
Minish
Moss
Myers, Michael
Price
Railsback
Roe
Rogers
Rose
Sisk
Stanton
Teague
Tucker
Ullman
Wiggins

Mr. CARNEY and Mr. RUPPE changed their vote from "no" to "aye."

Mr. BALDUS and Mr. McCORMACK changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. EDWARDS OF OKLAHOMA

Mr. EDWARDS of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. EDWARDS of Oklahoma: On page 13, immediately after Sec. 113, insert:
>
> SEC. 114. None of the funds authorized to be appropriated in this Act shall be used for the purpose of negotiating a resumption of diplomatic relations with the government of Cuba.

Mr. EDWARDS of Oklahoma. Mr. Chairman, first I apologize to the members of the committee for not having a copy of the amendment ready for them. It is a very simple amendment. It provides that section 114 shall be inserted in the bill, providing that there shall be none of the money authorized in this act spent for the purpose of resuming diplomatic relations with the Government of Cuba.

It is that simple. I think we all have heard the arguments, and there is nothing further to say about it.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is obvious that we do not know how far we can go with this business of funds. We have raised a number of constitutional questions already with respect to the rights and prerogatives of the Executive, and despite a number of them we have in no way protected the rights of the Congress. There is not a thing here in terms of money that will do anything with respect to Cuba. It is just one of those amendments which causes a blur and causes us problems, without solving anything.

We have instituted negotiations on fishing rights without diplomatic relations. We do not have any idea what the conditions are. No discussions are going on, so far as I know, with respect to diplomatic relations. Why does it becomes essential to lay down, by a backhanded way, a foreign policy decision which really does not accomplish anything? I do not understand that.

I think the route we have started on with these amendments is disastrous in terms of sensible foreign policy decisionmaking. We do not have the time to discuss the issues that are involved. We simply would say, with this kind of amendment, that we cannot use the money authorized by this bill to negotiate diplomatic relations, which does not stop negotiations and does not really do anything. It may give a Member a message which he can run out and distribute, but it does not do anything with respect to the foreign policy of the country. What is important is that we do what is necessary, through diplomatic contacts or relations, if necessary, to protect this Nation's security interests with respect to Cuba, to obtain fair compensation for our citizens whose assets were seized by the Castro government, to see that our citizens in Cuba who want to leave are allowed to do so, and to promote the cause of human rights for the beleaguered Cuban people. Insofar as this amendment would do anything it might actually hamper the goals we seek for our own country and for the return of Cuba to the democratic fold.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield briefly.

Mr. WHALEN. I raise the question, Mr. Chairman—maybe the gentleman from Florida can answer the question—is not recognition of a country by our Government outside the province of the legislative branch?

Mr. FASCELL. Of course it is.

Mr. WHALEN. So really, is this, in the gentleman's opinion, constitutional?

Mr. FASCELL. I said that it raises a constitutional question without really solving anything. Furthermore, just saying "diplomatic relations" does not solve anything. We have already concluded an agreement with Cuba, and the whole decision on international law escapes what the gentleman from Oklahoma is trying to do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. EDWARDS).

The question was taken; and on a division (demanded by Mr. EDWARDS of Oklahoma) there were—ayes 47; noes 103.

Mr. EDWARDS of Oklahoma. Mr. Chairman. I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—FOREIGN SERVICE PERSONNEL SYSTEM

SERVICE AS CHIEF OF MISSION

SEC. 201. Section 431(c) of the Foreign Service Act of 1946 (22 U.S.C. 881(c)) is amended by inserting "or Reserve officer" immediately after "officer" both times the latter appears.

COMPENSATION OF ALIEN EMPLOYEES

SEC. 202. (a) Subsection (b) of section 444 of the Foreign Service Act of 1946 (22 U.S.C. 889(b)) is amended by inserting "and any other establishments of the Government, including those in the legislative and judicial branches," immediately after "Government agencies".

(b) Such section 444 (22 U.S.C. 889) is further amended by adding the following subsection at the end thereof:

"(c)(1) The heads of Government agencies and any other establishments of the Government (including those in the legislative and judicial branches) may compensate any current or former alien employee, including an alien employee who worked under a personal services contract, who is or has been imprisoned by a foreign government when the Secretary of State determines that such imprisonment was the result of the alien's employment by the United States. Such compensation shall not exceed an amount that the agency head determines approximates the salary and other benefits to which an employee or former employee could have been entitled had he remained employed during the period of the imprisonment, and may be paid under such terms and conditions as the Secretary of State deems appropriate. For purposes of making payments authorized by this subsection, agency heads shall have the same powers with respect to imprisoned alien employees (and former employees except as modified below) as given agency heads under the provisions of subchapter VII of chapter 55 of title 5, United States Code. Any period of imprisonment of an alien which is compensable under this subsection shall be considered for purposes of all other employee benefits to be a period of employment by the United States Government, except that a period of imprisonment shall not be creditable (A) for purposes of subchapter III of chapter 83 of title 5, United States Code, unless the individual either (i) was subject to section 8334(a) of such title during Government employment last preceding the imprisonment, or (ii) qualifies for annuity benefits under such subchapter III by reason of other service, or (B) for purposes of subchapter I of chapter 81 of title 5, United States Code, unless the individual was employed by the United States Government at the time of imprisonment.

"(2) No compensation or other benefit shall be awarded under paragraph (1) of this subsection unless a claim therefor is filed within three years from (A) the date of enactment of this subsection, (B) termination of the period of imprisonment giving rise to the claim, or (C) the date of the claimant's first opportunity to file such a claim, as determined by the agency head, whichever is later.

"(3) The Secretary of State may prescribe regulations governing payments under this subsection for the guidance of all agencies.".

CITIZENSHIP REQUIREMENT

SEC. 203. Section 515 of the Foreign Service Act of 1946 (22 U.S.C. 910) is amended by striking out "and has been such for at least ten years".

CAREER CANDIDATE PROGRAM

SEC. 204. Section 516 of the Foreign Service Act of 1946 (22 U.S.C. 911) is amended by—

(1) amending the section heading to read "CAREER CANDIDATE PROGRAM";

(2) striking out "shall" and inserting in lieu thereof "may" in the last sentence of subsection (a); and

(3) adding the following subsection at the end thereof:

"(c) Foreign Service officer candidates who have passed examinations described in subsection (a) may be appointed by the Secretary, under such regulations as he may prescribe, for a trial period of service as Foreign Service Reserve officers of class 7 or 8. Such appointments shall be limited to a maximum of 48 months, but may be extended for up to 12 additional months if the Secretary deems it to be in the public interest. Such Reserve officers may receive promotions during the trial period to the extent warranted under regulations which the Secretary shall prescribe. The Secretary shall furnish the President with the names of such Reserve officers who have demonstrated fitness and aptitude for the work of the Service and whom he recommends for appointment as Foreign Service officers in the class corresponding to their Reserve officer class. The Secretary may terminate the services of such Reserve officers at any time under section 638.".

REASSIGNMENT OF CHIEFS OF MISSION

SEC. 205. Section 519 of the Foreign Service Act of 1946 (22 U.S.C. 914) is amended by—

(1) inserting ", or a Foreign Service Reserve officer who is a participant in the Foreign Service Retirement and Disability System," immediately after "officer"; and

(2) striking out "in accordance with the provisions of section 514" and inserting in lieu thereof "to another position in accordance with this or any other Act".

CITIZENSHIP REQUIREMENT

SEC. 206. Section 522 of the Foreign Service Act of 1946 (22 U.S.C. 922) is amended by striking out "and who has been such for at least five years" in the text preceding paragraph (1).

PRESIDENTIAL APPOINTMENTS

SEC. 207. Section 571(b) of the Foreign Service Act of 1946 (22 U.S.C. 961(b)) is amended by—

(1) inserting "or Reserve officer" immediately after "officer" the first time the latter appears; and

(2) striking out "a Foreign Service" the second time the phrase appears and inserting in lieu thereof "such an".

TECHNICAL AMENDMENTS

SEC. 208. (a) Section 811(d) of the Foreign Service Act of 1946 (22 U.S.C. 1071(d)) is amended by striking out "July 1, 1921" in the table and inserting in lieu thereof "July 1, 1924".

(b) Section 821(g) of the Foreign Service Act of 1946 (22 U.S.C. 1076(g)) is amended by striking out "married" and inserting in lieu thereof "unmarried" in the first sentence.

DEATH GRATUITIES FOR FOREIGN SERVICE ALIEN EMPLOYEES

SEC. 209. Paragraph (1) of section 14(d) of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (22 U.S.C. 2679a(d)), is amended by—

(1) striking out "national" and inserting in lieu thereof "employee";

(2) striking out "or" following "consular agent,"; and

(3) inserting immediately before the semicolon at the end thereof, "or an alien employee appointed under section 541 of the Foreign Service Act of 1946".

SPECIAL ANNUITY FOR CERTAIN OFFICERS SELECTED-OUT FROM THE FOREIGN SERVICE

SEC. 210. (a) Subject to the conditions established in subsection (b), any Foreign Service officer—

(1) who was retired under section 633(a)(1) of the Foreign Service Act of 1946 before the date of enactment of this section;

(2) who was not in class 1, 2, or 3 at the time of retirement;

(3) who was 40 years of age or older at the time of retirement; and

(4) who had at least 20 years of service, exclusive of credit for unused sick leave, creditable for purposes of section 821 of such Act at the time of retirement;

shall be entitled to receive retirement benefits in accordance with the provisions of such section 824 in lieu of any retirement benefits which the officer may be entitled to elect under section 634(b)(2) of such Act. Such retirement benefits shall be paid from the Foreign Service Retirement and Disability Fund and shall be effective on the date the officer reaches age 50, the date of enactment of this section, or October 1, 1977, whichever date is latest.

(b) Retirement benefits may not be paid under this section unless (1) any refund of contributions paid to the officer under section 634(b)(2) of the Foreign Service Act of 1946 is repaid to the Foreign Service Retirement and Disability Fund, with interest, in accordance with sections 811 (d) and (f) of such Act; and (2) the service forming the basis for such retirement benefits is not used as the basis for any other retirement benefits under any retirement system.

(c) In the event that an officer who is entitled to retirement benefits under this section dies before reaching the age of fifty, but after the date of enactment of this section, his or her death shall be considered a death in service within the meaning of section 832 of the Foreign Service Act of 1946, except that no survivor's annuity (other than a survivor's annuity which would be payable under the first complete sentence in section 634(b)(2) of such Act but for the enactment of this section) shall become effective before October 1, 1977.

(d) An officer entitled to retirement benefits under this section may make the election described in section 821 (b) or (f) as appropriate, of the Foreign Service Act of 1946 at any time before reaching the age of fifty or before the end of the sixty-day period beginning on the date of enactment of this section, whichever is later.

EFFECTIVE DATES

SEC. 211. (a) Subsection (c) of section 444 of the Foreign Service Act of 1946, as added by section 202(b) of this Act, shall apply to all past, present, and future qualified employees, but no monthly compensation or annuity payment under title 5 of the United States Code that may be approved by reason of the enactment of such subsection shall be effective prior to the first day of the first month which begins on or after the date of enactment of this Act or October 1, 1977, whichever is later. Payments that may be authorized under such subsection (c), other than annuity or monthy compensation payments referred to in the preceding sentence, shall be paid from funds appropriated after such date of enactment for salaries and expenses.

(b) The amendments made by section 209 of this Act to section 14(d) of the Act of August 1, 1956, shall apply with respect to deaths occurring on or after August 1, 1974, and any benefits authorized by those amendments shall be paid from funds appropriated after the date of enactment of this Act for salaries and expenses.

TITLE III—UNITED STATES INFORMATION AGENCY

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) There are authorized to be appropriated for the United States Information Agency for fiscal year 1978, to carry out international informational activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 8 of 1953, and other purposes authorized by law, the following amounts:

(1) for "Salaries and expenses" and "Salary and expenses (special foreign currency program)", $269,286,000;

(2) for "Special international exhibitions", $4,360,000;

(3) for "Acquisition and construction of radio facilities", $19,872,000;

(4) for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs, such additional amounts as may be necessary.

(b) Amounts appropriated under this section are authorized to remain available until expended.

TRANSFER AUTHORITY

SEC. 302. Funds authorized to be appropriated for fiscal year 1978 by any paragraph of section 301(a) (other than paragraph (4)) may be appropriated for such fiscal year for a purpose for which appropriations are authorized by any other paragraph of such section (other than paragraph (4)), except that the total amount appropriated for a purpose described in any paragraph of section 301(a) (other than paragraph (4)) may not exceed the amount specifically authorized for such purpose by section 301(a) by more than 10 per centum.

REPLACEMENT OF FACILITIES IN SOWETO, REPUBLIC OF SOUTH AFRICA

SEC. 303. The Director of the United States Information Agency shall prepare and submit to the Secretary of State plans for the replacement, under the Foreign Service Buildings Act, 1926, of the Agency's facilities in Soweto, Republic of South Africa.

DISTRIBUTION WITHIN THE UNITED STATES OF CERTAIN FILMS PREPARED BY THE UNITED STATES INFORMATION AGENCY

SEC. 304. Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the United States Information Agency may make available to the Administrator of General Services, for deposit in the National Archives of the United States, a master copy of—

(1) the film entitled "Hirshhorn Museum and Sculpture Garden"; and

(2) any of the films sponsored by the Agency for its two "Young Filmmakers Bicentennial Film Series";

and the Administrator shall make copies of such films available for public viewing within the United States.

TITLE IV—BOARD FOR INTERNATIONAL BROADCASTING

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. Section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

(1) in the text preceding paragraph (1) by striking out "1977" and inserting in lieu thereof "1978"; and

(2) in paragraph (1) by striking out "$58,385,000" and inserting in lieu thereof "$68,980,000".

TECHNICAL AMENDMENTS

SEC. 402. (a) Section 2 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2871) is amended—

(1) in paragraph (3) by striking out "(hereafter referred to as Radio Free Europe and Radio Liberty)," and inserting in lieu thereof "(commonly referred to as Radio Free Europe and Radio Liberty), which have now been consolidated into RFE/RL, Incorporated,";

(2) in paragraph (4) by striking out "Radio Free Europe and Radio Liberty as" and inserting in lieu thereof "RFE/RL, Incorporated, as an"; and

(3) in paragraph (5) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated";

(b) Section 3(b) of such Act (22 U.S.C. 2872(b)) is amended—

(1) in paragraph (1) by striking out "Radio Free Europe and Radio Liberty" in the fourth sentence and inserting in lieu thereof "RFE/RL, Incorporated,"; and

(2) in paragraph (4) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,".

(c) Section 4 of such Act (22 U.S.C. 2873) is amended—

(1) in subsection (a)(1) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,";

(2) in subsection (a)(2)—

(A) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,"; and

(B) by striking out "their" and inserting in lieu thereof "its";

(3) in subsection (a)(3), by striking out "Radio Free Europe and Radio Liberty" each of the three places it appears and inserting in lieu thereof "RFE/RL, Incorporated,";

(4) in subsection (a)(4) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,";

(5) in subsection (a)(8) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,"; and

(6) in subsection (b) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,".

(d) Section 5 of such Act (22 U.S.C. 2874) is amended—

(1) in subsection (a) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,";

(2) in subsection (b) by striking out "Radio Free Europe and Radio Liberty" and inserting in lieu thereof "RFE/RL, Incorporated,"; and

(3) in subsection (c)—

(A) by striking out "the radio to which the grant is to be made" and inserting in lieu thereof "RFE/RL, Incorporated,"; and

(B) by striking out "that radio" and inserting in lieu thereof "RFE/RL, Incorporated,".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 26, immediately after line 17, insert the following:

TITLE V—GENERAL PROVISIONS

ADVANCE APPROPRIATIONS

SEC. 501. Notwithstanding any other provision of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

Mr. FASCELL. Mr. Chairman, this amendment very simply puts us in compliance with the request of the Budget Committee and the Budget Act, which says that everything shall be subject to the appropriations process.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6689) to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes, pursuant to House Resolution 537, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GILMAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GILMAN moves to recommit the bill H.R. 6689 to the Committee on International Relations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device; and there were—yeas 285, nays 111, answered "present" 1, not voting 35, as follows:

[Roll No. 195]

YEAS—285

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Butler
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Danielson
de la Garza
Delaney
Dellums
Derwinski
Dicks
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Fary
Fascell
Fenwick
Findley
Fisher
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Fuqua
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gradison
Gudger
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Horton
Howard
Hyde
Ireland
Jacobs
Jenkins
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Keys
Kildee
Kostmayer
Krebs
Krueger
LaFalce
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Long, La.
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mann
Markey
Marks
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Nedzi
Nix
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Preyer
Pritchard
Pursell
Quie
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ruppe
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Simon
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Staggers
Stark
Steed
Steers
Steiger
Stockman
Stokes
Stratton
Studds
Thompson
Thone
Traxler
Trible
Tsongas
Udall
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walgren
Walsh
Wampler
Waxman
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—111

Abdnor
Anderson, Calif.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bevill
Broyhill
Burke, Fla.
Burleson, Tex.
Burton, John
Byron
Clawson, Del
Cochran
Coleman
Collins, Tex.
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Okla.
Emery
English
Evans, Ga.
Evans, Ind.
Fithian
Frenzel
Frey
Gaydos
Gilman
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Hall
Hammerschmidt
Hansen
Harsha
Holt
Hubbard
Huckaby
Hughes
Ichord
Jeffords
Jenrette
Johnson, Colo.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Lloyd, Tenn.
Lott
McDonald
Mahon
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nichols
Poage
Pressler
Quayle
Quillen
Risenhoover
Roberts
Robinson
Rousselot
Rudd
Runnels
Russo
Satterfield
Schulze
Shuster
Sikes
Snyder
Spence
Stangeland
Stump
Symms
Taylor
Thornton
Treen
Waggonner
Walker
Watkins
Whitten
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Harrington

NOT VOTING—35

Brown, Mich.
Burgener
Clausen, Don H.
Conyers
Dent
Diggs
Dingell
Fish
Florio
Forsythe
Gammage
Hillis
Holland
Holtzman
Johnson, Calif.
Koch
Latta
Le Fante
Long, Md.
Milford
Minish
Moss
Myers, Michael
Neal
Nolan
Price
Roe
Rogers
Sisk
Stanton
Teague
Tucker
Ullman
Vento
Wiggins

The Clerk announced the following pairs:

Mr. Diggs with Mr. Brown of Michigan.
Mr. Dent with Mr. Teague.
Mr. Minish with Mr. Milford.
Ms. Holtzman with Mr. Hillis.
Mr. Moss with Mr. Conyers.
Mr. Florio with Mr. Burgener.
Mr. Le Fante with Mr. Don H. Clausen.
Mr. Dingell with Mr. Latta.
Mr. Gammage with Mr. Fish.
Mr. Rogers with Mr. Long of Maryland.
Mr. Koch with Mr. Tucker.
Mr. Johnson of California with Mr. Wiggins.
Mr. Sisk with Mr. Price.
Mr. Vento with Mr. Stanton.
Mr. Ullman with Mr. Michael O. Myers.
Mr. Neal with Mr. Roe.
Mr. Nolan with Mr. Holland.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITLEY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the bill just passed, H.R. 6689.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

EX-PRESIDENT NIXON'S TV APPEARANCE EXPLAINING WATERGATE CRIMES AND COVERUP IS INAPPROPRIATE

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, the proper framework for due process of the law is not a prime time television spectacular. Ex-President Nixon's appearance in a television series explaining his involvement in the Watergate crimes and coverup is inappropriate and an insult to the American system of jurisprudence. It flaunts in the face of the American public the imbalances in our judicial system and exploits what many consider to be the embarrassment of the Nixon pardon.

The news media played a vital and instrumental role in the resolution of the issues surrounding the Watergate crimes. Those crimes and the subsequent coverup have received extensive attention and consideration in our judicial system. Our Government and the American people endured a supreme test of our ability to function under the greatest pressure possible and to achieve the orderly transfer of political power under the most difficult circumstances. This is probably one of the few positive results of the sad, troubled Watergate episode.

President Nixon's decision to resign and the subsequent granting of a pardon by President Ford were within the proper perimeters of our legal system. Many Americans understandably might argue that this was unfair and that a final resolution, with due process provisions, should have required full judicial proceedings. Many people have, in fact, expressed the opinion that the full measure of our laws and court system should have been used to investigate this unfortunate violation of election law and abuse of Executive power.

My purpose is not to echo this cry but to question the wisdom of using a prime time television show as the ultimate sounding board.

The rationale for the Nixon pardon was that further explanation, delay and extensive legal proceedings were not in the best interests of our country and the continuity of our democratic system of government. Many Americans disagreed with this assumption and, as expected, a significant volume of publicity, books, articles, tapes, et cetera, appeared to provide the "real" facts on Watergate or the coverup. Ironically, a good number of these were produced by persons actually involved in Watergate, who experienced the full effects of a court case and who now are reaping the financial advantages of publishing their memoirs.

The fact that the major principal in Watergate, whose involvement has never undergone the scrutiny and test of our legal system and due process of our laws, has agreed to do a series of television interviews for which he will receive a large sum of money to explain what he avoided explaining to legal authorities, is in extremely poor taste. I do not question the first amendment right of free speech but I do question this attempt to rewrite history. A one-sided television broadcast is no substitute for justice.

THE IMPACT OF DAVIS-BACON LAWS ON SCHOOL CONSTRUCTION COSTS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Hagedorn) is recognized for 5 minutes.

Mr. **HAGEDORN**. Mr. Speaker, according to estimates by the General Accounting Office, the Davis-Bacon Act increases public construction costs across the board by approximately 5 to 15 percent. Dr. Armand Thieblot of the University of Maryland School of Business Administration has recently taken a look at the impact of State 'Davis-Bacon' laws upon school construction costs. While recognizing the difficulty of isolating the costs of so-called prevailing wage laws, Dr. Thieblot concludes that,

> Other things being equal, if all States were to eliminate their prevailing wage laws, total savings in school construction costs would be over $1,675 million over the seven years period [studied], or $239 million per year, for the same volume of construction.

I would like to ask my colleagues to consider exactly who are the beneficiaries of these additional costs. It is certainly not the taxpayer, nor the intended users of the public facilities. Rather, it is a high-paid, select group of building trades unions and their members, virtually all of whom are already earning wages well above the national average. Professor Thieblot notes that prevailing wage laws, "prevent school districts from taking advantage of cost savings which might otherwise occur if union and non-union contractors were free to compete for school work . . . considerable savings could certainly be expected in the long run if school construction were freed from the artificial constraints of prevailing wage legislation."

At the Federal level, the Davis-Bacon Act has the same result. Uniformly, it limits the quantity or quality of facilities that the public sector can expect to receive for its dollar, and ensures that, in virtually every case, they will have to pay more for comparable construction than will the private sector. Professor Thieblot sums up the problem in the following manner:

> In times like these, when school construction budgets are being squeezed from every direction, school officials in other states would be well advised to follow the example of Florida and Wisconsin and seek to have their state's prevailing wage law's threshold limits increased or applicability eliminated for schools. It won't solve all the problems, but it will improve competition among contractors for school work, improve efficiency, and hold down costs—which is not a bad start.

MARSHALL PLAN RESOLUTION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Findley) is recognized for 10 minutes.

Mr. **FINDLEY**. Mr. Speaker, I introduce today the Marshall plan resolution. Distinguished cosponsors of this resolution are majority leader Jim Wright and members of the International Relations Committee including the Chairman Clement Zablocki, and Donald Fraser, William Broomfield, Charles Diggs, Edward Derwinski, Robert Nix, Benjamin Gilman, Gus Yatron, Michael Harrington, Leo Ryan, Stephen Solarz, Helen Meyner, Donald Pease, Anthony Beilenson, and John Cavanaugh. Senator Humphrey is introducing an identical resolution in the Senate.

In formulating the resolution, the principal cosponsors consulted closely with the executive branch. President Carter has expressed support for this initiative, noting its potential as a "useful complement to the London summit meetings and our other efforts in working with other nations."

This resolution urges a conference among the industrialized democracies as a way of commemorating the 30th anniversary of the Marshall plan. It is fitting that the Marshall plan be celebrated by such a conference. Thirty years ago, though battle weary and economically distressed, Europe and the United States were energized by a sense of renewal. Working together, the Atlantic community nations forged alliances designed to address their common problems.

Alliances become, over time, institutions and accordingly come to partake of the limitations from which all institutions suffer—sluggishness, an emphasis on procedure as opposed to policy, a preference for marginal change in place of thoroughgoing innovation, and a generalized incapacity to motivate itself toward dynamically defined long-range goals.

For the most part, this tendency toward conservatism in the planning of change, this stress on the accumulated weight of precedent and experience, gives institutions their solidity. At the same time, infusions of creative thought are equally essential over the course of time. The institutions of individual governments prod themselves, of course, through the device of contract studies and by advisory groups.

Our NATO alliance is itself in need of the kind of stimulus only a high level outside body can provide. A strong and cohesive NATO is the single most effective hedge against the menacing growth of Russian military power. This military buildup aims in part either to exploit or to induce fissures in Western solidarity. To fail to support measures designed explicitly to facilitate greater cooperation among NATO's partners would be, in effect, to diminish the resilience of the free world's greatest deterrent force.

Contentious disputes over how best to manage the power and the promise of the atom—disputes triggered by inadequate communication and ill-founded commercial suspicions—also threaten to ravage transatlantic goodwill. If our sense of common interest could only be revived, and our mechanisms for fashioning consensual policy likewise improved, this problem would be rendered infinitely more manageable. With cohesiveness can come cooperation and with cooperation can come coordination. Stimulating this sequence is the essence of this resolution's goal and the imperative reason for its existence.

For 30 years, the fructifying concepts of the Marshall plan have sustained free men and provided intellectual coherence to Western policy. Compelling visions of comparable breadth are now needed as lights into the 21st century.

The resolution follows:

H.J. Res. —

Joint resolution relating to the thirtieth anniversary of the Marshall plan

Whereas 1977 marks the thirtieth year since the Marshall Plan was first conceived and proclaimed;

Whereas the Marshall Plan uniquely symbolizes the bold and creative promise inherent in the thought of free peoples;

Whereas the Marshall Plan made possible new measures of trans-Atlantic cooperation through the North Atlantic Treaty Organization and other institutions;

Whereas these institutional outgrowths have profoundly enhanced the security, freedom, and prosperity of the United States and the Atlantic Community generally;

Whereas new challenges have arisen which call into question the adequacy of these institutions and their capacity for continued and productive survival;

Whereas creative thought, comparable to the Marshall Plan in sweep and vigor, is now urgently required to assure the preservation and perfection of these institutions; and

Whereas the twenty-second annual meeting of the North Atlantic Assembly in November 1976 unanimously endorsed the idea of a North Atlantic Treaty Organization-wide conference to assess the adequacy of existing institutions as a necessary and fitting commemorative of the Marshall Plan: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that the proclamation of the Marshall Plan should be commemorated by the naming of a delegation of United States citizens to organize and meet in a conference with similar delegations from the North Atlantic Treaty Organization democracies, Japan, Australia, and New Zealand for the purpose of making a comprehensive assessment of existing institutions and to formulate recommendations for preserving and perfecting these institutions in order to better protect the general welfare, liberty, and sovereignty of the people of the participating countries.

SEC. 2. (a) For purposes of carrying out the first section of this joint resolution, there is established a delegation consisting of nine members appointed as follows:

(1) Three appointed by the Speaker of the House of Representatives, after consultation with the House leadership and the Committee on International Relations.

(2) Three appointed by the President of the Senate, after consultation with the Senate leadership and the Committee on Foreign Relations.

(3) Three appointed by the President.

(b) The delegation shall elect a Chairman and Vice Chairman from among its members.

(c) All members of the delegation shall be free from official instructions and free to speak and vote individually.

(d) Vacancies shall not affect the delegation's powers and shall be filled in the same manner as the original selection.

(e) Members of the delegation, who shall serve without compensation, shall be reimbursed for, or shall be furnished travel, subsistence, and other necessary expenses incurred by them in the performance of their duties under this joint resolution.

SEC. 3. (a) The delegation may appoint not more than 10 temporary professional and clerical staff without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) The delegation may expend not to exceed $200,000 of the funds appropriated to carry out this joint resolution for expenses incurred in conjunction with the meetings described in the first section.

SEC. 4. (a) The delegation shall report to the President and the Congress at least once each six months. Such reports shall include an accounting for all expenditures by the delegation and such other information as the delegation deems appropriate.

(b) The delegation shall submit a final report to the President and the Congress setting forth the results of the assessment described in the first section of this joint resolution and the recommendations called for by such section.

SEC. 5. Effective October 1, 1977, there is authorized to be appropriated not to exceed $500,000 to carry out this joint resolution, payments to be made upon vouchers approved by the Chairman of the delegation.

SEC. 6. The delegation shall cease to exist at the expiration of the three-year period beginning on the date of enactment of this joint resolution.

PRESIDENT CARTER AND THE HONEYMOONERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 15 minutes.

Mr. SYMMS. Mr. Speaker, yesterday, we were told, top congressional Democrats met with President Carter to urge that he spend less attention to fighting inflation and more to spending proposals which liberals have had on the back burner for a few years. The message was clear: Damn the torpedoes, full speed ahead with the spending programs.

Not that Mr. Carter is a slouch in that department. He will probably add about $25 or $30 billion to the spending level that was advocated by President Ford for his last fiscal year, one that is shared with incoming President Carter. But to many congressional Democrats, that extra deficit spending is not enough. I am reminded by some of the older and wiser heads around this body that we saw the same thing in 1961. The Kennedy administration added huge spending increases in the first few months of 1961 and then later would refer back to "the last year of the Eisenhower administration's spending record."

The April 15 issue of National Review has an excellent article which hits the nail right on the head. Mr. Carter's honeymoon with the spenders in Congress will be short if Senator CRANSTON and others who attended the powwow with the President yesterday, the spending bloc in Congress, wins out and program after program is enacted which liberals advocate. Look at the list; guaranteed incomes, socialistic compulsory health insurance, more funding for education as the NEA union lobby advocates—the list can go on and on.

John Drake and Svend Peterson analyze in great detail the spending proposals of members of this body. This article should be read by all who have more than a passing interest in winning the battle against inflation and big government. The article follows:

WHO WANTS TO SPEND YOUR MONEY? PRESIDENT CARTER AND THE HONEYMOONERS

(By John Drake and Svend Petersen)

One thing there would seem to be no shortage of is congressional rating indexes. There are already the ADA, COPE, ACA, NSI, NAB, LCV, and CFA indexes, to name just a few. However, although the indexers come to a wide variety of conclusions, they all start by using the same method: they decide which is the "correct" way to vote on several key bills, and they then give each congressman a numerical rating which consists of his percentage of "correct" votes.

Our index, on the other hand, concerns itself exclusively with the spending of tax dollars; and it rates congressmen not on how they voted on other people's bills, but on the spending bills they themselves sponsored or co-sponsored. There are two ways in which this index should be useful: 1) it will tell us who is responsible for initiating big spending bills, and we can then alert the voters in these congressmen's districts so that they know whom to blame when their taxes go up; 2) it will provide an early warning of the kind of spending legislation which is being considered, providing an opportunity to intervene in the legislative process *before* the legislation is enacted.

In this initial report we have looked only at the House of Representatives, and we have concentrated on the biggest of the big potential spenders. Only bills which have *not* become law are included, because we are interested in determining who is introducing big spending bills which are not yet acceptable to majorities in both Houses of Congress. We then determined how much spending would have been required in each fiscal year from 1975 to 1980 if each of the bills introduced during the 94th Congress had been passed. Finally, we determined the sponsor and co-sponsor of each bill, and compiled a master file of bills and an individual file for each congressman.

The results show that by about mid-1976 (when our monitoring had to be suspended), the 94th Congress had proposed bills that would have cost a staggering $943,934,496,000 through 1980. Since this nearly $1 trillion is *in addition to* the normal federal operating budget, it's easy to imagine what enactment would do to the average household's taxes. For example, in fiscal 1975 each household would have had to pay almost $3,000 additional tax to the Federal Government; each household would have had to pay an average of almost $2,200 additional tax each year from 1975 to 1980. And of course, if the spenders got their way over this legislation, still more legislation not yet even proposed would be added to this burden over the years.

Before looking at the specific measures which would lead to these catastrophic increases in federal spending, let's turn to the list of those proposing the legislation. The big spenders, a round dozen, are listed (in order) in the table below. (The 13th on the list, had she been re-elected, would have been Bella Abzug, D., N.Y., with 469.3).

Congressman:	*Billions of dollars*
Augustus F. Hawkins	510. 2
Stephen J. Solarz	506. 1
Michael J. Harrington	504. 1
Don Edwards	495. 7
Frederick W. Richmond	491. 1
Herman Badillo	490. 0
Robert F. Drinan	487. 7
John M. Murphy	486. 9
Robert A. Roe	483. 0
Elizabeth Holtzman	480. 7
James C. Corman	476. 5
Thomas L. Ashley	470. 7

All the congressmen on the list are Democrats; with two exceptions they come from three states (five from New York, three from California, and two from Massachusetts); and each sponsored or co-sponsored at least half of the total dollar value of all the legislation proposed. This listing will probably confirm the suspicion of most readers that a rather small number of congressmen from these three states play a very important role in steering Congress toward ever larger federal spending programs.

If we look at the number of spending bills sponsored and co-sponsored instead of at the dollar value, many of the same names appear; but, as the table at the top of this page shows, the order is somewhat different. (If Bella Abzug had been re-elected, she would have been listed second with 53 bills.)

Congressman:	*Number of bills*
Harrington	72
Murphy	53
Solarz	51
Ottinger, Richard L. (D., N.Y.)	[1] 49
Badillo	48
Stark, Fortney H. (D., Calif.)	[1] 46
Rodino, Peter W. (D., N.J.)	[1] 45
Edwards	44
Roe	43
Koch, Edward (D., N.Y.)	[1] 41
Richmond	41
Drinan	40

[1] Not on previous list.

Again, the additions to the list come mainly from New York and California. However, New Jersey now has two entries (Roe and Rodino), and is tied with Massachusetts.

If we change our focus from individual members of Congress to state congressional delegations, a similar pattern of big-spending states emerges. (To be included in the table above, a congressman had to sponsor or co-sponsor at least $400 billion worth of legislation.)

State	Number of Democrats	Number of Republicans	Percentage of State's Delegation	Percentage of Delegation's Democrats
New York	15	0	38	56
California	12	0	28	43
Michigan	10	0	53	83
New Jersey	10	0	67	83
Massachusetts	5	0	42	50
Illinois	4	0	17	31
Ohio	4	0	17	50
Pennsylvania	4	0	16	29
Florida	2	0	13	20
Minnesota	2	0	25	40
Missouri	2	0	20	22
Washington	2	0	20	33
Wisconsin	2	0	22	29
Arizona	1	0	25	100
Connecticut	1	0	17	25
Hawaii	1	0	50	50
Maryland	1	0	13	20
Rhode Island	1	0	50	50
Texas	1	0	4	5
Totals	80	0	18	28

What emerges from this table is that *every single* big-spending congressman is a Democrat, and that 80 per cent of the big spenders are from eight states: four in the Northeast, three in the Midwest, and California. Looking at these numbers from another angle, over one-third of all congressmen and over one-half of all Democrats from these eight states are on the list. (The names of all eighty congressmen are included at the end of this article, lest their constituents not know what they have been up to.)

To consider the problem in terms of the legislation itself, there are six major bills that have been sponsored or cosponsored by a large percentage of the eighty congressmen; another five are sufficiently important to deserve mention even though few of the eighty congressmen have sponsored or co-sponsored them. These 11 bills account for a total of almost $600 billion, or just short of two-thirds of the total proposed spending. The largest of them is the House version of Senator Edward Kennedy's Health Security Act. Had it been enacted in the last Congress, the conservative estimate is that it would have cost $100 billion each year commencing with fiscal 1977. This single bill thus accounts for just over 40 per cent of the total proposed spending; since it is such an important contribution to the total, no congressman was able to sponsor or co-sponsor sufficient legislation to qualify for the big-spending list if he had not associated his name with this bill.

The table below sets out the 11 bills; but first, we should emphasize that a bill is not necessarily without merit simply because it is on the list. No attempt has been made to evaluate the efficacy of the bills or to determine whether they fulfill a legitimate need; the sole qualifying characteristic is that they involve the expenditure of large sums of money. A summary of each of these bills (two of them in their better-known Senate versions) appears at the end of this article.

	Billions of dollars	Number of sponsors and co-sponsors
1. Health Security Act	400	80
2. Public Service Employment Act	50	1
3. National Energy and Conservation Corporation Act	35	32
4. National Electrical Energy Conservation Act	33. 5	25
5. Electric Power Production Authority Act	30. 6	1
6. Homeowners' Loan Act	10	3
7. Comprehensive Child Development Act	9. 07	10
8. Bill to provide useful work for unemployed	8. 5	3
9. Intergovernmental Emergency Assistance Act	7	1
10. Local Public Works Capital Development and Investment Act	5	49
11. Intergovernmental Anti-Recession Assistance Act[1]	4	27
	592. 67	

[1] A number of variants of this bill were introduced. The variant used in this table is the smallest of the several.

This report has given the preliminary results of what amounts to a pilot project to determine if it would be of value to compile these summary statistics on Congress—on both the House and the Senate, and on all members—on a continuing basis. If it is felt that this approach is useful in combatting the excessive spending tendencies in Congress, then the cost involved in gathering the data will be well repaid.

CONGRESSMEN SPONSORING OR COSPONSORING MORE THAN $400 BILLION (THROUGH 1980) OF NONENACTED LEGISLATION IN THE 94TH CONGRESS

[In billions of dollars]

Arizona

Morris K. Udall, $439.8.

California

Glenn M. Anderson, $406.7.
George E. Brown, Jr., $453.1.
James C. Corman, $476.5.
Don Edwards, $495.7.
Augustus F. Hawkins, $510.2.
John J. McFall, $440.1.
George Miller, $439.3.
John E. Moss, $439.8.
Edward R. Roybal, $412.9.
Leo J. Ryan, $442.8.
Fortney H. Stark, $455.0.
Lionel Van Deerlin, $401.5.

Connecticut

Toby Moffett, $442.1.

Florida

William Lehman, $405.9.
Claude D. Pepper, $454.8.

Hawaii

Spark M. Matsunaga,[1] $411.8.

Illinois

Frank Annunzio, $404.2.
Cardiss Collins, $413.9.
Abner J. Mikva, $408.4.
Sidney R. Yates, $437.2.

Maryland

Paul S. Sarbanes,[1] $408.7.

Massachusetts

Robert F. Drinan, $487.7.
Michael J. Harrington, $504.1.
John J. Moakley, $438.6.
Gerry E. Studds, $442.7.
Paul E. Tsongas, $410.5.

Michigan

James J. Blanchard, $420.2.
William M. Brodhead, $439.9.
M. Robert Carr, $453.5.
John Conyers Jr., $424.0.
Charles C. Diggs Jr., $406.0.
William D. Ford, $455.9.
Lucien N. Nedzi, $440.0.
James G. O'Hara,[2] $456.0.
Donald W. Riegle Jr.,[1] $443.2.
Bob Traxler, $404.7.

Minnesota

Donald M. Fraser, $415.2.
James L. Oberstar, $409.0.

Missouri

Richard Bolling, $409.3.
Wililam Clay, $401.6.

New Jersey

Dominick V. Daniels [2], $449.5.
James J. Florio, $443.4.
Henry Helstoski [2], $446.5.
James J. Howard, $407.4.
Gene A. Maguire, $441.4.
Helen S. Meyner, $406.7.
Edward J. Patten, $405.7.
Peter W. Rodino, Jr., $421.9.
Robert A. Roe, $483.0.
Frank Thompson, Jr., $449.2.

New York

Bella S. Abzug [2], $469.3.
Joseph P. Addabbo, $410.2.
Herman Badillo, $490.0.
Jonathan B. Bingham, $445.9.
Shirley A. Chisholm, $404.9.
Elizabeth Holtzman, $480.7.
Edward I. Koch, $414.7.
John M. Murphy, $486.9.
Henry J. Nowak, $414.6.
Richard L. Ottinger, $451.7.
Charles B. Rangel, $441.1.
Frederick W. Richmond, $491.1.
Benjamin S. Rosenthal, $453.3.
James H. Scheuer, $421.6.
Stephen J. Solarz, $506.1.

Ohio

Thomas L. Ashley, $470.7.
Charles J. Carney, $444.1.
John F. Seiberling, Jr., $403.8.
Louis Stokes, $444.6.

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[1] Elected to the Senate, November 1976.

[2] Not re-elected to the House, November 1976.

Pennsylvania

Joshua Eilberg, $450.2.
Joseph M. Gaydos, $406.1.
William J. Green[2], $400.1.
Robert N. C. Nix, $452.9.

Rhode Island

Fernand J. St Germain, $415.5.

Texas

Robert Eckhardt, $402.2.

Washington

Mike McCormack, $407.5.
Lloyd Meeds, $440.1.

Wisconsin

Alvin J. Baldus, $410.7.
Henry S. Reuss, $410.4.

DESCRIPTION OF BILLS *

1. Health Security Act. *Kennedy. Finance.* Provides that all residents of the United States are eligible for comprehensive health-care protection administered by the Department of Health, Education, and Welfare. The bill would be financed by payroll taxes which would be matched dollar for dollar by general revenue contributions to the Health Security Trust Fund. The employer would pay a 3.5 per cent tax on his payroll and the employee would pay a 1 per cent tax on his total income up to 150 per cent of the Social Security taxable earnings base. All unearned income would be taxed at the rate of 2.5 per cent if it amounted to over $400 in a given year. Self-employed persons would pay a 2.5 per cent tax on the same taxable base as ordinary employees. The Fund would be given a two-year period to build up a reserve before it would be obliged to pay out any monies for benefits.

2. Public Service Employment Act. *Hawkins. Education and Labor.* Declares that many persons who have become unemployed or underemployed as a result of technological changes or as a result of shifts in the pattern of federal expenditures could be usefully employed. This Act employs such persons in jobs supplying needed public services, and provides appropriate training and related services. Establishes a special economic development assistance program and authorizes the Secretary of Labor to use not more than 10 per cent of the funds available under this Act for each fiscal year to provide financial assistance to eligible applicants for economic development, low-cost housing, public works, and economic opportunity programs designed to assist in the long-range improvement of the economy in areas of substantial unemployment. Directs the Secretary to carry out pilot projects and a program of research into alternative ways and means to reach full employment.

3. National Energy and Conservation Corporation Act. *McFall. Interior and Insular Affairs, Science, and Technology.* Establishes a National Energy and Conservation Corporation to achieve specific goals, including: 1) the exploration and development of public lands and tideland oil, natural gas, oil shale, and coal, either independently or in partnership with private industry; and 2) the acceleration of the creation and demonstration of specified technologies. Declares it to be the policy of Congress that costs of production of offshore oil and natural gas and the manufacture of liquid and gaseous fuels from oil shale and coal will be funded through appropriations should such costs exceed market prices.

The Corporation may conduct research and development with a view toward improving the technology related to the use of oil shale, gasification of coal, geothermal steam, and solar energy as sources of energy for domestic and industrial uses in the United States. The Corporation is authorized to issue bonds, with the approval of the Secretary of the Treasury (not to exceed $30 billion outstanding at any one time), in order to obtain funds to carry out the provisions of this Act. Payment of interest and principal on such bonds shall be guaranteed by the United States. Authorizes $5 billion for the purpose of carrying out the provisions of this Act.

4. National Electrical Energy Conservation Act. *Ottinger, Interstate and Foreign Commerce.* Title I creates a National Power Grid Corporation to establish and operate a national power grid system consisting of electric power generating facilities and a system of very high voltage transmission lines which shall connect such facilities and the transmission systems of each regional corporation established by the Corporation pursuant to this Act. Provides that such regional corporations shall be the exclusive marketing agency for the National Grid in that region. Authorizes electrical utilities, publicly or privately owned, to enter into agreements for services with the regional corporations. Directs the National Grid to carry out a program of research and development in the area of electric power generation and transmission, giving preference to environmental protection and land use research priorities. Authorizes up to $250 million per fiscal year to carry out such programs. Title II authorizes each corporation to issue and sell bonds for financing its activities, providing that the aggregate total of outstanding bonds shall not exceed $32 billion.

5. Electric Power Production Authority Act. *Murphy (N.Y.). Interstate and Foreign Commerce.* Establishes an Electric Power Production Authority. Enumerates its duties, including to: 1) assure that adequate supplies of electric energy, based on proven and developed technology, are available to meet the anticipated needs of the United States; 2) continuously review the demand for and supply of electric energy in the United States and report annually to the Congress; and 3) loan to investor-owned electrical utilities, as well as state and municipal power authorities, sums up to 100 percent for the costs of new electric power-plant construction and electric distribution and transmission facilities. Empowers the Authority to provide loans and loan guarantees for the long-term purchase of coal and nuclear fuel supplies by investor-owned utilities, as well as state and municipal power authorities, and lessees of electric power-plants initially built by the Authority, for the purpose of assuring that domestic fuel supplies are developed and available in adequate amounts. Authorizes $51 billion over a ten-year period to carry out the provisions of this Act.

6. Homeowners' Loan Act. (*William*) *Ford* (*Mich.*). *Banking, Currency, and Housing.* Establishes the Homeowners' Loan Corporation and authorizes it to issue bonds in an aggregate amount not to exceed $10 billion. The Corporation is authorized for a period of three years after enactment of this bill—but only during any calendar quarter in which the Federal Home Loan Bank Board determines that the foreclosure rate exceeds 0.5 percent—to acquire home mortgages and other obligations and liens secured by real estate.

7. Comprehensive Child Development Act. *Abzug. Education and Labor.* The purpose is to establish and expand comprehensive child development programs—with emphasis on economically disadvantaged individuals, and including children of working mothers and single parents—with parents and community groups to be involved in the decision-making process, and to establish the legislative framework for eventual universally available child development programs. The Secretary of Health, Education, and Welfare is authorized to direct programs under Title I (Comprehensive Child Development Programs). Activities for which funds can be provided include: planning, development, establishment, maintenance, and operation of comprehensive programs with a broad range of activities; design, acquisition, construction, alteration, renovation, or remodeling of facilities including mobile facilities; training programs for professionals, paraprofessionals, parents, older family members, and prospective parents; public information activities; child advocate staff; and administrative expenses. Requires that each such plan must: (1) identify needs and goals and describe purposes for which funds will be used; (2) meet the needs of children in the area, including infant care, before- and after-school programs, and 24-hour child-care services; (3) give priority to economically disadvantaged children; (4) give priority thereafter to children of single parents and working mothers; (5), (6) provide free services for economically disadvantaged children, and charge others fees on a sliding scale; (7) require co-operative arrangements of state and local agencies serving the handicapped; (8) provide jobs and training so far as possible for residents of the community; (9) provide, so far as possible, for socio-economic mixture in centers; (10), (11) provide for special needs of minority, bilingual, migrant, and Indian children in the area; (12) assure benefits for children in non-public pre-school and school programs; (13) coordinate programs so family members relate to each other during the day; (14) provide for parental participation in plans and programs; (15) provide for paraprofessional volunteers, including parents, senior citizens, students, other children, and those preparing for child development careers; (16) provide for dissemination of program information in the language of the parents; (17) eliminate barriers pertaining to state teachers certification standards; (18), (19), (20) assure coordination with schools and other child development programs in the community; and (21) provide that emphasis will be given to continued funding of ongoing projects. Establishes the Office of Child Development to be the principal agency to administer this Act.

Authorizes $2 billion in fiscal 1976, $3 billion in 1977, and $4 billion in 1978 to carry out the provisions of this Title. Title III (Training of Child Development Personnel) authorizes $20 million for programs to train professional and paraprofessional child development personnel under the Higher Education Act. Authorizes National Defense Education Act loans for the training of full-time teachers in child development programs. Authorizes training grants to individuals and child development programs. Authorizes $15 million annually for such grants. Title IV (Federal Government Child Development Programs) authorizes direct grants to establish and operate programs for children of federal employees. Authorizes $5 million for each fiscal year to operate such programs.

8. Bill to provide useful work for unemployed. *Beard (R.I.). Education and Labor.* The Economic Development Administration is directed to carry out a program of providing useful work for unemployed individuals in activities on projects which promote the public welfare.

9. Intergovernmental Emergency Assistance Act. *Reuss. Banking, Currency, and Housing.* Establishes an Intergovernmental Emergency Assistance Board. Authorizes it to make loans to states and to guarantee the payment, in whole or in part, of interest, principal, or both of obligations of states.

10. Local Public Works Capital Development and Investment Act. ***Randolph. Public Works.*** The Secretary of Commerce is authorized to make grants to any state or local government for construction, renovation, repair, or other improvement of local public works projects.

11. Intergovernmental Anti-Recession Assistance Act. *Muskie. Government Operations.* Declares it to be the policy of the

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[2] Not re-elected to the House, November 1976.

*This summary does not include every provision of each bill.

United States and the purpose of this Act to make state and local government budget-related actions more consistent with Federal Government efforts to stimulate national economic recovery; to enhance the stimulative effect of a Federal Government income-tax reduction; and to enhance the job-creation impact of Federal Government public service employment programs. The Secretary of the Treasury is authorized to make emergency support grants to state and local governments to carry out the purposes of this legislation. Authorizes for each of 12 succeeding calendar quarters (beginning with the first calendar quarter after the date of enactment of this bill) $500 million when the national seasonally adjusted unemployment rate reaches 6 per cent, plus an additional $250 million for each whole percentage point over 6 per cent in the preceding calendar quarter.

TRACK RECORD ON FOREIGN DEBT COLLECTION REMAINS POOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER), is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, for some time I have monitored the performance of the State Department in pursuit of the collection of foreign debts owed to the U.S. Government. Though the Ford administration made continuous claims that it placed a high priority on the prompt collection of obligations owed to our Government by foreign nations and international organizations, Department of Treasury statistics show that delinquencies on U.S. loans and credits to foreign countries rose over 40 percent from December 31, 1974, to December 31, 1976.

According to the Treasury Department, the principal and interest due and unpaid 90 days or more on U.S. loans and credits to foreign countries and international organizations totaled $1,027,871,357 on December 31, 1976, as compared with $562,706,773 on December 31, 1974.

As you will remember, an amendment I offered to the fiscal year 1976 foreign assistance appropriations bill, which cut off aid under the bill to those countries delinquent in their debt repayments for a year or more unless such countries disputed their debts or otherwise made arrangements to become current in their payments, was approved during debate on the bill on the House floor and was preserved in a similar form in conference. This amendment was also written into the fiscal year 1977 Foreign Assistance Appropriations Act.

Despite both these clear expressions of congressional intent that we expect as prompt a collection of foreign debts owed our Government as the IRS pursues in obligations owed by our own citizens, foreign debt delinquencies continue to grow.

I have written Assistant Secretary of the Treasury for International Affairs Fred Bergsten to ascertain what countries, if any, have been excluded from aid under the fiscal years 1976 and 1977 appropriations bills as mandated by the language of my amendment. In addition, I will continue to seek inclusion of this "foreign debt collection" provision in subsequent foreign aid appropriations bills. I believe the American taxpayer expects no less than the most vigorous initiatives toward collection of these just debts owed the U.S. Government.

I would like to share with my colleagues a table showing—country-by-country—debt arrearages on December 31, 1974, December 31, 1975, and December 31, 1976:

PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE ON U.S. LOANS AND CREDITS TO FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS AS OF DEC. 31, 1974, 1975, AND 1976

[In dollars or dollar equivalents]

Area/country	Due as of—		
	Dec. 31, 1974	Dec. 31, 1975	Dec. 31, 1976
Total, all countries and international organizations	562, 706, 773	677, 130, 954	1, 027, 871, 357
Western Europe (excluding Greece and Turkey):			
Austria	181	113, 128	33, 274
Belgium	121, 682	50, 229	62
Denmark	259, 292	948, 320	229, 048
Finland			
France	90, 965	151, 138	21, 863
Germany, Federal Republic of	254, 280	2, 871, 012	2, 205, 594
Iceland	898	13, 364	488
Ireland	13, 299	513, 613	422, 341
Italy	5, 424, 420	3, 583, 365	580, 773
Luxembourg		8, 712	3, 324
Malta			
Monaco			
Netherlands	215, 506	298, 243	290, 082
Norway	296, 656	61, 219	7, 066
Portugal	11, 017	143, 032	90, 657
Spain	262, 420	2, 771, 814	664, 901
Sweden	206	8, 922	
Switzerland	64, 768	985, 467	665, 487
United Kingdom	422, 952	5, 701, 451	3, 952, 155
Vatican City		18, 944	46, 123
Yugoslavia	38, 494	5, 067	403, 284
European Atomic Energy Community		594, 277	29, 698
European Coal and Steel Community			
North Atlantic Treaty Organization	17, 499	2, 225, 774	865
Total Western Europe	7, 494, 634	21, 067, 091	9, 647, 085
Eastern Europe:			
Czechoslovakia	6, 833, 203	7, 454, 111	7, 764, 565
Germany, Soviet Union			135, 582
Hungary	700, 167		
Poland			69, 083
Romania			3, 993
Union of Soviet Socialist Republics (excluding Lend Lease)		2	8, 499
Total Eastern Europe	7, 533, 370	7, 454, 113	7, 981, 722
Near East (including Greece, Turkey, and Egypt):			
Cyprus	1, 573		6, 180
Egypt, Arab Republic of	47, 455, 318	2, 284, 089	2, 224, 854
Greece	18, 220, 771	21, 439, 537	140, 502, 353
Iran	39, 152, 815	38, 102, 834	35, 107, 624
Iraq	538	1, 538	288, 008
Israel	1, 056, 451	48, 757, 904	73, 084
Jordan	13, 925	7, 155, 101	72, 876, 595
Kuwait		689, 276	61, 127, 432
Lebanon	3, 432	219, 383	3, 452, 689
Muscat and Oman		2, 980	159, 140
Qatar		566	487
Saudi Arabia	386, 799	38, 879	12, 995
Syria	4, 679, 264	5, 511, 164	2, 207
Turkey	88. 495, 660	93, 155, 841	100, 168, 008
United Arab Emirates		4, 582	4, 876
Yemen Arab Republic		3, 883	1, 395
Total Near East	222, 483, 658	218, 367, 557	416, 007, 927
South Asia:			
Afghanistan	2, 800	2, 452	2, 452
Bangladesh	310, 941		149, 615
India	17, 400, 063	4, 346, 490	5, 578, 943
Nepal	179, 149	152, 023	
Pakistan	35, 408, 733	75, 703, 064	1, 011, 421
Sri Lanka	250	83, 646	248
South Asia—regional			65, 315
Total South Asia	53, 301, 936	80, 287, 675	6, 807, 994
Africa (excluding Egypt):			
Algeria	6, 613	243	64, 014
Angola			50, 151
Botswana			
Cameroon	504	7, 008	
Central African Republic		108, 600	204, 250
Chad			
Dahomey	4, 228	47, 840	
Ethiopia	14, 319, 208	14, 519, 631	14, 510, 765
Gabon	56, 300	82, 037	137, 508
Gambia		10, 528	8, 027
Ghana	175, 253	890	890
Guinea	1, 791, 177	2, 877, 081	2, 232, 385
Ivory Coast	27, 336	41, 880	27, 940
Kenya	208, 193	155	8, 606
Liberia	31, 881	204, 698	198, 469
Libya	137, 381	132, 833	6, 007
Malagasy Republic			
Malawi			
Mali	50, 430	6, 946	
Mauritania			
Morocco	78, 912	659, 482	58, 185
Niger	7, 893		
Nigeria	2, 494, 668	1, 414, 023	1, 481, 067
Rhodesia	43, 579	43, 579	43, 579
St. Helena		566	566
Senegal	322	19, 660	775
Sierra Leone	159, 631	153, 872	
Somali Republic	2, 292, 235		298
South Africa	11, 195	68, 386	65, 315
Sudan	545, 585	37, 468	61, 150
Swaziland			
Tanzania	20	2, 878	
Togo			
Tunisia	80, 313	420, 527	6, 890, 424
Uganda	2, 782	130, 325	377, 941
Upper Volta			
Zaire	48, 554	4, 446, 732	20, 666, 759
Zambia			

PRINCIPAL AND INTEREST DUE AND UNPAID 90 DAYS OR MORE ON U.S. LOANS AND CREDITS TO FOERIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS AS OF DEC. 31, 1974, 1975, AND 1976—Continued

Area/country	Due as of— Dec. 31, 1974	Dec. 31, 1975	Dec. 31, 1976
Africa (excluding Egypt)—Continued			
Council of Entente States	4		
East African Common Services Organization			59,930
University of East Africa			1,245
West Africa Development Bank			
Africa—regional	2,142,750	1,766,957	1,627,984
Total Africa	24,716,974	27,204,825	48,784,200
Eastern Asia and Pacific:			
Australia	912,142	681,916	7,236
British Solomon Islands			
Brunei			
Burma	3,687		
China, Peoples Republic of	237,311	413,949	441,456
China, Republic of	96,344,051	105,127,508	107,011,835
Fiji Islands	172		
Gilbert and Ellice Islands		311	227
Hong Kong	106	105,489	178,229
Indonesia	441,819	81,875	130,035
Japan	821,759	1,516,765	597,819
Khmer Republic (Cambodia)	2,128,289	5,468,790	193,311,993
Korea, Republic of	1,978,118	777,128	30,070
Korea, North		363	
Laos	54,843	2,157	324
Macao		4,074	3,324
Malaysia	212,395	34,347	148,840
Nauru		1,095	463
New Caledonia			
New Guinea (Papua)	136	1,060	825
New Zealand	185,711	54,871	140
Philippines	48,642,518	50,183,960	47,802,232
Pitcairn Island		1,684	1,656
Singapore	2,065,004	362,316	10,868
Thailand	19,080,422	22,336,144	19,966,856
Tonga			
Trust Territory of Pacific	206	3,799	
Viet Nam, Republic of	890,742	7,850,115	43,574,689
Western Samoa		6,163	5,188
Total Eastern Asia and Pacific	173,999,431	195,015,879	413,224,305
Western Hemisphere:			
Antigua	468,800	11,699	245,030
Argentina	2,113,050	5,277,867	2,985,623
Bahamas	59,058	62,125	35,472
Barbados			70
Belize	24,569	26,506	10,697
Bermuda		80,778	
Bolivia	1,920,155	596,350	423,449
Brazil	568,374	105,901	53,904
British Virgin Islands		32,896	29,001
Canada	319,194	197,276	64,686
Cayman Islands	197,744	85,724	44,168
Chile	4,000,651	797,381	
Colombia	13,479,545	14,652,654	12,629,937
Costa Rica	1,427,928	1,134,629	559,752
Cuba	64,569,272	69,891,607	72,831,966
Dominica			
Dominican Republic	1,078,896	3,413,887	2,960,703
Ecuador	581,634	7,688,963	495
El Salvador	156,117	182,128	171,886
French Guiana	127,154	3,154	1,886
Grenada		10,361	9,875
Guadeloupe		2,469	183
Guatemala	256,154	247,017	279,554
Guyana	1,041		
Haiti	544,148	6,418	
Honduras	100,981	539,563	812,405
Jamaica	14,540	19,319	17,897
Martinique		9,466	5,770
Mexico	2,926,902	1,825,382	699,202
Montserrat		1,672	789
Netherlands Antilles	502	17,750	
Nicaragua	175,426	60,353	
Panama	6,820,573	7,756,405	8,189,272
Paraguay	1,797,437	58,803	1,232
Peru	2,455,849	2,552,093	3,074
St. Christopher-Nevis-Anguilla		[illegible],158	48
St. Lucia			
St. Pierre and Miquelon			
St. Vincent		11,424	3,834
Surinam	16	1,645	
Trinidad and Tobago	12,435	69,477	4,053
Turks and Caicos Islands	335	8,399	38,724
Uruguay	653,922	1,532,238	152,006
Venezuela	2,245,644	1,888,069	17,227,763
Caribbean Development Bank			
Central American Bank for Economic Integration			
Western Hemisphere—regional	50		
Western Hemisphere—unspecified	494,399	494,399	494,399
Total Western Hemisphere	109,413,525	121,355,505	120,988,805
International organizations and unspecified countries:			
International Finance Corp			
United Nations	7,352,740	7,368,167	3,945,539
Unspecified countries			
International Atomic Energy Agency	2,514	9,992	14,417
Total unspecified countries and official international institutes	7,355,254	7,378,159	3,959,956

RECORD TRADE DEFICITS CAUSED BY OIL IMPORTS: ENERGY CONSERVATION URGENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the U.S. trade deficit for the first 3 months of 1977 was $5.9 billion—greater than the entire 1976 deficit. At the current rate of deficit accumulation, the total deficit for 1977 would be a staggering $23 to $24 billion.

The main cause of the deficit is high priced oil imports. In the first 3 months of the year, we spent $10.9 billion on oil imports compared to some $7.4 billion in the first 3 months of 1976. While there has been an increase in the price of oil, the increased deficits are largely due to increased volumes of imports. In the first 3 months of 1976, we imported 619 million barrels. In January, February, and March of this year, our imports totaled 840 million barrels.

Following is a month-by-month comparison of our seasonally adjusted import and export data:

Imports

[In millions]

	1976	1977
January	9,000.9	11,268.7
February	9,032.5	11,673.7
March	9,469.2	12,459.0
Total	27,502.6	35,401.4

Exports

[In millions]

	1976	1977
January	9,097.2	9,598.9
February	8,917.7	9,807.8
March	9,020.4	10,071.6
Total	27,035.2	29,478.3

If petroleum imports were subtracted from these figures, we woud have had a trade surplus of approximately $5 billion. If the price of oil were roughly what it was before the 1973 embargo—say adjusted for inflation at $5 a barrel—we would have had a surplus of $800 million rather than the present deficit of $5.9 billion. The level of imports is approximately 9.3 million barrels of oil per day. The president's goal is to reduce the level of imports to 6 million barrels per day by 1985. If we were currently at a 6 million barrel per day level at current prices, our staggering deficit of $5.9 billion would have reduced to a deficit of $2 billion. In other words, at today's prices, import levels of 6 million barrels a day will be an extraordinary drain on our Nation. We will have to maintain high levels of industrial and agricultural surpluses in order to "cover" our losses in reserves to the oil producing nations. In view of these figures, it appears that we may well need to reduce oil imports even below the 6 million barrel per day figures cited by the President. We certainly need to achieve these import restrictions prior to 1985.

Of course, it can be argued that the present heavy volume of imports is due to the recent extraordinary winter. But the fact is that the volume of oil imports has been increasing steadily, there will be other hard winters, and other excuses. This problem will not simply go away.

We have waited far too long. We must adopt a strong program of national energy conservation this year.

PERSONAL EXPLANATION

The **SPEAKER**. Under a previous order of the House, the gentleman from

West Virginia (Mr. RAHALL) is recognized for 5 minutes.

Mr. RAHALL. Mr. Speaker, on Tuesday, May 3, 1977, I was absent from the House, because the Secretary of Housing and Urban Development, Patricia Harris, Chip Carter, and I toured the flood ravaged areas of West Virginia.

Had I been present, I would have voted the following manner:

Rollcall 182, H.R. 6415, extending and amending the Export-Import Bank Act of 1945, I would have voted "Yes."

Rollcall 183, amending the conference report on H.R. 11, I would have voted "No."

Rollcall 184, conference report on H.R. 11, local public works capital development program, I would have voted "Yes."

Rollcall 185, House Resolution 529, rule for H.R. 4049, U.S. Railway Association, I would have voted "Yes."

Rollcall 186, to amend H.R. 6179, the Arms Control and Disarmament Agency, I would have voted "No."

Rollcall 187, H.R. 6179, Arms Control and Disarmament Agency, I would have voted "Yes."

A TRIBUTE TO HON. CARL ALBERT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, next Tuesday, May 10, 1977, will mark the 69th birthday of a great American, a much-loved and respected Oklahoman, a man who realized his lifetime dream to be Speaker of the House, the Honorable Carl Albert of Oklahoma.

The people of Oklahoma's Third District, whom he served for 30 years will honor him this coming weekend. Speaker Albert has returned to his family home at Bug Tussle and is now engaged in several pursuits for which there simply was not time while he served in the leadership of this House.

He works in his office in McAlester winding down his business after 5 years in the Speaker's chair. He used to mention the "great fishing" around his hometown. I hope he is getting a chance to do some now.

At the University of Oklahoma, a special chair has been set aside for the Speaker to act as distinguished guest lecturer. His papers and much of his memorabilia will be on display including a replica of the Speaker's office here in the Capitol.

Carl Albert served his district as well as his Nation. Much of his time lately has been taken up by the people of the Third Congressional District just trying to say thanks for a job well done.

Speaker Albert wanted to be a Congressman since his early school days in the one-room school house at Bug Tussle. There, one day, the Congressman of that time visited and talked with the children. The Speaker has often said he knew from that moment forward he wanted to be in the House of Representatives. He never wavered in that conviction.

Early in his days of service here he decided, if it was at all possible, he would be Speaker of the House. He worked closely with Mr. Rayburn of Texas, who assisted Carl Albert through the ranks of leadership in this Chamber.

When Mr. Rayburn became Speaker, he called on his friend and colleague Carl Albert of Oklahoma to help share the load.

Speaker Albert has left an indelible mark on this great institution. The U.S. House of Representatives is a far better place, because of men like Speaker Albert who gave of himself, his family, and his health to serve this institution he loved so deeply.

Now fortunately he is able to rest, to do what he wants to do and enjoy a much-deserved respite.

He once said:

> Men come and go here but Congress goes on and on.

True—but men like Carl Albert have forever left their marks on this legislative body and on this Nation.

Happy birthday, Mr. Speaker. May there be many, many more.

WITHDRAWING U.S. SUPPORT FROM THE REPRESSIVE SOMOZA REGIME WILL END OUR LONG, DARK INTERVENTION IN NICARAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, the Foreign Operations Subcommittee of the House Appropriations Committee, of which I am a member, has recently concluded a series of hearings on human rights in Nicaragua to determine whether or not to continue U.S. military and economic assistance to that country. I would like to summarize those hearings and offer my opinion as to what course the United States should follow toward Nicaragua.

The hearings were prompted in part by the pastoral letter of the Nicaraguan Catholic bishops, read from every church pulpit in the country in January of this year, which accused the Somoza regime of "inhuman and humiliating" treatment of peasants "ranging from torture and rape to summary execution." For those of us who have concerned ourselves with the human rights situation in Nicaragua, this pastoral letter served as irrefutable documentation of the horrors that have been alleged for quite some time. This letter is such an important document that I would like to read it to my colleagues in its entirety. The pastoral letter reads as follows:

> As bishops of Nicaragua placed at the services of the People of God, to teach, rule and sanctify their church, we feel the duty to announce the good news of salvation, updating His message in order to renew the sense of justice in our country. The events and situations of the present time urge our consciences as shepherds to present to you this message of hope and of love.
>
> Our duty to preach freely at all times and places the message of the Gospel (Ev. Nunt. No. 78) is not fulfilled without the renewal of the joys and hopes of mankind.
>
> As we invite you to live a new year more in harmony with the Gospel which we announce, we would like to reflect with you about some problems that are troubling the consciences of the Christian people and those of the citizens in general.
>
> We are distressed by the suffering of our people, be it urban dwellers, or campesinos, rich or poor, civilians or military personnel who beg to God in search for the protection of the right to life and the peaceful enjoyment of the product to their work.
>
> Unfortunately many of the sufferings are caused and produced by many of our own Nicaraguan brothers.
>
> With no partisan political motives we present and recall here some of the many facts with the only intention of obtaining the sincere involvement of each and all of us who are committed to the search for peace.
>
> The state of terror force many of our campesinos to flee in desperation away from their own places and farmland, in the Mountains of Zelaya, Matagalpa, and Las Segovias.
>
> The arbitrary accusations and subsequent detentions because of old quarrels and personal envy still continue to disturb the peace.
>
> Inquiries of those under suspicion still continue utilizing methods which are humiliating and inhuman: from tortures and rapes to executions without a previous civil or military trial.
>
> It has been verified that many villages have been practically abandoned: houses and personal property have been burned and the people, desperate and without help, have fled.
>
> These actions, far from bringing justice, rather inflame passions and disturb the public order. They even put the government officials beyond the jurisdiction of the institutional laws of the nation and of all sane principle of public order, and similarly to the so-called freedom movements that call themselves liberated but that actually favor the free burst of passions, lead to personal vendettas and end up in "new lords" who take charge of the government with no regard for the right to enjoy the exercise of human liberties.
>
> We make this global outline of the problem that disturbs us, not with the purpose of exhausting its every aspect but to provoke a serious, constructive, and socially shared reflection. The grave moral and social consequences that at present are undermining the public order so demand it.
>
> As an actual consequence of these events the confusion and ills of the nation are growing:
>
> On the one hand the accumulation of land and wealth in the hands of a few is increasing.
>
> On the other hand, the powerless campesinos are deprived of their farmlands through threats and are taken advantage of because of the state of emergency.
>
> Many crimes are left aside without the corresponding legal sanctions, which damages the respect for the fundamental rights.
>
> The number of prisoners who have not been presented for trial and who cannot have legal recourse is increasing.
>
> ### INTERFERENCE IN THE RELIGIOUS REALM
>
> Another violation that disturbs the practice of the fundamental liberties is the interference in the religious realm.
>
> In some villages of the Segovias the commanders demand special permission for each religious meeting of Catholics.
>
> In other locations in the mountains of Zelava and Matagalpa, the patrols have occupied the Catholic chapels using them as barracks.
>
> Some Catholic delegates of the Word of God have been forced to suspend their cooperation with the missionary priests.
>
> There are cases in which delegates of the

Word have been taken prisoners by members of the Army, have been tortured and others have disappeared.

Some committee leaders of grassroots communities have run the same fate.

Human dignity

All these practices and others like them, contrary to human dignity and the fundamental rights of man, degrade civilization and are totally contrary to the plan of God. Christ is categorical in what he says in this respect: "What you did with one of these the least of my brothers, you did to me". (Mat. 25, 40)

Let us reflect: Who are profiting of this situation of terror and unjust extermination?

Do we possibly wish to usurp God's right and make ourselves the masters of life and death?

Can the mere personal convenience of a few be the criterion for harassing one's neighbor?

Can violence be the remedy or path for the renovating change of our institutions?

We reject all types of violence.

"To take away life is to take away peace."

To violate rights and the constitutional

Christian hope

The Christian faith constantly demands the change of attitudes for conversion under the laws of God and the better coexistence with our neighbors. "The time has come. The Kingdom of God is close at hand. Accept the faith and believe in the Good News." (MC1, 15)

We all want to earn a living and our daily bread without disturbances of repressive forces. We do not want to feel ourselves fenced in but free to serve God and our neighbor with love and self-denial.

It is true that while we live on this earth we shall not be able to fully realize a life of justice and love; but at least let us lay the foundation so that in a climate of esteem and mutual respect we can build a country that loves to work trying to carry out the Christian task of living in a climate of love without destructive hatreds.

CONCLUSION

The perspective of the new year invites us to review seriously our deeds and our present social order which are the result of the attitudes of our consciences.

Peace is born in the intimacy of our conscience. Pope Paul VI tells in his new call to peace for the year 1977, "If you desire peace, defend life." As Christians, as citizens, we have the unescapable obligation to seek this peace building it up from the depth of our hearts.

We sum up this call to the conscience of all Nicaraguans, to our governmental authorities. Concretely we are for:

1. Guarantees of life and of work and a return to civil rights.
2. Proper trials for common crimes as well as for those called political crimes.
3. Freedom to promote a more just and equitable order. All this cannot be achieved without freedom of expression and without religious freedom.

For all we impart our blessing with the words of the Apostle St. Peter: "There is no need to be afraid of anybody. Do not worry about their threats. Simply continue worshiping the Lord Christ in your hearts and always have your answer ready for people that may ask you the reason for the hope that you all have." (IPE 3:14–15)

Issued in Managua, on the eighth day of January of the year 1977.

MANUEL SALAZAR E.,
Bishop of Leon and president of the E.C.
SALVADOR SCHUAFFER R.,
Bishop of Vicariate of Bluefields and vice president of the E.C.
LEOVIGILDO LOPEZ F.,
Bishop of Granada.
MIGUEL OBANDO BRAVO,
Archbishop of Managua.
JULIAN L. BARNI S.,
Bishop of Matagalpa.
PABLO A. VEGA,
Bishop, prelate of Juigalpa.
CLEMENTE CARBANZA L.,
Bishop of Estelí and Secretary of the E.C.

On April 6, three witnesses appeared before the subcommittee. Mr. Charles Bray, Deputy Assistant Secretary of State for Inter-American Affairs, presented the position of the State Department. He said that the Department was aware of brutal treatment of civilians by the Nicaraguan national guard, had communicated its concern to the Nicaraguan Government, and is withholding fiscal year 1977 military assistance funds until there is an improvement in the human rights situation. The Department, however, added two qualifications: it was not sure whether "abuses reflect government policy or inadequate command and control procedures of the Nicaraguan national guard"; the State Department also indicated there were "tentative" indications that the human rights situation may be improving, and, therefore, wanted 1978 military funds appropriated in case the situation did improve. I questioned both of these qualifications. First, I said I thought that President Somoza should be held accountable for the atrocities committed by the national guard, because the State Department itself has described the national guard as "the personal instrument and principal power base of the ruling Somoza family." But even if these atrocities "reflect inadequate command and control procedures," the fact that the United States has put more money, per capita, into the training of the Nicaraguan national guard would indicate that our military training program has done little to make that armed force more professional. Furthermore, we must recognize the possibility that we are accomplices in the repression by the national guard.

The second witness at the April 6 hearing was Mr. Bill Brown of the Washington Office on Latin America. He stated that his office was in contact with many church people in Nicaragua, who confirmed the charges made by the Nicaraguan Catholic bishops. Mr. Brown also said that his latest soundings indicated that there was no basis to say that the human rights situation was improving in Nicaragua. He also gave a concise history of U.S. intervention in Nicaragua and of our support of the Somoza regime. That history is relevant and startling. The U.S. Marines occupied Nicaragua for several years in the late 1920's and fought guerrillas being led by conservative leader, Augusto Sandino. The U.S. Marines did not succeed in destroying the guerrilla movement, and the United States decided to turn the execution of the war over to the Nicaraguan national guard; in effect, "Nicaraguanization of the war." The United States rebuilt the Nicaraguan national guard into a more efficient armed force. Unfortunately, Gen. Anastasio Somoza subsequently used the national guard to seize the presidency. His family has controlled the economic and political life of Nicaragua ever since, relying on the Nicaraguan national guard to maintain itself in power. For the last 40 years the United States has provided assistance to that national guard. Thus, the repression which Somoza uses to intimidate the populace is not new. The only thing that is new is our desire to focus on human rights concerns as a factor in our relations with Nicaragua.

The third witness of the April 6 hearing was Mr. Raymond Molina of Petersen Enterprises, an American businessman. His testimony concentrated on the guerrilla threat which, he said, was strong and massively supported by Cuba. Congressman CLARENCE LONG, chairman of the subcommittee, asked Mr. Raymond Molina if he had any business transactions in Nicaragua, to which he replied that, indeed, he has had several contracts with the Nicaraguan Government.

At Congressman JOHN MURPHY'S request a second hearing was scheduled to allow Nicaraguans themselves, both pro and con, to come and testify on human rights in their country. Prior to that hearing, I wanted to learn more precisely of the nature and extent of the guerrilla threat in Nicaragua and of the support it receives from Cuba. Is Nicaragua being threatened by a large, growing insurgency which is aided by Cuba in some overwhelming fashion? Certainly, those who attempt to justify the Somoza's antidemocratic security measures believe so. I wrote the State Department, asking for its assessment. The memorandum I received from the State Department, which I am appending, indicates that neither the internal threat nor Cuban support of that threat is as massive as some of the witnesses would have us believe. In fact, it appears that the most important element of Cuban support now is ideological and psychological, such as radio broadcasts.

On April 21, eight witnesses appeared before the subcommittee. Six of the witnesses spoke in support of the Somoza regime: Aristides Somarriba, Carlos Dubon, Dennis Gallo, Noberto Herrera, Gustavo Wilson, and William Donamorice. The sum of their testimony was that the Catholic bishops of Nicargua were relying on hearsay and secondhand testimony when they made their charges of repression, and that in some cases the leftists guerrillas had stolen national guard uniforms and used them in committing these atrocities. These witnesses also said that the charges by the Nicaraguan Catholic bishops had prompted many different investigations in order to determine the truth of the allegations. Again, they stressed the leftist terrorist threat as being the main reason for the continuation of martial law.

Two Nicaraguan witnesses came to testify on repression in their c ountry. Father Miguel d'Escoto, a Maryknoll missioner, relayed the concern of Catholic clergy in Nicaragua, both Americans such as the Capuchin priests, and Nicaraguan priests, that the human rights situation was very poor and that there was no indication that conditions were improving. He also pleaded that American aid, both military and economic, be cut off. He stressed that the Somoza regime relied, both materially and psychologically, on American support, and that a complete ban on aid would send a strong signal to that regime. Finally, he said that General Somoza was in effect the best friend the Communists ever had in Nicaragua, because Somoza's repressive tactics were slowly driving legitimate, peaceful and democratic opposition elements into an alliance with the guerrillas. I for one do not want to see a Communist takeover in Nicaragua.

The other witness, Julio Molina Mendoza, a courageous member of the Nicaraguan Congress and a member of its Human Rights Committee, made the point that the "investigation" by the Nicaraguan Congress into the human rights situation was a sham: every attempt he had made to start specific inquiries had been stopped. Congressman LONG asked him whether he was worried about reprisals when he returned to his country. Julio Molina responded that this was a risk that he took. The fact is that Julio Molina does indeed face a great risk. After the hearing he informed members of my staff that he has previously been jailed and tortured by the Somoza regime. I am hopeful that international attention on these hearings will inhibit any reprisals against Julio Molina. In any event I trust that the State Department will make known its concern for the safety and well-being of this Nicaraguan Congressman. I should also note that another Nicaraguan, newspaper editor Pedro Joaquin Chamorro, was invited to testify. He was, however, prevented from leaving Nicaragua because of court action being taken against him.

The major point which emerged from these hearings is that the substance of the charges made by the Nicaraguan Catholic bishops remains unchallenged. The Catholic bishops of Nicaragua stand by their statements, and no reputable international or Nicaraguan organization has refuted these charges. Amnesty International is now preparing a report on Nicaragua, and there are no indications that its findings will rebut the bishops' allegations. The Somoza regime is responsible for the torture, rape, and summary execution of peasants. Those atrocities are being committed by the Nicaraguan national guard, which the United States continues to train and equip. I believe that we have a special responsibility to end our aid to the Somoza regime, because of the last 40 years we have sponsored, to a greater or lesser extent, that government. Some say that our concern about human rights in Nicaragua is an improper interference in the internal affairs of that country. The fact is that our support of that regime in its repression has been the real intervention. Our withdrawal of that support will symbolize the end of U.S. intervention. Perhaps then the people of Nicaragua can decide for themselves, free from outside interference, the course of their political and economic future.

Ultimately, our responsibility in this matter is to insure that the United States is not providing arms and assistance, to the repressive dictatorship in Nicaragua. Beyond that, we should use our limited influence to urge an improvement in the condition of human rights in that country. But given the track record of the Somoza dynasty, we should never provide arms to that regime.

If we do not end our support for that regime, the blood of Somoza's victims will be on our hands.

The material follows:

WASHINGTON, D.C.,
April 11, 1977.

Mr. CHARLES BRAY,
Deputy Assistant Secretary of State for Interim-American Affairs, Department of State, Washington, D.C.

DEAR MR. BRAY: On April 21 the Foreign Operations Subcommittee of the House Appropriations Committee will be holding another hearing on the human rights situation in Nicaragua. At that time I suspect that allegations will be made of Cuban support for the FSLN in Nicaragua.

In your statement before the Subcommittee you made reference to some apparent support from Cuba. I would appreciate if the State Department would provide detailed evidence of the nature and extent of Cuban support for the Sandanistas. Obviously, I would appreciate if you would provide this information prior to the April 21 hearing.

Thank you for your consideration.

Sincerely,

EDWARD I. KOCH.

WASHINGTON, D.C.,
April 19, 1977.

Hon. EDWARD I. KOCH,
House of Representatives.

DEAR MR. KOCH: I refer to your April 11, 1977 letter to Charles Bray, Deputy Assistant Secretary for Inter-American Affairs, requesting information on the nature and extent of Cuban support to the Sandinist Liberation Front of Nicaragua (FSLN). Attached you will find a memorandum on this subject. I do hope this information will meet your request.

Sincerely yours,

MICHELE M. BOYA,
Acting Director Central American Affairs.

THE FSLN'S CUBAN CONNECTION

The FSLN (Sandinist Liberation Front of Nicaragua) grew out of a number of scattered revolutionary groups that existed in Nicaragua in the late 1950's whose common intention was the overthrow of the Somoza government. Their unification into the FSLN appears to have been precipitated by twin catalysts of the Cuban revolution and the violent antipathy that early sprang up between the Castro and Somoza regimes.

As early as 1959, Nicaragua had been a firm opponent of the Castro regime and, in June of that year, brought a formal complaint before the OAS that Cuba was attempting to overthrow the Nicaraguan government. An OAS investigating committee found that Cuba had been involved in an abortive invasion of Nicaragua and, in November 1960, at the request of the Nicaraguan government, the US dispatched a naval task force to patrol the waters off the Nicaraguan coast to prevent Cuban infiltration. Castro, on the other hand, has long harbored resentment against Nicaragua for its role in the 1961 Bay of Pigs episode.

The Nicaraguan Liberation Front (FLN) was founded in Havana in September 1962 by a group of leftists extremists who had been active for some years in revolutionary causes in Nicaragua. Carlos Fonseca Amador, perhaps their most significant leader, was a proponent of Marxist-Leninist theory who had closely followed the Castro revolution in Cuba and whose attachment to the Cuban revolutionary model strongly influenced the FLN's early strategy and tactics. (Fonseca was killed in a shoot-out with the Nicaraguan National Guard in November 1976.)

The FLN's primary objectives, declared in 1963, were:

To fight against the economic exploitation and political domination of the US;

To fight against the Somoza regime;

To institute agrarian reforms; and

To seize power in Nicaragua and establish a government of national liberation.

The FLN believed that the only effective means to achieve these goals were through guerrilla warfare and terrorism.

By 1964, the FLN had added the name of Sandino to its title, in honor of General Augusto Sandino, the Nicaraguan guerrilla leader who had battled US Marines in Nicaragua from 1928 until shortly before his death—allegedly at the hands of the Nicaraguan National Guard—in 1933.

Throughout its 15 year history, the FSLN's activities in Nicaragua have been sporadic, and its membership—never large—has expanded and contracted as its fortunes rose and fell. Organized into small cells, the rural groups serve as the FSLN's guerrilla training squads and carry out occasional raids, while the urban groups have the tasks of carrying out robberies, kidnappings and other paramilitary activities.

In 1963 and 1966, FSLN "invasions" from Honduras were met and routed by units of the National Guard. In 1967, the Guard inflicted heavy losses on guerrilla groups in the northern mountains. Following a period of relatively little activity, however, the FSLN scored its most dramatic success with its December 1974 raid in the wealthy Managua suburb of Los Robles. A small group of FSLN terrorists seized, held hostage and finally released a group of highly prominent Nicaraguans in exchange for the release of a number of FSLN prisoners, a large ransom, and safe passage to Cuba—where they received a warm welcome.

The Nicaraguan government immediately declared martial law, but on the whole reacted in a fairly measured fashion. It used a minimum of military force to suppress suspected subversion and denounced Cuba as an accomplice in the Los Robles incident.

In the two years that have passed since then, occasional clashes between the National Guard and the FSLN have continued to take place, but the FSLN seems to have been unable to mount another spectacular operation. The National Guard has captured or killed many of the FSLN leaders in armed clashes and, although others may come forward to take their place as has happened in the past, it appears at the moment that the FSLN is on the defensive.

SUPPORT

The FSLN's support appears to have come largely, but not solely, from within Nicaragua, and the FSLN itself has attempted to forge links with anti-Somoza elements of various political persuasions. It has benefitted from the collaboration of front organizations among leftist student groups and, while there has been some contact between the FSLN and the Nicaraguan Socialist Party (PSN), there does not appear to have been close cooperation between them.

External support has also come from Nicaraguans living abroad, but probably the most important source of external support has been Cuba. Cuban support appears to have been greatest during the early 1960's when the Castro regime provided the FSLN with:

Guerrilla warfare training in Cuba;

Money for the purchase of arms, munitions, food and clothing; and

Payment for propaganda material.

By the early 1970's, partly as a result of changes in Cuban policy and partly because the FSLN had not been able to consolidate its position, Cuban support diminished. Nevertheless, the Cubans continued to provide a safe haven for FSLN members, some training for recruits, and contacts for the FSLN with extremist groups in other parts of Latin America and elsewhere. Perhaps not least among Cuba's contributions was the psychological boost to FSLN morale.

That some revolutionary guerrilla organization or organizations akin to the FSLN would have existed in Nicaragua during this period, even without Cuban support, seems certain. Such groups had operated in the late 1950's, and, periodically, throughout Nicaraguan history. Whether they would have remained as active, long-lived or determined as the FSLN over its 15 year history without Cuba's material and moral support is doubtful.

REINTRODUCING THE PLUTONIUM LICENSING CONTROL ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 20 minutes.

Mr. BINGHAM. Mr. Speaker, I am today reintroducing the Plutonium Licensing Control Act, originally introduced as H.R. 5234. This is a straightforward measure designed to put the United States on the record in opposition to the establishment of a plutonium economy here at home.

When I originally introduced this bill on March 21, 1977, I expressed the hope that my proposal might help generate national support for the idea of rejecting the use of plutonium as a commercial fuel. Since that time, more than 45 Members of the House have asked that their names be listed as cosponsors of H.R. 5234. The list of cosponsors follows my remarks. I have also been greatly encouraged by the position taken by the Carter administration: on April 7, the President announced plans to "defer indefinitely the commercial reprocessing and recycling of the plutonium produced in the U.S. nuclear power programs. From our own experience, we have concluded that a viable and economic nuclear power program can be sustained without such reprocessing."

For 3 days last week, the Energy and Environment Subcommittee of the House Interior Committee heard testimony from a variety of administration, environmental groups, and nuclear industry witnesses. While no clear consensus emerged from the disparate testimony, it is my personal belief that even the limited opposition to H.R. 5234 helped to demonstrate the need for Congress to pass legislation of this type. For instance, one administration spokesman stated that while the plutonium reprocessing decision is "one of the most critical our society faces today or has ever faced." He went on to suggest that—

> There appears to be no compelling reason now to proceed with the legislation (H.R. 5234) because it will probably not be required to carry out the position which both its sponsors and the administration support.

A second administration witness stated that "Although the general intent of this bill is supportive of the President's policy, it is the administration's position that passage of the bill is not essential at this time." The same witness added, however, that "Should the NRC proceed toward licensing" of any facility covered by the bill, "legislation of this type could become essential to implement the President's policy."

As the Interior Committee proceeds to mark up this bill, I would stress the point that, contrary to the assertions made by some members of the executive branch, this legislation is essential if we are to implement the President's policy and bear fruit from it overseas in terms of antiproliferation gains. We cannot set policy here by Executive order or by the action of the Nuclear Regulatory Commission, an independent agency which is vested with the authority to grant licenses to commercial nuclear facilities.

We must send a clear and unambiguous signal overseas to reinforce the credibility of our antiproliferation efforts, and the Congress must have a hand in a decision of such great significance. This argument was made forcefully in testimony presented to the Energy and Environment Subcommittee on behalf of the Sierra Club by Mr. Gregory A. Thomas:

> The Congress must act if the purpose underlying the Presidential policy is to be achieved. While the President recognized that this nation cannot move effectively to limit the use of plutonium internationally if it reserves to itself the right to exploit this commodity, only the Congress can make this signal unambiguous by enacting this policy as the law of the land. To govern in this delicate area by Executive Order would be to make the U.S. policy tenuous and perhaps even whimsical. To the extent that the United States wishes to remain "flexible" in its approach, in order to accommodate changes in the international arena, it will continue to convey the message that our commitment to non-proliferation is negotiable. If the call for flexibility portends a shift in the Administration's position, this alone makes Congressional action necessary; if it does not, it is difficult to see that enactment of H.R. 5234 could pose an obstacle. Should circumstances ever change to the point that good public policy would call for an end to the President's proposed "deferral," we do not doubt that Congress would be quick to respond with appropriate legislation.

The fact is, we have studied plutonium for over 30 years. After enactment of H.R. 5234, we can continue to study it. Contrary to claims made by the bill's opponents, H.R. 5234 will not place any legal restraints on continued research and development efforts by the Government and the nuclear industry designed to examine various alternative reprocessing and waste treatment methods. The bill will not impinge upon the proposed international fuel cycle evaluation program which the United States hopes to set up in cooperation with other nuclear supplier nations. Quite simply, the legislation will place into law the presumption that until further notice we are not going to go the route of the plutonium economy, thus guaranteeing that any subsequent decision to use plutonium commercially must first have the support of a majority of the American people and their representatives in Congress.

Mr. Speaker, at this time I would like to call my colleagues' attention to my previous floor statement on H.R. 5234, which can be found at page 8227 in the Record of March 21, 1977. I would also call their attention to several articles on the subject of "The Need to Prohibit Nuclear Fuel Reprocessing," which I placed in the Record of March 23, 1977 at page E1735. In addition, I would request that the complete text of H.R. 5234, along with a list of cosponsors be included in the Record at this point.

H.R. 5234

A bill to amend the Atomic Energy Act of 1954 to prohibit licensing of commercial nuclear fuel reprocessing facilities and plutonium-fueled reactors

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Plutonium Licensing Control Act of 1977".

Sec. 2. Section 103 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following new subsection:

"e. No license shall be issued to any person to—

"(1) own or operate any nuclear power reactor fueled in whole or in part with recovered plutonium, or

"(2) process spent nuclear reactor fuel in order to recover plutonium: *Provided,* That such prohibition shall not apply to any activities necessary to the conduct of the United States military defense programs.".

Sec. 3. Section 11 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following new subsections:

"dd. The term 'nuclear power reactor' means any commercial nuclear reactor operated for the purpose of generating electricity (whether owned by government or private sources or both) and any such demonstration or prototype reactor, but does not include any such reactor operated solely for basic research and experimental purposes.

"ee. The term 'plutonium' means pure plutonium, plutonium oxide and any other plutonium compound.

"ff. The term 'spent nuclear reactor fuel' means any material which forms part of a used fuel assembly for a nuclear experimental, power or production reactor.".

COSPONSORS OF H.R. 5234, AS OF MAY 4, 1977

Mr. Udall, Mr. Seiberling, Mr. Tsongas, Mr. Carr, Mr. Miller of California, Mr. Weaver, Mr. McHugh, Mr. Ottinger, Mr. Fraser, Mr. Bedell.

Mr. Aspin, Mr. Rodino, Mr. Moakley, Mr. Moffett, Mr. Harkin, Mr. Mitchell of Maryland, Mr. Hawkins, Mr. Drinan, Mr. Harrington, Ms. Fenwick.

Mr. Badillo, Mr. Conte, Mikva, Mr. Long of Maryland, Mr. Weiss, Ms. Mikulski, Mr. Cornell, Mr. Edgar, Mr. Jeffords, Mr. Beilenson.

Mr. Pattison of New York, Mr. Waxman, Mr. Ryan, Mr. Solarz, Mr. Rangel, Ms. Holtzman, Mr. Edwards of California, Mr. Simon.

Mr. LaFalce, Mr. Fish, Mr. Nolan, Mr. Walgren, Ms. Keys, Mr. Patterson of California, Mr. Stark, Mr. Bonior, Mr. Findley, Mr. Rosenthal.

LEGISLATION AMENDING 1973 AGRICULTURE AND CONSUMER PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I am introducing legislation today which would amend the 1973 Agriculture and Consumer Protection Act by mandating the swift reporting of any large grain sales to a foreign customer.

Under the 1973 act, exporters must report all commodity sales to the Secretary of Agriculture on a weekly basis. These reports must contain the type, class, and quantity to be exported, the marketing year of shipment and the destination, if known. The Secretary then publishes this information each week following receipt of the exporter's report.

At the request of the Secretary of Agriculture, and only on a volunteer basis, all large export sales are reported to the Department daily and then made public by 3:30 p.m. of the following day.

The USDA policy of reporting those large sales daily, instead of weekly, was instituted because of the secrecy surrounding USDA knowledge of the 1972 Soviet wheat purchases. Because of the secrecy surrounding those sales and the almost certain advantages to grain exporters who were then able, unfairly, to buy grain in an unaware market, it has been felt by many that 24-hour reporting is the very least that we must do to promote a market system that is equitable.

Unfortunately, such daily reporting is now totally dependent upon the judgment of a Secretary of Agriculture and the cooperative goodwill of the large grain exporting corporations in volunteering such trade information.

In March of this year, we saw a significant lapse in this discretionary arrangement with the failure of the Secretary to issue a daily report on an important sale of 390,000 tons of soybeans to China.

While the Secretary announced on April 13 that the USDA would begin reporting grain export sales over 100,000 metric tons on a daily basis for designated commodities, in cooperation with exporters, I believe that recent events have clearly shown that the reporting of such important information must not be discretionary, but, rather, must be assured with the force of law.

The measure which I am proposing today directly orders the kind of timely reporting that the Secretary of Agriculture has thus far been able only to request.

This legislation, effecting only the daily reporting of large, export sales, would make available to the public information on who the exporter is and the quantity and location of any agricultural commodity located in a foreign country and to be used by the exporter to fulfill the terms of the contract. This would be in addition to the types of information now mandated only for weekly export sales.

I believe that we must work earnestly toward the goal of a balanced, stable system for the marketing of our agricultural commodities, whether in this country or abroad. However, I also believe that while the individual family farmer is struggling to make intelligent decisions on when to release crops and in what quantities, the large grain marketing conglomerates, with their already widespread intelligence resources, should not have a further advantage of possible USDA silence on vital sales information.

I feel that these proposals will go far in opening up a trade environment where dangerously wide fluctuations have been historic and the large grain companies have been able to manipulate in secret to no one's advantage but their own.

Following is a copy of the text of my bill:

H.R. 6912

A bill to amend the Agricultural Act of 1970 for the purpose of requiring additional requirements under section 812 of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asembled, That section 812 of the Agricultural Act of 1970 is amended by inserting "(a)" after "sec. 812.", and by adding the following new subsection at the end thereof:

"(b) In addition to the requirements of subsection (a), all exporters of the agricultural commodities described in the first sentence of subsection (a) shall report the following information to the Secretary within 24 hours after entering into any contract which is described in such sentence and which involves a substantial quantity (as determined by the Secretary by regulation) of any such commodity:

"(1) the information described in clauses (a), (b), and (c) of the first sentence of subsection (a); and

"(2) the quantity and location of any agricultural commodity located in a foreign country and to be used by the exporter to fulfill the terms of the contract.

The Secretary shall, on the next business day after receiving any information under this subsection, make public the information and the exporter which submitted it."

CUSTOMS PAPERWORK REDUCTION ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 10 minutes.

Mr. HAMILTON. Mr. Speaker, nearly every day I hear from constituents with complaints about bureaucratic redtape. Whether they are farmers, doctors or welfare recipients, and whether they are concerned with crop insurance, medicaid or food stamps, the message is always the same: the Federal Government, blinded by a blizzard of useless paperwork, has become unresponsive to Americans who desperately need its service and assistance. Even a passing glance at the problem is enough to convince all but the most stubborn that paperwork can no longer be dismissed as a mere nuisance. It constitutes a clear and present danger to our inventiveness as a people and our prosperity as a Nation. If it continues to proliferate unchecked, it may soon become a threat to our freedom.

The effect of the Federal paperwork burden is most easily measured in terms of wasted time and money. Quite frankly, the figures are shocking. To fill out nearly 5,000 different kinds of Federal forms every year, individuals and businesses spend approximately 130 million man-hours and $100 billion, by some estimates. These totals do not include the Federal Government itself, where well-paid civil servants pass countless hours shuffling papers. Even if it could be afforded such a squandering of human and financial resources would be unforgivable. There is no telling how far-reaching a transformation America could undergo if the resources consumed in paperwork were diverted to our sagging industries, our hard-pressed colleges, our distressed cities, our impovershed rural areas. The sad fact, however, is this: Whether by accident or design, the yearly generation of 4.5 million cubic feet of paper has a higher priority than some of our most critical economic and social needs.

In a commendable attempt to stem the rising tide of paperwork, Congress passed legislation in 1974 creating the 14-member, bipartisan Commission on Federal Paperwork. The Commisison, chaired by Congressman FRANK HORTON of New York, was charged to look into the paperwork requirements of the Federal Government and to recommend reductions in those requirements without altering policy or impairing the delivery of service. To date the Commission has made 350 recommendations, about 120 of which have been accepted. The fact that fewer than 40 recommendations have been rejected testifies to the care the Commission is taking in its work. It has been calculated than 500 recommendations will have been made by the time the Commission goes out of existence in October 1977. It is safe to assume that at least half of the recommendations will be accepted.

While most of the recommendations of the Commission are administrative—in the sense that they can be implemented by an administrative directive of one sort or another—a few have taken the form of bills. One such bill is the Customs Paperwork Reduction Act of 1977. It is with great pleasure that I join Congressman HORTON and other colleagues of mine in introducing the measure today. In essence, the bill would lift an unnecessary burden of paperwork from international travellers and small businessmen who import goods from abroad. On the other hand, it would not impede the information-gathering activities of the Bureau of the Census, nor would it have any adverse effect on business, labor or the revenues of the United States. It has received favorable comment from business, labor, and Government alike.

We have all seen the long lines of travelers waiting to have their luggage inspected at U.S. customs. Every year over 200 million travelers from abroad pass through our major airports, harbors and border stations, so the phenomenon is not uncommon. The legislation being introduced today, however, would mandate a major simplification in procedures for classification of merchandise imported for personal use, thereby greatly reducing the delay in processing and inspecting such merchandise. The waiting lines would soon disappear.

Let me explain exactly how the bill would simplify customs procedures. First, duty would be levied at a flat rate of 10 percent of retail value for the first $500 in goods, less certain exclusions, which a traveler imports for personal use. This flat rate would equal the average rate of 15 percent of wholesale value at which duty is currently levied. The use of a flat rate would result in a threefold increase in the processing capacity of the customs service. The Federal Government would lose no revenue.

Second, the bill would facilitate the importation of small commercial shipments by raising the limit for informal entries from $250 to $500. Since the present $250 limit was established in 1953, this increase would fairly accommodate inflationary changes in the value of merchandise brought in by small importers. The informal procedures would be much simpler and would cut paperwork. However, they would not alter current information-gathering practices: Import quotas and other controls could be maintained just as before. The customs service estimates that this change would result in annual savings to small importers of $6 million.

Mr. Speaker, winning the war against mushrooming Federal paperwork will not be easy. The Federal Government does need some paperwork in order to function efficiently and responsibly. Also needed are a new awareness of the problems that too much paperwork causes and a firm determination to identify and do away with paperwork that exceeds the basic requirements of streamlined and effective Government. Thus, I urge my colleagues to give their closest attention to the Customs Paperwork Reduction Act of 1977. It is a small measure, but it is in the public interest, beneficial to the traveler, helpful to the small importer, and good for the Federal Government. Even the longest and most arduous of journeys begins with a single step.

TRIBUTE TO ALEX HALEY AND KUNTA KINTE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Maryland (Mr. MITCHELL) is recognized for 60 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, the names "Alex Haley" and "Kunta Kinte" recently have become American household phrases and symbols of international pride. "Roots: The Saga of an American Family," the unusually popular book authored by Alex Haley in which Kunta Kinte is the major character, likewise, has become a national model and incentive for all Americans who aspire to be aware of their ancestral origins and history.

Today, as chairman of the Congressional Black Caucus, I rise to take out a special order on behalf of its members in order to pay tribute to this remarkable man of our times, Alex Haley.

Alex Haley was born August 11, 1921, in Ithaca, N.Y., and was reared in Henning, Tenn. The oldest of three sons of a father who taught at southern black colleges, and a mother who taught grammar school, he finished high school at 15, completed 2 years in college, and in 1939 enlisted as a messboy in the U.S. Coast Guard.

In 1952, the Coast Guard created for him the new rank—chief journalist—and Alex Haley began handling U.S. Coast Guard public relations, while continuing efforts to improve his writing.

In 1959, he retired from the Coast Guard after 20 years service and entered a new career of full-time writing. His freelance writings were published by numerous magazines, including Harper's, the Atlantic Monthly, and the New York Times Magazine. Eventually he became a staff writer for Reader's Digest, and he next moved to Playboy magazine as chief interviewer.

A succession of headline personalities interviewed for Playboy by Haley included the controversial "Malcolm X." Two years later Haley wrote his first book, "The Autobiography of Malcolm X." Published in 1965, the book is written in eight languages, has sold over 6 million copies, and it has been named among the "10 best American books in the 1960's decade." This was his first book to be selected for the best-seller list and, in addition, also became required reading in many of this Nation's colleges and universities. His awards include an honorary academic degree of doctor of letters.

For the next 12 years and across three continents, Alex Haley pursued a few slender, oral history, family lineage clues passed down to him in Tennessee by his maternal grandmother, and finally traced that side of his family back to a Mandingo youth, named Kunta Kinte, from the small village of Juffure, Gambia, in West Africa. This enslaved African—Haley's seventh-generation forefather—was transported to colonial America in the American slaveship *Lord Ligonier*, which arrived in Annapolis, Md., September 29, 1767.

The rest of the story has been revealed in the numerous lectures given by Alex Haley, by the television dramatization so poignantly produced by David Wolper for ABC television network, through the music of Quincy Jones, and as part of a two-record album in which Haley narrates the story of "Roots." The impact of his work on the American people is so tremendous that hardly a day goes by without some reference to Alex Haley.

Alex Haley demonstrated uncanny stamina as he researched and wrote "Roots." This is particularly true when we consider that he had to contend with the weakness of the Western World's written record of African affairs when he began his story of a black family and traced its origins in Africa through seven generations to the present day in America. Perhaps it was this weakness in the accuracy and preservation of written history that gave some critics an opening to try to discredit the authenticity of this monumental work and to call Mr. Haley's integrity into question.

But this time, written history will not be distorted or lost. These flimsy outbursts have been answered and the answers come from nonpartisan observers whose faith in the man and support for his epic achievement are neither self-serving nor myopic.

One person who has spoken out is Philip Curtin, professor of African history at Johns Hopkins University in Baltimore and an early reference person sought out by Alex Haley for assistance. In an interview with Mary Ellen Perry, a Washington journalist, Professor Curtin explained why a reference point or median date in history is important in tracing the ancestral origin of a people. He stated:

> For whites, that median date is about 1900 so that many whites know about the old countries their parents and grandparents came from. . . . There are many Blacks who have some information about their families, but Haley took what he had, went to the record and found more.
>
> His is a very important move to bring Black Americans into the mainstream of ancestral ownership. . . . I'm no great believer in this, but if everyone else is going to do it, I don't see why Black people can't do it, too.

The history judges of the National Book Awards Committee, which is administered by the American Academy and Institute of Arts and Letters, also recognized the extraordinary work of Alex Haley when they recently stated:

> Because Alex Haley's "Roots" does not accommodate itself to the category of history, but transcends that and other categories, members of the History panel were unable to name it as one of the nominees in History. They are at one, however, that its distinguished literary quality justifies according it a special citation of merit.

Furthermore, I believe that we all are familiar with the Pulitzer Prize awarded to Alex Haley within the last few weeks, and that it was awarded for excellence in literary achievement. What is so exemplary about this commendation is that it is the first time that a monetary award has been given by the Pulitzer Prize journalism juries in conjunction with a special award. The text of the statement which accompanied that special award reads, in pertinent part:

> Today, on the recommendation of the Advisory Board on the Pulitzer Prizes, Columbia University bestowed on Mr. Haley a 1977 Pulitzer Prize special award for his distinguished work. The honor was given to recognize an important contribution to the literature of slavery that the Board felt did not fit exactly into any other category.

Yet, for all of the awards that have been bestowed on Alex Haley, certainly one of the biggest endorsements comes from the American people. The national Nielsen rating indicated that more than 130 million people representing 85 percent of all television homes saw all or part of the 12-hour adaption of Haley's book when it was aired this past January. More than 80 million people—the largest television audience ever for a single program—watched the final episode. And the top seven television shows for that week consisted of "Roots" episodes. The book sales are also phenomenal—more than 1½ million in less than 7 months.

It is a truly great honor for the members of the Congressional Black Caucus to pay this special tribute to a great American in our time. I have said elsewhere that perhaps the book should be required reading for our youth, and perhaps every American family ought to either obtain a copy of the book or the two-record album which is entitled, "Alex Haley Tells the Story of His Search for Roots." Having read the book or listened to the record, then, perhaps families and groups might get together and discuss the relevance of this book to the quality of American life today.

In the same sense that "Roots" is a story of past relationships, it is now prolog for future understandings. Alex Haley's recent return to Juffure, Gambia, in West Africa, was more than symbolic. It was a very concrete way of saying that a new cultural and educational constituency for Africa is developing in the United States.

In conclusion, Mr. Speaker, let me simply indicate that the other body, the

Senate has passed a resolution of praise in honor of Alex Haley, but because of the rules of the House we cannot pass such a resolution here to a living person, and we hope this special order will be the tribute of this body to this special man.

Mr. WHITLEY. Mr. Speaker, I commend the gentleman from Maryland for his remarks.

Ms. BURKE of California. Mr. Speaker, as the whole Nation knows, Alex Haley has returned to Juffure, the Gambian village that holds the answer to his past, and neither he, Juffure, nor America ever will be the same again.

First he spent over a decade researching his bestselling book "Roots." To do so he crisscrossed the globe, touching down in places as disparate as south Georgia, Senegal, and the Republic of Ireland.

With the persistence of an adopted child looking for his real parents, Mr. Haley conclusively traced his ancestry to the west coast of Africa. He is the first black American to do so, and all can take pride in his achievement.

Every family has a past history which it never can change. But if, in that sense "Roots" reminds us that we are all prisoners of our past, it also demonstrates that the past can set us free. It can set us free by giving us a sense of identity with a forgotten time and place.

Mr. Haley has described a ceremony he took part in when he returned to Gambia. When the Gambians realized who he was, they touched him symbolically in the ritual known as "the laying on of hands." The ceremony is a ritual affirmation of common ancestry.

I regard this tribute to Alex Haley as a symbolic "laying on of hands" in its own way.

Mr. RANGEL. Mr. Speaker, I rise to pay tribute to Alex Haley, author of the best-selling book, "Roots." Mr. Haley, after his retirement from the U.S. Coast Guard, devoted 12 years of his life to investigating his ancestry. During those years he traveled to his native home in Gambia, Africa, to the towns and cities in the South in an attempt to obtain substantial evidence to document the story of his family's kidnaping, enslavement, and eventual freedom and subsequent search for development. In his book, he depicted the story of his ancestors' capture and enslavement by American plantation owners. As I read this masterpiece, I was awakened to the fact that the American people were unable to accept the fact that this terrible institution existed. Yet I was encouraged to know that some blacks who lived during that era had the courage to hold onto their ancestry and took great pride in their heritage.

I know many Americans read Mr. Haley's book, but millions more were able to share in this historical account when the television adaptation was aired in February. While viewing the television version of the book, I was deeply moved by the story I had so earnestly read. The quote, "One picture is worth a thousand words" was underscored. Almost every individual I knew or met was discussing this important written work.

For the first time, many Americans were awakened to the harsh reality of the struggles that American blacks faced from the ancestral days in Africa until their emancipation.

The people were so moved they felt the need to reevaluate their attitudes. Columbia University was so intensely moved that a decision was made to award Mr. Haley a special noncategorized Pulitzer Prize, the first of this type ever awarded. Mr. Haley was consistently praised by prominent worldwide leadership figures.

Mr. Haley had focused the world's attention on a problem that has existed for years and whose remnants still exist. His contribution has stimulated contemporary and prospective thought and this will inevitably improve racial understanding throughout the world.

I am certain that each and every one of my colleagues, on both sides of the aisle, will concur with me that the Congress of the United States should rise in unanimous consent to praise this great American, Alex Haley, for giving us his literary masterpiece, "Roots."

Mr. EILBERG. Mr. Speaker, I welcome this opportunity to associate myself with the very fine remarks of the gentleman from Maryland (Mr. MITCHELL) and his colleagues in the Congressional Black Caucus. I am delighted to be able to join in their tribute to that distinguished author, Mr. Alex Haley, for his outstanding acheivement in writing "Roots: The Saga of an American Family."

Mr. Haley's contribution to the world of letters is a magnificent one; his contribution to history and culture is even greater. He has written a truly magnificent book, which was made into an unprecedented television series. Through his efforts, Mr. Haley has given us all a dramatic new perspective on this country of ours.

The history books have dealt in prosaic fashion with the issue of slavery and the development of black America. It has remained for Mr. Haley to breathe new life into our history and to give new meaning to what we have been taught. He has added to the fabric of our history and our culture by providing us with the deeply human and intensely personal dimension that has been absent up to now.

"Roots" is more than just the story of a family, more than just the story of slavery. In every sense of the word, it is the story of America—its failures and its triumphs. The shame of slavery has stained the history of many nations; only in America, I believe, could we blot out that stain, and evolve in the direction of equality of all peoples, as we are now doing in America.

I congratulate Mr. Haley for his great contribution to America. I appreciated the opportuntiy of viewing his entire television series.

Mr. METCALFE. Mr. Speaker, the overwhelming impact of Alex Haley's "Roots" has, in a single, Pulitzer prize-winning achievement, raised to an extraordinary level the interest of people everywhere to the great continent of Africa, its past and its future, and the contributions of Americans whose forebearers came from those shores.

Since the first copy of Haley's dramatic account reached the American public, there has been an emotional tidal wave as men and women find themselves intrigued by the idea of seeking out their ancestral beginnings.

Mr. Haley has rightfully earned all honors bestowed on him in this Nation and in his seventh generation visits to his ancestral West Africa. This literary champion is today an inspiration of singular hope for those who share the belief that their humble origins must always be a part of this land's strengths.

Mr. Haley, while tracing the past, has caused renewed interest by people of all races in the task of improving an uneasy world. He has awakened, in all of us, a new and stronger will, to be proud of our heritage and to contribute minds and hearts to the constant struggle for the freedom of man.

Mr. JONES of Tennessee. Mr. Speaker, it is a privilege and an honor for me to take part in this special order honoring Alex Haley. It is also an honor for me to claim representation in this body of the congressional district of which Mr. Haley is a native. His hometown, Henning, Tenn., is in Lauderdale County, Tenn., just a short distance from Memphis.

During the time before I was elected to Congress and certainly since I have been elected to represent Tennessee's Seventh District, I have visited Henning many times. But since "Roots" has been published and gained its well deserved acclaim, a visit there is much more significant.

I do not think enough can be said of Mr. Haley's literary work. Not only is it a great contribution to literature, it is a great contribution to American history in general, and more specifically, a great contribution to American black history. It provides us all with a deeper understanding of our past and a very candid look at the practices of slavery that marred this country's history.

Mr. Haley is to be commended for his untiring and persevering efforts in putting "Roots" together. It is truly literature and history at their best.

Mr. DIGGS. Mr. Speaker, it is a great pleasure for me to join with my colleagues in the Congressional Black Caucus in paying tribute to Alex Haley, the celebrated author of "Roots: The Saga of an American Family." Mr. Haley's skill and talent in not only chronicling his own family's experiences, but in illuminating more than a century of shared black experiences, have enriched the lives of all Americans.

"Roots" has raised the collective consciousness of all people to the rich history of African tradition and culture, and to the strengths of African Americans in living through one of our Nation's worst blights—that of slavery and the lingering discrimination. His achievement has been recognized worldwide. He has won a special Pullitzer prize for "Roots" and countless other national and local awards. He has spoken to thousands of people across the country about his 12-year search for the truth of his family history, and about the importance of preserving the richness of the past to give direction to our future.

Mr. Speaker, Alex Haley has become the symbol of black pride in our history and culture. I wish him the best in his future pursuits, and join in the accolade for his literary and historical accomplishments.

Mr. NIX. Mr. Speaker, every American owes a great deal to Mr. Alex Haley. As a result of his long, painstaking, and often lonely work we have been granted a new vision of the black experience in the United States. Mr. Haley has not attempted to hide any of that experience. It is all there in "Roots"; the sordid and dehumanizing reality of men, women, and children sold like so many beasts of burden, the brutal attempt to strip human beings of their identity, and the lack of basic human values that characterized so many people in the past.

But if these unhappy events are dramatized with every possible sense of immediacy and anger so too are the elements of joy and hope. For the first time Americans of all races have been awakened to the richness and variety of the black culture that was so unwillingly transplanted to North America. For the first time someone has sliced through the thick fog of academic theory and jargon to lay bare before us the incredible struggle for freedom and identity by black Americans in the past.

The greatest debt that we owe to Alex Haley, however, is that his work is not contained in the past but provides a vibrant, living foundation for the story of black life in America today. If black Americans and indeed, all Americans, are to establish a sense of national identity then we must have an understanding of our past and our heritage. We must also understand that the roots of our troubled society in 1977 lie within the problems and prejudices of the past. It is as a result of Alex Haley's work and insight that all Americans have been brought a little closer to the hard reality of the past and begun to comprehend the brutal legacy that has been bequeathed to us.

The finest way of repaying our debt to Alex Haley is to employ his work and the understanding it generated as a catalyst for all that must be done today. If one of the great and enduring lessons of "Roots" is the continuity between the past and the present we must also realize that we can shape the future today. This calls for a re-examination of existing legislation that deals with social justice and racial equality and, where it is found to be needed, a strengthening and reinforcement of these statutes. This renewal of our commitment to legislation that peacefully and effectively shapes the future in this mold can be our most lasting way of repaying Alex Haley for all that he had done.

Mr. FAUNTROY. Mr. Speaker, in recognition of the exceptional achievement of American author Alex Haley, I would like to submit the following statement for the record:

The year 1977, the year of the first session of the 95th Congress, will be remembered as the year of "Roots." The year of the historical serialization of the "Greatest Story Never Told," Alex Haley's epic story of an Afro-American family's journey from its authentic roots on the African continent through enslavement and up to freedom in America.

Alex Haley's triumph was not an isolated conquest. The story of his ancestors could be a story of any American family whose "Roots" were transplanted here.

The spirit and strength of Kunta Kinte merely reflected the spirit and strength of a whole nation yearning for liberty; a spirit and strength that would not be starved to death, whipped to death, chopped to death, worked to death, nor frightened to death. Alex Haley indeed revealed the "Roots" of America.

Through the weaknesses of our country, slavery and oppression, Alex Haley exposed our strengths, compassion, and courage. His unique ability poignantly showed the depth of our capacity to endure hardships and still reach the highest plateaus of American society.

It is with great pride that I submit this statement into the CONGRESSIONAL RECORD on behalf of "Roots" author Alex Haley. In his massive saga, that took 12 years to develop, he gave our country an unblemished look at our past and a focused look at our future. To me, "Roots" and Alex Haley ultimately say, perhaps we are not what we should be as a nation, but thank God, we are not what we used to be.

Mr. DELLUMS. Mr. Speaker, in the future historians will probably believe that "Haley's Comet" referred to a book published in 1977. "Roots" certainly hit this country with the force of a comet. But possibly even more important for the analogy, it cast a great deal of light. And for perhaps the first time, some visceral knowledge of the meaning of slavery in this country came home to the whole country.

The civil rights movement in this country has been a national movement partly because of television. Racism lost a great deal of its respectability when people saw the treatment of peaceful protesters and of innocent schoolchildren. The black community was bound together on a nationwide basis by outrage at practices too long tolerated. And great moments such as the speech of Dr. Martin Luther King at the Washington Monument became personal experience not only for the thousands who were physically there, but for all of those who saw it on television.

The televising of "Roots" can be placed in this tradition. But instead of the present, it illuminated the distant past, while giving it the force and immediacy of the present. This immediacy partly came because we knew the dramatic story of Alex Haley's personal discovery of his own background. But mostly it came, I believe, because the country was ready to visualize and grasp the reality of what had been set forth in more academic investigations during the sixties.

But the television program also led many people back to the book, with the scope and the depth that only a passionate and soundly based book can have. I can attest to the power of the impression that the book can have.

For all of these reasons, we owe a special gratitude to Alex Haley. I am privileged and honored to join my colleagues in giving congressional recognition to this remarkable man and his remarkable book.

Mr. FORD of Tennessee. Mr. Speaker, I rise today to pay tribute to a man who has awakened the conscience of every American—black and white alike—Mr. Alex Haley. In his novel "Roots, The Saga of an American Family," and its subsequent television portrayal, Mr. Haley sent forth an emotional shot which deeply affected the hearts and minds of an untold number of people.

As the first black Member of this body from the State of Tennessee since the days of Reconstruction, I was touched by the grueling story of Haley's family, a story that could have been told about my own family and the families of millions of black Americans. As a youth growing up in Memphis, Tenn., I suffered the indignities of racial hatred and the abuses of our system of justice. It was in the very city I represent here in Congress today that the late Reverend Martin Luther King, Jr., a giant among men, the leader of the greatest American movement since the Revolution in 1776, was cut down by the bullet of an assassin.

Mr. Speaker, just as Dr. King's barbaric assassination made the people of this Nation and the world brutally aware of the deep-seated prejudices engrained in American tradition, so, too, has Alex Haley's literary masterpiece, "Roots," in a far less violent way, brought us face to face with the horrors and repression that are part of this heritage.

From history books, demonstrations, and violence, we have all come to have some knowledge of the great suffering caused by slavery. But until "Roots," the people of this Nation never had a real look at how disgusting and dehumanizing slavery was. Only by bringing this saga of human beings, both black and white, inextricably bound together in a way of life that was as debasing as it was humiliating into the living rooms of this Nation have some people begun to understand this period of our Nation's history.

Mr. Speaker, "Roots," may not have ended discrimination or violence, or inequality, but it did make the people of this country better aware of our past and of our Nation's real heritage. It also issued a challenge to the people of this country, black and white, a challenge to work together toward mutual understanding and respect and to build new American heritage, not one founded on injustice and embarrassment, but rather one based on equality and pride.

All of us owe a great debt to Alex Haley. It took his genius, his vision, his understanding of human nature, and his decade of hard work and research to open the eyes of many of those who would not see racial equality and justice and to open the eyes of many of those who would not hear the words of the Declaration of Independence "* * * that all men are created equal * * *."

In recognition of his great accomplishment State and local governments, citizens groups, and civic organizations are enacting resolutions of praise or holding days of recognition. My own city of Memphis, Tenn., is organizing just such a tribute on May 19 and 21, and I am honored to be a part of this event. As a native Tennesseean. Alex Haley is a source of great pride for the people of our State.

Mr. Speaker, while all of these days of recognition and resolutions of praise are fine, it is my real hope that the people of this Nation will repay Mr. Haley in the only way they can—by dedicating themselves to the eradication of prejudice and injustice and by pledging themselves to the preservation of liberty and equality for every man and woman regardless of race, color, or creed.

Mr. CLAY. Mr. Speaker, Leo Rosten once said, "The purpose of life is not to be happy; the purpose of life is to make a difference." If this be the case, then Alex Haley has fulfilled his purpose, for he has made a difference.

He has made a difference in the way black Americans perceive of themselves. He has made a difference in the way blacks and whites look at one another. He has made a difference by re-creating, by restoring to us, our heritage—our "Roots."

Alex Haley's book and ABC's presentation thereof, tells the story of an integral, frequently undiscussed, segment of American history. It tells the story of the love of a family, of the torment of a family, of the ultimate victory of a family. No matter what one's race, one must empathize with this monumental drama.

Criticism of "Roots" has recently emerged. The castigators maintain that Alex Haley was not historically accurate in his account. They allege that he has plagiarized the works of others. I, for one, believe these are false claims. They are claims based on petty professional jealousies. They are claims made by persons who wish that they were in Alex Haley's successful shoes. We should not permit these fallacious charges to distract from the extraordinary service Mr. Haley has performed for all of us.

This tribute to Alex Haley is well deserved. He has returned to us our legacy. Mr. Haley, I humbly thank you.

To illustrate the timelessness and universality of "Roots," I insert the following passage from the May 9, 1977, issue of People magazine:

> Once again, more than 200 years after the abduction of his putative Mandinka ancestor Kunta Kinte and two years after the author's last visit to the Gambian village that holds the answers to his past, Alex Haley was coming home to Juffure. Bright flags of welcome fluttered by the wayside as Haley and his party, led by a delegation of village elders, trudged dutifully to the visitors' tree. Mandinka women erupted in a hip-wiggling, foot-stomping tag dance, mothers thrust out infants for Haley's approval, a drummer shrilled on a chrome-plated whistle. The drenching heat, the blur of color, the chanting seemed almost dangerously out of control. Then, suddenly, silence fell, and there in the gateway of the Kinte compound—a barren plot with a single tin-roofed clap hut—stood grandmother Binta Kinte Fofana, widow of the village griot. Her husband's recitations had enabled Haley to link his own history with that of Juffure, and Haley tearfully rushed to embrace her. "It is Kunta we are seeing today," announced her grandson Abdouli triumphantly, "This is Kunta Kinte standing before us!"

Mrs. CHISHOLM. Mr. Speaker, one of the unfortunate consequences of recorded history is the fact that historians tend to reflect the opinions and perspectives which predominate; and often other, equally important aspects of the human experience are forgotten or dismissed.

No chronology which has achieved wide acceptance in American society has adequately detailed the damage visited upon black Americans by the policies and practices of slavery. That portion of American history has been in many educational systems glossed over, and the human drama and pain has never been adequately explained or portrayed to white America.

What Alex Haley was able to do with his splendid work, "Roots," was to acquaint many white Americans for the first time with the institution of slavery, and in the process educate millions of Americans to a part of their history which they have been shielded from, or have denied knowledge of. But his account of the endurance of one family was not simply a castigation of white America. Rather, in the most human terms the dilemma and tragedy of a slavery existence, and the triumph of those who endured to struggle against it.

Alex Haley helped blacks recognize that their shared history as Americans was an important attribute to which they should cling—not a source of personal degradation which they should shun. His account of his family during 200 years of struggle and survival speaks to all of us about the importance of our heritage.

It is with deep pleasure that I salute Alex Haley for his compelling book, and for his insight into the black experience which has been a source of inspiration for all Americans.

Mr. STOKES. Mr. Speaker, it is a privilege to rise on this occasion to join with my colleagues in the Congressional Black Caucus in paying tribute to Alex Haley, the distinguished author of "Roots."

Mr. Haley has performed an invaluable service for all of America's citizens, both black and white. The impact of "Roots" will forever ingrain the black experience on the foundations of American society. It is not that the story of "Roots" is new, for it is assuredly as old as the human race itself. Nor is it that black history and cultural experiences have not been written and rewritten by myriad authors and historians.

Mr. Speaker, what Alex Palmer Haley has done is to bring the magnificent saga of the black diaspora to the masses and effectively translated the written word and visual form into a living and breathing experience. America read, America watched, and America wept. But America, especially black America also rejoiced. For through the pain the sorrow and the bitter trials, black America survived.

The ramifications of "Roots," Mr. Speaker, goes far beyond our own shores. All over Africa, people are speaking of Alex Haley's "Roots" and expressing great interest in learning more of their brothers and sisters who make up Afro-America. The same is true for black Americans whose increasing focus on Africa has impacted on U.S. foreign relations. Mr. Speaker, Alex Haley's "Roots" may do more for the concept of Pan-Africanism than any of our previous efforts.

At this time, Mr. Speaker, I would like to call on my distinguished colleagues to join with the members of the Congressional Black Caucus in honoring Alex Haley. He is, in my estimation, a national hero and deserving of all the praise and acclaim of that position.

GENERAL LEAVE

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Maryland?

There was no objection.

PRESIDENT CARTER'S FOREIGN POLICY, AN ANALYSIS BY RICHARD N. GARDNER

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I believe that Members of the House of Representatives and Senate will read with very great interest a most thoughtful analysis of the first 90 days of the foreign policy of President Carter.

This discussion is in the form of a lecture delivered at the NATO Defense College on April 15, 1977, by the Honorable Richard N. Gardner, the distinguished U.S. Ambassador to Italy.

Mr. Speaker, I insert at this point in the RECORD the text of Ambassador Gardner's lecture entitled, "A Decent Respect for Future Generations: Reflections of the First 90 Days of the Foreign Policy of President Carter."

"A DECENT RESPECT FOR FUTURE GENERATIONS" REFLECTIONS ON THE FIRST 90 DAYS OF THE FOREIGN POLICY OF PRESIDENT CARTER

General Heslinga, distinguished members and guests of the NATO Defense College: I am delighted to be back at this important institution—one that serves so well the common purposes of the NATO countries.

The last time I had the privilege to speak here it was as a private citizen, as a university professor, during a sabbatical year in Rome in 1967–68. Then I still enjoyed "the leisure of the theory class" (if I may be permitted this inversion of the title of the famous book by Thorstein Veblen). As I thought about what I might say to you today I realized how much easier it was to talk as an academic—with no one to call me to account for what I might say—than to address this group as the representative in Italy of the President of the United States.

I had the good fortune to get to know Jimmy Carter four years ago during our common service on the Trilateral Commission. I came to know him better and admire him more during the remarkable campaign that transformed him from "Jimmy Who?" into the President of the United States. Working with him during those exciting months of the campaign and the transition period that followed his victory, I came to have some understanding of his view of the place of the United States in the world.

On the eve of your departure on a study tour to the United States, I think I can be most useful to you if I direct my remarks today to answering the question: What are the distinguishing characteristics of the foreign policy of the Carter Administration?

Before trying to answer that question, however, I do want to emphasize the essential continuity in American foreign policy as it has evolved since World War II under six Administrations of both American political parties. There has been a substantial consensus between our political parties, for example, on the importance of NATO and the need to maintain an open international trading system.

The elements of the foreign policy of a country are shaped by many objective factors. Our national interests, history, traditions and institutions help determine the framework of American foreign policy. As a result, the foreign policy of the United States over the past thirty years has been remarkably consistent, though of course it has reflected the priorities and style of quite different leaderships.

The Carter Administration brings a clear set of priorities to American foreign policy, a sharp focus on the issues, and a perspective that permits the long view—both backward toward our national roots and forward to the generations to come.

It would be impossible in one hour to give a comprehensive account of every aspect of the Carter Administration's foreign policy. Instead, this presentation will offer a personal view of what seem to me to be the main characteristics or points of special emphasis. Let me stress that each of these points has its antecedents in previous Administrations, but they are now being brought into sharper focus.

I would add that each of the major themes I will mention were clearly identified by President Carter in his major foreign policy statements during the 1976 primary and election campaigns—for example, to the Chicago Council on Foreign Relations on March 15, to the United Nations on May 13, to the Foreign Policy Association in New York on June 23, and to the B'nai B'rith Convention in Washington, D.C., on September 8.

I would summarize as follows the major themes of President Carter's foreign policy:

1. The foreign policy of the United States must be based on a strong domestic foundation.

2. The foreign policy of the United States must reflect fundamental American values—and therefore must emphasize basic human rights.

3. The first priority in United States foreign policy must be the relationship with our friends and allies in Europe, North America and Japan.

4. United States foreign policy must seek a detente relationship with the Soviet Union that is both more comprehensive and more reciprocal.

5. United States foreign policy must be more responsive to the legitimate aspirations of the peoples of the developing world.

6. United States foreign policy must focus more urgently on controlling the arms race and seeking genuine disarmament.

7. United States foreign policy should emphasize the building of international institutions needed for the solution of global problems.

Let me say something about each of these seven foreign policy themes.

1. The foreign policy of the United States must be based on a strong domestic foundation.

This concept has several obvious implications. One is that our foreign policy can only be successful if it is understood and supported by the American people and the American Congress. Another is that our influence in the world will be shaped in the long run by the quality of our domestic society—by our success in coping with our main domestic problems: the economy, the energy crisis, the environment, the revitalization of our democratic institutions, and many others.

Let me give some specific examples of what is implied by these broad generalizations. Last August I had the privilege of participating in a five-hour economic discussion with President Carter in Plains, Georgia, which was attended by several people who now hold key positions in the Administration—Secretary of the Treasury Michael Blumenthal, Under Secretary of State for Economic Affairs Richard Cooper, Assistant Secretary of the Treasury Fred Bergsten, and Domestic Policy Adviser Stuart Eizenstat. The dominant theme of this five-hour discussion was the intimate interrelationship between domestic and international economic policy. This was the centerpiece of Mr. Carter's briefing to the press at the conclusion of the meeting.

The same view was reflected in two important decisions taken by the President shortly after the election.

First, the President decided to consider his appointments to the top domestic and international economic policy positions in his Administration in terms of one compatible group of individuals. He did this because he recognized that these individuals would have to work very closely together and would have to give special emphasis to the interrelationship of domestic and international economic policy. The President proceeded to choose not only a distinguished group of economic officials but also a compatible one. These officials knew each other and had worked together before joining the Administration. Moreover, the fact that the Secretary of the Treasury and his two senior officials dealing with international affairs had served in previous Administrations in the State Department has contributed to the development of an unusually harmonious relationship between these two key Departments.

Secondly, the President established an Economic Policy Group as the main institution for the formulation of the administration's economic policy. The membership and methods of work of the group assure that foreign economic considerations are present in domestic economic policymaking and vice-versa. The State Department is represented by Richard Cooper, a distinguished and widely respected economist, who participates directly in the formulation not only of foreign economic policy but domestic policy as well.

In this respect the approach of President Carter is quite different from that of some previous administrations. Perhaps the clearest example of the contrast is the fact that no State Department representative participated in the deliberations at Camp David leading to President Nixon's "New Economic Policy" of August 15, 1971, when the United States instituted price controls, suspended dollar convertibility, imposed an import surcharge, and adopted a "Buy American" tax credit—even though these measures had a direct effect upon our foreign relations.

The interrelationship between foreign and domestic economic policy is perhaps most clearly seen in the Administration's efforts at the coordinated stimulation of the world's economies. President Carter's economic recovery program is not viewed by the Administration only in domestic terms. Rather, it is a part of an overall plan in which those countries in a strong financial position expand as rapidly as they can, consistent with sustained growth and control of inflation, thereby stimulating growth in other Western economies and in the world as a whole. This interrelationship between domestic and foreign economic policy was brought home by Vice President Mondale's trip to Europe and Japan immediately after the Inauguration, in part of which I had the privilege of participating. The striking feature to me was that the item that received the most attention from world leaders was that of domestic economic management.

Another example of President Carter's emphasis on the domestic basis of foreign policy is energy. Here our past record, quite frankly, has not been good. The United States played the leading role in the establishment of the International Energy Agency, designed to coordinate the policies of oil-consuming countries and provide mutual benefits. These efforts, however, were not supplemented by an adequate domestic commitment to energy conservation and development of new sources, with the result that progress in the Agency has been impeded through inaction of its main promoter. The Carter Administration is acutely aware of our previous shortcomings in this respect and plans to rectify the situation, starting with its new energy policy to be announced on April 20.

2. The foreign policy of the United States must reflect fundamental American values—and therefore must emphasize basic human rights.

Our strength as a nation, it seems to me, is rooted in the shared philosophy of the nature of man and the purpose of government which inspired our Founding Fathers in the creation of the Republic 200 years ago. These remarkable personalities believed that the state exists to serve the needs of the individual, not vice-versa. They asserted principles of self-government and human liberty that they believed were the birthright of "all men" everywhere.

A significant element in the present mood of the American people is the desire to return to these fundamental concepts of liberty and morality that inspired the birth of our nation. I believe that Jimmy Carter was elected President because the American people see in him the personification of that deep desire.

In our international relations, the real strength of America endures only so long as the common people of the world see our country as a force for good. As the President said in his Inaugural Address:

"We will not behave in foreign places so as to violate our rules and standards here at home, for we know that this trust which our nation earns is essential to our strength."

And he added:

"Because we are free we can never be indifferent to the fate of freedom elsewhere. Our moral sense dictates a clear-cut preference for those societies which share with us an abiding respect for individual human rights."

There is a certain irony in the reaction that the President's statements on human rights have caused in the Communist world. The Soviet leaders have always had their own ideology, have promoted it around the world, and have never hesitated—indeed have never ceased—to criticize what they point to as the evils of Western society. Now they complain when we assert our own values—our commitment to basic human rights. Perhaps they see all too clearly that this gives free men everywhere an unassailable platform to resist totalitarianism.

But the fact is that the President's emphasis on human rights is not a "cold war" maneuver or a device to attack the Soviet Union. It is a return to the very roots of our Western civilization, to the ideals of ancient Greece and Rome. The best proof is that our human rights concerns are being applied not just to dissidents in Eastern Europe but to repression in every part of the world.

As Americans, we do not and cannot complain when other peoples of the world—including citizens of the Soviet Union—criticize us for our shortcomings. We admit them, we publish them, we make movies about them. But no one should feel provoked if we continue to make our own observations regarding conditions that prevail elsewhere. We must be what we are, we must reflect our own traditions and values. And if this is uncomfortable for others, we can only regret this discomfiture and hope that changes eventually ensue.

As the President said, our moral sense dictates for us a clearcut preference for truly democratic societies—those societies that share with us an abiding respect for the rights of the individual. We have no desire to dictate or to impose our will on others, but we are going to express our values and act in accord with our own principles.

It has been said of our new emphasis on human rights that it represents illegal intervention in internal affairs, that it is one-sided and self-serving, that it is rigid and unrealistic, that it is unilateral and nationalistic, and that it is endangering practical accommodations on arms control and other essential measures.

Quite frankly, I believe that all of these criticisms are ill-founded:

The Charter of the United Nations and a host of other international agreements (including the Helsinki accord), freely entered into by the Soviet Union as well as other governments, specify that how a nation treats its own people is now a matter of legitimate international concern.

President Carter has specifically called for a review of American policies and practices, including those, for example, on freedom to travel in the United States, to insure that we are fully complying with the international standards we apply to others.

We are applying a rule of reason in our human rights concerns, emphasizing that a flexible approach stressing the human rights impact of U.S. actions is better than mandatory cutoffs of bilateral and multilateral aid.

In applying human rights considerations to bilateral relationships we are employing internationally accepted human rights standards and we are seeking new measures of multilateral implementation in the United Nations and regional organizations.

Our new emphasis on human rights will not interfere with strategic arms control negotiations because in these and other urgent matters there is an overriding self-interest on both sides in reaching agreement.

3. The first priority in U.S. foreign policy must be the relationships with our friends and allies in Europe, North America and Japan.

It was no accident that Vice President Mondale's trip to Europe and Japan took place immediately after the inauguration and that the first heads of state that the President met were those of Canada and Mexico.

Our relations with these key areas of world influence and leadership have first priority in the Administration's policy. We regard our East-West relations and the North-South dialogue as essential elements of policy that will also be actively pursued. Nevertheless, it is upon the well-being of the industrialized democracies that all else depends.

These industrialized democracies are the vital center of the world's economy, technology, military strength, and commitment to freedom. It is from them that the world's leadership must come. If progress is to be made on the major global problems facing us, it can only be made through the close cooperation of these countries.

That is why the Carter Administration gives such full support to progress in the European Community, to strengthening NATO, and to increasing the effectiveness of the OECD.

The Carter Administration is deeply conscious that allied cooperation is also a prerequisite for the pursuit of an easing of tensions—both in global trouble spots and with Eastern Europe. President Carter and Secretary Vance see continuing consultations with our allies, at all levels, as an integral part of our foreign policy.

We do not want consultations with our allies on our various initiatives in SALT, the Middle East, and Southern Africa to be simply after-the-fact briefing sessions. They must be genuine consultations in which the interests of our allies are taken into account in the formulation of American policies—and vice-versa.

The purpose of Vice President Mondale's trip to Europe and Japan in the first days of the Administration was to convey the President's intention to work closely with our friends. Secretary Vance met with the NATO Council on our SALT proposals before he went to Moscow. The allies were also fully briefed following Secretary Vance's return from Moscow.

Responsible officials who have been engaged in our efforts in the Middle East and Southern Africa have periodically met with our allies to discuss our initiatives and to invite allied comment.

In this spirit, the President has announced his intention to attend the two important meetings scheduled for May—the London Summit and the Ministerial Meeting of the NATO countries.

These conferences will be a test of our common resolve to accomplish a number of vital tasks:

To undertake mutually-reinforcing measures toward accelerating growth and slowing inflation;

To strengthen our cooperative action in international trade and finance;

To respond creatively on urgent global problems such as economic development and nuclear proliferation;

And to strengthen Western defenses in the face of the build-up of Warsaw Pact military forces.

4. U.S. foreign policy must seek a detente relationship with the Soviet Union that is both more comprehensive and more reciprocal.

A peaceful, stable, and cooperative relationship with the Soviet Union is an essential goal of our foreign policy. We seek to restrain military competition between East and West, encourage responsible behavior toward crisis areas and enlist Soviet cooperation in international efforts to deal with global issues.

Our relations with the Soviet Union have both competitive and cooperative elements. We have no illusions that we can suddenly eliminate the competitive aspects of the relationship or transform the Soviet system. We will try to expand areas of cooperation wherever possible, but we will not shrink from differing with the Soviet Union when necessary.

President Carter has called for a detente relationship that is both more comprehensive and more reciprocal.

Detente must be more comprehensive in the sense that it cannot be solely a bilateral relationship but must involve the behavior of both the US and USSR toward the rest of the world. There must be basic ground rules limiting Soviet and US intervention in third countries.

The Soviet Union must be persuaded to accept the principle that one country can not impose its own social system upon another through direct military intervention or through the use of a client state's military force—as with the Cuban military intervention in Angola.

Moreover, the Soviet Union must be encouraged to play its full part in dealing with global problems such as the non-proliferation of nuclear weapons, conventional arms transfers, and the economic development of developing countries.

Detente must be more reciprocal in the sense that the West must get as much as it gives. If the USSR wants continued access to Western food, technology and credits, it should be willing to provide an adequate quid pro quo. It must, for example, be willing to play a responsible role in a system of international food security, stabilizing its purchases and holding stocks of its own rather than disrupting world price stability by buying massively when its own crops fall short. It must also be willing to provide essential information on its harvests, stocks, and food needs.

5. U.S. foreign policy must be more responsive to the legitimate aspirations of the peoples of the developing world.

Clearly a major issue in foreign policy today is the economic development of the more than 100 countries which are in the process of development. And there is the directly related problem of the relationship between these developing countries and the developed world. This is the heart of the North-South dialogue.

This problem cannot simply be measured by comparing per capita GNP among countries. The problem is far more complex. Indeed, it must take into account the disparity in income that exists in many of the developing countries themselves. President Carter emphasized this point in his election campaign when he said: "We are not interested in taxing the poor people in the rich countries for the benefit of the rich people in the poor countries."

What we seek are arrangements which will have a direct impact on poverty and productivity in the developing countries. The aim of the Carter Administration is to assist the poorest people in meeting their basic human needs in such areas as food and nutrition; health—including family planning services; education and skills; and productive jobs.

The policies of the Administration aim to make the poor more productive rather than simply supporting them in the limbo of welfare programs. This is a central theme of our economic policies both at home and abroad.

In the economic development process, the Administration believes the international financial institutions must play a key role.

These institutions have achieved a high level of technical competence as well as of freedom from political influence.

President Carter's commitment to international development is reflected in his recent proposal for a $1.5 billion increase in development assistance for the coming year. This proposal was politically courageous, since it was taken in the face not only of the general lack of enthusiasm for foreign aid—and the lack of a strong pressure group to support it—but also in the context of very strenuous efforts by the Administration to limit the growth in government expenditures.

Beyond the question of the forms and purposes of foreign assistance lie a host of vital issues affecting the developing countries which are now under discussion in several multilateral institutions. We believe that this North-South dialogue, like the East-West dialogue, must be a two-way street. We should emphasize those issues where all countries can derive benefit.

While we seek to assist the developing countries, we will also expect them to undertake certain obligations. Negotiations on a new international economic order will not lead to desired results unless the developing countries move toward a new internal economic order that rewards productivity, uses capital and human resources effectively, and reduces inequalities of opportunity.

These various efforts to assist the developing countries will come to naught if they are not undertaken in the context of an open international trading system. We have extended duty-free treatment to many products from the developing countries, and we have offered substantial trade concessions to these countries on goods of primary interest to them in the present round of trade negotiations.

It is essential that the United States, Western Europe and Japan all do their fair share to absorb the agricultural and manufactured exports of the developing world. In declining to adopt the restrictive recommendations on shoes recently put to him by the U.S. International Trade Commission, President Carter demonstrated his commitment to maintain an essentially liberal trade policy in the face of domestic demands for protection.

6. U.S. foreign policy must focus more urgently on controlling the arms race and seeking genuine disarmament.

There are, in fact, three separate arms races:

The competition in nuclear arsenals between the U.S. and the U.S.S.R.,

The proliferation of nuclear weapons to those countries that do not now have them, and

The flow of conventional weapons to the trouble spots of the globe.

In order to halt the nuclear competition, President Carter seeks a more comprehensive and more reciprocal arms limitation and reduction agreement with the Soviet Union than we now have. SALT I was a useful step and opened the door to further cooperation between the two countries in arms control. But the Vladivostok accord set numerical ceilings that were much too high—2,400 strategic delivery vehicles, of which 1,320 could be MIRVed—and set no meaningful limits on qualitative improvements.

Vladivostok, to be frank, was just a framework for continued arms competition. By building up to its ceilings and continuing to substitute new, more dangerous and more destructive weapons for old ones, we and the Soviet Union could spend a total of $500 billion on additional armaments between now and the year 2000 and both end up less secure than we are now. Needless to say, both countries would be better off spending that money on pressing domestic and international human needs.

Our proposals in Moscow were designed to accomplish two basic purposes:

To give both sides the political and the strategic parity to which each of them is entitled, and

To seek an agreement which would provide to both sides political and strategic stability.

We are trying to move toward genuine disarmament. We want to achieve a stable balance of strategic forces at the lowest possible level. We therefore proposed a comprehensive disarmament agreement, reducing delivery vehicles on both sides to 1,800–2,000 and MIRVed vehicles to 1,100–1,200, with significant limitations on the development of new weapons systems.

As you know, SALT I expires in October. Secretary Vance's trip to Moscow was the opening move in negotiations to reach a second SALT accord which we expect to accomplish before the deadline. We believe the Soviet Union will gradually come to accept the comprehensive approach to arms reduction as a basis for negotiations in the same way that Brezhnev eventually accepted the ban on defensive missiles proposed to him in 1968.

While this is our primary objective, we also indicated to the Soviet Union that if it could not accept a comprehensive accord immediately we would be willing to accept an agreement on the basis of the Vladivostok accord, leaving to one side the disputed questions of the Backfire bomber and the cruise missile.

Because our nuclear arms proposal had clear political as well as strategic goals in view, it was accompanied by a series of other proposals designed to place the American-Soviet relationship on a more stable basis. These included:

A comprehensive ban on nuclear testing;

The desirability of achieving mutual restraint in regard to our respective military presence in the Indian Oecan;

Mutual restraint on conventional arms transfers to third parties;

Controls on anti-satellite capabilities; and

Meetings on non-proliferation.

In my view, it is clearly wrong to regard the Moscow negotiations as a failure. What we are trying to achieve is vitally important and very ambitious. The negotiations will continue. Cautious optimism is in order because both sides have a clear interest in a successful outcome.

The danger to world peace from the second arms race, i.e., the spread of nuclear weapons, is no less serious than that stemming from the US–USSR nuclear weapons competition. The more countries that possess nuclear weapons, the greater is the risk that nuclear warfare might erupt in local conflicts which could trigger a major nuclear war.

The Non-Proliferation Treaty was an important move toward containing the diffusion of atomic weapons, but we must go further. The international community needs to take measures to limit, not just the spread of nuclear weapons, but the spread of nuclear weapons capabilities.

The United States is particularly concerned about the spread of sensitive technologies which entail direct access to plutonium, highly enriched uranium or other weapons grade material. By 1990, the developing nations alone will produce enough plutonium in their reactors to build 3,000 Hiroshima-size bombs a year.

It is absolutely essential, in the opinion of the Carter Administration, to halt the export of enrichment and reprocessing plants, which represent a world-wide security risk. Unlike nuclear reactors, such sensitive nuclear facilities provide nations with direct access to nuclear weapons material. They also represent a target of opportunity for criminals and terrorist groups.

On the other hand, the President recognizes that the energy needs of the non-nuclear weapons states must be taken into account. We will therefore seek new international arrangements to limit the spread of weapons-grade material while making peaceful nuclear power benefits available to the non-nuclear weapons states under an international safeguard system.

Specifically, the President has recently decided that:

We will defer indefinitely the commercial reprocessing and recycling of plutonium in the United States. The plant at Barnwell, South Carolina, will receive neither Federal encouragement nor funding for its completion as a reprocessing facility.

We will restructure the U.S. breeder reactor program to give greater priority to alternative, less dangerous designs of the breeder (for example, the thorium breeder instead of the plutonium breeder) and we will defer the date when breeder reactors will be put into commercial use.

We will redirect funding of U.S. nuclear research to accelerate our research into alternative nuclear fuel cycles which do not involve direct access to materials usable in nuclear weapons.

We will increase U.S. production capacity for enriched uranium to provide adequate and timely supply of nuclear fuels for domestic and foreign needs.

We will propose the necessary legislative steps to permit the U.S. to offer nuclear fuel supply contracts and guarantee delivery of such nuclear fuel to other countries.

We will continue to embargo the export of equipment or technology that would permit uranium enrichment and plutonium processing.

We will explore new measures of international cooperation, including international study of safer, alternative nuclear fuel cycles, as well as international agreements to assure guaranteed access to nuclear fuel supplies and spent fuel storage facilities.

Our purpose in this program is not to gain commercial advantages or to disrupt the efforts of our friends and allies to deal effectively with their energy problems. Our purpose is rather to prevent additional countries from gaining access to weapons-grade material while assuring that all countries are given an opportunity to meet their energy needs.

In considering the third arms race—the transfer of conventional arms throughout the world—we Americans must first recognize our own responsibilities. Between 1968 and 1975 U.S. arms transfers rose from $1 billion to over $11 billion per year. We are now the largest seller of arms in the world. Obviously continued military support to our allies is necessary. Some arms sales to certain friendly countries cannot be precluded without damage to our relations with these countries and to non-proliferation objectives. But excessive military transfers to third world countries fuel regional arms races and divert essential resources from urgent development needs.

There is another aspect to the conventional arms race that presents serious threats to international security. Many of these weapons combine simple operation, easy mobility and high destructive capability. Their proliferation increases the likelihood that they will fall into the hands of terrorists. There they bring a new dimension of instability and menace to private and public security that no civilized society is prepared to accept.

To implement new restraints in U.S. arms sales, the President has established the policy that each transfer will be undertaken only when it clearly promotes U.S. national security. We will not make arms sales solely for commercial or balance of payments reasons.

The President recognizes, however, that unilateral restraint on our part will not solve the problem and we will be talking to the Soviet Union, as I noted earlier, and our allies to seek a common approach to the reduction of conventional arms transfers.

7. U.S. foreign policy should emphasize the building of international institutions needed for the solution of global problems.

Today, more than ever, it is clear that the national security of countries requires stronger international agencies to perform vital functions that no nation can perform alone—conducting international peacemaking and peacekeeping missions, promoting international trade and investment programs, protecting the global environment, assuring a rule of law for the oceans, implementing world-wide human rights standards and combatting international terrorism.

In none of these areas has the United Nations lived up to all our expectations, and in some of them it has performed poorly. But in some it has clearly helped to make the world a better place. And let us remember that the UN can only do what its members want it to do—its frustrations mirror the frustrations of a badly divided world.

In recent years the United States and many of our allies in the developed world have had ambivalent feelings toward the United Nations. Certainly few advanced industrial democracies have made the strengthening of global institutions an important element of their foreign policies.

President Carter believes the time has come to change this state of affairs. It is no accident that he has made his Ambassador to the UN an important part of the foreign policy-making process or that his first foreign policy address was made before the United Nations.

During his primary campaign President Carter promised to supplement "balance of power politics" with "world order politics." This means taking such measures as the following:

Trying to end the past diplomatic isolation of the United States in multilateral forums by consulting more closely with friendly nations.

Relating bilateral diplomacy more closely to multilateral diplomacy so that other countries will know the importance the United States attaches to their behavior in the UN and other international agencies.

Working harder to take positions of principle and comply with our legal obligations (e.g., President Carter pressed successfully for repeal of the Byrd Amendment which had put us in violation of the Security Council's embargo on trade with Rhodesia).

Joining with others to reform and restructure the United Nations system so that it can serve its members more effectively.

Having served as the U.S. member of the Group of Experts on UN Restructuring appointed by Secretary-General Waldheim I confess to having a particular interest in this last point. One central aspect of UN reform should be greater emphasis on consultative procedures to encourage consensus rather than meaningless voting on contested issues.

I have attempted to summarize seven elements of special emphasis in the foreign policy of President Carter. But, you may ask, is there some unifying theme that explains the emphasis on these seven elements and that distinguishes the Carter Administration's foreign policy from that of its predecessors?

I believe that there is such a theme—and that it can be defined as a special concern for the interests of future generations.

The political leaders of all nations, whether they work within four to seven year election cycles or five year plans, are under enormous pressures to deliver short-term benefits to their peoples while passing on the costs to future generations. But as all our countries have learned, shortsighted policies today can lead to insuperable problems tomorrow. Many of our difficulties today stem from yesterday's errors and omissions.

It is understandable that a political leader should try to avoid addressing hard problems and pass these on to his successors. It is always more difficult to deal with a problem than to shove it under the rug. But for most of the vital issues facing our countries today, there is no room left under the rug.

Obviously no political leader can be expected to disregard the claims of the present in favour of those of the future, but there must be a reasonable balance of intergenerational responsibility.

The lead times between action and result are now so long—the future consequences of current mistakes are now so great—that responsible leaders must take decisions within a framework of planning for ten, twenty or even thirty years.

Whether we like it or not, the world of the twenty-first century in which our children and our children's children will live is being shaped irrevocably by what we do or fail to do today. This is true whether the issue is "domestic" (the crisis of the cities, the environment, public education) or "international" (the arms race, world economic development, the energy crisis, or the strengthening of international institutions).

It is this desire to balance the legitimate claims of the future with those of the present, in my view, that helps explain President Carter's special emphasis on the seven themes I have discussed with you today. Some of these themes, to be sure, may complicate our relations with other governments. Our stress on human rights and non-proliferation of dangerous nuclear technology may have already done so.

But I would remind you that the aim of foreign policy is not to minimize disagreement with other governments at any cost. The fundamental aim, as President Carter has emphasized, is to build a world "more responsive to human aspirations." This means, at a minimum, a world of peace and security, of justice and human rights, of economic and social progress.

Such a world will not be achieved by traditional methods, which have brought us into the grave difficulties in which we find ourselves today. The hour is now too late for politics as usual, for business as usual, or for diplomacy as usual. As President Carter said during his campaign, an alliance for survival is now required, transcending regions and ideologies, if we are to assure mankind a safe passage to the twenty-first century.

Two hundred years ago the American founding fathers spoke in our Declaration of Independence of "a decent respect to the opinions of mankind." President Carter now adds another dimension to that moral imperative—a decent respect for the interests of future generations.

In suggesting this theme to you today, I do not imply any claim to American moral superiority. What I do imply is that the United States, favored by history and nature with a greater ability than most countries to take the long view, does have a special responsibility.

In any event, I do believe the unifying theme I have identified explains much of what President Carter has done in his first ninety days. It is a theme that is not unworthy of our country as it embarks upon the third century of its history.

LEGISLATION OFFERED TO RESOLVE TUNA-PORPOISE DISPUTE

(Mr. VAN DEERLIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, today with my colleagues Congressmen BOB WILSON, GLENN ANDERSON and CLAIR BURGENER I am introducing legislation intended to provide a short-term solution to the environmental dispute that has crippled our domestic tuna industry.

Our bill incorporates principal features of an agreement proposed last week to provide a realistic limit on the accidental porpoise deaths occurring during tuna fishing operations.

At the same time, new steps would be taken to assure that fishing techniques of the future would be efficient and humane.

As many of our colleagues know, the very existence of our U.S. tuna industry is threatened by varying interpretations placed on the Marine Mammal Protection Act of 1972.

Since the start of this year, the U.S. Fleet has suffered an estimated $30.7 million in losses. The fleet has been idled since mid-February, waiting in vain for some resolution of the dispute.

During the interval, the fishermen have been buffeted by enough rulings and regulations to delight a Philadelphia lawyer. In this short 4-month span, fishing on porpoise—the only way to take, efficiently, the desired yellowfin tuna species—has been prohibited twice. Certain types of net settings have been banned. The courts at times have seemed hopelessly confused.

The first real ray of hope for the industry, in what has been a very dark year, came last week when a compromise plan was shaped in the office of California's senior Senator (ALAN CRANSTON).

The plan has four main features, which I shall list in order to avoid any misunderstanding.

First, a quota of 157,800 porpoise kills would be established over a 20-month period beginning May 1, 1977, and ending December 31, 1978. The quota would include 13,000 eastern spinner porpoise, source of much contention and, until recently, forbidden to the fishermen. The existing annual limit on accidental porpoise deaths is 59,050, a figure that gives the industry no latitude or room for improvement.

The second point in the plan is a 100-percent observer program, to be established as soon as possible and to remain in effect until the end of 1978. This would replace Federal agents aboard every boat fishing on porpoise, giving Government the opportunity to compile a truly comprehensive record of the best methods for saving porpoise while allowing the tuna industry to survive.

Third, boatowners would establish a research fund, sole purpose of which would be "to stimulate reduction in porpoise mortality." Boats most successful in achieving porpoise conservation goals would receive rebates, as a further incentive.

Fourth and finally, the industry would hand over a vessel for research purposes—a vessel to be used as a laboratory for trying out and perfecting techniques developed in the research programs.

Our bill would implement the first two points. The industry would not seem to need Federal legislation in order to set up the research fund or dedicate a boat for research, so the final two points are not included in the bill.

Why do we introduce such legislation at this time?

Sadly, I must inform the House that yesterday the Environmental Defense Fund, representing environmental interests, rejected the compromise plan after it had been accepted by the tuna industry.

To us and, I am sure, to a great majority of our colleagues who take the trouble to examine the specific proposals, the plan seems eminently reasonable. The fishing industry is prepared to give away a great deal and, in fact, subject itself to intensive Federal surveillance in order to meet the environmentalists at least half way.

As end result of the proposed 20-month program, we would know a lot more than we do now about conserving and protecting porpoise during seining operations. We would assemble a body of knowledge that would form the basis for a new and lasting solution of this problem.

But a few hardcore environmentalists say "No." So, without congressional action, the plan is stymied and the fishermen remain in port.

We say "Yes," and we hope enough of our colleagues agree so that this bill can be enacted in the near future.

If we delay too long, not only will a great American industry disappear—but so will tuna, at a reasonable price, from the supermarket shelves.

Mr. Speaker, the Marine Mammal Protection Act which most of us in this House supported—as did tuna industry leaders—was intended to avert the extinction of whales, seals, and other declining species. Did any who voted for it see the act as a means for wrecking an important part of our domestic fishing industry?

My southern California colleagues and I trust that Congress will help provide a swift answer.

YOUNG PEOPLE AND POLITICS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, it is interesting to me to see that so many young people in this country are not only keenly aware of the process of Government we call politics but begin at a very early age either from association or interest to participate in politics. I have a vivid illustration of that in a statement sent to me by the stepson of my congressional assistant in Miami, one of the brightest, keenest young men I know, David Kennedy, Jr., 14 years of age, in the Lear School in Miami, Fla., entitled, "Me, Myself and I." It would make the Members of Congress, I thought, more aware of our need to present the kind of image to the very young which we would like to have them hold of us if we read this short composition by my young friend, David Kennedy, which he wrote in his English class and upon which he received a grade of A from his teacher. It will be astonishing to many to see the acute knowledge of politics and people in politics which this young man reveals at a very early age.

Hence, I include, Mr. Speaker, that David Kennedy, Jr.'s, composition entitled, "Me, Myself and I," be included in the body of the RECORD following my remarks for the information of the Members of Congress and all who read this RECORD:

ME, MYSELF AND I

My life of politics started at the age of three! Well, with my father a Commissioner and for years my mother handling campaigns left and right, there was very little I could do but get involved.

You're probably saying, "at the age of three, how could he get involved?" Well, I'll tell you . . . between the ages of 4—5—and 6 I met hundreds of people who have been beneficial to my life, starting with my stepdad, who is the best campaign strategist around. He has taken me from one end of Florida to the other to see both sides . . . how to win a campaign and how to govern. He always said—It's the person, not the office.

I've had the opportunity to meet a Vice-President and a President of the United States (all democrats, of course) but I think perhaps the most interesting and imposing person I know is Senator Claude Pepper. Not only is he a Statesman in government but he is an understanding and compassionate person. Do you realize that many of the benefits we enjoy in this Country today and through his efforts? Take health care, he was a pioneer in this . . . and social security . . . And he was a young man when he had the vision to do these things. Let's face it, not everyone has the opportunity to get a history lesson on this great Country from a man who not only lived it but helped make it. Claude Pepper makes it come alive!

These people and the many opportunities that I have had to see government work have all made my life much richer and have made me appreciate that it is great to be an American.

THE CHARLES N. CRITTENTON CIRCLE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, one of the noble organizations in the Greater Washington area, in which so many Washington ladies have played such a distinguished part and of which my wife and many other wives of Members of this House and wives of Members of the other body have played such a meaningful role is the Charles N. Crittenton Circle, originally providing a home for unwed mothers and now providing assistance not only to unwed mothers but to all girls, generally younger girls, who are in need of assistance. Every year the many ladies who make up this circle put on a luau, at the Shoreham Hotel, at which they raise money for the worthy causes supported by this organization. Many door prizes are provided by the door prize committee, of which my wife has been chairman for many years. Many business establishments in Washington, D.C., and many other parts of the country generously support this program. There is also a good attendance from the Senate and House and from the district community at this luau. Very substantial funds are raised for the support of the organization on these occasions. The occasion is always colorful and delightful.

Last year at a luncheon meeting at the Florence Crittenton Home, celebrating the 25th anniversary of the Crittenton Circle, the historian of the group, Mrs. Thomas Dale Stewart, presented a very interesting and stimulating report of the activities of the circle and wives of the members of the Cabinet and wives of Members of the Congress and others high in Government circles contributed so significantly. I thought it would be interesting to Members of the Congress to have this report on the activities of this organization which serves such worthy causes in the district community. Hence, I include, Mr. Speaker, this report in the body of the RECORD:

At a well attended luncheon meeting at the Florence Crittenton Home recently, celebrating the 25th anniversary of the Charles N. Crittenton Circle, attention was drawn by the historian of the group, Mrs. Thomas Dale Stewart, to the part played by the wives of Cabinet members and the wives of other men high in Government in the history of the Circle. This tradition started in 1951 continues to this day.

When Alice Fryer then president of the Board at the F.C. Home first talked to Helen Murray about the need of creating an additional Circle to raise money for the Home, it was decided to invite the wives of President Truman's Cabinet to take part. This was done by Helen who was the daughter in law of Senator Murray and acting as his official hostess at that time—1951. Helen invited the possible members to her home. The first official meeting of the Circle was at the Home in February 1951. It had been decided to limit the membership to 40 but there was such a long waiting list it was decided to raise the number of members to 50 as the largest-sized comfortable working group.

The twenty-one charter members of the Circle and other very early members were Mrs. James Murray, wife of Senator Murray's son, (Mrs. Masterson now) President; Mrs. Charles Brannon, wife of the Secretary of Agriculture, first V.P.; Mrs. Wendell Lund, 2nd V.P.; Mrs. Russell Long, Recording Secretary; Mrs. David Stowe, Treasurer; Mrs. Edward Flack, Corresponding Secretary; Mrs. Carrol Cone, Board Representative; Mrs. Gale Pugh, also a Board Representative; Mrs. Leslie Biffle, wife of the Secretary of the Senate; Mrs. Marion Boyer; Mrs. Joseph Casey, wife of a Congressman; Mrs. Jackson Davis; Mrs. W. Mead Fletcher; Mrs. John Floyd; Mrs. Robert LeBaron; Mrs. Dale Miller; Mrs. Paul Porter; Mrs. William Warne; Mrs. Edward Wheeler; Mrs. W. D. Mathews; Mrs. Oscar Chapman, wife of the Secretary of Interior; Mrs. Jesse Donaldson, wife of the Postmaster General; Jane Barkley, wife of vice-President Barkley; Grace Kerr, wife of Senator Kerr;

Vide Bartlett, wife of Senator Bartlett; Susanna Mora; Lucille Hare; Polly Jones; Minnie Summers; Peggy Weigester; Felicia Woodward; Polly Guggenheim Bogen; Mary Clark, wife of Supreme Court Justice Tom Clark; Kitty Burke; and Lydagene Muth. In 1953—these five members still very active in the Circle came in—Ruth Thomson, our present revered president; Lucretia Tietjens; Gwendy Duncan; Margaret Adams; and Mame Miller (Mrs. Wilbur Miller).

We cannot of course give all the names, but we have kept the membership to fifty, replacing and adding names as indicated. It might be interesting to notice that in the 25 years we have been meeting, the names of many government people keep cropping up in all our varied activities. Among the most active at present are Lu Engle, widow of Senator Engle, who became a member in 1955; Germaine Magnuson, wife of the Senator from Washington State, who joined in 1965; and Mildred Pepper, wife of Senator and Representative Claude Pepper who joined in 1960. And there is Lindy Boggs, of course, who has been a long time member (16 years). And we have had Senator "Scoop" Jackson's wife and Senator McGovern's wife.

"While we were by no means the first circle, or the biggest, we worked very hard from the start and have taken all our commitments seriously," said Mrs. Stewart. "Probably our first most important commitment was to raise money for the Home, and the Mary Robertson Fund. We have done this over the years chiefly through the annual benefits. These started with a St. Patrick's Day Gala at the Washington Club and, before we settled on the Luau as our image, the benefits were varied indeed. There were Buffet Suppers and Theater Parties and an International Boutique, a Pan American Ball, an Anderson House party, an event at Rosecroft Raceway, a Night at the Ball Game, a May Festival and Dinner Dance at the Madison Hotel and so on, until we began the Luau thing which has proved the most profitable of all. Our final one this past year netted the Home and the Roberstson Fund over $6,000."

"Another of our services to the Home has been our contribution to the education program. We have Kitty Burke, our own member, and several others (I helped) to thank for that. Kitty recruited teachers to assist the girls registered at the Home to obtain certificates of educational performance from the Education Dept. of D.C. Private tuition was provided by members of our Circle who were qualified (I taught Math and Ruth Cren Schaefer taught Shorthand, others took turns as well in other subjects). Our own members were assisted in this project by volunteers Kitty had recruited from the Junior League. The program started small but importantly on the top floor of the Home's original building and has now graduated to its present full-fledged educational proportions. Any girl now at the Home may choose to complete her studies while in residence and get full credit for her work.

A third important service area in which we have made important contribution is the Bazaar. The present president of the Bazaar, Betty Powell, is our own member, and a few years back another member, Etta Richwine, was president. (And of course we have a representative each year from our circle just as each other circle has its own representative). However, good as our work has been, we can still do better! Let's not rest on our laurels, or whatever!

A fourth type of contribution or commitment has been in services to the Home itself. No fewer than three Board Presidents of the Home have been from our Circle—Alice Fryer, Etta Richwine, and Ruth Thomson, the present president, as well, of our Chas. N. Crittenton Circle. For several years one of our more glamorous members, Ruth Schaefer (Ruth Crane of Radio and T.V.) acted as Librarian at the Home and furnished them with much publicity whenever it was needed.

Before concluding, I would like to mention the establishment of a Memorial Fund to memorialize those of our members that we have lost to death. Seven whom we have greatly loved and lost are Mary Beatty, Mrs. Frank Ikard, Fran Norris, Glade Biffle, Virginia Shears, Bobbie Bushi and Tucky Davis.

During the twenty-five years that the Circle has been in operation every member has participated in the work and has contributed greatly of time, effort and money. If we were to mention names of all those who have worked wonders with us in the face of seemingly impossible odds it would make a book and keep us here much longer than is feasible. We have tried to give just a brief overall sketch.

RITA STEWART.

MCLEAN, VA.

THE HEALTH SERVICE ACT

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, today I am introducing legislation, known as the Health Service Act, which establishes a health care system that will provide comprehensive health service to all people and will be accountable to those it serves. It will provide to all, without charge and without discrimination of any kind, comprehensive health care and supplementary services delivered by salaried health workers. It will emphasize the maintenance of health as well as the treatment of illness.

At this time I would like to insert into the RECORD a summary of the legislation and other related material followed by the text of the bill:

THE HEALTH SERVICE ACT

While high quality health care is a right of all people, this is not the current reality in the United States. Unequal access to care, excessive costs, geographical imbalances, and the deterioration of social, environmental, and occupational conditions beset Americans today. This Act creates a United States Health Service Organization to overcome these deficiencies and implement the right to quality health care.

The United States Health Service Organization will provide to all individuals, without charge and without discrimination of any kind, comprehensive health care and supplementary services delivered by salaried health workers and emphazing the maintenance of health as well as the treatment of illness. Representative and democratic governance will be established through community boards mandated to provide primary health care services and chosen in community-wide elections. District boards will oversee general hospitals and health team schools and be selected by the community boards. Regional boards will oversee specialized care facilities and be selected by the district boards. Lastly, a National Board will provide overall planning and guidance and be selected by the regional boards.

Health workers will have fair compensation, secure employment, and opportunities for career advancement and for full and equal participation in governance. There will be local, regional, and national planning and funding to establish health care facilities so as to overcome shortages, especially for inner-city and rural populations. The Organization will be financed through progressive taxation of individual and corporate income, with these funds distributed on a capitation basis, supplemented by allocations for special health care needs.

SECTION-BY-SECTION SUMMARY

TITLE I—ESTABLISHMENT AND OPERATION OF THE UNITED STATES HEALTH SERVICE ORGANIZATION

Initial national organization

Sec. 111—Establishment of the Organizatiion. There is established a nonprofit corporation to be known as the United States Health Service Organization. The Organization shall be a corporation of the District of Columbia and shall have all the powers of such a corporation, as well as the power to acquire by condemnation under judicial process real estate for public purposes.

Sec. 112—Appointment of Interim National Board. No later than 30 days after enactment of this Act, the President shall appoint, with the advice and consent of the Senate, 21 individuals over 18 years of age, broadly representative of the Nation's population, and no more than 7 of whom have been health workers within the preceding 2 years, to serve as members of the Interim National Board.

Sec. 113—Powers and Duties of the Interim National Board. Members of the Interim National Board shall take whatever steps are necessary to establish the Organization. They shall serve as the Board of Directors until the National Board holds its first meeting, establish boundaries of health care delivery regions, select and provide assistance to interim regional health boards, and coordinate the initial election of community health boards.

Sec. 114—Use of Funds. The Organization may not use Federal funds received under this Act for health care services other than those provided by regional, district, and communty boards established in accordance with this Act.

Sec. 115—Authorization. There are authorized to be appropriated to the Organization $4 billion to establish the Organization.

Organization of area health boards

Sec. 121—Establishment of Health Care Delivery Regions. No later than six months after the appointment of members of the Interim National Board, the Board shall establish health care delivery regions throughout the United States. Each health care delivery region shall be a contiguous geographic area having a population of not less than 500,000 and not more than 3 million, except that the population may be less than 500,000 if this would facilitate the delivery of health care services or the effective governance of the program, and it may be greater than 3 million if the region includes a standard metropolitan statistical area. The boundaries of such regions shall consider economic and geographic barriers to the receipt of health care in nonmetropolitan areas, and the differences in needs between nonmetropolitan and metropolitan areas. At least 60 days prior to the establishment of a boundary, the Interim National Board shall provide for a public hearing regarding such boundary.

Sec. 122—Appointment of Interim Regional Boards. No later than six months after the appointment of members of the Interim National Board, the Board shall appoint an interim regional board for each region. Each interim regional board shall be composed of 9 members over 18 years of age, broadly representative of the region's population, and no more than 3 of whom have been health workers within the preceding 2 years. Each interim regional board shall establish the boundaries of health care delivery districts and communities in its region and conduct elections for voting members of community boards in its region.

Sec. 123—Establishment of Health Care Delivery Districts and Health Care Delivery Communities. No later than six months after its appointment, each interim regional board shall establish health care delivery districts and communities throughout its region. Each region shall be divided into three or more districts, each of which shall be a contiguous geographic area having a population of not less than 100,000 or more than 500,000, except that a region may have less than three districts, or a district may have a population of less than 100,000, if this would facilitate the delivery of health care or the effective governance of the program.

Each district shall be divided into three or more communities, each of which shall be a contiguous geographic area whose residents have a commonality of interest and whose population is not less than 25,000 or more than 50,000, except that a district may have less than three communities, or a community may have a population of less than 25,000, if this would facilitate the delivery of health care or the effective governance of the program.

At least 60 days prior to the establishment of a boundary, the interim regional board shall provide for a public hearing regarding such boundary.

Sec. 124—Election of Community Health Boards. The Interim National Board shall select a date not later than 15 months after the enactment of this Act for the holding of an election in each community for the elected members of community health boards. For each board there shall be 5 elected members, plus one elected member for each 5,000 residents in the community in excess of 25,000. The interim regional boards shall conduct and supervise the nominations and elections of community board members.

Any individual who is over 18 years of age, is not a health worker, and resides in the community may be nominated upon petition by at least 1% of the registered voters in the community. Each nominee must disclose any financial interest of the nominee or the nominee's family in health care services or the provision of medical supplies. Public meetings shall be held, and literature distributed, by the interim regional boards to permit all nominees to present their qualifications and views.

The initial meeting of each community board shall be held not later than 30 days after the election.

Sec. 125—Appointment of District Health Boards. Not later than 60 days after its initial meeting, each community board shall appoint an individual who is over 18 years of age, is not a health worker, and resides in the community to serve as a member of its respective district board. The initial meeting of the district board shall be held not later than 30 days after such appointment.

Sec. 126—Appointment of Regional Health Boards. Not later than 60 days after its initial meeting, each district board shall appoint an individual who is over 18 years of age, is not a health worker, and resides in the district to serve as a member of its respective regional board. The initial meeting of the regional board shall be held not later than 30 days after such appointment.

Sec. 127—Appointment of the National Board. Not later than 60 days after its initial meeting, each regional board shall appoint an individual who is over 18 years of age, is not a health worker, and resides in the region to serve as a member of the National Board. The initial meeting of the National Board shall be held not later than 30 days after such appointment.

Sec. 128—Subsequent Election and Appointment of Members of Health Boards. The next election for members of community boards shall be held not later than one year after the effective date of health services. Subsequent elections for community board members shall take place every 2 years thereafter. Such elections and subsequent appointments of members of district and regional boards, and the National Board, shall conform to the requirements of sections 124, 125, 126, and 127, respectively.

Sec. 129—Modification of the Boundaries of Health Care Delivery Areas. No later than 2 years after each national census, and at any other time it deems necessary, the National Board shall review the appropriateness of the boundaries of each region and may modify the boundaries if there has been a substantial population shift and if the modification is approved by a referendum of those registered voters whose regional identification would be changed. At least 60 days before the modification, a public hearing shall be held.

No later than 2 years after each national census, upon receipt of a petition signed by not less than 15% of the registered voters in an area, and at other appropriate times, each regional board shall review the boundaries of the districts and communities in its region. A regional board may, after review and public hearings, modify a boundary if there has been a substantial population shift or the change would better carry out the purposes of this Act, and if the change is approved by a referendum of those affected by it.

General provisions regarding health boards

Sec. 132—Membership of Health Boards. Each health board shall be composed of (1) members elected or appointed in accordance with the preceding sections, (2) one member appointed, in the case of a community board, by the community occupational safety and health action council established in section 412 and, in the case of a regional board, by the regional occupational safety and health action council established in section 413, and (3) such nonvoting associate members as the regular members determine to be necessary to provide representation of State, territorial, and local government, of significant elements of the population within its area by race, sex, income level, or national origin, and, in the case of the Interim National Board and the National Board, to help carry out this Act.

No individual may serve as a member of any board for more than 4 consecutive years, exclusive of any time that may be served to fill a vacancy. A vacancy caused by the death, resignation, or removal of a member shall be filled within 60 days by the same process which placed the original member on the board.

A recall election shall be held for any member of a community board no later than 60 days after presentation to the regional board of a petition signed by at least 15% of the registered voters in the community requesting recall of the member. Members of district, regional, and the interim regional boards, and the National Board, may be recalled from office by the vote of ⅔ of the health board which appointed such members.

Sec. 133—Meetings and Records of Health Boards. The members of each health board shall elect a chairperson and vice chairperson from among their members. The chairperson shall be responsible for convening meetings, including upon written request of any two members, and for carrying out other duties as the board may assign. Minutes of meetings of the board and its committees shall be available to the public, and such matters shall be open to the public.

Each health board may establish committees and advisory groups, and appoint to them such members (including health workers) as they find necessary to carry out their duties. Members of health boards shall receive per diem or salary payments plus reimbursement for necessary expenses.

Sec. 134—Procedures for Establishment and Advisory Nature of National Guidelines and Standards. The National Board shall establish such guidelines and standards as will facilitate implementation of this Act. At least 90 days before establishing a guideline or standard, it shall submit such guideline or standard to all area health boards for their review and comment. Guidelines and standards established by the National Board are advisory to, and not binding upon, area health boards. The National Board shall assist members of area health boards in using and implementing such guidelines and standards.

Sec. 135—Assistance to Area Health Board Members. Each regional board shall provide orientation, education, and technical assistance to district and community boards to insure that they are prepared to perform their duties.

TITLE II—DELIVERY OF HEALTH CARE AND SUPPLEMENTAL SERVICES

This title specifies the health care and supplemental services, and the administrative arrangements for delivering such services, for which the Organization is receiving Federal financial assistance.

Patients' rights in health care delivery

Sec. 211—Basic Health Rights. The Organization, in delivering health care services, shall ensure that every individual is given basic health rights. These include the right to receive health care and supplemental services without charge and without discrimination; to be treated with dignity and respect; to choose health workers and facilities from whom to receive service, regardless of where the individual resides; to have access to one's health records; to have information translated into the individual's primary language; to receive a full explanation of all questions related to health care; to refuse any health care service, when the refusal does not directly endanger the health of others; to have counselling and assistance on health matters; and to have access to a complaint system and to legal assistance to enforce these rights.

Sec. 212—Special Health Rights Relating to Children. The Organization, in delivering health care services to children, shall give them the right to be accompanied and visited by a friend or relative of their choosing, to have a friend or relative stay overnight near them, and to have routine services performed by a friend or relative.

Eligibility for, nature of, and scope of services provided by the organization

Sec. 221—Eligibility for Services. All individuals while within the United States are eligible to receive health care and supplemental services under this Act.

Sec. 222—Entitlement to Services. On and after the effective date of health services, the Organization shall provide users with all health care and supplemental services described in section 223 which are necessary for the maintenance and enhancement of health, and the treatment of, and rehabilitation following, injury, disability, or disease. These services do not include personal comfort or cosmetic services, unless the health board providing the services determines they are needed for health-related reasons

Sec. 223—Provision of Health Care and Supplemental Services. The Organization shall provide health care services in the fields of medicine, surgery, osteopathy, gynecology, obstetrics, ophthalmology, optometry, podiatry, dentistry, orthodontics, audiology, psychiatry, psychology, nutrition and dietetics, pathology, radiology, occupational health, specialized therapy, midwifery, home health care, health education, nursing, environmental health, and laboratory sciences. There shall be inpatient and outpatient services and the provision of drugs, therapeutic devices, and other medical supplies including eyeglasses, other visual aids, hearing aids, and prosthetic devices.

The Organization shall provide reimbursement for the cost of emergency health care services provided in facilities or by persons not authorized or established by the Organization, when immediate medical attention is required and it is impractical for the individual to receive care from the Organization.

The Organization shall provide the following services supplemental to the delivery of health care services: ambulance and other transportation services to ensure timely access to health facilities; child care services for those who are responsible for a child's care and are receiving health care services; and homemaking services when an inpatient has the sole responsibility of caring for a child or a physically or mentally handicapped individual, or when these services would remove the need for inpatient care.

Health care facilities and delivery of health care services

Sec. 231—Establishment of Health Care Facilities and Distribution of Delivery of Health Care and Other Services. (a) Each community board shall establish facilities in its community to deliver (1) comprehensive primary health care services including routine physical examinations and treatment, diagnostic, laboratory, radiologic, and rehabilitative services, immunizations, nutrition and screening services, dental care, obstetrical and gynecological services, family planning and contraceptive services, pregnancy and abortion counseling and services, vision and hearing testing, provision of eyeglasses and other visual aids and hearing aids, 24-hour emergency medical services, provision of pharmaceuticals and medical equipment, mental health services, home health services, and occupational safety and health services; (2) specialized inpatient and outpatient health care services when these can be most effectively provided in a community setting; and (3) supportive and rehabilitative services and facilities, including nursing homes, clinics, and multi-service centers, for the physically or mentally handicapped, mentally ill, aged, and chronically ill to promote their integration and functioning within the community.

(b) Each district board shall establish in its district a general hospital to provide inpatient health care services, as well as such other facilities as will promote the effective delivery of health care in its district.

(c) Each regional board shall (1) establish a regional medical facility providing highly specialized health care services, and (2) provide health care services for individuals whose health care needs cannot be met by community or district boards because of occupational or other factors, including migratory agricultural workers and those confined to correctional institutions.

Each area health board shall also provide health education, the maintenance of personal health records, referral services to facilities outside the area, supplemental services (as described in section 223), assistance to individuals with language, cultural, or educational handicaps in utilizing the services, information on health rights, guidelines, and standards, information on grievance mechanisms and legal services, and environmental health inspection and monitoring services, where this is permitted under State and local law (including providing such services on behalf of a State or local government).

Each area health board shall hire appropriate health workers (including administrative personnel) to ensure that the facilities provide the services mandated for the board. Each area health board shall utilize, wherever possible, existing health facilities including health centers, clinics, hospitals, physicians' offices, nursing homes, and medical laboratories.

If a community or district board fails to provide the necessary health care and supplemental services on the effective date of health services, its respective regional board shall take whatever steps are necessary to ensure that such services are available to individuals in the area. This may include appointment of a trustee or trustee committee under section 402, requiring the community or district board in an adjacent area to provide such services on a temporary basis, or (until three years after the effective date of health services) reimbursing individuals and providers for the provision of specified services using procedures in effect just before the effective date of health services under title XVIII of the Social Security Act (Medicare).

Sec. 232.—Operation of Health Care Facilities. Each health board shall establish policies and organizational plans for each facility it has established. In establishing, implementing, and modifying such policies and plans, it shall seek the fullest possible participation of health workers in the facility and individuals using the facility. These policies and plans shall provide for (1) the management of the facility through decision-making mechanisms which provide full and equal participation of all health workers employed in the facility, (2) the elimination of domination by health professionals, and (3) regular accountability of the health workers to the board which established the facility.

On and after three years after the effective date of health services, a health board may not permit a health facility it has established to be used for the private delivery of inpatient health care services, or for the private delivery of outpatient services unless this outpatient use is in the interest of the Organization and appropriate compensation is paid to the Organization. A health board may not permit an individual employed in one of its facilities to engage in the private delivery of health care while the employee is being compensated for working in the facility. ("Private delivery" means the delivery of services for which there is remuneration from any source other than the Health Service Trust Fund established in section 511.)

Each health board shall ensure that any facility it operates on an inpatient basis for individuals who are within it for continuous periods of 60 days or longer is clean and well-heated, cooled, and ventilated. adequately staffed, provides comfortable quarters for inpatients, provides opportunities for creative activity and recreation, establishes a peer review committee, and informs an inpatient of all decisions involving the inpatient's health and permits participation in such decisions. It shall not censor or harass communication of an inpatient, confiscate personal property, deny social and sexual life, require that the inpatient work, pay an inpatient less than the minimum wage, physically restrain or confine an inpatient (other than one convicted of a crime) involuntarily for more than 72 hours without determination by the peer review committee that such restraint or confinement is necessary, or take punitive or discriminatory action without approval of the peer review committee. Annually, the inpatients of each such facility shall elect, from among themselves and any representatives of an interested voluntary association, a peer review committee of at least 3 members.

Sec. 233—Provision of Health Services Relating to Conception and Childbearing. To the maximum extent possible, area health boards shall provide men and women of reproductive age with information on contraception and with a contraceptive device or medication of the individual's choosing, complete evaluation and treatment of venereal diseases and diseases of the reproductive organs, and information and counselling regarding genetically induced anomalies. Women shall be provided with pregnancy testing, safe and convenient abortion services, and counselling by women in conjunction with these services. These services shall be provided only upon request, without harassment, with confidentiality, and without prior approval by anyone other than the individual receiving the services.

No area health board may perform a treatment or procedure (other than to preserve the patient's life) which would be expected to affect the individual's capacity to reproduce or nurse children, unless the individual has been given full information and has approved performance of the treatment or procedure, and a review committee has approved it.

Before a mastectomy is performed, an area health board shall provide the woman with the results of a frozen section or biopsy not later than 48 hours after it has been made, inform her of her options and risks, and give her the opportunity to consult with others of her choosing.

An area health board shall permit a woman to deliver her infant in her home, be accompanied during labor and delivery by whomever she chooses, use the position she chooses, care for her infant at her bedside, and feed her infant according to the method she desires, so long as these do not increase the medical risk to herself or her infant.

TITLE III—HEALTH LABOR FORCE

Job categories and certification

Sec. 301—Effect of State Law. Notwithstanding any law of a State or political subdivision to the contrary, the Organization shall be the sole judge of the qualifications of its employees.

Sec. 302—Qualifications of Health Workers. Each area health board shall establish procedures which ensure that work classified under a job category is performed by a health worker who is certified as competent to perform the work and authorized to perform the work by the area health board which employs the worker. Each area health board shall provide for the periodic review of the competency of its employees, and shall provide opportunities for health workers to be certified for more advanced job categories.

Sec. 303—Establishment of Job Categories and Certification Standards. The National Board shall establish guidelines for the classification, certification, and employment of health workers by job category, to ensure that health workers have demonstrated the necessary competency and to expand the roles of health workers by enabling them to participate in health care delivery to the maximum extent consistent with their skills. In establishing these guidelines, the National Board shall provide for sufficient flexibility to permit regional boards most effectively to meet the health needs of their regions, and for sufficient uniformity to permit mobility of health workers among the regions. The National Board shall periodically evaluate the job categories and certification practices and make whatever modifications it deems necessary.

For job categories not requiring advanced specialty training, each regional board shall establish certification standards which specify the functions performed by a health worker employed in a job category, the skills required to perform this work, the initial and continuing training, experience, and performance required, and the curriculum which a health worker must follow in a district health team school. Each area health board within the region shall apply such standards to all health workers it employs.

The National Board shall establish such standards for job categories involving highly specialized skills and requiring advanced specialty training. Area health boards shall apply such standards to all health workers employed by them in such job categories.

All such standards shall periodically be reviewed and modified as appropriate.

Education of health workers

Sec. 311—District Health Team Schools. Each district board shall establish a district health team school to provide initial and continuing basic education in health care delivery for health workers including aides, nurses, technicians, health assistants, health associates, midwives, occupational safety and health workers, health administrators, physicians, dentists, optometrists, and pharmacists. Each school shall be functioning not later than four years after the effective date of health services, unless the National Board approves an alternate plan. A district board, in consultation with its community boards, may decide that conducting particular educational programs in its school would be inefficient or inappropriate, and it may collaborate with one or more adjacent district boards in conducting joint programs.

Schools shall be funded exclusively by the Organization, shall not charge tuition, and shall provide students with allowances for living expenses. The National Board shall establish guidelines for operating health team schools such that the activities of each school shall be designed to meet the health needs of the district and communities it serves, the number of students enrolled in each educational program shall be based on the needs of the district, and education for different job categories shall be integrated so as to permit health workers to receive successively higher levels of education. Each school's admissions, curriculum, faculty hiring, and governance policies shall be established with the fullest possible participation of community boards, health workers, faculty, and students. Schools may not use low-income or minority individuals, women, or those in mental or penal institutions for experiments and demonstrations in numbers that are disproportionate to their population in the district.

Each district board shall establish admissions policies for its school which emphasize previous health-related work experience, minimize the use of academic criteria other than those that are significantly related to future work performance, give preference to segments of the population now under-represented among health workers, and seek a student body that is representative of the district's population by race, sex, family income, and national origin.

Each district board shall establish curriculum policies for its school that give priority in study and field work to the leading causes of illness and death in the district (including especially environmental and social factors), provide all students with a common initial sequence of courses and then offer progressively more specialized studies, emphasize work-study experience in health care facilities in the district, and facilitate the development of skills in decisionmaking and problem assessment.

East district board shall establish faculty hiring procedures that seek a faculty that is representative of the population of the district, and shall establish a governance plan for the school which gives significant decisionmaking powers to faculty and students.

Sec. 312—Specialized Health Worker Education Programs. Each regional board shall establish a specialized health worker education program to provide initial and continuing advanced education in health care and health science specialty fields. Each specialized program shall be functioning not later than four years after the effective date of health services, unless the National Board approves an alternate plan. A regional board, in consultation with its district boards, may decide that conducting a particular education program would be inefficient or inappropriate, and it may collaborate with one or more adjacent regional boards in joint educational programs.

Specialized education programs shall be funded exclusively by the Organization, shall not charge tuition, and shall provide students with allowances for living expenses. Each specialized program shall be designed to meet the health worker needs of the region. Admissions policies shall emphasize previous health-related work experience, give preference to segments of the population now under-represented among workers with advanced training, and seek a student body which is representative of the population of the region.

Sec. 313—Service Requirement. No individual may be enrolled in a health team school or specialized education program unless the individual agrees to perform service as an employee of the Organization, after graduation, for a period of time equal to the period of enrollment and for an area health board with the highest priority. For graduates of a health team school in a particular job category, the priority ranking for hiring is as follows: (1) the district, or a community in the district, in which the school is located, if there is a health worker shortage in that job category; (2) any other district or community having such a shortage; and (3) any other area. A health worker shortage is defined to exist if a district or community has a ratio of the number of health workers in that job category to the number of residents which is less than two-thirds of that ratio for its region, and it has plans and a budget which call for hiring such an individual. Each region board shall assist in matching the locational preferences of graduates with the needs of the boards in its region. The procedures for placing the graduates of specialized education programs in regions and districts are the same.

Employment and labor-management relations within the organization

Sec. 321.—Employment, Transfer, Promotion and Receipt of Fees. Health boards shall hire, classify, and fix the compensation and benefits of their employees, in accordance with this Act and guidelines established by the National Board. There shall be employment and promotion in the Organization in the same manner as is provided under the Federal civil service system, opportunities for career development, encouragement of health workers to use up to ten percent of their work time for continuing education without loss of pay, and full protection of employees' rights to a fair hearing on adverse actions.

Health boards shall give preference in hiring to those employed, or self-employed, as health workers before enactment of this Act. Employees of the Organization shall be eligible for promotion or transfer to any position in the Organization for which they are qualified. Each regional board shall have a job placement service to assist health workers in its region in attaining the maximum degree of career promotion opportunities and to insure continued improvement of health care services.

A district or community board may not hire an individual to fill a position in a job category if the ratio of health workers in that category to residents in the district or community is greater than four-thirds of such ratio for the region, and if there is a district or community within the region which has a ratio less than two-thirds of the average and has plans and a budget to hire such a worker.

An employee of the Organization may not receive a fee or perquisite from anyone other than the Organization for duties performed by virtue of such employment.

Sec. 322—Solicitation and Use of Recommendations. An area health board may solicit, accept, and consider, and any other individual or organization may furnish, a statement about an individual under consideration for employment. The statement must be furnished upon request of the board and can only be an evaluation of the individual's qualifications for employment. No other statement or recommendation with respect to an individual under consideration for employment may be made or considered.

Sec. 323—Applicability of Laws Relating to Federal Employees. The provisions of chapter 75 of title 5, United States Code (relating to adverse actions against employees), subchapter I of chaper 80 of title 5, United States Code (relating to compensation for work injuries), and chapter 83 of title 5, United States Code (relating to civil service retirement) shall apply to employees of the Organization (except in some cases for the personal staff of health board members), unless these are inconsistent with provisions of negotiated collective bargaining agreements or with procedures established by the Organization and approved by the Civil Service Commission.

Compensation, benefits, and other terms and conditions of employment in effect before the effective date of health services for health workers employed by the Federal Government shall apply to employees of the Organization until changed by the Organization in accordance with this Act. No variation of fringe benefits shall result in benefits which are less favorable to employees of the Organization than benefits in effect for employees of the Federal Government on the effective date of health services.

Sec. 324—Applicability of Federal Labor-Management Relations Law. The provisions of the National Labor Relations Act shall apply to the Organization and its employees.

Collective bargaining agreements between area health boards and duly recognized bargaining representatives of employees of the Organization shall be effective for not less than two years and may include procedures for resolution of grievances.

TITLE IV—OTHER FUNCTIONS OF HEALTH BOARDS

Advocacy, grievance procedures, and trusteeships

Sec. 401—Advocacy and Legal Services Program. Each area health board shall establish a program of health advocacy to ensure the full realization of patients' rights. Such program shall include the employment of health advocates in health care facilities and measures to correct any infraction of such rights.

The National Board shall establish a health rights legal services program to ensure that patients and health workers receive, free of charge, high quality legal services for problems related to health care. The health rights program shall include the establishment of a legal services office in each region, and the establishment of such offices in communities and districts that have inadequate legal services. This program may be carried out directly or, in each instance, by contract with the National Legal Services Corporation or members of the private bar.

Sec. 402—Grievance Procedures and Trusteeships. Any patient, health worker, or voluntary association having an interest in health care may commence a grievance proceeding before a regional board, and a regional board may commence such a proceeding before itself, because of an alleged violation of this Act by a district or community board. Any patient, health worker, or voluntary association may commence a grievance proceeding before the National Board because of an alleged violation of this Act by a regional board, and the National Board may commence such a proceeding before itself. Any patient, health worker, or voluntary association may commence a grievance proceeding before the Secretary of the Treasury, and the Secretary may commence such a proceeding before himself, because of an alleged violation of this Act by the National Board.

The National Board may review by appeal, by any party or on its own initiative, an adverse decision by a regional board. The Secretary of the Treasury may review by appeal, by any party or on his own initiative, an adverse decision by the National Board.

Whenever a grievance proceeding is commenced there shall be a public hearing if the grievance is supported by a suitable petition or before setting aside an election or transferring any function of a board. If a grievance concerns the conduct of an election of a community board, and it is determined that the election was not conducted in compliance with this Act, or that there had been systematic non-representation of significant elements of the population of the community, by race, sex, income level, or national origin, the election shall be set aside and a new one held within 60 days after the date of the determination. If a new election is held because of a determination that portions of the population have not been represented, the election shall be conducted in a way that will facilitate such representation.

For grievances having to do with other matters, if it is determined that a health board has failed to comply with this Act, a new election or appointment within 60 days may be required. If it is determined that a community or district board has failed to comply with this Act, functions of such board may be transferred to the respective regional board until a new election or appointment is carried out. If a regional board has failed to comply with this Act, functions of this board may be transferred to the National Board until a new regional board is appointed. If the National Board has failed to comply with this Act, its functions may be transferred to the Secretary of the Treasury until a new National Board is appointed. If a health board of the Secretary of the Treasury is transferred functions of a board, they may appoint a trustee to carry out such functions.

Any party to a grievance proceeding may bring suit in the United States district court for the judicial district in which such proceeding was brought. In this case, no further grievance proceedings may be held on this matter before the National Board or the Secretary of the Treasury.

Occupational safety and health programs

Sec. 411—Functions of the National Board. On and after the effective date of health services, the National Board shall oversee an occupational safety and health program conducted at the regional level and shall participate in establishing and administering occupational safety and health standards under the Occupational Safety and Health Act of 1970, which is amended to replace the Secretary of Health, Education, and Welfare with the National Board.

Sec. 412—Community Occupational Safety and Health Activities. A community occupational safety and health action council shall be established in each community, as follows: With the assistance of the community board, employees of each workplace in the community having 500 or more employees shall elect one member for each 500 employees; employees of workplaces having less than 500 employees shall vote in community-wide elections for a number of members equal to the number of such employees divided by 500 (rounded to the next highest whole number). Each such council shall appoint one individual to serve as a member of its community board; appoint one individual to serve as a member of the regional occupational safety and health action council for its region; advise the community board on, and facilitate, the establishment of occupational safety and health programs; facilitate the establishment and operation of workplace safety and health committees in each workplace; and assist employees with respect to inspections of their workplaces.

Sec. 413—Regional occupational safety and health programs. Each regional board shall establish an occupational safety and health program for its region using, to the maximum extent feasible, facilities and resources of the community boards in its region. This program should include increasing the ability of employees to monitor safety and health conditions in, and assist in inspections of, their workplaces; conducting biologic screening of employees; monitoring the environment to identify hazards; and analyzing employment-related injuries and illnesses in the region.

Each regional occupational safety and health action council shall appoint one individual to serve as a member of its regional board, and shall advise its regional board and the National Board on occupational safety and health matters.

Sec. 414—Workplace health facilities. The employer in each workplace shall maintain a health facility in or near the workplace for occupational and emergency health care for employees. These facilities shall be organized according to National Board guidelines to provide services that meet the needs of the employees. They will be operated by the community board or the employer, with the cost in either case borne by the employer.

Sec. 415—Employee rights relating to occupational safety and health. Employees in each workplace shall have the right to establish workplace occupational safety and health committees. Members of these committees (not to exceed one for every 100 employees) may, without loss of pay, spend one day of each month on occupational safety and health matters and may accompany inspectors during inspections of their workplaces. Employees have the right, without loss of pay, to monitor safety and health conditions in their workplaces and to remove themselves from the site of any hazard until it has been eliminated. Employers shall furnish their employees with safety equipment and clothing. Employees or their representatives shall have the right to inspect all medical records kept by their employer on the condition of their health. Employers shall provide their employees with copies of reports and data on conditions affecting their health and safety and with timely notification of the presence of any dangerous materials.

Health and health care delivery research

Sec. 421—Principles and Guidelines for Research. On and after the effective date of health services, the Organization shall conduct a program of research on health and health care delivery. Within two years thereafter, the research program shall conform to these principles: (1) to the maximum extent possible, research shall be performed under the direction of community and district boards; (2) area health boards must review and approve any research conducted in their facilities; (3) priority in health research shall be given to the leading causes of illness and death; (4) priority in health care delivery research shall be given to the improvement of ambulatory and primary health care; and (5) no research shall be conducted using human subjects until all useful animal research has been undertaken.

Sec. 422—Establishment of institutes. The National Board shall establish a National Institute of Epidemiology, a National Institute of Evaluative Clinical Research, a National Institute of Health Care Services, a National Institute of Pharmacy and Medical Supply, and a National Institute of Sociology of Health and Health Care, each with specified functions.

Health planning, distribution of drugs and other medical supplies, and miscellaneous functions

Sec. 431—Health Planning and Budgeting. Each area health board shall collect data on the delivery of health care in its area and shall transmit this data and their evaluation of it to the respective regional board, in the case of a district or community board, or to the National Board, in the case of a regional board, and to residents of the area. Each regional board shall coordinate the planning and administration of health care services, health worker education, and research in its region. The National Board shall formulate a national health plan and budget, in consultation with the regional boards, to provide guidance to area health boards.

Sec. 432—Distribution of Drugs and Other Medical Supplies. The National Board shall prepare and disseminate to area health boards a National Pharmacy and Medical Supply Formulary which will list drugs and medical supplies and give, for each item, standards of quality, medical conditions for which it is certified effective, and other appropriate information. At regular intervals the Board shall update the Formulary and publish a price list for items in the Formulary.

Each regional board shall estabish a program for the purchase and distribution of drugs and other medical supplies for use by the health facilities in its region. This program will provide for the purchase of each item by competitive bidding or based on the price listed by the National Board, and it will provide for the distribution of drugs under their generic names.

Sec. 433—Miscellaneous Functions of the National Board. The National Board shall, at the end of each calendar year, publish a report describing the operations of the Organization during the preceding fiscal year and surveying the future health needs of the Nation and plans the Board has to meet these needs.

The National Board shall publish and disseminate to area health boards, for use by patients, a comprehensive dictionary of terms used in health care records and services.

TITLE V—FINANCING OF THE ORGANIZATION

HEALTH SERVICE TAXES

Sec. 501—Individual and Corporate Income Taxes. The Internal Revenue Code of 1954 is amended by adding a new part on health service taxes. These taxes are imposed on the income of every individual, estate, and trust, increasing with taxable income in accordance with a table included in the Act, and on corporations, amounting to 42 percent of the total amount of the normal corporate tax and surtax. These taxes apply to taxable years including and after the effective date of health services.

Sec. 502—Other Changes in the Internal Revenue Code of 1954. The Internal Revenue Code of 1954 is amended to delete any income exclusion for contributions to health plans providing health care and. supplemental services that are provided under this Act; to deny deductions of payments for health care services provided under this Act; to deny deductions for contributions to medical and hospital facilities; and to repeal Medicare taxes. These amendments apply to taxable years including and after the effective date of health services.

Sec. 503—Existing Employer-Employee Health Benefit Plans. No contractual or other nonstatutory obligation of an employer to pay or provide health services to his employees or others shall apply after the effective date of health services, to the extent such services are provided under this Act.

Health Service Trust Fund

Sec. 511—Establishment of Health Service Trust Fund. There is created on the books of the United States Treasury a trust fund to be known as the Health Service Trust

Fund. Funds received from health service taxes shall be appropriated to the Trust Fund.

Sec. 512—Transfer of Funds to the Health Service Trust Fund. On the effective date of health services, all of the assets and liabilities of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Insurance Trust Fund are transferred to the Health Service Trust Fund. In addition to the funds received from health service taxes, there is also appropriated to the Trust Fund a contribution from general revenues equal to 40 percent of the funds received from health service taxes.

Sec. 513—Administration of Health Service Trust Fund. The Trust Fund shall be administered by a Board of Trustees, composed of the Secretary of the Treasury, the Secretary of Health, Education, and Welfare, and the Chairperson of the National Board, according to the accepted standards for such federal trust funds. The Secretary of the Treasury shall pay from time to time from the Trust Fund such amounts as the National Board certifies are necessary to provide health care and supplemental services under this Act.

Preparation of budgets

Sec. 521—Determination of Fund Availability. The National Board shall, not later than January 1 of each year, initially fix the maximum amount of funds which may be obligated during the fiscal year beginning on October 1 of such year. Such amount may not exceed the lesser of 140 percent of the expected net receipts from health service taxes, or the amount spent during the previous year adjusted to reflect changes in the cost of living and scope and cost of services. The National Board may obligate less funds, if it determines that the cost of providing services has lessened, or additional funds if necessary because of an epidemic or other unexpected occurrences.

Sec. 522—Preparation of Initial Budgets. Each community board shall, by January 1 of each year, submit to its respective district board a plan and budget for the fiscal year beginning October 1. Each district board, in consultation with its community boards, shall, by February 1, submit to its respective regional board a plan and budget for the fiscal year beginning October 1. Each regional board, in consultation with its district boards, shall, by March 1, submit to the National Board a plan and budget for the fiscal year beginning October 1. In preparing these budgets, each area health board shall specify its operating, capital, and research expenses for the coming fiscal year and for the five-year period beginning with that fiscal year.

Allocation and distribution of funds

Sec. 531—National Budget. The National Board shall, as soon after April 1 as practicable, transmit to the regional boards a national health budget for the fiscal year beginning October 1. It shall divide the total funds available into funds for ordinary operating, capital, and research expenses, all divided into funds for use by the National Board and funds for the regions, and funds for special operating expenses as described in section 534. Funds for ordinary operating and research expenses are allocated to regions in proportion to their populations. The budget shall be adopted upon approval by a majority of the regional boards.

Sec. 532—Regional Budgets. Each regional board shall, as soon as practicable after adoption of the national budget, transmit a regional budget to each district board in its region. This budget shall be adopted upon approval by a majority of the district boards. Funds for ordinary operating and research expenses shall be allocated to each district in proportion to population.

Sec. 533—District Budgets. Each district board shall, as soon as practicable after adoption of the respective regional budget, transmit a district budget to each community board in its district. This budget shall be adopted upon approval by a majority of the community boards. Funds for ordinary operating and research expenses shall be allocated to each community in proportion to population.

Sec. 534—Special Operating Expense Fund. A fund for special operating expenses shall be incorporated into each budget prepared by the National Board. Special operating expenses include the costs of care and treatment of individuals 65 years of age and over, care and treatment of persons confined to full-time residential care institutions, special needs of low-income individuals, special needs arising from environmental or occupational health problems, special needs from unexpected occurrences, and the conduct of environmental inspections and monitoring services.

The special operating expense fund is allocated as follows: Funds for the additional expenses associated with senior citizens, and with persons confined to residential care institutions, are allocated to districts and communities and consist of basic capitation amounts multiplied, respectively, by the number of senior citizens and number of residents in such institutions, in the respective areas. The National Board shall determine the basic capitation amounts.

Funds for the needs of low-income residents are allocated to communities in proportion to the number of residents having incomes below the poverty level. (During the first five years after the effective date of health services, the total of these funds shall be no less than 2 percent of the ordinary operating expenses and, for the succeeding five years, no less than 1 percent.) Funds for special environmental and occupational health needs are allocated by the National Board to regional boards in accordance with its determination of such needs. (The total of these funds shall be no greater than one-half percent of the ordinary operating expenses.)

Funds for unexpected occurrences shall be retained by the National Board and allocated by them. (These funds shall be no greater than one-half percent of the ordinary operating expenses.) Funds for environmental inspection and monitoring services shall be allocated to the area health boards performing such services.

Sec. 535—Distribution of Funds. Funds shall be distributed by the National Board from the Trust Fund, at such times as the Board finds appropriate. No area health board may request or receive funds from any other source. Area health boards may retain funds received from the National Board for two years after receipt of funds; after this period, unexpended funds must be returned to the National Board for deposit in the Trust Fund.

Sec. 536—Annual Statement, Records, and Audits. Each area health board shall prepare annually and transmit to the National Board a statement that accurately shows the financial operations of the board and its facilities. The National Board and the Comptroller General of the United States shall, for auditing purposes, have access to all records and documents of the Organization.

General provisions

Sec. 541—Issuance of Obligations. The National Board is authorized to borrow money and to issue and sell such obligations as it determines are necessary to carry out this Act, but only in such amounts as are specified in appropriation Acts. The aggregate amounts of obligations at one time shall not exceed $10 billion. The National Board may pledge the assets of the Trust Fund and pledge and use its revenues to pay principal and interest on obligations. The Organization shall abide by the general rules and procedures for the issuance of obligations followed by agencies of the Federal Government. Obligations issued by the Organization shall be obligations of the United States Government and payment is fully guaranteed by the Government.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601—Effective Date of Health Services. The effective date of health services under this Act is January 1 of the fourth calendar year after the year in which this Act is enacted.

Sec. 602—Repeal of Provisions. Effective on the effective date of health services, portions of the Public Health Service Act, the Social Security Act, and other acts relating to the provisions of health care services and the conduct of health and health care research are repealed. Portions of the Public Health Service Act relating to health worker education remain in effect until four years after the effective date of health services.

Not later than one year after the date of enactment of this Act, the Secretary of Health, Education, and Welfare shall prepare, in consultation with the Interim National Board, and transmit to Congress legislation to repeal or amend additional provisions of law that are inconsistent with the purposes of this Act. Such legislation shall include transfers of such authority of the Secretary of Health, Education, and Welfare, relating to standard-setting, regulation, and licensing, as the Secretary determines, after consultation with the Interim National Board, to be not inconsistent with the Constitution of the United States.

Not later than one year after the effective date of health services, the National Board shall report to the Secretary of Health, Education, and Welfare and to the Congress on how the Organization is carrying cut the purposes of the programs which have been repealed.

QUESTIONS AND ANSWERS ON THE HEALTH SERVICE ACT

Why a health service?

Growing numbers of Americans realize that the present health care system, based on the private delivery of health care and financed on a fee-for-service basis, is unable to meet the health care needs of this country. One response has been to propose some form of national health insurance. However, no insurance plan will guarantee that health care services are available to everyone, or will improve the quality of current services.

Instead of propping up an inadequate system with payment mechanisms and inadequate quality reviews, the Health Service Act will establish a health care system that provides comprehensive health services to all Americans and is accountable to those it serves. This will be a publicly-controlled and operated health service employing health workers who will directly serve the public. Any scheme short of this can, at best, only ameliorate the ailments of the present health care system.

What is the United States Health Service Organization?

The United States Health Service Organization is a non-profit corporation that is democratically-controlled and nationally-funded to deliver health care in communities throughout the United States.

Who can use the health service?

Any individual, while within the territory of the United States, will be able to receive services from the Organization.

What services will be provided?

The Organization will provide, without charge, a full range of medical, dental, and mental health services, as well as occupational, home health, and health education services. Drugs and medical equipment will be furnished without charge. Environmental inspections and monitoring services will be conducted, where this is consistent with state and local laws.

These services will be provided through facilities established and maintained by the Organization. Except in emergencies, the Organization will not pay for services provided elsewhere. Three years after the Organization begins full operation, it will not be possible for private practitioners (who charge their patients a fee) to use the facilities of the Organization.

How will physicians and other health workers be compensated?

All health workers will receive salaries commensurate with their job requirements and experience. Workers can receive increases in salary and be certified for job advancement through recognition of successful performance and through enhancement of their skills.

What will be the structure of the Organization?

The Organization will be set up as a four-tier system—the community, district region, and national level. The base of the system is the "community", a geographic area with a population of between 25,000 and 50,000 (less in rural areas or in other special circumstances). In each community, primary health care services—general outpatient medical care, emergency services, mental health services—will be provided through community health centers, physicians' offices, laboratories, pharmacies, and other facilities. To the maximum extent feasible, nursing homes, multiservice centers for the handicapped, and mental health facilities will be located in the community to promote the integration of persons using these facilities into the community.

Several communities will be joined together to form a "district", with a population of between 100,000 and 500,000. Each district will have a general hospital and a health team school, where all health workers will receive their education.

Several districts will be joined together to form a "region", with a population of between 500,000 and 3,000,000 (more if necessary to enclose an entire metropolitan area). Each region will have a medical center providing highly specialized medical services and technical assistance to districts and communities.

How will those who use the services of the Organization, and those who work for run it?

Community health boards chosen in community-wide elections will plan the delivery of health services, hire health workers, and assume overall responsibility for all community health services. District health boards, appointed by the community health boards in the district (with each community appointing one member) will oversee health facilities at the district level. Regional health boards appointed by the district health boards in the region will oversee health facilities at the regional level, conduct the community elections, and assist community and district health boards in performing their duties. Lastly, a National Health Board appointed by the regional health boards will carry out overall planning and budgeting and establish guidelines for the provision of health services by the Organization.

All health facilities will be managed by the workers in them on a democratic basis. Each health board, in consultation with the workers, will develop a plan for democratic decisionmaking within each facility, including the equal participation of health workers at all skill levels. Health workers can also bargain collectively with the health boards on wages, benefits, and working conditions.

How will this bill with the present maldistribution of health workers and funds?

Operating funds will be allocated to regions, districts, and communities on a per capita basis, so that all areas will have funds proportionate to their populations. This will allow presently underserved areas, especially those where low income and minority persons live, and many rural areas, to overcome their present serious shortages of physicians, other health workers, and health facilities. Special funds, amounting initially to 2 percent of all operating funds, will be allocated to communities where low-income persons live, to help them alleviate the burden of health problems they now have.

The present maldistribtuion of health workers will be dealt with by requiring that graduates of health team schools serve in underserved areas for at least a period equal to the duration of their education, and by requiring that health boards not hire particular types of health workers if they have substantially greater numbers of them while other areas have substantially less.

How will users of the Organization's services be protected from failure of health boards to perform their duties?

Members of health boards will be accountable to people who elected them and the boards that appointed them. If they fail to meet the health needs of their areas, or neglect their duties, members of community health boards can be recalled, upon petition by 15 percent of the adult residents in their community and a recall election to determine whether they can remain in office. Members of other boards can be removed from office by two-thirds vote of the board that appointed them.

Regional boards will be empowered to investigate complaints regarding the actions of community or district boards. In the event they determine that there has been mismanagement of funds or other failure or misconduct, they can suspend or restrict the board, appoint a trustee to take over its affairs, and hold a new election for a community board or see that a new district board is appointed. The National Health Board will perform similar oversight of regional boards, and the Secretary of the Treasury (as the ultimate custodian of federal funds) will perform the corresponding review of the National Health Board.

How will the education of health workers be conducted under this bill?

Health workers will receive their education from the Organization, in health team schools organized by district health boards. They will begin their education by sharing classroom and clinical experiences in a restructured educational process. Curriculum design will maximize the studies undertaken in common by students preparing for the various types of health work and will emphasize the social basis of health. As students progress, their studies will branch out and extend into the various categories of health-related skills and knowledge.

Admissions policies will emphasize previous health-related work experience and encourage the entrance of students who reflect the composition of the district's population. No tuition will be charged, and there will be stipends for living and educational expenses. Each health team school will be governed by representatives of the district residents and the faculty and students of the school.

Regional health boards will be responsible for advanced specialty training. Entrants into specialized education programs will reflect the composition of the region's population, and consideration will be given to previous work experience and achievement as evaluated by peers, users, and faculty.

What special rights and guarantees will health service users have?

A Bill of Health Rights incorporated into the legislation guarantees users of the Organization's health services access to all its services, to their choice of health worker and facility, to information and explanations in their primary language about their health status and any treatment or procedure, and to advocacy and legal assistance. Specific protections are included for women, children, and institutionalized individuals to ensure rights associated with their special situations and health needs.

How will the quality of health care be assured?

In contrast to the present medical licensing system, this Act calls for continuing review and assessment of the competency of health care providers, with oversight by representatives of those who use health services as well as those who provide them.

The National Health Board will establish national guidelines for area health boards in training, hiring, and certifying health workers to deliver specific types of services. The National Board will also establish certification standards for medical specialists, while regional boards will set such standards for other health workers. In this way the different regions will be able to assure the quality of those who deliver health care in their area, while having the flexibility to develop new categories and conditions of health service.

The ultimate safeguard of quality, however, is the control of service delivery by health boards accountable to those who use the service, able to draw for advice and technical support upon all the professional expertise employed by the Health Service Organization.

Will this bill provide occupational health services?

Unlikely any of the current health insurance proposals, this bill will provide extensive occupational health services. Screening, diagnosis, treatment, and education for the detection and prevention of occupational hazards and diseases will be provided by community health boards. Workers will participate in running the occupational health services in their communities and workplaces through elected community occupational safety and health committees which will perform monitoring and other functions to protect the safety and health of workers.

How will health research be conducted under this bill?

The Organization will be mandated to conduct an extensive program of health and health care research. The first priority will be on the prevention and correction of the leading causes of illness and death, including environmental, occupational, and social factors. Research will be performed, to the maximum extent possible, under the auspices of community and district health boards, to ensure it is responsive to the health needs of people in their communities and workplaces.

Several new research institutes will be created to focus upon the central issues of health and health care: an Institute of Epidemiology, to study the spread and transmission of disease; an Institute of Evaluative Clinical Research, to study the effectiveness of various medical techniques; an Institute of Health Care Services, to study potential improvements in the delivery of health care; an Institute of Pharmacy and Medical Supply, to test and certify drugs and therapeutic equipment; and an Institute of Sociology of Health and Health Care, to examine the basic assumptions of medical care, health, and causality of ill-health.

How will the Organization be financed?

In spite of the expansion of services, the cost of operating the Organization will be less than the cost of the present health care system. The elimination of administrative costs associated with the insurance industry and its complex billing procedures, the expected decrease in unnecessary hospitalization and treatment from the elimination of fee-for-service medical practice, and the elimination of excessive fees and profits are estimated to reduce the total cost by at least 20 percent.

Funds to run the Organization will come from a Health Service Trust Fund containing receipts from a special health service tax on individual and corporate incomes and from general federal revenues. The individual health service tax will rise with increasing income. Low- and middle-income individuals having taxable incomes (after deductions) less than $10,000 will pay only 1% (equivalent to the Medicare payroll tax now in force, but repealed when the Organization begins providing health services). Higher-income individuals and corporations will pay substantially higher taxes, and general revenues will contribute the amount now spent by federal, state, and local governments on health services (federal payment of these will be a form of additional revenue sharing to states and localities).

Funds will be distributed to regions, districts, and communities on a uniform per capita basis, with special funds allocated to communities and districts for the care of persons over 65 years of age, persons confined to full-time residential care institutions, and low-income persons, and to meet special environmental, occupational, and other health needs of particular regions.

The division of funds between the district and community levels will be determined by the district boards, but will require the consent of a majority of the community boards in each district. Similar procedures will be followed in dividing funds between the regional and district levels, and the national and regional levels. Thus all health boards will have an equal role in determining the allocation of funds.

How will the transition from the present system to the new health service be made?

Immediately after this law is enacted, the President will appoint an Interim National Health Board, broadly representative of the American people, to oversee the start of the transition process. It will draw the regional boundary lines and appoint an interim regional health board for each region. These boards in turn will draw boundaries for districts and communities, and will then conduct elections for the members of community health boards. The boundaries drawn by these interim boards can be modified by the permanent boards once they are established, using a procedure in which residents of the affected areas will participate.

Once community health boards are elected, they will begin identifying sites for health facilities acquiring buildings, and hiring health workers, and they will appoint the members of district health boards. Each board in turn, as it is appointed, will begin preparing to carry out its assigned responsibilities.

Two years after the bill is enacted, the National Health Board will begin functioning, and the delivery of health services will start two years later. All the health-care-related functions now carried out under the direction of the Secretary of Health, Education, and Welfare will then be transferred to the Organization. Every two years thereafter, there will be elections for members of community health boards, and subsequent appointments of new members of the district, regional, and national boards.

In cases where particular boards are not ready, at the end of the four-year start-up period, to assume responsibility for the full delivery of services, these will be provided in neighboring areas or through private practitioners reimbursed under current Medicare arrangements. These temporary measures will remain in effect for up to three additional years.

The educational programs will be fully operating four years after the start-up of services (eight years after enactment of this bill).

TRANSITION SEQUENCE FROM ENACTMENT OF THE HEALTH SERVICE ACT

Interim National Board Appointed, 30 days.

Regional Boundaries Drawn; Interim Regional Boards appointed, 7 months.

District and Community Boundaries Drawn, 13 months.

Community Health Boards Elected, 15 months.

District Health Boards Appointed, 18 months.

Regional Health Boards Appointed, 21 months.

National Health Board Appointed, 24 months.

Delivery of Health Service Begins, 4 years.

Reorganization of Research Completed, 6 years.

Health Worker Education Programs Functioning, 8 years.

H.R. 6894

A bill to establish a United States Health Service Organization to provide high quality health care and to overcome the deficiencies in the present system of health care delivery

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Service Act".

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FINDINGS

SEC. 2. The Congress makes the following findings:

(1) The health of the Nation's people is a foundation of their well-being.

(2) High quality health care is a right of all people.

(3) Many of the Nation's people are unable fully to exercise this right because of the inability of the present health care delivery system to make high quality health care available to all individuals regardless of race, sex, age, national origin, income, marital status, religion, political belief, place of residence, or previous health status.

(4) The present health care system has failed to address the basic deterioration in occupational, environmental, and social conditions affecting the people of this Nation.

(5) Unnecessary and excessive profits and administrative expenses have inflated the cost of health care.

(6) The health professions have failed to control the cost of their services and the imbalance in the number of health workers among geographic areas or health care specialties.

(7) The present health care system has failed to make full and efficient use of allied health workers.

(8) A United States Health Service Organization is the best means to implement the right to high quality health care and to overcome the deficiencies in the present health care delivery system.

PURPOSES

SEC. 3. The purposes of this Act are:

(1) To create a United States Health Service Organization to provide without charge to all residents, regardless of race, sex, age, national origin, income, marital status, religion, political belief, place of residence, or previous health status, comprehensive health care services delivered by salaried health workers and emphasizing the enhancement and maintenance of health as well as the treatment of illness.

(2) To establish representative and democratic governance of the Organization through community boards chosen through community elections, district and regional boards selected by the community and district boards, respectively, and a National Board selected by the regional boards.

(3) To provide health workers in the Organization with fair and reasonable compensation, secure employment, opportunities for full and equal participation in the governance of health facilities, and opportunities for advancement without regard to race, sex, age, national origin, religion, or political belief.

(4) To increase the availability and continuity of health care by linking local health care facilities to hospitals and specialized care facilities.

(5) To implement local, regional, and national planning for the establishing, equipping, and staffing of health care facilities needed to overcome present shortages and redistribute health resources, especially for currently deprived inner-city and rural populations, minority groups, prisoners, and occupational groups.

(6) To finance the Organization through progressive taxation of individual and corporate income, and to distribute these revenues on a capitation basis, supplemented by allocations to meet special health care needs.

DEFINITIONS

SEC. 4. For the purposes of this Act, unless the context implies otherwise:

(1) The term "Organization" means the United States Health Service Organization established in section 111.

(2)(A) The term "National Board" means the Board of Directors of the Organization.

(B) The term "Interim National Board" means the Interim Board of Directors, appointed under section 112, of the Organization.

(C) The term "appropriate National Board" means—

(i) the Interim National Board, prior to the initial meeting of the National Board under section 127, and

(ii) the National Board, at and after such meeting.

(3)(A) The term "health board" means the Interim National Board, National Board, an interim regional health board, a regional health board, a district health board, or a community health board established under this Act.

(B) The term "area health board" means a regional health board, a district health board, or a community health board established under this Act.

(4)(A) The term "community" means a health care delivery community established under title I.

(B) The term "district" means a health care delivery district established under title I.

(C) The term "region" means a health care delivery region established under title I.

(D) The term "area" means, with respect to an area health board or an area health care facility—

(i) in the case of a community board or a health care facility established by a community board, the community for which such board is established or in which the facility is located;

(ii) in the case of a district board or a health care facility established by a district board, the district for which such board is established or in which the facility is located; and

(iii) in the case of a regional board or a health care facility established by a regional board, the region for which such board is established or in which the facility is located.

(5)(A) The term "interim regional board" means an interim regional health board established in accordance with section 122.

(B) The term "regional board" means a regional health board established in accordance with title I.

(C) The term "district board" means a district health board established in accordance with title I.

(D) The term "community board" means a community health board established in accordance with title I.

(6)(A) The terms "respective regional board" and "respective interim regional board" mean, with respect to a community board or a district board, the regional board or interim regional board, respectively, for the region which contains the community or district for which such community board or district board is established.

(B) The term "respective district board" means, with respect to a community board, the district board for the district which contains the community for which such community board is established.

(7)(A) The term "user" means an individual who is eligible under section 221 to receive health care services from the Organization under this Act.

(B) The term "registered user" means, with respect to an area, a user who resides in the area and is registered to vote in the area in general elections for Federal, State, or local officials.

(8)(A) The term "health worker" includes—

(i) any employee of the Organization; and

(ii) any individual who for remuneration delivers, administers any program in, provides supporting services for, teaches the subject matter of, or performs research in, health care services.

(B) The term "authorized health worker" means, with respect to a specified health care service, an individual who is an employee of the Organization and is authorized by a health board to deliver the service.

(9)(A) The term "health care facility" means an administrative unit composed of specified staff, equipment, and premises and established by a health board as an appropriate unit of organization for the delivery of specified health care or supplemental services under this Act.

(B) The term "area health care facility" means, with respect to an area health board, a health care facility established by the area health board.

(10)(A) The term "health care services" means the services described in paragraphs (1), (2), and (3) of section 223(a).

(B) The term "supplemental services" means the services described in paragraphs (1), (2), and (3) of section 223(b).

(11) The term "number of residents" means the number of residents as determined by the most recent decennial national census.

(12) The term "effective date of health services" means the effective date of health services under this Act as specified in section 601.

TITLE I—ESTABLISHMENT AND OPERATION OF THE UNITED STATES HEALTH SERVICE ORGANIZATION

PART A—PURPOSE

PURPOSE

SEC. 101. The purpose of this title is to provide for the establishment of a nonprofit corporation which is organized and operated in a manner so as to provide comprehensive health care and supplemental services under this Act.

PART B—INITIAL NATIONAL ORGANIZATION

ESTABLISHMENT OF THE ORGANIZATION

SEC. 111. (a) There is established, in accordance with the provisions of this Act, a nonprofit corporation to be known as the United States Health Service Organization.

(b) The Organization shall be a nonprofit corporation of the District of Columbia subject, to the extent not inconsistent with this Act, to the District of Columbia Nonprofit Corporation Act (D.C. Code, secs. 29-1001 et seq.). The Organization shall have succession until dissolved by Act of Congress, shall maintain its principal office in or near the District of Columbia, and shall be deemed to be a resident of the District of Columbia with respect to venue in any legal proceeding.

(c)(1) The Organization shall have all the powers of a nonprofit corporation established within the District of Columbia. Such powers shall be exercised by the appropriate National Board and may be delegated by such Board, in accordance with this Act and guidelines established by such Board, to area health boards.

(2) In addition to such powers, the Organization shall have the power, under the power of eminent domain, to acquire by condemnation under judicial process real estate for the Organization for public purposes whenever it is necessary or advantageous to do so.

(d)(1) The Organization shall have no power to issue any shares of stock or to declare or pay any dividends.

(2) No part of the income or assets of the Organization shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(3) The Organization may not contribute to or otherwise support any political party or candidate for elective public office.

(4) The fiscal year of the Organization shall begin on October 1 of each year.

(e)(1) Employees of the Organization shall not be deemed to be employees of the Federal Government.

(2) Chapter 171 of title 28, United States Code (relating to tort claims procedure) shall apply to the Organization in the same manner as it applies to a Federal agency (as defined in the first paragraph of section 2671 of such chapter).

(f)(1) The United States district courts shall have original, but not exclusive, jurisdiction over all actions brought by or against the Organization.

(2) The provisions of title 28, United States Code, and rules of procedure adopted thereunder, which relate to service of process, venue, removal of cases from State courts, limitations of time for bringing actions, and rules of procedure, in suits in which the United States, its officers, or employees are parties, shall apply in like manner to suits in which the Organization or its employees are parties.

(3) The Attorney General shall furnish the Organization with such legal representation as it may require. The Organization, with the prior consent of the Attorney General, may by contract or otherwise employ attorneys to conduct litigation brought by or against the Organization or its employees in matters affecting the Organization.

(g)(1) No person, except the Organization, shall hereafter use "United States Health Service Organization" as a name for any business purpose.

(2) Violations of paragraph (1) may be enjoined by any court of general jurisdiction in an action commenced by the Organization. In any such action, the Organization may recover any actual damages flowing from such violation and, in addition, shall be entitled to punitive damages (regardless of the existence or nonexistence of actual damage) in an amount not to exceed $100 for each day during which such violation was committed.

(3) The district courts of the United States shall have jurisdiction over actions brought under this subsection without regard to the amount in controversy.

(h) The Organization shall have a seal which shall be judicially recognized.

APPOINTMENT OF INTERIM NATIONAL BOARD

SEC. 112. (a) The President shall nominate, no later than 30 days after the date of enactment of this Act, and, by and with the advice and consent of the Senate, appoint 21 individuals—

(1) who are 18 years of age or older;

(2) who are knowledgeable of and concerned about the health care problems of the Nation;

(3) who are broadly representative of the Nation's population by race, sex, income, national origin, and regional identification; and

(4) no more than seven of whom are or have been health workers within 24 months of the date of such nomination;

to serve as members of the Interim Board of Directors of the Organization.

(b) The President shall, at the time of such nominations, designate two nominees to the Interim National Board who are not and have not been health workers within 24 months of the date of such nomination as chairperson and vice chairperson of such Board.

POWERS AND DUTIES OF THE INTERIM NATIONAL BOARD

SEC. 113. (a) The members of the Interim National Board shall serve as incorporators for the Organization and shall take whatever steps are necessary to establish the Organization, including the filing of articles of incorporation.

(b) The members of the Interim National Board shall serve as the Board of Directors of the Organization until the National Board holds its initial meeting in accordance with section 127(c)(2).

(c) The Interim National Board shall—

(1) establish the boundaries of health care delivery regions, in accordance with section 121;

(2) select interim regional health boards in accordance with section 122;

(3) assist interim regional health boards in the performance of their functions;

(4) coordinate the initial election of community health boards, under section 124; and

(5) carry out such duties of the National Board as it deems necessary and consistent with the timetable given under this Act and the purposes of the Organization, except that no staff member may be appointed and no employee may be hired by the Interim National Board for a period extending beyond 90 days after the appointment of the National Board under section 127.

(d) The Interim National Board shall operate in a manner consistent with the provisions of part D.

(e) The Interim National Board shall submit a report to Congress on its performance under this Act no later than 30 days after the appointment of the National Board under section 127.

USE OF FUNDS

SEC. 114. The Organization may not use Federal funds received under this Act for the provision of health care services in a region, district, or community by other than a regional, district, or community board established in accordance with the provisions of this Act.

AUTHORIZATION

SEC. 115. There are authorized to be appropriated to the Organization $4 billion to carry out the provisions of this Act with respect to the establishment of the Organization. Funds appropriated under this section shall remain available until expended.

PART C—ORGANIZATION OF AREA HEALTH BOARDS

ESTABLISHMENT OF HEALTH CARE DELIVERY REGIONS

SEC. 121. (a) No later than six months after the appointment of members of the Interim National Board, such Board shall establish, in accordance with this section, health care delivery regions throughout the United States.

(b) Each health care delivery region shall meet the following requirements:

(1) The region shall be a contiguous geographic area appropriate for the effective governance, planning, and delivery of all health care and supplemental services under this Act for residents of the region.

(2) The region shall have a population of not less than 500,000 and of not more than three million individuals, except that—

(A) the population of a region may be more than three million if the region includes a standard metropolitan statistical area (as determined by the Office of Management and Budget) with a population of more than three million; and

(B) the population of a region may be less than 500,000 if the Interim National Board determines that this would facilitate the delivery of health care and supplemental services or the effective governance of the health program within such region.

(3) The boundaries of each region shall take into account—

(A) any economic or geographic barrier to the receipt of health care and supplemental services in nonmetropolitan areas, and

(B) the differences in needs between nonmetropolitan and metropolitan areas in the planning, development, and delivery of health care and supplemental services.

To the extent consistent with paragraphs (1) through (3), the boundaries of each region may be coterminous with State boundaries and State planning and administrative areas.

(c) At least 60 days prior to the establishment of the boundaries of any region, the Interim National Board shall provide for—

(1) notice in the area which would be affected by the establishment of such boundaries of the boundaries proposed to be established, and of the date, time, and location of the public hearing on such establishment as provided in paragraph (2); and

(2) a public hearing at which individuals can speak or present written statements relating to the establishment of such boundaries.

(d) The boundaries of regions shall be modified in accordance with section 129.

APPOINTMENT OF INTERIM REGIONAL BOARDS

SEC. 122. (a) No later than six months after the appointment of members of the Interim National Board, the Interim National Board shall appoint an interim regional board for each region established under section 121.

(b) Each interim regional board shall be composed of nine members—

(1) who are 18 years of age or older;

(2) who are knowledgeable of and concerned about the health care problems of their region;

(3) who are broadly representative of the region's population by race, sex, income, and national origin; and

(4) no more than three of whom are or have been health workers within 24 months of the date of such appointment.

(c) The Interim National Board shall, at the time of appointment of each interim regional board, designate two members of the board who are not and have not been health workers within 24 months of the date of such appointment as chairperson and vice chairperson of such board.

(d) A vacancy in the membership of an interim regional board shall be filled in the same manner as the original appointment.

(e) The members of an interim regional board shall serve until the certification of appointment of a regional board in its region in accordance with section 126.

(f) Each interim regional board shall—

(1) establish the boundaries of health care delivery districts and of health care delivery communities within its region in accordance with section 123;

(2) conduct elections for voting members of community boards within its region, in accordance with section 124; and

(3) carry out such functions of a regional board, set out under this Act, as the Interim National Board deems appropriate for the purposes of this Act.

(g) Each interim region board shall operate in a manner in accordance with part D of this title.

ESTABLISHMENT OF HEALTH CARE DELIVERY DISTRICTS AND HEALTH CARE DELIVERY COMMUNITIES

SEC. 123. (a) No later than six months after its appointment under section 122, each interim regional board shall establish, in accordance with this section, health care delivery districts and health care delivery communities throughout its region.

(b)(1) Except as provided in paragraph (2), each region shall be divided into three or more health care delivery districts. Each such district shall meet the following requirements:

(A) The district shall be a contiguous geographic area appropriate for the effective governance, planning, and delivery of all health care services, except for highly specialized health services, for residents of such district.

(B) The district shall have a population of not less than 100,000 and of not more than 500,000 individuals.

(2) A region may be divided into less than three districts, or a district may have a population of less than 100,000 individuals, if the interim regional board for such region determines that a lesser number of districts or a lesser population would facilitate the delivery of health care and supplemental services or the effective governance of the health program within such region or district.

(c)(1) Except as provided in paragraph (2), each district shall be divided into three or more health care delivery communities. Each such community shall meet the following requirements:

(A) The community shall be a contiguous geographic area appropriate for the effective governance, planning, and delivery of comprehensive primary health care services, described in section 231(a)(2), for residents of such community.

(B) The residents of the community shall, to the maximum extent feasible, have a commonality of interest sufficient to support and maintain a community health program under this Act.

(C) The community shall have a population of not less than 25,000 and of not more than 50,000 individuals.

(2) A district may be divided into less than three communities, or a community may have a population of less than 25,000 individuals, if the interim regional board determines that this would facilitate the delivery of health care and supplemental services or the effective governance of the health program within such district or community.

(d) At least 60 days prior to the establishment of the boundaries of any district or community within its region, the interim regional board shall provide for—

(1) notice in the district or community which would be affected by the establishment of such boundaries of the boundaries proposed to be established and of the date, time, and location of the public hearing on such establishment as provided in paragraph (2); and

(2) a public hearing at which individuals residing within the region can speak or present written statements relating to the establishment of such boundaries.

(e) The boundaries of districts and communities shall be modified in accordance with section 129.

ELECTION OF COMMUNITY HEALTH BOARDS

SEC. 124. (a) For the purposes of this section:

(1) The term "eligible individual" means, with respect to a community, an individual who—

(A) is eighteen years of age or older;

(B) is not a health worker; and

(C) resides in such community.

(2) The term "elected members" means, with respect to a community board, members of such board elected under this section.

(b)(1) The Interim National Board shall select a date not later than 15 months after the date of enactment of this Act for the holding of an election in each community for the elected members of the community board for each such community.

(2) The number of members to be elected in the election in a community under paragraph (1) shall be five, plus one member for each 5,000 individuals residing in such community in excess of 25,000 residents.

(c)(1) The Interim National Board shall establish procedures for the nomination and election of members of community boards. Each interim regional board shall conduct and supervise such nominations and elections with respect to community boards in its region in accordance with such procedures.

(2) Such procedures shall provide, except as otherwise provided in this part, for—

(A) the nomination for election to a community board of any eligible individual, upon presentation to the respective interim regional board of a petition or petitions signed by at least one percent of the registered users in the community;

(B) the full disclosure by each nominee, at the time of presentation of a petition or petitions under subparagraph (A), to the respective interim regional board of any financial interest of the nominee and such nominee's family in the delivery of health care services, in research on health or health care services, or in the provision of drugs or medical supplies;

(C) the opportunity, regardless of race, sex, national origin, income level, or health condition, for all registered users in each such community to nominate individuals for, and for all eligible individuals in each such community to run for and to serve as elected members of, such individuals' community board;

(D) the right of all registered users in each such community, regardless of race, sex, national origin, income level, or health condition, to vote in elections for members of such users' community board, and the right of registered users who are not physically or mentally capable of voting themselves to designate other users to vote proxies on their behalf;

(E) public meetings sponsored by the respective interim regional board in each such community within its region, at which all nominees for election to the community board in the community may present their views;

(F) the preparation and distribution within each such community by the respective interim regional board of literature presenting the qualifications and views of, and disclosing information described in subparagraph (B) for, each nominee for election to the community board in the community; and

(G) the election of the nominees receiving the greatest number of votes.

(d)(1) Unless an election is set aside under section 402(d)(1) (relating to grievance procedures), individuals who have been elected to a community board under this section shall be deemed for purposes of this Act as constituting a community board.

(2) With respect to each group of individuals constituting a community board under paragraph (1), the respective interim regional board shall select a time, date, and location within the community of such community board for the holding of the initial meeting of such community board, which date shall not be later than 30 days after the date of the election, and shall notify the newly elected members of such board and the public residing within such community of the time, date, and location of such meeting.

APPOINTMENT OF DISTRICT HEALTH BOARDS

SEC. 125. (a) For the purposes of this section, the term "eligible individual" means, with respect to a community board in a community, an individual who—

(1) is eighteen years of age or older;

(2) is not a health worker; and

(3) resides in such community.

(b) Not later than 60 days after the initial meeting of each community board, called pursuant to section 124(d)(2), each such board shall appoint an eligible individual to serve as a member of its respective district board and shall notify its respective interim regional board of such appointment no later than seven days after the date of such appointment.

(c)(1) Not later than 15 days after the date a majority of the initial community boards within a district have notified their respective interim regional board of the appointment of individuals for their respective district board under subsection (b), such interim regional board shall certify the individuals so appointed as constituting, on the date of such certification, a district board.

(2) With respect to each district board certified under paragraph (1), its respective interim regional board shall select a time, date, and location within the district of such district board for the holding of the initial meeting, which date shall not be later than 15 days after the date of such certification, and shall notify the members of such board and the public residing within such district of the time, date, and location of such meeting.

APPOINTMENT OF REGIONAL HEALTH BOARDS

SEC. 126. (a) For the purposes of this section, the term "eligible individual" means, with respect to a district board in a district, an individual who—

(1) is eighteen years of age or older;

(2) is not a health worker; and

(3) resides in such district.

(b) Within 60 days after the initial meeting of each district board, called pursuant to section 125(c)(2), each such board shall appoint an eligible individual to serve as a member of its respective regional board and shall notify its respective interim regional board of such appointment no later than 7 days after the date of such appointment.

(c)(1) Not later than 15 days after the date a majority of the initially certified district boards within a region have notified their respective interim regional board of the appointment of individuals for their respective regional board under subsection (b), their respective interim regional board for such region shall certify the individuals so appointed as constituting, on the date of such certification, a regional board.

(2) With respect to each regional board certified under paragraph (1), the interim regional board that certified such board shall select a time, date, and location within the region of such board for the holding of the initial meeting, which date shall not be later than 15 days after the date of such certification, and shall notify the elected members of such board and the public residing within such region of the time, date, and location of such meeting.

APPOINTMENT OF THE NATIONAL BOARD

SEC. 127. (a) For the purposes of this section, the term "eligible individual" means, with respect to a regional board in a region, an individual who—

(1) is eighteen years of age or older,

(2) is not a health worker, and

(3) resides in such region.

(b) Not later than 60 days after the initial meeting of each regional board, called pursuant to section 126(c)(1), each such board shall appoint an eligible individual to serve as a member of the National Board and shall notify the Interim National Board of such appointment no later than seven days after the date of such appointment.

(c)(1) Not later than 15 days after the date a majority of the initially certified regional boards have notified the Interim National Board of the appointment of individuals for the National Board under subsection (b), the Interim National Board shall certify the individuals so appointed as constituting, on the date of such certification, the National Board, and shall notify the Secretary of the Treasury and the Congress of such certification not later than seven days after the date of such certification.

(2) The Interim National Board shall select a time, date, and location for the holding of the initial meeting of the National Board, which date shall not be later than 15 days after the date of the certification under paragraph (1), and shall notify appointed members and the public of the time, date, and location of such meeting.

SUBSEQUENT ELECTION AND APPOINTMENT OF MEMBERS OF HEALTH BOARDS

SEC. 128. (a) For the purposes of this section, the term "eligible individual" means, with respect to a community, district, or region, an individual who—

(1) is eighteen years of age or older;

(2) is not a health worker;

(3) resides in the community, district, or region, respectively.

(b)(1) After the effective date of health services delivered under this Act, the National Board shall set a date, falling no later than one year after such effective date, for the holding of an election for members of community boards.

(2) After the holding of elections for which a date is set under paragraph (1), the National Board shall select dates, falling at intervals of two years after the date of such elections, for the holding of subsequent elections for members of community boards.

(3) Any election held under this subsection shall conform to the requirements of section 124 (except for subsection (b)(1) thereof), except that, for purposes of this subsection, any reference in such section to an interim regional board or to the Interim National Board shall be considered as a reference to a regional board or to the National Board, respectively.

(c)(1) Not later than 60 days after the initial meeting of each newly certified community board, held pursuant to section 124 (d)(2) after any election held under subsection (b) of this section, each such board shall appoint an eligible individual to serve as a member of its respective district board, and shall notify its respective regional board of such appointment no later than seven days after the date of such appointment.

(2) Not later than 15 days after the date a majority of the community boards within a district have notified their respective regional board of the appointment of an individual for their respective district boards under paragraph (1), such regional board shall certify the individuals so appointed as constituting, on the date of such certification, a district board.

(3) With respect to each district board certified under paragraph (2), its respective regional board shall select a time, date, and location within the district of such district board for the holding of the initial meeting of such new board, which date shall not be later than 15 days after the date of certification of such board, and shall notify the members of such board appointed under this subsection and the public residing within such district of the time, date, and location of such meeting.

(d)(1) Not later than 60 days after the initial meeting of each newly certified district board, held pursuant to subsection (c)(3), each such board shall appoint an eligible individual to serve as a member of its respective regional board, and shall notify the regional board of such appointment no later than seven days after the date of such appointment.

(2) Not later than 15 days after the date a majority of the district boards within a region have notified their respective regional board of the appointment of an individual for the regional board under paragraph (1), such regional board shall certify the individuals so appointed as constituting, on the date of such certification, the regional board for such region.

(3) With respect to each regional board newly certified under paragraph (2), the previously certified regional board shall select a time, date, and location within the region for the holding of the initial meeting of such new board, which date shall not be later than 15 days after the date of certification of such board, and shall notify the members of such board appointed under this subsection and the public residing within such region of the time, date, and location of such meeting.

(e)(1) Not later than 60 days after the initial meeting of each newly certified regional board, held pursuant to subsection (d)(3), each such board shall appoint an eligible individual to serve as a member of the National Board and shall notify the National Board of such appointment no later than seven days after the date of such appointment.

(2) Not later than 15 days after the date a majority of the regional boards have notified the National Board of the appointment of an individual for the National Board under paragraph (1), the National Board shall certify the individuals so appointed as constituting, on the date of such certification, the National Board, and shall notify the Secretary of the Treasury and the Congress of such certification not later than seven days after the date of such certification.

(3) The previously certified National Board shall select a time, date, and location for the holding of the initial meeting of the new National Board, which date shall not be later than 15 days after the date of certification of such Board, and shall notify the directors appointed under this subsection and the public of the time, date, and location of such meeting.

MODIFICATION OF THE BOUNDARIES OF HEALTH CARE DELIVERY AREAS

SEC. 129. (a) No later than two years after each decennial national census, and at such other times as it deems necessary, after the appointment of a National Board under section 127, the National Board shall review the appropriateness of the boundaries of each health care delivery region and may, in accordance with subsection (b), modify the boundary of any region in which there has been a substantial shift of population justifying such modification, if such modification is approved in a referendum of registered users residing in an area whose regional identification would be changed by making such modification.

(b) At least 60 days before the modification by referendum of the boundary of any region, the National Board shall provide for—

(1) notice in the area whose regional identification would be changed by the modification of such boundaries—

(A) of existing boundaries and of the proposed modification, and

(B) of the date, time, and location of the public hearing on such modification, as required in paragraph (2), and

(2) a public hearing at which individuals can speak or present written statements relating to the modification of such boundaries.

(c)(1) After the establishment of regional health boards under section 126—

(A) no later than two years after each decennial national census,

(B) upon receipt of a petition for modification of a boundary of a district or community within the region of such board, which petition is signed by not less than 15 percent of the registered users residing in an area whose district or community identification would be changed by adoption of such petition, and

(C) at such other times as it deems appropriate, each regional board shall review the appropriateness of the boundaries of districts and communities within its region.

(2) Any review conducted under paragraph (1) shall comply with the procedures of subsection (d) (relating to open hearings and public participation).

(3) A regional board, after reviewing the boundaries of a district or community within its region under paragraph (1), may modify the boundary of any such district or community if—

(A) there has been a substantial shift of population justifying such modification, or

(B) such modification would better carry out the purposes of this Act, and

if such modification is approved in a referendum, held after notice and a public hearing in accordance with subsection (d), of registered users residing in an area whose district or community identification would be changed by the adoption of the proposed modification.

(d) At least 60 days before the modification by referendum of the boundary of any district or community, the respective regional board shall provide for—

(1) notice in the area whose district or community identification would be changed by the modification of such boundaries—

(A) of existing boundaries and of the boundaries proposed to be modified, and

(B) of the date, time, and location of the public hearing on such modification, as required in paragraph (2), and

(2) a public hearing at which individuals can speak or present written statements relating to the modification of such boundaries.

PART D—GENERAL PROVISIONS REGARDING HEALTH BOARDS

DEFINITIONS

SEC. 131. As used in this part, the term "member" means, with respect to a health board, a member of such board other than an associate member described in section 132 (a)(3).

MEMBERSHIP OF HEALTH BOARDS

SEC. 132. (a) Each health board shall be composed of—

(1) members elected or appointed in accordance with this title;

(2) one member—

(A) in the case of a community board, appointed by the occupational safety and health action council established under section 412 for such community, and

(B) in the case of a regional board, appointed by the occupational safety and health action council established under section 413 for such region; and

(3) such nonvoting associate members as the members of such board may determine from time to time to be necessary to provide appropriate representation—

(A) of appropriate units of State, territorial, and local government;

(B) of significant elements of the population within its respective region, district, or community which are not included among the members of such board by race, sex, income level, or national origin; and

(C) in the case of the Interim National Board and National Board, to carry out the purposes of this Act.

(b)(1) Except as provided in paragraph (2), no individual may serve as a member of a health board in a community, district, or region, or of the National Board, for more than four consecutive years, exclusive of any time that might be served as a member by appointment under subsection (d) to fill a vacancy.

(2) Members of a health board shall serve until their successors are elected or appointed in accordance with this Act.

(c)(1)(A) Within 60 days of the date of the presentation to the appropriate regional board of a petition, signed by at least 15 percent of the number of registered users residing in a community, requesting the recall of a member of a community health board elected in accordance with this title, such regional board shall conduct an election on the recall of such member.

(B) The provisions of section 124 (except for subsection (b)(1) thereof) and procedures established thereunder regarding elections of community boards shall apply with respect to recall elections conducted under this paragraph, except that, for the purposes of this paragraph, any reference in such section to an interim regional board or to the Interim National Board shall be considered as a reference to a regional board or to the National Board, respectively.

(2) A member of a district or regional board, an interim regional board, or the National Board appointed in accordance with this title may be recalled from office by the affirmative vote of two-thirds of the members of the health board which appointed such member.

(3) A member of the Interim National Board may be removed from office by the President for inefficiency, neglect of duty, or malfeasance in office.

(d)(1) A vacancy caused by the death, resignation, or removal of a member (hereinafter in this subsection referred to as a "vacating member") of a health board, elected or appointed in accordance with this title, before the expiration of the term for which such vacating member was elected or appointed, shall be filled not later than 60 days after the date of such vacancy—

(A) in the case of a member of a community board, by an election conducted in accordance with section 124 (except for subsection (b)(1) thereof);

(B) in the case of a member of a district or regional board, an interim regional board, or the National Board, by appointment of an eligible individual by the health board which appointed such vacating member; and

(C) in the case of a member of the Interim National Board, by the President, by and with the advice and consent of the Senate.

(2) Any individual appointed to fill a vacancy under this subsection shall serve only for the unexpired term of office of the vacating member.

(3) For the purposes of this subsection, the term "eligible individual" means an individual who is eligible, under the applicable provisions of this Act, to serve on a health board in the capacity to which such individual is elected or appointed.

MEETINGS AND RECORDS OF HEALTH BOARDS

SEC. 133. (a)(1) Each member of a health board shall have one vote in meetings of such board.

(2) A majority of the members of each health board shall constitute a quorum for the transaction of the business of such board, and such board shall act upon the vote of a majority of the members present and voting.

(b)(1) Except as otherwise provided in this Act, the members of each health board shall, at the first meeting following the election or appointment of such board, elect a chairperson and vice chairperson from among the members of such board.

(2) The chairperson of each health board shall be responsible for convening meetings of such board, and for such other duties as such board may assign. Upon the written request of two members of such board, the chairperson shall convene a meeting of such board.

(3) The vice chairperson shall perform the duties of the chairperson in the event that the chairperson is unable to perform such functions.

(c)(1) Each health board shall provide for the recording of the minutes of each of its meetings and each of the meetings of its committees and advisory groups, and shall make such records available to the public for inspection and copying.

(2) Meetings of each health board and each committee and advisory group thereof shall be open to the public and shall be held at such times and in such places as the board determines to be convenient to attendance by the public.

(3) Each health board shall establish a principal office within the area in which it carries out its activities.

(d) Each health board shall disseminate within the area it serves full information regarding its activities, including the furnishing of health care and supplemental services.

(e)(1) Each health board may establish such rules, consistent with this Act, as it finds necessary for the effective and expeditious transaction of its duties and functions.

(2) Each health board may establish such committees and advisory groups, and appoint to them such members (including health workers), as it deems necessary to carry out its duties and functions.

(f)(1) A member of the Interim National Board or National Board may receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which the member is engaged in the actual performance of such member's duties plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such member's duties.

(2) A member of a health board, other than the Interim National Board or the National Board, may receive such amounts per diem when engaged in the actual performance of such member's duties, or such annual salary, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such member's duties, as the appropriate National Board may establish.

PROCEDURES FOR ESTABLISHMENT AND ADVISORY NATURE OF NATIONAL GUIDELINES AND STANDARDS

SEC. 134. (a) In addition to guidelines and standards otherwise required to be established by this Act, the National Board shall establish such guidelines and standards as will facilitate the implementation of the objectives of this Act.

(b) The National Board shall submit, at least 90 days before the date of establishment of a guideline or standard under this Act, each such guideline or standard to all area health boards for their review and comments.

(c) Except for certification standards established under section 303(b)(2) (relating to job categories involving highly specialized skills), all guidelines and standards established by the National Board under this Act shall be advisory to, and not binding upon, area health boards.

(d) The National Board shall establish a program which provides orientation, education, and technical assistance to members of area health boards in the use and application of guidelines and standards established by the National Board.

ASSISTANCE TO AREA HEALTH BOARD MEMBERS

SEC. 135. Each regional board shall provide orientation, education, and technical assistance to members of district and community boards in its region, and the appropriate National Board shall provide such support to members of regional boards, to insure that such members are prepared to perform their duties as members of such boards with maximum effectiveness.

TITLE II—DELIVERY OF HEALTH CARE AND SUPPLEMENTAL SERVICES

PART A—PURPOSE

PURPOSE

SEC. 201. The purpose of this title is to specify the health care and supplemental services, and the administrative arrangements for the delivery of such services, for which the Organization is receiving Federal financial assistance.

PART B—PATIENTS' RIGHTS IN HEALTH CARE DELIVERY

BASIC HEALTH RIGHTS

SEC. 211. The Organization, in its delivery of health care services to users, shall insure that every such individual, regardless of whether or not such individual resides in an institution, is given the following basic health rights:

(1) The right to receive health care and supplemental services without charge and without discrimination on account of race, sex, age, religion, national origin, income, marital status, appearance, behavior, or previous health status.

(2) The right to health care with dignity and respect at all times.

(3) The right to have health care services delivered in a convenient and timely manner.

(4) The right to choose the health workers from whom, and health facilities in which, health care services are received, regardless of the location of the individual's residence.

(5) The right of access to all information, including the individual's health records and the medical dictionary produced under section 433(b), which promotes an understanding of health.

(6) The right to have all health care information translated into the individual's primary language.

(7) The right to receive, prior to the delivery of any health care service, a careful, prompt, and intelligible—

(A) explanation of the indications, benefits, side effects, and risks involved in the delivery of such service;

(B) answer to any question relating to such health care service; and

(C) explanation of one's health rights described in this part.

(8) The right to refuse the initial or continuing delivery of any health care service whenever such refusal does not directly endanger the physical health or safety of another individual.

(9) The right to have all documents relating to an individual be treated confidentially and not disclosed (except for statistical purposes) without the individual's prior, voluntary, and written consent.

(10) The right of the individual to have the individual's medical file maintained at the health facility of the individual's choice.

(11) The right of access at all times to individuals or groups for counseling and assistance on health matters.

(12) The right of access to a complaint and grievance system and to legal assistance to enforce these rights.

SPECIAL HEALTH RIGHTS RELATING TO CHILDREN

SEC. 212. The Organization, in its delivery of health care services related to children, shall ensure that every child is given the following health rights:

(1) The right to be accompanied and visited at any time, including during surgical and diagnostic procedures and while in intensive or isolation care, by a friend or relative of the child's choosing.

(2) The right of any child under seven years of age to have a friend or relative of the child's choosing stay overnight in an area near where the child is staying.

(3) The right to have routine services, such as feeding, bathing, clothing, and bedding changes, performed by a friend or relative of the child's choosing.

PART C—ELIGIBILITY FOR, NATURE OF, AND SCOPE OF SERVICES PROVIDED BY THE ORGANIZATION

ELIGIBILITY FOR SERVICES

SEC. 221. (a) All individuals while within the United States are eligible to receive health care and supplemental services under this Act.

(b) For purposes of this section, the term "United States" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, Samoa, and the Northern Mariana Islands.

ENTITLEMENT TO SERVICES

SEC. 222. (a) Except as provided in subsection (b), the Organization shall, on and after the effective date of health services, provide users with all health care services and supplemental services described in section 223 which the Organization determines, in accordance with this title, to be necessary or appropriate for the maintenance and enhancement of health, for the prevention of disease, and for the diagnosis and treatment of, and rehabilitation following, injury, disability, or disease.

(b) Services provided under this Act shall not include personal comfort or cosmetic services unless the area health board providing the services determines that the services are required for health-related reasons.

(c) Each area health board shall establish review teams to determine in specific cases if services that could be provided under this Act are necessary and appropriate.

PROVISION OF HEALTH CARE AND SUPPLEMENTAL SERVICES

SEC. 223. (a) The Organization shall provide in the United States the following health care services—

(1) services of authorized health workers, including workers in the fields of medicine, surgery, osteopathy, gynecology, obstetrics, ophthalmology, optometry, podiatry, dentistry, orthodontics, audiology, psychiatry, psychology, nutrition and dietetics, pathology, radiology, occupational health, specialized therapy, midwifery, home health care, health education, nursing, environmental health, and laboratory sciences;

(2) inpatient and outpatient services in health care facilities of the Organization; and

(3) drugs, therapeutic devices, appliances, equipment, and other medical supplies (including eyeglasses, other visual aids, hearing aids, and prosthetic devices) certified effective in the National Pharmacy and Medical Supply Formulary (published under section 432(a)), and furnished or prescribed by authorized health workers.

The Organization shall also provide for reimbursement of the cost of emergency health care services furnished in facilities not operated by the Organization or by health workers not employed by the Organization, when an injury or acute illness requires immediate medical attention under circumstances making it medically impractical for the ill or injured individual to receive care in an Organization facility or by an employee of the Organization.

(b) The Organization shall provide the following services supplemental to the delivery of health care services—

(1) ambulance and other transportation services to ensure ready and timely access to health facilities of the Organization;

(2) child care services for individuals who, during the time they receive health care services from the Organization, are responsible for a child's care; and

(3) homemaking services (including housekeeping and meal preparation)—

(A) during the time that inpatient health services at a health facility of the Organization are being provided to an individual who has the sole responsibility for the care (i) of a child under 15 years of age, or (ii) of a physically or mentally handicapped individual who requires the care of another individual, and

(B) for the bedfast or severely handicapped individual, when provision of such services removes the need for the individual to receive inpatient services.

PART D—HEALTH CARE FACILITIES AND DELIVERY OF HEALTH CARE SERVICES

ESTABLISHMENT OF HEALTH CARE FACILITIES AND DISTRIBUTION OF DELIVERY OF HEALTH CARE AND OTHER SERVICES

SEC. 231. (a)(1) Each community board shall, not later than the effective date of health services, establish and maintain in its community such health care facilities as are necessary for the efficient and effective delivery of comprehensive primary health care services (defined in paragraph (2)), specialized health care services (defined in paragraph (3)) to individuals residing in its community, and special services (defined in paragraph (4)).

(2) As used in paragraph (1), the term "comprehensive primary health care services" means those basic out-patient health care services typically needed for the maintenance of health and the prevention and treatment of common illnesses and includes the following health care services—

(A) general primary medical care and treatment, including routine physical examinations and diagnostic, laboratory, radiologic, and rehabilitative services;

(B) preventive health services, including immunizations, nutrition, and screening services;

(C) dental care;

(D) obstetrical and gynecological services, including family planning and contraceptive services, pregnancy (prenatal and postnatal) and abortion counseling and services, and venereal disease testing and treatment;

(E) vision and hearing testing and examinations and provision of eyeglasses and other visual aids and hearing aids;

(F) 24-hour emergency medical services;

(G) provision of pharmaceuticals and therapeutic devices, and medical appliances and equipment;

(H) mental health services, including psychological and psychiatric counseling;

(I) home health services, including in-home medical diagnosis and treatment; and

(J) occupational safety and health services, including screening, diagnosis, treatment, and education.

(3) As used in paragraph (1), the term "specialized health care services" means those health care services of a specialized nature (whether delivered in an inpatient or outpatient setting) which, applying guidelines established by the National Board and by the respective regional board, may be provided most effectively and efficiently in a community setting.

(4) As used in paragraph (1), the term "special services" means such supportive and rehabilitative services (whether provided in an inpatient or outpatient setting), and the facilities in which such services are provided, including nursing homes, clinics, and multiservice centers, for individuals who are physically or mentally handicapped, mentally ill, aged, or chronically ill as promote the integration and functioning of such individuals within the community.

(b) Each district board shall, not later than the effective date of health services, establish and maintain in its district—

(1) a general hospital for the efficient and effective delivery of health care services to individuals residing in the district requiring inpatient diagnosis, treatment, care, and rehabilitation for injury or illness; and

(2) such other health care facilities as are necessary, using guidelines established by the National Board and by the respective regional board, to promote the efficient and effective delivery of health care services within its district.

In addition, each district board shall provide such health care services of a specialized nature (whether delivered in an inpatient or outpatient setting) as, taking into account guidelines established by the National Board and its respective regional board, may be provided most effectively and efficiently at the district level.

(c) Each regional board shall, not later than the effective date of health services, establish and maintain in its region—

(1) a regional medical facility for the efficient and effective delivery of highly specialized health care services, using guidelines established by the National Board, to individuals residing in the region requiring highly specialized treatment, care, and rehabilitation for injury or illness;

(2) health care and supplemental services for individuals whose health care needs otherwise cannot be met by community or district boards because of occupational or other factors, including individuals residing within the region on a temporary or seasonal basis (including migratory agricultural workers) and individuals confined to prisons and other correctional institutions; and

(3) such other health care facilities as are necessary to promote the efficient and effective delivery of health care services within its region.

(d) Each area health board, taking into account guidelines established by the National Board, shall provide the following through its health care facilities established pursuant to this section:

(1) Health education on personal health matters, nutrition, the avoidance of illness, and the effective use of health care services.

(2) Maintenance and appropriate transmission and transferral of personal health records for each user of the services of the board consistent with section 211(9).

(3) Referral services, including referrals, where appropriate, to health care facilities located outside the area served by the board.

(4) Supplemental services (described in section 223(b)), as appropriate.

(5) Assistance to individuals who, because of language, cultural, or educational handicaps, are unable fully to utilize the services available from and delivered by the board.

(6) Information (A) on the rights ensured under this Act, (B) on the guidelines and standards established by the appropriate National Board, and (C) on how the area health board is implementing such rights and applying such guidelines and standards.

(7) Information on the grievance mechanisms established pursuant to part A of title IV and on legal services available to pursue grievances against the board.

(8) Environmental health inspection and monitoring services, including investigations relating to the prevention of communicable diseases, to the extent the Organization is permitted under State and local law to provide such services on behalf of a State or local government or otherwise.

(e)(1) Each area health board shall, in

establishing health care facilities under this section, hire health workers (including administrative personnel) in sufficient numbers and with appropriate qualifications to ensure that such facilities provide the health care and other services mandated for such board in this section.

(2) In its establishment of health care facilities under this section, each area health board shall utilize, to the maximum extent feasible, existing health facilities, including health centers and clinics, hospitals, physicians' offices, nursing homes, and medical laboratories.

(3) In its establishment of health care facilities under this section, each area health board shall seek to minimize fragmentation and duplication in delivery of health care and other services so as to promote the effective and efficient delivery of such services.

(4) Each area health board, taking into account guidelines established by the National Board, shall provide for affiliation and coordination of the operation of its health care facilities with other health care facilities established within the area such board serves and within adjacent areas.

(f) The National Board shall establish guidelines for the distribution and coordination of the delivery of health care and other services described in this section.

(g) In the case that a community or district board fails, on the effective date of health services, to substantially and materially provide health care and supplemental services in accordance with this section, its respective regional board shall take such steps as it deems necessary, consistent with the provisions of section 402 (relating to grievance proceedings), to provide health care and supplemental services to users in the community or district affected. Such steps may include, in addition to appointment of a trustee or trustee committee under section 402(d)(3)(D)—

(1) requiring that the community or district board in an adjacent community or district provide such services to users residing in the community or district affected, or

(2) providing reimbursement for the provision of specified health care services in accordance with procedures and schedules in effect immediately before the effective date of health services under title XVIII of the Social Security Act (except that only users in the affected community or district shall be considered as entitled to receive such specified services under such title).

Paragraph (2) shall not apply on and after three years after the effective date of health services.

OPERATION OF HEALTH CARE FACILITIES

SEC. 232. (a)(1) Each health board, with respect to each health care facility it has established, shall establish policies and organizational plans consistent with this section and with parts A and C of title III (relating to the health labor force) for the operation of such facility and shall establish procedures to insure that the facility is operated in accordance with such policies and plans.

(2) In establishing, implementing, and modifying such policies and plans, each health board shall seek the fullest possible participation of health workers who are employed in, and users who receive health care services from, health care facilities affected by such policies and plans.

(b) Such policies and plans shall provide for—

(1) the management of each facility to be conducted through decisionmaking mechanisms which provide full and equal participation of all health workers employed in such facility, regardless of job category or skill level;

(2) the elimination of dominance by health professionals and the encouragement of cooperation and mutual respect among all health workers; and

(3) regular accountability of the health workers to the health board which established the facility for the efficient and effective operation of the facility.

(c)(1) On and after three years after the effective date of health services, a health board may not permit a health care facility it has established to be used for the private delivery of—

(A) inpatient health care services, or

(B) outpatient health care services, unless (i) the health board has determined that such outpatient use is in the interest of the Organization, and (ii) appropriate compensation, determined by the health board under guidelines established by the National Board, is being paid to the Organization for use of such facility.

(2) A health board may not permit an individual employed in any of its health care facilities to engage in the private delivery of health care services during any time for which the employee is being compensated for working in the facility.

(3) For the purposes of this subsection, the term "private delivery of health care services" means the delivery of health care services for which an individual, group, or organization receives remuneration from any source other than the Health Service Trust Fund established in section 511.

(d)(1) Each health board shall insure that any health care facility that it operates which provides (or is designed to provide) health care services on an inpatient basis to individuals over a continuous period of 60 days or longer—

(A)(i) is clean and adequately heated, cooled, and ventilated;

(ii) provides adequate staff for its inpatients;

(iii) provides comfortable living quarters for inpatients;

(iv) provides opportunities for creative activity and recreation;

(v) establishes and maintains a peer review committee in accordance with paragraph (2); and

(vi) informs an inpatient of all decisions involving the inpatient's health and well-being and permits the inpatient (and the peer review committee upon the inpatient's request) to participate fully in such decisions;

(B) and does not—

(i) censor or harass communication between an inpatient and others by telephone, letter, or in person;

(ii) confiscate personal property of an inpatient;

(iii) deny an inpatient the social and sexual life of such individual's preference;

(iv) require that an inpatient work;

(v) pay an inpatient less than minimum wage for work performed while receiving health care services;

(vi) physically restrain or confine an inpatient (other than one who has been confined as a result of conviction for a crime) involuntarily for a period exceeding 72 hours without the facility's peer review committee (described in paragraph (2)) determining, within 72 hours of its initiation and not less often than every two weeks during which such restraint or confinement is continued, that such restraint or confinement is required for the physical safety of the inpatient or of others; or

(vii) take punitive or discriminatory action (including transfer between or within facilities, changes in physical comforts and diets, changes in opportunities for social interaction and communication, or restriction of full participation in recreational and creative activities) without the prior approval, and renewed approval not less often than every week thereafter, of the facility's peer review committee (described in paragraph (2)).

(2)(A) Each health board shall provide that at least once each year the inpatients at that time of each health care facility it operates which provides (or is designed to provide) health care services on an inpatient basis to individuals over a continuous period of 60 days or longer shall elect, from among themselves and any representatives of voluntary associations which have a demonstrated interest in the care of such inpatients, a peer review committee (hereinafter in this paragraph referred to as the "committee") of not less than 3 members.

(B) Any member of the committee may be recalled by a vote of two-thirds of the number of inpatients in the facility.

(C) In any election or recall under this paragraph any inpatient who is not permitted to vote for any reason shall be permitted to appoint another individual to vote as a proxy.

PROVISION OF HEALTH SERVICES RELATING TO CONCEPTION AND CHILDBEARING

SEC. 233. (a)(1) To the maximum extent possible, area health boards, as appropriate, shall provide men and women of reproductive age with the following services:

(A) Complete information on contraception and a contraceptive device or medication of the individual's choosing.

(B) Complete and effective evaluation and treatment of veneral diseases and diseases of the reproductive organs.

(C) Complete information and counseling with respect to the individual's conception of children with genetically induced anomalies.

(2) To the maximum extent possible, area health boards, as appropriate, shall provide women of reproductive age with the following services:

(A) Complete and effective pregnancy testing.

(B) Safe, comfortable, and convenient abortion services.

(C) Counseling by women in conjunction with the provision of all gynecologic, contraceptive, and abortion services.

(3) The services described in paragraphs (1) and (2) shall be delivered only upon request, without personal harassment, with complete confidentiality, and without prior approval of individuals other than the individual receiving the services.

(4) An individual shall be permitted to be accompanied by a person of the individual's choice during the provision of the services described in paragraphs (1) and (2) to the extent this would not significantly increase the medical risk to the individual.

(b) No area health board may perform upon an individual a treatment or procedure (other than a treatment or procedure required to preserve the life of the individual) which could reasonably be expected to affect the individual's capacity to reproduce or nurse children, unless (1) the individual has been given complete information on the effect of the treatment or procedure on the individual's reproductive or nursing capacity, (2) the individual has approved the performance of the treatment or procedure, and (3) a review committee (established for this purpose by the area health board) has approved the performance of the treatment or procedure.

(c) An area health board shall ensure that, before a mastectomy is performed on a woman, the woman shall be provided with—

(1) the results of a frozen section or breast biopsy, not later than 48 hours after such section or biopsy has been made;

(2) the range of medical options available for treatment of her condition and the risks and side effects of each option; and

(3) an opportunity to consult individuals of her choice.

(d) An area health board shall provide that a woman giving birth to an infant shall, to the extent it would not unreasonably increase the medical risk to herself or her infant—

(1) be permitted to have her infant delivered in her home;

(2) be permitted to be accompanied during the labor and delivery process by persons of her choosing;

(3) be permitted to use the position for labor and delivery which she chooses;

(4) be permitted to care for her infant at her bedside; and

(5) be permitted to feed her infant according to the method and schedule of her choice.

TITLE III—HEALTH LABOR FORCE

PART A—JOB CATEGORIES AND CERTIFICATION

EFFECT OF STATE LAW

SEC. 301. Notwithstanding any law of a State or political subdivision to the contrary, the Organization, acting in accordance with the provisions of this Act, shall be the sole judge of the qualifications of its employees.

QUALIFICATIONS OF HEALTH WORKERS

SEC. 302. (a) Each area health board shall, taking into account guidelines established by the National Board, establish procedures which will ensure that, except in emergency situations, any work which is classified under a job category established under this part is performed by a health worker who at the time of such work was (1) certified (in accordance with this part) as competent to perform the work under such job category, and (2) authorized to perform such work by the area health board which employs such worker.

(b) Each area health board that employs health workers who perform work classified under a job category established under this part shall provide for the periodic review and assessment of the competency of such workers to perform the work within such job category, and shall provide opportunities for health workers to be assessed and certified with respect to skills required for advancement to other job categories.

ESTABLISHMENT OF JOB CATEGORIES AND CERTIFICATION STANDARDS

SEC. 303. (a) (1) The National Board shall establish such guidelines for the classification, certification, and employment of health workers by job category as it determines to be necessary (A) to ensure that health workers who perform work for the Organization which requires specialized skills have demonstrated that they possess such skills and (B) to expand the roles of health workers to enable them to participate in health care delivery to the maximum extent consistent with their skills.

(2) In establishing guidelines under subsection (a), the National Board shall provide for (A) sufficient flexibility to permit regional health boards to utilize health workers most effectively to meet the health needs of the region, and (B) sufficient uniformity to permit mobility of health workers among the regions.

(3) The National Board shall periodically evaluate the job categories and certification practices established by area health boards under this section and shall make such additions, deletions, or other modifications to its guidelines as it determines will promote the delivery of quality health care services.

(4) The National Board shall assist regional board in applying the guidelines established under this subsection.

(b) (1) For each job category (other than a job category determined by the National Board to involve highly specialized skills requiring advanced specialty training), each regional health board shall, taking into account the guidelines established under subsection (a), establish certification standards which shall specify—

(A) the functions performed by a health worker employed in such job category;

(B) the skills required in the course of properly performing work under such job category;

(C) the initial and continuing training, experience, and performance which must be undertaken or demonstrated by a health worker to achieve and maintain competency to perform the work within such job category; and

(D) the curriculum which a health worker must follow in studies in a district health team school (established under part B) to demonstrate sufficient competence to satisfy the specification of subparagraph (C) for such job category.

Each area health board within the region shall apply such standards to all health workers employed by it. In applying such standards, such boards shall recognize health worker training, experience, and performance undertaken or demonstrated before the establishment of health team schools under part B, subject to such periodic review and assessment and to such continuing training, experience, or performance as may be required under this part.

(2) For each job category established and determined by the National Board to involve highly specialized skills requiring advanced specialty training, the National Board shall make the specifications described in subparagraphs (A) through (D) of paragraph (1), and area health boards shall apply such certification standards to all health workers employed by them in such job categories.

(3) A health board which establishes standards for a job category under this subsection shall periodically review such standards and shall supplement, modify, or eliminate such standards as it determines will facilitate the delivery of quality health care services under this Act.

PART B—EDUCATION OF HEALTH WORKERS

DISTRICT HEALTH TEAM SCHOOLS

SEC. 311. (a) (1) Except as provided in paragraph (2), each district board, in consultation with the community boards in its district, shall establish a district health team school (hereinafter in this part referred to as a "school") in accordance with this section to provide programs of initial and continuing basic education in health care delivery for health workers, including aides, nurses, technicians, health assistants, health associates, midwives, occupational health and safety workers, health administrators, physicians, dentists, optometrists, and pharmacists. Each school shall be established and functioning not later than four years after the effective date of health services unless the National Board approves a plan, submitted by the district board, for the establishment of a school within a reasonable time after such deadlines.

(2) If a district board determines, after consultation with the community boards in its district, that conducting particular educational programs within a school in its district would be an inefficient or otherwise inappropriate, it may collaborate with one or more district boards for adjacent districts in the same region in conducting joint educational programs. In the case of the establishment of such a joint program, all further references in this part to a district or a district board with respect to a school offering a joint program shall refer to the districts included within, and the district boards offering the joint program.

(3) Each school shall be affiliated with the specialized health worker education program established under section 312 for the school's region.

(4) Schools shall be funded exclusively by the Organization, shall not charge nor accept tuition or fees for enrollment, and shall provide each student with an adequate allowance for living expenses, educational supplies, and any child care expenses.

(5) Each regional board shall assist district boards in its region in the establishment and maintenance of schools.

(b) Schools shall be operated and maintained in accordance with the following principles:

(1) The activities of each school shall be designed to meet the health needs of the district and communities which it serves.

(2) The number of students enrolled in each educational program in a school shall be based on the district and community boards' assessment of the needs for health workers within such district and communities.

(3) Schools shall integrate the education of health workers in the different job categories (established under part A) so as to permit health workers to be educated and certified for successively higher levels of health care work.

(4) Each school's admissions policies, curriculum policies, faculty hiring procedures, and governance plan shall be established and implemented by the district board in accordance with subsections (c) through (f), respectively, and with the fullest possible participation of the community boards, health workers, faculty members, and students in its district.

(5) A school may not use individuals who are from low-income populations or minority groups, or who are women or confined in mental or penal institutions, as subjects for training or demonstration in numbers that are disproportionate to their numbers in the population of the district, and may not use any individuals as subjects for training or demonstration in a manner beyond that required for the immediate purpose of the training or demonstration.

The National Board shall establish, not later then one year after the effective date of health services, guidelines for the application of these principles and for the phased integration of health worker education programs, including medical, dental, osteopathic, and nursing school programs, in existence on the date of enactment of this Act into the schools established under this section.

(c) Each district board shall establish and implement admissions policies for education programs in its school. Such policies shall—

(1) emphasize previous health-related work experience, as evaluated by health workers (including peers), by individuals who have received health care services from the applicant, and by faculty members;

(2) minimize the use of criteria of academic performance other than such criteria as have been shown to be significantly related to future work performance;

(3) give preference to segments of the population of the district under-represented among health workers;

(4) consistent with paragraph (3), provide for admission of individuals so that the student body is representative of the population of the district by race, sex, family income, and national origin; and

(5) require that the applicant agree, if accepted into the school, to perform health care services in accordance with section 313.

(d) Each district board shall establish and implement curriculum policies for educational programs in its school. Such policies shall—

(1) give priority in study and field work to the leading causes of illness and death in the district, including environmental, biological, and social determinants of mortality and morbidity;

(2) give special consideration to studying the social, as well as biological, causation and prevention of illness and disease, and to the differing health care needs of populations facing special health risks within the district;

(3) provide that all students shall take a common, initial sequence of courses and that students preparing for more advanced types of health work shall take studies that are progressively more specialized and differentiated;

(4) emphasize work-study experience in health care facilities in the district, including community and workplace clinics, facilities for the aged, mentally ill, and mentally retarded, health care facilities in prisons and other correctional institutions, and alcohol and drug rehabilitation facilities; and

(5) facilitate the development by all health workers of skills in decisionmaking and assessment of patient needs in cooperation with other health workers and with patients.

(e) Each district board shall establish and implement faculty hiring procedures for its school. Such procedures shall, to the maximum extent feasible, create a faculty which is representative of the population of the district by race, sex, and national origin.

(f) Each district board shall establish and implement a governance plan for the management of its school. Such plan shall give significant decisionmaking powers to faculty members and students of the school.

SPECIALIZED HEALTH WORKER EDUCATION PROGRAMS

SEC. 312. (a)(1) Except as provided in paragraph (2), each regional board, in consultation with the district boards in its region, shall establish specialized health worker education programs (hereinafter in this part referred to as "specialized programs") in accordance with this section to provide initial and continuing advanced education in health care delivery and health science specialty fields. Each specialized program shall be established and functioning not later than four years after the effective date of health services unless the National Board approves a plan, submitted by the regional board, for the establishment of a specialized program within a reasonable time after such deadline.

(2) If a regional board determines, after consultation with the district boards in its region, that offering particular educational programs within a specialized program in its region would be inefficient or otherwise inappropriate, it may collaborate with one or more regional boards in offering joint educational programs. In the case of the establishment of such a joint program, all further references in this part to a region or a regional board with respect to a specialized program offering a joint program shall refer to the regions included within, and the regional boards offering, the joint program.

(3) Each specialized program shall be affiliated with the schools established under section 311 within its region.

(4) Specialized programs shall be funded exclusively by the Organization, shall not charge nor accept tuition or fees for enrollment, and shall provide each student with an adequate allowance for living expenses, educational supplies, and any child care expenses.

(5) The National Board shall assist regional boards in the establishment and maintenance of specialized programs.

(b) Specialized programs shall be operated and maintained in accordance with the following principles:

(1) The activities of each specialized program shall be designed to meet the health needs of the region and districts which it serves.

(2) The number of students enrolled in each specialized program shall be based on the regional and district boards' assessments of the needs for health workers with specialized skills within such region and districts.

(3) Each specialized program's admissions policies shall be established by the regional board and shall—

(A) emphasize previous health-related work experience, as evaluated by health workers (including peers), by individuals who received health care services from the applicant, and by faculty members;

(B) give preference to segments of the population of the region under-represented among health workers with advanced training;

(C) consistent with subparagraph (B), provide for admission of individuals so that the student body is representative of the population of the region by race, sex, family income, and national origin; and

(D) require that the applicant agree, if accepted into the specialized program, to perform health care services in accordance with section 313.

(4) A specialized program may not use individuals who are from low-income populations or minority groups, or who are women or confined in mental or penal institutions, as subjects for training or demonstration in numbers that are disproportionate to their numbers in the population of the region or in a manner beyond that required for the immediate purpose of the training or demonstration.

The National Board shall establish, not later than one year after the effective date of health services, guidelines for the application of these principles and for the phased integration of specialized health worker education programs in existence on the date of enactment of this Act into specialized programs established under this section.

SERVICE REQUIREMENT

SEC. 313. (a)(1) No individual may be enrolled by an area health board in a school or specialized program unless the individual agrees to perform health care services as an employee of the Organization in the job category for which training is being provided (A) for a period of time equal to the period of such enrollment in the school or specialized program, (B) beginning not later than one year after graduation from the school or program, and (C) for the area health board with the highest priority ranking under subsection (c) or (d), whichever is applicable, which agrees to employ the individual.

(2) An individual's obligation to perform service under an agreement described in paragraph (1) shall be deferred only for a period during which the individual is physically or mentally incapable of performing such service.

(3) No health board may employ an individual who has made an agreement described in paragraph (1), other than in accordance with subsections (c) and (d), until the individual has completed the period of obligated service in accordance with this section.

(b) Each area health board shall periodically assess the ratio of the number of health workers employed by the board in each job category (established under part A) to the number of residents in the area.

(c)(1) With respect to an individual obligated to perform service under this section as a result of completion of an educational program in a job category in a school, the priority ranking (referred to in subsection (a)(1)(C)) of area health boards for hiring the individual is as follows:

(A) The district board for the district, or a community board for a community in the district, in which the school is located, if the district or community is a health worker shortage area (as defined in paragraph (2)) with respect to the job category for which the individual received training.

(B) A district or community board (other than one described in subparagraph (A)) for a district or community which is a health worker shortage area with respect to the job category for which the individual received training.

(C) Any other area health board.

(2) For the purposes of paragraph (1), the term "health worker shortage area" means, with respect to a job category for which an individual has received training in a school, a district or community which—

(A) has a ratio of the number of health workers in the job category employed by the district or community board, respectively, to the number of residents in the district or community (whichever is applicable) which is less than two-thirds of the ratio of the total number of health workers in the job category employed by all the district or community boards, respectively, in its region to the number of residents in such region, and

(B) has plans and a budget which provide for the hiring of an individual in the job category.

(3) Each regional board shall establish a program to match the locational preferences of graduates of schools with the needs and preferences of district and community boards within its region.

(d)(1) With respect to an individual obligated to perform service under this section as a result of completion of a specialized program for a job category, the priority ranking (referred to in subsection (a)(1)(C)) of area health boards for hiring the individual is as follows:

(A) The regional board for the region, or a district board for a district in the region, in which the specialized program is offered, if the region or district is a health worker shortage area (as defined in paragraph (2)) with respect to the job category for which the individual received training.

(B) A regional or district board (other than one described in subparagraph (A)) for a region or district which is a health worker shortage area with respect to the job category for which the individual received training.

(C) Any other area health board.

(2) For the purposes of paragraph (1), the term "health worker shortage area" means, with respect to a job category for which an individual has received training in a specialized program, a region or district which—

(A) has a ratio of the number of health workers in the job category employed by the regional or district board, respectively, to the number of residents in the region or district (whichever is applicable) which is less than two-thirds of the ratio of the total number of health workers in the job category employed by all the regional or district boards, respectively, in the Nation to the number of residents in the Nation, and

(B) has plans and a budget which provide for the hiring of an individual in the job category.

(3) The National Board shall establish a program to match the locational preferences of graduates of specialized programs with the needs and preferences of regional and district boards.

PART C—EMPLOYMENT AND LABOR-MANAGEMENT RELATIONS WITHIN THE ORGANIZATION

EMPLOYMENT, TRANSFER, PROMOTION, AND RECEIPT OF FEES

SEC. 321. (a) Health boards shall, in accordance with this Act and taking into account guidelines established by the appropriate National Board, hire, classify, and fix the compensation and benefits of all employees of the Organization employed in their health care and other facilities.

(b) The appropriate National Board, in establishing guidelines under this part, shall, to the extent feasible and consistent with the provisions of this part, provide for—

(1) employment and promotion in the Organization in the same manner as is provided for employment and promotion under the Federal civil service system;

(2) meaningful opportunities for career development;

(3) encouragement of health workers to use up to 10 percent of their time for continuing education under part B without loss of pay or other job rights; and

(4) full protection of employees' rights by providing an opportunity for a fair hearing on adverse actions with representation of their own choosing.

(c) Health boards, in hiring employees to fill vacancies in newly created positions, shall give preference to individuals who were employed as health workers, or self-employed while delivering health services, before the date of enactment of this Act.

(d) Employees of the Organization shall be eligible for promotion or transfer to any position in the Organization for which they are qualified. Each regional board shall establish and maintain a job placement service to assist health workers in its region in transferring between jobs with different area health boards in the region. The authority given by this subsection shall be used to provide a maximum degree of career opportunities for employees and to ensure continued improvement of health care services.

(e) A community or district board may not hire an individual to fill a job vacancy that is classified under part A in a job category if—

(1) the community or district board, respectively, has a ratio of the number of health workers in the job category employed by such board to the number of residents in the community or district (whichever is applicable) which is greater than four-thirds of the ratio of the total number of health workers in the job category employed by all the community or district boards, respectively, in its region to the number of residents in such region; and

(2) there is a community or district within its region which is a health worker shortage area (as defined in section 313(c)(2)) with respect to the job category.

(f) An employee of the Organization may not receive any fee or perquisite from a patron of the Organization on account of duties performed by virtue of such employment, except as authorized by law.

SOLICITATION AND USE OF RECOMMENDATIONS

SEC. 322. (a) An area health board may solicit, accept, and consider, and any other individual or organization may furnish or transmit to the board, any statement with respect to an individual who requests or is under consideration for appointment, promotion, assignment, or transfer by the board if—

(1) the statement is furnished pursuant to a request or requirement of the board and consists solely of an evaluation of the work performance, ability, aptitude, and general qualifications of such individual;

(2) the statement relates solely to the character and residence of such individual; or

(3) the statement is furnished by a former employer of such individual pursuant to a request of the board, and consists solely of an evaluation of the work performance, ability, aptitude, and general qualifications of such individual during the individual's employment with such former employer.

(b) Except as provided in subsection (a), each appointment, promotion, assignment, or transfer, interim or otherwise, of an employee of the Organization (except individuals on the personal staffs of area health board members) shall be made without regard to any recommendation or statement, oral or written, with respect to any individual who requests or is under consideration for such appointment, promotion, assignment, or transfer, made by any individual or organization.

(c) Except as provided in subsection (a), individuals and organizations may not make or transmit to the Organization any recommendation or statement, oral or written, with respect to any individual who requests or is under consideration for any such appointment, promotion, assignment, or transfer. The Organization, subject to subsection (a)—

(1) shall not solicit, request, consider or accept any such recommendation or statement; and

(2) shall return any such written recommendation or statement received by it, appropriately marked as in violation of this section, to the person or organization making or transmitting such statement.

(d) An individual who requests or is under consideration for any such appointment, promotion, assignment, or transfer may not request or solicit any such recommendation or statement from any individual or organization except a statement of the type described in subsection (a)(2).

(e) The Organization shall take any action it determines necessary and proper, including but not limited to suspension, removal from office, or disqualification from employment by the Organization, to enforce the provisions of this section.

APPLICABILITY OF LAWS RELATING TO FEDERAL EMPLOYEES

SEC. 323. (a) The provisions of chapter 75 of title 5, United States Code (relating to adverse actions against employees) shall apply to employees of the Organization (other than employees serving on the personal staff of members of health boards), except to the extent of any inconsistency with—

(1) the provisions of any collective-bargaining agreement negotiated on behalf of and applicable to them; or

(2) procedures established by the Organization and approved by the Civil Service Commission.

(b) Employees of the Organization shall be covered by subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work injuries).

(c)(1) Employees of the Organization shall be covered by chapter 83 of title 5, United States Code (relating to civil service retirement), to the extent not inconsistent with the provisions of any collective bargaining agreement negotiated on behalf of and applicable to them.

(2) The Organization shall withhold from pay and shall pay into the Civil Service Retirement and Disability Fund the amounts specified in chapter 83 of title 5, United States Code, as required under paragraph (1). The Organization, upon request of the Civil Service Commission, but not less frequently than annually, shall pay to the Commission the costs reasonably related to the administration of Fund activities for employees of the Organization.

(d) Sick and annual leave and compensatory time of employees of the Organization, whether accrued prior to or after the commencement of operations of the Organization, shall be obligations of the Organization.

(e)(1) Compensation, benefits, and other terms and conditions of employment in effect on the day before the effective date of health services for employees of the Federal Government performing functions that are provided under this Act by the Organization, shall apply to all employees of the Organization performing similar functions until changed by the Organization in accordance with this Act. Subject to the provisions of this Act, the provisions of subchapter I of chapter 85 and chapter 87 of title 5, United States Code (relating to unemployment compensation and life insurance) shall apply to employees of the Organization unless varied, added to, or substituted for in accordance with paragraph (2).

(2) No variation, addition, or substitution with respect to fringe benefits shall result in a program of fringe benefits which on the whole is less favorable to employees of the Organization than fringe benefits in effect for employees of the Federal Government on the effective date of health services. No variation, addition, or substitution with respect to fringe benefits of employees for whom there is a collective-bargaining representative shall be made except by agreement between such representative and the Organization.

APPLICABILITY OF FEDERAL LABOR-MANAGEMENT RELATIONS LAWS

SEC. 324. (a) The provisions of the National Labor Relations Act (42 U.S.C. 141 et seq.) shall apply to the Organization and its employees to the extent, not inconsistent with subsection (b), to which such provisions apply to employers (as defined in section 101(2) of such Act).

(b)(1) Collective-bargaining agreements between area health boards and duly recognized bargaining representatives of employees of the Organization (A) shall be effective for not less than two years, and (B) may include procedures for resolution by the parties of grievances and adverse actions arising under the agreement, including procedures culminating in binding third-party arbitration.

(2) Area health boards and duly recognized bargaining representatives of employees of the Organization may by mutual agreement adopt procedures for the resolution by the parties (A) of grievances and adverse actions arising under collective-bargaining agreements, and (B) of disputes or impasses arising in the negotiation of such agreements.

(c) Section 3(e) of the Labor-Management Reporting and Disclosure Act of 1959 (42 U.S.C. 402(e)) is amended by inserting "the United States Health Service Organization and" after "and includes".

TITLE IV—OTHER FUNCTIONS OF HEALTH BOARDS

PART A—ADVOCACY, GRIEVANCE PROCEDURES, AND TRUSTEESHIPS

ADVOCACY AND LEGAL SERVICES PROGRAM

SEC. 401. (a) Each area health board shall establish a program of health advocacy to ensure the full realization of the patient rights enumerated in part B of title II. Such a program shall include—

(1) the employment of individuals having basic legal knowledge and skills as health advocates;

(2) the presence of health advocates (A) in inpatient health care facilities at all times, and (B) in other health care facilities during the provision of health care servces;

(3) provision for health advocates to (A) inform, on an ongoing basis, users and health workers of such patient rights and (B) report to the area health board any infraction of such rights which is not promptly corrected;

(4) provision for regular meetings between health workers and health advocates, users, and any user representatives to discuss ways of ensuring the fulfillment of such rights through affirmative action of such workers and the area health board; and

(5) appropriate action by the area health board to ensure that infractions of such rights are promptly and sufficiently corrected.

(b)(1) The National Board shall establish a health rights legal services program and shall provide such program with sufficient legal and administrative personnel, funding, and facilities (A) to ensure that users and health workers receive, free of charge, high quality legal services (including representation in grievance proceedings commenced under section 402) for legal problems related to health rights and health care services, and (B) to improve, through litigation and other activities, the health care system and expand the rights of users and health workers.

(2) The health rights legal services program shall provide directly, by contract with the National Legal Services Corporation, or by contract with members of the private bar, for—

(A) establishment of a legal services office in each region to provide representation (other than representation provided under subsection (B)) of users, health workers, and voluntary associations having a demonstrated interest in health care in proceedings and hearings under section 402; and

(B) establishment of legal services offices in such communities and districts as are determined, in accordance with guidelines established by the National Board, to have inadequate legal services to provide the legal services described in paragraph (1) (A).

(3) The National Board may carry out the functions described in paragraph (1)(B) directly, by contract, or otherwise.

GRIEVANCE PROCEDURES AND TRUSTEESHIPS

SEC. 402. (a)(1) Each regional and interim regional board shall provide, in accordance with this section, that any user, health worker, or any voluntary association having a demonstrated interest in health care may commence a grievance proceeding before such board (or a person or committee designated by such board) with respect to an alleged violation of this Act by a district or community board within its region. Each regional and interim regional board may commence a grievance proceeding before itself (or a person or committee designated by such board) with respect to an alleged violation of this Act by a district or community board within its region.

(2) The appropriate National Board shall provide, in accordance with this section, that any user, health worker, or any voluntary association having a demonstrated interest in health care may commence a grievance proceeding before such Board (or a person or committee designated by such Board) with respect to an alleged violation of this Act, by a regional or interim regional board. The appropriate National Board may commence a grievance proceeding before itself (or a person or committee designated by such Board) with respect to an alleged violation of this Act by a regional or interim regional board.

(3) The Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") shall provide, by regulation and in accordance with this section, that any user, health worker, or any voluntary association having a demonstrated interest in health care may commence a grievance proceeding before the Secretary (or a person or committee designated by the Secretary) with respect to an alleged violation of this Act by an appropriate National Board. The Secretary may commence a grievance proceeding before himself (or a person or committee designated by the Secretary) with respect to an alleged violation of this Act by an appropriate National Board.

(b)(1) The appropriate National Board shall provide, subject to paragraphs (3) and (4), for its review (or a review by a person or committee designated by the Board), by appeal to the Board by any party to a proceeding described in subsection (a)(1) or on its own initiative, of an adverse decision by a regional or interim/regional board in the proceeding.

(2) The Secretary shall provide, subject to paragraphs (3) and (4), for the Secretary's review (or a review by a person or committee designated by the Secretary), by appeal to the Secretary by any party to a proceeding described in subsection (a)(2) or to a review proceeding under paragraph (1) or on his own initiative, of an adverse decision by the appropriate National Board in the proceeding.

(3) On and after the date a suit with respect to an adverse determination in a grievance proceeding or review proceeding is filed under subsection (e), no review proceeding respecting such proceeding or review proceeding may be commenced by appeal to the Board or the Secretary under paragraph (1) or (2), and any such review proceeding which was commenced by appeal to the Board or the Secretary under such paragraph before the date of filing of such suit and is pending on such date shall promptly be discontinued.

(4) No review of an adverse administrative decision may be made by appeal or by initiative under this subsection unless the appeal is filed or notice of the initiative is published (as the case may be) not later than 15 days after the publication of the decision.

(c)(1) Whenever a grievance proceeding is commenced under subsection (a), the entity before which the proceeding is held shall investigate the grievance.

(2) An entity before which a proceeding or review proceeding is commenced under subsection (a) or (b)—

(A) shall conduct a full and open public hearing on the grievance as part of such proceeding—

(i) if the grievance is supported by a petition signed by a minimal number of residents (as defined in paragraph (4)); or

(ii) before the entity (or the body which designated it) may set aside an election or transfer any functions of a health board under subsection (d); and

(B) may conduct such a hearing if the entity determines that such hearing is in the public interest.

(3) The entity that conducts a hearing under paragraph (2) shall provide for timely notice to, and opportunity to be heard by, any party with a direct interest in the grievance for which the hearing is conducted.

(4) As used in paragraph (1), the term "minimal number of residents" means, with respect to a grievance which concerns a health board which is—

(A) a community board, 100 individuals,

(B) a district board, 300 individuals,

(C) a regional or interim regional board, 1,000 individuals, and

(D) an appropriate National Board, 250,000 individuals,

who are 18 years of age or older and who reside in the area served by the board.

(d)(1) With respect to a grievance proceeding begun under subsection (a) relating to the conduct of an election of a community board, if the entity before which such proceeding is commenced under such subsection, or is reviewed under subsection (b), determines that the election (A) was not conducted substantially in compliance with this Act or (B) has revealed the systematic nonrepresentation of significant elements of the population of the community, whether by race, sex, national origin, income level, or otherwise, the entity shall set aside the election and, unless such determination is reviewed under subsection (b), the entity shall require that another election for members of the community board be conducted, in accordance with this Act, not later than 60 days after the date of such determination. If such election is conducted because of a determination under clause (B), the election shall be conducted (and subsequent elections may be conducted) in such a manner, including the use of geographic or other subdivisions for electoral purposes, as will facilitate the representation of the significant elements of the population of a community.

(2) With respect to a grievance proceeding begun under subsection (a) relating to a grievance other than the conduct of an election of a community board, if the entity before which such proceeding is commenced under such subsection, or is reviewed under subsection (b), determines that the grievance represents—

(A) a failure by a health board to comply substantially and materially with this Act, the entity shall require that a new election or appointment, in accordance with this Act, of members of the health board be conducted or made within 60 days of the date of such determination; or

(B) a failure by a health board to comply, but not substantially and materially, with this Act, the entity may require that a new election or appointment, in accordance with this Act, of members of the health board be conducted or made if such failure is not corrected within a reasonable period of time (specified by the entity) of the date of such determination.

(3)(A) If an entity determines under paragraph (1) or (2) that a community or district board has failed to comply with this Act, the entity shall transfer to the regional (or interim regional) board for such community or district such functions of the community or district board as it determines necessary to carry out this Act until a new election or appointment is conducted or made.

(B) If an entity determines under paragraph (2) that a regional or interim regional board has failed to comply with this Act, the entity shall transfer to the appropriate National Board such functions of the regional or interim regional board as it determines necessary to carry out this Act until a new regional or interim regional board is appointed.

(C) If the Secretary determines under paragraph (2) that an appropriate National Board has failed to comply with this Act, the Secretary shall transfer to the Secretary such functions of the Board as the Secretary determines necessary to carry out this Act until a new National Board is appointed.

(D) If a health board or the Secretary is transferred the functions of another health board under this paragraph, until a new election or appointment of the other health board has been certified, (i) the health board or the Secretary, respectively, shall have the powers of the other health board to conduct such functions, (ii) the health board or the Secretary, respectively, may appoint a trustee (or trustee commitee) to have such powers and carry out such functions, and (iii) any expenses that are certified by the health board or the Secretary, respectively (or by the trustee or trustee committee appointed by it) as having been incurred by it in discharging the functions transferred to it under this paragraph shall be paid from funds allocated to the other health board.

(e) Any party to a grievance proceeding or review proceeding commenced under this section may bring suit in the United States district court for the judicial district in which such proceeding, or review proceeding, was brought, for the review of an adverse determination in such proceeding or review proceeding. Such court shall affirm such determination unless it finds that such determination is not supported by substantial evidence or is arbitrary and capricious.

PART B—OCCUPATIONAL SAFETY AND HEALTH PROGRAMS

FUNCTIONS OF THE NATIONAL BOARD

SEC. 411. (a) On and after the effective date of health services, the National Board shall oversee occupational safety and health programs conducted at the regional level, and shall participate in the establishment and administration of occupational safety and health standards under the Occupational Safety and Health Act of 1970.

(b) In its participation in the establishment and administration of occupational safety and health standards under the Occupational safety and health standards under the Occupational Safety and Health Act of 1970, the National Board shall seek the advice and comments of regional occupational safety and health action councils established under section 413.

(c) (1) To provide for participation of the National Board in the establishment and administration of occupational safety and health standards, the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) is amended—

(A) by adding at the end of section 3 the following new paragraph:

"(15) The term 'National Health Board' means the Board of Directors of the United States Health Services Organization";

(B) by striking out "Secretary of Health, Education, and Welfare" each time it appears (other than in section 22(b)) and inserting in lieu thereof "National Health Board";

(C) by inserting "shall request the National Health Board and" in the first sentence of section 6(b)(1) before "may request";

(D) by inserting "the Board and" in the second sentence of section 6(b)(1) after "The Secretary shall provide";

(E) by striking out "An" in the third sentence of section 6(b)(1) and inserting in lieu thereof "The Board and an";

(F) by striking out "its" each time it appears in the third sentence of section 6(b)(1) and inserting in lieu thereof "their";

(G) by inserting "after consultation with the National Health Board and" in the fourth sentence of section 6(b)(6)(A) after "may be granted only";

(H) by inserting "after consultation with the National Health Board and" in the third sentence of section 6(d) before "after opportunity for";

(I) by striking out "The Secretary" and all that follows through "shall each" in section 8(g)(2) and inserting in lieu thereof "The Secretary shall";

(J) by striking out "their" in section 8(g)(2) and inserting in lieu thereof "his";

(K) by inserting "after consultation with the National Health Board and" in section 16 before "after notice and opportunity";

(L) by inserting "(after consultation with the National Health Board)" in section 18(c) after "in his judgment";

(M) by inserting "and the National Health Board" in section 19(d) after "Secretary" each time it appears; and

(N) by striking out the first sentence of paragraph (5) of section 20(a).

(2) The amendments made by paragraph (1) shall take effect on the effective date of health services.

(f) The National Board shall establish guidelines—

(1) for its participation in the establishment and administration of occupational safety and health standards under the Occupational Safety and Health Act of 1970;

(2) for the election of community occupational safety and health action councils under section 412;

(3) for the establishment of regional occupational safety and health programs under section 413;

(4) for the establishment and operation of workplace health facilities under section 414; and

(5) for the provision of assistance by regional and community boards to regional and community occupational safety and health councils, respectively, and to workplace safety and health committees established under section 415.

COMMUNITY OCCUPATIONAL SAFETY AND HEALTH ACTIVITIES

SEC. 412. (a)(1) Each community board shall cooperate with the appropriate regional board in the establishment and implementation of an occupational safety and health program for its region.

(2) Each community board shall provide for the organization and operation (including staff and support) in its community of a community occupational safety and health action council (hereinafter in this part referred to as a "COSHAC") in accordance with this section.

(b) The members of a COSHAC shall be elected by individuals employed in the community as follows:

(1) Employees of each workplace in the community which has 500 or more employees shall be entitled to elect one member for each 500 such employees in such workplace.

(2) Employees of workplaces in the community having fewer than 500 employees shall be entitled to vote in community-wide elections for a number of members equal to (A) the total number of employees in such workplaces divided by 500, (B) rounded (if necessary) to the next highest whole number.

The elections of COSHAC members shall be conducted by the community board for such COSHAC under guidelines established by the National Board.

(c) Each COSHAC shall—

(1) appoint one individual to serve, at its pleasure, as a member of the community board for such COSHAC;

(2) appoint one individual to serve, at its pleasure, as a member of the regional occupational safety and health action council for its region;

(3) advise the community board on, and facilitate, the conduct of occupational safety and health programs in the community;

(4) facilitate the establishment of workplace occupational safety and health committees in each workplace in the community, and advise and facilitate such committee's actions on grievances arising from safety and health hazards in workplaces in the community; and

(5) assist employees in determining methods of, and requirements for, inspections of workplaces in the community for safety and health hazards.

REGIONAL OCCUPATIONAL SAFETY AND HEALTH PROGRAMS

SEC. 413. (a)(1) Each regional board shall establish an occupational health and safety program for its region in accordance with this subsection and under guidelines established by the National Board.

(2) A regional occupational health and safety program shall, to the maximum extent feasible, use the facilities and resources of community boards in the region and shall include—

(A) training programs to enhance the ability of employees in the region to monitor safety and health conditions in their workplaces and to assist safety and health inspectors in the conduct of workplace inspections;

(B) baseline and periodic biologic screening of employees in the region;

(C) development and maintenance of environmental monitoring programs to identify and isolate hazardous workplaces and work areas in the region;

(D) the analysis of employment-related injuries and illnesses occurring in the region;

(E) staff and support for the operation of the regional occupational safety and health action council (hereinafter in this part referred to as the "ROSHAC") established in the region under this section.

(b) Each ROSHAC shall—

(1) appoint one individual to serve, at its pleasure, as a member of the regional board for such ROSHAC;

(2) advise the regional board on, and facilitate, occupational safety and health programs in the region; and

(3) advise the National Board on the establishment and administration of occupational safety and health standards under the Occupational Safety and Health Act of 1970.

WORKPLACE HEALTH FACILITIES

SEC. 414. (a) The employer in each workplace shall establish and maintain a health facility in or near the workplace to provide occupational and emergency health care services to individuals employed in the workplace in accordance with this section and under the guidelines for such facilities established by the National Board.

(b) Each workplace health facility established pursuant to subsection (a) shall, taking into account guidelines established by the National Board—

(1) be organized in a manner so as to provide an appropriate scope and quality of health care services and an appropriate number of appropriately skilled health workers to meet occupational and emergency health care needs of employees in the workplace; and

(2) be operated by the community board for the community in which the workplace is predominantly located, or, where such board deems appropriate, by the employer, with the cost in either case borne by the employer in each workplace.

EMPLOYEE RIGHTS RELATING TO OCCUPATIONAL SAFETY AND HEALTH

SEC. 415. (a)(1) Employees in each workplace shall have the right to establish occupational safety and health committees (hereinafter in this subsection referred to as "committees") with members of their choosing.

(2) Members of committees (not to exceed one member for each 100 employees in a workplace) shall, without any loss of pay or other job rights—

(A) be permitted to spend one day of each month inspecting their workplace and conducting such other functions relating to occupational safety and health as are determined by the employees in the workplace; and

(B) be permitted to accompany any safety and health inspectors during inspections of the workplace.

(b) Employees in each workplace shall have the right, without any loss of pay or other job rights—

(1) to monitor safety and health conditions in their workplace whenever they reasonably deem it necessary and with whatever reasonable scientific instruments and expert assistance they choose; and

(2) to remove themselves from the site of any hazard to their safety or health until an authorized inspector has certified that the hazard has been eliminated.

(c) Employers shall furnish their employees with, or reimburse their employees for the reasonable cost of, equipment and clothing needed to protect an employee from occupational safety and health hazards in the workplace.

(d) Employees or their duly chosen representatives shall have the right to inspect all medical records maintained by their employers on the condition of their health, and shall have the right to be assisted during such inspections by persons of their choosing.

(e) Employers shall provide their employees with copies of all reports, studies, and data concerning conditions affecting the health and safety of employees within their workplaces, and with timely notification of the presence within the workplace of any materials, agents, or conditions which may have a deleterious effect on the safety and health of their employees.

(f) Employees shall have the right to seek, through collective bargaining, occupational safety and health standards, including standards relating to physical and mental stress and speed of work, more restrictive than such standards established under the Occupational Safety and Health Act of 1970.

(g) Nothing in the Occupational Safety and Health Act of 1970 shall be construed to restrict employees or their representatives from bringing suit, regardless of the passage of time, to recover damages related, in whole or in part, to conditions in the employees' workplace.

DEFINITIONS

SEC. 416. (a) For purposes of this part, the term "workplace" means the regular location where work is performed by one or more employees of an employer.

(b) For the purposes of sections 414 and 415, the term "employer" and "employee" have the same meanings those terms have in section 3 of the Occupational Safety and Health Act of 1970 (42 U.S.C. 653).

PART C—HEALTH AND HEALTH CARE DELIVERY RESEARCH

PRINCIPLES AND GUIDELINES FOR RESEARCH

SEC. 421. (a) On and after the effective date of health services, the Organization shall conduct a program of research concerning health and health care delivery. On and after two years after such date, such research program shall conform to the following principles:

(1) The research shall, to the maximum extent possible, be performed under the direction of community and district boards.

(2) No research shall be conducted within, or using the resources of, an area health facility until it has been reviewed and approved by the area health board responsible for such facility.

(3) Priority shall be given in health research to the prevention and correction of the leading causes of illness and death, particularly environmental, occupational, nutritional, social, and economic causes.

(4) Priority shall be given in health care delivery research to improvement of the effectiveness and efficiency of ambulatory and primary health care delivery, including research on alternative systems of health care delivery and alternative conceptions of health and health care.

(5) No research to evaluate new preventive, diagnostic, or therapeutic methods or agents shall be undertaken using human subjects until all animal research which may effectively contribute to evaluating such methods or agents has been undertaken.

(6) Each health board, in planning and conducting research under the program, shall cooperate with appropriate officials conducting related research in the Department of Health, Education, and Welfare, the Environmental Protection Agency, other Federal Government agencies, and agencies and departments of State, territorial, and local governments.

(7) The results of research shall be disseminated to the public and to area health boards in a manner that will most readily permit the use of such results to improve the health of users and the delivery of health care services.

(b) The National Board shall establish guidelines for the conduct of research in conference with the principles described in subsection (a).

ESTABLISHMENT OF INSTITUTES

SEC. 422. The National Board shall establish the following institutes:

(1) A National Institute of Epidemiology, which shall—

(A) gather and analyze disease-related statistics collected by the Organization;

(B) assist in the planning and conduct of epidemiologic research conducted by the Organization;

(C) conduct and support research on epidemiologic methodology and experimental epidemiology;

(D) establish and maintain an early warning system for the detection of new diseases and epidemics; and

(E) assist in the formulation of policies to prevent and curtail epidemics, and to eliminate or reduce the causes of diseases.

(2) A National Institute of Evaluative Clinical Research, which shall—

(A) gather and analyze all evidence collected by the Organization dealing with the effectiveness of preventive, diagnostic, and therapeutic measures and the occurrence of iatrogenic illnesses;

(B) analyze evidence on newly-discovered or proposed preventive, diagnostic, and therapeutic methods and agents;

(C) plan and conduct clinical trials, in conformance with the limitations of part B of title II; and

(D) assist the National Board, in cooperation with other bodies, including the National Institute of Pharmacy and Medical Supply, in developing guidelines and standards for the introduction of new methods of prevention, diagnosis, and treatment.

(3) A National Institute of Health Care Services, which shall—

(A) analyze data and statistics on the health care resources and needs of the Nation and on the quality of present services;

(B) conduct comparative studies of health care services in the various regions of the Nation, and make recommendations for the improvement of health care services in areas with inferior quality of health care services;

(C) plan and conduct research on alternative methods of health care delivery, functions and tasks of various kinds and categories of health workers, patterns of organization of health care, and the effectiveness and benefits of health care in relation to costs; and

(D) assist the National Board in formulating national policies to improve the quality of health care services.

(4) A National Institute of Pharmacy and Medical Supply, which shall—

(A) recommend to the National Board standards regarding the quality, distribution, and price of all drugs, therapeutic devices, appliances, and equipment to be used by the Organization;

(B) certify drugs, therapeutic devices, appliances, and equipment for use by the health facilities of the Organization, and for furnishing to users of such health facilities;

(C) assist the National Board in issuing a National Pharmacy and Medical Supply Formulary; and

(D) conduct a comprehensive program of pharmaceutical and medical supply research and utilization education using, to the maximum extent possible, regional facilities operated in association with the respective regional health boards.

(5) A National Institute of Sociology of Health and Health Care, which shall—

(A) conduct ongoing analyses of the basic epistemological assumptions of health and health care;

(B) assess critically the effects of scientific medicine and of divisions in institutional and technical skills in health care; and

(C) analyze alternative, holistic approaches to the human body, health, and causality of ill health and the lack of social and psychological well-being.

PART D—HEALTH PLANNING, DISTRIBUTION OF DRUGS AND OTHER MEDICAL SUPPLIES, AND MISCELLANEOUS FUNCTIONS

HEALTH PLANNING AND BUDGETING

SEC. 431. (a) Each area health board shall, under guidelines established by the National Board, collect data on the supply of and demand for health workers in facilities under its supervision, and on the delivery of health care and supplemental services in health care facilities under its supervision, shall evaluate such data, and shall transmit such data and their evaluation—

(1) to its respective regional board, in the case of a district or community board, and

(2) to the National Board, in the case of a regional board,

and shall make available such data and evaluations to residents of its area.

(b) Each regional board shall coordinate the planning and administration of the delivery of health care services, health worker education, and health research in its region, and shall facilitate the planning and administration of such programs by district and community boards in its region.

(c) The National Board shall formulate a national health plan and budget, in consultation with regional boards, to provide guidance for short-term and long-term decisions of area health boards.

DISTRIBUTION OF DRUGS AND OTHER MEDICAL SUPPLIES

SEC. 432. (a) (1) The National Board, after consultation with the regional boards, shall, not later than the effective date of health services, publish and disseminate to area health boards a National Pharmacy and Medical Supply Formulary (hereinafter in this section referred to as the "Formulary").

(2) The Formulary shall contain a listing of drugs, therapeutic devices, appliances, equipment, and other medical supplies (including eyeglasses, other visual aids, hearing aids, and prosthetic devices) (hereinafter in this section referred to as "drugs and other medical supplies"). For each item on such listing the Formulary shall contain (A) the standards of quality for the production of such item, (B) the medical conditions for which the item is certified as effective for purposes of the provision of health care services under this Act, and (C) such other information on such item as the National Board determines to be appropriate for the effective and efficient delivery of health care services under this Act.

(3) The National Board shall, at regular intervals, update the contents of the Formulary and publish a price list for items listed in the Formulary.

(b) (1) Each regional board shall establish a program, in accordance with this subsection and under guidelines established by the National Board, for the purchase and distribution of drugs and other medical supplies for use by health care facilities established by such board or by a community or district board within its region.

(2) Such a program shall provide for the purchase of each drug or other medical supply item only (A) following competitive bidding on such item or (B) based on the price listed for such item in the price list published under subsection (a) (3).

(3) Such a program shall provide for the distribution of drugs (and their dispensing by community and district boards in its region) under their generic names.

(4) For purposes of paragraph (3), the term "generic names" means the established names, as defined in section 502(e) (2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(e) (2)).

MISCELLANEOUS FUNCTIONS OF THE NATIONAL BOARD

SEC. 433. (a) The appropriate National Board shall publish, not later than December 31 of each year, a report presenting and evaluating operations of the Organization during the fiscal year ending in such year and surveying the future health needs of the Nation and plans the Board has for the Organization to meet such needs.

(b) The National Board shall, not later than the effective date of health services, prepare and disseminate to area health boards, for use by users, a comprehensive dictionary of terms used in health care records and services maintained or provided by the Organization. Such dictionary shall explain terms related to symptoms, signs, diagnoses, etiologic agents and conditions, diagnostic procedures, and the treatment and prevention of, and rehabilitation following, illnesses, and shall include extensive citations of lay and professional sources which a user might consult to get additional information on such terms.

TITLE V—FINANCING OF THE ORGANIZATION

PART A—HEALTH SERVICE TAXES

INDIVIDUAL AND CORPORATE INCOME TAXES

SEC. 501. (a)(1) Subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to normal taxes and surtaxes) is amended by adding at the end thereof the following new part:

"PART VII—HEALTH SERVICE TAXES

"SEC. 59. TAX IMPOSED.

"(a) INDIVIDUALS, ESTATES, AND TRUSTS.—In addition to other taxes, there is hereby imposed for each taxable year on the taxable income of every individual and of every estate and trust taxable under section 1(d), a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $10,000	1% of the taxable income.
Over $10,000 but not over $12,000	$100, plus 12% of excess over $10,000.
Over $12,000 but not over $15,000	$340, plus 13% of excess over $12,000.
Over $15,000 but not over $20,000	$730, plus 14% of excess over $15,000.
Over $20,000 but not over $25,000	$1,480, plus 15% of excess over $20,000.
Over $25,000 but not over $30,000	$2,230, plus 17% of excess over $25,000.
Over $30,000 but not over $50,000	$3,080, plus 19% of excess over $30,000.
Over $50,000 but not over $100,000	$6,880, plus 21% of excess over $50,000.
Over $100,000 but not over $200,000	$17,380, plus 23% of excess over $100,000.
Over $200,000	$40,380, plus 25% of excess over $200,000.

"(b) CORPORATION.—In addition to the other taxes, there is hereby imposed for each taxable year on the taxable income of every corporation, a tax in an amount equal to 42 percent of the total amount of the normal tax and surtax imposed by section 11 for such taxable year.".

(2) The table of parts of such subchapter A is amended by adding after the item relating to part VI the following new item:

"Part VII. Health service taxes.".

(b) Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by inserting after the third sentence thereof the following sentence: "With respect to wages paid on and after the effective date of health services under the Health Service Act (as established in section 601 of such Act), the Secretary shall prescribe new tables which shall be the same as the tables prescribed under the previous sentence, except that such tables shall be modified to the extent necessary to reflect the amendment made to subchapter A of chapter 1 by section 501(a)(1) of the Health Service Act.".

(c) The amendments made in this section shall apply to taxable years beginning on or after the effective date of health services.

OTHER CHANGES IN THE INTERNAL REVENUE CODE OF 1954

SEC. 502. (a) Denial of Exclusion From Gross Income for Amounts Paid by Third Parties for Medical Care.—Section 105 of the Internal Revenue Code of 1954 (relating to amounts received under accident and health plans) is amended by striking out subsection (b).

(b) Denial of Exclusion From Gross Income of Certain Contributions by the Employer to Health Plans.—Section 106 of such Code (relating to contributions by employer to accident and health plans) is amended to read as follows:

"SEC. 106. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS.

"Gross income does not include contributions by the employer to accident or health plans for compensation (through insurance or otherwise) to his employees for personal injuries or sickness to the extent that such contributions do not provide for health care and supplemental services available to such employees under the Health Service Act.".

(c) DENIAL OF DEDUCTION OF HEALTH CARE EXPENSES AS TRADE OR BUSINESS EXPENSES.—Section 162 of such Code (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and by adding after subsection (g) the following new subsection:

"(h) PAYMENTS FOR HEALTH CARE.—No deduction shall be allowed under subsection (a) for any amount paid for health care services (other than any amount of tax imposed by section 59 and paid by the employer on behalf of his employees) which an individual was eligible to receive under title II of the Health Service Act.".

(d) DENIAL OF DEDUCTION FOR CONTRIBUTIONS TO CERTAIN MEDICAL AND HOSPITAL FACILITIES.—(1) Paragraph (2) of section 170(c) of such Code (relating to charitable, etc., contributions and gifts) is amended by inserting "(other than an organization described in subsection (b)(1)(A)(iii))" after "(2) A corporation, trust, or community chest, fund, or foundation".

(2) Subsection (e) of section 501 of such Code (relating to cooperative hospital service organizations) is amended by striking out the last sentence.

(e) DENIAL OF DEDUCTION FOR MEDICAL, DENTAL, ETC., EXPENSES.—(1) Section 213 of such Code (relating to medical, dental, etc., expenses) is repealed.

(2) The table of sections of part VII of subchapter B of chapter 1 of subtitle A of such Code is amended by striking out the item relating to section 213.

(f) HOSPITAL INSURANCE TAX.—(1)(A) Subsection (b) of section 1401 of such Code (relating to rate of tax on self-employment income) is repealed.

(B) Subsection (a) of such section is amended by striking out "(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—".

(2)(A) Subsection (b) of section 3101 of such Code (relating to rate of tax on employees under the Federal Insurance Contributions Act) is repealed.

(B)(i) Subsection (a) of such section is amended by striking out "(a) Old-Age, Survivors, and Disability Insurance.—".

(ii) Section 3201 of such Code (relating to rate of tax imposed on employees under the Railroad Retirement Tax Act) is amended by striking out "(a) plus the rate imposed by section 3101(b)".

(iii) Subsection (a) of section 3211 of such Code (relating to rate of tax on employee representatives under the Railroad Retirement Tax Act) is amended by striking out "3101(a), 3101(b)" and inserting in lieu thereof "3101".

(iv) Subsection (e) of section 6051 of such Code (relating to railroad employees) is repealed.

(3)(A) Subsection (b) of section 3111 of such Code (relating to tax on employers under the Federal Insurance Contributions Act) is repealed.

(B)(i) Subsection (a) of such section is amended by striking out "(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—".

(ii) Subsection (a) of section 3211 of such Code (relating to rate of tax on employee representatives under the Railroad Retirement Tax Act) is amended by striking out ", 3111(a), and 3111(b)" and inserting in lieu thereof "and 3111".

(iii) Subsection (b) of section 3221 of such Code (relating to rate of tax on employers under the Railroad Retirement Tax Act) is amended by striking out "(a) plus the rate imposed by section 3111(b)".

(g) The amendments made by this section shall apply to taxable years beginning on or after the effective date of health services.

EXISTING EMPLOYER-EMPLOYEE HEALTH BENEFIT PLANS

SEC. 503. No contractual or other nonstatutory obligation of any employer to pay for or provide any health care and supplemental service to his present and former employees and their dependents and survivors, or to any of such persons, shall apply on and after the effective date of health services to the extent such individuals are eligible to receive such health care and supplemental services under this Act.

PART B—HEALTH SERVICE TRUST FUND

ESTABLISHMENT OF HEALTH SERVICE TRUST FUND

SEC. 511. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Health Service Trust Fund (hereinafter in this title referred to as the "Trust Fund"). The Trust Fund shall consist of such gifts and bequests as may be made to the Organization and such amounts as may be deposited in, or appropriated to, such fund as provided in this part.

(b) There is hereby appropriated to the Trust Fund for each fiscal year beginning in the fiscal year in which the effective date of health services (as defined in title VI) falls, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, an amount equal to 100 percent of expected net receipts from the taxes imposed by section 59 of the Internal Revenue Code of 1954 (as estimated by the Secretary of the Treasury). The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the Trust Fund in such smaller amounts to be determined on the basis of estimates by the Secretary of the Treasury of the receipts specified in the preceding sentence; and proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or were less than the receipts specified in such sentence.

TRANSFER OF FUNDS TO THE HEALTH SERVICE TRUST FUND

SEC. 512. (a) On the effective date of health services, there are transferred to the Trust Fund all of the assets and liabilities of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund.

(b) In addition to the sums appropriated by section 511(b), there is appropriated to the Trust Fund for each fiscal year, out of any moneys in the Treasury not otherwise appropriated, a governmental contribution equal to 40 percent of the sums appropriated by section 511(b) for such fiscal year. There shall be deposited in the Trust Fund all recoveries of overpayments, and all receipts under loans or other agreements entered into, under this Act.

ADMINISTRATION OF HEALTH SERVICE TRUST FUND

SEC. 513. (a) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust

Fund (hereinafter in this section referred to as the "Board of Trustees") composed of the Secretary of the Treasury, the Secretary of Health, Education, and Welfare, and the Chairperson of the National Board, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the "Managing Trustee"). The Chairperson of the National Board shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

(1) hold the Trust Fund;

(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next two fiscal years;

(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the Trust Fund during the current fiscal year and each of the next two fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(b) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Fund.

(c) Any obligations acquired by the Trust Fund (except public-debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(e) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the National Board certifies are necessary to carry out this Act.

PART C—PREPARATION OF BUDGETS

DETERMINATION OF FUND AVAILABILITY

SEC. 521. (a) (1) The National Board shall, not later than January 1 of each year, initially fix the maximum amounts of funds which may (except as provided in subsection (c)) be obligated during the fiscal year beginning on October 1 of such year for expenditure from the Trust Fund.

(2) Such amount shall not exceed for a fiscal year the lesser of—

(A) 140 percent of the expected net receipts during the fiscal year (as estimated by the Secretary of the Treasury) from the taxes imposed by section 59 of the Internal Revenue Code of 1954;

(B) the amount of the aggregate obligations that the National Board determines were (or will be) incurred by the Organization from the Trust Fund during the previous fiscal year, adjusted to reflect changes in the cost of living, in the number of users, and in the capacity of the Organization to provide services under this Act, as such changes are reflected in the plans and budgets prepared and submitted by area health boards under this part; or

(C) the amount fixed under subsection (b).

(3) The National Board may at any time refix such amount to reflect changes (A) of one percent or more in the expected net tax receipts (described in paragraph (2)(A)), or (B) of five percent or more in the cost of living, number of users, or the capacity of the Organization to provide services under this Act. The National Board shall promptly report to Congress any increase made in such amount and the reasons therefor.

(b) The National Board shall fix in a fiscal year an amount, which the maximum amount described in subsection (a)(1) may not exceed in the fiscal year, which is less than the amount described in subsection (a)(2)(A) if the Board determines that—

(1) restriction of the amount to be made available for obligation will not materially impair the adequacy or quality of health care and supplement services provided to users, or

(2) improvement in the organization, delivery, or utilization of such services has lessened their aggregate cost (or increase in such cost).

(c) The National Board may obligate for expenditure from the Trust Fund, in addition to the maximum amount which may be obligated in a fiscal year under subsection (a), such funds as are necessary to provide health care and supplemental services needed because of an epidemic, disaster, or other occurrence which was not, and could not have been, reasonably planned for by the Board and for which the contingency fund provided in section 534(b)(5) is insufficient. The National Board shall promptly report to Congress any obligation made pursuant to this subsection and the reasons therefor.

(d) In addition to the maximum amounts which may be obligated pursuant to subsection (a), the National Board may allocate funds borrowed in accordance with section 541 for such purposes as it deems necessary and appropriate.

PREPARATION OF INITIAL BUDGETS

SEC. 522. (a) Each community board shall, not later than January 1 of each year, submit to its respective district board a plan and budget for the fiscal year beginning on October 1 of such year.

(b) Each district board shall, not later than February 1 of each year, submit to its respective regional board a plan and budget for the fiscal year beginning on October 1 of such year. In preparing such plan and budget, each district board shall consult with the community boards in its district.

(c) Each regional board shall, not later than March 1 of each year, submit to the National Board a plan and budget for the fiscal year beginning on October 1 of such year. In preparing such plan and budget, each regional board shall consult with the district boards in its region.

(d) In preparing the budgets required by this section, each area health board shall specify its operating, capital, and research expenses anticipated for the fiscal year covered by the budget and for the five-year period begining with such fiscal year.

PART D—ALLOCATION AND DISTRIBUTION OF FUNDS

NATIONAL BUDGET

SEC. 531. (a) The National Board shall prepare, taking into consideration the budgets submitted under section 522(c), and, as soon after April 1 of each year as is practicable, shall transmit to the regional boards a national health budget for the fiscal year beginning on October 1 of such year. Such budget shall divide the total funds available for obligation in such year, as determined under section 521, into—

(1) funds for ordinary operating expenses, which shall be further divided into funds for use by the National Board, and funds to be allocated (in accordance with subsection (b)) to the regional boards for use by the regional boards and the district and community boards within their regions;

(2) funds for capital expenses, which shall be further divided into funds for use by the National Board and funds to be allocated (in accordance with subsection (c)) to the regional boards for use by the regional boards and district and community boards within their regions;

(3) funds for research expenses, which shall be further divided into funds for the conduct of research under the supervision of the National Board and funds to be allocated (in accordance with subsection (b)) to the regional boards for the conduct of research under the supervision of the regional, district, and community boards; and

(4) funds for special operating expenses, as described in section 534.

(b) Funds for ordinary operating expenses and for research expenses which are allocated to the regional boards under subsection (a) shall be divided among the regions in the proportion which the number of residents in each region bears to the total population of the Nation.

(c) Funds for capital expenses which are allocated to the regional boards under subsection (a) shall be allocated, to the extent consistent with the efficient and equitable use of resources, to the regional boards in accordance with the budgets for capital expenses submitted by such boards to the National Board under section 522(c).

(d) A budget submitted to the regional boards under subsection (a) shall be adopted upon the approval of such budget by a majority of such regional boards.

REGIONAL BUDGETS

SEC. 532. (a) Each regional board shall prepare, taking into consideration the budgets submitted under section 522(b), and, as soon as may be practicable after the adoption under section 531 of the national health budget for any fiscal year, shall transmit a regional budget, covering operating, capital, and research expenses for such fiscal year, to each district board in its region. Such regional budget shall be adopted upon the approval of such budget by a majority of such district boards.

(b) Funds for capital expenses shall be allocated, to the extent consistent with the efficient and equitable use of resources, to the district boards in a region in accordance with the budgets for capital expenses submitted by such boards to the regional board under section 522(b).

(c) Funds to be allocated to district boards for ordinary operating expenses and research expenses shall be allocated to each district board in the same proportion as the number of residents in such district bears to the number of residents in the respective region.

DISTRICT BUDGETS

SEC. 533. (a) Each district board shall prepare, taking into consideration the budgets submitted under section 522(a), and, as soon as may be practicable after the adoption under section 532 of the regional health budget for any fiscal year for the respective region, shall transmit a district budget, covering operating, capital, and research expenses for such fiscal year, to each community board in its district. Such district budget shall be adopted upon the approval of such budget by a majority of such community boards.

(b) Funds for capital expenses shall be

allocated, to the extent consistent with the efficient and equitable use of resources, to the community boards in a district in accordance with the budgets for capital expenses submitted by such boards to the district board under section 522(a).

(c) Funds to be allocated to community boards for ordinary operating expenses and research expenses shall be allocated to each community board in the same proportion as the number of residents in such community bears to the number of residents in the respective district.

SPECIAL OPERATING EXPENSE FUND

SEC. 534. (a) A fund for special operating expenses shall be incorporated into each budget prepared by the National Board. For the purposes of this title, the term "special operating expenses" means operating expenses associated with—

(1) the care and treatment of users 65 years of age or older;

(2) the care and treatment of persons confined to full-time residential care institutions, including nursing homes and facilities for the treatment of mental illness;

(3) the special health care needs of low-income users;

(4) special health care needs arising from environmental or occupational health problems;

(5) special health care needs arising from unexpected occurrences, including epidemics and natural disasters; and

(6) the conduct of environmental health inspection and monitoring services.

(b) The special operating expense fund shall be allocated as follows:

(1) Funds for the additional operating expenses associated with the care and treatment of users 65 years of age or older shall be allocated to district and community boards and shall consist of uniform basic capitation amounts multiplied by the number of residents 65 years of age or older in the respective districts and communities. The basic capitation amounts for districts and for communities shall be determined by the National Board, based upon studies of the additional operating expenses associated with the care and treatment of such residents in such districts and communities.

(2) Funds for the additional operating expenses associated with the care and treatment of persons confined to full-time residential care institutions shall be allocated to the district and community boards responsible for such institutions and shall consist of a uniform basic capitation amount for each kind of institution, multiplied by the number of residents in such institutions in the respective districts and communities. The basic capitation amounts shall be determined by the National Board, based upon studies of the additional operating expenses associated with the care and treatment of such persons and the maintenance of such institutions.

(3) Funds shall be allocated to community boards for the additional operating expenses associated with the special health care needs of low-income persons. Such payments shall be allocated to community boards in proportion to the number of residents in their communities having incomes below the poverty level (as defined by the Secretary of Commerce). During the first five fiscal years following the effective date of health services, the total funds allocated for this purpose shall be no less than two percent of the ordinary operating expense funds allocated in accordance with section 531(a); and during the succeeding five fiscal years, the total funds allocated for this purpose shall be no less than one percent of the ordinary operating expense funds allocated in accordance with section 531(a).

(4) Funds for the additional operating expenses associated with special health care needs arising from environmental and occupational health problems shall be allocated by the National Board in accordance with its determination of such special needs. The total funds allocated for this purpose shall be no greater than one-half of one percent of the ordinary operating expense funds allocated in accordance with section 531(a).

(5) Funds for the additional operating expenses associated with special health care needs arising from unexpected occurrences shall be retained by the National Board in a contingency fund and shall be allocated by the National Board in accordance with its determination of such needs. The total funds retained for this purpose in any one fiscal year shall be no greater than one-half of one percent of the ordinary operating expense funds allocated in such year in accordance with section 531(a).

(6) Funds for the additional operating expenses associated with the conduct of environmental health inspection and monitoring services shall be allocated by the National Board to the area health boards providing such services.

DISTRIBUTION OF FUNDS

SEC. 535. (a) Funds allocated under the national health budget shall be distributed by the National Board from the Trust Fund. No area health board may request or receive funds from any other source.

(b) All payments shall be made to area health boards, and shall be expended by such boards, in accordance with the budgets adopted under sections 531 through 533. If the budget for any area health board for a fiscal year is not adopted before the beginning of the fiscal year, until such budget is adopted such area health board shall continue to receive ordinary operating expense funds and research expense funds at the rate at which it was receiving such funds during the preceding fiscal year, and it shall receive special operating expense funds in accordance with section 534.

(c) Each area health board shall maintain separate accounts for—

(1) funds for operating expenses, including ordinary operating expenses and special operating expenses;

(2) funds for capital expenses; and

(3) funds for research expenses.

Funds in a capital expense account shall be expended only for capital expenses. Funds in a research expense account shall be expended only for operations, equipment, and facilities for health and health care delivery research conducted in accordance with part C of title IV. Separate accounts shall not be required for funds for ordinary operating expenses and for special operating expenses.

(d) Area health boards shall be paid at such time or times as the National Board finds appropriate.

(e) Before and during any fiscal year, supplementary funds may be allocated to any area health board if the National Board finds that such funds are required by events occurring or information acquired after the initial allocations to such health board were made.

(f) Area health boards may retain funds received from the National Board for two years following the receipt of such funds. Any funds which are unexpended after such time shall be returned to the National Board for deposit in the Trust Fund.

ANNUAL STATEMENT, RECORDS, AND AUDITS

SEC. 536. (a) Each area health board shall prepare annually and transmit to the National Board a statement which shall accurately show the financial operations of such board and the facilities supervised by it for the year for which such statement is prepared.

(b) Each area health board shall keep such records as the National Board determines to be necessary for the purposes of this Act, including for the facilitation of audits.

(c) The National Board and the Comptroller General of the United States, or their duly authorized representatives, shall, for the purpose of audits, have access to any books, documents, papers, and records which in their opinion are related or pertinent to the operation of the Organization.

PART E—GENERAL PROVISIONS

ISSUANCE OF OBLIGATIONS

SEC 541. (a) The National Board is authorized to borrow money and to issue and sell such obligations as it determines necessary to carry out the purposes of this Act, but only in such amounts as may be specified from time to time in appropriation Acts. The aggregate amount of any such obligations outstanding at any one time shall not exceed $10,000,000,000.

(b) The National Board may pledge the assets of the Trust Fund and pledge and use its revenues and receipts for the payment of the principal of or interest on such obligations, for the purchase or redemption thereof, and for other purposes incidental thereto. The National Board is authorized to enter into binding covenants with the holders of such obligations, and with the trustee, if any, under any agreement entered into in connection with the issuance thereof with respect to the establishment of reserve, sinking, and other funds, stipulations concerning the issuance of obligations or the execution of leases or lease purchases relating to properties of the Organization and such other matters as the National Board deems necessary or desirable to enhance the marketability of such obligations.

(c) Obligations issued by the Organization under this section—

(1) shall be in such forms and denominations;

(2) shall be sold at such times and in such amounts;

(3) shall mature at such time or times;

(4) shall be sold at such prices;

(5) shall bear such rates of interest;

(6) may be redeemable before maturity in such manner, at such times, and at such redemption premiums;

(7) may be entitled to such relative priorities of claim on the assets of the Organization with respect to principal and interest payments; and

(8) shall be subject to other terms and conditions,

as the National Board determines.

(d) Obligations issued by the Organization under this section shall—

(1) be negotiable or nonnegotiable and bearer or registered instruments, as specified therein and in any indenture or covenant relating thereto;

(2) contain a recital that they are issued under this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such obligations and of their validity;

(3) be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the Government of the United States, and the Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the obligations of the Organization acquired under this section;

(4) be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes; and

(5) not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the Government of the United States, except as provided in subsection (g).

(e) At least 15 days before selling any issue of obligations, the National Board shall advise the Secretary of the Treasury of the amount, proposed date of sale, maturities, terms and conditions, and expected maximum rates of interest of the proposed issue in appropriate detail and shall consult with him or his designee thereon. The Secretary may elect to purchase such obligations under such terms, including rates of interest, as he and the National Board may agree, but at a rate of yield no less than the prevailing yield on outstanding marketable Treasury securities of comparable maturity, as determined by the Secretary. If the Secretary does not purchase such obligations, the National Board may proceed to issue and sell them to a party or parties other than the Secretary upon notice to the Secretary and upon consultation as to the date of issuance, maximum rates of interest, and other terms and conditions.

(f) Subject to the conditions of subsection (e), the National Board may require the Secretary of the Treasury to purchase obligations of the Organization in such amounts as will not cause the holding by the Secretary of the Treasury resulting from such required purchases to exceed $2,000,000,000 at any one time. This subsection shall not be construed as limiting the authority of the Secretary to purchase obligations of the Organization in excess of such amount.

(g) Notwithstanding subsection (d)(5), obligations issued by the Organization shall be obligations of the Government of the United States, and payment of principal and interest thereon shall be fully guaranteed by the Government of the United States, such guaranty being expressed on the face thereof, if and to the extent that—

(1) the National Board requests the Secretary of the Treasury to pledge the full faith and credit of the Government of the United States for the payment of principal and interest thereon; and

(2) the Secretary, in his discretion, determines that it would be in the puplic interest to do so.

(h) For the purpose of any purchase of the obligations of the Organization, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the obligations of the Organization under this chapter. The Secretary of the Treasury may, at any time, sell any of the obligations of the Organization acquired by him under this chapter. All redemptions, purchases, and sales by the Secretary of the obligations of the Organization shall be treated as public debt transactions of the United States.

DEFINITIONS

SEC. 542. For purposes of this title:

(1) The term "operating expenses" means the cost of providing, operating, and maintaining services, facilities, programs, and boards (other than those associated with research) established or furnished under this Act, and of capital buildings and equipment (other than those associated with research) costing less than $100,000.

(2) The term "capital expenses" means expenses which under generally accepted accounting principles are not properly chargeable as expenses of operation and maintenance, which exceed $100,000, and which are not associated primarily with the conduct of research.

TITLE VI—MISCELLANEOUS PROVISIONS

EFFECTIVE DATE OF HEALTH SERVICES

SEC. 601. The effective date of health services under this Act is January 1 of the fourth calendar year after the year in which this Act is enacted.

REPEAL OF PROVISIONS

SEC. 602. (a) Effective on the effective date of health services, the following provisions of law are repealed:

(1) The Public Health Service Act, except for—

(A) title I (relating to short title and definitions), parts F and G of title III (relating to licensing and quarantine authority), and title XIV (relating to safety of public water systems); and

(B) titles VII and VIII, which shall be effective, during the period beginning on such effective date and ending on the date occurring four years after such effective date, with respect to the provision of assistance to educational institutions, and students thereof, in areas which have not established district health team schools or specialized health worker education programs under part B of title III of this Act.

(2) Titles V, XVIII, and XIX of the Social Security Act (relating to the maternal and child health and crippled children's services, Medicare, and Medicaid); part B of title XI of such Act (relating to professional standards review); sections 226, 1122, and 1123 of such Act (relating to entitlement to hospital insurance benefits, limitation on Federal participation for capital expenditures, and program for determining qualification for certain health care personnel); and so much of title XX of such Act (relating to grants to States for services) as provides for payments to States for health care and supplemental services.

(3) Chapter 89 of title 5, United States Code (relating to health insurance for Federal employees).

(4) Chapters 17, 73, and 81 and section 1506 of title 38, United States Code (relating to medical benefits and programs relating to veterans).

(5) Sections 1079 through 1083 and section 1086 of title 10, United States Code (relating to the civilian health and medical program of the uniformed services).

(6) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974; and section 4 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (relating to medical treatment of narcotic addiction).

(7) Public Law 83-568 (42 U.S.C. 2001–2004b) (relating to hospital and other health facilities for Indians) and Public Law 85-151 (42 U.S.C. 2005–2005f) (relating to community hospitals for Indians).

(8) The District of Columbia Medical Facilities Construction Act of 1968 and the District of Columbia Medical and Dental Manpower Act of 1970.

(9) Sections 232 and 242 and title XI of the National Housing Act (relating to mortgage insurance for nursing homes, hospitals, and group practice facilities).

(10) The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

(11) The Family Planning Services and Population Research Act of 1970.

(12) The National Arthritis Act of 1974 and the National Diabetes Millitus Research and Education Act.

(13) Title II of the National Research Act (relating to the protection of human subjects of biomedical and behavioral research).

(14) Titles I and II and section 301 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801, 4811, 4821) (relating to grant programs for lead-based paint poisoning prevention).

(15) The Act of March 2, 1897 (21 U.S.C. 41–50) (relating to tea importation).

(16) Subsection (e) of section 20 and section 22 of the Occupational Safety and Health Act of 1970 (relating to the National Institute for Occupational Safety and Health).

(b)(1) Not later than one year after the date of enactment of this Act, the Secretary of Health, Education, and Welfare shall prepare, in consultation with the appropriate National Board, and transmit to Congress legislation (A) to repeal or amend such provisions of law as are inconsistent with the purposes of this Act or the provision of health care and supplemental services by the Organization under this Act, and (B) to make such conforming and technical amendments in provisions of law as may be necessary to properly effect the repeal of provisions described in subsection (a) and the repeal or amendment of provisions described in clause (A) of this paragraph.

(2) Such legislation shall include the transfers of such authority of the Secretary of Health, Education, and Welfare under the provisions of—

(A) the Controlled Substances Act;

(B) chapter 175 of title 28, United States Code (relating to civil commitment and rehabilitation of narcotics addicts);

(C) chapter 314 of title 18, United States Code (relating to sentencing of narcotic addicts to commitment for treatment);

(D) the Narcotic Addict Rehabilitation Act of 1966;

(E) the Drug Abuse Office and Treatment Act of 1972;

(F) the Occupational Safety and Health Act of 1970;

(G) the Lead-Based Paint Poisoning Prevention Act;

(H) the Federal Cigarette Labeling and Advertising Act;

(I) the Federal Food, Drug, and Cosmetic Act;

(J) the Fair Packaging and Labeling Act;

(K) the Act of March 4, 1923 (21 U.S.C. 61–64) (relating to filled milk);

(L) the Act of February 15, 1927 (21 U.S.C. 141–149) (relating to milk importation);

(M) the Federal Caustic Poison Act;

(N) the Federal Coal Mine Health and Safety Act of 1969 (other than title IV thereof); and

(O) the Solid Waste Disposal Act,

to the Organization as the Secretary determines, after consultation with the appropriate National Board, to be not inconsistent with the Constitution of the United States.

(c)(1) Not later than one year after the effective date of health services, the National Board shall report to the Secretary of Health, Education, and Welfare and to the Congress on how the Organization is carrying out the purposes of the programs authorized to be conducted under provisions of law which are repealed by subsection (a) (other than paragraph (1)(B) thereof).

(2) Not later than five years after the effective date of health services, the National Board shall report to the Secretary of Health, Education, and Welfare and to the Congress on how the Organization is carrying out the purposes of programs described in subsection (a)(1)(B).

(d) Not later than two years after the effective date of health services, the National Board shall transmit to Congress a proposed codification of all the provisions of law which contain functions that are transferred or relate to the Organization.

TRANSITION PROVISIONS

SEC. 603. (a) Amounts appropriated to carry out the purposes of any provisions of law repealed by this Act and available on the effective date of such repeal shall be transferred on such date to the Health Service Trust Fund (established under section 511 of this Act).

(b) The President is authorized to transfer so much of the positions, personnel, assets, liabilities, contracts, property, and records employed, held, used, arising from, available to or made available in connection with the functions or programs repealed by this Act to the Organization as may be agreed upon by the President and the National Board.

(c) In the case where the authority for the establishment of any office or agency, or all the functions of such office or agency, are repealed under section 602, such office or agency shall lapse.

(d) The amendments made by section 602—

(1) shall not apply with respect to any contract entered into before the effective date of such amendments, and

(2) shall not affect (A) any right or obligation arising out of any matter occurring before the effective date of such amendments, or (B) any administrative or judicial proceeding (whether or not initiated before that date) for the adjudication or enforcement of any such right or obligation.

AMENDMENT TO BUDGET AND ACCOUNTING ACT

SEC. 604. (a) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11) is amended by inserting after subsection (j) the following new subsection:

"(k) The Budget transmitted pursuant to subsection (a) shall set forth the items enumerated in paragraphs (4) through (9) and (12) of subsection (a) with respect to expenditures from and appropriations to the Health Service Trust Fund (established under section 511 of the Health Service Act) separately from such items with respect to expenditures and appropriations relating to other operations of the Government.".

(b) The amendment made by subsection (a) shall apply with respect to fiscal years beginning more than one year after the date of enactment of this Act.

SEPARABILITY

SEC. 605. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DENT (at the request of Mr. WRIGHT), for an indefinite period on account of eye surgery.

Mr. DON H. CLAUSEN (at the request of Mr. RHODES), for today and balance of the week on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RUDD) and to revise and extend their remarks and include extraneous matter:)

Mr. RAILSBACK, for 5 minutes, today.

Mr. HAGEDORN, for 5 minutes, today.

Mr. FINDLEY, for 10 minutes, today.

Mr. SYMMS, for 15 minutes, today.

(The following Members (at the request of Mr. WHITLEY) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 60 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. DRINAN, for 30 minutes, today.

Mr. RAHALL, for 5 minutes, today.

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. KOCH, for 10 minutes, today.

Mr. BINGHAM, for 20 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. HAMILTON, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OBEY.

Mr. BRADEMAS, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,288.

Mr. OBEY, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $886.

Mr. DELLUMS, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $8,131.

(The following Members (at the request of Mr. RUDD) and to include extraneous material:)

Mr. DON H. CLAUSEN.

Mr. SHUSTER.

Mr. LAGOMARSINO.

Mr. WHALEN.

Mr. HAGEDORN.

Mr. FINDLEY.

Mr. O'BRIEN.

Mr. BOB WILSON in two instances.

Mr. DORNAN.

Mr. BROWN of Ohio in four instances.

Mr. COCHRAN of Mississippi.

Mr. HYDE in two instances.

Mr. RUDD.

Mr. GILMAN in two instances.

Mr. PRESSLER.

Mr. ASHBROOK in four instances.

Mrs. FENWICK.

(The following Members (at the request of Mr. WHITLEY) and to include extraneous matter:)

Mr. HAMILTON.

Mr. VENTO in two instances.

Mr. MOORHEAD of Pennsylvania.

Mr. JACOBS.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. FORD of Tennessee.

Mr. BRODHEAD in two instances.

Mr. HEFTEL in six instances.

Mr. LEHMAN in two instances.

Mr. YOUNG of Missouri.

Mr. AKAKA.

Mr. KOCH in three instances.

Mr. BLANCHARD.

Mr. FRASER.

Mr. BEARD of Rhode Island in two instances.

Mr. FARY.

Mr. SOLARZ.

Mr. TEAGUE in two instances.

Mr. BINGHAM in five instances.

Mr. ROSENTHAL.

Mr. PATTEN.

Mr. STUMP in two instances.

Mr. RICHMOND.

Mr. DRINAN.

Mr. MURPHY of New York.

Mr. FORD of Michigan.

Mr. HARRIS.

Mr. MCDONALD.

Mr. EDWARDS of California.

Mr. STUDDS.

Mr. WAXMAN.

Mr. FAUNTROY in two instances.

Mr. BARNARD.

Mr. MINETA.

Mr. MITCHELL of Maryland.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 462. An act to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico; to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and to authorize such tribe to purchase and exchange lands in the States of New Mexico and Arizona; to the Committee on Interior and Insular Affairs; and

S. 838. An act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes; to the Committee on Interior and Insular Affairs.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 11. To increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

ADJOURNMENT

Mr. WHITLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 13 minutes p.m.) the House adjourned until tomorrow, Thursday, May 5, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1399. A letter from the President of the United States transmitting amendments to previously submitted supplemental appropriation requests for fiscal year 1977 and budget amendments for fiscal year 1978 for the Department of the Treasury (H. Doc. No. 95–143); to the Committee on Appropriations and ordered to be printed.

1400. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1977 and budget amendments for fiscal year 1978 for the Department of State and the Arms Control and Disarmament Agency (H. Doc. No. 95–144); to the Committee on Appropriations and ordered to be printed.

1401. A letter from the President of the United States, transmitting a budget amendment for fiscal year 1978 for the Department of Defense (H. Doc. No. 95–145); to the Committee on Appropriations and ordered to be printed.

1402. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of two construction projects to be undertaken by the Army Reserve, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

1403. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–32, to exempt certain District of Columbia residents from paying sales and use taxes on charges made for the service of parking, storing, or keeping motor vehicles or trailers, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1404. A letter from the Attorney General, transmitting notice of proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1405. A letter from the Acting Administrator of General Services, transmitting a draft of proposed legislation to repeal chapter 27 of title 44, United States Code; to the Committee on Government Operations.

1406. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of major military equipment sold commercially to Korea (transmittal No. MC–24–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1407. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing licensing agreement for the production of certain military equipment in the Philippines (transmittal No. MC–30–77), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

1408. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate Rozanne L. Ridgway and L. Douglas Heck, and their families, pursuant to section 6 of Public Law 93–126; to the Committee on Interational Relations.

1409. A letter from the Administrator, Agency for International Development, Department of State, transmitting a quarterly report on the programing and obligation of funds for relief and rehabilitation of people affected by earthquakes in Guatemala, pursuant to section 495A(e) of the Foreign Assistance Act of 1961, as amended (90 Stat. 397); to the Committee on International Relations.

1410. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense services to the Republic of China (transmittal No. 77–28), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1411. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Navy to offer to sell certain defense services to Iran (transmittal No. 77–30), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1412. A letter from the Director, Defense Security Assistant Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to the Philippines (transmittal No. 77–31), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1413. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting notice of the Commission's intention to accept claims by U.S. nationals for certain losses resulting from the nationalization of property by the German Democratic Republic; to the Committee on International Relations.

1414. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of January 31, 1977, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

1415. A letter from the Chairman, Federal Power Commission, transmitting a copy of a publication entitled "Statistics of Privately Owned Electric Utilities in the United States, 1975"; to the Committee on Interstate and Foreign Commerce.

1416. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

1417. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 2025 M Street, NW., Washington, D.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1418. A letter from the Federal and State Cochairmen, New England Regional Commission, transmitting the Commission's annual report for fiscal year 1976, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1419. A letter from the Administrator of Veterans' Affairs, transmitting his annual report for fiscal year 1976, pursuant to 38 U.S.C. 214; to the Committee on Veterans' Affairs.

1420. A letter from the Comptroller General of the United States, transmitting a report on energy issues facing the 95th Congress (EMD–77–34, April 28, 1977); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 541. Resolution providing for the consideration of H.R. 6655. A bill to amend certain Federal laws pertaining to community development, housing, and related programs. (Rept. No. 95–241). Referred to the House Calendar.

Mr. THOMPSON: Committee on House Administration. House Resolution 525. Resolution dismissing the election contest against Richard Kelly. (Rept. No. 95–242). Referred to the House Calendar.

Mr. THOMPSON: Committee on House Administration. House Resolution 526. Resolution dismissing the election contest against Bob Gammage. (Rept. No. 95–243). Referred to the House Calendar.

Mr. THOMPSON: Committee on House Administration. House Resolution 527. Resolution dismissing the election contest against Abner J. Mikva. ((Rept. No. 95–244). Referred to the House Calendar.

Mr. THOMPSON: Committee on House Administration. House Resolution 528. Resolution dismissing the election contest against Carl D. Pursell. (Rept. No. 95–245). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. Fascell, Mr. Diggs, Mr. Fraser, Mr. Rosenthal, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Ryan, Mr. Solarz, Mrs. Meyner, Mr. Bonker, Mr. Pease, Mr. Beilenson, Mr. Danielson, Mr. Buchanan, Mr. Whalen, and Mr. Gilman):

H.R. 6884. A bill to amend the Foreign Assistance Act of 1961 to authorize international security assistance programs for fiscal year 1978, to amend the Arms Export Control Act to make certain changes in the authorities of that act, and for other purposes; to the Committee on International Relations.

By Mr. ANDERSON of California (for himself, Mr. Brodhead, Mr. Pursell, and Mr. Lederer):

H.R. 6885. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. BEARD of Rhode Island:

H.R. 6886. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connction with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6887. A bill to allow nonprofessional employees of educational institutions to receive special unemployment assistance during periods between academic years or terms; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mr. Udall, Mr. Tsongas, Mr. Seiberling, Mr. Carr, Mr. Miller of California, Mr. Ottinger, Mr. Fraser, Mr. Bedell, Mr. Aspin, Mr. Rodino, Mr. Findley, Mr. Rosenthal, Mr. Moakley, Mr. Moffett, Mr. Harkin, Mr. Fish, Mr. Long of Maryland, Mr. Ryan, Ms. Holtzman, Mr. Conte, Ms. Fenwick, Mr. Mitchell of Maryland, and Mr. Hawkins):

H.R. 6888. A bill to amend the Atomic Energy Act of 1954 to prohibit licensing of commercial nuclear fuel reprocessing facilities and plutonium-fueled reactors; to the Committee on Interior and Insular Affairs.

By Mr. BINGHAM (for himself, Mr. Simon, Mr. Jeffords, Mr. Mikva, Mr. Edwards of California, Mr. Drinan, Mr. Harrington, Mr. Badillo, Mr. Weiss, Ms. Mikulski, Mr. McHugh, Mr. Bonior, Mr. Stark, Mr. Cornell, Mr. Edgar, Mr. Beilenson, Mr. Pattison of New York, Mr. Patterson of California, Mr. Waxman, Mr. Solarz, Mr. Rangel, Mr. LaFalce, Mr. Nolan, Mr. Walgren, and Ms. Keys):

H.R. 6889. A bill to amend the Atomic Energy Act of 1954 to prohibit licensing of commercial nuclear fuel reprocessing facilities and plutonium-fueled reactors; to the Committee on Interior and Insular Affairs.

By Mr. DIGGS (for himself and Mr. McKinney):

H.R. 6890. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; to the Committee on the District of Columbia.

By Mr. CARTER:

H.R. 6891. A bill to provide the Corps of Engineers with continuing authority to provide technical assistance to States and political subdivisions thereof in the planning, design, and preparation of specifications for snagging and clearing projects in navigable streams and tributaries thereof; to the Committee on Public Works and Transportation.

H.R. 6892. A bill to amend the Small Business Act to limit to 3 percent the rate of interest on disaster relief loans made under such act with respect to any major disaster declared during calendar year 1977; to the Committee on Small Business.

By Mr. DANIELSON:

H.R. 6893. A bill to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 6894. A bill to establish a U.S. Health Service Organization to provide high quality health care and to overcome the deficiencies in the present system of health care delivery; jointly to the Committees on Armed Services, Banking, Finance and Urban Affairs, the District of Columbia, Education and Labor, Interstate and Foreign Commerce, Post Office and Civil Service, Veterans' Affairs, and Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 6895. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FISHER (for himself, Mr. Fauntroy, Mr. Harris, Mrs. Spellman, Mr. Steers, and Mr. Mazzoli):

H.R. 6896. A bill to amend the act of February 9, 1821, to restate the charter of the George Washington University; to the Committee on the District of Columbia.

By Mr. GUYER:

H.R. 6897. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 6898. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HAGEDORN (for himself, Mr. Abdnor, Mr. Anderson of Illinois, Mr. Archer, Mr. Badham, Mr. Bafalis, Mr. Bauman, Mr. Beard of Tennessee, Mr. Broyhill, Mr. Collins of Texas, Mr. Dickinson, Mr. Dornan, Mr. Edwards of Oklahoma, Mr. Kelly, Mr. Martin, Mr. Moorhead of California, Mr. Sebelius, Mr. Stangeland, Mr. Stockman, Mr. Symms, Mr. Trible, Mr. Walker, and Mr. Whitehurst):

H.R. 6899. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. JOHNSON of Colorado:

H.R. 6900. A bill to amend the National Trails System Act of 1968 (82 Stat. 919), as amended, to designate the Oregon National Historic Trail and Travelway as a unit of the National Trails System; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Oklahoma:

H.R. 6901. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, to provide a mechanism for congressional review of agency rules, and for other purposes; to the Committee on Rules.

By Mr. PATTISON of New York (for himself, Mr. Ammerman, Mr. Clay, Mr. Corrada, Mr. Edwards of California, Mr. Ertel, Mr. Koch, Mr. Leggett, Mr. Maguire, Ms. Mikulski, Mr. Moorhead of Pennsylvania, Mr. Rosenthal, Mr. Roybal, Mr. Weaver, Mr. Weiss, and Mr. Wolff):

H.R. 6902. A bill to establish a universal voter registration program, and for other purposes; to the Committee on House Administration.

By Mr. QUILLEN:

H.R. 6903. A bill to amend the Internal Revenue Code of 1954 to provide for payment by the Government of all reasonable litigation expenses to prevailing taxpayers in legal action; to the Committee on Ways and Means.

By Mr. STEED (for himself and Mr. Watkins):

H.R. 6904. A bill to amend the peanut program for the 1978–81 crops of peanuts; to the Committee on Agriculture.

By Mr. STUDDS:

H.R. 6905. A bill to amend title 38 of the United States Code to revise certain administrative requirements of the veterans' educational program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. STUMP (for himself and Mr. Rudd):

H.R. 6906. A bill to authorize the licensing of Hualapai Dam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN (for himself, Mr. Bob Wilson, and Mr. Burgener):

H.R. 6907. A bill to amend the Marine Mammal Protection Act of 1972 with respect to the number of marine mammals which may be taken, until January 1, 1979, incidental to the course of commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHALEN (for himself, Mr. Bonior and Mrs. Meyner):

H.R. 6908. A bill to protect citizens' privacy rights, establishing guidelines for access to third party records, regulating the use of mail covers, limiting telephone service monitoring, and protecting nonaural wire communications; jointly to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. WHITEHURST:

H.R. 6909. A bill to protect predators from indiscriminate slaughter; to the Committee on Merchant Marine and Fisheries.

By Mr. ZABLOCKI (by request):

H.R. 6910. A bill to provide for more efficient and effective control over the proliferation of nuclear explosives by amendments to the Atomic Energy Act of 1954, as amended, and for other purposes; to the Committee on International Relations.

By Mr. ASHBROOK:

H.R. 6911. A bill to extend the moratorium on post office closings; to the Committee on Post Office and Civil Service.

By Mr. BEDELL:

H.R. 6912. A bill to amend the Agricultural Act of 1970 for the purpose of requiring additional reporting requirements under section 812 of such act; to the Committee on Agriculture.

By Mr. BIAGGI:

H.R. 6913. A bill to amend the Older Americans Act of 1965 to provide assistance for legal services projects for the elderly; to the Committee on Education and Labor.

By Mr. BINGHAM:

H.R. 6914. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself, Mr. Baucus, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Steers, and Mr. Zeferetti):

H.R. 6915. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

By Mr. BRADEMAS (for himself, Mr. Jeffords, Mr. Perkins, and Mr. Quie):

H.R. 6916. A bill to amend the Older Americans Act of 1965 to extend the surplus commodities program contained in such act; to the Committee on Education and Labor.

By Mr. BRINKLEY:

H.R. 6917. A bill to increase for a 5-year period the duty on certain hand tools, and for other purposes; to the Committee on Ways and Means.

By Mr. BRODHEAD:

H.R. 6918. A bill to amend the Internal Revenue Code of 1954 to allow the surtax exemption to political organizations; to the Committee on Ways and Means.

By Mr. BRODHEAD (for himself, Mr. Broyhill, Mr. Edwards of Oklahoma, Mr. Carr, Mr. Gephardt, Mr. Price, Mr. Solarz, Mr. Steers, Mr. Patterson of California, and Mr. Blanchard):

H.R. 6919. A bill to prohibit Members of the House of Representatives from soliciting or accepting gifts of money for their personal use; to the ad hoc Select Committee on Ethics.

By Mr. BROWN of California (for himself, Mr. McCormack, Mr. Teague, Mr. Roncalio, and Mrs. Burke of California):

H.R. 6920. A bill to establish a 5-year research and development program leading to advanced automobile propulsion systems, and for other purposes; to the Committee on Science and Technology.

By Mrs. HECKLER (for herself, Mrs. Boggs, Mrs. Burke of California, Mrs. Chisholm, Ms. Holtzman, Mrs. Keys, Mrs. Pettis, and Ms. Oakar):

H.R. 6921. A bill to authorize the establishment of the Eleanor Roosevelt National Historic Site in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HORTON (for himself, Mr. Steed, Mr. Whitehurst, Mr. Walsh, Mr. Winn, Mr. Cohen, Mr. LaFalce, Mr. Watkins, Mr. Yatron, Mr. Frenzel, Mr. Hamilton, Mr. Badham, and Mr. Bob Wilson):

H.R. 6922. A bill to amend the Tariff Act of 1930 and the Tariff Schedules of the United States to reduce the burden of paperwork involved in the customs entry process for travelers and goods entering the United States; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. Akaka, Mr. Bonior, Mr. Carney, Mr. Downey, Mr. Harrington, Mr. Mazzoli, Mr. Mineta, Mr. Mitchell of New York, Mr. Nolan, Mr. Patterson of California, Mr. Pattison of New York, Mr. Scheuer, Mr. Stokes, and Mr. Won Pat):

H.R. 6923. A bill to amend the Social Security Act to replace existing Federal public assistance and welfare programs with a single program under which all residents of the United States are guaranteed an adequate minimum income, with incentives to work for those who are able to do so, and for other purposes; to the Committee on Ways and Means.

By Mr. PERKINS (for himself and Mr. Eilberg):

H.R. 6924. A bill to provide a special program of financial assistance to Opportunities Industrialization Centers in order to provide new skills training opportunities, and to other national community based organizations to provide comprehensive employment services to create one million new training and job opportunities; to the Committee on Education and Labor.

By Mr. PRESSLER:

H.R. 6925. A bill to direct the Coordinating Council on Juvenile Justice and Delinquency Prevention to organize and convene a national conference on learning disabilities and juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

H.R. 6926. A bill to provide financial assistance to local educational agencies located in whole or in part within an area in which an emergency exists; to the Committee on Education and Labor.

By Mr. PRESSLER (for himself and Mr. Baucus):

H.R. 6927. A bill to allow Federal employment preference to certain employees of the Bureau of Indian Affairs, and to certain employees of the Indian Health Service, who are not entitled to the benefits of, or who have been adversely affected by the application of, certain Federal laws allowing employment preference to Indians, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. VAN DEERLIN (for himself, Mr. Bob Wilson, Mr. Burgener, Mr. Anderson of California, and Mr. Corrada):

H.R. 6928. A bill to amend the Marine Mammal Protection Act of 1972 with respect to the number of marine mammals which may be taken, until January 1, 1979, incidental to the course of commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VENTO:

H.R. 6929. A bill to amend the Railroad Retirement Act of 1974 to permit certain persons otherwise eligible to receive annuities to receive an annuity even though certain part-time employment is continued; to the Committee on Interstate and Foreign Commerce.

By Mr. VENTO (for himself, Mr. AuCoin, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Corman, Mr. Dellums, Mr. Diggs, Mr. Drinan, Mr. Fraser, Miss Jordan, Mr. LaFalce, Mr. Le Fante, Mr. Nix, Mr. Pepper, Mr. Price, Mr. Rangel, and Mr. Won Pat):

H.R. 6930. A bill to establish a universal voter registration program, and for other purposes; to the Committee on House Administration.

By Mr. CORCORAN of Illinois:

H.R. 6931. A bill to amend the Internal Revenue Code of 1954 to provide that certain annual additions with respect to a participant in a pension plan may exceed 25 percent of the participant's compensation; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. Wright, Mr. Zablocki, Mr. Fraser, Mr. Broomfield, Mr. Diggs, Mr. Derwinski, Mr. Nix, Mr. Gilman, Mr. Yatron, Mr. Harrington, Mr. Ryan, Mr. Solarz, Mrs. Meyner, Mr. Pease, Mr. Beilenson, and Mr. Cavanaugh):

H.J. Res. 436. Joint resolution relating to the 30th anniversary of the Marshall plan; to the Committee on International Relations.

By Mr. MURTHA (for himself and Mr. Marriott):

H.J. Res. 437. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right of life; to the Committee on the Judiciary.

By Mr. RUDD:

H.J. Res. 438. Joint resolution to designate the week commencing with the second Monday in October of each year as "National Fire Prevention Week"; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI (for himself, Mr. Findley, Mr. Gilman, Mr. Kemp, Mr. Treen, Mr. Ketchum, and Mr. Charles Wilson of Texas):

H. Con. Res. 215. Concurrent resolution commending the executive branch for the assistance it is providing to the beleaguered Government of Zaire; to the Committee on International Relations.

By Mr. PRESSLER:

H. Res. 542. Resolution to provide that individuals attending or teaching at vocational schools shall be eligible to serve as congressional interns in the House of Representatives; to the Committee on House Administration.

By Mr. SCHULZE:

H. Res. 543. Resolution relative to committee hearings on the Nation's future telecommunications policy; to the Committee on Interstate and Foreign Commerce.

By Mrs. SMITH of Nebraska (for herself, Mr. Buchanan, Mr. Cederberg, Mr. Cochran of Mississippi, Mr. Derwinski, Mr. Gilman, Mr. Holland, Mr. Jacobs, Mr. Kelly, Mr. Kemp, Mr. Kostmayer, Mr. Lent, Mr. Lloyd of California, Mrs. Lloyd of Tennessee, Ms. Mikulski, Mr. Mollohan, Mr. Murtha, Mr. Nolan, Mr. Patterson of California, Mr. Pepper, Mr. Pursell, Mr. Seiberling, Mr. Simon, Mr. Walker, and Mr. Winn):

H. Res. 544. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII,

136. The SPEAKER presented a memorial of the Legislature of the State of Utah, requesting that Congress call a convention for the purpose of proposing an amendment to the Constitution of the United States to guarantee the preservation of human life; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLAY:

H.R. 6932. A bill for the relief of Fanny N. Kittay; to the Committee on the Judiciary.

By Mr. MAZZOLI (by request):

H.R. 6933. A bill for the relief of Clarence S. Lyons; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 6934. A bill for the relief of Donna Marainne Benney; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 6935. A bill for the relief of Daniel Hillel; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 214

By Mr. ANDERSON of California:

Page 4, line 2, strike out "$20,060,000,000" and insert in lieu thereof "$20,435,000,000".

Page 4, line 3, strike out "$20,028,000,000" and insert in lieu thereof "$20,403,000,000".

By Mr. WEISS:

Page 2, line 20, strike out "$117,136,000,000" and insert in lieu thereof "$115,986,000,000."

Page 2, line 20, strike out "$109,947,000,000" and insert in lieu thereof "$109,647,000,000."

Adjust the figures on page 1, line 11, and page 2, line 2, accordingly.

SENATE—*Wednesday, May 4, 1977*

(Legislative day of Thursday, April 28, 1977)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. Ernest F. Hollings, a Senator from the State of South Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in a world full of uncertainties, crowded with complex problems and impeded by contentious forces, we turn to Thee and with the poet pray:

"Change and decay in all around I see;
O Thou who changest not abide with me."—Lyte, 1847.

As our fathers trusted in Thee, so we put our trust in Thee. We would not substitute prayer for hard work and clear thinking. But, we beseech Thee, to keep us from faltering on half-thought, incomplete, tentative measures when we need to grasp the whole problem and provide enduring remedies. Make us good craftsmen of government, seeing life and time and need as Thou dost see it. Grant us joy and peace in all our striving.

In the Redeemer's name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore.
Washington, D.C., May 4, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Ernest F. Hollings, a Senator from the State of South Carolina, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HOLLINGS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, May 3, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TALMADGE AND SENATOR MOYNIHAN ON FRIDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Friday, after the two leaders or their designees have been recognized under the standing order, Mr. TALMADGE and Mr. MOYNIHAN be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENDED AUTHORIZATION FOR THE FEDERAL ELECTION COMMISSION

Mr. ROBERT C. BYRD. Mr. President, there is one measure on the Unanimous-Consent Calendar, Calendar No. 92, that was cleared for unanimous-consent passage yesterday.

Therefore, I ask unanimous consent that the Senate proceed now to the consideration of Calendar No. 92.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (S. 1435) to authorize appropriations for the Federal Election Commission for fiscal year 1978.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1435) was passed.

Mr. HARRY F. BYRD, JR. Mr. President, before passage of the bill, I would like to inquire as to the amount of that appropriation and for what it will be used. The amount is $7.5 million. I would like information as to what that $7.5 million will be used for, which is appropriated to the Federal Election Commission.

Mr. ROBERT C. BYRD. Mr. President, the committee report is available for attention of Senators. I am sure that the distinguished Senator from Virginia very likely will find in the committee report the answer to his question.

However, in order that more time may be given for the Senator to get the information he appropriately seeks, I ask unanimous consent that the action with respect to passage of the measure be vitiated and that the measure remain on the Unanimous-Consent Calendar for the present.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. I thank the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Virginia.

S. 305 AND S. 773 TRANSFERRED TO THE UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the General Orders Calendar which are cleared for unanimous-consent action today. They are Calendar Nos. 93 and 98. I ask the Clerk to transfer them to the Unanimous-Consent Calendar.

The ACTING PRESIDENT pro tempore. They will be so transferred.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no requests for my time at the moment.

Mr. BAKER. Mr. President, I have no requirement for nor requests for my time under the standing order, and I am prepared at this time to yield it back, if the majority leader wishes to join me in that.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

Mr. BAKER. I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Ohio is recognized for not to exceed 15 minutes.

NATURAL GAS INDUSTRY COMPETITION ACT OF 1977—S. 1448

Mr. METZENBAUM. Mr. President, 2 weeks ago, the President delivered his energy message to Congress. At that time, I commended the President on his bold incentives, and stated that I would be giving the specifics of his package careful attention in the weeks to come. I have now had time to review some of the aspects of the President's proposals and am concerned in particular with one area which I feel is not adequately addressed—competition in the energy industry. In the following words, the President recognizes the necessity for competition in his energy message:

> Promotion and maintenance of competition is a critical aspect of public policy. Since energy is an essential commodity for all Americans, effective competition in the energy industries is a matter of vital concern. . . . The energy plan calls for continuous vigilance to insure that the structure, behavior, and performance of the energy industries are vigorously competitive.

He then concluded that legislative measures to insure this goal are not needed at the present time. I disagree.

Accordingly, today, along with Senators ABOUREZK and METCALF, I am introducing the Natural Gas Industry Competition Act of 1977. This bill would provide a major step forward in restoring effective competition to the natural gas industry.

This past winter's energy crisis highlighted the dire need to maximize our natural gas resources. No State suffered from this crisis more cruelly than my own State—Ohio. Thousands were out of work, schools were closed, roads destroyed, and we experienced well over a billion dollars in damage to the State's economy. What was the industry response? They told us that only through higher prices and deregulation will our country be able to obtain adequate supplies of natural gas. It seems that every time our country faces an energy crisis, the major energy producers cry out,

> Let the free market set the price.

It happened in the oil industry in 1974. It happened in the natural gas industry in 1977. Proponents of deregulation argue that under a competitive market structure, devoid of any Federal regulation, prices would rise to the level necessary to provide incentives to meet current demands. Only in this manner, they argue, can sufficient incentives exist for exploration and development.

But a competitive market structure truly means competition. It means competition to achieve lower prices. But that does not exist in the natural gas industry today. And, as a consequence, the natural gas companies have been earning, at the consumer's cost, more money than ever before in their history. The oil companies own 13 of the largest natural gas companies. Their 1976 profits were, on the average, 18 percent higher than 1975. Clark Oil & Refining Co. had an 81-percent increase; Atlantic Richfield Co. had a 64-percent increase; Sun Oil Co. a 62-percent increase—the list goes on.

The same is true with the gas companies themselves—Houston Natural Gas Corp.'s earnings rose 36 percent in 1976—over its 1975 earnings. Texas Oil & Gas Corp.'s earnings rose 35.7 percent in the same period—Columbia Gas System Inc.'s earnings rose 15 percent in 1976 over 1975 and Columbia Transmission Co.'s—a pipeline which serves Ohio and seven other States—earnings rose an amazing 85.8 percent over its 1975 figures and the earnings of Consolidated Natural Gas, the parent company to East Ohio Gas, which supplies my own community, rose 38 percent in 1976 over the same period the year before.

While most of the American public faced a severe financial crisis during the recent natural gas shortage, the natural gas companies themselves experienced a banner year.

A spokesman for National Fuel Gas Co., a company serving 665,000 customers in Pennsylvania, New York, and Ohio, states:

> Profits will be astronomical.

An AP wire story of February 3 said that—

> The Rochester Gas and Electric Company would cut $10 from the natural gas bills of its 153,600 residential customers in February because the utility is making too much money.

Foster Cerwith, a natural gas specialist for Standard and Poors, said that:

> We expect some companies to report first quarter profit increases of 100 percent above year-ago figures.

And yet, despite these increased profit figures, industry proponents have continued to focus on price regulation, totally ignoring what I believe to be the real issue—the noncompetitive aspects of the natural gas industry.

There is no principle more fundamental to the continued vitality of our economic system than the belief that competition must exist. Only through free enterprise and competition can we insure maximum use of our supplies at the most competitive price available. Yet the natural gas industry remains essentially devoid of competition.

In short, the natural gas industry consists of three separate elements:

First, production;

Second, transportation; and

Third, marketing to local customers.

Each segment of the industry should have separate profit objectives, operate at maximum efficiency, and at the most competitive price. The marketers should seek to pay the lowest possible rate for its gas—the transmission company should operate at the lowest price and carry the most gas it can—and producers should try to reduce their costs, produce more, and increase their sales.

Unfortunately, a careful study of the natural gas market structure reveals that it does not operate in this fashion at all. The natural gas industry is totally integrated, and therefore the contract, or market price, reflects conditions markedly different from prices that are obtained under competitive market norms. Elementary economic theory has taught us that the greater the degree of concentration and integration, the easier it is for a few firms to influence the price and quantity sold of a given product, and thereby obtain profits in excess of a normal rate of return. The natural gas industry is certainly no exception to this theory. For example:

First, 28 major natural gas producers also own part of the pipeline systems which transmit their gas;

Second, 21 interstate pipeline companies have acquired one or more exploring, developing, or producing affiliates;

Third, 25 natural gas marketers now have producing affiliates;

Fourth, data developed by the FPC's Office of Economics indicates that the top eight producers control between 75 percent and 100 percent of the uncommitted reserves of natural gas in the major producing areas of the country;

Fifth, the top 20 natural gas producers account for 75 percent of all natural gas production, according to Library of Congress estimates.

Sixth, at least five major natural gas companies own a producing, transporting, and marketing subsidiary.

Mr. President, I ask unanimous consent that tables supporting these figures be printed in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METZENBAUM. One of the best illustrations of this kind of integration and concentration is Columbia Gas Systems, Inc., the Nation's largest integrated natural gas company. In many States, such as Ohio, it controls natural gas from the wellhead to the stove. Columbia Gas Developing Co. produces natural gas and sells it to Columbia Transmission Corp., the pipeline company. Columbia Gas Transmission Corp. sells this gas to Columbia Gas of Ohio, the marketer, which in turn sells it directly to local customers. This kind of total integration makes it difficult to imagine normal market competition between the separate segments of Columbia when they are all owned by the parent company—Columbia Gas Systems, Inc. Instead of trying to keep prices and costs down, these subsidiaries all have the same objective—increased profits for the parent company.

In my own community, the local gas company tells its customers that higher rates do not increase their profits. For the most part, that is true. But what the local gas company does not say is that when producers increase costs upstream to consumers—these increases end up in the parent company which wholly owns both the marketer and the producer. In a competitive market, a local marketing company would not have to buy from its "sister" producing company. Instead, it could shop around for the lowest price. The net result of this kind of vertical integration has been greater profits for the gas companies, while consumers have been forced to pay skyrocketing gas rates.

Evidence of the anticompetitive nature of the natural gas industry can also be found in the relationship between interstate pipeline companies and their producing affiliates. Twenty-one major interstate pipeline companies own 43 producing affiliates or producing divisions. These relationships have permitted serious abuses in supply commitments. Only last month, Tenneco and Texaco, two of the Nation's largest natural gas producers, were discovered diverting natural gas supplies:

First. Tenneco admitted diverting more than 325 billion cubic feet of gas from the regulated interstate market to the unregulated intrastate market. They were able to do this through the use of Channel Industries Gas Co., one of Tenneco's wholly owned pipeline subsidiaries.

Second. Texaco, without approval or knowledge of the Federal Power Commission, had been burning enough offshore natural gas at one of its refineries in Texas to heat 523,000 homes each year. The practice has been going on since 1964. They were able to transport the gas by the Sabine Pipeline Co., one of Texaco's wholly owned subsidiaries.

Sadly, Mr. President, these examples are not alone—Mobil and other gas producers have also been the subject of FPC inquiries into diversion of natural gas supplies.

Anticompetitive practices result in a disturbing amount of supply constraint, though prices for natural gas have continued to increase. Despite the fact that the FPC set a price of 51 cents per million cubic feet in December of 1974 and said that this would allow a 15-percent rate of return, average natural gas prices have continued to increase approximately 30 percent per year over the last 5 years. New additions to the interstate market, however, have declined. Normally, the reverse would be expected. This trend is not an unreasonable pattern where the prospects of potential deregulation provide incentive to hold back reserves. In January, Mr. President, I stood before this body and read a letter I wrote to Interior Secretary Andrus indicating that significant natural gas reserves were being withheld from the market. The letter cited 15 separate studies supporting this contention. In the interest of time, I will not repeat the details of these studies. Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
January 31, 1977.

Hon. CECIL D. ANDRUS,
Secretary, U.S. Department of Interior,
Washington, D.C.

DEAR MR. SECRETARY: As you know, the current natural gas crisis has severely affected the State of Ohio. While the President's emergency legislation instituting an allocation plan between interstate pipeline systems and temporarily deregulating the price of natural gas will provide some interim relief, I believe the current situation necessitates action by the Department of Interior to determine whether the major natural gas producers are withholding large amounts of natural gas.

In the last few years, there has been mounting evidence which indicates that large amounts of known natural gas supplies have been withheld from production by natural gas producers. Among the many sources of evidence are the following:

1. The Federal Power Commission conducted an investigation in January, 1974 into offshore producing "shut-in" leases. The FPC investigated all leases upon which at least one well had been drilled and which were determined by the United States Geological Survey to be capable of being produced in paying quantities and for which a suspension of operation had been approved. The investigation concluded that there were: 4.71 trillion cubic feet of natural gas in proved reserves and 3.27 trillion cubic feet in probable reserves.

2. A subsequent Federal Power Commission Report of September 15, 1974 concluded that:

"13 pipelines held about ten trillion cubic feet of gas off the market in 'shut-in' wells in 1972 and 1973."

Ten trillion cubic feet of gas accounted for about half the amount the entire country consumed in 1974. They were dedicated reserves—pipelines that had already contracted for the gas, but not connected it to supply lines.

3. A February, 1975 investigation by the Federal Power Commission into nonproducing gas reserves in the Gulf of Mexico indicated that:

"As of year-end 1973, nonproducing reserves amounted to 7.9 trillion cubic feet of gas. Approximately 6.5 trillion cubic feet of these reserves are located in the Federal

Domain (i.e., on Federal lands or waters). The 7.9 trillion cubic feet of nonproducing gas reserves is 26% of the total offshore gas reserves reported in 1973 by the interstate pipelines and may represent an important and potential natural gas supply for interstate consumers."

4. In June and July, 1973, the Senate Subcommittee on Antitrust and Monopolies held hearings on natural gas production. At the hearings, the FPC testified that as of January, 1973, there were 167 offshore Louisiana Federal leases classified as producing "shut-in". The FPC testified that these leases represented: more than 743,000 nonproductive acres.

Further, the FPC testimony revealed that there were 18 Federal leases in offshore Texas capable of producing in paying quantities.

5. On January 21, 1975, the Interior Department ordered ten major companies that hold natural gas leases in the Gulf of Mexico to explain why they were not fully producing on these leases. The Department gave the companies 30 days to explain why the leases should not be put into production as soon as possible. It threatened to revoke the leases if the companies refused without adequate justification to place the leases in production. Former Department of Interior Secretary Rogers C. B. Morton in announcing the action said he:

"Would not allow lessees to withhold their leases from production in hopes of getting a higher price at a later time."

The Department noted:

"In one group of leases, there was less production now than in the past, although new wells had been drilled."

6. In 1975, citing a Government Accounting Office study, Senator Roth (R-Del.) stated that:

"91% of the oil and gas leases let by the Interior Department were not producing. According to his figures, 92,244 of 103,502 federal leases were not producing."

7. Walter S. Measday, Chief Economist of the Senate Antitrust and Monopoly Subcommittee, in testimony before that Subcommittee on September 23, 1975 stated that:

"There seems to be no question but that Federal lands which were leased out to companies to be developed, so the Nation can have the product, are not being developed expeditiously, and there seems to be no technological or geological reason for this. The conclusion to be drawn is, that companies have determined that it is not in their economic interests at this time to develop the leases . . ."

8. In a July, 1975 Preliminary Report by the House Subcommittee on Oversight and Investigations into delays in natural gas production by Cities Service Oil Company, the Subcommittee found:

"That Cities Service had purposely delayed commencing the work-over of its wells, and that this delay disrupted deliveries of substantial quantities during the critical winter season."

9. In a later report by the same Subcommittee, released in October 1976, the Subcommittee concluded that:

"Interstate natural gas consumers have not received all the gas to which they are entitled."

10. In a January 21, 1976 hearing before the Subcommittee on Oversight and Investigations, Dr. John Galloway, a Special Assistant to the Subcommittee, testified. He compared the gas reserves in 153 fields (covering two-thirds of the total fields) made by the AGA with the estimates of the U.S. Geological Survey (USGS). He found:

"That AGA reserves were 37.4% lower than the USGS total for the same fields—that is, the USGS's figure of 23.47 trillion cubic feet compared with the AGA figures of 14.7 trillion cubic feet. Dr. Galloway observed that if the 37.4% discrepancy existed nationwide, however, the AGA reserve shortfall would amount to 102.7 trillion cubic feet of non-associated gas—enough to cover last winter's projected curtailments one hundred times over."

11. In 1963, the Gulf Oil Corporation entered twenty-year warranty agreement with Texas Eastern pipeline system for a minimum of 500,000 MCF per day. In addition, the agreement provided that at Texas' option, this amount could be increased to 625,000 MCF per day. In 1972, Gulf began to fall off in its deliveries, and by the summer of 1976, the deliveries had dropped to 350,000 MCF per day. On August 13, 1976, a Federal Power Commission Administrative Law judge issued an initial decision in a show cause proceeding. He found that Gulf:

"Was not in compliance with the contract, nor was Texas Eastern diligent in reporting the disruption of deliveries."

During the course of the Federal Power Commission hearings, Gulf continually defended itself on the basis that delivery at the contractual amount (500,000 MCF–625,000 MCF per day) was physically impossible. Gulf maintained that there simply were no available reserves. On November 7, 1976 the Federal Power Commission issued Opinion No. 780 that stated:

"Gulf was required to delivered the maximum amount (625,000 MCF per day) and that they must do so by December 15, 1976."

Despite Gulf's protestations during the course of the hearings, within a month they were delivering 625,000 MCF per day to Texas Eastern pipeline systems.

Mr. Secretary, evidence indicating withheld reserves could go on and on. In the interest of time I will merely cite a few other sources: Federal Power Commission, Order Instituting Investigation of Status of Nonproducing Dedicated Reserves and to Show Cause, Docket No. R175–112, February 20, 1975; Statement of David S. Schwartz, Assistant Chief, Office of Economics, Federal Power Commission before the Senate Antitrust and Monopoly Subcommittee, June 27, 1973, pp. 22–23; Federal Power Commission, Offshore Investigation: Producible Shut-in Leases, (First Phase), January, 1974. House Subcommittee on Oversight and Investigtion of the Committee on Interstate and Foreign Commerce, November 1975 Report; and Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, Hearings on S. 2310, February 2, 1976.

There is no doubt that the severity of the current winter has aggravated natural gas reserves. However, the results of these studies raise serious questions as to the actual amount of natural gas that could now be available to the American public, if the producers were operating at their full capacity. I am in no position to state with absolute certainty that these previously-made findings are correct. However, I do believe it necessary that the Department of Interior establish a "crash team" to make an objective determination as to whether the natural gas producers are withholding their natural gas reserves.

I believe that with that information you could then determine whether one or both of the following possible steps should be taken:

(1) New legislation authorizing you to order increased production both on and off federal lands and waters.

(2) Cancellation or threatened cancellation of federal leases where the lessees are failing to produce.

At a time when the natural gas crisis is closing schools and factories, it is critically important that this country know the true facts.

With warmest regards,

Howard M. Metzenbaum,
U.S. Senator.

Mr. METZENBAUM. The point, however, is one worth repeating—it is increasingly apparent that the natural gas industry is not producing at its maximum capacity and one of the major reasons is because there is not sufficient competition to encourage them to do so.

Industry proponents argue that existing antitrust laws are sufficient to prevent undue concentration. But who can wait as long as a decade before a case will get to trial? Take the following antitrust cases as examples:

In 1969, the United States brought suit against IBM under section 2 of the Sherman Act. The Government is only this year scheduled to present its case. It is likely to be 3 to 8 more years before this case is finalized.

In 1971, the Federal Trade Commission brought suit against the Kellogg Corp. FTC against Kellogg et al. went to trial less than a year ago.

In the summer of 1973, the Federal Trade Commission filed suit against Exxon. In 4 years, the case has not gotten beyond subpenas and procedural questions.

And there is no end in sight. Attorney General Griffin Bell highlighted this problem in testimony before the Judiciary Committee:

> The weakness in the (antitrust) system is that it is easy to beat the system. The court processes are so complicated, so slow, that once a case starts, it never seems to end. All you do is just stay in court. You can go on for years in court without anything being done . . . as long as the court system is not adequate to finish a case within a reasonable time, it is difficult to enforce the antitrust laws.

While these situations are very disturbing, there is substantial doubt whether the natural gas industry—an industry regulated in part by State and Federal agencies—can be brought within existing antitrust law.

To remedy this situation now, and not years from now, the bill I am introducing will separate each segment of the industry and preserve its distinct competitive incentive by prohibiting:

Any producer from owning or controlling interest in any transportation asset or marketing asset;

Any natural gas transporter from owning or controlling any interest in any producing asset or marketing asset; and

Any marketer from owning or controlling any interest in a producing asset or transportation asset.

Mr. President, I ask unanimous consent that the bill be printed in the Record following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. METZENBAUM. Mr. President, the President in his energy message to Congress, stated his intention to raise the cost of natural gas from $1.44 per thousand cubic feet to $1.75 per thousand cubic feet—a measure that will cost Ohio consumers, alone, an estimated $235 million in additional costs in the first year, rising to a total of nearly $3 billion in the next 8 years.

Mr. President, prominent economists have also projected a windfall of $1.5 billion per year to natural gas firms by 1980 if the price increase for renegotiated contracts becomes a reality. These concerns were voiced in two recent articles in the Washington Post on April 22 and April 27, and I ask unanimous consent that they be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. METZENBAUM. Mr. President, it is imperative that we first restore competition to this industry before we enact such a substantial increase in the price of natural gas. We can no longer afford to wait the 5, 6, or 7 years necessary to stop practices in the natural gas industry that continue to cost consumers millions of dollars and discourage production of vitally needed energy resources.

The enactment of this bill would go a long way in restoring competition to the natural gas industry. We talk about free enterprise—we talk about equity—we talk about competition—we must now support our words with our actions. I urge my colleagues to give careful consideration to the merits of this vital legislation.

EXHIBIT 1

[Excerpted from FPC Docket No. CI73–501]

MAJOR INTERSTATE GAS PIPELINES AND THEIR PRODUCING AFFILIATES

INTERSTATE PIPELINE CO. AND EXPLORATION, DEVELOPMENT, AND PRODUCING AFFILIATES

Arkansas Louisiana Gas Co.; Arkla Exploration Co.

Cities Service Gas Co.: Cities Service Oil Co., Cities Service Gas Resources Co., Hydrocarbon Production Co., Inc.

Colorado Interstate Gas Co.: Coastal States Gas Producing Co., LO-VACA Gathering Co., Colorado Oil and Gas Corp., Nueces Industrial Gas Co.

Columbia Gas Transmission Corp.: Columbia Gas Development Corp.

Consolidated Gas Supply Corp.: CNG Producing Co.

El Paso Natural Gas Co.: Odessa Natural Gasoline Co., Odessa Natural Corp., Trebol Drilling Co., Pecos Co.

Florida Gas Transmission Co.: Florida Gas Exploration Co.

Lone Star Gas Co.: Lone Star Producing Co.

Michigan Wisconsin Gas Co.: American Natural Gas Production.

Natural Gas Pipeline Co. of America: Harper Oil Co.

Northern Natural Gas Co.: (Produces under its own name).

Panhandle Eastern Pipeline Co.: Anadarko Production Co., Pan Eastern Exploration Co., Panhandle Western Gas Co.

Southern Natural Gas Co.: SONAT Exploration Co., The Offshore Co.

Tennessee Gas Transmission Co.: Tenneco Oil Co.

Tennessee Gas Pipeline Co.: Tenneco Exploration, Ltd., Tenneco Offshore Co., Inc., Tenneco West, Inc.

Texas Eastern Transmission Corp.: La Gloria Oil and Gas Co., Texas Eastern Gas Supply Co., Texas Eastern Maroc, Inc., Texas Eastern Exploration Co., Texas Eastern Oil Co.

Texas Gas Transmission Corp.: Texas Gas Exploration Corp.

Transcontinental Gas Pipeline Corp.: Transcontinental Production Co., Trans-Gulf Transmission Corp.

Transwestern Pipeline Co.[1] Transwestern, Inc., Transwestern Gas Supply Co.

Trunkline Gas Co.[2]:

United Gas Pipeline Co.: Pennzoil Producing Co., Pennzoil Petroleums, Ltd., Pennzoil Louisiana and Texas Offshore Inc., Pennzoil Offshore Gas Operator, Inc.

INTRASTATE BUYERS IDENTIFIED IN THE 1972 FPC SURVEY OF INTRASTATE NATURAL GAS PRICES (DOCKET R389A)

(This list contains area and intrastate buyer; answers whether or not a gas producer[3]; and a list of interstate pipelines served in 1971)[3]

PERMIAN BASIN

1. Pecos Growers Oil Company: Yes. Lone Star Gas Co., Natural Gas Pipeline Co., El Paso Nat. Gas Co., Arkansas La. Gas Co., Cities Service Gas Co., Colorado Interstate, Florida Gas Trans. Co., Mich. Wis. Pipeline Co., Northern Natural Gas Co., So. Texas Nat. Gas Gath. Co., Tennessee Gas Pipeline, Texas Eastern Trans. Corp., Trunkline Gas Co., Transcontinental Gas P. L., United Gas Pipeline Co.

2. Pecos Growers Gas Company: Yes. See Pecos Growers Oil Company above.

3. Delhi Gas Pipeline Corp.: Yes. See Pecos Growers Oil Co.

4. Intratex Gas Co.: Yes. Consolidated Gas Sup. Corp., Natural Gas P.L. Co., South Texas Nat. Gas Gath., Texas Eastern Trans. Corp., Texas Gas Pipe Line, Transcontinental Gas Pipeline Corp., Valley Gas Trans. Inc.

5. Houston Pipeline Co.: Yes. See Intratex Gas Co. above.

6. Dow Chemical Co.: Yes. None in 1971.

7. Lo-Vaca Gathering Co.: Yes. Cities Service Gas, Columbia Gas Trans., Consolidated Gas Sup., Lone Star Gas Co., Natural Gas P. L. Co., South Texas Nat. Gas Gathering Co., Tennessee Gas Pipeline, Texas Eastern Trans., Transcontinental Gas Pipeline Corp., Trunkline Gas Co., Arkansas Louisiana Gas, El Paso Nat. Gas Co., Northern Nat. Gas Co. Colorado Interstate Gas, Florida Gas Trans. Co.

8. Texas Utilities Fuel Co.: Yes. None in 1971.

9. BTA Oil Producers: Yes. El Paso Nat. Gas Co.

10. Lone Star Gas Co.: Yes. Arkansas Louisiana Gas, Lone Star Gas Co., Natural Gas P. L. Co., Panhandle Eastern P. L., Texas Eastern Trans., Transcontinental Gas Pipeline Corp., United Gas P. L. Co.

11. Pioneer Natural Gas Co.: Yes. Michigan Wisconsin P.L., Natural Gas P.L. Co., Northern Natural Gas Co., Panhandle Eastern P.L.

12. Pennzoil Pipeline Co.: Yes. United Gas Pipeline Co., Arkansas Louisiana Gas, Michigan Wis. P.L., Natural Gas P.L. Co., Sea Robin P.L. Co., South Texas Nat. Gas Gathering Co., Southern Nat. Gas Co., Tennessee Gas Pipeline, Texas Eastern Trans., Texas Gas Trans. Corp. Transcontinental Gas Pipeline Corp., Trunkline Gas Co., United Gas Pipeline Co., Columbia Gas Trans. Consolidated Gas Sup., Transwestern P.L. Co.

13. Amoco Gas Company: Yes. Arkansas La. Gas Co., Cimarron Trans. Co., Cities Service Gas Co., Colorado Interstate Gas, Columbia Gas Trans., El Paso Nat. Gas Co., Florida Gas Trans. Co., Lone Star Gas Co., Michigan Wis. P.L. Co., Miss. River Trans. Corp., Montana Dakota Util Co., Mountain Fuel Sup. Co., Natural Gas P.L. Co., Northern Nat. Gas Co., Northern Utilities Co., Panhandle Eastern P.L., Sea Robin P.L. Co., Southern Nat. Gas Co., Tennessee Gas Pipeline, Texas Eastern Trans. Corp., Texas Gas P.L. Corp., Texas Gas Trans. Corp., Transcontinental Gas P.L., Transwestern P.L. Co., Trunkline Gas Co., United Gas P.L. Co., Valley Gas Trans., Inc.

14. Llano, Inc.: No. N/A.

Texas Gulf Coast

1. Amoco Gas Company: Yes. See Amoco Gas-Permian Basin.

2. Atlantic Richfield Co.: Yes. Arkansas Louisiana Gas Co., Cimarron Trans. Co., Cities Service Gas Co., Colorado Interstate Gas Co., Columbia Gas Trans. Corp., El Paso Nat. Gas Co., Florida Gas Trans. Co., Kansas Nebraska Nat. Gas Co., Lone Star Gas Co., Michigan Wisconsin Pipeline, Montana Dakota Util. Co., Mountain Fuel Sup. Co., Natural Gas P.L. Co., Northern Natural Gas Co., Northern Utilities Co., Panhandle Eastern P.L. Co., South Texas Nat. Gas Gath. Co., Southern Natural Gas Co., Tennessee Gas Pipeline, Texas Eastern Trans. Corp., Texas Gas Trans. Corp., Transcontinental Gas P.L. Co., Transwestern P.L. Co., Trunkline Gas Co., United Gas P.L. Co., West Texas Gath. Co.

TEXAS GULF COAST

3. Channel Industries Gas Company: Yes. Arkansas Louisiana Gas Co., Cimarron Trans. Co., Cities Service Gas Co., Columbia Gas Trans. Corp., El Paso Nat. Gas Co., Florida Gas Trans. Co., Michigan Wisconsin P. L. Co., Miss. River Trans. Corp., Montana Dakota Util. Co., Mountain Fuel Sup. Co., Natural Gas P. L. Co., Northern Natural Gas Co., Okla. Nat. Gas Gath. Corp., Panhandle Eastern P. L. Co., South Texas Natural Gas Gathering Co., Southern Natural Gas Co., Tennessee Gas Pipeline, Texas Eastern Trans. Corp., Texas Gas Trans. Corp., Transcontinental Gas P. L., Trunkline Gas Co., United Gas Pipeline Co., Western Trans. Corp., Kansas Nebraska Nat. Gas Co.

4. Coastal States Producing Company: Yes. See Lo-Vaca Gathering Co.-Permian Basin.

5. Texas Gas Utilities Co.: Yes. See Lo-Vaca Gathering Co.-Permian Basin.

6. Texas Southeastern Gas Company: Yes. See Lo-Vaca Gathering Co.-Permian Basin.

7. Lo-Vaca Gathering Co.: Yes. See Lo-Vaca Gathering Co.-Permian Basin.

8. Continental Oil Co.: Yes. Arkansas Louisiana Gas Co., Cascade Nat. Gas Corp., Cities Service Gas Co., Colorado Interstate Gas Co., El Paso Natural Gas Co., Florida Gas Trans. Co., Kansas Nebraska Nat. Gas Co., Lone Star Gas Co., Michigan Wisconsin P. L. Co., Montana Dakota Util Co., Mountain Fuel Sup. Co., Natural Gas P. L. Co., Northern Natural Gas Co., Northern Utilities Co., Panhandle Eastern P. L. Co., South Texas Nat. Gas Gath. Co., Southern Natural Gas Co., Tennessee Gas Pipeline, Texas Eastern Trans. Corp., Texas Gas Trans. Corp., Transcontinental Gas P. L., Transwestern P. L. Co., Trunkline Gas Co., United Gas P. L. Co., West Texas Gathering Co.

9. Delhi Gas Pipeline Corporation: Yes. See Delhi Gas Pipeline Corp.-Permian Basin.

10. Dow Chemical Company: Yes. None in 1971.

11. Houston Pipeline Co.: Yes. See Intratex Gas Co.-Permian Basin.

12. Lone Star Gas Co.: Yes. See Lone Star Gas Co.-Permian Basin.

13. Pennzoil Pipeline Co.: Yes. See Pennzoil Pipeline Co.-Permian Basin.

14. Philips Petroleum Co.; Yes. Arkansas Louisiana Gas Co., Cities Service Gas Co., Columbus Gas Trans. Corp., Delta Gas, Inc., El Paso Natural Gas Co., Florida Gas Trans. Co., The Jupiter Corp., Lone Star Gas Co., Louisiana Nevada Transit, Michigan Wisconsin P. L. Co., Miss. River Trans. Corp., Natu-

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[1] Subsidiary of Texas Eastern Transmission Corp.

[2] Subsidiary of Panhandle Eastern Pipeline Co.

[3] Either the Company named or an Affiliate. Affiliate.

ral Gas P. L. Co., Northern Natural Gas Co., Panhandle Eastern P. L. Co., Southern Natural Gas Co., Tennessee Gas Pipeline, Texas Eastern Trans. Corp., Texas Gas Trans. Corp., Transcontinental Gas P. L. Co., Transwestern Pipeline Co., Trunkline Gas Co., United Gas Pipeline Co., Valley Gas Trans., Inc., Western Gas Interstate Co.

15. American Smelting & Refining Co.: No. N/A.

16. Goodyear Tire and Rubber Co.: No. N/A.

17. Houston Chemical Co.: No. N/A.

18. Olin Corporation: No. N/A.

SOUTH LOUISIANA

1. Continental Oil Co.: Yes. See Continental Oil Co., Texas Gulf Coast.

2. Allied Chemical Corp.: Yes. El Paso Natural Gas Co., Lone Star Gas Company, Natural Gas Pipeline Co., Northern Natural Gas Co., Oklahoma Natural Gas Gathering Corp., Panhandle Eastern P. L. Co., Southern Natural Gas Co., Texas Eastern Trans. Corp., Texas Gas Pipeline Corp., Texas Gas Trans. Corp., Transcontinental Gas P. L. Corp., Transwestern Pipeline Co., United Gas Pipeline Co.

3. Monterey Pipeline Co.: Yes. Arkansas Louisiana Gas Co., Colorado Interstate Gas Co., Columbia Gas Trans. Corp., El Paso Natural Gas Co., Florida Gas Trans. Co., Kansas-Nebraska Nat. Gas Co., Lone Star Gas Co., Louisiana Nevada Transit, Michigan Wisconsin P. L. Co., Montana Dakota Utilities Co., Mountain Fuel Sup. Co., Natural Gas P. L. Co., Northern Natural Gas Co., Panhandle Eastern P. L. Co., Plaquemines Oil & Gas Co., Southern Natural Gas Co., Tennessee Gas Pipeline, Texas Eastern Trans. Corp., Texas Gas Trans. Corp., Transcontinental Gas P. L. Corp., Transwestern P. L. Co., Trunkline Gas Co., United Gas P. L. Co., West Texas Gathering Co., Western Gas Interstate Co.

4. Louisiana Intrastate Gas Corp.: Yes. None in 1971.

OTHER SOUTHWEST

1. Arkansas Western Gas Co.: Yes. None in 1971.

2. Arkansas Louisiana Gas Co.: Yes. Arkansas Louisiana Gas Co., Arkansas Okla. Gas Corp., Miss. River Trans. Corp., Texas Gas Trans. Corp.

3. Western Gas Corp.: Yes. Kansas-Nebraska Nat. Gas Co., Cities Service Gas Co., Texas Eastern Trans. Corp.

4. Delhi Gas Pipeline Corporation. Yes. See Delhi Gas Pipeline Corp., Permian Basin.

5. Bi Stone Fuel Co.: Yes. None in 1971.

6. Lone Star Gas Co.: Yes. See Lone Star Gas Co., Permian Basin.

7. Oklahoma Nat. Gas Co.: Yes. Arkansas Louisiana Gas Co., Cities Service Gas Co., Michigan Wisconsin P. L. Co., Natural Gas P. L. Co., Northern Natural Gas Co., Okla. Nat. Gas Gath. Corp., Panhandle Eastern P. L. Co., Transwestern Pipeline Co.

8. Oklahoma Nat. Gas Storage Co.: Yes. See Oklahoma Natural Gas Co. above.

9. Pioneer Natural Gas Company: Yes. Michigan Wisconsin P. L. Co., Natural Gas P. L. Co., Northern Natural Gas Co., Panhandle Eastern P. L. Co., Transwestern Pipeline Co.

10. Kansas-Nebraska Natural Gas Co., Inc.: Yes. See Western Gas Corp—Other Southwest.

11. Anadarko Prod. Co.: Yes. Arkansas Louisiana Gas Co., Cities Service Gas Co., Colorado Interstate Gas Co., Kansas-Nebraska Nat. Gas Co., Lone Star Gas Co., Michigan Wisconsin P. L. Co., Natural Gas P. L. Co., Northern Natural Gas Co., Panhandle Eastern P. L. Co., Texas Gas Tranmission Corp., United Gas Pipeline Co., Panhandle Producing Co., Colorado Interstate Gas Co.

12. Phillips Petroleum Co.: Yes. See Phillips Petroleum Co., Texas Gulf Coast.

13. Southwestern Gas P. L.: No. N/A.

14. The LBA Co., Inc.: No. N/A.

15. Coastal Chemical Corp.: No. N/A.

16. Oklahoma Gas & Elec. Co.: No. N/A.

17. Transok Pipeline Co.: No. N/A.

18. Reynolds Metals Co.: No. N/A.

19. Mississippi Chemical Corp.: No. N/A.

20. Mississippi Power and Light Company: No. N/A.

ROCKY MOUNTAIN

1. Amoco Gas Co.: Yes. See Amoco Gas Co.-Permian Basin.

2. Colorado Interstate Gas Co.: Yes. See Lo-Vaca Gathering Co.-Permian Basin.

3. Koch Industries, Inc.: Yes. Arkansas Louisiana Gas Co., El Paso Nat. Gas Co.

4. Koch Oil Co.: Yes. See Koch Industries above.

5. McCulloch Gas Processing Corp.: Yes. McCulloch Interstate Gas Corp., Montana Dakota Utilities Co.

6. Mountain Fuel Supply Co.: Yes. None in 1971.

7. Southern Union Gas Co.: Yes. El Paso Natural Gas Co.

8. Cody Gas Co.: No. N/A.

9. Texas Gas Corp.: No. N/A.

10. Thomas G. Vessels: No. N/A.

EXHIBIT 2

S. 1448

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Natural Gas Industry Competition Act of 1977".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) this Nation is committed to a private enterprise system and a competitive market economy, in the belief that competition spurs innovation, promotes productivity, prevents undue concentration of economic, social, and political power, and helps preserve a democratic society;

(2) vigorous and effective enforcement of the antitrust laws and reduction of monopoly and oligopoly power in the economy can contribute significantly to reducing prices, unemployment, and inflation;

(3) the natural gas industry consists of three distinct and separate stages:

(A) production of natural gas;

(B) the transportation of natural gas by pipelines; and

(C) the distribution of natural gas to local customers;

(4) existing laws have been inadequate to maintain and restore effective competition in each stage of the natural gas industry; and

(5) the extraordinary dimensions of the remedy required by this Act necessitate expedited judicial supervision of the actions required by this Act.

(b) It is the purpose of the Congress in this Act to facilitate the creation and maintenance of competition in the natural gas industry, and to require the most expeditious and equitable separation and divestiture of assets and interests of natural gas companies that have ownership interests in more than one stage of the natural gas industry.

TITLE I—INDUSTRY COMPETITION

DEFINITIONS

SEC. 101. As used in this title—

(a) "person" means an individual person or a corporation, partnership, joint stock company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated. It does not include any authority of the United States or of the several States;

(b) "control" means a direct or indirect legal or beneficial interest in or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, or contractual relations which substantially impair the independent business behavior of another person;

(c) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(d) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(e) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between a State and a foreign nation;

(f) "natural gas" includes natural gas liquids and condensate;

(g) "marketing asset" means any asset used in the sale and distribution of natural gas to ultimate consumers including all debt interests therein;

(h) "operate" means engaging in the business of selling natural gas, directly or indirectly, or through any agent who receives any commission, compensation, or payment because of the sale of natural gas;

(i) "production asset" means—

(A) natural deposits of natural gas;

(B) any asset used primarily in the exploration for, development of or production of a natural gas, including, but not limited to, an interest in real property, whether or not such real property is developed or undeveloped;

(C) geological and geophysical information;

(D) any interest in natural gas produced by others; and

(E) all debt interests in any of the assets represented in paragraphs (A)–(D) of this subsection;

(j) "transportation asset" means any asset used in the transportation within the United States by pipeline of natural gas;

(k) "major producer" means any person or affiliate thereof that produces more than 1 billion cubic feet of natural gas per year;

(l) "transporter" means any person or affiliate thereof which transports natural gas by pipeline except for gathering lines, in commerce within the United States;

(m) "marketer" means any person or affiliate thereof which marketed or distributed natural gas;

(n) "Outer Continental Shelf" means all submerged lands lying seaward and outside of the area of lands—

(1) within the boundaries of each of the respective States which are covered by nontidal waters that were navigable under the laws of the United States at the time such State became a member of the Union, or acquired sovereignty over such lands and waters thereafter, up to the ordinary high water mark as heretofore or hereafter modified by accretion, erosion, and reliction; and

(2) permanently or periodically covered by tidal waters up to but not above the line of mean high tide and seaward to a line 200 geographical miles distant from the coastline of each such State and to the boundary line of each such State where in any case such boundary as it existed at the time such State became a member of the Union, or is heretofore approved by Congress, extends seaward (or into the Gulf of Mexico) beyond 200 geographic miles; and

(3) all filled in, made, or reclaimed lands which formerly were lands beneath waters described in paragraph (1) or (2) of this subsection and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

(o) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, and the Outer Continental Shelf;

(p) "prohibited asset" means any marketing asset, production asset, or transportation asset, the retention of which is prohibited by section 102 of this Act; and

(q) "operating cash flow" means the difference between operating costs and operating revenue.

UNLAWFUL RETENTION

SEC. 102. (a) Notwithstanding any other provision of law, five years after the date of enactment of this Act, it shall be unlawful—

(1) for any major producer to own, or control, any interest in any transportation asset or marketing asset;

(2) for any transporter to own or control any interest in any production asset or marketing asset; or

(3) for any marketer to own or control any interest in any production asset or transportation asset; or

(4) for any person who owns any production asset or marketing asset to transport natural gas in which he has any interest, by means of any transportation asset in which he has any interest.

(b) Notwithstanding any other provision of law, it shall be unlawful within three years of the date of enactment of this Act for any major producer, marketer, or transporter to own more than 50 percent of the equity in any asset the ownership or control of which would be prohibited under subsection (a) of this section five years after the date of enactment of this Act.

UNLAWFUL OPERATION

SEC. 103. (a) It shall be unlawful for—

(1) any major producer to enter into joint ventures or any other agreements or arrangements explicit or otherwise which would result in actions prohibited by section 102 of this Act; and

(2) major producers, marketers, or transporters who have any control or interest in any operation prohibited by section 102 of this Act to make any additional investments in any such operations.

(b) It shall be unlawful, notwithstanding existing contractual obligations, for any major producer, marketer, or transporter who have any control or interest in any prohibited asset to fail to withdraw all operating cash flow attributable to such ownership or control in or from any affiliate of such major producer, marketer, or transporter as the case may be, the retention of which is prohibited under section 102.

REPORTS

SEC. 104. Each person to whom section 102 does or will apply and any other persons as may be designated by the Attorney General of the United States (hereinafter referred to in this section as the "Attorney General"), shall within one hundred and twenty days and at other times as the Attorney General may designate, file with the Attorney General such information and reports about the assets of such person as the Attorney General may request.

PENALTIES

SEC. 105. (a) Any person who knowingly or willfully violates any provision of this Act shall, upon conviction, be punished, in the case of an individual, by a fine not to exceed $500,000 or by imprisonment for a period not to exceed ten years, or both, or in the case of a corporation, by a fine not to exceed $5,000,000 or by suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part, or who shall have omitted to authorize, order, or do any acts which would terminate, prevent, or correct conduct violative of this Act. Failure to obey any order of a court pursuant to this Act shall be punishable by such court as a contempt of court.

(b) Any person who violates any lawful order issued pursuant to this Act shall forfeit and pay to the United States for each violation a civilian penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Attorney General of the United States. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a lawful order issued pursuant to this Act, each day on continuance of such failure or neglect shall be deemed a separate offense.

SEPARABILITY

SEC. 106. If any provision of this title or the application of any such provision to any person or circumstance is held invalid, the remainder of the provisions of this title and the application of such provisions to other persons or circumstances shall not be affected thereby.

AUTHORIZATION

SEC. 107. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

EFFECTIVE DATE

SEC. 108. The provisions of this title shall become effective upon the date of enactment.

TITLE II—NATIONAL ENERGY INDUSTRY COMPETITION COURT

ESTABLISHMENT

SEC. 201. There is hereby created a court of the United States to be known as the National Energy Industry Competition Court (hereinafter referred to in this title as the "court") which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The court shall be dissolved by order of the Chief Justice of the Supreme Court upon a determination that its purposes have been accomplished.

JUDGES

SEC. 202. The Chief Justice of the United States shall designate one of such judges as chief judge of the court and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members and any such division may render judgment as the judgment of the court.

REFERENCE JURISDICTION

SEC. 203. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act. The court or a panel thereof may, at any stage of a proceeding under this Act, refer the proceeding or any part thereof or any issue therein to a referee in bankruptcy to hear and determine any and all matters not reserved to the court or panel by this Act, or to referee as a special master, to hear and report generally or upon specified matters, or to a special master for such action with respect thereto as the court or a part thereof may direct.

TRANSFER JURISDICTION

SEC. 204. (a) A single judge or panel of the court may exercise all functions of the Judicial Panel on Multidistrict Litigation as provided under section 1407 of title 28, United States Code, with respect to any matter before the court.

(b) The Judicial Panel on Multidistrict Litigation shall exercise no function with respect to any matter before the court.

GENERAL JURISDICTION

SEC. 205. The court shall have exclusive jurisdiction, without appeal, except as otherwise provided in this Act, of all actions and suits brought under this Act or which relate to any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or of any divestiture required by this Act.

COMPULSORY PROCESS

SEC. 206. Notwithstanding any other provision of law in the execution of its responsibilities and powers under this title the court may issue its process to any person and service thereof may be had in any district where such person resides, transacts business, or may otherwise be found. The court, in aid of the execution of this provision may issue such writs as may be provided under section 1651 of title 28, United States Code.

RULES

SEC. 207. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act.

APPEAL

SEC. 208. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. Within thirty days after entry of a judgment or order, interlocutory or final, by the court a petition of a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals of the United States. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this section. The court and the Supreme Court upon review of judgments and orders of the court shall have exclusive jurisdiction. Except as provided in this section, no court, Federal, State, or territorial, shall have jurisdiction or power to consider any appeal involving any action or suit brought under this Act or any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or any divestiture required by this Act.

CLERK AND EMPLOYEES

SEC. 208. (a) The court may appoint a clerk who shall be subject to removal by the court. The court may appoint or authorize the appointment of such other officers and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts.

(b) The officers and employees of the courts shall be subject to the removal by the court or, if the court so determines, by the clerk or other officer who appointed them, with the approval of the court.

(c) Referees and special masters appointed under section 203 shall be compensated as provided under section 40 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898 (30 Stat. 544, 556), as amended (11 U.S.C. 68).

(d) The clerk shall pay into the Treasury all fees, costs, and other moneys collected by him and make returns thereof to the Director of the Administrative Office of the United States Courts.

LAW CLERKS AND SECRETARIES

SEC. 210. The judges of the court may appoint such law clerks and secretaries as may be necessary.

LIBRARIAN, MARSHAL, AND BAILIFFS

SEC. 211. (a) The court may appoint a librarian and necessary library assistants who shall be subject to removal by the court.

(b) The court may appoint a marshal, who shall attend the court at its sessions, be custodian of its courthouse or chambers and offices, have supervision over its custodial employees, take charge of all property of the United States used by the court or its employees, and perform such other duties as the court may direct. The marshal shall be subject to removal by the court. The marshal, with the approval of the court, may employ necessary bailiffs. Such bailiffs shall attend the court, preserve order, and perform such other necessary duties as the court or marshal may direct. The bailiffs shall receive the same compensation as bailiffs employed for the district courts of the United States.

SEAT

SEC. 212. The principal seat of the court shall be in the District of Columbia. The court may sit at such times and places within the United States as the court may designate.

SEAL

SEC. 213. The court shall have a seal which shall be judicially noticed.

SESSIONS

SEC. 214. The time and place of the sessions of the court shall be prescribed by the chief judge pursuant to rule of the court.

CONFLICTS

SEC. 215. No judge of the court, receiver in bankruptcy, or special master shall hear or determine any matter in which he has a conflict of interest.

APPROPRIATIONS

SEC. 216. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

EXHIBIT 3

OIL FIRMS SEEN WINNERS IN CARTER'S ENERGY PLAN

(By J. P. Smith)

The invisible winners in President Carter's energy message may be the nation's oil companies.

In a series of technical decisions that have gone largely unnoticed in this week of presidential television appearances, the oil industry has won from the administration what one senior industry official described as "a lot of pluses."

These pluses would add up to hundreds of millions of dollars in additional revenues for the industry in 1980, mostly in the form of subtle price increases that would occur from relaxations of oil price controls.

There would be no federal tax rebates to compensate the paying public for those increases, which show up in higher prices for gasoline and all other products made from oil.

The oil companies and industry trade associations such as the American Petroleum Institute have had an intense lobbying effort under way. It began before Carter's inauguration, and reached saturation level in recent weeks. One aide to presidential energy adviser James R. Schlesinger said, "We've been under carpet bombing by lobbyists of every stripe."

The lobbying continued even last weekend, as final details of the energy plan were being wrapped up. One decision of tremendous potential importance to the industry had to do with a definition—the substitution of the words "two and a half miles" for "five miles" in one part of the President's proposals. The President apparently did not finally decide to make this change until sometime Monday.

Under federal price controls, there are two basic categories of oil produced in the United States—old oil and new oil. New oil is essentially oil from wells drilled after 1972.

The price of old crude oil is frozen at $5.25 a barrel. New crude oil can be sold for as much as $11.28 per barrel.

What the Carter plan does for the industry—perhaps the most important thing—is quietly create a third category which would not be subject to price controls at all, and could rise to the so-called "world" or uncontrolled price of more than $13 a barrel.

A second important plus for the industry is a provision under which the price of new oil would automatically rise each year with inflation, and the annual price increases would not be subject to congressional veto, as they are currently.

A third technical change involves the "decontrol" of gasoline prices, which are currently tied by law to the controlled price of crude oil. Experts estimate this gasoline decontrol could result in a 3-cent-a-gallon jump in gasoline prices when it takes effect, which under the President's plan it would do this coming fall.

Another aspect of the President's proposals was important to the industry and the subject of lobbying, even though it did not involve immediate or measurable advantage. This involved so-called horizontal divestiture—proposals to make oil companies give up their extensive interests in other fuels such as coal and uranium.

Carter indicated during last year's campaign that he favored this concept, but in his message to Congress Wednesday night he said he had decided to drop it for now, and instead have the oil companies give a greater public accounting of their holdings and activities.

A senior administration official yesterday defended the various changes in the oil pricing system as essential to stimulate increased production.

The changes "shift the incentives to go find new oil. It makes it more profitable for the companies," this official said.

The President's plan describes two kinds of oil that would not be subject to present price controls. One is oil produced from offshore oil tracts on which drilling rights are leased from the federal government after April 20 of this year—last Wednesday, the day Carter spelled out his plan to Congress. The other is oil from any well drilled from now on that is at least 2½ miles from any existing well.

The reason for having this distance in the proposal is to keep a producer from drilling a new well right next to an old one, thereby getting a higher price for the same deposit of oil. It was this distance that Carter agreed on Monday to reduce to 2½ miles from the 5 miles that had earlier been contemplated.

"Somebody tapped somebody on the shoulder," one senior industry official said, explaining how the administration position was turned around.

Another industry source said that "input sent by the National Petroleum Council" was the major factor. The National Petroleum Council is an industry-government advisory body headed by Kenneth E. BeLieu. BeLieu, according to NPC staff members, had known Schlesinger well for years.

According to documents obtained by The Washington Post, administration experts believe that by 1980 the industry could be producing an additional 1.1 million barrels of oil a day from uncontrolled wells.

This production alone could result in $1 billion in added revenues for the producers, according to the administration estimates.

Despite Carter's eleventh-hour decision to walk back the limits from 5 miles to 2½ miles, oilmen are still chafing at the impact the definition will have on new production.

During an intense series of meetings over the past week the Independent Petroleum Association of America argued that any kind of a regulatory limit would depress production. A. V. Jones, IPAA President, said that he stressed in sessions with the Carter energy planners that as recently as 1974, 90 per cent of new oil discoveries were within 2 miles of producing wells.

Jones and other industry leaders have already launched a lobbying effort with key members of Congress to strike the distance provision altogether, knocking out controls on all new wells.

CARTER ENERGY PLAN: $1 BILLION GAIN FOR GAS PRODUCERS

(By J. P. Smith)

The nation's natural gas producers would net about $1 billion a year in added revenues by 1980 under President Carter's energy legislation, an administration official said yesterday.

Leslie J. Goldman, who is drafting Carter's natural gas legislation, said that an administration proposal to place price ceilings on gas contracts that are to be renegotiated as they expire would be a major factor in these increased revenues.

The administration plan would allow gas from these expiring contracts to be sold for up to $1.75 per thousand cubic feet in the now unregulated intrastate markets and $1.45 per thousand cubic feet in the regulated interstate market.

The net effect of these ceilings would be to raise the average price of natural gas in the interstate market and, in the near term, to slightly raise average intrastate prices. The higher prices that result would be passed on to industrial users, Goldman said, but would not affect residential and commercial users. This result would be achieved through a price allocation system.

The administration bill, which Carter's energy advisers hoped to send to Congress early this week, will not be ready until Friday, administration officials said.

Currently, about 8 per cent of the nation's natural gas supply contracts expire each year, and would be included under the new pricing mechanism.

David Foster, head of the Natural Gas Supply Committee, an industry trade group which advocates deregulation of new natural gas prices, conceded that the so-called "rollover" provision for natural gas from expiring contracts could, along with other factors, result in "some near term improvements in revenues."

He and other industry officials, however, believe that the Carter plan fails to offer necessary incentives for new production.

Goldman disagrees.

"The (new) $1.75 ceiling price," Goldman says, "is an incentive price which doesn't go beyond what we think the industry could invest on new supply."

A major debate is now under way in the petroleum industry on whether it should, as one leader said yesterday, "carve out a separate natural gas bill calling for some kind of deregulation of new gas prices, or work to improve this legislation."

The future of Carter's natural gas measures, another industry leader said, "is up for grabs."

Goldman said, "The whole question of natural gas pricing is one of the most controversial to be settled this year, it has to be a top priority."

> The control and administration of natural gas pricing is one of the major issues delaying early Senate action on Carter's energy reorganization bill, now before the Senate Governmental Affairs Committee.
>
> Carter would give the principal authority for oil and gas price control to the head of his proposed new Energy Department—James R. Schlesinger Jr.
>
> But Sen. Abraham A. Ribicoff (D-Conn.) says he objects to one-man rule over natural gas pricing. As chairman of the Senate Governmental Affairs Committee, he offered on Monday his own plan. He would create a semi-autonomous, three-member board to control gas prices.
>
> Goldman said Ribicoff's amendment to the Carter plan could "mean that oil and gas pricing policy could go off in opposite directions." A major change to the administration's plan to integrate oil and natural gas pricing, Goldman continued, "doesn't lend itself to developing a clear energy pricing policy."
>
> The Ribicoff committee yesterday agreed to delay final action on the reorganization plan until next Tuesday.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, without resolutions coming over under the rule.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is morning business closed?

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. HARRY F. BYRD, JR., addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Virginia is recognized.

THE BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, the New York Times today published an article on page 1 by Mr. Martin Tolchin which I have found most interesting. I shall read four paragraphs of that article. It is datelined Washington, May 3.

> A deepening division, both political and philosophical, between President Carter and Democratic leaders in Congress emerged today at a second White House meeting on legislative priorities.
>
> The dispute involves the President's assertion yesterday that his top priority was a balanced budget by 1981, a position regarded as political heresy by Democrats in Congress who stress the need for social welfare programs.
>
> Democratic leaders in Congress said privately that they regarded the President's reverence for a balanced budget as vintage conservative Republicanism, at odds with both the Democratic tradition of social activism and the broad base of Democratic support, including the cities, labor, the elderly and the disinherited.
>
> In addition, Democrats have traditionally built their party with patronage from large scale welfare programs.

Mr. President, I have no way of knowing the accuracy of that New York Times piece today. I do wish to say, however, as one Member of the Senate, that I support President Carter if indeed he does have as top priority the balancing of the budget by 1981.

I think it is vitally important for the welfare of the United States that the Federal Government's budget be balanced not later than fiscal year 1981. As I say, I do not know whether the New York Times report today is accurate or inaccurate, but if it is accurate and President Carter does make balancing the budget by 1981 his top priority then he shall have the full support of the Senator from Virginia in seeking to accomplish that purpose.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Maine.

Mr. MUSKIE. I am glad to reassure the distinguished Senator that it is President Carter's priority. I attended what apparently was the first of two meetings at the White House earlier this week, a meeting which was called by the President for the purpose of emphasizing that priority and discussion of some of the problems down the road that we must face and deal with if we are to achieve that objective.

So I thought the Senator might like that reassurance from me, and may I say I concur in that objective.

Mr. HARRY F. BYRD, JR. I thank the able Senator from Maine. I am glad to get from him that assurance.

And I say again I think the President is on the right track, and so far as the Senator from Virginia is concerned I am delighted that he is making this his top priority.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives by Mr. Berry, one of its clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1403. An act to authorize the Secretary of the Interior to convey the interest of the United States in certain lands in Adams County, Mississippi, notwithstanding a limitation in the Color-of-Title Act (45 Stat. 1069, as amended; 43 U.S.C. 1068);

H.R. 1436. An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Texas;

H.R. 1557. An act for the relief of Franklin R. Helt;

H.R. 1612. An act for the relief of certain employees of the Naval Ordnance Systems Command;

H.R. 1748. An act for the relief of Carmela Scuderi;

H.R. 1753. An act for the relief of Marina Houghton;

H.R. 2259. An act for the relief of Rogelio M. Encomienda;

H.R. 2292. An act for the relief of Boulos Stephan;

H.R. 2369. An act for the relief of Natividad Casing and Myrna Casing;

H.R. 2658. An act for the relief of Nora L. Kennedy;

H.R. 2756. An act for the relief of Marlene Holder;

H.R. 2940. An act for the relief of Daniel Crowley;

H.R. 2945. An act for the relief of Mrs. Amelia Doria Nicholson;

H.R. 2952. An act for the relief of Master Sergeant William E. Boone, United States Army, retired;

H.R. 3314. An act for the relief of Tri-State Motor Transit Company;

H.R. 3461. An act for the relief of Chin-Ho An;

H.R. 3620. An act for the relief of John A. Townsley;

H.R. 3621. An act for the relief of Joseph J. Andrews;

H.R. 3622. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn;

H.R. 3838. An act for the relief of Tulsedei Zalim;

H.R. 4049. An act to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the United States Railway Association;

H.R. 6179. An act to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes; and

H.R. 6415. An act to extend and amend the Export-Import Bank Act of 1945.

At 5:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes; and that the House recedes from its disagreement to the amendments of the Senate numbered 4, 5, and 9 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications which were referred as indicated:

EC-1247. A letter from the General Counsel of the Department of Transportation stating the Department's position on certain draft bills submitted to the Congress prior to the inauguration of President Carter (with accompanying papers).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Department of

Transportation stating the Department's position on certain draft bills submitted to the Congress prior to the inauguration of President Carter be referred jointly to the Committees on Commerce, Science, and Transportation; Environment and Public Works; and Energy and Natural Resources.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EC-1248. A letter from the Vice President for Government Affairs for the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the revenues and expenses for each train for the month of January 1977 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC-1249. A letter from the Chairman and the members of the Federal Power Commission transmitting, pursuant to law, recommendations on the Alaska Natural Gas transportation systems (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1250. A letter from the Secretary of the Interior transmitting, pursuant to law, the annual report on the Anthracite Mine Water Control and Mine Sealing and Filling Program for the calendar year 1976 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1251. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, thirteen prospectuses totaling $27,633,000 in support of the FY 1977 $125 million Repair and Alteration supplemental program (with accompanying papers); to the Committee on Environment and Public Works.

EC-1252. A letter from the Chairmen of the New England Regional Commission transmitting, pursuant to law, the Fiscal Year 1976 annual report of the New England Regional Commission (with an accompanying report); to the Committee on Environment and Public Works.

EC-1253. A letter from the Secretary of Transportation transmitting, pursuant to law, a report examining alternative methods for financing completion of the Interstate Highway System (with an accompanying report); to the Committee on Environment and Public Works.

EC-1254. A letter from the Federal Cochairman of the Coastal Plains Regional Commission transmitting, pursuant to law, the ninth annual report of the Coastal Plains Regional Commission covering the period July 1, 1975, to June 30, 1976 and the transition quarter ending September 30, 1976 (with an accompanying report); to the Committee on Environment and Public Works.

EC-1255. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Issues Surrounding the Management of Agricultural Exports, Vols. I and II"; (ID-76-87) (with accompanying reports); to the Committee on Governmental Affairs.

EC-1256. A letter from the Acting Secretary of Commerce transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce (with accompanying papers); to the Committee on Governmental Affairs.

EC-1257. A letter from the Secretary of Transportation transmitting, pursuant to law, a report of contracts negotiated under 10 U.S.C. 2304(a)(11) during the period October 1, 1976 through March 31, 1977 (with an accompanying report); to the Committee on Governmental Affairs.

EC-1258. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act No. 2-32, "An Act to exempt certain District of Columbia residents from paying sales and use taxes on charges made for the service of parking, storing, or keeping motor vehicles or trailers (with accompanying papers); to the Committee on Governmental Affairs.

EC-1259. A letter from the Secretary of Interior transmitting, pursuant to law, a proposed plan for the use and distribution of the Sisseton-Wahpeton (Devils Lake) Sioux Judgment Funds in Docket 363, Second Claim, Act of 1904, before the Indian Claims Commission (with accompanying papers); to the Select Committee on Indian Affairs.

EC-1260. A letter from the Director of the United States Information Agency transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for the calendar year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC-1261. A letter from the Administrator of the Veterans Administration transmitting, pursuant to law, the annual report of the Administrator of Veterans Affairs for fiscal year 1976 (with an accompanying report); to the Committee on Veterans Affairs.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions which were referred as indicated:

POM-156. Resolution No. 42 adopted by the Legislature of the Territory of Guam relative to establishing and undertaking a Project on Federal Land takings; to the Committee on Energy and Natural Resources:

"FOURTEENTH GUAM LEGISLATURE

"Resolution No. 42—Relative to establishing and undertaking a Project on Federal Land Takings

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, the Eleventh Guam Legislature and Twelfth Guam Legislature adopted resolutions regarding the problem of Federal land takings in Guam and the making of representations to the U.S. Congress with regard to the same; and

"Whereas, "field hearing" of the Subcommittee on Territorial and Insular Affairs of the Committee on Interior and Insular Affairs of the House of Representatives of the 93rd Congress was held in Guam on April 15, 1974, taking testimony upon H.R. 12760, relative to alleviating the hardships caused by the manner and extent of Federal land takings on Guam in post war period; and

"Whereas, the Thirteenth Guam Legislature, pursuant to Resolution No. 59 created the Select Committee on Federal Land Takings in Guam to review, foster, and advocate the passage of appropriate legislation designed to afford relief to the people of Guam who have suffered great economic hardship as a result of these Federal land takings; and

"Whereas, Congressman Won Pat submitted H.J. Resolution 244 in the 95th Congress to establish a Commission on Postwar Land Takings on Guam to make such ex gratia awards as are necessary to insure that just and fair compensation will be received by those whose land in Guam was acquired by the United States between July 21, 1944 and August 23, 1963; and

"Whereas, the final report of the Select Committee on Federal Land Takings in Guam recommends that the Fourteenth Guam Legislature continue "to support the review, fostering and advocation of remedial legislation to correct the hardships imposed by Federal land takings in Guam"; now, therefore, be it

"Resolved, that the fourteenth Guam Legislature does hereby create a special project to be designated the Project on Federal Land Takings to be undertaken by the Committee on Territorial-Federal Affairs, Fourteenth Guam Legislature, the task force composition of said project to be determined by the Chairman, Committee on Territorial-Federal Affairs; and be it further

"Resolved, that the duties and responsibility of the project "Project's" Task Force shall be to review the work of its predecessors in fostering and advocating the passage of appropriate legislation in the U.S. Congress to carry out the recommendations of the Guam Legislature as expressed in various resolutions, reports, etc., to work with the Honorable A. B. Won Pat, Guam's representation in Congress; to support and work toward the introduction and passage of all bills in the U.S. Congress which import that relief be afforded to the people of Guam who have suffered economic and social hardship as a result of Federal land takings in Guam; and be it further

"Resolved, that the Project on Federal Land Takings as herein created be provided by the Fourteenth Guam Legislature with the necessary funds not to exceed Seventy-Five Thousand Dollars ($75,000) to carry out its duties, including necessary professionals, clerical and logistic assistance and further that the Committee on Territorial-Federal Affairs shall have the power to enter into contracts for special professional services on behalf of said project; and be it further

"Resolved, that the Project on Federal Land Takings' Task Force shall submit reports to the Fourteenth Guam Legislature as follows:

"1. An interim report on or before the 31st day of December, 1977; and

"2. A final report on or before the 30th day of June, 1978, providing that the project's life shall not be terminated as of the date of said final report, and that the same shall continue in effect through the full term of this Legislature, with the obligation if needed, a further concluding report or reports shall be filed prior to December 31, 1978; and be it further

"Resolved, that the Task Force of the Project on Federal Land Takings hereby created shall keep Guam's representative in Congress fully informed of the project's activities, including appointments with Congressional and Federal officials, and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of Interior; to the President of the Senate and the Speaker of the House of Representatives of the Congress; to the Senate and House Committees on Interior and Insular Affairs; to Guam's Washington Representative; to the United States Attorney for Guam; and to the Governor of Guam."

POM-157. Senate Resolution No. 393 adopted by the Senate of the State of Hawaii requesting the U.S. Congress to include crown land claims as subject matter for the study commission proposed by S.J. Res. 4, 95th Congress, 1st Session; to the Committee on Energy and Natural Resources:

"SENATE RESOLUTION No. 393

"Requesting the U.S. Congress to include Crown Land Claims as subject matter for the study commission proposed by S.J. Res. 4, 95th Congress, 1st Session

"Whereas, by the Great Mahele of 1848, all the lands in the Hawaii Kingdom were divided and distributed to wit: One-third (⅓) for the public called "Public Lands"; One-third (⅓) for the King for his use, designated as "Crown Lands"; and One-third (⅓) to the Chiefs; and

"Whereas, prior to the reign of Kamehameha V the Crown Lands were considered to be the private domain of the King, and he could sell, mortgage or otherwise deal with such land as his private property without any limitation; and

"Whereas, during his reign, King Kamehameha V declared Crown Lands to be inalienable, and it appears that it was so regarded and thereafter, King Lunalilo, King Kalakaua and Queen Liliuokalani were deemed to have been only entitled to use of the income from the Crown Lands; and

"Whereas, upon the abdication of the throne by Queen Liliuokalani, the Crown Lands were deemed to be part of the public land of the Hawaii Republic; and upon the annexation of Hawaii by the United States of America, crown lands thereby became part of the Public Lands of the United States of America; and

"Whereas, it appears that person or persons who were or should be entitled to the Crown Lands were deprived of their property or property rights in the Crown Lands; and

"Whereas, Aborigine or Native Hawaiians were deprived of certain property or property rights upon the annexation of these islands by the United States of America; now, therefore

"Be it resolved by the Senate of the Ninth State Legislature, State of Hawaii at the Regular Session of 1977, that the Congress of the United States of America be respectfully requested to enact legislation to compensate the family or families who would be considered to be the highest among the chiefs and would have been considered the presumptive heirs to the throne and the Hawaiian Kingdom for the Crown Lands so taken and damages suffered, and the aborigine or Native Hawaiians for damages suffered by them at the time of the Annexation of the Hawaiian Islands to the United States of America; and

"Be it further resolved that the Congress of the United States of America be respectfully requested to specifically include all current Crown Land claims as a part of the Hawaiian Aboriginal Claims Settlement Study (S.J. Res. 4) and that there be no limitation of taking into consideration direct grants for payment under any settlement of Crown Land claims; and

"Be it further resolved that duly certified copies of this resolution be transmitted to the President of the United States of America, the Vice-President of the United States of America, the President Pro-temp of the Senate of the Congress of the United States of America; the Speaker of the House of Representatives of the Congress of the United States of America; to the Chairman of the Interior and Insular Affairs Committee of the House of Representatives of the Congress of the United States of America; to the Honorable Daniel K. Inouye and Honorable Spark M. Matsunaga, senators from the State of Hawaii and to Honorable Cec Heftel and Honorable Daniel K. Akaka, representatives from the State of Hawaii, of the Congress of the United States of America."

POM-158. A resolution adopted by the Senate of the State of Indiana urging the Congress of the United States to extend the deadline for automobile emissions controls for a minimum of two years; to the Committee on Environment and Public Works:

"A Senate resolution urging the Congress of the United States to extend the deadline for automobile emission controls for a minimum of two years

"Whereas, the Congress of the United States has fixed mid-1977 as the deadline for compliance with the automobile emission standards of the Clean Air Act by automobile manufacturers; and

"Whereas, the state of the art of emission control technology is such that compliance with the emission standards set by Congress by mid-1977 is impossible; and

"Whereas, the State of Indiana is third in the nation in the number of persons employed in the automobile industry and the automobile industry is the largest industrial employer in the state; and

"Whereas, the enforcement of the present emission control will render the manufacture of automobiles unlawful by mid-1977; and

"Whereas, the automobile industry has announced that it will not violate the law by manufacturing automobiles after the mid-1977 deadline; and

"Whereas, the enforcement of the present automobile emission standards will result in a substantial increase in unemployment in Indiana and a resulting depression of the economy of the state:

"Therefore, be it resolved by the Senate of the General Assembly of the State of Indiana:

"Section 1. That the Senate of the Indiana General Assembly respectfully urges and implores the Congress of the United States to enact forthwith legislation to extend for a minimum period of two years the compliance requirement of the Clean Air Act so as to enable the automobile industry to develop and refine the technology for a meaningful and effective compliance with the emission standards.

"Section 2. That the Secretary of the Senate is directed to transmit a copy of this resolution to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States and to all U.S. Representatives and U.S. Senators from the State of Indiana."

POM-159. House Resolution No. 318 adopted by the House of Representatives of the State of Hawaii calling upon the Congress of the United States to extend the deadline relating to the elimination of shipboard animal waste discharges; to the Committee on Environment and Public Works:

"HOUSE RESOLUTION No. 318

"Calling upon the Congress of the United States to extend the deadline relating to the elimination of shipboard animal waste discharges

"Whereas, a significant proportion of cattle produced in the State of Hawaii are transported from island to island, principally by Young Brothers Ltd., the State's major marine barge firm; and

"Whereas, the unloading of cattle at the various ports of call results in the discharge of animal wastes into the offshore waters of the State; and

"Whereas, the Federal Water Pollution Control Act of 1972 as administered by the United States Environmental Protection Agency is the principal regulatory guideline governing shipboard animal waste pollutants; and

"Whereas, under the federal act, shipboard animal waste discharge into the offshore waters is to be eliminated by July 1, 1977; and

"Whereas, in anticipation of the impending deadline, extensive planning and study between and among Young Brothers Ltd., the Hawaii Cattlemen's Association, the State of Hawaii Departments of Transportation, Health, Agriculture, various Hawaii State Legislators, and Legislative Committees, and other concerned persons and organizations have been undertaken for a number of months; and

"Whereas, among the active proposals advanced for complying with the federal act is the utilization of roll-on/roll-off system is estimated to run into tens of thousands of dollars; and

"Whereas, assuming funding support materializes for the implementation of this system, further funding support is necessary for the appropriate further disposal of animal wastes from the trailer equipment; and

"Whereas, given the importance of Hawaii's cattle industry as a major segment of Hawaii's agricultural industry, leaders in government and the private sector are directing their utmost efforts toward developing workable solutions satisfactory to the United States Environmental Protection Agency; and

"Whereas, at the present time, no immediate and satisfactory solution appears to be available for solving the problem of meeting federal standards for the elimination of shipboard discharge of animal wastes; and

"Whereas, the Water Pollution Control Act has permitted a later date for implementing elimination of certain types of pollutants where hardship or technological difficulties are evident; and

"Whereas, postponement of the July 1, 1977 deadline for the discharge of animal wastes appears both practicable and reasonable; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Congress of the United States is respectfully urged to amend the Water Pollution Control Act of 1972, by postponing implementation of required standards for shipboard discharge of animal wastes for a period of at least eighteen months beyond the July 1, 1977 deadline to enable the development and implementation of an adequate system for Hawaii which is in compliance with federal law; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the Director of the United States Environmental Protection Agency, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's delegation to the Congress of the United States."

POM-160. House Resolution No. 436 adopted by the House of Representatives of the State of Hawaii requesting consideration of a moratorium on enforcement of production regulations affecting Hawaii's sugar industry; to the Committee on Environment and Public Works:

"HOUSE RESOLUTION No. 436

"Requesting consideration of a moratorium on enforcement of production regulations affecting Hawaii's sugar industry

"Whereas, sugar is Hawaii's primary agricultural crop, and a major source of income to the State, accounting for more than $365 million in sales in 1975; and

"Whereas, while Hawaii's large-scale agricultural operations constitute a declining share of total economic activity, they remain an important sector of the State's economy, upon which thousands of workers and many related industries depend for their livelihood; and

"Whereas, in the recent decade of rising environmental consciousness, numerous laws have been enacted by the Congress of the United States, designed to preserve the quality and integrity of America's air and water; and

"Whereas, these laws, as applied to all productive activities, have resulted in stringent monitoring of activity producing air and water pollution, increased controls on emissions, and much change in the way that pollution-causing industries carry on their functions; and

"Whereas, Hawaii's sugar industry has come under scrutiny by air and water quality enforcement agencies, and has been required to control field burning, strictly limit discharge of waste products into waterways, and plan for installation of equipment of more advanced technology, to limit the adverse environmental impact of sugar production; and

"Whereas, while maintenance of strong environmental safeguards is essential, certain negative ramifications may follow excessively stringent regulations; and

"Whereas, Hawaii sugar producers face strong foreign competition, which is bolstered by low land costs, a lack of environmental controls, and wage rates far below those of Hawaii's agricultural workers, who are the best paid farmworkers in the world; and

"Whereas, Hawaii sugar producers are further burdened by the lack of federal subsidies enjoyed by other basic commodity growers, have lost the quota protection of the Sugar Act, and face a world market with prices at unprecedented low levels not even matching production costs; and

"Whereas, the combined burden of cost-creating environmental controls, depressed world sugar prices, strong foreign competition, and a lack of federal protection may prove the undoing of Hawaii sugar producers; and

"Whereas, if sugar plantations are forced to close, the residents of Hawaii will suffer the permanent loss of thousands of primary agricultural jobs and secondary service jobs, further exacerbating unfavorable statewide economic conditions; and

"Whereas, suspension of environmental controls for a limited period will enable Hawaii sugar producers to obtain a certain amount of breathing space, until market conditions improve sufficiently to justify implementation of costly steps needed to reduce emissions; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Congress of the United States is requested to consider appropriate amendment of the Clean Air Act, the Water Pollution Control Act of 1972, and other statutes imposing environmental controls on the domestic sugar industry, and to suspend or extend the effective date of environmental controls applicable to sugar production for a period of at least two years; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States Senate, to the Speaker of the United States House of Representatives, to each member of Hawaii's Congressional delegation and to the Director of the Hawaii State Department of Health."

POM-161. Senate Resolution No. 414 adopted by the Senate of the State of Hawaii requesting the United States Congress to grant Hawaii the authority to extend national pollution discharge elimination system permits beyond the June 30, 1977 deadline; to the Committee on Environment and Public Works:

"SENATE RESOLUTION No. 414

"Requesting the United States Congress to grant Hawaii the authority to extend national pollution discharge elimination system permits beyond the June 30, 1977 deadline

"Whereas, Public Law 92-500 establishes, in Title IV, a system of water pollution control permits known as the National Pollution Discharge Elimination System as a means of achieving compliance with the provisions of Section 301, 302, 306, 307 and 403 of the Act; and

"Whereas, Section 301 requires that effluent limitations calling for application of best practicable control technology be established for all point sources, and secondary treatment applied to publicly owned treatment works, and that such conditions be met not later than June 30, 1977; and

"Whereas, Section 403 requires that ocean discharge criteria be promulgated by the Administrator of the Environmental Protection Agency; and

"Whereas, the State of Hawaii has received delegation of authority to issue NPDES permits under Section 402; and

"Whereas, the State of Hawaii has been able to achieve satisfactory compliance with the spirit and the letter of Public Law 92-500 for the vast majority of permits; and

"Whereas, certain permits covering certain sources cannot, in fact, accomplish application of secondary treatment or best practicable control technology by June 30, 1977; and

"Whereas, the 1976 report of the National Commission on Water Quality advised the Congress that Hawaii's unique ocean environment justified different interpretation of the environmental impact of discharges; and

"Whereas, the ocean discharge criteria do not provide a sound scientific basis for requiring the strict adherence to the requirements of Section 301; and

"Whereas, the State of Hawaii has established that certain discharges which cannot be brought into compliance by June 30, 1977 do not, in fact, interfere with the purposes of PL 92-500 as stated in Section 101 (a) (2); and

"Whereas, the State of Hawaii, through its Department of Health, is especially knowledgeable about Hawaii's unique ocean environment and the conditions which must be met by discharges so as to meet the intent of PL 92-500; now, therefore,

"Be it resolved by the Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Congress of the United States of America is hereby requested to amend PL 92-500, or by other means grant to the State of Hawaii the authority to issue, cancel, modify and amend permits under the National Pollution Discharge Elimination System, including the right to extend permits past the date of June 30, 1977 when the evidence shows clearly that the public funds to complete the projects are not available and/or that a waiver of the mandated treatment is justified because the beneficial uses of the receiving waters as established in Section 101(a) (2) of PL 92-500 are not compromised by the discharge; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Vice President of the United States, the Speaker of the House of Representatives of the U.S. Congress, the Administrator of the U.S. Environmental Protection Agency, the Governor of the State of Hawaii, the Congressional Delegates from the State of Hawaii, the Director of the Hawaii Department of Health and the Director of the Hawaii Office of Environmental Quality Control."

POM-162. House Concurrent Resolution No. 45 adopted by the legislature of the State of Hawaii requesting Congress to amend the Internal Revenue Code to promote the sale of residential land subject to leaseholds; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 45

"Requesting Congress to amend the Internal Revenue Code to promote the sale of residential land subject to leaseholds

"Whereas, there are now over 26,000 outstanding residential leaseholds in this State, an increase of more than 100 per cent in seven years; and

"Whereas, the Legislature passed Act 307 in 1967 to encourage the sale or condemnation of such residential leaseholds in order to promote fee simple landholdings; and

"Whereas, the Eighth Legislature of the State of Hawaii in 1975 and 1976 made numerous amendments to the Land Reform Act, Act 307, which were designed to facilitate its implementation; and

"Whereas, despite the numerous amendments made, the Land Reform Act has not yet been implemented; and

"Whereas, the concentrated ownership by large estates continues to create an undue hardship for many of Hawaii's residents due to substantial lease rent increases imposed; and

"Whereas, one reason the large estates refuse to sell their land to homeowners in this State is that although the estate's land values as originally obtained were almost negligible, the land values have henceforth greatly escalated, and the sale of land under these circumstances would result in a prodigious tax impact since if more than a small number of lots are sold during one tax year, the income therefrom would be taxed as ordinary income at a rate of 48 per cent; and

"Whereas, an amendment to the federal Internal Revenue Code to alleviate this tax burden would encourage the sale of residential lands now leased, ameliorate the problems caused by substantial lease rent increases upon renegotiation, and further the public policy of more citizens owning the land upon which their homes are located as is the case in the rest of America where residential leaseholds almost virtually do not exist; and

"Whereas, several of the large private landowners who curently lease property for residential purposes are charitable trusts and are restricted from investing funds from sales of leasehold land in other ventures by the fear of loss of tax-exempt status; and

"Whereas, these same concerns were expressed by the House of Representatives in 1976, by passage of House Resolution Numbered 473; and

"Whereas, in the intervening year, the situation of many lessees has worsened, from continued lack of implementation and from the actions of several major landowners in refusing to extend the term of residential leases; and

"Whereas, a new administration and Congress promise a new look at longstanding problems; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the United States Congress is urged to amend the U.S. Internal Revenue Code insofar as it affects the treatment of the sale of lands within residential leasehold developments to enable real property sale transactions voluntarily and/or involuntarily under the Land Reform Act, Chapter 516, Hawaii Revised Statutes, without the present prodigious tax impact that would now be imposed on landowners and to thereby enhance the opportunity of the citizens of Hawaii to own the land upon which their homes are located; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, each member of Hawaii's Delegation to Congress, and the Secretary of the Treasury of the United States.

POM-163. House Resolution No. 236 adopted by the House of Representatives of the State of Hawaii requesting the United States Congress to enact legislation to promote employment in the private sector

through tax incentives; to the Committee on Finance:

"HOUSE RESOLUTION No. 236

"Requesting the United States Congress to enact legislation to promote employment in the private sector through tax incentives

"Whereas, unemployment in Hawaii and the nation has remained at an intolerably high level for the past few years; and

"Whereas, in 1971 the 92nd Congress enacted Public Law 92–178, the Revenue Act of 1971, which contained provisions for providing private employers with tax credits for hiring employees under the Work Incentive Program; and

"Whereas, this tax credit was designed to bridge the gap between the Work Incentive Program and private employment; and

"Whereas, the tax credit provides for on-the-job training or placement of public assistance recipients; and, it was estimated that if the recipient works for two full years, the credit would amount to $1,000, while public assistance payments in most states would amount to more than five times that amount and that, therefore, the tax credit would result in an actual savings of tax dollars; and

"Whereas, while the work incentive tax credit has worked to a limited extent, the credit is still restricted to persons who have received financial assistance under Part A of title IV of the Social Security Act for the ninety-day period preceding the date on which the individual is hired; and

"Whereas, due to the high unemployment rate and the resultant diminution of the unemployment tax reserves, it appears that the work incentive tax credit should be expanded to allow credit for persons previously drawing unemployment or some other tax incentive should be enacted to further promote employment in the private sector; and

"Whereas, there are also federal funds available to assist in coping with high unemployment through the training and/or retraining of workers; and

"Whereas, some federal funds may be made available through proper application for funding contained within Public Law 94–482 as amended with respect to the training of the unemployed; now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the United States Congress is requested to enact legislation to promote employment in the private sector through tax incentives; and

"Be it further resolved that certified copies of this Resolution be transmitted to the Honorable Jimmy Carter, President of the United States, the Secretary of the Treasury, the Speaker, Majority and Minority Leaders of the U.S. House of Representatives, the President Pro Tempore, Majority and Minority Leaders of the U.S. Senate, and the members of Hawaii's Congressional delegation."

POM–164. House Resolution No. 359 adopted by the House of Representatives of the State of Hawaii requesting a more equitable distribution of federal funds to aid and assist the State of Hawaii; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 359

"Requesting a more equitable distribution of Federal funds to aid and assist the State of Hawaii

"Whereas, the structure of government in Hawaii is unique in that public services are greatly centralized; and

"Whereas, all major human resource services such as public education, health and social services are provided by the State, with the Counties providing such services as police protection, refuse collection and fire assistance and water supply; and

"Whereas, the construction and maintenance of public facilities such as harbors, airports, hospitals, correctional institutions, public schools including institutions of higher education are responsibilities of the State, and the counties are responsible for the construction and maintenance of water facilities, sewage, refuse system facilities, police and fire stations; and

"Whereas, the allocation of federal revenue sharing funds, Comprehensive Employment and Training Act (CETA) funds, and Public Works Employment Act (PWEA) funds favors county and city government; and

"Whereas, federal funds could be better and judiciously expended for health, education and welfare services if the State government were allowed to retain a greater portion of funds allocated to Hawaii, now, therefore,

"Be it resolved by the House of Representatives of the Ninth Legislature of the State of Hawaii, Regular Session of 1977, that the Hawaii Congressional Delegation is requested to further federal legislation which would include provision for administrative flexibility in applying funding formulas to provide direct assistance to the Hawaii State government; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the Honorable Jimmy Carter, President of the United States, the Secretary of the Treasury, the Speaker, Majority and Minority Leaders of the U.S. House of Representatives, the President Pro Tempore, Majority and Minority Leaders of the U.S. Senate, and the members of Hawaii's Congressional delegation.

POM–165. House Concurrent Resolution 2005 adopted by the Legislature of the State of Arizona urging the Congress of the United States to establish a National Patriotism Week; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION 2005

"A concurrent resolution urging the Congress of the United States to establish a national patriotism week

"Whereas, a nationwide nonpartisan effort is now underway to annually designate the week commencing with the third Monday in February as National Patriotism Week"; and

"Whereas, this effort was initiated by Miss Lori Cox of Scottsdale, Arizona and resulted in the introduction in the Congress of the United States of a joint resolution requesting the President to annually issue a proclamation calling upon the people of the United States to commemorate National Patriotism Week with appropriate celebrations and observances, encouraging primary and secondary schools to adopt an appropriate curriculum for that week including such elements as the study of the Pledge of Allegiance, the National Anthem, national symbols, seals and mottos and national monuments, heroes, heroines and accomplishments and requesting each federal agency to recognize such week by taking such action as it may deem appropriate; and

"Whereas, many national, civic, fraternal and service organizations are behind this effort; and

"Whereas, Governor Raul Castro will this year issue a proclamation designating the third week in February as Patriotism Week" in Arizona.

"Therefore be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

"1. That Miss Lori Cox is hereby congratulated for her fine efforts.

"2. That the establishment of National Patriotism Week" is strongly urged.

"3. That the Secretary of State of the State of Arizona is directed to transmit authenticated copies of this Concurrent Resolution to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, each Member of the Arizona Congressional Delegation and to Miss Lori Cox."

POM–166. Senate Joint Resolution 35 adopted by the Legislature of the State of Montana asking Congress to pass laws to leave the jurisdiction over non-Indians and non-Indian lands lying within the boundaries of a reservation to the State; to the Committee on the Judiciary;

"SENATE JOINT RESOLUTION No. 35

"A joint resolution of the Senate and the House of Representatives of the State of Montana urging Congress and the President to enact legislation granting States jurisdiction over non-Indians on Indian reservations within their boundaries and providing increased law enforcement on Indian reservations

"Whereas, Montana exists as a sovereign state within the United States; and

"Whereas, seven Indian reservations exist within its boundaries; and

"Whereas, the tribal governments of several of these Indian reservations are attempting to declare themselves sovereign nations and assert executive, legislative, and judicial control over non-Indians and over their lands, water, and resources without representation or participation of the non-Indians in tribal government; and

"Whereas nonrepresentative sovereign and moral obligation to protect all of its citizens, Indian and non-Indian alike; and

"Whereas, nonrepresentative soverign tribal government would create serious problems for land ownership, management of property, public finance, taxation, law enforcement, management of fish, wildlife, and other natural resources, environmental protection and pollution control, water management and rights, commercial intercourse, and professional licensing throughout the State of Montana and its political subdivisions; and

"Whereas, federal jurisdiction over criminal offenses committed within the boundaries of the Indian reservations located within the state of Montana is ineffective and limited because of the lack of adequate staff and attention from the United States Attorney's Office and the great distance between the reservation areas and the nearest Federal District Judge; and

"Whereas, there is a need for more appropriate action to insure the peace among all people residing on and within the reservation boundaries of Montana's Indian reservations.

Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Congress of the United States and the President of the United States and his subordinates are requested to support and pass legislation to establish that the states have exclusive jurisdiction and authority in all executive, legislative, and judicial matters over all non-Indians and non-Indian lands and interest in lands existing wholly or in part within the geographic boundaries of any Indian reservation.

"Be it further resolved, that the Congress of the United States is urged and requested to provide for employment of federal prosecutors under the supervision of the Attorney General of the United States and to appoint sufficient United States magistrates and take any other action necessary to insure more adequate law enforcement within the boundaries of Indian reservations in the state of Montana.

"Be it further resolved, that the proper representatives of Indians and non-Indians on or adjacent to each reservation shall meet together and work out the mutual problems of jurisdiction on each reservation. Then efforts should be made to implement solutions for the handling of jurisdiction on each reservation upon the full consent of Indians and non-Indians alike.

"Be it further resolved, that the Secretary of State is instructed to send a copy of this resolution to the President of the United States, to the Secretary of the Interior, and to Senator John Melcher and Senator Lee Metcalf, and to Representative Max Baucus and Representative Ron Marlenee.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. **PROXMIRE**, from the Committee on Banking, Housing and Urban Affairs:

Without amendment:

S. Res. 164. An original resolution authorizing additional expenditures by the Committee on Banking, Housing and Urban Affairs, for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. **MAGNUSON**, from the Committee on Commerce, Science, and Transportation:

With an amendment:

H.R. 4088. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 95–120).

By Mr. **PELL**, from the Committee on Rules and Administration:

With amendments:

S. 703. A bill to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1975, and for other purposes (Rept. No. 95–121).

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 1403. An act to authorize the Secretary of the Interior to convey the interest of the United States in certain lands in Adams County, Mississippi, notwithstanding a limitation in the Color-of-Title Act (45 Stat. 1069, as amended; 43 U.S.C. 1068); to the Committee on Energy and Natural Resources.

H.R. 1436. An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Texas; to the Committee on the Judiciary.

H.R. 1557. An act for the relief of Franklin R. Helt; to the Committee on the Judiciary.

H.R. 1612. An act for the relief of certain employees of the Naval Ordnance Systems Command; to the Committee on the Judiciary.

H.R. 1748. An act for the relief of Carmela Scuderi; to the Committee on the Judiciary.

H.R. 1753. An act for the relief of Marina Houghton; to the Committee on the Judiciary.

H.R. 2259. An act for the relief of Rogelio M. Encomienda; to the Committee on the Judiciary.

H.R. 2292. An act for the relief of Boulos Stephan; to the Committee on the Judiciary.

H.R. 2369. An act for the relief of Natividad Casing and Myrna Casing; to the Committee on the Judiciary.

H.R. 2658. An act for the relief of Nora L. Kennedy; to the Committee on the Judiciary.

H.R. 2756. An act for the relief of Marlene Holder; to the Committee on the Judiciary.

H.R. 2940. An act for the relief of Daniel Crowley; to the Committee on the Judiciary.

H.R. 2945. An act for the relief of Mrs. Amelia Doria Nicholson; to the Committee on the Judiciary.

H.R. 2952. An act for the relief of Master Sergeant William E. Boone, United States Army, retired; to the Committee on the Judiciary.

H.R. 3314. An act for the relief of Tri-State Motor Transit Company; to the Committee on the Judiciary.

H.R. 3461. An act for the relief of Chin-Ho An; to the Committee on the Judiciary.

H.R. 3620. An act for the relief of John A. Townsley; to the Committee on the Judiciary.

H.R. 3621. An act for the relief of Joseph J. Andrews; to the Committee on the Judiciary.

H.R. 3622. An act for the relief of Mr. and Mrs. Aaron Wayne Ogburn; to the Committee on the Judiciary.

H.R. 3838. An act for the relief of Tulsedei Zalim; to the Committee on the Judiciary.

H.R. 4049. An act to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the United States Railway Association; to the Committee on Commerce, Science, and Transportation.

H.R. 6179. An act to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes; to the Committee on Foreign Relations.

H.R. 6415. An act to extend and amend the Export-Import Bank Act of 1945; to the Committee on Banking, Housing and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. **METZENBAUM** (for himself, Mr. ABOUREZK, and Mr. METCALF):

S. 1448. A bill to restore and promote competition in the natural gas industry, and for other purposes; to the Committee on the Judiciary.

By Mr. **ABOUREZK**:

S. 1449. A bill to establish certain rules with respect to the appearance of witnesses before grand juries in order better to protect the constitutional rights and liberties of such witnesses under the fourth, fifth, and sixth amendments to the Constitution, to provide for independent inquiries by grand juries, to require periodic reports to the Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. **BAYH**:

S. 1450. A bill for the relief of Dionisios Kladis; to the Committee on the Judiciary.

By Mr. **MAGNUSON**:

S. 1451. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Atlantic Tuna Convention Act of 1975; and

S. 1452. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Commercial Fisheries Research and Development Act of 1964; to the Committee on Commerce, Science, and Transportation.

By Mr. **HUMPHREY** (for himself, and Mr. BENTSEN):

S. 1453. A bill to amend the Employment Act of 1946 to authorize thorough analysis of major bills and the economic impact of such bills, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. **MATHIAS**:

S. 1454. A bill for the relief of Maria Teresa Duran; to the Committee on the Judiciary.

By Mr. **BAYH**:

S. 1455. A bill to amend title II of the Social Security Act to increase to $5,100 the annual amount which individuals may earn without suffering deductions from benefits and to provide for an eventual phasing out of such limitation for workers 65 years of age and over; to the Committee on Finance.

By Mr. **HATHAWAY**:

S. 1456. A bill to amend the Wool Products Labeling Act of 1939 with respect to recycled wool; to the Committee on Commerce, Science, and Transportation.

By Mr. **DOMENICI** (for himself, and Mr. SCHMITT):

S. 1457. A bill to amend the Atomic Energy Community Act of 1955, as amended, to authorize the Administrator of the Energy Research and Development Administration to make assistance payments to the Los Alamos School Board and the County of Los Alamos, New Mexico, after June 30, 1976, in the case of the schools and after June 30, 1977, in the case of the County; to the Committee on Energy and Natural Resources.

By Mr. **TOWER** (for himself, and Mr. MAGNUSON):

S. 1458. A bill to amend the Railroad Retirement Act of 1974 to include employment with the National Transportation Safety Board among the types of employment in which an individual may engage while retaining a current connection with the railroad industry; to the Committee on Human Resources.

By Mr. **GARN**:

S. 1459. A bill for the relief of Dr. Ping-Lu Li; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. **ABOUREZK**:

S. 1449. A bill to establish certain rules with respect to the appearance of witnesses before grand juries in order better to protect the constitutional rights and liberties of such witnesses under the fourth, fifth, and sixth amendments to the Constitution, to provide for independent inquiries by grand juries, to require periodic reports to Congress, and for other purposes; to the Committee on the Judiciary.

Mr. ABOUREZK. Mr. President, during the 94th Congress the Subcommittee on Constitutional Rights held hearings on legislation I introduced to correct abuses in the Federal grand jury system. I am today introducing the Grand Jury Reform Act of 1977. This bill incorporates most features of the legislation submitted last session, with several improvements adopted as a result of the testimony and comments received during hearings last year. I would urge early consideration this session. With the passage of this legislation Congress will finally restore to the "citizen's jury" its historical role as an independent body which shields the accused from a hasty, malicious, or oppressive prosecution.

In addition to increasing grand jury

independence, the Grand Jury Reform Act will insure that the constitutional rights of witnesses are fully protected. The following provisions of the bill are significant in this regard:

First. The grand jury is given the power to conduct investigations into official misconduct and corruption. If the regular Government attorney is not helpful in such an inquiry, the grand jury may request the court to appoint a special prosecutor to assist its investigation.

Second. Witnesses will be permitted to have counsel accompany them inside the grand jury room. In order to prevent the proceeding from becoming a mini-trial, counsel will be able to advise the witness, but not be allowed to address the grand jury directly. This provision gives statutory recognition to the fact that a grand jury appearance is indeed a "critical stage" in an inquiry into criminal conduct.

Third. The maximum period of confinement for contempt would be reduced to 6 months from the current 18. In addition, the practice of reiterative contempt would be abolished. This would end the possibility that citizens could be jailed indefinitely without ever being charged with a crime.

Fourth. All proceedings before the grand jury, with the exception of the grand jury's secret deliberations, must be recorded. A witness is given the right to obtain a copy of all statements he makes to the grand jury. Safeguards are provided to insure that a witness is not coerced into obtaining copies of his testimony by persons he may have implicated to the grand jury.

Fifth. A new provision has been added to protect the secrecy of grand jury deliberations. The knowing disclosure of grand jury proceedings in order to obtain money or to influence the grand jury or any other legal proceeding is made subject to a maximum fine of $20,000 and a prison sentence of 5 years. Exceptions to disclosure are provided for the witness, his lawyer, the Government attorney, or a news person, acting in his or her professional capacity.

Sixth. A person subpenaed by the grand jury must be advised of his or her constitutional rights, including the right to counsel. If the U.S. attorney has determined that the person's own conduct is under investigation, this "target" information must be provided.

Seventh. A defendant is given the right to a preliminary hearing in all cases, including those in which the prosecutor proceeds by way of indictment. This protection is not provided under current law.

Regrettably, our recent history has shown that some protection must be built into the system itself if the rights of the poor, minorities, or those with unpopular political views are to be protected. The reforms I am proposing today will help provide that protection, but not at the expense of this valued and important institution, or any diligent and scrupulous prosecution. This legislation seeks to restore to the grand jury its original role, shield as well as sword.

I urge my colleagues to join me in this effort to revitalize one of the basic protections guaranteed by our Constitution.

I ask unanimous consent that the text of the Grand Jury Reform Act be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1449

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the * * *

Sec. 2 Section 1826 of title 28, United States Code, is amended to read as follows:

"§ 1826. Recalcitrant witnesses

"(a)(1) Whenever a witness in any proceeding before or ancillary to any court or grand jury of the United States refuses without just cause shown to comply with an order of the court to testify or provide other information, including any book, paper, document, record, recording, or other material, the attorney for the Government may apply to the court for an order directing the witness to show cause why the witness should not be held in contempt.

"(2) After submission of such application and a hearing at which the witness is entitled to be represented by counsel, the court may, upon a finding that such refusal was without just cause, hold the witness in contempt and order the witness to be confined. Such confinement shall be at a suitable Federal correctional institution, if one is located within miles of the court ordering confinement, unless the witness waives this right. Upon a showing of need or hardship, the court ordering confinement may grant a request by the witness to be imprisoned at a suitable correctional institution near the place of residence or employment of the witnes, or the witness' family or relatives or the attorney of the witness.

"(3) Confinement under this section shall continue until such time as the witness is willing to give such testimony or provide such information. No period of such confinement shall exceed the term of the grand jury, including extensions, before which such refusal to comply with the court order occurred, and in no event shall such confinement exceed six months.

"(4) No hearing shall be held under this subsection unless five days' notice is given to the witness who has refused to comply with the court order, except that a witness may be given a shorter notice of not less than forty-eight hours if the court, upon a showing of special need, so orders.

"(b) No person who has been confined under this section for refusal to testify or provide other information concerning any transaction, set of transactions, event, or events may be again confined under this section or under section 401 of title 18, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.

"(c) Any person confined pursuant to this section of this section shall be admitted to bail or released in accordance with the provisions of chapter 207 of title 18, United States Code, pending the determination of an appeal taken by him from the order of his confinement, unless it affirmatively appears that the appeal is frivolous or taken for delay. Any appeal from an order of confinement under this section shall be disposed of as soon as practicable, pursuant to an expedited schedule, and in no event more than thirty days from the filing of such appeal.

"(d) In any proceeding conducted under this section, including all necessary appeals, counsel may be appointed in the same manner as provided in section 3006A of title 18, United States Code, for any person financially unable to obtain adequate representation.

"(e) A refusal to answer a question or provide other information before a grand jury of the United States shall not be punishable under this section or under section 401 of title 18, United States Code, if the question asked or the request for other information is based in whole or in part upon evidence seized or otherwise obtained by an unlawful act or in violation of the witness' constitutional rights or of rights established or protected by any statute of the United States.".

Sec. 3. (a) Chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 403. Refusal of a witness to testify in a grand jury proceeding

"No person who has been imprisoned or fined by a court of the United States under section 401 of this title for refusal to testify or provide other information concerning any transaction, set of transactions, event, or events in a proceeding before a grand jury (including a special grand jury summoned under section 3331 of this title) impaneled before any district court of the United States may again be imprisoned or fined under section 401 of this title or under section 1826 of title 28, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.".

(b) The table of sections for chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"403. Refusal of a witness to testify in a grand jury proceeding.".

UNAUTHORIZED DISCLOSURE OF GRAND JURY INFORMATION

Sec. 4(a) Chapter 73 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1515. Violations of grand jury secrecy

"(a) Whoever knowingly discloses any evidence introduced, statement made, or other matter occurring before, any grand jury summoned or impaneled by a court of the United States shall be fined not more than $500 or imprisoned not more than six months or both.

"(b) Whoever knowingly discloses any evidence introduced, statement made, or other matter occurring before, any grand jury summoned or impaneled by a court of the United States, with the intent to secure compensation therefore, to effect the actions of or any decisions by that jury, to effect further legal proceedings against any witness, or to effect further legal proceedings as to the subject matter of any investigation by that jury, shall be fined not more than $20,000 or imprisoned not more than five years, or both,

"(c) This section shall not apply to—

"(1) disclosure to or by an attorney for the Government in the performance of his duties;

"(2) disclosure directed or permitted by a court; or

"(3) disclosure by a witness who has appeared before such grand jury, or by his attorney, or any matter concerning which the witness has testified, or produced other information, before the grand jury.

"(4) Any representative of the press,

broadcasting, or information media, acting in his professional capacity.

"(d) Subsection (a) shall not apply to disclosure by any person other than a person present at the grand jury proceeding.

"(e) As used in this section—

"(1) 'attorney for the Government' includes the Attorney General, an authorized assistant of the Attorney General, a United States attorney, and an authorized assistant of a United States attorney.

"(2) 'disclosure by a witness' includes disclosure by others of matter the witness has previously disclosed when made as a consequence of such disclosure by the witness.

"(f) Nothing contained in this section shall be construed to affect the power of the court to punish any person for contempt for violation of any rule or order of the court.".

(e) The table of sections for chapter 73 of title 18, United States Code is amended by adding at the end thereof the following new item: "1512. Violations of Grand Jury Secrecy.".

RIGHTS AND DUTIES OF GRAND JURORS: INDEPENDENT INQUIRY

SEC. 5 (a) Chapter 215 of title 18, United States Code, is amended by adding at the end thereof the following new sections:

"§ 3329. Rights and duties of grand jury and attorney for Government

"(a) Upon impanelment of each grand jury before a district court of the United States, the court shall give adequate and reasonable notice to the grand jury of, and shall assure that the grand jury reasonably understands—

"(1) its duty to inquire into offenses against the criminal laws of the United States alleged to have been committed within that district;

"(2) its rights, authority, and powers with respect to an independent inquiry under section 3330 of this title;

"(3) its right to call and interrogate witnesses;

"(4) its right to request the production of documents or other evidence;

"(5) the subject matter of the investigation, and

"(6) the criminal statute or statutes involved, if these are known at the time the grand jury is impaneled;

"(7) the necessity of legally sufficient evidence to form the basis of any indictment as provided under section 3330A (1) of this title;

"(8) the duty of the grand jury by an affirmative vote of twelve or more members of the grand jury to determine, based on the evidence presented before it, whether or not there are sufficient grounds for issuing indictments and to determine the violations to be included in any such indictments;

"(9) the obligation of secrecy and that it is a criminal offense to disclose to any person any information concerning any grand jury proceeding; and

"(10) such other duties and rights as the court deems advisable. The court's failure to instruct the grand jury as directed in this section shall be just cause within the meaning of section 1826 of title 28, United States Code, for a witness' refusal to testify or provide other information before such grand jury, until such time as the court instructs the grand jury in accordance with this section.

"(b)(1) Any person, including a witness who has previously testified or produced books, records, or documents, may make a written request to the attorney for the Government, or a special attorney appointed pursuant to this title, and request to testify in an inquiry before a grand jury, or to produce books, records, or documents, or to appear before a grand jury and request that the grand jury proceed in accordance with its powers under section 3330 of this title.

"(2) The attorney for the Government, or the special attorney—

"(A) shall forward any request under this subsection to the grand jury and may make a recommendation as to such request;

"(B) shall take reasonable steps to notify any person of his intention to present evidence against the person and request a presentment or indictment and of the person's right to testify or present evidence under this subsection and such notice shall be given a reasonable time in advance of any request for such presentment or indictment unless the attorney for the Government or the special attorney can prove to the satisfaction of the court that notice would result in the flight of the person, would endanger other witnesses, or would unduly delay the investigation and prosecution;

"(C) shall establish a public record of all requests and the action taken on each such request.

"(3) The grand jury shall not be required to hear any witness, or consider any book, record, or document, but shall consider all requests, forwarded to it by the attorney for the Government or the special attorney. Unless the grand jury, upon an affirmative vote of a majority of its members, refuses to hear the testimony, or consider the documents offered by, a person, under this subsection, the attorney for the Government or the special attorney shall subpena the evidence or witness offered. If the grand jury refuses to hear the testimony or consider the documents offered, the attorney for the Government or the special attorney shall notify the person making such request, in writing, of the refusal.

"(4) Upon appearing pursuant to a subpena, such person shall be permitted to testify, only upon submission of a waiver of immunity, as to relevant and competent matters under consideration by the jury and shall be subject to examination by the attorney for the Government or the special attorney.

"(c) The attorney for the Government and the special attorney shall not bring before the grand jury any witness who has given written notice in advance of the witness' appearance that such witness intends to exercise his privilege against self-incrimination, nor bring to the attention of the jurors, in any way, the invocation of the privilege by such witness, unless such witness has been given a grant of immunity.

"(d) The attorney for the Government or a special attorney shall not initiate, and a grand jury shall not conduct, an inquiry into a transaction or transactions, event or events, if another jury has failed to return an indictment based on the same transaction or transactions, event or events, unless the court finds, upon a proper showing, that additional evidence relevant to such inquiry has been discovered.

"§ 3330. Independent grand jury inquiry

"(a)(1) Any grand jury impaneled before any district court (including a special grand jury summoned under section 3331) may, after giving notice to the court, inquire upon its own initiative into offenses against the criminal laws of the United States alleged to have been committed within that district by any officer or agent of the United States or of any State or municipal government or by any person who, at the time of the alleged commission of the offense, was an officer or agent of the United States or of any State or municipal government. Such grand jury may request the attorney for the Government to assist the grand jury in such inquiry.

"(2) The grand jury shall serve for a term of eighteen months after giving notice to the court under paragraph (1) unless an order for its discharge is entered earlier by the court or upon a determination of the grand jury by an affirmative vote of twelve or more members that its business has been completed. If, at the end of such term or any extension thereof, the district court determines the business of the grand jury has not been completed, the court may enter an order extending such term for an additionl period of six months. No grand jury term so extended shall exceed thirty-six months from the date on which notice to the court was given under paragraph (1).

"(3) If a district court within any judicial circuit fails to extend the term of a grand jury engaged upon an independent inquiry under this section or enters an order for the discharge of such grand jury before such grand jury determines that it has completed its business, the grand jury by an affirmative vote of twelve or more members may apply to the chief judge of the circuit for an order for the continuance of the term of the grand jury. Upon the making of such an application by the grand jury, the term thereof shall continue until the entry by the chief judge of the circuit of an appropriate order upon such application. No grand jury term so extended shall exceed twenty-four months.

"(b)(1) In the event that the attorney for the Government is unable to impartially assist, refuses to assist or hinders or impedes the grand jury in the conduct of any inquiry under subsection (a), the grand jury may, upon the affirmative vote of twelve or more of its members, request at any point in such inquiry that the court appoint a special attorney in lieu of the attorney for the Government, to assist the grand jury in the conduct of any independent inquiry referred to in subsection (a). Such special attorney, with the approval of the court, may appoint and fix the compensation of such assistants, investigators, and other personnel as he deems necessary. The special attorney and his appointees shall be appointed without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the special attorney and any appointees shall be paid at a reasonable rate to be determined by the court. The special attorney shall be reimbursed for actual expenses incurred by him and his appointees in the performance of duties pursuant to this section.

"(3) Notwithstanding sections 516, 518, and 519 of title 28 or any other provision of law, a special attorney appointed under this section shall carry out the functions of an attorney for the Government and shall have the exclusive authority to—

"(A) assist in the conduct of independent grand jury investigations under this section,

"(B) prepare and sign any indictment returned by a grand jury pursuant to such inquiry in lieu of any attorney for the Government and

"(C) conduct all other phases of any criminal prosecution arising out of such inquiry (including the argument of appeals in the United States courts of appeals and the United States Supreme Court).

"(3) A special attorney appointed under this section is authorized to obtain from any department or agency of the United States any files, records, documents, or other materials which he deems necessary or appropriate in the carrying out of his functions under this section.".

(c) The Administrator of General Services shall furnish offices, equipment, supplies, and services to a special attorney appointed under section 3330 of title 18, United States Code, in the same manner as such items are furnished to agencies and departments of the United States.

(d) Section 524 of chapter 31 of title 28, United States Code (relating to appropriations for administrative expenses), is amended by adding at the end thereof the following new sentence: "Such appropriations shall also be available for payment of the compensation and other expenses of the special attorney appointed under section 3329 of title 18 to assist a grand jury in the conduct of an independent investigation."

RIGHTS OF GRAND JURY WITNESSES

SEC. 6.(a) Chapter 215 of title 18, United States Code, is further amended by adding at the end thereof, the following new sections:

"§ 3330A. Counsel

"(a) Every witness subpenaed to appear and testify before a grand jury impaneled before a district court or to produce books, papers, documents, or other objects before such grand jury shall be entitled to the assistance of counsel, including assistance during such time as the witness is questioned in presence of the grand jury.

"(b) Such counsel may be retained by the witness or shall be appointed as provided in section 3006A of this title in the case of any person financially unable to obtain legal representation. Notwithstanding any rule contained in the Federal Rules of Criminal Procedure, such witness' counsel is authorized to discuss matters which occur before the grand jury while such counsel is in the grand jury room.

"(c) Such counsel shall be allowed to be present in the grand jury room only during the questioning of the witness and shall be allowed to advise the witness. Such counsel shall not be permitted to address the grand jurors or otherwise take part in proceedings before the grand jury.

"(e) The court shall have the power to remove such attorney, and order the witness to obtain new counsel, when it finds that the attorney has violated subsection (c) or (d) of this section or that such removal and replacement is necessary to insure that the activities of a grand jury are not unduly delayed or impeded. Nothing in this subsection shall affect the power of the court to punish for contempt or impose other appropriate sanctions.

"§ 3330B. Subpenas

"(a) In the case of any proceeding before a grand jury impaneled before a district court, except where the court finds special need upon a showing by the attorney for the Government or a special attorney appointed under this title, or the consent of the witness, no subpena may require any witness to testify or produce other information at such proceeding at any time before the expiration of the one-week period beginning on the date of service of the subpena.

"(b) Upon the service of any subpena requiring any witness to testify or produce other information at any proceeding before a grand jury impaneled before a district court, the witness shall be given adequate and reasonable notice of—

"(1) his right to counsel as provided in section 3330A of this title;

"(2) his privilege against self-incrimination;

"(3) the subject matter of the grand jury investigation;

"(4) whether his own conduct is under investigation by the grand jury;

"(5) the substantive criminal statute or statutes, violation of which is under consideration by the grand jury, if these are known at the time of issuance of the subpena; and

"(6) any other rights and privileges which the court deems necessary or appropriate.

"(c) (1) The district court which issued a subpena, or the district court for the district in which the person resides or is served shall have concurrent jurisdiction to hear, and take appropriate action with respect to any motion relating to, including any motion to quash, such subpena.

"(2) A motion relating to a subpena may be made at any time prior to, during, or when appropriate, subsequent to the appearance of any witness before a grand jury. Any motion made during or subsequent to the appearance of the witness before the grand jury may be made only in the district in which the grand jury is impaneled.

"(3) If a motion is made under this section before the day on which the person subpenaed has been ordered to appear or books, records, or documents have been ordered to be produced, the appearance of such person, or the production of such documents, shall, upon appropriate application, be stayed until the court has ruled on such motion.

"(d)(1) Upon proper motion, the court may quash a subpena and take other appropriate sanctions when it finds that—

"(A) a primary purpose or effect of requiring such person to so testify or to produce such objects to the grand jury is or will be to secure for trial testimony or to secure other information regarding the activities of any person who is already under indictment by the United States, a State, or any subdivision thereof for such activities; or of any person who is under formal accusation for such activities by any State or any subdivision thereof, where the accusation is by some form other than indictment;

"(B) the witness has not been advised of his rights, as specified in subsection (b);

"(C) the evidence sought is not relevant to the grand jury investigation properly conducted within the grand jury's jurisdiction;

"(D) compliance with the subpena would be unreasonable or oppressive, as such subpena would require unnecessary appearances by the witness, would lead to testimony or other information that is cumulative, unnecessary or privileged, would be primarily for punitive purposes or would not involve other like circumstances; or

"(E) a primary purpose of the issuance of the subpena is to harass the witness.

"(e) Upon proper motion, the court shall quash a subpena and take other appropriate sanctions when it finds that—

"(1) the witness has already been confined, imprisoned, or fined under section 1826 of title 28, United States Code, or section 401 of this title for his refusal to testify before any grand jury investigating the same transaction. set of transactions, event, or events;

"(2) the witness has given written notice that such witness intends to exercise his privilege against self-incrimination, unless a grant of immunity has been obtained; or

"(3) the grand jury is inquiring into the same transaction or transactions, event or events, that was under consideration by another grand jury which failed to return an indictment based on such transaction or event and there is no additional, newly discovered evidence relevant to such inquiry.

"(f)(1) A grand jury impaneled to conduct an inquiry into offenses against the criminal laws of the United States may be convened only in a district, or districts, in which it is believed criminal conduct may have occurred which are elements of such offenses; except that when a grand jury is to be convened to conduct an inquiry into both violations of substantive criminal statutes and violations of statutes forbidding conspiracy to violate substantive criminal statutes, the grand jury may not be convened before a district court in a district in which the only criminal conduct alleged to have occurred in that district is conspiracy to commit the substantive criminal act.

"(2) The district court may quash a subpena or transfer any grand jury proceedings or investigation into any other district where it might properly have been convened if the court finds that a witness' appearance would impose a substantial and unnecessary hardship on such witness or his family because of the location of the proceeding. In considering whether such hardship exists, the court shall take into consideration all the relevant circumstances, including the distance of the grand jury investigation from the places of residence of witnesses who have been subpenaed, financial and other burdens placed upon the witnesses, and the existence and nature of any related investigations and court proceedings.".

"§ 3330C. Evidence Presented to the Grand Jury

"(a) The attorney for the Government shall not be permitted to submit before the grand jury any evidence seized or otherwise obtained by an unlawful act or in violation of the witness' constitutional rights or of rights established or protected by any statute of the United States.

"(b) An attorney for the Government shall present to the grand jury all evidence in such attorney's possession which he knows will tend to negate the guilt of the person or persons under investigation.

"(c) A grand jury may indict a person for an offense when (1) the evidence before such grand jury is legally sufficient to establish that such offense was committed, and (2) competent and admissible evidence before such grand jury provides reasonable cause to believe that such person committed such offense. An indictment may be based on summarized or hearsay evidence alone only upon showing of good cause to the court which impaneled the grand jury.

"(d) The district court before which a grand jury is impaneled shall dismiss any indictment of the grand jury if such district court finds that—

"(1) the evidence before the grand jury was legally insufficient to establish that the offense for which the indictment was rendered was committed;

"(2) there was not competent and admissible evidence, or summarized or hearsay allowed by the court upon a showing of good cause, before the grand jury to provide reasonable cause to believe that the person indicted committed such offense;

"(3) the attorney for the Government has not presented to the grand jury all evidence in his or her possession which the attorney knows will tend to negate the guilt of the person indicated; or

"(4) the attorney for the Government has submitted to the grand jury evidence seized or otherwise obtained by an unlawful act or in violation of the witness' constitutional rights or of rights established or protected by any statute of the United States.

(b) Section 3006A(a) of title 18, United States Code (relating to appointment of attorneys), is amended—

(1) by striking out "or," before "(4)" in the first sentence thereof; and

(2) by inserting before the period at the end of the first sentence thereof: ", or (5) who is a witness before a grand jury impaneled before the district court".

RECORDING, TRANSCRIBING AND AVAILABILITY OF GRAND JURY PROCEEDINGS

SEC. 7. (a) Chapter 215 of title 18, United States Code, is further amended by adding at the end thereof the following new sections:

"§ 3333. Recordings of grand jury proceedings

"A complete and accurate stenographic or electronic record of all grand jury proceedings shall be kept, except that the grand jury's secret deliberations and consultations between witnesses and their counsel shall not be recorded. Such record shall include the court's notice to the grand jury of its rights and duties and all other comments or charges by the court to the jury, at any time; all introductory comment, or other comments, directives, and other utterances made by attorneys for the government or special attorneys to the grand jury, witnesses and their counsels; all questioning of and testimony of witnesses; all interchanges between the grand jury and attorneys.

"§ 3334. Availability of grand jury transcripts and other statements

"(a) Any person summoned to testify or provide other information before a grand jury impaneled before a district court shall be entitled, prior to testifying or providing other information, to examine and copy any statement in the possession of the United States which he has made and which relates to the subject matter under inquiry by the grand jury. Such examination and copying may be made by the attorney for such person if such person gives his written approval. As used in this subsection, the term 'statement' has the meaning provided by section 3500(e).

"(b) Any witness who testifies before a grand jury, or his attorney with such witness' written approval, shall, upon request, and under such conditions as the court deems reasonable, be entitled to examine and copy a transcript or electronic recording of the record for the period of such witness' own appearance before the grand jury, and if a witness is proceeding in forma pauperis, he shall be furnished, upon request, a copy of such transcript.

Such transcript shall be made available for inspection and copying not later than forty-eight hours after the conclusion of such witness' testimony, unless, for cause shown, more time is required to prepare such transcript. After examination of such transcript, a witness may request permission to appear before the grand jury again to explain his testimony. Additional testimony given under this subsection shall become part of the official transcript and shall be shown to the members of the grand jury.

"(c) Upon a showing of good cause, the court may, at any time, order that the disclosure of the recorded proceedings of a grand jury be denied, restricted or deferred, or make such other order as is appropriate. Upon motion by the government, the court shall permit the government to make such showing, in whole or in part, in the form of a written statement to be inspected by the judge alone. If the court enters an order granting relief following such a showing, the entire text of the party's statement shall be sealed and preserved in the records of the court to be made available to the appellate court in the event of an appeal by the defendant."

"(d) A reasonable time prior to trial, and after the return of an indictment or the filing of an information, a defendant shall, upon request and under such conditions and limitations as the court deems reasonable, be entitled to examine and copy a transcript or electronic recording of—

"(1) the grand jury testimony of all witnesses to be called at trial;

"(2) all statements to the grand jury by the court and the attorney for the Government or special attorney, relating to the defendant's case;

"(3) all grand jury testimony or evidence which in any manner could be considered exculpatory; and

"(4) all other grand jury testimony or evidence which the court may deem material to the defense.

(b) Section 3500, title 18, United States Code, is amended

(1) by inserting "or" before subsection (e)(2) thereof:

(2) by deleting "; or" and inserting "." at the end of subsection (e)(2) thereof; and

(3) by deleting subsection (e)(3) thereof.

(b) The table of sections for chapter 215 of title 18, United States Code is amended by adding at the end thereof the following new items:

"3329. Notice to grand jury of its rights and duties.
"3330. Independent grand jury inquiry.
"3330A. Certain rights of grand jury witnesses.
"3330B. Subpoenas.
"3300C. Evidence presented to the grand jury."
"3333. Recording of grand jury proceedings.
"3334. Availability of grand jury transcripts and other statements."

PRELIMINARY EXAMINATION

SEC. 8. (a) Chapter 217 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3368. Preliminary examination

"(a) A defendant is entitled to a preliminary examination, unless waived, when charged with an offense, other than a petty offense, which is to be tried by a judge of the district court.

"(b) Such preliminary examination may be held prior to, or within a reasonable time following, the filing of an indictment or information in the district court.".

"(b) The table of sections for chapter 217 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"3368. Preliminary Examination."

REPORTS CONCERNING GRAND JURY INVESTIGATIONS

SEC. 9. (a) Section 522 of title 28, United States Code (relating to reports of business and statistics), is amended by striking out "The Attorney General" and inserting in lieu thereof "(a) The Attorney General" and by adding at the end thereof the following new subsection:

"(b) The Attorney General, at the beginning of each regular session of Congress, shall report to the Congress and to the Administrative Office of the United States Courts with respect to the last preceding fiscal year on—

"(1) the number of investigations undertaken in which a grand jury or a special grand jury was utilized together with a description of the nature of each investigation undertaken;

"(2) the number of requests by United States grand juries to the Attorney General for approval to apply to the court for an order compelling testimony under section 2003 of title 18, and the number of such requests approved by the Attorney General;

"(3) the number of applications to district courts for orders granting immunity under title 18;

"(4) the number of applications to district courts for orders granting immunity under title 18 that were approved and the nature of the investigations for which the orders were sought;

"(5) the number of instances in which witnesses in the investigations enumerated in paragraph (1) were held in contempt and confined, and the dates and lengths of such confinement;

"(6) the number of arrests, indictments, no-bills, trials, and convictions resulting from testimony obtained under orders granting immunity, the offenses for which the convictions were obtained, and a general assessment of the importance of the immunity;

"(7) a description of data banks and other procedures by which grand jury information is processed, stored, and used by the Department of Justice; and

"(8) other appropriate information concerning grand jury activity during such year. The matters contained in the report required to be made by this section shall be set forth according to judicial district.".

EFFECT ON OTHER LAWS AND RULES

SEC. 10. (a) The enumeration in this Act of any rights and privileges of grand jury witnesses shall not affect any other rights and privileges to which such witnesses may be entitled under any law or rule of law.

(b) Notwithstanding section 3771, no rule contained in the Federal Rules of Criminal Procedure shall apply to the extent that such rule is inconsistent with the provisions of this Act.

By Mr. MAGNUSON:

S. 1451. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Atlantic Tunas Convention Act of 1975; and

S. 1452. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Commercial Fisheries Research and Development Act of 1964; to the Committee on Commerce, Science, and Transportation.

Mr. MAGNUSON. Mr. President, I introduce for appropriate referral two bills relating to marine fisheries. One bill would continue the authorization for funding of the Commercial Fisheries Research and Development Act of 1964. The second bill continues Federal funding for U.S. responsibilities under the Atlantic Tunas Convention Act of 1975. Enactment of both bills is necessary for the continuation of important elements of the Nation's fishery program.

The Commercial Fisheries Research and Development Act was enacted in 1964 to provide Federal financial assistance to the individual States for carrying out research and development projects relating to the commercial fishery resources of the Nation. Federal funds are to be used to supplement and, where appropriate, increase State funds used for this purpose. The bill I introduce today continues this worthwhile program for 3 additional fiscal years at the level of $10 million each year. The previous authorization level was $5 million.

The Atlantic Tunas Convention Act of 1975 gives effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966. Funds authorized under the act provide travel expenses for U.S. Commissioners and the U.S. share of the convention's expenses, as well as other costs related to U.S. responsibilities. This authorization would be continued for another 3 years under my proposed bill.

I ask unanimous consent that the two bills be printed at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1451

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971h) is amended by striking out "fiscal year 1977" and inserting in lieu thereof "fiscal years 1977, 1978, 1979, and 1980".

SEC. 2. Section 2(4) of such Act of 1975 (16 U.S.C. 971(4)) is amended to read as follows:

"(4) The term 'fisheries zone' means the waters included within a zone contiguous to the territorial sea of the United States, of which the inner boundary is a line coterminous with the seaward boundary of each coastal State, and the outer boundary is a line drawn in such a manner that each point on it is two hundred nautical miles from the baseline from which the territorial sea is measured; or similar zones established by other parties to the Convention to the extent that such zones are recognized by the United States.".

S. 1452

Be it enacted by the Senate and House of Represenatives of the United States of America in Congress assembled, That section 4 of the Commercial Fisheries Research and Development Act of 1964 (16 U.S.C. 779b) is amended—

(1) by amending subsection (a) to read as follows:

"(a) There are authorized to be appropriated to the Secretary of Commerce for apportionment to the States to carry out the purposes of this Act the following sums:

"(1) $5,000,000 for each of the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and September 30, 1977,

"(2) $10,000,000 for each of the fiscal year ending September 30, 1978, September 30, 1979, and September 30, 1980.";

(2) by amending subsection (b) to read as follows:

"(b) In addition to the amounts authorized in subsection (a) of this section, there are authorized to be appropriated to the Secretary of Commerce—

"(1) $1,500,000 for each of the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976, and September 30, 1977, and

"(2) $3,000,000 for each of the fiscal years ending September 30, 1978, September 30, 1979, and September 30, 1980.

which shall be available to the States in such amounts as the Secretary of Commerce may determine appropriate for the purposes of this Act:", and

(3) by amending subsection (c) to read as follows:

"(c) In addition to the funds authorized in subsections (a) and (b) of this section, there are authorized to be appropriated to the Secretary of Commerce the following sums which shall be made available to one or more States in such amounts as the Secretary of Commerce may determine to be appropriate for developing a new commercial fishery therein:

"(1) $100,000 for each of the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976, and September 30, 1977.

"(2) $500,000 for each of the fiscal years ending September 30, 1978, September 30, 1979, and September 30, 1980.".

By Mr. HUMPHREY (for himself and Mr. BENTSEN):

S. 1453. A bill to amend the Employment Act of 1946 to authorize thorough analysis of major bills and the economic impact of such bills, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ECONOMIC IMPACT ACT OF 1977

Mr. HUMPHREY. Mr. President, I am introducing today, along with Senator LLOYD BENTSEN, the Economic Impact Act of 1977. Although the economic situation seems to be improving, it is not improving as fast as we would all like. We suffer from an excessively high rate of inflation, unemployment remains inexcusably high, and our factories are operating at only four-fifths of their productive potential. Congress is being called upon to be an active partner in remedying these economic problems. However, Congress still does not have sufficient information by which it can evaluate the potential economic impact of the measures it considers to cope with these problems.

For example, it must more effectively give proper weight to the inflationary consequences of legislation it considers. The President has just announced the administration's anti-inflation program. That program includes the establishment of new review procedures to insure that the inflationary consequences of Federal regulations is properly evaluated. Congress must do its part to help reduce inflation by evaluating the potential inflationary impact of legislation it considers.

During the past two centuries, Congress has often been required to make far-reaching economic decisions without knowing the expected inflation and employment effects of the legislation. In evaluating proposed legislation, attention has most often been focused on its likely impact on shortrun Government costs and on the Federal budget. The budget committees of the Senate and the House of Representatives have been doing an exceptional job of evaluating the budget impact of legislation which the Congress considers. The information these two committees provide is useful and necessary information, but it is not enough. Congress needs more information because its decisions affect not only the budget, but also the level of employment, prices, and the purchasing power of Americans.

Most public policy decisions that seriously affect the economy require each one of us to do a mental balancing act. Unless the total economic impact of proposed legislation is analyzed, and made available to Congress, it is unlikely that the proper balance will be struck.

The Economic Impact Act of 1977 will help provide Congress with the information it needs to make constructive legislative decisions. By enacting it, Congress will be adopting a formal procedure requiring that the Joint Economic Committee prepare an economic impact statement for all major legislation before it comes up for consideration in the House or the Senate. Congress will thereby be able to determine the economic impact of all major spending proposals it considers.

The most important feature of this bill is the requirement that proposed legislation must be evaluated in terms of whether or not it furthers the objectives set forth by the Employment Act of 1946. This act, as you know, is the cornerstone of our national economic policy and proclaims the promotion of maximum employment, production, and purchasing power as the continuing policy of the Federal Government. Yet, consumer prices are expected to rise by almost 6 percent this year, and today there are over 7 million Americans unemployed. If Congress is to fulfill its responsibility of promoting price stability and economic growth, it must know whether major legislation effectively promotes these goals. The Economic Impact Act of 1977 will provide us with that necessary knowledge.

Mr. President, I ask unanimous consent that the text of the Economic Impact Act of 1977 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Impact Act of 1977."

SEC. 2. The Congress finds that—

(1) Federal legislation has a direct impact on the levels of employment, production, and inflation;

(2) the Congress declared in the Employment Act of 1946 that it is the continuing policy of the Federal Government to promote "maximum employment, production, and purchasing power", yet Americans are facing severe unemployment, less than full production and severe inflation simultaneously; and

(3) it is imperative that the Congress be informed in advance of the economic impact on employment, production, prices, and on real purchasing power, of any program or policy which comes before it for consideration so that the total economic impact can be evaluated in relation to the objectives set forth in the Employment Act of 1946.

SEC. 3. Section 5 of the Employment Act of 1946 is amended by redesignating subsections (c), (d), and (e), and all references thereto, as subsections (d), (e), and (f), and by inserting after subsection (b) the following new subsection:

"(c) (1) The joint committee is authorized to undertake a thorough analysis of all major bills introduced in the House of Representatives and the Senate in order to determine the economic impact of such bill.

"(2) For the purpose of this subsection, a major bill is—

"(A) a bill which proposes to authorize the expenditure of at least $1,000,000,000 in one fiscal year or the expenditure of at least $5,000,000,000 for the authorization period of such bill, or

"(B) a bill which the joint committee determines—

"(i) will directly increase or decrease the level of employment by 100,000 jobs or more or will indirectly affect the overall level of employment by 500,000 jobs or more;

"(ii) will increase the general price level by raising the price of a group of commodities or result in an increase of ½ percentum or more in the gross national deflator;

"(iii) will increase State and local government expenditures by $3,000,000,000 or more over the first three fiscal years of the authorization period of that bill or by $8,000,000,000 or more over the authorization period of that bill;

"(iv) will increase or decrease the level of the Federal Government receipts by 2 per centum or more during the first fiscal year that the bill is in effect or by 2 per centum or more during any of the three fiscal years succeeding such fiscal year; or

"(v) will have any other major economic impact requiring an analysis by the joint committee.

"(3) The chairman of each standing committee of the Congress shall notify the joint committee of any bill which has been referred to such committee and which he determines meets the criteria set forth in paragraph (2) of this subsection, together with an appropriate timetable of the consideration of such a bill by the committee.

"(4) The joint committee shall, at the request of the President of the Senate or the Speaker of the House of Representatives, conduct a thorough economic analysis of any bill specified by the President of the Senate or the Speaker of the House of Representatives."

SEC. 4. The amendment made by section 2 of this Act shall take effect with respect to any bill introduced in the Congress after the date of enactment of this Act.

By Mr. BAYH:

S. 1455. A bill to amend title II of the Social Security Act to increase to $5,100 the annual amount which individuals may earn without suffering deductions

from benefits and to provide for an eventual phasing out of such limitation for workers 65 years of age and over; to the Committee on Finance.

Mr. BAYH. Mr. President, today I am introducing legislation similar to legislation I introduced in the last Congress which is aimed at easing the ravages of inflation on our Nation's elderly. It is stating the obvious to say that inflation has had a particularly disastrous impact upon our Nation's senior citizens.

During this past year. I am sure nearly every Member of this body has spoken at some length regarding this subject. It is now time to take action to ease the burden on older Americans. One step we can take in this regard is to alter the present earning limitation for recipients of social security.

Mr. President, the central fact about social security is that it does not provide enough income for retired persons to live on decently. Even with the increased level of benefits due to go into effect in June, the soaring cost of living has left many social security recipients striving just to get by. Those who have no other income than their social security check live—strictly speaking—in poverty. Nearly 25 percent of the population over 65 falls into this category according to the Census Bureau. As of March of this year, this represents 3.5 million persons. In all too many cases, the only solution for many of these elderly citizens is welfare. And yet, despite these facts, existing law makes it impossible for many older Americans to raise their standard of living to a comfortable level.

The obstacle here is the earnings limitation under title II of the Social Security Act. This provision now allows a beneficiary to earn $2,520 a year without reduction in benefits. Above that amount, however, he or she must sacrifice a dollar in benefits for every $2 earned. This means that a single person between the ages of 65 and 72 who is able and willing to hold down an even modestly paying full-time job must give up every cent of the social security benefits to which a lifetime of work and as much as 35 years of paying into the trust fund entitle him.

This latter fact, Mr. President, leads me to an observation concerning the basic philosophical character of our social security system. At the insistence of President Franklin Roosevelt, the system was designed as a contributory insurance plan instead of simply—as some of his advisers urged—an old-age benefit paid out of general revenues. Mr. Roosevelt's point, which he made very explicit, was that if people paid insurance premiums into a special fund out of their own earnings, no future generation of politicians could ever take it away from them by labeling it a Government "handout."

In other words, because of the way the system was consciously designed by one of our greatest Presidents, social security benefits today are a matter of earned right, not Federal largess. It, therefore, seems to me not only mistaken but improper for anyone to try to claim that benefits are and ought to be conditional upon an agreement not to be gainfully employed. Social security was not designed to include a "means test." Its benefits are not predicated upon how much private income one might have. One does not have to plead poverty in order to qualify for a monthly social security check. For those who have paid into the system over these many years, the benefit is a matter of right.

Mr. President, that is the philosophy underlying the social security system. It is clear that an earnings limitation, which so weakens the automatic, rightful character of benefit payments, is inconsistent with that philosophy.

Furthermore, the earnings limitation penalizes only those social security recipients who earn wages or are self-employed. Pensions, no matter how large, are not counted in the limitation. Nor is interest and dividend income. The retired corporation executive can enjoy a pension of $50,000 a year and have investment income double that amount and still not lose 1 penny of social security. But the cabinetmaker or electrician who wants to continue his life's work and be paid for it may have to give up his entire social security check.

That is not fair. It is not sensible. It is not necessary.

Certainly, Mr. President, I do not begrudge the corporation executive the social security payment to which his own contributions entitle him. But I deeply resent the discrimination practiced against working people by a system that penalizes them for the fruits of their own labor.

There can be no doubt that, if we were designing a brandnew social security system today, most of us would want to eliminate the earnings limitations altogether. Proposals to do so are introduced in every session of Congress. In practical terms, however, given the existing structure of social security financing, complete elimination of the earnings ceiling would, in my judgment be too costly to be absorbed all at once. I, therefore, propose a very substantial increase—nearly doubling the present amount of exempt earnings with a view to complete elimination as soon as it is fiscally responsible to do so.

The bill I introduce today would permit earnings of $5,100 a year without loss of benefits. In monthly terms, the beneficiary could earn $425 a month instead of the present $250 before the social security benefit is reduced.

In addition, my bill will provide for an eventual phaseout of the earnings limitation for social security recipients altogether. Starting with the taxable year 1977, the age at which the earnings limitation is imposed is reduced by 1 year so that in taxable year 1984, the earnings limitation is phased out completely for those citizens 65 years of age or older.

By enacting this legislation now, we can renew our commitment to the ideal that was at the heart of Franklin Roosevelt's great dream. By enacting it now we can reaffirm our intention to move as rapidly as possible toward the goal of equal justice for all Americans.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraphs (1) and (4)(B) of section 203(f) of the Social Security Act are each amended by striking out "$250" and inserting in lieu thereof "$425".

(b) The first sentence of paragraph (3) of section 203(f) of such Act is amended by striking out "$250" and inserting in lieu thereof "$450".

SEC. 2. (a) Section 203(j) of the Social Security Act is amended to read as follows:

"Exempt Age for Deductions From Benefits on Account of Work.

"(j)(1) The exempt age at which deductions from benefits on account of work shall cease to be made under this section shall be—

"(A) age 72 for taxable years ending in 1977,

"(B) age 71 for taxable years ending in 1978,

"(C) age 70 for taxable years ending in 1979,

"(D) age 69 for taxable years ending in 1980,

"(E) age 68 for taxable years ending in 1981,

"(F) age 67 for taxable years ending in 1982,

"(G) age 66 for taxable years ending in 1983, and

"(H) age 65 for taxable years ending in 1984 and thereafter.

(2) For purposes of this section an individual shall be considered to have attained the exempt age during the entire month in which he attains such age.".

(b) Sections 203(c)(1) and 203(d)(1) of such Act are each amended by striking out "under the age of seventy-two" and inserting in lieu thereof "under the exempt age (as defined in subsection (j))".

(c) Section 203(f)(1)(B) of such Act is amended by striking out "was age seventy-two or over" and inserting in lieu thereof "was the exempt age (as defined in subsection (j)) or over".

(d) Section 203(f)(3) of such Act is amended by striking out "attains age 72" and inserting in lieu thereof "attains the exempt age (as defined in subsection (j))".

(e) Section 203(h)(1)(A) of such Act is amended by striking out "attained the age of 72" and inserting in lieu thereof "attained the exempt age (as defined in subsection (j))".

SEC. 3. The amendments made by this Act shall be effective on January 1, 1978.

By Mr. HATHAWAY:

S. 1456. A bill to amend the Wool Products Labeling Act of 1939 with respect to recycled wool; to the Committee on Commerce, Science, and Transportation.

Mr. HATHAWAY. Mr. President, periodically we are offered an opportunity to clarify a law so as to make it easier to understand and to administer. When this can be done without injury to the class which Congress has sought to protect, then it behooves us to consider such a measure in the most favorable light because where the hand of Government is not needed, or could more lightly rest, Congress should act accordingly.

The Wool Products Labeling Act of 1939 has long required that wool products be labeled as belonging to one of three categories: "wool," "reprocessed wool," or "reused wool."

What I am introducing today is a bill to amend the Wool Products Labeling Act of 1939 so that the terms "reprocessed wool" and "reused wool" are replaced by the term "recycled wool."

My intention in this is twofold: to give consumers a more meaningful description than present law affords them; and to give the domestic wool indusry an improved opportunity to compete with foreign wool textiles which are not required to label their products other than as being "wool."

The labeling of wool fibers in textiles and apparel as "reprocessed" and "reused" is a stigma which should be removed. Market experience indicates that some consumers read "reprocessed" as "repossessed" while still others believe that a fabric or garment labeled "reused" is itself reused, or secondhand. In fact, however, the fibers are completely recycled, restored to their original state as wool fibers, and then spun, woven, or felted into new fabrics which are then manufactured into apparel or other textile products. This is true of both cuttings from apparel — "reprocessed wool"—and apparel which has been used by consumers—"reused wool."

The wool fibers are truly recycled, having been entirely rebuilt into yarn fabrics and felt and, finally, into useful products for apparel, the home and industry. These recycled wools are used primarily in heavy winter clothing, gloves, caps, felts, blankets, carpets and rugs.

Significantly, wool is the only fiber covered by U.S. laws that must be labeled as "reprocessed" or "reused." Recycled cotton and man-made fibers require no such designation. Further, other countries do not require "reprocessed" or "reused" labels to be placed on their wool products which are generally marked simply "wool."

Imports of wool fabrics and apparel into the United States are not labeled "reused" but are usually labeled as either "wool" or "reprocessed wool." Such products frequently contain "reused wool" but there is no practical way for U.S. Customs to police this problem. Since these imports constitute about one-third of U.S. consumption, U.S. domestic mills are faced with a substantial amount of unfair competition from abroad. Use of the single term "recycled" would help to alleviate this problem.

In addition, the world supply of virgin and new wool is insufficient to meet world requirements. In the United States, which produces only about one-half of the new wool it consumes, prices of wool have risen to high levels. The use of recycled wool, which provides the less affluent customer with warm and functional clothing at prices below those using virgin fiber, should be encouraged.

The proposed amendment would leave the definition of "wool," virgin wool, unchanged. Consumers who purchase products made from "recycled wool" would be protected by the "recycled wool" label which indicates that the product is manufactured from materials recovered from a previously manufactured product.

Within recent years, widespread use of the term "recycled" has increased consumer awareness of the inherent advantages of recycled products. This bill will provide consumers of wool textiles and apparel products with a more accurate and understandable description of their purchases by removing the stigma of the term "reprocessed" and "reused."

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1456

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(c) of the Wool Products Labeling Act of 1939 (54 Stat. 1128) is amended to read as follows:

"(c) The term 'recycled wool' means (1) the resulting fiber when wool has been woven or felted into a wool product which, without ever having been utilized in any way by the ultimate consumer, subsequently has been made into a fibrous state, or (2) the resulting fiber when wool or reprocessed wool has been spun, woven, knitted, or felted into a wool product which, after having been used in any way by the ultimate consumer, subsequently has been made into a fibrous state."

(b) Subsection (d) of section 2 of the Wool Products Labeling Act of 1939 is repealed.

(c) Subsections (e), (f), (g), (h), and (i) of section 2 of the Wool Product Labeling Act of 1939 and all references thereto are redesignated as subsections (d), (e), (f), (g), and (h), respectively.

(d) Section 2(d) of such Act, as redesignated by subsection (c) of this Act, is amended by striking out ", reprocessed wool, or reused wool" and inserting in lieu thereof "or recycled wool".

SEC. 2. Section 4(a)(2)(A) of the Wool Products Labeling Act of 1939 is amended—

(1) by striking out "(2) reprocessed wool; (3) reused wool;" and inserting in lieu thereof "(2) recycled wool";

(2) by striking out "(4)" and inserting in lieu thereof "(3)"; and

(3) by striking out "(5)" and by inserting in lieu thereof "(4)".

SEC. 3. The amendments made by this Act shall take effect with respect to wool products manufactured sixty days after the date of enactment of this Act.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1457. A bill to amend the Atomic Energy Community Act of 1955, as amended, to authorize the Administrator of the Energy Research and Development Administration to make assistance payments to the Los Alamos School Board and the county of Los Alamos, N. Mex., after June 30, 1976, in the case of the schools and after June 30, 1977, in the case of the county; to the Committee on Energy and Natural Resources.

Mr. DOMENICI. Mr. President, today I am introducing on behalf of Senator SCHMITT and myself, a bill to amend the Atomic Energy Community Act of 1955, as amended, to authorize, but not require, the Administrator of the Energy Research and Development Administration to continue to make financial assistance payments to the Los Alamos School Board and the county of Los Alamos, N. Mex. Present provisions of the Atomic Energy Community Act provide that this authority terminate at the end of initial 10-year periods of assistance payments. These initial 10-year periods ended on June 30, 1976, for the schools and will end on June 30, 1977, for the county. This bill will extend the authority of the Administrator to continue to make assistance payments to the schools and the county at Los Alamos and to enter into contracts with them for making payments for a period not to exceed 10 years in each case. Such contracts have been used to spell out the obligations and responsibilities of the parties as well as the mechanics of requesting, supporting, and making the payments.

A 1967 amendment to the Community Act required that any appropriation for assistance payments must first be authorized by Congress. This would require that payments of funds to satisfy any contractual obligations entered into by ERDA and the schools and county would be contingent upon their being included in authorization and appropriation acts. The amount of the assistance payments would be determined under the criteria now in the Community Act. Six months prior to expiration of the 10-year periods for which ERDA would be authorized to contract with the schools and the county, recommendations would have to be made by the Administrator to the Congress as to the need for further assistance payments.

In the absence of further legislation at that time, assistance payments could be continued on a year to year, or as needed, basis subject to congressional authorization and appropriation of funds. Extension of the authority to make assistance payments at Los Alamos will be on essentially the same basis that the 1967 amendment of the Community Act previously extended the authorization for the Administrator to continue payments to the former AEC communities of Oak Ridge, Tenn., and Richland, Wash., after expiration of their initial 10-year period of payments.

During the 94th Congress, S. 2435 was introduced. S. 2435 would have amended the Community Act to authorize continuance of assistance payments to the county and schools at Los Alamos just as the bill I am introducing today will do. At the time that S. 2435 was introduced, the Administrator of ERDA and the Office of Management and Budget supported the need for continued assistance payments. A hearing was held on S. 2435 and an identical House bill, H.R. 9948. The record made at the hearing before the Subcommittee on Legislation of the JCAE makes a very convincing case for continuance of financial assistance payments to the Los Alamos schools and the county. Unfortunately, because of the press of other business the JCAE did not report the bills out during the 94th Congress.

Los Alamos, N. Mex., is one of the communities originally constructed by the Army during World War II to support research and development, and the production of atomic weapons. The community was transferred to the newly created Atomic Energy Commission after World War II, but remained a Government-owned and managed community until 1962, when the Atomic Energy Commission began to transfer much of the property not required for laboratory operation to private ownership and to the local government. Because of its construction originally as a defense installation, the economic dependence of the town on one industry, and the tax exempt status of that one industry due to its ownership and operation by the Federal Government, the schools and the county require financial assistance from the Federal Government to provide an adequate level of services to the community.

An adequate level of services is defined as that which will permit retention and recruiting of the highly qualified people necessary for the successful conduct of the important research and development program at ERDA's Los Alamos Scientific Laboratory. The need to maintain this level of services imposes financial burdens on the schools and the county, but the revenues available to them from sources other than ERDA are not sufficient at this time to meet the burdens. Therefore, in the absence of ERDA financial assistance payments, the level of services would have to be reduced, which in light of the objectives of the Community Act and the needs of the Federal Government at Los Alamos would be an unacceptable course of action.

For these reasons; the origin and long history of the Los Alamos community as federally owned and managed, the tax exempt nature of its one industry, and the requirements and burdens placed on the schools and the local government by the provisions of the Community Act and the Federal activities; I introduce this legislation today.

Mr. President, I ask unanimous consent to have printed in the Record at this point the text of the bill, a section-by-section analysis of the bill, a comparative bill, and related background material.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1457

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 91a. of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391) is amended to read as follows:

"a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the Administrator shall, for a period of ten years, make annual assistance payments of just and reasonable sums to the State, county, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder: *Provided, however,* That with respect to the cities of Oak Ridge, Tennessee, and Richland, Washington, the Richland School District, the Los Alamos School Board, and the County of Los Alamos, New Mexico, the Administrator is authorized to continue to make assistance payments of just and reasonable sums after expiration of such ten-year period: *Provided further,* That the Administrator is also authorized to make payments of just and reasonable sums to Anderson County and Roane County, Tennessee. In determining the amount and recipient of such payments the Administrator shall consider—

"(1) the appropriate real property taxes and assessments for local improvements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

"(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to the Energy Research and Development Administration program;

"(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single-purpose national defense installation under emergency conditions;

"(4) the muncipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area; and

"(5) the tax revenues and sources available to the governmental entity, its efforts and diligence in collection of taxes, assessment of property, and the efficiency of its operations."

(b) Section 91d. of such Act is amended to read as follows:

"d. With respect to any entity not less than six months prior to the expiration of the ten-year period referred to in subsection a. (or not less than six months prior to June 30, 1979, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District; or not less than six months prior to June 30, 1986, in the case of Anderson County and Roane County, Tennessee and the Los Alamos School Board; and not less than six months prior to June 30, 1987, in the case of the County of Los Alamos, New Mexico), the Administrator shall present to the Joint Committee on Atomic Energy recommendations as to the need for any further assistance payments to such entity."

Sec. 2. Section 94 of the Atomic Energy Community Act of 1955 is amended to read as follows:

"Sec. 94. Contracts.—The Administrator is authorized, without regard to section 3679 of the Revised Statutes, to enter into a contract with any governmental or other entity to which payments are required or authorized to be made pursuant to section 91, obligating the Administrator to make to such entity the payments directed or authorized to be made by section 91: *Provided, however,* That the term of such contracts, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District, shall not extend beyond June 30, 1979; and in the case of the Los Alamos School Board shall not extend beyond June 30, 1986; and in the case of the County of Los Alamos, New Mexico, shall not extend beyond June 30, 1987.".

Section-by-Section Analysis

Section 91. of the Atomic Energy Community Act of 1955, as amended, is amended to authorize, but not require, the Administrator of ERDA to continue to make assistance payments of just and reasonable sums to the Los Alamos School Board and the County of Los Alamos, New Mexico, after expiration of the ten-year period ending for the Schools and the County on June 30, 1976, and June 30, 1977, respectively, by adding the Los Alamos School Board and the County of Los Alamos, New Mexico, to subsection a.

Section 91. d. of the Community Act is amended to provide that not less than six months prior to June 30, 1986, for the Los Alamos Schools and not less than six months prior to June 30, 1987, for Los Alamos County, the Administrator shall present to the Joint Committee on Atomic Energy recommendations as to the need for any further assistance payments to the Schools and the County.

Section 94 of the Community Act is amended to provide that the terms of any contracts made by ERDA to make assistance payments to the Los Alamos School Board and the County of Los Alamos pursuant to section 91, shall not extend beyond June 30, 1986, for the Schools and June 30, 1987, for the County.

With regard to ERDA contractual authority under Section 94., the Community Act was amended in 1967 to require that henceforth any appropriations for further assistance payments under Section 91. a. must first be authorized by Congress. In accordance with Section 118. a., funds to satisfy any contractual obligations entered into by ERDA and the two counties would be requested to be included in authorizing and appropriation acts.

The above amendments would incorporate the Los Alamos School Board and the County of Los Alamos into coverage under the Community Act in the same manner that the 1967 amendment of that Act provided for the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District. Although the dates on which the Administrator is required to present to the Joint Committee on Atomic Energy his recommendations as to the need for any further assistance payments after the second ten-year period vary, as do the ending dates for the periods for which the Administrator is authorized to enter into contracts with the several entities, the treatment of all five entities is the same.

Comparative Bill

To amend the Atomic Energy Community Act of 1955, as amended, to authorize the Administrator of the Energy Research and Development Administration to make assistance payments to the Los Alamos School Board and the County of Los Alamos, New Mexico, after June 30, 1976, in the case of the Schools and after June 30, 1977, in the case of the County.

(Deleted matter is shown in brackets and new matter is italicized.)

CHAPTER 9. LOCAL ASSISTANCE

Sec. 91. Basis of Assistance to Cities and Other State and Local Entities.—

a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the Administrator shall, for a period of ten years, make annual assistance payments of just and reasonable sums to the State, County, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder: *Provided, however, That* with respect to the Cities of Oak Ridge, Tennessee, and Richland, Washington, [and] the Richland School District, *the Los Alamos School Board, and the County of Los Alamos, New Mexico,* the Administrator is authorized to continue to make assistance payments of just and reasonable sums after expiration of such ten-year period: *Provided further,* That the Administrator is also authorized to make payments of just and reasonable sums to Anderson County and Roane County, Tennessee. In determining the amount and recipient of such payments the Administrator shall consider—

(1) the approximate real property taxes and assessments for local improvements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to the Energy Research and Development Administration program;

(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single-purpose national defense installation under emergency conditions;

(4) the municipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area; and

(5) the tax revenues and sources available to the governmental entity, its efforts and diligence in collection of taxes, assessment of property, and the efficiency of its operations.

b. Special interm payments may be made under the provisions of this section to any governmental entity which—

(1) has a special burden due to the requirements under law imposed upon it in assisting in effectuating the purposes of this Act for which it will not otherwise receive adequate compensation or revenues; or

(2) will suffer a tax loss or lapse in place of which it will not receive any other adequate revenues until the new governmental entities contemplated by this chapter are receiving their normal taxes and performing their normal functions.

c. Payments made under this section shall be payments made for special burdens imposed on the local governmental entities in accordance with the second sentence of section 168 of the Atomic Energy Act of 1954. Payments may be made under this section notwithstanding the provisions of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as amended.

d. With respect to any entity not less than six months prior to the expiration of the ten-year period referred to in subsection a. (or not less than six months prior to June 30, 1979, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District; or not less than six months prior to June 30, 1986, in the case of Anderson County and Roane County, Tennessee[),] *and the Los Alamos School Board; and not less than six months prior to June 30, 1987, in the case of the County of Los Alamos, New Mexico*), the Administrator shall present to the Joint Committee on Atomic Energy recommendations as to the need for any further assistance payments to such entity.

e. In exercising the authority of subsection 91 a. the Administrator shall assure that the governmental or other entities receiving assistance hereunder utilize all reasonable, available means to achieve financial self-sufficiency to the end that assistance payments by the Administrator may be reduced or terminated at the earliest practical time.

Sec. 92. Reductions.—Any payment which becomes due under section 91 prior to the transfer of all municipal installations at the community may be reduced by such amount as the Administrator determines to be equitable based on the municipal services then being performed by the Energy Research and Development Administration, and the municipal services then being performed by such governmental entity.

Sec. 93. Area of Service.—The payments made pursuant to section 91 to transferees of municipal installations are in anticipation that the respective recipients of those payments furnish, or have furnished, for the community, the school, hospital, or other municipal services in respect of which the payments are made. Any such payment may be withheld, in whole or in part, if the Administrator finds that the recipient is not furnishing such services for any part of the area so designated; and in the case of Anderson County and Roane County, Tennessee, shall not extend beyond June 30, 1986.

Sec. 94. Contracts.—The Administrator is authorized, without regard to section 3679 of the Revised Statutes, to enter into a contract with any governmental or other entity to which payments are required or authorized to be made pursuant to section 91, obligating the Administrator to make to such entity the payments directed or authorized to be made by section 91: *Provided, however,* That the term of such contracts, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District, shall not extend beyond June 30, 1979[.] *; and in the case of the Los Alamos School Board shall not extend beyond June 30, 1986; and in the case of the County of Los Alamos, New Mexico, shall not extend beyond June 30, 1987.*

U.S. Energy Research
and Development Administration,
Washington, D.C., October 10, 1975.

Hon. John O. Pastore,
Chairman Joint Committee on Atomic Energy, Congress of the United States.

Dear Senator Pastore: In accordance with the provisions of Section 91. d. of the Atomic Energy Community Act of 1955, as amended, the Energy Research and Development Administration recommends that assistance payments be continued to the Los Alamos School Board after June 30, 1976, and to the County of Los Alamos after June 30, 1977. A report discussing the need for continuation of assistance payments to the Los Alamos community is attached.

In summary, the report shows that during the initial ten-year periods of assistance payments the Federal Government will have contributed substantial sums toward the operations of Los Alamos Schools and the County. Further, during this time both the Schools and the County have utilized all reasonble available means to achieve self-sufficiency. Therefore, it was concluded that self-sufficiency of the Los Alamos Schools and the County is not possible in the foreseeable future without a significant reduction in the educational levels and municipal services. Such reductions would impede the recruitment and retention of personnel essential to the Energy Research and Development Administration program.

The Office of Management and Budget has advised that it has no objection to the Administrator submitting to the Joint Committee on Atomic Energy the recommendation that financial assistance payments to the Los Alamos School Board be continued after June 30, 1976, and to the County of Los Alamos after June 30, 1977.

Sincerely,
Robert C. Seamans, Jr.
Administrator.

Attachment: Staff Report.

Report on the need for continuation of financial assistance to the schools and the County of Los Alamos, New Mexico

The Atomic Energy Community Act of 1955, as amended, requires the Energy Research and Development Administration (ERDA) to make assistance payments at Los Alamos, New Mexico to the Schools through fiscal year 1976 and to the County through fiscal year 1977. In both cases, these dates will mark the end of a ten-year period of payments. The Community Act requires that not less than six months prior to expiration of the periods for which payments are authorized, the Administrator shall present to the Joint Committee on Atomic Energy (JCAE) recommendations as to the need for further assistance payments. This establishes deadlines for the presentation to the JCAE of December 31, 1975 for the Schools and December 31, 1976 for the County.

In view of the fact that the circumstances in respect to the need for assistance payments beyond the ten-year period are similar for both the Schools and the County; that no major changes in those circumstances appear probable in the next two years; that the Community Act allows it; and that it results in economy of time and effort for ERDA, OMB, JCAE, and the Congress, consideration and action in respect to the extension of assistance to both the Schools and the County are being handled together.

Level of community services required of schools and county

The site for Los Alamos was selected and the community was constructed and managed in the early 1940's by the Department of the Army's Manhattan Engineer District solely to support the research to develop and produce atomic weapons. The community was transferred to the newly-created Atomic Energy Commission (TEC) in 1947 and remained a totally Government-owned community until after 1962 when, under the provisions of the amended Community Act, transfer to private ownership and self-government began. At the conclusion of World War II, the Federal Government increased the level of community services, particularly in regard to the quality of the school system, to assist in the recruitment and retention of the highly qualified scientific and technical personnel required for the weapons research and development laboratory. The ensuing long period of Government ownership and management of the community established a level and pattern of community services which were passed on to the Schools and County when they assumed their responsibilities, as provided by the the Community Act. The Community Act confirmed this policy, when, in the declaration of policy and statement of purpose, it indicated that accomplishment of the objectives of establishment of local self-government, the transfer to local entities of municipal functions and installations, and the sale to private purchasers of property within the community with a minimum of dislocation, was to be carried out by providing for the maintenance of conditions which would not impede the recruitment and retention of personnel essential to the atomic energy program. Contracts which ERDA has with the Schools and County require maintenance by the two entities of a level of service adequate to assure these conditions. In evaluating the level of service to be provided by the Schools and the cost for the services, in addition to consideration of other criteria, comparison was to be made with costs of operations of school systems in communities throughout the country which were reasonably similar to Los Alamos in size, geographical location, growth rate, educational standards and aims, and other such characteristics. Under its agreement with ERDA, the County was to provide a level of services generally considered to be that level previously provided by the Commission. While the AEC established and required a level of service to be furnished by the Schools and the County which largely determined the total cost of their respective operations, it was not able to find a means by which the two organizations could support themselves while providing the required level of services without direct financial assistance from the Federal Government.

Financial self-sufficiency of schools and county

The site for Los Alamos was selected because of its relative isolation from population centers and because the area itself, as well as the immediately surrounding area, was virtually unpopulated thereby meeting security and secrecy requirements for the Government's wartime operation. While the security considerations were well served, the economic factors which led to the development and growth of most communities were, and still are, absent. Los Alamos remains a "one-industry," or "company," town with the added economic factor that the one industry is Government-owned and managed and tax exempt. There seems to be little possibility of private economic development reaching a point in growth which will significantly expand the tax base or otherwise provide a basis for financial independence from AEC assistance payments. The Schools and County have generally availed themselves of all sources of revenue and have managed and conducted their operations efficiently. The County has utilized its power and capacity to tax as allowed by the laws of the State of New Mexico. Neither entity has incurred any bonded indebtedness to date, but only because neither has heretofore required any significant capital expansion. The County Council submitted a bond issue to its residents in the November 5, 1974 election. Three projects with a total cost estimated at $1,250,000 were presented and the voters approved two of the projects for a cost of $900,000. The Los Alamos Schools requested county voters to approve a bond issue in excess of $1 million in an election held on February 4, 1975. The voters did not approve it.

The current situation at Los Alamos

ERDA conducts large and important aspects of its research program at Los Alamos, has major investments in plant and equipment, and the various programs being initiated or expanded require continued substantial investments in facilities and equipment. The dynamic nature of ERDA's program at Los Alamos makes successful recruitment and retention of highly qualified scientific and technical personnel a factor of significant importance to the success of the programs there. Therefore, the maintenance of an adequate level of community services, particularly in respect to a quality public school program, continues to be an important requirement.

The Los Alamos Schools and Los Alamos County cannot be financially self-sufficient through any means presently within their control and still maintain the level of services required by the Community Act. These circumstances will continue beyond the expiration of ERDA's present authority to make payments in each case.

A review of the reationship to their total budgets of the assistance payments made to the Schools and to the County under the Community Act indicates a consistent need by both for financial assistance. The attached tables reflect this information and provide an idea as to the magnitude of the payments being made.

Provisions of the Community Act

In 1967 the Community Act was amended to authorize, but not require, the AEC to continue to make assistance payments to the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District after expiration of the ten-year period originally authorized by the Community Act. That initial ten-year period for the three entities expired in 1969. The authority provided by the 1967 amendment to the Community Act was without any time limit or expiration date. A requirement was established that the AEC present to the Joint Committee on Atomic Energy not less than six months prior to June 30, 1979 its recommendations as to the need for any further assistance payments to these two communities. The amendment also authorized the AEC to enter into contracts with the three entities without regard to Section 3679 of the Revised Statutes for a period not to extend beyond June 30, 1979. Section 3679 prohibits the contracting for the future payment of money beyond that specifically appropriated for the fiscal year. Section 118 a. was amended in 1967 to require that thereafter any appropriation for further assistance payments must first be authorized by Congress. In the absence of specific additional legislation by June 30, 1979, assistance payments could be continued on an annual basis and in accordance with the normal budget cycle after that date.

The 1967 amendment to the Community Act added a new Section 91. e. which stated, "In exercising the authority of subsection 91 a. the Commission shall assure itself that the governmental or other entities receiving assistance hereunder utilize all reasonable, available means to achieve financial self-sufficiency to the end that assistance payments by the Commission may be reduced or terminated at the earliest practical time."

The 1967 amendment also substituted a complete new Section 91. d. This new section removed the requirement for the AEC, if it recommended further assistance payments after expiration of the ten-year periods, to propose a definite schedule for such payments which would provide for an orderly and reasonably prompt withdrawal of the AEC from participation in and contribution toward local government. This change recognized the fact that in the case of the City of Oak Ridge, a definite time for terminating assistance payments could not be established and in the case of the City of Richland and the Richland School District, it might at some time be necessary to again provide assistance on a one-time or occasional basis.

Recommendation

It is recommended that assistance payments to the Los Alamos Schools and Los Alamos County be continued under the Community Act.

DISCUSSION

The tax base for the Los Alamos Community

The need for continued financial assistance to the community of Los Alamos is attributable, at least in part, to the relatively low tax base which is best understood from a review of the community's history. The reason for selection and the characteristics of the site of the community, the long period it was under direct Federal ownership and control, and its continuous role as a "company," or "one-industry," town are among the principal factors resulting in the continuing need for financial help from the Federal Government.

The site was selected as a location for a classified wartime effort to develop the atomic bomb. This involved work with nuclear materials and chemical explosives. Los Alamos was considered an excellent location for such an effort because of its relative remoteness from population centers and because the site itself and the surrounding area were virtually unpopulated. These two characteristics would provide the means for achieving secrecy and providing security for the operations. The long, narrow mesas extending out from the Jemez Mountain Range and separated by deep, narrow canyons were also well suited to the safety of the varied and necessarily widespread operations involving substantial quantities of chemical high explosives and nuclear materials. These characteristics, which have always provided a high degree of security and safety for the Laboratory operations, are still of great importance today since they permit the safe and secure conduct of many varied operations on site with maximum economy despite increasing national concerns for safety and adequate nuclear safeguards. They will undoubtedly be considered as important positive factors for the assignment of many types of programs to Los Alamos in the future.

These factors of remoteness from population centers, an unpopulated surrounding area and somewhat unique geographic features, while of real value to many of the Government operations at Los Alamos, tend to restrict normal economic growth and diversification within the community with the result that the community is in reality a "company" town almost wholly dependent for its existence on the Government operations. There are no other compelling reasons even today for the existence of a community at the location. From its beginning in the early 1940's until the mid-1960's, the community was under Government ownership and control. During this period, no efforts were made to provide any other basis for community existence beyond support of Government operations at the location. Commercial facilities have generally been limited to those serving the community since there are no populated trade, agricultural, or industrial areas in the immediately surrounding area to be served by, or to support such commercial facilities at Los Alamos. There has been no significant private industrial development at Los Alamos to date, and there appears to be no reason to expect any in the future. It is a community with current population estimated by County officials to be 16,500. Northern New Mexico is sparsely populated and, with the possible exception of Albuquerque, does not have a sizeable labor force of skilled craftsmen or technicians. Most workers employed on construction jobs of any significant size come from locations other than Los Alamos and for the most part commute to and from Los Alamos each workday. Many of the people regularly employed in Los Alamos do not reside there. In early 1974, of the 4,526 full-time Laboratory employees, 1,163 lived outside of the County. Of 348 AEC employees, 153 lived elsewhere. Of 922 employees of the maintenance and support contractor, Zia Company, 615 lived outside of Los Alamos. There is no public transportation to or from Los Alamos, except that provided by the Government contract airline to and from Albuquerque. Most construction industry contracts with construction craft unions provide for higher pay at Los Alamos than at Santa Fe, Albuquerque, or other New Mexico cities in the vicinity, on the basis of transportation requirements from hiring halls located in Albuquerque. All of these factors have undoubtedly resulted in the lack of private industrial development at Los Alamos. As long as they continue to exist and in the absence of some other compelling reason for locating a particular industry at Los Alamos, there is little possibility of any significant, private industrial development there in the future. There are just too many other more attractive industrial locations in the State with which the Los Alamos location cannot compete.

The lack of commercial and industrial development to date and the probability that there may be no significant additional development in the future indicates that there is little likelihood that there will be any broadening of the tax base in Los Alamos from these sources. While construction of new residential housing at Los Alamos adds to the tax base, any substantial increase in construction of residential houses and apartments is dependent on an influx of additional employees. There is also a question as to whether or not a new resident contributes sufficiently to the tax base of the community to pay for the services he receives from the County and Schools. An analysis of the impact resulting from new employment was made in the First Report of the Economic Development Council Submitted to Los Alamos County Board of Commissioners, January 8, 1968. This report considered the impact of 100 new employees on the community. It examined the new employees on the assumption that they would be employed by private industry and considered the increased tax base created by the new industry required to employ them, the increased commercial facilities required to serve them, the new housing required to provide for their families, and the increased retail sales resulting from their residence in the community. The 1968 report concluded, "It is clear from this analysis that the attraction of new employees will not reduce the county's need for AEC support, but will actually increase it if the present level of services is maintained."

It appears that there is at this time nothing apparent in the near future in the way of a development which would substantially increase the tax base of the Los Alamos community.

Limitations on tax revenues

The New Mexico State Constitution establishes a taxation limit on property of 20 mills and a property value for tax purposes of 33⅓% of appraised value. Interest and principal payments for general obligation bonds can be raised by an increased mill levy, but such bonds are limited to use for capital expenditures. The tax levy on property in Los Alamos in 1974 was set at 22.106 mills, a $22.11 tax on a $1,000 assessment. 2.106 mills was for a statewide bond issue, 7.725 mills was kept by the County, the Schools at Los Alamos received 9.281 mills, and the remainder went to the State. The County is currently collecting at its highest rate, and there is no way it can increase its revenue from property taxes except through issuance of general obligation bonds which would allow it to increase the mill levy to make interest and principal payments. The schools are in the same position as the County in respect to their ability to increase their revenue from property tax sources.

The County also collects franchise taxes through agreement with the public utility companies. The current rate is 2% of gross sales and the amount collected does not vary very much from year to year. Gross receipts taxes are collected by the State on the sales receipts of businesses in Los Alamos County. Recent legislation enacted by the State of New Mexico authorized a County such as Los Alamos to establish by ordinance an additional ¼% gross receipts tax, all of which would go to the County. The current rate is 4% and one-fourth of this is returned to the County. The percentage of return to the County is set by State statute and the County has no control over the amount generated.

It is apparent that the County and the Schools have little or no control over the amount of tax revenue they receive. The County has been diligent in its collection of taxes in the opinion of the ERDA.

Revenue from bonds

The Schools and County have not had any pressing need to issue general obligation bonds until very recently. The AEC turned over relatively modern, well maintained physical facilities to them and no major new facilities have been required. The County submitted three projects for bonding to the voters in the recent November 5, 1974 general election. The projects were an indoor swimming pool for an estimated cost of $350,000, a new police and jail building at $650,000, and renovation and improvement of The Lodge at $250,000. The latter two projects were approved. The Schools submitted a bond issue in excess of $1 million for approval in an election on February 4, 1975. The proceeds of the school bond issue were proposed to cover a number of capital improvements and additions to existing school facilities. The school bond issue was not approved. County voters did subsequently approve an increase in the property tax levy to provide an increase in funds available to the Schools for specified purposes as authorized by recent State legislation.

Both of the bond issues were for general obligation bonds and the tax levels may be raised beyond the 20 mill limit to meet the interest and principal payments. Neither the Schools nor the County would reach their limit for general obligation bonds with these two issues. There is no limit on the amount of general obligation bonds that can be issued for water and sewer purposes. The County can also issue revenue bonds without any limit, but unlike general obligation bonds, the property tax mill levy cannot be raised to make principal and interest payments. Therefore, revenue bonds would normally be issued for projects which yield revenue from which principal and interest payments would be made. None have been issued to date at Los Alamos.

The ERDA has encouraged both the Schools and County to use their bonding capacity for all capital projects and to come to the ERDA for assistance only when their capacity is utilized fully. ERDA is not supporting any capital projects for the Schools or County in FY 1976 budget.

Other sources of revenue for the Schools and County

The County provides services to the community which are also a source, or potential source, of revenue. The County owns and operates the electrical and natural gas distribution facilities which serve all parts of the County except the White Rock area. This latter area is served by the public utility companies under franchise from the County. The 1970 census indicated a population of 3,861 for White Rock as compared to a population of 11,310 for Los Alamos and a rural population of 27. This provides an indication of the market served by the county utilities whose rates are generally the same as those charged by the public utility companies. The County also owns and operates the water distribution system for the entire community including the White Rock area. However, while the operations of the electrical and natural gas utilities produce a profit and, therefore, are a source of revenue, the water system requires a subsidy by ERDA to make it a "break even" operation for the County. The County by agreement with ERDA was required to sell water to the consumer in the community at a rate not to exceed 36¢ per 1,000 gallons. In FY 1975 this has required that $350,000 out of a total assistance payment of $1,700,000 be designated to make up the loss in the county water distribution system. The written agreement between the County and ERDA contains the 36¢ per 1,000 gallon water rate, which was requested by the AEC when the agreement was negotiated, and any change in the agreement before its expiration on June 30, 1977 requires mutual agreement by both ERDA and the County. ERDA has asked the County to modify the agreement to remove the 36¢ rate requirement so the water rate can be raised to a rate comparable with that charged by other nearby communities in New Mexico thereby reducing or eliminating ERDA subsidy. The County has not yet agreed to the proposed modification to the agreement. They have been advised that, in any event, water rates to the consumer not comparable to those charged in nearby communities will not be subsidized after expiration of the current agreement on June 30, 1977. This should reduce the assistance payments by the amount of the subsidy after that date.

Profits from the natural gas and electrical utilities go into the operating fund and constitute revenue to the County. Some of the profits have been used to offset operating losses in the County-owned sewer systems; however, the County early this fiscal year increased its sewer service charges which will result in more of the gas and electrical revenues going into the operating fund. The profits from the electrical and gas utilities are not subject to any great degree of control by the County since ERDA establishes the commodity costs to the County and rates to consumers are established by comparison to rates charged by the public utilities in the area. Recent increases in these rates are increasing revenues to the County and will result in a lowering in the amount of assistance payments, but not to the extent of providing any possibility of their elimination even with action to eliminate the water subsidy and a further increase in sewer service charges.

The allocation of funds from the State of New Mexico to the Schools is determined by a legislatively established formula and the total State funds appropriated for the New Mexico school system. The Los Alamos Schools have no control over the amount they receive from the State. They are contesting in Federal Court the legality of the allocation formula recently established by the State legislature because the formula is applied to Los Alamos in a unique manner which allows the State to reduce its payment. This results in the State's contribution to Los Alamos being less than it would be if Los Alamos were treated in the same manner as all other school districts in the State. If the Schools at Los Alamos win their case, their revenue from the State will be increased, but not to the extent that their need for assistance payments will be substantially reduced. In addition to their efforts in trying to increase their revenue from the State in this fashion, the Schools have in the last several years consolidated their elementary school students in fewer schools with the result that they have been able to lease two elementary school buildings to Government contractors at Los Alamos for a combined rental of approximately $200,000 a year. They have virtually no other means available to them which will increase their revenues.

Both the Schools and the County generally seek out all available sources of Federal funding available to them in addition to ERDA assistance payments. While there are some limited possibilities for increases in revenue available to the County, there are virtually none for the Schools. The possibilities in the case of the County are so limited that they would in no way allow the elimination of assistance payments at any time in the near future.

Level of community services

From a review of the revenue sources available to the Schools and the County, as well as a review of their requirements to date for assistance payments, it is apparent that neither the County nor the Schools could, through their own efforts, increase their revenues to the point of complete self-sufficiency and still provide their current level of services. That level of services in both cases was established by the Federal Government. During World War II the Los Alamos community was established and maintained by the Department of the Army's Manhattan Engineer District solely to support the research to develop and produce atomic weapons for use in that war. At the conclusion of the war, the Atomic Energy Act of 1946 transferred the atomic weapon program to the civilian control of the AEC, and it was apparent that there would be a major ongoing nuclear weapons program. At Los Alamos it became evident that in the post-war, civilian situation, efforts would have to be made in many ways to retain many of the outstanding scientists who had been in the program and to obtain many outstandingly qualified new people. It was at this time that the policy of establishing and maintaining a level of community service which would make this possible was initiated. During the time that the property and facilities, including residences were owned by the Government and municipal affairs were managed by the Government, many basic community characteristics and services were established. Particular emphasis was placed on efforts to maintain a high quality school system since this was considered essential to attract and retain the scientific and technical personnel required for the Government's research and development program at Los Alamos. The AEC sought and received Congressional appropriations adequate to operate a quality school system and to provide reasonable community services. The Atomic Energy Community Act of 1955, as amended, carried on the policy by providing for the maintenance in the community of conditions which would not impede the recruitment and retention of personnel essential to the atomic energy program.

Until it transferred all appropriate facilities to the Schools and County on July 1, 1966 and July 1, 1967, respectively, the AEC continued to maintain a relatively consistent level of service. At Los Alamos most of the physical facilities transferred were modern and in first-class condition. Even the utility systems facilities transferred to the County were refurbished prior to the turnover. As a result, the County presented its first bond issue to the voters in the November 5, 1974 general election and the Schools presented their first bond issue for a vote on February 4, 1975. The agreement between the Schools and the AEC required the Schools to provide an educational program at a level which would not impede the recruitment and retention of personnel essential to the atomic energy program and the agreement between the County and the AEC required the County to provide a level of service comparable to that which had been provided by the AEC. In the opinion of the ERDA, both entities have fully complied with the requirements imposed on them in their agreements with the AEC. It is as important at this time as it has ever been that the requirement be met and that it continue to be met. The Laboratory is conducting vital research and development programs at Los Alamos not only in the nuclear weapons field, but also in other nuclear related fields, as well as nonnuclear energy areas. New, expanded and changing programs at the Laboratory require recruitment of scientific personnel on a continuing basis. Continued recruitment is also required to replace personnel who for one reason or another are leaving their programs, and retention of personnel in many of the programs is of great importance to the successful conduct of those programs. In short, the need to maintain community services at a level which will not impede recruitment and retention of personnel essential to the atomic energy program has not diminished in respect to Los Alamos since the Community Act was originally passed by Congress in 1955. A new dimension is being added to the need contemplated by the Community Act originally in that vital work on nonnuclear energy programs is being added to the Laboratory's responsibilities. Recruiting the qualified personnel to carry out these added tasks is also important to their successful completion.

SUMMARY

The ERDA staff believes that there is a continuing need to provide the same general level of community services at Los Alamos as has been provided in the past. This is necessary to insure the maintenance of conditions at Los Alamos which will not impede the recruitment and retention of personnel essential to the ERDA's programs there. The staff also finds that the Schools and County at Los Alamos cannot provide this level of service without continued financial assistance from the ERDA.

ASSISTANCE PAYMENTS TO LOS ALAMOS SCHOOLS FOR FISCAL YEARS 1967 THROUGH 1976

Fiscal year	Enrollment	Cost per pupil [1]	Total operating budget	Public Law 81–874 assistance	AEC assistance	Total AEC/Public Law 81–874 assistance	Percent total budget	General county operations	Utilities	Total	ERDA assistance			Percent general county operations
											General county	Water	Total	
1967	5,037	$721	$3,635,349	0	$1,621,200	$1,621,200	44.59							
1968	5,103	770	3,930,476	0	1,835,900	1,835,900	46.70	$1,748,023	$1,411,732	$3,159,755	$978,000	$56,000	$1,034,000	59.15
1969	5,178	834	4,321,000	0	1,925,000	1,925,000	44.55	1,853,430	1,446,171	3,299,601	1,176,000	60,000	1,236,000	66.68
1970	5,206	891	4,639,500	0	2,122,000	2,122,000	45.73	2,372,803	1,532,700	3,905,503	991,000	80,000	1,071,000	45.13
1971	5,185	980	5,078,900	$811,911	1,592,667	2,404,578	47.34	2,461,361	1,670,803	4,132,164	735,000	65,000	800,000	32.50
1972	5,135	1,061	5,489,409	624,894	2,089,000	2,713,894	49.43	2,613,612	1,831,669	4,445,281	970,000	191,000	1,161,000	44.42
1973	5,053	1,147	5,923,190	638,933	2,440,000	3,078,933	51.98	2,602,140	1,869,322	4,471,462	1,013,000	187,000	1,200,000	46.11
1974	4,977	1,212	6,176,000	617,542	2,424,000	3,041,542	49.24	3,070,672	2,023,922	5,094,594	1,343,000	267,000	1,610,000	52.43
1975 (estimated)	4,928	1,308	6,487,900	600,000	2,450,000	3,050,000	47.01	3,539,000	2,210,000	5,749,000	1,350,000	350,000	1,700,000	48.03
1976 (estimated)	4,827	1,468	7,205,000	600,000	2,952,000	3,552,000	49.30	4,548,000	2,480,000	7,028,000	1,227,000	385,000	1,612,000	35.44
Total	NA	NA	52,886,724	3,893,280	21,451,767	25,345,047	47.92	24,809,041	16,476,319	41,285,360	9,783,000	1,641,000	11,424,000	46.04

[1] Average daily attendance basis.

Note: Fiscal years 1968 through 1974 at actual and fiscal years 1975 and 1976 are based on the county request.

By Mr. TOWER (for himself and Mr. MAGNUSON):

S. 1458. A bill to amend the Railroad Retirement Act of 1974 to include employment with the National Transportation Safety Board among the types of employment in which an individual may engage while retraining a current connection with the railroad industry; to the Committee on Human Resources.

Mr. TOWER. Mr. President, I am introducing today, for myself and my distinguished colleague from Washington, Mr. MAGNUSON, legislation of a remedial nature necessitated by an oversight in enactment of the National Transportation Safety Act of 1974.

At that time, the National Transportation Safety Board was made an independent agency, and in conjunction with the Railroad Retirement Act of 1974, employees of the NTSB with previous service in the railroad industry, were deprived of a "current connection" status with the railroad retirement system.

It is the opinion of those who have had the opportunity to analyze this bill in draft form that the deprivation was unintentional; at no time when the NTSB was part of the Department of Transportation was any question raised as to the status of its employees with former railroad experience. For this reason, I would hope the Senate can act quickly to correct the situation confronting individuals facing the dilemma of losing their current connection status.

Mr. President, this is legislation of a minor nature, comparatively speaking. Only about 20 or 30 individuals in the United States are affected. However, I know from the letters I have received from a few of these people that the problem is not a minor one for them personally.

These individuals worked many long years to earn their railroad retirement. They chose to continue in Government service bringing the benefit of their experience to the public policy arena. The least we owe these citizens is the equitable treatment provided in this bill.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1(o) of the Railroad Retirement Act of 1974 is amended by inserting "the National Transportation Safety Board," immediately after "the National Mediation Board,".

SEC. 2. The amendment made by this Act shall be applicable with respect to employment on and after April 1, 1975.

ADDITIONAL COSPONSORS

S. 311

At the request of Mr. ROTH, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 311, the College Tuition Tax Relief Act of 1977.

S. 664

At the request of Mr. DURKIN, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 664, the Young Families' Housing Act.

S. 682

At the request of Mr. MAGNUSON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 682, the Tanker Safety Act of 1977.

S. 725

At the request of Mr. RANDOLPH, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 725, to extend certain programs under the Education of the Handicapped Act.

S. 780

At the request of Mr. CLARK, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 780, a bill to amend title II of the Social Security Act to establish a new consumer price index for older Americans for calculating automatic cost-of-living increases, to provide for semiannual cost-of-living increases, and to modify the social security retirement test.

S. 784

At the request of Mr. SCHWEIKER, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 784, to provide for unbiased consideration of applicants to medical schools.

S. 805

At the request of Mr. MCINTYRE, the Senator from Montana (Mr. MELCHER) and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 805, the Solar and Energy Conservation Commercialization Act.

S. 806

At the request of Mr. MCINTYRE, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 806, the Renewable Energy and Energy Conservation Tax Act of 1977.

S. 807

At the request of Mr. MCINTYRE, the Senator from Montana (Mr. MELCHER) and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 807, the Small Business Energy Research Incentives Act.

S. 820

At the request of Mr. HUMPHREY, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 820, a bill authorizing the Secretary of Agriculture to establish a demonstration program for the application of existing energy conserving and renewable energy technology to farms and agricultural communities.

S. 821

At the request of Mr. HUMPHREY, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 821, a bill to authorize the inclusion of solar energy research, development, and demonstration programs in certain agricultural programs.

S. 972

At the request of Mr. Nelson, the Senator from California (Mr. Hayakawa) was added as a cosponsor of S. 1021, a to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic international market development.

S. 1021

At the request of Mr. Bayh, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of S. 1021, a bill to extend the Juvenile Justice and Delinquency Prevention Act of 1975 for 5 years.

S. 1046

At the request of Mr. Schweiker, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 1046, a bill to amend the Federal Food, Drug and Cosmetic Act to authorize an evaluation of the risks and benefits of certain food additives and to permit the marketing of saccharin until such an evaluation can be made of it.

S. 1242

At the request of Mr. Nelson, the Senator from Maine (Mr. Hathaway), the Senator from Michigan (Mr. Riegle), the Senator from Rhode Island (Mr. Chafee), the Senator from Ohio (Mr. Metzenbaum), and the Senator from New Mexico (Mr. Domenici) were added as cosponsors of S. 1242, the Comprehensive Youth Employment and Training Act of 1977.

S. 1280

At the request of Mr. Clark, the Senator from South Dakota (Mr. Abourezk), the Senators from Minnesota (Mr. Anderson and Mr. Humphrey), the Senator from New Mexico, Mr. Domenici), the Senator from Hawaii (Mr. Inouye), and the Senator from Montana (Mr. Melcher) were added as cosponsors of S. 1280, to provide for the maintenance or enhancement of the quality of water in rural areas.

S. 1284

At the request of Mr. Humphrey, the Senator from Montana (Mr. Melcher) was added as a cosponsor of S. 1284, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit for the purchase and installation of certain energy conserving devices in a taxpayer's principal residence and in other buildings.

S. 1328

At the request of Mr. Hathaway, the Senator from Colorado (Mr. Hart) was added as a cosponsor of S. 1328, the Career Education Implementation Incentive Act of 1977.

S. 1362

At the request of Mr. Robert C. Byrd, the Senator from Tennessee (Mr. Sasser) was added as a cosponsor of S. 1362, to amend the Small Business Act to provide certain disaster relief.

S. 1392

At the request of Mr. Ribicoff, the Senator from Vermont (Mr. Stafford) was added as a cosponsor of S. 1392, to strengthen and improve the early and periodic screening, diagnosis, and treatment program.

SENATE JOINT RESOLUTION 48

At the request of Mr. Church, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of Senate Joint Resolution 48, calling for a White House Conference on Aging in 1981.

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. Eagleton, the Senator from Maryland (Mr. Sarbanes), the Senator from Arizona (Mr. DeConcini), and the Senator from Hawaii (Mr. Matsunaga) was added as cosponsors of Senate Concurrent Resolution 18, relating to the issuance of a commemorative stamp in honor of Saint Elizabeth Ann Seton.

AMENDMENT NO. 183

At the request of Mr. Culver, the Senator from Ohio (Mr. Metzenbaum) and the Senator from Minnesota (Mr. Anderson) were added as cosponsors of amendment No. 183, intended to be proposed to S. 275, the Food and Agriculture Act of 1977.

AMENDMENT NO. 207

At the request of Mr. Proxmire, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of amendment No. 207, intended to be proposed to Senate Concurrent Resolution 19, the first budget resolution.

AMENDMENT NO. 227

At the request of Mr. Hatch, the Senator from Oklahoma (Mr. Bellmon) was added as a cosponsor of amendment No. 227, intended to be proposed to S. 855, the National Science Foundation Authorization Act for 1978 and 1979.

SENATE RESOLUTION 164—ORIGINAL RESOLUTION REPORTED AUTHORIZING COMMITTEE EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution:

S. Res. 164

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs, or any subcommittee thereof, is authorized from July 1, 1977 through February 28, 1978 in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis, the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee, or any subcommittee thereof, under this resolution shall not exceed $635,000.

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

SMALL BUSINESS ADMINISTRATION ACT AMENDMENTS—S. 1305

AMENDMENT NO. 253

(Ordered to be printed and referred to the Select Committee on Small Business.)

Mr. HUDDLESTON. Mr. President, it is one of the most longstanding and proudest traditions of our Government to readily respond to the needs of those who fall victim to disaster. This past year, with the severe winter in the East, the crippling droughts in the West and, most recently, the devastating floods in Appalachia, we again have attempted to help. But, in spite of the best intentions of the Congress which wrote the disaster relief laws, and the agencies which administer them, our efforts are falling woefully short.

In my own State of Kentucky, nearly 10,000 families saw their homes destroyed or damaged by the April floods. Help is reaching them. But it is painfully little in relation to their losses, and it is frustratingly slow and entangled in redtape.

The Small Business Committee has before it several proposals to improve the effectiveness of one disaster relief program—that of the Small Business Administration—and I commend their efforts to report a bill to the Senate as quickly as possible in order to benefit our Nation's most recent disaster victims. The SBA disaster loan program offers vital relief, particularly for restoration or replacement of housing and personal property. But, it is being substantially undermined by steady increases in the interest rate charged for SBA disaster loans. For this program to be truly effective, it is essential that the interest rates and the terms of the loan remain low enough for relief to be accessible to those who need it most. Consequently, I strongly urge the committee to endorse the proposal by the distinguished Senators from West Virginia, Mr. Randolph and Mr. Robert C. Byrd, to lower the interest rate and provide appropriate loan forgiveness and grant assistance.

I request, too, the committee's approval of the amendment which I am introducing today to permit the SBA to increase the principal amount of any disaster loan by such amount as the administration determines to be reasonable in order to finance the installation of insulation in property which suffered damage of 30 percent or more of the market value at the time of the disaster. The potential energy savings from improving the efficiency of homes and other buildings through the installation of insulation, weatherstripping of doors and windows, caulking of cracks and installation of storm windows is enormous. We have in these homes and businesses which must be rebuilt an opportunity to make a small but significant dent in the insulating job which faces the country.

However, there is some question under existing law whether the SBA loan money could be used for such a purpose since in the cases of property which was not properly insulated before the disaster, insulation could be considered an "improvement" on the predisaster condition of the property. My amendment is simply designed to assure that SBA loan money could be used for insulation, to the extent that such insulation would be primarily for the purpose of energy conservation.

EXPORT ADMINISTRATION ACT—S. 69

AMENDMENT NO. 254

(Ordered to be printed and to lie on the table.)

Mr. HEINZ. Mr. President, on behalf of myself and the distinguished Senator from Illinois (Mr. Stevenson), I submit an amendment which we intend to propose to the S. 69, a bill to amend and extend the Export Administration Act of 1969, and I ask unanimous consent that the text of the amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 254

On page 60, strike lines 4 through 10 and insert in lieu thereof the following:

"(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country, or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;".

On page 60, strike lines 20 through 25 and insert in lieu thereof the following:

"(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such rules and regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade-named, or similarly specifically identifiable products or components of products for his own use, including the performance of contractual services within that country, as may be defined by such rules and regulations."

On page 61, strike lines 22 through 25 and insert in lieu thereof the following:

"(6) This Act shall apply to any transaction or activity undertaken, by or through a United States or other person, with intent to evade the provisions of this Act as implemented by the rules and regulations issued pursuant to this subsection, and such rules and regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.".

On page 60, line 3, immediately before the semicolon, insert the following: "other than with respect to carriers or route of shipment as may be permitted by such rules and regulations in order to comply with precautionary requirements protecting against war risks and confiscation".

On page 60, line 19 immediately before the semicolon, insert the following: "with respect to such individual or any member of such individual's family.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

Mr. CHILES. The Government Affairs Subcommittee on Federal Spending Practices and Open Government will continue its hearings on the investigation of the Small Business Administration's spending practices in relation to the 8(a) minority set-aside program.

The hearings will be held in room 1318, Dirksen Senate Office Building, beginning at 9 a.m., on Thursday, May 12.

Anyone wishing to submit written testimony should contact Bob Harris or Peter Roman of the subcommittee staff, 224–0211.

SUBCOMMITTEE ON PUBLIC LANDS AND RESOURCES

Mr. METCALF. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of a hearing before the Subcommittee on Public Lands and Resources of the Committee on Energy and Natural Resources on S. 1338, a bill to reform the system of issuing and administering permits for ski area and other commercial outdoor recreation facilities and services on national forest lands.

The hearing is scheduled for May 26, 1977, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building. Anyone who wishes to testify or who desires additional information concerning the hearing should phone Mr. Steven P. Quarles, counsel to the subcommittee, at 224–9894.

WILD FREE-ROAMING HORSES

Mr. METCALF. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of an oversight hearing before the Subcommittee on Public Lands and Resources of the Committee on Energy and Natural Resources. The subject of the hearing is the implementation of the Wild Free-Roaming Horses and Burros Act and the feral burro management programs for certain units of the National Park System.

The hearing is scheduled for May 23, 1977, beginning at 9 a.m. in room 3110 of the Dirksen Senate Office Building. Anyone who wishes to testify or who desires additional information concerning the hearings should phone Mr. Steven P. Quarles, counsel to the subcommittee, at 224–9394.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. METCALF. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Public Lands and Resources Subcommittee of the Committee on Energy and Natural Resources.

The hearing is scheduled for May 6, 1977, beginning at 10 a.m. in room 3110, Dirksen Senate Office Building. Testimony is invited regarding S. 1358, a bill to authorize appropriations for continuation of construction of distribution systems and drains on the San Luis unit, central valley project, California, to mandate the extension and review of the project by the Secretary, and for other purposes, and its House-passed companion measure, H.R. 4390.

For further information regarding the hearings you may wish to contact Russell R. Brown, of the subcommittee staff on extension 202/224–1076. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Public Lands and Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

CHANGE IN TIME OF ACCOUNTING HEARINGS

Mr. METCALF. Mr. President, the hearings by the Subcommittee on Reports, Accounting and Management on accounting matters, on Tuesday, May 10, and Thursday, May 12, will begin at 8:30 a.m., rather than 10 a.m. as previously announced.

The change is necessary because the full Committee on Government Affairs will be marking up legislation beginning at 10 a.m. both days.

I ask unanimous consent that the witness list for the 8:30 a.m. May 10 and May 12 hearings, and the 10 a.m. May 18, hearings be printed at this point in the Record.

All three hearings will be held in 6202 Dirksen Building, as previously announced.

There being no objection, the list was ordered to be printed in the Record, as follows:

Subcommittee on Reports, Accounting and Management, Senate Committee on Governmental Affairs

HEARINGS ON ACCOUNTING AND AUDITING PRACTICES AND PROCEDURES, 6202 DIRKSEN SENATE OFFICE BUILDING

Witness list

Tuesday, May 10, 1977—8:30 a.m.

John C. Biegler, Managing Partner, Price Waterhouse & Co.

Panel

Robert Half, Robert Half Personnel Agencies, Inc., New York, N.Y.

Theodore Barry, Theodore Barry & Associates, Los Angeles, Calif.

Panel

William R. Mette, Jr., Executive Partner, Alexander Grant & Co., Chicago, Ill.

Harry Erwin, CPA, Russell Brown & Co., Little Rock, Ark.

Irving Kellogg, CPA, Kellogg & Andelson, Los Angeles, Calif.

Norman H. Stavisky, CPA, Stavisky, Shapiro & Whyte, Boston, Mass.

Thursday, May 12, 1977—8:30 a.m.

Walter E. Hanson, Senior Partner, Peat, Marwick, Mitchell & Co.

Rudolph J. Passero, Vice Chairman, National Affairs Committee, National Society of Public Accountants.

Panel

Charles T. Horngren, President, American Accounting Association.

T. R. Lilley, President, Financial Analysts Federation.

Charles C. Hornbostel, President, Financial Executives Institute.

William M. Young, Jr., Executive Director, National Association of Accountants.

Wednesday, May 18, 1977—10 a.m.

Harvey Kapnick, Managing Partner, Arthur Andersen & Co.

Eli Mason, CPA, Mason & Co., New York, N.Y.

William S. Kanaga, Managing Partner, Arthur Young & Co.

Norman Auerbach, Managing Partner, Coopers & Lybrand.

SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

Mr. HATHAWAY. Mr. President, earlier this session, I introduced S. 1107, the

Occupational Alcoholism Prevention and Treatment Act of 1977. I will not go into detail explaining this proposal at this time, but will simply refer my colleagues to my statement in the RECORD of March 23.

The Subcommittee on Alcoholism and Drug Abuse, which I chair, will be continuing their study of this issue at hearings to be held on Wednesday and Thursday, May 18 and 19. The hearings will begin at 9:30 on both days, and will be held in room 4232 on the 18th and in room 1202 on the 19th.

Anyone wishing to testify before the subcommittee or to submit a statement for the record should contact Dr. Hal Hunter at 224-8386.

ADDITIONAL STATEMENTS

NORTH CAROLINA STATE BOARD OF ELECTIONS OPPOSES UNIVERSAL REGISTRATION PLAN

Mr. HELMS. Mr. President, hearings are currently being held on S. 1072, the so-called Universal Registration Act, a bill which is supposed to increase voter participation in our Federal elections. The State of North Carolina has an admirable record in promoting voter registration. It has innovated many methods of making registration more convenient and more practical—as well as less susceptible to fraud and misunderstanding.

I have at hand an analysis of universal registration from Mr. Alex K. Brock, the executive secretary-director of the State board of elections. Mr. Brock is an able public servant, and he has had much practical experience in dealing with the real life problems of developing an effective registration system.

Mr. Brock's analysis points out many of the practical problems—the problem of an unregistered voter knowing where he should go to vote; the need to know beforehand how many election officials, supplies, and machines will be needed in each precinct; delays and frustration caused by voters appearing in the wrong precinct; the ease with which drivers licenses or ID cards can be counterfeited; the penalties which a Federal act would place on a State with an existing effective registration system; and so on.

I recommend a careful reading of Mr. Brock's analysis to all of my colleagues, for it is full of wisdom and experience.

Mr. President, I ask unanimous consent that the analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

UNIVERSAL REGISTRATION: AN ANALYSIS

(By Alex K. Brock)

The Congress has been presented a proposal (H.R. 5400, S. 1072) titled the "Universal Registration Act." It is promoted as the appropriate cure for 'voter apathy'.

Certainly, the least that can be said for a proposal that would permit individuals to simply appear at the voting place on election day, register on the spot and then proceed to vote, is that such a proposition is a concentrated study in enviable idealism. It assumes that those people who do not vote are those people who have not registered. Therein lies the fallacy in the suggestion that "universal registration" will lead our country to a greater percentage of participation in our electoral processes. The clear incontrovertible fact is our problem is not with unregistered persons but, rather with individuals who are registered and totally qualified to vote but who simply do not go to the polls. This legislation does not speak to this problem—in fact we submit the overall effect of "universal registration" would aggravate rather than alleviate participation at the polls on election day.

In North Carolina, since inception and implementation of our "full-time" registration procedures we have repeatedly cautioned that the only sure way to eventually reach our potential in voter participation would be the attainment of consistent participation in voting of 85%-90% of those on our registration rolls. Then, and only then, we can develop new, bold and imaginative methods of adding new voters to our registration books. As is so often the case, there are those who, in their well-intentioned attempts to force a result, simply and consistently put the cart before the horse—not a very reliable arrangement for moving ahead.

Without emotion or philosophical factors let us examine a few administrative problems brought into focus by the mechanics of universal registration:

(1) There are many precincts in North Carolina, in almost every county, in which there are numerous "electoral districts"—that is, where certain voters in a given precinct are eligible to vote in certain specific district contests while other voters in the same precinct are not so entitled. The only means of establishing the eligibility is by a careful analysis of the boundaries of each district contained within the overall boundary of the precinct. This is presently established by determination at the county board of elections office. Uniform registration procedures require each county board to clearly mark each voter's record showing those districts and political subdivisions in which each voter is eligible to vote. The voter is then given those ballots on election day which are indicated as authorized by the record on his individual voter's registration certificate. Precinct officials simply would not be capable of making such judgments and it would be unfair to expect these "twice a year" officials to do so.

(2) The average citizen, especially in a metropolitan area such as Asheville, Charlotte, Durham, Fayetteville, Greensboro, Raleigh, Winston-Salem and others, has little or no knowledge of the location of his proper voting place. One of the greatest assets of prior registration is to provide precinct assignment to each voter who is notified by mail by his local board of elections so that no legitimate confusion as to the location of his voting place faces any voter.

(3) It is on the basis of the total registration in each voting place that the county boards of elections prepare for election day by assignment of officials, assistants, ballots, supplies, machines and space.

(4) Those voters who registered to vote in keeping with the registration laws would be unfairly detained by those who are seeking the proper precinct. Frustration would lead to qualified voters choosing not to wait and we would risk the loss of participation by those who followed the law.

(5) It is estimated that, if universal registration is implemented for State elections, the number of precincts would have to be greatly increased to reduce the number of identified voters in order to prepare for an unknown quantity of "instant voters".

(6) The potential for contested elections due to restrictions in district boundaries and the challenge of voters inadvertently voting in certain contests when not actually eligible, would be increased greatly.

(7) North Carolina has successfully precluded participation by the "political hack" and "vote herder" with the advent of sophisticated election safeguards. It can be argued that the real beneficiaries of a universal registration system would be the "merchants of multiple and duplicate electoral participation."

(8) Penalties alone for abuses cannot be promoted as safeguards in our electoral procedures. Once a vote is cast, under our cherished secret ballot, the impact is felt even if the penalties could be enforced. Many elections are determined by less than 10 votes.

(9) The identification for individuals who would be permitted to register under "universal registration" is suggested to be a driver's license or an affidavit it signed by another person. Either would appear to be bare minimal safeguards. It has been publicly established that driver's licenses have been faked to cheat utility companies and are admittedly available for a price.

(10) It is a fact in most instances that a potential voter's mailing address is not sufficient to determine his residence for the purpose of voting, especially in those precincts encompassing multiple districts.

(11) A potential voter who goes to one precinct only to discover it is not the appropriate one would be so frustrated that his natural inclination would be to cause a disturbance at the polls—a situation we have guarded against with particular vigor. Such occurrences serve to taint the electoral process and only further dilute the interest of the great majority of citizens.

(12) There is a reasonable and sound argument to the proposition that voting should require some degree of conscious forethought. It would be reasonable as well to suggest that the limited and painless act of registering might well prepare an individual for the ultimate exercise of voting. Certainly, no one has suggested that securing a license before driving, or applying for a marriage license or listing before payment of taxes should be eliminated and the individual be permitted to simply appear on a day certain to effect these acts of citizenship.

(13) The opportunities and convenient locations where citizens may register in North Carolina are increasing year by year. It appears that States like North Carolina, where we have an effective registration system, is being penalized by Federal Legislation because of the States where the same degree of progress has not evidenced itself.

(14) It is a serious and potentially a harmful by-product for the Federal Government to attempt to entice support for a program dealing with our electoral processes by offering monetary rewards. The history of previous areas of liberties where the federal 'dole' has resulted in complete loss of State jurisdiction is all too clear The elections process is one area where monetary temptations should not be a positive consideration.

(15) Election day registration at the polls would invariably expose our precinct officials to possible lawsuits for personal money damages resulting from any improper denial of a voter's franchise. The natural inclination of the average poll worker would be to let a person with questionable identification vote rather than risk the possibility of litigation in federal courts.

The problems itemized in this analysis deal principally with the strong arguments against subjecting our State elections procedures to the dubious proposals set forth in the Universal Registration proposal now pending before the Congress. The federal proposal would require the states to permit persons to register and vote at the voting places on election day for the offices of President, United States Senator and Member of Congress. The federal proposal recognizes that the Congress does not have authority to establish qualifications for voting in State, county and local elections.

Since the prospects of passage of this federal proposal are greatly enhanced by the attachment of public financing for the offices of U.S. Senate and Member of Congress, this analysis deals with the caution of extending these same provisions, relating to election day registration, to the procedures governing the elections for State, district, county and municipal offices.

The present system governing elections in North Carolina is adequate, if the need arises, to administer a dual system without impairment to the efficiency or effectiveness. We have survived several federally inspired provisions which have required a dual system and our elections process has been field-tested to adequately enforce the federal standards for federal offices while continuing to administer the provisions contained in Chapter 163 of the General Statutes of North Carolina for all other elections conducted in the several counties of the State.

The elections process in North Carolina is alive and well and the officials throughout the State are competent to administer whatever system or systems the General Assembly of North Carolina might direct.

In conclusion, we submit that if the Congress is determined to enact legislation on "universal registration" covering federal elections then it would be appropriate, sensible and imperative to amend the current legislation to authorize the States to process these election day registrants at the office of the county board of elections in much the same manner as North Carolina has processed the "PR" unregistered presidential voters since 1972. Otherwise, there would be a serious conflict with the current legislation and Section 202 of the Voting Rights Act. We have attempted to point out this approach to various members of Congress who do not appear to understand what we are proposing. Hopefully some member will seek additional information.

AIRLINE DEREGULATION

Mr. McGOVERN. Mr. President, in a series of three editorials, the Watertown Public Opinion of Watertown, S. Dak., a major daily newspaper in my State, has discussed the various ramifications of the pending legislation dealing with airline degregulation.

South Dakota has been given a clear signal by the present operating air carriers of our State that if deregulation is accomplished, our level of service will either be eliminated at many existing boarding points, or at least substantially reduced.

I believe that the editors of the Watertown Public Opinion have correctely assessed the adverse effect of deregulation on smaller communities and rural States. I ask unanimous consent that these three editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Watertown (S. Dak.) Public Opinion., Mon., Apr. 11, 1977]

AIRLINE OFFICIAL SEES DANGERS IN DEREGULATION

Proposals embodied in two bills now before the U.S. Senate subcommittee on Aviation continue to draw anguished appraisals from the airline industry and traveling public alike. Both embody deregulation; both would throw scheduled air travel as it is known today into a cutthroat competitive whirlpool from which only a few major, monopoly-oriented giants would emerge alive. Service to smaller communities, such as South Dakota cities, would inevitably deteriorate, in some cases to the vanishing point.

Among airline officials who have viewed the deregulation menace in testimony before the subcommittee is Arthur F. Kelly, Western Airlines chairman and chief executive officer who contends that scheduled airline service is "doing a far better job for travelers than if the industry is deregulated."

Smaller communities, Kelly observed, would certainly see their air service deteriorate, as scheduled airlines there would have to concentrate on survivial in their large markets competing against newcomers with no such civic responsibilities.

Kelly said proposals to open up air transportation to easy entry and exit by promoters would be to trade off a regulated, reliable, convenient, safe transportation system for travel methods, perhaps cheaper in the short term but less dependable and probably inconvenient, uncomfortable and less safe.

This affirms and supports the reactions of other industry spokesmen and of congressmen who see in deregulation a definite danger to a well-established air traffic pattern which, in part, places the advantages of such travel at the doorstep of many small communities in nonmetropolitan areas. Without it, these municipalities and areas would face severe economic dislocations.

Kelly told the subcommittee that what really is needed is close oversight of the regulatory agency to assure adherence to existing law. Legislative change which fractures and upsets the present framework definitely is not needed.

[From the Watertown (S. Dak.) Public Opinion, Aug. 12, 1977]

"BEST BARGAIN" MAY NOT BE VERY GOOD ONE

The continuing threat of airline deregulation and the probability that, if it is approved, South Dakota's scheduled air service will suffer has been emphasized anew by James Gagnon, considered one of the nation's leading experts on air service. Writing in Airline Reports, Gagnon terms deregulation "a tragic mistake and a needless exercise in destructive action."

Gagnon's remarks were made in a letter to Sen. Edward M. Kennedy, D-Mass., one of the authors of the bill which would take the federal government out of the air regulation picture.

If deregulation comes via the Kennedy measure, Gagnon continues, "An unregulated airline industry will flood the airways for a short time with relatively inexperienced operators cutting prices and cutting corners. The quality of airline service throughout the nation will be severely downgraded. If there will be any long-term survivors it is virtually certain that they will have obtained a strangulating monopoly on the air services in the major markets of the nation."

Gagnon, according to U.S. Sen. George McGovern, "makes essentially the same points we have been emphasizing as to the adverse impact of full deregulation on commercial airline service to smaller communities. This is especially true in relation to those boarding points where the air carrier involved is dependent on a subsidy for its operations. Among the airlines serving South Dakota at present, only Western does not participate in the subsidy program."

McGovern notes that deregulation measures now before Congress make no references to service to smaller communities. But it is generally conceded by all observers that these sectors—such as South Dakota—will suffer gross deterioration of service with a predictable and severe effect upon their economies.

McGovern adds, in a letter to Gov. Richard F. Kneip, ". . . It is clear that deregulation, with the support of the Administration, clearly has majority support in Congress at this time. Obviously, the lure of possibly lower fares on certain major routes has been, for some, a proposal too attractive to resist.

"If this situation holds, our job may well be to strike the best bargain we can on airline service to states such as South Dakota."

If predictions hold at all, that "best bargain" may not be a very good one, and South Dakota will suffer.

[From the Watertown (S. Dak.) Public Opinion, Apr. 13, 1977]

LOCAL ACTION NEEDED TO HELP SAVE AIRLINE STRUCTURE

The need for South Dakota organizations and businesses to get behind the movement opposing deregulation of airlines has been emphasized anew by two recent communications which point out the consequences in South Dakota if airlines are forced to compete with each other in an unregulated and unsubsidized battle for corporate survival.

One is the Western S. D. Development Company's monthly newsletter for April which says:

"North Central Airlines, one of the three scheduled carriers serving Rapid City, has said that that company likely would not offer service west of Minneapolis in a deregulated atmosphere Western Airlines . . . has vigorously opposed deregulation. Western's president, Art Kelly, told the Senate committee that air service to small towns would deteriorate. Company officials have said that Rapid City service would not be eliminated but perhaps curtailed while Western would concentrate on survival in larger markets.

"The airlines which oppose deregulation say the world's best and most efficient air system was built up under regulatory procedures."

And Gov. Richard F. Kneip has written Sen. Howard W. Cannon, chairman of the aviation subcommittee of the Senate Commerce Committee and author of one deregulation bill;

"I hope that a willing local service (regional) carrier such as North Central Airlines can be 'grandfathered' into the new legislation so that they can receive the subsidy they need to continue to provide service to South Dakota. I really believe that if NCA pulls out of a majority of points in South Dakota, a void in service will develop in eastern South Dakota and it will take a considerable amount of time to attract a replacement 'feeder carrier' and for that carrier to establish itself in the market.

"In summary, I think that continued air service in South Dakota is jeopardized if deregulation efforts are not modified to allow for practical regulatory reform which will allow subsidies that permit certificated local service carriers to provide the needed service to the airline cities of South Dakota."

South Dakota's congressional delegation and state government have spoken firmly and repeatedly against deregulation. It is time that they be joined by South Dakota local governments, chambers of commerce, and industries which have a big stake in the continuation of adequate scheduled airline service into, out of and across the state.

A concerted, continuing voice opposing deregulation is acutely needed. For Watertown and its area, the likelihood that North Central would not fly west of Minneapolis, as expressed in the development company's newsletter, should constitute a clear and urgent call for local action.

A FRESH START FOR THE PEACE CORPS

Mr. PERCY. Mr. President, the Peace Corps embodies the people-to-people approach to international relations that Americans have so long cherished and embraced as uniquely appropriate for a nation founded on self-reliance and individual enterprise. The Peace Corps, founded on the strength, skills, and idealism of Americans seeking to learn from people of different cultures and different experiences, and dedicated to contribute to the lives of those people, captured the imagination of the American people in the early sixties. Even today, when discussing international affairs with my constituents, the Peace Corps frequently comes up in our conversation. It particularly gratifies me to hear that the Peace Corps may find renewed support from the new administration and may be revitalized to play a vigorous role working in concert with people of the developing nations of the world. At a time when these nations are emerging as a vital force in international affairs, the kind of cross-cultural understanding and partnership fostered by programs like the Peace Corps becomes even more important than it has been in the past.

Harlan Cleveland, director of the international program of the Aspen Institute for Humanistic Studies has written an incisive and provocative article on the Peace Corps. The article appeared in the April 24 edition of the Washington Post. Mr. Cleveland cites two central purposes of a resuscitated Peace Corps: First, to help people help themselves to meet their basic human needs; and second, to train American volunteers to be citizens who understand better the attitudes and skills required to cope with interdependence. Mr. Cleveland urges that the Peace Corps be separated from ACTION where is was merged with VISTA in 1971 and be set up as a public corporation. Because of the significance of this recommendation, which deserves a fair hearing, I am pleased that it will be considered by the Subcommittee on Foreign Assistance this Friday when Mr. Cleveland will be heard.

I ask unanimous consent that Mr. Cleveland's article to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FRESH START FOR THE PEACE CORPS

(By Harlan Cleveland)

It seems overwhelmingly likely that the Peace Corps, which John F. Kennedy launched with such high hopes and which Richard Nixon tried to bury alive, will be given a fresh emphasis under the new administration. But so very much has happened since Camelot that a Carter-model Peace Corps will need to proceed from different premises, and promise different outcomes, from the JFK model of 15 long years ago. The world has been changing fast, and Americans have been changing, too.

In a world-wide revolution of self-reliance, nations and smaller communities are beginning to take hold of their own destinies, formulate their own development strategies, select more carefully the kinds of interdependence that will best protect their fragile independence—as our own political leaders so astutely and luckily did 200 years ago.

One product of increasing self-reliance has been the banding together of Third World countries to thumb their collective nose at the industrial world even when the economic cost of political muscle-flexing is high (for example, they have gone deeply into debt to contribute to the sudden petrowealth of a few of their number). Another product of self-reliance has been the pervasive turn toward more authoritarian methods of governance, maintained by the readier use of official violence. (The ability of volunteers to operate at arm's length from government in community-based projects will be affected by this trend, as indeed will their personal safety.)

A growing number of developing countries can make "self-reliance" stick because their capacity to handle technical functions, do economic planning and manage large-scale enterprises is so much greater than it was 15 years ago. U.S. foreign aid, and the efforts of international banks and funds to which we make the largest contributions, have speeded this process. So have the U.S. graduate schools which trained a generation of Third World technicians, planners and managers, teaching them the virtues of self-help and the economics of producer cartels.

The old patron-client relationships are gone. The trend nearly everywhere is toward more collegial working structures in which foreigners, no matter how "advanced," are welcome as colleagues, not mentors—or don't come in at all.

More and more of "international development," moreover, is multinational—funded by regional banks, managed by transnational companies, featuring regulated commodity markets, using global technologies such as earth satellites and weather forecasting systems, depending in the crunch on consortia of creditors and defensive aggregations of debtors. Yet the pattern of the Peace Corps—and the private-sector person-to-person programs, too—is still rigidly bilateral: the covering agreements are binational, the training is focused on the one destination country, the volunteer's experience is limited to one snapshot of a multidimensional and kaleidoscopic world.

Meanwhile, the more thoughtful thinkers in both the Third World and the industrial democracies (the Communist nations are still opting out of the "North-South" planetary bargaining, for fear someone will ask them for a contribution) are persuaded that help from the rich nations to the poor nations mostly redounds to the benefit of affluent minorities in the central cities. The economics of "trickle-down" is found wanting. The code word for this concern, and for a growing determination to make sure that international economic arrangements do something about the absolute poverty of the bottom billion, is "basic human needs." It was not by accident that President Carter used that code word in his first address to the United Nations last month.

The changes in the Third World are matched by changes in U.S. attitudes.

Fifteen years ago Americans were applauding a worldview which seriously asserted "we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty."

In the decade from 1963 to 1973, we came in a rush from what Denis Brogan once called "the illusion of American omnipotence" to something more like an illusion of American impotence. A more balanced, post-post-Vietnam reaction is now setting in. But Americans are certainly much more realistic today about the limits on their own power to change the world (or prevent its change) than they were when the Peace Corps was born.

During these 15 years we have been having our own revolution of self-reliance. Taking power over our own lives, and protecting our own communities, has become a new secular religion—and swelled the rolls of religious evangelism as well. A new preference for ambitions of manageable scale tracks quite well with the suddenly popular notion that development technologies don't have to be big to be handsome. And in the emerging youth culture, itself a transnational phenomenon heavily influenced by American symbols, new lifestyles and workways feature a reluctance to form lasting relationships, but also foster a willingness to live and work as equals with those of differing pigmentation or political hue.

TWO PROPOSITIONS

What kind of Peace Corps can be fashioned from these new cultural and political raw materials? The puzzle is again, as it was in 1961, to construct a relevant adventure that responds at once to work requirements and to the inner needs of exceptionally motivated Americans, most of them young.

Certainly, the Corps is not what it once was. At its peak in 1967, there were some 15,000 volunteers serving around the world. In fiscal 1977 the Corps is programmed for 5,566 volunteers, including those in preservice training. That number is projected to decline further, to 5,372 "volunteer-years," in fiscal 1973. Up to 50 per cent of them can be expected, at recent rates of attrition, not to complete their two-year term of service.

Two central propositions, neither sufficient in itself, might jointly form what legislators would call the "purpose clause" of a resuscitated Peace Corps:

To help people help themselves to meet their basic human needs—especially, to help the more disadvantaged people in each society to develop local processes and institutions so as to become participating members of communities of manageable size and competent to practice a degree of self-reliance.

To train American volunteers to be citizens who understand better the attitudes and skills required to cope with interdependence—by learning to develop cultural empathy, an adaptable functional skill and the organizational skill and political "feel" to practice leadership among equals in participatory systems.

Beyond these two primary purposes, a third test needs to be applied to any overseas volunteer project: is it politically do-able—that is, is it acceptable within the developing country's own self-reliance policies and consonant with its national development objectives?

It would be too much to expect that a Peace Corps program focused on "basic human needs" would be seen as non-threatening by the authorities in every potential host country. But the revived Peace Corps would not be out to save the world or even to solve the global poverty problems, but rather to provide a growing experience for some Americans for the mutual benefit of the host country and America's future capacity to cope. And so there is no reason why a Peace Corps should operate in any given number of countries, or why it should regard as a defeat withdrawal from any country which is not yet particularly interested in meeting the "basic human needs" of its own people.

In any case the future Peace Corps should not be presented, either to prospective volunteers or to host countries, as essentially "aid" in the provision of development manpower. There is no reason to hide from host country authorities that, in accepting our volunteers and putting them to work, a developing nation is also helping the United States to develop the kinds of people who understand and can work effectively with Third World societies.

The rhetoric of Peace Corps recruitment has always leaned hard on the motivation to serve the less fortunate. But in practice the Peace Corps could never be more than a drop in the vast bucket of world development. More significant by far has been its clear success in providing an important and intensive growing experience for the Americans involved.

"The Peace Corps is not an answer to what the world needs most," says its biographer, Lawrence H. Fuchs. "It is an answer to what Americans need most: to learn how to relate sensitively and empathetically with each other and with persons in other cultures and to learn how to ask assumption-challenging questions which break through the ethnocentrism in which nearly all of us are raised and bound."

The two interlinked purposes suggested here are more likely to be helpful in future Peace Corps operations than the existing mandate "to promote world peace and friendship" by providing trained manpower, helping others understand Americans and helping Americans understand others. This bland triad of legislative purposes has survived several major changes in Peace Corps leadership, structure and doctrine, which suggests that it is not a particularly useful guide to what the Peace Corps actually does.

A focus on basic human needs is a "natural" for the Peace Corps, old and new. Most of its alumni seem to have no trouble describing what they actually did as volunteers in the newly popular language of basic needs and human scale. And what they themselves have gotten out of their experience seems to have been precisely self-training in the attitudes and skills required to cope with interdependence.

A FRESH START

To serve these purposes the Peace Corps needs a fresh start. And that means addressing quite candidly the costs and benefits of the Corps' subordination.

During its first 10 years, the Peace Corps was a separate government agency. In 1971 it was merged with VISTA, Foster Grandparents and several other government-funded domestic agencies into a catch-all called ACTION.

During five years as holding company for the Peace Corps, ACTION has drastically reduced the Peace Corps visibility, sharpened its recruitment dilemma, decreased the number of volunteers, increased their attrition rate; allowed their cost to rise to politically precarious levels—it is now $14 000 to $15,000 per volunteer per year, or not much less than the average U.S. family income—and in general made the Peace Corps a more routine, less exciting adjunct to the foreign aid business rather than a uniquely valid and vibrant expression of "the best that is in us."

All the effects of the 1971 merger may not have been intended. Some may have been by-products of a reorganization carried through for other reasons; others merely the Parkinsonian consequence of a decade and a half of bureaucratic life and the inflation in the cost of doing everything; still others the result of changes in the outside world to which the organization has not yet fully adapted. But some effects—the emphasis on meeting specific requests from governments, for example, and the decline in the Peace Corps' visibility in the United States—had to be the result of deliberate policy.

The best way to create a fresh start would be to start afresh. That would mean pulling the Peace Corps out of ACTION and setting it up as a public corporation—the device recently used to let the air and light of American pluralism into such diverse fields as public broadcasting, legal services, promotion of the arts, Latin American development and cultural interchange with Asia.

The new Peace Corps—the name carries a precious aura of the nonpolitical and the humanitarian, and should be retained—might then be mandated to pursue its ends by a combination of means:

Directly recruiting and placing volunteers in bilateral projects, as at present.

Recruiting volunteers and placing them in international organizations that are pursuing a "basic human needs" strategy.

Recruiting volunteers and placing them in international functions important to development, such as the World Weather Watch, environmental monitoring (Earthwatch), satellite communication and the handling of resource data from earth satellites.

Making contracts with, or grants to, voluntary nongovernmental organizations to recruit and place volunteers in projects that fit the Peace Corps' reformulated purposes but use the voluntary groups' own styles and procedures.

Sam Brown, the antiwar activist who became Colorado's state treasurer, and Mary King, who coordinated the politics of women in the Carter campaign, have just taken office as director and deputy director of ACTION. They are young, attractive and ambitious. To tell them that they should begin by plucking the central diamond from the tiara just placed on their heads may be asking for an almost superhuman act of political modesty.

Even if, however, they do not recommend to the President that the Peace Corps be spun off from ACTION and restored to independent personality, there are things they can do to give the Corps a broadened mandate, a clearer sense of direction, a more flexible structure, a leaner profile, a more kinetic presence, a more visible identity and a more vigorous leadership. It need no longer be buried alive by deliberate bureaucratic action or inaction. And if the President gives the Corps a push, that yeasty mix of idealism and practical service may once again bear global witness to Americans at their best.

DEPARTMENT OF JUSTICE SUPPORT FOR OFFICE OF CONGRESSIONAL LEGAL COUNSEL

Mr. ABOUREZK. Mr. President, yesterday, at hearings before the Governmental Affairs Committee, the Department of Justice came out in support of the establishment of an Office of Congressional Legal Counsel to defend Congress and congressional interests in litigation before the courts. At present the Congress relies on the Justice Department to represent Congress. The Department has represented Congress in at least 70 cases in recent years. The Department's support for Congress defending itself in these cases recognizes that as a coequal branch of Government Congress should defend itself.

As chairman of the Subcommittee on Separation of Powers last session, I introduced S. 2731, a bil to establish a Congressional Counsel Office to defend Congress in court. This bill resulted from a hearing held by the Subcommittee on Representation of Congress and Congressional Interests in Court.

This bill was considered by the Senate Committee on Government Operations at its December 1975 hearings on S. 495, the Watergate Reorganization and Reform Act of 1975—part 2, pages 9–12, 22–23, 34–35, 48–49, 119–141 (1975). On the basis of further hearings by the Subcommittee on Separation of Powers and a statement submitted to the subcommittee by the Justice Department on the constitutionality of S. 2731—hearings, at pages 87–91—I submitted an amendment in the nature of a substitute for S. 2731 on March 31, 1976. When S. 495 was reported to the floor by the Committee on Government Operations on May 12, 1976, the bulk of S. 2731 was substituted for its title II. See Senate Report 94–823, May 12, 1976. I was extremely gratified that the Government Operations Committee adopted my proposal.

When S. 495 was reported, I arranged for it to be rereferred to the Judiciary Committee. See Congressional Record, page 13693, May 12, 1976. The Judiciary Committee was automatically discharged from its consideration of S. 495 when, due to a filibuster in committee, it failed to take action within the time period of the referral. In a June 22 letter to Senator Ribicoff and Senator Percy of the Government Operations Committee, a majority of the members of the Judiciary Committee announced that they would the opportunity to do so; Congressional Record, pages 19959–19960, June 23, 1976.

When S. 495 came up for debate in the Senate in July, I made a long and detailed statement on the need for an Office of Congressional Legal Counsel. See Congressional Record, pages 22792–22797, July 20, 1976.

S. 495, with title II intact except for a few clarifying amendments, was adopted by the Senate on July 21, 1976, by the resounding vote of 91 to 5. See Congressional Record, page 23075, July 21, 1976.

During the recess this winter I redrafted title II and it was reintroduced as title II of S. 555, the Public Officials Integrity Act by Senator Ribicoff. When it was reintroduced on February 1, I again made a long statement on the need for an Office of Congressional Counsel. See Congressional Record, pages 2961–2982, February 1, 1977.

The Department of Justice testimony yesterday supported title II of S. 555 with one minor area of reservation which the committee intends to remedy. I ask unanimous consent that excerpts from the Department's testimony be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

Excerpts From Statement of John Harmon, Assistant Attorney General—Office of Legal Counsel on S. 555

Mr. Chairman and Members of the Committee: I am pleased to appear today to provide the views of the Department of Justice on Titles I and II of S. 555, the Public Official Integrity Act of 1977. We support the principles underlying these titles which would provide for the appointment of a temporary special prosecutor and create an Office of Congressional Legal Counsel.

* * * * *

With regard to Title II and the creation of an Office of Congressional Legal Counsel, the Department of Justice recognizes that the basic decisions whether to establish such office and what structure the office or offices should take are policy questions for Congress to decide. It would be inappropriate for the Department of Justice to enter the debate over those threshold policy questions. However, we do believe that it might be useful in your consideration of the policy issues to know that the Department does not oppose the establishment of an Office of Congressional Legal Counsel in principle and that after reviewing the powers provided in the bill we believe, except for the power of intervention, the Congress might legitimately vest those powers in the Office. Therefore, I am here today to support the basic principles underlying both the special prosecutor and the congressional counsel provisions of S. 555.

* * * * *

TITLE II

This title establishes an Office of Congressional Legal Counsel and requires that Office to perform certain duties relating to the rendering of legal advice to Congress or representing Congress in court in specified circumstances. The Department supports the establishment of the Office of Congressional Legal Counsel in principle and supports most of the functions vested in it by S. 555. However, we have serious constitutional objections to certain of the bill's provisions.

In brief, the bill provides for a Congressional Legal Counsel to be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate. Upon a proper authorization from the Congress, the Counsel is required to perform the following functions: (1) to defend Congress, its offices and agencies, committees, members, officers or employees in any civil action (a) where such individuals are parties defendant and the validity of action taken by them in their official capacity is at issue or (b) where a subpoena or order is directed at such parties in their official capacity; (2) to bring a civil action to enforce any congressional subpoena except for those issued to Executive officials acting within their official capacity; (3) to represent Congress in requesting the Courts to issue an order granting immunity to individuals ordered to testify in congressional proceedings; (4) to advise and cooperate with various individuals and entities connected with assorted congressional functions; and (5) to intervene or appear as amicus curiae in any legal action where (a) the United States is a party, the constitutionality of an Act of Congress is challenged, and such constitutionality "is not adequately defended by counsel for the United States," or (b) the powers and responsibilities of Congress under the Constitution are placed in issue.

We support the vesting of most of these functions in the Congressional Legal Counsel. The provisions authorizing the Counsel to give legal advice to the various congressional components, for example, relate exclusively to Congress performance of its legislative functions and are thereby quite properly lodged in the Congress itself. The same can be said of the provisions requiring the Counsel to defend Congress and its members in certain situations. We have no constitutional objections to such authorizations; the defense of these actions, even though it may literally involve defense of official actions undertaken pursuant to the laws of the United States by Members of Congress, do not constitute, in our opinion, the kind of "enforcement of the laws" that the Supreme Court has ruled in *Buckley* v. *Valeo,* must be lodged exclusively with the Executive Branch under our constitutional principles of separation of powers. Thus the Department in the past has not regarded it as constitutionally mandatory to represent all Members of Congress or congressional committees whose actions are challenged and it has often advised them to obtain their own counsel when defense of their actions would conflict with Executive Branch duties and responsibilities. In such cases the establishment of an Office of Congressional Counsel would benefit the Department as well as congressional defendants by assuring them adequate and vigorous representation.

We also support the provisions allowing the Congressional Counsel to undertake the enforcement of subpoenas and representation of Congress in immunity proceedings, but constitutional cautions are in order. At first glance enforcement of a subpoena might be regarded as "enforcement of the law" which may only be performed by the Executive, see *Buckley* v. *Valeo, supra* at 138, and by those who are "Officers of the United States" appointed pursuant to Article II, section 2, *Id.* at 138–40. However, while we believe this to be a close case, we have concluded that the congressional enforcement of subpoenas in the context presented by the bill is not subject to constitutional constrictions. Rather a congressional subpoena is an integral part of the legislative process, *Eastland* v. *United States Servicemen's Fund,* 421 U.S. 491, 504–5 (1975), and we believe the civil enforcement of such subpoenas may also legitimately be regarded as within the legislative process. For this reason, it is our conclusion that this "investigative and informative" power may appropriately be lodged in the Congress, *Buckley* v. *Valeo, supra* at 137–38; the officials who are empowered to exercise this power will thus be carrying out "appropriate legislative functions" and need not be appointed pursuant to Article II, section 2. *Id.* at 128.

* * * * *

Where Congress or a House of Congress does have standing to bring a civil action, and therefore to intervene, *e.g., Coleman* v. *Miller,* 307 U.S. 433 (1939); *Kennedy* v. *Sampson,* 511 F. 2d 430 (D.C. Cir. 1976), the Department of Justice has no objection to the interests of Congress being represented by the Congressional Legal Counsel should the counsel for the United States be unable for whatever reason to represent those interests, and we would support a redraft of section 206(a) to so provide.

* * * * *

The Department of Justice has no views on those aspects of Title II which I have not previously addressed. We believe that, since this Title deals largely with Congress' internal functions, Congress should be free to structure the procedural and accountability provisions in the manner it wishes.

THE ECONOMY, 1977–78

Mr. JAVITS. Mr. President, testifying before the Senate Banking Committee on May 3, Chairman Arthur Burns outlined the positive steps which the economy has taken in recent months, while pointing out the uncertainties which lie in the way.

Generally speaking, Chairman Burns' outlook is optimistic, and I am heartened to see an economist of his stature take such a positive position on the strength of the recovery and the prospects for future growth. Chairman Burns concludes that—

> The expansion is again proceeding vigorously and that his reading of economic developments justify considerable optimism about the immediate future.

The critical part of Chairman Burns' testimony relates to the longer term, which is the timespan that we in Congress have a harder time encompassing. Over the longer term, the absence of a comprehensive energy policy and the dangers of renewed inflation, pose the greatest threats to renewed capital spending and the course of economic expansion generally. To illustrate the long-term nature of the inflation issue, for example, Chairman Burns estimates that it would take 10 years at the present pace to reduce money stock growth rates to levels which are compatible with price stability.

The message conveyed by Chairman Burns' testimony is clear: Congress must act soon on the President's energy proposal, in order to remove the uncertainties which the current debate on that proposal have engendered. At the same time, Congress must demonstrate an understanding of the way in which inflation acts to inhibit economic expansion by reducing real earnings and inhibiting the incentive for businesses to expand and to hire.

Approximately 2 months ago, in its annual report, the minority members of the Joint Economic Committee emphasized the need for economic policymakers to understand the incentive effects of policy actions. We emphasized that business does not invest, and people do not work, unless the returns on investment and work justify these actions—and that the curtailment of these returns by inflation tend to dry up supply and demand.

These conclusions are compatible with Chairman Burns' message that we must act promptly with regard to energy, and must still meet the inflation issue realistically, in order to remove the major disincentives for long-term economic growth. I welcome the Federal Reserve Board Chairman's wise counsel and commend his statement to my colleagues. I ask unanimous consent that it be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Arthur F. Burns

It is a pleasure to meet once again with this distinguished Committee to present the Federal Reserve's report on the condition of the national economy and the course of monetary policy.

When we last met to discuss these subjects in November, the economy was beginning to emerge from a period of relatively slow growth. That fact was not widely recognized at the time. By concentrating unduly on comprehensive measures of economic activity, many people failed to see the gathering momentum of positive economic forces. Then, early this year, the disruptions caused by unusual weather obscured further the underlying strength of the economy.

It is quite apparent today, however, that a reacceleration of economic growth did get under way late last year and that expansion is again proceeding vigorously. As 1976 drew to a close, final sales of goods and services picked up, reflecting primarily a resurgence of consumer buying and a strong advance in homebuilding. The improvement in sales enabled business firms to work off a good part of the excess inventories that had accumulated over the preceding months when buying was sluggish. With sales and stocks coming into better balance, the pace of new orders and production began to quicken. The demand for labor strengthened, and personal income expanded more rapidly.

The inclement winter weather and shortages in fuel supplies disrupted this expansionary process only briefly, and not nearly so severely as was suggested by early reports. As the weather took a turn for the better in the second half of February, industrial and commercial activities snapped back smartly in most parts of the country.

Even with the adverse effects of the weather, the Nation's total production of goods and services rose in the first quarter at about 5¼ per cent annual rate—twice the pace of the preceding quarter. Conditions in the labor market improved, as is evidenced by the sharp rise in hirings while layoffs remained at a low level. The unemployment rate fell by one-half percentage point as sizable gains in employment more than offset the continued rapid growth of the labor force. At the same time, the rate of utilization of our Nation's industrial plant also edged higher during the first quarter and by March reached 82 per cent in manufacturing.

In all, the recent behavior of economic activity has been encouraging, and the prospects for further economic advance are good. Trends in the consumer sector certainly are favorable. The expansion of jobs and incomes during the past half year has served powerfully to improve consumer sentiment. During the final quarter of 1976 the percentage of disposable income devoted to consumer spending was the highest in several years; and in the first quarter of this year, the spending percentage rose still further. Our households, viewed collectively, did not let higher fuel bills interfere with other expenditures. In fact, automobile sales rose to the highest level since 1973, as an increasing number of consumers displayed a willingness to incur additional installment debt in order to finance the purchase of big-ticket items.

The strong pace of consumer buying late in 1976 caused inventories to fall below desired levels in many lines of activity. More recently, inventory investment has picked up as businessmen sought to keep larger stocks to accommodate their customers. The increasing volume of work at manufacturing plants has had a similar effect. Nevertheless, inventories generally remain quite lean, and inventory investment can be expected to continue rising as sales move up in the months ahead.

Homebuilding has also shown strength in recent months—especially in the single-family sector where new starts apparently reached a record high in March. With credit readily available and consumer confidence improving, sales of new homes were brisk even during the harsh winter months. Activity in the multi-family sector, meanwhile, has recovered much more slowly from the depression brought on by overbuilding in the early 1970's. But vacancy rates are now generally falling, and it is thus reasonable to expect the construction of apartment units to gather strength as time passes.

The pace of business investment in new plant and equipment, while still lagging relative to earlier business-cycle expansions, is also gaining strength. Business equipment posted the largest advance of any major category of industrial production during the first quarter. The most recent surveys of business plans point to a substantial further increase in spending on plant and equipment this year. So, too, does the trend of orders for business capital goods, which have risen more than 20 per cent over the past year. With corporate profits improving and with rates of utilization of industrial capacity rising, the potential clearly exists for good gains in business fixed investment.

Governmental demand for goods and services also appears to be an expansive influence in the economy at this time. Budget estimates suggest that Federal purchases of goods and services in calendar 1977 will increase at a faster rate in constant-dollar terms than they did last year. In addition, a quickening pace of spending by State and local governments is likely to take place in the months ahead. In the aggregate, State and local operating budgets have moved during the past two years from deficit to surplus, thanks to the combination of strongly rising tax receipts and relatively subdued expenditure growth With this turnabout in their budgetary situation, State and local governments are likely to loosen their pursestrings. And the tendency in that direction may well be accelerated if Congress follows through with present plans to enlarge, both this year and next, the flow of Federal grants-in-aid to States and localities.

The only major component of final demand that is not exhibiting strength at present is our foreign trade balance. The dollar value of oil imports increased sharply in the first quarter because of the cold weather, but other imports—including coffee and other consumer goods—also rose substantially. Meanwhile, the relatively slow recovery of many foreign economies kept down the expansion of our exports. Only strength of investment income and other nontrade items has held the over-all current account deficit to moderate proportions. Although the deterioration in our trade balance may be behind us, it is hard to see significant improvement over the remainder of the year.

With the exception of foreign trade, however, demand factors generally seem to point to good growth in our Nation's output of goods and services this year. Buttressing that expectation is the fact that financial conditions provide a satisfactory foundation for further economic expansion.

The Federal Reserve has continued to pursue a course of monetary policy intended to promote conditions conducive to substantial expansion in economic activity, while guarding against the release of new inflationary forces. During the past two years, the increases that have occurred in the stock of money have proved adequate to finance substantial gains in the physical volume of output and employment. This experience has demonstrated once again that consideration of the stock of money alone is not sufficient for assessment of the adequacy of the economy's liquidity. Money has a second dimension, namely, velocity, or—in common parlance—the intensity with which it is being used. Over short periods of time the truly dynamic factor is not so much the stock of money as the willingness of the public to use their money balances Upswings in business and consumer confidence are commonly reflected in substantial increases of monetary velocity. Moreover, in the case of the narrowly defined money supply, intensity of use has been increasing with special rapidity since 1975, reflecting numerous innovations in financial technology that serve to reduce reliance on demand deposits for handling monetary transactions.

Supplies of credit have been ample—perhaps more than ample—during the past six months, and most rates of interest are near their lowest level in several years. In this environment, many economic entities have been able to achieve a further strengthening of their financial condition.

Large business firms with high credit ratings issued a massive volume of long-term bonds during 1975 and the first half of 1976, and they used the proceeds largely to repay short-term debt and to acquire liquid assets. Such restructuring of balance sheets appears to have abated in the past half year or so, and many companies are now cautiously enlarging their borrowing from banks and through the commercial-paper market. This expansion of short- and intermediate-term liabilities has occurred unusually late in the current cyclical expansion and it has been moderate to date.

Meanwhile, some large corporations—especially utility and communications firms—have availed themselves of the attractive financing conditions by selling bonds to refund high coupon issues of earlier years. More important still, many smaller and lower-rated firms have found in the past several quarters a more receptive market for their long-term debt obligations, and they have thus been able to make progress in strengthening their balance sheets. Life insurance companies and other investors in the private placement market have been aggressively seeking lending opportunities and have recently supplied a record amount of credit to small and medium-sized firms. Moreover, the spread between interest rates on prime and lower-rated bond issues in the public market for securities—which had become unusually wide during the recent recession—has now narrowed to dimensions that are normal for a business-cycle expansion.

The favorable condition of financial markets has been of help as well to State and local governments during the past half year. Particularly in the final quarter of 1976, the proceeds of substantial issues of new long-term bonds were used to repay outstanding short-term debt, thus continuing a practice that has prevailed since mid-1975. This process of debt restructuring, together with the progress made in strengthening budgetary positions, has improved dramatically the standing of many States and municipalities with the investment community. Testifying to that is the fact that interest rates on municipal securities have declined more than interest rates on other fixed-income obligations. Not only that, the spread between yields on higher- and lower-quality bond issues has narrowed sharply in recent months. These developments have led to numerous advance refundings of existing debt, thereby lowering the future interest burden on taxpayers.

Despite larger loan demands from businesses and consumers since last fall, commercial banks have been able to maintain their sharply improved liquidity. Indeed, they have added further to their holdings of Treasury securities, which today are more than double what they were at the end of 1974. Many banks have strengthened their equity position during the past six months through earnings retention, and some have also augmented their capital by issuing new stock or subordinated long-term debt.

Savings banks and savings and loan associations too have been able to accommodate heavy credit demands without reducing liquidity. The relatively low level of market rates of interest has sustained good inflows of consumer time and savings deposits to those institutions. Against this background, outstanding mortgage commitments have risen to record levels and mortgage interest rates have declined. These developments have contributed to the brisk pace of home sales and to the upward thrust of housing construction.

In sum, both general financial conditions and the growth patterns that have been unfolding in key sectors of our economy justify considerable optimism about the immediate future. Even so, there are some uncertainties in the present situation that deserve serious attention. The most important of these relate to energy and inflation.

One of the reasons capital spending has lagged during this economic expansion has been a reluctance of businessmen to undertake long-term investment projects without a clearer view of the future cost and availability of petrochemical feedstocks and various energy sources. The President's proposal of a broad energy program is a long-needed step toward creating a more certain environment for decision making. However, with Congressional action still to be taken and the final shape of any program unknown, the situation at the moment is as uncertain as ever. Furthermore, in view of the prospect of significant tax or other incentives or disincentives in the not too distant future, there will be a tendency here and there to hold off on major expenditures a bit longer and to see what develops. This could have the effect of retarding the advance not only of business capital outlays in the months ahead, but also of spending by households—especially on automobiles and energy-saving home improvements.

Because of these possibilities, it obviously is important that Congress lose no time in considering the President's energy recommendations. I fully realize the practical obstacles to quick action in matters so complex, but I also feel bound to observe that significant risks to economic performance will exist as long as businessmen and the general public remain uncertain of what to expect in the energy area.

The course of economic expansion may also be significantly affected by the pace of inflation. Inflation has accelerated in recent months. Both wholesale and consumer prices advanced at an annual rate of about 10 percent in the first quarter, with the flare-up in food prices only part of the explanation. Particularly worrisome is the fact that we have now experienced three successive quarters of increase at about an 8 percent annual rate in the critically important industrial-commodities component of the wholesale price index. This development reflects an upward climb during the past year of close to 6 percent in the labor cost per unit of output for private business firms; it also reflects an effort on the part of many companies to widen profit margins from the low level to which they had fallen during the recession. With wage increases now showing some tendency to quicken and with the economy at a stage where productivity gains are likely to become smaller than they have been during the past two years, there is no relief in sight for the underlying cost pressures that businesses have been experiencing. This unhappy circumstance inevitably casts a cloud on our Nation's ability to maintain a satisfactory rate of economic growth into 1978 and beyond.

Experience teaches that when serious inflation persists, consumer confidence and purchasing power will ultimately erode. Continuing inflation at high rates likewise tends to work against sustained expansion in business investment activity, for it raises the risk premium that businessmen attach to new undertakings. Forward business planning becomes more hesitant in an environment in which managers are unable to assess cost and profit prospects with any confidence over the long time horizons that are frequently involved in new investment projects.

Recognizing these difficulties, President Carter has outlined a multi-faceted program to fight inflation. I want to assure this Committee that the members of the Federal Reserve Board fully support the President's determination to bring down the rate of inflation. All of the measures in his projected program can be helpful, but there is no doubt in our minds that the main key to success in the battle against inflation is prudent management of the Nation's finances.

The Federal Open Market Committee was well aware of its heavy responsibility to encourage economic expansion and yet help to curb inflation when it met last month to discuss the longer-run growth of the monetary aggregates. The Open Market Committee decided to leave unchanged over the year ending in the first quarter of 1978 the previous growth range of 4½ to 6½ percent in M_1, which is a monetary measure confined to currency and demand deposits. For M_2, and likewise for M_3, the upper boundary of the growth range was reduced, however, by a half percentage point. Consequently, the growth ranges projected for the coming year are 7 to 9½ percent for M_2 and 8½ to 11 percent for M_3. As the Committee may recall, M_2 includes savings and consumer-type time deposits at commercial banks besides currency and demand deposits, while M_3 is a still more comprehensive aggregate—since it includes also the deposits at savings banks, savings and loan associations and credit unions.

As you can see, the Federal Open Market Committee has again moved very cautiously in adjusting the projected monetary growth ranges. In addition to taking account of the usual uncertainties about the relationship between money and economic activity, we recognized that the impact of the as yet unsettled energy program on aggregate supply and demand in the period ahead cannot be foreseen with any precision. Nonetheless, we did feel it appropriate to take another small step toward bringing the long-run growth of the monetary aggregates down to rates compatible with general price stability.

Sustained progress in this direction of reducing rates of growth in M_1, M_2 will, I believe, be absolutely necessary if President Carter's publicly announced goal of reducing the pace of inflation by two percentage points by the end of 1979 is to be achieved. The trend of growth in monetary aggregates is still rapid, perhaps much too rapid. To be sure, the Federal Reserve has moved fairly steadily toward lower ranges for monetary expansion during the past two years. But that movement has been extremely gradual; indeed, at the current pace it would require nearly a decade to reach rates of growth that are consistent with a stable price level.

I must report, moreover, that despite the gradual reduction of projected growth ranges for the aggregates during the past two years, no meaningful reduction has as yet occurred in actual growth rates. That unintended consequence is partly the result of data deficiencies that complicate the already formidable task of adjusting or approximating monetary growth objectives. Initial estimates of the monetary aggregates sometimes differ considerably from estimates made later when fuller data became available.

A factor contributing to the measurement problem has been the inadequacy of deposit data for nonmember commercial banks. While our estimates of nonmember banks deposits—which constitute a growing proportion of the money stock—have often been on the mark, on occasions there have been significant errors. Our most recent benchmark revision of M_1, based on nonmember bank data from the call report for last September, raised the estimate of growth over the year ended in the fourth quarter of 1976 from 5.4 to 5.7 percent; and this figure is still subject to subsequent revision of the basis of the call report for December.

We at the Federal Reserve are diligently trying to improve the quality of the Nation's monetary data. Last year a committee of distinguished economists, whose aid we had sought, completed a study of the statistics on monetary aggregates. Some of the recommendations of the committee are being implemented with the aid of the Federal Deposit Insurance Corporation. Other recommendations of the consultant committee are being studied by our staff, and further changes are likely to be instituted in the near future. Nevertheless, experience suggests that monetary measurement will continue to lack the precision of science, and so too will the Federal Reserve's actions aiming to influence developments in financial markets.

Events during the past several months have again demonstrated quite clearly that the twists and turns that occur in financial markets often are dominated by developments unrelated to Federal Reserve actions. For instance, from late in 1976 to late April, the Federal funds rate—the one interest rate over which the Federal Reserve has close control—traded within a narrow range between 4⅝ per cent and 4¾ per cent; yet, other market rates of interest in that period fluctuated over ranges as wide as a full percentage point. Those fluctuations in interest rates in large part reflected changing public perceptions of the outlook for the Federal budget. Thus, interest rates moved upward sharply when the Administration proposed a new fiscal policy, including the so-called rebate program; and they fell markedly when the President announced that he had dropped the rebate plan.

What this demonstrates anew is the fact that financial market participants have become acutely aware of the inflationary pressures created by Federal budget deficits and the resultant adverse impact on credit conditions. The caution of the Congress with respect to the tax rebate proposal and the President's willingness to adjust his fiscal program in light of emerging economic developments have done much to enhance confidence that our government is moving toward a more responsible financial posture.

In concluding this morning, I am obliged to observe that we have still a considerable distance to go in putting our financial house in order. Too often in the past, we have lacked the courage or the patience to stay long enough on a monetary and fiscal path that will lead to non-inflationary economic growth. We cannot afford to backslide once again. Unless we achieve a less inflationary environment, there will be little chance of sustaining the expansion that is now in progress or of significantly reducing the high level of unemployment that is blighting the lives of millions of Americans. That, in a sentence, is the Board's central message to the Congress.

REFORMS IN OUR FEDERAL ELECTION PROCESS

Mr. McGOVERN. Mr. President, the President has asked Congress to enact reforms in our Federal election process, including a proposal for universal voter registration in Federal elections. The Governor of South Dakota, Richard F. Kneip, recently advised me of his support for S. 1072 and I would like to share his comments with my colleagues. Governor Kneip makes an effective case for the plan and in doing so lays to rest the spector of fraud being used by those who oppose the idea.

I ask unanimous consent that Governor Kneip's letter to me, dated April 27, 1977, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

STATE OF SOUTH DAKOTA,
Pierre, April 27, 1977.

Senator GEORGE MCGOVERN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR GEORGE: I am writing to you in support of President Carter's Universal Voter Registration legislative proposal which he proposed as a part of his election reform package recently submitted to the U.S. Congress and the American people.

As you know, the bills, H.R. 5400 in the House of Representatives and S. 1072 in the Senate, would permit persons to register at the polls on election day in federal general elections and provide financial assistance to the States to increase voter registration and turnout in all elections.

As elected public officials, I think all of us are concerned about the decline in confidence in government at all levels and the corresponding decrease in voter participation in national, state, and local elections.

I need not cite for you the numerous studies and data that support the argument that registration is an obstacle to voting for many American citizens—especially those who do not have ready access to transportation to the county courthouse or the many millions of persons in the United States who simply cannot make the effort because of the daily demand of providing for their families and making a living.

I think it is significant to remind you that South Dakota, from statehood to 1961, had a system of election day registration similar to what the President is proposing. As I understand it, the law, which was repealed by the 1961 legislature after more than 70 years of successful application, allowed persons to vote without pre-registration in the primary election on their personal affidavit of fulfilling the state's qualifications for voter eligibility. In the general election, a person who showed up at the polls merely needed two witnesses—oftentimes the election clerks—to vouch that he/she resided in the the precinct. Additionally, the law provided for a committee in each precinct or the county auditor to keep lists of all citizens presumed qualified to vote and allow them to do so without prior registration.

In the 1976 Presidential election, more than nearly 169,000 eligible voting age South Dakotans did not vote. That is more than the populations of Minnehaha and Pennington counties combined.

I would concur with the observation of Vice-President Walter Mondale who has said that it took America almost 200 years to remove the ban on voting by blacks and women, to remove the property and educational barriers, to abolish poll taxes, to reduce the voting age from 21 to 18 and relieve restrictive and illogical obstacles based on literacy and residence.

I believe that the allowance of election day registration would remove yet another artificial and bureaucratic obstacle to the exercise of the voting franchise.

Finally, I would like to add that oftentimes you have heard me criticize the Federal Government for mandating some action or service to people without providing the necessary public funds to carry out the program. As you know, the Universal Voter Registration Act of 1977 offers generous financial assistance to the states to carry out election day registration as well as bonus assistance of 20 cents per voter if the election day registration is extended to state and local elections.

Additionally, the bill provides for additional grants for states that carry out voter registration and outreach programs. Since we in South Dakota have often bragged about our relatively high turnout rate in relation to registered voters, I believe it to be consistent with our heritage and belief in participatory democracy to lead the nation in encouraging greater voting opportunities by removing the pre-registration obstacle.

Lastly, opponents of this legislation have raised the scarecrow of fraud by persons voting more than once. Now, all of us have been involved in major statewide and congressional district campaigns that by necessity included well-organized and extensive voter registration and Get-Out-the-Vote efforts. We have all been frustrated by the difficulty of registering voters and helping them overcome the obstacles of time, work, and family to vote on election day. But not once did any of us or any of our predecessors countenance for a second, or encourage or tolerate any sort of fraud or illegal activity to get people to vote. To raise the spector of widespread fraud in voting and voter registration is to me irresponsible and an insult to the seriousness and high ethical standards South Dakotans demand from their politicians and political campaigns.

I have reviewed S. 1072 and H.R. 5400 and believe these proposals would enhance the opportunities for South Dakotans to participate in the most basic American right—the right to vote. I encourage your wholehearted support of the Universal Registration Act of 1977.

I thank you in advance for your consideration in this matter and with every best wish, I remain

Sincerely,

RICHARD F. KNEIP,
Governor.

"ISSUES AT THE SUMMIT"—A REPORT OF THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. Presdent, later this week, President Carter will meet in London with the leaders of the major industrial countries of the non-Communist world. This economic summit has come in the midst of sluggish growth in a world economy still trying to adapt to the six-fold increase in oil prices since 1973. Several industrial and developing countries are struggling against large and persistent deficits in their balance of payments. Slow growth and payments imbalances have begun to put considerable stress on the world trading system. Many developing countries have had to set aside or drastically reduce plans for rapid economic growth.

In an effort to shed some light on the issues facing the participants in the London summit, the Joint Economic Committee held 3 days of hearings on April 20 through 22. Because these issues are world problems, the committee sought testimony from prominent foreigners as well as American specialists. Looking to the common problems of the industrial West, we were fortunate to have heard the considered opinions of one of the five members of the Council of Economic Experts which advises the German Government and a respected Japanese economist. The economic views and concerns of the developing world were ably expressed by a prominent advocate of the proposals advanced by the United Nations Conference on Trade and Development—UNCTAD—and an official of the Commonwealth Secretariat. We also heard from respected American experts.

Based on the testimony presented at our hearings and the work of the committee staff, the committee has prepared a report for the consideration of President Carter, the other participants in the London Summit, and the Congress. Yesterday, Congressman BOLLING, the chairman of our committee, sent a copy of our report to President Carter prior to its formal release. Entitled "Issues at the Summit," the Joint Economic Committee report contains a series of specific recommendations that received bipartisan support of the committee. Although some members had separate comments or additional views, there were no dissents from the recommendations of the committee.

If I had to choose one word that will be central to the coming summit, it would be energy. The cost of it, the need for it, and the uncertainty about it are part of every economic problem confronting us. The payments imbalance, the debt problems of many developing countries, worldwide inflation and the sluggish recovery of the major industrial economies all reflect the brooding omnipresence of high-priced energy. A few pessimists are foreseeing a Hobbesian world that is ugly, brutish, and cold.

Since 1973, America and the world have been in desperate need of an energy policy. But America has been guilty of lagging behind other nations. Our witnesses were all pleased that President Carter has taken a lead in formulating an American energy program. The committee applauds the President's initiative and urges the adoption of legislation that would reduce our rate of growth of energy consumption while developing new domestic energy resources. That two-pronged approach will do much to limit the future power of the OPEC cartel and buttress our commitment to the conservation goals of the International Energy Agency.

But the cost of energy is not our only economic ill. The slow recovery from the deepest recession since World War II has increased the strains on the world economy. Almost a year ago in Puerto Rico, the leaders of the principal industrialized countries agreed that inflation loomed as their largest single concern. That fear is still with us, but it has been overcome by an apprehension that the three strongest economies, Germany, Japan, and the United States simply will not grow fast enough.

Everywhere you look, unemployment stands at levels that are high by historical standards. More than 7 million Americans, a million and a quarter Germans—and the count goes on. The current pressures on the international trading system in no small measure can be traced to the large pools of unemployed workers in most industrial countries. Adequate levels of economic growth would reduce those pressures. Growth in the leading economies will also bolster the developing world and ease the payments burdens of the weaker industrial countries.

With that in mind, the Joint Economic Committee has recommended that the leading industrial countries agree on target rates of growth and adopt the policies needed to achieve them.

Mixed with the high levels of overall unemployment is a problem now common to the industrial world and one that has long been a part of my own legislative program—youth unemployment. If we are not careful, much of the West will badly scar a whole generation of young people. It is by failing to reap the talents of its young, that the Western democracies will sow the seeds of their own downfall.

Because of the importance of providing jobs for young people in the industrial West, the committee has proposed the convening of an OECD-wide conference on youth unemployment for the fall of 1977.

International trade is an area that must be treated with considerable care. There are some in this Chamber that can remember back to the early days of the Great Depression. In the name of maintaining domestic jobs and production, the United States and many other countries adopted a high tariff policy. The result was to deepen the severity of the Great Depression.

Since World War II, several rounds of tariff negotiations have steadily reduced these tariff barriers and helped foster and sustain high levels of economic growth. The international trading system has been one of the economic marvels of the post-war era.

But there are real problems in trade. The rapid increase of imports of a particular product in the context of high overall unemployment can make domestic adjustment difficult. For instance in the case of shoes, older workers in one-factory towns are often faced with losing jobs, seniority, pensions, and even community ties.

To avoid any repetition of the 1930's experience will demand close cooperation and considerable accommodation. At the economic summit of 1975, the leading industrial countries adopted a December 31, 1977, target date for completion of the current round of trade negotiations. In light of present circumstances, the committee felt that the deadline should be extended.

Standing behind many of the trade problems are serious payments imbalances. The committee felt that the IMF should move promptly to control any intervention in exchange markets that was designed to secure a competitive trade advantage. We also feared that the resources for the Fund would be inadequate to meet the financial needs of many developing countries and some of the weaker industrial countries. The committee recommended that strong currency countries such as the United States should contribute additional resources to the Fund.

The question of payments deficits is closely tied to the question of economic growth in the developing world. High energy and food costs coupled with a recession in the industrial countries has seriously disrupted the economies of poor countries around the globe.

Three weeks after the London summit, the industrialized and developing countries will meet at another session of the Conference on International Economic Cooperation—CIEC. Since 1974, the developing countries have pressed a broad array of proposals designed to increase their share of world income and affluence. CIEC has been one of the principal forums for the discussion of these issues.

The developing world faces frightening problems. Poverty, rapid population growth, unstable export earnings, serious trade deficits—the list is long. The committee argued for increased development assistance and strong American support for the World Bank and other international development institutions.

But the committee could not recommend American support for all of the developing country proposals. For instance, at the CIEC meeting, the industrial countries are going to hear a great deal about trade—in particular trade in commodities. The committee did suggest continued American efforts to stabilize the export earnings of developing countries. But the committee could not endorse attempts to raise commodity prices above world market levels—in our view such a program would not serve the interests of either the developing or the developed countries.

Mr. President, I am well aware that the United States is looked to for thoughtful advice and strong leadership. But we also have a responsibility to listen closely to the shifting needs and views of the world around us. That was the committee's desire: To listen to the best minds at home and abroad and only then to provide a series of concrete proposals. Our recommendations were meant not as final U.S. policy; rather these recommendations were meant for careful consideration by the President, our economic partners and the Congress.

RURAL HEALTH SERVICES

Mr. MATHIAS. Mr. President, on February 10, 1977, I was among the 24 cosponsors who joined Senator CLARK and Senator LEAHY in introducing S. 708, a bill giving rural Americans greater access to primary health services. Since the bill was introduced, it has continued to gain support and now has 48 cosponsors.

I have cosponsored the rural health clinics bill because it would correct a serious deficiency in the health care needs of rural Americans. S. 708 addresses a need of citizens in rural areas of my own State of Maryland, and I was privileged to provide that testimony in a hearing conducted by the Senate Rural Development Subcommittee. The subcommittees' field hearings in New England and Middle America revealed similar needs in other areas of the Nation.

The initial impetus of train midlevel health practitioners came from the realization that there are not enough physicians in rural areas to guarantee health care for all citizens. Originally, nonphysician practitioners were trained to serve as direct extensions of physicians, with the physician serving as the primary decisionmaker. Training programs for midlevel health practitioners were developed in prestigious universities across the Nation, including Johns Hopkins University in Baltimore. Excellent programs generate quality products; experience demonstrated that the graduates could provide appropriate primary care for a high percentage of patients in outpatients settings.

It is important to note that nonphysician practitioners are also trained to recognize their limitations and to refer to physicians those patients with problems that exceed their competence. Consumer acceptance of the services delivered by nonphysician practitioners has been high, with many patients reporting an improvement in the quality of care received. Physician extenders decrease patient waiting time and increase accessibility to professional care and overall patient satisfaction.

Nonphysician practitioners are key elements in our strategy to alleviate serious shortages of primary health care providers. The supply of primary care physicians is particularly short of the needs of Americans seeking health care in rural clinics. The rural health clinic bill is vital to meeting the health needs of the people in rural Maryland and rural America.

I am aware that the American Nurses' Association and the American Medical Association have raised issues with certain features of the bill. It is my hope that these issues can be resolved to the satisfaction of all parties during committee consideration.

Mr. President, Dr. Archie S. Golden, associate professor and director of the health associate program at the Johns Hopkins University School of Health Sciences, gave testimony on S. 708 to the Subcommittee on Rural Development. I ask unanimous consent that the text of Dr. Golden's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT TO THE SUBCOMMITTEE ON RURAL DEVELOPMENT, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, U.S. SENATE, BY THE ASSOCIATION OF PHYSICIAN ASSISTANT PROGRAMS ON MEDICARE REIMBURSEMENT OF PHYSICIAN ASSISTANT SERVICES

Mr. Chairman and Members of the Committee:

I am Dr. Archie S. Golden, Chairman of the Government Relations Committee of The Association of Physician Assistant Programs. I am here today to offer testimony on S. 708 and the Medicare reimbursement system. I am Associate Professor and Director of The Health Associate Program at The Johns Hopkins University School of Health Services. Also, I am Associate Professor of Pediatrics at The Johns Hopkins School of Medicine and Associate Professor of Maternal and Child Health at The School of Hygiene and Public Health.

I am pleased to have this opportunity to testify on behalf of the 50 physician assistant training programs in this country. I am accompanied by Dr. Donald W. Fisher, Executive Director of the Association.

MEDICAL CARE AND THE PHYSICIAN ASSISTANT IN THE UNITED STATES

The United States Congress has, in the past six years, actively promoted the training and development of physician assistants (PAs). The Comprehensive Health Manpower Training Act of 1970 was responsible for the development of 42 physician assistant training programs whose graduates would assist primary care physicians by providing routine medical and health care services in underserved areas. The Health Professions

Educational Assistance Act of 1976 authorized continuation of federal support for physician assistant programs. It should be pointed out that the U.S. Department of HEW has funded physician assistant training and research to an amount over 48 million dollars.

The Congressional support, cited above, coupled with organized medicine's recognition of the need for formally trained assistants, has been responsible for the training and development of physician assistants. In 1970, the American Medical Association defined the physician assistant as ". . . a skilled person qualified by academic and practical training to provide patient services under the supervision and direction of a licensed physician who is responsible for the performance of that assistant." In 1971, Educational Essentials[1] were jointly developed by the American Medical Association, the American Academy of Family Physicians, the American College of Physicians, the American Academy of Pediatrics, the American Academy of Physician Assistants, and the American Society of Internal Medicine. Through this accreditation mechanism, more than 50 programs have been accredited to date. In 1973, the National Board of Medical Examiners administered National Certifying Examinations and continues to do so under the auspices of the National Commission on Certification of Physician's Assistants. Over 40 states have enacted legislation providing for the practice of physician assistants with legislation currently proposed or pending in the remaining states. In 1973, the Secretary's Commission on Malpractice stated that the then growing concern over malpractice should not be a deterrent to the utilization of physician assistants.

PHYSICIAN ASSISTANT IMPACT

Economics of Care: Educational cost data from the National Center of Health Services Research (NCHSR) on physician assistants show the education cost to be 15,100 dollars per year.[2] The cost of producing a physician assistant is less than ¼ that of preparation of a graduate physician.[3] Wert's[4] data shows that a PA can provide 2.6 years of physician equivalent services before a physician who simultaneously began his medical education can begin practice. Moreover, Record[5] estimates a saving of 20,000/PA/year in an HMO setting. Peterson[6] and his colleagues have shown very significant reductions in hospitalizations through the use of PA staffed ambulatory care clinics in a major V.A. Hospital.

Access to Care: Record[7] and Hill,[8] in separate studies, have shown that the outputs of primary care services are similar for both physicians and physician assistants. Moreover, Scheffler[9] and Fisher[10] report wide distribution of PAs throughout all 50 states with a majority of PAs in primary care settings. 60 percent of PAs are in communities of less than 50,000. For example, in Oklahoma, 62.2% of program graduates are in communities of less than 25,000; in Utah, 72% of program graduates are in communities of less than 25,000, and in Washington, 57.7% in communities of less than 20,000. Also, significant numbers of physician assistants are working in inner city areas. The recent health manpower legislation not only authorizes funds for physician assistant training and National Health Service Corps Scholarships, but also requires that part of each Area Health Education Center include training for physician assistants or nurse practitioners. Also, it appears that the Health Resources Administration has decided that new funding for these centers will be directed at inner city urban areas.

Quality of Care: Numerous studies, Nelson,[11] Pondy,[12] Henry,[13] and Norbrega,[14] have shown that job acceptance, as a function of quality, is highly favorable. For example, Nelson found that more than 85% of patients rate PAs as highly competent and professional, and 71% report improvement in the quality of care. Record reports no significant differences in morbidities or outcomes in primary care services delivered by MDs and PAs. More importantly, B. J. Anderson, J.D. (Staff, American Medical Association Legal Council) stated that as a result of decreased waiting time, increased accessibility to professional care and overall patient satisfaction, it appeared that the inclusion of a physician assistant in a practice was an excellent deterrent to the ever present threat of malpractice.

In sum, a review of available research shows that the physician assistant concept has been successful in addressing the three major issues confronting the nation's system for health care: (1) a reduction in cost, (2) an improvement in access, and (3) the delivery of high quality care.

THE IMPEDIMENT: MEDICARE, PART B

In spite of evidence that the physician assistant concept has been successfully addressing major national health problems, further deployment of physician assistants into underserved areas is being seriously impeded by the current Medicare Law (Title XVII (Section 1861(s)(2)(A)), its rules and regulations.

Excerpts from the Medicare Act and Part B. Intermediary Manual reveal the problem:

Title XVIII Sec. 1861(s): "The term 'Medical and Other Services' means any of the following items or services . . . (2)(A) Services and Supplies . . . furnished as an incident to a physician's professional service, of kinds which are commonly furnished in physician's offices and are commonly either rendered without charge or included in the physician's bills . . .".

Part B Intermediary Manual, Sec. 6103 (B): ". . . there is no provision under Part B which authorizes coverage of the services of physician assistants as independent practitioners, the only basis for covering their services under Part B would be as services furnished 'incident to' a physician's professional service and one of the . . . requirements . . . for services to be covered under this provision is that they must be of kinds that are 'commonly furnished' in physicians' offices. Thus, the performance by a physician assistant of services which traditionally have been reserved to physicians cannot be covered under Part B even though all the other 'incident-to' requirements are met".

The current attention drawn to the "non-reimbursement" policy has had negative impacts in rural underserved areas of this nation. Without reimbursement for services performed by physician assistants practicing in areas with large numbers of Medicare recipients, physicians cannot afford to employ a physician assistant even though the potential benefits to patients is well recognized. Physicians have had to sharply curtail the utilization of their PAs when Medicare would not reimburse the employing physician for their services. Many program directors fear that their graduates will be forced into affluent suburban or institutional practices because the employing physician cannot be reimbursed for services safely and legally delegated. Most importantly, many Medicare recipients are having to pay for the delegated services out of their meager incomes.

In summary, in the past decade, we have seen the development of a new health profession with an accreditation mechanism which is recognized by the Office of Education (DHEW); certification mechanisms through the National Commission on Certification of Physician's Assistants and legislation in 40 states granting statutory recognition for this profession. The evidence exists that physician assistants may reduce the physician's risk of medical negligence by improving the continuity of care. Research does exist which confirms excellent patient acceptance by physicians, that physician assistants are improving access to health care by practicing in geographical areas deficient in health manpower, physician assistant productivity—within their role—is comparable to physician productivities, and that the potential for reducing the cost of health care is present with the utilization of physician assistants.

RECOMMENDATIONS

The Association of Physician Assistant Programs recommends that Title XVIII of the Social Security Act, Part B Supplemental Medical Insurance (42USC1305), and all such other medical entitlement programs be amended to permit reimbursement for physician assistant services in the following way:

(1) cost reimbursement to specific health clinics in medically underserved rural areas,

(2) for other underserved areas, to attract providers to practice in these areas, that reimbursement be to the physician at usual and customary rates,

(3) and, for all other areas, taking into consideration cost control, there would seem to be room for discussion to come up with an amenable reimbursement rate.

Also, in order to put to rest concerns relating to quality of care, fraud and abuse, reimbursement should only occur when the following criteria are met:

(1) The practice of the physician assistant is not in conflict with the laws of the state in which the services are provided.

(2) The activities and patient care services by physician assistants shall be provided under the *responsible supervision* of (a) licensed physician(s). Services of physician assistants shall include services performed regardless of whether the physician was actually present and regardless of whether the services were performed in the physician's office, or at some other site. That a physician supervise no more than two physician assistants.

(3) Physician assistants be defined as individuals who have completed an educational program for physician assistants accredited by the American Medical Association or other recognized accrediting agency and/or are holders of current certificates from the National Commission on Certification of Physician's Assistants.

We feel that it is necessary and justifiable to apply the reimbursement on a nationwide basis.

POTENTIAL COSTS OF NATIONWIDE REIMBURSEMENT

We understand and share the concern of Congress about escalating health care costs, At present, we have an economist working on the question of the cost of reimbursing physician assistants nationwide and will have more exact information within two weeks and would be pleased to share that information with this committee. However, the U.S. Department of Health, Education and Welfare has developed some estimates taking into consideration physician income, number of Medicare patients, the increased intensity of care for older people and deductibles. From this they estimate the cost of Medicare reimbursement to be 1,782 dollars per physician utilizing a physician assistant or nurse practitioner per year. Since there are about 5,000 physician assistants practicing with adults, the total cost would be 8.9 million dollars. If one adds the approximately 3,000 nurse practitioners practicing with adults, the reimbursement nationwide would come to 14.3 million dollars. This is not a large amount and, in fact, it appears that close to three quarters of that amount is in reality being reimbursed today to physicians employing these new practitioners, although not covered within the Medicare rules and regulations.

Footnotes at end of article.

Therefore, we estimate that the net increase for nationwide reimbursement would not be higher than 3.6 million dollars.

We feel that limiting reimbursement to only rural health clinics or only rural areas denies just payment to practices in many urban areas where important contributions to health care access are being made by physician assistants. In fact, there is a danger that the organizational mechanism necessary to administer such categorical reimbursement as only rural clinics or only rural areas may cost as much as the reimbursement itself.

We note that on page 58 of President Carter's FY 1978 budget revisions released on Tuesday, February 22, 1977, related to proposed Medicare legislation, there were estimated outlays of 25 million dollars which would promote the availability of primary and rural health care by extending cost reimbursement to nurse practitioners and physician assistants practicing in rural health clinics.

We feel that this amount of money would more than cover reimbursement nationwide under Medicare Part B for all physician assistants.

We recommend that S. 708 entitled "A Bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services" be adapted to provide for reimbursement for services provided by physician assistants and nurse practitioners throughout this country.

We believe that nationwide reimbursement is a necessary step not only to facilitate distribution of services and contain costs, but also to take us on the roal toward equal rights for health care for all people of this country.

FOOTNOTES

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[14] Holshouser, James E., Jr., Governor of North Carolina, "Statement to the Subcommittee on Health of the Committee on Ways and Means, U.S. House of Representatives", presented on July 23, 1976.

PERHAPS OIL CAN BE BOILED OUT OF ATHABASCA'S SANDS

Mr. ABOUREZK. Mr. President, despite the administration's having come up with a comprehensive energy policy within 4 months of its taking office, I still have my doubts as to whether we have taken the time or applied the imagination necessary to find a solution to the energy problem. It has technical and economic dimensions that no one has addressed satisfactorily. And it is not surprising that this is the case—we have looked at energy as an element like air or water, with pervasive economic effects, only for the last 5 years.

The initial response of both businessmen and policymakers to the realization that our energy supplies were limited was to demand more money for more of the same—increased exploration for increasingly scarce fossil fuels. Slowly, the public and its representatives began to realize that this would only insure rapid exhaustion of conventional fuels, not solve the energy problem. Now the idea of conservation, which was a radical proposal 3 years ago, has come of age and is beginning to find a place in policy proposals.

But I believe that there are other ideas, seemingly radical, certainly imaginative, which will emerge. We must not foreclose these by allowing the established purveyors of energy to blind us to technological potentials that may render their current investments obsolete. For example, I think that the failure of Mr. Carter to mention the potential of shale oil reflects a mistaken acceptance of oil company judgments.

An example of the technological potential I am referring to is described in an article from a Canadian newspaper, the Financial Post. Two points in the article—besides the idea itself—struck me as thought-provoking: First, that "as a general principle, the use of a 50-year-old technology must be wrong." And second, that despite giant, conglomerate corporations encompasing activities of every conceivable nature, the process of extracting energy through induction probably was not thought of earlier because of the "compartmentalized nature of science and engineering where—the achievements in electronics are almost unknown to the geologist."

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Financial Post, Feb. 19, 1977]

LATEST FISHER INVENTION: PERHAPS OIL CAN BE BOILED OUT OF ATHABASCA'S SANDS

(By Robert Steklasa)

MONTREAL.—Forget about the energy crisis—Canadians and Americans can have all the cheap energy they want, enough of it to last several hundred years.

At least that's what Sidney T. Fisher, 68, electrical engineer, inventor and successful Montreal businessman, has been telling the world lately.

With the help of his engineer brother, Charles, and some university and industry consultants, Fisher says he has developed a revolutionary new method of tapping energy from the vast deposits of oil sand, oil shale, heavy oil, coal and lignite found in North America.

Everything is still at the theoretical stage, however, but Fisher says extensive work has been done on the concept with the help of computers: "No new science is needed and all the technology to make it feasible already exists."

One source associated with the oil industry told The Post there would be at least one problem in judging the proposal—finding someone of Fisher's engineering status to evaluate it.

The proposal seems almost too good to be true; for example, Fisher estimates that, using his process, the cost of producing petroleum from an oil sand deposit would be about $3 a barrel—assuming capital costs could be written off over a 40-year period.

An extraordinary claim to make, perhaps, but it comes from a man some consider to be "a brilliant engineer." He has more than 60 patents to his credit and holds three university degrees (two from the University of Toronto and one from McGill).

Fisher and his brother have a reputation for being inventive and are rich men today because of the unique electronic communications devices they designed and manufactured. They made their fortunes by building up Radio Engineering Products Ltd., a successful electronics firm that went public with a $3.5-million issue from their holdings in 1968.

REP was subsequently sold to a U.S. conglomerate and fell on evil days. It eventually went bankrupt.

Fisher says he has spent $500,000 of his own money during the past three years, researching and producing a 136-page report that describes the theory behind the new technology for exploiting fossil-fuel deposits.

More than 500 copies of this report—*Plentiful and Cheap Energy from Fossil-fuel Deposits by Electrical Induction Heating*—have been sent to major oil companies, electrical utilities, coal companies, Canadian and U.S. banks, and various government officials.

Saudi Arabia's Sheik Yamani, Fisher says, has requested a copy, and at least 20 have found their way to Washington—to, among others, President Jimmy Carter's energy adviser, S. David Freeman.

Essentially, Fisher's process—called induction heating—would burn the fossil fuel right in the ground. To make it work would mean digging shafts hundreds of feet into the ground and then excavating horizontal tunnels, perhaps half a mile long, to encompass a fossil fuel deposit—coal, for example.

Copper cable would be run through the various openings that lead to and surround the coal. Then, a large, high-frequency electric current would be passed through the cable, eventually heating the coal to 800 degrees Celsius (1,500 degrees Fahrenheit).

MAGNETIC FIELD

"The reason the coal would get hot is that the electricity would set up an intense alternating magnetic field in the coal, which in turn would induce currents in it," Fisher explains.

"These currents would heat the material because of its characteristic electrical resistivity, and eventually you would get steam, gaseous hydrocarbons, and hot gas."

They would ascend through special access shafts and would be exploited through conventional technology at the surface.

"Induction heating is the only new idea in fossil-fuel technology in 50 years," Fisher says. "As a general principle, the use of 50-year-old technology must be wrong.

"How else can you get at that shale oil or oil sand, often buried under several hundred feet of overburden? You can't."

To date, Fisher has received seven patents for his idea and is awaiting 23 more.

"All our basic claims have been allowed, and in many cases the patent examiner has stated that no prior art has been found," he says.

Alberta's Oil Sands Technology & Research Authority is looking at the scheme, but an official says comment will be reserved on induction heating until Ostra meets Fisher.

Fisher says induction heating would eliminate the need for copious amounts of water that current technology uses to process oil sands.

"But what is really impressive is that for every four units of, say, coal that you burn underground, three are converted to energy—for an overall thermal efficiency of 75%, which is unprecedented."

NO HEAVY SCARRING

Perhaps one of the most attractive features of induction heating is that huge amounts of material wouldn't have to be extracted and moved by expensive machinery and manpower, thus avoiding heavy scarring of the environment. (Employing present extraction methods, an Ostra official says, two tons of oil sands—to cite an example—must be removed and processed to yield one barrel of oil.)

Induction heating would free the world from OPEC domination and could render nuclear generating plants unnecessary within 15 years, Fisher says.

Because coal deposits are found in the same region as oil sand and oil shale, Fisher advocates combined coal and oil site development.

Electricity generated at the coal site—1,500 megawatts of it—would be rented to an oil-sand deposit for instance, where 125,000 barrels of petroleum could be produced daily by liquefying (or condensing)—through conventional technology—the oil vapors coming to the surface because of induction heating.

Each site would probably last 40 years and go through three phases:

All the water and other volatiles would first be extracted. At a coal site, this stage would see 2,500 tons of methane produced daily, along with 10,000 tons of coal tar (from a 480-megawatt charge put into the deposit, probably from a nearby coal-fired generating plant).

Once the volatiles were gone, only hot coke would remain. Air would be pumped into it to produce hot gases, which would feed into a gas turbine to produce electric power.

WHITE-HOT CARBON

Finally, only white-hot carbon and some ash would be left.

"You could take low-temperature steam from another induction heating site and send it into this white-hot cavity to get high-temperature steam, which would be ideal for producing electricity," Fisher says.

How long before induction heating could become a reality?

Fisher says the next stage would involve some laboratory work to determine precisely the electrical characteristics of fossil-fuel deposits.

"This probably would take a year and cost $1 million, and more than likely it would have to be done by Ottawa."

Two small pilot plants, costing $10 million, would then have to be built as part of a four-year project to iron out engineering problems.

"All the technology needed to develop an induction heating site already exists," Fisher says.

Construction of a $1-billion full-scale operation, he says, would take five years to complete.

"We have already put 10 man-years into this idea, but it will probably need 100,000 to bring it to fruition."

Fisher says that a small-scale operation would be as efficient as a large-scale one. "A pilot plant production of only 1,000 barrels of oil per day would give about as good results, proportionately, as one producing 100,000 barrels a day."

Why hasn't induction heating been thought of before?

The answer, Fisher says, lies in the "compartmentalized nature of science and engineering, where, for example, the achievements in electronics are almost unknown to the geologist."

OUTMODED NEUTRALITY?

Mr. BARTLETT. Mr. President, proposals to amend the Hatch Act are again being actively considered by the Congress. The so-called "reforms" in the Hatch Act are very likely the opposite of true reform. This fact was persuasively asserted in an April 28, 1977, editorial in the Wall Street Journal. As the editorial notes, it is essential that our Federal civil service maintain a posture of neutrality and impartiality in its dealings with the public business. That impartiality and neutrality would, in my judgment, be difficult if not impossible to maintain under the changes in the Hatch Act which have been proposed.

I commend this recent editorial to the attention of my colleagues. In order that the editorial be readily available to others who may wish to read it, I ask unanimous consent that the Wall Street Journal editorial "Outmoded Neutrality?" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 28, 1977]

OUTMODED NEUTRALITY?

As it works its way through the House, the bill to "reform" the Hatch Act no longer seems quite so sure of passage, although we would be surprised if it did not pass eventually. President Carter said he would sign a bill changing the act to permit full political participation by government workers. But the White House would prefer to continue Hatch Act restrictions on about 5% of the 2.6 million federal and postal workers, whereas House "reformers" seem determined that all federal employes be allowed to engage in partisan politics.

We put quotation marks around the words "reform" and "reformers" to indicate our belief that the House is embarked on the very opposite of reform. In fact, adoption could bring a return to those days before 1939, when the Hatch Act was passed, when federal employes in Kentucky, Tennessee, Maryland, Pennsylvania and elsewhere were fired, ordered to change their voter registration or browbeaten by superiors who expected them to toe a partisan political line.

One problem with defending the Hatch Act is that supporters sometimes get themselves locked into so stout a defense of the measure that they fail to acknowledge its shortcomings. To name just one, the 38-year-old act does not really provide sufficient insulation for either government workers or the public from the political pressures of powerful public employe unions that have sprung up in recent years. Nor does it adequately define proscribed political activity.

But that is an altogether different criticism from the argument that repeal is necessary because the Hatch Act treats federal employes as second class citizens. The Hatch Act does indeed set conditions of employment that are not usually applied to workers outside government. But restrictive conditions of employment are not at all uncommon—airline pilots must obey strict drinking rules, meter readers must wear identification tags, etc.

The limitation against partisan political activity by civil servants may at first sound more fundamental but it is well established both in this and other democracies. Civil servants, in general, represent the state's police powers. It has been the fear in democratic nations, well justified in our belief, that if civil servants can be coerced or induced by a political party to engage in partisan politics, the state's power can be employed to overwhelm the democratic process.

John R. Bolton, a Washington attorney who argues this point in greater detail in an American Enterprise Institute pamphlet ("The Hatch Act: A Civil Libertarian Defense"), notes that the Hatch Act has not made government employes philosophical neuters. But it reinforces training and habits that discourage expression of political viewpoints in their work. Clearly the last thing this country needs is a civil service that regards neutrality and impartiality towards the public as an outmoded concept.

SECRETARY MARSHALL'S LABOR POLICY PRIMER

Mr. HUMPHREY. Mr. President, American workers have a friend in Labor Secretary Ray Marshall. And more, those millions of Americans who want to become workers, but are now without jobs, have a friend.

Secretary Marshall has a research background; he is from academia. But he has the ability to identify the truth in complex relationships, abstract the correct principle, and express the facts with remarkable clarity. These are skills public leaders all too often lack.

And never were such skills needed more than in sorting out the confusion throughout the Nation about the proper labor policy. I have always held it as a moral responsibility of Government to promote full employment, and the opportunity to work at a decent wage under decent conditions. Secretary Marshall is effectively explaining to the Nation that the goal is not only an imperative, but eminently achievable.

An excellent example of what the Secretary is telling the people is his statement before the International Labor Press Association on April 14. In those remarks, he underscored some commonsense notions which somehow have eluded many policymakers. He defined full employment: It means that nobody has to look long for a job. He pointed to the evidence that people want to work and will take anything and everything available—and yet there are now not enough jobs. But he stated quite accurately that, whether the jobs are there or not, there is work to be done in this country, and we had better get about doing it.

He debunked the insensitive idea that unemployment today imposes less economic and social damage than it did in years past, and therefore is more tolerable. A totally ridiculous idea. Yet, as the Secretary said, "(i) t's amazing how often you hear that."

Secretary Marshall illustrated why unemployment is wasteful, that every percentage point adds $16 billion of Federal budgetary costs which the American people pay in higher transfer payments and taxes. He suggested the proposition, heretical in some circles, that unemployment fuels inflation. People who do not work do not produce. But they do consume. Consequently, supply falls short of demand and prices rise—a lesson of logic overlooked by many economists.

Finally, he defended the intentions and ability of the Government to regulate fairly and reasonably to protect the workers and consumers of our incredibly complicated industrial and postindustrial society. This belief I share, as well as the sentiment that there is room for improvement in eliminating "some misguided regulations."

In short, Mr. President, Secretary Marshall condensed the whole story to a short statement of high value in its expository power. This statement should be read by all of my colleagues to better focus their thinking on these crucial matters. Therefore, I ask unanimous consent that key portions of the Secretary's remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY SECRETARY OF LABOR RAY MARSHALL

Our main theme, if we have one, is that we not only want to produce more jobs, but that we want to produce better jobs for people. Our immediate objective is to try to move us toward full employment as fast as we can prudently get there. This is the overriding objective of the Department of Labor, and that in of itself is an extremely important undertaking. There is no more important undertaking that I can think of than to try and provide full employment.

Now I think we need to get the simple message across to people of the importance of full employment. First we need to get across to them what it is. It gets fuzzed up a lot by economists—you know I'm an economist, and I know that a good bit of confusion on economic issues is created by economists, because they do tend frequently to be fairly abstract and to confuse issues. They spend a lot of time in obfuscation, rather than clarification.

But it seems to me that the definition of full employment is fairly simple, once you cut through all the Latin and other things that economists can do to confuse it. We have full employment when nobody who wants to work has to look for a job very long. If you don't have that, then you don't have full employment, and that's not a hard thing to understand. We might argue a little about how long should they look before you decide that we don't have full employment. Well, my view is if you look more than three months, it's too long.

We could use that as a cut-off, but I'll settle for 16 weeks if anybody wants to argue. And I think that's less important than the concept that we have a society where anybody who is willing and able to work can find a job without having to look too long.

I think there are a lot of myths connected with that that we need to work together to overcome. One myth is that there are a lot of people in the country who don't want to work, and that's the reason you've got unemployment. That has not been our experience, but it's amazing how pervasive that myth is. Our experience has been that every time we open up a few jobs, even if they are lousy jobs, as many of ours tend to be—we're talking about public service employment jobs at the minimum wage, and we're not talking about easy jobs; in Texas the definition of an easy job is all inside and no heavy lifting—well, during the winter we opened up a few lousy jobs up in Buffalo—less than 1,000—and, we had about 4,000 people lined up for those jobs. And you know when they started lining up? Three or four o'clock in the morning. You know what the work was? Shoveling snow, ice.

We opened up a few lousy jobs down in Atlanta, and the people broke the doors down to get in. We never put on line a few jobs that we don't get swamped. And that's the message that we need to get across: We don't have unemployment because people are not willing to work and don't want to work; we have unemployment because we don't have enough jobs, and if we make the jobs available we'll get the people to fill them.

There is also a myth that you can't do it, that you cannot create meaningful jobs for people. Well, that's the sheerest kind of nonsense. With all the things that we need to do in this country, to assume that we cannot get people to do the work and have them doing meaningful work is just silly. We didn't have to think very long at all to come up with a very long list of jobs that we'll never get done if we don't put the unemployed to work doing them.

In our first Cabinet meeting—I started talking about this on December 26th, my first day on the job—and in the first Cabinet meeting we started talking about things that we can get done. Well, the Secretary of Agriculture right away said that the national forests were in bad shape and getting worst, and why? Because we didn't have enough people to do the work. I said, well, we've got eight million people that we count as being unemployed and we could put some of those people to work doing it, and we made an agreement and we're going to do it. If Congress passes the Youth bill we're going to have a program that will be very similar to the CCC programs during the 1930's, putting people to work in national parks, national forests, state parks and forests.

We have a lot of problems with housing, and we could provide a lot of jobs to people, fixing up the houses that people already live in that cause great trouble—energy loss—because they are improperly insulated. And we can see to it in that work that people do things that won't be done if you don't put them to work this way.

Now, of course, the main thing that we need to do is to get people good jobs, and most of those jobs are in the private sector. That means that we need to stimulate the economy in such a way as to get the private employers to do all they can to employ people.

Another myth that we have is that you have to have unemployment in order to check inflation. Well, that too is just a myth. If you look at the historical record, you find the problem with that argument is that it fails to realize that unemployment is inflationary. Inflation is a relationship between money and goods, and it's very simple—you can make it complicated, but it's a simple proposition: If you get more money in the system than goods, then you tend to get inflation. And if you have people not working, then they're sure not producing any goods but they are probably living, so they are getting money. And that's inflationary. It's a whole lot better to put people to work doing useful things than it is to have them not working.

The other part of the problem there, of course, is the assumption that inflation originates in the labor market. There is no evidence to support that argument, and we need to make that case. I think the biggest problem we face now in trying to move toward full employment is the fear of inflation, not the reality. The fact that people are concerned about it and are afraid that if we try to do something to bring unemployment rates down, that somehow is going to automatically generate inflation. And because of that we can't get the kind of support that we need for the programs that we need to develop in order to move towards full employment.

Now I think that this is extremely important and we need to make that case as strongly as we can and to present the evidence to people to shatter the myths about the problem of unemployment. We also need to get across what it costs the country not to have full employment. It costs us a lot materially, as well as in human terms, not to have full employment. If we end up this year with 4% unemployment, instead of the 6½% to 7% unemployment that we are likely to end the year with, the federal budget would have a surplus, because we lose $16 billion from the federal treasury for every one percentage point of unemployment. We could do an awful lot with that $67 to $80 billion that a more reasonable level of unemployment could produce for us. And we can get unemployment below 4% without doing serious damage or making any inflationary pressures in the system.

In connection with that, I think one of the real other problems that we face, another myth related to unemployment, is the assumption that it is no longer a problem. It's amazing how often you hear that. They say, well, after all, don't we have unemployment insurance and don't we have welfare? But if we've got unemployment insurance and welfare, does that mean that we still don't have a problem? Well, we do have a problem because even though we have these safety nets which we've erected under workers, these safety nets don't help you completely and a lot of people fall through them. We need to do some things to perfect that mechanism. One of the best indications of the human problems involved in unemployment is the fact that we get some very serious indicators of human problems. We get a rise in suicide rates as unemployment goes up. We get a rise in divorce rates as unemployment goes up. We get a rise in crime rates and imprisonment, incarceration in mental institutions. We even get a rise in infant mortality as unemployment goes up. So even though we do have these safety nets and even though some people talk about the "new" unemployment, it still shows up in the same old ways that it always did.

I think we really need to concentrate on getting that point across. We have a similar problem, of course, with the rest of our programs. In addition to trying to do things to create more jobs and to see that we get full employment, we're trying to do some things to see to it that we get better jobs, decent wages and jobs that are reasonably safe and healthy. We are trying to see that when you get ready to retire, there is a pension there and that the pension is relatively secure, and

I think that these are extremely important things for us to do.

We give great weight to them because we in the Labor Department believe in all those programs and we're determined to do everything that we can do to improve and perfect the regulatory mechanisms.

But here again we have serious communications problems and the reason is because the enemies of these programs have done a public relations job on them, and it's clear that it's political and intentional. This is particularly true with the Occupational Safety and Health Act.

I think the thing that we need to keep before our readers and the people who are listening to us is the reality that in spite of some misguided regulations that we might have had, in spite of some decisions that might have been made that weren't based on common sense, that the basic purpose of this legislation is to keep people from being injured and killed, and to keep people from contracting serious occupational diseases that impair their health who need not have their health impaired by those unsafe, unhealthy conditions.

I think that the point that we need to get across to people is that we cannot permit labor standards to be elements in economic competition. We cannot let people have unsafe or unhealthy conditions in order to acquire an economic or competitive advantage over other employers.

If we don't hold that line, then we're back to the sweat shop and we're back to the killing and injuring and impairing the health of people when that could have been prevented. We need your help with all of these, because obviously we can't do this by ourselves, and you can play a very important role in helping us do this. I'm pleased to learn from my discussions with John Leslie that he and Al Herling and Allen Zack are doing whatever they can to strengthen the relationship between the Department of Labor and the ILPA.

I welcome that strengthening. We'll do everything we can to help you with your work, because we know that by helping you we help accomplish the main things that we're setting out to do, and we look forward to working with you.

CRIMINAL LAW REFORM

Mr. BENTSEN. Mr. President, I rise today to commend two provisions of the recently introduced Criminal Code Reform Act that I have been urging for the past several years: reform of sentencing and rape laws.

Mr. President, the time has come to end indeterminate sentencing. Judges and parole boards have been empowered with too much discretion. Too often little or no punishment is meted out to dangerous criminals. Others are punished too harshly. Indeterminate sentencing is riddled with uncertainties. The criminal knows he may not be punished, even if convicted. Society knows it is often unprotected from the dangerous. Punishment is meted out without uniform standards. The system cannot be justified by fairness, common sense, or sound law enforcement.

Last year, I first introduced the Fair and Certain Punishment Act, which provided for definite presumptive sentencing; increased sentences for dangerous and repeat offenders; and standards for discretion that will bring fairness and uniformity as well as certainty to punishment. The Criminal Code reform bill will create a Sentencing Commission to create the kind of fair and certain sentencing that I believe is urgently needed.

Mr. President, I am encouraged that the Congress is now moving toward sentencing policies that will see to it that more criminals receive some punishment; that violent repeat offenders will be punished with the severity that their conduct deserves; and that all will be punished more fairly. I intend to work hard to see that this kind of sentencing reform is enacted.

The second provision I strongly support is one that will improve rape laws. No evidence of the victim's sexual conduct should be admissible unless it relates to the issue of consent, whether the defendant committed the crime against the victim, or in response to evidence introduced by the victim. Current rape laws have discouraged reporting of crimes by victims, who are often put through a trying and unfair ordeal. Current laws hinder successful prosecution of rape cases by requiring corroboration of the victim's testimony. My bill, first introduced in 1975, would strictly limit evidence regarding the victim's sexual conduct and would not require corroboration. I am encouraged that the proposed criminal code reform moves in this new direction.

Mr. President, I commend the arduous and difficult work that Senators McClellan and Kennedy have undertaken in the effort to reform the Criminal Code. I intend to work for passage of legislation to make punishment of all offenders more fair and certain, and rape laws that can provide more fairness to the victim and more security to a society that will have increased assurance that rapists will be reported, arrested and sent to prison.

HUMAN RIGHTS AMENDMENT

Mr. ABOUREZK. Mr. President, the Senate is soon going to consider and vote on H.R. 5262, which provides for increased U.S. participation in the World Bank Group, and Asian Development Bank and the Asian Development Fund. During consideration of this House bill, the Subcommittee on Foreign Assistance changed considerably the section on human rights and with administration support eliminated completely an important amendment by Congressman Badillo which was adopted by the House. This amendment would direct the U.S. delegate to the multilateral institutions to vote against a loan or financial or technical assistance to any country having recognized gross human rights violations, unless the assistance is directed to the basic needs of the people of that country.

Time and again the President has clearly indicated his commitment to human rights throughout the world and yet, by pressing for an elimination of this amendment he is trying to prevent the Congress from using its voice to carry out that commitment. One of the administration's basic arguments is that this amendment provides no flexibility for the President to use on countries having violations and that it would tie his hands with respect to multilateral institutions.

But it is long overdue that the United States have some control on assistance to nations having human rights situations against which the President continually speaks out.

I simply do not see how we can say one thing which to us appears morally right, and then not demonstrate exactly what we mean through legislation. Are we going to fold up and quietly go along with the administration on the basis that the amendment robs the President of his flexibility? There is flexibility in this amendment and it comes out right at the end, in stating that assistance should be granted when it can be shown to directly benefit the needs of the people of a country.

Human rights violations are so frequent and rampant throughout the world that a commitment from the administration just is not enough. It has to be backed up so that these countries do not simply think we are talking. I have a suspicion that most of them already think they can get away with torture and deprivation of their citizens and still spend our money through loans from multilateral institutions. I am tired of talking about human rights with no clear demonstration of our commitment to them. Where is our outrage at the degradation of human beings that can be translated from words to action? Are we going to go along with the administration on the basis that this amendment would provide no flexibility when it clearly does?

This legislation in no way contradicts the policies of the Government. We would still conduct a careful review of the situation in a country and examine our relationship to it. But by requiring the United States to vote against a loan we can protest a country's human rights policies in a way it will surely understand: by the dollar.

THE NAVAL UNDERWATER SYSTEM CENTER AT NEWPORT, R.I.

Mr. PELL. Mr. President, on behalf of myself and my distinguished colleague, Mr. Chafee, I send to the desk a resolution adopted by the General Assembly of the State of Rhode Island memorializing Congress to retain and increase the jobs of the Naval Underwater System Center in Newport, and I ask unanimous consent that it be printed in the Record.

There being no objection, the resolution was ordered to be printed in Record, as follows:

Rhode Island Resolution Memorializing Congress to Retain and Increase the Jobs of the Naval Underwater System Center at Newport

January Session, A.D. 1977.

Resolved, That the general assembly of the state of Rhode Island and Providence Plantations hereby respectfully memorializes Congress to retain and increase the jobs of the naval underwater system center in Newport.

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the members of congress from Rhode Island.

AGAINST ABOLISHING ANY STUDENT-LOAN PROGRAMS

Mr. PELL. Mr. President, today, as the costs of college continue to skyrocket, many of our young find that the only way they can finance their higher education is through the use of college loans. If we are to continue our pursuit of equal educational opportunities for all, we will have to maintain programs that insure that methods of financing higher education are available to all of our young. The fact of the matter is that college has outpriced the ability of many of our young to afford it. We need loan programs to balance that reality.

It is for this reason that I have opposed President Carter's decision not to request any new funds for the national direct student loan program. This program has been a basic source of student financial support since 1958. It is a program that has enabled many Americans to achieve a college education which they most likely would not have achieved without it. With the annual bill for tuition and board at the average American university reaching $6,000 this fall, the national direct student loan program is needed now more than ever. I am hopeful that the Congress will keep this program at its full level of funding.

Recently, an article appeared in the New York Times detailing some of the serious consequences a cutback in the national direct student loan program would bring about. I ask that this article be printed in the RECORD to point out what might happen if this program is not continued at its current level.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AGAINST ABOLISHING ANY STUDENT-LOAN PROGRAMS

(By Larry Barton)

ARLINGTON, MASS.—President Carter's recent request to Congress asking for the abolition of several student-loan programs could be potentially fatal to the education of thousands of college students.

In an era in which tuition costs at public and private universities continue to rise an average of over $240 per year, a cut in federally funded loans would place severe hardships on middle-class families that seek Federal aid to fund their children's education.

The President has said that by abolishing the $332-million National Direct Student Loan Program, funds could be rerouted into other programs benefiting students of low- and very-low income status. What has been ignored, however, is that while funding for grants, scholarships and loans to poorer students has increased substantially over the last decade, aid to students from middle-class families has remained stable at best.

Currently, the National Direct Student Loan Program allocates up to $5,000 for all four undergraduate years to eligible students. No interest is charged on the loan until after the student has graduated, and in most cases the entire loan must be repaid within 10 years after graduation.

While $5,000 is not sufficient to entirely fund the average undergraduate education today, this program is certainly a positive stimulus, giving many families in the $11,000-to-$17,500 income range an equal opportunity at higher education.

A classmate of mine is the oldest of three children. His father makes about $14,000 a year as an engineer. Even with that income and the money that my classmate earns from working nights and summers in a book store, his family simply cannot fund his $6,100 tuition when they must also pay property taxes, utility charges and the normal living costs of five persons.

He has received about $3,600 in Federal loans over the last two years. He feels that should the loan program be abolished, he will be forced to cut short his studies toward a bachelor's degree in business management. The only alternative for him and many others will be a low-paying job that does not have a degree as a prerequisite.

Thus, instead of helping to broaden the socio-economic mixture of American society, higher education will tend to only re-stratify America by denying equal opportunity to a large segment of its youth.

This is not to say that the President is misguided in his concern for the ever-growing Federal share of college costs. The Carnegie Commission on Higher Education reports that between 1957 and 1967 the Federal contribution to higher education rose from $700 million to $3.5 billion. Today, the estimate is close to $5.1 billion, and there is little doubt that these costs will continue to leap upward each year.

Representative Carl Perkins (Democrat of Kentucky), chairman of the House Education and Labor Committee, estimates that working-class families make up more than half of those who receive low-interest loans. If that is correct, and if Congress does decide to curtail Federal aid, then tens of thousands of college students will be forced to look to commercial banks and private lending institutions for loans. In doing so they will pay a higher interest rate and lose many of the repayment benefits included in the Federal program.

Meanwhile, college-education costs are skyrocketing. The annual bill for tuition and board at an American university next fall will average $6,000. (Harvard's tuition next year will be $7,000.) The result is that educators at such institutions as Stanford University are warning applicants in advance that four years of undergraduate education will cost about $30,000.

Even more startling is a report recently released by the Oakland Financial Group of Charlottesville, Va., a financial counseling firm, which estimates that a child now 10 years old will need nearly $50,000 to fund the typical four-year education at a private college when he reaches college age. That figure is based on an annual inflation rate of 6 percent.

It is clear that President Carter intends to fulfill his mandate by requesting budget reductions in all phases of government. But the curtailment of funds for education in this inflationary era is a decision of grave and far-reaching consequence.

WHAT CHANGES IN GOVERNMENT REGULATION OF THE AIRLINE INDUSTRY WILL MEAN TO SIOUX FALLS

Mr. McGOVERN. Mr. President, in a recent address to the Aviation Committee of the Sioux Falls, S. Dak., Chamber of Commerce, Mr. David E. Moran, vice president of traffic and sales for North Central Airlines, outlined the adverse impact that airline deregulation would have on North Central service to our State's largest city.

Alone among the commercial carriers serving South Dakota, only North Central serves all nine boarding points in our State. It is clear that service to many of them would have to be abandoned under the provisions of the "airline deregulation" legislation now pending in the Congress.

I am sure that there are other States where the effect would be no less severe. South Dakota has no rail passenger service. We have limited bus schedules. We must either drive or fly for business and other purposes.

We need to have a viable and workable pattern of airline service in our State which, in turn, can connect with trunk carriers at major regional terminals.

I believe that Mr. Moran's comments will be of interest to all those who share my concern on the airline deregulation issue.

I ask unanimous consent that Mr. Moran's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHAT CHANGES IN GOVERNMENT REGULATION OF THE AIRLINE INDUSTRY WILL MEAN TO SIOUX FALLS

(By David E. Moran)

Today you can pick up your telephone and make an airline reservation to virtually any part of the world.

Let's say you're planning a trip to New York. You would fly North Central to Minneapolis/St. Paul and change to a connecting flight bound for the East Coast. You come to Joe Foss Field, buy your ticket, check your luggage, and step aboard the flight. Within hours, you're at your destination . . . and so are your bags.—Simple—nothing to it.

That's the way the airline business works today. It's quick, efficient and safe; and 80 percent of the travelers between cities use it every day.

The scene I've described could change. If it does, it will be a drastic switch from what air travel is today.

As you know, the Federal Government regulates the airline industry. The agency charged with that responsibility is the Civil Aeronautics Board. This past year, some members of Congress as well as some political theologians have said the airline industry would operate better with less government control and the consumers would benefit, they say, with reduced fares.

Today, there are half a dozen proposals circulating in Washington to change the airline industry. There is a bill co-sponsored by Senators Pearson and Baker, and a bunch of other proposals. All of this new legislation, they claim, will do three things: Increase competition among the airlines, reduce fares, and improve service. Their aim, they say, is to improve the system.

But what is this system they want to change? Today it's a network of 58,000 city pairs linked together by the scheduled airlines. This system, in 1976, carried an all time high of 223 million passengers—18 million more people than the previous year, and it moved over 5 billion ton-miles of freight. The average cost per mile to air travelers rose less than the Cost of Living Index, and new promotional fares made air travel even more of a bargain. On revenues of over $17 billion, earnings were about $400 million—or just about two cents on the dollar—which is half the U.S. industry average. Compared with 1973—the last year when fuel was cheap—the airlines used 8 percent less fuel while carrying 21 million more people—a 19 percent gain on passengers carried per gallon of fuel.—This is important as I'll mention later.

That's how the present system operates.

According to the de-regulation proposals, the established route network between those 58,000 city pairs I mentioned, would be up for grabs by any carrier. The trend would be for all airlines to concentrate on major, high-generating traffic points in the country. Passenger markets such as Sioux Falls to the Twin Cities, or Sioux Falls to Chicago would receive less, if any service. De-regulation would attract supplemental, or charter carriers, like Modern, Saturn, McCullough and World Airways, all non-scheduled operators. Competition would prompt reduced fares at first, but then fares would return to what they are now because cut-rate competition will have put everyone else out of business. Small carriers will disappear; big airlines will get bigger. There wouldn't be more competition, there would be less.

Proponents of regulatory reform like to cite the example set by Pacific Southwest Airlines. PSA operates exclusively in California. Because their routes do not cross state lines, they are exempt from regulation by the Civil Aeronautics Board.

Regulatory reformers point out such lack of government control has permitted PSA's low fares. That simply isn't true. The fact is fare levels are a product of high load factors, and PSA's runs about 85 percent. This compares with North Central's systemwide load factor of less than 50 percent.

The success behind PSA's high load factor is not lack of government control. No. In fact, the chairman of the board of PSA has stated the reason for the good loads is because the airline flies only between high-density cities that offer large numbers of passengers.

Further, proponents of regulatory reform imply the airlines lack competitive spirit.

I can tell you, every carrier has new routes they want to fly, but the regulators won't permit it. Thus, the lack of competition is not a failure of the airlines' desire but the result of our regulators not permitting us to compete. In our 1976 Annual Report, you can see North Central has 12 route cases pending before the CAB. Since the report was published, we have filed for service to nine other cities. The 20,000 proposed route miles we want to serve is almost twice as many miles as North Central's present 11,000 mile route system. That is the total route distance we are authorized to operate as a scheduled carrier.

There is a high-level of enthusiasm at North Central and by other airlines to expand service. On January 3 of this year, North Central began eight nonstop flights between Detroit and Boston after waiting nine years to receive the authority. The hearing process itself took only 6 months. Thus, the delay was not a result of the law.

What it amounts to is we have a piston-powered agency regulating a jet-powered industry.

If you could see what the Board is doing, you might understand the problem. For example, last December, 41 CAB employees received annual service awards from the Board for work they did concerning de-regulation of the industry they regulate. These awards went to approximately 10 percent of the staff—professionals in their own right—who were involved with a project that took them away from developing greater competitive services to the traveling public.

Another pre-occupation with the Board has been the year-long "no smoking" investigation. They're asking, should airlines offer one set of seats in the airplanes for smokers, and another set for non-smokers? This has no economic bearing on air transportation whatsoever.

Typical of the daily issues in the Board rule-making proceedings concern pre-payment for shipment of dogs, the domestic load factor standard, and tariff revision concerning the time limit for filing baggage claims as well as other non-economic items. These actions by the Board are costly to the airlines. Last year, North Central spent over half-a-million dollars in time and paper work for the CAB.

But the most troublesome issue confronting the CAB is the Board itself.

A classic in the annals of airline regulation is the transatlantic Route Proceeding. It has been 43 months since the case was started, 26 months since the Administrative Law Judge's recommended decision, 24 months since oral argument was delayed to accommodate new CAB Chairman John Robson, 23 months since oral argument was held, and 9 months since the Board's recommendation went to the White House for burial ceremonies by the Ford Administration.

The real problem the air transportation industry is faced with is not regulatory reform, but rather, reforming the regulators. The CAB has the existing framework for improving the growth of air travel in this country. The legal energy aimed at re-structuring the air transportation system should be directed at revitalizing our regulators—the Civil Aeronautics Board—within the framework of the Federal Aviation Act.

Another point touted by advocates of regulatory reform is that fares will be reduced when airlines compete with one another. Strangely enough we cannot find out "Who asked for lower fares?" The CAB has so few complaints on fares that the Board doesn't even bother to catalog them, as they do other consumer complaints. Nor do we log them at North Central, because we don't have enough to set up a file. Travelers simply are not questioning airline fare levels. Because in light of all other prices for goods and services, buying a seat on an airplane is still a bargain.

For example, the average U. S. airline fare has gone up less than 30 percent between 1950 and 1976. During that same period, the Consumer Price Index increased 120 percent. Moreover, U. S. airline fares are the lowest in the world. The coach fare—without the benefit of various discounts—between Denver and New York is 8.3 cents per mile. For that same distance of 1,638 miles, the air coach fare in Canada is 16 cents per mile. In Australia, 13 cents per mile, and in Europe, 26 cents per mile.

If other industries did as well as the airlines, a nickel glass of beer would now cost 4 cents, a 50-cent loaf of bread would be 40 cents, and a gallon of gasoline would be 40 cents instead of 60. Any fare reduction under de-regulation would be transitory at best, and the minute competition was slackened, fares would go up and services would suffer. Why? Because cost of aircraft, jet fuel, salaries, landing fees, rent—all the elements that go into fares—would not be reduced. At the Sioux Falls airport in 1976, North Central spent $52,000 for landing fees and $56,000 for renting space. Do you think those costs will go down?

What would happen if you, the passenger, were to take a trip after de-regulation; assuming it goes into effect. Let's go back to our initial example about your planned visit to New York.

First you call your travel agent to arrange reservations. A recorded voice tells you the number has been disconnected. Why? Under regulatory reform, the agreements which airlines now have with travel agencies are prohibited by antitrust laws. Intercarrier agreements concerning travel agency appointments, the Standard Agent's Ticket and Area Settlement Plan, and the standard travel agent commissions would disappear. A court of law following strict antitrust rules would probably conclude that all these agreements are unlawful, per se, under the group boycott and price-fixing doctrines.

So what do you do next? You check the yellow pages and call North Central. The reservationist gives you flight availability from Sioux Falls to your connecting flight at the Twin Cities. But, under de-regulation North Central only operates one flight daily to Minneapolis/St. Paul instead of the four you have today. The reason? North Central, in order to stay in business by keeping its aircraft full, was forced to shift much of its jet fleet to more profitable traffic hubs.

You pick your flight. Then you inquire about connecting service to New York. The reservationist apologizes, explaining that Federal law restricts making reservations on another airline. It's up to you to make the arrangements. You do, and come up with a money-saving deal on a flight to New York City because three airlines are competing to sell you a seat at the lowest possible fare.

As before, you check-in at the airport for your flight. There are fewer people to wait on you because there are fewer flights to service. The line is long. You pay your fare only for the Twin Cities portion of your flight because—remember—the government won't permit us to sell tickets on other airlines. To your chagrin, you discover that the interline baggage agreement among carriers also has been invalidated by anti-trust laws; you must transfer your own luggage at the Twin Cities to another airline. You manage the transfer and board your next flight bound for New York. The name of the airline is unfamiliar to you and you're not sure of their reputation. But that's okay, because the government says so.

Your two-hour flight to the East Coast lacks the amenities of earlier travels. Meal service, if any, is spartan; airlines aren't spending as much for inflight service in these economic conditions—cost control, you know. Chances are you won't have the meal anyway because it would be in violation of anti-trust laws.

That is what could happen with the reform measures Congress is now studying—measures based on increased competition. In fact, many features of these bills would actually weaken competition, leading to poorer service and higher fares at many cities. The Association of Local Transport Airlines—or ALTA, of which North Central is a member—opposes such provisions.

The regional airlines agree that air transportation should be competitive. It is more competitive today largely because of how the Federal Aviation Act has been administered in past years, rather than because of the provisions of the act itself. The present statute not only permits, but requires more competition.

If carefully thought out and properly drafted, new legislation can achieve even stronger policies favoring competition. For example, it is plain that a large number of city pair markets are simply too small to support competition. This part of our country's air transport network—and its largest part—is much like a conventional public utility in the sense that the absence of regulation will tend to bring about service disruptions and excessive rates to smaller users—or, in this case, small cities. These smaller markets must be treated very differently than the portion of the system that can support competition.

It must also be recognized that poorer service can also occur in competitive markets, if, adequate provision is not made against the insistent pressures toward monopoly air transportation. Due to the nature of passenger traffic flow, the carriers with the largest route systems can funnel supporting traffic from other points of its system onto flights in a new market. United Air Lines, Flint, Saginaw/Bay City/Midland, Lansing, Grand Rapids, Muskegon, Detroit, New York. Such domination tends to snowball if unchecked by regulation.

Today, even with historic regulation, five airlines control almost 70 percent of the domestic airline business. Without proper regulation, monopoly within the airline industry is inevitable, a fact which, in the long run, means less responsive and more expensive airline service in many markets.

All right, what can be done about this? Local service airlines are for increased competition by encouraging the certification of regional airlines, in all markets capable of supporting the competition. At present, competition has been bottled up not by the law but by a combination of bureaucratic delay and deliberate inaction, as reflected in the CAB "route moratorium" of the early 1970's. The most effective single action Congress can take is to uncork the bottle and require the CAB to deal promptly with proposals for competition.

Local service airlines are for quick decisions by the CAB. However, the right to a hearing before an application is granted or denied should not be abridged. Hearings are not a significant cause for delay, and in the long run, a system without hearings tends to be one where only the voices of entrenched and powerful interest are heard.

Local service airlines are for revoking nonstop authority to carriers whose routes have become dormant—United Airlines has more unused route authority out of one city than North Central operates over its entire route system. United Air Lines-New Orleans—dormant.

Local service airlines are for increasing competition by allowing greater freedom to raise and lower fares. Freedom to experiment and innovate should be restored so that fares in the long run cover costs.

Local service carriers encourage the use of smaller aircraft in appropriate markets. Some proposed bills contemplate that noncertified airlines operate aircraft of up to 56 passenger capacity in any market they choose. This works against competition and reliable service. It does so by exposing the traffic resources of the smaller carriers to patently unecomonic competition and diversion. If genuine and useful competition is to flourish in the industry, it will be in markets that can support it. And this is to say nothing about energy. For this reason, any increase allowed in the size of the aircraft in exempt service must be limited to use in markets not certified to others.

And finally, regional airlines are willing and anxious to service smaller cities including subsidized points. In fact, it's remarkable that carriers such as North Central serve as many subsidized locations as we do in light of CAB subsidy policies which have short-changed small city service for many years.

Interestingly enough, North Central's public service revenues go to support flights to 78 of the 90 cities we serve. Looking at this another way, 50 percent of North Central's scheduled revenue passenger miles receives public service revenues. Under de-regulation as it stands now, 26 cities would cease to receive same-carrier, and, often-times, same-plane service to major traffic hubs for connecting flights to major national or overseas destinations.

Just talking about de-regulation of our industry has made people associated with our business understandably nervous. Money lenders say it means five years of uncertainty, if not chaos, that will preclude lenders from financing new aircraft the airlines will need in the next decade. It's been estimated that, by 1984, the industry will need $30 billion for new equipment, $8.6 billion of that will have to come from outside the industry. The general financial upheaval created by airline instability as carriers come and go, under de-regulation, will make investments in air transportation risky, to say the least. That means your service will be with the same type of obsolete aircraft we say in the early 1950s—the DC–4s, DC–3s and Constellations.

On a final note, the proponents of regulatory reform simply don't know what the hell they're talking about. They have never had to purchase a jet aircraft, repair it, adjust crew schedules, alter flight patterns, make reservations, write tickets, handle baggage, or rush an emergency parcel. They've never made the split-second decisions which the men and women in our business do each day.

Such work is routine for airline personnel. For the first time in the history of North Central, the heads of each of the company's six labor unions met, together with top management, because de-regulation has brought a serious threat to job security. The company's managers and employees are writing, calling, and wiring their congressmen and senators expressing their views on and opposition to de-regulation. We ask you to do the same . . . and do it today.

HEW HONORS ITS COMMITMENT TO THE HANDICAPPED

Mr. HUMPHREY. Mr. President, all of us know that bad news is big news, and good news is generally taken for granted.

But I want to make mention of a particular item of good news so that I can give proper credit to some of the folks who made it happen.

The good news is that Department of Health, Education, and Welfare Secretary Joseph Califano has signed and issued long-awaited regulations to implement section 504, the nondiscrimination clause of the Rehabilitation Act of 1973, as amended.

This is an action of principle and of courage. Certain kinds of discrimination have become so ingrained in our society they almost enjoy respectability. The effort required to remove them is regarded as an imposition. It involves expense and inconvenience; and it involves examining some comfortable prejudices. It will mean making an extra effort to share—to share with handicapped Americans the opportunities for an education, transportation, housing, health care, and jobs that other Americans take for granted

I congratulate Secretary Califano, who studied the complex issues involved in these regulations, and has agreed to confront the responsibility and the headaches entailed in implementing them. His signature is a pledge that our Government is an active advocate of the rights that will assure Americans with handicaps renewed hope for a productive, satisfying life.

New regulations are burdensome but frequently necessary to insure that good law has practical application as well as symbolic value.

Sometimes Congressmen must function as generalists in setting national goals, priorities, and policy. We did that when we inserted into the Rehabilitation Act a simple, clear and even inspiring paragraph that states:

> No otherwise qualified handicapped individual shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

That paragraph is deceptively simple. Spelling out the mechanisms to put it into operation has involved HEW legal and technical staff in years of discussion and negotiation. Thousands of persons and organizations whose rights, programs, privileges, and finances are directly affected were consulted in an open and responsive process.

I congratulate the HEW staff for this extraordinary effort, and that includes a special commendation for General Counsel Peter Libassi and Arabella Martinez, Assistant Secretary for Human Development, who headed the special task force set up to review the regulation and make recommendations to the Secretary.

Now we have the challenging and exciting task of translating our commitment into action. I hope that all American affected, and all of us in Congress—which must provide resources for its implementation as well as guidance and oversight—will work together with tolerance, commonsense, fairness and determination to realize the personal and social progress implicit in the law.

Mr. President, I ask unanimous consent that an editorial on this subject from Sunday's Washington Post be printed in the RECORD.

I would also like to include a recent exchange of correspondence between me and Secretary Califano, since it clarifies the application of this regulation to an important group of persons who will benefit from its provisions.

I wrote the letter in response to frequent cases brought to my attention of former cancer patients who have experienced unjust and economically crippling barriers to rehabilitation and a return to normal life.

I was gratified to be assured by the Secretary, and to note in the published regulation, that former cancer patients are specifically protected against discrimination.

I ask unanimous consent that my letter and the Secretary's reply be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 14, 1977.

Hon. JOSEPH CALIFANO,
Secretary of Health, Education, and Welfare,
Washington, D.C.

DEAR MR. SECRETARY: Early diagnosis and improved methods of treatment have lowered the recurrence rate of major forms of cancer. At the same time, a growing number of former cancer patients are seriously and unjustly impaired in their ability to fulfill personal, family and community responsibilities by their inability to secure employment upon recovery. This situation is too frequently the result of irrational fears or prejudice on the part of employers or fellow workers.

I know you agree with me that persons who have suffered a serious illness should not have their misfortune compounded by an arbitrary denial of the right to employment upon recovery, or when they are able to work.

I am gratified to note that their situation has been specifically addressed in the draft regulations for Section 504 of the Rehabilitation Act, which prohibits discrimination against the handicapped in programs receiving federal financial assistance.

I want to commend you personally for acting promptly and decisively to finalize these long-overdue regulations. At the same time, I wish to express my concern that the regulations, when issued, retain the specific reference to persons with a history of cancer, and provide clear and simple procedures for those who have suffered discrimination to seek and receive prompt relief and redress.

Thank you.

Sincerely,

Hubert H. Humphrey.

The Secretary of Health, Education, and Welfare,
Washington, D.C. April 19, 1977.

Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Hubert: Thank you very much for your recent letter concerning the proposed regulation to implement Section 504 of the Rehabilitation Act of 1973.

I agree with you completely that persons who have experienced a serious illness should not be discriminated against in employment when they have recovered from that illness. As you point out, the proposed regulation provides, consistent with the statutory definition of a handicapped person, that persons who have a history of a handicapped condition are protected against discrimination. I intend to retain this inclusion.

A task force was appointed to examine the major issues raised by the statute and the proposed regulation, and I will be making the necessary decisions promptly after receiving the group's report. I have also asked that an enforcement plan be developed, so that the Department will be able to move ahead with an effective compliance program once the final regulation is issued.

I greatly appreciate your writing to me about this matter, and I want to assure you of my commitment to enforce the law vigorously and fairly.

Sincerely,

Joseph A. Califano, Jr.

HEW and the Handicapped

Someday, perhaps, there won't be any need for heavy-going federal rules and regulations defining how individuals and institutions must behave in relation to each other if they want to receive some form of federal aid. But that time is not exactly at hand, and so we have the great and growing body of decrees intended to eliminate traditional kinds of discrimination from our publicly financed enterprises.

The revised regulation concerning discrimination against the handicapped, which HEW Secretary Califano signed the other day, is the most recent addition to this body of fine-detailed rules. It has the same strengths and weaknesses that the civil-rights regulations that preceded it have made familiar: It applies needed pressure to halt mindless, reflexive discrimination against handicapped people; but it also introduces an element of cumbersome coercion into the affected relationships that is almost bound to be abused on occasion.

In fact, HEW has considerably improved the regulation, which two Secretaries declined to sign into law the first time around. The revisions make the rules clearer, more flexible and more susceptible to common sense and good judgment calls. And they also cut down substantially on the paperwork burden the first version would have imposed on those institutions—schools, businesses, etc.—that may come within the regulation's reach. But no one should doubt that the future holds a welter of lawsuits and quarrels over interpretation and that much in the regulation remains to be defined by this process.

As this process of refinement and definition goes forward, you can pretty well count on occasional explosions in Congress over what will be condemned as bureaucratic damned-foolishness in the making of these rules. But don't be misled: These rules, as now revised, were mandated by the legislation on the subject that Congress has enacted. And whatever burdens and bad scenes may occur as their practical meaning is worked out will not be something Congress can view as the handiwork of an intrusive executive branch.

Still, we like to think that the positive values involved in the drive to end discrimination against the handicapped are what will prevail. There has been a tremendous vitality to the effort. It's end goal has been jobs, work, schooling, participation—in short, a fair crack at self-sufficiency. To the extent that the revised HEW regulation and the law from which it flows help make that possible, they will have done us all a great favor.

THE GENOCIDE TREATY SHOULD BE A PART OF AMERICA'S LONG TRADITION OF HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, during our Nation's 200 years of history we have frequently spoken out in support of human rights all over the globe. Created with a birthright of human rights, our Nation has participated many times in the world development of basic freedoms through the signing of international treaties.

During the administration of one of our greatest Presidents, Abraham Lincoln, our Nation signed and ratified a humanitarian treaty designed to suppress slave trade. This treaty with Great Britain was signed and ratified 115 years ago.

President Coolidge signed the International Convention on Slavery to place the United States clearly in opposition to that hated institution, which had done so much to tear apart our own country. The treaty was then ratified during the administration of President Herbert Hoover.

These are but two instances of international treaties concerning human rights in which the United States has taken part. Our Nation has attempted to lead the crusade for worldwide human freedom and equality of peoples by example and by specific actions such as these two treaties. There is nothing unusual in the ratification of a human rights treaty by our Nation.

Consequently, there should be no objection to the ratification of the Genocide Treaty by this body. The treaty involves the right to life itself, a source from which all other rights spring. The treaty designates genocide as an international crime, whether committed in peace or war. It is a treaty involving human rights, pure and simple. It is a treaty which we have ignored for too long.

Mr. President, I am going to implore my colleagues once more to ratify the Genocide Convention. It is an action entirely consistent with our national origin, history, and current goals. We must act immediately.

RHODE ISLAND INDEPENDENCE DAY SPEECH

Mr. PELL. Mr. President, on May 4, 1776 Rhode Island became the first of the original 13 colonies to declare its independence from Great Britain. From that point forth, an unflagging spirit of independence has characterized Rhode Island's history—recent and past.

The "Independent Man" which has stood above our State House since 1899 symbolizes the self-reliance and freedom of mind so valued by the citizens of our great State.

Like the "Independent Man" which has been struck by ligtning several times since its placement on top of our seat of government, Rhode Island too has suffered severe blows during its 200 years. And like our "Independent Man," Rhode Island has withstood the impacts, tested its metal, and emerged as strong and true as the principles it was founded upon.

I do not believe there is any State whose fate has been so constantly and inseparably linked to the elements and the sea as Rhode Island has.

Our beautiful harbors and fruitful bay have given shelter and sustenance to our citizens from the days of our forebears to present time. Our first strikes for independence were dealt not on land but on the sea—in Providence Harbor and off the coast of Newport.

And still, the ocean has also been the cause of many of the hardships suffered by our State. Most of us can remember the battering of hurricanes that ravaged our towns and cities, took lives, left many homeless and played havoc with our economy. And we can all remember, and still feel, the blows suffered by Rhode Island when the Navy withdrew—businesses folded, jobs were lost, statewide unemployment skyrocketed.

Now as Rhode Island continues to emerge from under the burdens of this most recent calamity, we find ourselves again turning to the sea for our preservation . . . developing our coastal resources both recreationally—Bay Islands Park—and economically protecting our fishing grounds with an eye toward rebuilding this valuable industry, opening our coastal lands for commercial development.

All of these are a testament to the spirit of independence that has characterized our State through the years and will continue to do so.

SUPPORT FOR AN OLDER PERSON'S CONSUMER PRICE INDEX

Mr. CLARK. Mr. President, recent research on the topic of the consumer price index points to the need for a special index for older Americans. I have a particular interest in this matter and have introduced a bill, S. 780, that would establish such a new index.

The paper is entitled "The Need for a Separate Consumer Price Index for Older Persons," and was prepared by Thomas C. Borzilleri, a staff economist for the National Retired Teachers Association/American Association of Retired Persons.

The major conclusion of this enlightening study is that prices increased almost 4-percent faster for older persons than for the population in general since the consumer price index was established as a tool for calculating increases in social security benefits. This has meant that social security recipients have not kept pace with inflation and have, together, fallen $300 million behind the cost of living.

The paper concludes that this difference is largely due to the price of medical care, which absorbs 10 percent of an older person's budget. When medical costs rise significantly faster than prices in general, as has been the case for several years, senior citizens are particularly hurt.

Borzilleri concludes that:

> On the basis of the evidence we now have . . . it would appear that an age specific index is appropriate.

Not only is a special index for older Americans appropriate, it is a change that must be implemented if we are sincere in our effort to protect them against inflation.

I ask unanimous consent that the abstract, conclusions, and recommendations of this report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NEED FOR A SEPARATE CONSUMER PRICE INDEX FOR OLDER PERSONS: A REVIEW AND NEW EVIDENCE

(By Thomas C. Borzilleri)

ABSTRACT

For some time there has been debate concerning the need for a separate consumer price index for the elderly. Since social security benefit adjustments now depend upon price changes as measured by the C.P.I., and since price adjustments are occurring with greater frequency in the private pension systems, accurate measurement of the price experiences of older persons has taken on a new importance. This paper reviews previous research on this subject and presents the results of computations made using data from the new 1972–1973 Survey of Consumer Expenditures. Although most previous research has found that weighted average prices increase faster for older persons than is measured by the all items C.P.I. adjustments for an assumed decline in the importance of medical care expenditures since the passage of Medicare has led to findings of a very small absolute error. The new S.C.E., however, indicates that medical care expenditures as a percent of the older persons household budget are unchanged since the 1960–61 period. Using weights derived from the new survey, it appears that "prices" increased almost 4% faster for older persons than for the population in general and that this understatement of price increases has resulted in an underadjustment of approximately $300 million in social security payments.

CONCLUSIONS AND RECOMMENDATIONS

This study, like previous ones, has found that prices have been increasing at a faster rate for older persons than is measured by the C.P.I. Also, like previous studies, it is addressed to only one of three possible reasons why prices might be rising faster for this group than for the general population. Aside from differences in expenditure patterns and the resultant differences in expenditure weights, if older persons tend to shop in retail outlets different from the average urban-suburban-rural mix or if they are geographically located in areas with different than average rates of price change, additional differences in their overall price experiences might be expected. The magnitude and the direction of these effects cannot be determined with existing data or with additional reweighting experiments.

One thing that does set this study apart from earlier ones, however, is that the medical care weight was not adjusted for assumed reductions in out-of-pocket expenditures resulting from the Medicare program. As the 1972–73 S.C.E. indicates, medical care still absorbs 10.2 percent of an older persons budget and over the period investigated, prices for medical care increased about 20% faster than prices in general. It seems likely that much of the observed difference between the C.P.I. and the O.P.I. can be explained by failure to get this sector's rate of inflation under control.

Finally, we might observe that the subject of price indices has taken on new importance to a very large segment of the population. Not only the elderly receive social security, but participants in S.S.I., A.F.D.C. and the Food Stamp program, military and civil service retirees as well as workers with wage escalators have a real and vital interest in the matter, as maintenance of their incomes now depends upon accurate measurement of their price experiences. Only B.L.S. has the resources to determine if a more complete family of indices should be developed or indeed if the results of reweighting for expenditure differences hold after accounting for regional and retail outlet differences. On the basis of the evidence we now have, however, it would appear that an age specific index is appropriate. Particularly in light of the aggregate dollars involved, a separate C.P.I. should be developed, maintained and presented for use for the adjustment of pension incomes in both the public and private retirement systems upon which the elderly so heavily depend.

TOWARD A METRIC AMERICA

Mr. PELL. Mr. President, the Carter administration's first 100 days have been filled with the kind of excitment, determination and initiatives needed to meet many of our Nation's most pressing problems. However, amidst this activity one pressing need has been overshadowed—the enormous problem of coordinating America's conversion to the metric system of measurement. Each day that passes without a U.S. Metric Board in place means that the job of coordinating, assisting and leading our country's metric converison process becomes that much more difficult. It means that the cost of ultimately becoming a metric nation grows as well.

The U.S. Metric Board was established by Public Law 94–168, a bill I was proud with Senator INOUYE to sponsor in the Senate. This legislation was signed into law on December 23, 1975. Yet it was not until the day before the end of the 94th Congress that nominees for the Metric Board were sent to the Senate by President Ford, thus making it impossible for the Senate to exercise its advise and consent role. Now, although more than 16 months have passed since enactment of the Metric Conversion Act, no Federal administrative direction has been given to this pressing problem.

According to the act, the Metric Board's function shall be "To devise and carry out a broad program of planning, coordination, and public education, consistent with other national policy and interests, with the aim of implementing the policy set forth in the act." As I have said before, conversion to the metric system is continuing all the time in this country. We see the signs of such progress every day—on the Nation's roads, in public buildings, schools, and in our automobiles—to mention only a few. It affects us each day and will continue to do so even more in the years ahead. For example, last week the Washington Post carried an article about Federal Highway Administration metrication efforts which are going to confront all of us next year. I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 26, 1977]

ROAD SIGNS CHANGING TO METRIC SYSTEM IN 1978

Speed signs along the nation's roads and highways would be converted to the metric system next year under regulations being drawn up by the Federal Highway Administration.

There is no plan to print both metric and English figures on signs to ease the familiarization, a highway administration official said.

Instead of 40 mph, for example, a sign would read 64 kph (kilometers per hour).

Under the plan, the conversion of all speed limit signs would take place in a 90-day period ending Sept. 30, 1978. Vertical clearance signs for overpasses also would be changed by that date.

Automakers are planning to install metric speedometers and odometers in new cars. Speedometers in old models can be changed with a paste-on label.

The official said the plan calls for converting warning and regualtory signs by Sept. 30, 1980, and milepost and guide signs, such as those designating distances to cities, by Sept. 30, 1982.

Warning signs provide information on such things as divided highways and railroad and pedestrian crossings. Regulatory signs are those with messages such as "Do Not Enter," "No U Turn" and "No Parking."

Highway administration regulations in these cases would apply to the size of the signs and rarely would numbers be involved.

The new regulations will be published in the Federal Register on Wednesday and the public will have 45 days to make written comment, after which a final decision by FHA will be made.

The notice will advise the public of the intention to publish a 1977 addition to the Manual on Uniform Traffic Control Devices.

The official said the action is in line with the national policy of converting to the metric system as outlined in the Metric Conversion Act of 1975. He said estimates of changing over the nation's highway signs run as high as $100 million.

The changeover will apply to every highway, road and city street in the country. Under the 1975 act, the FHA can order the conversions, even on roadways that receive no federal aid.

The federal government will share the changeover cost with state and local governments on federal use highways, the official said.

The government plans a massive awareness and information program next year to prepare the public for the changeover.

Under the new system, the conversion to a metric figure may be done to the nearest easily recognizable number. Thus, drivers may be able to go slightly faster on the highways because the national 55 mph speed limit translates to 88.5 kph and the consideration is to make this 90 kph.

Mr. PELL. Mr. President, private industry is moving ahead rapidly in converting to the metric system. At the annual convention of the American National Metric Council in Chicago last

March, A. Dean Swift, president of Sears, Roebuck & Co., outlined his firm's very farsighted views on metric conversion. I ask unanimous consent that his remarks be printed in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

METRIC CONVERSION AND THE CONSUMER

conversion, but perhaps I can say a few

(By A. Dean Swift)

I welcome this opportunity to share my thoughts with you on the challenges, responsibilities and opportunities which this nation's conversion to the mertic system presents.

There's not much I can say to this distinguished group on the importance of that things about the nature of the metric changeover itself. After all, it will be in the aisles of this nation's stores and the offices of this nation's businesses where the metric conversion will succeed or fail.

To me, that presents important opportunities and enormous responsibilities. The conversion could go very smoothly, to the benefit of business, industry and the consumer. Or, as it happened in other countries, it could serve to further widen the gap between the business community and the public, and lead to distrust and skepticism.

The job ahead of us is no small one. Some observers of the American scene are predicting that adult reaction to the metric conversion will be at best skeptical—at worst, hysterical.

Last month, a Chicago newspaper columnist embodied many of these feelings when he formed through his column an organization called WAM—for "We Ain't Metric." It's not too late to act, writer Bob Greene urged. If enough of us act together, we can save the words inch, yard, pound, mile and foot and drive the metric menace back to the foreign shores from whence it came.

Metric Menace. Sounds a bit dramatic. But I'm sure that there are more than a few people who share his sentiments. Some consumers are dreading the day when meat will be sold by the kilogram, gas by the liter, fabric and perhaps clothing by the centimeter. It's foreign, as Green mentioned, and in more ways than one.

But to my way of thinking, we no longer have any choices in the matter. Our conversion to the SI system of measurement is not a question of if, but when. Today, the United States stands almost alone in a metric world. As residents of the world, it is in *our* best interest to make the change. We cannot remain isolated. The longer we delay, the heavier the price future Americans—our children and grandchildren—will have to pay.

As a retailer with markets and sources of supply in other countries, we are being required by foreign laws to make the conversion already. We're moving metrically and will continue to do so because it is simply in our self interest to change. The British started conversion in 1965 and it has taken them more than a decade. It should not take us as long to join the rest of the world in this rational, sensible and standard method of measurement. We have the great advantage of knowing the pitfalls other nations have fallen into and the benefit of hindsight in planning for our future. I believe that we can make our transition period extremely smooth—if we all do our part. We must set about the task.

Naturally, at Sears we are very concerned about the subject. Decisions made in the consumer products area will have the greatest impact of any on the general public's reaction to metrication. Consumers could become disoriented and fearful. It's clear that our conversion must be gradual, manageable and with our customers in the front of our minds.

Confusion and inconvenience must be kept to a minimum. Expenses must be minimized by having a plan to follow. None of us can afford to wait until the last minute to make the change.

Our buyers are all keeping their ears to the ground since, as a retailer, it is our job to predict change as well as to prepare for it. Readiness has been the key to our success these past 90 years. Our impact in this area is enormous and we must weigh all factors very carefully. Three-quarters of all American adults walk through a Sears store in a single year. That means that we have a great opportunity to baffle, confuse or assist most of the American population. Our company employs more than 400,000 persons who probably reflect the same level of understanding as most Americans on the subject of SI measurement. If Sears is to implement a new system of measurement, we must have a plan. We will do it carefully, in stages, and with the least expense, confusion and aggravation as possible.

The English transition to metrics holds many lessons for us. When the carpet industry there went metric in 1975, sales dropped by more than one-third. To the average customer, labels in square meters instead of square yards read like a 20 per cent price increase. To some customers, the metric world was simply a lot smaller than the regular one. U.S. News and World Report carried the recollection of one British carpet salesman who told how a customer backed off from buying a length of carpet after her shopping companion told her to wait until the industry went metric. She would need a lot less carpet then.

Well, that experience tells us a lot. Retailers can't really go metric as long as their customers can't think in metric terms. Consumers need an understanding of the system so they won't think metric means you need more or less of what you normally buy, that metric means you'll need to buy your dresses bigger, that you'll have to rewire your home, that your cakes will fall and you'll never understand the weather or the speed limit. Most of all, customers must realize that the metric system of measurement is not another excuse for prices to go up. It will hurt our economy generally if customers don't have the confidence to spend, if they feel vulnerable to deceit in packaging and if they find shopping to be confusing and inconvenient.

In England, where consumers were not taken into account, there was great resistance to change. They must be involved from the start to the finish and educated and informed all along the way. Retailers cannot simply offer metric products to their customers. Sears offers metric lines of merchandise in some departments, and except for tools, they are not among our best selling items.

Our responsibility goes beyond making them available. We have the responsibility to make certain our customers know how to shop for them and how to use them. There are always great ideas that are worthless unless they are understood.

We must also recognize that without adequate preparation for the change, the American consumer will put up a fight. We must make the learning process as easy as possible and sometimes recognize that we are swimming upstream.

Any person can be taught the fundamentals of SI measurement. Volume, length and weight are at the heart of the system and any intelligent adult can learn those three equivalents in a very short time. Some consumers have been regularly purchasing products in metrics without any pain at all. Ask any skier the length of his or her skis. It will undoubtedly be in centimeters. They would be hard pressed to tell you their English equivalents. Ask any photo bug the size of their camera lens. It will be in millimeters. Prescription drugs, film and tools for imported cars have always been metric. Our hardware department has carried a successful line of Craftsman metric tools for more than 15 years. It's all what you're used to, as they say. The boogey man of the metric system is not really that ugly at all.

Our top priority must and will continue to be education—of our customers and our employes. That is the first step in laying the foundation of an orderly and manageable conversion to SI measurement. We consider it a corporate responsibility to move in that direction and we will take that responsibility very seriously.

To inform our customers, we will gear every part of our organization, from our selling practices to our store signing, toward giving our customers a good working knowledge of the system so they can buy merchandise intelligently and confidently. It is in our best interest that our customers are satisfied. We will not confuse them. We exist to serve them.

This can only be accomplished if we ourselves have a good working knowledge of the system. We are setting about that task right now. This spring, the Sears Extension Institute will offer a course to Sears employes on the SI system of measurement. We will train our buyers, headquarters people and selling personnel in the system.

We have already met with the leaders of other industries to study their impact on the implementation of the system. We've met with the auto makers and others so that our auto service centers could be prepared to deal with their new products and parts that are designed in metric. We will continue meetings like this industry-by-industry to keep our company in tune with the conversions taking place elsewhere in the nation.

We are working with our product and packaging sources to make sure that our transition to the new system is a smooth one. Where a response from us was required, we made that response immediately. All of our automotive departments carry metric lines and our auto replacement parts will follow the changes in the auto industry.

Our metric wrenches and sockets represent about 17 per cent of that merchandise line and we expect sales to go up about 20 per cent each year. We also carry measuring devices carpentry tools and drill bits and will move to metric fasteners once international standards are developed.

As retailers, we see the coming of the SI system for the corporate community as a challenge and a responsibility, but also as an opportunity. It's an opportunity to reconsider every measurement-related aspect of our business. Are there opportunities to reduce our repair parts inventories through standardization? Is there a better way to size women's and children's clothing . . . and cut down on our returns of catalog-ordered fashion merchandise?

We think the answers to these questions are yes. What does it mean when a woman wears a size 12 dress? Twelve what? It is an arbitrary number that really refers to nothing and is based on body research measurements conducted much too long ago. Conversion to metrics would give us a clean slate for clothing sizing that would allow us to size merchandise by girth and height and be assured that our merchandise—particularly that ordered through the catalog—fits. We see it as an opportunity to straighten our problems with size in many areas. In this area, the conversion to metrics is really a consumer movement. It's naturally expensive to have merchandise returned because it doesn't fit and those costs of returns are passed on to the customer. With more realistic size measurements, we can do a better job of serving our customers.

The metric transition in the retailing business presents an opportunity for simplifying and standardizing measurements in a number of areas, but could also result in confusion, chaos and fraud. There are always those who will take advantage of consumers not used to rugs and fabrics in meters, automobiles with engines measured by the liter or even vacations to Florida . . . where the weather is now a sunny 20 degrees Celsius. It's impossible to make a good buying decision, much less understand the best value, unless you have a complete understanding of the system.

Our educational approaches will be realistic. We reject dual labelling of our products except in cases where it's absolutely necessary. It adds to the confusion and serves little educational function. When the customary description is provided, the unfamiliar metric equivalent is simply ignored. Since the approach in soft conversion is to convert the round customary sizes into exact metric equivalents in decimal places, the metric equivalents seem even more confusing and formidable.

For a while, we will put up with dual inventories in many of our merchandise lines, but we will come up with coordinated plans and programs that will not drag on. An unduly-lengthy program of conversion is in no one's best interests. When the dual inventories cost retailers money, they will cost customers money, and it will be in their best interests to see us convert swiftly.

We would be disappointed if our suppliers did not recognize the need and the opportunity for a conversion to the metric system in the design and packaging of their products, so that by the middle of the next decade, Sears new products and operations would be completely metric. We think this is a very realistic goal.

One of the highest priorities we see is the need for international metric standards. When it comes to hard conversion, going metric is decidely risky for companies until there is an acceptance of international standards for all their products. In many segments of industry, the design of metric products is still awaiting the emergence of those standards. Interchangeability, serviceability and, in some cases, safety depend on those standards. For these reasons, standards developers like the American National Standards Institute and others need and deserve the wide support of industry to do their jobs. We strongly support their efforts and urge our sources and suppliers to do so. Voluntary standards organizations also provide for representation from small business, industry and trade groups, labor, government and consumers. Supporting these organizations is a critical first step in this nation's conversion, and to its becoming a vital part of the world economy.

Small businesses—the cornerstone of Sears supply operation—must play an important role in standards formation. Trade associations also have an indispensable role to play, providing the necessary leadership in gathering resources and planning programs which will aid and supplement the direct efforts of retailers.

At Sears we recognize that the knowledge and experience of our sources must be integrated with our own in moving toward conversion. Further, we will contribute our financial support to private sector organizations like the American National Metric Council which provide the needed focus for our plans and coordination for our efforts. We applaud the ANMC and its work and guidance.

It is dedicated to the proposition that this country's metric conversion, if carefully planned and soundly managed, will offer significant advantages both for business and the nation. We look to you for leadership in this important area. You have our support for a successful conference and all your work toward our conversion.

One hope prevails in our thoughts: that the conversion to SI measurement remains a voluntary one. Government should be part of the measurement solution, not part of the problem. It should not force conversion, but facilitate it. It should provide the needed coordination, direction, synchronization, uniformity and facilities for education.

Each agency should realize its responsibility in implementing the metric conversion. The Postal Service, for example, has a responsibility to time specific changes to avoid the dangers of high costs and confusion to the public.

The government should implement strong state level programs including weights and measures coordination and educational programs from kindergarten through college.

It would be costly and inefficient to move by mandated timetables. We must modify and replace inventories as it becomes necessary. This is the only way to avoid extremely high costs and the consumer confusion that would result from a crash program.

We will not change to metrics for change's sake. We will convert for sound economic reasons. Our change will not leave our customers behind, but we ourselves will not lag behind.

Metric conversion cannot happen overnight. There will be expenses and there will be problems. But problems won't mean crisis if plans are developed well in advance.

We are working on a plan and we urge other industries to do the same.

The time to begin is now.

Mr. PELL. Mr. President, also at the ANMC Convention my distinguished colleague in the House, Congressman Robert McClory, who has done so much to aid the cause of conversion to metric, spoke of the need for further congressional action on the metric front. I ask unanimous consent that excerpts from his remarks be printed in the Record at this point.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

[From the Metric Reporter, Apr. 15, 1977]

The President—And Congress—Are Not Doing Enough To Aid Metric Conversion

(By Congressman Robert McClory)

Conversion to the metric system of weights and measures which has been a hotly debated subject since the establishment of our nation, seemed to be headed for a reasonably prompt and harmonious solution following the enactment of the Metric Conversion Act of 1975.

Some individuals and organizations had been struggling for more than 10 years to bring about passage of that legislation, representing a national commitment to move inexorably toward the use of metric standards in our industries, our educational institutions, and in our everyday lives.

I favored a measure that would have been more persuasive. I want a target date after which metric measurements would be the exclusive system to be used in our country.

What we passed is a bill intended to encourage a voluntary changeover to metric standards at some indefinite, undesignated time in the future. And, while not extending much power to a 17-member conversion board, the Act provided for such a board to be named by the President subject to confirmation by the Senate.

Indeed, the establishment of the U.S. Metric Board is the principal authority contained in the Act. While the Metric Board is charged with coordinating and promoting conversion to the metric system it has no power to compel anyone to do anything.

Very careful attention was given by President Ford to the credentials of each of the 17 members whom he named. But the Senate had little or no time to confirm the Board members. Recently, President Carter withdrew the names from further consideration, and he has given no indication as to which, if any, of those originally named will be included in his list.

As the 1975 Act provided, it was intended that both the Metric Board and the departments and agencies of the federal government would reflect the policy of the U.S. "to coordinate and plan the increasing use of the metric system in the United States" and "to coordinate the voluntary conversion to the metric system."

Without the Metric Board in operation the coordination and stimulus that Congress intended from this legislation is lacking. We seem to have experienced a kind of drift, a haphazard kind of action in government agencies, in our state legislatures, some of our educational systems, and even in industry.

Federal and state government action in fulfilling our nation's commitment to convert to the metric system is badly coordinated and seems to provide no assurance as to when or whether there will be an overall adoption of the metric system as our sole system of weights and measures.

Obviously, there must be some further action that may be taken in Congress, besides encouraging members of Congress to write to President Carter urging him to act promptly in naming the 17-member Metric Board.

My colleague, Senator Claiborne Pell of Rhode Island, recently proposed a Senate resolution to require that all legislation and reports of the Senate where units of measurement or weight are employed include such measures in metric units (S. Res. 88). I have offered a similar resolution in the House of Representatives (H. Res. 380).

More recently, it seemed to me that a concurrent resolution of the House and Senate to reflect continued support for an orderly and coordinated conversion would help to bring greater order into the essentially voluntary action that is taking place (H. Con. Res. 154).

I have talked to members of the House Committee on Science and Technology, including Chairman Olin Teague and Representative Barry Goldwater, Jr., who concur in the view that action on this or a similar concurrent resolution would support the industrial and educational actions that are taking place on a purely voluntary basis.

[In his remarks to Congress, Representative Goldwater said, "While disturbing, I feel that Mr. McClory's remarks (to the ANMC conference) are timely and challenging to both the President and to the members of this House as well as to members of the other body. Our colleague has introduced a House concurrent resolution which might help us to get off dead center and begin moving again toward a coordinated metric conversion program in our society. It is to be hoped that the Committee on Science and Technology will schedule a hearing on this measure at an early date."]

Personally, I would like to see a target date established by our nation as a time for virtual complete conversion to the metric system. In the absence of such a definitive commitment, it seems to me that we must take renewed action in Congress and at the federal level from time to time to keep the voluntary metric conversion programs on course and moving persistently and in coordinated fashion along an uninterrupted path toward a single uniform system from which the people of our nation and of the world can all benefit.

Mr. PELL. Mr. President, it is clear that metrication efforts are taking place in many segments of society. Metrication is moving rapidly, but in a haphazard, uncoordinated fashion. Only the Federal Government can provide the impetus necessary to lead the many, unassociated efforts toward a metric America, and the

U.S. Metric Board has been designated to carry out this task. I urge the President and his able associates to expedite consideration of the 17 nominees for the U.S. Metric Board so that their vital mission can begin.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to U.S. Census Bureau approximations, the total population of the United States as of May 1, 1977, is 216,905,322. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,507,030 people since May 1 of last year. It also represents an increase of 114,861 people since April 1, 1977, that is, in just the last month.

Over the year, therefore, we have added enough additional people to fill the combined cities of Memphis, Tenn., Toledo, Ohio, and Buffalo, N.Y. And in just one short month, our population has grown enough to more than fill the city of Cedar Rapids, Iowa.

The problem of increasing population, of course, is not limited to the United States. On the international scene, the population problem is far more severe and the solution less close at hand than in the United States. The Population Reference Bureau, Inc., located in Washington, D.C., recently revealed some startling population statistics. The Bureau estimates that in mid-1977 the population of the world will reach 4,083,000,000, a number that is projected to increase to 6,182,000,000 by the year 2000—up by 2.1 billion in 23 years. If the current estimated growth rate of 1.8 percent persists, global numbers will double in just 38 years.

The numbers themselves are staggering. The impact that this increase will have on the socio-political structures of the countries of the world is incalculable. Mr. President, as you and our colleagues know, population increases can detrimentally affect every country's economy employment picture, environment—to name only a few social factors. Unfortunately, as the world grows ever smaller, the problems of one country become more and more the problems of all countries. For this reason alone it is up to the United States to provide nations around the world with leadership in the common battle against the population explosion.

Because of the importance of this issue, Mr. President, I ask unanimous consent to have printed in the RECORD the "1977 World Population Data Sheet," just issued by the Population Reference Bureau. I believe many will find the information contained in the data sheet extremely informative.

There being no objection, the data sheet was ordered to be printed in the RECORD, as follows:

Region or country [1]	Population estimate mid-1977 (millions) [2]	Birth rate [3]	Death rate [3]	Rate of natural increase (annual, percent) [4]	Number of years to double population [5]	Population projection to 2000 (millions) [6]	Infant mortality rate [7]	Population under 15 yr (percent) [8]	Population over 64 yr (percent) [8]	Life expectancy at birth (years)	Urban population (percent) [9]	Per capita gross national product (U.S. dollars) [10]
World	4,083.0	30	12	1.8	38	6,182.0	103	36	6	59	38	1,530
Africa	423.0	45	19	2.6	27	811.0	154	44	3	46	24	400
Northern Africa	100.0	42	14	2.8	25	185.0	130	44	3	53	39	570
Algeria	17.8	48	15	3.2	22	36.5	142	48	3	53	52	780
Egypt	38.9	36	12	2.3	30	63.9	116	41	3	52	45	310
Libya	2.7	48	9	3.9	18	5.2	130	49	4	55	30	5,080
Morocco	18.3	48	16	3.2	22	35.5	130	46	2	53	38	470
Sudan	16.3	48	18	3.0	23	32.7	141	45	3	51	13	290
Tunisia	6.0	34	11	2.3	30	10.8	125	45	4	55	47	760
Western Africa	125.0	49	23	2.6	27	243.0	175	45	3	42	19	300
Benin (Dahomey)	3.3	50	23	2.7	26	6.0	185	46	4	41	14	140
Cape Verde	.3	29	9	2.0	35	.4	79	48	5	50	8	470
Gambia	.6	42	21	2.1	33	.9	165	41	2	44	14	190
Ghana	10.4	47	20	2.7	26	21.1	156	47	4	48	31	460
Guinea	4.7	47	23	2.4	29	8.5	175	43	3	41	20	130
Guinea-Bissau	.5	40	25	1.5	46	.8	208	37	4	38	23	390
Ivory Coast	7.0	46	21	2.5	28	13.2	164	43	3	44	20	500
Liberia	1.7	50	21	2.9	24	3.0	159	42	3	45	28	410
Mali	5.9	50	26	2.4	29	11.0	188	49	2	38	13	90
Mauritania	1.4	45	25	2.0	35	2.4	187	42	6	38	23	310
Niger	4.9	52	26	2.7	26	9.6	200	43	3	38	9	130
Nigeria	66.6	49	23	2.7	26	134.9	180	45	2	41	18	310
Senegal	5.3	46	21	2.5	28	9.3	159	43	3	44	32	370
Sierra Leone	3.2	45	21	2.4	29	5.8	136	43	3	44	15	200
Togo	2.3	51	23	2.7	26	4.6	127	46	3	41	15	270
Upper Volta	6.4	48	26	2.3	30	11.0	182	43	3	38	4	90
Eastern Africa	120.0	46	19	2.7	26	239.0	151	44	3	45	12	220
Burundi	3.9	41	20	2.1	33	7.2	150	44	2	40	2	100
Comoros	.3	45	20	2.5	28	.5	160	43	3	46	10	260
Ethiopia	29.4	43	18	2.5	28	53.8	181	44	3	42	12	100
Kenya	14.4	49	16	3.3	21	31.5	119	46	3	50	10	220
Madagascar	7.9	50	21	2.9	24	16.4	102	35	3	44	14	200
Malawi	5.3	48	24	2.4	29	9.9	142	35	3	43	10	150
Mauritius	.9	25	8	1.7	41	1.2	46	41	4	63	44	580
Mozambique	9.5	43	20	2.3	30	17.4	165	43	3	44	6	310
Reunion	.5	28	7	2.1	33	.7	47	43	4	63	51	1,550
Rhodesia	6.8	48	14	3.4	20	15.2	122	48	2	52	20	540
Rwanda	4.5	51	22	2.9	24	8.7	133	44	3	41	3	90
Seychelles	.1	33	9	2.4	29	.1	39	43	6	65	26	520
Somalia	3.4	47	22	2.6	27	6.5	177	45	2	41	28	100
Tanzania, United Republic of	16.0	47	22	2.5	28	33.1	162	47	2	44	7	170
Uganda	12.4	43	16	2.7	26	24.7	160	44	3	50	7	250
Zambia	5.2	60	19	3.1	22	11.3	160	46	3	46	36	540
Middle Africa	48.0	44	22	2.3	30	88.0	165	43	3	42	24	270
Angola	6.3	47	24	2.3	30	11.7	203	42	3	38	18	680
Cameroon, United Republic of	6.7	40	22	1.8	38	11.6	137	40	3	41	20	270
Central African Republic	1.9	43	22	2.1	33	3.3	190	42	3	41	36	230
Chad	4.2	44	24	2.0	35	6.9	160	40	3	38	14	120
Congo, Peoples Republic of	1.4	45	21	2.4	29	2.7	180	42	3	44	40	500
Equatorial Guinea	.3	37	20	1.7	41	.5	165	37	3	44	45	320
Gabon	.5	32	22	1.0	69	.7	178	32	4	41	32	2,240
Sao Tome and Principe	.1	45	11	3.4	20	.1	64	(*)	(*)	53	16	570
Zaire	26.3	45	20	2.5	28	50.5	160	44	3	44	26	150

Footnotes at end of table.

Region or country [1]	Population estimate mid-1977 (millions) [2]	Birth rate [3]	Death rate [3]	Rate of natural increase (annual, percent) [4]	Number of years to double population [5]	Population projection to 2000 (millions) [6]	Infant mortality rate [7]	Population under 15 yr (percent) [8]	Population over 64 yr (percent) [8]	Life expectancy at birth (years)	Urban population (percent) [9]	Per capita gross national product (U.S. dollars) [10]
Southern Africa	30.0	40	16	2.5	28	57.0	119	41	4	51	44	1,220
Botswana	.7	46	23	2.3	30	1.4	97	48	6	56	12	330
Lesotho	1.1	39	20	1.9	36	1.8	114	40	4	46	3	180
Namibia	.9	44	23	2.1	33	1.7	117	41	4	41	32	800
South Africa	26.1	40	15	2.5	28	51.2	117	41	4	52	48	1,320
Swaziland	.5	49	22	2.7	26	1.0	149	48	3	44	8	470
Asia	2,325.0	32	12	2.0	35	3,584.0	116	38	4	56	26	530
Southwest Asia	89.0	42	14	2.8	25	166.0	114	44	4	55	44	1,370
Bahrain	.3	43	8	3.5	20	.6	78	44	3	63	78	2,440
Cyprus	.6	17	9	.8	87	.8	29	29	9	71	42	1,180
Gaza	.4	49	16	3.3	21	.9	(*)	53	5	52	87	----------
Iraq	11.8	44	11	3.2	22	24.3	99	48	3	53	64	1,280
Israel	3.6	28	7	2.1	33	5.5	22	33	7	72	82	3,580
Jordan	2.9	48	15	3.3	21	5.9	97	48	3	53	42	460
Kuwait	1.1	44	5	3.9	18	2.9	44	44	2	69	56	11,510
Lebanon	2.8	40	10	3.0	23	5.6	59	41	5	64	60	1,070
Oman	.8	50	19	3.1	22	1.6	138	(*)	(*)	(*)	5	2,070
Qatar	.1	50	19	3.1	22	.2	138	(*)	(*)	(*)	69	8,320
Saudi Arabia	7.6	50	20	2.9	24	14.8	152	45	3	45	21	3,010
Syria	7.8	45	15	3.0	23	16.0	93	49	4	57	46	660
Turkey	41.9	39	12	2.7	26	72.4	119	42	4	47	43	860
United Arab Emirates	.2	50	18	3.2	22	.5	138	(*)	(*)	(*)	52	10,480
Yemen	5.6	50	21	2.9	24	11.0	152	45	3	45	9	210
Yemen, Democratic	1.8	50	21	2.9	24	3.5	152	48	4	45	33	240
Middle South Asia	864.0	37	14	2.3	30	1,473.0	125	41	3	49	20	200
Afghanistan	20.0	43	21	2.2	32	36.1	182	44	3	40	15	130
Bangladesh	83.3	47	20	2.7	26	154.9	132	43	3	47	9	110
Bhutan	1.2	44	20	2.3	30	2.1	(*)	42	3	44	3	70
India	622.7	34	13	2.1	33	1,023.7	122	40	3	50	21	150
Iran	34.8	44	16	2.8	25	66.1	139	47	3	51	44	1,440
Maldives	.1	50	23	2.7	26	.2	(*)	44	2	(*)	11	100
Nepal	13.2	43	20	2.3	30	23.2	169	40	3	44	4	110
Pakistan	74.5	44	15	2.9	24	145.5	121	46	3	51	26	140
Sri Lanka	14.1	28	8	2.0	35	20.7	45	39	4	68	22	150
Southeast Asia	332.0	38	14	2.4	29	574.0	116	43	3	52	21	260
Burma	31.8	40	16	2.4	29	53.3	126	40	4	50	22	110
Democratic Kampuchea (Cambodia)	8.0	47	19	2.8	25	14.7	127	45	3	45	12	70
East Timor	.7	44	23	2.1	33	1.2	184	42	3	40	11	150
Indonesia	136.9	38	14	2.4	29	226.9	137	44	2	48	18	180
Lao People's Republic (Laos)	3.5	45	23	2.2	32	5.8	123	42	3	40	15	70
Malaysia	12.6	35	7	2.8	25	21.6	75	45	3	63	27	720
Philippines	44.3	35	8	2.7	26	83.7	74	43	3	58	32	370
Singapore	2.3	18	5	1.3	53	3.1	14	34	4	68	100	2,510
Thailand	44.4	35	11	2.4	29	84.6	89	45	3	58	13	350
Vietnam, Socialist Republic of	47.3	42	20	2.1	33	78.9	(*)	41	4	50	22	160
East Asia	1,040.0	26	10	1.6	43	1,371.0	22	33	6	63	31	820
China, People's Republic of [11]	850.0	27	10	1.7	41	1,126.0	(*)	33	6	62	24	350
Hong Kong	4.5	20	5	1.4	50	5.9	17	31	5	71	92	1,720
Japan	114.2	17	6	1.1	63	133.4	10	24	8	74	72	4,460
Korea, Democratic People's Republic of	16.7	36	9	2.6	27	27.5	(*)	42	4	61	43	430
Korea, Republic of	35.9	24	7	1.7	41	52.9	47	40	3	65	48	550
Macao	.3	25	7	1.8	38	.4	78	38	5	(*)	97	310
Mongolia	1.5	40	10	3.0	23	2.7	(*)	44	3	61	46	700
Taiwan (Republic of China) [12]	16.6	23	5	1.8	38	22.0	26	43	3	69	63	890
North America	240.0	15	9	.6	116	294.0	16	26	10	72	74	7,020
Canada	23.5	16	7	.8	87	31.6	15	27	8	73	76	6,650
United States	216.7	15	9	.6	116	262.5	16	26	10	72	74	7,060
Latin America	336.0	36	9	2.7	26	608.0	78	42	4	62	59	1,030
Middle America	85.0	42	8	3.4	20	174.0	70	46	3	62	56	1,060
Costa Rica	2.1	29	5	2.4	29	3.6	38	44	4	68	41	910
El Salvador	4.3	40	8	3.2	22	8.6	58	46	3	58	39	450
Guatemala	6.4	43	12	3.1	22	12.2	80	45	3	53	34	650
Honduras	3.3	49	15	3.5	20	6.9	117	47	2	54	31	350
Mexico	64.4	42	7	3.5	20	134.6	66	46	3	63	62	1,190
Nicaragua	2.3	48	14	3.4	20	4.8	123	48	3	53	49	720
Panama	1.8	31	5	2.6	27	3.2	40	43	4	66	50	1,060
Caribbean	28.0	30	9	2.1	33	44.0	75	41	5	64	45	970
Bahamas	.2	20	5	1.4	50	.3	35	44	3	66	58	2,600
Barbados	.2	19	8	1.1	63	.3	38	34	9	69	44	1,260
Cuba	9.6	22	6	1.6	43	14.9	29	37	6	70	60	800
Dominican Republic	5.0	46	11	3.5	20	10.7	98	48	3	58	44	720
Grenada	.1	26	8	1.9	36	.1	32	(*)	(*)	63	15	370
Guadeloupe	.3	28	7	2.1	33	.5	44	40	5	60	48	1,240
Haiti	5.3	36	16	2.0	35	7.9	150	42	4	50	20	180
Jamaica	2.1	30	7	2.3	30	2.8	26	46	6	68	37	1,290
Martinique	.4	22	7	1.6	43	.5	32	41	5	65	50	1,540
Netherlands Antilles	.2	20	5	1.5	46	.4	28	38	5	62	48	1,590
Puerto Rico	3.2	23	6	1.7	41	4.1	24	37	7	72	58	2,300
Trinidad and Tobago	1.0	24	6	1.8	38	1.3	34	40	4	66	12	1,900
Tropical South America	183.0	37	9	2.8	25	337.0	84	43	3	61	59	960
Bolivia	4.8	44	18	2.6	27	8.7	108	42	4	47	34	320
Brazil	112.0	37	9	2.8	25	205.0	82	42	3	61	59	1,010
Colombia	25.2	33	9	2.5	28	47.1	97	43	3	61	64	550
Ecuador	7.5	42	10	3.2	22	14.7	78	45	4	60	41	550
Guyana	.8	32	7	2.4	29	1.3	40	44	3	68	40	560
Paraguay	2.8	40	9	3.1	22	5.3	65	45	4	62	37	570
Peru	16.6	41	12	2.9	24	31.2	110	45	3	56	55	810

Region or country [1]	Population estimate mid-1977 (millions) [2]	Birth rate [3]	Death rate [3]	Rate of natural increase (annual, percent) [4]	Number of years to double population [5]	Population projection to 2000 (millions) [6]	Infant mortality rate [7]	Population under 15 yr (percent) [8]	Population over 64 yr (percent) [8]	Life expectancy at birth (years)	Urban population (percent) [9]	Per capita gross national product (U.S. dollars) [10]
Surinam	.4	37	7	3.0	23	.9	30	50	4	66	50	1,180
Venezuela	12.7	37	6	3.1	22	23.2	49	45	3	65	74	2,220
Temperate South America	40.0	23	9	1.4	50	52.0	63	31	7	67	79	1,340
Argentina	26.1	23	9	1.3	53	32.9	59	29	8	68	80	1,590
Chile	11.0	24	8	1.6	43	15.8	77	36	5	63	76	760
Uruguay	2.8	21	10	1.1	63	3.4	45	28	9	70	81	1,330
Europe	478.0	15	10	.4	173	539.0	22	24	12	71	65	4,090
Northern Europe	82.0	13	11	.2	347	90.0	14	24	13	72	74	4,590
Denmark	5.1	14	10	.4	173	5.4	12	23	13	74	80	6,920
Finland	4.8	14	9	.5	139	4.8	10	23	10	71	58	5,100
Iceland	.2	21	7	1.4	50	.3	11	30	9	74	86	5,620
Ireland	3.2	22	11	1.1	63	4.0	17	31	11	71	52	2,420
Norway	4.0	14	10	.4	173	4.5	11	24	14	74	45	6,540
Sweden	8.2	13	11	.2	347	9.2	8	21	15	75	81	7,880
United Kingdom	56.0	12	12	.1	693	61.9	16	24	14	72	78	3,840
Western Europe	152.0	12	11	.1	693	169.0	15	23	13	71	77	6,150
Austria	7.5	12	13	0	(*)	8.1	21	24	15	71	52	4,720
Belgium	9.9	12	12	0	(*)	10.7	16	23	14	71	87	6,070
France	53.4	14	11	.4	173	61.7	12	24	14	72	70	5,760
Germany. Federal Republic of	61.2	10	12	–.2	(*)	65.5	20	22	14	71	88	6,610
Luxembourg	.4	11	12	–.1	(*)	.4	15	20	13	70	69	6,050
Netherlands	13.9	13	8	.5	139	16.1	11	26	11	74	77	5,590
Switzerland	6.2	12	9	.4	173	6.9	12	23	12	73	55	8,050
Eastern Europe	108.0	18	11	.7	99	122.0	26	23	11	70	57	2,800
Bulgaria	8.8	17	10	.6	116	9.9	23	22	11	71	59	2,040
Czechoslovakia	15.0	20	12	.8	87	16.9	21	23	12	71	67	3,710
German Democratic Republic	16.7	11	14	–.4	(*)	17.7	16	22	16	71	75	4,230
Hungary	10.7	18	12	.6	116	11.1	33	20	12	70	50	2,480
Poland	34.7	19	9	1.0	69	40.2	25	24	9	70	54	2,910
Romania	21.7	20	9	1.1	63	25.9	35	25	9	69	43	1,300
Southern Europe	136.0	17	9	.8	87	158.0	26	26	10	71	52	2,470
Albania	2.5	33	8	2.5	28	4.1	87	40	5	67	34	600
Greece	9.1	16	9	.7	99	9.8	24	24	12	72	65	2,360
Italy	56.5	15	10	.5	139	61.9	21	24	12	72	53	2,940
Malta	.3	19	10	.9	77	.3	19	26	9	70	94	1,220
Portugal	9.2	20	11	.9	77	10.4	38	27	10	69	26	1,610
Spain	36.5	18	8	1.0	69	45.4	14	28	10	72	61	2,700
Yugoslavia	21.8	18	9	1.0	69	25.7	40	26	8	68	39	1,480
U.S.S.R.	259.0	18	9	.9	77	314.0	28	26	9	69	60	2,620
Oceania	22.0	22	9	1.3	53	32.0	55	32	7	67	71	4,490
Australia	13.9	17	8	.9	77	19.6	16	28	8	71	86	5,640
Fiji	.6	29	7	2.2	32	.8	21	40	3	70	38	920
New Zealand	3.2	18	8	1.0	69	4.4	16	30	9	72	81	4,680
Papua New Guinea	2.9	41	17	2.4	29	5.1	159	45	2	48	11	450
Samoa, Western	.2	35	7	2.8	25	.3	40	51	3	63	21	320
Solomon Islands	.2	36	9	2.7	26	.4	52	44	3	(*)	9	310

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[1] The data sheet lists all U.N. members and all geopolitical entities with a population larger than 200,000.

[2] Based on a population total from a very recent census or on the most recent official country or U.N. estimate; for almost all countries the estimate was for mid-1975. Each estimate was updated by the Population Reference Bureau to mid-1977 by applying the same rate of growth as indicated by population change during part or all of the period since 1970.

[3] Annual number of births or deaths per 1,000 population. For the more developed countries, with complete or nearly complete registration of births and deaths, nearly all the rates shown pertain to 1974 or 1975. For nearly all the developing countries, with incomplete registration, the rates refer to the 1970–75 period and are cited in Statistical Papers, series A, as having been prepared by the United Nations. These rates were used in the medium variant estimates and projections as assessed by the United Nations in 1973 (U.N., Selected World Demographic Indicators . . .). These figures should be considered as rough approximations only.

[4] Birth rate minus the death rate. Since the rates were based on unrounded birth and death rates, some rates do not exactly equal the difference between the birth and death rates shown because of rounding.

[5] Based on the rate of natural increase shown and assuming no change in the rate.

[6] Except for the United States, estimated by the Population Reference Bureau by applying the percentage increase in the population 1977–2000 implied by the U.N. medium variant projections to the population total as estimated for mid-1977. For the United States, the figure shown is the series II projection given in the U.S. Bureau of the Census, "Projections of the Population of the United States: 1975 to 2050," P–25, No. 601, October 1975.

[7] Annual number of deaths to infants under 1-yr of age per 1,000 live births. For countries with complete or nearly complete registration of births and deaths, nearly all rates pertain to 1974 or 1975. For many developing countries with incomplete registration, rates are the latest available estimates generally obtained from the U.N., sources noted above; from World Health Organization, "World Health Statistics Report," vol. 29, No. 4, 1976; or from International Statistical Programs Center, U.S. Bureau of the Census, "World Population: 1973," May 1974, and "World Population: 1975," June 1976.

[8] The dependency ratio for each country or region can be derived by adding the percentages under 15 yr and over 64 yr and dividing by the complement. For the world as a whole, for example, 36 percent plus 6 percent divided by 58 percent gives a figure of 72 persons in the dependent ages for each 100 persons in the working ages of 15 to 65.

[9] The percentage of the total population living in areas defined as urban by each country.

[10] The figures given for the individual countries were released by the World Bank on Dec. 27, 1976. They refer to 1975 except for 18 of the smaller countries for which the data refer to 1974. The figures are published in the 11th edition of the "World Bank Atlas: Population, Per Capita Product, and Growth Rates," 1977.

[11] In the absence of official information, the U.N. medium variant estimates as assessed in 1973 are given here for the birth and death rates. Some observers, however, consider the birth rate of 27 per 1,000 population too high at the present time because of China's rigorous family planning program. The population estimate for mid-1977 is also the medium variant estimate after subtracting the estimated mid-1977 total for Taiwan. However, population estimates for those provinces that have recently been announced through Chinese radio and newspapers strongly suggest that a more valid estimate would be 30,000,000 to 50,000,000 higher than that given here. It is expected that the 1978 data sheet will show a revised estimate based on further information from China or new estimates by the U.N.

[12] The U.N. does not show figures for Taiwan. These figures were separately estimated on the basis of official Taiwan data. The population was assumed to increase to 2,000 at the same rate as that of the People's Republic of China.

*Data are unavailable.

NOTES

World population data sheets of various years should not be used as a time series. Because every attempt is made to use the most recent and most accurate information, data sources vary and radical changes in numbers and rates from year to year may reflect improved source material, revised data, or a later base year for computation, rather than yearly changes.

Sources of data: Aside from the population estimates and projections (see footnotes 2 and 6), number of years to double population (see footnote 5), and per capita gross national product (see footnote 10), almost all of the data in this table were reported in the following United Nations (U.N.) publications: "Demographic Yearbook," 1973, 1974, and 1975 editions; "Population and Vital Statistics Report, Data Available as of Jan. 1, 1977," Statistical papers, series A, vol. XXIX, No. 1; "Trends and Prospects in Urban and Rural Population, 1950–2000, as Assessed in 1973–74," ESA/P/WP.54, Apr. 25, 1975; "Selected World Demographic Indicators by Countries," 1950–2000, ESA/P/WP.55, May 28, 1975; and "Single-Year Population Estimates and Projections for Major Areas, Regions and Countries of the World, 1950–2000," ESA/P/WP.56, Oct. 6, 1975. The source for any figure shown on the data sheet may be obtained by writing or telephoning the Population Reference Bureau.

Figures for the regions and the world: Population totals take into account small areas not listed on the data sheet. Totals may also not equal the sums of their parts because of independent rounding. All other data are weighted averages for countries for which data are available.

CARTER ADVISED AGAINST ECONOMIC FREEDOM

Mr. HATCH. Mr. President, I would like to draw the attention of this Chamber to an article in today's Washington Post, which highlights a memo written last December to President-elect Carter by his pollster, Pat Caddell. Advising Mr. Carter on how to govern most effectively, Caddell urged stressing style over substance. As Caddell put it.

"Too many good people have been defeated because they have tried to substitute substance for style.

Personally, I am dismayed by this recommendation, and I hope President Carter does not follow it.

The memo contains another recommendation which is even more shocking, and I read it as it appeared in the Post:

> What we require is not stew, composed of bits and pieces of old policies, but a fundamentally new ideology . . . We desperately need an ideological "paradigm" to replace the "free market capitalist model" that we really don't want . . . American society . . . needs some kind of direction.

Mr. President, Pat Caddell may not be speaking for Mr. Carter, but if he is, then I fear for the survival of our country. Was it not the economic freedom that a market system provides that allowed the Carter family to transform their small farm into a very lucrative operation—one so profitable as to provide the President with the needed capital to launch his political career?

It was economic freedom that drew millions of people to our shores and continues to make our country the most attractive of all countries.

To ignore, or even worse, to deny this central fact, is to negate the very meaning of America. Opportunity has been the mainspring of our human progress. But the American people are certainly smarter than Mr. Caddell. They know that it has been our dynamic free market economy that has so encouraged the self-initiative that has made America the envy of the entire world.

When Mr. Carter arrives in Europe for the economic summit this week, which economy will be looked upon by all the leaders in attendance as the one most capable of leading the West back into a period of sustained prosperity? Ours, of course. But Government did not create our economic miracle, free people did.

The magnificently productive capitalist economy is also the foundation for defense security for ourselves and much of the free world.

As William Simon has often pointed out:

> The private sector is the productive base that pays for government spending to aid the elderly, the jobless, the poor, the dependent, and the disabled. Indeed, far from being the inhuman monster caricature painted by political demagogues, the American private sector is in reality the mightiest engine for social progress and individual improvement ever created.

Mr. President, I can only hope that in writing "* * * the free market capitalist model that we really don't want . . . ," Mr. Caddell was not accurately depicting President Carter's real feelings. It is for this reason that I urge the President to immediately disassociate himself from this reckless and damaging statement. In keeping with the President's pledge to conduct a genuinely open administration, I request that he release to the public the memo in its entirety.

If President Carter is against economic freedom, he should tell us now.

THE NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT

Mr. RIEGLE. Mr. President, the Human Resources Committee, of which I am a member, reported favorably on S. 855, the National Science Foundation Authorization Act, on April 18. Among its other duties, the National Science Foundation has the vital responsibility for promoting scientific knowledge in the United States. It is the primary means by which the Federal Government strengthens and improves science education programs throughout the country.

The committee report notes that a $100,000 ceiling has been placed on the comprehensive assistance to undergraduate science education—CAUSE—program for fiscal year 1978 in order to support an analysis of the program. This analysis is intended to lead to a strengthened CAUSE program in fiscal year 1979. The report also states that this anticipated improvement in the CAUSE program was a factor in the decision to substantially increase funds for the science education resources improvement program.

While I certainly realize the benefits to be gained from an analysis of the CAUSE program's effectiveness in meeting undergraduate science education needs, I would hesitate to diminish the program's funds while the study is being undertaken. To carry through on the committee's view that this year's activities could influence the strengthening of the CAUSE program in the future, I am sure that the Senate conferees will look favorably on House proposals for funding and implementing a full-scale CAUSE program during fiscal year 1978, provided that the quality concerns of the full committee will be met by such action. I know that the distinguished chairman and members of the Subcommittee on Health and Scientific Research share my view concerning the CAUSE program. It is instrumental to improved science education in our country's colleges and universities, and I hope it will continue to perform its vital functions while efforts to evaluate and improve the program are underway.

CONTROLLING ILLEGAL IMMIGRATION

Mr. DOMENICI. Mr. President, the entire questions of illegal aliens and how to deal with them has plagued those of us in the Southwest for many years. It is now apparent that our concerns have transcended geographical lines and are now shared by many Americans.

In this regard, I was favorably impressed with an editorial on this subject by the Washington Post of 2 days ago. The Post argues for gathering more information, attempting to discover just what social and economic effects might occur when remedies are tried, and suggests that many questions remain to be resolved before the Nation embarks on any control policy.

We who have confronted this problem daily have long recognized that simplistic answers are almost always wrong. The problem is compounded by the difficulty in telling illegal aliens from American citizens by mere physical characteristics and because of the agricultural needs of many American employers, a problem that cannot be overlooked in the illegal alien dilemma.

Mr. President, I ask unanimous consent that the Post editorial, "Controlling Illegal Immigration," be printed in the RECORD.

There being no objections, the editorial was ordered to be printed in the RECORD, as follows:

CONTROLLING ILLEGAL IMMIGRATION

Do we want to control illegal immigration, now running at an estimated rate of several million a year? Until recently the broad answer was no. The Immigration Service and law-enforcement groups were ready, but two other factors in this then-subdued social drama, employers seeking cheap labor and Hispanic-Americans welcoming kin, were not. Only when unemployment among American citizens rose (it's now at eight million) and aliens spread in considerable numbers beyond the Southwest did the problem come to seem important and national. The Ford administration responded by commissioning the government's first comprehensive study, a first-rate report completed last December. Taking up where Mr. Ford left off, Mr. Carter is trying to compose a workable and reasonably coherent policy now.

A country can't let its immigration laws be flouted. It's unnatural that a full 10 per cent of the population of Mexico may be in the United States illegally. In theory, we could replace the open 2,000-mile Mexican frontier with a Berlin Wall and impose Soviet-style controls on incoming "tourists" and "students." But few Americans would wish to pay that sort of society-transforming price. So all the remedies reportedly being considered by the administration are palliatives. One is tighter border policing. Another is to issue legal aliens "non-forgeable" identity cards and then demand, in legislation, that employers not hire illegals. Like earlier students of the issue, President Carter has already decided to grant "amnesty" to some illegals. Amnesty rewards lawbreaking, but rooting out all the illegals would be, on the one hand, impossible and, on the other, socially and personally disruptive in the extreme.

The consensus supporting concerted government action is growing, but it's hindered by poor information. For instance, those favoring amnesty for illegals who have been here, say, five years don't know whether that step would make three or 13 million new citizens. The effects on the service burdens of state and local governments are only guesses. The Carter planners figure it makes sense to attack the problem at its source by encouraging job creation in Mexico and elsewhere but, aside from the hot argument over whether the United States should create foreign jobs in the first place, no one knows what specific benefits that strategy would bring. Only recently have diplomats even begun to ask what the foreign-policy effects of controlling illegal immigration would be.

Given the "newness" of the problem, there is a strong argument for the administration to take a non-doctrinaire approach and to regard the submission of legislation as, in the first instance, a discovery proceeding. Mr. Carter is said to be a month away from moving. He needn't think he has to come up with hard and fast answers. He might do better to join the national inquiry.

KENT STATE

Mr. KENNEDY. Mr. President, today marks the anniversay of a national tragedy which occurred 7 years ago as a small group of national guardsmen halted a noontime campus demonstration against America's involvement in the invasion of Cambodia. Four young people died at Kent State University while attempting to convey to all Americans their message of peace and hope for the future of our country.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Gunsmoke," authored by a former student leader at Kent State University, Peter Davies. The article is appearing in today's edition of the New York Times; and I share it with my colleagues and the American people.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GUNSMOKE

(By Peter Davies)

There is a cruel irony in the fact that the first David Frost interview with Richard M. Nixon should be televised today, the seventh anniversary of the killing of four Kent State University students by Ohio National Guardsmen during a demonstration against Mr. Nixon's decision to invade Cambodia. There is also justice, in that it reminds us of the extent to which President Nixon and Vice President Spiro T. Agnew were responsible for creating the atmosphere in which a majority of Americans condoned the wanton killing of two of our sons and two of our daughters by combat-equipped guardsmen.

The spring of 1970 dramaticaly marked the end of conciliation. During the 1968 election campaign, Mr. Nixon had eloquently appealed for unity: "America has suffered from a fever of words, from angry rhetoric that fans discontent into hatred; from bombastic rhetoric that postures instead of persuading."

In April 1970, however, Mr. Agnew was successfully fanning the dying flames of campus discontent. "We must look to the university that receives our children," he told a group of Florida Republicans. "Is it prepared to deal with the challenge of the nondemocratic left?" he asked. "One modest suggestion for my friends in the academic community: The next time a mob of students, waving their nonnegotiable demands, starts pitching rocks at the student union—just imagine they are wearing brown shirts or white sheets and act accordingly."

Three days before Kent State, Mr. Nixon visited the Pentagon to bolster the spirits of some employees. While there he took advantage of the flock of newsmen surrounding him to set the tone for what was about to happen in Ohio. "You know, you see these bums, you know, blowing up the campuses. Listen, the boys on the college campuses today are the luckiest people in the world, going to the greatest universities, and here they are burning up the books. I mean storming around about this issue, I mean you name it, get rid of the war, there'll be another one."

The day before the killings, Republican Gov. James A. Rhodes of Ohio took his cue from Mr. Nixon and Mr. Agnew by going to Kent and holding a news conference. The student demonstrators at Kent State, he said, are "worse than the brownshirts and the Communist element and also the night riders and the vigilantes." In fact, he thundered: "They're the worst type of people that we harbor in America." As to how Ohio planned to deal with the situation, Governor Rhodes said: "We are going to eradicate the problem, we're not going to treat the symptoms."

Mr. Nixon's responsibility for creating the climate conducive to official violence against dissenters not only became bloodily apparent in Ohio but also in Manhattan four days after the killings. Union-organized mobs of construction workers stormed through the Wall Street area on May 8, 1970, determined to defile the day of mourning proclaimed by Mayor John V. Lindsay. The temper of the time was such that the construction workers literally run amuck with their fists and wrenches, much as the guardsmen in Ohio had run amuck with their M–1 rifles and .45-caliber automatic pistols.

In less than two years, Richard Nixon had so successfully encouraged distrust and discontent with angry and bombastic rhetoric that parents were turned against their children, and neighbor against neighbor. Not surprisingly, such intense passions have been slow to cool, and this has contributed to making the ongoing struggle for both justice and the truth about what really happened on May 4, 1970, that much more difficult.

Time and time again this quest has been frustrated by inadequate laws, unconstitutional gag orders, local judicial prejudice, and unprosecuted perjury. Despite all the investigations, grand jury probes, criminal and civil trials, the major questions raised by the Justice Department's summary of the Federal Bureau of Investigation inquiry remain unanswered. Why did the Justice Department attorneys believe that the guardsmen "fabricated their story of self-defense subsequent to the event?" Why did two or more guardsmen" lie when they told Federal agents they had not fired into the crowd? Who fired the now-famous mystery .45-caliber pistol that belonged to a sergeant who was six miles away from the campus when a guardsman fired the sergeant's weapon at least four times and surrepititiously returned it to the armory?

THE SHUTTLE ORBITER

Mr. HAYAKAWA. Mr. President, I would like to remark on my negative vote yesterday on H.R. 4876, the economic stimulus appropriations bill. I found that I could not support most of the spending contained in the bill, and cast my negative vote despite the fact that the bill also contained funding for the third NASA shuttle orbiter, a program which I strongly support and which produces many jobs in my State.

The orbiter program is a fine one. I have recently visited Edwards Air Force Base where I inspected the shuttle and was very impressed. This worthwhile project will serve our Nation in many ways, perhaps most importantly in our national security efforts. I support full funding for this program and my negative vote on the whole appropriations bill should not be interpreted as any weakening of my support.

But I do not believe that funding for this program should have been held hostage in a controversial appropriations bill containing a special economic stimulus package. Regular funding for this type of program should not be incorporated into a bill with such controversial provisions as massive increases in public works projects and public service jobs.

The shuttle program will continue to receive my full support. However, I cannot allow my vote on controversial issues to be swayed by incorporation of vital funding for this program. I hope we can deal with these issues on a more straightforward basis in the future.

EDUCATION FOR ALL HANDICAPPED CHILDREN ACT

Mr. RIEGLE. Mr. President, the Department of Health, Education, and Welfare is now considering proposed regulations to implement the Education for All Handicapped Children Act. This act is a long-overdue congressional attempt to enhance the learning process for handicapped children.

The education of handicapped children, who have specialized needs in addition to those met by the normal course of study followed by most schoolchildren, would be greatly enriched by the use of creative arts programs. Each individual, handicapped or not, is capable of creativity. Exposing handicapped children to the arts and guiding their creativity through art and music therapy programs are ideal methods through which educators can contribute to the mental, physical, and social well-being of these children. Fine arts education enables handicapped children to attain maximum growth and development.

Currently proposed HEW regulations do not prohibit or restrict the funding of fine arts programs. I sincerely hope that future HEW regulations will specifically authorize the sponsorship of fine arts programs for the handicapped. Even without such specific authorization in the regulations, I am hopeful that Congress' intent to aid educational programs such as those which involve creative arts will be implemented by HEW under regulations now being considered.

THE ALLIANCE TO SAVE ENERGY

Mr. PERCY. Mr. President, I am pleased to report that the Alliance to Save Energy held its first board of directors meeting here in the Capitol on April 1, 1977. A number of distinguished Americans who are concerned about energy conservation attended the board meeting and heard presentations by Dr. James Schlesinger, Dr. Henry Kissinger, and by experts in energy conservation.

Mr. President, in view of the fact that the Speaker and minority leader of the House, 36 Senators and a number of House Members have lent their names to the Alliance To Save Energy, I ask unanimous consent that a summary of the minutes of the meeting and synopses of the four papers presented be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ALLIANCE TO SAVE ENERGY HELD ON APRIL 1, 1977

After noting that the Articles of Incorporation had been filed and that the Alliance to Save Energy received its Certification of Incorporation in the District of Columbia on March 18, 1977, the Articles of Incorporation were amended to provide that the initial

Directors shall hold office until the close of the first annual meeting rather than the fourth annual meeting. The following additional resolutions were unanimously approved by the Board:

1. The By-laws were adopted.

2. The Board of Directors was elected and a ceiling of 27 Directors established. Those elected to the Board were:

Honorable Anne Armstrong, Former Ambassador to Great Britain.

Mr. William H. Batten, Chairman, New York Stock Exchange.

Mrs. Marjorie Benton, President, Better Government Association of Chicago.

Mr. Henry Ford, II, Chairman, Ford Motor Corporation.

Mr. Charles J. Hitch, President, Resources for the Future.

Honorable Robert Ingersoll, Deputy Chairman, Board of Trustees, University of Chicago.

Mr. Vernon Jordan, Executive Director, National Urban League.

Dr. George Kistiakowski, Professor of Chemistry Emeritus, Harvard University.

Honorable Henry A. Kissinger, Chairman, Advisory Board, Alliance to Save Energy.

Mr. George Meany, President, AFL–CIO.

Mr. Thomas A. Murphy, Chairman, General Motors Corporation.

Ms. Bess Myerson, Consumer Consultant.

Mr. Arthur C. Nielsen, Jr., Chairman of the Board, A. C. Nielsen Company.

Honorable Russell Peterson, President, New Directions.

Mr. Gene Pokorny, Vice President, Cambridge Reports.

Honorable Kenneth Rush, Former Ambassador to France.

Honorable John Sawhill, President, New York University.

Dr. Robert Seamans, Former Administrator, Energy Research and Development Administration.

Honorable Russell Train, Former Administrator, Environmental Protection Agency.

Mr. Tom Watson, Jr., Chairman, IBM Executive Committee.

Mr. Glenn E. Watts, President, Communication Workers of America.

Mr. Elmer Winter, President, American Jewish Committee.

Mr. Leonard Woodcock, President, United Auto Workers.

3. Election of Officers:

Senator Percy was elected Chairman of the Board.

Senator Humphrey and Mrs. Hills were elected Co-Chairmen of the Board.

4. An Executive Committee was established and Senator Percy, Senator Humphrey, and Mrs. Hills were elected to the Executive Committee. The following additional members have agreed to serve on the Executive Committee:

Honorable Henry A. Kissinger.
Mr. Vernon Jordan.
Honorable Russell Train.
Mr. Glenn E. Watts.
Mr. Elmer Winter.

5. The following were elected as Officers of the Corporation:

Mr. Richard L. McGraw, Executive Director and Treasurer.

Mr. Michael Runde, Secretary.

6. An Advisory Board was created and the Honorable Henry A. Kissinger was elected as Chairman of the Advisory Board. Those elected to the Advisory Board were:

Honorable Henry A. Kissinger, Chairman, Board of Advisors.

Mr. Robert O. Anderson, Chairman of the Board, Atlantic Richfield Company.

Mr. Andrew W. Athens, National Chairman, United Hellenic American Congress.

Dr. Marver Bernstein, President, Brandeis University.

Dr. Kazys Bobelis, President, Lithuanian-American Council.

Mr. Frank Borman, President, Eastern Airlines.

Dr. Arnita Boswell, Professor, University of Chicago.

Mr. Lester Brown, President, Worldwatch Institute.

Captain Howard Bucknell III, USN (Ret.), Department of Political Science, University of Georgia.

Mr. Hugh Downs, former moderator NBC's Today program.

Honorable John W. Gardner, Founding Chairman, Common Cause.

Mr. Robert A. Georgine, President, Building and Construction Trades Department, AFL–CIO.

Mr. Peter N. Gillingham, President, Intermediate Technology—U.S.

Mr. Robert Herring, Chairman of the Board, Houston Natural Gas Company.

Mr. Frank Ikard, President, American Petroleum Institute.

Mr. Burton Joseph, President, I. S. Joseph Company.

Mr. I. L. Kenen, Editor Emeritus, Near East Report.

Honorable Phillip Klutznick, Former Ambassador to the United Nations.

Dr. Myron Kuropas, Supreme Advisor, Ukrainian National Association.

Honorable Sol Linowitz, Former Ambassador to the Organization of American States.

Mr. Aloysius A. Mazewski, President, Polish-American Congress.

Honorable Mike McCormack, Congressman, State of Washington.

Dr. Franklin Murphy, Chairman of the Board, Los Angeles Times-Mirror Corporation.

Mrs. Eleanor Holmes Norton, Commissioner for Human Rights, City of New York.

Captain J. J. O'Donnell, President, Air Line Pilots Association.

Mr. Eugene Odum, Director, The Institute of Ecology.

Mr. I. M. Pei, Architect, I. M. Pei & Partners.

Mr. Peter Peterson, Chairman of the Board, Lehman Brothers, Inc.

Mr. Robert W. Reneker, Chairman of the Board, Esmark, Inc.

Mr. David Rockefeller, Chairman of the Board, Chase Manhattan Bank.

Mr. Laurance S. Rockefeller, Chairman, Rockefeller Brothers Fund.

Rabbi Alexander M. Schindler, Chairman, Conference of Presidents of Major Jewish Organizations.

Dr. E. F. Schumacher, President, Intermediate Technology Development—England.

Mr. Irving Shapiro, Chairman of the Board, E. I. du Pont de Nemours & Co.

Dr. Joseph J. Sisco, President, American University.

Mr. John E. Swearingen, Chairman of the Board, Standard Oil Company.

Honorable James Symington, Attorney at Law, Smathers, Symington & Herlong.

Mr. Rawleigh Warner, Chairman of the Board, Mobil Oil Corporation.

Honorable Barbara White, President, Mills College.

Mr. Arthur Wood, Chairman and Chief Executive Officer, Sears, Roebuck & Company.

Honorable Frank Zarb, Executive Vice President, Shearson, Haydon & Stone.

Admiral Elmo Zumwalt, Former Chief of Naval Operations.

7. Elected to the Advisory Board of U.S Senators were:

Wendell R. Anderson, Minnesota.
Dewey F. Bartlett, Oklahoma.
John C. Danforth, Missouri.
Dennis DeConcini, Arizona.
Thomas F. Eagleton, Missouri.
John Glenn, Ohio.
Birch Bayh, Indiana.
Clifford P. Case, New Jersey.
John H. Chafee, Rhode Island.
Dick Clark, Iowa.
Lawton Chiles, Florida.
Mike Gravel, Alaska.
Floyd K. Haskell, Colorado.
William D. Hathaway, Maine.
S. I. Hayakawa, California.
H. John Heinz, III, Pennsylvania.
Walter D. Huddleston, Kentucky.
Daniel K. Inouye, Hawaii.
Henry M. Jackson, Washington.
Jacob Javits, New York.
Edward M. Kennedy, Massachusetts.
Patrick J. Leahy, Vermont.
Richard G. Lugar, Indiana.
Charles McC. Mathias, Jr., Maryland.
Spark M. Matsunaga, Hawaii.
James A. McClure, Idaho.
Sam Nunn, Georgia.
Claiborne Pell, Rhode Island.
Richard S. Schweiker, Pennsylvania.
Robert T. Stafford, Vermont.
John C. Stennis, Mississippi.
Richard (Dick) Stone, Florida.
Herman E. Talmadge, Georgia.
Lowell P. Weicker, Jr., Connecticut.

8. Members of the Board of Directors shall be notified and invited to meetings of the Advisory Board.

Certain other necessary organizational resolutions also were approved.

It was resolved that the future meetings of the Board would be held on July 29, 1977, and November 18, 1977. It also was resolved that the following were to serve the Alliance in Honorary positions. They are:

Honorable Gerald R. Ford, Honorary Chairman.

Honorable Walter F. Mondale, Honorary Chairman.

Honorable Thomas P. O'Neill, Jr., Honorary Chairman.

Honorable John J. Rhodes, Honorary Co-Chairman.

Honorable James R. Schlesinger, Honorary Advisor.

Honorable Brock Adams, Honorary Co-Chairman for Transportation.

Honorable Bob Bergland, Honorary Co-Chairman for Agriculture.

Honorable Patricia Roberts Harris, Honorary Co-Chairwoman for Housing.

Honorable Juanita Kreps, Honorary Co-Chairwoman for Industry & Commerce.

Honorable S. Ray Marshall, Honorary Co-Chairman for Labor.

Mrs. Hills presented the operating strategy of the Alliance and the proposed budget. She pointed out that the Alliance will develop a broad base of membership at the grass-roots level to include trade associations, state and local government groups, consumer groups, national and local chambers of commerce, private industry, labor, agriculture, and general public.

Mrs. Hills also stressed that the Alliance does not intend to lobby for or against any proposed regulations or legislation as its principal activity. Rather, the primary purpose of the Alliance will be to generate a multitude of options and consensus where possible for energy conservation using as a vehicle, public forums, seminars, conferences, and similar meetings.

She also pointed out that the Alliance will generate and develop precise goals and mechanisms for determining and achieving energy reduction goals.

After Mrs. Hills presented a minimum and maximum budget range for the remaining calendar year, it was resolved that the minimum budget be approved subject to change at the July 29, 1977 Board of Directors meeting when there will be a better estimate of the potential of the fund-raising campaign.

Following the resolution on the budget, there was some discussion of a fund-raising campaign and it was resolved that a Finance Committee would be appointed by the Executive Committee and that those two Committees would negotiate with Development Associates for a contract to cover the development of a fund-raising campaign on behalf of the Alliance.

The Honorable James R. Schlesinger, Honorary Advisor to the Alliance, addressed the Board on the need to conserve energy. He said "the U.S. has no alternative but to get serious about energy conservation." He also said that energy conservation will be the cornerstone of the Administration's forthcoming energy message.

Dr. Kissinger, as Chairman of the Board of Advisors, suggested that the Board of Advisors meet as quickly as possible to divide up into working groups. He also asked that the membership of the Board of Advisors be expanded to include more scientists and energy experts.

Several other suggestions were made by members of the Board of Directors. Senator Humphrey suggested the Alliance consider making "C" awards for outstanding energy conservation efforts similar to the "E" awards given during WW II for outstanding civilian contributions to the war effort.

Ambassador Anne Armstrong suggested that the Alliance function as a clearinghouse for energy conservation material. This would hopefully eliminate much duplication in energy conservation research and provide a centralized public source of the latest conservation developments.

Mr. Elmer Winter added that the Alliance should screen much of the more technical energy conservation information and translate it into layman's language.

Mr. Charles J. Hitch proposed that the Alliance consider expanding its role beyond energy conservation into the area of alternative sources of energy. After some discussion, it was determined that the Alliance's total efforts in the short term would be aimed at conservation rather than alternative sources.

Ms. Bess Myerson suggested that the Alliance consider contacting major financial and commercial organizations to "match contributions" from private small donors when a major fund-raising compaign begins.

The Board then heard presentations from four experts in the energy field. A summarization of the papers they presented to the Board follows:

Mr. John H. Gibbons, University of Tennessee Environmental Center, presented a paper prepared by Professor Eugene Goodson, Director, Institute for Interdisciplinary Engineering Studies and a professor of mechanical engineering at Purdue University. Dr. Goodson's paper focused on energy conservation in the transportation sector. The transportation sector uses about 25 percent, or 9.5 million barrels per day (mb/d) of total U.S. energy consumption, and almost all of the energy used in transportation is derived from petroleum.

The auto at present uses more transportation energy than any other single transportation mode, and the potential for auto energy use reduction is substantial. Currently, autos consume over 5 mb/d. Professor Goodson believes that a feasible goal for automobile energy use in 1985 is approximately 4.5 mb/d.

The achievement of this goal will require the adoption of additional measures beyond the mandatory 27.5 mpg requirement in the Energy Policy and Conservation Act of 1975 (P.L. 94–613). These complementary policies include:

An aggressive national van pool and commuter ride-sharing program.

New car taxes based on fuel economy.

Higher energy costs to at least match the expected fuel economy gains so that energy costs per mile would remain near present levels.

Investments in public transportation modes to satisfy particular markets such as those without cars, the elderly, the handicapped, the commuter, and regular service customers.

He argues that cost-effective conservation policies, involving no restrictions on mobility, can lead to an energy consumption by the transportation sector that is less in the year 2000 than it is now. This will require implementation of the following policies:

Establishing national goals for transportation energy use.

Pricing transportation energy at replacement cost.

Providing incentives through R & D investments, tax incentives, etc., for manufacturers to develop more efficient transportation technology.

Clearing institutional and regulatory barriers to a more efficient transport system.

Dr. R. S. Carlsmith from the Energy Division of the Oak Ridge National Laboratory, discussed the residential sector. He concluded that the possibilities for residential energy conservation are large. In fact, the results of detailed analyses show that a strong conservation program would result in residential consumption in the year 2010 *about equal* to our present usage. Even more impressive are the monetary savings resulting from such a program.

One reason for this striking conclusion is that there are large technological improvements that can be made in the energy efficiency of buildings and appliances. For example, a set of design criteria for single-family homes developed by the Arkansas Power and Light Company, reduces energy for heating and cooling by 65 percent without increasing construction costs. Appliance manufacture offers similar opportunities. For example, refrigerator energy consumption could be reduced by design changes that would increase the selling price by only about 20 percent.

Mr. Fred Dubin, President of Dubin-Bloome Associates, discussed energy conservation in commercial buildings—office buildings, retail stores, hotels, hospitals, schools, and so on. The potential for energy savings in this sector is enormous. Mr. Dubin provided a detailed case history of a Chemistry building in the Brookhaven National Laboratory Complex in Long Island, New York, for which a conservation program was developed that could ultimately reduce the building's annual energy consumption by almost 60 percent. Most of these savings can be achieved through the implementation of energy conservation measures with very short pay-back periods.

Finally, Mr. Harvey Morris, President of Fuels and Energy Consultants, Inc., dealt with the huge opportunity for energy savings in the industrial sector. He is convinced that for several years it is possible to have a *reduction* in energy consumption while at the same time increasing growth of production. In order to achieve this goal, a commitment to more efficient fuel use must be made at the highest level in the corporation.

Savings of up to 40 percent and 50 percent can be achieved by focussing on improving the efficiency of production control techniques. This approach does not require a massive retrofit on capital outlay, and it inevitably increases production.

The meeting closed with an expression of appreciation by Senator Percy for the willingness of so many American leaders to voluntarily serve the national interest at this critical time.

REFORMING THE INTELLIGENCE AGENCIES

Mr. CHURCH. Mr. President, 1 year has passed since the Senate Intelligence Committee issued a series of final reports with recommendations numbering over 80 in the foreign area and over 90 in the domestic area. A recent editorial in the Philadelphia Inquirer expresses succinctly the need for reform within the intelligence community. The editorial explores the recent open letter to CIA Director Stansfield Turner from John Stockwell and searches for methods to root out the abuses that Stockwell highlights. There is a clear need to move as expeditiously as possible in drafting legislation for the intelligence agencies. As the Inquirer put it, the task is still undone.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Apr. 19, 1977]

THE CIA'S INTERNAL DECAY DEMANDS SWEEPING REFORM

Self-preserving elitism is an immutable human tendency in every organized grouping of people—from altar guilds to armies, from sand lots to board rooms. Those with bits of power draw together in agreement, often unspoken, to protect their own and their colleagues' personal security. In its ultimate form, that phenomenon can take over the store, so to speak, and leave the customers out on the street.

All that comes to mind in connection with a remarkable letter to Stanfield Turner, the new director of the U.S. Central Intelligence Agency written by a resigned CIA employee, John R. Stockwell, and published in the Review and Opinion section of last Sunday's Inquirer. In it, Mr Stockwell gave Admiral Turner some impassioned but tellingly reasoned advice to set himself to the "task of setting the agency straight from the inside out."

Mr. Stockwell, at the end of 12 years in the CIA which included seven tours of foreign duty, suffers grave ambivalence. He wrote of his own sense of pride in successes, and asked not that the agency's undercover action operations be abandoned—as some of its critics have vigorously proposed—but that Admiral Turner act to "upgrade the clandestine service from its present mediocre standards to the elite organization it was once reputed to be."

Mr. Stockwell recited a series of nightmares of his own experience, including the methodical destruction or hiding of documents which might redound to the discredit of members of what he called the "good ole boys" network, of bungled political intervention attempts in Africa, of abdication of responsibility by senior officials within the CIA and their subsequent promotions which reinforced the very problems that had led to the bungles.

Most intensely, however, Mr. Stockwell wrote of his own disillusionment and of that of his colleagues, many of them still serving in the Deputy Directorate for Operations, the agency's action branch.

More than by bungling or by threats to individual liberties, Mr. Stockwell wrote, those junior officials are "frustrated by the constipation that exists at the top and middle levels of the DDO, where an ingrown clique of senior officers has for a quarter of a century controlled and exploited their power and prestige under the security of clandestinity and safe from exposure, so that no matter how drunken, inept or corrupt their management of a station might be, they are protected, promoted and reassigned. The organization currently belongs to the old, to the burned out."

There is much evidence to support Mr. Stockwell's conclusions. And there is no question about who the organization must belong to—not the old and burned out internal elite, but to the American people, through the President, with acute oversight by the Congress.

An argument can be made that the most effective way to cure the CIA of its internal ills would be to pitch the lot out and start from scratch. Certainly, the common practice of destroying records and otherwise secreting the chronicle of the agency's actions is an intolerable evasion of accountability.

President Carter has spoken strongly of the pernicious failing of the CIA and the threats those failings pose to both individual liberties and to effective U.S. foreign policy. He and Admiral Turner have the opportunity to turn that concern to action.

That will be done only by the most forceful imposition of authority, by insistence that the agency be totally accountable and to insure that all records be preserved, and by unhesitating commitment to root out the complacent and self-serving.

That is a task which has been much talked about and is still undone.

DEVILISH ENERGY PLANS

Mr. **HELMS**. Mr. President, I would like to share with my colleagues an article entitled, "Devilish Energy Plans," which was published by the American Institute for Economic Research on March 21, 1977. The anonymous author has dared to utter the unthinkable: "Why don't we let free enterprise tackle the energy problem?"

The article was published, of course, before President Carter announced his comprehensive new energy plan; but it is timely just the same because the author has correctly identified the principal causes of the energy crisis, and offered the proper remedies.

By focusing public attention on the seriousness of our energy shortages, and through his call for strict conservation measures, the President has prepared the Nation for the sacrifices that lie ahead. Whether such measures can help to alleviate the problem of short supplies is another question.

On the other hand, the President's program fails to recognize the need to increase supplies. It is primarily one-sided in that it seeks to reduce consumption without increasing supply. It contains few incentives to increase production. Indeed, it is largely a tax program, that can result only in a much heavier tax burden on the American people.

In my judgment, Mr. President, we must have a balanced energy policy, one that keeps the economic equation of supply and demand in proper perspective. Because of Government regulations and controls, supplies have declined while demands have continued to increase.

This is our present dilemma, and it would certainly be unwise for the United States to perpetuate it by continuing these regulations and holding back the forces of free enterprise. This would be a foolish consistency, which is, indeed, the hobgoblin of little minds.

Mr. President, I ask unanimous consent that the article on "Devilish Energy Plans" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

DEVILISH ENERGY PLANS

During the past few years severe temporary shortages of gasoline, home heating oil, and most recently, natural gas have fostered an increased awareness of the energy crisis facing this nation. Nearly every economist and energy "expert" has given his or her proposed solution to this problem. Recently we had the privilege of interviewing an heretofore unheard from authority on this topic—the Devil. We are not at liberty to disclose the location at which this interview took place, but we can say that if the heat there could be utilized for warming American homes, the current energy problem would disappear, at least temporarily.

Many of our readers will recall the Devil's views about making slums and creating barbarians, which appeared in another of our publications. As you may have learned, our guest has an uncommon ability to devise appealing schemes that, in the end, cause much trouble for those who had thought they were so grand. Using his "God-given" talent for creating havoc out of small problems, the Devil once again has demonstrated his unique ability—this time in the field of energy. His plans obviously are bearing much fruit. Although his focus in this interview is on energy, you will note that his plans have been and can be adapted to many situations.

THE BIG PLAN

Q. Good morning, Devil. It was good of you—if you'll pardon the expression—to grant us this interview. If you dare to do so, please tell us the plans you have for energy.

A. Let me begin by reiterating my overall objectives. This I do, not out of the kindness of my heart (since I abhor kindness), but that it might discourage your readers to be aware of these things and still feel unable to do anything about them. You know, the invidious results of my plans long ago were often described, including in your very own publications, to no avail. So, I do not fear that my remarks here will jeopardize the success of my design.

After I succeeded for thousands of years in keeping mankind in bondage to the earth, forcing man to struggle just to survive, he finally learned to harness energy for his advantage and thus to free himself from much drudgery. Almost everyone is aware of the great economic advances that Americans have made in the past 200 years. The standard of living of all Americans has improved dramatically partly because man has been able to harness energy to help himself. Deny man this great supplement and he will return to the condition of struggling for subsistence. My objective is to reverse the past trend towards economic improvement and to force the inhabitants of the industrialized countries back to the barbarous state that prevailed a few hundred years ago. Thus, my energy plan is an integral part of my comprehensive scheme for creating barbarians.

Of course, my plans hinge on my true intentions not being recognized by a large portion of the public; therefore, I make the plan widely appealing. In the case of energy, I have instituted an ingenious plan (you'll note I shun humility) for reducing energy use and thus increasing the misery of all Americans. I have exploited the greed of man (there always is that) in this plan. No one likes to pay high prices, so I arranged to have the Government control energy prices at artificially low levels. This was highly popular both with consumers, who felt they were getting something for nothing, and with politicians, who saw it as a way to get reelected. What plan could have been easier to get accepted?

Q. We agree that the imposition of price controls on energy products was done quite easily, but such controls have not reduced energy use. The public has demanded more energy at the low price.

A. You are right. In the short run, controls have increased energy demand and use, and the public has received the temporary benefit of paying below-market prices for their oil and gas. But I consider my plan to be a long-term investment. Unlike most people, I am not impatient; I do not need immediate reward; I can wait for the long-term adverse effects to overtake the benefits.

With my plan, there is inadequate incentive in the long run for energy producers to develop their products. Because of ever-increasing costs of production and restricted price increases, suppliers are squeezed until it becomes unprofitable for them to provide any but the lowest-cost energy. In this way the available supply of energy is reduced, and consumption has to decrease. This simple relationship often is forgotten—no more can be consumed than is produced. So, while my plan increases the desire to consume, and even increases consumption initially, its design really forces a cutback in consumption in the long run.

Furthermore, I think I have hit upon a beguiling scheme to eliminate even the short-term benefit, without altering the final baneful outcome. I have been working to arrange for the Government to increase taxes on all energy products. If I am successful in these efforts, energy consumers will pay higher prices, but energy suppliers still will receive below-market prices. Without the revenues from the higher prices accruing to the producers, supplies still will be retarded and eventually depleted.

Q. How can you hope to avoid a public rebellion against such proposed higher taxes?

A. Aha! Consider this bit of chicanery: Carefully selected politicians would nobly declare that the higher taxes were for the public's own good. A publicity campaign pointing out the need for energy conservation would be undertaken, and the higher taxes would be promoted as the ideal way of achieving conservation while denying "windfall gains" to energy suppliers. Who could genuinely oppose such a righteous purpose?

ALTERNATIVE TYPES OF ENERGY

Q. Assuming your plan might work for oil products, natural gas, and coal, what would prevent the ingenious American businessman from developing alternative energy sources that would add to the total supply of available energy?

A. It is true that, with high prices, businessmen would have an incentive to develop alternative energy sources. The best safeguard against such investment and development is to make it unprofitable. History reveals that as long as businessmen believe there is a potential profit to be made, they invest their capital; but take away the potential profit and the development of alternative energy sources will cease

Environmental protection laws serve me well for this purpose. Protection of the environment is another appealing goal. Who will argue that it is wrong to reduce pollution or to save endangered wildlife? A great public outcry can be generated when the environment is made to appear to be endangered. A few well-publicized claims that nuclear reactors carry a real risk of a nuclear explosion or of radioactive leaks have succeeded in virtually stopping the expansion of nuclear electrical generation. Now I know and some of you know that nuclear energy is far safer than the more conventional forms of electrical generation, but the typical American doesn't. He believes the scare stories contained in television news reports Public utilities officials have hesitated to invest in nuclear plants when public opinion and Government policy clearly have been and are against them. So much for the "threat" of nuclear energy.

I've also found a way of halting the construction of new hydroelectric plants that would add to the energy supply. I lead the right persons to find a small flower, lizard, or some other form of wildlife that might be endangered by the completion of the dam, or whatever. This devious technique already has been tried and found successful. Believe it or not, generating projects already have been suspended for such reasons.

Q. What about the threat to your plan from energy sources such as solar or wind power? They are environmentally pure.

A. I'm not too concerned about the development of those sources. The amount of space required for the solar panels necessary to produce large amounts of electricity is so great as to make solar power of limited usefulness. Wind power also cannot add a significant amount to total energy supplies. In the meantime, as efforts to develop them increase, the real resources directed to those efforts cannot be applied in developing the earlier-mentioned more promising and economical sources. There are more ways than one to "skin a cat." As long as efficient means of supplying energy are subverted, I am happy.

LIMITING FREEDOM

Q. What about other methods of "conservation," such as Government mandates that all homes be insulated at the taxpayers' expense, that all automobiles operate above a minimum number of miles per gallon, or that utilities be required to burn coal rather than natural gas? Are you behind these proposals?

A. I am proud to admit that I am. Those ideas are terrific. While they may conserve some energy, the amount saved will not significantly upset my overall plan. Moreover, any time the individual freedom of Americans is reduced, my cause is served. I am willing to pay the price of seeing energy conserved in this way. More important for my purposes is that once an individual's rights are taken away, he has a most difficult time regaining them. A trend has been set. The more individual rights that I can arrange to have taken away, the more barbaric the people become. After all, what is more barbaric than to have a few persons control the actions and output of the majority. For most of history and in much of the world today, this happy (for me) condition has been achieved. I must admit I was worried by the freedoms in Western civilization during the past few hundred years, but now I think I am regaining control. When all rights are gone I will have reached my goal.

Q. Getting back to your energy plan, once the shortages of available energy becomes a severe problem, won't the Government really take steps to alleviate it?

A. Yes and no. It might try to, but it won't. During the past 50 years or so, Americans have developed the useful attitude that when something goes wrong, the Government should and can do something to correct it. Thus, when temporary energy shortages have occurred, they have demanded Government action. Now, the tendency of any government is to increase its role, not to decrease it. Even when problems have been created by government action, that government usually has attempted to solve the problem by further interfering, albeit in a somewhat different manner. Therefore, I expect that the Government's "solution" for a severe prolonged energy shortage will be to nationalize the energy companies. That is, it will take control of the companies producing oil, natural gas, coal, etc. Of course, this would fit right into my scheme, since it would exacerbate the crisis.

BUSINESSES AS ENERGY USERS

Q. Because of the tradition of free enterprise in the United States, don't you anticipate substantial resistance to such a radical project?

A. As you say, there may be some resistance to this part of my scheme, but I believe that it can be overcome quite easily. I've already taken some steps that have weakened the public's commitment to free enterprise.

Long ago I planted the seed of an idea that appears to have taken root and is growing stronger. I'm talking about the hatred of the public for business. It is ideal (from my viewpoint) that the very organizations providing jobs and income to consumers now are assailed by these consumers for their role as energy users. How ironic that mankind's hatred for these organizations that have contributed to freeing him from much toil can be used to enslave man to drudgery once again.

I also have taken several steps that have increased public displeasure with energy producers. For example, I've arranged to have the Government permit natural gas suppliers to charge the market price for gas within the state where it is produced but an artificially low price for interstate natural gas sales. When shortages occurred, these gas suppliers were accused of holding back supplies in order to sell them at the higher intrastate price. Given the situation, a businessman would be a fool not to have done so. With enough publicity of such "gouging," the public will demand that the Government do something. What would be better than nationalization?

Also, all energy suppliers, as private businesses, can be accused of being greedy, profiteering companies out to exacerbate the crisis in order to profit further at the expense of poor consumers. It will be very easy to show them in an unfavorable light. Again, nationalization will seem a desirable alternative.

Q. But Devil, wouldn't the nationalized energy companies increase the supply of fuels?

A. Again, in the short run energy supplies might increase. I would expect the benevolent Government to increase production from available sources and to sell these products at below-market prices so that consumers won't have to suffer. However, this could not last long. The record of Government in nationalized industries is extremely poor. Just look at the large deficits incurred by the Postal Service, Amtrak, and Conrail. I am confident that before long bureaucratic bungling will have created such a mess that the supply of and demand for energy will be in complete disequilibrium. Then some forced program for allocating (rationing) the remaining energy supplies would be necessary. Some users then would receive more than others, and those denied hopefully will rebel. Man will act violently when he becomes cold because he has nothing with which to heat his house, or when he becomes hungry because there is no fuel to bring food to the markets. The gears of industry will grind slowly, as they did during the recent cold wave, from a lack of adequate energy. The economy will stagnate or even become depressed. Of course, each succeeding difficulty will bring a respone of more Government interference, with an attendant loss of individual rights. Finally, my scheme for returning civilization to a barbaric condition will have succeeded.

UPSETTING THE PLAN

Q. As a final question, is there anything that might upset your energy scheme?

A. Many features of my plan already have been carried out to some extent and will take little further effort on my part to conclude. What could upset my plans would be a change in public opinion. As I've outlined in earlier comments, many aspects of my scheme are dependent upon a particular type of public opinion: an anti-business attitude, an anti-nuclear attitude, and "the Government must do something" attitude. If public opinion shifts toward and there is a widespread demand for less Government interference, my plan would be jeopardized. For example, if the public were to realize the comparative safety of nuclear power and demanded an end to the foolish limitations on its development, energy supplies could increase dramatically. You see, my job would be much easier if there were real shortages of energy in nature. Instead, I've had to devise ways to get humans to create the shortages. So far I've been able to make good use of the widespread greed of consumers who behave as though they can get something for nothing. The success of my plan depends upon their continued support. They do not realize that they are helping me forge fetters for them and their progeny.

Q. The confidence with which you predict the inevitable success of your plan sends chills through us. But don't believe you have discouraged us; we will continue to oppose your scheme, and we expect to beat it.

A. [With a smirk] We shall see.

THE KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. PERCY. Mr. President, I have always felt that the greatness of a nation is measured not so much by its material wealth as by its cultural wealth. As Disraeli said:

> Individualities may form communities, but it is institutions alone that can create a nation.

One institution which is indeed expanding our cultural heritage is the Kennedy Center for the Performing Arts.

The Kennedy Center is now in its sixth year. Each year it has averaged well over 1 million people for its performances. With its broad range of programs, the Center has been able to provide audiences of all ages an opportunity to feel the vitality of our visual and performing arts.

The success story of the Center is a credit to the creative leadership of its unpaid chairman and chief executive, Roger L. Stevens. He has turned a dream into reality. His undaunted optimism and resolve has led to the remarkably successful development of the Center from its struggling infancy to its present status as an emerging forum for American culture. I have been privileged to serve as a member of the Kennedy Board of Trustees for more than 10 years. My association with Roger Stevens and the growth of the Center has been one of the rewarding experiences of my life.

Today, more and more people are discovering the Kennedy Center. Thus it is more important than ever before that its programs be nourished and expanded. In order to accomplish this goal, the financial base of support for the Center must be strengthened.

One voluntary organization which will encourage and insure this much-needed support is the Corporate Fund for the Performing Arts at Kennedy Center. A dedicated group of business executives has organized for the express purpose of raising $1 million from the corporate sector for the Center in 1977. The Kennedy Center Corporate Fund is directed by a prestigious Board of Governors, headed by a chairman and 10 vice presidents.

Recently at a kickoff lunch for the corporate fund in New York, Donald S. MacNaughton, chairman of the board of governors, made these remarks:

> If the initial success of the Center is to survive and if its contributions to the performing arts is to improve, we must estab-

lish a significant annual corporate base. In a nutshell, that's what this campaign is all about. If we can establish a broad $1 million base this year, chances are good that in the years ahead sufficient funds from an ever-widening family of corporate contributors will be forthcoming. This will do the job and, at the same time, reduce the burden on those of us who are making the initial contributions.

You will note that the Kennedy Center operates in the black. This is particularly due to the fact that Roger Stevens is a businessman—and has brought excellent management technicians to bear. In addition, the public likes what's going on—the halls have been filled to 85% of capacity, a remarkable achievement. Attendees are a cross section of America, coming from every section of the Country—ample evidence that cultural efforts are in the national interest and that the Center is truly a national center . . . and, I might add, a national, not a regional, responsibility.

. . . Kennedy Center, unlike its counterparts abroad, is a better vehicle for its purpose because it is not dependent on public funds for what it offers. It can initiate fees—it can experiment—it can dare.

I find this direction of moneys an honorable and noble effort. As Mr. MacNaughton so aptly stated:

> The Kennedy Center campaign offers corporate America a highly visible opportunity to demonstrate its interest in the Nation's cultural welfare.

I strongly encourage the American business community to join in this endeavor. It is a sound venture. Whoever contributes will play a timely and lasting role in the expansion of the cultural activities at the Kennedy Center.

The Corporate Fund for the Performing Arts has prepared a brochure which outlines the Center's accomplishments during the last 5 years and charts its aspirations for the future. I ask unanimous consent that the brochure entitled "A Commitment to Excellence in the Performing Arts in the Nation's Capital" be printed in the RECORD.

There being no objection, the brochure was ordered to be printed in the RECORD, as follows:

A COMMITMENT TO EXCELLENCE IN THE PERFORMING ARTS IN THE NATION'S CAPITAL

THE CORPORATE FUND FOR THE PERFORMING ARTS AT KENNEDY CENTER

Since opening its doors barely more than five years ago, the John F. Kennedy Center for the Performing Arts has attracted more than 17 million visitors and won international acclaim for presenting theater, dance, opera and music of outstanding quality.

As it moves into the future, Kennedy Center has begun to explore new ways to stimulate interest in the performing arts across the Nation—to broaden its scope in the areas of education and public service with programs designed to develop new talent, works and audiences.

On the one hand, Kennedy Center is the national cultural center. Unlike its counterparts in other lands, it operates within the private sector, financing its offerings (without direct government subsidy) from box office receipts and contributions from individuals, corporations and foundations. More than 8 million patrons have attended 5400 major performances since the Center's opening, keeping its theaters and concert hall filled to a phenomenal 85 percent of capacity and providing daramatic testimony that artistic success can be achieved without Federal aid.

At the same time, the Center has proved effective as a Presidential memorial. It is visited annually by millions of tourists and is now the third most popular tourist attraction in Washington. Performing arts costs are met with private funds; memorial expenses are funded by the National Park Service. For the operation of its theaters, the Center reimburses the Park Service a pro rata share of service costs such as heat, light and cleaning, an obligation that now runs about $500,000 each year.

In fiscal 1976 the Kennedy Center sponsored more than 1500 free events—children's theater, concerts in the Grand Foyer, symposia films and exhibitions—that have drawn more than one million persons. Since its opening, the Center has made nearly 600,000 tickets available at half price to students, the elderly, the handicapped, the military and citizens with low fixed incomes. More than 165,000 such tickets were distributed in fiscal 1976 alone, a total price reduction of $841,041 designed to ensure that the performing arts are not limited to an affluent minority.

For the past five years the Center has demonstrated the ability to keep all its houses filled with products of artistic merit. In order to sustain the momentum which has made "quality" a hallmark of its presentations, and to serve as both a showcase and model for the nation, the next five years call for new creative endeavors. Research, development and training of future manpower are as vital to the arts as they are to the corporate world. It is for this reason that the Center is now launching programs demonstrating full acceptance of its national mandate to help develop the performing arts themselves and give latent artists of outstanding promise training and national recognition.

For example, program plans in the coming year include:

Musical theater, perhaps the greatest contribution of the United States to the performing arts and one of our country's foremost cultural exports, is suffering today because skyrocketing costs make it increasingly difficult to assemble production funds. To alleviate this situation, the Center, in a joint effort with the Ostrow Foundation, is planning to devote some 12,000 square feet of space to develop a musical theater-laboratory with flexible staging and seating which will enable promising composers, librettists, choreographers and lyricists with the help of expert directors to see their works in progress. By playing before invited audiences these artists will be able to integrate the multitudinous elements involved in producing a musical while eliminating the excessive costs of road tryouts. The Center plans to make available $200,000 in the coming year for this project.

During the Bicentennial year the Center began offering free children's performing arts programs on a regular basis. These met with popular acclaim beyond all expectations and it became clear the program must be expanded both to fill a need at the Center and to serve as a "showcase" for children's performing arts across the nation and a model for other institutions struggling to build future audiences. The Center plans to supplement its regular weekly programs by setting aside one week each year for children's theater, dance and music. Our budget for children's theater programming in the coming year is $200,000.

The Center recently announced the formation of the Chairman's National Commission to Expand the Scope and Constituency of Black Participation at the Center. This commission is composed of 18 nationally prominent black and white experts in the performing arts who will augment their representation by inviting leaders in all parts of the country to regional public forums. The commission will seek ways to expand the Center's involvement with black Americans and encourage black participation in the performing arts everywhere, both in terms of audiences and performers. It will also seek to establish the national contacts necessary to detect quality black productions that merit wider exposure. The cost of the commission's work will be $150,000 in 1977.

Each year the Center presents a major musical festival honoring a composer such as Handel, Brahms or Haydn. These festivals attract music-lovers from all parts of the world and are reviewed by influential critics throughout the U.S. Their cost range is upwards from $90,000–110,000. In addition, every Christmas season the Center has presented a series of free musical events which always meet with great enthusiasm and attract large new audiences. The Christmas Festival costs $75,000.

The soon to be completed studio theater, a Bicentennial gift of the government and business community of Japan, will be used for an important variety of presentations, which cannot support themselves commercially. However, these presentations foster development of new talent and materials—the lifeblood of future vitality in this country's performing arts. These include plays and musical productions by unknown authors and composers, chamber music, individual soloists, revivals of theatrical classics and the like. In addition, the Center plans to use this space to hold master classes and sponsor concerts of unrecognized soloists—fine artists who need audience exposure to develop their careers. In the coming year the Center will begin to put these projects in motion so that they will become an integral part of the theater's programming. This will require a budget allocation of $250,000.

1977 willl see the inauguration of a joint undertaking with the Library of Congress. The Center will house a library and resource center on the performing arts. It will have research, reference, archival and public information functions. The goal is to provide access to the nation's most comprehensive collection of materials on the performing arts and to make it available to active participants in the performing arts—writers, composers, designers, performers—and, of course, to scholars, journalists, critics and the general public. The Center will need $100,000 for its share of this project.

All of these projects are practical and fill a need in the performing arts. They will enable the Kennedy Center to begin its second five years with a momentum which will ensure the kind of national cultural center envisioned in the original legislation in 1958—a privately funded but truly national resource with a capacity of enriching the lives of a broad segment of the American public in each of the 50 states.

For the Kennedy Center to continue to operate in the private sector and to move forward, free of government subsidy, in accordance with its charter, it must find additional sources of revenue on a continuing basis. A number of American business leaders are now cognizant of the Center's achievements, its needs and its promise. Accordingly, they have formed the Corporate Fund for the Performing Arts at Kennedy Center with a 1977 goal of $1,000,000 as a tangible expression of the business community's commitment to the Center's future excellence and the growth of the performing arts across America.

RECOGNITION OF A NATIONAL NEED

The establishment of the Corporate Fund for the Performing Arts recognizes the importance of the nation's capital to the business community. Washington is not only a governmental and diplomatic center, but also a business center, a major gathering place for business representatives from around the world. More major corporations have offices in Washington than in any other city.

Moreover, Washington's singular role as the nation's No. 1 tourist attraction also has special significance for the business community. More corporate employees (and their families) visit Washington than any other city.

While corporations across the land are supporting artistic and cultural enterprises in their home locales, they have also helped to make the national capital a world leader in artistic and cultural matters. By so doing they enhance the American experience to visitors from overseas lands (many of whom are their customers and business associates). And they enlighten and enrich their vacationing employees and families. Particularly, they contribute to the knowledge and pleasure of the millions of young people who visit Washington annually as part of organized school and college programs.

To serve them all, the Kennedy Center, which has no endowment fund, must reach for its support beyond the local Washington corporate community to those American firms whose business is nationwide or international.

FINANCIAL SUPPORT ON A CONTINUING BASIS

The Corporate Fund for the Performing Arts has been formed to provide continuing corporate support for the ongoing activities of Kennedy Center. All funds contributed will be used to present outstanding performing arts programs and to encourage the development of new theatrical and musical talents.

Participation in the Corporate Fund for the Performing Arts is open to any business enterprise which makes a minimum annual commitment of $5,000 to Kennedy Center. All contributions are deductible under section 501(c)(3) of the Internal Revenue Code. Four classes of participation have been established:

Corporate Leadership Circle, $50,000 or more;

Corporate Patron, $25,000 or more;

Corporate Sponsor, $10,000 or more, and

Corporate Donor, $5,000 or more.

The Corporate Fund for the Performing Arts is a voluntary association of corporate officers. Its activities are directed by a Board of Governors headed by a Chairman and ten Vice Chairmen, each a principal officer of a major corporation. The Board of Governors represent various segments of the business community.

A MILLION DOLLAR GOAL

The 1977 goal of The Corporate Fund for the Performing Arts at Kennedy Center is $1 million. This is the funding required to continue the flow and integrity of cultural presentations in the Nation's capital and to underwrite the worthwhile programs that will make Kennedy Center a force even more pervasive in the world of the performing arts.

The ability of Kennedy Center to operate on a break-even basis since its inception has been a result of three factors. First, public acceptance of its presentations that have brought about unparalleled acceptance at the box office. Second, generosity of the private sector—corporations, foundations and public spirited individuals—which has made possible many special programs. Third, sound programming and businesslike financial planning and control by the Center's management staff.

Contributions from the private sector, while adequate to cover past programs, have lacked the continuity necessary for the kind of programming that an institution such as Kennedy Center undertakes. Past practice has been to solicit "sponsors" for specific presentations—the Paris Opera and La Scala, the Children's Festival during the holiday season, festivals celebrating the great classical composers and the like—all events which cannot support themselves through ticket sales.

While private sector sponsorship has generally materialized, the flow of funds has been uneven and has mitigated against planning and scheduling on an organized basis. In the entertainment field, this is a particularly inhibiting situation since bookings and commitments, especially for opera, concert and ballet, must be made two, three and four years in advance.

A NATIONAL CENTER FOR THE PERFORMING ARTS

The John F. Kennedy Center has enjoyed the support and encouragement of every President from Dwight D. Eisenhower through Gerald Ford, who welcomed the corporate sponsors of the Center's Bicentennial programs to the White House last July and who personally endorsed establishment of the Corporate Fund for the Performing Arts. President Carter attended an Inaugural gala at Kennedy Center the evening prior to being sworn in as the 39th President of the United States.

The Center had its origins in the Eisenhower Administration when Congress passed legislation creating "The National Cultural Center." It was signed by President Eisenhower on September 2, 1958, but lacked the funding for construction.

Immediately following the assassination of President Kennedy, the Congress, in a bipartisan act, unanimously designated the National Cultural Center to be his official memorial and changed its name to reflect this. They did so in recognition of his vision of what the Center might become, and his personal concern in helping to raise funds for its construction.

Over the years approximately $35 million in construction funds came from individuals, foundations and corporations—the corporate funds were largely raised during President Kennedy's lifetime in a national effort directed by Ernest Breech, then Chairman of the Ford Motor Company. The remaining $40 million construction funds came from a matching gift from Congress and a loan from the Government.

The overall structure of the Kennedy Center houses the Opera House, the Concert Hall, the Eisenhower Theatre and the American Film Institute Theater. An additional 500-seat studio theater, provided for in the original plans but deferred because of lack of funds, is now going forward thanks to a $3 million Bicentennial gift from the government of Japan and the Japanese business community.

As a national/cultural undertaking, Kennedy Center has enjoyed great success. Time Magazine calls its three theaters "a catalyst for a cultural renaissance in Washington."

U.S. News and World Report credits it with "converting many reluctant Congressmen into enthusiastic supporters of a growing nationwide fine-arts program." The famous Broadway producer David Merrick describes the Center as "the most successful cultural facility in the world." Karl Bohm, renowned conductor, considers the Opera House one of the finest he has ever conducted in. Alan Rich of New York Magazine regards "Kennedy Center as the most generative force in the theater outside New York—and that's a surprise I didn't expect when it opened."

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS—COMPARISON OF ANNUAL REVENUES AND EXPENSES

	12 mo ended June 30, 1973	12 mo ended June 30, 1974	12 mo ended June 30, 1975	15 mo ended September 30, 1976[1]	Totals
Revenue (excluding public support):					
Theater income	7,486,707	9,007,493	11,097,145	17,689,139	45,280,484
Concessions income	668,772	673,853	772,812	1,160,342	3,275,779
Other income	155,146	209,580	260,454	236,355	861,535
Total	8,310,625	9,890,926	12,130,411	19,085,836	49,417,798
Expenses:					
Direct theater operating expenses	6,501,686	7,283,334	9,462,791	15,839,354	39,087,165
Net administrative and operating expenses	1,128,220	1,304,014	1,304,363	1,238,094	4,974,691
National Park Service—Share of expenses	372,743	428,400	466,613	633,411	1,901,167
Other building maintenance and reserves for repairs and replacement	259,546	197,657	182,902	304,877	944,982
Lease payments—Furnishings	269,727	268,211	138,954	0	676,892
Total	8,531,922	9,481,616	11,555,623	18,015,736	47,584,897
Operating surplus (deficit)	(221,297)	409,310	574,788	1,070,100	1,832,901
Before:					
Production investments (losses)	0	0	(474,028)	(456,692)	(930,720)
Programing expenses	160,328	770,412	491,289	2,109,054	3,531,083
Less: Grants and public support	160,328	228,000	362,492	[2] 1,812,896	2,563,716
Total	0	(542,412)	(128,797)	(296,158)	(967,367)
Educational expenses		214,677	317,942	880,388	1,413,007
Less: Grants and public support		210,048	317,942	874,408	1,402,398
Total	0	(4,629)	0	(5,980)	(10,609)
General unrestricted grants and contributions	361,012	301,046	215,730	523,501	1,401,289
Excess of revenue and public support or expenses)	139,715	163,315	187,693	[1] 834,771	1,325,494

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[1] Change of fiscal year period.

[2] Includes proceeds of $265,854 from 1-time Salute to Roger L. Stevens benefit performance and special Bicentennial gifts.

THE CORPORATE FUND FOR THE PERFORMING ARTS AT KENNEDY CENTER

Chairman, Board of Governors

Donald S. MacNaughton, Chairman and Chief Executive Officer, Prudential Insurance Company of America.

Vice-Chairmen

Thornton F. Bradshaw, President, Atlantic Richfield Company.

Frank T. Cary, Chairman of the Board, International Business Machines Corporation.

John D. deButts, Chairman of the Board, American Telephone & Telegraph Company.

Reginald H. Jones, Chairman of the Board, General Electric Company.

Howard C. Kauffmann, President, Exxon Corporation.

William F. May, Chairman of the Board, American Can Company.

Thomas A. Murphy, Chairman of the Board, General Motors Corporation.

Irving S. Shapiro, Chairman of the Board, E. I. du Pont de Nemours & Company.

Edgar B. Speer, Chairman of the Board, United States Steel Corporation.

Rawleigh Warner, Jr., Chairman of the Board, Mobil Corporation.

Secretary

Harold Burson, Chairman, Burson-Marstetter.

INDEX FOR AGED

Mr. CHURCH. Mr. President, more than 33 million social security beneficiaries will receive a 5.9 percent cost-of-living adjustment this July.

In addition, 4.3 million supplemental security income recipients will have a 5.9 percent adjustment in their monthly payments.

These increases will provide welcome relief for older Americans struggling on limited incomes.

However, further actions are needed to protect the elderly from rising prices.

This is why I have sponsored S. 1243, the Social Security Cost-Of-Living Improvement Act. S. 1243 would perfect the automatic adjustment mechanism by:

First, providing semi-annual cost-of-living increases during periods of rapid inflation.

Second, authorizing a special inflation yardstick to measure more accurately the impact of rising prices upon the elderly for purposes of computing benefit increases.

Some of the sharpest price hikes in recent years have been in areas where the aged's primary expenditures are concentrated: housing, food, medical care, and transportation.

These items typically account for about four out of every five in the elderly's limited budget.

Hearings conducted by the Committee on Aging make it clear that older Americans are being hard hit by inflation, especially rising fuel and utility costs. Many elderly persons who retired a few years ago on what was a comfortable income are finding it increasingly difficult to make ends meet.

My Social Security Cost-Of-Living Improvement Act would provide valuable assistance for these individuals.

A recent article by Sylvia Porter describes the harsh impact of inflation upon older Americans. Her account also provides compelling reasons for enactment of the Social Security Cost-Of-Living Improvement Act.

Mr. President, I commend Sylvia Porter's account on "Index for Aged" to Members of the Senate and ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDEX FOR AGED

(By Sylvia Porter)

Q. Will you, one of the 33 million Americans now receiving Social Security benefits, get any increase in your Social Security checks this year?

A. Yes. As of July 1, your checks will go up 5.9 per cent, according to a formula provided in the 1972 amendments to the law and just computed by the SS Administration's actuaries. That's less than July's 6.4 per cent hike, but more than the 3 per cent needed to trigger the once-a-year increase in benefit checks.

Thus, if you are an average retired worker 65 or over, your average SS benefit will rise from today's $221 a month to $234;

If you are an average retired couple, both 65 or older, your average benefit will rise from $337 a month to $400;

And if you are an average aged widow, your average benefit will climb from today's $210 to $223 a month.

The official yardstick of inflation, the Consumer Price Index, underlines that the pace of inflation has slowed. But there is considerable doubt whether the CPI, as now constructed, is a valid measure of the impact of inflation on the elderly, for it does not reflect the real-life purchases of the aged and retired.

For the low-income elderly, for instance, the essentials (food, fuel, health care housing) are the key budget items and the prices of these essentials have been rising faster than other items in the CPI. Just as one illustration, the price of heating oil has jumped more than three times faster than the overall CPI in the past four years alone.

Also, it's a long wait from July to July. By last September, the cost of living had increased 3 per cent from July, but the purchasing power of SS beneficiaries will not be restored until they get their bigger benefit checks this coming July—nine months later.

An elderly person must be very frugal to get by with Social Security benefits alone and these benefits are the only source of cash income for half the aged on the SS rolls. Government estimates disclose that more than 200,000 people 65 and older descended into poverty in 1974, latest reporting year, bringing the total of aged living below the poverty line to three million.

The '72 provision for automatic increases in benefits has greatly improved the situation of our elderly, but after experience with three automatic benefit hikes, it's time to adjust the law again, say three U.S. Senators. Thus early last month, the three—Sens. Church (D-Ida.), Williams (D-N.J.), and Domenici (R-N.M.) introduced the Social Security Cost-of-Living Improvement Act. Under the measure:

(1) There would be two cost-of-living adjustments, one in April, one in October, in any year that the Consumer Price Index increased by more than 3 percent semi-annually

(2) A special consumer price index would be developed to give more appropriate weight to the pace of inflation on items which make up the price portion of the budgets of older people.

The Federal Civil Service Retirement System and several other public and private pension plans already provide for semi-annual cost-of-living adjustments—so this is not a breakthrough idea.

Also, since the CPI measures price changes in items purchased by a hypothetical city family younger than 65, expenditures of the aged and retired in the past have not been truly counted in the CPI.

A special consumer price index for SS beneficiaries would be a solution. But the Bureau of Labor Statistics already is working on the development of a new format for the CPI to include a much larger sample of our population—counting for the first time the aged, retired, and other groups not now represented in the CPI.

This new CPI may accomplish the goal of more accurately measuring inflation's impact on the elderly and other low income groups. While the BLS monitors the reliability of the new index against the old later this year, it might study this aspect of the impact on the elderly too.

And meanwhile, two cost-of-living hikes a year to update annual benefits instead of one certainly would merit consideration just on the basis of simple equity for our elderly.

THE FUTURE OF EPA?

Mr. GARN. Mr. President, as the whole world knows, this year marks the 25th year of the reign of Queen Elizabeth II, and while I have so far neglected to extend my congratulations, I do so now. Nevertheless, I extend a word of caution, both to Her Majesty, and to the zealots of governmental activism in the United States. The word of caution comes, appropriately enough, from Punch, the English humor magazine.

As the Senate knows, in humor there is often a great deal of truth and so it is at this time. Punch shows us how far environmental extremism can take us. Reading some of the OSHA and EPA regulations, I sometimes wonder whether this is humor, or straight reporting.

I ask unanimous consent that Punch's description of the rules for joyful street parties be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FROM THE DEPARTMENT OF THE ENVIRONMENT—HOW TO PLAN A STREET PARTY

Many people will be enjoying themselves at Jubilee street parties this June 7. But before the festivities start, remember that there are a few regulations you will have to observe. To help you with your preparations, we have prepared this short list.

1. Bunting should be of an approved colour and weight, details of which can be obtained from your local councils' Weights and Measures department. If your local council does not have a Weights and Measures dept., write to Dept. Z16 of the DoE. If you do not get an answer by May, write to Dept. Z16 again, this time enclosing an SAE. Alternatively, use Government-approved grey fireproof bunting, easily obtained from the Public Ornaments Section which is now in Aberdeen but is moving to Anglesey in April. You will find the address in the Aberdeen phone book.

2. Bunting must not be attached to public property such as lamp posts, pillar boxes or traffic meters. If tied to facades of private buildings planning permission must be sought from your local planning office; applications should be in by late 1976. Bunting can be draped from any tree not named under

the Preservation of Trees Order; for details write to Tree Section, DoE, Wick.

No permission is needed to erect bunting indoors, except to indoor trees.

3. Food may be bought and sold from public stalls, subject to certain provisions, such as the supplying of hot and cold running water, a lavatory, a fire exit, a health certificate and up-to-date insurance cards for all workers.

4. However, the profit made from any such sale of food may not be used except to finance the provision of the street party. Fully audited accounts must be presented to your local council office not later than four days after the street party, countersigned by a JP and a minister of the church. For list of churches admissible under this scheme, write to Church Admissibility Section, DoE, Belfast.

5. Many of you may prefer to avoid the bother of charging for food and collect donations beforehand. This is perfectly legal with the possession of a street collection license, which is now dealt with by the Cardiff office which already deals with driving, pet, music, gun and drug licenses. For address of Cardiff office, write to Office Address Section, PO Box 1198765 X, Milton Keynes, and mark your envelope PLEASE FORWARD. Collectors are more likely to receive licenses if they are JPs, clergymen or titled.

6. Permission must be sought from your local police to hold a street party, as traffic needs to be diverted and access maintained. If the police consider that your street is necessary for sufficient traffic flow, you may be directed to hold the party in a street different from your own; alternatively, you may be offered a building site or underground garage, if one is available.

7. Alcoholic drink may not be sold in the street.

8. Music may not be played in the street.

9. Dancing will not be permitted in the street.

10. Games of chance and competitions of strength shall not be allowed in the street.

11. Any other activity whatsoever normally forbidden in public places shall on this one day, Jubilee Day, continue to be forbidden.

12. There will be no ban of any kind on activities normally allowed in the street, such as chatting in small groups, erecting umbrellas and watching TV sets through the window of rental shops. However, if any of these activities is conducted in groups of more than six, you may need permission. This can in some circumstances be obtained from Suspicious Gatherings Section. New Scotland Yard, PO Box 645, Wearside.

13. Detailed plans of your street party layout should be submitted to your local planning office well in advance, showing position of litter bins, portable lavatories, fire extinguishers, first aid facilities, nearest church, JPs' addresses, and any chairs and tables, if sitting is to be encouraged. To this should be attached a timetable of events, stating clearly when you intend to hold your opening religious ceremony, loyal speeches from local JPs, sessions of Any Questions, singing of the National Anthem, quiet dispersal etc. *Any departure from the announced programme and geographical lay-out can be punished with fines up to £5,000 and four years in jail.*

14. In no circumstances will the authorities permit any riotous merrymaking, wearing of football favours, employment of non-union staff or the use of unnatural words to the National Anthem. There will be no disturbances of the peace by any public address system or loud shouting. No objects made of glass may be used. All litter will be heavily punished. Tea will not be drunk in a noisy manner. All pets must be kept on a lead! Persons reported for unseemly mirth must report hourly to the police! The police must report hourly to the planning officer!! All persons present must disperse immediately and go home!! All this standing about in a public place, laughing, drinking and edging off the pavement, is a direct threat to the whole concept of modern person control and planning regulations—Stop it, d'you hear!!! Anyone not out of here in five minutes time will be shot!!!!

DISTINGUISHED PUBLIC SERVICE AT THE U.S. CUSTOMS SERVICE

Mr. PERCY. Mr. President, the man credited with having a large role in modernizing the U.S. Customs Service, Commissioner Vernon D. "Mike" Acree, quietly retired this past weekend after 40 years of distinguished service in the Federal Government.

A native of the District of Columbia, Commissioner Acree progressed through increasingly responsible positions with the Treasury Department, the Justice Department, the Civil Service Commission, the Economic Cooperation Administration, the Economic Stabilization Agency, and the Internal Revenue Service. Along the way, he acquired the managerial skills and expertise in the field of law enforcement which led to his appointment as Commissioner of Customs in May 1972.

As Commissioner, Mr. Acree was confronted with the challenge of managing a department that was broken up and scattered around the country, had outmoded equipment, and was functioning under outdated management practices. Now, 5 years later, the Customs Service management is centrally located, operates with up-to-the-minute communications, and is served by sophisticated transport and computer technology. The Commissioner has achieved this modernization by relying increasingly on new technological aids to increase the efficiency and effectiveness of the Customs officer in the field. He established a unique computer system—the Treasury Enforcement Communications System—TECS—by which Customs supports not only its own enforcement activities but also serves other Federal enforcement agencies as well.

Commissioner Acree's far-sighted leadership has undeniably established Customs as a key agency in protecting the health, safety, and well-being of all Americans. Capably handling land, sea, and air tactical interdiction units, Customs has had notable successes in ebbing the flow of contraband into the United States.

These noteworthy accomplishments have capped the Federal career of a man who started with the Treasury Department in 1938 as a GS-1 messenger and rose to become ranking official of one of America's oldest Federal agencies. Commissioner Acree's career has spanned seven administrations in the White House and has been distinguished by numerous honors, awards, and promotions. Among these are the prestigious Rockefeller Public Service Award—1972, the highest award granted by the private sector to a Federal career employee; and the Alexander Hamilton Award—1977, the Treasury Department's highest honor.

The Federal service will sorely miss a man of "Mike" Acree's experience, integrity, and capabilities. Although his official duties have ended, I sincerely hope he will continue to give the law enforcement community the benefit of his expertise and good judgment.

STATEMENT OF POSITION ON THE ECONOMIC STIMULUS APPROPRIATION BILL

Mr. BIDEN. Mr. President, I was unable to be present for the rollcall vote on final passage of H.R. 4876, the economic stimulus appropriation bill. I do support the bill and would like the permanent RECORD to reflect the fact that, had I been present, I would have voted "yea" on final passage.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Anthony G. Dirienzo, Jr., of Connecticut, to be U.S. Marshal for the District of Connecticut for the term of 4 years, vice Ermen J. Pallanck, resigning.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, May 11, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not morning business is closed.

HEALTH ASSISTANCE PROGRAMS EXTENSION ACT OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4975, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 4975) to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs.

The Senate proceeded to consider the bill, which had been reported from the Committee on Human Resources, with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE; REFERENCE TO ACTS

SECTION 1. (a) This Act may be cited as

the "Health Assistance Programs Extension Act of 1977".

(b) Wherever in title I an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provisions of the Public Health Service Act. Wherever in title II an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Community Mental Health Centers Act.

TITLE I—AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

Sec. 101. Section 208(g) is amended by (1) striking out "one hundred and fifty positions" and inserting in lieu thereof "one hundred and fifty-five positions" in the first sentence thereof and (2) inserting after "National Institutes of Health" the following: "and of which not less than five positions shall be for the National Institute on Alcohol Abuse and Alcoholism,".

Sec. 102. (a) Section 308(a)(2) is amended by striking out "September 1" and inserting in lieu thereof "December 1".

(b) The first sentence of section 308(i)(1) (relating to authorizations for the National Center for Health Services Research) is amended by (1) striking out "and" after "1975," and (2) striking out the period at the end of the first sentence thereof and inserting in lieu thereof ", and $29,600,000 for the fiscal year ending September 30, 1978.".

(c) Section 308(i)(2) (relating to authorizations for the National Center for Health Statistics) is amended by (1) striking out "and" after "1975," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $35,000,000 for the fiscal year ending September 30, 1978.".

Sec. 103. (a) Section 314(d)(7)(A) (relating to authorizations for formula grants to States for comprehensive public health services) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $110,000,000 for fiscal year 1978.".

(b) Section 314(d)(7)(B) (relating to authorizations for grants for hypertension programs) is amended by (1) striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1)"; (2) striking out "and" after "1976,"; and (3) striking out the period at the end thereof and inserting in lieu thereof ", and $15,000,000 for fiscal year 1978.".

Sec. 104. (a) Section 319(h)(1) (relating to authorizations for migratory health planning and development) is amended by (1) striking out "and" after "1976," in the first sentence thereof; (2) striking out the period at the end of the first sentence thereof and inserting in lieu thereof ", and $4,000,000 for fiscal year 1978."; and (3) striking out "for the next fiscal year" in the second sentence thereof and inserting in lieu thereof "for the next two fiscal years".

(b) Section 319(h)(2) (relating to authorizations for operation of migrant health centers) is amended by (1) striking out "and" after "1976," in the first sentence thereof; (2) striking out the period at the end of the first sentence thereof and inserting in lieu thereof ", and $35,000,000 for fiscal year 1978."; and (3) striking out "fiscal year 1977" in the third sentence thereof and inserting in lieu thereof "fiscal years 1977 and 1978".

(c) Section 319(h)(3) (relating to authorizations for inpatient and outpatient hospital services) is amended by striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $5,000,000 for fiscal year 1978.".

Sec. 105. (a) Section 330(e)(1) is amended by striking out "subsection (e)" in the first sentence thereof and inserting in lieu thereof "subsection (c)".

(b) Section 330(e)(2)(D) is amended by striking out "agency" and inserting in lieu thereof "agency".

(c) Section 330(g)(1) (relating to authorizations for planning and development of community health centers) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $6,000,000 for fiscal year 1978.".

(d) Section 330(g)(2) (relating to authorizations for operation of community health centers) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $252,000,000 for fiscal year 1978."

Sec. 106. Section 390(c) (relating to authorizations for medical libraries) is amended by (1) striking out "and" after "1975," and (2) striking out the period after "1976" and inserting in lieu thereof ", and $20,000,000 for the fiscal year ending September 30, 1978.".

Sec. 107. Section 408(a) is amended by inserting "basic or" before "clinical research" in the first sentence thereof.

Sec. 108. Section 408(b) is amended by (1) inserting "basic or" before "clinical research" in the first sentence thereof and (2) striking out "but support under this subsection (other than support for construction) shall not exceed $5,000,000 per year per center" and inserting in lieu thereof "the aggregate of payments (other than payments for construction) made to any center under such an agreement for its costs (other than indirect costs) described in this subsection may not exceed $5,000,000 in any year, except that the aggregate of such payments in any year may exceed such amount to the extent that the excess amount is attributable to increases in such year in such costs as reflected in the Consumer Price Index published by the Bureau of Labor Statistics.".

Sec. 109. Section 409(b) (relating to authorizations for cancer control programs) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $100,000,000 for the fiscal year ending September 30, 1978.".

Sec. 110. Section 410(a)(1) is amended by (1) striking out "one hundred" and inserting in lieu thereof "two hundred" and (2) inserting atfer "qualifications" the following: ". Such personnel may be paid or reimbursed for their expenses associated with traveling to and from their assignment location in accordance with 5 U.S.C. 5724, 5 U.S.C. 5724a (a)(1), 5 U.S.C. 5724a(a)(3), and 5 U.S.C. 5726(c)".

Sec. 111. Section 410C (relating to authorizations for programs of the National Cancer Institute) is amended by (1) striking out "and" after "1976"; and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $1,000,000,000 for the fiscal year ending September 30, 1978.".

Sec. 112. Section 413(c)(1) is amended by inserting after "qualifications" the following ". Such personnel may be paid or reimbursed for their expenses associated with traveling to and from their assignment location in accordance with 5 U.S.C. 5724, 5 U.S.C 5724a (a)(1), 5 U.S.C. 5724a(a)(3), and 5 U.S.C. 5726(c)".

Sec. 113. Section 414(b) (relating to authorizations for heart, blood vessel, lung, and blood disease prevention and control programs) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $30,000,000 for fiscal year 1978.".

Sec. 114. The first sentence of section 419B (relating to authorizations for the National Heart, Lung, and Blood Institute) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $446,000,000 for fiscal year 1978.".

Sec. 115. The first sentence of section 472 (d) (relating to National Research Service Awards) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $185,000,000 for fiscal year 1978.".

Sec. 116. Title V is amended by adding at the end thereof the following new section:

"PUBLIC HEALTH PROGRAMS; STANDARDS

"Sec. 514. (a) The Secretary, in cooperation with appropriate professional entities and individuals, shall establish within one year after the date of enactment of this section standards with respect to preventive health care for identifiable populations within public health programs. Such standards shall be developed to identify populations in need and to maintain population-directed preventive health programs.".

Sec. 117. Effective October 1, 1977, section 721(f) is amended by striking out "subsection (a)" in paragraphs (1) and (2) and inserting in lieu thereof "subsection (a) of section 720".

Sec. 118. Effective October 1, 1977, section 736 is amended by striking out "Director of the Bureau of Federal Credit Unions" and inserting in lieu thereof "Administrator of the National Credit Union Administration".

Sec. 119. Section 741 is amended by adding at the end thereof the following new subsection:

"(1) Notwithstanding any other provision of law, any individual who had, before October 12, 1976, entered into a written loan agreement for his costs at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, shall be eligible to have payments made, in accordance with paragraph (2) on his behalf by the Secretary for the principal and interest due under any such agreement if such individual presents a certified copy of such agreement to the Secretary.

"(2) The payments described in paragraph (1) shall be made by the Secretary in amounts not to exceed $10,000 for any twelve-month period described in paragraph (3) or a total of $50,000. Payments shall be made only for service rendered for continuous periods of not less than twelve months.

"(3) To be eligible to have payments made by the Secretary under this section the individual shall practice his profession either as a member of the National Health Service Corps or in private practice, in accordance with the provisions of this Act, and effective October 1, 1977 pursuant to section 753, in a health manpower shortage area (designated under section 332)."

Sec. 120. Effective October 1, 1977, sections 748(b)(2) and 749(b)(2) are amended by striking out "such stipends and allowances" and inserting in lieu thereof "such tuition, fees, stipends, and allowances".

Sec. 121. Effective October 1, 1977, section 752(c)(1) is amended by striking out "Corps, or" and inserting in lieu thereof "Corps, except where such service is performed during the period during which a deferral has been granted for internship or residency training, or".

Sec. 122. Effective October 1, 1977, section 758(a) is amended by striking out "in the school year ending in the fiscal year in which such grant is made".

Sec. 123. (a) Section 771(b)(3)(B) is amended by striking out all that follows "described in subparagraph (B)" and inserting in lieu thereof the following: ", and of those students who were enrolled in programs of institutions of higher education (other than schools of osteopathy or schools of medicine of more than two years), which programs were in existence in the States before October 12, 1976, and which prepare students to enter the third year of schools of medicine in the States when such students are available for admission upon the successful completion of such program, among the schools of medicine in the States.".

(b) Section 502 of the Health Professions Educational Assistance Act of 1976 is amended by—

(1) inserting "(a)" after "Sec. 502.";

(2) striking "Effective" and substituting "Except as provided in subsection (b), effective"; and

(3) adding at the end thereof the following: "(b) Section 771(b)(3) as amended by this Act shall take effect on the date of enactment of this Act.".

Sec. 124. Effective October 1, 1977, section 781(d)(2)(C) is amended by striking out "or general internal medicine" and inserting in lieu thereof ", general internal medicine, or general pediatrics".

Sec. 125. Sections 810(c)(1)(A), 810(c)(2)(A), and 810(c)(2)(B) are each amended by striking out "beginning after" and inserting in lieu thereof "beginning in".

Sec. 126. Section 810(c)(1)(B) is amended by striking out "fiscal" each place it occurs and inserting in lieu thereof "school".

Sec. 127. (a) Effective October 12, 1976, Section 822 is amended by—

(1) inserting in the last sentence of paragraph (1) of subsection (a) after "contracts for programs" the following: "for the training of nurse practitioners who will practice in urban or rural health manpower shortage areas (as defined in section 331) and";

(2) inserting after subsection (a) the following:

"(b)(1) The Secretary may make grants and enter into contracts with schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other nonprofit entities to establish and operate traineeship programs to train nurse practitioners who are residents of urban or rural health manpower shortage areas (as defined in section 331).

"(2) Traineeships funded under this subsection shall include 100 percent of the costs of tuition, reasonable living expenses, books, fees, and necessary transportation.

"(3) A traineeship funded under this paragraph shall not be awarded unless the receipt enters into a commitment with the Secretary to practice his new profession in an urban or rural health manpower shortage area (as defined in section 331).".

(3) redesignating subsections (b), (c), and (d) and all references thereto as subsections (c), (d), and (e), respectively.

(b) Section 830(a) is amended by (1) striking clause (3) in its entirety; and (2) redesignating clause (4) as clause (3).

Sec. 128. (a) Section 1001(c) (relating to authorizations for family planning projects) is amended by (1) striking out "and" after "1976;" and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $130,000,000 for fiscal year 1978.".

(b) Section 1003(b) (relating to authorizations for training) is amended by (1) striking out "and" after "1976;" and (2) striking out the period at the end thereof and inserting in lieu thereof "; and $5,000,000 for fiscal year 1978.".

(c) Section 1004(b)(1) (relating to authorizations for research) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $70,000,000 for fiscal year 1978.".

(d) Section 1005(b) (relating to authorizations for informational and educational materials) is amended by (1) striking out "and" after "1976;" and (2) striking out the period at the end thereof and inserting in lieu thereof "; and $2,500,000 for fiscal year 1978.".

Sec. 129. (a) Section 1121(b)(5) (relating to authorizations for sudden infant death syndrome) is amended by (1) striking out "and" after "1976," and (2) by striking out the period at the end thereof and inserting in lieu thereof ", and $3,000,000 for fiscal year 1978.".

Sec. 130. (a) Section 1131(f) (relating to authorizations for hemophilia programs) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $5,000,000 for fiscal year 1978.".

(b) Section 1132(e) (relating to authorizations for blood separation centers) is amended by (1) striking out "and" after "1976" and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $4,000,000 for the fiscal year 1978.".

Sec. 131. (a) The fourth sentence of section 1503(b)(1) is amended by inserting "established" after "Councils".

(b) The first sentence of section 1511(a) is amended by inserting "except as provided in section 1536" after "throughout the United States".

(c) Section 1511(a)(3)(B) is amended by indenting the four lines beginning with "if the Governor" and ending with "of this subsection" to line up with "(ii)".

(d) Section 1512(b)(3)(B)(i) is amended by striking out "subsections (e), (f), and (g)" and inserting in lieu thereof "subsections (e), (f), (g), and (h)".

(e) The first sentence of section 1512(c) is amended by striking out "agencies" and inserting in lieu thereof "agency's".

(f) The last sentence of section 1513(a) is amended by striking out "(b) through (g)" and inserting in lieu thereof "(b) through (h)".

(g) Section 1513(b)(2)(B) is amended by striking out "are responsive" and inserting in lieu thereof "is responsive".

(h) Section 1513(b)(2)(C) is amended by striking out "which take into account" and inserting in lieu thereof "which takes into account".

(i) Section 1513(d) is amended by striking out "system" each place it occurs and inserting in lieu thereof "systems".

(j) Section 1515(d) is amended by striking out "health services area" and inserting in lieu thereof "health service area".

(k) Section 1516(c)(1) (relating to authorizations for planning grants to Health Systems Agencies) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $125,000,000 for fiscal year 1978.".

(l) Section 1521(d) is amended by striking out "National Health, Policy, Planning," and inserting in lieu thereof "National Health Planning".

(m) Section 1523(c) is amended by striking out "paragraph (4), (5), (6), or (7)" and inserting in lieu thereof "paragraph (4), (5), or (6)".

(n) Section 1525(c) (relating to authorizations for State health planning and development agencies) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $35,000,000 for fiscal year 1978.".

(o) The first sentence of section 1526(a) is amended by inserting "grants" after "the Secretary may make".

(p) Section 1526(e) (relating to authorizations for grants for rate regulation) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $6,000,000 for fiscal year 1978.".

(q) Section 1534(d) (relating to authorizations for centers for health planning) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $10,000,000 for fiscal year 1978.".

(r) Section 1536(a)(2) is amended by striking out "the Trust Territories in the Pacific Islands" and inserting in lieu thereof "the Trust Territory of the Pacific Islands, the North Mariana Islands".

(s) Section 1536(b)(4) is amended by striking out "chief executive office" and inserting in lieu thereof "chief executive officer".

Sec. 132. (a) Section 1602(5) is amended by striking out "section 1503" and inserting in lieu thereof "section 1603".

(b) The first sentence of the last paragraph of section 1602 is amended by striking out "supports" and inserting in lieu thereof "support".

(c) Section 1603(a) is amended by striking out "section 1602(a)" each place it occurs and inserting in lieu thereof "section 1602".

(d) Section 1603(a)(6) is amended by striking out "paragraph (4)" and inserting in lieu thereof "paragraph (5)".

(e) Section 1604 is amended by striking out "section 1602(a)" each place it occurs and inserting in lieu thereof "section 1602".

(f) Section 1604(b)(2)(A)(i) is amended by striking out "section 1602(a)(2)" and inserting in lieu thereof "section 1602(2)".

(g) Section 1604(e) is amended by striking out "approved" and inserting in lieu thereof "approved".

(h) The first sentence of section 1610(a) is amended by striking out "section 1513" and inserting in lieu thereof "section 1613".

(i) Section 1613 (relating to authorizations for construction) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $135,000,000 for fiscal year 1978.".

(j) Section 1620 is amended by striking out "September 30, 1977" each place it occurs and inserting in lieu thereof "September 30, 1978".

(k) Section 1622(e)(2) is amended by striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and September 30, 1978.".

(l) Section 1625(d) is amended by striking out the period at the end thereof and inserting in lieu thereof ", and for fiscal year 1978 there are authorized to be appropriated an additional $135,000,000.".

(m) Section 1633(14) is amended by striking out "title XIV" and inserting in lieu thereof "title XV".

(n) Section 1640(d) (relating to authorization for area health services development) is amended by striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $120,000,000 for fiscal year 1978.".

Sec. 133. Section 314(c) is repealed.

TITLE II—AMENDMENTS TO THE COMMUNITY MENTAL HEALTH CENTERS ACT

Sec. 201. Section 202(d) (relating to authorizations for planning of community mental health center programs) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $3,750,000 for fiscal year 1978.".

Sec. 202. (a) Section 203(d)(1) (relating to authorizations for initial operation of community mental health centers) is amended by striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $55,000,000 for fiscal year 1978.".

(b) Section 203(d)(2) is amended by (1) striking out "1977" and inserting in lieu thereof "1978" and (2) striking out "1976" and inserting in lieu thereof "1977".

Sec. 203. Section 203(e)(1)(A)(i) is amended by striking out "two grants" and inserting in lieu thereof "three grants".

Sec. 204. Section 204(c) (relating to authorizations for consultation and education services) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $15,000,000 for fiscal year 1978.".

Sec. 205. Section 205(c) (relating to authorizations for conversion grants) is amended by (1) striking out "and" after "1976," and (2) by striking out the period at the end thereof and inserting in lieu thereof ", and $24,000,000 for fiscal year 1978.".

Sec. 206. The last sentence of section 206(d) is amended by striking out "ninetieth" and inserting in lieu thereof "one hundred and twentieth".

Sec. 207. Section 213 (relating to authorizations for financial distress grants) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $15,000,000 for fiscal year 1978".

Sec. 208. Section 228 (relating to authorizations for facilities assistance) is amended by (1) striking out "and" after "1976," and (2) inserting after "1977," "and $5,000,000 for fiscal year 1978".

Sec. 209. Section 231(d) (relating to authorizations for rape prevention and control) is amended by (1) striking out "and" after "1976," and (2) striking out the period at the end thereof and inserting in lieu thereof ", and $10,000,000 for fiscal year 1978.".

TITLE III—MISCELLANEOUS AMENDMENTS

Sec. 301. (a) Section 602(a)(5) of Public Law 94–63 (relating to authorizations for home health services) is amended by inserting after "1977" ", and $8,000,000 for fiscal year 1978,".

(b) Section 602(b)(4) of such Public Law (relating to authorizations for home health services training) is amended by (1) striking out "and" after "1976,", and (2) inserting after "1977" ", and $4,000,000 for fiscal year 1978,".

STUDIES OF INTERNATIONAL HEALTH ISSUES AND OPPORTUNITIES

Sec. 302. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as "Secretary") shall arrange for the conduct of a study or studies to determine opportunities, if any, for broadened Federal program activities in areas of international health. Such study or studies shall consider biomedical and behavioral research, health services research, health professions education, immunization and public health activities, and other areas that might improve our and other nations' capacities to prevent, diagnose, control, or cure disease, and to organize and deliver effective and efficient health services.

(2) An interim report on such study or studies shall be completed no later than October 1, 1977. A final report thereon shall be completed no later than January 1, 1978. Both reports shall be submitted to the Secretary, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives.

(b)(1) The Secretary shall request the National Academy of Sciences (hereinafter in this section referred to as "Academy") to conduct such study or studies under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study or studies will be paid by the Secretary. If the Academy is willing to do so, the Secretary shall enter into such an arrangement with the Academy.

(2) If the Academy is unwilling to conduct one or more of such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations to conduct such study or studies and prepare and submit the reports thereon as provided in subsection (a)(2).

Sec. 303. (a) Section 212(a)(32) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended by inserting after "graduates of a medical school" in the first sentence thereof "not accredited by a body or bodies approved for the purpose by the Commissioner of Education (regardless of whether such school of medicine is in the United States),".

(b) Section 212(j)(1)(B) of such Act is amended by inserting after "that the alien" the following: "is (i) a graduate of a school of medicine which is accredited by a body or bodies approved for the purpose by the Commissioner of Education (regardless of whether such school of medicine is in the United States); or (ii)".

Sec. 304. (a) Effective October 12, 1976, section 408(b)(2)(B) of Public Law 94–484 (relating to the payback requirement of the Public Health and National Health Service Corps scholarship program of section 225(f)(1) of the Public Health Service Act) is amended by striking out "any school year ending before September 30, 1977" and inserting in lieu thereof "any school year ending before September 30, 1978".

(b) Effective October 12, 1976, section 408(b)(2)(C) of such Public Law (relating to periods of internship or residency under section 225(b) of the Public Health Service Act) is amended by (1) striking out "before September 30, 1976" and (2) inserting after "agreement entered into" the following: "before October 12, 1976".

(c) Section 901 of such Public Law is repealed.

Sec. 305. Unless otherwise indicated, the amendments made by this Act shall become effective upon the date of enactment.

The ACTING PRESIDENT pro tempore. The time for debate on this bill will be limited to 1 hour, to be equally divided and controlled by the Senator from Massachusetts (Mr. Kennedy) and the Senator from New York (Mr. Javits), with 30 minutes on any amendment, and 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be equally charged to both sides on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that Dr. James Mongan of the Finance Committee staff be granted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum under the same conditions that the majority leader suggested a moment ago.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I am pleased to bring H.R. 4975, the Health Assistance Programs Extension Act of 1977, before the Senate for consideration today. This bill has the bipartisan support of the members of the Committee on Human Resources including the distinguished ranking minority member of the Subcommittee on Health and Scientific Research, Senator Schweiker, and the ranking minority member of the full Committee on Human Resources, my good friend and colleague, Senator Javits. I am also pleased to note that the bill has the support of the administration. Similar legislation has passed the House.

The major purpose of the legislation is to extend for 1 year, fiscal year 1978, numerous expiring health authorities under the Public Health Service Act and the Mental Retardation and Community Mental Health Centers Act of 1963, as amended, without making major substantive revisions in the programs.

Under the provisions of the Budget Act, the committee must file in the Senate its bill respecting these programs by May 15, 1977. In order to meet this time requirement and at the same time give the Congress and the administration a reasonable period of time to develop proposals for substantive improvements in these important programs, I and other members of the committee believe that a simple 1-year extension is essential and the right way to proceed.

The committee recognizes that numerous important substantive and, in some respects, conflicting changes in these programs have been proposed by interested parties. Other important substantive proposals have been recommended to the committee by its members and other Senators. These proposals deserve serious consideration on their merits. Such consideration will be forthcoming in the months ahead when each of these programs is substantively reevaluated by the committee.

Because the programs have not been substantively altered by this legislation, the committee believes that it would be inappropriate to make major revisions at this time in the authorization for appropriation levels of the programs. Consequently, the amounts for authorizations have been computed generally by the following formula: The higher of: First, the fiscal year 1977 authorization; or second, the fiscal year 1977 appropriation plus 20 percent to provide for program growth, to increase intensity of services, and to take account of inflationary factors.

In addition to extending the expiring health authorities, the committee's bill makes several changes in existing law. I would like to highlight some of them:

First. The bill proposes to establish five supergrade equivalent positions for the National Institute on Alcohol Abuse and Alcoholism.

The committee has been aware for some time of the difficulties experienced by the Public Health Service in recruiting and retaining outstanding professional, scientific, and management personnel. The special authority given to the Public Health Service and the National Institutes of Health under section 208(g) of the Public Health Service Act provides the Public Health Service with 150 positions, of which 115 are earmarked for the National Institutes of Health. This authority provides a viable mechanism for the acquisition of highly qualified senior level scientific personnel to support the research and development activities of the Service.

Therefore, in order to further the research, prevention, training, and service delivery programs of the National Institute on Alcohol Abuse and Alcoholism within the Service, the committee has increased the number of such positions to 155 with the 5 additional positions being designated for the National Institute on Alcohol Abuse and Alcoholism. This revision will not increase the NIAAA staff ceiling, but will permit the Institute to utilize this special personnel authority in order to recruit high-quality scientists, health professionals, and other key management staff.

Second. Similarly, the committee's bill proposes to increase the number of National Cancer Institute consultants from 100 to 200. The committee believes that the use of consultants is an ideal way to attract high caliber people to Government service for a short period of time given the enormous discrepancy between the public and private sectors respecting such medical, scientific, and professional personnel. The bill provides a means for rapidly terminating employment as projects are completed, as well as precluding the buildup of permanent Government employees.

The National Cancer Institute has already used up its existing quota of 100 consultants. Therefore the committee believes its amendment is justified and will enhance the effort to combat cancer.

Third. The bill authorizes the Secretary of HEW to develop minimum public health standards to maintain preventive health care programs. The committee believes that preventive public health care programs are essential to the public health care programs are essential to the public health of the Nation. There is little question that enormous progress in reducing mortality and morbidity of the American people can be achieved through more effective efforts to prevent disease and disability, which is what this amendment is intended to further.

The enactment of national health insurance legislation in the future should not minimize or overshadow the need for continued preventive public health care programs. For example, in both Great Britain and Canada, adequate immunization levels have not been maintained although their national health insurance programs pay for doctors' visits and vaccines. The committee believes that the British and Canadian experiences with national health insurance suggest that the United States should take special care to maintain high quality public health programs which emphasize preventive health.

Fourth. The legislation also authorizes the Secretary of HEW to arrange for studies of international health issues and opportunities with a final report thereon to be completed no later than January 1, 1978. The committee is of the opinion that broadened Federal program activities in international health will improve our and other nations' capacities to prevent, diagnose, and control disease and to organize and deliver effective and efficient health services. The committee especially believes there is a great deal to learn from other nations in the area of immunization and preventive health policies. The committee is hopeful that the Institute of Medicine of the National Academy of Sciences will agree to undertake this study under the sponsorship of the Department of HEW.

Fifth. The committee believe it important to provide the necessary funding resources to assist public hospitals to meet life safety codes and avoid loss of accreditation. Accordingly, in addition to the 22 percent of appropriations under section 1613 for fiscal year 1978, the committee has made available for such purposes an additional authorization of $135 million. Such funding authority will enable the Secretary to make grants for construction or modernization projects designed to: First, eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations; or, second, avoid noncompliance with State or voluntary licensure or accreditation standards.

In 1976 alone, the Department of HEW received 136 applications for $138 million in renovation and improvement projects to make these hospitals safe, and this was the first year in which any funds had been made available. Thirty percent of the total moneys for these projects are locally raised.

The amount of $135 million is a reasonable additional authorization reflecting the true needs of the Nation's public hospitals that provide service to all in need of health care in their communities.

The committee is aware of the extra costs to the health care system arising from new construction and expansion of hospital bed supplies and therefore believes that giving hospitals the wherewithal to upgrade and meet safety standards instead is an excellent economical investment, as well as necessary on humanitarian grounds.

Sixth. The legislation also makes a number of modifications to the Health Professions Educational Assistance Act of 1976, Public Law 94-484, enacted October 12, 1976. For the most part the amendments to this law are of a technical and conforming nature.

However, the bill also includes several manpower amendments which deserve description.

The bill provides that individuals with obligated service to the National Health Service Corps may participate in residency training programs as officers in the regular or reserve corps of the Public Health Service prior to fulfilling the obligated service in an underserved area.

The bill permits an area health education center to conduct training in general pediatrics as well as in family medicine and general internal medicine. Among the many purposes of the area health education centers is the training of primary care physicians. Elsewhere in the authorities for support of health professions education, primary care is defined as including family medicine, general internal medicine, and general pediatrics. This change reflects the intended definition of primary care.

The bill allows the Secretary to repay, in return for service in a health manpower shortage area, educational loans obtained by health professions students before October 12, 1976. The abrupt cutoff of eligibility of "other educational loans" for Federal loan forgiveness was an inadvertent result of Public Law 94-484 and created hardships for individuals who had taken out such loans with the expectation that they would qualify for repayment in return for service in a shortage area. The bill corrects the inequity by permitting those who were caught by the change in law to have the debts they incurred before the change repaid, in return for service in an underserved area. In addition, it will help achieve the placement of health professionals in shortage areas as rapidly as possible—one of the goals of the health professions educational assistance legislation enacted last session.

The bill will assure equitable consideration effective immediately of the needs of students enrolled in 2-year schools and programs of medicine in the United States who would otherwise be disadvantaged in transferring to degree-granting institutions. This amendment is not intended by the committee to include 2-year schools which have a guaranteed contractual arrangement with an M.D.-granting institution to take the entire class of such 2-year school. Students at these schools are not competitively disadvantaged by the transfer provision.

Mr. President, this is urgently needed legislation so that our Nation's vital health programs that are working to combat cancer, heart and lung disease, hemophilia, hypertension, and sudden infant death syndrome; that are providing essential community services through community health centers, migrant health centers, community mental health centers, home health programs, and voluntary family planning programs; and that are attempting to plan the development, organization, and delivery of health care in a manner most consistent with the needs and financial limitations of the American people can continue to operate. I and other members of the Committee on Human Resources, with the full support of the administration, urge that you, Mr. President, and the other Members of the Senate act promptly to pass this important legislation.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. KENNEDY. Mr. President, I yield time to the Senator from New York.

Mr. JAVITS. Mr. President, as ranking minority member of the Human Resources Committee and a member of its Subcommittee on Health and Scientific Research, I am particularly pleased to support H.R. 4975, the Health Assistance Programs Extension Act of 1977 which contains many important public health provisions.

I would like to call your attention specifically to one amendment I authored which is contained in the bill. It guarantees that for admission into the third year of a U.S. medical school, U.S. citizens who have graduated from 2-year U.S. medical schools will be treated the same as U.S. citizens who have completed 2 years of a foreign medical school. Without this provision U.S. graduates of 2-year U.S. medical schools are discriminated against. This amendment assures equity for both groups of students and the same opportunity to compete for the available spaces in the third year of U.S. medical schools.

Also this legislation continues essential programs of community health services, family planning and genetic diseases.

It also increases the opportunity for public hospitals to meet their obligations for safe and effective facilities and services for their beneficiaries by providing an authorization of an additional $135 million in grant specifically for these facilities to eliminate or prevent imminent safety hazards or avoid noncompliance with State or voluntary insurance or accreditation standards. I am especially gratified that the Committee recognized this special need that is especially acute in the New York City public facilities.

I strongly support the passage of this essential health legislation that will benefit all Americans.

AMENDMENT 210

Mr. TALMADGE. Mr. President, I call up my amendment No. 210 which is at the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE) proposes an amendment No. 210.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Act add the following new section:

MEDICAID AND MATERNAL AND CHILD HEALTH

SEC. 306. (a) Section 501 of the Social Security Act (relating to authorizations for maternal and child health and crippled children's services) is amended (1) by striking out "and" after "1972,", and (2) by striking out "and each fiscal year thereafter" and inserting in lieu thereof the following: "and for each of the next four fiscal years, and $399,864,200 for the fiscal year ending September 30, 1978, and for each fiscal year thereafter".

(b) Section 249B of the Social Security Amendments of 1972 (relating to compensation under medicaid for nursing home inspectors) is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1980".

Mr. TALMADGE. Mr. President, my amendment contains two provisions: The first provision would increase the authorization for the maternal and child health program.

The maternal and child health program is a formula grant program which provides funds to States in order to extend and improve services for reducing infant mortality, for promoting the health of mothers and children, and for serving the needs of crippled children.

For the past 5 years, authorizations under this program have been set at $350 million per year. For fiscal year 1977 the appropriation for the program was $347,708,000.

Since the appropriations have essentially reached the authorization ceiling, the amendment would increase the authorization level to 115 percent of the fiscal year 1977 appropriation, thereby allowing an increase in appropriations to reflect the inflation which has occurred in health care costs and prevent what otherwise might be a decrease in services provided.

The second provision would extend the authority for 100-percent Federal financing of medicaid skilled nursing and intermediate care facility inspection, and enforcement costs.

Section 249–B of the Social Security Amendments of 1972 authorized temporary 100-percent Federal funding of expenditures under medicaid for the survey and inspection costs of skilled nursing and intermediate care facilities participating in the medicaid program.

In 1974 this authorization was extended to June 30, 1977.

Because of the importance of State inspection programs to the health and safety of the thousands of individuals in long-term care institutions, and the need to assure that sufficient well-trained inspectors are available, this amendment would extend the authority for full financial support to September 30, 1980.

In making these funds available to the States, the Secretary is expected to assure that inspectors of long-term care facilities are professionally qualified and competent to determine an institution's qualifications to participate in the medicaid program.

Mr. President, these two provisions were contained in the House bills which came to Senator KENNEDY's subcommittee.

Senator KENNEDY recognized that these two provisions fell within the scope of the Finance Committee's jurisdiction, and stripped them from the Human Resources Committee version of H.R. 4975.

In order that the Finance Committee could consider these worthy amendments, yet at the same time act quickly, I introduced this amendment as an amendment to H.R. 4975.

After introducing the amendment, I raised it before the Finance Committee last Thursday. The Finance Committee voted unanimously to support my amendment, and it is my understanding that the amendment is acceptable to Senator KENNEDY.

I might say that I appreciate his cooperation in working with us on this matter.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. KENNEDY. Mr. President, I would just say we welcome this amendment. It is directed toward maternal and child health and crippled children's services. It is an important program. We are delighted to accept this amendment. There is broad support for it.

I would ask that our colleagues accept the amendment.

I yield back the remainder of my time.

Mr. JAVITS. Mr. President, this amendment is satisfactory to me. I hope the Senate will accept it. I yield back the remainder of my time.

Mr. TALMADGE. I thank my distinguished colleagues.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 184

Mr. KENNEDY. Mr. President, I send to the desk an amendment on behalf of myself, Senator WILLIAMS, Senator JAVITS, Senator SCHWEIKER, Senator RIBICOFF, and Senator HATHAWAY, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself, Senator WILLIAMS, Senator JAVITS, Senator SCHWEIKER, Senator RIBICOFF, and Senator HATHAWAY, proposes an unprinted amendment No. 184.

On page 9, line 5, strike out "$252,000,000" and insert in lieu thereof "$272,000,000".

Mr. KENNEDY. I am offering an amendment that raises the authorization level for community health centers $20 million.

This is necessary to accommodate the administration's new child health assessment program that will be partially implemented through the community health centers program.

While the bulk of the proposed $180 million funding for the child health assessment program—CHAP—will come through increased medicaid coverage for poor children, the administration agreed to set aside $25 million for the development of new resources in medically underserved areas. This is necessary in order to insure that all poor children who will become eligible for assessment and aftercare have access to facilities capable of providing such care. The community health centers program is the vehicle chosen by the administration for this resource development, and the intention is to add at least 60 new centers over the course of the next 2 years.

The President's child health initiative was submitted to Congress after the

Human Resources Committee set the fiscal year 1978 authorization levels for this program at $252 million. Accordingly, I and other sponsors of this child health assessment program have determined that an additional authorization of $20 million for fiscal year 1978 for the community health centers program is necessary. The amendment we are proposing at this time would add that amount.

Mr. RIBICOFF. Mr. President, I am pleased that the committee offers this amendment. This $20 million increase in the community health centers authorization will insure that there is room for the new child health assessment program. I introduced this Child Health Assessment Act last week. Both Senator KENNEDY and Senator MAGNUSON are cosponsors of that bill. The child health assessment program would improve our ability to invest in preventive health care for our children. Community health centers will bring this program to many children now missed. Allowing room for this improvement is of great importance.

Mr. JAVITS. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, the amendment is entirely satisfactory to me. I am a cosponsor of it. I hope the Senate will agree to it. I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 185

Mr. KENNEDY. Mr. President, I send to the desk an amendment on behalf of myself, Senator JAVITS and Senator SCHWEIKER, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and others, proposes an unprinted amendment No. 185.

The amendment is as follows:

Insert in the appropriate place the following:

SECTION 1. (a) The first sentence of section 735(c)(2) of the Public Health Service Act is amended by striking out all that follows "in an amount" and inserting instead "determined in accordance with the formula

$$A=3\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; 'Φ' is the sum of the amounts paid by the Secretary under the agreement to or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States; 't' is the total number of months in the individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with the agreement."

(b) Section 735(c)(4) of that Act is amended (1) by inserting "any obligation of service or" after "suspension of", and (2) by striking out "which was breached".

(c) Section 735(c) of that Act is amended by adding after paragraph (4) the following new paragraph:

"(5) Any obligation of an individual under this subsection for payment of damages may be released by a discharge in bankruptcy under title 11 of the United States Code only if such discharge is granted after the expiration of the five-year period beginning on the first date that payment of such damages is required."

(d) The first sentence of section 754(c) of that Act is amended by striking out everything after "entitled to recover" but before "bearing interest" and inserting instead "; 'φ' is the sum of the amounts paid under this subpart to or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans".

(e) This section is effective October 1, 1977.

SEC. 2. Effective October 1, 1977, section 732(d) of the Public Health Service Act is amended to read as follows:

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned by such lender, subject to regulation by the Secretary, only to (1) another eligible lender, or (2) the Student Loan Marketing Association."

SEC. 3. Effective October 1, 1977, section 731(a)(2)(C)(1) of the Public Health Service Act is amended by inserting "(or at an institution defined by section 435(a) of the Higher Education Act of 1965 which is not a school of medicine, osteopathy or dentistry)" after "eligible institution".

SEC. 4. Title VI of the Health Professions Educational Assistance Act of 1976 is amended by adding at the end thereof the following:

SEC. 602. (a) For purposes of section 212(a)(32) and section 212(j)(1) of the Immigration and Nationality Act, as amended, (8 U.S.C. 1182), an alien who is a graduate of a medical school shall be considered to have passed parts I and II of the National Board of Medical Examiners Examination if that alien—

(1) was on January 9, 1977, a doctor of medicine legally authorized to practice medicine in a state,

(2) held on that date a valid specialty certificate issued by a constituent board of the American Board of Medical Specialties,

(3) was on that date practicing medicine in such State exclusively within the specialty for which such alien held such specialty certificate, and

(4) after that date continues to practice medicine in such state exclusively within the specialty for which such alien holds such specialty certificate.

(b) For purposes of this section, the term "State" means a state as defined in section 101(a)(36) of the Immigration and Nationality Act, as amended, (8 U.S.C. 1182).

(c) Section 101(a)(41) of that Act is amended by inserting "a" after "graduates of".

(d) This section is effective January 10, 1977.

Mr. KENNEDY. Mr. President, I yield myself such time as I may require.

This amendment basically amends manpower law enacted last October.

It provides some purely technical and conforming changes or serves to provide equity in program implementation. Changes are needed because office of education within HEW is now handling student loan program.

Specifically, it serves the following purposes:

Section 1—conforms the loan discharge terms under the student loan program with those in the NHSC.

Section 2—conforms the authority for the Student Loan Marketing Association to deal in health professions student loans in the same manner as they do with all other student loans.

Section 3—permits postponement of repayment of loan principal by a health professional student until after completion of full time enrollment status at any institution of higher education, rather than just a health profession facility.

Section 4—Exempts approximately 150 well qualified board certified and licensed medical specialists from taking parts I and II of the national boards in order to keep their "H" or "J" visa status.

We have gone over this in detail with the committee. It has broad committee support.

Mr. JAVITS. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, the amendment is entirely satisfactory to me. I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time, Mr. President.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 186

Mr. KENNEDY. Mr. President, I send to the desk an amendment proposed by Mr. MUSKIE.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE), for himself and Mr. KENNEDY, proposes an unprinted amendment numbered 186.

Insert at the appropriate place the following:

SEC. Section 603(b) of Public Law 94-63 is amended by striking out "Not later than two years from the date of enactment of this Act" and inserting in lieu thereof "Not later than August 30, 1977,".

Mr. KENNEDY. Mr. President, I urge the adoption of the Muskie-Kennedy amendment to continue the Committee on Mental Health and Illness of the Elderly for 1 month until August 30, 1977. The 1-month extension of the committee is reasonable because this additional time will enable the committee to coordinate its actions and recommendations with the Presidential Commission on Mental Health, which was created on February 17. In its Report on Mental Health Care and the Elderly, the Committee on Aging emphasized the need to develop immediate and long-range actions for a national policy in this area.

Mr. KENNEDY. This recommendation led to the establishment of the nine member Committee on Mental Health and Illness of the Elderly in 1975. The recent hearings of the Committee on Aging revealed that there were 237,691 patients in State mental hospitals in 1974. Of this total, 59,685 individuals, one out of every four patients, were aged 65 or older. Many elderly persons are warehoused in institutions. Others are dumped in communities without adequate facilities and resources to assist them. Some individuals remain in their homes and apartments, cut off from the help they desperately need. For these reasons, false stereotypes exist about the treatability of the elderly mental health patients. This often leads to a cursory diagnosis that treatment will not be effective. There is, however, clear and convincing evidence to dispel these myths about mentally impaired older Americans.

Our Nation can no longer turn its back on the serious mental health care problems affecting many elderly persons. The Committee on Health and Mental Illness of the Elderly will help to educate the public to the problems of this group, as well as to develop recommendations for a long overdue national policy.

I affirm my support for this amendment and ask that it be adopted.

Mr. MUSKIE. Mr. President, I am pleased that Senator KENNEDY, the chairman of the Subcommittee on Health of the Human Resources Committee, has joined me in sponsoring this measure to continue the Committee on Mental Health and Illness of the Elderly for approximately one month, until September 30, 1977.

This nine-member committee was first established in 1975 under the Health Revenue Sharing Act, Public Law 94–63. That act directed the committee to conduct a study and submit recommendations within 1 year concerning:

First. Future needs for mental health facilities, manpower, research, and training to respond to the elderly's mental health care needs;

Second. Appropriate care of the aged in mental institutions; and

Third. Proposals for implementing the mental health care recommendations of the 1971 White House Conference on Aging.

It was necessary, however, to extend the deadline date for one year under the 1976 Health Maintenance Organization Amendments because the Ford administration did not formally appoint all the committee members until August, 1976.

The Muskie-Kennedy amendment would extend the life of the committee for 1 month to enable the committee to share its recommendations with the newly established Presidential Commission on Mental Health.

The purpose is to promote better coordination and less duplication between these two units concerning mental health issues and the elderly.

This extension would also enable the committee to meet any unanticipated problems in completing the report or expediting its clearance.

The amendment would require no additional funding.

For these reasons, I urge that this amendment to continue the Committee on Mental Health and Illness of the Elderly until September 30, 1977, be adopted.

The ACTING PRESIDENT pro tempore. Does the Senator from New York seek recognition?

Mr. JAVITS. Mr. President, I have no objection to this amendment.

The ACTING PRESIDENT pro tempore. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that, during the consideration of the bill, the following staff members, who serve different members of the Committee on Human Resources, be granted the privilege of the floor: Larry Horowitz, Bob Wenger, Stuart Shapiro, Nancy Olson, Lisa Walker, and Louise Ringwalt.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I yield such time as he may need to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I rise to join in support of H.R. 4975, a bill to extend many of our important public health programs through fiscal year 1978. As the ranking member of the Health and Scientific Research Subcommittee and a cosponsor of this legislation, I believe the programs included in H.R. 4975 merit our continuing support and I urge my colleagues to support the bill.

For the most part, H.R. 4975 simply extends through fiscal year 1978 existing authorities under the Public Health Service Act, the Community Mental Health Centers Act, and Public Law 94–63. Included are assistance programs for health services research; health statistics; comprehensive public health services; hypertension; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National research service awards; population research and voluntary family planning; sudden infant death syndrome; hemophilia; national health planning and development; health resources development; home health services under Public Law 94–63; and community mental health centers.

A 1-year extension is desirable for many of these programs, such as health planning efforts begun under the Health Planning and Resources Development Act and community mental health centers programs, to give existing law a chance to work before we embark on any major new revision. In some cases, the original law or substantive changes enacted during the last Congress have not yet had time to be fully implemented and evaluated.

In addition, the Health and Scientific Research Subcommittee, chaired by Senator KENNEDY, is presently engaged in an extensive review of federally supported biomedical and behavioral research activities. In the meantime, until the Committee on Human Resources and the Congress decide to make major substantive changes in these programs after careful consideration of research issues, it is essential that we continue our strong commitment to important research activities such as those sponsored by the National Cancer Institute and the National Heart, Lung, and Blood Institute. We must not allow these vital disease control and research efforts to lapse.

Because the committee is not proposing major changes in these programs, the bill also does not make major revisions in authorization levels for the programs. As stated in the committee report, a general formula was used which set the fiscal year 1978 authorizations in this bill at either the fiscal year 1977 level or the level of fiscal year 1977 appropriations plus 20 percent to take into account program growth and inflationary factors.

As unanimously reported by the Human Resources Committee, H.R. 4975 also contains provisions to establish five supergrade positions for the National Institute on Alcohol Abuse and Alcoholism; increase consultants at the National Cancer Institute to 200; authorize the Secretary of HEW to develop minimum public health standards to maintain preventive health care programs; authorize additional funds to help public hospitals eliminate or prevent imminent safety hazards and avoid loss of accreditation; authorize the Secretary to arrange for studies of international health issues and opportunities; and make certain changes and clarifications in the new health professions educational assistance law.

Under H.R. 4975, program continuity will be maintained while Congress and the administration review these important health programs to develop any additional legislative proposals which may be required during the coming year, without having to rush their consideration of such changes in order to meet Senate budget deadlines. I believe this is a prudent and responsible approach, and I commend the chairman, the distinguished Senator from Massachusetts (Mr. KENNEDY), the chairman of the Human Resources Committee (Mr. WILLIAMS), and the ranking member of the full committee (Mr. JAVITS) for their work in developing this legislation.

The ACTING PRESIDENT pro tempore. Are there further amendments?

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROOKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 187

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE), for himself, Mr. CRANSTON, Mr. JAVITS, Mr. PACKWOOD, Mr. RIEGLE, and Mr.

WILLIAMS, proposes unprinted amendment No. 187.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 11, strike "$130,000,000" and substitute "$140,000,000".

Mr. BROOKE. Mr. President, I have sent this amendment on behalf of myself and Senators CRANSTON, JAVITS, PACKWOOD, RIEGLE, and WILLIAMS, to increase to $140 million the authorization for family planning services project grants under title X, section 1001, which the Family Planning Services and Populations Research Act added to the Public Health Services Act. This amendment will raise the ceiling for funding of preventive family planning services $10 million over the amount authorized in the bill and $25 million over the amount now authorized.

I am offering this amendment because I strongly believe that we should be placing more emphasis on helping women and men, especially those in their teenage years, prevent unwanted and unplanned pregnancies, rather than forcing them to choose whether to see such pregnancies through to term or to end them. For the nearly 3 million low and marginal income women in this country who want and need family planning services and who have not been able to obtain them, this choice virtually does not exist. Without these services, they must face constantly the prospect of an unwanted pregnancy. And the effects of such a pregnancy could be devastating, for they and their families suffer many hardships already. We all hear about the crippling inflation, unemployment and the other economic pressures have on low-income American families. To these families, the extra responsibility of an additional child could be the financial factor that moves them from self-sufficiency to dependency on the State, with accompanying losses in self-respect and stability. We must not deny them the service which could help alleviate some of their fears for the future.

Increasingly, young people are also in need of family planning services. Indeed, it is estimated that there are now more than 2 million such teenagers in America. It is important that we address this issue. Unfortunately, we know that one third of the brides under 20 are pregnant when they are married. And we know that such precipitate marriages experience a divorce rate three times that of the general populace. The dissolution of many young marriages is due to the fact that the responsibilities of child care, of supporting a family, and of maintaining a household are assumed prematurely in life, before such young men and women are mature enough to deal successfully with such responsibilities. We must educate our young people and provide them with the services that will help them avoid becoming the parents of children while they are still children themselves.

Furthermore, of the 1 million pregnancies women under 20 experience each year, nearly 300,000 result in abortions. If we are to alleviate the need for abortions, family planning must be extended to these young people. We cannot do this without adequate funding for the program.

Title X, the project grant program for providing family planning services has not received such funding since its inception in 1971. Its funding levels have been reduced by impoundments and deferrals, and have also been frozen for 4 years. Last year, the Senate Subcommittee on Labor-HEW appropriations, of which I am ranking minority member, increased for the first time since 1973 the dollar amounts for family planning services. But the $13 million increase was barely sufficient to meet inflation. This year I intend to offer an amendment substantially increasing the appropriation. But we must have an authorization which gives us sufficient leeway in determining just how much of an increase will be concentrated on family planning. The Coalition for Health Funding, a federation of health professionals and health services organizations, has recommended this year that $140 million as a minimum be appropriated for project grants in this field. This amount would enable 900,000 more women to be served than are being served at the current appropriations level of $107.5 million.

We must begin to meet our huge unmet needs in family planning. I hope that my colleagues will support me in these efforts. Therefore, I ask that my amendment be accepted by the committee.

Mr. President, I am pleased to have brought this to the attention of the distinguished chairman of the Health Subcommittee, and the distinguished ranking minority Member of the Senate subcommittee, the Senator from Pennsylvania (Mr. SCHWEIKER). I hope they will see fit to accept this amendment.

Mr. KENNEDY. Mr. President, we will be glad to accept this amendment. It is a very modest increase of $10 million for the authorization.

The administration is considering some rather new and imaginative ways of trying to deal with the problem of either unwanted or unexpected pregnancies to reduce the pressures of either unwanted pregnancies or abortions.

Both the President and the Secretary of HEW are interested in alternatives to abortion, in terms of counseling and education, among other ways.

It seems to me this increase in authorization is justified and warranted. I urge the Senators to support it.

Mr. SCHWEIKER. Mr. President, I concur with that statement and accept, on behalf of the minority, the amendment.

Mr. BROOKE. I thank my colleagues.

ADDITIONAL STATEMENT SUBMITTED ON UP AMENDMENT NO. 187

Mr. PACKWOOD. Mr. President, I rise as a cosponsor of the family planning amendment just offered by my distinguished colleague from Massachusetts. I believe it is important not only to maintain services in this area, but also to keep up a steady pace of improvement. We still have a long way to travel in meeting our goal of providing family planning services to all of the approximately 10 million women in need of assistance.

I was pleased with the administration's willingness to focus a $35 million increase on family planning in its fiscal year 1978 budget. Despite the positive impression this figure leaves, however, these funding levels would not produce real change in our family planning programs. The individual increases, in most cases, would merely cover the cost of inflation, and would not significantly strengthen services.

The amendment offered by my distinguished colleague from Massachusetts will give the boost to family planning that it deserves. Many regions around the country have requested additional funding, not only to maintain previous service levels, but also to expand to meet new local demands for services. This proposed increase in funds would help serve an additional number of low-income women who need, deserve, and have requested services.

As I mentioned some weeks ago, the returns for funding family planning generously are outstanding. In terms of short-term cost benefits: out of what the Federal Government expends for family planning, it saves $2 each year for every $1 spent the previous year. This savings is offsetting the prenatal and postnatal hospital costs, plus the first 3 months of infant care. The long-term cost benefits are overwhelming: $26 is saved for every $1 spent on family planning. It is clear that the net result of funding these programs well is a substantial savings for the Federal Government.

We have not by any means stabilized population growth in the world. The support we show for all family planning related projects in this country provides a fine and necessary example to other nations. In addition, we must continue striving to meet the original goal of our own family planning programs, which was to insure that every individual, regardless of income, has the means of planning parenthood.

I am pleased to support the amendment offered by my distinguished colleague from Massachusetts, and strongly urge its passage.

The ACTING PRESIDENT pro tempore. Is all time yielded back on this amendment?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. BROOKE. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

UP AMENDMENT NO. 188

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE), for himself, Mr. CRANSTON, Mr. JAVITS, Mr. RIEGLE, and Mr. WILLIAMS, proposes an unprinted amendment numbered 188.

Mr. BROOKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 7, strike "$3,000,000" and substitute "$5,000,000".

Mr. BROOKE. Mr. President, this amendment cosponsored by Senators CRANSTON, JAVITS, and RIEGLE and WILLIAMS will raise the authorization for the Sudden Infant Death Syndrome Counseling and Information Services to $5 million, $2 million over the amount authorized in the bill and $1 million over the amount currently authorized.

Each year over 7,500 infants die in their sleep suddenly and without warning. We do not know the cause of these deaths. Our first priority must be to conduct research so that these tragic deaths can be stopped. But until crib death can finally be eliminated, there is one service which is essential; and that is counseling and information services to the stricken parents, the police, medical examiners, and other agencies and organizations which come into contact with crib death, and to the public at large.

The very mystery of the disease makes these counseling and information services necessary. For the psychological effects of crib death on parents are devastating; not only must they suffer the loss of a child, they must also cope with the unjustified fear that somehow the death was a result of their own negligence. And this fear is too often compounded by officials and the public, as well. Neighbors are suspicious of the parents' possible role in the death. Medical examiners and hospitals openly share these suspicions. Police sometimes have even gone so far as to accuse innocent parents of child abuse and complicity in the death.

Hearings I recently chaired in the Labor-HEW Appropriations Subcommittee prove that these tragic and unnecessary effects of crib death can be mitigated by effective counseling and information services. Such services can quickly inform parents of the true facts about crib death and reassure them that they are not to blame. Such services through public and targeted education campaigns can also alleviate public and official ignorance about crib death and end cruel and unjustified accusations.

Yet, Mr. President, 29 States and territories have no such counseling services at all and of the 27 States and territories which do have some counseling, only 16 have statewide services.

I have asked the Department of HEW to estimate the total cost of remedying these deficiencies and of providing comprehensive counseling services for all the States and in all sections of the States. The Department has estimated that cost at $5 million. I ask the Senate to authorize that figure so that I, as ranking minority member of the Labor-HEW Appropriations Subcommittee, can urge the subcommittee to appropriate the amount needed to assure that these most necessary counseling services will be available throughout the Nation.

Mr. President, I am well aware that the distinguished chairman of the health subcommittee, my senior colleague from Massachusetts, has been interested in this area and knows it well. I trust that he, together with my distinguished colleague, the ranking minority member, the Senator from Pennsylvania (Mr. SCHWEIKER), will accept this amendment.

Mr. KENNEDY. Mr. President, my colleague has identified a health issue, which is of enormous importance and consequence.

Some of the most moving testimony we have received before our health committee has been from parents who have lost an infant, who are completely unaware of the causes of the loss, and experience tremendous guilt.

This have been an area which Senator Mondale was extremely interested in, and he impressed the Senate Health Committee with his complete and wholehearted support for this program.

My colleague is well aware of the very special work being done by the Massachusetts General Hospital in this area and in research. Some of the best work in the country is being done there. They are working in this area with great interest and are devoting the energies and resources of some of their most talented people in this area of research.

So this is a matter of very considerable concern. I think we are talking here about valid resources.

I am going to depend on my colleague from Massachusetts, as well as our ranking member of the committee, to work on the Appropriations Committee to finish off the rest of the job.

I welcome the amendment and look forward to working with him and others in seeing this whole effort move forward.

Mr. SCHWEIKER. Mr. President, I congratulate the Senator from Massachusetts for his leadership in this area.

I worked with Senator MONDALE and Senator KENNEDY when this bill initially came through. I feel the funding is certainly needed and much required. I certainly support this amendment.

Mr. President, I ask unanimous consent that a member of my staff, Mr. Richard Vodra, have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I thank my distinguished colleagues for the statements they have made.

Senator MONDALE, now Vice President MONDALE, was a leader in this field. The committee has done well.

The purpose of my amendments is to make counseling services possible for the areas in this country that are not now receiving such services.

But this amendment offers not only counseling services for parents. It also offers education about this mysterious disease to the public at large.

As ranking minority member of the Labor-HEW Appropriations Subcommittee, I also am working on increasing the research funds for SIDS so that we can discover the cause of crib death. Many young families live in fear during the first year of their child's life that they will wake in the morning and find that child no longer alive. The Nation must direct its attention to this dread killer.

I thank my distinguished colleague from Massachusetts and the distinguished Senator from Pennsylvania for accepting this amendment.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I introduced a bill several years ago—and I have introduced it for a number of years since—which I think is important. It reads as follows:

"It shall be unlawful to sell or ship or deliver for sale or shipment, or otherwise introduce in interstate commerce or foreign commerce, or receive therein, or to remove from customs custody for consumption, any bottle containing a beverage having more than 24 per centum of alcohol by volume, unless the label of such bottle contains the following statement: 'Caution: Consumption of alcoholic beverages may be hazardous to your health and may be habit forming.' Such statement shall be located in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the label.".

Mr. President, inasmuch as this is a health item, and it is just to caution people that beverages containing more than 24 percent alcohol may be hazardous to their health—just as a caution is put on a package of cigarettes that smoking may be hazardous to their health—I wonder whether the distinguished manager of this bill or the chairman of the subcommittee would care to comment.

Mr. KENNEDY. Mr. President, I welcome the opportunity to comment, but I yield to the chairman of the Subcommittee on Alcohol and Drug Abuse.

Mr. HATHAWAY. Mr. President, I think the Senator from South Carolina has an excellent idea, but I do not think we should accept it as an amendment to this bill at this time. We have not had an opportunity to hold hearings on this matter.

If the Senator will redraft his amendment so that it is an amendment to the Food, Drug and Cosmetic Act, then there would be a referral to the Committee on Human Resources; and that would give my subcommittee the opportunity to hold hearings.

We are eager to hold hearings with regard to this matter, and I assure the Senate that we will hold them within the next couple of months, if the bill is so referred, and we hope to report a measure along the lines that the Senator would like.

Mr. KENNEDY. Mr. President, will the Senator yield? We considered a similar matter last year in the Food Labeling Act. Part of the problem is determining an appropriate cutoff point. Do you do it at 24 percent or do you go lower to include, for example, wines?

Considerations of the industries affected are also involved. I want to give assurance to the Senator from South Carolina that the subject matter is a matter of concern to all members of the Health Subcommittee. It has been a matter of particular concern to the chairman of the Subcommittee on Alcohol and Drug Abuse, and I know he will be diligent in reviewing and pursuing it.

I hope the Senator would defer action at this time to give an opportunity for the committee to move forward. But it is, I must say, a matter of importance, and it has important health implications, and we want to assure the Senator that by deferring action it in no way will diminish the importance this matter is given.

Mr. THURMOND. Mr. President, I wish to thank the Senators, chairmen of their respective subcommittees, for their statements.

In view of their assurances, I shall draft an amendment to the Food, Drug and Cosmetic Act, and introduce it today.

I ask unanimous consent that that be referred to the Committee on Human Resources and the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

VISIT TO THE SENATE BY MEMBERS OF THE PEOPLE'S COUNCIL OF THE SYRIAN ARAB REPUBLIC

Mr. STONE. Mr. President, I ask unanimous consent that the Senate stand in recess for a few minutes to meet the members of the People's Council of the Syrian Arab Republic, Syrian Parliamentarians, who are here for a short visit. There are three of them, distinguished leaders of the Parliament, and I ask unanimous consent that we stand in recess for 5 minutes to meet them, and I know they would appreciate it very much.

There being no objection, the Senate, at 1:21 p.m., recessed until 1:26 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CULVER).

HEALTH ASSISTANCE PROGRAMS EXTENSION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 4975) to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs.

AMENDMENT NO. 246

Mr. HATHAWAY. Mr. President, I call up my amendment No. 246.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. HATHAWAY) proposes amendment No. 246.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

TITLE III—MISCELLANEOUS

SEC. 301. (a) The first sentence of section 302(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (42 U.S.C. 4572) is amended by adding at the end thereof the following new sentence: "Notwithstanding the preceding sentence, in a fiscal year in which appropriations for the purposes of section 301 are equal to or greater than the appropriations made for such purposes in the fiscal year ending June 30, 1976, no State shall receive an amount which is less than the amount it received in the fiscal year ending June 30, 1976.".

Mr. HATHAWAY. Mr. President, I ask unanimous consent to add Senator BENTSEN, Senator TOWER, Senator CULVER, and Senator ZORINSKY as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, this amendment pertains to the allocation of funds under section 302(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act as amended. These funds have been allocated to the States since fiscal year 1972. Allotments to the States under this formula grant have been computed as follows:

First. One-third weight on the basis of need for more effective prevention, treatment, and rehabilitation of alcohol abuse and alcoholism, expressed by the relationship of the population in each State to the total population of all the States.

Second. Two-thirds weight on the basis of total population weighted by financial need, as determined by the relative per capita income for each State for the 3 most recent consecutive years for which data is available from the U.S. Department of Commerce.

In February 1977, a third factor was added to the formula. The addition of this factor had the effect of diluting the factor of relative per capita income and reallocating moneys in such a way that, using the 1977 State formula grant allotments, 30 States actually had their formula grant allotments reduced.

During this period of inflation, which is particularly pronounced in the health sector and which is marked by reduction of State budgets for human services, reductions of formula grant allocations will seriously disrupt local alcoholism programs, and will result in actual reductions of service in the community.

The amendment I am proposing will hold States harmless at their 1976 levels.

When the Committee on Human Resources expressed concern that allocations be based on need, it was not anticipated that the state of the art of needs assessment was as primitive or that the available data was as old and based on such small samples. The regulations promulgated by HEW on February 1 were essentially based on two surveys: one done in 1967, the other in 1971. Since surveys require several years to plan, implement, and analyze, the data is actually several years older than the survey.

Is it fair that local programs will have to close, because of surveys taken over 10 years ago?

These surveys have as few as 50 interviews per State.

Can we take the chance of reducing program funds to needed community programs on the basis of interviews with 50 people?

Mr. President, I want to make it clear I think the need factor should remain in the formula. It is just that until we are able to come up with more sophisticated ways to determine the actual need, that is the actual numbers of alcoholics in the particular State, that I think we should postpone the effectiveness of the third factor by having this amendment which would hold the States harmless; in other words, they would be guaranteed that they would get at least as much as they got in 1976.

But I want to reiterate that I am not changing the formula. This amendment does not change the formula. It still leaves that need factor in the formula. I think it is a good factor to be included and, perhaps, it should even be getting more weight than it gets because, after all, that is why we are dispensing this money which is to help those who are in need and is what we should be doing not only with respect to the alcohol health program but with all health programs. But until such time as we are able to develop more sophisticated techniques to determine what the actual need is, I think the amendment which I have offered should stay in effect, the formula should stay in effect.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HATHAWAY. I would be happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I rise just for one purpose, and that is to support the amendment the Senator from Maine has offered here today, because without it, it would work a very distinct hardship in my State where we have a fine program underway, in fact, where there would be a loss of over $117,000.

Mr. President, I am pleased to support the amendment of the distinguished chairman of the Subcommittee on Alcoholism and Drug Abuse of the Human Resources Committee, Senator HATHAWAY, that will help prevent a serious reverse in State chemical abuse programs.

If the grant allocation formula of Public Law 94–371, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act is applied while funding remains at current appropriations levels, the result will be disruption and reduction in existing programs to treat and prevent alcoholism. Minnesota would stand to lose over $117,000.

It would be clearly contrary to congressional intent if the new formula, instead of guiding future commitments, were to reduce current State allotments which are already austere in relation to rising costs and the prevalence of the problem.

Mr. President, this Nation can ill afford to ignore the tragic consequences of alcohol abuse. It is one of the oldest human plagues, and it is difficult to exaggerate its toll in wasted human potential and national resources.

It would be a mistake if Congress were to signal by such action that it has faltered in its commitment to meet this challenge.

We should not be victims of the ambivalence in attitude toward alcoholism that deprives essential programs of political popularity.

All we have to do is measure the number of Americans afflicted; the magnitude of human suffering, illness, and death; and the loss in productivity and earnings to recognize that alcohol abuse is a serious public problem, a national issue which we must confront and deal with in a serious, consistent and continuous fashion.

Minnesota is determined to meet its responsibilities in this area. But we know that the Federal contribution is a vital stimulus and complement to efforts by State governments, where alcoholism competes with great difficulty for its share of overburdened State budgets. Federal funds permit Minnesota to experiment with new programs and to test new techniques to bring this serious and prevalent social problem under control.

A vote for this amendment is a minimum commitment to programs already operating under stringent limitations. To cut back the funds available would be false economy that would seriously jeopardize progress already made. I urge the Senate to support this amendment to hold harmless funding of alcoholism programs at least at the 1976 level.

Mr. HATHAWAY. I want to thank the Senator from Minnesota for endorsing the proposal.

Mr. President, I reserve the remainder of my time.

Mr. JAVITS. Mr. President, will the Senator yield? I will get my own time.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from New York is recognized.

Mr. JAVITS. Mr. President, the need factor to which the Senator refers has not yet been honored in the grant allocations at all up to now for reasons we find very difficult to ascertain, other than the difficulty of determining that data which validly reflects the amount of need. The necessity to assist the States with the greatest need is what this program is all about. That is why it was started.

It was started by our colleague from Iowa who is no longer in the Senate, and he started it, because of his deep feeling on this subject with my close cooperation. Indeed, it was a joint program between us. It originally had its origins with Senator Moss of Utah who first undertook the idea of an antialcoholism program with me years ago.

I personally have been delighted that Senator HATHAWAY, who succeeded to the chairmanship of that subcommittee, had undertaken in the same spirit the effort which we have made respecting alcoholism. Indeed this is infinitely more important even than what we do with this money right now; and we will work this out, I am confident.

But bear in mind that there are some 10 million alcoholics in the United States. By contrast, we believe that there are, in round figures, less than a million narcotic addicts. This is a social problem of tremendous proportions—in the work place, in the family, and in the community.

The fact that above all people I want to preserve State programs I need not profess at all. But, our problem is in those States which are very heavily impacted. Like my own State, California, Pennsylvania, and other major industrial States, what we are seeing is really the tip of the iceberg and this is compounded by the fact that it has been difficult to quantify the data that is necessary to assure us of getting that appropriate proportion of the resources which is available to impact on the problem. I agree with Senator HATHAWAY that the resources available are deficient in contrast to the need for effective prevention, treatment, and rehabilitation of alcohol abusers and of alcoholics.

Therefore, I come to the following conclusion, Mr. President: I believe that, first, we should note that there is $1.3 million in the supplemental appropriations bill, signed here recently which is designed to take up some of the slack in the heavily impacted States which will be again denied funds through the hold harmless provision.

The Senator from Maine has already stated that he strongly favors implementation of the need factor and that goes a long way to allay my concerns about this amendment. I ask him whether he would concur with me that it would be only fair in the process of not penalizing these 31 States to which he will be referring in his amendment and also for us, to do our utmost to bring up the appropriation, and it will take about $8 million, so that the States which are heavily impacted by alcoholism and alcoholics do not suffer.

Mr. HATHAWAY. I give my assurance to the Senator from New York on both counts.

I thank the Senator for his cooperation in this matter, and I know of his great concern for this problem. I appreciate the effort that he has made in the past and continues to make to help in the treatment and rehabilitation of alcoholics.

Mr. JAVITS. I thank my colleague very much.

I believe that, with that understanding between us and the fact that we will have a common front on the effort to make the program adequate for the heavily impacted States, both in the need factor regulations of the Department and in the appropriations, exactly as we are trying to make it adequate for the States which are not as heavily impacted, I have no objection to the amendment.

Mr. HATHAWAY. If the Senator will yield, I hope the Senator will join me in enjoining the appropriate agency to come up with some more sophisticated methods for determining the actual need, because we can read all kinds of surveys and get entirely different conclusions about any particular area of the country depending on whose survey we happen to read.

Mr. JAVITS. I gladly join the Senator in that.

Mr. HATHAWAY. Perhaps we should put such an exhortation—of course we are putting it in the RECORD at the present time—in the report of the Senate, and hopefully the report of the conferees will contain that, also.

Mr. JAVITS. I join the Senator fully in that, but the Senator, I am sure, will agree with me that the objects of our work are of such an urgent character that we should not hold up what is necessary until we attain a more optimum set of statistics.

Mr. HATHAWAY. That is correct. The Senator is absolutely correct.

Mr. JAVITS. I thank the Senator.

Mr. THURMOND. Mr. President, will the distinguished Senator from Maine yield?

Mr. HATHAWAY. I think the Senator from New York has the floor.

Mr. JAVITS. I yield.

Mr. THURMOND. Mr. President, I rise in support of the Hathaway amendment.

Alcoholism is a disease that can strike at any social or economic level, and the result is tragic. No one really knows how many lives it has ruined, how many homes it has broken, or how many healthy people it has adversely affected. Perhaps as many as 10 million people in the last year alone have fallen prey to drinking problems that have touched their lives and the lives of countless others.

Research into this debilitating and expensive disease is essential. Under the current statutory formula, a number of States—including my home State of South Carolina—will be subject to reduced levels of funding in fiscal year 1978. I rise today in support of this amendment by the able Senator from Maine which would maintain prior funding levels.

It is imperative that we give greater attention to the problem of alcohol abuse. We must respond to this national catastrophe in something more than a cursory way. The Federal alcoholism program seems to suffer the same neglect as the alcoholic himself. For example, depending on the State, cirrhosis of the liver is either the third, fourth, or fifth leading cause of death throughout the country. And yet, treatment of this major illness is being inadequately researched since there are limited Federal funds available to support it. In general, there is an unexplainable disparity between the amount of Federal resources for alcohol research compared to those directed to research in other health categories of similar magnitude.

Because of this, Mr. President, I am convinced that there is an opportunity now before us to take a positive step toward reducing this inequity and meeting the challenge presented by the disease of alcoholism.

Accordingly I ask my distinguished colleagues to join me in full support of this worthy amendment from the Senator from Maine.

I ask unanimous consent that I may be added as a cosponsor of his amendment if it meets the approval of the Senator from Maine.

The PRESIDING OFFICER (Mr. HART). Without objection, it is so ordered.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. HATHAWAY. I am happy to yield to the Senator from Iowa.

Mr. CULVER. I thank the Senator from Maine for yielding.

Mr. President, I rise as a cosponsor in support of his amendment and wish to commend him for it.

Mr. President, I am pleased to join my colleague from Maine, (Mr. HATHAWAY, in sponsoring an amendment to the Health Assistance Programs Extension Act of 1977.

This amendment is designed to change the funding formula under section 302 (a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act to hold States harmless at 1976 levels of funding.

Without the change in distribution, some 30 States would suffer funding losses. My own State of Iowa would receive 13 percent less money than the 1976 funding level—money that is used to develop vitally needed treatment and prevention projects at the State and local level. Last year, a total of $55.5 million was appropriated for State grants to aid in treatment programs. Iowa received $730,919 and according to the Iowa Division on Alcoholism, more than 11,000 persons were treated at community-based treatment programs in the past 12 months due to that appropriation level.

Mr. President, 9 million Americans suffer from the disease of alcoholism. In addition to bringing needless personal tragedy to the lives of the families and friends of these Americans, alcoholism inflicts a major social and economic burden on the Nation as a whole. Its costs in time lost from work, health care, motor vehicle accident losses, violent crime and court and jail fees have been estimated to reach as much as $32 billion a year. We cannot afford to reduce program funds to these much-needed community programs. I hope that the Senate will act affirmatively on this amendment.

Mr. WILLIAMS. Mr. President, I rise in opposition to the amendment of the Senator from Maine (Mr. HATHAWAY) which would, in effect, repeal—for any year in which appropriations were lower than the current level—a provision of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act which requires that the formula on which alcoholism funds are distributed to the States take into account the demonstrated need for such funds.

This is not a new provision of the law. Public Law 91-616, signed December 31, 1970, states that the Secretary shall allot the sums appropriated "on the basis of the relative population, financial need, and need for more effective prevention, treatment, and rehabilitation of alcohol abuse and alcoholism."

Mr. President, in the years since the passage of that law, the National Institute on Alcohol Abuse and Alcoholism—NIAAA—continued to ignore this requirement of the law and distributed the funds according to a formula which gave one-third weight to population and two-thirds weight to per capita income—need was totally ignored.

As a result, those States—like my own State of New Jersey—which have a very large demonstrable need for programs for the prevention and treatment of alcoholism have never received their fair share of these funds.

Last year we determined to insist that NIAAA no longer ignore this need provision. We agreed to require that the provision of these funds be based on this demonstrated need and mandated that the Secretary promulgate regulations establishing a methodology to determine the incidence and prevalence as a measure of such need. Our committee report on that bill stated:

> . . . the committee is concerned about the formula used in dispersing formula grant funds. The committee wishes to stress that the provision of these funds *must* be based on demonstrated need, as provided in the original legislation, and is adamant that this requirement be met. The committee was distressed to learn that the 'need' provision in existing law to implement the state alcohol abuse formula grants has been totally disregarded. . . .
>
> In response to this mandate—which received not a dissenting vote either in committee or in this chapter—NIAAA has developed a fair and equitable method for distributing these funds. This was developed under the major direction of the national center for health statistics with whom NIAAA had effected an interagency agreement.

The Department has stated in its proposed rule:

> In view of the need for an objective, quantitative approach least influenced by differences in state reporting and recording practices, the following methodology is proposed to carry out the requirements of Pub. L. 94-371:
>
> (1) Identify demographic characteristics (e.g., age, sex, race, education, income, marital status) found to be associated with 'problem drinking' in selected sample surveys of the general population.
>
> (2) Develop an indicator of the relative level of alcohol abuse in the states based on the proportion of each state's population with these characteristics (according to the U.S. census.)
>
> This approach known as synthetic estimation, does not yield a direct measure of incidence and prevalence. However, the estimates developed should be highly correlated with incidence and prevalence. Moreover, even if the results underestimate the absolute level of alcohol abuse, the degree of underestimation should be reasonably constant from state to state (because the estimate is based on data defined and collected uniformly in all the states) and should not distort the relative need of states for more effective prevention, treatment and rehabilitation of alcohol abuse and alcoholism.

Mr. President, NIAAA gave the State alcohol agencies every opportunity to work with them in the development of this new formula and it is as fair and objective as it is possible to make such a formula.

It would be grossly unfair, Mr. President, should appropriations for alcoholism drop, to deny States like New Jersey with the greatest need their fair share.

Yet I am well aware that, had appropriations stayed at the fiscal 1976 level some States would have lost money under this new formula. However, the Appropriations Committees took this into account and, in the 1977 supplemental appropriations provided sufficient funds to hold these States harmless. I am confident that the Appropriations Committees will continue to take this into consideration.

If, in the future, appropriations drop below the current level, all of our States would, of course, have to accept cuts in our alcoholism programs. But it would be unfair to ask New Jersey, New York, California, Michigan, Hawaii, Oregon, Washington, and others with unusually large alcoholism rates to take less than their fair share.

Mr. TOWER. Mr. President, I have previously introduced legislation to rectify the problem created by the revision of the formula for funding alcohol prevention and rehabilitation services, and I commend my colleague from Maine (Mr. HATHAWAY) for offering this language as an amendment to his committee's bill. The hold-harmless clause, plus an additional $1.3 million, were included in the supplemental appropriations bill to protect States from loss of funds in 1977. However, this amendment will insure that services will not be disrupted by reduced grants in future years when appropriations are equal to or greater than the 1976 level.

This is one of those cases in which the States are at the mercy of administrative policy established outside the intent of the original law. The comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 required that funds be allotted to the States "on the basis of the relative population, financial need, and need for more effective prevention, treatment, and rehabilitation of alcohol abuse and alcoholism."

However, since 1972, States have been allotted funds on the basis of a formula giving one-third weight to relative population and two-thirds weight to need as determined by relative per capita income. The formula ignored the third criteria of need based on prevalence of alcohol abuse associated with certain demographic characteristics.

In considering the 1976 amendments to the act, the Senate Committee on La-

bor and Public Welfare insisted that this third criteria be included in a revised formula, and the conference report included that specification.

The new formula drawn up by the National Institute on Alcohol Abuse and Alcoholism in consultation with the States incorporates this formula, but the effect is to markedly reduce funding to those States with rural and poor populations and to increase funding to populous and largely urban States with higher per capita income.

The fact that this new formula coincides with Congress original intent does not alter the reality that delayed implementation works a real hardship on those States whose programs will be curtailed and disrupted by its application. At 1976 appropriations levels, Texas would stand to lose about $50,000, which would close down several halfway houses in outlying rural areas where alcoholism is a chronic problem. However, other States would suffer even more, including Minnesota with a loss of about $117,000 and Florida, which would be down about $127,000.

If this situation is allowed to persist without correction, we will be doing a great disservice to those States who, through no fault of their own, will suffer severe cutbacks in extremely valuable programs. I commend my colleague from Maine (Mr. HATHAWAY) for seeking to avoid this wrong.

Mr. HATHAWAY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

MENTAL HEALTH CARE IN THE COMMUNITY

Mr. HUMPHREY. Mr. President, if I may have the attention of the manager of the bill, I rise to comment on one of the provisions of H.R. 4975, an important bill that extends our major health care programs for a year. Senator KENNEDY has expressed the hope that we refrain from seeking substantive changes in these programs, so that proposed revisions may be considered in detail during hearings later this year.

The PRESIDING OFFICER. We are under controlled time. Does the Senator from Massachusetts yield time to the Senator from Minnesota?

Mr. KENNEDY. Mr. Prisedent, I yield the Senator from Minnesota such time as he may require.

Mr. HUMPHREY. I wish to make a point concerning interpretation of present law.

Recently, my constituents brought to my attention an innovative program which combines advocacy and services within the community for mental health patients who have not responded to more conventional clinical care, or to programs currently offered by the community mental health centers.

I am sure the Senator knows that I endorse and support the vital role performed by the community mental health centers. I know that title II of the Mental Retardation and Community Mental Health Centers Act of 1963, as amended, does specify among the services to be provided by such centers, followup care for persons discharged from mental health facilities.

Too often, the centers' broad responsibilities are inhibited by limited budgets. It is difficult for the centers to develop the outreach efforts and flexible programs required to effectively serve the problem clients who repeatedly are in and out of institutions.

Recognizing this problem, a group of Minnesota families, legal counsel, providers and clients of mental health programs organized into a coalition of advocates and drew up a program to provide community-based services to help "revolving door" clients achieve independent living in the community.

When no funding was available from existing sources, the Coalition convinced the Minnesota Legislature to provide direct support of a State pilot project.

A bill was passed and signed by Governor Anderson to designate and fund Sharing Life in the Community—SLIC—a private, nonprofit corporation—as a State pilot project.

SLIC philosophy is similar to a nonresidential program undertaken in Madison, Wis. It reinforces mental health, skills to cope with daily living, and consumer participation.

Mr. KENNEDY. Mr. President, will the Senator yield so that I may request the yeas and nays on passage?

Mr. HUMPHREY. I yield.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. This project and others like it deserve encouragement. The success that this coalition of advocates is demonstrating in integrating into the community clients with a record of repeated institutional care suggests its value as a supplement to existing mental health programs.

Deinstitutionalization is an accepted objective of public policy with respect to both the mentally retarded and the mentally ill. We know from a recent GAO survey that there are serious shortcomings in implementation of this policy. A coalition which fully reflects the interests of all the persons concerned, consumers as well as providers, can be a decisive component of success in achieving this goal. I believe that it may be desirable to amend our legislation specifically to foster advocacy programs for reintegrating the mentally ill into community living, and I hope that we may consider such proposals during hearings on revision of this act to be held later this year.

In the meantime, I believe it is important that the law authorize funding where appropriate to assist such projects to offer both services and technical assistance to groups that are eager to initiate similar advocacy programs. I invite the bill's manager, our distinguished colleague from Massachusetts (Mr. KENNEDY) to comment on his understanding of the possibility of funding such efforts under current law.

I also ask unanimous consent to have printed in the RECORD a report to the Minnesota Legislature of the group in our State known as the Sharing Life in the Community program, a report that was made available just this past year.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT TO THE LEGISLATURE FROM SHARING LIFE IN THE COMMUNITY, INC. (SLIC)

(Prepared by Don Schmidt, Executive Director, and Carol Probst, Research Assistant, with the assistance of all staff members of SLIC, Inc.)

HISTORY AND INTRODUCTION

Last year at this time the State Legislature approved funding for a state pilot project in community-based mental health treatment, aimed at deinstitutionalization of the "revolving door" mental health client. Legislative support was demonstrated unanimously in the Senate and by a 121-3 vote in the House. The bill, S.F. 2032, was signed into law by Governor Wendell Anderson in April 1976. As a result, Sharing Life in the Community, Inc. (SLIC), a private, non-profit corporation, has now been established as the state pilot project providing community-based mental health treatment.

This report has been prepared by the agency's administrators and a staff research assistant to familiarize you with the SLIC treatment approach and to answer your questions regarding progress to date. Research results presented in this report are based on the agency's first four months of client services.

WHAT IS A "REVOLVING DOOR" MENTAL HEALTH CLIENT?

Typically, he or she has been institutionalized three or more times because of mental health coping problems. Unlike the traditional mental health system, SLIC takes a very conservative stand on institutional treatment. Repeated institutionalization experienced by our clients has produced a chronic dependence upon hospitals, board and care homes and other "care-taking" types of facilities.

By using the community, rather than an institution, as the "treatment arena", SLIC aims to break this cycle of re-institutionalization by helping clients to reintegrate themselves into the mainstream of community living.

Clients are referred to the SLIC program by social workers in the participating counties of Dakota, Damsey and Washington. Individuals referred are viewed as among the "most difficult to place and maintain in the community".

HOW DOES THE TREATMENT BEGIN?

Immediately upon entry into the SLIC program, the client is established in an independent living situation in the community, usually an apartment. SLIC community treatment specialists work with the client on a one-to-one basis, modeling appropriate behavior and a "can do" attitude. They give clients direct and immediate feedback, supporting and encouraging positive behavior and ignoring inappropriate behavior. They coach clients in personal care as well as care and upkeep of their own place of residence. They teach the use of public transportation and community resources, facilitate involvement in adult education and recreation activities and instruct clients in budgeting skills.

Using video-tape equipment, staff and clients role-play job interviews and practice working through inter-personal situations in problem areas. Clients thus learn constructive ways to deal with conflict and meet challenges.

Community treatment workers, supported by interns and volunteers, work with clients where they live, where they work and where they socialize.

HOW DOES THE COMMUNITY FIT IN?

The SLIC staff also works with a variety of community people within the client's range of contact.

Parents are advised against "rescuing" clients from the results of poor judgment or inappropriate behavior and are supported by staff in maintaining this stand. Families are encouraged to practice "constructive separation" as the client works through dependency habits.

Supervised by the agency's director of community education, SLC staff works with landlords, employers, police, etc. by advising them to deal with clients in the same manner they would anyone else in the community. SLIC staff supports and assists these community representatives wherever and whenever necessary, which has resulted in mutual goals and exceptional community cooperation.

Clients are held fully responsible for the consequences of their interactions with individuals and the community at large and learn, therefore, from actual experience.

WHAT ABOUT THE SPECIAL PROBLEMS OF "MENTAL ILLNESS"?

SLIC has a consulting psychiatrist and six of the community treatment workers are registered nurses. The program's emphasis on training in community living, however, clearly indicates that the majority of clients problems revolve around basic skills of daily living, rather than the medical treatment of an "illness". The primary focus of treatment is on learning basic "coping skills". These skills are grouped in the following areas:

1. Activities of daily living—personal hygiene, use of transportation, budgeting, shopping, etc.
2. Constructive activity—involvement in paid or volunteer work, school, etc.
3. Leisure time—hobbies, recreation, etc.
4. Family—development of independent, adult familial relationships.
5. Social and interpersonal—development of relationships with friends and the community at large that are adult and responsible.
6. Medical—responsible health care, use of medications and diet.

Focusing on these coping areas has proved to be essential in teaching people the coping skills necessary for independent community living.

HOW DOES THE CLIENT PROGRESS IN THE PROGRAM?

Treatment is based on client "self-help" plans in each of these coping areas, as designed and reviewed weekly in meetings with staff. In addition, staff spend a minimum of 15 one-to-one hours weekly with each client during the first four months of involvement in the program, gradually decreasing their services over the remaining eight months. After one year, clients receive only crisis counseling from staff.

HOW LONG HAS THE SLIC PROGRAM BEEN OPERATING?

Although it was the intention of the Legislature and the understanding of the SLIC Board of Directors that funds would be available for the SLIC program by May 1, 1976, compliance with the Administrative Procedures Act delayed release of the funds until October 25, 1976. In an attempt to minimize delay in program start-up, the SLIC Board of Directors borrowed initial operating funds from Washington and Dakota counties and from the Northwest Area Foundation.

This money was used to organize the agency and to hire and train staff. Initial staff training was concentrated in a five week period and is an on-going element of the program.

Client services began in late August of 1976. Statistical information which follows covers the first 16 clients and the first four months of client services, from August 27, 1976 to December 31, 1976.

PRIOR TO SLIC, HOW WAS THE TYPICAL CLIENT'S TIME SPENT?

From the date of first institutionalization to the time of entry into the SLIC program, clients had a patient/client history averaging 7 years and 8 months. During that time, the typical SLIC client spent 2 years, 8 months and 18 days (991 days) in psychiatric hospital units. Of that total: 83% (823 days) was at state institutions; 9% (89 days) was at county hospitals; and 8% (79 days) was at private hospitals.

In addition, clients averaged another 2 months, 3 weeks and 2 days (84 days) in board and care homes and halfway houses. This represents a total of 39% of the client's life spent in "non-community" settings since the time of first psychiatric placement.

The average client's first institutional placement was at age 18 years, 10 months. The average age at entry into the SLIC program was 26 years, 7 months.

Due to incomplete county records, all of the above figures are conservative.

HOW MUCH DID THESE PRE-SLIC PLACEMENTS COST?

County records of pre-SLIC institutionalization are, without exception, incomplete. The minimum estimate, based on rates quoted by representative institutions, is $51,568.00 per client (current dollars), not including physicians fees or costs of medication.

SINCE ENTERING THE SLIC PROGRAM, HOW HAVE CLIENTS SPENT THEIR TIME?

As a group, SLIC clients have spent: 93.9% of their time living independently in the community; 8.% of their time in jail for misdemeanor offenses; 1.8% in hospital psychiatric units with SLIC approval and 3.1% in hospital psychiatric units without SLIC approval.

The substantial increase in time spent in the community is a significant accomplishment for persons with histories of aggressive dependency upon institutions. Just as institutionalization fosters dependency, community living fosters independence.

Further, since entering the SLIC program:

All clients are involved in assertiveness training and are exhibiting improved self-esteem; 69% of the client population has begun adult education classes; 68% are involved in pre-employment training; 19% are employed; and many are involved in volunteer work.

Our year-end research report will outline more specific involvement in areas such as nutrition, spiritual life, recreation and athletics, which will more adequately define the quality of life that can be attained by formerly institutionalized persons.

WHAT PROBLEMS DO SLIC CLIENTS HAVE WHEN THEY ENTER THE PROGRAM?

The typical client is unmarried and without friends, lacks basic coping skills, and usually comes into the program from a psychiatric placement or board and care home with a box of old clothes and little else to meet the demands of independent living. Our agency finds it necessary to beg contributions of furniture, household supplies and clothing from churches and charity organizations.

The average client is financially dependent upon the welfare system for at least the first six months of the program, having been employed for 78 percent of his or her patient/client history prior to entry into the program.

The average client income, including food stamps, is $215.47 per month. Rent averages $130.00 per month; food $50.00 per month; and utilities, transportation, clothing, recreation and other expenses must all be covered by the remaining $35.47 per month. For this reason, it has been necessary for SLIC to provide the security deposits on apartments.

WHAT PROBLEMS HAS THE SLIC PROGRAM ENCOUNTERED?

Because the SLIC program has no precedent in this state, its establishment presented a major administrative challenge. This was complicated by delays in implementing the Administrative Procedures Act and by red tape at county levels.

State support has also been hampered by insufficient staffing in the Mental Health Program Division of the State Department of Public Welfare. This division, responsible for all non-residential mental health services and for monitoring those services has only two staff members.

SLIC's program has further been hampered by incomplete records on clients kept by county agencies. None of the pre-SLIC case histories from which information was drawn for this report was complete. Information offered SLIC by families and other concerned persons indicate that official records of treatment and institutional placements leave many gaps; therefore, it should be kept in mind that our statistical information on client histories, gathered from official sources, does not reflect the true extent of clients background in institutional settings. While the cause of this inadequate record keeping is probably due to excessively large case loads of most county workers, the confusion is undoubtedly compounded by patterns of frequent re-institutionalization common within the traditional mental health system.

At the same time that the SLIC program was being established at one end of the metropolitan area, a fence was being erected around a building at the state hospital at the other end of the metropolitan area. In view of the potential explosiveness of this situation, the SLIC Board chose to establish a "low profile" in the agency's home community, which hampered its efforts to find employment opportunities for its clients and contributions to the agency.

WILL THE SLIC PROGRAM SAVE MONEY?

SLIC's first year budget, along with the program design, was developed by a fiscally conservative grass-roots coalition of lay and professional mental health advocates. It seriously underestimated (1) costs of establishing the agency, due largely to previously mentioned complicating factors, (2) the rising cost of providing services, and (3) the competitive employment market.

The attached two-year budget reflects a slightly higher and more accurately estimated cost of services. It must be noted, however, that our revised cost of services projection is still substantially lower than the cost of traditional treatment programs.

Projections, based on the Madison forerunner program and our own initial progress data, indicate that 90 percent of our clients will, within the next two years, be established in independent community living on a permanent basis, no longer requiring state-supported institutionalization.

Further, the fact that 19 percent of our clients have obtained employment within their first four months in the program, even though the job market remains tight and in spite of the fact they have been stigmatized as "mentally ill" suggests that many will become productive, tax-paying members of their communities.

CONCLUSION

Client progress during the first four months of services by the SLIC program has exceeded all projections, including our own. There is every indication that figures gleaned after one year of operation will be equally positive. The approach is working for the "most difficult people to place and maintain in the community". Furthermore, the approach is proving to be economically feasible because it is working at a remarkably low cost.

If state supported programs modeled after the SLIC pilot project are developed and expanded, the client population in state institutions can be substantially reduced.

RECOMMENDATION

We recommend that the state pilot project providing community-based mental health treatment be continued for a period of two years, in order to adequately demonstrate the ability of our treatment approach to reduce mental health client dependency upon institutions.

This report has been prepared by Sharing Life in the Community, Inc., 103 Fourth Avenue South, South St. Paul, Minnesota 55075. Reference materials used in the preparation of this report may be obtained through the agency.

SLIC, INC., BUDGET, JULY 1, 1977, THROUGH JUNE 30, 1979

		1977–78	1978–79[1]
52110	Salary—professional (see attached)	$241,888	$256,401
52150	Salary—clerical (see attached)	18,100	19,186
52170	Interns[2] (see last page)	4,000	4,240
52190	Other staff salaries (contractual): Consulting psychiatrist; consultant, nursing; consultant, other	15,180	16,091
52200	Employees health and retirement benefits ($36 mox22)	9,500	10,070
52250	Unemployment insurance at 3.17 percent	8,242	8,737
52300	Payroll taxes at 5.85 percent	15,209	16,122
52400	Professional fees and contract service payments: Moneys to be paid to Dakota County Mental Health Center as reimbursement for acting as fiscal agent	6,600	6,996
52410	Legal fees: To provide a fund for purchase of legal services, should the need arise	770	816
52510	Office supplies: Estimated at a rate of $30 per month for administrative and clerical staff—$2,160; estimated at a rate of $75 per year for field staff of 16 workers—$1,200	3,360	3,562
52520	Building and ground supplies: To provide moneys for purchase of supplies for staff use and maintenance requirements; estimated at $90 per month	1,080	1,145
52545	Program activities: Client support services: To provide "incentive" moneys as described in the proposal, also to provide emergency moneys for food, clothing, housing, transportation; to be issued to staff under their signature and to be accounted for through a system of receipts for the goods and services estimated at a rate of $300 per client, per year	14,400	15,264
52546	Program activities: Community education resource development: to provide moneys to produce a newsletter, a client handbook and provide for audiovisual consultant	1,500	1,590
52590	Other: To provide moneys to cover miscellaneous expenses such as advertising, bank charges, etc.; estimated at $80 per month	960	1,018
52600	Telephone and telegraph: 6 phone service with 4 lines at a monthly rate of $175 to $2,100; estimated need of 12 long-distance calls per month, estimated at a rate of $3 per call—$432	2,532	2,684
52650	Mobile communications: To provide moneys for the rental of a communications system to provide a constant contact between the central office and the workers in the field, at a monthly rate of $125	1,500	1,590
52700	Postage and shipping: to provide the project with adequate moneys to mail approximately 500 items per month at the present postal rate	800	848
52810	Rent of space: To provide moneys for the rental of staff offices in the south suburban area, the need is for 1,500 sq. ft. of office space at the fair market price of approximately $5.50 per square foot. The space would allow for 4 offices, staff meeting room, group room, storage areas, and lavatory facilities	8,400	8,904
52830	Utilities: Gas: $110 per month for 7 mo—$770; electricity: $25 per month for 12 mo—$300; water: $12 per month for 12 mo—$144; disposal services: $20 per month for 12 mo—$240	1,450	1,537
52840	Care of buildings and grounds: Estimated at 8 hr per week at $3.50 per hour	1,456	1,543
52880	Property insurance and taxes	500	530
53100	Outside printing expenses: To provide moneys for all forms for client charting and other recordkeeping requirements; estimated at $250 per month	3,000	3,180
53275	Mileage payments and auto rental—Staff: Estimated at 500 miles a month for each direct treatment staff person at $0.15 per mile	14,400	15,264
53390	Other expenses—employees: To provide moneys for continuing staff education	1,200	1,272
53400	Subscriptions and reference publications: To provide moneys to subscribe to relevant journals and to purchase basic books and pamphlets	1,500	1,590
54310	Purchase of equipment: To provide for needed capital purchases—$1,000; to lease a van to be used to transport donated furniture and household furnishings for clients; estimated at $200 per month (including insurance)	3,400	3,604
54920	Bonding and malpractice and workmen's compensation and vehicle insurance: Bonding and malpractice estimated at $2,000; workmen's compensation estimated at $1,690; vehicle insurance estimated at $100	3,900	4,134
	Total	384,827	407,918

[1] All 1978-79 budget categories increased by 6 percent.

[2] Interns: Agency share of college or university intern work-study program.

SALARY SCHEDULES

Employee by title	1977–78 (10 percent)	1978–79 (6 percent)
Executive director	$17,600	$18,656
Assistant director:		
Community treatment	15,950	16,907
Business management	14,850	15,741
Community education	13,500	14,310
Assistant community treatment coordinator	13,486	14,295
Community treatment specialists II (12 positions, at $11,286)	135,432	143,557
Community treatment specialists I (2 positions, at $10,516 and 1 position, at $10,038)	31,070	32,934
Community treatment secretary:		
P.M	9,900	10,494
A.M	8,200	8,692
Total	259,988	275,586

Mr. HUMPHREY. I ask the Senator from Massachusetts for his comments.

Mr. KENNEDY. Mr. President, the Senator from Minnesota has made an extremely valuable contribution in elaborating on what I understand has been an extremely successful program in his home State.

The community mental health centers legislation mandates that centers provide outpatient services, followup care, and transitional halfway house services. It is essential that our public policy and programs emphasize deinstitutionalization of the mentally ill, where appropriate, and work to prevent repeated returns to mental institutions of individuals by reintegrating them into society. In Minnesota the program described by Senator HUMPHREY has been developed that puts great stress and emphasis on trying to keep people out of the institutions and centers, and, when they are released from the centers, to encourage them not to return by giving them the kind of help, assistance, and support that is so essential.

So I am in strong support of the objectives of the program. I wish to indicate to the Senator from Minnesota that I would welcome the opportunity to contact the Secretary of Health, Education, and Welfare to explore what opportunities currently exist under existing law to see what kind of financial arrangements can be made to fund efforts such as the one in Minnesota.

I applaud the Senator from Minnesota. I think he has recognized an extremely important health issue. I wish to indicate to the Senator my complete and wholehearted cooperation, to give the Senator the assurance that we will at the end of this year or at the latest in the early part of next year, when we consider new authorization and the new legislation, examine in very great detail the experience of Minnesota, and see how we can reflect such an experience in the community mental health center legislation.

Mr. HUMPHREY. I thank the Senator. I wonder if he would be willing to join with me in cosigning a letter to the Secretary of Health, Education, and Welfare requesting an interpretation as to the availability of funds for this purpose under current law.

Mr. KENNEDY. I would welcome the opportunity, and will continue to work with the Senator from Minnesota in this area.

Mr. HUMPHREY. I thank the Senator very much.

EDUCATIONAL STATEMENTS SUBMITTED ON H.R. 4975

Mr. CHURCH. Mr. President, I rise in support of the provision in H.R. 4975, which continues the home health demonstration grant program. As the sponsor of legislation to establish this program, I have had a keen interest in its development.

I also want to commend the Human Resources Committee for maintaining this program at the fiscal 1977 authorization level: $8 million for expansion of existing programs and new startups and $4 million for the training of personnel.

During fiscal 1976, this program funded 56 projects nationwide, totaling $3 million. A similar level is expected for the current fiscal year. HEW estimates that more than 400 qualified sponsors will compete for these limited funds.

For elderly persons, home health can mean the difference between independent living and dependent living. Unfortunately, many elderly persons are inappropriately placed in nursing homes each year simply because home care is not available. In fact, a General Accounting Office survey revealed that 25 percent of all patients were treated in facilities excessive to their needs.

Moreover, the Committee on Aging, of which I am chairman, has heard compelling testimony that home care can be less costly than institutional care—particularly in instances when persons do not require around-the-clock care.

What is needed to insure that these home care needs are met is the expansion of medicare home health benefits. I have advanced legislation to, first, remove the requirement that only "skilled" nursing care or physical or speech therapy would qualify as reimbursable home health services; second, increase the number of reimbursable visits from 100 to 200; and third, broaden medicare coverage to include homemaker services.

However, until such improvements are made in medicare, it will be necessary to develop home health agencies through demonstration grant programs and the funding of home health services under title III of the Older Americans Act.

Therefore, it is of utmost importance that we continue the home health demonstration grant program at a level sufficient to bring home health services into needy communities.

With full utilization of this program, we could progress one step further toward insuring appropriate, cost-effective, and humane care for our elderly Americans.

Mr. TOWER. Mr. President, I would like to go on record in opposition to language in the Senate report on H.R. 4975, which is critical of Secretary Califano's decision allowing Canadian physicians to enter practice in the United States under the same requirements as graduates of U.S. schools.

The Health Professions Educational Assistance Act of 1976 had amended the Immigration and Nationality Act to assure that alien physicians entering this country would be as qualified as graduates of U.S. medical schools. The law required that all alien physicians pass examinations to test their fluency in English as well as their professional competency.

The Department of Health, Education, and Welfare determined that this requirement is unnecessary in the case of graduates of approved Canadian medical schools, since those schools are accredited by the same agency—the liaison Committee on Medical Education—that approves our own. I think the decision was reasonable and beneficial to those many rural communities in the United States that suffer from physician shortages and greatly value the services of the Canadians.

I ask unanimous consent that my letter to Secretary Califano urging the exemption be included in the RECORD to clarify the value of this action.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 22, 1977.

Hon. JOSEPH CALIFANO,
Secretary of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: I understand that you presently have under consideration a recommendation to exempt Canadian physicians from the requirement to take Parts I and II of the National Board of Medical Examiners Examination to qualify for Immigration. I hope you will give this proposal the most favorable consideration possible for the following reasons.

I am, of course, familiar with the finding of the Health Manpower Act that "there is no longer an insufficient number of physicians and surgeons in the United States." However, the legislative history on both the Senate and House sides emphasizes the severe physician maldistribution problem. People will still starve if ample grain is inaccessible in their storehouses, and simply declaring that there is no physician shortage does little to provide health care in deprived areas.

The House report on this legislation was primarily concerned with the quality of health care provided by immigrant physicians. House Report 94–266 states that "all testimony presented to the committee on the issue of FMG's questioned the quality of care provided by graduates of foreign medical schools both in terms of their ability to relate to their patients and their medical competence." The language of the report indicates that restrictions on immigration were desirable to control quality rather than to avoid a potential glut of health care providers in this country. The Senate report asserted that increasing the number of doctors would not improve distribution, which seems to contradict the fundamental economic assumption that services do tend to respond to demand.

In Texas, there were 106 physicians per 100,000 population in 1973. However, since my State is extremely large, there is a critical physician shortage that these figures do not reflect. There are numerous communities that are desperate for physicians. The finding of the Health Manpower Act and the modest encouragement it offers medical students to serve in health manpower shortage areas almost mock that very real need.

Exempting Canadian physicians from the National Boards would do a great service to my State and all of the others in similar predicaments. Canadian physicians do not have the language barrier of most other nationalities, and their medical schools are accredited by the same governing board as our own. These facts would enable them to relate to their patients here and would guarantee the degree of professional competence we desire. In addition, the fact that they are comfortable with our language and our culture makes them much more likely to choose to serve in areas where there is the greatest need rather than in the large cities where they would find more immigrants of their own origin.

In conclusion, the proposed exemption seems to be a valuable and reasonable addition to a comprehensive solution to the problem of physician maldistribution. Many States like my own would welcome these professionals into numerous communities that have direst need of their services, and I hope they will have the opportunity to do so.

Sincerely yours,

JOHN TOWER.

Mr. KENNEDY. Mr. President, I know of no further amendments. I ask the Senator from Pennsylvania whether he knows of any further amendments. If he does not, then I am willing to yield back the remainder of my time and proceed to a vote.

Mr. SCHWEIKER. Mr. President, I know of no further amendments. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 4975.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

I also announced that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from California (Mr. HAYAKAWA), the Senator from Maryland (Mr. MATHIAS), the Senator from Kansas (Mr. PEARSON), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 92, nays 1, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—92

Allen
Anderson
Baker
Bartlett
Bayh
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chafee
Chiles
Church
Clark
Cranston
Culver
Curtis
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Eastland
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart
Haskell
Hatch
Hatfield
Hathaway
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Lugar
Magnuson
Matsunaga
McClellan
McClure
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Scott
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Talmadge
Thurmond
Tower
Wallop
Williams
Young
Zorinsky

NAYS—1

Proxmire

NOT VOTING—7

Abourezk
Goldwater
Hayakawa
Mathias
Morgan
Pearson
Weicker

So the bill (H.R. 4975), as amended, was passed.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the title.

The amendment was agreed to.

The title was amended so as to read:

A bill to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services; hypertension programs; migrant health; community health centers; medical libraries;

cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute, National Research Service Awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend the assistance programs for home health services; and for other purposes.

Mr. KENNEDY. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon; and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Moynihan) appointed Mr. Kennedy, Mr. Hathaway, Mr. Pell, Mr. Nelson, Mr. Javits, Mr. Schweiker, and Mr. Chafee conferees on the part of the Senate.

FIRST BUDGET RESOLUTION, 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 19, which the clerk will state.

The legislative clerk read as follows:

A resolution (S. Con. Res. 19), setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield myself 1 minute.

Yesterday, the distinguished Senator from Virginia raised questions about the increase in outlays from fiscal 1977 to fiscal 1978. That amount is $50 billion. There was some discussion of the reasons why that increase took place. I ask unanimous consent that a table identifying the sources of that increase be printed in the Record at this point for the enlightenment of Members of the Senate.

There being no objection, the table was ordered to be printed in the Record, as follows:

Explanation of $50 billion increase in outlays between fiscal year 1977 and fiscal year 1978

(Billions of dollars)

	Outlays
Fiscal year 1977 outlays as proposed in Budget Committee Amendment to Senate Concurrent Resolution 19	408.8
National Defense:	
Weapons development and procurement	+6.3
Operation and maintenance	+3.6
Military retired pay and pay raises for active personnel	+1.3
Other (primarily military assistance and ERDA defense activities)	+1.5
Total	+12.7
Social Security	+8.1
Public service jobs, youth employment, and other employment training programs	+4.6
Medicare	+3.4
Medicaid	+1.2
Energy programs	+2.5
Interest	+5.0
Transportation programs	+1.4
Local public works program	+2.1
Education programs	+.9
Federal employee retirement	+1.6
Unemployment compensation	−2.0
Other income assistance programs	+1.1
Veterans programs (primarily compensation, pensions, and readjustment benefits)	+1.7
Mortgage credit and thrift insurance programs (reflects greater sale of assets in fiscal year 1977 than in fiscal year 1978 rather than program changes)	+3.4
All other programs, net	+2.3
Fiscal year 1978 outlays as proposed in Senate Concurrent Resolution 19 as reported	458.8

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I have an amendment that I would like to have considered.

TIME LIMITATION AGREEMENT

Mr. MUSKIE. Will the Senator yield for just a moment?

Mr. JAVITS. Yes.

Mr. MUSKIE. Mr. President, there are three amendments which I know are going to be considered, one by Senator Javits and Senator Humphrey, one by Senator Proxmire and Senator Brooke, and one by the distinguished Senator from California (Mr. Cranston).

I ask unanimous consent that there be a time limitation of 15 minutes on the Javits-Humphrey amendment, to be equally divided; a time limitation of 1½ hours on the Proxmire-Brooke amendment, to be equally divided; and a time limitation of 1 hour on the Cranston amendment, to be equally divided.

It is my hope that we shall be able to yield back some of this time and that a vote can take place on the two amendments. I ask unanimous consent that the two amendments be placed back to back for the purpose of votes at the expiration of the three time agreements which we are talking about. That ought to be between 4 and 5 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, I suggest that the Senator from Maine give 15 minutes to us and 5 minutes to the other side. That is the way it will work out.

Mr. MUSKIE. I modify my request in accordance with the Senator's suggestion.

Mr. RIBICOFF. Mr. President, will the distinguished Senator from New York yield 2 minutes for a colloquy with the Senator from Maine, in which he is ready to respond immediately?

Mr. JAVITS. Mr. President, I ask unanimous consent that my time be expanded by 5 minutes so I may yield 5 to the Senator from Connecticut.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the Senator's request concerning time limitation is still pending, is it not?

The PRESIDING OFFICER. That request is still pending.

Mr. ROBERT C. BYRD. Reserving the right to object, and I shall not object, could we also include a provision, for the protection of committees which have scheduled lengthy hearings and markups today, that no rollcall votes occur before, say, 4:15 this afternoon?

The PRESIDING OFFICER. Is there objection? There appears to be none. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, just to clarify it.

As I understand it, the unanimous consent is 20 minutes to me, 5 minutes to the opponents, that is, the managers of the bill, of which I am yielding 5 minutes to the Senator from Connecticut.

Mr. RIBICOFF. I thank the Senator very much.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I have a question for the distinguished chairman of the Budget Committee. My question concerns the budget authority for health matters and the President's new child health initiative which I introduced last week and which Senators Kennedy, Hathaway, and Magnuson cosponsored.

The President's first major health message to Congress last Monday included several new health initiatives. Among these was a child health assessment program. This program extends medicaid eligibility to certain categories of poor children not covered. It also expands and improves the current medicaid program for early and periodic screening, diagnosis, and treatment of all poor children.

Health care for these poor but categorically ineligible children has been a concern of mine for a number of years. In 1967 I offered an amendment—which was incorporated into the law—authorizing States to cover these children in their medicaid program. Despite the slow implementation of the screening, diagnostic, and treatment program, today 16 States provide coverage to these children. I am especially pleased to note that a key element in the President's new program is the mandatory coverage in all States of all poor children under the age of 6.

In comparison with the overall medicaid budget for fiscal year 1978, this initiative is cheap. The administration estimates that it will cost a total of $180 million next year. Sixty million dollars of this will go for expanded coverage for currently eligible children; $48 million for extending care to poor children not currently eligible for needed treatment currently eligible; $27 million for guaranteeing that all children will be eligible for needed treatment for at least 6 months after they are screened; $20 million for increased administrative expenses; and $25 million for additional or expanded community-level centers—especially new rural health centers.

I believe this to be a good initiative. My question for the distinguished Senator from Maine concerns this child health assessment program in the context of the budget resolution. The administration was prepared to support an amendment to the budget resolution to allow for this program. However programs of this size and scope are not specifically addressed in the concurrent resolution. Is it the view of the chairman of the Budget Committee that there is enough room in the resolution's current health totals to accommodate this child health proposal?

Mr. MUSKIE. Mr. President, I say to the distinguished Senator that the answer would be as follows:

Our recommended budget totals for the health function could accommodate this legislation. The amounts involved in the budget are $48 billion in budget authority and $44.4 billion in outlays.

Now, the distribution of these funds will depend on the priorities of the Finance and Appropriations Committees.

The crosswalk of budget totals between Finance and Appropriations will not be developed until after the conference between the House and Senate on the Budget Resolution.

Regardless of preliminary crosswalk decisions, if the Appropriations and Finance Committees agree that this is a desirable program, the committee allocation of funds can be worked out accordingly.

Mr. RIBICOFF. Then, in other words, the committee's first resolution estimates within the total do not preclude any legislative action on the part of the Senate committee?

Mr. MUSKIE. But those two committees will have to act positively to implement it.

Mr. RIBICOFF. That I understand. I thank the Senator, the chairman, very much.

Mr. MUSKIE. I thank my good friend from Connecticut.

Mr. RIBICOFF. And I thank the Senior Senator from New York.

AMENDMENT NO. 249

Mr. JAVITS. Mr. President, I call up my amendment No. 249 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and Mr. HUMPHREY, proposes an amendment numbered 249.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 7, strike out "$458,800,000,000" and insert "$459,300,000,000".

On page 1, line 9, strike out "$497,400,000,000" and insert "$497,900,000,000".

On page 3, line 21, strike out "$27,100,000,000" and insert "$27,600,000,000".

On page 3, line 22, strike out "$27,000,000,000" and insert "$27,500,000,000".

Mr. JAVITS. Mr. President, I yield myself 3 minutes.

What this amendment proposes to do is to increase function No. 500 to allow $27.6 billion in budget authority and $27.5 billion in outlays, thereby increasing the amounts recommended by the Budget Committee by $500 million.

Mr. President, the case for the amendment is simply that we are going to pass a target youth employment bill. We have agreed upon the essence of that bill with the administration. It is one of the real triumphs of congressional-executive collaboration.

My colleagues, Senator DOMENICI, Senator McCLURE, Senator BELLMON, all of whom offered bills of the same character, have cooperated and worked in the same vineyard.

Senator HUMPHREY and I collaborated on a bill, which is also a critically important element in a youth package, to wit, the question of in-school youth and how to deal with them.

The total package cuts $2.5 billion, and the Human Resources Committee asked the Budget Committee to provide $2.5 billion. The Budget Committee provided $2 billion.

Now, with 20 percent of youth unemployed in the age bracket 16 to 24 and with half the aggregate unemployment in the country of young people 16 to 24, this makes the strongest possible case for targeting. But in order to target, we need the money and this is the first step in that process.

So we are seeking our proper remedy, which is to get the necessary money to do the job. That is what this amendment is all about, Mr. President.

Now I yield 5 minutes to my colleague from Minnesota (Mr. HUMPHREY), who has been a traditional and in this case, again, a tremendous leader in this effort.

Mr. HUMPHREY. I thank the Senator from New York.

Mr. President, I am very pleased to join Senator JAVITS as cosponsor of the budget resolution amendment before the Senate—amendment No. 249. As he has pointed out, this amendment seeks to add $500 million in both budget authority and outlays for fiscal 1973 to the budget totals for function 500—"education, training, employment, and social services." The purpose of the amendment is to make more funds available for youth employment programs.

My good friend, Senator JAVITS, and I have had a long and fruitful working relationship on youth employment legislation. On January 11, we joined together to introduce S. 170—the Comprehensive Youth Employment Act of 1977—much of which was adapted in the administration's Youth Employment and Training Act, S. 1242, which is currently before the Human Resources Committee. To fill in gaps in S. 1242, Senator JAVITS and I joined together to submit amendment No. 184, which adds work-study and counseling programs which were unfortunately omitted from the administration's bill. Today, we are joining together again to assure that sufficient funds are available for the youth employment programs that will be enacted this year.

Our amendment will increase the budget authority and outlay levels for "CETA titles I, III, IV, and new youth employment initiatives" from $4.1 billion, which is what the Budget Committee targets, to $4.6 billion. We believe that the severity of the youth unemployment problem requires that we at least continue our current policy commitment to these CETA titles and new youth employment programs, and our amendment would do that. In addition, our amendment would bring outlays for these programs up to the level recommended by both President Carter and the House Budget Committee, and would fully fund the new youth employment programs created under the Youth Employment and Training Act.

We believe it would be a serious mistake at this time to underfund youth employment programs. In March, teenagers 16 to 19 years old had an unemployment rate of 18.8 percent, while young adults 20 to 24 years old had an unemployment rate of 11.4 percent. By comparison, the unemployment rate for adults 25 and over was 5.1 percent. Among black teenagers, the unemployment rate in March was 40.1 percent and, in many of our central cities, disadvantaged youth have been experiencing an unemployment rate that exceeds 60 percent.

As a result, there are more than 3.4 million youths in this country who are ready, willing, and able to work but who have been denied jobs.

This is a national tragedy and an unconscionable waste of one of our Nation's most valuable resources. Almost every teenager and young adult I have met wants desperately to work and to be accepted as a productive and useful member of our society. They want jobs, they want to be productive, they want to earn their way, they want to be given a fighting chance.

Unemployment cheats them out of all this. Joblessness tells our young people that there is no productive role for them. It tells them that they will have to wait—often for years—before we will admit them to adulthood, years before they can earn their own income and become contributors to our national economic life.

Full funding of a youth employment program will be an excellent investment in the future of our country, because the personal, economic and social costs of youth unemployment are enormous.

If we do not move swiftly to provide jobs and training for our youths today, we may well end up in the 1980's and 1990's not only with a serious youth unemployment problem, but with a whole generation of middle-age Americans who have little or no job skills and who will need very expensive rehabilitation to become productive and self-supporting workers.

In addition, youth unemployment is a major source of crime. In 1973, the latest year for which we have comprehensive figures, 75 percent of arrests for serious crime involved youth under the age of 25. Youth made up 75 percent of those arrested for arson and for robbery, and

85 percent of those arrested for vandalism, for burglary, and for auto theft. There is no way that we can reduce or eliminate crime in this country until we solve the problem of youth unemployment.

The most direct and rapid way to alleviate youth unemployment is through the creation of specially targeted youth employment programs, and the Youth Employment and Training Act does just that. The 200,000 jobs that would be created for youths under this act if it is fully funded is only a drop in the bucket when there are 3.4 million youths unemployed, but it is a beginning toward a comprehensive and effective youth employment program.

If the Senate goes along with the Budget Committee's recommended slowdown in outlays, the effect may well be to encourage prime sponsors—who are going to have enough troubles implementing the new title VI jobs projects—to drag their feet in implementing youth jobs. I do not think we should give them that kind of excuse for going slow. Let us show them that the Senate of the United States is serious about the need to reduce youth unemployment by increasing our budget targets for these programs and by telling the prime sponsors that we expect them to use this money as swiftly as possible.

In addition, our amendment would restore some of the economic stimulus that was lost when the tax rebate was withdrawn, and it would help us achieve the economic growth and unemployment goals which the Budget Committee itself proposed in its report. The overall outlay and revenue targets set in the first concurrent resolution were arrived at by assuming that the rebate and other jobs programs would be enacted and started up swiftly, so that they would have a beneficial effect on the economy by the end of this year. The withdrawal of the tax rebate combined with the actual shortfall in spending that has occurred so far in fiscal 1977 makes the fiscal 1978 budget less of an engine for economic growth than the Budget Committee initially assumed it would be. This unfortunate gap in the budget resolution will produce slower economic growth this year and next, and less progress on unemployment. We believe that these circumstances are good reasons for expanding, and not cutting back, youth employment and training programs. We feel that there is sufficient justification and room in the fiscal 1978 budget for an increase of $500 million in the function 500 budget authority and outlay targets, to permit adequate funding for our youth employment programs.

Mr. President, the Joint Economic Committee conducted 2 years of study on the problem of unemployment, with particular reference and emphasis to youth unemployment.

I joined with Senator Javits early this year in a bill to provide a comprehensive youth employment program, and as the Senator has stated, there were several other such proposals. We finally combined them into one proposal which received administration support. But I must say that proposal itself was not anywhere near adequate to the size of the task.

The major employment problem in America today is the employment of our young people. Fifty percent of all the unemployed in America today are between the ages of 16 and 24.

This Senate should now know that this is a tragic waste of human resources. It is in this period of time, between the ages of 16 and 24, that the possibilities for learning work skills are at their best. It is in this period in the life of a man or a woman that they are most productive. Yet it is at this particular period of 16 to 24 in which we have the largest number of unemployed.

If we could get our young people employed, our adult unemployment would go below 5 percent.

We have simply got to take some action. It is only fair to say that the private sector is not absorbing these young people because, first of all, most of them have had no work training, they have little or no work skills or work discipline, and they need to be brought into some forms of constructive employment at a local, community, State, and Federal level.

With work in private industry, that may require some supplemental assistance from the Government so that we begin to get the productive good that these youths can provide to this Nation.

Unemployment among our young people robs them of a great period of their life and robs the Nation of hundreds of billions of dollars of production.

I hope and pray that the amendment of the Senator from New York can be adopted. I have joined him as a cosponsor. I think that our amendment will restore some of the economic stimulus we lost recently. We are going to need it.

But economic stimulus or not, if this Senate wants to come to grips with the youth crime problem—and that is a question, I am not sure they do, as a matter of fact, I have been here long enough to think we have become accustomed to it—but if we want to come to grips with the problem of youth crime, we better come to grips with the problem of youth unemployment.

We have incontrovertible evidence, beyond shadow of doubt, that as you reduce the number of young people unemployed, you reduce the number of people in crime.

It costs between $8,000 and $10,000 for every youth offender who is apprehended and is incarcerated. Even for those who are not incarcerated, the costs are phenomenal for social rehabilitation.

So what do we do? We have public works programs in America building jails for young people; 80 percent of all the crime in America is committed by young people between the ages of 16 and 24.

So I beg of the Senate to be realistic and quit hiding our heads in the sand and pretending that this problem does not exist.

This country is not going to go bankrupt because it puts young people to work. If private industry can put them to work, all the better. However, every witness from private industry who has testified before any committee in Congress has said that these young people do not have the work skills, the work training, in order for them to be accepted into the employment force at this time.

So I hope and pray that the committee will see fit to accept the amendment.

Mr. JAVITS. Mr. President, I yield 3 minutes to the ranking member of the Budget Committee.

Mr. BELLMON. I thank the distinguished Senator from New York.

Mr. President, as a supporter of youth employment legislation, I am highly sympathetic to the amendment which would increase budget authority in the 500 function to allow for an increased fund.

There is a problem here, in that authorizing legislation for a comprehensive approach to youth employment is not yet in place. We all realize that we are working on such legislation; but up to now it has not become law, and this presents problems.

Also, the fact is that the carryover for youth incentives from the 1977 fiscal year budget will be close to a billion dollars. I hope the Senator from Minnesota realizes that we have a billion dollars left over—or will, at the end of this year—in funds that will be unutilized in this function. This is due to the timing of a stimulus supplemental appropriations bill. The bill came too late to get the programs in place and to have the money utilized. That, plus the substantial allowance for youth and other CETA programs, appears to be the maximum amount that the system can use in fiscal year 1978. So there seems to be plenty of money provided already.

Further consideration of the budget authority level and the appropriate estimate for outlays can be made at the time of the second concurrent resolution for fiscal 1978 and the first resolution for fiscal 1979.

I wish to make clear, as the Senator from New York knows, that the minority members of the Budget Committee—for whom I speak generally—have been highly supportive of such legislation. We all realize that this is a major problem, that an investment here probably would be as fine as any we could make with the Federal funds that we have available.

I fully expect the committee to continue to look favorably upon youth employment legislation and to make available whatever funds realistically can be utilized for this purpose.

Mr. JAVITS. Mr. President, I yield myself a half minute just to say that Senator Bellmon has been one of the outstanding leaders in our effort in agreeing with the administration in this respect, and so have Senator Muskie, Senator McClure, Senator Domenici, and Senator Humphrey.

So these assurances are critically important, and we are very grateful for them.

I will yield to Senator Domenici and Senator McClure, and then perhaps the Senator from Maine (Mr. Muskie) will conclude.

I yield 3 minutes to Senator DOMENICI.

Mr. DOMENICI. Mr. President, I appreciate greatly this opportunity to talk with both Senator HUMPHREY and Senator JAVITS.

I believe that everything they have said about the problem we have in our country with youth not having opportunity to find employment and to do useful things is recognized in this budget resolution.

In fact, it is to the credit of people such as Senator HUMPHREY and Senator JAVITS and many other Senators that this resolution includes an outlay figure for youth unemployment that is $2 billion in 1978.

I do not think that means that we have hidden our heads in the sand. Quite to the contrary, with no program in place, we have shown our concern by a rather large program funding level, $1 billion of which would be carried over from 1977 and $1 billion that this committee has approved, without seeing a new program, but knowing full well that there is tremendous support in this institution for such a program. In a year when we do not want to start new programs, we have made very few exceptions, but herein the exception is real and the exception is significant in terms of dollars. In a sense, we have done that for the future, hoping that programs of the type we have been told about will find themselves in the new youth program that we work out with the administration.

Judging by the previous experience with programs such as CETA, I would say that the $2 billion that we ended up with, number one, will result in an enormous amount of funding and will do a tremendous amount of good and, if the programs are prepared properly, will make at remendous impact on the social problem about which Senator HUMPHREY has spoken.

Second, from my standpoint—and I think the Budget Committee in its deliberations, and perhaps our two leaders will concur in this—we felt there was no way that we could get into the field, into the hands of the prime sponsors, and ultimately into the pockets of our young people, and the private sector sponsors and public sponsors, more than $2 billion in 2 years. If it turns out that that rather generous assumption is in error and that more is needed, I concur with our minority leader that there is ample time in the reconciliation process between the first resolution and the second resolution to adjust.

It is absolutely imperative that those who are sponsors in the committee understand that our motives are to assist them in this regard, that our notions are complementary. We have worked with them. We hope that the administration and the authorizing committee will come up with that kind of package for them, which uses the prime sponsors that are in place but adds the private sector as a potential training and employment ground for CETA use of its money and its expertise. If that is put together, then I think the $2 billion is safe. If more is needed, it seems to me that between the first and second concurrent resolutions they will have an easy time convincing us.

Mr. JAVITS. I thank my colleague very much.

Mr. President, I yield 3 minutes to Senator MCCLURE.

The PRESIDING OFFICER. The Senator has only 2 minutes remaining.

Mr. JAVITS. I think Senator MUSKIE will yield some time.

Mr. MUSKIE. I am glad to yield.

Mr. McCLURE. Mr. President, I thank the Senators for yielding this time.

I associate myself with the remarks made by each of the speakers preceding me, with only two or three additions.

I agree with Senator HUMPHREY that it is tragic that we spend money in public works to build jails for young people, instead of trying to keep young people out of those jails.

Had I had my way, I would have taken some of the money from the public works appropriation and put in additional money and funding for the youth program.

That is the problem with a budget process that forces us to focus on priorities, and we always have that problem. That is why the budget process is there. But we cannot turn our back on 3.6 million unemployed young people in this country.

We cannot ignore the social, political, and economic problems that are caused by the strategic waste of lives by these 3.6 million young people who are unemployed, and many of whom are nearly unemployable. We must find ways to assist in that, and I pledge myself, along with my colleagues on the Budget Committee, to continue our efforts to find room within the budget to expand this program, and I will support in every way I know how the effort to get that done.

I want to underscore, too, what my colleague from New Mexico has said about a CETA program being expanded to include the private sector because I as you, Senator HUMPHREY, believe that we must involve the private sector if we are going to move these young people from unemployment rolls to permanent employment rolls. This can well be the bridge that will lead to that direction.

Mr. President, I am proud to join with my colleagues in this effort. I have prepared a statement which I would like to make at this point.

The 3.6 million unemployed youth in this country make up a disproportionate share of the unemployed. Youths make up nearly 50 percent of all unemployed persons. I agree with my colleagues that we must take immediate action to authorize and provide funding for youth employment programs.

As the sponsor of S. 503 and a supporter of the administration bill which includes portions of S. 503 as well as S. 170 which was introduced by Senator HUMPHREY and Senator JAVITS, I want to note that it appears that we have substantial agreement among the Senators on the floor that youth employment legislation must be a high priority for the Senate.

I feel that the level of funding provided for youth in this first budget resolution is appropriate for the present time. However, I, too, want to express my continuing commitment to youth employment programs.

I thank the Senator for yielding at this time.

Mr. MUSKIE. Mr. President, I think the case has been eloquently and effectively put by all of the speakers. I compliment my good friends, the Senator from New York and the Senator from Minnesota, for taking the leadership in pushing for these youth employment programs.

At the beginning of this year we were in something of chaos with seven different legislative approaches having been introduced. Fortunately, that has been put together and we are in the process of developing a policy to which we can all subscribe.

The members of the Budget Committee have clearly committed themselves to the support of this objective. When you can get the support of Senators BELLMON, MCCLURE, and DOMENICI, and the Budget Committee, with an objective of this kind, you have got to assume you have almost unanimous Budget Committee support.

So I have no fear that we will find the way to achieve our objective, and we will not be spending this money between the first and second resolutions this year, but we will be reassessing the needs as the legislation develops and comes to the floor.

So I would like to add my assurances to my good friends' from the Budget Committee.

Mr. JAVITS. That is what I want, your assurances in addition to theirs which, I think, are very satisfactory to Senator HUMPHREY and myself.

In view of the fact that all of the Senators mentioned have themselves been active participants in this same struggle, I would be prepared, with Senator HUMPHREY's concurrence, to withdraw the amendment based on these assurances.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes, I yield.

Mr. HUMPHREY. I want to join in that decision. I do compliment the Budget Committee. I think Senator DOMENICI's comment was most appropriate.

I know there has not been an authorization, and I know the legislative committees have not as yet moved to a point of decision on youth employment programs. I compliment the Budget Committee—Senator BELLMON has spoken here today, Senator DOMENICI, Senator MCCLURE, and you, Mr. Chairman—on your foresight, and I thank you for what you have done. I understand that if it is needed in the second concurrent resolution we can make whatever adjustments are required. But there is, to my understanding, $2 billion, with $1 billion that is a carryover, plus the extra $1 billion you have in your budget resolution, available for these programs.

Mr. MUSKIE. I might add to that, Senator, that in the CETA program there is $0.5 million which the President plans to target on youth unemployment, as well. Of course, it will not be available to fund the particular program the Senator is interested in, but it is another evidence of our concern and our support.

Mr. HUMPHREY. It is my understanding this amount in the Budget Committee's report is better than the administration itself proposed in terms of the total program.

Mr. MUSKIE. That is correct.

Mr. HUMPHREY. I want to compliment the Senator and to thank him.

Mr. MUSKIE. I yield back the remainder of my time.

Mr. McCLURE. Mr. President, will the Senator yield on the last point?

Mr. MUSKIE. Yes.

Mr. McCLURE. It is substantially above the administration's request, and again a sign of the determination of the Budget Committee to move forward in this direction.

ADDITIONAL STATEMENT SUBMITTED

Mr. HUMPHREY. Mr. President, after receiving the distinguished Budget Committee chairman's assurances that he will keep a close scrutiny over the progress of our youth employment programs and that he will recommend an increase in budget authority and outlays for youth employment in the second resolution if the situation warrants, I join with Senator Javits in withdrawing our amendment No. 249. I think we have a very strong commitment from Senator Muskie and Senator Bellmon to our Nation's young people, and I want to commend the Senator for his concern and flexibility on the issue of providing our youths with the jobs and training they desperately need and so richly deserve. I know that the other members of the Budget Committee on both sides of the aisle are equally committed to the job needs of our young people.

My main concern is to see that the youth employment programs to be carried out under the Youth Employment and Training Act next year are well funded, so that we can provide the maximum possible number of jobs for our young people. There are 3.5 million unemployed youth, and each one of them deserves all the help we can provide. So, Senator Javits and I will continue to pursue our efforts on behalf of youth employment legislation, and we will continue to work with the Budget Committee on developing an appropriate level of budget authority and outlays for youth employment in the second concurrent resolution.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER (Mr. Moynihan). Without objection, the amendment is withdrawn.

UP AMENDMENT NO. 189

Mr. PROXMIRE. Mr. President, I call up an amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. Proxmire), for himself, Mr. Brooke, Mr. Sparkman, Mr. Mathias, Mr. Church, Mr. Cranston, Mr. Gravel, Mr. Hatfield, Mr. Hathaway, Mr. Heinz, Mr. Humphrey, Mr. Javits, Mr. Kennedy, Mr. Leahy, Mr. Packwood, Mr. Matsunaga, Mr. McGovern, Mr. McIntyre, Mr. Metcalf, Mr. Morgan, Mr. Pell, Mr. Ribicoff, Mr. Riegle, Mr. Sarbanes, Mr. Weicker, Mr. Williams, Mr. Case, Mr. Metzenbaum, Mr. Melcher, Mr. Randolph, Mr. Percy, Mr. Zorinsky, and Mr. Culver proposes an unprinted amendment numbered 189:

On page 3, line 17, strike out "$7,600,000,000" and insert in lieu thereof "$8,100,000,000".

Mr. PROXMIRE. Mr. President, this amendment is part of an amendment I intend to offer, but it has been indicated that there would be a division requested of the two parts, so I am asking for only one part to be considered now and the other part will be considered immediately after we dispose of this amendment. This amendment deals with the funds for community development.

Mr. President, this amendment cosponsored by 35 other Members, would restore to the budget resolution being considered today funds for housing and community development requested by the administration in its budget for fiscal year 1978.

The Budget Committee, in proposing Senate Concurrent Resolution 19, cuts from the President's budget over $6 billion in budget authority for housing, and $500 million in funding for the community development program.

This action was taken despite recommendations by both the authorizing and the Appropriations Committees of the House and the Senate, the Budget Committee of the House, OMB, that the administration's request be given favorable consideration. It was taken, we believe, without full understanding of the impact that the cutbacks would have on the housing and community development programs that the new administration proposes to carry out.

The new Secretary of HUD, Mrs. Patricia Harris, testified before the Banking, Housing, and Urban Affairs Committee on April 19, that the cuts would virtually destroy the new administration's efforts to give new direction to the community development program which now serves 5,000 cities and counties throughout the Nation and, more particularly, to revitalize the major cities of the Nation which are now seriously distressed.

In a letter written to me last week, Secretary Harris indicated again her deep concern about the action taken by the Budget Committee. I ask unanimous consent that her letter be printed in the Record so that all Members will be informed of her views.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Secretary of Housing
and Urban Development,
Washington, D.C., April 21, 1977.

Hon. William Proxmire,
U.S. Senate,
Washington, D.C.

Dear Senator Proxmire: Thank you for your inquiry regarding our position on your proposed amendment to the First Budget Resolution which would restore the full amounts cut by the Senate Budget Committee from the President's request for the Department of Housing and Urban Development for Fiscal Year 1978.

I am pleased to have this occasion to make unequivocally clear the Administration's enthusiastic support for your efforts. We urge that the full amounts that were cut be restored in order to permit this Department to carry out its statutory mandate to provide critically important assistance to our urban areas and to help house those who are unable to house themselves adequately.

We regard the reductions in community development funds and in funds for assisted housing in equal concern. Our community development program cannot properly be viewed as a countercyclical tool for which public works or CETA funds may be regarded as an adequate substitute. On the contrary, the community development program is an ongoing effort addressed at a basic human need—the need for viable urban communities—which may be supplemented, but not replaced by the other programs.

Equally fundamental is the right, established by Congressional enactment as well as by a common sense of decency and justice, of all of our citizens to decent, safe and sanitary housing. We are a long way from our goal of providing adequate housing for all Americans, but I believe the President's proposal for Assisted Housing for Fiscal Year 1978 is an essential step in that direction, and one which this Department has both the determination and the capacity to carry out. Unless the Budget Committee's proposed cut in Assisted Housing funds can be reversed, our efforts to revitalize this program, which has languished under the prior Administration, will suffer a serious setback.

We greatly appreciate your interest in, and support for these vital programs. If there is any further information or assistance that I can provide, please call upon me.

Sincerely,

Patricia Roberts Harris.

Mr. PROXMIRE. Mr. President, I also neglected at the beginning of my statement to ask for this: I ask unanimous consent that various members of the staff of the Subcommittee on Housing and Urban Affairs be permitted access to the floor: Jo Ann Barefoot, Michael B. Barton, Tom Brooks, James Schuyler, Jeremiah Buckley, and Robert Malakoff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA addressed the Chair.

Mr. PROXMIRE. I will yield to the Senator from California for a unanimous-consent request.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that Jan Olson of my staff have the privileges of the floor during the debate this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, with respect to community development, it is argued by some members of the Budget Committee that a cutback in community development funding of $500 million would not be noticed because other programs—such as temporary public jobs, countercyclical revenue sharing, water and sewer grants and public works—are being funded. Local governments have received large funding increases, it is contended, and are able to use their funds interchangeably.

Mr. President, that is not what we on the Committee on Banking, Housing, and Urban Affairs have heard in testimony from the mayors and other local officials of the country. Nor is it what the members of the other relevant committees have heard. The cities and counties and towns of the Nation have over and over again urged us to provide increased assistance for housing, for community facilities, and for supportive services because they have no alternative sources of funding. They have pointed to objective statistics that clearly reflect the neglect of our urban communities where the great majority of Americans live. While the neglect is most apparent in the larger older cities of the Nation, it can also be seen in smaller cities throughout the country.

The community development program has provided a new impetus to rebuilding our cities and urban counties. It has particularly led to a revival of interest in preserving our housing stock and neighborhoods. The program has become a keystone in the rebuilding program of local officials. Reauthorization of the community development program is, this year, a high priority of the National League of Cities, the Conference of Mayors and the National Association of Counties. They have called this year for a special action program to reclaim areas that, because of past neglect, are beyond the reach of the assistance programs currently authorized. The administration has responded to their call, and the Banking, Housing, and Urban Affairs Committee is now considering a new legislative proposal to provide aid to severely distressed urban communities.

As a matter of fact, Mr. President, just this morning we had a markup session. It was a very lively session; but to the best of my knowledge all members, certainly all members who were there, did support the level of funding in the community development that we have now. In fact, there was an effort on the part of members to increase the community development funds beyond the request of the administration. That was resisted.

The new proposal is closely linked to the existing block grant program. Any reduction in the program authorization would very clearly affect cities and counties throughout the country adversely. It may be said by some that the proposed cutback would only affect the new special action initiative. This is, however, not the case.

The Secretary has indicated that she would not eliminate the urban development action grant program if the total budget authorization were lowered, but would, instead, very likely make some reductions in the regular block grant program. She would take this course reluctantly, but out of necessity, in light of the priority this administration has given to implementing a new urban policy.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CHILES. Will that be her discretion to make or would that be up to Congress to decide whether the urban action program would be eliminated if the funding were not there? I did not realize the Secretary had that discretion to make that kind of decision. It is kind of amazing to me that she had such discretion.

Mr. PROXMIRE. Of course, that would depend on the form which the legislation takes. That legislation is being acted on now, as I say, by the Committee on Banking, Housing, and Urban Affairs. It has not reached the floor. It has not passed the House of Representatives. But in its present form she would have discretion. It may be modified.

Mr. CHILES. As of now, then, when she writes letters to all the communities, which she has been doing, saying that their program might be affected, that is not correct, is it, because that legislation has not passed and she does not have that discretion right now even?

Mr. PROXMIRE. No. However, I think she has a right and duty to inform Congress on how she would act if the legislation were passed.

Mr. CHILES. If she were given that authority——

Mr. PROXMIRE. The Senator from Wisconsin has the floor. Let me finish my statement.

She indicated how she would act if the bill should pass and if the initiative taken by the Budget Committee on the proposal by the Senator from Florida should become the law.

Mr. CHILES. I did not hear that caveat in any of the statements that the Senator from Wisconsin made, nor have I heard that caveat in any of the replies that I have gotten from all of my cities that have been alarmed by the statements of the Secretary. I do not believe she made that caveat to anyone, and I think she failed to let anyone know that if she has that discretion, if Congress then passes the urban action program over the fact that there was no budgetary mark in there for that money, then she might have some authority. But she has generally just kind of put out the word that all these communities are going to be cut when, in fact, that is not correct.

Mr. PROXMIRE. That may very well be correct. The Senator from Florida is one Senator. He has a vote, he has a lot of influence, and he may prevail. However, it may well be that we will decide to pass that legislation in the form that was recommended by the Administration, giving her this kind of discretion. If we do this—and that is a possibility; it is not a certainty; it is a possibility—and if that is the case, as the Senator from Florida, I think, would acknowledge, she may very well decide to proceed with the urban development action grants and cut down on the community development block grants. There may be changes on the floor, and there may not be. The Senator from Florida does not know and neither does the Senator from Wisconsin.

Mr. CHILES. No. I agree if all that happens she might well do that, but the concern of the Senator from Florida is that she has not said to anyone that "if all of these things happen I might cut you or you might lose some funds."

It is said, "You will lose some funds." And in the statement of the Senator from Wisconsin that he was making to the floor, saying what the Secretary was going to do and citing the letter from the Secretary, the Senator from Wisconsin also said she was stating that funds were going to be cut on the other programs when, in fact, that is not true today because we do not know what Congress is going to do.

Mr. PROXMIRE. As I say, that may or may not be the case. We do not know whether it may be the case, but it may be.

Moreover, in the letter to me of last week, she wrote:

> Our community development program cannot properly be viewed as a countercyclical tool for which public works or CETA funds may be regarded as an adequate substitute. On the contrary, the community development program is an ongoing effort addressed at a basic human need—the need for viable urban communities—which may be supplemented, but not replaced by the other programs.

Mr. President, the administration's housing and community development programs are essential elements of a new domestic policy. The arguments that may have been made for cutting them do not stand the test of reason, nor do they represent the view of the majority of our citizens. They do not represent the views of the House Banking Committee, the House Appropriations Committee, the House Budget Committee, the Senate Committee on Banking, Housing, and Urban Affairs, the Senate Committee on Appropriations, or the Office of Management and Budget.

Late last fall, toward the end of the campaign, President Carter in speaking in Milwaukee, said the No. 1 domestic problem for our country is our cities.

Mr. President, if we are going to act on our cities, the way to act is not to reduce the one fund, community development, which is designed to provide a specific new approach that will enable our cities to begin to recover. I think all of us recognize that we should do what we can to permit our cities to do so.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield myself 2 minutes for the purpose of making an observation or two. Then I will yield to my good friend from Florida, who is the moving figure in the Budget Committee who produced these changes in numbers. He will, of course, make the case as he made it in the Budget Committee.

But let me make this point, which I think underlies one of Senator CHILES' concerns. It is the point that housing assistance programs by their nature build in a large and growing base of uncontrollable outlays in future years. Current policy projections, Mr. President, indicate that outlays for assisted housing payments will grow from about $2.5 billion or six-tenths percent of total outlays in fiscal year 1977 to over $7.5 billion or 1.3 percent of total outlays in fiscal year 1982.

This growth would continue for decades. Looking at housing outlays, only 1 year at a time, we limit Congress' long term ability to control Government activity. There is a large number of projects now in HUD's pipeline on which its staff can work while Congress can develop goals that the Nation is willing to live with in the long run.

Additions to current policy would make the goal of a balanced budget in 1982 even more difficult to achieve.

That is the underlying concern to which Senator CHILES addressed himself in offering his amendment. It is a concern that all members of the Budget Committee share as they consider the problem of bringing uncontrollable outlays in the budget under some kind of control. That is an argument that is not addressed only to housing programs. It is addressed to a whole range of programs. But the impact of the housing program is significant and is reflected in the figures I have read into the RECORD. I think that Senators should understand them as the basic motivation of Senator CHILES' initiative.

At this point, I am happy to yield to him to make his case.

Mr. CHILES. Mr. President, the community development program is a program that I strongly support and I think most of the members on the Budget Committee support. I think the figure that came out of the Budget Committee certainly showed that because the fiscal year 1977 level for the community development program was $3.2 billion; the Budget Committee mark was $3.5 billion for the program. The President's request was $4 billion. It is interesting to see that now in the amendment as proposed by the Senator from Wisconsin, as I understand, he is not asking for any outlay funds but simply budget authority because we now find there is sufficient money in the pipeline, and there is sufficient money available in the mark that no budget authority is going to be necessary. At the time the budget came to us $200 million in actually budget outlay was requested and now we see that that figure is not necessary.

We also are finding that there are tremendous spending shortfalls in many of the Government programs, so we well could argue that most of the things that we are talking about, that even the Banking Committee is talking about within their mark, would be able to be done because of the shortfalls that are happening.

But I think what we were looking at in the Budget Committee was simply to say at what rate do we want this program to grow, how fast do we want this and other programs to grow, looking forward to what was going to be the spending mark down the line, and also realizing that in the last several years a tremendous emphasis has been placed upon countercyclical funds for revenue sharing, public jobs, public assistance, accelerated public works, water and sewer project moneys, and revenue sharing. All of those things have been stacked on and are giving communities additional funding. Much of that money that they are able to use is in a discretionary way as they see fit.

To continue to build this program, to increase the building of this program at the rate that we are doing, has just got to give us some problems down the road, when we are then trying to deal with inflation, when we are then trying to deal with how we would try to balance the budget.

It would be better to allow this program to grow, which we did in our markup, from $3.2 billion to $3.5 billion, but not to try to invest it to the extent that had been requested, so that we would find we would have future problems down through the years, and allow ourselves to see what kind of shortfall we would run into in some of these spending programs, with the idea of being able to tell where we were going to end up; and, as we follow some kind of phasedown, as the impact of the countercyclical revenue sharing funds began to build up, at that time we could slow the growth of the community action programs.

That seems to be justified under the new figures we are getting, which would indicate that, with no outlay being needed, there is probably no necessity for increasing the budget authority here, and that we would still be able to do most of the programs.

Mr. PROXMIRE. Mr. President, will the Senator yield for a moment? It has been suggested that we try to get the yeas and nays on this amendment while we have Senators on the floor.

Mr. CHILES. I yield.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the first amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Now, Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on the second amendment I shall offer to increase the housing subsidies under the countercyclical program.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. I thank the Senator from Florida, and apologize for the interruption of his train of thought.

Mr. CHILES. Mr. President, the only other point that I would make would be that which I made when I was entering into the colloquy with my distinguished friend from Wisconsin, when we were talking about what I consider to be some misleading statements now being made, telling local communities there will be a reduction in their grants if the budget is only increased $300 million to the $3.5 billion level, instead of to the $4.5 billion level as requested by the President.

I think to make that statement, HUD has to be assuming a $500 million reduction in the entitlement formula. I do not see Congress making that reduction in the entitlement formula, and I do not see the Appropriations Committee making that reduction in the entitlement formula. But granting what my distinguished friend has said, that we could do that, I would even accept the statements that have been made to the local communities if it was said, "If Congress made this reduction in the formula, you could be cut."

But that is not the way the information has been coming down. The information has been coming down that if the Senate does not increase this figure to the $4 billion mark, they are going to have a decrease in their programs.

I think that is the wrong way to lobby anything. I think it is the wrong kind of message to send, and, as I said, there have been some complaints on the House side about the way the lobbying is being done. I think our communities are entitled to get the right information, and I am concerned when the information goes out in that way.

Mr. PROXMIRE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 34 minutes remaining.

Mr. PROXMIRE. I yield 5 minutes to the Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in strong support of this amendment. I think the problem that it confronts us with perhaps underscores why it is dangerous for the Budget Committee to reach into a particular program.

Mr. MUSKIE. Mr. President, will the Senator yield on that point?

Mr. SARBANES. I understand they are not doing it technically, but the rationale refers to a cut in the program.

I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I will use my time to respond.

It is difficult even for members of the Budget Committee to understand that when we set functional totals, we are not "line iteming" the programs within those totals. Obviously, we have to discuss programs. There is no way of just plucking a figure from on high and achieving a number that makes any sense to anyone without discussing the programs that underlie that total.

With respect to this item, it was treated in no different way than other items were. They are illustrative of a Senator's reason for proposing a lower number. But one Senator's reasoning is not binding. It is not binding on the authorizing committee, the Appropriations Committee, or the Senate. It is simply the reason why he thought we could get by with a certain amount of money in the function.

I think it is important to preserve that distinction so that, may I say to the Senator, when we finish with the resolution on the Senate floor, the legislative history on the Senate floor is not used on a line item basis.

In other words, if the functional totals that we are addressing here are not changed as a result of this debate that we are having, that lack of change does not preclude Senators from pursuing the objective that the Senator is pursuing today in connection with the legislation that will come out of the Banking, Housing, and Urban Affairs Committee and out of the Appropriations Committee. Whether or not there are funds available in the function to implement that legislation as outlays are anticipated will depend upon whether other priorities have been put on those funds by the authorizing committees in the course of their activities.

So even though the functional numbers were reduced in response to Senator Chiles' argument, that does not mean that we have line itemed these programs. What we have done is to reduce the probability that funds will be available in these functions when some legislation comes down the pike from the Banking Committee. I think it is important to preserve that distinction.

Mr. SARBANES. Mr. President, I think that is a very important distinction that the Senator is making. I know he has always been very careful to do so.

The fact is, though, that the rationale being set forth by the proponents of this adjustment in the functional level is a rationale that refers to a particular program we are now concerned with authorizing. I want him to address the fact that that rationale fails to appreciate some very important considerations which the Banking, Housing, and Urban Affairs Committee is now facing in the markup of this legislation.

Mr. MUSKIE. Mr. President, let me say to the Senator that I think in that context what he is saying is quite appropriate from my point of view, as long as he understands we really did not line item this matter, and it is not our intention to do so, because to do so, I think, would infringe on the jurisdiction of the appropriate committees. I have no quarrel——

Mr. SARBANES. The chairman, of course, has always been very sensitive to that distinction. But the rationale that is being advanced in support of the functional adjustment is a rationale that does run in a specific way to the problem we are dealing with, and that is what I wanted to address myself to.

We are now trying to devise a community development program that makes sense for cities and other jurisdictions all across the country. To devise that program, we need the authorization which has been requested by the administration, and which the logic of the previous speaker's argument would seek to cut by $500 million.

The fact is that if we project that figure forward in subsequent years, the authorization that is carried into the next 2 years is only an increase of 3.5 percent a year. So the argument that says we are building this kind of growth into the program on the assumption of increasing the $3.5 billion figure to $4 billion, and then projecting that sort of growth, is not what is at issue here. We need this figure now in order to devise a formula that makes sense.

The Department has come to us and is now seeking a twin formula, a formula that will be available, that would channel additional moneys into those jurisdictions that are in desperate need of it—this is really the urban program—at the same time that it does not detract from the situation of current jurisdictions that are depending upon previous arrangements.

At the same time, we are working within the committee to develop a better program to deal with the nonurban areas, with the rural areas, and small-town areas. In fact, this morning we considered an amendment for that purpose which would place them on a better footing with more surety as to what their situation would be. In effect, we seek this figure in order to give us sufficient room to develop a formula that is sensible, that we can adhere to, so we can say to all jurisdictions across the country, "This is a sensible formula. This makes sense."

If we cut it back, if we pull the $500 million out of that figure, it is no longer possible for us to move to the development of that kind of sensible formula.

Given that background, it seems to me it ought to be our overwhelming objective to try to move to such a formula. If, in subsequent years, we were simply seeking more money I could understand a warning sign being raised. But what this figure is designed to do, and what the cut of the $500 million impacts upon, is to literally cripple our ability in the current markup in which we are engaged to devise a formula with respect to these community development grants, which is a rational, sensible formula which places the emphasis on the kinds of considerations that ought to guide the channeling of that money.

We have an opportunity, we believe, to move to a formula which has been greeted generally by the members of the committee in a very warm way, as representing a very constructive, progressive step in the consideration of this program and in the participation by jurisdictions all across the country. It is going to help badly impacted urban areas. It is going to provide a greater surety for nonurban areas, for the rural areas, if we can have the leeway we need in order to move to the formula.

If this reduction stays, we have really been so circumscribed in what we can do that we will not be able to develop that formula, and will continue to have a system for entitlement grants that is subject to the criticism that it does not really address itself to the most urgent problems, which is insufficiently attentive to the problems of nonurban areas, and which is a program subject to tremendous criticism.

We need this figure in order to rationalize this formula. The rationalization of that formula is a very important objective for this Congress to achieve.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. PROXMIRE. How much time does the Senator wish?

Mr. BROOKE. Six minutes.

Mr. PROXMIRE. I yield 6 minutes to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I rise to strongly support the amendment of the Senator from Wisconsin. But before I do, I want to commend the Senator from Maryland for the very persuasive and compelling argument he has made. Actually, this $3.5 billion budget ceiling for community development will not even allow the program to keep up with inflation. It would really be a cutback in the community development program.

As the Senator from Maryland has said, there is no question that when we are trying to adjust the formula for distributing community development funds to assist our older cities, $3.5 billion is just not a realistic figure.

The purpose of this amendment is to restore the administration's budget request for community development in this first concurrent budget resolution for fiscal 1978.

Regarding the community development block grant program, the Budget Committee's action would cut back $500 million in assistance to local communities. This action ignores the recommendations of both the Banking, Housing, and Urban Affairs Committee, and the Appropriations Committee, which recommended a $4 billion ceiling for the community development program.

Mr. President, I cannot understand the rationale for this funding reduction. I do not agree that the public works program——

Mr. BELLMON. Will the Senator yield?

Mr. BROOKE. Yes.

Mr. BELLMON. I would like to try to set the record straight. The Senator mentions the funding reduction. Let me try to recite for him what happened. The Carter budget for fiscal year 1978 which came to us in April, included in this function $9.3 billion in budget authority and $9.9 billion in outlays. Then there was a technical adjustment relating to Indian claims which added $0.1 billion in budget authority and $0.1 billion in outlays, giving a total of $9.4 billion in budget authority and $10 billion in outlays. If we take out the local public works money which was moved to fiscal year 1977, this would reduce the aid by $2 billion and outlays would be increased by $.5 billion, putting it up to $10.5. So the Carter budget, as adjusted the way I have just described, is $7.4 billion in budget authority for fiscal 1978 and $10.5 billion in outlays. The Senate budget figures are above that. Our figure is $7.6 billion in BA and $10.7 billion in outlays. So we are $200 million above the Carter level in both BA and outlays in fiscal 1978. Whoever says we are below simply does not understand the facts.

Mr. BROOKE. I understand what the distinguished Senator from Oklahoma is saying, but he is talking about the entire function, not about the community development program.

Mr. BELLMON. That is the point. The Budget Committee does not tell the Banking Committee where to spend the money. We say,

> Here is more money than the President wanted. Spend it where you want to. It is not up to us to tell you where to spend it. It is up to you to determine where the priorities are.

Mr. BROOKE. First of all, I do not agree that the public works program or revenue sharing are used for essentially the same purpose as community development.

Mr. BELLMON. But they are all in the same function as far as the Budget Committee is concerned. If the Senator would like for us to get into the line item appropriation business, I suppose we can do that.

Mr. BROOKE. I would not ask the Senator to get into line items at all. I understand that the Budget Committee is trying to set a congressional budget ceiling.

Mr. BELLMON. That is correct. It is up to the committees to set the priorities for whatever they believe to be the highest.

Mr. SARBANES. Will the Senator yield?

Mr. BROOKE. I yield.

Mr. SARBANES. It is my understanding that the authorizations for all of the programs encompassed within the function are not within the jurisdiction of the Banking, Housing, and Urban Affairs Committee; is that correct?

Mr. BELLMON. That is correct.

Mr. BROOKE. Community development is the only program under the Banking Committee's jurisdiction. The other programs are not under that committee's jurisdiction.

Mr. SARBANES. The distinction made earlier which I respect, made by the chairman, with respect to there not being line items, has a direct impact here when this is the only program within the function which is within our jurisdiction to handle. Therefore, we do not even have the option of adjusting some other program over which we have control in order to rationalize the formula which is of such critical importance.

Mr. BROOKE. The Senator from Maryland is exactly right. We do not have any jurisdiction over that at all. What has been done, in effect, is to cut the program which is under the jurisdiction of the Banking, Housing, and Urban Affairs Committee. In effect, this is getting into a line item.

Mr. BELLMON. Will the Senator yield?

Mr. BROOKE. I yield.

Mr. BELLMON. The Budget Committee does not make up the functions. Those are furnished to us and we follow them. Let me say on the point of the Banking Committee not having any leeway, I understand that the committee today has set priorities. Or the $3.5 billion available under this function for this purpose, the plan is to fund formula I and formula II cities under the block grant programs as a top priority; that if there is any money left over to fund the formula II cities in accordance with the Williams amendment. Then they would get down to funding urban development action programs if there is any money left after they have taken care of the second priority. So they have already made provision to exercise some priority use in these funds and on their own have decided if there is a shortage of funds they would hold the funds for urban development action grants until the last.

The PRESIDING OFFICER (Mr. McGovern). The time of the Senator has expired.

Mr. PROXMIRE. May I ask the Senator from Oklahoma if he would yield time? Much of that time was taken by him.

Mr. BELLMON. Mr. President, I would be glad to yield 5 minutes.

Mr. PROXMIRE. That will be fine.

Mr. BROOKE. Mr. President, I have long fought to assure that the community development program serve the primary purposes for which it was intended, to principally benefit low- and moderate-income people and to eliminate slums and blight. I am hopeful that HUD Secretary Patricia Harris will monitor this program so that it will be targeted to the needs of our older distressed cities and not as just another form of "revenue sharing." I was most pleased that HUD has recommended a dual formula approach for the allocation of community development funding which will target the funds at our neediest cities.

The distinguished Senator from New Hampshire (Mr. McIntyre) and I offered an amendment this morning at the Banking Committee markup which will assist our smaller cities to receive their fair share of funding. That amendment was adopted by the committee. I am confident that our legislation this year will make the community development program a stronger program, better focused on the needs of our cities which urgently need assistance. I believe that this amendment is essential if we are to help our cities and smaller communities carry out needed activities in rehabilitation and community development.

Mr. President, may I ask the distinguished chairman of the Committee on the Budget (Mr. Muskie), how would this amendment change the actual numbers in the budget resolution?

Mr. MUSKIE. The amendment would increase the function 450 budget authority target for fiscal year 1978 by $500 million. Assuming the intent of the amendment is to accommodate funding of Community Development Bloc Grant Program at $4 billion rather than at $3.5 billion, it would have the effect of increasing fiscal year 1978 outlays by $30 million. That would not require a change in the outlay number in the pending budget resolution.

Mr. BROOKE. Only $30 million in outlays?

Mr. MUSKIE. Thirty million dollars in outlays in fiscal year 1978. That would grow to $190 million in fiscal year 1979. I do not have the figure for 1980. There would be further out-year expenditures.

The real concern that motivated Senator Chiles' amendment was the budget authority figure, because we are all concerned about the out-year commitments that we are making.

The actual change in the numbers in the pending budget resolution would only be with respect to budget authority, which is $500 million.

The Senator from Wisconsin is offering another amendment relating to housing assistance, and I may as well report the budgetary impact of the next amendment too, so this may be in context——

Mr. BROOKE. That was community development. The Senator is referring to the housing amendment now?

Mr. MUSKIE. On housing, function 600, the increase in budget authority would be substantial, $6.2 billion. That reflects the outlays we may expect over as many as 40 years, as the Senator knows.

This additional budget authority would increase fiscal year 1978 outlays by an estimated $10 million and in fiscal year 1979 by $30 million. As the Senator knows, however, this budget authority will produce outlays stretched out over a long period of time.

So the total for both amendments is $6.7 billion in budget authority and $40 million in outlays for fiscal 1978.

Mr. BROOKE. I thank the distinguished chairman of the Committee on the Budget for those numbers.

Mr. PROXMIRE. If the Senator will yield, I am informed by the staff that the amendment does not call for the $30 million in outlays and the $10 million in outlays, for a total of $40 million, that that has been too small. I have been told it would not have that effect.

Mr. MUSKIE. Well, the amendment does not specify any outlay impact, but we have to try to estimate, as we have for 3 years, the probable outlay effect of policy changes like this. That is our best estimate of what the outlay effect would be.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, I yield 5 minutes to the Senator, because I occupied some of his time with my answers. I think we may have time.

Outlays, of course, are always estimates. They may or may not take place. One of our responsibilities, because the deficit is tied to it, is to make our best guess. We round off, on the Senate side, at one tenth of a billion on outlays. The House rounds off at whatever figure it comes up with. It could be $1 million.

So the outlay numbers we are talking about would not really significantly change the outlay totals of the budget resolution. Nevertheless, in response to the Senator, I have to give him my best guess as to how much might be paid out in fiscal 1978 as a result of one change he is suggesting.

Mr. PROXMIRE. I thank the Senator.

Mr. BROOKE. I appreciate the Senator's yielding. I shall not need that time.

I assure the Senator from Oklahoma that we have not yet authorized the community development program in the Banking, Housing, and Urban Affairs Committee. We had a markup session this morning, but did not complete our deliberations on community development. I would like to have the record reflect that.

Mr. PROXMIRE. Mr. President, may I ask a question? I understand that there will be a vote at 4:15 on both of these matters, back to back, though separated. We vote first on one and then the other. I suggest, if it is acceptable, that we now move to consideration of the other amendment and discuss that; then we can vote—unless there is further discussion of this community development question.

Mr. MUSKIE. Mr. President, the Senator from Oklahoma will yield himself whatever time he may like.

Mr. BELLMON. I want to call the attention of the distinguished Senator from

Wisconsin to page 61 of the report on the First Concurrent Resolution. I read the second paragraph:

> The Committee's recommendation is intended to accommodate (1) support for locally designed and implemented programs of economic and community development, (2) an adjustment for inflation of support to programs assisting lower income people, and (3) a realistic level of funding for disaster relief.

I believe the committee has made provision for matters of concern that have been expressed here by the Senate.

Mr. PROXMIRE. Well, all I can say to the Senator from Oklahoma is that, in my judgment and the judgment of those who are supporting the amendment, the reduction over the years of $500 million in the community development program would have a seriously adverse effect on a number of cities throughout the country.

I realize that the Budget Committee disagrees with that. They feel they have made a reasonable adjustment. But I think that we have not done the job we should do in our cities. I think it is overwhelmingly clear that we have to do better.

Unfortunately, one element of that is to require at least some more money, some more funds. We support the amendment taking that position. I say that position is very widely supported by the Banking Committee, the Committee on Appropriations, all the appropriate committees in the House, as well as the——

Mr. BELLMON. The Senator is talking about a reduction. We in the Budget Committee cannot see that it is a reduction.

Mr. PROXMIRE. The Senator is right.

Mr. BELLMON. It is current policy.

Mr. PROXMIRE. I talk about a reduction in the administration's request. I talk about a reduction in what the Appropriations Committee and what the Banking Committee recommended. I talk about a reduction below what the House Budget, Banking and Appropriations Committees recommended.

The Senator is correct. It is a modest increase over last year, probably mostly accounted for by inflation.

Mr. BELLMON. But the fact is that in this function, the Budget Committee figure is $7.6 billion per annum, which is $200 million over the Carter request. We have $10.7 billion in outlays, which is $200 million over the Carter request.

Mr. PROXMIRE. The Senator from Oklahoma and the Senator from Wisconsin are talking about different figures. As chairman of the Banking Committee, I am concerned, of course, with our jurisdiction. Our jurisdiction, as far as this resolution is concerned, is concerned with two parts: No. 1, community development, which was reduced below what we felt was necessary and what the administration felt was necessary, and what they asked for, by $500 million.

The second is housing assistance. That was reduced over the years by some $6 billion. That is what concerns us. This is within our jurisdiction.

The Senator is correct, however, I am sure, that we have applied it across the board to many other areas that are our responsibility and not, perhaps, directly helpful to the cities and the cities' problems.

Mr. BELLMON. It is my understanding that the Committee on Banking, in its March 15 letter to the committee, did not endorse that proposal for changing this program. Am I mistaken in that?

Mr. PROXMIRE. Well, of course, we had not had a chance to get together and act on it at that point. We reserved the right to take it up.

Mr. BELLMON. The March 15 letter is what the Budget Committee has to go on.

Mr. PROXMIRE. That is correct.

Mr. BROOKE. Will the Senator yield 2 minutes?

Mr. PROXMIRE. Yes.

Mr. BROOKE. Mr. President, I asked the distinguished chairman of the Budget Committee a question concerning how this amendment would change the actual numbers in the budget resolution. The distinguished chairman responded both for this community development amendment and for the next amendment on housing. He gave us the figures, and I will not repeat those figures here.

But the point I was trying to make is that this amendment would have a minimal effect upon the budget deficit.

Mr. MUSKIE. Yes, on the outlay side. That is right.

The two amendments taken together would add $40 million. I suspect that is taking into account the deficit, that it would not be visible as an addition to the deficit in fiscal 1978.

Now, down the road, the visibility would grow because of the impact down the road on the budget authority, increases of this magnitude.

Mr. BROOKE. The Senator from Wisconsin raised some question about the outlay, but the figures that were given me by the manager of this bill indicate that there would be a minimal effect.

Mr. MUSKIE. On the deficit number.

Mr. BROOKE. On the deficit.

I thank the Senator.

Mr. MATSUNAGA. Mr. President, will the Senator from Wisconsin yield 3 minutes?

Mr. PROXMIRE. I am happy to yield to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator from Wisconsin.

Mr. President, I ask unanimous consent that I may be added as a cosponsor of the amendment.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, while it is important for the Congress to restrain the level of expenditures for the next fiscal year, it must not quash executive and legislative initiatives to revitalize the Nation's fast deteriorating communities. I am impressed by the administration's early commitment to meet congressional directives and goals as set forth in the Housing and Community Development Act of 1974.

Already the new administration has pledged itself to pursuing an aggressive program in housing and community development, focusing particular attention on the needs of low- and moderate-income citizens. For community development activities, both the authorizing and the appropriating committees with relevant legislative jurisdiction support the administration's request for budget authority of $4 billion for fiscal year 1978. These projects will be cost-effective. The additional funds will enable local governments to plan, design, construct, and rehabilitate housing and public facilities. It will stimulate more concentrated efforts to rid cities of slum and blight.

Since its enactment in 1974, the title I block grant program of the Housing and Community Development Act has assisted over 3,000 local governments with grants totaling $8.4 billion. City, county, and State officials across the country are still pleading for stronger aid from the Federal level. This year the Congress will be studying major proposals which will spearhead significant improvements in the housing and community development program, making it more responsive to current and long-range demands. If we are to steer this positive and concentrated effort through as few roadblocks as possible, both the administration and the Congress will require the assurance of $4 billion in fiscal year 1978 budget authority for the community development program.

Mr. President, our Nation's cities, towns, and smaller urban communities continue to face serious social, economic, and environmental problems. There is now a national desire to remedy these ills. The community development block grant program, housing rehabilitation, elderly housing, low-income housing assistance, community planning grants, and many other Federal aid programs provide the essential doses of medication. These programs can only be effectively carried out if they are built on a strong budgetary foundation. The administration has pledged itself to the pursuit of immediate housing and community development. The Office of Management and Budget has approved this spending request. Assessing the legislative needs in these areas, both the Senate authorizing and appropriating comittees concerned with housing and community development programs concur that the administration's budget request is reasonable and realistic. These are dollars which will be effectively and efficiently spent to upgrade substandard housing, revive deteriorating cities, and support investments in parks, recreation areas, and numerous other community developments. I, therefore, urge the adoption of the amendment.

Mr. MUSKIE. Mr. President, there is an ambiguity with respect to the time agreement. I discussed it with the distinguished Senator from Wisconsin. If I may, by unanimous consent, I will clarify the ambiguity.

Mr. President, I ask unanimous consent that the time agreement of 1½ hours on the Proxmire amendment be modified to include both Proxmire amendments which we have been discussing.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

UP AMENDMENT NO. 190

Mr. PROXMIRE. Mr. President, if we can move to the second amendment, I would like to yield such time as the Senator from Alabama requires on it.

Mr. SPARKMAN. I thank the Senator from Wisconsin.

Mr. President, I would like to focus my brief remarks in support of amendment No. 207 on two misunderstandings which I believe led some members of the Budget Committee to underestimate the impact of their decision to cut housing funds. I say this after almost 30 years as chairman of the Housing Subcommittee. After this long period, I naturally have a special interest in these programs, and some familiarity with them.

So, it was with some interest that I reviewed the action taken by my colleagues on the Budget Committee in their new job as congressional budget monitors. I noted that the committee recommended that $6.2 billion be cut from the President's housing program—a program that the Committee on Banking, Housing and Urban Affairs and the Committee on Appropriations had approved. I read in the report of the action that the committee assumed that the cutback would mean that there would be 53,000 fewer units of assisted housing during 1978. When I inquired how that number was determined, I found, in the transcript of the markup, that the motion to reduce housing by $6.2 billion was approved after an analysis was presented that a cutback in privately developed housing would not have any significant effect, and that a reduction of $6 billion could be achieved by reducing the number of privately developed new housing units by 53,000.

I noted that the committee adopted the motion by a very close 7 to 5 vote, and I noted with particular pride that the chairman, as a very distinguished and knowledgeable alumnus of the Housing Subcommittee, had voted to support the administration's budget requests.

It appears to me that some members of the committee voted for the cutback thinking that the cut would amount to 53,000 units of new privately developed housing. But this clearly is a misunderstanding, since the committee's action can only affect the total amount of funds available—and not how they are used. Under the Housing Acts of 1974 and 1976, local communities are given the major role in deciding how funds will be used. Presently, they are calling for more new construction in order to meet their housing and substantial rehabilitation needs, because in most cities there simply are not enough decent houses available. By its action, and its report, however, the Budget Committee appears to be changing the programs that have been authorized by the Banking, Housing and Urban Affairs Committee. I do not believe the committee members intended this and, accordingly, believe that the committee's action and its impact on housing is based on a misunderstanding.

I believe there is also a misunderstanding with respect to the impact that a cutback in funding will have at this time. Housing is a complex business. Our Federal housing programs are based on broad participation—by builders, investors, project sponsors, suppliers of materials, workers, and many others. It takes a lot of people working and planning together to get housing built. It is not an activity that can function smoothly or efficiently when there is constant change in direction. Four years ago housing programs were shut down. Today a new administration is gearing up to do the job Congress set. There is a growing momentum in the financial community and in the building industry to get our housing programs moving again. But this crucial momentum will vanish if the signal is given to cut back. I do not believe the Senate intends to send that signal, nor do I believe that those who voted for the cutback want to take away this momentum at this crucial time.

Accordingly I urge my colleagues to vote this afternoon to support amendment No. 207 in order to restore the administration's budget request for housing and community development.

Mr. President, I well recall when President Nixon, in January of 1973, virtually abolished subsidized housing. He did. It stayed that way until near the end of the year, when we got started back. I think we all can remember the effect it had on employment in this country.

One thing about housing is the number of jobs it creates. Just the other day, we voted for a bill, the jobs bill, that will cost billions of dollars. We voted for it overwhelmingly. Yet, today we are called upon to make a cut that will increase unemployment and will put people out of jobs. It will have an enormous effect on the economy of this country.

Mr. President, I hope that the amendment offered by the chairman of our committee, the Senator from Wisconsin, will be adopted.

Mr. PROXMIRE. I yield myself 5 minutes.

Mr. President, I thank the distinguished Senator from Alabama. He has been "Mr. Housing" in this body for many, many years. In fact, he has been chairman of the Housing Subcommittee ever since we had a Housing Subcommittee. No one speaks with more authority or with a finer record on housing than he does.

Mr. President, we all should recognize that this reduction of $6 billion in housing assistance for low- and moderate-income families would result in a very serious setback for the Nation's housing programs generally. The Secretary of Housing has pledged that the new HUD will actively seek to meet the Nation's housing goals established by Congress which have been ignored for 4 years.

Senator Sparkman spoke of the January 15 moratorium on assisted housing. That is exactly why it is necessary for us to take this initiative and not permit this cutback. This reduction in budget authority for assisted housing programs drains the housing pipeline, which takes 2 or 3 years to fill up, and it is necessary for us now to refill that pipeline. That has been the misunderstanding on the part of those who offered and supported this position.

The reduction in housing assistance proposed in the budget resolution would jeopardize seriously not only HUD's efforts, but also the confidence of the thousands of private investors, builders, and public officials whose cooperation and skills are needed to build housing for the Nation.

Senator Sparkman spoke about the fact that we just passed a jobs bill. This would eliminate 150,000 jobs—jobs that are needed, jobs in the private sector, jobs that are under the discipline of the private sector. Worst of all, the cutback would be viewed by the millions of lower income families who are in need of housing assistance as yet one more betrayal of their interest, which has been neglected for the past 4 years.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. SPARKMAN. Is it not true that Mrs. Harris, the Secretary of HUD, has strongly supported this move?

Mr. PROXMIRE. Yes, indeed. In fact, I have a letter from Mrs. Harris, which I have put in the Record, which indicates that this would cut the heart out of their program to restore housing in our cities.

Mr. SPARKMAN. I thank the Senator.

Mr. PROXMIRE. The report of the Budget Committee states that, in cutting $6.2 billion in housing assistance for low-income families, it assumes funding for 53,000 fewer units of assisted housing than requested by the administration. According to the committee transcript, the cut was supported by two arguments: First, the housing pipeline is clogged—HUD cannot use the funds; second, the backlog of housing authority will result in massive spending in a few years—spending that could jeopardize future budgets.

Mr. President, both those arguments are wrong. The housing pipeline is not clogged. It is now filling to the capacity that is needed to sustain an effective housing program. You have to fill the pipeline if you want to get something out of it. Housing cannot be produced overnight. It takes well over 2 years for a congressional authorization to be transformed into an apartment ready for occupancy.

The housing assistance program enacted in 1974 is only now beginning to result in housing starts.

Let me state that again: The housing program of 1974, 3 years ago, is only now beginning to develop into housing starts. That is why we need to build that pipeline; and the pipeline, as I say, has been drained and is empty.

Housing starts under the assistance program are up significantly, and HUD expects them to continue to rise.

The Department has taken a number of significant steps to speed up the flow of housing assistance. It has thoroughly analyzed the problems that impeded the startup of the new program under the past administration. It has established special teams to handle problems in particular areas. It has published new rent schedules to improve the operation of the program. It has proposed new legislation to increase the confidence of mortgage lenders and sponsors, and has expanded its program to inform the industry about the new program.

Confidence and understanding is the key to the success of the housing program. You cannot expect private investors, builders, suppliers, and construction workers to operate effectively with a stop-and-go program. The new administration has said that it wants to build the assistance program in an orderly way to achieve the housing goals set by the Congress. It is clearly moving to produce an efficient and effective housing assistance program.

This can be seen in figures concerning the housing pipeline the Department has sent to me. HUD estimates that private developer starts will double in both fiscal year 1978 and fiscal year 1979. This will result in a reduction in the volume of reservations now flowing in the pipeline to a level that will sustain a steady output of housing assistance, the goal the administration has set.

I ask unanimous consent that these estimates be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING, PIPELINE ESTIMATES, 1977–79

	Fiscal year—		
	1977	1978	1979
A. Administration — Requested funding levels:			
Unstarted private developer unit reservations on hand. start of year	103,278	160,072	196,472
New private developer unit reservations, in year	99,785	116,400	116,400
Unstarted reservations on hand during year	203,072	276,472	312,872
Private developer unit starts in year	−43,000	−80,000	−160,000
Unstarted private developer unit reservations on hand, end of year	160,072	196,472	152,872
B. Senate Budget Committee funding levels:			
Unstarted private developer unit reservations on hand, start of year	103,287	160,072	145,072
New private developer unit reservations, in year	99,785	65,000	116,400
Unstarted reservations on hand during year	203,072	225,072	261,472
Private developer unit starts in year	−43,000	−80,000	−160,000
Unstarted private developer unit reservations on hand, end of year	160,072	145,072	101,472

Mr. PROXMIRE. Mr. President, the fact is that years ago we established 600,000 as the new start goal for publicly assisted housing. That is in the law; that is what we established. Last year, we had only 41,000 publicly assisted housing starts—7 percent. We have to begin to fill up that backlog if we are going to make any real progress in the future.

The Department has recommended a series of revisions to the section 8 program specifically aimed at helping it meet its goal of a significant improvement in construction starts during the budget period. The proposed level of new unit reservations is needed if this level of construction activity is to be sustained in future years. Unless a sufficient level of new reservations are added to the processing pipeline during 1977 and 1978, construction activity will inevitably decline in 1980. The attached analysis shows that the projected trend in construction starts could not be sustained in the future if the Senate Budget Committee recommendation is implemented, since it would drastically reduce the inventory of unstarted unit reservations which would be likely to reach construction start during 1980.

These estimates also show that the proposed cuts would in all likelihood lead to a turndown in housing production within another couple of years, because the pipeline would run dry and private investors and builders would move away from the program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. I yield myself 2 additional minutes.

Mr. President, the argument that the President's housing assistance program will jeopardize the budget and the fight against inflation is also way off target. Housing assistance today represents approximately one-half of 1 percent of total Federal outlays. Congress, in the Housing Acts of 1968 and 1974, said that it wanted to assure that American families have decent housing—and it established housing goals for the Nation. Housing is to be accorded a higher priority in the Nation's budget. After a clear neglect of these goals during the past 4 years, a new administration has pledged to support them with action, not just words. It is a shameful neglect—neglect because last year we reached only 7 percent of our goal—not 70 percent, not 50 percent, not 10 percent, but only 7 percent. This means that housing outlays will increase during the next few years. But even then, budget estimates indicate that far from spending massive amounts for housing, we will be spending little more than 1 percent of the Federal budget.

I cannot accept the view that housing is a "budget buster," that will jeopardize the fight against inflation. I contend that housing, which relies heavily on private investment and private employment to produce real assets, is one of our best means to fight inflation.

I find it hard to accept the argument that housing assistance should be cut back now for budgetary reasons when the President does not think so, when the Office of Management and Budget has included the program in its budget, when the Appropriations Committees of both the Senate and the House have recommended full funding for housing, and when the House Budget Committee has recommended it.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. PROXMIRE. I did promise the Senator from Pennsylvania some time. How much time does the Senator require?

Mr. HEINZ. Any time.

Mr. PROXMIRE. I think we can get more time if we need it from the chairman of the Budget Committee.

Mr. BROOKE. Only 4 minutes left?

Mr. PROXMIRE. On our side.

Mr. BROOKE. Mr. President, will the distinguished chairman of the Budget Committee grant us some time?

Mr. MUSKIE. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Maine has 26 minutes.

Mr. MUSKIE. I will be happy to yield 5 minutes at this point, which would give you a total of 9.

Mr. BROOKE. I will take 5 minutes and the Senator from Pennsylvania 4.

Mr. PROXMIRE. Four minutes to the Senator from Pennsylvania.

Mr. BROOKE. Mr. President the Budget Committee's action setting a target for housing assistance for lower income families is $6.2 billion below the administration's request and the recommendations made by the two committees on which I serve—the Banking, Housing and Urban Affairs Committee and the Appropriations Committee.

The HUD budget request assumes funding for 400,000 units of assisted housing under the section 8 housing assistance program and the conventional public housing program. The budget authority cut proposed by the Budget Committee would result in a reduction of about 75,000 housing units for low- and moderate-income families and elderly.

Over the past few years, we have been lagging far behind the goals which were set by Congress 10 years ago to meet the housing needs of our lowest income families. The Budget Committee action would provide lower assisted housing goals than were proposed by the Ford administration.

The recently published report on the Nation's housing by the Harvard-MIT Joint Center on Urban Studies found that there are 13 million "housing-deprived" families in our Nation, and that one-half of these families are living in physically inadequate housing. And that report observed that the low housing production of the past few years has meant that we have fallen even further behind in meeting our housing needs. Secretary Harris, in requesting funding for 400,000 housing units in fiscal year 1978, told the Appropriations Committee that "without question the need is much greater than the amount requested by HUD. The Secretary also assured our authorizing and appropriations committees that she is determined to convert reservations to starts and occupied units at a rate more consistent with the urgency of our housing problems. One change which we approved in the Supplemental Housing Authorization Act of 1977 will extend section 8 assistance contract coverage on conventional new construction from 20 to 30 years. HUD is hopeful that this change will increase the flow of conventional financing from the private sector and enable a number of projects to move more quickly from reservation to construction. These assurances from Secretary Harris and the legislative change which we approved for privately financed section 8 financing should help allay the concerns about the backlog in the section 8 "pipeline," which were expressed by the distinguished Senator from Florida (Mr.

CHILES) during the Budget Committee markup.

At the same time, HUD is restoring public housing as a viable program and has requested funding for approximately 50,000 housing units in fiscal year 1978. It seems clear that the cuts proposed by the Budget Committee would seriously jeopardize our Nation's housing programs, particularly in new construction and substantial rehabilitation.

Mr. President, I believe that this amendment is essential if we are to achieve the housing goals set by Congress and the administration. I urge my colleagues to support this amendment.

Mr. President, when I first came to the U.S. Senate, more than 10 years ago, I was assigned to and took up residency on the Banking and Currency Committee, now the Committee on Banking, Housing, and Urban Affairs. It did my heart well to see that the distinguished chairman of the Budget Committee, Mr. MUSKIE, who has the primary responsibility for holding down the budget, and has done an exceptionally fine job on committee, voted against both amendments reducing the housing and community development programs. I commend him for that. The distinguished Senator from Maine has always been a stalwart working for housing in this country, and was an outstanding member of the Banking and Currency Committee, when I first joined that committee.

I know that he had opposition within his own committee, but I commend him for his leadership in the Budget Committee, because he recognizes the need for community development and housing in this country.

Mr. MUSKIE. Mr. President, will the Senator yield to me at that point on my time? I know the Senator from Wisconsin has limited time.

The Senator has, of course, read the record of my votes in the Budget Committee?

Mr. BROOKE. Yes.

Mr. MUSKIE. My votes do reflect and did reflect the background I did acquire in the Banking and Currency Committee.

Since he has now faced me with my votes in committee, I have to explain why I have to support the Budget Committee resolution. The Senator has heard the distinguished chairman of the Committee on Finance suggest that the chairman of the Budget Committee uses the Budget Committee to serve his own priorities, and I would not want that notion to be held by the Senate. I do believe in those two programs, but if the budget process is to work the chairman of the Budget Committee has to recognize that he has to yield some of his priorities from time to time in order to avoid the accusation that he brings a prejudiced view to the budget process.

So, after all the functions had been voted on, the budget totals the committee approved reflected a deficit of $63.2 billion, and, taking everything into account, it made sense that I should support it.

I hope that explanation serves adequately.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BROOKE. Just 1 minute to respond.

Mr. MUSKIE. Yes, I yield another minute.

Mr. BROOKE. The distinguished Senator from Maine has explained his position well. I am sure that many of us on our committees have had to go along with the final decisions of our committee. But I am glad that he made two points, that this amendment would have a minimal effect upon the deficit, and that he made the good fight in the Budget Committee. I hope that his position in the Budget Committee rather than his position on the floor will be adopted by the majority of the Members of the Senate.

I thank the distinguished Senator.

Mr. PROXMIRE. Mr. President, I yield the remainder of my time to the distinguished Senator from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. President, I rise in support of both parts of the Proxmire-Brooke amendment. I support this amendment because I believe we must keep our commitment to help families find a decent home in a safe and healthy environment. The targets adopted by the Budget Committee will cause inevitable and intolerable delays in meeting this commitment—delays that defy the demands of compassion and the logic of economic necessity.

As my colleagues on the Budget Committee know, I am particularly distressed by the committee's severe restrictions on assisted housing programs. This budget cut comes at a time when studies show that ever increasing numbers of families will be unable to buy or rent their own homes. This new trend only exacerbates an already existing crisis among those families that are least able to afford decent, safe, and sanitary housing.

It seems particularly unwise at this time to deprive low- and moderate-income families, the elderly, and the handicapped of such a basic resource as housing. In Pennsylvania, the waiting lists for public housing number in the thousands. For the first time in several years, new funds have been authorized and appropriated for the public housing program, and among those who need our help new hopes have been raised. The Budget Committee's action, if ratified by this body, will dash those hopes. The committee's targets would shift any emphasis away from construction of new housing and the public housing program, for all intents and purposes, will once again become inoperative.

The section 8 housing assistance program which was enacted by Congress in 1974, is just beginning to come into its own. Like any new program section 8 lacked local government, financial institution, and builder confidence. Most of these early problems have been overcome with time. Reservations are on the increase and local officials are anxiously awaiting the allocation of new units. If this new program is to continue to build confidence, it is important that a consistent and predictable level of assisted housing construction starts be made available.

We cannot continue to create high expectations for assisted housing among local government officials, builders, developers, and financers and then withdraw our commitment. We cannot create expectations among families of low and moderate income that their housing needs will be met and then change our goals. We must provide a basic level of housing assistance that can be counted on with certainty—by families, by local government and by the private sector.

Another negative effect of the budget cut for assisted housing will be the continued high level of unemployment in the construction industry. The estimated national impact of the housing budget cut, if not redressed by this body, will be the loss of 75,000 housing units and over 150,000 jobs. In my own State of Pennsylvania this will mean the loss of 4,000 units and nearly 8,000 jobs. This comes at a time when the unemployment of construction workers in Pennsylvania is over 15 percent.

In my view, both the social objective of providing decent housing for families of low and moderate income and the economic objectives of decreasing unemployment, will be met by reinstating the housing budget for fiscal year 1978 to the level authorized by the Banking Committee.

The cuts that the Budget Committee has made in the community development programs adds further insult to the injury that the housing cuts will inflict on the residents of towns and cities across our Nation. The cost of the committee's action on community development to my own State of Pennsylvania will be $31 million and these funds are absolutely necessary if our urban areas are to be revitalized and our cities are to be reclaimed.

Cities and counties in Pennsylvania have utilized these funds to return deteriorated housing to sound condition; to restore older neighborhoods and bring them new vitality; to attract families of all income levels back to our declining urban areas.

Many communities in Pennsylvania have used these funds to improve neighborhood facilities such as parks and open space, recreation facilities for our youth, and social service centers for the elderly and the handicapped.

In addition, many communities have used community development funds to leverage private moneys for reinvestment in older urban areas. New industrial parks—with substantial employment opportunities—have been created. Older commercial and retail centers, once the hub of activity but now suffering from severe economic disinvestment, have been given new economic life. The Budget Committee's $500 million reduction in the community development program will undermine much of the impetus at the local level to continue and expand these activities. If the budget cut is allowed to stand it will place in jeopardy the undertaking of many of the new activities which have been initiated and are ready for implementation by local governments. If we, indeed, have a commitment to revitalize our neighborhoods, restore health to our urban areas, and breathe new life into our cities, then I believe that it is imperative that the funds cut from the community development program be restored.

Mr. President, I said earlier that the Budget Committee's cuts in housing and community development defy the logic of economic necessity as well as the demands of human compassion.

In closing, I emphasize that point. I support this amendment not only as a member of the Banking Committee, and not only as an individual who believes that we must strive to meet our most basic human needs, but also a member of the Budget Committee who, along with the distinguished chairman, and the distinguished Senator from Oklahoma, believes that a sound economy is the last, best hope for achieving a balanced budget.

I am firmly convinced that the investment we propose to make in our cities and that we propose to make in our neighborhoods through assisted housing really will do a great deal to stimulate our economy and by the 5-year economic growth cut our revenue losses, improve our tax revenues, and get us out from under the burden that we have been experiencing in the form, among others, of huge Federal deficits.

I have noted earlier that housing construction is one of our most depressed industries, and that our new construction programs are one of the most direct means of getting men and women back to work. This in turn will help stimulate our economy, stimulate new economic growth, cut our revenue losses and help us get out from under the burden that all sorts of welfare payments put on the Federal budget.

By the same token, we can never hope to solve our basic economic problems unless we pay attention to restoring the health of our cities. Community development is an investment in the future, it is an investment in the economic health of nation, and it is an investment that I believe will pay great dividends in creating an economic environment in which a balanced budget can more practically be attained.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, this colloquy, I believe, has pointed out very well one of the great dilemmas that the Budget Committee faces. All of us wish to solve the problems that this country faces in every possible area, and certainly housing is one of those.

I wish to point out that if the Budget Committee had followed the recommendations of the various Senate authorizing committees this year we would have approved a budget authority of $540.9 billion, the outlay level would have been $474.4 billion, and the revenues would have been $395.8 billion, which would have left us with a deficit of $78.6 billion.

Mr. President, I ask unanimous consent that a table showing these figures be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET AGGREGATES

[In billions of dollars]

	Current policy	Carter April	House Budget Committee	Senate authorization	Senate appropriation	Senate Budget Committee (S. Con. Res. 19)
Fiscal year 1978:						
Budget authority	495.1	505.3	501.1	540.9	516.2	497.4
Outlays	460.3	461.7	463.3	474.4	464.8	458.8
Revenues	395.8	403.8	397.1	395.8		395.6
Deficit	64.5	57.9	66.2	78.6		63.2

	3d concurrent resolution	Carter April	House Budget Committee	Senate Budget Committee (S. Con. Res. 19)
Fiscal year 1977:				
Budget authority	472.9	NA	469.7	469.8
Outlays	417.45	407.3	414.25	408.8
Revenues	347.7	358.6	355.0	349.3
Deficit	69.75	48.7	59.25	59.5

Note: NA—not available. All numbers adjusted to treat refundable tax credits as offsets to revenues, in line with Senate practice.

Mr. BELLMON. So the problem we had is finding ways to somehow hold spending down to a level that is somewhat at least consistent with our objective of controlling inflation and getting our Federal spending under control.

I doubt that any Member of the Senate, certainly not the Senator from Wisconsin, would like to see us have a $78 billion deficit. This would plainly be inflationary, and it would be of great harm to the very programs we are trying to help. So the Budget Committee had to consider all the various requests from the authorizing committees, and all of them are meritorious. We would like to agree to everything that was requested from the Budget Committee, but we simply did not have the money.

I believe this dilemma is best pointed out by what happened to the distinguished chairman. He, as pointed out here, is a strong supporter of housing programs and has defended them consistently here in the Chamber and in our budget discussions, but this year, after having opposed the Chiles amendment and after we had completed the first run at developing a budget resolution, the Senator from Maine, our chairman, then on his own brought in a motion that would have reduced function 600.

And I wish to call the attention of the Senator from Massachusetts to this fact, that on page 116 of our report the Senator from Maine on his own initiative offered a motion to reduce function 600 by $0.2 billion in authority and $0.3 billion in outlays. So he realized, after we took a look at the whole picture, that we had more money in function 600 than we would support based on the other needs.

That is our problem. We see these priorities throughout the Government, and we have to try to decide where the money can best be used.

I think the fact we did not put all the money we want in housing does not mean we do not support it. We just feel there are other places that have equally high priorities and we have to take care of those as well as housing.

Mr. BROOKE. Mr. President, I am pleased that the distinguished Senator from Oklahoma made that point. I know his strong feelings about the need for housing in this country.

As I said earlier, I understand that the Budget Committee must establish a ceiling by function and not try to delve into line-item programs. But, on the other hand, the result in this instance has been that housing and community development programs under that ceiling would be cut back so drastically at a time when we should be sending a signal to the country that we are really serious about meeting our housing needs.

Mr. BELLMON. Let me say to the Senator that that is the reason we did what we did and took the action we did. I understand the Carter administration has not thus far presented its housing program to Congress. It is going to be a part, probably, of the welfare reform bill to be coming in late.

We felt it might perhaps be in order to hold this program down to this level until we saw what the Carter administration wants to do.

Also, may I say that the level of funding we already provided for assisted housing is going to bring us from the present level to $2.5 billion in fiscal year 1977, and to more than $8 billion in fiscal year 1982. So we have provided for some very rapid escalation in these programs over the next 5 years.

Mr. BROOKE. I want to say, if the Senator will yield, that the Carter administration has sent up a budget request for section 8 and public housing for fiscal year 1978.

Mr. BELLMON. That is true. They sent the budget request, but also they had not laid out their housing strategy for the next period ahead of us.

We, at the present time, will be funding programs that have already been in place, many of which have not produced the results that the Banking Committee wants and certainly not those that the Senator from Oklahoma wants.

Mr. BROOKE. If the Senator will yield further, the Secretary of HUD has appeared before our committee, and we have held our hearings. We are presently marking up the fiscal year 1978 authorization bill for housing.

Mr. PROXMIRE. Mr. President, if the Senator will yield, the Secretary of Housing and Urban Affairs, in her letter, which I put in the RECORD, made it very clear that she firmly opposes this action by the Budget Committee and strongly supports the amendment. There is no question about that.

Furthermore, the reason for failure of our housing programs is because they were smothered without money. They were just choked off, and not permitted to proceed.

Mr. BELLMON. Mr. President, if the Senator will yield, I agree that going from $2.5 billion to $8 billion in fiscal year 1982 is not exactly choking them off. It provides almost a quadrupling of programs over a 5-year period and that would seem to be adequate to provide a considerable expansion.

Mr. PROXMIRE. As I told the Senator, the Senate may have been wrong when we adopted a law in 1968 providing for 600,000 new publicly assisted housing starts. We did that. The cost of that, of course, is very great. This year the reason it cost so little——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. May I say the reason?

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. MUSKIE. Mr. President, I yield 3 minutes to the Senator.

Mr. PROXMIRE. The reason it is relatively modest now is that we only have 41,000 housing starts this year, not 600,000, not 200,000—which would be pitifully small—but 41,000 this past year. This year we are expected to have maybe 80,000.

So it is true that the figure the Senator gives indicates a sharp increase, but it is an increase from a very small number.

We are dealing with a whale of a lot of money because housing does not come cheaply. That is true. It is a large part of the budget—1 percent. But it is something that we made a pledge to do, and I think that pledge was a proper and honorable pledge. The people should have safe, sanitary, and decent housing. We are trying to help keep that pledge.

Mr. BELLMON. Mr. President, I think the Senator from California will get into that part of it.

I simply wish to ask the Chair, if he will yield, to reply is the Banking, Housing and Urban Affairs Committee pleased with the way these programs have been operating so far? I remember very distinctly some comments made about it.

Mr. PROXMIRE. We are displeased with the program, particularly with the moratorium put on housing on January 15, 1973, with no new authorizations, so that the housing starts gradually diminished. That is what we are displeased about. For that reason, we have to now start filling that pipeline.

Mr. BELLMON. Does the Senator feel these programs need to be restructured and reviewed to see that they operate well?

Mr. PROXMIRE. We are constantly doing that, and it is true that there are some of these programs that have been badly administered. There have been some failures. But the main difficulty has been that we simply have not funded the program. We have not provided the resources for it and have not permitted the program to go ahead.

Mr. BELLMON. As I understand it, the pipeline still has 900,000 units. So we have not failed to provide the opportunity for the program to grow. There are 900,000 units.

Mr. PROXMIRE. I do not know where the Senator gets the 900,000 figure. The fact is our calculations indicate that, if we go ahead with the administration's recommendation, the pipeline will be kept fairly level at about the 160,000 level over the period 1979, 1980, and 1981.

Mr. BELLMON. We seem to have a wide variation.

Mr. PROXMIRE. It is cut down 100,000, if we go along with the budget resolution we have before us.

Mr. BELLMON. Mr. President, I shall say in the time I have that it was my feeling that the Budget Committee is fully cognizant of the need for improved housing in the country, but we feel we have provided in the budget sums adequate to keep the housing program moving along at a rate as fast as can be adequately aministered by the Department of Housing and Urban Development, and until we get from the Carter administration as part of their welfare reform program what their new housing approaches will be, I feel this sum of money is adequate.

Mr. BROOKE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator's time has again expired.

Mr. BROOKE. Has the time of the Senator from Oklahoma expired?

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. MUSKIE. I had promised time to the Senator from Florida (Mr. CHILES), who is the target of all this debate. I wonder if we might yield to him at this point. Then if there is time left, I will be willing to share it with Senators BROOKE and PROXMIRE.

I yield the Senator from Florida such time as he may require; then, if we need more time, we can get some more off the bill. But the Senator from Florida has been very patient, awaiting an opportunity to speak.

Mr. CHILES. I thank the chairman.

Mr. President, I have listened with great interest to the arguments. I think the Senator from Wisconsin is correct when he said that the thrusts of our arguments in the Budget Committee were two. One is what was going to happen to the deficit, and not just in this year but in the outyears, as we continue down this program, without trying to make some kind of determination of what kind of costs we were going to incur. If we are just at the current rate, if we authorized zero additional units, in fiscal year 1982 we would be spending $5.4 billion in the subsidized housing program, just if we continue at the current rate. That is not adding new figures, but at the current rate; we would be spending $5.4 billion at the current rate.

As I understand, the desire of the President is to balance the budget in 1981. I have difficulty determining how we are going to reach a balanced budget figure, if we are going to continue to have outlays of this kind of magnitude that are going on and on.

One thing I think needs to be stressed here is that what we are dealing with in this program is just new housing under section 8. That is roughly about a fourth of the program. In listening to my distinguished friend from Pennsylvania talk about elderly housing, and some of the problems that might come from that, again, to show you some of the fears that have been set forth upon the Nation by virtue of this kind of cut, it deals only with new housing; it does not deal with housing for the elderly, but strictly on the new starts.

We felt, I think, the majority in the Budget Committee, that the present budget failed to take into account the large carryover of units it funds. The pipeline for section 8 private new construction is so backed up that a steady increase in construction can be achieved without any additional budget authority.

Looking at that, we see that in the funds received for 1976, the first quarter, there were 116,316 units. When we look at the number of units on which final agreement was reached and construction started, it was about 23 percent of that number. That left, for a carryover in the pipeline as it went into 1977, 88,262 units.

Under that figure, we could add additional reservations provided in the 1977 budget of 80,000, and in the supplemental appropriation another 57,000 units. So now we find the total units to be processed in 1977 at 215,262 units.

If we double the rate that we processed in all of 1976, for the remainder of 1977, for the 6 months that will remain, if you double that—and no one even from HUD has come up with the idea that they will be able to process more than that—then they would process some 53,816 units. If you do that, you end up with a reserve going into 1978 of 161,466 units. To that we would add the figure of some 53,000 units. That would make us come up with a total of 211,846 units, which would be on hand for 1978.

That appears to be the figure on the basis of which HUD is saying it is not going to tell people they have enough in the pipeline. There is more in the pipeline, almost by double, than we had in 1976. It is the same amount we had in the pipeline in 1977. I do not think that is sending any signal to any builder or anyone else that we are not going forward with the program.

With that in the pipeline, if they again double their building in 1978—and that appears to be the argument, from the figures the Senator from Wisconsin is using, that they could double that again—then we would appear to be able to have reached a final figure of 105,323 units. If they did that, the beginning carryover in 1979 would be 106,000 units. That is before you add anything to it. In

1979, we have a carryover that is the same as the carryover in 1976, larger than the carryover in 1977, virtually the same as the carryover in 1978, and to that figure, again, the Budget Committee is going to meet, the authorizing committees are going to meet, we are going to have the advantage of the Carter proposal on housing that will come forward—we will have all of that information, and we will have the experience to be able to see whether they actually reach that quadrupling of the figure, like they have been doing in this past year.

After doubling 1 year and then doubling another year, we are going to have all that information. We can go that route, which is the route the Budget Committee came up with, or we can go the route of adding these other 53,000 units.

What does that do? Nothing this year, but the out years will catch us sooner or later. I think all of us know what happens many times in Republican administrations and Democratic administrations: when you get into that Presidential year and start looking around as to how to heat up the economy, if you have some carryover there, that is when you start pulling it out, and that is when we start having scandals and problems, as we have seen in many administrations before.

What we are doing is saying, "Let us proceed on an orderly basis. We are giving you sufficient units to meet any needs under any of the criteria." The Senator from Wisconsin has said under the Budget Committee we would end up with a carryover of less than 100,000 units. That is not correct. We would be at 106,000 units under the figures the Budget Committee has projected, and to that, of course, we would then add the new authorization in 1978.

I think it is sound fiscal policy to say we are going to do it this way. The Senator from Wisconsin continues to say the authorizing committee should have more funds than were provided, than did the Appropriations Committee. I would just like to tell him that if the Budget Committee went on that criterion, of providing all the funds asked for by the authorizing committee and the appropriating committee, there would be no reason for having a Budget Committee. If we went on that basis, we would be budgeting a deficit, not of $62 billion, which we are now projecting, but a deficit of, I think, $78 billion, if we accepted the wish lists of all of these committees.

I do not think the Senator from Wisconsin has ever been one who wanted to have high deficits, or wanted to run the risk of inflation. So the Budget Committee has always had to take those wish lists as they came from the authorizing committees and the appropriating committees and try to pare those down to what we think would be within reason at a time in which we are running in a recession and in which we are afraid that inflation might start again, and looking toward a time when we can balance the budget.

So at all times we are not going to be able to take those particular figures everyone would like, if they are on the authorizing committee or the appropriating committee, and make those figures become a fact.

It is going to be an easy thing to see what the units are actually built out. I think we have left considerable room to meet a quadrupling of the building that would be in no way a signal that we are diminishing our commitment to housing, and would give us an opportunity to see what kind of new directions we wish to run, without clogging that pipeline further with a backlog that will come back to haunt us in 1981 and 1982 and as we go farther out.

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. DECONCINI). The Senator has 5 minutes remaining.

Mr. MUSKIE. I yield 2 minutes to the distinguished Senator from Alabama.

Mr. MATSUNAGA. Will the Senator yield for a unanimous-consent request?

Mr. SPARKMAN. I yield.

Mr. MATSUNAGA. I ask unanimous consent, Mr. President, that I be listed as a cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I rise in support of the Proxmire amendment. Closely alined to the thrust in the development of viable urban neighborhoods is our renewed commitment to provide decent housing and suitable living environments, particularly for low- and moderate-income families. New contract authority is requested for section 8 and public housing programs for fiscal year 1978. A request in budget authority of $32.8 billion is necessary to spur a stock of 400,000 housing units for low-income citizens. This would provide 344,000 new, rehabilitated, and existing units under the section 8 program, and 56,000 units for the public housing program. The $32.8 billion budget authority request would support a section 8 program encompassing an estimated 149,000 newly constructed units, 23,000 substantially rehabilitated units, and 172,000 existing units.

Mr. President, it is an undeniable fact that our Nation is in grave need of housing. Furthermore, the housing industry today is in dire need of economic stimulation. As we are all well aware, unemployment in the construction industry is over 15 percent as compared to a national overall unemployment average of 7.5 percent. In my State of Hawaii, the unemployment rate in the construction industry has been as high as 40 percent and it still stands at a distressing 32 percent. Renewed activity in housing construction and rehabilitation would create jobs, revive the national economy, and produce much-needed shelter.

For the past few years, our Nation has experienced a serious setback in providing housing, especially for low- and moderate-income individuals, and families. Since early 1973, construction of low-income housing has been almost at a standstill, largely due to administrative impoundment of housing program funds. Likewise, in 1975 construction of unassisted housing reached an extreme low, and in 1976 production continued to be more than a million units below the 2.6 million annual goal deemed necessary by Congress back in 1968. The administration's announced commitment to housing has spurred a slow comeback which should be encouraged by Congress. Adoption of the Proxmire housing amendment will serve this purpose.

Mr. SPARKMAN. Mr. President, I am in sympathy with the views expresed by the Senator from Florida, and I certainly recognize the tremendous job the Budget Committee has.

I am not so interested in the number of units of housing as I am in the number of jobs involved. If the idea of the Senator from Florida prevails, according to the tables there would be 160,000 jobs lost.

Just a few days ago we debated the jobs bill. I do not remember what the figure was, but I think it was in the billions. We did not hestitate to provide for that. Yet if we adopt this idea we would lose 160,000 jobs.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point some remarks that I made on this matter on April 27, 1977, with the tables which are included.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HOUSING PROGRAMS

Mr. SPARKMAN. Mr. President, I would like to urge my colleagues to support amendment No. 207 to the proposed budget resolution in order to restore housing and community development funds requested by the administration.

I was disappointed that the Budget Committee chose to cut back over $6 billion in housing assistance and $500 million in community development aid to local governments.

The community development program is now just 3 years old. Local governments throughout the country have declared the program a success. To cut back the funding requested by the President after thorough review by his Office of Management and Budget and after recommendations by both the Committee on Banking, Housing, and Urban Affairs and the Committtee on Appropriations just does not make sense to me. I understand that on the House side all of the involved committees—the Committee on Banking, Finance and Urban Affairs, the Committe on Appropriations, and the Committee on the Budget—have approved the President's request.

I am particularly disturbed by the cutback in housing assistance proposed by the Committee on the Budget. As one who has worked for many years to improve the Nation's housing, I have high hopes that the new administration will produce results. They are needed because, as you know, the past administration effectively shut down the Federal housing programs in 1973, and they are only now beginning to be implemented again. I cannot understand why when the new administration wants to carry out the housing goals set by the Congress, the Committee on the Budget would deny them the tools. This is the time to give the President the authority he has requested—not to deny him what he needs.

HUD has provided me with a State-by-State estimate of the reductions in housing units that will occur should the budget cuts be maintained. A corresponding estimate of the reduction in potential employment also has been prepared. I ask unanimous consent that a table presenting this information be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Potential impact of proposed reduction of $6.2 billion in housing budget authority, fiscal year 1978, by region and State

	Decrease in housing units	Decrease in potential jobs
Boston region:		
Connecticut	908	1, 816
Massachusetts	1, 855	3, 710
New Hampshire	236	472
Maine	383	766
Rhode Island	304	608
Vermont	146	292
New York region:		
New Jersey	2, 225	4, 450
New York	6, 844	13, 688
Puerto Rico	2, 781	5, 562
Philadelphia region:		
District of Columbia	817	1, 634
Maryland	850	1, 700
Pennsylvania	3, 841	7, 682
Virginia	1, 445	2, 890
Delaware	141	282
West Virginia	696	1, 392
Atlanta region:		
Alabama	1, 721	3, 442
Florida	3, 107	6, 214
Georgia	1, 826	3, 652
Kentucky	1, 253	2, 506
Mississippi	792	1, 584
North Carolina	1, 941	3, 882
South Carolina	1, 060	2, 120
Tennessee	1, 840	3, 680
Chicago region:		
Illinois	3, 652	7, 304
Indiana	1, 688	3, 376
Michigan	2, 590	5, 180
Minnesota	1, 324	2, 648
Ohio	3, 409	6, 818
Wisconsin	1, 464	2, 928
Dallas region:		
Arkansas	888	1, 772
Louisiana	1, 633	3, 266
Oklahoma	818	1, 636
Texas	4, 288	8, 576
New Mexico	356	712
Kansas City region:		
Kansas	440	880
Missouri	2, 039	4, 078
Nebraska	422	844
Iowa	790	1, 580
Denver region:		
Colorado	962	1, 924
Montana	189	378
North Dakota	148	296
South Dakota	164	328
Utah	444	888
Wyoming	56	112
San Francisco region:		
California	6, 430	12, 860
Hawaii	653	1, 306
Arizona	834	1, 668
Nevada	181	362
Seattle region:		
Oregon	796	1, 592
Washington	1, 043	2, 086
Alaska	107	214
Idaho	182	364
Nationwide	75, 000	150, 000

Mr. SPARKMAN. Mr. President, I believe this information will be of use to all of the Members in considering the action taken by the Committee on the Budget, and the amendment to restore the funds requested by the administration in its budget for fiscal year 1978.

I believe that when my colleagues consider the adverse effects that cutbacks in housing and community development assistance will have, they will vote to support the administration's budget proposals by supporting the amendment No. 207 to the First Budget Resolution for fiscal year 1978.

Mr. PROXMIRE. Will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. First, I commend the Senator from Florida. I believe he has performed a very useful service, win or lose. I believe this is an issue which should have been debated, which should have been discussed. It has been too little understood. He has done a fine job discussing the position we have taken on this housing subject.

Having said that, let me add that the difficulty with his statement is that he takes a very, very small amount, 41,000 housing starts last year, and maybe 80,000 this year, and says we should be satisfied if it is doubled or quadrupled. However, even 80,000 is still a relatively modest amount compared to what we should have; compared to what we promised; compared to what we delivered in 1970, 1971, and 1972; and compared to what we should do. Furthermore, we need the housing. It is an economic good we need very much.

As the Senator pointed out, it means jobs, productive jobs. They are not jobs of the make work variety, but jobs of the constructive kind.

Mr. SPARKMAN. Housing produces jobs provided by private industry instead of a plan such as we voted on to manufacture jobs.

Mr. PROXMIRE. Will the Senator yield for an inquiry of the Chair?

Mr. MUSKIE. I yield.

UP AMENDMENT NO. 190

Mr. PROXMIRE. Mr. President, as I understand it, this is an unusual kind of a situation. We have two amendments back to back. One amendment I have already called up is pending, and I would like to send to the desk another amendment which I have not yet made available.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE), for himself and others, proposes an unprinted amendment No. 190:

On page 4, line 2, strike out "$173,700,000,000" and insert in lieu thereof "$179,900,000,000".

Mr. PROXMIRE. These are the two amendments we have discussed. I believe we have an order on both amendments.

The PRESIDING OFFICER. The Senator is correct.

Mr. MUSKIE. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 30 seconds.

Mr. MUSKIE. I will give myself a minute and a half on the resolution. That will make it 2 minutes.

Mr. President, I make this point: If the Budget Committee is to do its job on budgetary restraint, it is not going to be able to do it by simply eliminating obviously frivolous programs. There is no way of doing it that way. In order to hold down spending, we are going to have to reduce spending for obviously meritorious programs.

I believe the recommendations of the various authorizing committees which we have rejected were all meritorious, including this one.

There is a $15 billion difference in the totals recommended by the Budget Committee and the totals recommended by the authorizing committees. Of that $15 billion, no part of it, in my judgment, was frivolous. All of it was solidly based on the evaluations of the authorizing committees, tested by their expertise and knowledge. Nevertheless, if we are to avoid a deficit of $78 million, we had to cut meritorious programs. The $63 billion deficit we came up with is the product of those kinds of cuts.

I could find it easy to support the $15 billion that was cut. I supported these programs in committee. But once we have gone through the functions in the Budget Committee, we look at the product of what we have done. If that product represents unacceptably high spending then we have the job of going through our numbers once again to try to squeeze out some more cuts.

After we went through our first round we had approved outlays that resulted in a deficit of $65 billion. We all considered that too high. I then recommended a list of eight cuts totaling some $2.5 billion more. The committee approved $1.9 billion of those cuts. That is how we arrived at our totals.

So we did not arrive at those totals by eliminating frivolous spending. We had to eliminate funding for programs for which there is considerable support and justifiable support on their merits.

Of course, if the Senate decides to change those numbers, that is the Senate's prerogative under the Budget Act. That is the point at which we find ourselves.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATHAWAY. Mr. President, I am pleased to cosponsor and support the pending amendments offered by the Senator from Wisconsin which will restore the administration's budget requests for housing and community development in the first concurrent resolution of the budget for fiscal year 1978.

The pending resolution as reported by the Budget Committee cut the President's request for community development funds by $500 million, from $4 billion to $3.5 billion. It also cut the request for budget authority for assisted housing by $6.2 billion, from $32.8 billion to $26.6 billion. This action on the part of the Budget Committee, unless corrected by floor amendment, will have a serious adverse effect both on our Nation's ability to deliver much needed housing and on local government's abilities to conduct ongoing programs in community development. It is my understanding that these actions would result in the loss of 75,000 new housing starts and the loss of over 150,000 jobs in the contracting industry and related industries.

In my own State of Maine, I have been informed by officials at the Department of Housing and Urban Development that these cuts would result in a decline in section 8 assisted housing in fiscal year 1978 from 1,793 units to 1,344 units and would lead to a loss of 750 construction jobs.

In community development funds, the State would be forced to absorb a cut of $1,380,000, going from $12,626,000 to $11,246,000. The impact of this change becomes particularly severe when one compares the HUD proposed 1978 community development funding of selected communities under the budget resolution as reported, with their 1977 entitlement levels. For example, Auburn would be forced to go from $701,000 for the 1977 fiscal year to $600,000 for fiscal year 1978, a decline of 14 percent. In Lewiston, the adjustment would be from $2,233,000 in fiscal year 1977 to $1,413,000 in fiscal year 1978, a decline of 37 percent, and Portland would go from $4,542,000 to $2,981,000, a loss of 34 percent.

Some downward adjustment was anticipated for these particular cities under the original administration proposal due to a phasing out of hold-harmless funds which they had received based on prior activity under the previous model cities program, as the formula allocations of the 1974 Housing and Community Development Act gradually took effect. But to ameliorate these impacts, the administration had put forth a proposal of a dual formula which would take special account of the needs of older communities. This alternative formula would allocate funds to such communities on the basis of the relative amounts of older housing stock, the comparative rate of decline or stagnations of population growth, and the percentage of low-income individuals.

Further, the administration had planned a new initiative of so-called action grants, to be awarded to those cities which had demonstrated prior success and continuing need for additional and improved housing for moderate- and low-income families.

Both of these efforts, the dual formula and the action grants, are severely jeopardized by the action of the Budget Committee.

The community development block grant program has been one of tremendous success throughout the State of Maine. It stresses local decisionmaking on the part of elected representatives of the people in city and town councils, subsequent to receiving direct input from their constituents via required workshops and public hearings. The program has led to substantive success in efforts at housing rehabilitation, street and park improvements, and physical improvements to nonresidential structures which serve community needs.

For example, in testimony before the Banking Committee on March 3, 1977, Councilman John O'Leary of the Portland City Council stated:

> In 1972, we had 7,064 housing units classified as deteriorated—that represented roughly 30% of our housing stock. By the end of 1976, that number had been reduced to 4,668, or a decline of 34%. HCD funds have been widely used in this effort. Although we still have a long way to go in achieving our housing goals, we have made an impressive and dramatic start.

In addition, a number of complementary human services programs have been undertaken such as alcoholism programs, day care programs, half-way houses, and so on. All of these efforts would be jeopardized unless the administration's request is fully funded through our budget resolution.

Further, with regard to the Budget Committee's action on assisted housing, the cut of $6.2 billion in budget authority does not in fact result in any immediate, significant reduction in our current budget outlays or deficit, since these funds represent authority for HUD to enter into 20-, 30-, and 40-year contracts. In fact, according to Banking Committee statistics, the cut in budget authority for assisted housing would result in negligible budget outlay saving in 1978 and only $10 million in 1979. While the impact would be greater in 1980 and in subsequent years, the Office of Management and Budget has already approved this program and has taken its future budget implications into account in its commitment to achieve a balanced budget by 1981.

Consequently, in balancing all these considerations, with particular attention to the needs of the citizens of my State, I feel compelled to support the pending amendment.

Mr. METZENBAUM. Mr. President, I rise in support of the amendment to restore the $6.7 billion cut from the Carter administration's community development and housing authorization request by the Budget Committee.

Mr. President, the action taken by the Budget Committee could not have been more untimely. The 1975 population estimates recently compiled by the U.S. Census Bureau revealed that the flight from our urban centers has accelerated. In the last year alone, it has been estimated that 2 million people have left the central city. This trend is most pronounced in the once proud industrial midwest-northeast quadrant of our Nation. From New York, Chicago, Cleveland, and Detroit, from Cincinnati, Pittsburgh, Buffalo, and Boston: there has been a wave of outmigration on a scale not witnessed since the exodus from Appalachia. Factories flee from the high wages and pollution they created, leaving in their wake a rising tide of unskilled, unemployed workers, who require more, not less, from a dwindling tax base. A Cleveland Plain Dealer article quoted Dr. Pierre Devize of the University of Illinois, who said:

> Once the city was where the best jobs and social lives were. But the critical mass of urban areas has become too large.
>
> The larger the city, the larger the work trip becomes, the worse the air pollution is, the higher the cost of local government, and the more social problems there are. People are rebelling against it.

The cost of this phenomenon has been particularly pronounced in my own State of Ohio. In the last 5 years: Akron has lost 8.6 percent of its residents; Canton has lost 7.5 percent; Cincinnati has lost 9 percent; Cleveland has lost 14.9 percent; Columbus has lost 1 percent; Dayton has lost 15.8 percent; Toledo has lost 4 percent; and Youngstown has lost 6.2 percent.

That is why it is so difficult to comprehend the cut in community development and low-income housing funds as proposed by the Budget Committee. After 8 long years of benign neglect, we finally have a new administration, pledged to the revitalization of urban America, committed to finding new solutions to old problems. One such solution may lie in the $400 million urban development action grant proposed by the administration. This program, designed to attract private capital and to provide a comprehensive, coordinated response to meet special development opportunities, would be jeopardized by the proposed $500 million reduction.

This new initiative is necessary in light of the failures of the existing approach, described by Secretary Harris in the following terms:

> Current block grant funding levels provide hardest-hit cities only enough resources to carry out maintenance level activities or to complete existing projects. Few cities can launch major new initiatives under the program as it is currently structured.
>
> Furthermore, the Department has no flexible funding system to respond to special development opportunities as they arise. When the right combination of circumstances arises, local government, like a business, must be able to more quickly to take advantage of investment opportunities and market conditions.

Accordingly, this type of program is needed if a successful attack is to be made on the particular problems besetting our oldest and most severely distressed cities.

However, even if HUD decided to retain this new program and cut back funds committed to entitlement communities, the effect would be to reduce overall funding for most cities to levels below those which they had received under the Ford administration.

The following table was prepared by HUD to show the impact of a $500 million cut in the basic CDBG program.

COMPARISON OF RECIPIENT CATEGORIES SHOWING EFFECTS CREATED BY $500,000,000 REDUCTION IN BASIC PROGRAMS

[In millions of dollars; fiscal years]

Recipients	1976	1977	1978[1]	1978[2]
SMSA'S	2,180	2,514	2,428	2,820
Metro cities	1,718	1,917	1,901	2,186
Urban counties	209	322	291	346
Small HH	171	174	114	114
Discretionary	82	100	122	175
Nonmetro areas	519	578	519	617
Small HH	265	255	167	167
Discretionary	254	323	352	450
Secretary's fund	53	57	53	62
Total basic program	2,752	3,148	3,000	3,500

[1] Budget Committee proposal.
[2] Administration proposal.

Mr. President, according to HUD, Ohio would lose over $25 million under the Budget Committee's recommendations. Previously, I listed the rate of outmigration from Ohio's major cities. The same cities that are experiencing the worst effects of urban blight, would also suffer the most under the Budget Committees action. The following table shows how much money these communities would lose under the Budget Committee's recommendation.

Cities	Administration proposal	Budget Committee recommendations	Impact
Akron	$8,729,000	$7,343,000	$1,386,000
Canton	3,479,000	2,526,000	953,000
Cincinnati	17,881,000	15,043,000	2,838,000
Cleveland	37,938,000	31,918,000	6,020,000
Columbus	9,072,000	7,632,000	1,440,000
Dayton	9,037,000	7,602,000	1,435,000
Toledo	7,847,000	7,551,000	296,000
Youngstown	5,985,000	5,035,000	950,000

Mr. President, we simply cannot afford to retreat on an issue which we have yet to attack, a problem, which if ignored will continue to spread and only prove that the domino theory works best closest to home.

Unfortunately, this is not the extent of the damage which would be inflicted by acceptance of the Budget Committee's proposal. By recommending a $6.2 billion reduction in new low-income housing construction, approximately 75,000 units would not be built. Such a cut would reduce new starts below the goals of the previous administration. Ohio would face a reduction of approximately 3,500 units, which would jeopardize almost 7,000 jobs in the depressed construction industry. The administration's proposal to extend to 30 years the 20 year maximum statutory subsidy term for section 8 new or rehabilitated units undertaken by private developers without Federal assistance or insurance is a positive first step toward reducing any backlog in the so-called housing reservation pipeline. At the same time, a commitment to maintain a high level of construction is necessary if private sector confidence is to be retained. In addition, the AFL–CIO has correctly pointed out that—

> An increasing development of local housing shortages is now generating inflation through increased housing prices and rents. Over the last 12 months for which data are available, the median prices of existing and new homes sold increased by 12 percent and 11 percent, respectively. Over the past six months, rents increased at an annual rate of nearly 6 percent. Given the population composition and huge need for increased housing production over the next eight years, inflation through housing will grow unless an increased level of housing construction is supported.

Mr. President, in summation, I can find no acceptable justification for cutting these funds. The Carter administration submitted their request with the goal of a balanced budget in mind. The Congress should act decisively in attacking two of our Nation's most pressing problems, housing and community development, by adopting the amendment to restore the $6.7 billion sought by the administration.

Mr. CULVER. Mr. President, I wish to express my support for the pending amendments which restore the administration's budget request for housing and community development in the first concurrent resolution on the budget for fiscal year 1978.

The proposed cutback of $500 million in allowable funding for community development and reductions in housing assistance to lower-income families by the Budget Committee will seriously affect many communities in Iowa.

Mr. President, the cities and towns in the State of Iowa are increasingly seeking new financial resources to adequately address their housing and community development needs. Our urban places, just as the urban places in the Northeast and elsewhere, urgently require expanded and innovative mechanisms to provide safe, sanitary, and decent housing for their citizens.

The budget reduction proposed by the Budget Committee will result in a significant negative impact to the cities and towns in Iowa. The 14-percent decrease in community development block grant funds will mean fewer resources to fight the battle against urban decay. It will result in less money for jobs, services, building construction and, worst of all, it will have an incalculable negative effect upon the lives of our urban poor.

In Iowa with nearly 1,000 cities and towns, this proposed reduction of CDBG funds will reduce by 21 percent the available fiscal resources for community improvement to those small cities that must compete for the discretionary dollars. To put into perspective what the impact upon our smaller communities will be, let me point out that in the current fiscal year, approximately $7.5 million is available to Iowa's small communities; and the Department of Housing and Urban Development presently anticipates funding 42 small city applications with an average annual grant of $215,000. The proposed budget cut of $4,576,000 from Iowa's share would result in slashing more than half of these communities from the program. This, of course, would dramatically affect the ability of these small cities to provide basic services to their citizens, as well as significantly jeopardize their ability to compete reasonably in the marketplace for an expanded economic base.

It must also be noted that Iowa has only eight entitlement recipients, all of which have demonstrated their ability to effectively and innovatively address their community development needs. Yet the proposed community development block grants fund reduction will eliminate nearly 15 percent of their ability to provide community development services. These are Iowa's most populous urban places which have, during the past 3 years, prepared long-range plans that are dependent upon stable levels of funding. The 1974 Housing and Community Development Act purposefully provided the mechanism for long-term funding levels. However, we are now telling these cities that they must cut, by more than $2 million, their ability to meet the needs of their low-income citizens.

Not only does the Budget Committee propose $500 million less for the CDBG program, but it also suggests that we cut the available dollars for new construction under the now successful section 8 program by $6.2 billion. This, in tangible terms, means we will have 53,000 fewer units of housing for our low- and moderate-income citizens. For the State of Iowa, this will mean approximately 927 fewer units to house these low-income people. It would, in addition, cost the State an estimated 1,600 associated jobs. In fiscal year 1977, Iowa has a total allocation of only 926 units. The net result of this would effectively eliminate CDBG programs for Iowa.

Mr. President, for these reasons, I ask that the amendment to the first concurrent budget resolution be approved.

Mr. KENNEDY. Mr. President, the amendments offered by Senator PROXMIRE, which I am cosponsoring would restore the administration's budget request for housing and community development.

This amendment restores $500 million in budget authority for community development funds and $6.2 million for section 8 housing assistance to low-income families.

In Massachusetts the cut proposed by the Budget Committee would mean a loss of $12.5 million in community development block grant funds. It would also mean a loss of over 2,000 section 8 housing assistance payments to needy families in Massachusetts.

Nationally this cut would mean a reduction in community development block grant funds for over 500 cities and counties. It would also mean the loss of over 75,000 housing starts.

One of the most drastic results of this cut would be the loss of more than 150,000 construction and related jobs. These jobs would be lost to workers who are currently unemployed—many of these workers have been unemployed for over a year.

If these cuts prevail, they will be a serious setback to the construction industry. In the Commonwealth of Massachusetts there has been an increase of over 40 percent in unemployment in the construction industry during the past several years.

It is difficult for the people of the Commonwealth of Massachusetts to understand the type of economics which cuts back stimulus to the housing industry—a job creating industry which gives workers paychecks instead of unemployment and welfare checks.

Mr. President, the cuts proposed by the Budget Committee are economies which we cannot afford. We cannot afford these cuts because they jeopardize the administration's pledge to achieve the housing goals which have been set by Congress. We now have an administration which is responsive to the housing needs of this Nation. For 8 years we fought the inertia of previous administrations. We cannot now inpede the effects of a new and active administration.

We cannot afford these cuts because they threaten the ability of this Nation's cities, counties, and smaller communities to carry ont necessary rehabilitation and developments activities. The proposed cuts would impede administration efforts to implement a new urban initiative program, and the administration deserves that chance, because the Urban Development Action grant program would be seriously damaged by this cut. That proposal is targeted to turning around the economic plight which besets our Nation's Older, distressed central cities. This is an innovative program which would provide funds to those cities with the greatest need to provide housing for low- and moderate-income persons.

For years we have had an administration which ignored the housing problems of this Nation. At last we have an administration which is responsive to the housing and community development needs of this country. We must at least establish a budget authority which is consistent with the goals of the administration.

We must take our commitment to provide decent housing for our citizens seriously. We must take our commitment to revitalize local communities seriously. And we must honor our commitment to these goals by making adequate resources available to achieve them.

I strongly urge my colleagues to join with me in support of this amendment which would restore the administration's request for $4 billion in community development and $32.8 billion in housing assistance.

Mr. PERCY. Mr. President, I rise in support of the amendments to the budget resolution, offered by Senators PROXMIRE, BROOKE, SPARKMAN, and MATHIAS, and cosponsored by myself and a number of other Senators. These amendments will restore much-needed funds to housing and community development programs whose loss would adversely affect not only my own State of Illinois, but the Nation as a whole.

It was unfortunate and untimely that the Budget Committee chose to cut back over $6 billion in housing assistance funds and $500 million in community development aid to local governments. While it is true that the housing industry is beginning to enjoy a period of recovery after a long slump, it is premature to think that the Federal commitment to housing should be curtailed.

What we are talking about here primarily is housing assistance for low-income Americans, a key element of this Nation's housing commitment. Restoring the funds for these programs is important for other reasons as well. Housing construction and rehabilitation mean better housing for the poor, but they also mean jobs for the unemployed, revitalization for the cities and continuing recovery for the housing industry.

Unemployment in the construction industry is in excess of 14 percent. HUD has estimated that if these fund cuts are allowed to remain, there will be over 7,000 fewer possible jobs in Illinois and 150,000 fewer nationwide than would have otherwise been the case. These jobs, I might add, are primarily in construction, which was hard hit by the economic adversities of recent years.

Mr. President, I do not deny that there is money to be saved by looking carefully at housing programs. Today is not the first time I have mentioned to this body the mismanagement in Federal housing programs whose cost must be borne by the taxpayer and by the housing consumer. But why not save money through corrective action in these areas instead of through across-the-board cuts in the heart of these programs? Six billion dollars sounds like a lot of money, but if you consider that this represents contract payments over a number of years—up to 40 in some cases—the budgetary impact is not so great as proponents of the cut would have us believe.

Before concluding, I would like to comment also about the other funds we are discussing here today—$500 million for the community development block grant program. I have met with HUD Secretary Patricia Harris and I have testified before the Senate Banking Committee about the value of this program and about the overwhelmingly favorable response I have received about it from local officials in Illinois. The reduction in funds represented in the budget resolution would either be reflected in the regular entitlements—a loss of almost $32 million for Illinois—or result in the elimination of the proposed urban development action grants for fiscal year 1978, designed to meet special development opportunities in older, more distressed cities. Neither alternative is acceptable if we are to maintain the level of local initiative and responsibility fostered by the community development block grant or to make an effort to concentrate special aid on urban revitalization.

Mr. President, I am pleased to be a cosponsor of the Proxmire-Brooke-Sparkman-Mathias amendments and I urge their immediate passage.

Mr. MUSKIE. I compliment the speakers on both sides.

May I ask a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. MUSKIE. I believe we are scheduled to proceed to the next amendment now.

The PRESIDING OFFICER. We are scheduled on the first amendment of the Senator from Wisconsin. The yeas and nays have been ordered.

Mr. MUSKIE. May I ask this: At the time we put the unanimous-consent request, it was assumed that we would also have discussed the Cranston amendment before the voting started. Is that required or should we now proceed to vote on the Proxmire amendment?

Mr. PROXMIRE. We have two amendments pending. It is my understanding we would have back to back voting on those two amendments.

Mr. MUSKIE. But the point of what I am getting at is, should we debate the Cranston amendment before the voting starts? I am asking whether or not that is necessary.

The PRESIDING OFFICER. The debate on the amendment of the Senator from California will occur after these two back to back votes.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time, if I have any, on these two amendments, so we may proceed to the vote.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the first amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON of California. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. WEICKER) would vote "yea."

The result was announced—yeas 68, nays 28, as follows:

[Rollcall Vote No. 132 Leg.]

YEAS—68

Allen
Anderson
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Chafee
Church
Clark
Cranston
Culver
Danforth
Durkin
Eagleton
Ford
Glenn
Gravel
Griffin
Hart
Haskell
Hatch
Hatfield
Hathaway
Heinz
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
McClellan
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Sparkman
Stafford
Stevens
Stevenson
Stone
Talmadge
Wallop
Williams
Young
Zorinsky

NAYS—28

Baker
Bartlett
Bellmon
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
DeConcini
Dole
Domenici
Eastland
Garn
Hansen
Hayakawa
Helms
Hollings
Johnston
Laxalt
McClure
Muskie
Pearson
Roth
Schmitt
Schweiker
Scott
Stennis
Thurmond
Tower

NOT VOTING—4

Abourezk
Goldwater
Morgan
Weicker

So the amendment (unprinted amendment No. 189) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the second amendment of the Senator from Wisconsin. The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that this be a 10-minute rollcall vote.

Mr. BAKER. Mr. President, reserving the right to object—I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the

Senator from Arizona (Mr. Goldwater), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Weicker) would vote "yea."

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—57

Anderson
Baker
Bayh
Bentsen
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Chafee
Church
Clark
Cranston
Culver
Danforth
Durkin
Ford
Gravel
Haskell
Hatfield
Hathaway
Heinz
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Melcher
Metcalf
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Sparkman
Stafford
Stevenson
Stone
Williams
Zorinsky

NAYS—39

Allen
Bartlett
Bellmon
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
DeConcini
Dole
Domenici
Eagleton
Eastland
Garn
Griffin
Hansen
Hart
Hatch
Hayakawa
Helms
Hollings
Johnston
Laxalt
Lugar
McClellan
McClure
Muskie
Nunn
Pearson
Roth
Schmitt
Schweiker
Scott
Stennis
Stevens
Talmadge
Thurmond
Tower
Wallop
Young

NOT VOTING—4

Abourezk
Goldwater
Morgan
Weicker

So Mr. Proxmire's amendment was agreed to.

(Later the following occurred:)

Mr. GRIFFIN. Mr. President, on the second Proxmire amendment, unprinted amendment No. 190, I intended to vote "No." I thought I voted "No," but the Record shows I voted "Aye." A change in the Record will make no difference in the outcome, and I ask unanimous consent that my vote be changed to "No."

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing rollcall vote reflects the above order.)

AMENDMENT NO. 252 (AS MODIFIED)

Mr. CRANSTON. Mr. President, I call up my modified amendment No. 252.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. Cranston), for himself and others, proposes an amendment numbered 252, as modified.

The amendment is as follows:

On page 1, line 7, strike out "$458,800,000,000" and insert in lieu thereof "$459,200,000,000".

On page 1, line 9, strike out "$497,400,000,000" and insert in lieu thereof "$497,900,000,000".

On page 2, line 2, strike out "$63,200,000,000" and insert in lieu thereof "$63,500,000,000".

On page 2, line 4, strike out "$395,600,000,000" and insert in lieu thereof "$395,700,000,000".

On page 2, line 8, strike out "$789,600,000,000" and insert in lieu thereof "$789,900,000,000".

On page 2, line 10, strike out "$89,600,000,000" and insert in lieu thereof "$89,900,000,000".

On page 4, line 5, strike out "$19,800,000,000" and insert in lieu thereof "$20,300,000,000".

On page 4, line 6, strike out "$19,800,000,000" and insert in lieu thereof "$20,200,000,000".

The PRESIDING OFFICER. Is this the amendment on which there is to be 1 hour?

Mr. CRANSTON. Yes.

Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor during the consideration of this amendment: Jon Steinberg, Ed Scott, Jack Wicks, and Garner Schriver.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the name of the Senator from New Jersey (Mr. Williams) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CRANSTON. Mr. President, all members of the Veterans Committee on both sides of the aisle are cosponsors of this amendment—namely, Senators Talmadge, Randolph, Stone, Durkin, Matsunaga, Stafford, Thurmond and Hansen. Also cosponsors are Senators Stevens, Inouye, McGovern, Haskell, McIntyre, and Williams.

This amendment would increase function 700, veterans benefits and services, from $19.8 million for both budget authority and outlays to $20.3 million in budget authority and $20.2 million in outlays.

I will run through quite briefly the reasons for this amendment.

This amendment is necessary to make modest, equitable increases in areas of critical need in veterans programs. It would restore about half of the amounts cut by the Budget Committee from the amounts which according to CBO estimates, would be needed to implement fully the policy judgments made by the Veterans' Affairs Committee in preparing its March 5, 1977, report to the Budget Committee.

The entire membership of the Veterans' Affairs Committee joins with me in sponsorship of this amendment. We are also joined by the distinguished minority whip, the Senator from Alaska (Mr. Stevens), the Senator from South Dakota (Mr. McGovern), the Senator from Colorado (Mr. Haskell), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Hawaii (Mr. Inouye).

Our amendment represents the minimum amounts which, on the basis of very careful scrutiny of veterans programs within rigorous standards of fiscal responsibility, are needed to maintain existing programs and current benefit levels, and to allow room for the following:

First, we would include administration-proposed cost-of-living increases for pension and compensation programs at an estimated cost of about $300 million in fiscal year 1978.

Second, we are planning for the enactment of a pension-reform measure as contemplated by Public Law 94–432, which found inadequacies and inequities in the current system. A pension-reform measure along the lines of that passed by the Senate in the 94th Congress in S. 2635, would, according to Congressional Budget Office estimates, cost about $300 to $500 million in fiscal year 1978 if an effective date of April 1, 1978, is assumed. The present amendment is based on acceptance of the lower end of these CBO estimates.

It is extremely important that a reform law be enacted now so that a restructured program can be established before an expected wave of World War II veterans enters the pension system. The levels recommended by the Budget Committee, however, would allow no room for pension reform in fiscal year 1978 if cost-of-living increases and minimal health care improvements are provided in other programs. If pension reform were to fall victim to the spending levels recommended by the Budget Committee, we would lose a valuable opportunity for long-range planning and sound fiscal policy—and I say sound fiscal policy because an investment now in pension reform we believe will save us very significant and substantial sums later on.

Third, we consider it highly desirable to counter the effects of inflation in GI bill payments, which are now approximately 12 percent below 1974 levels in real dollar amounts or, in the alternative, partially to counter inflation and make other improvements in the current GI bill. A current year cost-of-living increase of 5.1 percent would cost, according to CBO estimates, $600 million in fiscal year 1978. Applying those same estimating techniques to a full counter-inflationary measure, to restore benefit levels under this program to their 1974 level, produces a cost estimate of approximately $700 million more, that is, $700 million above current policy. In my view, these estimates are too high and the amendment, therefore, is based on the more conservative judgment that the Veterans' Affairs Committee GI bill measures—including a cost-of-living increase—will cost approximately $300 million above current policy levels in fiscal year 1978.

Fourth, with regard to health care programs, we consider it essential for the VA to keep pace with advances in medical technology and to correct certain inadequacies and deficiencies in medical care, including those identified by the Joint Commission on the Accreditation of Hospitals. Accomplishing these purposes would require increases of $.4 billion in budget authority and $.3 billion in outlays above current policy figures, but only $.1 billion and $.2 billion, respectively, over the President's budget.

Mr. President, the Budget Committee's recommendation reflects excessive restraint and would not allow the Veterans' Affairs Committee or the Senate to try to meet Veterans' minimum needs in each of these areas. Thus, failure to adopt the present amendment would force upon us unfair and unfortunate choices between fully justified pension and compensation cost-of-living increases, a pension-reform measure along the lines of that passed by the Senate during the 94th Congress, improvements in GI bill programs where inflation has seriously eroded the purchasing power of the veteran-student's dollar, and needed corrections and modest initiatives in health care.

In each of these areas, Mr. President, different groups of veterans are primarily affected—the disabled, the poor, the elderly, the sick, and those enrolled in training and education programs. It is neither wise nor necessary for those deserving groups to be pitted against each other in a struggle for the minimum improvements which each requires. Veterans' benefits and services should rightfully be considered a top national priority; and we should not, in my opinion, view the demonstrated needs of different groups of veterans as having greater or lesser priority than others. Each is in the first rank and each should be given full and fair—not subordinate—consideration.

Before closing, I want to reemphasize the urgent need for a pension-reform measure by which we can correct the inequities in the present system and make it more consistent with other Federal income-maintenance programs. In the long run, I should note, we expect a pension-reform measure to produce actual cost-savings through its more equitable treatment of veterans at the lower and upper levels of the income spectrum to which it would apply.

Mr. President, I sincerely appreciate and admire the outstanding, dedicated effort which the distinguished chairman and ranking minority member of the Budget Committee have put into the formulation of this resolution. Nevertheless, I am convinced that the resolution has not left sufficient room for the Veterans' Affairs Committee and the Congress fairly to address the needs of this Nation's veterans. To overcome this deficiency, therefore, I strongly urge the support of each Senator for the modest increases embodied in this amendment.

Mr. President, I ask unanimous consent that the letter, dated April 22, 1977, and the attachment from Mr. William B. Gardiner, national director of legislation, of the Disabled American Veterans, endorsing this amendment be printed in the RECORD at this point.

There being no objection, the letter and attachment were ordered to be printed is the RECORD, as follows:

APRIL 22, 1977.

Hon. ALAN CRANSTON,
Chairman, Senate Veterans' Affairs Committee, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR CRANSTON: The Disabled American Veterans commends you for your efforts to secure adequate funding allocations for Veterans Benefits and Services and the 542,000 members of our organization share your concern that the excessive restraint exercised by the Senate Budget Committee will be detrimental to the best interests of America's veterans.

While we realize that the Budget Committee had to make a value judgement as to how much shall be spent on veterans programs, we find it difficult to understand the Committee's decision to reduce by $1 billion the funding allocations recommended by the Senate Veterans' Committee. In our view the $19.8 billion, both budget authority and outlays, proposed by the First Concurrent Resolution on the Budget is barely sufficient to provide equitable cost-of-living adjustments in compensation, pension and educational benefits and maintain the current level of medical services in Fiscal Year 1978.

We therefore strongly support your amendment to S. Con. Res. 19 to increase budget authority and outlays for function 700 (Veterans Benefits and Services) to $20.3 billion and $20.2 billion respectively.

Thanking you again for your efforts in behalf of America's veterans and hoping that your amendment will be overwhelmingly adopted, I am.

Sincerely,

WILLIAM B. GARDINER,
National Director of Legislation.

THE HONORABLE
U.S. Senate,
Washington, D.C.

DEAR SENATOR: The Disabled American Veterans is greatly concerned over the inadequate funding allocations for Veterans Benefits and Services (Function 700) proposed by S. Con. Res. 19, the First Concurrent Resolution on the Budget for Fiscal Year 1978.

While we realize that the Budget Committee had to make a value judgement as to how much shall be spent on veterans' programs, we find it difficult to understand the Committee's decision to reduce by $1 billion the funding allocations recommended by the Senate Veterans' Committee. In our view the $19.8 billion in budget authority and outlays proposed by S. Con. Res. 19 is barely sufficient to provide equitable cost-of-living adjustments and maintain the present level of veterans medical programs in Fiscal Year 1978.

Accordingly we strongly support the amendment that will be offered by Senator Cranston to increase budget authority and outlays for Veterans Benefits and Services to $20.3 billion and $20.2 billion respectively.

On behalf of the 542,000 members of our organization I therefore urgently request your assistance in securing adequate funding for Veterans Benefits and Services by voting for the Cranston amendment to the First Concurrent Resolution on the Budget.

Sincerely yours,

FRANK J. RANDAZZO,
National Commander.

Mr. NUNN. Mr. President, will the Senator from California yield for a question?

Mr. CRANSTON. I have a unanimous-consent request to make.

Mr. President, I ask unanimous consent that Gary Crawford of the minority staff of the Veterans' Affairs Committee be accorded the privilege of the floor during the debate and vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Of course, I yield to the Senator from Georgia.

Mr. NUNN. Would the Senator explain how his amendment in the funding levels compares to President Carter's budget submission; also whether the Budget Committee's recommendation is equal to the President's, greater than or less than the President's recommendation.

Mr. CRANSTON. The Budget Committee's recommendation is in excess of the President's.

Mr. MUSKIE. I am in position to supply those numbers.

Mr. NUNN. Yes.

Mr. MUSKIE. The Carter administration's amended budget figures for this function are $18.5 billion in budget authority and $18.9 billion in outlays. The Budget Committee's numbers are $19.8 billion in budget authority or $1.3 billion higher than the Carter administration; and $19.8 billion in outlays or $900 million higher than the Carter administration.

There is one other column that would be important, and that is the current policy number which, as the Senator may remember from his own tenure on the Budget Committee, represents current programs plus inflation.

The current policy number is $19.3 billion or $500 million under the Budget Committee's recommendation, and on outlays $19.4 billion or $400 million under the Budget Committee's recommendation.

Mr. NUNN. So the Budget Committee is already recommending more in this category than President Carter or the Ford administration recommended.

Mr. MUSKIE. That is correct.

Mr. NUNN. And this would increase this beyond the Budget Committee recommendation.

Mr. MUSKIE. And I intend to explain what the Budget Committee assumed in its numbers.

Mr. CRANSTON. May I respond briefly to the Senator from Georgia. Whereas the administration's request does cover cost-of-living increases for pension and compensation programs, its request does not cover what would be covered by this amendment in this respect: they do not allow for GI bill cost-of-living increases or improvements, they do not allow for pension reform despite the fact that is an investment in the future that should pay off; they do not allow for even modest health care initiatives of certain corrective expenditures for facilities; and the Carter administration picked up a Ford administration proposed cost-saving legislation that is unrealistic, of $200 million. The administration is, therefore, overestimating what can be saved there and, has thus skewed the figures.

Mr. STAFFORD. Mr. President, will the Senator from California yield to me briefly?

Mr. CRANSTON. I am delighted, of course, to yield to the distinguished Senator from Vermont (Mr. STAFFORD), the ranking minority member of our committee, whatever time he requires.

Mr. STAFFORD. I appreciate the distinguished chairman of the Veterans' Committee yielding to me.

Mr. President, I am pleased to join with Senator CRANSTON in offering and supporting an amendment to increase budget authority and outlays in function 700 of veterans' benefits and services. The Senate Veterans' Affairs Committee, prior to the March 15, 1977, report to the Budget Committee carefully considered all of the possible requests for funding for veterans' benefits and services. In fact, our Veterans' Affairs Committee considered and turned down $1.2 billion of requests for increases in spending over and above the levels of spending our committee recommended to the Budget Committee.

We do, however, feel that the Budget Committee went too far in its reductions our Veterans' Affairs Committee recommended, and our committee membership is unanimous in support of our amendment to restore $500 million in budget authority and $400 million in outlays to veterans' programs.

I certainly agree with the Budget Committee's position on the need for fiscal restraint. However, it is a question of where the restraint should lie and the extent to which restraint should be exercised. As previously stated, our Veterans' Affairs Committee exercised restraint in rejecting increases that would have added $1.2 billion to the recommended levels. The rejected items of increase have considerable backing in the Senate.

It is the opinion of the Veterans' Affairs Committee that there are three major areas of need relating to veterans' programs requiring additional funds. It is difficult to conclude which of these needs have priority. In fact, in our opinion, a determination of which comes first would not be fair. The three areas needing greatest attention this year are pension reform, GI bill improvements with adequate cost-of-living increases for veterans' programs, and needed corrective health care measures.

The last Congress found inadequacies and inequities in the veterans' pension system. Last year the Senate passed a reform measure (S. 2635) to provide that pension reductions would not occur when social security cost-of-living increases are made. The committee plans to reintroduce this reform package and to improve assistance to those veterans below the poverty line, as well as to eliminate from the pension system inequities in the present law, before the larger numbers of World War II veterans enter the program. The opportunity presents itself now for sound and important reforms and better planning of our veterans pension program.

It is a well-known fact that inflation has seriously eroded GI bill benefits. A cost-of-living increase was granted in 1976, but this increase was insufficient to offset inflation from the prior increase. The President's budget request did not contain a cost-of-living increase to offset the year of inflation or consider acceleration of payments and extension of the delimiting period.

It should be pointed out that considerable support exists in the committee and in Congress for legislation to extend the present "delimiting" period. We should also recall that S. 969 (Public Law 94-502), as it originally passed the Senate, included a provision extending the delimiting period for 3 years, but only for those veterans who were enrolled in a full-time course of training under the GI bill in their 10th year of eligibility and continued as full-time students during the 3-year extension period. Benefit rates for the 11th year of entitlement would have been one-half of the normal benefit rate, and during the 12th and 13th years of entitlement, one-third the normal rate.

This provision did not become law although it was included in the Senate bill, but there continues to exist in the Senate and in the country considerable interest concerning this or some extension of time for veterans educational assistance.

The third large area needing attention this year is health care maintenance. Our committee recommended to the Budget Committee increases of $148 million in budget authority and $129 million in outlays over the President's recommendations.

Again we should be reminded of the importance and size of our Government's responsibility for veterans medical care, for the maintenance and operation of the Nation's largest unified health care facilities—12 general and neuro-psychiatric hospitals, 2287 outpatient clinics, 89 nursing homes and 16 domiciliary facilities. Congress has a tremendous responsibility and opportunity to provide health care, complete medical and hospital service and treatment for our Nation's 30 million eligible veterans.

The President's VA health care budget for fiscal year 1978 is $4,477,359,000, with an increase of only 7.5 percent over fiscal year 1977. Our committee recommended a comparatively small additional amount to counteract for expected inflationary increases in maintenance. The requested increases are needed to keep up with advances in medical technology and to correct certain inadequacies in medical care including those pointed out by the Joint Commission on Accreditation of Hospitals. We invite attention to the construction recommendation as fully set out in the report submitted to the budget committee by our Committee on Veterans' Affairs.

The amendment now being considered would make a partial but extremely important restoration of a part of the Budget Committee's reductions in the recommended levels for function 700 for veterans benefits and services. It is worthy of the support of all, and in keeping with the Nation's commitment to our veterans. The amendment would mean keeping up with actual needs of our veterans programs.

Mr. CRANSTON. I thank the Senator very much.

Mr. MATSUNAGA. Mr. President, will the Senator from California yield?

Mr. CRANSTON. I yield.

Mr. MATSUNAGA. Mr. President, I am pleased to join my distinguished colleague, Senator CRANSTON, with whom I serve on the Committee on Veterans' Affairs, in offering the pending amendment to the first concurrent resolution on the fiscal 1978 budget. This amendment would provide $20.3 billion in budget authority and $20.2 billion in outlays for function 700, Veterans' Benefits and Services.

I am very honored, Mr. President, to be serving on the Veterans' Affairs Committee in this the 95th Congress, and am particularly pleased to have been named vice chairman of the Subcommittee on Pension and Compensation. I look forward to playing an active role in the evolution of veterans' services and benefits. In my judgment, the 95th Congress will prove to be a crucial juncture in this evolution.

Mr. President, I am committed to the proposition that Congress must exercise fiscal restraint in planning the budget for Federal programs. Two years ago, Congress instituted a system to insure that spending levels would not be excessive, but would remain adequate to support the necessary activities of Government. I joined in setting up that system.

However, I am convinced that the Budget Committee's recommendation of only $19.8 billion in both budget authority and outlays unduly restricts necessary initiatives in veterans' program legislation for fiscal year 1978.

The budget recommendations proposed by the Veterans' Committee evolved after careful consideration of the major fiscal 1978 priorities in veterans' programs. I believe the Veterans' Committee request is well within reasonable yet strict parameters of fiscal responsibility and control.

While maintaining proper operation of existing veterans' programs in view of current inflation, the budget recommendations of the Veterans' Committee will allow legislative efforts to address prime concerns in the areas of veterans' health care maintenance, readjustment assistance benefits, and pension and compensation reforms.

For health care maintenance, the amendment would provide greatly needed increases in budget authority to keep pace with advances in medical technology, to deal with the realistic workload estimates of the Department of Medicine and Surgery, and to correct certain inadequacies and deficiencies in medical care provided for or reimbursed by the VA.

Mr. President, the VA Department of Medicine and Surgery is responsible for the operation and maintenance of the Nation's largest unified system of health care facilities. While the Department's primary function is to provide complete medical and hospital services for the care and treatment of veterans, it is also charged by statute with two secondary missions: First, to provide an adequate supply of health manpower to the Nation through the development of education and training programs; and second, to carry out programs in biomedical research to contribute to the Nation's knowledge about diseases and disabilities.

The VA health care system, then, is more than a source of health care. It is an integrated national system of education, including hospitals, general and specialty clinics, research centers, nursing homes, and other facilities which together provide a broad range of health care services to our country's 30 million eligible veterans.

To fulfill its missions, the Department of Medicine and Surgery maintains eight health care related accounts, the largest of which is for medical care. This account comprises 86.5 percent of the VA's proposed total budget authority for fiscal year 1978. Of this amount, 95 percent is targeted for the maintenance and operation of VA facilities. The remainder is targeted for contract hospital and nursing home care, for care in State nursing home facilities, and for the operation of the civilian health and medical program in the VA.

A second vital account is for research in health care. The VA's biomedical research program encompasses medical research in resolving problems associated with medical and dental care of veterans; rehabilitative research focussing on engineering problems in fields such as prosthetics, sensory aids, and adaptive equipment for vehicles; and health services research designed to improve the effectiveness and accessibility of health service to veterans. However, the requested fiscal year 1978 budget for biomedical research is only a 2.5-percent increase over that for fiscal year 1977, indicating that the VA's biomedical research program will remain relatively static for the fourth consecutive fiscal year.

Other accounts for the Department include grants for assistance to health manpower training institutions, construction grants for building, remodeling, and renovating State extended care facilities, State hospitals, and domiciliary facilities, research and education facilities, and outpatient clinics. Other general categories of construction include weatherization projects for energy conservation in VA facilities.

Mr. President, it is clear that failure to fund adequately VA medical services places in serious jeopardy the continuation of important health benefits to our Nation's veterans. This is but one repercussion of the acceptance of the Budget Committee target for VA budget authority and outlay.

A second area of veterans' benefits and services which demands a sound budgetary foundation is that of readjustment assistance through education and training.

The Veterans' Education and Employment Assistance Act of 1976 expanded and improved the GI bill program to promote the veteran's readjustment to civilian life through meaningful educational assistance. Since 1944 over 16.3 million veterans have received educational assistance under the GI bill. This includes 7.8 million veterans under the World War II GI bill, nearly 2.4 million under the Korean conflict GI bill, and more than 6.1 million trainees under the post-Korean period and Vietnam era GI bill.

The impact of the GI bill on our society is enormous. For each dollar spent in educational benefits, the Federal Government has received from $3 to $6 in additional tax revenue from veterans whose education has provided them with an increased earning capacity.

Speaking from a personal point of view, I must say that had it not been for benefits provided me by the Veterans' Administration it would not have been possible for me to earn my law degree at Harvard Law School.

It should be further noted that in fiscal 1976, the VA expended nearly $5.7 billion for post-secondary educational assistance for veterans. This sum represents 53 percent of all such Federal expenditures that year. Under the post-Korean period-Vietnam era system of educational benefits, over 6.2 million veterans and 223,000 survivors and dependents have utilized a range of education and training courses under the GI bill.

Since the effective date of the 1974 Vietnam Era Veterans Readjustment Assistance Act, inflation has placed a serious drain on GI bill benefits, making additional funding necessary. A minimum increase of $0.5 billion over the administration's request—which included no provision for cost-of-living increases for GI bill programs—is needed in both budget authority and outlays.

This year the Veterans' Affairs Committee will examine the structure of GI bill programs closely to eliminate abuses, while assuring responsive reajustment assistance to veterans with the greatest need.

The Veterans' Committee budget requests would enable veterans to participate to a larger degree in college level programs, as well as in trade, technical, and professional training programs. Moreover, these funds would assure better counseling in choosing realistic career goals and appropriate training. The committee's budget request would also provide flexibility to include possible new programs such as accelerated education payments or an extension of the delimiting period of veterans' benefits use.

Finally, there is the need to establish budgetary flexibility to pursue reforms in the area of veterans' pensions and compensation. In the last Congress the Senate passed S. 2635, the Veterans' and Survivors' Pension Reform Act, but the House did not act on this bill before its adjournment, sine die.

Congressionally mandated annuities for Revolutionary War veterans began our long tradition of repaying soldiers, their widows and their children for their sacrifices in time of war. This country's obligation to its veterans has never been ignored; our goal has always been to provide just and adequate compensation to veterans.

Today, the veterans' pension system is both unjust and inadequate not because of malice or insensitivity, but simply because the system was not created to deal with the multiplicity of problems today's veterans face. Inflation, high unemployment, and the imminent arrival at age 65 of the majority of World War II veterans are only a few of these problems.

Studies in 1974 showed that the overwhelming majority of veterans with dependents have annual incomes below $10,000. The present pension system does little to ameliorate the desperate economic plight of these disabled or older Americans. Indeed, the formula for computing pensions and cost-of-living increases actually rewards those veterans who are relatively well off, while penalizing those with meager incomes. In 1975 the Senate Veterans' Committee found that 34.13 percent of single veterans receiving VA pensions had incomes below the poverty level. Almost half of all widows receiving VA pensions were under the poverty level. In fact, the median income level for widows with one dependent fell below the poverty level.

We cannot allow this inexcusable situation which smacks of an ungrateful nation to continue.

The 1975 reform bill, S. 3625, revised the pensions system by proceeding from the principle of level of income support rather than that of supplemental income. Specifically, the bill sets the income level which each veteran or survivor should enjoy as $2,700 for single individuals and $3,900 for married couples. The difference between those sums and income from other sources would constitute the pension rate for each individual.

In addition, S. 3625 would have provided automatic cost-of-living raises above the minimum level of income support, so that pensions would always remain tied to the current economic situation.

Enactment of the Cranston amendment would guarantee that each veteran or his dependent survivor would receive a just and adequate income.

Mr. President, the Committee on Veterans' Affairs is cognizant of the budgetary constraints which must be exercised. The committee has assessed the legislative priorities of veterans programs and contends that its budget requests for function 700 are reasonable and justifiable, and in the long run will contribute to greater dollar savings through an efficient and effective program of benefits to our Nation's veterans.

We cannot forget the debt we owe them and their dependent survivors.

I therefore urge the adoption of this important and necessary amendment.

Mr. **MUSKIE**. Mr. President, may I repeat—I do not know it does that much good since there are not that many Senators on the floor—that the Budget Committee had to cut budget requests of authorizing committees or we would have had a deficit recommendation of $78 billion for fiscal year 1978.

Every committee believed in the merit of its requests. None were less convinced than the Veterans' Affairs Committee and, I suspect, in every case was as good as that of the Veterans' Affairs Committee. But in order to get the deficit down somewhere within reasonable reach we had to cut $15 billion. None of that $15 billion represented frivolous requests. As far as I am concerned all of that $15 billion that we had to cut represented requests for which a solid case could be made. So if the Budget Committee is limited to cutting only those things that someone regards as frivolous we might as well eliminate the Budget Committee and let the authorizing committees put in their requests, add up the total, and enact it into law.

What other purpose does the Budget Committee serve unless it serves the purpose of cutting into meritorious programs, where necessary, to meet the national interests in prudence in spending and the economic needs of the country?

How did the Veterans' Committee fare as compared with others?

In budget authority we cut all authorizing committees 8 percent. We cut the Veterans' Committee 3.4 percent, less than half the across-the-board cut.

With respect to outlays, we cut all committees 3.3 percent. We cut the Veterans' Committee 2.9 percent. If this amendment is passed, what will the effect be? The Veterans' Committee originally requested $20.5 billion in budget authority. We gave them $19.8 billion.

If this amendment is approved, it would raise the total to $20.3 billion, virtually all that the Veterans' Committee originally requested.

If this amendment passes with respect to outlays, the $19.8 billion that the Budget Committee approved would be raised to $20.2 billion compared to the $20.4 billion requested by the Veterans' Committee in its March 15 recommendation to the Budget Committee.

If we were to deal with all committee requests to the same extent, that is, raise our allowance, comparably to the raise requested by the Veterans' Committee, we would be close to $78 billion deficit in 1978.

As I contemplate the vote that we just had I am tempted to reach the conclusion that we have lived with $60 billion deficits so long that we regard $60 billion deficits as absolute zero, or maybe a Celsius as we contemplate going to the metric system, that $60 billion deficits now are the norm, and that we are free to add anything we wish to it without any economic consequences that we need to be worried about.

I know these programs have great appeal and great support. But do we ever say no? I have to say no. If I did not I would be bringing a $78 billion deficit to the floor. I have to say no. But what good, Mr. President, is ED MUSKIE's no if no one else supports it? I have only one vote.

What does the Budget Committee assume in its recommendations for the veterans' function?

The committee's recommendation, Mr. President, as I have said, is relatively higher for veterans' programs than for most other Federal programs. It is one of the few functions which was allowed a substantial increase over current policy, $400 million in budget authority, and $500 million in outlays.

The committee's recommendation is $400 million higher in budget authority and outlays than the Appropriations recommendation for this function or $800 million higher in budget authority and $900 million higher in outlays than the Appropriations Committee's recommendation when CBO estimates for the cost for existing programs are used.

I have already pointed out that the Budget Committee's resolution is higher in budget authority and outlays than the President's request for this function.

What this resolution does provide is current policy which reflects inflation for all veterans' programs, plus an additional $500 million in budget authority and $400 million in outlays for medical care and other entitlement programs.

Based on markup discussions, it can be inferred that new initiatives, such as pension reform and real GI bill benefit increases, could not all be accommodated in fiscal year 1978 at the maximum amounts proposed by the Veterans' Affairs Committee without enactment of savings legislation such as proposed by the President. But all of the Veterans' Affairs Committee's recommendations for veterans' medical care can be accommodated within the resolution totals for this function.

Mr. President, in reaching its conclusion about how much can be allowed for this function within the budgetary constraints with which the Committee had to work, with which Congress has to work, and with which the administration has to work, the Budget Committee provided more than current policy amounts for veterans' benefits and services. It provided for that important category of veterans' medical care, which has always been regarded by the veterans' organizations of which I have been a member and others as the highest priority in veterans' programs. But we did not provide everything that the Veterans' Committee requested for other program categories.

The distinguished Senator from California is a member of the Budget Committee, and he uses his place on that Committee to plead the veterans' case. There is no other authorizing committee which has a more effective spokesman on the Budget Committee than the Veterans' Committee. So there is no way for the Budget Committee to ignore the case for an increase in spending in this function. But neither, Mr. President, is there any way for us to give the Veterans' Committee everything it asked for, however meritorious, just as there is no way for us to give any other Committee everything it asked for.

Each of us has his favorite programs. I have been identified with environmental programs. I voted to cut below the President's recommendations in those areas. I voted on the floor here this afternoon against housing programs and community development programs which I have supported for years, and which I voted for in the Budget Committee, but which I voted against on the Senate floor. Why, Mr. President? There must be a reason.

It is a very simple reason. If we are to have budgetary restraints, if we are to control spending, every one of us must be willing to restrain our requests for programs we feel deeply about, because other Senators with different priorities feel deeply about other programs; and if we are all to give, you know, everything we have got for our programs, and if the Senate is to be moved by that kind of an appeal, there will be no budgetary restraints and we will be going down the road to higher and higher deficits.

I do not believe any of these programs are served by that prospect. We have had two votes this afternoon already, overwhelmingly one-sided votes, Mr. President—68-to-28 against the Budget Committee on the first one, and 58-to-38 against the Budget Committee on the second one—and there were members of the Budget Committee who voted on the losing side of those votes in committee, who voted on the winning side of those votes on the floor of the Senate today.

I am not going to become too pessimistic, about one or two votes. But, Mr. President, I think we have gotten so used to $60 billion deficits that we are beginning to measure our votes by how much above $60 billion the deficit goes, not by how much above zero deficit our spending will go. If that happens, we might as well toss the budget process out the window, because it is not going to mean anything.

Restraint with respect to spending has got to be exercised by at least a majority of this body. Restraint exercised by the chairman of the Budget Committee is meaningless without that. Restraint exercised by the Budget Committee as a whole is meaningless without that. And if we are going to yield for all the sexy items—we all know what the sexy items are—budgetary restraint will mean nothing, because it is the sexy items that represent the highest cost. The income security items, all of which are sexy, at least as sexy as this one, chew up $146 billion of the budget. If we are going to allow ourselves, each of us, the luxury of voting for those sexy items, forget about the budget.

That is the way it used to be. Every time a new veterans' program came along, we used to rush to the well to get on record as voting "yea." Every time an increase in social security benefits came up on the floor, we all rushed down to the well to vote "yea." I could add to the list, but every one in this Chamber knows what is on that list. I do not have to remind anyone.

But I say to the Senate if we limit our budget restraint only to the unpopular programs, you can get someone else to preside over the budget process. There are not enough of them. There simply are not enough of them.

I know increased defense funding has been unpopular for a number of years. It is coming back. It is going up the scale in popularity, and pretty soon everyone is going to be rushing to vote for everything in the name of defense. Space, of course, has been on a decline in recent years after a boom period. It may be that space will become popular again, and everyone will rush to vote for space.

Do we not understand in this Chamber that budget discipline means saying no occasionally, that it means having a sense of priority, that it means sharing the shortfall of available dollars?

We did not think we asked the veterans' function to assume an unreasonable load in terms of sharing the shortfall. I thought it was reasonable. We asked less of them than we did of most committees, or of the committees as a whole.

So this is an important test. I am for the objectives which the Senator from California outlined. They are all worthwhile. But I have not found any unworthwhile programs the cutting of which would help much in terms of this deficit.

Mr. President, I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, first let me say that I applaud the efforts of the distinguished Senator from Maine to hold the line on the budget, to make the budget process work. He has done magnificently in that respect. I have worked with him toward that end and I will continue to do so as a member of the Budget Committee, I have supported each of the budget resolutions that have come up since we have had the budget process.

I also thank the Senator for his compliments to my efforts to represent the veterans before the Budget Committee. I was not successful in persuading the Budget Committee on this same amendment I am offering now; we lost on a 5 to 7 vote. I hope I will be more successful on the floor of the Senate.

Mr. President, I totally agree with the Senator that every authorizing committee cannot be given what that authorizing committee requests. Otherwise we obviously do not need a Budget Committee or a budget process. In the case of the Veterans' Affairs Committee, the needs of our veterans, and this amendment, I wish to stress that this amendment does not seek all that the Veterans' Committee requested.

I want to correct some figures which were used by the Senator from Maine. In regard to the committee request the Senator's figures were correct in reflecting the original request from the committee. However, we modified in budget authority and outlay levels in our request after we found that CBO assumptions and estimates created the need for different figures.

Those revised figures, which were contained in an April 29, 1977, letter to each member of the Budget Committee, were $20.8 billion in budget authority and $20.7 billion in outlays. This amendment represents a request for $.5 billion less in both categories. So we have cut $.5 billion in this amendment under what the Veterans' Committee felt was actually required for these purposes.

Moreover, the Veterans Affairs Committee voted down amendments, during its markup of its March 15 report to the Budget Committee, which would have added $1.1 billion more than was recommended.

Let me finally stress, Mr. President, that the key item involved in all of this is pension reform. If this amendment is agreed to, we can start the process of pension reform, which, in fact, was endorsed last year in the report of the Budget Committee and called for by the Congress in enacting last year's pension rate increases, Public Law 94–432. If we fail to pass this amendment, pension reform will have to be put off for another year. The longer we put it off, the more difficult it will become to attain. There will be long-range losses of great significance, I think, far beyond the modest cost of this amendment, if we do not get going now on pension reform and investment in the future which will help us move toward balanced budgets.

Mr. MUSKIE. Every time there is a sale in town, a white sale, a post-Christmas sale, my wife, like so many wives, is tempted to go down and add to her Christmas purchases on the argument that buying in the course of those sales would save me money. All of us who have wives have heard that story.

Well, after Christmas, like most husbands, probably, I cannot afford those savings. If I were to provide the money to invest in those kinds of savings I would go broke.

Well, that is sort of our position. This is not the only request for reform that we have been asked to consider in the name of future savings. I would like to be able to accommodate them all. But, Mr. President, we are not in a position to do that. We cannot accommodate them all.

The second point I would make is that all too often I have found, in my brief career with the budget, that those promised future savings do not materialize. They all too seldom materialize. I have seen it with respect to medicare and medicaid. We reported out a budget resolution last year in which we assumed savings from reform in those programs. Well, we got legislation in the name of savings, and the savings never materialized.

So on both counts, Mr. President, I do not quarrel with the validity of the objectives the distinguished Senator from California laid down, and he did it very persuasively, and perhaps even more effectively. At least he had more listeners in the Budget Committee than he has on the floor of the Senate this afternoon. It is not that I quarrel with that, but I have to say no over and over again to worthwhile program initiatives in order to exercise budgetary restraint.

One side of me regrets that I have to say this, but I would urge the Senate to reject this amendment in the name of preserving the targets which have been laid down by the Budget Committee.

I see the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) in the Chamber. Yesterday he took me severely to task, me and the Senate Budget Committee, for recommending too high a deficit. He pointed out that the budget resolution before us, as amended by the committee amendment, represents an increase in outlays between fiscal 1977 and fiscal 1978 of $50 billion. He is right.

Earlier this afternoon I placed in the RECORD an explanation of that increase. Our outlays rise by $50 billion in this resolution from fiscal 1977 to fiscal 1978.

Anybody looking at that number has to be shocked. The notion that we can afford to add to it, to increase the rate at which spending grows, I find unacceptable.

I appreciate the distinguished Senator from Virginia for having raised that question and he got me to focus on it in a more specific way than I have.

I urge Senators to look at the table I put in the RECORD. They will discover how difficult it is to hold down spending. We are not making it any easier by approving amendments of this kind.

Mr. McCLELLAN. How much time does the Senator have remaining?

Mr. MUSKIE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. MUSKIE. I yield 2 minutes to my good friend from Arkansas.

Mr. McCLELLAN. Mr. President, I brought some of my mail with me when I left the office awhile ago to come to the Chamber vote. During the course of this debate I have been reading a letter from one of my constituents. I would like to read four paragraphs in the center of the letter. I believe what he says is pertinent to the issue which is before us at this moment:

> Although many of the issues facing America today are deserving of our time and attention, there is one that is very basic and underlies several of the problems that I have already enumerated. I am referring to the very grave problem of our Nation's continued deficit spending.
>
> In my opinion, we must reverse this trend, if it is not already too late. By continuing to disregard basic financial commonsense, we are jeopardizing the future of America. If we adopt this philosophy in our personal financial lives, it inevitably results in bankruptcy. We must all be willing to accept the belt-tightening measures required for a balanced budget.
>
> Many of us who are younger have never known anything but an affluent society. Unfortunately, this has a tendency to cause our attitudes toward financial matters to be somewhat irresponsible. We accept easy credit and extended term payments as a way of life and, therefore, think little of the implication of deficit spending. Economic ignorance is running rampant in our country today. Therefore, those of you who are in position of responsibility and have a grasp of the issues must put forth your best efforts to change the current direction our country is heading. Even though I am encouraged by President Carter's stated goal of a balanced budget, I believe we must be realistic. In the end, Congress will determine whether or not we have a balanced budget. Regardless of what President Carter proposes, those of you in Congress must hold the line.

I just point out, Mr. President, somebody is going to have to make some sacrifices. We promised a balanced budget. I have little hope of it being achieved, but it will certainly not be achieved if we continue to increase the deficit.

I just thought the remarks in this letter were appropriate to the issue being discussed.

Mr. HARRY F. BYRD, JR. Will the Senator yield to me 1 minute?

Mr. MUSKIE. Yes, I yield 1 minute to the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, I ask the able Senator from Arkansas, when he replies to that letter, as I am sure he will, if he will present the compliments of the Senator from Virginia to the writer of that letter and tell him that what he or she wrote, which the Senator from Arkansas read on the floor of the Senate, seems to me to represent the type of commonsense that we need in Washington, D.C. I want to present my compliments to that person.

Mr. McCLELLAN. I wish to identify for the record the author of the letter: Mr. C. Alvin Fowler, CPA, special representative of Harding College, Searcy, Ark.

Mr. BELLMON. Mr. President, I support the position of our chairman of the Committee on the Budget in opposing the Cranston amendment. I call attention to the fact that function 700, the veterans' benefits and services category in the budget resolution which is before the Senate this afternoon, includes an increase in this category of from $18.1 billion in fiscal year 1977 to $19.8 billion in outlays in fiscal 1978. That is an increase of 9.4 percent, Mr. President.

It seems to me that the Committee on Budget has been very generous with this category in providing that 9.4 percent increase and the $1.7 billion of additional funding. If we had tried to be as generous as the Cranston amendment would have us to be with all categories, we would have added very substantially to the deficit. I feel that the chairman is entirely right in defending the budget figures before us in this category.

I join with him in urging that the Cranston amendment be defeated.

ADDITIONAL STATEMENTS SUBMITTED ON AMENDMENT NO. 252, AS MODIFIED

Mr. THURMOND. Mr. President, I will be very brief. I support the amendment to the first concurrent resolution on the budget to increase the target for function 700, veterans benefits and services.

It is my understanding that the amendment will increase the committee's targets from $19.8 billion as set by the Budget Committee to $20.2 billion in outlays, and from $19.8 billion as set by the Budget Committee to $20.3 billion in budget authority. I believe this is necessary if we are to meet our commitments for pension reform, cost of living increases, and other improvements in veterans' services.

Mr. President, the budget process requires all of us to make some hard decisions to curb unnecessary spending. I hope the Senate will act in a responsible manner. I am confident that fat can be cut out of the budget in a number of social welfare programs.

In two areas, however, defense and veterans' matters, I hope we will give most careful attention to meeting our commitments.

To paraphrase Air Marshall John Slessor, the most valuable social welfare service a Nation can perform is to keep its people alive and free. Without freedom, other social services are meaningless.

If we are to heed Sir John Slessor's advice, I submit that we will vote for adequate levels of spending in defense and veterans' matters. A strong defense rests on good military hardware and technology on the one hand, and superior manpower on the other. It is the veterans who have kept the country free. A strong defense is essential to keep it free.

I hope we will continue to keep our historical commitment to both, and therefore urge my colleagues to join in supporting the increase in the veterans' function.

Mr. STONE. Mr. President, the Budget Committee in Senate Concurrent Resolution 19, the first concurrent budget resolution on the budget, established levels of $19.8 billion in budget authority and outlays for veterans' benefits and services for fiscal year 1978. The Veterans' Affairs Committee, of which I am a member, had recommended levels of $20.5 billion. It is my view that if the Budget Committee's action is approved, Congress will be unable to provide adequately for existing veterans' programs and for badly needed improvements.

The Veterans' Affairs Committee's recommendations were based on a thorough review of existing veterans' programs and strict standards of fiscal responsibility. We provided additional money only to meet urgent needs in three areas: health care maintenance, readjustment benefits and improvements and pension reform.

Last year, the Senate and the Congress established this last area of concern, pension reform, as a matter of high priority during the 95th Congress. Clearly, the present V.A. pension program must be restructured to eliminate inconsistencies and inequities that deprive veterans of the pension they have so honorably earned and so desperately need. I hope we can provide sufficient funds so that we can consider this long-overdue measure to relieve these worthy individuals from an unfortunate predicament.

Therefore, I have joined with my colleagues on the Veterans' Affairs Committee in offering an amendment to Senate Concurrent Resolution 19, to restore $500 million in budget authority and $400 in outlays for veterans' programs. I believe that with this partial restoration in budget authority and outlays, the Senate can make reasonable improvements in veterans' programs where they are necessary without sacrificing the needs of other important programs.

Mr. President, it is my firm view that we must move toward the goal of greater fiscal responsibility and away from Federal budget deficits. However, we must not forget our commitment to those who have served and sacrificed for the well-being of this Nation.

Mr. HANSEN. Mr. President, I would just like to say I am a cosponsor of this amendment to the first concurrent budget resolution. I have always advocated a policy of fiscal restraint, however, I feel in this area of veterans benefits we have a special responsibility to the thousands of men and women who have served this country in the military.

This amendment is a simple one. The budget committee sets a total limit of $19.8 billion for budget authority and $19.8 billion for outlays. This amendment would increase the limit for budget authority to $20.3 billion and the limit for outlays to $20.2 billion. This is an increase of $500 million in budget authority and $400 million in outlays for programs under function 700, veterans benefits and services. This additional authority would meet requirements for pension reform, readjustment benefits and improvements, and health care maintenance.

Mr. President, I would hope this worthwhile amendment is agreed to by my colleagues.

Mr. HASKELL. Mr. President, I welcome this opportunity to elaborate my reasons for cosponsoring the amendment to increase the budget authority and outlays for veterans benefits and services. This amendment has received the unanimous, bipartisan backing of the Senate Veterans' Affairs Committee. It deserves the enthusiastic support of the full Senate.

The programs to be funded by the increased authority sought in this amendment should be considered obligatory, not optional. They fulfill the most basic responsibilities of Government to those who have sacrificed in the service of their Nation. While I am committed to the budget resolution process and acknowledge the need for fiscal restraint, I am also aware of the desperate need for new programs providing better health care, pension reform, and more equitable readjustment benefits for veterans. This amendment will permit these programs to be undertaken.

The Senate Veterans' Affairs Committee exercised commendable restraint in drawing up its original budget request. This already austere request was reduced further by the Budget Committee. The Cranston amendment seeks to restore $500 million in budget authority and $400 million in outlays to veterans programs, about half of what was cut. This seems to me to be a reasonable and acceptable compromise.

I am pleased to cosponsor this amendment and feel that fiscal responsibility and simple justice will be equally well served by its passage.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

Mr. CRANSTON. I do likewise.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment as modified. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 59, nays 37, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—59

Allen
Anderson
Baker
Bayh
Brooke
Bumpers
Burdick
Cannon
Case
Chafee
Church
Clark
Cranston
Culver
DeConcini
Dole
Durkin
Ford
Glenn
Gravel
Hansen
Haskell
Hatfield
Hathaway
Helms
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Melcher
Metzenbaum
Moynihan
Packwood
Pell
Percy
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Scott
Sparkman
Stafford
Stevens
Stone
Talmadge
Thurmond
Tower
Williams
Zorinsky

NAYS—37

Bartlett
Bellmon
Bentsen
Biden
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Danforth
Domenici
Eagleton
Eastland
Garn
Griffin
Hart
Hatch
Hayakawa
Heinz
Hollings
Laxalt
Long
Lugar
McClellan
McClure
Metcalf
Muskie
Nelson
Nunn
Pearson
Proxmire
Roth
Schmitt
Schweiker
Stennis
Stevenson
Wallop
Young

NOT VOTING—4

Abourezk
Goldwater
Morgan
Weicker

So Mr. CRANSTON's amendment, as modified, was agreed to.

Mr. MUSKIE. Mr. President, before Senators leave the Chamber, I think it might be well to see what the adding machine shows as of this moment. The Senate, by its votes, has added $7.2 billion of budget authority to the budget resolution pending before us. I thought Senators would like to know that before we continue.

I do not know what other amendments are coming, but it is a very interesting trend that I see developing. I think we already have shifted from Fahrenheit to Celsius, and the $60 billion deficit apparently is absolutely zero in the minds of many Senators. We build on that. We do not try to get below it.

That is a personal aside. It may be of interest to Senators.

At this point, I understand that the distinguished Senator from Delaware plans to get some time from the Senator from California.

Mr. McCLURE. Mr. President, will the Senator yield for one comment?

Mr. MUSKIE. I yield.

Mr. McCLURE. One other thing might be noted in regard to the size of the deficit.

For those who are Keynesian in their economics and who are talking about full employment, we are now substantially unbalanced even so far as the full employment budget is concerned, although we were running a substantially full employment budget deficit under the action we had taken already.

Mr. HELMS. Mr. President, when the House and Senate Budget Committees were created by the 93d Congress as part of a new congressional budget process, hopes were high for its success. It seemed as if we at last hit upon the right mechanism to restrain the free-spending propensities of the Congress and to exercise a budgetary discipline upon appropriations and authorizations.

That hope has been disappointed. I call the attention of my colleagues to the separate minority views of Senators McCLURE and HAYAKAWA on the first concurrent resolution on the budget for fiscal year 1978. Their two statements are cogent, forceful analyses of what has gone wrong with the budget process.

Every Member of this body knows how diligent and thoughtful Senator McCLURE has been over the last 2 years in his efforts to make the Budget Committee function as it was intended to do. His present assessment—that "the budget process is dead"—is not to be taken as a failure on his part but, rather, as a failure on the part of others who have not been willing to listen to his sound advice.

His colleague, Senator HAYAKAWA, is a newcomer to the Budget Committee. But his first budgetary analysis should be a trademark in that committee's deliberations. It exposes the myths which have beclouded our discussions concerning the condition of the American economy. It makes clear that misguided Federal policies have actually worsened the very economic conditions they were intended to remedy. And it proposes how we can turn away from the destructive course the Congress has unfortunately set for the country.

I hope that these dissenting views will be heeded. But the experience of the last 2 years offers little encouragement that they will be. Despite the odds, however, I share the views of Senators McCLURE and HAYAKAWA that it is essential for us to stand up and speak out against this lopsided, deficit-ridden budget resolution, which, in the words of the former, "should be rejected by those who do not wish to mortgage the future with a profligate present."

Mr. President, I ask unanimous consent that the excellent minority views of Senator McCLURE and Senator HAYAKAWA be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF SENATOR JAMES A. McCLURE

REQUIESCAT IN PACE

The budget process is dead, but the budget procedure lives on. I reach, with great reluctance and some sorrow, the conclusion that we have lost the substance and retained only the form of the process. I have supported the goals of the Budget Act and have committed myself to its success. However, the procedure which produced this Resolution convinces me that the vital and effective process, by which we were to establish and fund national priorities, exists only in our minds. If the process is not equal to the task, it follows that we should reconsider the Act in light of what we have learned over the past 2 years.

I will not, in these views, attempt to rewrite the Budget Act; that is the task of the Senate as a whole. I will, however, attempt to demonstrate that, in its current form, the Act cannot achieve its goal of establishing and funding national priorities, and in so doing contribute to the achievement of a growing and prosperous economy.

WHAT WENT WRONG

When the Resolution comes to the floor, much will be made of the fact that proposed outlays are "lower" than those which would prevail under current policy. The fact that proposed levels of budget authority exceed current policy will be largely ignored. The Committee will take credit for great "restraint" and conclude that the budget process is, in fact, working. Nothing could be further from the truth. The budget authority figure reflects the willingness to spend, without meaningful restraint, while the outlay figure is, at once, irrelevant and phony.

CURRENT POLICY

The Committee began its markup from a current policy base. Current policy is little more than a giant hold-harmless provision and, as such, is a budgetary anathema. Current policy implies that each and every program's spending level is adjusted to reflect complete indexing for past and anticipated inflation and changes in client populations. It should be noted that inflation adjustments are assumed whether or not they are mandated in law. In short, current policy endows each program with a budgetary writ which insulates it from being forced to enact efficiencies or to make operational adjustments in response to changing national priorities or resources available to the Federal Government. In this context, the Committee's inability or unwillingness to reduce budget authority below current policy levels is significant. A small illustration will serve to make the point. Let us suppose that real economic growth is maintained at an annual rate of 5 percent between now and 1982. While such extended growth would be unprecedented, let us assume that we achieve it and that inflation rates of 5½ percent prevail. If outlays and budget authority were to grow at current policy rates, the deficit in 1982 would be $14-plus billion.

[In billions of dollars]

	FY 1982
Budget authority—CBO current policy with inflation adjustment	652.6
Outlays—CBO current policy with inflation adjustment	597.3
Revenues—Assume 5 percent average real growth per year 1977–1982; assume inflation at 5½ percent per year	583.0
1982 deficit	14.3

While some may conclude that while budget balance is not achieved, progress is apparent, they would be incorrect. That is to say the assumed economic growth and the expansion in Federal revenues would not occur but, even if they did, no progress would be made *since current policy assumes that no new programs will be enacted*. Surely, none of us believes that to be true.

The inability of the budget process to substantially reduce budget authority is testament to our moral bankruptcy. We apparently cannot restrict the growth in existing programs to make room for new programs, or to reduce the size and scope of government. New programs will be added to existing programs and current policy will continue to insulate the expenditure base, and inevitably yield incremental rather than displacement budgeting. Budgetary balance by 1982 requires that the old give way to new and the new out-perform the old.

OUTLAYS

I have indicated above that the outlay figure produced by the Committee is largely irrelevant and, in addition, this particular figure is phoney. The first allegation is easily substantiated. Congress controls budget authority; it does not control outlays directly. As such, the situation is analogous to the flow of a river from a large reservoir. The immediate flow in the river responds to the opening and closing of floodgates, or, in our case, the writing of checks by the Federal Government. The ultimate potential flow of the river reflects the pressure on the dam created, in our case, by filling the reservoir with budget authority. That authority will "uncontrollably" spend out in the future. Thus, outlays are directly derived from prior years' budget authority.

The outlay figure recommended by the Committee is $1.9 billion below current policy outlays. Does this indicate that the Committee has restrained spending by 0.4 percent over what it would have been? The answer is clearly no. The outlay savings assumed by the Committee are an illusion at best. The sum total of illusionary savings is $4.3 billion. This total is computed as follows:

[In billions of dollars]

Function		Assumed savings
400	Committee ignores the postal deficit	−0.5
550	Committee assumes full realization of savings in medicare and medicaid due to the cost control cap	−0.8
600	Committee assumes social security benefit changes requiring legislation	−0.8
900	Committee assumes lower interest on the debt, despite predictably higher interest rates	−1.2
920	Committee assumes no allowance for contingencies; no disasters, etc	−0.2
950	Committee assumes higher CCS receipts than does CBO	−0.8
	Total	−4.3

Given the unreasonable nature of the Committee's assumptions, outlays are not below current policy but exceed it by $2.4 billion.

CONCLUSION

The message is clear. The budget process is not working as it should and as it must. The Resolution bears witness to that fact. This is a Resolution which should be rejected by those who do not wish to mortgage the future with a profligate present.

CONCURRENCE WITH SENATOR HAYAKAWA

In addition to my own arguments against the Budget Resolution, I would like to concur with the points made by Senator Hayakawa in his minority views.

JAMES A. MCCLURE.

MINORITY VIEWS OF SENATOR S. I. HAYAKAWA

The Senate Budget Committee has just completed the first phase of its consideration of the FY 1978 budget. This report discusses the Committee's recommendations for budget authority, budget outlays, revenues, and the resulting deficit for FY 1978. As a new member of both the Senate and the Budget Committee, I found the process somewhat bewildering and distressing. I would like to be able to follow the lead of my senior colleagues, but, alas, I found too many questions and doubts entering my mind as the process unfolded to allow me to do this. I therefore find myself in a position where I must dissent from the majority opinion and oppose the Budget Resolution.

CURRENT POLICY BASED BUDGETING

As a member of the Senate Human Resources Committee, I found many doubts creeping into my mind as we considered that committee's budget suggestions for the programs within its jurisdiction. I was very disappointed when my experience on the Budget Committee proved to be no different. For instance, in considering the Human Resources' budget, I kept wondering why every item had been increased from FY 1977 levels. Even though inflation had occurred, I found it hard to believe that not one program had proved to be ineffective or had not accomplished its task and should therefore be cut back or cancelled. But no such cutbacks were proposed.

A few weeks later I arrived in the Budget Committee sessions and found the same circumstances. In every function, the base number we started with was "current policy"—a continuation of all present programs plus an inflation factor added into every program item. In relation to this current policy, we were presented with possible changes almost all of which involved new spending initiatives or real expansion in existing programs. The one major exception was the national defense function.

The Budget Committee's recommended numbers are slightly below current policy in outlays and slightly above current policy in budget authority. However, many of the reductions made in the outlays figures to reduce them below current policy are illusory in that they will not actually occur.

But even if these numbers were genuine, they are still too high. Current policy is based on previous years' budgets. The Federal budgets of the past few years have been abnormally high. Spending has been dramatically increased over the past few years in order to "temporarily" expand programs. This was justified as necessary to stimulate a depressed economy. But by the beginning of FY 1978, the economy will be entering its 11th quarter of recovery. Some of the temporary spending increases in programs should now be eliminated. Yet the recommended FY 1978 level of outlays is $43.5 billion or 10 percent greater than the level of outlays contained in the Third Budget Resolution for FY 1977.

FEDERAL GOVERNMENT'S SHARE OF GNP

The "temporary stimulative" additions to Federal spending have resulted in a dramatic increase in the share of GNP consumed by the Federal Government. Indeed, Federal spending has increased from 19.8 percent of the Nation's GNP in FY 1974 to 22.8 percent in FY 1977. This percentage is estimated to fall to 22.4 percent in FY 1978 if GNP is actually as high as is now forecasted. During the period between 1954 and the recent recession, the Federal Government's share of GNP never exceeded 21.5 percent, and averaged 19.2 percent. Spending and deficit numbers as large as those contained in this Resolution preclude the possibility of being able to bring the Federal budget into balance or to reduce the Federal share of GNP to a more normal level anytime in the foreseeable future. I am not willing to sacrifice these goals.

FAULTY ECONOMIC ASSUMPTIONS

In addition to the approach taken by the Budget Committee in determining spending figures, I was also disturbed by the economic assumptions underlying the Resolution. Although I do not claim to be an expert in economies, I can see fundamental errors in the economic analysis. My first disagreement lies with the economic goals established. This disagreement focuses mainly on the 4 percent unemployment rate considered by the Committee to be our "full employment" goal. It is assumed that the Federal budget should not be in balance until we are very close to or at this rate of unemployment. This has been the full employment goal in fiscal policy for the past few decades. Yet, although the full employment goal has remained constant over this period of time, the employment situation has changed drastically.

FULL EMPLOYMENT GOALS

In reality, a 4-percent rate of unemployment does not mean that people are suffering the same degree of hardship today as it meant in the 1950's. This is not recognized in fiscal policy formulation. Several factors have contributed to the change.

First, the composition of the labor force has changed dramatically since the 1950's. In 1954, for example, adult men comprised 66 percent of the labor force and women and teenagers made up the other 34 percent. But in 1976, adult men comprised only 54 percent of the total labor force whereas women and teenagers were 46 percent. Since women and teenagers tend to have higher rates of unemployment, the change in the makeup of the labor force tends to raise the overall unemployment rate. This is due, in large part, to the fact that in general adult men are the primary earner in a family, whereas women and teenagers tend to be secondary earners. The latter therefore tend to be more selective about the types of jobs they will accept, and exhibit far less attachment to their jobs than do primary earners. Secondary earners are more likely to quit their job or to leave the labor force temporarily to go back to school, avoid unpleasant working conditions, or just to enjoy more leisure time. When they look for a job, they tend to search longer and not as intensively as primary earners. All of these factors tend to increase the unemployment rate, although it reflects no particular hardship suffered by the individuals involved.

The levels of public assistance and unemployment compensation also encourage more people to refuse jobs they would have taken in lieu of the less generous benefits they would have received 20 years ago. Indeed, for some workers, the nontaxable level of benefits they can receive from a combination of public assistance programs and unemployment compensation often exceeds their after-tax take home pay. This problem has been aggravated by two phenomena—the rising real level of assistance benefits over time and the increasing effective tax rate on real income due to inflation moving individuals into higher tax brackets. There are three things the Government can do to remedy this situation—reduce inflation, reduce or at least stop increasing the real level of assistance benefits, and enact permanent rate reductions in the personal income tax to compensate for inflation over the past few years. All of these would encourage more people to accept jobs rather than public assistance and also encourage present workers to work longer and harder. This in turn will increase total real output in the economy.

Finally, of major concern to me is the unemployment problem of our youth. This problem is not a consequence of our fiscal policy however. Rather, the high rate of unemployment among teenagers is due to several structural impediments—minimum wage laws, labor union rules, child labor laws, etc.—which are imposed or supported by the Federal Government.

The minimum wage laws, for example, prevent young people from getting jobs at lower wages, jobs in which they would receive valuable training and which would increase their future earning potential. The law in effect prohibits them from purchasing this training by accepting lower wages. Since their skill levels are often low, an employer cannot profitably afford to hire them at the minimum wage. The only jobs available to teenagers under minimum wage laws are dead-end jobs which offer no potential for advancement. Teenagers often become frustrated and bored with such jobs and quit, thus aggravating the overall unemployment problem.

I do not accept the high rates of unemployment that we have endured over the past few years. I would prefer an economic environment where job seekers face numerous employment opportunities. But it is unreasonable to believe that with changing work patterns and so many structural impediments to employment we will be able to reduce unemployment to 4 percent through fiscal policies. And we should not believe that even without the structural impediments a rate of unemployment higher than 4 percent is necessarily undesirable or cause for alarm. Rather than reflecting a higher degree of hardship, it is more likely that it reflects a labor force that is more selective in the jobs it will accept and freer to change employment as changing lifestyles dictate.

ECONOMIC POLICY APPROACH

In addition to disputing the Committee's short-term economic goals, I also disagree with their prescription for achieving them. Strong emphasis is given in the Budget Resolution to funding for public service jobs. I fundamentally disagree with this approach to solving unemployment. Public jobs rarely produce any meaningful output, and have no lasting effects on job creation. Privately created jobs, on the other hand, are permanent and increase the economy's total output.

During the past few years, the private sector has had difficulty in creating enough jobs to keep pace with the rapid growth in the labor force. This is because private businesses are finding it more and more difficult to fund investment projects. Government economic policies have been at the root of the problem. Large Government deficits year after year have worked to limit the supply of private savings available to businesses to fund capital expansion and modernization plants. Government fueled inflation has eroded corporate profits, while at the same time tax policies have taken a larger and larger chunk of real earnings. As inflation has eroded corporate balance sheet positions, businesses have found it more difficult to raise funds through the sale of stock. Finally, what little funding businesses have been able to raise for capital projects has been used largely to purchase nonproductive equipment needed to meet Government imposed pollution and safety requirements.

Federal tax policies have also biased total spending against investment and saving in favor of consumption. Double taxation of corporate dividends discourages individuals from investing in corporations. And while inflation erodes the real earnings on interest income, individuals are forced to pay higher taxes on them.

AN ALTERNATIVE APPROACH

So long as Government tax, spending, and regulatory policies are biased against savings and investment, the private sector will be unable to create enough jobs to keep pace with a growing labor force. This is why I believe that lower levels of Federal expenditures coupled with permanent reductions in personal income tax rates and corporate tax reductions would do far more than large Federal deficits to:

(1) Encourage people to work;

(2) Reduce unemployment permanently;

(3) Encourage people to save and invest their money, which will allow business to build more plants and buy more equipment to create jobs;

(4) Reduce inflation;

(5) Increase confidence in our economic future among both consumers and businessmen; and

(6) In general to produce more real growth in the output of goods and services, which will increase the standard of living for all Americans.

Increased levels of Federal expenditures and deficits will do little to encourage more private sector output and will merely fuel inflation. Rather, it will result in reapportioning the pieces of a constant or shrinking economic pie rather than increasing the size of the total pie and thereby everyone's share.

I must therefore oppose this Budget Resolution on the grounds that it is based on a faulty approach to solving our economic problems. I would also reiterate my concern with the "current policy" approach used in arriving at the target spending totals. I hope that the budget process will move more in the direction of zero-based budgeting in the future so that we can *meaningfully* discuss the levels of Government spending.

CONCURRENCE WITH SENATOR MC CLURE

In addition to my own arguments against the Budget Resolution, I would like to concur with the points made by Senator McClure in his minority views.

S. I. Hayakawa.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BELLMON. In addition, of course, in the budget authority our deficit is now $63.6 billion, under the votes we have taken this afternoon.

UP AMENDMENT NO. 191

Mr. MUSKIE. Mr. President, does the Senator from California plan to call up his amendment? I ask the Senator whether he is willing to enter into a unanimous-consent agreement. There was a discussion earlier of an agreement which would give him 40 minutes and the committee 10. Could we reduce that time some more?

Mr. HAYAKAWA. I think that is about the minimum.

Mr. MUSKIE. The Senator thinks that is about the minimum?

Mr. HAYAKAWA. Yes.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the time limitation on the Hayakawa amendment be divided 40 minutes for the proponent and 10 minutes for the floor manager of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. HAYAKAWA. Before we agree to that, Mr. President, I should like to say that the Senator from Alaska (Mr. Stevens) and the Senator from Delaware (Mr. Roth) have asked for 10 minutes each on their matters. I should like to have that arranged, if possible.

Mr. MUSKIE. That would be fine, because that has the effect of limiting the time on those two requests. I have no objection to that. That is a contribution, I think.

Do I correctly understand that of the 40 minutes, the Senator plans to yield 10 minutes to the Senator from Delaware?

Mr. HAYAKAWA. No.

Mr. MUSKIE. I see. That is in addition.

Does the Senator know what is going on at 7:30 this evening?

Mr. HAYAKAWA. Who watches television?

I will be glad to take an hour on my side.

Mr. MUSKIE. The Senator requires an hour on his side?

Mr. HAYAKAWA. Yes. So I can yield some time to the Senator from Alaska and the Senator from Delaware.

Mr. MUSKIE. I see.

Mr. President, I ask unanimous consent that the time limitation be 1 hour and 10 minutes—1 hour to be assigned to the Senator from California, 10 minutes to the floor manager of the bill. I understand that from that time, the Senator from California plans to yield to Senator Roth and Senator Stevens.

Mr. CHILES. Mr. President, reserving the right to object, could this time be after the vote—the time for the Senator from Deleware and the Senator from Alaska? Could that time come after the vote?

Mr. HAYAKAWA. They desire to be elsewhere, too.

The PRESIDING OFFICER. Does the Senator from Florida object?

Mr. CHILES. I object, but I am not objecting.

Mr. BAKER. Mr. President, reserving the right to object, let me make sure that I understand.

There was an original agreement for a time limitation of 1 hour to the junior Senator from California and 10 minutes to the manager of the bill.

Mr. MUSKIE. The original request was 40 and 10. The request now is 60 and 10, with the understanding that the time for the Senator from Delaware and the Senator from Alaska will be yielded to them out of the time allotted to the Senator from California.

Mr. BAKER. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the time limitation is agreed to.

Mr. MUSKIE. Does the Senator wish to ask for the yeas and nays?

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

Mr. HAYAKAWA. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. Hayakawa), for himself, Mr. Schweiker, Mr. Curtis, and Mr. Hatch, proposes an unprinted amendment numbered 191:

On page 1, line 9, delete "$497,400,000,000" and insert in lieu thereof "$495,400,000,000".

On page 3, line 21, delete "$27,100,000,000" and insert in lieu thereof "$25,100,000,000".

Mr. STEVENS. Mr. President, I ask unanimous consent to have printed in the Record a statement by Mr. Goldwater in connection with this matter, together with the bill to which he refers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Mr. Goldwater

As the Chairman of the Committee, my good friend from Maine, knows, I, together with 23 other Senators, sent the Committee a letter in February requesting that the First Budget Resolution for 1978 take account of 13 bills which have been introduced in the Senate to repeal or phase-out the earnings limitation of the Social Security Act. At this time, I want to assure the Senator that we were not seeking in any way to go around the normal authorization process, but were concerned with avoiding a technical argument later that we should have informed the Budget Committee of our plans before going ahead with our proposals.

Now, approximately one-half of the Senate is committed to one or another of the bills already pending to correct the earnings test. In fact, a bill, S. 146, I have introduced to completely repeal the test at age 65 is being sponsored by 33 Senators, one-third of the Senate.

Thus, there are many of us in this body who wish to have some assurance from the Budget Committee that the targets set forth in the Committee's Resolution not foreclose their opportunity to raise this matter before the Finance Committee later in the year. I am confident the answer is, "No," but wished to develop this fact before the Senate completed action on the pending Resolution.

It is clear that the Budget Act contemplates at least two Budget Resolutions each year, first the target-setting one adopted by May 15 and then the binding one adopted by September 15. This means there is nothing at all in the budget procedure that would hinder Senators wishing to improve Social Security benefits from seeking budget authority in the Finance Committee prior to action on the Second Budget Resolution. If the Finance Committee should adopt our proposal, it could report the recommendation for new program authority to the Budget Committee, which in turn could recommend inclusion of the added authority in September.

Moreover, I wish to take this occasion to assure my colleagues that approval of elimination of the earnings test of Social Security for workers age 65 and older would not be anywhere near as costly as some of the wild estimates I have seen. For one thing, none of the estimates reflect the additional income tax that would be paid by older persons who continue working. Nor do any of them take account of the Social Security payroll taxes they would continue paying while they work, regardless of their age.

I should add that the American Association of Retired Persons believes it is possible the retirement test can be eliminated with little additional cost in the context of a reform of Social Security programs which contains savings to the system as well as benefit changes.

So the cost will not be anywhere near to what some people think.

Finally, I would like to make known a few more brief facts about the legislation which so many Senators have offered:

First, my colleagues should be aware that 13 different bills have been introduced in the Senate to repeal or phase-out the earnings limit of the Social Security Act and that 110 similar bills in all have been presented in the Senate and House of Representatives during only the first four months of this session.

Second, I would like Senators to know that the American Medical Association Committee on Aging has stated its conviction that laws which force premature retirement upon persons are disasterous to their health and shorten the life of many aged persons.

Third, it should be clearly understood that the earnings test discriminates against the lower income worker, whose wages don't allow him to invest in stocks, bonds, and other investments, because there is no ceiling on non-wage income.

Fourth, many economists believe the cost of keeping the earnings limitation is greater than the cost of repealing it. It visibly holds down the gross national product by depriving the economy of the skills and labor of older persons.

Fifth, under the present law, workers can argue this money belongs to them and is not the government's to keep since they have paid taxes into the system all their working years.

I hope this will be the year for repeal of the earning test.

I ask that the text of S. 146, including the names of all cosponsors, be in the Record.

S. 146

Mr. Goldwater (for himself, Mr. Abourezk, Mr. Bartlett, Mr. Domenici, Mr. Garn, Mr. Inouye, Mr. Laxalt, Mr. Leahy, Mr. Morgan, Mr. Nunn, Mr. Ribicoff, Mr. Stafford, Mr. Stone, Mr. Weicker, Mr. Young, Mr. Hatfield, Mr. Johnston, Mr. Stevens, Mr. Thurmond, Mr. Cannon, Mr. Pell, Mr. Dole, Mr. Magnuson, Mr. DeConcini, Mr. Harry F. Byrd, Jr., Mr. Case, Mr. Javits, Mr. Hansen, Mr. Helms, Mr. Danforth, Mr. Allen, Mr. Chafee, and Mr. Schmitt introduced the bill; which was read twice and referred to the committee on Finance.

A bill to repeal the earnings limitation of the Social Security Act for all workers age sixty-five and over

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (c)(1), (d)(1), (f)(1), and (j) of section 203 of the Social Security Act are each amended by striking out "seventy-two" and inserting in lieu thereof "sixty-five".

(b) Subsection (f)(3) of section 203 of such Act is amended by striking out "age 72" and inserting in lieu thereof "age 65".

(c) Subsection (h)(1)(A) of section 203 of such Act is amended by striking out "the age of 72" and "age 72" and inserting in lieu thereof in each instance "age 65".

(d) The heading of subsection (j) of section 203 of such Act is amended by striking out "Seventy-two" and inserting in lieu thereof "Sixty-five".

Sec. 2. The amendments made by the first section of this Act shall apply only with respect to taxable years ending after the date of enactment of this Act.

Mr. STEVENS. Mr. President, will the Senator yield 10 minutes to me now?

Does the Senator wish to request the yeas and nays first?

Mr. HAYAKAWA. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from California yield 10 minutes to the Senator from Alaska?

Mr. HAYAKAWA. I do.

Mr. STEVENS. Mr. President, I appreciate the courtesy of the Senator.

I point out that we could have asked, under the Budget Act, as I understand it, for 1 hour. We are seeking to shorten the time.

I agreed, on behalf of the Senator from Arizona, to raise this question in the form of a colloquy with the chairman of the Budget Committee.

Mr. President, I express my appreciation to the chairman of the Budget Committee, Mr. Muskie, for his courtesy and considertion of an important matter.

There is a great deal of support in the Senate to increase the ceiling on the earnings limitation of the Social Security Act. In this session, about 14 bills have been introduced in the Senate with regard to social security earnings requirements. Twenty-four Senators have cosigned a letter to both the chairman of the Budget Committee (Mr. Muskie) and the chairman of the Finance Committee (Mr. Long) to express our support and request consideration of this legislation in this session of Congress.

The response we received from the Budget Committee to include funding in the first concurrent resolution for fiscal year 1978 for implementing such a social security proposal was encouraging. However, we find that there is no mention in the budget resolution that this matter was considered in recommending the budget ceilings of the social security program.

We are in complete agreement with the budget chairman that it is the function and jurisdiction of the Finance Committee to authorize this legislation. We would not, in any way, want to encourage the Budget Committee to legislate this in the budget resolution. What we are looking for, however, is an indication that the budget resolution does not preclude the Finance Committee from taking up the earnings limitation matter during this session of Congress.

It has become increasingly clear that certain changes may be needed in the current structure of the social security program. The need to increase the earnings test ceiling for individuals most seriously affected by limited income, those between the ages of 65 to 72, is generally supported by Members of the Senate. I would like to encourage consideration of this important issue and hope that the chairman of the Committee on the Budget will agree with our concern.

I ask unanimous consent that a copy of the letters that were sent to the committee chairmen and the response we have received be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Committee on the Budget,
Washington, D.C., March 21, 1977.

Hon. Ted Stevens,
U.S. Senate,
Washington, D.C.

Dear Ted: Thank you for your well documented letter regarding legislation to liberalize the Social Security earnings limitation. I can assure you that your proposal will be specifically presented to the Budget Committee when we begin markup later this month on the First Budget Resolution for fiscal year 1978.

I want to thank you and your colleagues for alerting the Budget Committee well in advance to the need to consider changes in Social Security benefit provisions.

As you know, of course, the Budget Resolution itself is prepared on an aggregate, not a "line item" basis. That is, we will recommend a set of spending and revenue targets which includes the Social Security program but will not delineate all its detail. That is the appropriate function of the Finance Committee in this case. Under the provisions of the Budget Act, the Conference Report on the Budget Resolution will allocate to the Finance Committee (and similarly in the case of other committees) the total amount of spending allocable to that Committee's jurisdiction under the Resolution, but again will not specify any assumptions as to how the total spending must be subdivided by the Finance Committee in its consideration of the various bills and programs under its jurisdiction. Thus, any allowance for new Social Security legislation will be in competition with other legislation the Finance Committee may consider.

As you are aware, an important consideration for the Finance Committee and for the Senate itself in the case of proposals such as you have made to increase the rate of expenditure from the Social Security Trust Fund is the condition of that Trust Fund itself and whether additional taxes must be assessed to finance it. The financial condition of the Social Security Trust Fund is a matter of continuing concern which I am sure you share, and it presently appears that some increase in the Social Security tax may be required within the next few years, even with no such changes in the present law as your letter proposed. (I am sure you agree that tax increases, especially in the Social Security area, must be carefully considered, particularly because of the adverse impact such increases have during a period of economic sluggishness.)

I have taken the liberty of sharing your important letter and its enclosures and my response with all the members of the Budget Committee.

With best wishes, I am
Sincerely,
Edmund S. Muskie.

U.S. SENATE,
Washington, D.C., February 28, 1977.

Hon. EDMUND S. MUSKIE,
Chairman, Senate Budget Committee, Washington, D.C.

DEAR ED: We each are sponsors or cosponsors of various proposals to remove or lift the ceiling of the earnings limitation of the Social Security Act.

Since we intend to press for action on our legislation to become effective in fiscal year 1978, we urge that you include adequate funds in the first Concurrent Resolution on the Budget for FY 1978, to implement whichever of our proposals may be enacted. It would require from $1.5 to $3 billion in the first year to finance the change we propose, depending upon which is adopted.

Our basic arguments against the means test are as follows:

(1) It is viewed as a broken promise to employees who have been led to believe benefits will be paid as "a matter of right" due to the premiums which they and their employers have made over lifetimes of work.

(2) It turns a contributory program into a welfare program since a worker must prove he has a need, due to a loss in wages, in order to qualify for benefits.

(3) The test is discriminatory against the poor who are without non-wage income, such as interest, rentals or dividends.

(4) It may shorten the life of some aged persons by compelling them into early retirement against their wishes.

(5) It injures the national economy in terms of real output by driving out of the work force an important productive resource, the skills and labor of the elderly.

Supporting materials are enclosed. We would be happy to testify on behalf of our proposals if you should wish to hold hearings on this subject.

Sincerely,

Barry Goldwater, Richard Stone, Ted Stevens, Dennis DeConcini, Dewey Bartlett, Claiborne Pell, Clifford Case, Mark O. Hatfield, Robert Stafford, Daniel Inouye, Robert Morgan, Patrick Leahy, Dale Bumpers, John McClellan, Jesse Helms, Charles Mathias, Jake Garn, Sam Nunn, Strom Thurmond, Lowell Weicker, James Abourezk, John Melcher, Howard Cannon, Jacob Javits.

U.S. SENATE,
Washington, D.C., February 28, 1977.

RUSSELL B. LONG,
Chairman, Senate Finance Committee, Washington, D.C.

DEAR RUSSELL: We each are sponsors or cosponsors of various proposals to remove or lift the ceiling of the earnings limitation of the Social Security Act.

Since we intend to press for action on our legislation to become effective in fiscal year 1978, we urge that you include adequate revenue and spending authority in the authorization bill which is to be reported by your Committee by March 15, to implement whichever of our proposals may be enacted. It would require from $1.5 to $3 billion in the first year to finance the change we propose, depending upon which is adopted.

Our basic arguments against the means test are as follows:

(1) It is viewed as a broken promise to employees who have been led to believe benefits will be paid as "a matter of right" due to the premiums which they and their employers have made over lifetimes of work.

(2) It turns a contributory program into a welfare program since a worker must prove he has a need, due to a loss in wages, in order to qualify for benefits.

(3) The test is discriminatory against the poor who are without non-wage income, such as interest, rentals or dividends.

(4) It may shorten the life of some aged persons by compelling them into early retirement against their wishes.

(5) It injures the national economy in terms of real output by driving out of the work force an important productive resource, the skills and labor of the elderly.

We urge that your Committee hold hearings on this subject at the earliest opportunity.

Sincerely,

Barry Goldwater, Richard Stone, Ted Stevens, Dennis DeConcini, Dewey F. Bartlett, Claiborne Pell, Clifford P. Case, Mark O. Hatfield, Robert Stafford, Daniel Inouye, Robert Morgan, Patrick Leahy, Dale Bumpers, John McClellan, Jesse Helms, Charles McC. Mathias, Jake Garn, Sam Nunn, Strom Thurmond, Lowell Weicker, James Abourezk, John Melcher, Howard Cannon, Jacob Javits.

Mr. STEVENS. I hope that we can, as the Senator from Arizona requests, have an answer to our questions as to whether or not the action taken by the committee, in the opinion of the committee, precludes the consideration by the Committee on Finance prior to the consideration of the Second Budget Resolution of the legislation we have sponsored.

I yield the remainder of my 10 minutes to Senator STONE.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. STONE. As the chairman probably knows, the reason I am asking these questions is because it is my intention to press for action to lift or to repeal the earnings limitation provision in the Social Security Act.

Under present law, the social security recipient who is between 65 and 72 years of age is denied $1 in social security payments for every $2 earned over $3,000 a year. This means that a social security beneficiary who receives the average $206.58 monthly payment loses all social security benefits if he or she earns $7,717 in a year.

This provision forces many senior citizens who are able and willing to work, to retire or limit drastically their earnings in order to receive social security benefits. This is a terrible injustice to American working men and women who have been led to believe that social security benefits will be paid to them as a matter of right when they reach a certain age. This right is earned by years and years of payroll deductions and matching payments by employers.

In view of the continuing rise in the cost of living, we must recognize that social security alone does not provide enough money for many people to live on. We should remove the legal barrier for those who can help provide for themselves. Can we afford to waste the specialized skills of our senior citizens by discouraging them from working? Do we wish to force our senior citizens to live unproductive lives when they have further energy and ambition? I do not think so.

Congress originally intended social security to be a supplemental security program. People were encouraged to add to their social security protection through private pension plans, savings, and continued employment. At present, however, the law nearly forces people to fall into the ranks of the indigent in order to receive benefits.

Mr. President, may I ask the Senator from Maine——

Mr. MUSKIE. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. RIEGLE). The Senate is not in order.

The Senator from Florida.

Mr. STONE. I ask the Senator from Maine if he would yield for questions along the lines of the points raised by the Senator from Alaska and by my statement.

Is it not true that this first concurrent resolution on the budget sets forth targets as opposed to requirements to which the Congress must respond?

Mr. MUSKIE. That is true. This resolution sets targets that are supposed to be meaningful.

Mr. STONE. The second concurrent resolution expected later this year will set binding ceilings to which we must adhere?

Mr. MUSKIE. That is correct.

Mr. STONE. Is it not also true that you have prepared the budget resolution on an aggregate basis rather than on a line-item basis?

Mr. MUSKIE. The Senator is correct.

Mr. STONE. And, therefore, is it not the position of the Senator from Maine that it is the Budget Committee's responsibility to recommend a set of spending and revenue targets, including the social security program, without really delineating all of their details?

Mr. MUSKIE. That is the nature of our responsibility.

Mr. STONE. And, therefore, is it still not the appropriate function of the Committee on Finance to explore such details as the work limitation ceiling that the Senator from Alaska or the Senator from Arizona and others, as well as the Senator from Florida, the Senator now speaking, are interested in?

Mr. MUSKIE. That is the Committee on Finance's responsibility.

But may I add to that answer that the whole purpose of the procedure set out in the Budget Act is to give Congress a look at what may happen in the course of a session with respect to spending legislation.

All of us have a responsibility, not only the Budget Committee but every authorizing committee, to try to anticipate any demands on the public treasury that may result from actions they can foresee down the road. Although the targets set in May are not binding ceilings, they should be, and the Budget Committee regards them as being targets to which we ought to adhere unless something which we were not able to anticipate, but for which room in the budget ought to be provided, occurs between the enactment of the first concurrent resolution and the second concurrent resolution.

The energy program, for example, is not yet sufficiently defined so that we could spell out the budgetary impact, and we would expect there will be changes in the budget resolution which reflect the energy program when we finally know the details.

The kind of issue the Senator raises, in my judgment, cannot be accommodated within the first concurrent resolution targets unless the authorizing committee—in this case the Committee on Finance—readjusts other programs to make room for them.

Mr. STONE. Takes it from somewhere else.

Mr. MUSKIE. But it is not something which the Budget Committee can mandate to the Committee on Finance.

Mr. STONE. Right.

Mr. MUSKIE. Let me make one other observation: The social security trust fund revenues, on the basis of revenues and outlays this year, is out of balance. The 1978 budget indicates that the payouts will be $3.9 billion more in fiscal 1978 than the income, so that the social security trust fund on the basis of fiscal year 1978 is going to be out of balance.

The Budget Committee did not regard that as a situation which would tolerate any increases in benefits. That $3.9 billion is partly responsible for the increase in the deficit for fiscal year 1978, and so I think the situation from a fiscal point of view is very bleak for any increase in benefits.

But the Senator is right that the Committee on Finance, if it disagrees with that, my assessment of the condition of the trust funds, could recommend increases and could urge the Senate to consider such increases and try to persuade the Senate to increase the deficit and to increase outlays this year because of the merit of the particular change recommended.

Mr. STONE. Finally, if the Senator will further yield, or they could readjust within their other authorizations and assign a higher priority to this. This budget resolution does not preclude that process.

Mr. MUSKIE. That is certainly an option. I appreciate the Senator's bringing it to our attention.

Mr. STONE. I thank the Senator from Maine very much .

Mr. HAYAKAWA. Mr. President, I yield 10 minutes to the Senator from Delaware (Mr. ROTH).

Mr. ROTH. I thank the Senator from California.

Mr. President, last year the Senate twice overwhelmingly passed legislation to provide tax credits for college education expenses by votes 68 to 20 and 62 to 21. This year it is probable that the Senate Finance Committee and the full Senate will again pass this legislation.

Because of the probability that the college tax credit will pass, the Senate Finance Committee's revenue recommendations to the Budget Committee included an allowance for this provision in the budget resolution.

According to the Budget Committee report, the college tax credit provision was discussed, but the resolution does not specifically assume its enactment. The committee report states that the committee deferred action on any recommendations regarding specific tax expenditures in view of the announced plans of the administration to submit comprehensive tax legislation within the next few months.

The first budget resolution now pending before the Senate contains a revenue leeway of between $400 million and $600 million, therefore, there is room in the budget for the Committee on Finance to adopt a college tax credit up to that level.

This is due to the fact that the tax bill will reduce revenue levels less than originally anticipated by both the Finance and the Budget Committees.

I ask the Senator from Maine, if I might, in view of this revenue slack and in light of the committee's decision to defer any recommendations on tax expenditures until the President's tax reform proposal has been submitted, I wish to have him comment upon the following points, if he would be so kind:

First. There is at the present time in fact a revenue leeway of between $400 and $600 million in the first budget resolution.

Second. According to the Joint Committee on Taxation, my tax credit proposal would cost in fiscal year 1978 $175 million, so that there is room in the first budget resolution for such an amendment.

Mr. MUSKIE. The Senator is correct. As we have evaluated the result of the conference on the tax bill, there is a gap of approximately $500 million which at the moment is unoccupied. Like all vacuums there will be a rush to occupy it, I suppose, at some point which I frankly would try to discourage but in terms of the budget resolution numbers that gap does exist.

Mr. ROTH. I ask the distinguished chairman this further question:

The language in the committee report—on page 19, paragraph 2—further states that recommendations on specific tax expenditures have been deferred pending the administration's tax reform proposals, and the language of course would apply to all tax expenditures, even including the college tax credits. Is that right?

Mr. MUSKIE. That is right. We have been in receipt of letters from various Senators who consider—well I am not sure. I had in mind the previous question. I am not sure we have received any letter from the Senator on this proposal. But in any case we agreed not to address ourselves to changes in tax expenditures that would affect estimated revenues until we had received the administration's tax reform program.

Mr. ROTH. If I might sum up, there now is leeway in the first budget resolution for the college tax credit. But in addition to that the fact that the Budget Committee has deferred any action on tax expenditures until the White House makes its recommendations means that the Finance Committee and the full Senate could act on the college tax credit without prejudice before the adoption of the second budget resolution.

Mr. MUSKIE. If someone else does not move in first.

Mr. ROTH. I might say to the distinguished chairman I am not making reference now to the $400 to $600 million vacuum, but I am talking about the fact that the budget resolution is neutral on tax expenditures, whether it is proposed in the future by the White House or by any Senator by virtue of the language on page 19 in the budget report.

Mr. MUSKIE. We made no recommendation on it, that is correct.

Mr. ROTH. I thank the distinguished chairman.

Mr. BAKER. Mr. President, will the distinguished Senator from California yield briefly before he commences the presentation of his amendment?

Mr. HAYAKAWA. I yield.

Mr. BAKER. Mr. President, I ask unanimous consent that the time taken in this colloquy not to be charged to the time allocated to the distinguished Senator from California.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. BAKER. Mr. President, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader and the distinguished Senator from California.

ORDER FOR CONSIDERATION OF S. 69 TOMORROW AT 10 A.M., AND TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the bill, S. 69, a bill to amend and extend the Export Administration Act, of 2 hours on the bill, to be equally divided between Mr. STEVENSON and the minority leader, or his designee, that there be a time limitation on any amendment of 1 hour, that there be a time limitation of 4 hours on the series of amendments by Mr. HEINZ, that there be a time limitation on debatable motion, appeal, or point of order, if such is submitted to the Senate, of 20 minutes and that it be in the usual form, and further that the Senate proceed to the consideration of the measure tomorrow at 10 a.m.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, the distinguished majority leader and I have conferred on this matter and in turn have conferred with the parties principally interested in this matter, and the arrangement is entirely satisfactory on this side.

I might ask one question. The Heinz amendment, as I understand it, or the Heinz group of amendments—there are four of them—the Heinz amendments are allowed 4 hours. Could we make it clear that if they are offered en bloc that there would still be 4 hours for the Heinz series of amendments?

Mr. ROBERT C. BYRD. Yes, that is the intention of the agreement.

Mr. BAKER. Mr. President, there is no objection to the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That at 10:00 a.m. on Thursday, May 5, 1977, the Senate proceed to the consideration of S. 69 (Order No. 84), a bill to amend and extend the Export Administration Act, and that debate on any amendment (except a series of amendments by the Senator from Pennsylvania (Mr. HEINZ) on which there shall be a total of 4 hours) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Illinois (Mr. Stevenson) and the Senator from Tennessee (Mr. Baker), or his designee: Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

COMMITTEE MEETINGS TOMORROW AND ORDER FOR NO ROLLCALL VOTES BEFORE 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield a minute further, with the indulgence of the distinguished Senator from California, circumstances have made it necessary, Mr. President, for me to alter my earlier intention which was stated publicly a number of times of not coming in until 4 p.m. tomorrow. Without going into those circumstances, I simply wish the Record to show that I find them to be compelling. I think we could agree perhaps, if the distinguished minority leader would go along with me on this.

I ask unanimous consent that all committees may be permitted to meet during the session of the Senate tomorrow and that no rollcall vote occur before 12 noon.

Mr. BAKER. Mr. President, I am happy to do that. As a matter of fact, the majority leader and I have discussed that aspect of the matter as well and I also suggest, as I suggested to him earlier, that compelling reasons do in fact intervene to take this course of action. I have often objected to committees meeting in order to promote the maximum attendance in the Chamber. But I will assure the majority leader in this case, because of the changed circumstances and the arrangements, that committees may meet tomorrow prior to 4 p.m. and there shall be no objection from me on tomorrow for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader and thank the Senator from California.

Mr. BAKER. I thank the distinguished majority leader for his indulgence and the distinguished Senator from California for his patience.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. Riegle). The Chair, on behalf of the Vice President, pursuant to Public Law 86–42, appoints the Senator from Maine (Mr. Hathaway) to serve as Chairman to the Canada-United States Interparliamentary Conference, to be held in Victoria, British Columbia, May 27–31, 1977.

FIRST BUDGET RESOLUTION, 1978

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 19) setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

UP AMENDMENT NO. 191

The PRESIDING OFFICER. Once again the Senator from California is recognized.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the Senator from Utah (Mr. Hatch), the Senator from Delaware (Mr. Biden), and the Senator from Kansas (Mr. Dole) be added as cosponsors of UP amendment No. 191.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, my amendment would reduce the amount of forward funding in the first concurrent resolution for fiscal year 1978 for CETA public service jobs in fiscal year 1979. The first concurrent resolution, as reported by the Budget Committee, assumes $4.2 billion of budget authority to fund 500,000 CETA jobs in fiscal year 1979. My amendment would allow $2.2 billion in budget authority to fund 265,000 jobs in fiscal year 1979. I believe this is a more prudent approach to the forward funding problem.

Fiscal year 1979 does not begin for another 17 months. But because of the forward funding aspect of the program, we are trying to look into our crystal ball and determine how many public service jobs we will need for fiscal year 1979. Most of the CETA jobs are supposed to be temporary because of the economic recession. The number funded should decline as the economy improves and unemployment declines. It is difficult, if not impossible, to know how the economy will be performing and what the level of unemployment will be in 17 months. Therefore, no rational determination can be made based on present economics as to what the appropriate level of CETA jobs will be at that time. If an unrealistically high level of jobs for fiscal year 1979 is incorporated into the first concurrent resolution, it will be almost impossible to reduce the level of funding in the second concurrent resolution. By that time local governments will have already worked these funds into their budgets and will protest loudly if we try to change them in the second concurrent resolution. Local pressure will be strong to ignore the economics of the situation in order to preserve their budget plans. Caution should be exercised now to avoid this problem in the future.

In addition, we should wait to have more evidence about the effectiveness of the reforms to this program before we continue to fund such a high level of CETA jobs in fiscal year 1979. Recent studies have revealed that the CETA program has not been very effective in solving our unemployment problems. Four major objections have been raised about the program:

First. Only about one-fifth of CETA participants, after being terminated from the program, move into unsubsidized jobs. That is a pretty low figure.

Second. The CETA programs provide participants with little in the way of training, thus doing nothing to increase the participant's prospect of future employment and earnings.

Third. A high rate of "fiscal substitution" is present in the program. Local governments to a large extent substitute CETA funds for those they would have raised through other means. This lowers the net impact of the program on job creation and makes the program a form of revenue-sharing.

Fourth. It is doubtful whether local governments can productively absorb the additional 415,000 public service employees proposed for fiscal year 1978.

I believe this last flaw can already be seen in the program. An article from the San Jose Mercury sent to me by a concerned constituent discusses how local officials in San Benito County were scrambling around at the last minute to find ways to use $260,000 of CETA funds. The county supervisers, although they had not come up with proposals by the deadline to spend the money productively, were reluctant to return the funds to the Federal Government. My constituent properly asks in his letter if these politicians realize that Federal funds come from the same source as State, county, and municipal funds—the taxpayer. We should not be encouraging this kind of local abuse of Federal funds.

I ask unanimous consent that the article to which I have referred be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Case Where Thrift Is Expensive

Hollister.—San Benito County Supervisors reluctantly faced the possibility of having to return $260,000 in unexpended federal funds Friday.

But in a last ditch effort they asked George Lawton, head of the county's comprehensive employment training act (CETA) program, to see if he could get a five-day extension on a Monday deadline.

If he can, supervisors indicated, it might be possible for county and public agencies to find ways to put the money to work.

Somewhat sadly, Lawton told how he had advertised and contacted public agencies in an effort to get them to put together programs for expending the money on new employes who might be trained to the work to be done.

All he was able to encumber was $90,000 out of the original $350,000, Lawton said. That represented two programs.

As for a time extension, Lawton commented that he was already working under "hurry up and stop" directions.

"The CETA programs had to be put together by today," Lawton said. "The pressure was for a deadline today."

Lawton said that the $350,000 was to have been spent between now and Oct. 1.

"There'll be a new appropriation in October," he offered brightly.

He said that the two programs which had been submitted to his office involved repair work at Balado Park and a curb and gutter repairs project.

Lawton said he had worked hard to disburse the money in a county noted for its 20 per cent unemployment during the winter months.

Lawton said that he didn't like coming in at the last minute with the bad news, but when he tried to get on the supervisor agenda two weeks ago they were so busy that they didn't have time to listen to his plight.

He concluded wearily that he'd make a telephone call to Sacramento in an effort to get an extension.

Mr. HAYAKAWA. In addition to these four major problems, several criticisms have been made about the administration of the programs. Many participants merely transfer from one CETA program to another when their allotted time has expired in one program, but they are classified as program terminations. Many prime sponsors of CETA jobs do not check to see that participants meet eligibility requirements. And there is little or no oversight to insure that CETA participants are not simultaneously collecting unemployment insurance or public assistance. The Department of Labor simply does not have the time or staff to properly administer this program now at a level of 310,000 jobs. The situation will certainly worsen with 725,000 jobs.

Proponents of the program argue that recently enacted reforms will solve these problems with CETA programs. They point specifically to the legislative reforms designed to target CETA jobs on chronically unemployed and to discourage substitution through a projects approach. I sincerely hope that these reforms are successful. However, I am afraid that they address only one problem with the program—that of fiscal substitution. I do not see how they affect the program's inability to improve the participants' long-term employability or its lack of significant training. I am afraid that these problems with the program will persist, and I see no reason to guarantee a high level of funding for these jobs into fiscal year 1979 until I am proved wrong, but I do not believe that I will be.

CETA jobs programs do not address the real issues underlying the unemployment situation. As I indicated in my minority views, the major proponents of public service jobs still use a 4-percent unemployment rate as their full employment goal, not recognizing the dramatic changes that have occurred in the composition of the labor force.

Mr. President, I wish to point out clearly that unemployment in 1977 does not mean the same as unemployment meant in 1954. The situation is entirely different. In the intervening years, adult men, who tend to be the primary earners in most families, have become a smaller percentage of the labor force, while women and teenagers, who tend to have higher rates of unemployment and a lesser job attachment, comprise a greater portion of the labor force. But our full employment goals do not reflect these facts. Any given rate of unemployment today does not reflect the same degree of hardship or suffering that it did in the 1950's. Indeed, the higher unemployment rates of recent years may at least in part reflect a labor force that is more selective about jobs and more inclined to move in and out of the labor force.

This is a fact that is not widely understood. We simply react to percentage figures about unemployment without understanding what lies beneath those figures.

In March we had about 7.1 million people unemployed. Of these, only about 3.8 million had lost their last job, and 1.2 million of these were temporary layoffs from their last job and were awaiting recall. Thus, only about 2.6 million are workers who had been fired or whose job had collapsed. This is only about 2.8 percent of the civilian labor force, which is not alarming during a recovery from an economic recession.

Another 1.9 million of the unemployed are reentrants into the labor force. These are people who voluntarily dropped out of the labor force who were not fired or had their jobs terminated; they just voluntarily quit working. These individuals who voluntarily left their last job make up another .9 million of the unemployed. These people voluntarily left their last jobs. This total of 2.8 million unemployed reflects individuals with low job attachment and high quit rates. Low job attachment and high quit rates mean that these people have less concern about income, probably because they are secondary earners, and more concern about pleasant working conditions and the attractiveness of their jobs. Low job attachment then, reflects an affluent society and not the hardship that is so often associated with unemployment.

These are indications, not of economic hardship or misery, but of affluence and plenty, and minimum worry about finding another job if one quits the present one.

Finally, of the 7.1 million unemployed, .9 million are new entrants into the labor force—mostly teenagers with poor skills who cannot be worth to an employer what the minimum wage laws would require him to pay. Minimum wage laws do not allow teenagers to "buy" precious job training by accepting employment at a lower wage. Union restrictions often exclude new entrants into many trades. The poor quality of public education does not prepare our youth to enter the labor force with productive skills. All of these things combine to make youth unemployment a serious problem.

The solution does not lie in providing our youth with public service jobs. We must change Government policies which impede teenagers from getting jobs which will provide them with on-the-job training. And we must improve the quality of education our young people receive, not by pouring more money into Federal education programs, but by reforming education policies to improve parental rights and to make public schools responsive to the economic needs of their communities.

In addition to the changing composition of the labor force, we must also recognize that Federal unemployment insurance and public assistance programs encourage people not to work.

Economists have found that this phenomenon may add as much as 1.25 percentage points to the unemployment rate. The economic facts are these: Many individuals can make two-thirds or more of their after-tax net pay by going on unemployment compensation. Let me give an example. Consider a worker in Massachusetts in 1975, with a wife and two children. His gross earnings are $120 a week, let us say, or $6,240 a year if he experiences no unemployment. She earns $80 a week or $4,160 a year if she experiences no unemployment. If he happens to be unemployed for 10 weeks he loses $1,200 in gross earnings but only $227 in net income. A reduction of $1,200 in annual earnings reduces his Federal income tax by $194, his social security payroll tax by $71, and his Massachusetts income tax by $60. The total reduction in taxes is $325. Thus, net after-tax wages fall by only $875.

Unemployment compensation consists of 50 percent of his wages plus dependents' allowances of $6 per week for each child. Total unemployment compensation is, therefore, $648. These benefits are not taxable. Therefore, they replace 74 percent of the net wage loss of $875. Because of the 1-week waiting period, these figures even understate the rate of replacement. If a man remains unemployed for 11 weeks, he loses an additional $120 in gross earnings but only $15.50 in net income. Thus, his effective marginal tax rate, that is, based on taxes plus what he can get for unemployment compensation for the 11th week, is 87 percent.

What these figures do not take into account is the man being out of work no longer has to pay the cost of transportation to work; he is freed of other work-related expenses. In addition, he has a greater amount of additional leisure time in which he can do things for himself that, if he were working, he would probably have to hire somebody to do. For example, he could repaint his own house. All these things work to increase his real income from unemployment.

I say in all seriousness that nowadays it pays to be unemployed. Unemployment has been made, by the generosity of our laws, an extremely attractive alternative to working.

This type of problem has been aggrevated in two ways: First, Congress has continually raised the real level of these benefits, making them comparable to higher and higher levels of real wages.

Second, at the same time, Congress has let inflation move individuals into higher effective tax rates on real income.

The three ways Congress can lessen this disincentive to work are to reduce inflation, stop making unemployment compensation and public assistance more attractive by increasing benefits, and, third, to enact permanent rate reductions in the personal income tax. Creation of more and more public service jobs will do nothing to improve this situation.

The high levels of unemployment compensation and public assistance benefits also aggravate the number of temporary layoffs. Employers are more likely to lay off a worker knowing that he will be able to maintain his standard of living and will more than likely wait to be recalled to his old job rather than actively looking for a new one.

Nowadays the employee is willing to go along with this layoff policy. In recent years, very recent years, there has been developed a new kind of what might be called inverse seniority clauses that are contained in many hiring agreements. This inverse seniority clause provides that the most senior workers will be the first to be laid off and the last to be recalled, so that they can enjoy to the fullest their Government subsidized vacations.

This is a weird situation which has developed out of the goodness of our hearts. The creation of public service jobs will do nothing to solve the impediments and disincentives to work resulting from these governmental policies. These policies must be reformed or abolished if we want to solve our unemployment problems. Creation of so-called temporary public service jobs would only allow us to postpone consideration of these very tough issues.

We must find a way to encourage private sector employment where workers will receive valuable training and produce real goods and real services.

I therefore believe, Mr. President, we should limit forward funding for CETA jobs so that we are forced to address the fundamental issues behind our unemployment problems. We must quit accepting the arguments that cosmetic changes made in these programs will solve these problems. We must quit deceiving ourselves about the effectiveness of these programs in reducing unemployment in any substantial way. We must begin to face the real issues.

I therefore urge my colleagues to support this amendment to the budget resolution.

Mr. President, I ask unanimous consent to add Senator ROTH as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. I also yield 3 minutes to the Senator from Utah.

Mr. HATCH. I thank the Senator.

Mr. President, I would like to be associated with the remarks of Senator HAYAKAWA. I believe he has outlined the problem quite well. As I understand it, he does not want to do away with CETA but have it become more responsible with regard to the expenditures of funds in the future.

I do not see how we can forward fund for 1979, a 61-percent increase in CETA jobs above present funding levels. This program has well documented abuses. Its effectiveness is widely challenged. And there has been no oversight by the Senate. In view of the fact that the program may have to be restructured, how can the Senate place such a seal of approval as forward funding a 61-percent increase in the program? I wonder if this forward funding is one reason that there is never any room in the budget for a tax rate reduction for the American taxpayer.

Forward funding of these CETA jobs, when we do not know what number will be appropriate in 1979, will only encourage communities to base their budget plans on these funds.

We had representations just the other day that this is just a 1-year program and yet here we are funding forward. We will then be under pressure to maintain this funding regardless of the economic situation a year and a half from now.

The Congress is already under too much pressure to do things that we should not do. Why should we take action here today to add to that pressure? Do we really want to guarantee that we be lobbied to spend money regardless of the economic situation, the effectiveness of the program, and the size of the deficit?

It is still just 1977. We have spent enough money for 1977, and here today we are arranging to spend almost a half trillion dollars in 1978. It seems to me that that is enough. I do not see why we need to start in today on 1979. We will spend enough when we get there. I do not see why we need to get a $4.2 billion headstart on 1979 spending.

Therefore, I also join with my distinguished friend (Mr. HAYAKAWA) in urging my colleagues to vote for his amendment. I believe it is well put, it is intelligent, his statement has outlined his particular objections very well, and I believe we would be well disposed to follow his leadership in this matter. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. HAYAKAWA. Does the Senator wish to speak?

Mr. BELLMON. I want to speak briefly, but I want to say to the Senator from California that I will not be supporting him so perhaps he does not want to yield to me.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield 4 minutes to the distinguished Senator from Oklahoma.

Mr. BELLMON. I thank my distinguished chairman.

Mr. President, I have listened with great interest to the arguments of the Senator from California. While he makes some good points, there is another side of this question which I believe needs to be brought to the attention of the Senate.

The problem is that the funding history of the Comprehensive Employment and Training Act has been marked with uncertainty and with late appropriations. As a former Governor I know how difficult it used to be for us to structure our programs in Oklahoma in anticipation of what the Congress might do.

Very often we would try to run a program and expect Federal funds, and the funds would be late coming. Then when they did get there, we would have to have a crash program to spend them. It was a very uneconomical way of using the resources that we had available.

We seem to expect CETA prime sponsors to plan wisely to use funds for the creation of meaningful jobs that are not substituted for local jobs. However, we have left prime sponsors in the dark until well into each fiscal year as to what job level they will be expected to create by the end of the fiscal year. Fiscal year 1977 is no exception. I am talking about conditions right now. The fiscal year is more than half over and the prime sponsors have been operating until this week without an appropriation. Funds to substantially increase the jobs level were included in the first budget resolution for fiscal year 1977, but the late legislative action to authorize the bill precluded appropriation at the time of the regular Labor-HEW appropriation. The President's decision to add more jobs to the program again delayed the appropriation. Every year of CETA's existence has been marked by such uncertainty for one reason or another. It is for that reason that I support the Budget Committee's position.

I believe that the Congress has been irresponsible in dealing with CETA. We expect good programs, but we do not allow time to plan.

Forward funding is a mechanism whereby funding levels are determined in advance. This allows time for rational planning and implementation of the program. In the third resolution for fiscal year 1977, the Budget Committee allowed for forward funding of CETA in fiscal year 1978. The recently passed supplemental appropriation provided such forward funding. Forward funding for targeted jobs into fiscal year 1979 is a continuation of the policy set at the time of the third resolution.

I am sorry that the distinguished Senator from California (Mr. HAYAKAWA) was not a member of the Budget Committee during the markup of the third resolution so that he could have been part of the very careful, reasoned, and lengthy consideration which resulted in the policy to forward fund CETA.

Senator MAGNUSON, chairman of the Labor-HEW Appropriations Subcommittee has expressed in the Budget Committee his strong support for forward funding for this program. We can expect then that the Appropriations Committee will act to forward fund targeted CETA jobs into fiscal year 1979 in its regular appropriations bill for fiscal year 1978.

The allowance of $4 billion in the 500 function to forward fund the targeted jobs program is sound economically and programmatically. The Budget Committee policy discussion of CETA funding took into consideration the projections that unemployment will decrease. Accordingly—and this is the point I would like the Senator from California to realize—we then decreased the allowance in the budget providing room for 500,000 jobs in fiscal year 1979, down from the 725,000 jobs provided in fiscal year 1978. This is a reduction of 225,000 in anticipation of an improved employment situation. This represents a responsible congressional approach to targeted public service employment which provides our most effective mechanism to address the continuing and serious problem of structural unemployment.

The substitution issue which Senator HAYAKAWA has discussed is certainly of concern. However, it is not germane to the discussion of forward funding for targeted public service jobs since all studies of substitution in public service employment have been of nontargeted programs.

The issue is very concisely stated in a letter to me, dated April 28, 1977, from Dr. Alice Rivlin, Director of the Congressional Budget Office.

Mr. President, this letter touches on the subject which Senator HAYAKAWA referred to in his remarks. I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 28, 1977.
Hon. HENRY BELLMON,
Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR HENRY: In response to a request from the Senate Budget Committee staff, this letter explains the view of the Congressional Budget Office on the issue of fiscal substitution in public employment programs.

Fiscal substitution is the process by which state and local governments substitute federal funds for state and local funds. In other words, federal funds are used to pay for employment that would have been funded anyway. This process reduces the direct employment effect of public employment programs, but there still may be an indirect employment effect. If state and local governments reduce taxes instead of accumulating budget surpluses, then the public employment program outlays will still stimulate the economy and increase employment in a way similar to a reduction in federal taxes.

The research evidence on fiscal substitution does not permit any definite conclusions about the extent of fiscal substitution in the public service employment programs authorized under the Comprehensive Employment and Training Act (CETA; P.L. 93-203). Most studies have examined only the Public Employment Program (PEP), authorized by the Emergency Employment Act of 1971 (EEA). Only two estimates include data for calendar year 1975, the first year of the expanded public service employment program under CETA. Also, there are no studies available on the new targeted approach under CETA title VI, which was authorized by the Emergency Jobs Programs Extension Act of 1976 (P.L. 94-444).

Fiscal substitution is typically estimated for the short- and long-run. The short-run is arbitrarily defined as one year and the long-run is usually no more than two years. In the short-run, estimates have ranged from no substantial effect to as much as 80 percent. In the long-run estimates have been between 60 and 100 percent. In other words, the short-run estimates indicate that public service employment may have a substantial direct employment effect in the first year, but this effect dissipates in the second year.

In theory, fiscal substitution may be lessened in the short-run by the following procedures: (1) Hiring individuals who would not be hired otherwise (e.g., low-skilled workers); (2) Funding employment outside the normal state and local government sector (e.g., public projects approach); (3) Establishing a maximum program and enrollment period (e.g., one year); (4) Funding production of output not currently produced (e.g., repairing railbeds); (5) Enforcing maintenance of effort more stringently; (6) Limiting the accumulation of unencumbered budget surpluses in state and local governments during the operation of a public employment program, and (7) Allocating funds to jurisdictions with severe fiscal difficulties. Many of these procedures have already been included in CETA Title VI, which suggests that the rate of fiscal substitution may be lower than the estimates derived from the experience of earlier programs. Whether this is in fact the case will not be known for at least one year, when evidence on the current programs becomes available.

The lack of detailed and disaggregated data; disagreement on the appropriate estimation techniques; the wide range of statistical uncertainty associated with the available estimates; and the redesign of CETA Title VI (in part, to reduce fiscal substitution) renders the strict application of previous estimates somewhat tenuous. As a result of these uncertainties and program changes, the Congressional Budget Office (CBO) has recently used fiscal substitution assumptions that are lower than the estimates. For example, in the enclosed staff working paper (pp. 38-39) entitled, "Short-Run Measures to Stimulate the Economy," CBO used a fiscal substitution range of 25 to 67 percent in the first year and 40 to 80 percent thereafter. CBO assumes that these rates more accurately reflect the combined effects of the changes in CETA Title VI and the current fiscal circumstances of many jurisdictions.

With best wishes,
Sincerely,
ALICE M. RIVLIN,
Director.

Mr. BELLMON. I am personally very concerned about substitution. For this reason, I offered an amendment to the CETA authorizing legislation, which was accepted as part of the law, to fund a study of substitution in targeted jobs. The National Manpower Commission is currently conducting this study which will be available early next year. The results of this study should guide us in the future in evaluating the effectiveness of CETA as we determine the appropriate funding level.

Mr. President, I ask unanimous consent that two tables relating to budget growth rate be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

	1976 actual		Growth 1976-77, percent change		1977 corrected		Growth 1977-78, percent change		1978 estimated	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050—National defense	103.8	90.0	4.8	9.9	108.8	98.9	10.5	12.8	120.3	111.6
150—International affairs	6.6	5.1	9.7	27.4	7.9	6.5	17.7	12.3	9.3	7.3
250—General science, space, and technology	4.3	4.4	4.7	4.5	4.5	4.6	8.9	2.2	4.9	4.7
300—Natural resources, environment, and energy	19.3	11.3	−3.1	39.8	18.7	15.8	9.6	25.9	20.5	19.9
350—Agriculture	4.2	2.5	−45.2	.8	2.3	4.5	−4.3	−17.8	2.2	3.7
400—Commerce and transportation	20.9	17.2	−17.2	−13.4	17.3	14.9	12.1	28.2	19.4	19.1
450—Community and regional development	5.8	5.4	155.0	87.0	14.8	10.1	−48.6	5.9	7.6	10.7
500—Education, training, employment, and social services	21.2	18.2	43.4	14.8	30.4	20.9	−10.9	29.2	27.1	27.0
550—Health	33.6	33.4	20.8	16.8	40.6	39.0	18.2	13.8	48.0	44.4
600—Income security	139.2	126.6	20.2	8.1	167.3	136.9	3.8	6.6	173.7	145.9
700—Veterans' benefits and services	19.7	18.4	−4.0	−1.6	18.9	18.1	4.8	9.4	19.8	19.8
750—Law enforcement and justice	3.3	3.3	6.0	9.1	3.5	3.6	8.6	8.3	3.8	3.9
800—General government	3.3	2.9	2.5	27.6	3.5	3.7	8.6	2.7	3.8	3.8
850—Revenue sharing and general purpose fiscal assistance	9.5	7.1	−.2	8.5	7.6	7.7	28.9	26.0	9.8	9.7
900—Interest	34.6	34.6	9.8	9.8	38.0	38.0	13.2	13.2	43.0	43.0

RATE OF GROWTH IN BUDGET AGGREGATES: FISCAL YEARS 1976-78

	Actual fiscal year 1976	Growth 1976-77, percent change	Fiscal year 1977	Growth 1977-78, percent change	Fiscal year 1978
Budget authority	414.5	13.3	469.8	5.9	497.4
Outlays	365.6	11.8	408.8	12.2	458.8

Mr. MUSKIE. Mr. President, I think that the distinguished Senator from Oklahoma has covered the committee's position very well. I see no point in repeating the observations that he has made.

I say in addition—I am not sure he covered this point—that the committee has already reduced the recommendation for forward funding from full forward funding to partial forward funding in fiscal 1979. I really think the committee went into this very carefully, as the Senator has said, in connection with the third concurrent budget resolution. It is the desire to keep the lid on to the extent that we can, given the requirement for some public employment at a time when 7 million Americans are out of work. I understand the concern of the Senator from California that the program has not worked and is not as effective a way as we all would have liked, but we have provided for that as well.

I value the Senator's membership on the Budget Committee and I look forward to long tenure with him on it. I hope we can find occasion to agree on matters of this kind. I am sure his instincts in the direction of budgetary discipline are consistent with my own. On this particular one, I think the committee position is sound.

Mr. JAVITS. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. JAVITS. Just to confirm some figures, which I understand come out of the Congressional Budget Office, they estimate that our unemployment rate in

1979 is going to be 6.3 percent. For example, Chase Econometrics predicts an unemployment rate of 9.2 percent for the first quarter of fiscal 1979; Data Resources, 6.6.

The question I wish to ask the Senator—because I, too, am strongly opposed to this amendment—is: Is it not a fact that what really is being contested here is the nature of the budget process? The fact is that the Budget Committee has to make the very best estimate it can. That is our law. Based upon this data which I have just mentioned, that and a good deal more, there is really nothing else that the committee can do other than make the estimate which it has—which seems to me, too, to be consonant with these figures—if anything, at the most optimistic, a shade less than what we are anticipating for 1977. It is tragic but true.

Mr. MUSKIE. The Senator is correct. It is a conservative estimate. It represents the biggest reduction that the Budget Committee could justify, given our expectations. The Senator is perfectly right.

Mr. JAVITS. I thank my colleague.

Mr. BELLMON. Will the Senator yield me 1 additional minute?

Mr. MUSKIE. Yes.

Mr. BELLMON. I simply want to add to the RECORD the fact that CETA—I am sure most Senators are aware of this—is the primary vehicle for serving the structurally unemployed. Structural unemployment, as I think most Members of the Senate know, is expected to continue to remain high, even if we do have strong economic recovery. So when we fund CETA and give the prime sponsors advance notice so that they can plan and operate these programs in an effective way, we are striking, in the most telling manner we have found so far, at structural unemployment. In this way, we are reducing some of the other costs, such as unemployment compensation, welfare, and other Government programs, and putting people in a position where they can become contributing citizens and wage earners as well as taxpayers. In my judgment, this investment is one of the finest ways we can use the resources we have available.

Mr. MUSKIE. Mr. President, I am prepared to yield back my time.

Mr. HAYAKAWA. Did the Senator want any more time?

Mr. MUSKIE. I do not want any more.

Mr. HAYAKAWA. Mr. President, I wish to add, in reply—or partial reply—to the distinguished Senator from New York, that I have no intention of challenging the budget process. What we are suggesting, instead, is that the second concurrent resolution is a more appropriate time to determine how many CETA jobs we should fund.

I point out the peculiar state of unemployment today. I have tried to point out before and I still want to point out that unemployment today does not mean what it did in the 1950's and does not mean what it did in the 1930's. In March 1977, 65 percent of the working age civilian population was employed in our country. Yet the unemployment rate was 7.3 percent. In 1969, the unemployment rate was 3.5 percent; yet still only 64.6, or almost exactly the same percentage, of the working-age civilian population was employed.

Let me repeat those figures: 65 percent in 1977; in 1969, 64.6 percent of the working age civilian population were employed. This means that we see the same percentage of our working-age population employed today as we did in 1969.

In an important sense, there is no worse unemployment now than there was then but, because of the greater participation in the labor force of secondary wage earners, women and teenagers—who have weaker job attachment, who have more of a tendency to quit jobs and fly from job to job and shop around for jobs they like better than what they have now—our unemployment rate is much higher. I do not think our figures or our computations are taking these facts of structural unemployment into account.

This particular fact of structural unemployment, the ease with which one can quit a job in full confidence that one can go on a skiing trip for a few months and come back and be sure of getting another job, is not an indication of economic recession or depression. It is the indication of enormous prosperity, that one can be sure of being able to quit and come back and find another job without trouble. This is the condition reflected in so much of our unemployment. This is not being taken into account in our deliberations on the subject of CETA.

I thank the chairman.

Mr. MUSKIE. Mr. President, I will just take a minute or two on a couple of points.

In the first place, I say to the Senator that his comparison of 1977 and 1969 figures must take this into account.

One, 1969 was pretty close to a full employment year and that makes it a factor, of course, where we have this tremendous influx of women into the labor force.

I must say that the 7 million who are unemployed are just as unemployed as though the women had not entered the labor force.

And the next point is what we do about those 7 million. That is the nature of our problem and that ought not be overlooked.

There has been a tremendous change in the structure of the labor force.

We do not know everything about the implications of those changes that we would like to know. As we develop knowledge, however, we ought to understand that for some 2 years or more we have had a minimum of 7.3 percent unemployed, and we have had a pretty big blip in the downward trend over the last 6 months.

The PRESIDING OFFICER (Mr. MELCHER). The Senator's time has expired.

Mr. MUSKIE. I yield back the remainder of my time.

Mr. HAYAKAWA. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 18 minutes.

Mr. HAYAKAWA. Eighteen minutes.

Mr. President, the figure of 7.3 percent unemployment rate in March 1977, as contrasted with the unemployment rate of 3.5 percent in 1969, with, in both cases, 65 percent of the working population employed, means there is a real change in the nature of unemployment.

We have today an enormous population. How enormous, I am not quite sure. But it is a large one. A population of people who are voluntarily unemployed and quit jobs simply because they are bored or tired or looking for new horizons.

This whole level of voluntary unemployment, as I keep saying, is an indication of our affluence, not of our desperate need.

Therefore, to pour more funds into this situation is, it seems to me, almost a guarantee that the unemployment will increase because there are more ways of being unemployed comfortably.

This is the point I am getting at. The situation as regards unemployment in 1977 is dramatically different from what it was in 1969, and even more dramatically different from what it was in 1954, or the 1930's.

This is a difference, it seems to me, our economists are refusing to take into account.

Mr. McCLURE. Will the Senator from California yield?

Mr. HAYAKAWA. Yes, indeed.

Mr. McCLURE. First of all, Mr. President, I want to commend the Senator from California for his usual perception which he brings to rather unusual problems—or perhaps I should say the unusual perception which he brings to the problems.

I think the labor force participation rate is something we need to learn to understand better than we now do, and we should be focusing programs with new ways of reliance, not upon old knowledge and old truths and old assumptions, but upon new information, upon new approaches to the old problems.

Another way of saying what the Senator from California has just mentioned is that if we go back 15 years and apply the same kind of labor force participation rate to the labor force we have now, the unemployment rate would be 3.1 percent.

That is another example of the fact that the labor force participation rates have changed dramatically, and perhaps our approach to employment problems needs to be adjusted, also.

I agree with the Senator from Maine, and I understand the point he is making, that people who are unemployed are just as unemployed now as they were before. But taking the example the Senator from Maine used, there is a greater labor force participation by women.

More women are in the labor force, and many of them are wives. The unemployed husband who has a wife fully employed is much less likely to be as anxious to find a job as was a man who was a head of household with no other wage earner so employed. As a result, he tends to be more selective in his job choices, he tends to stay out of employment for longer periods of time than when the family was more severely disadvantaged because of the unemployment of the male head of household.

It is not to say there is not a problem in that household. It is not to say we should not look at that problem. But perhaps we ought to look at it in a little different way than we did 15 years ago.

I think the Senator from California has provided very valuable service in bringing to the fore this new perception of an old problem in light of evolution of the problem. It is not the same problem we had before.

I commend the Senator from California for bringing this up. I am sure we will be doing much more with it in the next year or two as we try to understand the truth of what the Senator from California has just told us.

I appreciate his contribution in moving us forward in this direction.

Mr. JAVITS. Will the Senator yield to me in the same connection just momentarily?

Mr. MUSKIE. I yield.

Mr. JAVITS. Mr. President, I am against the amendment, but I would like to join with Senator McClure in paying tribute in respect to the new Member, to the fact that he has done his work, he has thought it through, and he comes to us with what we expect of our Members rather newly arrived, and that is the fresh point of view, and if nothing else, a challenge to put us to our proof. I thoroughly agree with that.

It is a fact that we face a very hard nut in this matter with 2.5 million unemployed for 15 weeks or more, with over a million family heads unemployed for 15 weeks or more. But that does not mean we have all the answers.

I would like to join Senator McClure. We are trying to give the best answer we can to the facts that Senator Hayakawa is stirring up and to acquiring more and better knowledge, new ways and new understandings. That is what we would expect of him with the fresh point of view he brings.

Mr. HUMPHREY. Will the Senator yield?

Mr. JAVITS. I do not have the floor.

Mr. HAYAKAWA. I thank the Senator from New York.

Mr. HUMPHREY. Will the Senator from Maine yield?

Mr. MUSKIE. Yes.

Mr. HUMPHREY. Mr. President, I am sure we have learned a good deal here. But I do not think we should underestimate the fact that a great deal of study has gone into the nature of our work force.

The Bureau of Labor Statistics has been actively at work in terms of how they compile their statistics on the number of people employed, the composition of the labor force, the number of people unemployed, the duration of unemployment, the whole subject of structural unemployment.

The Joint Economic Committee, as the Senator from New York knows, spent months on this subject. Dr. Shiskin of the Bureau of Labor Statistics has been before our committee repeatedly.

I think the simple fact has been stated here that the composition of the labor force today is dramatically different than it was—dramatically different—just as the composition is very different. Parts of the student composition today are different than in 1969, and different than in 1950.

But the point that is to be made is that most people are not just off on a lark.

For example, there were some 200 public service jobs in the city of Atlanta. Two thousand and two hundred people turned out for those jobs in one morning.

The other day in the Senator's city of New York, a few summer jobs were announced and there were so many applicants they had to close the office. They could not handle the mob of people.

This was true in the city of Los Angeles, in the Senator's State of California.

I was there when four jobs opened up in the city hall, public service jobs. At 7 o'clock in the morning there were so many people in the hall that they broke all the windows, and the city hall had to be closed down. The Joint Economic Committee was holding hearings there.

People want to work. There are always a few people who are on the lam, on the run, who would like to loaf. But the simple truth is that most people want a job.

Today, when you say a wife is the breadwinner and therefore there is not the same desire for the husband to get a job to be able to pay the high cost of living, that is why this labor force has expanded.

When you have to pay what you have to pay for rent in the average city, it is impossible to meet those costs. When you have to pay the many charges you have to pay for medical care and other services, you need two breadwinners in the family.

By the way, we should be happy that our labor force has been expanded by the talent of American women. The fact that the American woman has made this contribution has been a distinct asset to this country.

Say all we will about it, there still is the unique problem of young people between the ages of 16 and 24. No one has found the answer to that one. Private employers by the dozens, appearing before the respective committees of Congress, have asked what the answer is to this problem.

It is not merely in the United States. It is in every Western European industrialized country. In fact, the OECD is recommending—and it will be a topic of conversation at the London economic conference—an international conference on youth unemployment because of structural changes that have taken place in modern industry and what has happened in terms of lifestyle and work patterns.

So I hope we will not assume that simply because in 1969 a certain percentage of the so-called work force was on the job and there was a low rate of unemployment—and the figures are almost identical for 1976 or 1975—somehow or other people are just taking it easy. They are not. There just are not jobs.

When the automobile industry was in the doldrums 2 years ago, there were not jobs, period. When the industry produces at 68 percent of capacity—and that is what it is producing at—it is not hiring as many people as it would if it were at 90 percent of capacity. Those are the facts.

Mr. McCLURE. Mr. President, will the Senator from California yield me a couple of minutes?

Mr. HAYAKAWA. I yield.

Mr. McCLURE. I thank the Senator for yielding.

First, Mr. President, I agree with the Senator from Minnesota that the fact that the working wife may be in the labor force should not be a sign that that family does not need the money. I think it is a sign that the family does need the money. I certainly would not want my comments to be understood to indicate anything different.

However, one of the reasons why that family needs the money is that the cost of living has been increasing, because the real wages of the worker have tended to erode under the pressure of inflation.

It is important for us to look again at that motivation, the reason why labor force participation rates have changed in the light of the $60 billion-plus deficit now in this budget resolution.

As I said earlier, we should recognize that now we are not even talking about a full employment budget in balance. A full employment budget is in deficit by $7 billion, under the figures we now have, according to the adding machine of the Senator from Maine. That budget deficit, both in full employment terms and in absolute terms, guarantees that we are going to have more inflation and that inflation is going to erode the real wages of the American working man and working woman and increase the necessity for the wife and the husband to work.

So while we try to respond to their difficulty, we also are heaping the penalty on them, by the gross budget process we are indulging here today.

Mr. HUMPHREY. I say to the Senator, as a matter of friendly colloquy, that one of the myths that is being peddled in the economic scene is that if we do something by stimulating the economy, somehow or other it brings inflation.

I am not going to argue the statistics alone. I am just going to argue history. In 1969, even in a war year, with 3.5 percent unemployment, we had less than 3.5 percent inflation.

In 1975, when we had 12 percent inflation, we had 10 percent or 9.8 percent unemployment.

When we brought unemployment down

to 7.5 percent, we had inflation down to 6 percent and 7 percent.

The simple truth is that when the economy is productive, unit costs are reduced.

When you have 80 percent of your plant capacity used and 20 percent of your plant capacity idle, unit costs are up. It is a very simple economic fact.

The best way to get this budget in balance is to get people to work. If people go to work, as has been said, for every 1 percent of unemployment—I believe Mr. Schultze said it the other day, but Mr. Burns has said it even more dramatically—it costs the Treasury $22 billion in either lost revenue or increased social costs. If you reduce the unemployment rate by 3 percent, you have knocked out your deficit.

Your problem here is that any time people see any kind of economic growth, they start getting the shivers about inflation. You may get a little momentary flicker of inflation, but the way to get rid of inflation is by production. What happens? The minute anybody's sales go down in this country, they start raising the price.

If the steel company is producing at 68 percent of capacity, they come charging in and say, "We need a 9 percent increase."

I heard them say at the White House the other day that they got only 5, not 9. Walter Reuther knew that method a long time ago. If they could be producing at 85 percent to 90 percent of capacity, they would not need any price increase.

Also, most of the people who have an excess of inventory know how to have a sale. Some of these companies with excess inventories say they are stuck, and they raise the price of the new product.

It is crazy, upside down economics. I believe that the answer to our economic problem is a stimulated economy. There is no demand-push on price in this country. That is the traditional inflation. The demand has yet to be created. We have bottlenecks—structural bottlenecks, structural shortages, structural unemployment. That is why it is an uncharacteristic economic pattern.

Mr. McCLURE. Mr. President, will the Senator from California yield?

Mr. HAYAKAWA. I yield.

Mr. McCLURE. I thank the Senator for yielding. I should like to make an additional comment.

First of all, if the Senator from Minnesota is trying to convince the Senator from Idaho that the Philips curve is incorrect, he need not convince me. I think the recent economic performance very lucidly and fully exposed the fallacies and the assumptions of the Philips curve. So I agree with what the Senator is saying.

I believe that the correct figure on the cost of 1 percent unemployment is between $18 billion and $19 billion. I think the $22 billion is relatively high.

I also point to the fact that we had one of the best economic performances at a time when plant capacity utilization, by the figures that we used, was 82 percent. So the plant capacity utilization is not necessarily the sole indicator of whether or not we are in good shape or bad shape economically.

Mr. HUMPHREY. I would not disagree with that.

Mr. McCLURE. Unfortunately, economics gets a little more complex than relating it to a single statistic. One of the reasons it does is that it has to do with the expectations of individual American citizens who make decisions for themselves. Do they have confidence? Do they spend? Do they save? Do they make plans for production? Do they work? Those are individual decisions by 230 million free Americans.

Mr. HAYAKAWA. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. HAYAKAWA. Mr. President, I must agree with the distinguished Senator from Minnesota that the way to increase jobs is to increase production. But we have not by any means exhausted the ways of increasing production nor have we by any means exhausted the means that exist of employing more youth.

In the last 15 years, in California alone, we have seen job after job for young people wiped out, first by the minimum wage laws and second by the overstringent and overcautious child labor laws.

In California there is a nursery industry which used to employ a large number of high school students part time and full time. Some of these young people grew up to become full-time professional nursery men.

In some of the nurseries with which I am personally acquainted they have stopped using high school kids because the labor requirements, the minimum wage requirements, are too much for them, and one operator that I know of at least has opened new nurseries in Singapore, Taiwan, and Guatemala because he can no longer operate in California.

In the fruit and vegetable processing industries they have given up the canning of asparagus in California, all but given it up completely, because of the lack of moderate-priced unskilled labor such as you can get from high schools.

The drying of apricots and prunes has involved a large number of young people in the past. That has disappeared.

We are killing jobs for young people and then complaining about youth unemployment.

Other ways of increasing jobs and increasing production are to remove from small business some of the harassments that are given them by OSHA and other agencies, by the requirement of the bureaucracy of endless paperwork to be done.

Instead of stopping the harassment of small business and encouraging their growth, we are making it more and more impossible for small businesses to continue.

If we will tackle this matter of encouraging investment, encouraging the growth of small business, encouraging the participation of young people in the working world, then we shall have made some steps toward increasing employment among young people without the artificial stimulus that is required, and the artificial pumppriming we are involved in, in programs such as these.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HAYAKAWA. Yes, indeed.

Mr. CURTIS. I want to commend the distinguished Senator from California for presenting his amendment. I commend him on his remarks, very constructive remarks, concerning the employment of youth.

We have made it nearly impossible to hire those people who need to get started at work, to learn something.

I am sure the mothers and fathers of those young people 25 years and younger, who have never had a job, want more than anything else a chance for those youngsters to have some work to do.

They would rather have them come home at the end of 8 hours with $8 in their pockets than zero and be idle and be a candidate for mischief. Even if they have $18 or $20, they would rather that was the situation.

That is against the law.

There was another point the distinguished Senator made, and that was about small business. There was a time when workers wanted to save their money and go into business for themselves. When they did so they created a job. They stepped out of a job and made room for somebody else. But today there is an exodus from small business because of overregulation, overgovernment requirements, overtaxation, and limitations on how they can do business and how they can carry on and hire people to do their work.

Mr. President, inflation is not the only factor causing unemployment. It is one of them. But the fear of Washington, this forever going with unbalanced budgets—we used to get frightened when it was $5 billion or $3 billion or $7 billion as a deficit. But here we have $50 billion and $60 billion and more. If we wanted to create employment in this country we should put our financial house in order, and people would say, "Well, it is all right, let us go ahead," and then remove the impediments from hiring people.

Another thing we might do is take away the rewards for not working. We have all of these benefits linked together, the various social benefits, if someone is unemployed, and they add up to such a point that they are a temptation for them not to break out of the kept state and try to get a job. They want to stay there for fear they cannot get back in.

I thank my distinguished friend for yielding.

Mr. HAYAKAWA. Mr. President, do we have any time?

The PRESIDING OFFICER (Mr. DECONCINI). The Senator has 1 minute remaining.

Mr. DOMENICI. Mr. President, if the Senator needs it——

Mr. HAYAKAWA. I yield.

Mr. DOMENICI. I want to commend the Senator from California not only for his amendment but because of the ideas he brought here to the U.S. Senate, if nothing else.

It is obvious we are not going to solve unemployment in the United States, future growth in the United States, without new ideas. The same old tried ways of stimulus, using the Keynesian models and going back to the computers, do not answer today's problems.

I want to share with the Senate, for instance, a statement made by the mayor of Newark, N.J., a distinguished mayor, Mayor Gibson, who appeared before our committee. I do not think anyone has publicly told the Senate what he said about youth unemployment.

In response to a question from me, he said, with reference to youth unemployment in his city—and we know where he is in the political spectrum of this country—he said, "Take out the minimum wage and let me and my local people determine what the remedy to the problem is."

He said unequivocally, "You take out the minimum wage in the summer youth program and give it to me and my local community, and we know the problem; we might very well prefer to hire 12,500 young people rather than 10,000 under the mandate you give us with reference to how much we have to pay them, exactly what we have to do. I think we can better determine that."

Now, there is a sacred cow that we have refused to look at. We cannot ever come to say we are going to take jobs away from the adult marketplace in America if we talk those kinds of issues. That is not in the Senator's amendment—I understand that.

But the thesis he is presenting to us today is that the old tried means of getting people to work and finding jobs for them just might not work, because we have so changed the rules of the game and failed to recognize what those rules have done to natural situations, that we tend to ask more of the economy than it can do—we have been working at cross purposes, and yet we expect the old notion to work.

So I commend the Senator for his ideas. I am sure there are more ideas than the one I have elaborated on, but I wanted to raise it, because it is consistent with the idea and the premise he has presented, and I think in the months to come the freshness he brings here will be revealed. He is not equivocal, and he apparently is not concerned about typical special interest groups he might offend. He is telling it like it is, and I commend him for it.

Mr. HAYAKAWA. I thank the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. METCALF), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 29, nays 60, as follows:

[Rollcall Vote No. 135 Leg.]

YEAS—29

Allen
Baker
Bartlett
Biden
Byrd,
  Harry F., Jr.
Curtis
Danforth
Dole
Domenici
Eastland
Garn
Hansen
Hatch
Hayakawa
Helms
Laxalt
Lugar
McClellan
McClure
Nunn
Proxmire
Roth
Schmitt
Schweiker
Scott
Talmadge
Thurmond
Tower
Wallop

NAYS—60

Anderson
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chafee
Chiles
Church
Clark
Cranston
Culver
DeConcini
Durkin
Eagleton
Ford
Glenn
Gravel
Hart
Haskell
Hatfield
Hathaway
Heinz
Hollings
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Long
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Sparkman
Stafford
Stennis
Stevens
Stone
Williams
Zorinsky

NOT VOTING—11

Abourezk
Bayh
Goldwater
Griffin
Huddleston
Kennedy
Metcalf
Morgan
Stevenson
Weicker
Young

So, Mr. HAYAKAWA's amendment was rejected.

UP AMENDMENT NO. 192

Mr. MUSKIE. Mr. President, I sent to the desk an amendment.

The PRESIDING OFFICER (Mr. MELCHER). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) proposes an unprinted amendment numbered 192: On Page 1, line 9, delete —

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 9, delete $497,900,000,000" and insert in lieu thereof "$504,600,000,000."

Mr. MUSKIE. Mr. President, this is a technical amendment that simply corrects the budget authority figure from the resolution to reflect the results of the three amendments which we have already adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent that a table showing the functional totals for budget authority and outlays and the final figures on revenues, deficit, and public debt reflecting the actions taken by the Senate today be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1978 AS PASSED BY THE SENATE

[In billions of dollars]

	Budget authority	Outlays
050—National defense	120.3	111.6
150—International affairs	9.3	7.3
250—General science, space, and technology	4.9	4.7
300—Natural resources, environment, and energy	20.5	19.9
350—Agriculture	2.2	3.7
400—Commerce and transportation	19.4	19.1
450—Community and regional development	8.1	10.7
500—Education, training, employment, and social services	27.1	27.0
550—Health	48.0	44.4
600—Income security	179.9	145.9
700—Veterans benefits and services	20.3	20.2
750—Law enforcement and justice	3.8	3.9
800—General government	3.8	3.8
850—Revenue sharing and general purpose fiscal assistance	9.8	9.7
900—Interest	43.0	43.0
920—Allowances	.8	.9
950—Undistributed offsetting receipts	−16.6	−16.6
Total	504.6	459.2
Revenues		395.7
Deficit		63.5
Public debt		789.9

Mr. MUSKIE. Mr. President, I understand that there is no requirement for a rollcall vote on agreeing to the concurrent resolution unless——

Mr. ROTH. Mr. President, I intend to ask for the yeas and nays.

Mr. MUSKIE. The Senator from Delaware intends to ask for the yeas and nays.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Maine yield to me?

Mr. MUSKIE. I had promised to yield to the Senator from Massachusetts for a couple of colloquies. I will then yield to the Senator from Virginia.

Mr. BROOKE. Mr. President, I have two items, if I may have the attention of the distinguished chairman of the Budget Committee.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BROOKE. For controllable health programs, the Senate Appropriations Committee recommended $8.6 billion for fiscal year 1978. This amount was the result of careful consideration by our committee. We believe that increased funding is needed in health services, biomedical research, research training, and support, health professions training and health planning, to cite just a few important areas. Most or all have been hard hit by inflation and there is need for program expansion to capitalize on gains already made and to reach more of the disadvantaged.

I would, of course, prefer the Budget Committee adopt the $8.6 billion we recommended, and I hope we can live with the $8.3 billion that you have decided upon. On the other hand, the House recommendation of $7.6 billion is far too low. Thus I hope when you go to conference with the House, you will feel that $8.3 billion is a sound figure and that you will fight to preserve it. Would you advise me whether this is your view and your intention?

May we have the Senator's comments on this point?

Mr. MUSKIE. I will, of course, do my best to hold the functional totals we agreed to. The Senator from Washington (Mr. MAGNUSON) is a conferee, and is well known for his effective advocacy in behalf of the Senate position, and I would be surprised if between us we could not hold to this number.

Mr. BROOKE. I thank the distinguished chairman of the Senate Budget Committee for this assurance.

Mr. President, I have an amendment to assure that $300 million will be available under the international affairs function for a medium-term loan to Portugal. It is not my intention to offer the amendment at this time, but I would ask the distinguished chairman, is the decision finally taken in the Budget Committee for that function that the funds would be available for a medium-term loan to Portugal in conformity with the Foreign Relations Committee's recommendation?

Mr. MUSKIE. The answer to this question is that that program was assumed, but not in any kind of line item manner, as the Senator understands.

Mr. BROOKE. Obviously I can understand that.

Mr. MUSKIE. The Budget Committee did make some reductions in the international affairs function, but where those reductions are to be made is up to the authorizing and appropriations committees.

Mr. BROOKE. I simply bring that question up to be sure that there are funds in there that would be available. I hope that the authorization and appropriations committees will include the total $300 million in their recommendations, because obviously there is great need for it. Portugal has been very friendly to the United States, and is very important to NATO, and I hope they will be able to receive that funding at the $300 million level.

Mr. MUSKIE. May I say further to the Senator from Massachusetts that, as I understand the priorities urged upon us by the authorizing committee, I expect there will be room in the function for the loan program.

Mr. BROOKE. I thank the chairman.

UP AMENDMENT NO. 193

Mr. DOMENICI. Mr. President, I have an unprinted amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New Mexico (Mr. DOMENICI), for himself and Mr. MCCLURE, proposes an unprinted amendment numbered 193.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place:

To reduce the aggregate amended Resolution Levels to their original dollar amounts of (billions):

Budget authority	$497.4
Outlays	458.8
Deficit	63.2
Federal revenues	395.6
Public debt	789.6

BA and Outlays in each functions to remain as recommended in S. Con. Res. 19.

Reduce budget authority and outlays by $7.2 billion and $0.4 billion respectively to budget authority 497.4 and outlays 458.8. Deficit, $63.2. Reduction, $395.6.

SPECIFIC FUNCTIONAL REDUCTIONS

450:
  Budget authority, from $8.1 to $7.6, change, —0.5.
  Outlays, from $10.7 to $10.7, change, none.
600:
  Budget authority, from $179.9 to $173.7, change —6.2.
  Outlays, from $145.9 to $145.9, change, none.
700:
  Budget authority, from $20.3 to $19.8, change, —0.5.
  Outlays, from $30.2 to $19.8, change, —0.4.

Mr. DOMENICI. Mr. President, I would be willing to enter into a unanimous-consent agreement to expedite this amendment, which will take me no longer than 10 minutes on my side. What would the distinguished Senator from Maine need?

Mr. MUSKIE. Well, not more than 1 minute.

The PRESIDING OFFICER. Without objection, the time limit on the amendment is 10 minutes for the Senator from New Mexico and 1 minute for the Senator from Maine.

Mr. DOMENICI. I would construe the Senator's desire to have 1 minute to mean that he does not have very much opposition to the amendment.

Mr. MUSKIE. I suspect I do not need the 1 minute.

Mr. DOMENICI. Let me proceed and see if I can finish in less than 10 minutes.

Basically, what my amendment does is to return the budget resolution to the status it had when it came to the floor from the Budget Committee. That means I have adjusted three functional areas and the resultant conclusion is by way of summary.

That means that principally I am here to try to urge that the Senate understand we are moving in the direction, very rapidly, of emphasizing only outlays and forgetting about budget authority.

It is easy to say, "Why should we worry about this amendment that Senator DOMENICI is offering? Really, all we have done today is add $400 million to the deficit."

That is right, because only one of the amendments adds to the outlay figure for this year. That is $400 million that is part of the amendment that the good Senator from California offered.

But let me say a vote against my amendment is a vote never to have a balanced budget, or at least to defer a balanced budget into 1982, 1983, or maybe 1984. We have found, after 3 years of working on this budget, that we have grown accustomed to being worried about the deficit, and we are all worried about it. So today what we have started is a trend. Bring to the floor an amendment that says, "It is not going to cost anything this year. It calls for $6 billion in new budget authority for housing, but do not worry about it, because it does not change the deficit one bit."

That is right. But it will change the deficit next year and the year after that and the year after that. Budget authority, just as sure as we put it in, does not disappear. It shows up next year and the year after in uncontrollable expenditures. I encourage Senators, who have voted to add to these functional areas, because they want to support a program, to vote for my amendment and return these targets to where they were.

There is not a single amendment to add to budget authority or outlays here today that anyone other than an interested authorizing committee member of this institution wants and thinks is needed, not the President, not a single one of the Cabinet members, save and except perhaps Secretary Harris—and I will talk about that in a minute—on one function. Other than an authorizing committee member who has a genuine interest in expanding their program, no one who has come here with that kind of approach.

Mr. PROXMIRE. Will the Senator yield?

Mr. DOMENICI. I will not yield at this time because I do not have very much time.

I want to remind Senators that if they expect their Budget Committee or the appropriating committees in the Senate to ever control the budget of the United States, then there is no way Senators can come to this floor with amendments that are loaded with budget authority so that they can go home and say, "I did not affect the deficit; there is no impact on the deficit this year; I am for controlling the Federal purse strings," and put in budget authority that shows up next year and the year after and the year after.

Mr. President, there is absolutely no need to add the $6 billion in budget authority under housing; there is absolutely no need to add the $0.5 billion in budget authority for community development. It may be questionable in that if we want to adopt a new community development program, a new one, with urban action grants, then we need it. There is no need for it for the community development program that we have on the books. What we are doing here today, in the interest of promoting a program that has little cost this year, is telling this Senate:

> You voted for those amendments and you can go home and say you did not affect the deficit. For you who want to go home and brag about helping a program, you can say you voted for the veterans, you voted for

housing, and you voted for community development.

But let me assure Senators, those are not the issues. There will be plenty of money in this budget by the time we get to the second concurrent resolution to adjust within the targets. But Senators may very well put themselves in an irrevocable position where new authorizations will be forthcoming that fits these targets which will eat up that budget authority and begin us down that trail. We will not retreat. There will be no way to retreat. We will never arrive at a point where there is any discipline whatsoever.

We already understand the great changes which occur in this budget when the executive branch decides to change its stimulus package. We already understand the bookkeeping and the outlay figure being subject to huge variances because of shortfalls. But those are things that the budget process will ultimately understand. At the same time, they will provide some latitude within these targets to get some of these programs in between the first and second concurrent resolutions.

Mr. President, to add this amount of budget authority here on the floor of the Senate is dynamite.

Mr. PROXMIRE. Will the Senator yield?

Mr. DOMENICI. I will yield in a moment.

It is literally indicating to the Members of this institution that the Budget Committee is going to be charged with an undoable job, a job they just cannot do. We cannot build discipline into the future if we add $7.5 billion in budget authority here on the floor of the Senate. It is not going to work.

We have not been conservative in any of these target figures.

I believe it is safe to say that we have added sufficient funds to adequately stimulate this economy, to provide well for every program that exists, and, yes, to even give some latitude for new programs.

Having said that, I will ask the Chair how much time I have remaining.

The PRESIDING OFFICER. The Senator has 30 seconds remaining.

Mr. DOMENICI. I yield 30 seconds to the Senator.

Mr. PROXMIRE. May I ask the Senator if it is not true that what the two amendments did in housing and community development was simply to restore the amount the President asked for these programs. We do not go one penny above the budget requested by the Office of Management and Budget. We restored what the Congressional Budget Committee cut. The Senate Budget Committee made a recommendation that we go below the President's program. We simply restored that amount. We did not add onto it. We restored it.

The Senator asks who asked for it. The President asked for it. The Office of Management and Budget asked for it. There is not an excessive program which goes beyond the request.

Mr. President——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from New Mexico asks for the yeas and nays. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, I gather I have 1 minute.

Obviously, the decision reflected in the Senator's amendment is one that I have supported this afternoon. I shall support his amendment. I do not know that any elaboration of that is necessary. It is late in the day. I am quite aware of the margin by which we lost on those amendments. I am not sure that I am very optimistic about the result, but I applaud the Senator's interest in bringing the numbers back to where they were when we started. So I shall support his amendment.

I am willing to yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the rollcall vote on my amendment be limited to 10 minutes.

Mr. BAKER. Mr. President, reserving the right to object; I am sorry, I must object.

The PRESIDING OFFICER. The objection is heard.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

This will be a 15-minute vote.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Kentucky, (Mr. HUDDLESTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. METCALF), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nevada (Mr. LAXALT), the Senator from Virginia (Mr. SCOTT), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 35, nays 52, as follows:

[Rollcall Vote No. 136 Leg.]

YEAS—35

Baker
Bartlett
Bellmon
Bentsen
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
DeConcini
Dole
Domenici
Eagleton
Garn
Hansen
Hart
Hatch
Hayakawa
Helms
Hollings
Johnston
Lugar
McClellan
McClure
Muskie
Nunn
Pearson
Randolph
Roth
Schmitt
Schweiker
Stennis
Thurmond
Tower
Wallop

NAYS—52

Allen
Anderson
Bayh
Biden
Brooke
Eastland
Ford
Glenn
Gravel
Haskell
Hatfield
Hathaway
Heinz
Humphrey
Inouye
Jackson
Javits
Leahy
Burdick
Cannon
Case
Chafee
Church
Long
McGovern
McIntyre
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Percy
Clark
Cranston
Culver
Danforth
Durkin
Proxmire
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stevens
Stone
Talmadge
Williams
Zorinsky

NOT VOTING—13

Abourezk
Goldwater
Griffin
Huddleston
Kennedy
Laxalt
Metcalf
Morgan
Scott
Sparkman
Stevenson
Weicker
Young

So Mr. DOMENICI's amendment was rejected.

Mr. HARRY F. BYRD, JR. addressed the Chair.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I shall be very brief. I would like just a few moments to present a minority view on Senate Concurrent Resolution No. 19.

I cannot support this resolution. In saying that, I emphasize that I am not in any way expressing criticism of either the chairman of the Budget Committee, the able Senator from Maine; the ranking Republican member of the committee, the able Senator from Oklahoma; or the committee itself.

I dealt at some length with this matter yesterday and if any criticism was implied I want to make clear that it was not intended.

I oppose this resolution because I have strong convictions that the Congress should not increase spending by $50 billion during 1978. That is an increase of $50 billion over and above what the Congress has approved for 1977. It represents an increase of 12.5 percent.

If Congress is going to increase the cost of Government by 12.5 percent, then how can we expect to get inflation under control?

The revenues will increase under this proposal by $47 million, but spending will increase by $50 billion.

The deficit for fiscal 1978 will be greater than the deficit for 1977. The deficit for 1978 will be $63 billion. That will be the second highest deficit in the history of the U.S. Government.

The national debt at the end of fiscal 1978 will be $800 billion.

Now, the significant part of that, as I see it, is that approximately 50 percent of that total national debt will have been created in the short period of 8 years.

I realize the difficulty that the Budget Committee has but if we are going to proceed on the assumption of current policy, namely, that all programs on the books are wise and just and efficient programs that ought to be increased every year, then, of course, there is no hope of ever attaining a balanced budget.

I think Congress has its eye on the wrong ball. I think the great threat to the people of the United States today is inflation. I think this resolution will contribute to inflation because it will present the American people with a deficit of $63 billion, the second highest in the history of our Nation.

I recognize that I present a minority view. I recognize that my views are not held by a majoirty of my colleagues. Nevertheless, I have a strong feeling that we are going in the wrong direction and that unless we do get to a balanced budget, our country in the years ahead will be in very serious shape.

This resolution goes in the opposite direction from a balanced budget, because it calls for a deficit greater than the deficit we will have during 1977.

Mr. President, I was most interested to read today, on the front page of the New York Times, a story with a Washington dateline, written by Martin Tolchin. I will read a few paragraphs from the story:

> WASHIGTON, May 3.—A deepening division, both political and philosophical, between President Carter and Democratic leaders in Congress emerged today at a second White House meeting on legislative priorities.
>
> The dispute involves the President's assertion yesterday that his top priority was a balanced budget by 1981, a position regarded as political heresy by Democrats in Congress who stress the need for social welfare programs.

Mr. President, if indeed the No. 1 priority of the President of the United States is a balanced budget by 1981, the Senator from Virginia will give full support to the President of the United States in that endeavor. I cannot give him full support in that endeavor by voting for this concurrent resolution, because this concurrent resolution increases spending by $50 billion, or 12.5 percent, and it creates an even greater deficit than the Government will run in this fiscal year. I shall vote against Senate Concurrent Resolution 19.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the national debt in the 20th century.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE NATIONAL DEBT IN THE TWENTIETH CENTURY

TOTALS AT THE END OF FISCAL YEARS

(*Rounded to the nearest billion dollars*)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	20
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	40
1940	43
1941	49
1942	72
1943	137
1944	201
1945	259
1946	269
1947	256
1948	251
1949	252
1950	256
1951	254
1952	258
1953	265
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	383
1971	409
1972	437
1973	468
1974	486
1975	544
1976	631
1977*	727
1978*	800

*Estimated figures, March, 1977.

Source: U.S. Treasury Department.

Mr. SCHMITT. Mr. President, I shall be very brief.

As a new Member of this body, I am deeply distressed by what has happened today, in seeing the discipline that seemed to be well established over the last 2 years start to erode.

I think all of us, particularly those who are going to be seeking election in 1978, must do some soul searching.

As the distinguished Senator from Virginia has indicated, inflation is the No. 1 economic problem facing the people of this country—big or small. Inflation, I believe, will be the No. 1 domestic issue in 1978, and it is about time some of us woke up to that issue.

Even though it can be argued that deficits per se do not cause inflation, they nevertheless create an almost irresistible pressure for interest rates to rise and for money supply to increase, and therein does lie the basic cause of inflation.

I am disturbed, as I have said. I hope all Senators are disturbed. I hope that by the time we reach the next concurrent resolution date, we all will have realized what is necessary to be done in order to put this country on the right track economically.

Those Senators who are interested in the status of our economy and future projections should spend some time looking at the record of the Banking Committee's hearings, at which Dr. Burns, Chairman of the Federal Reserve System, testified the other day. I think Senators will find it very illuminating.

SEVERAL SENATORS. Vote! Vote!

Mr. MUSKIE. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CHILES. Mr. President, will the Senator yield me 1 minute?

Mr. MUSKIE. I yield 1 minute to the Senator.

Mr. CHILES. Mr. President, I just want to remark that I will look with great interest at the final vote on this resolution. One reason why I will look at it with interest is that I want to see the people who vote against this resolution and compare that with the votes we had on several amendments today; because I feel that one of the reasons why those amendments were adopted is that many Members of this body who voted for those amendments, which added $7.2 billion to the budget authority figures, which are going to be translated into outlay figures in future years, are going to turn around and vote against the budget resolution. They are going to write their newsletters home and say it was too high and they could note vote for it.

I think we are going to find that that is one of the reasons. I want to see how many who voted for those amendments will vote against the resolution. I think that when we compare those with the number of votes—approximately 38 and 40 votes on the side that was trying to hold with the Budget Committee's resolution—we are going to see the difference. That is going to be an interesting comparison, and I look forward to seeing that in this vote.

ADDITIONAL STATEMENTS SUBMITTED ON S. CON RES. 19

Mr. EAGLETON. Mr. President, the chairman of the Senate Budget Committee, Senator MUSKIE, and Senator BELLMON, the ranking minority member, are to be complimented for their fine work on this measure. This is the third year we will apply the Budget Act to Federal spending and the Senators from Maine and Oklahoma have done excellent work for these 3 years in making the budget system work.

As a member of the Appropriations Committee, and of its defense subcommittee, I have scrutinized the Budget Committee's recommendations for national defense spending. For national defense the committee has recommended $120.3 billion in budget authority and $111.6 billion in outlays. Although these figures are higher than President Carter's request of $120.1 billion in budget authority and $111.9 billion in outlays, they are still $2.6 billion lower than the outgoing administration had recommended.

Frankly, Mr. President, I think the overall budget ceiling could be reduced by at least $4 billion further without recommending any cuts of programs essential to our national defense. The other body is working on a defense budget ceiling roughly $3 billion lower, and the reductions would attack areas of wasteful defense management rather than our military "muscle." On the other hand, I believe the Senate Budget Committee has performed a useful service by indicating areas for further reductions.

The overall budget ceiling, of course, does not delineate line item cuts of specific programs. The task of reviewing the defense budget piece by piece to make judgments about the allocation of funds is left to the legislative and appropriations committees. I think it is important to remember that the general budget ceiling does not represent a figure the other committees are expected to reach—there is no reason to waste money just to reach some arbitrary ceiling. Traditionally, the committees having specific jurisdiction find areas for reductions. What this budget ceiling does is provide guidance to the other committees as they evaluate ongoing program merits.

There are two areas where I believe the Budget Committee has done particularly commendable service: recommendations to improve the readiness posture of our military forces, and to achieve greater efficiencies in the personnel budget.

The committee has recommended the Defense Department increase $1 billion in budget authority and $500 million in outlays for procurement, and to improve the readiness posture for our strategic and general purpose forces. As the committee notes in its report:

> It is apparent that the U.S.S.R. has made significant gains in increasing the size and in improving the capability of its defense forces. There are several reasons for this growth: a perceived threat from China; maintaining control of Eastern European countries; improvement of strategic offensive forces, beginning in the early 1960's, to achieve parity with the United States; improvement of general purpose forces capabilities for a role beyond the U.S.S.R.; and the role of the military in Kremlin bureaucratic politics.

The recommendations to improve readiness, in my judgment, are well-based in view of this Nation's retarded conventional military capabilities in Europe and here in the United States. Senators NUNN and BARTLETT, in their recent report on NATO, pointed out a shocking situation where our forces lack the ammunition and wherewithal to sustain them in combat. And Senator CULVER has discovered widespread evidence of a degraded combat capability at installations within our own borders: a significant percentage of our planes cannot fly on any given day because they are grounded due to lack of spare parts and proper maintenance. To the extent the budget resolution provides guidance to correct such intolerable situations, it is deserving of the Senate's full support—and appreciation.

I commend the committee particularly for its recommendation for a $500 million reduction in manpower costs associated with the implementation of efficiencies in pay and compensation policies. That is a very modest recommendation; even the House Budget Committee's recommendation of $750 million in budget authority reductions and a $600 million cut in outlays for such efficiencies is less than 1½ percent of the total budget request for personnel.

I think we all are familiar with the defense payroll trends. In 1964, personnel costs took about 47 percent of the defense budget. This year, personnel costs will comprise more than 55 percent of the defense budget, despite the fact that we have 600,000—21 percent—fewer active duty personnel than we had in 1964. The Congressional Budget Office estimates that by fiscal year 1985, less than a decade from today, personnel costs may swell by another $8 billion, even if there is no inflation or military force increase.

Some of these costs, of course, are associated with bringing military salaries into line with comparable civilian pay scales. But with these higher salaries there has not been adjustment of previous benefits associated with traditional military low pay scales, such as the outmoded commissary system. The Defense Manpower Commission, the GAO, Congressional Budget Office, Library of Congress, and various congressional committees have addressed the growing inequities over the past few years.

Part of this seemingly paradoxical growth of personnel costs can be attributed to skyrocketing pension obligations. Pension costs in gross dollars have risen sevenfold in the last 12 years; the percentage of the budget taken up by pension costs has risen from 2.4 percent in 1964 to more than 8 percent currently.

Unlike 90 percent of the Federal Government's civil servants, who contribute 7 percent of their annual salaries to a pension for which they will not be eligible until they have worked 30 years and reached the age of 55, military personnel contribute nothing and may collect full retirement benefits immediately upon completion of 20 years' service. The rest of us pay up to $9 billion each year for military retirement and the retirees often are people at the peak of their performing power, people who are capable of continuing to do good work for the Government. In fact, about 140,000 of these retirees do continue to work for the Defense Department or other Federal agencies while receiving full military pensions.

I recall the case of one chief petty officer who retired in 1976 at age 35. This man had joined the Navy on his 17th birthday. By repeatedly taking advantage of Navy regulations that offered enlistment time credit for reenlisting 3 months before the end of a normal tour of duty, he became eligible for retirement after serving only 18 years, 4 months, and 26 days. The petty officer had graduated first in his class at various service schools; he represents precisely the kind of person who should be encouraged to stay in uniform. But to stay would have meant forgoing more than $156,000 in military pension checks before he reached age 65. By that time he also could earn a second pension from a civilian career.

Of course, it will take legislative changes to alter the pension system in a fair way, and the Budget Committee has not recommended cutting retirement benefits to present retirees, to whom we have strong obligations. But the committee's concern for rising personnel costs clearly directs our thinking toward pension reform.

Other recommendations for improved recruitment, training, personnel turnover policies, and civilian grade reductions could be acted upon in short order by other committees.

Consider these facts:

The Pentagon admits to overstaffing its civilian work force of about 1 million. For reasons largely "unknown," according to congressional testimony, the number of GS–15 and GS–16 Defense civil servants has nearly doubled since 1961. It is called "grade creep," meaning weak controls by top management because of pressures over the years to create unnecessary job descriptions. It may be possible to cut $100 million from the budget to begin to attack this problem, and still allow for promotions.

The Defense Department has been considering a 3 percent to 5 percent reduction in General Officers and civilian supergrade positions, but it would not begin the efficiencies until next year. Why not begin right now with such good ideas?

The Defense Department spends over $1.5 billion each year to move servicemen and their families from job to job. That is more money than the B–1 bomber annual appropriations, and every other weapons system save the Trident submarine and its missile. The Pentagon admits that some of this spending creates unnecessary turbulence, but has not taken the strong steps necessary to reduce costs to a more reasonable level.

Mr. President, this is not the time for extended discussion of specific areas calling for congressional attention. The point is the Budget Committee's recommendations for areas of savings should be well-taken by the Congress. In view of the well-documented findings which form the basis for these recommendations, I think the Congress will be well-advised to heed these recommendations.

THE BUDGET RESOLUTION AND ECONOMIC POLICY

Mr. HUMPHREY. Mr. President, this afternoon's debate on the first concurrent resolution on the 1978 budget represents one of the few opportunities for Senators to discuss the overall consequences of economic policy—macroeconomics. Earlier this year the Joint Economic Committee presented its views to the Budget Committee and I am pleased to see that the levels of receipts and expenditures contained in the concurrent resolution for 1978 are reasonably close to those recommended by the Joint Economic Committee.

There is one exception which I would like to bring to the Senate's attention. The JEC did not feel that it was possible to decide this far in advance how much additional stimulus, if any, might be needed in 1978 or which specific programs could be expanded most effectively. Therefore, we recommended that the budget resolution include an unallocated jobs fund of $5 billion. At the time of the second concurrent resolution such part of the fund as appeared needed could be allocated to those countercyclical programs which were proving most effective and most suitable for expansion. Any unneeded portion of the job fund could be eliminated from the budget at that time.

Although the Budget Committees have not included this suggestion in the concurrent resolution, I continue to feel that it is a good idea to have programs ready on a standby basis which can be expanded if the need arises.

And 1977 presents somewhat more of a problem. We are all aware that President Carter has withdrawn his recommended tax rebate for 1977. I am pleased that the Budget Committee has left room in the 1977 revenue levels to accommodate a tax reduction of a similar size if it proves desirable later in the year.

I want to stress to my colleagues that if we adopt the Carter administration's current budget proposals we will be reducing the total budget stimulus by $20 billion over the levels we were discussing less than 3 months ago. Just since March the Office of Management and Budget has discovered that Federal outlays were running at an annual rate of about $6 billion lower than budgeted while receipts are now projected to be $1 billion higher. When these changes are added to the cost of withdrawing the tax rebate, the Federal budget will provide nearly $20 billion less stimulus than the Joint Economic Committee recommended.

In its March report, the Joint Economic Committee warned that the sharp snap-back from the winter's doldrums should not be mistaken for an overheating economy and met with restriction. I expect the economy to flatten out in the latter part of this year and the euphoria now being proclaimed over the first quarter's statistics to dissipate. If this proves correct, we may be glad to have a vehicle for expansion later this year.

As I read the first quarter numbers, growth was primarily the result of inventory accumulation and increased consumption. Inventory growth is never sustained for long periods of time. Consumption seems very unlikely to continue its 6.2 percent first quarter real growth rate because disposable income grew by only 3 percent. As a result, there is no reason, short of a spontaneous boom in business investment or a sharp reversal of the lag in Federal spending, to expect the economy to continue growing rapidly in the second half of the year. I believe, therefore, that the more stimulative policies remain appropriate and necessary.

As a final note, let me repeat a recommendation which the Joint Economic Committee has made:

> In formulating economic policy, Congress should first establish specific quantitative goals for output and employment. Fiscal, monetary, and other appropriate policies should then be designed to meet these goals.

In changing its policy recommendations, the administration has also lowered its policy targets. The forecast released last week shows real GNP growth 4.9 percent for 1977—down from 5.4 percent forecast in February—and a year-end unemployment rate just below 7 percent. I personally believe that we can do better than this and I think it would be a mistake for Congress to reduce its economic goals now.

Mr. JACKSON. Mr. President, in its report on the first concurrent budget resolution, the Committee on the Budget has properly recognized that budget changes may be required by the national energy plan submitted to the Congress last week by President Carter. The nature and scope of those changes is not yet certain. What is clear is that some budget adjustments may be required as Congress proceeds to consider the energy proposals on an urgent basis. I know that the Budget Committee will cooperate in making these adjustments.

One program of particular concern to me is the strategic petroleum reserve.

The Energy Policy and Conservation Act authorized a strategic petroleum reserve of up to 1 billion barrels of crude oil and petroleum products. The act required the storage of 150 million barrels by the end of 1978 in an early storage program.

In February of this year, President Carter proposed an increase in the early storage program to 250 million barrels and an acceleration of the overall program so that 500 million barrels would be stored by the end of 1980.

The President's national energy plan would increase the reserve to store the full 1 billion barrels authorized by Congress.

Mr. President, as one who introduced the first strategic petroleum reserve legislation in 1973 and worked for 3 years to have a reserve authorized, I welcome President Carter's full support for an effective reserve program. His requests for increased funding to accelerate the program reflects his recognition that the reserve is an essential deterrent to and protection against import interruption.

For this reason, I am deeply concerned about the effect of actions on the strategic reserve funding by both House and Senate Budget Committees, It is my understanding that the funds authorized by the Senate Budget Committee would not permit an increase in the early storage program to 250 million barrels in storage by the end of next year.

I am concerned about this approach not only because it could slow the storage program but also because it is important that other nations understand that Congress is fully committed to the reserve concept.

I recognize that the Budget Committee has been required to act at a time when the plans of the executive branch for the strategic reserve were in a period of transition. It has not been entirely clear what levels of storage could be achieved within given periods and what the costs would be. The work of the Budget Committee has been made more difficult by these uncertainties.

The Committee on Energy and Natural Resources will hold a hearing on the strategic reserve program in the near future in order to be able to make specific recommendations about funding adjustments to the Budget Committee.

I have talked with the distinguished chairman of the Budget Committee on this subject. Senator Muskie has been an active supporter of the strategic petroleum reserve from the outset. He has assured me of the Budget Committee's interest in a strong strategic reserve and its willingness to consider budget changes that would permit a higher level of storage. I appreciate this assurance and pledge the cooperation of the Committee on Energy and Natural Resources in the effort to accelerate the reserve program.

Mr. HATCH. Mr. President, in the debate on the tax bill many Senators said that the deficit did not leave any room for a tax cut for the productive working Americans. But as soon as we finished the tax bill, we took up the Economic Stimulus Appropriations Act, and all of a sudden there was plenty of room in the deficit for a $20 billion spending program. There was not enough room in the deficit to protect the taxpayers from a higher income tax burden just because of inflation—even though their real income has not increased—but there was room to double the CETA program from $4 billion to $8 billion.

The Congress gets concerned about the deficit only when there is an effort to cut the taxes on the taxpayer. When it is time to spend money, however, there is always room in the deficit.

In this budget resolution I notice that there is $63.2 billion worth of room in the deficit to help accommodate outlays of $458.8 billion; $458.8 billion in outlays and just a hair under a half trillion dollars in budget authority.

Do we know how large this sum is? I want to put it in perspective. This budget of the U.S. Government is larger than the value of the national income of France. It is six times the size of the GNP of Sweden and 50 percent of the total production of the Soviet Union. In the United States, Government takes from Americans in taxes a sum greater than the combined value of every marketable good and service that the total population of France can produce in 1 year. Does anyone really believe that the American people receive services in return from the Government that are equal in value to the total production of the French nation? No one believes this. Yet it does not stop us from continually expanding the size of Government. This is what shows whose interests are represented in Washington. And they are not the interests of the taxpayers.

Taxpayers are Americans too. I do not understand why the Congress thinks that taxpayers do not deserve the income that they earn, but that the people we give it to, after we take it from the taxpayers, do deserve this income. If we turn government in this country into a mechanism for exploiting the productive for the sake of the unproductive, government will lose the support of the productive, and in the process a strong nation will be turned into a weak nation.

So far this year the Congress has voted down permanent reductions in the personal income tax rates five times. We had a chance to show that we think taxpayers are Americans too. We could have accommodated Senator Roth's proposal to reduce permanently every taxpayer's burden simply by dropping the outlay ceiling by $12 billion and the revenue floor by $12 billion. This would have required only a 2½-percent reduction in Government spending. There is certainly more than 2½-percent waste in this swollen budget. I do not see why we can not cut a little out of waste in order to show some consideration for the American taxpayer. This Congress has got money and concern for everybody at home and abroad—except for the American taxpayer. He is who we exploit in order to run our show—the biggest give-away on Earth.

Mr. MATHIAS. Mr. President, the enactment and successful implementation of the Congressional Budget Act of 1974 is one of the major legislative accomplishments of recent years.

Compared to other congressional institutions, the new Federal budget process is still in its infancy. Yet in less than 3 years it has provided the legislative branch with a policymaking instrument which Senators from both sides of the aisle now recognize as indispensable.

The new budget procedures give the Congress for the first time the ability to deal with the Federal budget in a comprehensive fashion. Resolutions such as the one we debate today allow us to construct, first of all, an overall fiscal framework for spending and revenue policy. Within this framework, the new procedures permit us to consciously design our budgetary priorities.

As one Senator who has supported Federal budget reform from the beginning, I am particularly impressed with how the new process has been implemented. For the first time we have had the opportunity to debate on the floor of the Senate the important issues of Government fiscal policy and spending priorities that have been implicit in our past decisions but have rarely been debated in so clear-cut a fashion.

Because of the importance I place on the public's understanding of this new budget process, I would like at this time to recognize the distinguished reporting of the Baltimore Sun. For the past 3 years the Sun has provided not only extensive news coverage of the congressional budget process but has been a consistent editorial supporter of Federal budget reform as well.

Today, as we begin debate on the first concurrent resolution on the Federal budget for fiscal 1978, I ask unanimous consent that an excellent recent Sun article by Art Pine be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, April 3, 1977]

FISCAL REVOLUTION—NEW BUDGET PROCEDURE A SUCCESS

(By Art Pine)

WASHINGTON.—The new congressional budget process—the fiscal revolution that Congress nervously plotted and put into effect in late 1974 and 1975—is alive and well and a spectacular success.

After 2½ years in operation, the new budgetary procedures are being hailed by liberals and conservatives alike for revamping congressional behavior on spending and taxing decisions and keeping outlays from soaring out of line.

Arthur F. Burns, the fiscally conservative chairman of the Federal Reserve Board, praises the new process as "a major landmark in financial reform." And liberal Democrats are equally ecstatic.

At the same time, however, many analysts insist that, despite its obvious effectiveness, the new process will not be fully successful until it tackles longer-range spending decisions—paring existing programs or phasing them out gradually.

As a result, while still in the flush of its initial triumph, the budget process is facing a major crossroads. Economists say the direction it takes this year and next could determine finally whether government spending can be controlled.

To many economists, what the budget process has accomplished can only be appreciated fully when compared to what existed before its enactment—a situation most often described as an absence of discipline and virtual fiscal chaos.

Until the new procedures were instituted, lawmakers never were required to consider how their votes on any one particular bill affected overall spending or revenue. Money bills grew and grew, and spending swelled unfettered.

What the budget process provided was an orderly set of procedures that required the two houses to weigh the impact of individual spending and taxing decisions on the budget as a whole—by establishing yearly ceilings that are difficult to breach.

The result has been that for the first time in recent memory, the United States government has been able to carry out a rational fiscal policy. The spending target set before the year begins is reasonably the same that emerges at the end.

The procedures also have produced these results:

Despite continuing pressures for sharply higher spending in many areas, the process has pushed Congress into holding total government outlays to barely a little more than what it costs to continue existing services, with some offset for prices.

In the two sessions that the budget process has been in effect, the lawmakers have finished the fiscal year well within their original targets. The only exception so far has been in fiscal 1977, to make room for the Carter stimulus package.

The procedures have revamped congressional thinking about spending and taxing decisions dramatically, with many lawmakers now so wary of budget-busting that leaders often only have to raise the possibility to defeat a spending proposal.

Perhaps the most sweeping impact has been where it is least visible to outsiders—on the several dozen legislative committees in each house that shape the authorization bills that pave the way for later appropriations.

Experts say that many of these panels, which until recently were eager to approve virtually any new program, now have turned more conservative and have cut back sharply on their requests. Some even have become forces for restraint.

Even the tax-writing panels have been affected. After a bitterly fought floor fight last year, the Senate Finance Committee has reached something of an accommodation with the Budget Committee on keeping tax bills within the guidelines.

And the budget committees have nudged Congress into a whole new way of thinking on tax "loopholes" granted to special-interest groups. The lawmakers now classify these officially as "tax expenditures"—looking at them as though they were outlays.

Finally—and perhaps most important, in the minds of many analysts—the processes have provided a way for Congress to use its spending and taxing power to set overall economic policy—and usurped this policy-making function from the executive branch.

Before the new process was put into effect, economic policy was set entirely by the White House. Since the lawmakers had no way of controlling spending totals, they had no voice in policy-making other than to enact the White House program.

Under the new procedures, however, Congress sets its own overall spending and taxing targets, with a view toward carrying out a specific economic policy—more stimulus if it wants to spur the economy, and restraint if it wants to slow down.

As a result, no matter what the President proposes, it is Congress' budget targets and policy prescriptions that ultimately determine what the nation will do. Once Congress has set its ceilings, the White House goals take second place.

To be sure, these initial successes have not been won without setbacks. The Senate battle over the tax bill last year, for example, came within inches of dealing the new procedures a death blow. The House also has provided some close scrapes.

And many old-line committee chairmen in both houses still openly resent the constraints that the new ceilings place on their panels' flexibility. Senate chairmen regularly complain that the Budget Committee is "usurping" their own panels' authority.

But the process has emerged as a strong one, aided by a general voter push for tighter fiscal discipline and a team of surprisingly effective budget committees that have been essentially conservative in outlook and restrained in tone.

In the Senate, the budget panel has been run by a two-man coalition comprising Senator Edmund S. Muskie (D., Maine), its chairman, and Senator Henry M. Bellmon (R., Okla.), its ranking GOP member, who usually have stood together on budget issues.

In the House, the Budget Committee was shepherded through its first—and most trying—years by Representative Brock Adams (D., Wash.), who resigned his post in January to become Secretary of Transportation in the Carter administration.

Mr. Adams, who was one of the most liberal members of the House in the late 1960's, ran the committee as a fiscal conservative whose main aim was to make the budget process succeed, without regard to philosophy or ideology.

He has been replaced this year by Representative Robert N. Giaimo (D., Conn.), a more party-conscious Democrat with a somewhat more aggressive style. Congressional budget experts say it is not fully clear yet how Mr. Giaimo may fare.

For all the institution's success, however, what has budget-watchers talking most these days is not what the process has accomplished, but what it still needs to do in the years ahead—specifically, getting a hold on long-range decisions.

Because most budgetary decisions have impact for such a long time, any move to change existing programs must be made well in advance. To phase out an unneeded project, for example, requires a conscious move now to reach a goal years away.

The problem was the budget process to date, says Robert W. Hartman, a Brookings Institution budget specialist, is that while it has dealt with year-to-year issues, "it hasn't tackled the big decisions that require a multiyear approach."

The Senate Budget Committee chairman, Mr. Muskie, reluctantly agrees. "What we've done up to now is pretty well limited to the numbers game," he says. "There are some big, really exciting things we need to be looking at—and soon."

The shortcoming was pointed out last month in a report by the Congressional Budget Office, Congress's own budget-keeping arm, which warned that the lawmakers could not make major changes on a year-by-year basis, but had to look several years ahead.

The agency recommended extending the yearly spending and taxing targets Congress sets to cover not only the coming fiscal year but the four succeeding periods as well. The change could be made gradually, adding one extra year at a time.

Eventually, the budget office envisioned, the process would be shifted so the fifth year's goals would become the primary budget target, with the current ceiling and each succeeding one designed to reach the long-run aim—adjusted each year.

In that way, the agency reasoned, fiscal policy will become more stable, with Congress more aware each year of how its decisions fit into a long-term plan. And the "fiscal dividend' presidents count on for the long run may not be eroded away.

There also have been some calls for tightening present procedures to combat what conservatives term "the upward bias" in the existing system—the political forces that make it more likely that Congress will enlarge programs than cut them.

The problem was heightened recently by the ease with which the two houses moved to raise the fiscal 1977 budget ceilings Congress set last autumn to accommodate President Carter's new economic stimulus package.

Congressional leaders insist this was only a one-time gesture, and that in future years the second—or supposedly "final"—ceilings will be inviolate. But many conservatives are not so sure.

Alan Greenspan, chairman of the Council of Economic Advisers in the Ford administration, suggests changing the procedures to prohibit Congress from revising its final ceilings without a two-thirds majority of each house.

Mr. Greenspan concedes that, even under such restraints, the leadership would have had "no trouble" accommodating the Carter package this year. But he frets that unless the job is made more difficult, Congress may abuse the process in the future.

There also are some housekeeping items that experts say the new process should be considering—particularly the emergence of so-called "off-budget" agencies, such as the Export-Import Bank, whose spending is not included in the regular budget.

The Senate Budget Committee began some move in that direction last week by issuing a report cataloguing such "backdoor spending." But serious action still seems several years away. Off-budget spending added $11 billion to the deficit.

Just how successful congressional leaders will be in pushing for these new moves still is uncertain. As Mr. Muskie noted in a recent interview, altering previous congressional spending habits is not easy, and change will come slowly.

But for now, the 2½-year-old budget process is enjoying first-round plaudits for carrying out what almost everyone agrees is a fiscal revolution. "It's more than lived up to expectations," says Mr. Hartman. "It's a smashing success."

HOW THE PROCESS WORKS

Before Congress revamped its budget-making procedures, there was no set order to the way it tackled spending problems.

Appropriations bills were passed willy-nilly, often several months late. And the lawmakers had no real idea how their decisions on individual spending and tax bills affected total outlays and revenues.

As a result, it was almost impossible for the government to conduct a rational fiscal policy.

Under the new congressional budget process, Congress is required to decide on a specific economic policy, and to establish overall spending and revenue targets designed to carry it out.

Appropriations bills are passed according to a schedule. And the procedures virtually force the lawmakers to consider the impact of each spending decision on the overall target.

After the appropriations bills are passed, Congress sets a formal spending ceiling, which is binding on all future actions.

Here is how it works:

May 15—The House and Senate approve a joint initial budget resolution establishing informal targets for spending, revenues and the projected size of the surplus or deficit for the coming fiscal year, which begins the following October 1. In doing so, the two houses also give their endorsement to specific economic policy proposals, such as a stimulus package or a tax cut. The spending and revenue targets are set after recommendations from key legislative committees.

June through August—Congress enacts its 14 major appropriations bills for the coming year—along with any tax-cut legislation—adhering generally to the spending and revenue targets set earlier. The lawmakers may exceed the budget resolution's limitations if they want to, but the presence of an overall target insures that they are conscious of the impact of their actions. Often, spending-increase amendments have been defeated because they might "bust the budget."

September 15—The two houses review the appropriations bills they have enacted to compare them with the May 15 targets and then decide how to reconcile any differences.

The lawmakers have the choice of raising the spending targets or cutting back on the appropriations they have passed. The revised targets then become binding ceilings that apply to all future legislation covering that fiscal year. If a proposal exceeds those ceilings, it can be blocked by any one member.

Mr. STEVENS. Mr. President, I want to express my appreciation to the chairman of the Budget Committee, Mr. MUSKIE, for his courtesy and consideration of an important matter.

There is a great deal of support in the Senate to increase the ceiling on the earnings limitation of the Social Security Act. In this session, about 14 bills have been introduced in the Senate with regard to social security earnings requirements. Twenty-four Senators have cosigned a letter to both the chairman of the Budget Committee, Mr. MUSKIE, and the chairman of the Finance Committee, Mr. LONG, to express our support and request consideration of this legislation in this session of Congress.

The response we received from the Budget Committee to include funding in the First Concurrent Resolution for fiscal year 1978 for implementing such a social security proposal was encouraging. However, we find that there is no mention in the budget resolution that this matter was considered in recommending the budget ceilings of the social security program.

We are in complete agreement with the budget chairman that it is the function and jurisdiction of the Finance Committee to authorize this legislation. We would not, in any way, want to encourage the Budget Committee to legislate this in the budget resolution. What we are looking for, however, is an indication that the budget resolution does not preclude the Finance Committee from taking up the earnings limitation matter during this session of Congress.

It has become increasingly clear that certain changes may be needed in the current structure of the social security program. The need to increase the earnings test ceiling for individuals most seriously affected by limited income, those between the ages of 65 to 72, is generally supported by Members of the Senate. I would like to encourage consideration of this important issue and hope that the chairman of the Committee on the Budget will agree with our concern.

I ask unanimous consent that the letters that were sent to the committee chairmen and the response we have received are printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
March 21, 1977.

Hon. TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR TED: Thank you for your well documented letter regarding legislation to liberalize the Social Security earnings limitation. I can assure you that your proposal will be specifically presented to the Budget Committee when we begin markup later this month on the First Budget Resolution for fiscal year 1978.

I want to thank you and your colleagues for alerting the Budget Committee well in advance to the need to consider changes in Social Security benefit provisions.

As you know, of course, the Budget Resolution itself is prepared on an aggregate, not a "line item" basis. That is, we will recommend a set of spending and revenue targets which includes the Social Security program but will not delineate all its detail. That is the appropriate function of the Finance Committee in this case. Under the provisions of the Budget Act, the Conference Report on the Budget Resolution will allocate to the Finance Committee (and similarly in the case of other committees) the total amount of spending allocable to that Committee's jurisdiction under the Resolution, but again will not specify any assumptions as to how the total spending must be subdivided by the Finance Committee in its consideration of the various bills and programs under its jurisdiction. Thus, any allowance for new Social Security legislation will be in competition with other legislation the Finance Committee may consider.

As you are aware, an important consideration for the Finance Committee and for the Senate itself in the case of proposals such as you have made to increase the rate of expenditure from the Social Security Trust Fund is the condition of that Trust Fund itself and whether additional taxes must be assessed to finance it. The financial condition of the Social Security Trust Fund is a matter of continuing concern which I am sure you share, and it presently appears that some increase in the Social Security tax may be required within the next few years, even with no such changes in the present law as your letter proposed. (I am sure you agree that tax increases, especially in the Social Security area, must be carefully considered, particularly because of the adverse impact such increases have during a period of economic sluggishness.)

I have taken the liberty of sharing your important letter and its enclosures and my response with all the members of the Budget Committee.

With best wishes, I am,

Sincerely,

EDMUND S. MUSKIE.

WASHINGTON, D.C.,
February 28, 1977.

Hon. EDMUND S. MUSKIE,
Chairman, Senate Budget Committee,
Washington, D.C.

DEAR ED: We each are sponsors or cosponsors of various proposals to remove or lift the ceiling of the earnings limitation of the Social Security Act.

Since we intend to press for action on our legislation to become effective in fiscal year 1978, we urge that you include adequate funds in the first Concurrent Resolution on the Budget for FY 1978, to implement whichever of our proposals may be enacted. It would require from $1.5 to $3 billion in the first year to finance the change we propose, depending upon which is adopted.

Our basic arguments against the means test are as follows:

(1) It is viewed as a broken promise to employees who have been led to believe benefits will be paid as "a matter of right" due to the premiums which they and their employers have made over lifetimes of work.

(2) It turns a contributory program into a welfare program since a worker must prove he has a need, due to a loss in wages, in order to qualify for benefits.

(3) The test is discriminatory against the poor who are without non-wage income, such as interest, rentals or dividends.

(4) It may shorten the life of some aged persons by compelling them into early retirement against their wishes.

(5) It injures the national economy in terms of real output by driving out of the work force an important productive resource, the skills and labor of the elderly.

Supporting materials are enclosed. We would be happy to testify on behalf of our proposals if you should wish to hold hearings on this subject.

Sincerely,

Barry Goldwater, Ted Stevens, Dewey Bartlett, Clifford Case, Robert Stafford, Robert Morgan, Dale Bumpers, Richard Stone, Dennis DeConcini, Claiborne Pell, Mark O. Hatfield, Daniel Inouye, Patrick Leahy, and John McClellan.

Jesse Helms, Jake Garn, Strom Thurmond, James Abourezk, Charles Mathias, Sam Nunn, Lowell Weicker, John Melcher, Howard Cannon, and Jacob Javits.

WASHINGTON, D.C.,
February 28, 1977.

Hon. RUSSELL B. LONG,
Senate Finance Committee,
Washington, D.C.

DEAR RUSSELL: We each are sponsors or cosponsors of various proposals to remove or lift the ceiling of the earnings limitation of the Social Security Act.

Since we intend to press for action on our legislation to become effective in fiscal year 1978, we urge that you include adequate revenue and spending authority in the authorization bill which is to be reported by your Committee by March 15, to implement whichever of our proposals may be enacted. It would require from $1.5 to $3 billion in the first year to finance the change we propose, depending upon which is adopted.

Our basic arguments against the means test are as follows:

(1) It is viewed as a broken promise to employees who have been led to believe benefits will be paid as "a matter of right" due to the premiums which they and their employers have made over lifetimes of work.

(2) It turns a contributory program into a welfare program since a worker must prove he has a need, due to a loss in wages, in order to qualify for benefits.

(3) The test is discriminatory against the poor who are without non-wage income, such as interest, rentals or dividends.

(4) It may shorten the life of some aged persons by compelling them into early retirement against their wishes.

(5) It injures the national economy in terms of real output by driving out of the work force an important productive resource, the skills and labor of the elderly.

We urge that your Committee hold hearings on this subject at the earliest opportunity.

Sincerely,

Barry Goldwater, Ted Stevens, Dewey Bartlett, Clifford Case, Robert Stafford, Robert Morgan, Dale Bumpers, Richard Stone, Dennis DeConcini, Claiborne Pell, Mark O. Hatfield, Daniel Inouye, Patrick Leahy, and John McClellan.

Jesse Helms, Jake Garn, Strom Thurmond, James Abourezk, Charles Mathias, Sam Nunn, Lowell Weicker, John Melcher, Jacob Javits, and Howard Cannon.

Mr. **HOLLINGS**. Mr. President, I wish to explain the Budget Committee's views on our national defense. We are recommending $120.3 billion in budget authority and $111.6 billion in outlays in fiscal 1978. These figures represent real growth of 1.6 percent in budget authority and of about one-third of 1 percent in outlays above current policy—a modest growth indeed in view of the widespread recognition that the Soviet Union continues to seek a shift in the military balance despite arms control talks and other gestures of détente. The reasons for Soviet military increases are unknown, but the fact remains that there have been very large increases over the past 8 years.

Our recommendation is $200 million higher than the President's budget request in budget authority, and $300 million less in outlays. The principal differences between our recommendation and the Carter budget are these:

We recommend manpower policy changes designated to save $500 million in budget authority and outlays in fiscal 1978, and literally tens of billions over the next 10 years.

The budget authority and a part of the outlays saved through these manpower efficiencies are made available to improve readiness and continue equipment modernization.

An additional $500 million in budget authority is added for the same purposes, and particularly to indicate our resolve to spend what is necessary if the Strategic Arms Limitation Talks should fail.

Finally, the totals are adjusted downward by $300 million in budget authority and $300 million in outlays. This is for pay-raise absorption of 15 percent. The adjustment is consistent with previous experience, and will have no programmatic impact.

I would like to say a few words about these adjustments. The Congressional Budget Office has predicted that unless present defense manpower policies are changed, the costs of defense manpower could be higher by $8 billion a year in 1985, measured in today's dollars. CBO also estimated that specific changes could not only avoid this increase but also save $2 billion a year by the 1980's compared to today's costs. These changes cover a wide range of defense manpower policies, including changes in recruiting, turnover, and attrition loss rates, training, retirement reform, military and civilian compensation reform and controls on civilian pay grade changes. I will not try to enumerate them all, nor do I necessarily endorse them all. The important thing is this: Defense manpower costs take up well over half of the defense budget. The Budget Committee agrees that if we are going to get a handle on these costs and avoid large future increases, we must begin to act now in the areas where savings and reforms are clearly feasible. Here are some areas where the committee believes progress can be made now:

TRAINING: —$300 MILLION

Training costs DOD over $6 billion a year. Almost 18 percent of all military personnel are in the training establishment—trainees, trainers, training support. CBO has identified potential savings of $300 million in fiscal year 1978. First, better use of training time and a more widespread use of new training techniques could reduce costs of entry-level training by 10 percent. These changes would permit the services to take advantage of the reduced training time Congress now requires before overseas deployment. Second, last year recruit training in the Army cost from 50 to 130 percent more per week of training time than recruiting in the other services. The Army may have twice as many trainers per student in recruit training as the other services.

PERSONNEL TURNOVER: —$300 MILLION

For 1978 and beyond, the military services predict a rate of personnel turnover of 23 percent annually. This is the highest rate in recent peacetime history and far higher than the 15 percent predicted for the All-Volunteer Force. One factor is that the percentage of recruits failing to complete the first term of service has increased from 25 to 37 percent, because of administrative policies that force personnel to leave before the end of their term. A second factor is that the services limit the number of reenlistments and have reduced recruiting of prior service personnel—who stay longer than new recruits. CBO has estimated that savings from reduced first-term attrition and higher reenlistments could exceed $300 million per year, because of reduced training costs, fewer household and individual moves, more experienced and productive personnel, and significant reductions in recruiting costs.

CIVILIAN GRADE REDUCTIONS:—$100 MILLION

Since 1964 the average grade of (GS) civil servants has increased about 6 percent in DOD and the rest of the Federal Government. Although a number of reasons have been advanced to explain this growth, Defense has testified to Congress that—

> It is still difficult to rationalize the growth that has taken place since fiscal year 1964.

CBO estimates that a reduction of one-tenth of a grade per year—about 1 percent—for fiscal years 1978 and 1979 would reduce costs by about $100 million in fiscal year 1978 and $200 million in fiscal year 1979. Further savings could come from the temporary hiring freeze recently imposed by the Carter administration. The Carter budget request does not yet reflect savings from any such new initiatives in the manpower area.

WAGE BOARD LEGISLATION: +$200 MILLION

Enactment of the reforms affecting DOD's wage board employees would reduce costs by $200 million in fiscal year 1978. The Carter budget assumes enactment of this legislation, but I do not believe that Congress will act on it this year. Consequently, $200 million should be added to the Carter request.

Beyond these immediate manpower issues, the committee encourages the Congress to begin action as soon as possible on long-term issues such as military retirement and a military salary system.

Next, there is the question of readiness.

A report by Senator CULVER has revealed major deficiencies in the readiness of U.S. forces. A minimum of $500 million should be spent on improving readiness. Much more could be spent to improve readiness if actions were taken in all of the following areas:

HIGH PRIORITY O&M

Reducing backlogs in ship and aircraft maintenance.

Field and training exercises for troops.

More flying hours for flight crews.

HIGH PRIORITY PROCUREMENT

Ammunition and fuel for exercises.

War reserve materiel.

Spare parts for F–15 and F–14 and other systems with low rates of operational readiness.

Finally, there is the question of additional procurement, especially in view of uncertainty over the Strategic Arms Limitation Talks.

Any SALT breakdown must prompt a response from the Congress to spur the development of U.S. strategic forces. Increased development and deployment of new systems could add well over $500 million to the Carter budget. In case of a future agreement on strategic arms limitation, these funds could be cut. But it is prudent to recognize now that they may be needed. Here are some examples of programs that may need to be funded:

[Millions of dollars]

Increased R&D for the new M–X missile	+160
Increased funds for procuring SRAM nuclear air-to-surface missile	+23
Accelerate Trident program	+170
Expand space defense R&D	+30
Procurement for 8 B–1s (instead of 5)	+280
Total on increased items	+663

Beyond these areas, Congress may wish to allocate funds to other defense priorities. Our mark is designed to provide such flexibility while encouraging increased efficiency in defense manpower.

Mr. HAYAKAWA. Mr. President, I must encourage my colleagues to vote against this budget resolution. Once again, our fiscal policy is based on the faulty economic assumption that deficits in the Federal budget stimulate economic activity and result in higher levels of production and lower levels of unemployment. The theory argues that large deficits increase total demand for goods and services in the economy and that in turn causes business to produce more output. This simple view of the economy ignores some fundamental economic relationships.

First, consumer demand is only one element businesses consider when deciding whether to expand production. The most important element in this decision is profitability, and increased total demand does not automatically increase profitability. If business is not satisfied with its present level of profits, it will have no incentive to expand production. In addition, business must also consider how it can finance an expansion.

Business expansion plans can be financed from three sources of funds—internal retained earnings, equity capital, or borrowed funds. Due in large part to Government economic policies, businesses have found it more and more difficult over recent years to finance investment from any of these three sources. Large Government deficits year after year have worked to limit the supply of private savings available to businesses to fund expansion and modernization plans. Higher and higher effective tax rates on personal income have discouraged individuals from saving and investing their money, thus reducing the total supply of savings in the economy. Government-fueled inflation has eroded corporate profits while tax policies ignore the effects of inflation on corporate earnings, thus taxing real earnings at a greater rate. Inflation has eroded corporate balance sheets making it more difficult for businesses to raise funds through the sale of stock. And again, higher and higher effective tax rates on real personal income, combined with features of the tax structure such as double taxation of corporate dividends, discourage individuals from making investments in stock. And finally, what little funding businesses have been able to raise for capital projects has been used largely to purchase nonproductive equipment needed to meet Government imposed pollution and safety requirements.

If we are sincerely interested in reducing unemployment permanently and encouraging long-term, sustainable growth in the economy, we must encourage job creation in the private sector. The private sector can only create more jobs by expanding production. Production can only be expanded if business has the incentives and funding needed to purchase new plants and equipment. We in the Congress can encourage this private job creation by reforming Government policies which encourage present consumption and discourage saving and investment. This means we must reduce taxes permanently for everyone while at the same time reducing the size of our Federal deficits.

I am also perplexed to find that we are now recommending a larger deficit for fiscal year 1978 than we will have in fiscal year 1977. This cannot even be justified under the conventional deficit spending theory. Supposedly as the economy recovers, the deficit should shrink and the budget should move into balance. Approving a deficit during an economic recovery larger than that in the previous fiscal year makes no sense under any theory of economics I have ever heard.

We are told that the size of the deficit is due to expenditures on "uncontrollable" items in the budget. I must emphasize, however, that these items are only uncontrollable so long as Congress is unwilling to reform the programs in order to be able to control spending. The budget process should be imposing discipline in the Congress to enact the reforms needed to control spending. The larger deficit this year is evidence that the Congress will not impose this discipline through the budget process.

I am terribly disappointed in the failure, and I must register my disappointment and disagreement by voting against this budget resolution.

Mr. JOHNSTON. Mr. President, the new budget process, even with its faults, represents the most helpful mechanism for controlling Federal spending that has ever been devised by the Congress. The role of the budget process in establishing a sound fiscal policy for our country and in helping us to establish national priorities is immensely important. Senator MUSKIE has offered distinguished leadership to our committee, and he has been ably assisted by the ranking minority member, Senator BELLMON.

While I am encouraged by the budget process, I am alarmed by the budget product. Mr. President, I am greatly concerned that this is the third consecutive fiscal year with a projected national deficit of more than $60 billion. I am concerned for two reasons. First, I believe that as a nation we must be willing to make decisions about the relative size of the public and private sectors, and then to collect the resources to finance the public spending decisions that we make. If we decide that Federal public activities should constitute a given percentage of our national product in terms of expenditure, then let us raise those funds as part of the revenue. In fiscal year 1976, our gross national product at midyear was $1,709 billion. In the same year, our Federal spending was $366.5 billion and our Federal receipts were $300 billion. Thus, while we made a decision that Federal spending should be 21.4 percent of the gross national product, we raised revenues through Federal taxes that were equal to only 17.5 percent of the GNP. In other words, we financed some 18 percent of all Federal Government spending through borrowing, and that borrowing was equivalent to almost 4 percent of GNP. As a continuing practice, this is clearly an unsound national policy. It is a policy that says one plus one adds up to more than two, and of course, it does not.

Second, I am concerned about the growing interest burden that is placed on the American people by the skyrocketing national debt. In fiscal year 1977, it is anticipated that we will spend more than $38 billion simply in interest on our borrowing. This represents $177.90 for every person in the United States, or $711.60 for a family of four. In 1970, the gross Federal debt was $382 billion. In this budget resolution for fiscal year 1978, we are projecting a debt ceiling of almost $790 billion. Thus, the total Federal debt has doubled in 8 years.

Because of these factors, Mr. President, I think that the Senate must reaffirm its commitment to a balanced budget as we consider this resolution. We must say to the American people that this resolution is not business as usual for the Federal Government. It is a temporary situation created by several factors, and it is a situation which we are resolved to change.

Why is the budget deficit so great? There are primarily three reasons. First, the revenues collectable by the Federal Government have not grown as they would have were our economy healthier. With our progressive tax system, full employment and high capacity utilization in manufacturing create a larger base from which Federal taxes are drawn. Because of the recession from 1973 to 1975, and the high levels of unemployment, the total tax revenues are significantly less today than they would have been with stable economic growth. It is the private sector of our economy that creates the economic foundation from which we draw resources to meet public needs. When the private economy falters, for whatever reason, the inevitable consequence is a reduction in the funds that are generated with our present tax structure.

A second reason for the substantial deficit is the increase in certain Federal programs that accompanies the economic downturn. For example, unemployment compensation in 1969, when the economy was at full employment, was only $2.6 billion. Projections suggest that unemployment compensation this year will be $16.4 billion. Similarly, public assistance payments in 1969 were $4.7 billion, while this year they will be $23.2 billion. Thus, in times of a weak economy, not only do the revenues not grow as we would hope, but the expenses of Federal entitlement programs increase significantly.

A third reason for this deficit, I think, is the growing percentage of so-called "uncontrollable expenditures" in the Federal budget. These are programs, like social security or medicare, that create through law an entitlement of a particular group to certain Federal benefits which are then provided without additional appropriation by the Congress. Let me say at the outset that I resist the term "uncontrollable," for every program can and should be controlled by the Congress. But if we look at the programs and contract obligations that comprise the group that is generally considered to be uncontrollable—misnomer though that may be—we see some interesting things.

In 1968 the uncontrollables amounted to 60 percent of the Federal budget. But in fiscal year 1978, more than three-quarters of the Federal budget will be uncontrollable, and 60 percent of the balance is for national defense—where we are actually committed to a level of funding closely related to ongoing force needs and size. Thus, at best, about 10 percent of the total Federal spending can be controlled next year by the Congress, unless there are changes in the legislation that has created the current plethora of ongoing Federal activities.

This raises a fundamental question—How is the Budget Committee to do its job? Put differently, we can ask, How can we get control of Federal spending, and how can we balance the budget?

I have several suggestions. First, a strong economic recovery in the private sector is the single most important factor in reaching a balanced budget. Weak economic performance is the primary cause of our present deficits, and only with renewed economic vigor will we once again generate the resources that are required to meet Federal needs. Personally, I believe that we are on the road to a sound recovery. The economic indicators are strong. In large part, our ability to balance the budget and to keep it in balance will depend upon a stable economy operating at high levels of resource utilization. We need to fully utilize our capital and our labor resources so that we achieve the full potential that the American economy has.

But there is more that the Congress can do than simply await progressive economic growth. In the Budget Committee, and throughout the Senate, we need to assess the level of resources that will be available to the Federal Government in the next several years and over the long term for its use. This requires us to make hard decisions about the appropriate size of the public sector. I would hope that most Senators are agreed about one thing—the Federal Government is large enough. Of course, in a country like ours we have endless opportunities to invest in our physical and human resources. We can spend more on education; we can spend more on health; we can spend more on housing. But we cannot spend more on any of these things unless the majority of Americans are willing to spend less of their income for their personal needs. I think that we can no longer ask Americans to do that. The resources that the Federal Government has available to it are limited, and we must recognize that limitation in our budget plans.

There is at least one other lesson that we should learn from the large percentage of uncontrollable expenditures in the Federal budget. The lesson is that we cannot in a single year redirect the governmental efforts of our country. If we truly want to control Federal spending, then we need to take a hard look over the long term at the authorizing legislation that commits the Federal Government to certain obligations. We need to control the uncontrollables.

The best time to exert this control over a potentially uncontrollable Government activity is when that activity is first considered. We have seen in a number of cases where Federal programs with modest beginnings have grown to be permanent commitments of much greater magnitude than we ever imagined. A good example is the program of public service jobs under the Comprehensive Employment and Training Act—CETA. Started in the early 1970's, this program provided funding under its title II for fewer than 50,000 positions. When the economic situation worsened, we added a title VI that was designed to be an emergency employment portion of the law. By 1974, we had increased CETA jobs under both titles to over 300,000.

On Monday, the Senate voted for a funding level of 725,000 jobs, in response to the President's request as part of his stimulus package. Several years ago it appeared that this program was becoming a permanent obligation of the Federal Government, and nothing has yet happened to indicate that that is not the case.

The lesson of public service jobs and other similar programs should be clear. We need to look more carefully as we conceive these new programs. We need to stop the seemingly endless proliferation of governmental activities directed toward every imaginable issue in our complex society. And we need to stop the growth of the Federal bureaucracy, and to use every mechanism available to achieve this purpose, including such proposals as zero-base budgeting. In short we need to control the uncontrollables. For of the three reasons for continued deficits that I mentioned earlier—disappointing economic performance, increased income security and related expenditures for the unemployed, and a large percentage of uncontrollables in the Federal budget—it is this last element that we can affect.

In trying to have an impact, we must search imaginatively for solutions to problems that we should be able to anticipate over the long term. I am encouraged by what I perceive to be the Budget Committee's commitment to do this kind of analysis. The committee is still in its infancy, and I think that its potential is significant. But I am certain that if that potential is to be realized, the approach that we adopt must be this long-term approach. For, as the current budget resolution suggests, in the context of a single year we can do very little to change national direction, commitments, or strategy.

Mr. TOWER. Mr. President, I would like to offer a few brief observations concerning the recommended budget targets proposed by the Committee on the Budget for fiscal year 1978. The Committee on the Budget has recommended for the national defense function a budget authority target of $120.3 billion and a target for outlays of $111.6 billion. These figures represent a relatively small addition to the corresponding levels requested in the Carter administration's defense budget for the next fiscal year.

The Armed Services Committee, in forwarding its proposed spending levels to the Budget Committee on March 15, recommended budget authority in the amount of $121.3 billion and outlays totaling $112.2 billion.

It is worth reiterating here that our committee faces a very complex task in assimilating a budget recommendation by March 15 as is required in the law. Inasmuch as the Committee on Armed Services each year conducts a very exhaustive and detailed review of the procurement, research and development, and manpower requests for each of the services, it is a formidable task indeed to formulate a preliminary recommendation only a few weeks after the presentation of the President's budget. The time available to the committee this year for arriving at its recommendations was, of course, abbreviated by virtue of the Carter budget amendments, which were not forwarded to the Congress until late last February.

As one member of the Armed Services Committee, I am hopeful that we will be able to identify a solution to the problem we face each year in striving to make a responsible and prudent recommendation on defense outlays and budget authority within the timespan of only a very few weeks.

I think we can all agree that this is a subject which deserves far more than hasty consideration. I frankly am not certain that the haste now generated by the March 15 deadline serves the interests of good budget planning. So, we will be seeking means of improving our own procedures with an eye toward identifying the tools which we can use to address this entire matter in a fashion that is both thorough and expeditious. In this regard, we shall look forward to the continued cooperation of the Budget Committee's membership and staff.

Mr. President, while the levels recommended by the Senate Budget Committee in the national defense function will support, in my view, an adequate defense program for fiscal year 1978, I want to express my deep concern over some of the recommendations being considered in the other body. Though I understand that the House of Representatives has not taken final action as of today on its version of the first concurrent budget resolution, I consider the initial recommendations forwarded by the House Budget Committee to be seriously insufficient in the national defense function.

I am grateful that the distinguished Senator from Maine and the distinguished Senator from Oklahoma and their colleagues on the committee have seen fit to lend more support to our national security requirements than is apparently the case with their counterparts in the other body. I would like to urge in the strongest terms that we in this Chamber lend our strongest support and encouragement to those Senators who will serve as conferees on this vital matter. It is my view that our Nation cannot accept the risks associated with a defense budget any lower than that which has been proposed by the Carter administration, which, as most of us will recall, represents a $2.8 billion reduction from the defense budget approved by President Ford.

Mr. President, I think the Budget Committee has done a responsible job in demonstrating an appreciation for the essential level of national defense spending which the Senate ought to support. While I may not agree with some of the methods and mechanics related to the Budget Committee's deliberations, I have no substantial misgivings about their final recommendations. I would like to interject at this point, Mr. President, that certain elements of the Budget Committee's proceedings have been of concern to me, particularly the consideration given to certain sea warfare mission options for U.S. naval forces.

I am not in agreement with the suggestion that was put forward in a recent CBO study that significant savings could be realistically obtained by opting for a so-called "sea control navy" instead of a "power projection navy." In my view, this suggestion was founded on some very simplistic interpretations of the missions assigned to the U.S. Navy. Though it is my understanding that the Budget Committee gave consideration to such a "sea control option," I am glad to see that this alternative was not integrated into their final recommendations.

One other concern which I have centers about the utility of the so-called "current policy" concept. The applicability of such an approach to governmental service programs in other budget functions is quite different from that in the military procurement field. My point is that "current services" may well be a meaningful tool in exploring such a program as food stamps, but I am not certain of the utility of this concept in our defense procurement budget. Since we may buy 15 ships in 1 year and 20 ships of a different type in another year, it is unclear to me how we can think of our shipbuilding budget, for example, in terms of "current services."

Mr. President, I want to commend once again my colleagues who have worked so diligently in the Committee on the Budget in bringing forward this resolution. Certainly every Member of this body can profess individual preferences concerning the proposed spending levels in the various categories. Nonetheless, I believe that this resolution presents a sensible approach to the Federal budget for next year. I only hope that I will be in a position to offer the same observation at such time as our distinguished colleagues return from their conference with the House.

Thank you, Mr. President.

Mr. MUSKIE. Mr. President, I ask unanimous consent that a table, with explanatory text, be printed in the RECORD immediately after the table entitled "Explanation of $50 Billion Increase in Outlays Between Fiscal Year 1977 and Fiscal Year 1978."

There being no objection, the table and explanation were ordered to be printed in the RECORD, as follows:

RELATIONSHIP OF UNIFIED BUDGET AND NIA BUDGET, FISCAL YEARS 1977, 1978

[Dollars in billions]

	Fiscal year 1977	Fiscal year 1978	Change
Receipts:			
Unified budget receipts	349.3	395.6	+46.3
Reconciliation	+9.4	+13.8	+4.6
Federal sector, NIA receipts	358.7	409.4	+50.7
Expenditures:			
Unified budget outlays	408.8	458.8	+50.0
Reconciliation	+13.0	+7.2	−5.8
Federal sector, NIA expenditures	421.8	466.0	+44.2
Deficit:			
Unified budget deficit	59.5	63.2	+3.7
Reconciliation	+3.6	−6.6	−10.2
Federal sector, NIA deficit	63.1	56.6	−6.5

FISCAL STIMULUS IN THE FISCAL YEAR 1978 DEFICIT AND THE FISCAL YEAR 1977 DEFICIT

The unified budget is not precisely appropriate for analyzing the effects of federal receipts and expenditures on the economy. For this purpose the National Income Accounts (NIA) budget concepts and definitions are normally used instead. The unified budget and the NIA budget differ in four major respects:

(1) The NIA budget adds certain items to both receipts and expenditures ("grosses up") to make them consistent with national income account definitions. This increases both NIA receipts and NIA expenditures, but does not affect the deficit.

(2) The NIA budget excludes lending and financial transactions, which are exchanges of assets and liabilities rather than current income or production.

(3) The NIA budget estimates business taxes on an accrual basis, and personal taxes on a payments basis, while the unified budget records receipts at the time the cash is collected.

(4) The NIA budget excludes bonuses on OCS land leases from receipts. These are treated as a transfer of assets, because the payments generally are not included in expenses in calculating book profits under current corporate accounting practice.

When these adjustments are made to the unified budget totals for fiscal years 1977 and 1978, the estimated NIA deficit falls by $6.5 billion, as shown in the preceding table.

Mr. DECONCINI. Mr. President, during my campaign and since I have supported the view, ably expressed by President Carter, that the Nation should be moving toward a balanced budget. We have for too long spent beyond our means. The United States is a rich country, blessed with bounty of every sort; but our resources are not infinite. We cannot do all the things we might wish, regardless of how worthy each might be. The American people have made this Nation rich by the fruit of their labor. We are a hard-working people. Yet, the average American is being forced to pay an ever-increasing proportion of his earnings in taxes—taxes on his property, taxes on his purchases, taxes to his State government, and taxes to the Federal Government.

Every citizen has an obligation to pay taxes, and each of us should pay according to his ability. Taxes are one of the responsibilities of citizenship. We must protect ourselves from foreign threats, we must care for our young and our elderly, we must maintain the quality of our environment and our life, and we must insure the safety of all. While the obligation to pay taxes is clear, it is just as clear that the people's elected representatives have a responsibility to insure that those taxes are spent judiciously and carefully.

The budget resolution that we are about to vote on provides almost $498 billion in budget authority, more than $459 billion for current outlays, revenues of approximately $398 billion, and a new Federal deficit of more than $63 billion. Were it not for the admirable work of the chairman of the Senate Budget Committee, my good colleague from Maine (Mr. MUSKIE), the figures would be substantially greater. I applaud his efforts; I urge him to redouble those efforts in the future. My vote tonight, Mr. President, is in no way meant to denigrate those efforts.

However, Mr. President, I feel compelled to vote against this budget resolution. I believe that the people who sent me to the U.S. Senate—the people of Arizona—would wish me to register my opposition to a Federal deficit of $63 billion. I do not believe that I can say, in good conscience, that I am satisfied that these massive expenditures are all justified. Most are, but many do not reflect either the needs or the wishes of my constituents or the constituents of the majority of the Members of this Chamber.

I look forward to the day when both the Congress and the Executive will examine as carefully the expenditures of the public's money as they do their own. We become too accustomed to dealing in vast sums; so accustomed, in fact, that we fail to realize that another billion dollars for this program or that represents a real burden on the American taxpayer as well as his children.

There is immense waste at all levels of the Government: too many programs, too many employees, too many benefits, too much foreign aid. The line must be drawn sooner or later; we cannot continue indefinitely to pile up massive deficits leaving the burden to future generations to bear. At least, Mr. President, that is not my idea of responsible government.

My vote against this resolution is symbolic because I have no doubt that it will pass. However, the Congress and the President must reexamine anew whether this budget is truly in the best interests of all the American people. I recognize it is hard to say "no" to any group; but the essence of responsible leadership is the ability to make difficult decisions between competing demands for limited resources. We have not done that. We have said "yes" too often, not wishing to exercise the judgment that is our reason for being in this Chamber.

It is my earnest hope that in future years the budgets of this Government will not show massive deficits, but will move us toward the retirement of our national debt. That should be the primary fiscal objective of both the administration and the Congress.

Mr. **MUSKIE.** Mr. President, I yield back the remainder of my time.

Mr. **BELLMON.** I yield back the remainder of my time.

The **PRESIDING OFFICER.** All time having been yielded back, the question is on agreeing to the concurrent resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. **CRANSTON.** I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. METCALF), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. MORGAN) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. **STEVENS.** I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nevada (Mr. LAXALT), the Senator from Virginia (Mr. SCOTT), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 56, nays 31, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—56

Anderson
Baker
Bayh
Bellmon
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chafee
Chiles
Church
Clark
Cranston
Culver
Danforth
Durkin
Eagleton
Ford
Glenn
Gravel
Hart
Haskell
Hatfield
Hathaway
Heinz
Humphrey
Inouye
Jackson
Javits
Leahy
Long
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pearson
Pell
Percy
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stevens
Stone
Williams

NAYS—31

Allen
Bartlett
Bentsen
Bumpers
Byrd, Harry F., Jr.
Curtis
DeConcini
Dole
Domenici
Eastland
Garn
Hansen
Hatch
Hayakawa
Helms
Hollings
Johnston
Lugar
McClellan
McClure
Nunn
Proxmire
Roth
Schmitt
Schweiker
Stennis
Talmadge
Thurmond
Tower
Wallop
Zorinsky

NOT VOTING—13

Abourezk
Goldwater
Griffin
Huddleston
Kennedy
Laxalt
Metcalf
Morgan
Scott
Sparkman
Stevenson
Weicker
Young

So the resolution (S. Con. Res. 19), as amended, was agreed to as follows:

SENATE CONCURRENT RESOLUTION 19

Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal year 1978

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the appropriate level of total budget outlays is $459,200,000,000,

(2) the appropriate level of total new budget authority is $504,600,000,000,

(3) the amount of deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $63,500,000,000;

(4) the recommended level of Federal revenues is $395,700,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $18,200,000,000; and

(5) the appropriate level of the public debt is $789,900,000,000 and the amount by which the temporary statutory limit on such debt should be accordingly increased is $89,900,000,000.

SEC. 2. Based on the appropriate level of total budget outlays and total new budget authority set forth in paragraphs (1) and (2) of the first section of this resolution, the Congress hereby determines and declares, pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate allocation of the estimated budget outlays and new budget authority for the major functional categories is as follows:

(1) National Defense (050):

(A) New budget authority, $120,300,000,000;

(B) Outlays, $111,600,000,000.

(2) International Affairs (150):

(A) New Budget authority, $9,300,000,000;

(B) Outlays, $7,300,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,700,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New Budget authority, $20,500,000,000;

(B) Outlays, $19,900,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,200,000,000;

(B) Outlays, $3,700,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $19,400,000,000;

(B) Outlays, $19,100,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $8,100,000,000;

(B) Outlays, $10,700,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $27,100,000,000;

(B) Outlays, $27,000,000,000.

(9) Health (550):

(A) New budget authority, $48,000,000,000;

(B) Outlays, $44,400,000,000.

(10) Income Security (600):

(A) New budget authority, $179,900,000,000;

(B) Outlays, $145,900,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $20,300,000,000.

(B) Outlays, $20,200,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,800,000,000;

(B) Outlays, $3,900,000,000.

(13) General Government (800):

(A) New budget authority, $3,800,000,000;

(B) Outlays, $3,800,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,800,000,000;
(B) Outlays, $9,700,000,000.
(15) Interest (900):
(A) New budget authority, $43,000,000,000;
(B) Outlays, $43,000,000,000.
(16) Allowances (920):
(A) New budget authority, $800,000,000;
(B) Outlays, $900,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$16,600,000,000;
(B) Outlays, —$16,600,000,000.

SEC. 3. Pursuant to section 304 of the Congressional Budget Act of 1974—

(a) Section 1 of S. Con. Res. 10 is revised to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

"(1) the recommended level of Federal revenues is $349,300,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $10,200,000,000;

"(2) the appropriate level of total new budget authority is $469,800,000,000;

"(3) the appropriate level of total budget outlays is $408,800,000,000;

"(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors in $59,500,000,000; and

"(5) the appropriate level of the public debt is $708,300,000,000."

(b) Section 2 of S. Con. Res. 10, paragraphs 1 to 10, 13, 16, and 17, is revised as follows:

"(1) In paragraph (1)(B) (outlays for National Defense) strike out "$100,100,000,000" and insert "$98,900,000,000".

"(2) In paragraph (2)(B) (outlays for International Affairs) strike out "$6,800,000,000" and insert "$6,500,000,000".

"(3) In paragraph (3)(B) (outlays for General Science, Space, and Technology) strike out "$4,400,000,000" and insert "4,600,000,000".

"(4) In paragraph (4)(B) (outlays for Natural Resources, Environment, and Energy) strike out "$17,200,000,000" and insert "$15,800,000,000".

"(5) In paragraph (5)(B) (outlays for Agriculture) strike out "$3,000,000,000" and insert "$4,500,000,000".

"(6) In paragraph (6)(B) (outlays for Commerce and Transportation) strike out "$16,000,000,000" and insert "$14,900,000,000".

"(7) In paragraph (7)(B) (outlays for Community and Regional Development) strike out "$10,550,000,000" and insert "$10,100,000,000".

"(8) In paragraph (8)(B) (outlays for Education, Training, Employment, and Social Services) strike out "$22,700,000,000" and insert "$20,900,000,000".

"(9) In paragraph (9)(B) (outlays for Health) strike out "$39,300,000,000" and insert $39,000,000,000".

"(10) In paragraph (10)(A) (new budget authority for Income Security) strike out "$170,900,000,000" and insert "$167,300,000,000"; and (10)(B) (outlays) strike out "$141,300,000,000" and insert "$136,900,000,000".

"(11) In paragraph (13)(B) (outlays for General Government) strike out "$3,500,000,000" and insert "$3,700,000,000".

"(12) In paragraph (16)(B) (outlays for Allowances) strike out "$800,000,000" and insert "$700,000,000".

"(13) In paragraph (17)(A) (new budget authority for Undistributed Offsetting Receipts) strike out "—$15,600,000,000" and insert "—$15,100,000,000"; and (17)(B) (outlays) strike out "—$15,600,000,000" and insert "—$15,100,000,000"."

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. BAKER. Mr. President, will the majority leader withhold for one moment so that I can pay my compliments and appreciation to the distinguished chairman and ranking minority member of the Budget Committee for their excellent work during the consideration of this measure, and to their excellent staff as well?

Mr. ROBERT C. BYRD. Mr. President, I want to do the same. I commend the distinguished manager of the bill (Mr. MUSKIE) and the distinguished ranking Republican member (Mr. BELLMON) for their exemplary work, their dedication to their duty, and their steadfastness of purpose. The Senate is in their debt. I think they should be highly complimented.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR HARRY F. BYRD, JR., AND SENATOR BARTLETT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. HARRY F. BYRD, JR., be recognized for not to exceed 15 minutes and Mr. BARTLETT be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR UNUTILIZED TIME TO BE USED FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if there is any time remaining following the consummation of the two special orders on tomorrow and the hour of 10 a.m. at which time the Senate is to proceed to the consideration of the export administration bill that time be utilized for morning business without any resolutions coming over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, as I understand the schedule for tomorrow, at 10 a.m. we will turn to the consideration of the export administration bill.

I inquire of the distinguished majority leader if it is his expectation that we might be able to finish that measure on tomorrow?

Mr. ROBERT C. BYRD. Yes, Mr. President, that is my expectation and if the Senate completes action on that measure tomorrow there will be no session Friday. However, if the Senate does not complete action on that measure tomorrow the leadership would be compelled to come in on Friday to complete the work on the bill.

Mr. BAKER. Mr. President, I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. HARRY F. BYRD, JR., will be recognized for not to exceed 15 minutes, after which Mr. BARTLETT will be recognized for not to exceed 10 minutes, and after that, if there is any time remaining prior to the hour of 10 a.m., such time will be utilized for the consideration of morning business.

At the hour of 10 a.m., the Senate will proceed to the consideration of S. 69, a bill to amend and extend the Export Administration Act, under an agreement as to time.

There is allotted the following time: On the bill there would be 2 hours for debate. Possibly that will not all be taken. There will be 4 hours on a series of amendments by Mr. HEINZ. There will be 1 hour on any other amendment and as I recall there will be 20 minutes on any debatable motion, appeal, or point of order.

No nongermane amendments will be in order, and there will be rollcall votes throughout the day. But an order has been entered to the effect that there will be no rollcall votes prior to the hour of 12 o'clock noon tomorrow, so as not to disturb the workings of the committees.

RECESS UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 8:38 p.m. the Senate recessed until tomorrow, Thursday, May 5, 1977, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 4, 1977:

ASIAN DEVELOPMENT BANK

Lester E. Edmond, of Florida, to be U.S. Director of the Asian Development Bank, with the rank of ambassador, vice Lessel Roy Papp, resigning.

INTER-AMERICAN DEVELOPMENT BANK

Ralph Anthony Dungan, of New Jersey, to be Executive Director of the Inter-American Development Bank for a term of 3 years, vice John M. Porges, resigned.

Eugene Jay Finkel, of the District of Columbia, to be Alternative Director of the Inter-American Development Bank, vice Yan Michael Ross, resigned.

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Alan William Wolff, of the District of Columbia, to be a Deputy Special Representative for Trade Negotiations, with the rank of ambassador, vice Clayton Yeutter, resigned.

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be commanders

Ludvik Pfeifer
Joseph A. Sowers

To be lieutenants

Kathryn A. Andreen
David J. Tennesen
Peter W. deWitt
James W. O'Clock
Dale E. Bretschneider
Richard E. Marriner II
Roger A. Morris
Hans E. Ramm
Lawrence D. Parsons
Stanley R. Iwamoto
Roddy J. Swope
Gregory P. Kosinski
Bruce W. Dearbaugh
Lewis W. Walker
Mark V. Losleben
Mary C. Wencker
Ronald W. Kimball
Pirkko K. Uusitalo
Robert D. Haught
Lars A. G. Pardo
Todd A. Baxter
Stephen L. Poole
Thomas L. Renninger
Thomas G. Clark
F. Ronald Philippsborn
Marcella J. Bradley
Duane C. Simpson
William J. Harrigan
William D. Otto

To be lieutenants (junior grade)

Davis Bernstein
Herbert M. Kirch
John L. Pedrick, Jr.
Leslie P. Morrow

To be ensigns

Ellen McDougal
Robert X. McCann
Dean A. Keller
Mark P. Koehn
Kenneth T. Hall
Mary L. Murphy
Edward B. Assaf
Linda F. Haas
Bruce F. Hillard
Nicholas E. Perugini
William G. Pringle, Jr.
Mark S. Finke
Lee Anne Roberts
Peter G. Stangl
William V. St. John
George P. Romanyshyn
Charles M. Huff

EXTENSIONS OF REMARKS

ENERGY PROBLEMS

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. **AKAKA**. Mr. Speaker, I admire President Carter's courageous and straightforward approach to our Nation's energy problems as outlined in his message to the Congress. I fully support his statements indicating that we must act now, as a people, to put into operation a comprehensive and long-range national energy policy, for the sake of our children and grandchlidren.

There is no question that we must reduce our energy demands through conservation. The simple fact is that our demand for fuel is rising at a far greater rate than our supply. We must begin to meet this problem of diminishing energy resources by reducing waste and inefficiency. Therefore, in principle I favor the President's proposals mandating that steps must be taken toward conserving energy.

I was pleased with the President's proposal to establish a national energy system. Under the Carter plan, this system will provide comprehensive and reliable information on our oil and gas reserves which will allow us to more accurately gage our future energy needs.

Yet, while I support the President's recognition of our need to come to grips with our energy problems, I am concerned about some of the elements of his plan which may have an adverse effect on Hawaii's low- and middle-class citizens. Hawaii faces many unique obstacles in complying with some of the Carter proposals, due to our almost complete dependence on oil for fuel. Ninety percent of all energy requirements for the State of Hawaii are directly dependent on oil sources. Present technology limits the feasibility of our potential conversion to coal.

I have some reservations concerning the proposal that would place an additional 5-cent tax on gasoline beginning in 1979 if gasoline use increases by 1 percent or more over a set target in 1978. Another nickel would be added each year if consumption continues to rise. This tax may be too stringent a penalty for our poorer- and middle-class Americans who are attempting to struggle with rising inflation. It may also cause our transportation industry to increase its prices and pass along the cost to the consumer. I will be scrutinizing these portions of the President's proposals, as well as others, in an effort to insure that the cost to the average consumer is not unreasonable.

In general, I am in accordance with President Carter's efforts to recognize our energy problems and solve them before the United States is in a crisis situation. I am pleased to see the administration's commitment to both geothermal and solar energies as a potential source of power. Earlier this year I joined with my colleague in introducing four measures which would commit funds and resources to the development of solar energy technology. In addition, I am encouraged by the fact that the President has made clear that no energy proposal will impose an unfair or unreasonable burden on any certain group or people. In the months ahead, I am looking forward to working with my colleagues toward implementing a sound and well-developed energy program.

MAKE FOOD STAMPS FREE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. RICHMOND. Mr. Speaker, the most important reform we can make this year to improve and tighten up the food stamp program, is to eliminate the purchase requirement in the current law. Recipients of food stamps now must pay for a portion of their benefits in a lump sum of cash, which many of them are unable to afford. Eliminating this requirement and simply giving the recipient the difference between what he would have paid and what he would have received back, would simplify the program enormously, remove unscrupulous vendors, eliminate the cash flow, reduce the number of food stamps in circulation, and encourage people who cannot afford the purchase requirement to participate in the program.

In the Washington Star on Friday, April 29, syndicated columnist, Carl T. Rowan, clearly outlined many of the principal arguments for the elimination of the purchase requirement and with a great deal of commonsense. I would like to commend this article to my colleagues' attention and ask that it be inserted into the RECORD so that we can continue a frank and serious discussion of true reform of the food stamp program:

MAKE FOOD STAMPS FREE

(By Carl T. Rowan)

Some of the most provocative words in the English language are "dead-beat," "hustler," "pimp," "moocher," "shyster." They arouse strong emotions. Another is "giveaway." Every self-styled champion of the work ethic professes to hate welfare "giveaway" programs. Emotionalism provoked by cries of "giveaway" may turn out to be the most formidable barrier to badly-needed reform of the food stamp program.

The Carter administration wants to make food stamps free. Whereas a poor family of four (net income of $250 a month) now must pay $71 to get $166 in food stamps, meaning it gets a government subsidy of $95, the Carter reform would simply give the family $95 worth of food stamps.

This change makes sense both morally and physically.

This program, begun partly as a means of removing surplus commodities from the market, ought to have one overriding purpose: to shield poor families from the hunger which only recently was shamefully widespread in America.

The truth is that even though the government spent $5.4 billion last year to provide food stamps to 17.4 million people, an equal number of eligible Americans got no help at all.

Many of the most wretchedly poor families simply cannot put together enough cash at one time to purchase stamps. So we now have hundreds of thousands of slick moochers getting stamps while millions of children go hungry.

Agriculture Secretary Bob Bergland says the Carter proposal would remove from the program some 1,750,000 persons by tightening eligibility standards and would reduce benefits for 5 million others.

Thus, at the same level of spending, almost 3 million of the very poorest Americans could be brought into the program and benefits could be raised for 5 million more.

A lot of fuss has been raised in Congress about food stamp frauds. Anyone who has seen the poor line up at tiny stores, churches and other places, paying $3 billion a year to 15,000 food stamp vendors, knows that the current program is an open invitation to crookedness.

Under the Carter reform, that $3 billion would not pass through the vendors' hands—

so the fraud potential would be reduced greatly.

Well, why the resistance to the Carter reform? Some lawmakers are simply opposed to government giving anyone anything for free. They argue that ending the purchase requirement would turn the food stamp program into "just another welfare giveaway."

Ironically, some who oppose free food stamps are talking about replacing the stamps program with cash food supplements for poor families. Not only would this be a "giveaway," but it would reduce to miserable diets many children of parents who would spend the cash for everything but food.

It is silly to engage in philosophical semantics, pretending that the food stamp program is not a welfare program. The current purchase requirement does not alter the reality that Uncle Sam is giving away $5.4 billion. The sensible thing is to surmount the emotionalism and give it away through procedures where it goes to those who need it most.

Comprehensive welfare reform is a long way off. Until we get it, the Bergland proposals for revising the food stamp program ought to be adopted speedily.

MEMPHIS NIGHT AT THE KENNEDY CENTER

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. FORD of Tennessee. Mr. Speaker, the city of Memphis has been given the special privilege of being the first city to be honored by the Kennedy Center in a performance with the National Symphony Orchestra.

"Memphis Night at the Kennedy Center" is a great opportunity for a city to share its finest talent with the American people. We Memphians are proud to be included in this unique performance. The arts are a crucial part of the American culture and their advancement will enrich the lives of all our citizens.

This great honor was made possible by the dedication and persistent efforts of Alice Goldate, a Memphian and a retired singer with an abiding interest in opera. Mrs. Goldate is also the Tennessee chairman of the Friends of the Kennedy Center and has worked with the Center since its creation in 1971.

The following editorial from the Commercial Appeal newspaper on April 29, 1977, describes the details of this performance:

MEMPHIS SPECIAL

The wellspring of Memphis musical talent has resulted in a unique honor.

That is the "Memphis Night at Kennedy Center" which has been scheduled August 7 in Washington. Never before has the center honored a city and its performers in concert with the National Symphony Orchestra.

While looking at it as a tribute to Memphis, don't forget the fact that the three singers who will appear—opera stars Mignon Dunn, Nancy Tatum and Ruth Welting—are donating their service. The Memphis Plough Community Foundation is paying the singers' expenses. And the National Symphony is donating 500 orchestra seats, the tickets for which will be sold by Memphians.

All of that speaks highly for all concerned. But there is more. Proceeds received will provide a voice scholarship for some other talented Memphian, with the singers of "Memphis Night at Kennedy" administering the funds.

It's reason for those in Memphis who treasure fine music to cheer for singers Dunn, Tatum and Welting—and to give their support to this occasion.

DISABLED VET SETS WORLD WEIGHTLIFTING RECORD

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. TEAGUE. Mr. Speaker, from time to time we encounter or read about outstanding Americans who make significant contributions and are a part of the fiber which makes America great—the American public.

Today, I am pleased to recognize and bring to your attention an outstanding young American, Robert J. "Bob" Wieland, a veteran who lost his legs as a result of his service in our Armed Forces.

On February 26, 1977, Bob broke the world's weightlifting record in power-lift competition by lifting 295 pounds, erasing the old mark of 281 pounds for the bantamweight class.

Bob's record has recently been challenged and caused some controversy, I understand, because of noncompliance with the competition rules. It seems Bob did not wear any shoes—he has no legs; and he used a belt to hold him on the bench, where his able-bodied competitors used their legs. It will be interesting to follow the decision of the judges in this controversy and see whether his handicap will interfere with his record-setting performance.

Nevertheless, I would like to take time, today, to congratulate Bob Wieland for his tremendous courage, discipline, and great dedication to the rigorous training program which enabled him to set this mark.

I understand that Bob has just been chosen by his fellow veterans as the Outstanding Disabled Veteran of the Year in California, marking another important milestone in this young man's life.

I commend the following article about Bob from the Disabled American Veteran News, March 1977, to my colleagues and trust his accomplishments will be an inspiration to disabled veterans and handicapped people everywhere.

LEGLESS VIET-VET BREAKS WORLD POWER LIFT MARK

(By Lee Jacobian)

Robert J. (Bob) Wieland, a double-amputee Vietnam veteran, has broken the world's power-lift record in the bantamweight (123½ lbs.) without the benefit of his two lower extremities. His incredible feat was accomplished Feb. 26 at the AAU Power Lifting Championships at the Los Angeles Police Academy.

A life member of L.A. Chapter 5, Comrade Wieland is a prime candidate for this year's "Outstanding Disabled Veteran of the Year" award—not only for his athletic prowess but for his contributions to the academic community and for his inspirational encouragement to his fellow disabled veterans around the country.

Comrade Wieland, who is a physical education coordinator at Cal State University, Los Angeles, has been praised by his superiors for the physical conditioning and weight training programs he has instituted at the school. A native of Milwaukee, he was a four-sports star at Greenfield High, having been recruited as a pitcher by the National League Philadelphia Phillies.

But then, just about that time, the strapping 6-ft., 205-lb. athlete received an offer from Uncle Sam that he couldn't refuse—arriving in Southeast Asia on April 1, 1969 with the 25th Infantry Division. Two months later while on patrol he accidentally detonated an 82-millimeter mortar shell that had been booby-trapped.

"I was going up to help some guys who had been wounded when I detonated the shell," he recalls. "Both my legs were blown off above my knees and my blood count was almost nil." Initially his blood pressure fell to near zero as he lost all but two quarts of blood (the average male has between four and six quarts) and he had to undergo a tracheotomy to help him breathe during the four days he remained unconscious.

To complicate matters, Wieland caught malaria and ran a temperature of 105–106 degrees for nearly a week and his weight plummeted from 205 to 87 pounds. "I wasn't in the best of health," he quipped rather dryly. But this didn't stop Bob Wieland. After lengthy hospital stints in Japan and at Valley Forge, Pa., he began the long road back from his miraculous brush with death, embarking on a grueling body-building program.

Less than a year after being wounded Wieland took second in a Wisconsin state power-lifting tournament—against able-bodied competition! He had built himself up to 163 pounds and lifted 310 pounds.

New York was his next stop and in June 1970, he captured the Gold Medal in the U.S. Wheelchair Olympics. In 1971, he gained another 20 ponnds and lifted a record 375 pounds at the California Wheelchair Games. He took second nationally in the lightweight division. The next year he increased his lift to 410 pounds and was runner-up again.

"With the extremely tough competition I bulked up my weight on an experimental basis to see if my lifting would increase in proportion to my size," he explained. "It didn't and two years ago I decided to be more competitive and felt by dropping down to the 143-pound class I would be all muscle." In eight months Wieland shed 101 pounds—a fantastic feat of discipline.

Although he is constantly busy training and developing students at Cal State L.A., Wieland has found time to travel the length and breadth of this country's VA hospitals, giving encouragement to thousands of disabled veterans. He has more than 200 letters from these comrades testifying to his inspiration.

SUGAR PAYMENTS?

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. FINDLEY. Mr. Speaker, the Carter administration's decision to make enormous direct U.S. Treasury payments to sugar processors is a serious blunder. I have asked the administration to withhold payments until after congressional hearings have been held. I have also today asked Chairman FOLEY of the House Committee on Agriculture to schedule hearings at the earliest possible date.

In addition, when the first appropriate legislative and appropriations bill comes before the House, I will offer an amendment to limit such payments to $20,000 for each processor. This will make it conform to the payment limit that now exists under Federal programs for wheat, feed grains, and cotton.

The payment scheme for sugar processors is a serious mistake for these reasons:

First. Producers may benefit little if at all. The statute under which payments will be made does not require that all payments be passed on to producers. It will be impossible to prevent abuses from occurring. Refiners, huge corporations, may be the primary beneficiaries of these Federal subsidies.

Second. The processors, who will get the money, already have a record of good profits. Undoubtedly they will find a way to keep as much of these additional Federal funds as possible.

Third. The payments are not budgeted and will inflate the Federal deficit.

Fourth. The payments are a subsidy which discriminates unfairly against producers and processors of corn for sugar.

Fifth. Congress permitted the Sugar Act, which included direct Treasury payments, to expire 3 years ago. Since then Congress has not even held hearings looking to a resumption of sugar payments of any kind. The payments, then, would be of dubious legality.

Sixth. Such payments have never been made under the statute cited by the administration, and its legislative history gives no hint that Congress contemplated such payments.

THE OPENING OF THE GRAVESEND HISTORICAL MUSEUM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. SOLARZ. Mr. Speaker, I recently had the opportunity of attending the opening of the Gravesend Historical Museum in my district. This one-room museum was established under the auspices of the Gravesend Historical Society and its president, Eric Ierardi, who has been the guiding force behind the renewed interest in the history of this community.

I doubt that many of my colleagues are aware of the historic significance of Gravesend. Founded in 1643 as the first English-speaking town in Brooklyn, it was intended to serve as a place where the right to practice the religion of one's choice was guaranteed. Its charter was the first ever granted to a woman in the New World—Lady Deborah Moody—and contained the first authorization for the establishment of the town meeting style of government in America.

Gravesend flourished from the outset and grew to encompass what today is Coney Island, Bensonhurst, Brighton Beach, Sheepshead Bay, Manhattan Beach, and Gerritsen Beach.

In 1776, Gravesend played a significant role in the Battle of Long Island in which the colonists suffered a serious and costly defeat, serving as the landing site for some 30,000 British and Hessian troops, and as headquarters for many of the soldiers.

The Historical Museum is an attempt to preserve this heritage for the present residents of Gravesend. It contains numerous artifacts of historic interest—including the original door of Lady Moody's house—which is still standing—and a Bible printed in 1813 containing the history of the Voorhees family, one of the oldest families in Gravesend.

I wish to commend Mr. Ierardi and the other members of the historical society for this exciting and meaningful contribution to not only the people of Gravesend but to all the citizens of Brooklyn.

HUALAPAI HYDROELECTRIC DAM MEMORIAL

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. STUMP. Mr. Speaker, in a continuing effort to respond to the growing energy needs of the people they serve, the Arizona State Legislature adopted a memorial on March 23, 1977, urging Congress to approve the construction of the Hualapai Hydroelectric Dam. As the generation of hydroelectric power is a viable answer in part to our ongoing energy shortage, I commend this memorial to the attention of my colleagues.

The text of the memorial follows:

HOUSE MEMORIAL 2001

A memorial relating to construction of the Hualapai Hydroelectric Dam, and urging the Congress of the United States to approve construction of the Hualapai Hydroelectric Dam located in the Inner Gorge of the Colorado River within the boundaries of the Hualapai Indian Reservation.

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, the Nation is faced with an energy supply inadequate to meet its rapidly increasing needs; and

Whereas, preservation of our natural environment must be balanced with the development of energy needed to maintain a sound economy; and

Whereas, electric energy produced in hydroelectric projects is highly desirable from the standpoints of reliability, cleanliness, efficiency and safety; and

Whereas, highly desirable hydroelectric dam sites are still available in Arizona along the Colorado River; and

Whereas, the Hualapai Hydroelectric Project (Bridge Canyon) is potentially a major clean energy source for supplying a significant amount of energy for the Southwest Region; and

Whereas, it would take approximately six and three-quarter million barrels of oil, our single most-demanded fuel, per year to generate the electricity which can be developed from this project; and

Whereas, the water which would be the power to run the hydroelectric generators is a vast renewable resource now being wasted down the river; and

Whereas, income from the Hualapai Dam would provide the State with major financial support to help pay for the Central Arizona Project.

NATIONAL CONFERENCE OF CHRISTIANS AND JEWS HONORS JOHN SIMON OF QUEENS, N.Y.

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ROSENTHAL. Mr. Speaker, on April 19, 1977, the National Conference of Christians and Jews bestowed its Certificate of Recognition for Meritorious Service in the Betterment of Police and Community Relations upon Mr. John Simon, a distinguished resident of my congressional district. Mr. Simon was applauded for having emphasized and promoted cooperation between law enforcement officials and the community. It is certainly an honor to be his representative in Congress.

Dr. Samuel D. Sherrid, chairman of the affair honoring Mr. Simon and recipient of last year's award, stated that Mr. Simon has been singled out for this award "in recognition of his creative leadership in bringing together housing officials and members of the community to work to solve housing problems."

Mr. Simon is the general manager of the New York City Housing Authority. He began his career with the Housing Authority in 1950 as a housing assistant and now manages the largest housing operation in the world.

Besides being active in various organizations that "promote cooperation among Housing Authority personnel, the police and community," Mr. Simon "has pioneered in the field of tenant programs and tenant education," according to Dr. Sherrid.

I wish to acknowledge and commend Mr. Simon on this most recent and well deserved honor and to insert in the RECORD the full text of his N.C.C.J. citation:

For conceiving of community and police as an inseparable unit with joint and equal responsibilities for maintaining internal peace, advancing civic cooperation and respecting the laws as a means of establishing social order;

For insisting on exacting and unassailable standards of professionalism for police and all agencies constituting our system of criminal justice;

For having stressed and emphasized the idea and ideals of police work as a community service.

H.R. 952, THE MINIMUM INCOME MAINTENANCE ACT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. KOCH. Mr. Speaker, I have received many requests for the latest version of my comprehensive welfare reform legislation. I have reintroduced the legislation today to reflect many of the changes that have been suggested by Governors, welfare reform experts, and others. The text of this latest version follows:

H.R. —

A bill to amend the Social Security Act to replace existing Federal public assistance and welfare programs with a single program under which all residents of the United States are guaranteed an adequate minimum income, with incentives to work for those who are able to do so, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Minimum Income Maintenance Act".

SEC. 2. (a) The Social Security Act is amended by adding at the end thereof the following new title:

"TITLE XXI—MINIMUM INCOME MAINTENANCE BENEFITS

"PURPOSE; APPROPRIATIONS

"SEC. 2101. For the purpose of establishing and implementing a national program to guarantee a minimum adequate income for all qualified residents of the United States, there are authorized to be appropriated sums sufficient to carry out this title.

"BASIC ELIGIBILITY FOR BENEFITS

"SEC. 2102. Every individual residing in the United States who is determined under section 2103 to be an eligible individual for purposes of this title shall, in accordance with and subject to the provisions of this title, be paid minimum income maintenance benefits by the Secretary of Health, Education, and Welfare (hereinafter in this title referred to as the 'Secretary').

"ELIGIBILITY FOR BENEFITS

"SEC. 2103. (a) Subject to subsection (b), every individual who is a resident of the United States and—

"(1) who is either (A) a citizen, or (B) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act), and

"(2) whose income (as determined under section 2106) is at a rate of not more than the applicable guarantee level (as determined under section 2105),

shall be an eligible individual for purposes of this title.

"(b) Only one member of a family may be an eligible individual for purposes of this title. Benefits paid to any eligible individual who is a member of a family consisting of two or more persons shall be deemed paid to such individual for and on behalf of all of the members of such family.

"(c) The Secretary (in the regulations prescribed under section 2111) shall define the term 'family' for purposes of this title, in a manner sufficiently broad to promote the preservation of the typical family unit to the maximum extent while appropriately recognizing the family relationships of other groups of related individuals who are living together or are mutually dependent, and shall in any event include within such term single individuals who are not dependents of other persons. The Secretary (in such regulations) shall also provide for the determination of the particular member of a family consisting of two or more individuals who is to be the eligible individual in such family for purposes of this title.

"AMOUNT OF BENEFITS

"SEC. 2104. The benefit under this title for any eligible individual shall be payable, for months in any calendar year (unless section 2(c)(2) of the Minimum Income Maintenance Act applies), at a rate equal to—

"(1) one-half of the applicable guarantee level (as determined for such calendar year under section 2105), reduced by

"(2) one-half of the amount of such individual's income (as determined for such year under section 2106).

"GUARANTEE LEVEL

"SEC. 2105. (a) For purposes of this title, the term 'guarantee level' with respect to a family of a given size and composition residing in a particular political subdivision (as determined for purposes of this section under subsection (c)), in any calendar year, means the amount of the lower budget for a family of that size and composition in that subdivision as established for such year by the Bureau of Labor Statistics in the Department of Labor and promulgated by the Secretary as provided in subsection (b). In establishing such amounts the Bureau shall utilize the most recent information and data which may be available on costs, incomes, budget levels, and consumption patterns, and shall take fully into account variations in consumption patterns as between different areas and regions and as between families of different sizes and compositions.

"(b) The Bureau of Labor Statistics shall establish and certify to the Secretary on or before October 1 of each year, for purposes of and in accordance with subsection (a), the lower budget for families of various sizes and compositions within each political subdivision in the United States (as determined for purposes of this section under subsection (c)); and the Secretary shall, on the basis of such certification, promulgate the guarantee levels which are to be applicable for purposes of this title during the succeeding calendar year.

"(c)(1) For purposes of this section, the term 'political subdivision' means—

"(A) a standard metropolitan statistical area as established by the Office of Management and Budget, and

"(B) any other area designated as a political subdivision for such purposes under paragraph (2).

"(2) The Secretary, in cooperation with the various States, shall designate all of the areas within each State which are not included in any standard metropolitan statistical area as a single political subdivision for purposes of this title or shall divide such areas into two or more parts and designate each of them as a political subdivision for such purposes. In determining the number, size, and location of the political subdivisions to be designated in any State under the preceding sentence, the Secretary shall endeavor to include within the same political subdivision all of the areas in such State in which the cost of living is approximately the same and other economic conditions are substantially similar.

"INCOME

"SEC. 2106. (a)(1) For purposes of this title (subject to paragraph (2) of this subsection and to subsections (b), (c), and (d)), the term 'income' with respect to any individual for any period means all earned and unearned income attributable to that period which is received or derived by or furnished to such individual in cash or kind from any source (public or private), including all such income which is received or derived by or furnished to other members of such individual's family, without regard to whether it would constitute or be included as income of such individual for any other purpose or under any other law. Such term includes the cash value of all support, maintenance, assistance, benefits, subsidies, rights, and other items which are furnished, provided, or made available directly or indirectly to such individual (or any other member of his or her family).

"(2) The term 'income' does not include (A) any benefit or assistance payable to or on behalf of any individual under a State plan approved under title XIX of this Act, or (B) any lump-sum payment of periodic cash benefits or assistance, under any law or any public or private plan or program, to the extent that such payment represents benefits or assistance due for periods prior to the month in which it is made.

"(b) The amount of an individual's income as otherwise determined under subsection (a) shall be reduced—

"(1) by the actual amount of—

"(A) any costs incurred for day care which is necessary in order to permit such individual (or any other member of his or her family) to obtain or perform employment.

"(B) taxes paid by such individual (or and other such member), and

"(C) any other work-enabling expenses (as defined in the regulations prescribed by the Secretary under section 2111); or

"(2) in the case of the items described in any or all of the lettered clauses in paragraph (1), by an amount (determined for various ranges of cost or expense in accordance with the regulations prescribed by the Secretary under section 2111) which reasonably reflects the actual costs or expenses involved.

"(c) The amount of the income of a family as otherwise determined under subsections (a) and (b) for any year shall be increased by $100 for each full $10,000 by which the aggregate value of the assets and resources of such family (other than assets and resources actually producing income which is counted under subsection (a) without regard to this subsection), as determined in accordance with the regulations prescribed under section 2111, exceeds $10,000.

"(d) The Secretary may prescribe circumstances under which—

"(1) the gross income derived by an individual or family from one or more trades or businesses, will be sufficient to render such individual or family ineligible by reason of his, her, or its income (or the availability of such income) for benefits under this title; and

"(2) payments in kind, vendor payments, and charitable payments may be excluded from the income of an individual or family because of the small amount of such payments or the administrative difficulty of determining the value of the items or services involved.

"WORK REQUIREMENTS

"SEC. 2107. (a) Under and in accordance with the regulations prescribed by the Secretary under section 2111, every eligible individual not specifically exempted under subsection (b) (and every member of his or her family not so exempted) shall be required, as a condition of such individual's entitlement to receive benefits under this title, to register for services, training, and employment in a work incentive program established by part C of title IV and to make all possible active efforts to secure and hold employment.

"(b) The requirement in subsection (a)

that every eligible individual register and seek employment shall not apply to any individual who is—

"(1) a child under age sixteen or attending school full time;

"(2) ill, incapacitated, or of advanced age;

"(3) so remote from a work incentive program that his or her effective participation is precluded;

"(4) a person whose presence in the home is required because of the illness or incapacity of another member of the household; or

"(5) a mother or other relative of a child under the age of six who is caring for such child.

"(c) Notwithstanding any other provision of this title, no benefits shall be paid to any eligible individual under this title during any period in which such individual (or any member of his or her family), unless specifically exempted under subsection (b), is not registered and actively seeking or performing employment as required by subsection (a).

"ADMINISTRATIVE, PROCEDURAL, AND MISCELLANEOUS PROVISIONS

"SEC. 2108. (a)(1) This title and the program of benefits established by this title shall be administered by the Secretary wholly through the personnel and facilities of the Department of Health, Education, and Welfare.

"(2) An individual's eligibility for benefits under this title and the amount of such benefits shall be determined for each month. In the case of any such month (to the extent that income is a criterion), such eligibility and the amount of such benefits shall be based on the individual's income as reported for the preceding month; except that the Secretary may (in the regulations prescribed under section 2111) provide for the determination of such eligibility and amount on the basis of the individual's situation in the current month in cases involving a sudden loss of income due to disaster or other special circumstances. Eligibility for and the amount of such benefits for any month shall be redetermined at such time or times as may be provided by the Secretary.

"(3) Every application for benefits under this title shall be processed and finally acted upon by the Secretary within a period of thirty days after it is filed. If any such application is not finally acted upon within such period, the application shall (at the close of such period) be deemed to have been approved; and any benefits paid pursuant thereto prior to the Secretary's final determination shall in no event be considered overpayments for purposes of subsection (c) solely because the individual or family involved is ultimately determined not to be eligible for such benefits.

"(4) For purposes of this subsection an application shall be considered to be effective as of the first day of the month in which it was actually filed.

"(b)(1) Benefits under this title shall be paid at such time or times and in such installments as will best effectuate the purposes of this title, as determined under regulations (and may in any case be paid less frequently than monthly where the amount of the monthly benefit would not exceed $10).

"(2)(A) Subject to subparagraph (B), payments of the benefit of any eligible individual shall be made to such individual or to another member of his or her family, or partly to each.

"(B) If the Secretary deems it appropriate in the circumstances of a particular case, such payments may instead be made in whole or in part—

"(i) to any other person (including an appropriate public or private agency) who is interested in or concerned with the welfare of such individual (or family), or

"(ii) directly to one or more persons furnishing food, living accommodations, or other goods, services or items to or for such individual (or family).

"(3) The Secretary may make to any individual initially applying for benefits under this title who is presumptively eligible for such benefits and who is faced with financial emergency a cash advance against such benefits in an amount not exceeding $100.

"(c) Whenever the Secretary finds that more or less than the correct amount of benefits has been paid with respect to any individual, proper adjustment or recovery shall, subject to the succeeding provisions of this subsection, be made by appropriate adjustments in future payments to such individual or otherwise. The Secretary shall make such provision as he finds appropriate in the case of payment of more than the correct amount of benefits with respect to an individual with a view to avoiding penalizing such individual who was without fault in connection with the overpayment, if adjustment or recovery on account of such overpayment in such case would defeat the purposes of this title, or be against equity or good conscience, or would (because of the small amount involved) impede the efficient or effective administration of this title.

"(d)(1) The Secretary is directed to make findings of fact, and decisions as to the rights of any individual applying for payment under this title. The Secretary shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be an eligible individual and is in disagreement with any determination under this title with respect to the eligibility of such individual for benefits, or the amount of such individual's benefits, if such individual requests a hearing on the matter in disagreement within sixty days after notice of such determination is received, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing affirm, modify, or reverse his findings of fact and such decision. The Secretary is further authorized, on his own motion, to hold such hearings and to conduct such investigations and other proceedings as he may deem necessary or proper for the administration of this title. In the course of any hearing, investigation, or other proceeding, he may administer oaths and affirmations, examine witnesses, and receive evidence. Evidence may be received at any hearing before the Secretary even though inadmissible under the rules of evidence applicable to court procedure.

"(2) Determination on the basis of any such hearing shall be made within sixty days after the individual requests the hearing as provided in paragraph (1).

"(3) The final determination of the Secretary after a hearing under paragraph (1) shall be subject to judicial review as provided in section 205(g) to the same extent as the Secretary's final determinations under section 205.

"(e) The provisions of section 207 and subsections (a), (d), (e), and (f) of section 205, and the first, second, third, fourth, and seventh sentences of section 206(a), shall apply with respect to this part to the same extent as they apply in the case of title II.

"(f) The Secretary shall prescribe such requirements with respect to the filing of applications, the suspension or termination of assistance, the furnishing of other data and material, and the reporting of events and changes in circumstances, as may be necessary for the effective and efficient administration of this title.

"(g) The head of any Federal agency shall upon request provide such information as the Secretary needs for purposes of determining eligibility for or amount of benefits under this title, or verifying other information with respect thereto.

"(h) The Secertary may make such administrative and other arrangements as may be necessary or appropriate to carry out his functions under this title.

"(i) For purposes of this title, the term 'United States', when used in a geographical sense, means the fifty States and the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

"(j) Whoever—

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any application for any benefit under this title,

"(2) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining rights to any such benefit,

"(3) having knowledge of the occurrence of any event affecting (A) his or her initial or continued right to any such benefit, or (B) the initial or continued right to any such benefit of any other individual in whose behalf he or she has applied for or is receiving such benefit, conceals or fails to disclose such event with an intent fraudulently to secure such benefit either in a greater amount or quantity than is due or when no such benefit is authorized, or

"(4) having made application to receive any such benefit for the use and benefit of another and having received it, knowingly and willfully converts such benefit or any part thereof to a use other than for the use and benefit of such other person,

shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

"FUNCTIONS AND RESPONSIBILITIES OF INSPECTOR GENERAL

"SEC. 2109. In addition to the functions specifically vested in him by title II of Public Law 94–505 and in connection with the performance and execution of those functions, the Inspector General in the Department of Health, Education, and Welfare shall have responsibility for—

"(1) conducting all audits and investigations relating to the program under this title which may be necessary or appropriate,

"(2) developing and coordinating measures and activities designed to promote economy and efficiency in the administration of this title,

"(3) preventing and detecting fraud and abuse in the program under this title, and instituting such legal and administrative actions as may be necessary to enforce the provisions and requirements of this title and to prosecute persons engaged in such fraud and abuse or in other violations of such provisions and requirements; and

"(4) keeping the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of this title and the necessity for and progress of appropriate corrective action.

"PROHIBITION AGAINST STATE SUPPLEMENTATION

"SEC. 2110. (a) It is the policy and purpose of the United States that the program of benefits under this title is to be the exclusive source of public assistance and welfare payments for needy and indigent individuals and families within the United States, and that no State or political subdivision thereof should be required or permitted to supplement the payments provided for under this title.

"(b) If any State or any political subdivision of a State, on or after the effective date of this title, provides assistance to individuals or families on the basis of their need or measured by their income, regardless of the form of such assistance and whether or not it is specifically designated as being provided in supplementation of the benefits payable under this title, the amount or value of such assistance shall (subject to subsection (c)) be deducted from any amounts to which such State (and its political subdivisions) would otherwise be entitled under title XIX of this Act or under other programs established pursuant to Federal law.

"(c) In accordance with the regulations prescribed under subsection (d), the Secretary may waive the application of subsection (b) with respect to specifically designated types of assistance and particular classes of individuals upon a determination that the provision of such assistance to those individuals (by a State or political subdivision) is appropriate and desirable, and in the public interest, notwithstanding the policy and purpose set forth in subsection (a).

"(d) The Secretary, in consultation with the Secretary of the Treasury, shall prescribe such special regulations as he may deem necessary or appropriate to carry out this section and achieve its purpose.

"REGULATIONS

"SEC. 2111. The Secretary, after giving reasonable notice and opportunity for hearing to interested organizations, groups, and individuals, shall from time to time prescribe such regulations as may be necessary or appropriate to carry out this title. The regulations so prescribed may include such special provisions relating to qualification for benefits, computation of benefits, administration, and enforcement, not inconsistent with the specific provisions of this title, as the Secretary finds will promote the achievement of the objectives of the program under this title."

(b)(1) Part A of title IV of such Act (relating to aid to families with dependent children), and title XVI of such Act (relating to supplemental security income benefits), are repealed.

(2) Titles I, X, XIV, and XVI of such Act (relating to State plan programs of aid or assistance to the aged, blind, and disabled), to the extent otherwise applicable, are repealed.

(3) The Food Stamp Act of 1964 is repealed.

(c)(1) Subject to paragraph (2), the amendment made by subsection (a) and the repeals made by subsection (b) shall become effective on the first day of the first month beginning more than one year after the date of the enactment of this Act.

(2) Notwithstanding such amendment and such repeals, in any case where—

(A) an individual who is determined to be an eligible individual under section 2103 of the Social Security Act, for any month qualifying as an alternative computation month under paragraph (3), was receiving (or was a member of a family or household receiving)—

(i) aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act, or a supplemental security income benefit under title XVI of such Act, and

(ii) assistance under the Food Stamp Act of 1964,

for the month immediately prior to the month referred to in paragraph (1), and

(B) the amount of the minimum income is entitled for such alternative computation maintenance benefit to which such individual month under title XXI of the Social Security Act (without regard to this paragraph) is less (as determined in accordance with the regulations issued under section 2111 of such Act) than the aggregate amount of the aid or benefit and assistance which he or she (or the family or household of which he or she is a member) would be receiving for such alternative computation month under the provisions of law referred to in clauses (i) and (ii) of subparagraph (A) if such provisions of law, as in effect for the month immediately prior to the month referred to in paragraph (1), had continued in effect until the close of such alternative computation month,

the minimum income maintenance benefit to which such individual is otherwise entitled under title XXI of the Social Security Act for such alternative computation month shall be increased to the extent necessary to make such benefit equal to the aggregate amount referred to in subparagraph (B).

(3) For purposes of paragraph (2), a month qualifies as an alternative computation month with respect to any eligible individual only if such month is—

(A) the month referred to in paragraph (1), or

(B) a subsequent month included in a continuous period of months, beginning with the month referred to in paragraph (1) and ending with the twenty-fourth month thereafter, for each of which such individual's minimum income maintenance benefit under title XXI of the Social Security Act was increased under paragraph (2).

SEC. 3. The Secretary of Health, Education, and Welfare, in consultation with the Secretary of Labor and the Secretary of Agriculture, as soon as practicable but not later than one hundred and twenty days after the date of the enactment of this Act, shall submit to the House of Representatives and the Senate—

(1) his recommendations with respect to—

(A) eligibility for assistance under State plans approved under title XIX of the Social Security Act, and

(B) participation in the work incentive program under part C of title IV of the Social Security Act, or in other work and training programs,

in the case of individuals (and their families) who are eligible for minimum income maintenance benefits under title XXI of such Act, with particular reference to individuals and families who would have qualified for assistance under such State plans, or been required or permitted to participate in such work and training programs, by reason of their eligibility for aid, assistance, or benefits under the provisions of law referred to in section 2(b) of this Act, if such provision had not been repealed; and

(2) a draft of any technical, conforming, or other changes in the Social Security Act, the Food Stamp Act of 1964, and related laws which are necessary to reflect the changes in substantive law made by this Act or to carry out the recommendations made under paragraph (1) of this section.

HUALAPAI HYDROELECTRIC PROJECT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. STUMP. Mr. Speaker, most Americans now believe that availability of energy has reached a crisis stage.

Today, I have introduced a bill to authorize licensing of the Hualapai Hydroelectric Project. This project addresses the energy crisis for Arizonans and should stand as an example to others.

Hydroelectric energy is highly desirable for reliability, cleanliness, efficiency, and safety. It is a vast self-renewing resource without the potential for environmental damage of other methods of electrical generation. Production of hydroelectric power does not use up other limited energy resources.

Power from the Hualapai Project will handle the heavy demands for power during peak periods in Arizona. Hydrogeneration is ideal to meet power demands almost instantly. After the demand is met, then it can be turned off to conserve the resource. That capacity allows utilities to exercise proper management. This could be a brake on rising electric rates.

In 1967, the Arizona Legislature adopted the State water and power plan which was farsighted in urging clean energy resource development before the growing energy crisis was clearly seen by many in the Nation.

The Arizona State plan charges Arizona Power Authority with planning, constructing, operating, and maintaining hydroelectric projects along the Colorado River.

The Hualapai Dam is a key to the Arizona plan. It will contribute 1,366 megawatts of peaking power with 3.5 billion kWh of electric energy annually, providing for a significant portion of the skyrocketing energy needs of Southern United States. Eight million barrels of oil per year would be needed to generate the same amount of electricity.

Federal and State funds will not be needed for construction or operation. Revenue bonds paid for by income from the sale of power can pay for the project. Engineering studies made in 1974 show net profits of $25 to $45 million annually would be paid into the State water and power development fund. That fund will help support State water programs and the important Central Arizona Project. The design could be modified to enlarge peaking capabilities. Then, net income would be substantially larger. This hydroelectric project would not only supply critically needed electric energy, but it could become a source for dollars to eliminate money frustrations now surrounding Arizona's water development.

The construction of the Hualapai Dam will economically benefit the Hualapai Indians. One million dollars will be paid to the tribe for use of the land and water. Jobs will be created for construction, maintenance, and operation of the generating plant.

This territory is extremely remote. The Hualapai Dam site is currently available to only a few hardy adventurers who can afford the costly boat ride through the canyon. Construction of the low-profile dam will create a ribbon of blue in the narrow inner gorge, making the Hualapai section of the canyon of the Colorado readily available for recreation. After development of the hydroelectric dam, 50 miles of azure lake will enhance the rugged beauty of the steel gray canyon, leaving 192 miles of open, running river for the dedicated river runners.

Arizona Governors have repeatedly urged congressional authorization of the Hualapai Dam as one of Arizona's clean energy sources. Other Hualapai Dam supporters include the Arizona Legislature, Arizona Congressmen, cities, towns, and tribal leaders who recognize the State and Nation's critical need for energy.

It would be negligence for Arizonans to further ignore or postpone the devel-

opment of the Hualapai Project. Each year of delay costs Arizona millions of dollars. Further generations will hold us all responsible unless we act swiftly to preserve and develop one of Arizona's last remaining hydroelectric sites.

WAGING THE WRONG WAR ON CANCER

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. OBEY. Mr. Speaker, during the last 6 years we have seen the amount of money going into cancer research more than triple. This year we are spending more than $815 million "to fight cancer" and some outside groups have requested further increases for next year in the neighborhood of $300 million. The following article raises some extremely disturbing questions about how this money is actually being spent and should give us all some cause to ponder how much further we wish to squeeze the budgets of other Federal health research programs—some which are also involved in research relating to cancer—in order to pour millions more in the National Cancer Institute.

WAGING THE WRONG WAR ON CANCER—HOW THE AMERICAN CANCER SOCIETY FOCUSES ON SEARCH FOR CURES RATHER THAN ON THE ENVIRONMENTAL CAUSES

(By Daniel S. Greenberg and Judith E. Randal)

(NOTE.—Greenberg is editor of a Washington-based newsletter, Science & Government Report, and writes a column on health care politics for the New England Journal of Medicine. Randal is Washington science correspondent for the New York Daily News and science policy editor of Change magazine.)

While evidence accumulates that the vast majority of cancers are environmental in origin, the government's $815-million-a-year "War on Cancer" is dominated by an outdated strategy aimed at cures rather than prevention.

The origins of this misemphasis lie in a little-known and complex relationship between the government's National Cancer Institute (NCI)—the "Pentagon" of the War on Cancer—and the private but powerful American Cancer Society (ACS), which, among other things, serves as NCI's ministry of information for educating the public about cancer. One effect of their collaboration is the dominance of the curative strategy, which is akin to dealing with aviation disasters mainly by seeking to reconstruct wrecks rather than to prevent them.

Under scientific and public pressure, NCI had been shifting additional resources to research into the origins and prevention of cancer, but the movement has been slow and the sums involved are relatively small. Though NCI officials have publicly stated that environmental sources account for as much as 90 per cent of all cancers—other estimates vary from 50 per cent upward—about 15 per cent of NCI's funds are in the environmental category.

Privately, many NCI staff members express doubt that the actual sum is that high. Last year, Dr. Umberto Saffiotti, who was then the associate director for carcinogenesis, wrote a long memorandum to Dr. Frank J. Rauscher, then director of NCI, complaining that he was hamstrung by insufficient staff and resources. Saffiotti then quit the post for another at the agency.

While there is no question about the humane intent of all involved, questions do arise about the domination of ACS by a particular school of thought on what the priorities should be in the quest to control cancer. The ACS, many of whose directors have ties with major industries, places and emphasis on diagnosis and cures, rather than prevention. Its strong campaign against cigarettes is a major exception, and there are a few others, though of a significantly smaller scale. But in the main, ACS has shown little interest in the environmental origins of cancer, many of which are in industrial processes and products.

Asked about this specifically, Irving J. Rimer, ACS vice president for public information, said that the society has "a very grave concern about looking for the environmental causes of cancer" and has long supported both the population studies of its own epidemiologist, Dr. Cuyler Hammond, and the occupational cancer investigations of Dr. Irving J. Sellikoff of New York's Mt. Sinai Hospital, with whom Hammond often collaborates.

A check confirmed Hammond's long association with Sellikoff. But only 10 to 15 per cent of what Sellikoff and his colleagues have been spending in recent years has been contributed by the Cancer Society. The rest has come from several federal agencies, although not NCI.

ACS influence over NCI's strategy and spending has been effected through the society's representation on the major advisory bodies that guide the institute's programs. The influence is extensive and is typified by a vast program that some cancer specialists consider one of the major medical scandals of all time: the joint NCI–ACS breast cancer screening project. Against the advice of many of its own staff and advisory experts, NCI was persuaded by ACS to pay for more than four-fifths of this $54 million undertaking, the X-ray portion of which has since been deemed possibly worthless as well as dangerous to many of the 280,000 women who were drawn in for examinations.

Since X-rays are a two-edged tool—they can trigger as well as find cancer—NCI has repeatedly been advised to scale down and even terminate indiscriminate screening. John C. Bailar III, the physician-statistician who is editor-in-chief of the prestigious Journal of the National Cancer Institute, has warned that the program "contains the seeds of a major disaster." Irwin D. J. Bross, Ph.D., director of biostatistics at Buffalo's Roswell Park Memorial Institute, one of the nation's leading cancer research centers, has charged that: "This exposure to diagnostic X-ray will probably result in the worst iatrogenic (disease caused by medical treatment) epidemic of breast cancer in history."

Nevertheless, the screening continues, only partially abated, spurred on by an ACS publicity campaign designed to counter doubts as to its safety and utility. Methods used by the ACS to promote X-ray screening employ oversimplifications on a subject already burdened by fear and poor public understanding.

For example, in an interview in the March Reader's Digest, Dr. Benjamin F. Byrd Jr., immediate past president of the ACS, notes that mammography (breast X-ray examination) can save a women's life and, "even if there is a slightly increased risk of her getting the disease in the distant future (as a result of X-ray exposure), there's also an excellent chance that by that time science will have learned to control the disease."

The Digest failed to note that X-rays actually have a mixed record for detecting cancer, that unintrusive and harmless techniques, such as physical examination, will often suffice and that any foreseeable "control" of breast cancer is likely to involve disfiguring surgery and harsh drugs. Nor was it mentioned that the author-interviewer of the article, Walter S. Ross, is a part-time employee of the ACS, which initiated and oversees the X-ray screening program.

A SELF-LIMITED ROLE

To its credit, the ACS has led the campaign against cigarettes and recently has alerted the public and health officials to the carcinogenic dangers of asbestos and vinyl chloride gas, although most of the asbestos and vinyl chloride research has been financed by the National Institute of Environmental Health Sciences, a sister agency of NCI in the National Institutes of Health complex. But apart from these and several minor ventures into the environmental control of cancer, ACS has had the effect of diverting attention from industry.

For example, when a government-produced "cancer atlas" showed that the disease tends to be most prevalent in heavily industrialized areas—with New Jersey cited as the most cancer-ridden—Lawrence Garfinkel, the ACS assistant vice president for epidemiology and statistics, was quoted in Medical World News as saying that "The people in the [New Jersey] State Health Department are promulgating an aura of cancer phobia to get money for studies."

Questioned about the accuracy of the quotation, Garfinkel said: "I was misquoted. What I did say was that if I was in the health department and wanted to get something started, I might even do the same thing." He added: "I believe we can save more lives in 1977 by getting people to stop smoking than by a stepped-up anti-industrial campaign."

ACS's widely publicized "Seven Warning Signs of Cancer" are not supplemented by warnings about industrial smokestacks or cautions about products other than cigarettes.

In the long and bitter struggle for passage of the Toxic Substances Control Act, a landmark law aimed at eliminating hazardous chemicals, particularily carcinogens, from the environment, the ACS was a late and perfunctory supporter.

ACS did not testify on the legislation, and its letter urging President Ford to approve the bill arrived so close to the scheduled signing ceremony that it may have gone unnoted. According to a top labor official, "It took a gigantic effort" to get ACS to send the letter.

The society played no role in the decision by the Consumer Product Safety Commission to ban the flame retardant Tris from children's sleepwear because it has been shown to be a carcinogen in animals, according to officials at the commission and scientists at the Environmental Defense Fund, which goaded the commission into ordering the ban.

In its public education campaigns and choice of the scientific research for which it provides financial support, the ACS has shown scant interest in the carcinogenic effects of air and water pollution, drugs and food additives. Its look-the-other-way attitude closely resembles that of the drug and chemical industries, with which many of its directors—all unpaid volunteers—are directly associated.

BLAMING THE VICTIM

ACS literature intended for the public is virtually devoid of advice or information concerning the causation and prevention of cancer, apart from strictures against smoking and excessive sun exposure.

Though vast amounts of information have been accumulated about environmental origins of cancer, the ACS continues to emphasize the mysteries and to play on a blame-the-victim theme. Thus, in a widely distributed pamphlet, "Answering Your Questions About Cancer," the question is asked, "Why does cancer start?" The answer: "No one knows. In fact, the basic causes for most cancers are unknown. However, the causes of certain cancers have been identified: overexposure to ultraviolent rays of the sun, excessive radiation, smoking cigarettes and contact with certain chemicals."

Nowhere is it mentioned that the National Institute of Occupational Safety and Health (a part of the Department of Health, Education and Welfare) estimates that 6 million Americans are exposed to known carcinogens in their work places. Among them are hospital operating room personnel, dye workers, coke oven workers, certain wood workers and others who have been shown to be at increased risk of the disease.

Nor is it stated by ACS that several substances, such as saccharin and several widely prescribed drugs and food colors, have been identified as suspect in this regard. A request to the District of Columbia chapter of the ACS for literature on origins and prevention of cancer brought the reply, "I wish we had something like that."

An ACS compilation of its own research spending in fiscal 1975 shows that it provided scientists with $9,104,000 for new research projects that year. Of that sum, $92,000 was for environmental studies and $145,300 for research on chemical carcinogens. In fiscal 1976, the total awarded for new research projects rose to $13,281,000. There were no new awards in the environmental category; the sum for chemical carcinogenesis came out to $394,000.

Research does not lend itself to simple definitional classifications, and it is quite likely that ACS projects under other labels have value for environmental studies. But measured in any terms, the causation and prevention of cancer—the main exception being cigarettes—has never figured large in ACS planning.

Efforts by congressional investigators to enlist ACS support against chemical carcinogens have almost invariably drawn no response. Rep. L. H. Fountain (D-N.C.), chairman of the subcommittee on intergovernmental relations of the House Government Operations Committee, recalls with some bitterness trying to obtain ACS assistance in connection with a series of hearings he held to prod the Food and Drug Administration to ban the synthetic estrogen diethylstilbestrol (DES) as an animal feed additive.

DES had been shown to have caused vaginal cancer in the teenage daughters of women who had taken the hormone to prevent miscarriages; it has since been shown to have caused sexual abnormalities in their sons as well. "We approached a representative of the ACS to help us," Fountain said. "We could never get anything but silence out of the society."

In June, 1972, some six months after the hearings, Fountain also sought support from NCI's top advisory group, the National Cancer Advisory Board, many of whose members have close links to ACS. It was his hope that the board would take a position that would put pressure on FDA to ban the substance. Again, he was disappointed.

Board members Mary Lasker and Elmer Bobst—both long influential in ACS affairs—joined other members of the board in thanking Fountain and expressing interest in the background material he sent them, but the DES issue was not added to the board's agenda.

DEFENDING SACCHARIN

When the Food and Drug Administration recently announced its intention to ban saccharin as a carcinogen, the move was denounced by the president of the ACS, Dr. R. Lee Clark, who until recently was a member of the President's Cancer Panel, a three-member statutory body that serves as a direct link between the National Cancer Institute and the White House.

Opening the society's annual science writers' seminar, which was held this year in Sarasota, Fla., Clark said that "there is no evidence that (saccharin) causes human cancer"—despite the fact that FDA's scientists, like their Canadian counterparts, found the evidence of Canadian animal tests so compelling that they recommended the ban. Clark's argument in behalf of the artificial sweetener was that its value for obesity control outweighs its alleged carcinogenicity—a curious conclusion for the head of an organization dedicated to the eradication of cancer and one that is controversial among diabetologists and experts on weight control.

And Frank Rauscher (director of NCI from 1972 to 1976, now director of research for ACS), while "confessing," as he put it, that he was the principal author of the official ACS statement from which Clark drew his remarks, admitted that he had drafted the statement without having read the Canadian study that caused the FDA to act.

Meanwhile, Alan C. Davis, the ACS vice president for governmental relations, acknowledged that ACS national headquarters in New York had received many reports from local chapters that they had been flooded with calls from people who mistakenly thought the society had instigated the proposed ban.

Davis denied firmly that the society was pressured into taking its pro-saccharin stand. But he was frank to say that many of these callers had threatened to withhold gifts during the society's April fund-raising drive unless the ACS made its position satisfactorily clear.

Meanwhile, the ACS position on saccharin is giving some of its staunchest scientific supporters serious concern.

Among these is Nobel prizewinner David Baltimore, whose chair in microbiology at the Massachusetts Institute of Technology is financed by the ACS. At the science writers' seminar, Baltimore said that "by undermining the implication of the Delaney amendment (which prohibits the intentional addition of carcinogenic compounds to commercial foodstuffs) . . . the American Cancer Society has done the American people a dangerous disservice" and set "a dangerous precedent."

Speaking of the Calorie Control Council, whose diet-drink industry membership uses more than 75 per cent of the saccharin consumed in this country and which has been running a nationwide pro-saccharin and anti-Delaney newspaper advertising campaign, he added: "I really believe that the Cancer Society has been playing into their hands."

ACS does in fact acknowledge a relationship with the Coca-Cola Company, a pillar of the Calorie Control Council and manufacturer of the artificially sweetened soft drink, Tab. In its latest annual report, the society notes that "a generous grant from the Coca-Cola Company supported transportation" for an ACS delegation of "volunteers and staff officers" that visited the Soviet Union last June.

UNEQUAL RELATIONSHIP

To understand the politics of cancer research, it is necessary to examine the relationship between the National Cancer Institute and the American Cancer Society, the richest, by far, of American disease-related philanthropies—with a current budget of $114 million—and the highest-paying when it comes to salaries for its national headquarters bureaucracy. (In ACS' latest available tax-exempt filing with the Internal Revenue Service, covering fiscal year 1975, the top staff salary reported was $64,750, and the five highest salaries averaged out to $51,602. In that same year, its nearest financial competitor in health-related charities, the American Heart Association, reported $50,751 as its top staff salary, and the five highest averaged $41,043. Since then, the top ACS salary has risen to at least $75,000; this is the figure that was announced as Rauscher's salary when he quit government service last year to join ACS.)

Founded in 1937 as the first component of what eventually became the multi-billion-dollar National Institutes of Health, NCI evolved into a scientifically competent organization that performs research in its own laboratories and provides funds for research in universities, hospitals and other non-government institutions. Spending by its own administrative and research staff takes up only 13 per cent of the current $815 million budget. The rest goes outside—which means that NCI is a bankroll of formidable proportions for the support of cancer research in non-government facilities.

NCI's scientific and fiscal prowess, however, has always been accompanied by political timidity and caution, even after the National Cancer Act of 1971 more than tripled its budget in six years.

The ACS, on the other hand, is a bustling, nationwide organization whose stated "objective is to eliminate cancer entirely as a human disease." Toward this goal, it has become extraordinarily adept at influencing public attitudes and hopes—and pocketbooks.

For years, ACS fund raisers routinely told the public that the organization was unable to finance promising research "due to insufficient funds." Last year, the National Information Bureau, a charity-monitoring service, challenged ACS on the ground that it was making this claim at a time when it had over $31 million in uncommitted reserves. The ACS board responded that in its appeals ACS "will now place research in perspective as part of the overall program needs."

Headquartered in New York, where it was incorporated as a non-profit organization in 1922, ACS is the best organized of disease-related charities, with 58 chartered divisions within which are nearly 2,800 local units; all in all, it has nearly 2,900 paid staff members and some 2.5 million volunteers, ranging from coin-collecting doorbell ringers to recovered cancer patients who counsel the newly afflicted.

Though research, the objective that ACS emphasizes in its fund-raising appeals, is the largest single activity, it actually is only a minor part of the society's overall activities, occupying only 26.3 per cent of last year's budget. Not far behind, with a combined total of 20 per cent, were the categories of "fund raising" and "management & general." "Professional education," "patient services," "community services" and several other activities received the balance.

These proportions are more or less common in the health-charity field; the American Heart Association, for example, closely matches ACS' research allocations, with 28 per cent going into that category.

But as the largest organization of its type, ACS is the plumpest target for criticism of what appears to some as relatively low apportionments for research and service programs and high apportionments for fund-raising and salaries.

In its latest annual report, for example, ACS Executive Vice President Lane W. Adams states, "We expect to have criticism, and we would be surprised if there were none. Since we don't equivocate about cancer, it is understandable that promoters of unproven methods of cancer treatment would seek to discredit the society. The only sure way to turn off strident critics is to stop working responsibly in the cancer field."

THE POWER ELITE

The power of the ACS doesn't come from its money or programs, which are relatively small in comparison to the burgeoning budgets of the National Cancer Institute. Rather, ACS' power comes from its ability to influence the spending strategy of the politically passive NCI. ACS actually receives only a small slice of NCI's money, but it wields great influence over where the bulk of the money goes. ACS accomplishes this through an intricate network of influential people who have been enlisted in the crusade.

While NCI has traditionally been administered by obscure civil servants—more timid than most, since full-time scientific careers provide poor grooming for the rough-and-tumble of Washington politics—ACS, nationally and in thousands of community chapters, has evolved into a socially attractive gathering place for the philanthropic elite (the annual Cancer Ball is a stellar social event in many communities), where good intentions and good connections are firmly cemented by the universal dread of cancer.

With the leadership of the ACS more or less evenly divided between lay individuals and researchers and physicians, the former category reads like a Who's Who of the American establishment.

In the category of life members—"persons of eminence who have rendered outstanding service in the cause of cancer control"—are a select 32, among whom the lay persons include such past and present ACS leaders as: Elmer Bobst, a longtime executive and now honorary director of the Warner-Lambert pharmaceutical company; Emerson Foote, cofounder of the Foote, Cone & Belding advertising agency; J. Leonard Reinsch, board chairman, Cox Cable Communications; Matthew B. Rosenhaus, board chairman, the J. B. Williams Co.; George E. Stringfellow, past senior vice president, Thomas A. Edison Industries, and Travis T. Wallace, founder and chairman emeritus, Great American Reserve Insurance Co.

The 194-member ACS House of Delegates, from which the 116-member National Board of Directors is drawn, includes similar eminences, among them Mary Lasker, the best-known woman in national medical politics, who has been honorary chairman of the board since 1957.

There is no black or labor union representative among the 32 life members, though this year, for the first time in ACS history, the president-elect is a black, Dr. LaSalle D. Leffall Jr. of Howard University. There is only one black and one labor representative among the 194 members of the House of Delegates. Ninety-four of the delegates are lay members; of these, 18 are senior officers or directors of banks, seven are members of investment firms and 13 are business or industrial executives.

Whatever it is that leads to the policies that the board sets for the ACS, certain aspects of the policies are troubling to some scientists. Dr. Robert L. Handschumacher, chairman of the Yale Medical School department of pharmacology, reports that he once tried to interest Lane Adams, the ACS executive vice president, in a more aggressive approach toward the rapidly rising cancer incidence and low survival rate in blacks. Handschumacher says that Adams rejected the suggestion on the ground that "blacks don't give much to the society anyway." (Adams denies ever having said this but adds, "All minority groups are very difficult to reach, both with programs as well as our [fund-raising] crusade.")

OVERWHELMING THE NCI

With all this social and business power at its command, the ACS has usually been able to overwhelm the civil servants of the NCI. In the opinion of Rep. David Obey (D-Wis.), who has been urging NCI to put additional resources into identifying environmental carcinogens, ACS wants to keep the Cancer Institute strong in bankroll and weak in staff so that it can direct its spending without too much interference.

The contrast in styles of the two organizations was illustrated by the relative positions they took in 1971, when President Nixon and Sen. Edward Kennedy (D-Mass.), then a presumed presidential aspirant, entered into a bizarre competition to become the nation's champion against cancer. The ACS, with honorary board chairman Mary Lasker making use of her political connections, pushed hard to sever the Cancer Institute from the National Institutes of Health complex and give it an autonomous status, the object being greater visibility and an end to cancer having to compete with other diseases for government research funds. Established as an independent agency, along the lines of NASA, the proposed Conquest of Cancer Agency would have an unobstructed pipeline to the Treasury.

In those days, confidence was high that virus causation played a major role in human cancer and both newspaper reports of the period and congressional testimony were replete with accounts of research findings implying that, given enough money, it would be only a matter of time before antidotes or preventive vaccines became available.

The ACS now concedes that this hope is somewhat remote and has said nothing on the subject recently. But since viruses, in contrast to industrially spawned chemicals, have never had a lobby, the beauty of the virus emphasis was that no establishment oxen need be gored—apart from tobacco, which had long before demonstrated an ability to survive government designations as a proven killer. Meanwhile, more than $717 million has been spent since 1965 on a so far futile effort to identify a virus that unequivocably causes cancer in man.

With Nixon and Kennedy sprinting to win favor with the cancer lobby, NCI researchers suggested that, scientifically, it might not be a sound idea to detach cancer research from the overall biomedical research effort. However, with the Nixon administration glaring them down, they suggested it very timidly indeed.

Non-government scientists, appalled at the prospect of a separate cancer research empire, felt no such restraint, however. After an eruption of dissent in the biomedical research community, the issue was resolved with a compromise that gave NCI semi-autonomous status, plus a direct, and unique, link to the White House through a newly established three-member President's Cancer Panel. Appointed to chair the panel was Benno Schmidt, managing partner of the J. H. Whitney investment firm and an old ally of Mrs. Lasker.

As chairman of the panel for the past six years, Schmidt has been industrious beyond anyone's expectation. Well-informed, imperious and well-connected with the political figures who determine NCI's budgetary fate, he has also been a consistent damper on efforts to steer NCI into a greater commitment on environmental carcinogenesis.

Schmidt's approach, which is the same that is used by the ACS, is that the top priority should be given to lung cancer and its principal cause, cigarettes, plus continued emphasis on basic research. That lung cancer and its causation merit a high priority is beyond dispute. The disease tops the list, with 23 per cent of all cancer deaths; the cure rate remains low and the incidence is rising.

Nevertheless, as other causes of cancer have been identified, Schmidt, in his powerful position as chairman of the President's Panel, has generally discouraged an expansion of the environmental strategy beyond cigarettes.

Thus, in January, 1976, at a meeting where NCI staff members presented their case for further environmental studies and public education on chemical carcinogenesis, Schmidt responded that "one of the things that has been concerning me in recent months is that we are diluting the public urge to get rid of cigarette smoking . . . by including, considerably more conjecturably in my opinion than is the case with cigarettes, a lot of other things in the publicity . . . It goes without saying that if we knew what causes cancer and if we could remove it without removing the whole environment, we would remove those things forthwith."

In a telephone interview last week, Schmidt said that he was not opposed to environmental research, and noted that NCI funds in this category had risen from $97.5 million in fiscal 1976 to a projected $127.5 million for next year. "I was objecting," he said in regard to his 1976 remarks, "to causing the public to put cigarettes in the same category as things on which the evidence isn't as strong."

Three years after Congress and the President declared the war on cancer, the neglect of environmental studies caused NCI's top science advisory body to appoint a subcommittee to examine the issue.

Reporting back on its deliberations, the subcommittee stated: "There was an obvious sense of general astonishment throughout the meetings that the National Cancer Program does not appear to have accorded an adequate priority nor sense of urgency to the field of environmental carcinogenesis, particularly where this concerns chemical carcinogens."

As part of its response to this indictment, NCI transferred nearly $4 million to the National Institute for Occupational Safety and Health to support environmental carcinogenesis research.

WITTENBERG UNIVERSITY'S NEW PRESIDENT

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BROWN of Ohio. Mr. Speaker, for the past decade many institutions of higher learning have been beset by problems resulting from declining enrollment and increasing operating costs. While these factors caused difficulties for all institutions, they created especially difficult problems for independent colleges and universities.

Despite the pessimistic outlook of many education experts, some college presidents are responding to this near crisis with optimism backed by responsible leadership and untiring zeal. One such president is Dr. William A. Kinnison of Wittenberg University in Springfield, Ohio. Although he has only been president for less than 2 years, Dr. Kinnison has already initiated new budgetary programs whose benefits can be readily seen by the academic community. It is refreshing to know that all of these new programs have been implemented without losing the emphasis on the education of those students under his charge.

I am pleased to enter for the RECORD a newspaper article from the Columbus Dispatch of January 30, 1977, that describes this new breed of college president. His fine example of dedicated leadership is worthy of emulation by college presidents across the Nation:

WITTENBERG PRESIDENT ACTS ON TOUGH ISSUES

SPRINGFIELD, Ohio.—Wittenberg University President William A. Kinnison is considered a new breed of college administrator.

In the 20 months since his appointment in April of 1975, he has initiated and expedited new programs that are paying dividends.

Wittenberg, operating on a sound financial base, has been rated among the leading small, private, church-related colleges. But Kinnison is striving to insure that the total management of the university will be secure in the years ahead.

The institution is now America's leading Lutheran college in enrollment with 2,335 students, in endowment with almost $20 million, in total budget with more than $11 million and in library holdings with 280,000 volumes.

But even with these assets, Wittenberg does not figure it is immune to the problems which will face all higher education in the 1980's and beyond.

To avoid these pitfalls, Kinnison, 45, strives to make the tough decisions many private college and university heads have avoided.

For example, Wittenberg researchers have constructed a three-level enrollment prediction chart through the 1980's that has been discussed with the campus community of faculty and staff so they will know how many teachers and staff members will be needed at specified enrollment levels.

Under his leadership, a computer-based admissions program was instituted that has stabilized enrollment this fall at 2,335 students, a level well within the board of directors' mandate that present enrollment should be between 2,300 and 2,400 students.

Kinnison realigned and consolidated the business affairs of the University under a single head, and affected more significant savings by signing contracts with off-campus specialty firms to provide security and housekeeping in addition to the previously contracted food service.

Last June, the University had an $84,000 surplus on a $10 million educational and general operating budget.

But Kinnison believes that "the academic enterprise is too important to turn over to the budget officer, the management technician, the marketing expert or the government bureaucrat."

He also places a higher value on the faculty and the student body than on a balanced budget.

"That is the risk that needs to be taken in the decade ahead by any institution that seeks to survive with significance and not merely to survive," he declares.

"A president or chief academic officer who is not willing to take such a risk is out of place and should give way to others," he declares.

WITTENBERG UNIVERSITY,
Springfield, Ohio, March 10, 1977.

Hon. CLARENCE J. BROWN,
Rayburn House Office Building,
Washington, D.C.

DEAR BUD: I am sending you a reprint of a recent article from the *Columbus Dispatch* which outlines what Wittenberg's strong leadership is doing to insure that the independent, liberal arts colleges remain a viable part of our educational system.

At a time when questions are being asked about the management, value and accountability of colleges and universities, you will be interested to know more about resident Kinnison. He is well aware of the problems ahead for educational institutions and he is taking firm and realistic steps to anticipate, overcome or avoid them.

We believe that too often in the past the independent colleges have not presented their case effectively. At Wittenberg we are trying to bridge any gaps which exist between our campus and the so-called "outside world."

Cordially,
C. DAVID CORNELL,
Vice President for
University Advancement.

PRESIDENT CARTER SHOULD PUSH FOR MORE MASS TRANSIT

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. FORD of Tennessee. Mr. Speaker, on Tuesday, April 19, I addressed the House and presented my reactions to the President's energy message to the American people. I expressed my concern over its omission of any reference to urban mass transit. Now that President Carter has presented Congress with his formal energy program, which also contains no reference to urban mass transit, I want to take this opportunity to reaffirm my support for this fuel-efficient alternative to the private car. Currently the average American gets in his car and goes wherever he wants traveling alone. The waste in such a system is obvious. If mass transit ridership were doubled, the savings in oil could be as much as 100,000 barrels per day.

I was pleased to note that the Memphis Commercial Appeal in its April 22 editions agreed with my concern over this promising but underutilized solution to our energy problems. I would like to share with my colleagues the editorial entitled "No Other Way." I feel this title fairly assesses the problem.

NO OTHER WAY

If President Carter wants us to use our automobiles less for getting around to our daily needs, what is the alternative?

People still will need to get to work, to shopping, to the doctor or the dentist and all the other places they now go by automobile. If the price of gasoline becomes so high they can't afford to drive, or if they simply want to show their support of the President's call for energy conservation, they will need some other way.

The only known alternative to getting around by automobile is mass transit.

Yet the President didn't offer any program for stepping up our transit programs when he spoke to the Congress Wednesday night.

Rep. Harold Ford (D-Tenn.) spoke to this issue on the floor of the House Tuesday after hearing the President's Monday night message to the people. Ford told the House and reiterated in a letter to the President that he was opposed to the proposed increase in gasoline taxes because by itself it would merely be inflationary, but that if the President insisted upon that approach he should at least "earmark 100 per cent" of any such increase to urban mass transit.

Whether 100 per cent is the right figure may be open to some question. It might not be possible for urban transit systems to use that large an amount immediately. It takes time to get buses and trolley cars and trains built, and if every transit system should come in with orders for large numbers of such equipment, the manufacturers would find it impossible to fill them immediately.

But Ford is on the right track when he says the need is for mass transit, and the President should make more of an effort to include that in the program he now is sending to Congress.

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BROWN of Ohio. Mr. Speaker, on Thursday, April 7, the Seventh District Congressional Youth Advisory Council members for the School Year 1976–77 met in Urbana, Ohio, to present their final reports and recommendation on legislation they had studied during the current year. The second of four reports follows:

[Greene County-Mad River Township]

REPORT AND AMENDMENTS TO H.R. 13950, STRIP MINING LEGISLATION

Co-chairman: Greg Garrett.
Co-chairman: Jan Dorrough.
Secretary: Steve Dillon.

Committee members: Ruth Stump, Kevin Shoup, Mike Neuhardt, Steven Duckro, Carolyn Holland, John M. Smith, Kathy McDowell, Eric Schmidt, Mark Rosker, Felix Fujishiro, Kirk H. Jundt.

"THE STRIP MINING BILL AMENDMENTS OF 1977"

Strip mining background

Strip mining is but one of many methods of extracting coal and other natural resources from the earth's crust. In the process of "stripping" coal, trenches are dug to remove the overburden (that is, the overlying soil and rock) and thereby expose the underlying coal. The coal can then be easily removed as the trenches are refilled with earth.

Until World War II, stripping was used very little in the United States. In the past thirty years, however, technological advances in stripping have made the process more effective as deep-mine safety regulations have made stripping more economical. As a result, 55 percent of American coal is removed by this method today and even more will be so removed in the future.

Advocates of strip mining argue that this method is far cheaper, safer, and more effective than any other existing mining technique. They also believe that adverse environmental effects can be greatly reduced through sound reclamation practices.

Opponents of strip mining point out that the process affects over 1,000 acres of land each week and thereby destroys over $35 million worth of outdoor recreational resources each year. According to some environmentalists, reclamation practices have failed bitterly in their attempt to remedy the harm done to the environment by strip mining. Among other problems, stripping causes soil erosion, can result in loss of well-water, can result in acidic pollution and siltation of streams, and can make vast tracts of land unsuitable for any form of life. Some critics also fear that America's reliance on strip mining will cause serious shortages in future supplies of coal, for only 3 percent of American coal reserves are strippable.

Strip mining legislation

Proposed strip mining legislation has been introduced before Congress numerous times since 1940. The first such legislation to pass both houses was S. 425, which was pocket vetoed by President Ford at the end of the 93rd Congress. The bill was reintroduced before the 94th Congress as H.R. 25, where it was once again approved. Ford vetoed the bill on May 20, 1975, and the House failed to override by a margin of 278 to 143. H.R. 13950, also presented before the 94th Congress, provided for minimum federal environmental protection standards for strip mining. Although approved in committee, the H.R. 13950 was denied a rule by the House Rules Committee. H.R. 13950 has been re-introduced in amended form before the 95th Congress as H.R. 2.

Over the past 35 years, a number of states, beginning with West Virginia in 1930, have enacted laws seeking to control the environmental effects of surface mining. By 1955, Indiana, Pennsylvania, Ohio, Kentucky and Maryland had also enacted such legislation. Most current state laws on the subject, however, date from 1965 or later. During the eight-year period of 1965–1972, the 16 major coal producing states took 28 major legislative actions.

New developments

Our nation is suffering through a period of economic upheaval and job scarcity. The new developments below could adversely affect or stimulate the coal mining industry and directly strip mining.

1. Alternate Energy Sources:

One of the chief concerns of the American people has been the skyrocketing price of oil, gas and other oil related products (synthetics). Within the past 3 or 4 years, oil and gas prices have more than doubled and a stop is nowhere in sight. These high costs have been partially due to the fact that a large portion of our fuel is imported, thus higher prices, but there are alternatives.

A. A new technique is being perfected, that of extracting oil from coal shale (or oil shale). This in itself would be cause for implicit research. Said research could equal in the long run a wide scale mining of coal or oil shale for this purpose and thus the evolution of a new fuel source.

B. Because of high oil prices and said shortages of oil, many industrial and business establishments have returned to the oil-time fuel of coal, but the turnover is costly. Coal is much cheaper to use than is oil or natural gas, but it is not as efficient burning and also releases sulphur contaminates into the air. Coal prices are also at an all time high and if production were stimulated, prices would ultimately drop.

2. Environment:

Industry at one time was king, but now industry is many times forced to succumb to the lowliest of creatures.

A. Today's environmental standards are higher than every before. A large percentage of coal, mined in the east, cannot be burned on a large scale because of high sulfur-content contaminates it releases into the air. If this coal is burned by the industrial consumer, costly equipment must be installed to purify the waste product. Thus Environmental Standards have hampered industrialists, but many times over have saved land and waters the disgrace of sulfur contaminate and acid pollution.

B. Many Americans feel that strip mining should be curtailed because of its outward damaging affects on the land. Land in a natural state is hard to find and what small amounts we have are rapidly diminishing, but mining of any form damages a relatively minute portion, as compared to the encroachment of civilization and housing.

C. Coal strip mining operators have the capability to replace the land to a reasonable facsimile of the original topographical appearance and to make the land as good if not better than it originally was. But unfortunately, this practice of restoration is not always followed out and the land is left desolate, barren and incapable of habitation of flora or animal life. These infractions are mainly due to inconsistent law enforcement on the part of the regulatory authority. A point which is brought to light in this bill.

3. Job Market:

The job scarcity of today has been said to be equaled only by the depression of the '30's.

A. As of last December, well over 7% of America's job force was without employment because of the recession of the early 1970s. With this in mind, the idea of industrial stimulation must be considered. Coal mining offers jobs for many people of different occupations—from equipment operators to plumbers and land surveyors. With this in mind and coal miners producing more coal as an alternate energy source, it would create much needed competition for the oil industry and this we know by the Law of Supply and Demand would bring prices down on energy sources.

4. New Techniques:

Environmental costs of stripping are high. It has been estimated that surface mining destroys outdoor recreation lands worth $35 million per year. Environmentalists feel much of this is unnecessary.

A. A new mining technique is long wall mining, developed in Western Europe, permits 80–95% recovery of coal, a rate equal to that of strip surface mining, but causes less damage to the land.

AMENDMENTS TO A BILL, H.R. 13950

Sec. 201(a). To insert the "Environmental Protection Agency" in place of the "Department of Interior."

(Many authorities agree that the Department of Interior has failed in its environmental protection functions and we feel the E.P.A. is better suited to perform said functions.)

Sec. 507(b)(16). Provided, however; if such coal seam information becomes relevant to the parties involved in a hearing on the grant or denial of a permit or the forfeiture or release of part or all of a bond, such information shall be disclosed to such interested parties under protective provisions defined by the regulatory authority.

(This section pertains to coal seam test samplings required of the coal companies by the regulatory authority. Ordinarily, such information would be kept confidential, but we feel it might at times be necessary to release such information during public hearings.)

Sec. 507(c). To strike lines 13, 14, and 15 up to the word "The."

(In this section, we strike the bill's proposal to pay only for the hydrologic testing for small mines. In our opinion, this expensive testing should be financed by the regulatory authority for all mines.)

Sec. 515(b)(3). To strike all after line 24, of Sec. 3

(This section permits coal companies to fail to return to original contour areas in which so much coal is extracted that there is not enough earth to refill. In these cases, depressions or pits are allowed even after reclamation—a concept with which we disagree.)

Sec. 515(b)(5). Insert at end of section 5. Segregate toxic materials and those acidic, alkaline, and saline materials which are toxic when uncovered during excavation or created in connection with the mining operation and promptly bury, cover, and compact, to isolate such materials during the mining process to prevent contact with ground water systems and to prevent leaching and pollution of surface or subsurface waters.

(In order to prevent acidic pollution, this bill provides for the isolation of topsoil during the mining process. We also feel that acidic and toxic materials should be similarly isolated.)

Sec. 515(b)(6). To insert in section 6 after the word "topsoil"; and "toxic materials".

(While this bill provides for the restoration of the topsoil to the mining area, it does not deal with the restoration of toxic materials. We believe it is necessary to return these materials as well.)

Sec. 515(a). To delete subsection c.

(Section (c) provides for a procedure to allow operators to ignore the requirement to restore the stripped land to its original condition. Rather, operators could restore the land to a lesser condition provided they could demonstrate it could be more useful. Some persons consider land to be more useful after stripping if it is flatter or can be put to a more economical use. We disagree on two counts. First, similar provisions of state laws have been easily evaded by operators. Second, we feel the most proper condition of the land is the way it was originally found.)

Sec. 515(d)(1). To omit all after the word "cut" of subsection 1.

(Bill H.R. 13950 properly eliminates the placing of mining debris under the mining cuts of steep slopes. When this is allowed, runoff of this material occurs. We would eliminate an exception in H.R. 13950 which allows operators to place debris under mining cuts if they can demonstrate that they will take measures to prevent this runoff. We consider this exception to be an unnecessary environmental risk.)

Sec. 515(d)(4). To replace "20°" with "14°".

(H.R. 13950 defines "steep slope" as any slope above 20 degrees. For the purpose of regulating contour mining. We feel that protection standards of contour mining should be applied, to slopes of lesser elevation and many authorities agree that 14 degrees constitute a steep slope.)

Sec. 517(a). To insert in line 8 after "programs": "In the same manner as is prescribed for state authorities in section c."

(This bill provides for federal inspections only so often "as are necessary". We believe that federal inspections should occur "on an irregular basis averaging not less than on inspection per month" as is required for state inspections.)

FINANCIAL RELIEF FOR NONPROFESSIONAL SCHOOL EMPLOYEES

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, I am introducing a bill today that addresses a situation of serious concern in many States. There are many people who work in the special unemployment assistance program in school systems. Most of these people, many of them heads of families, are not eligible for unemployment compensation during the summer months. This is due mainly

to the fact that many school systems do not participate in employment security programs.

My bill would amend section 603 of Public Law 94-566 to provide financial relief for the summer of 1977 for those nonprofessional employees who would otherwise bear undue hardship and a burden on their financial obligations.

INTRODUCTION OF TRUTH IN LENDING IMPROVEMENT AMENDMENTS OF 1977

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. DRINAN. Mr. Speaker, it has been 9 years since the enactment of the Truth in Lending Act. During that period, this landmark consumer protection law has enabled millions of Americans to obtain credit on a more knowledgeable basis. The act requires all lenders to disclose accurate and understandable information to borrowers concerning the interest rate, total finance charge, and other conditions of a loan. Borrowers are granted the right to rescind a loan under specified circumstances. Enforcement of the act is lodged in a variety of Federal agencies, with consumers provided with incentives to seek private remedies as well.

While the Truth in Lending Act remains a bulwark in the field of consumer protection, it has a number of shortcomings which have permitted widespread noncompliance, hampered effective enforcement, and prevented consumers from learning whether particular creditors adhere to the provisions of the act.

Compliance with truth-in-lending requirements cannot be assured unless all creditors are examined on a regular basis by appropriate enforcement agencies. In its current form, the act does not require any compliance examinations. The Federal Reserve Board, Comptroller of the Currency, and FDIC have all initiated compliance examination programs with respect to their member banks, but loan agencies and other nonbank creditors are inspected infrequently, if at all.

Even if a creditor is examined for compliance under truth-in-lending, the results of such examinations are kept secret from the public. Consumers victimized by truth-in-lending violations need not be so informed. Such lack of disclosure effectively precludes victims of truth-in-lending violations from pursuing private remedies under the act before the expiration of the 1-year statute of limitations. On the contrary, those consumers, unaware that their rights have been violated, are likely to continue borrowing from those same creditors in the future. Other consumers, also unaware of the prevalence of noncompliance by particular creditors, shop for credit without knowing which creditors adhere to truth-in-lending requirements and which do not.

This secrecy surrounding the results of truth-in-lending compliance examinations seriously limits the effectiveness of the act. Public disclosure constitutes a powerful deterrent to ignoring or circumventing truth-in-lending requirements. In the field of public health, for example, the public listing of clean and unclean restaurants, ascertained through inspection, helps insure that most restaurants will endeavor to be clean. Disclosure of truth-in-lending violations would prompt all creditors to take the requirements of the act far more seriously. But as long as noncompliance remains a secret between the creditor and its regulator, banks and other lenders have little incentive to comply with the law.

Thus, the three chief shortcomings of the Truth in Lending Act are: First, lack of required compliance examinations; second, lack of required notification by creditors to victims of noncompliance, and third, lack of public disclosure of noncompliance. The significance of these shortcomings was amply documented during the course of hearings held in September 1976 by the Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs.

In order to remedy these deficiencies and make the Truth in Lending Act a more viable tool of consumer protection, I have introduced H.R. 6875, the Truth in Lending Improvement Amendments of 1977. The bill requires that each creditor covered by the act be examined for compliance at least once every 2 years. Whenever a compliance examination reveals one or more substantial violations of truth-in-lending requirements by a creditor, several steps are triggered to protect both the victim and the borrowing public. First, the creditor is required to notify the victimized borrower of the nature of the violation and the borrower's rights to obtain relief under the act. Second, the agency conducting the compliance examination is required to publish in the Federal Register the name of the noncomplying creditor and the number and nature of truth-in-lending violations committed by such creditor.

The enactment of this legislation will provide adequate protection under the act to every American consumer. Periodic compliance examinations will insure that no creditor can violate truth-in-lending requirements with impunity. Disclosure to victims of noncompliance will enable those consumers to obtain the relief they deserve. Public disclosure will aid all borrowers in shopping for credit and serve as an incentive for voluntary compliance within the credit industry.

I have no doubt, Mr. Speaker, that banks and other lenders will oppose this bill just as they vigorously fought the enactment of the original Truth in Lending Act in 1968. They will argue that the results of compliance examinations must be kept secret in order to preserve the stability of the financial community. That assertion is an affront to the Congress and to the American consumer. The safety and soundness of banks is wholly unaffected by truth-in-lending compliance. There is no reason why we cannot reveal the truth about truth in lending. Just last year, Congress enacted into law the Government in the Sunshine Act to open up the processes of Government to the American public. H.R. 6875 could be viewed, in effect, as a Borrowing in the Sunshine Act. I have no doubt that its prompt enactment will improve truth-in-lending compliance throughout the United States and enable consumers to shop for credit on a more knowledgeable basis.

NO UNIONS IN THE MILITARY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BOB WILSON. Mr. Speaker, a subject of great concern to me—one that fills me with a sense of foreboding—is the possibility of our military forces being absorbed into a labor union. I know that many of us share my concern and similarly have introduced legislation to prevent such an eventuality from taking place.

Others outside this body are equally concerned. Such a man is Harold H. "Kiddy" Karr, the Navy's first enlisted aviator, whose flying experience predates World War I. "Kiddy" is an eloquent man, whose writings have been published in numerous magazines. The following points he raises relative to military unions I feel are most worthy of consideration by my colleagues:

NO UNIONS IN THE MILITARY

LA MESA, CALIF., *April 28, 1977.*

Hon. BOB WILSON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WILSON: A very real danger faces America from within. This is the proposed labor union organizing of our armed services. Union officials see the millions of dollars which will pour into the union treasuries and the power that the hundreds of thousands of new members will bring them,—the two basic planks of the unions—greed and power.

Looking deeper we see the absence of loyalty to anything or anyone but the union structure and union officials by its members. Pictures in the Nations press have shown the total lack of loyalty of the unionized police and firemen to the cities they, presumably, were serving and who paid their already exorbitant salaries. Pictures of vandals looting stores and homes while the police stood by and watched, pictures of firemen standing beside their idle equipment and joked as the building burned to the ground—buildings they were paid to protect. This is the kind of loyalty we could expect from unionized armed services.

It would appear that union membership carries with it a species of "brain washing"—which teaches them that "might" is always "right" and that they are above and beyond the laws you and I obey as they set fire to non-union construction projects and destroy automobiles belonging to non-union workers but never serve a day in jail for it!!

Delving deeper one can foresee the semblance of a deep plot!! With the armed services unionized, obeying the union officials only, think how easy it would be, with all the armed services behind them, to take over the entire Government of the United States by a Labor Dictatorship. Are the private citizens of the country going to fight their own Army to restore a democracy? Look at the South American dictatorships—how easily they were accomplished with the Army behind the would be dictator. Look at Germany for another example—none of them make a pretty picture but we better look closely at them to save ourselves.

Already this process of unionizing has started!! It is up to Congress right now, to brush the scales from their eyes and enact laws which will render harmless the 9% of our population who want to take over the entire country. Again it reminds me of the fable of the camel who put his nose inside his owners tent to get warm and wound up in the tent and the Arab out in cold.

Members of Congress, don't fail us now—you alone can protect us from this very real danger and insure that Abraham Lincoln's "Government of the people, by the people and for the people shall not perish from the earth." We look to you to keep our armed services and America free. Tomorrow may be too late, act now.

Sincerely,

HAROLD H. "KIDDY" KARR.

THE "INSTANT HONESTY" VOTE BILL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. HYDE. Mr. Speaker, the House Administration Committee is nearing completion of the President's proposal to allow voters to register on election day, and is expected to report out the bill at the end of this week, despite the contention of a number of witnesses from the city of Chicago, mostly Democrats, who say the bill will only encourage fraud.

It is important for Members of the House of Representatives to be aware of the inherent possibilities for fraud in this proposal. I want to share with my colleagues the following editorial which appeared in the April 28 edition of the Chicago Tribune:

THE "INSTANT HONESTY" VOTE BILL

John M. Hanly, chairman of the Chicago Board of Elections Commissioners, was in Washington this week on an urgent mission. He wanted to destroy some illusions, and we hope he succeeded.

Mr. Hanly testified Tuesday before the House Administration Committee on a bill to allow "instant" voter registration nationwide. The idea—which is warmly endorsed by the Carter administration—is to let citizens register and vote at the same time in federal elections. All they would have to do is show some acceptable identification, such as a driver's license. The bill would also appropriate about $48 million to encourage adoption of this system throughout the country.

In Mr. Hanly's view and ours, this Simple Simon plan would be a disaster. As he told the committee, this bill would "set the cause of honest elections back many years" and bring in a new era of "graveyard voting, tombstone voting, voting the family dog."

In addition, as Mr. Hanly observed, the change would throw the city's polling places up for grabs. More than 6,000 additional persons from both parties would have to be recruited to handle registrants along with voters, creating a monumental jam in many Chicago and suburban precincts.

A second Chicago witness, Cook County Clerk Stanley Kusper, also opposed the bill, but only on grounds that it would cause administrative headaches. Mr. Kusper did not think it would revive vote cheating—which is strange, considering the 75 federal indictments for vote fraud that followed the March, 1972, primaries. Perhaps he thinks everyone has turned honest in the last five years.

No doubt most supporters of this bill are idealists convinced that, since most voters are honest, all must be. Such believers presumably do not live in big, party-controlled cities like Chicago, where vote frauds are a tradition and smart political operators would take advantage of a wide-open system almost as a matter of course.

"Idealist" is not the word we'd use, however, for people like Rep. Joseph Ammerman [D., Pa.], a committee member who launched a sneering attack on Mr. Hanly's testimony. He called it "a typical Republican effort to have a low voter turnout" [Mr. Hanly is a Democrat], and speculated that he just didn't relish the extra work this bill would require. Cheap, partisan gibes like this reflect no credit on the backers of this bill or their motives.

In its place, Mr. Hanly calls for a law establishing permanent registration centers in each neighborhood—in public libraries, for example. That would make registration easier without turning it into a meaningless and easily-abused formality. We urge Congress to take his realistic view instead of gambling on instant honesty. At this time if not at all other times, the nation should accept instruction on how to run honest elections from the chairman of the Chicago Board of Election Commissioners.

I also want to share with my colleagues the text of a letter I have received from Marie H. Suthers, commissioner, city of Chicago Board of Election Commissioners:

CITY OF CHICAGO, BOARD OF ELECTION COMMISSIONERS,
Chicago, Ill., April 11, 1977.

I have served for twenty five years as a member of the Board of Election Commissioners of Chicago, and I think I know the problem such a law would provide in this increasingly mobile city.

Our Illinois election law provides for comparison of signature of the voter on his permanent registration card and on his application for ballot at each election. The National Municipal League has said that this comparison of signatures and addresses is the best safeguard that the voter applicant is qualified to vote from the address given.

Voters' registration from the addresses given is verified by a door-to-door precinct canvass prior to an election. The turnover is shown by the figures of precinct registration and canvass in 1976 as follows:

March, 1976—

Precinct registration of new voters, 130,795,[1]

Precinct canvass—number removed, 168,800.

October, 1976—

Precinct registration of new voters, 162,390,[1]

Precinct canvass—number removed, 143,061.

In 1977 we are having a special election for Mayor of Chicago. No precinct canvass is being made prior to the Primary on April 19th. In lieu of a precinct canvass this office has done some canvassing from demolition records, lodging house affidavits and personal applications to erase names. They all add up to about 25,000 removed. By a conservative estimate, the men in charge of our precinct registration files, volunteer that there probably are between 100,000 and 150,000 registration cards left in the precinct binders of people no longer eligible to vote from the addresses given. That shows the inevitable changes of those who have moved, died or changed name since the last canvass in October, 1976.

The problem is a gigantic one even under the present law. To allow people to register and vote the same day would nullify any way in which a person's eligibility to vote could be checked. The next step would be to destroy residence requirements, and that would be the fatal blow. It is quite naive to say that identification presented "on the spot" would solve the problem. Identification could easily be furnished to floaters to go from precinct to precinct as they did in the old chain voting days, thus encouraging a modern version of the old days of fraudulent registration and voting.

In Chicago we give ample opportunity to register year 'round, in areas, branch offices, in our 3085 precincts 28 days prior to an election, and of course in the office here during office hours, sometimes extended to 9 P.M. The truth is that many people do not want to register. They have their own reasons. This is their choice and to say that all adults must register is coercion far beyond the American belief in freedom of choice. Far better than federal regulation would be a vast educational program to convince such people that registering and voting is a privilege as well as a right, in which the individual should take pride.

There is another problem here. We have great difficulty in providing over 3000 polling places. In many cases the polling place is small with barely enough room for the conduct of the election, our 60 column voting machines and watchers as authorized by law. To have to add registration facilities would be practically impossible in many precincts.

I disagree wholeheartedly that this is a partisan matter. The real reason for opposing the Carter plan, and Democrats and Republicans alike here do oppose it, is that every fraudulent vote liquidates the vote of every legitimate voter, regardless of Party affiliation.

A mandatory federal law that would allow people everywhere to register and vote on election day would be the beginning of the end of free elections in this urban area. I hope the Congress will weigh the insurmountable urban problems this legislation would raise as against the benefits for those who for their own reasons have not taken advantage of their right and privilege.

Thank you for reading this through. If I can furnish any additional information that might be helpful, please let me know.

Sincerely,

Mrs. MARIE H. SUTHERS.

IN THE OPEN, AT LAST

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following column by

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[1] In this figure are duplicate registration of voters already registered.

William Randolph Hearst, Jr., editor-in-chief of the Hearst newspapers. Mr. Hearst's commentary analyzes President Carter's recent energy proposals.

IN THE OPEN, AT LAST

(By William Randolph Hearst, Jr.)

NEW YORK.—The American people needed to be convinced that a real energy crisis looms in our future and that a shortage of petroleum is not something contrived by "greedy" business interests here and greedier politicians in the foreign oil-producing countries. President Carter has achieved that, it appears, even if the rest of his energy proposals will, predictably, open up strenuous debate.

Congress has refused through the years to face up to the truths about our main source of energy, petroleum. It was President Truman who, back in the Forties, first called the attention to the lawmakers to the fact that soon we will run out. It is a finite source of energy, nonrenewable. Now, through his very earnest presentations, President Carter has hammered that message home with the warning that we will run out of oil even sooner than we expected, not only because we are using it at an accelerated rate, but because we over-estimated our reserves.

His technique of presentation—first warning why and what he was to say—then saying it—then holding a press conference about it—was highly effective in emphasizing the seriousness of the situation. Moreover it impressed on Congress that a solution to the energy problem will be the main thrust of this term of the Carter administration.

Whether the solutions President Carter has suggested are the best ones is of less importance at this time than the fact that our elected representatives in Washington recognize that there is a crisis impending so that solutions will be sought in an intensified quest.

After warning us that his energy message to Congress would be tough and hard to take, President Carter offered a complicated set of proposals that seemed to contain some goodies for just about everyone. Taxes on gasoline, to be imposed if consumption rises beyond a certain level, and excise taxes on all crude oil produced domestically to be levied in three stages until our prices equal the high world prices on oil, will be returned to the public with rebates and tax credits. The government would take with one hand and give back with the other.

People who buy government-approved smaller cars that do not use as much gas as the big ones, would get rebates from Uncle Sam up to $493. No driver is going to come out against that. In addition, homeowners would get juicy tax credits for installing solar equipment and insulating their houses. No homeowner will resist that.

Even natural gas companies, who have not been overly loved by the federal government in the past, are offered a price rise as an inducement to broaden exploration, though they will have to stop giving discounts to gas users in intra-state sales. Gasoline prices would be decontrolled—a boon to the petroleum industry—as one of the devices for making conservation more desirable. This was not a very bitter pill for the oil companies to swallow.

So what was advertised as a "get-tough" policy turns out to be not so tough after all.

What it does, mostly, is put the U.S. government squarely into the energy business. It means that those clever folks who brought us the U.S. Postal Service and who highballed the nation's railroads into bankruptcy, are now going to supervise the delivery of all forms of energy, the most vital element in the nation's economy, and the most significant factor in man's material welfare.

There are many, I am sure, who believe that if the government controls the source of energy, tells us what kind we can use, dictates how much profit its producers may earn, and sets the price that we will pay for it, free enterprise and the free marketing system will find it hard to survive in America.

That is the real danger in the Carter plan, as I see it, though I hasten to say that something must be done to alter our habits of wasteful uses of energy, and Mr. Carter has offered the only suggestions for action, be they good or bad suggestions.

Just as a matter of principle, it is horrifying to think of imposing taxes to manipulate people's buying habits as Mr. Carter suggests for cars and gas. It is counter to everything that Americans conceive about taxes, and contrary to the way they have felt about taxation since the founding of the republic. Taxes are to be levied for the purpose of raising money to provide for essential government services. That, and nothing more. Period.

The greatest omission in Mr. Carter's program is some emphasis on new oil and gas exploration and development, plus the development of known alternate sources of energy (such as coal, solar, shale, alcohol) plus discovery of brand new sources. We heard little of these subjects in his comments. Moreover, Mr. Carter refused to stand up to the issue of conservation and environmentalism.

A 500-year supply of coal lies in the ground in the United States, much of it locked in place by laws and regulations sponsored by environmentalists. I do not intend to put down the environmentalists but it is obvious that these well-intended people, over-reacting in many respects, have made it almost impossible to extract some of our choicest low-sulphur coal, either through direct prohibitions or by regulations that make it too expensive to use as an oil-substitute.

Mr. Carter made no mention of the development of new sources of petroleum, the most notable of which is the new fields under the Atlantic coastal shelf. The environmentalists and quibbling state governments seeking special tax revenues, have completely halted those developments.

Except for passing and casual treatment, the President neglected the subject of development of nuclear energy, which is of course anathema to some vocal environmentalists. Many leading physicists say, however, that electric power generated by the atom is one of our greatest potential energy sources. Why leave it out of our planning at this time? Only once did Mr. Carter mention nuclear energy and quite correctly he opted not to extend developments in plutonium at this time. The entire subject is discussed intelligently and illuminatingly elsewhere on this page by Professor Jeffrey Hart.

The President completely ignored the spectacular potential of alcohol for use as a substitute for oil and gas, and even natural gas, though the National Science Foundation and its division of Renewable Research, have been working on it for years. Alcohol, a renewable resource, and hence in infinite supply, can be made from any organic material and some experts estimate that our ordinary agricultural waste could produce enough to supplant all of our gasoline needs.

Nor did Mr. Carter even mention the enormous amounts of new capital formation that will be required in the private sector to develop not only new oil and gas fields, but new sources of energy. Or does he intend that the real administrator of our energy program, the government, will handle it from here on in? If so, may heaven help us.

The President also skipped over the important matter of the inflationary impact of his proposed program. If the price of all energy is to rise, as he suggests, then prices on just about everything will soar.

The states that are "poorest" in Amtrak and Conrail railroads are the ones which produce vast amounts of our foodstuffs. They must rely on trucks, and the trucking economy is virtually geared to the prices of gasoline and diesel fuel.

Left completely unconsidered by the President was the vital subject of mass transportation. That must figure prominently in any energy conservation progrom.

But let us try to be constructively critical at this point. Mr. Carter has finally forced Congress to give serious consideration to our energy problem. Now it's on the table. Let the nation's best brains think about it, and then let's take it from there, not forgetting for a moment that we became the most prosperous nation in the world primarily because we had a seemingly limitless supply of low-cost energy.

Our national assignment is to see that the supply of energy, whatever it is, remains unlimited and cheap.

DEBATE OVER ENERGY MISSES THE REAL ISSUE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. WHALEN. Mr. Speaker, President Carter has indicated that efforts to resolve our Nation's energy problems represent "the moral equivalent of war." In a recent column in the Washington Star, Jack W. Germond and Jules Witcover raise the interesting point that if the President's program, "were indeed the moral equivalent of war, we would be forced—as we have been in shooting wars—to rationing."

As a father of six vigorous youngsters, I often am faced with the decision of how to distribute finite resources, especially at the dinner table. I have two choices. I can allow the "market" to prevail, which means that the children with the longest reach would always obtain the most morsels. Or, I can allocate on the basis of need, which insures a more equitable distribution.

For the consideration of my colleagues, I am inserting the Germond-Witcover column of April 36 which poses that the central, yet so-far unaddressed, question of the energy debate: "Who is entitled to use what share of our limited energy resources?"

The article follows:

DEBATE OVER ENERGY MISSES THE REAL ISSUE

(By Jack W. Germond and Jules Witcover)

The great national debate over the energy crisis is a phony.

The central question—who is entitled to use what share of our limited energy resources—is not even being addressed. And the sacrifices that President Carter is seeking would be, for the vast American middle class, no more than minor annoyances.

Jimmy Carter calls it "the moral equivalent of war." But for most of us, there would be less impact than we have felt from the normal march of inflation. And the cries of "cataclysm" from Carter's critics in the oil companies and the Congress are equally hyperbolic. Who's kidding whom?

What the debate should be about, but isn't, is whether the rich, simply because they have money, should be allowed to waste finite resources. That is not an easy question to answer. One of the reasons Americans try to achieve material success is so they can drive around in Cadillacs rather than Toyotas, buy a boat and second and third cars for the kids and a place in the country, then air-condition all of them.

The Carter program wouldn't interfere with any of that. It would only make it more expensive. But if someone pays $12,000 or $15,000 for an automobile, they will spend another $500—or even another $2,500 in the most extreme example—in tax. As one consumer lobbyist put it, "In the case where buying a Cadillac is conspicuous consumption, the tax will only encourage it. The more conspicuous it is, the more that kind of person wants to do it."

But the administration is not willing to propose the measures that would make it impossible to make such a choice. That might mean requiring all cars to meet a mileage standard before they can be sold. Or it might mean rationing. And it is clear the White House, for all Jimmy Carter's avowed willingness to spend his popularity on this issue, recognizes political suicide when it sees it.

So what we have instead is essentially a sales job, the use of scare strategy to induce cooperation voluntarily by the kind of people who still trust the government and their new President. Jimmy Carter is telling us in one breath that it is the "moral equivalent of war" but in the next that it won't really hurt too much, folks, after all. You can feel like you're doing a noble thing for only a few bucks a year.

The increases in gasoline taxes and prices are the one element of the Carter program that would sting the middle class most directly, which is why it is so touchy politically. But even here, there is Carter balm—a system of rebates and tax credits to make it less painful. Indeed, by the end of last week, the President was suggesting there might be a profit in the whole thing for those who go along.

In theory, even those who pay no income taxes would be entitled to federal payments to compensate them for the higher costs of the energy they use. So the poor, who usually get the short end of the stick, would be protected from direct financial loss by the Carter scheme, if not from the indirect increases in the costs of other products that are an inevitable result of higher oil prices.

Consumer advocates, unsurprisingly, don't accept the White House arithmetic. They are persuaded, on the contrary, that the indirect costs would more than wipe away the benefits of the rebate payments. But even at that, they certainly don't argue that the sacrifice is "the moral equivalent of war."

So what we have is a national debate that misses the point. No one can quarrel with the proposition that the situation is extraordinarily serious. There isn't enough energy to continue at our present pace indefinitely. We cannot allow ourselves to remain dependent on the uncertain favors of the Arabs. Programs to encourage both conservation and the development of new energy supplies are essential. And Carter deserves credit for the foresight to recognize these things and the political nerve to try to do something about it.

But the President has allowed his zeal to carry him to excess. If this were indeed the equivalent of war, we would be forced—as we have been in shooting wars—to rationing. And, beyond that, we would be forced to those critical decisions on priorities—who has the right to use what share of resources that presumably belong to us all? In a real war, it is easy to make that decision because patriotism demands it and, anyway, everyone knows it won't last forever.

But the energy crisis Jimmy Carter is talking about is permanent. And at some point, the really hard questions must be asked—and answered.

COMMENTS ON THE PRESIDENT'S ENERGY PLAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. HAMILTON. Mr. Speaker, I insert for the record my Washington Report for May 4, 1977, into the CONGRESSIONAL RECORD:

COMMENTS ON THE PRESIDENT'S ENERGY PLAN

In his speeches to the nation President Carter has dramatized the end of an era of cheap energy and the beginning of a move toward an economy based on less oil. Most of us were impressed by the sense of urgency with which he outlined the nation's energy problem. With few exceptions members of Congress applauded his diagnosis of the problem and his resolves to attack it so early in his Administration. He has sharpened our awareness of the problem and moved the debate in the right direction. He is entitled to respect for putting forth proposals which certainly will not benefit him politically. Whether or not he wins on every point, and it is doubtful that he will, he will make the development of a sound energy program easier and he will lessen the threat of an eventual upheaval in the economy.

The President's energy plan is complex, detailed and comprehensive. It involves social engineering on a vast scale. It will take billions of dollars from citizens' pockets to discourage consumption of energy and return most of that money in the form of tax credits and tax rebates to those who conserve. The plan is too intricate for quick and easy comprehension. We should try first to understand it, and then pause to reflect on it. No issues in American life is more complex substantively and more perilous politically than energy.

Advising us that within ten years the United States will not be able to satisfy its fuel needs at an acceptable price, the President proposes to use the federal taxing power to raise gradually the cost of energy and to induce conservation. No major changes will come about immediately, despite the apocalyptic tone of the President's first energy address to the nation. A year from now not too many things will be different, but in the 1980s quite a few things will have changed. He obviously wants to keep disruptions in the economy to a minimum.

It will take political leadership of the highest order to persuade the American people that they must pay more for energy and reduce consumption. The President must explain why it is necessary to disrupt our life styles and he must define the energy problem and make it clear to the American people.

The Congress, which must now scrutinize the energy package line by line, will move on his proposal warily. Congressmen are not enthusiastic about the plan. They will make many speeches about it and against it, but they certainly will not ignore it. In my judgment Congress will reshape the President's energy plan substantially. The tax credits for installing solar energy equipment and insulation will pass easily. The tax on gas-guzzling automobiles will probably have to be altered to deal with foreign cars, but is likely to be approved. What the Congress will do about the continuing controls on oil and gas prices is hard to predict, but higher ceilings than Carter requested are possible. The chances for the stand-by gasoline tax are dim, though if such a tax should pass, it may be less burdensome.

The President and Congress must play straight with the American people concerning the potential impact of the energy plan. For it to gain the approval of the people, it must be perceived as fair. The President did not start well in explaining its economic impact. He first emphasized the sacrifices his program would require, then later suggested it would be a great boon to the consumer. His original pledge was to turn federal taxes around and redistribute them through the economy. Later he could not guarantee that all monies collected by the federal government would be returned to the American people through rebates and refunds.

Even though the plan is designed to reduce American dependence on foreign oil and prepare for the day when oil is scarce, its economic consequences are important. Most private economists believe the plan is likely to mean more inflation, fewer jobs and less economic growth. The President takes the position that the proposal will have no significant effect on the growth of the economy, that it will create extra jobs and very little inflation. In assessing the economic impact of the proposals, the long view must also be considered. The political and economic dangers that would attend exhaustion of domestic petroleum and excessive dependence on imported oil are frightful to contemplate. I found it puzzling that in so comprehensive a proposal there was not more discussion of energy production.

To succeed, the plan must have the support of ordinary private citizens. The overriding question is: Do they believe there is an energy problem and that our oil and gas supplies are simply running out? If they do not, there is little hope that the President and Congress can enact a comprehensive, tough energy program. The principal disagreement between the President and his critics is this: while critics argue that there is plenty of oil and gas available if the price is right, the President is convinced that further production incentives would be futile in a world rapidly running out of oil and gas.

Because I think we do indeed have a serious energy problem, I want to support a comprehensive energy program that encourages conservation and additional production. The question for me is not whether I agree with every recommendation of the Carter plan, but whether I can think of a better answer to our energy problem that can gain the support of the American people.

THE MIGHTY HAWAIIAN CANOE

HON. CECIL "CEC" HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. HEFTEL. Mr. Speaker, last year's voyage of the Hokule'a, a double-hulled Polynesian voyaging canoe, captivated the imagination of people throughout America as one of the country's most courageous and inspired Bicentennial adventures. The National Geographic Society documented the journey from Hawaii to Tahiti and back in a television program seen by millions on the Public Broadcasting System.

The emerging desire among young people to do things "the old way" is evident in the growing number of canoe clubs throughout Hawaii. Interclub races are held nearly every weekend, culminating in the famous Molokai-to-Oahu race during Aloha Week festivities in the fall.

This year, and for the first time, paddlers will challenge the treacherous Kauai Channel between Oahu and Kaui in the world championship of canoe racing—a crossing experts say has yet to be achieved by any open outrigger canoe.

This renaissance of the Hawaiian canoe has been captured in an article written by Phaenon Landen for the Hawaii Visitors Bureau. I submit this article for inclusion in my remarks as a thorough description of the origins of the canoe and the sailing mastery of the Polynesians—old and new:

THE MIGHTY HAWAIIAN CANOE

(By Phaenon Landen)

Unlike canoes pictured in most outdoor magazines, the Hawaiian canoe is an outrigger. Centuries before the time of Columbus or Magellan when Europeans were afraid to lose sight of the land, Polynesians were sailing the vast Pacific in huge double-hulled canoes—two outriggers lashed together for stability on the open sea.

Without the aid of instruments or charts, for they had no written language, they navigated the rough seas guided by wind patterns, ocean currents, birds and cloud formations, but above all the stars. They used their knowledge of astronomy to the fullest to chart, in their minds, their way to unknown lands.

Allegedly coming from Southeast Asia and driven by the desperation of famine or war or perhaps, by the spirit of their gods, the various cultures who would be ancestors of the Polynesians moved southward to Indonesia about 1500 B.C.

From there they moved onward across the vast Pacific, to Micronesia; southward to Fiji, the New Hebrides and New Caledonia. Some settled in Samoa and Tonga while others sailed farther into the Societies (Tahiti) and the Marquesas and then ultimately to the Hawaiian Islands. Their path of migration formed what is now called the Polynesian Triangle, outlined by the Hawaiian chain, New Zealand and Easter Island. Within the triangle lie the Marquesas and Society Islands; Tuamotu and Gambier Archipelagoes and Pitcairn.

The Polynesians became master builders, peerless navigators and accomplished sailors. Their huge *wa'a* (canoes) were made only of wood, coconut fiber and pandanus leaves. Their only tools were the pre-historic stone adze, knives of shell, bone and coral and the rasp of a manta ray's skin. With these and guidance from their gods, they hollowed and shaped canoes from giant trees of koa and other hardwoods. In some areas of the Tuamotu Archipelago, timber was scarce and trees were small. Yet strong, seaworthy craft were still made by joining small carved planks edge-to-edge and holding them together with pegs and sennit cord lashing made from coconut fibers. The sails were plaited pandanus matting. The hulls were water-proofed by taking gum from the breadfruit trees, wrapping it around candle nuts, skewering them on coconut-leaf ribs and putting them to torch. The hot drippings, congealed by water, formed pitch. The finished canoe was polished with the nectar of flowers.

If all this sounds primitive and crude, the words of Spanish explorer De Queres tells us differently. He wrote in 1606, describing the Polynesian canoe, "Better could not have been made in Castille." Captain James Cook added, ". . . our cabinet makers do not polish the most costly furniture better."

Traversing rough open seas that in years to follow would wreck many large European ships, the Polynesians eventually had settled every inhabitable island in an expanse of ocean roughly equal to the entire land surface of the whole Western Hemisphere. All this before European exploration began!

During this time a group of people of sturdy build and great strength left the Marquesas Islands between 500–700 A.D., and another from Tahiti between 950 and 1250 A.D. Taking their *'ohana,* or families, a few pigs, chickens and dogs; dried foods in the form of bananas, breadfruit, coconut and fish; seeds, roots and cuttings of plants, and guided by the star Arcturus, they moved across 2400 miles of rough sea to a new chain of islands later to be called Hawaii. The history of their voyages was recorded in the stories and the *meles* (chants) of the people.

By the time Captain Cook sailed into Kealakekua Bay in 1779, The Sandwich Isles (later to be called the Hawaiian Islands) were so well populated that more than 3,000 canoes sailed out to welcome him.

From the moment the idea of a canoe was conceived until it was finished, offerings and prayers were made by the *Kahuna Kalai Wa'a,* the canoe building priest, to seek guidance from the gods. Nothing was done without the favor of the gods. Even a small mistake by a worker, breaking the flow of spiritual unity, was so serious as to threaten the life of the offender. Thus, as in all things they did, a mystical *mana* permeated the ritual of canoe building and remained to give the canoe a spirit of its own. When it was finished, it was sailed silently out to open sea. The first living thing sighted, whether whale, shark, bird, etc., became the *'aumakua,* or protective spirit-god of the canoe.

The single outrigger canoe, built by the Polynesians, was mainly used for fishing, sports, inter-island transportation and war. Depending on the type of canoe, its use and the area from which it came, it varied in style, design and number of sails. Its length could be from 30 to 118 feet with the capacity to carry from two to 200 men.

By removing the floats and lashing the hulls together, bow to stern, it became a double-hulled vessel that was stronger, rode better in the water and was large enough to move a family or a village long distances across open sea.

In 1774 Captain Cook reported seeing, off the coast of Tahiti, 160 huge war canoes with 170 smaller canoes carrying 7,760 men to a great naval battle.

King Kamehameha the Great, the first Hawaiian to reign over all the Hawaiian Islands, used many 20- to 60-foot outriggers as war canoes in his efforts to defeat neighboring islands. During his reign the same sturdy canoes carried, not only his mighty warriors, but four cannons he had acquired, as well.

After Cook's discovery of the Hawaiian Islands, whaling ships and sandalwood traders followed along with the missionaries. Western man's culture was rapidly adopted by the Hawaiians. Eastern ways followed and were also assimilated when the Chinese and the Japanese immigrated to work in Hawaii's sugar and pineapple plantations. The Hawaiian culture all but disappeared, along with canoe building and its use in daily life.

Today, the outrigger canoe is used only in sports. Sails are not used. Paddlers can be seen every day in Hawaiian waters rigorously training for the many regattas and long distance races that take place all year.

Over 40 different canoe clubs, under the direction of two major canoe racing associations, take part throughout the year in interclub competition with speed, endurance and expertise as their criteria. Canoeing, as one of the last remaining ancient Hawaiian sports, is taken seriously in the islands.

During Aloha Week, canoe clubs compete in a 55-mile race across the treacherous Molokai Channel to Waikiki Beach on Oahu.

Though the huge double-hulled canoe disappeared from Hawaiian waters many, many years ago, it was not forgotten. In 1973 Herb Kane, a Hawaiian artist with an intense interest in the history of his people, was instrumental in forming tht Polynesian Voyaging Society to build a 60-foot replica of a 12th century double-hulled Polynesian canoe. They named it *Hokule'a* (*Star of Gladness*), for the star Arcturus, which supposedly guided the ancient Polynesians from Tahiti to Hawaii. The goals of the voyage were to ". . . establish the truth about our origins", said Kane, and to generate enthusiasm and respect for the know-how of their ancestors.

In building the Hokule'a, the old ways were duplicated in every way possible except for some modern building materials. During a year of intense work and training in a cloistered environment, strange things happened. The old ancestral pride in the past was rekindled for the Hawaiian people, and a sense of the mystical in canoe making and sailing was reawakened. The crew and workers became close as an *'ohana,* and as they shaped the canoe, it seemed to shape them. *Mana* (spiritual power) permeated both man and canoe.

With the feathered *lei-moa* tied to the top sail for wind direction, and for protection, two kamani-wood Ki'i figures with their bent knees and the golden shell disc of the universe held aloft, the Hokule'a left Maui for Tahiti. As in the old days, she was navigated by the wind, clouds, currents and the stars. She successfully sailed to Tahiti and back, where on both shores thousands of emotionally moved well-wishers gathered to welcome her.

The re-kindled pride of the past burns brightly among the Hawaiian people today, and the Hokule'a can be seen plying between islands teaching the old ways of sailing, while laying plans to return to Tahiti. This time, they will go via the Kealaikahiki Channel off the Island of Hawaii, "the route to Tahiti"—according to a legend chanted in the *mele* by the old ones.

The visitor to Hawaii can share the pride of the Hawaiians by watching exciting canoe races held during the year. He may also take a ride in an outrigger canoe from the beach in Waikiki. The Bishop Museum in Honolulu provides a day of fascinating exploration through Polynesian history. Many ancient artifacts are on display, including the mighty Hawaiian canoe.

SENATOR PEYTON McKNIGHT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. TEAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article which appeared in the May 1, 1977, edition of the Dallas Times Herald on State Senator Peyton McKnight of Tyler, Tex. Senator McKnight has been a good friend of mine for a number of years, and certainly the following article is descriptive of the kind of State legislator this man is. Naturally, he is a graduate of Texas A. & M. and like all of us is proud of this achievement:

SENATOR PEYTON MCKNIGHT AT TURNING POINT OF HIS POLITICAL CAREER

(By Jack Keever)

AUSTIN.—Sen. Peyton McKnight is a political heavyweight—physically, too, he ruefully admits—with a knockout punch.

Nearly 6–2 and 225 pounds, McKnight is a bear of a man, worrying about his weight and wondering about his political future.

He wants to be lieutenant governor but has thought about running against Republican John Tower for the U.S. Senate.

"I've seen a lot of great and good men come down the pike and the timetable didn't work out for them, and that may happen to Peyton McKnight," he said.

McKnight talked for an hour in his Capitol office prior to a House committee hearing on his proposed refinery tax—the latest in a series of battles for the Tyler conservative, who calls himself a "gregarious, friendly fellow."

In private conversation and on the Senate floor, often throwing his head back to laugh at his colleagues' jokes, McKnight, in his dark blazer and striped tie, seems the epitome of a wealthy, charming Southern gentleman.

In fact, he is an independent oil man—cited by his industry as an "All-American Wildcatter"—stubbon and tough, and he does not like to be taken for granted.

His victims include the major oil companies and some independents who tried to shove a forced oil unitization bill through the 1973 legislature and supporters of a new Texas Constitution.

On the companies' side was Lt. Gov. Bill Hobby, who personally tried to round up votes for the bill, saying the bill would help ease the energy shortage.

Hobby's strong support caused such a rift between him and McKnight that McKnight threatened to run against Hobby in 1974, a threat he never carried out.

McKnight recalls that even his old friend, Sen. Bill Moore, told him, "Peyton, I don't want you to be disappointed, but you ain't going to win this fight. They've got too many horses and too many superhorses. There's no way you can win it, so don't let it break your heart."

McKnight's 18-hour days instead broke the companies' backs as the Senate refused in the final days of the session to bring up the bill. The vote was 17–13, with one abstaining, and sponsors needed 21 votes.

The proposed new constitution was, in McKnight's words, "pure poison." Attacking it was a formidable job for a senator with a nine-county regional constituency.

Nevertheless, it was McKnight who was chairman of the steering committee of Citizens to Preserve the Texas Constitution, which opposed all eight propositions on the Nov. 4, 1975, ballot.

In his major address, McKnight said, "The revisionists may be shouting 'Power to the people' but what they really mean is 'Power to the legislature.' "

Voters rejected all eight propositions by overwhelming margins.

The 2½-month campaign strengthened McKnight's statewide contacts, and Hobby helped him enlarge his political base by appointing him this session as chairman of the Senate Nominations Subcommittee.

The subcommittee screens hundreds of gubernatorial appointments from around the state, and most are prominent in their communities.

It is, no doubt, almost time for McKnight to decide what turn to take in a political career that began in 1948 when he was elected to the Texas House of Representatives. That was one year after the World War II turret gunner got a degree from Texas A&M.

He quit the House after one term but still rates as his proudest legislative achievement the passage in 1949 of a bill establishing what is now the Texas Department of Mental Health and Mental Retardation.

"I think," he says, "I could do a credible job (as lieutenant governor). It would be the most satisfying thing I could do. I work a hell of a lot harder than any lobbyist."

CHILDREN IN PORNOGRAPHY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. MURPHY of New York. Mr. Speaker, the legislation I have authored with Mr. Kildee to prohibit the use of children in the production and marketing of pornographic materials, now has attracted over 130 cosponsors to its various versions before the Education and Labor Committee and the Judiciary Committee.

We have now received commitments from both committee leaderships that hearings will be scheduled very shortly to develop a strong foundation of legislative intent in this very difficult area. As we continue to gather information and background on this sordid topic, we find an ever-diminishing justification for such abuse of children, and an ever-increasing basis for pressing the legislation into law as soon as possible.

We find that Federal law contains a massive void with respect to this problem, and State laws in the field are few, weak, and far between.

The Odyssey Institute of New York has taken a leading role in developing both the legislation and the public attitudes and awareness necessary to combat this exploitation of children. Odyssey has produced an important piece of research which looks at existing case law and precedents in the field of the use of children in pornography. I offer this document for the benefit of the Congress which will be called upon soon to decide whether such abuses of our children will be allowed to continue unchecked:

DEVELOPING FEDERAL AND STATE LEGISLATION TO COMBAT THE EXPLOITATION OF CHILDREN IN THE PRODUCTION OF PORNOGRAPHY

The American attitude toward its children manifests itself in many ways, including, unfortunately, a tolerance for child abuse and neglect in significant proportions and varieties. One such form of mistreatment recently the subject of considerable public outcry is the exploitation of children used in the production of sexually explicit films and magazines. This statement is offered to acquaint the reader with the nature of the sexploitation problem and the impact of these activities on the children involved. A survey and analysis of present and proposed legislation, and a brief review of cases is also offered for consideration. Finally, a look at the legislative response in terms of possible constitutional issues is appropriate as this aspect is the basis for whatever opposition seems to have surfaced.

THE SEXPLOITATION PROCESS

The use of children, ranging in age from three to sixteen, has become a multimillion dollar industry. By recent count, there are at least 264 different magazines being sold in adult bookstores across the country dealing with sexual acts between children or between children and adults. These magazines—well produced—sell for prices averaging over $7.00 each.

Until recently, it was assumed that child pornography was mostly produced in Europe, but investigations have now revealed that much of it is produced in the United States—even some materials which are packaged in such a manner as to represent foreign origin.

Film makers and magazine photographers have little difficulty recruiting youngsters for these performances. Some simply use their own children; others rely on runaways. Recent findings of Senator Bayh's subcommittee on juvenile delinquency and other studies show that more than one million American children run away from home each year. From this vast army of dispossessed children, exploiters select literally thousands of participants for their production needs.

Los Angeles police estimate that adults sexually exploited over 30,000 children under 17 in 1976, and photographed many of them in the act.

In 1975, Houston police arrested Roy Ames after finding a warehouse full of pornography included 15,000 color slides of boys in homosexual acts, over 1,000 magazines and paperback books plus a thousand reels of film.

In New York City, Father Bruce Ritter of Covenant House, a group of shelters for runaway children, has reported that the first ten children who entered Covenant House had all been given money to appear in pornographic films. These children, in their early teens, could not return to their homes because of intolerable conditions of abuse and neglect, and could not find jobs or take care of themselves.

Many are not runaways, but come from broken homes. They can be induced to pose for $5 or a trip to Disneyland, or even a kind word. Sometimes the mothers are porn queens; often parents or guardians are addicts or alcoholics.

Recently, at the Crossroads Store in New York's Times Square, we purchased "Lollitots", a magazine showing girls eight to fourteen, and "Moppits", children aged three to twelve as well as playing cards which pictured naked, spread eagled children. We also viewed a film depicting children violently deflowered on their communion day at the feet of a "freshly crucified" priest replacing Jesus on the cross. Next, we saw a film showing an alleged father engaged in uralalia with his four year old daughter. Of sixty-four films seen, nineteen showed children and an additional sixteen involved incest.

THE VICTIMIZATION OF CHILD-PORN STARS

Despite the highly secretive nature of the recruitment and sexploitation process, a growing body of information about the children involved confirms that psychological scarring and emotional distress which occur in the vast majority of these cases lead to significant other problems.

Dr. Densen-Gerber, founder of Odyssey Institute, states as a psychiatrist that such inappropriate sexuality is ". . . highly destructive to children. It leads them to join our deviant populations: drug addicts, prostitutes, criminals and preadult parents. . . . There is no proven connection that I know of between adult pornography and sexual abuse, but this degradation of children scars them for life".

There have also surfaced a number of children and young adults who had been involved in posing and/or performing for sexually explicit films and magazines. These children are now or have been in treatment programs for substance abuse, delinquency or other aberrent behavior. Some of these children have voluntarily recounted their experiences to law enforcement and news media persons who are attempting to learn more about the recruitment process and the type of activities involved.

Many are victimized in more brutal fashion. Los Angeles Police Investigator Jackie Howell rejects the commonly stated belief that nude posing is harmless to the children. "We have found a child molester is often also the photographer. Photography is only a part of it, a sideline more often than not to prostitution, sexual abuse, and drugs".

APPLICATION OF EXISTING LEGISLATION

There are currently a number of federal and state laws which relate directly or indirectly to this problem. On the federal level, there are five laws prohibiting the distribution of "obscene" materials. One prohibits any mailing of such material (18 U.S.C. § 1461); another prohibits the importation of obscene materials into the country (19 U.S.C. § 1305); another prohibits the broadcast of obscenity (18 U.S.C. § 1464); and two others prohibit the interstate transportation of obscene materials of the use of common carriers to transport such materials (18 U.S.C. § 1462 and 1465). Also, there is the Anti-Pandering Act of 1968 (39 U.S.C. § 3008) which authorizes postal patrons to request no further unsolicited mailings or advertisements which are sexually offensive.

There is no federal statute specifically regulating the distribution of sexual materials to children. There is likewise no federal statute involving interstate commerce which specifically regulates or restricts the production, distribution or marketing of this material.

Forty-seven states and the District of Columbia have some form of laws pertaining to the dissemination of obscene material to minors. However, only six states specifically prohibit the participation of minors in an obscene performance which could be harmful to them (Connecticut General Statutes, § 53–25; North Carolina General Statutes, § 14–190.1, et seq; North Dakota Century Code, § 12.1–27.1–03; Code of Laws of South Carolina, § 16–414.1 et seq; Tennessee Code Annotated, § 39–3013; Texas Code Annotated, § 43.24).

State criminal statutes which deal with sex crimes often are not helpful, either because the physical activity does not meet the criteria of the statute, e.g., rape, sodomy, sexual abuse, or because they are so broadly worded as to discourage courts from applying them in terms of significant sanctions.

Many states have child welfare provisions within their education law, which regulate the employment of children in commercial activities. Unfortunately, these same laws either abdicate control when the child is working for a parent (Michigan Act 157 of the Public Acts of 1947 (as amended) § 409.14), or the sanctions are so limited as to pose no deterrent. (Education Law of New York, § 3231 (a), (c)).

Given the paucity of legislation which specifically relates to this activity, there can be little wonder at the relatively scarce attempts at law enforcement. The problems of case-finding and evidence are compounded by confusing the nature of sexploitation, viewed as a form of child abuse, with adult obscenity matters.

These problems and the attitudes of many judges discourage and actually thwart the few criminal investigations attempted. To illustrate, we excerpt the following from the Washington Post article of January 30, 1977 by Myra McPherson.

"Following a year's investigation, New York seized 1,200 films and magazines, many using children. Arrests were made. They convicted a major wholesaler, Edward Mishkin. Mishkin could have gotten seven years in jail—instead he got six months of 'weekends' in jail. Shortly thereafter, he was rearrested."

The Mishkin case is a familiar tale, repeated by law enforcement officials across the country. For example, Kent Master, a New York distributor of "chicken films"—the vernacular for porn films involving children—advertises 10 films in its "lollypops" series. The ads show cartoons of two very young nude boys licking lollipops, the slogan "Chicken Films Come of Age" and graphic descriptions of sex acts, including "Ronnie, Bobby and Eddie—three preteens on a bed." The movies are 8 mm, in color, 200 feet and $20 each. There is an address, but directory assistance has no phone listed. Undercover agents recently arrested the firm's owner, charging him with the misdemeanor of promoting obscenity.

"Under present criminal statutes we can't go in with a search warrant and confiscate the films. He would not sell us more copies, and so the only thing we could do is charge him with a misdemeanor," says Manhattan District Attorney Robert Morgenthau. "And we still don't know who the children are or where they come from." . . ."

There is some reported case law worthy of mention.

In *People* v. *Byrnes,* 33 N.Y. 2d 343, 308 N.E.2d 435, 352 N.Y.S.2d 913 (1974), a father appealed his convictions for rape, sodomy, and incest after his eleven-year-old daughter testified that on two occasions she and her father went to the home of a photographer who filmed them engaging in sexual acts. The father argued on appeal that he was convicted solely on the uncorroborated testimony of his daughter. But the court found that photos of the illicit acts had been properly admitted as evidence. This was an interesting case in that it involved, in part, photos in which one of the participants was not clearly identified. A somewhat similar case is *State* v. *Kasold,* 110 Ariz. 558, 521 P. 2d 990 (1974), wherein evidence was admitted which included photos of the defendant with private parts exposed, and fully-clothed little girl with her back to the camera. For a discussion of the use of photos of parts of the anatomy as evidence in criminal trials, see 9 A.L.R.2d 899, 923–26 (1950).

In *City of St. Paul* v. *Campbell,* 287 Minn. 171, 177 N.W.2d 304 (1970) a conviction for disorderly conduct was reversed where the defendant had photographed a thirteen-year-old girl in the nude but had not created a disturbance in doing so. The court indicated that if the charge had been contributing to delinquency or employing a minor for immoral purposes, a conviction might have been reasonable.

In *People* v. *Burrows,* 260 Cal. App. 2d 228, 67 Cal. Aptr. 28 (1968) a conviction for false imprisonment and using a minor in the preparation of obscene materials was affirmed where evidence showed that an adult had bound the complainant hand and foot, abused him sexually, and photographed him in indecent positions.

An interesting question is whether a parent who photographs a nude offspring and circulates the photo to others, or who allows his unclothed child to be photographed even though the picture will be distributed publicly, could be criminally responsible. The photo may not be legally obscene (see below) and a parent may have a legal right to waive his offspring's right to privacy. That an infant should have a right of privacy in the dignity of his body is argued in 12 DUQUESNE L. REV. 645 (1974). But to what extent an infant has a right of privacy independent of the activities and directives of his parent is unclear. *See* Note, *Parental Consent Requirements and the Privacy Rights of Minors: The Contraceptive Controversy,* 88 HARV. L. REV. 1001, 1008–09 (1975). A child's constitutional rights may be subject to the control of a parent, at least until the child becomes an adolescent. *See* Note, *Torture Toys, Parental Rights and the First Amendment,* 46 SO. CALIF. L. REV. 184, 188–201 (1972), and decisions discussed therein. However, there is no constitutional right to engage in an unlimited variety of sexual activities in the home. *See Cheesebrough v. State,* 255 So.2d 675 (Fla. 1971), *cert. denied,* 406 U.S. 976 (1972). And there is no right of privacy in family sexual affairs if photographs of such activities are taken with parental approval and are allowed to fall into the hands of others. *Cf. Lovisi v. Slayton,* 363 F. Supp. 620 (E.D. Va. 1973), *aff'd on other grounds,* 539 F2d 349 (4th Cir.), *cert. denied,* 97 S. Ct. 485 (1976).

In such situations (parental photos of nude offspring), a conviction for contributing to delinquency under present laws might still make sense if the reasoning in *State v. Locks,* 94 Ariz. 134, 382 P.2d 242 (1963) is followed. In *Locks,* the proprietor of a hobby shop allegedly induced an underaged youth to purchase a magazine containing photos of unclothed adults. In discussing the defendant's possible liability for contributing to delinquency, the court focused on the conduct suggested by the photos. "The suggestion that meretricious sexual relations are acceptable social conduct may be more injurious to the welfare of the child than an act of physical ravishment." *Id.* at 137, 382 P.2d at 243.

All of the present federal statutes have a single major failing—their lack of specificity regarding children. On both federal and state levels, the need to identify the materials as "obscene" has effectively blocked effective intervention to protect the children or to prosecute the exploiters.

PROPOSED LEGISLATION

It is well established that the state has a valid special interest in the well-being of its children. *Prince* v. *Com. of Massachusetts,* 321 U.S. 158 (1944).

In *Ginsberg* v. *New York,* 390 U.S. 629 (1968), the U.S. Supreme Court upheld a New York criminal statute that barred commercial dissemination to minors. The defendant in *Ginsberg* contended that the state statute violated the First Amendment. In response, the Court stressed that the statute applied only to sexually oriented material that was found obscene under a constitutionally acceptable definition of obscenity. There was no First Amendment violation since, as the Court had noted in prior decisions involving "general" (adult) obscenity statutes, obscene material is not protected speech under the First Amendment. The *Ginsberg* opinion also noted that the state had ample justification to sustain its regulation of an activity that was not protected by the First Amendment. The Court noted two state interests that combined to support the New York prohibition against the commercial dissemination of obscene material to minors. First, the legislature could "rationally conclude" that the exposure of minors to obscene material was "harmful" to the youths' "ethical and moral development." Second, the state could appropriately seek to support the interest of parents in controlling their children's access to obscene material.

From a perspective of controlling obscene activities involving minors, it cannot logically be disputed that the state can constitutionally and properly protect their welfare by restricting materials available to them without, at the same time, possessing the authority and right to also protect the children from having to participate in the production of these materials.

On the federal level, the power to legislate with respect to obscenity has been derived from the constitutional power to regulate commerce. (Art. I, Sec. 8, cl. 3) The development of our child labor laws and the constitutional challenges thereto reflect a present recognition of broad Congressional powers, reaching all phases of our national industrial system.

Mandeville Island Farms v. *American Crystal Sugar Co.,* 334 U.S. 219 (1948); *United States* v. *Darby,* 312 U.S. 100 (1941); *Wickard* v. *Filburn,* 317 U.S. 111 (1942); *United States* v. *South-Eastern Underwriters Assn.,* 322 U.S. 533 (1944). Therefore, it would appear that Federal legislation could be proposed which would operate in a manner similar to the child labor provision of the F.L.S.A. This law could have the effect of prohibiting the shipment into commerce any motion picture or photograph in which children under a certain age have appeared in the nude or depicted in some other objectionable manner.

A similar analysis is productive in determining the power to regulate intrastate activities—the production of the materials involving the sexual conduct of children—where such activities clearly impact on interstate commerce, *Maryland v. Wirtz,* 392 U.S. 183 (1968); *Atlanta Motel v. United States,* 379 U.S. 241 (1964).

Consequently, it is clear that legislation can be developed to prohibit the sexual conduct itself (and related activities) regardless of whether the ultimate product will enter into commerce, inasmuch as it can be expected to "affect commerce".

Specifically, the power of Congress to promote interstate commerce also includes the power to regulate the local incidents thereof, including local activities in both the states of origin and destination, which might have a substantial and harmful effect upon that commerce. 379 U.S. at 258.

The proposed legislation is designed to address the sexual conduct and the activities related thereto, from soliciting the child to marketing of the product. There must be an awareness that the printed product cannot be isolated or removed from the process. This process creates substantial harm to children. The protections inherent in the First Amendment provisions regarding freedom of speech are not without some limit. Such guarantees cannot be rationally interpreted to include a right to abuse and exploit young children.

We are not going to produce mentally healthy and happy children by issuing an executive order that all children must be loved . . . but we can author legislation to protect them and give them a fighting chance in this world. To paraphrase Camus, who spoke for all of us who in some way work with children:

"Perhaps we cannot prevent this America from being an America in which children are tortured . . . but we can reduce the number of tortured children. And if you don't help us in this . . . Who else in this world can . . ."

TRANSPORTATION AND SAFETY: AIR BAG MYTHS EXPOSED

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. SHUSTER. Mr. Speaker, Secretary of Transportation Brock Adams held a public hearing on April 27–28 to hear arguments on future automotive occupant crash restraint protection standards. This hearing was scheduled as a result of former DOT Secretary William T. Coleman, Jr.'s decision of December 6, 1976, on air bags, which contained no changes in present occupant restraint standards. At the same time, Secretary Coleman announced a voluntary program under which automobile manufacturers would make air bags available in no less than 500,000 automobiles in future years as a test of public response to passive restraints and the effectiveness of air bags in real-life crash situations. Secretary Adams has questioned the adequacy of this decision in terms of the Department's statutory responsibility to issue standards to reduce highway deaths and injuries.

Although Secretary Adams appears to have scheduled this hearing with an open mind, and has given no indication of his personal inclinations with respect to the future of air bags, the implication is clear that with substantial public pressure, the Department would consider changing the occupant crash protection standard to mandate the installation of air bags in all cars.

Mr. Speaker, the passive versus active restraint controversy is not new; nor is debate over the role of the Federal Government in mandating safety standards for American citizens. Indeed, several years ago I vigorously fought—and won—a battle against mandatory seat belt laws which, in my opinion, would have violated the individual rights of our citizens. The evidence indicated overwhelmingly that seat belts offered maximum protection against deaths and injuries in auto accidents, and it would be foolish not to wear a seat belt. But, I argued at the time, free people have a right to do foolish things.

I also supported efforts, on the same grounds, to eliminate the now-infamous seat belt interlock system, which was perhaps one of the most flagrant violations of individual liberties ever perpetrated on the American people by the Federal bureaucracy.

The point is, Mr. Speaker, that in each instance, as the facts unfolded, the American people, through their representatives in the U.S. Congress, did the right thing. The danger comes in justifying a new program on the basis of myths and distortions and not facts. This is my chief concern with the air bags.

Because of the passive nature of air bags, many people look to this device as a panacea—a foolproof method to prevent injuries and deaths in auto accidents. They believe air bags offer maximum protection in all crash situations and can be counted on to perform miracles when good human judgment fails. I am afraid, Mr. Speaker, that these are myths, and not facts.

Air bags, to achieve maximum effectiveness, must be used with a lap belt which once again requires a conscious effort on the part of the occupant to protect himself. It is not as automatic as one is led to believe.

Furthermore, air bags offer no protection in rear-end or side-impact collisions, rollovers, secondary collision—since they inflate and deflate in a fraction of a second—and in crashes under 12 miles per hour—since the activating device is triggered only when that speed is attained.

Thus, for air bags to perform up to the expectations of most Americans, the occupants must buckle-up their lap belts, the collision must be head-on at over 12 miles per hour, and the auto must not be involved in a secondary impact—with a tree or another auto, for example.

Another myth surrounding the use of air bags is that it is the best possible safety device to prevent deaths and injuries in auto accidents. The facts are, according to recent studies I have seen, that 100 percent air bag usage—in both the driver and passenger compartments—could save 11,200 lives per year. However, the same studies indicate that 100 percent lap and shoulder belt usage could save 16,300 lives per year—nearly 50 percent more than air bags.

Additionally, 100 percent lap and shoulder belt usage could prevent or reduce 916,400 injuries per year while air bags—because of their deployment only in accidents in excess of 12 miles per hour—could only prevent or reduce 171,800 injuries.

Add to this the cost of air bags versus seat belts and the additional inconvenience and cost of reinstallation of air bags once deployed, and it becomes abundantly clear that air bags are not the ideal solution. Widespread use of seat belts offers the most potential for saving lives and reducing serious injuries—and they are already available in 90 percent of the cars on the roads today.

Mr. Speaker, no proposal should go unexplored in our efforts to prevent deaths and injuries in auto accidents, and the air bag surely has a role to play in future safety alternatives. But decisions on future safety standards must be based on reality, and not the good intentioned hopes of Federal bureaucrats.

As we evaluate the testimony given in Secretary Adams' April 27–28 hearings, I urge my colleagues, and all those concerned with Federal safety standards, to keep these facts in mind.

POLYGRAPH TESTING: A TRAGIC HISTORY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. KOCH. Mr. Speaker, I would like to provide for the RECORD an article which appeared in the Wall Street Journal today on the subject of polygraph testing in employment. The article tells the tragic story of one man whose professional and personal life were ruined when his polygraph test results mistakenly identified him as a company "leak." That story should serve as a reminder that the use of lie detectors is unreliable and constitutes an invidious invasion of privacy. I have introduced H.R. 434 to ban the use of polygraphs for employment purposes and I commend that bill, and my earlier statements on the subject—February 8, 1977, page H959 and March 8, 1977, page H1867—to the attention of our colleagues. The article follows:

[From the Wall Street Journal, May 4, 1977]

X PLUS Y EQUALS 'Z'

(By Jonathan Kwitny)

I have always suspected lie detectors were unreliable. Now I've had a first-hand experience that seems to confirm that suspicion, and on the basis of it, I don't think I'd want to take a lie detector test, and I sympathize with anyone who's pressured into taking one.

The detectors are probably right most of the time, which is better than guessing. But they are not nearly good enough to depend on in serious matters. Even the polygraph establishment concedes that guilty persons might on occasion fool the detector with well-performed denials. But the establishment insists the detector will never point its accusing needles at a subject who is telling the complete truth.

I have less faith.

About a year ago, I started a clipping file on polygraphs, figuring that when I had enough examples of lie detectors telling lies about innocent people, I would combine them into an article. Until a few weeks ago, all I had was the clipping I started out with.

Peter Reilly, the Connecticut youth who has now been exonerated of the murder of his mother, was subjected to a polygraph test by the Connecticut State Police after his arrest. He flunked it. He was convicted and sent to prison. In preliminary tests, he was judged to be "a textbook reactor"—a perfect subject for the test. Then the lie detector effectively labeled Mr. Reilly a murderer, and he isn't one. After his conviction was overturned by a judge who called it "a grave injustice," the state's attorney in preparing for a new trial, announced he had come across new evidence that placed Mr. Reilly miles away from the murder scene. All charges were dropped.

Now I have learned that a lie detector apparently has been telling lies in a case involving me and a news source.

Early in 1974, I got a call from a Mr. X, whom I didn't know, but who had read and liked my articles. He said he had a friend, Y, who held a responsible position at Combustion Engineering Inc., a major maker of power plants. Combustion had recently reversed a downtrend in nuclear sales by announcing a flurry of new contracts won in bidding against previously front-running competitors. Consequently, its stock had soared.

TAKING UNUSUAL RISKS

Y had told X—and I subsequently confirmed this directly with Y—that the turnaround followed decisions by Combustion to take unusual contractual risks that hadn't been disclosed to the public. The risks involved, first, allowing power utilities considerable freedom to back out of deals they had made with Combustion with little or no cost to the utility long after contracts were signed, and, second, extending broad warranties that even covered equipment changes required by future changes in government regulations. There was evidence of considerable controversy within Combustion over whether to take these risks.

Experts I interviewed in the industry agreed the contracts were both unusual and risky. And although Combustion maintained that the contracts could be met profitably, I found that Combustion's officers and directors had been heavy sellers of the company's stock in the months after the favorable news of the contracts.

When the story was published, trading in Combustion stock was halted. When trading reopened, the price of both the common and the preferred fell to about half what it had been, a quick equity wipeout of about $450 million. The victims included numerous Combustion employes who held stock through an employe investment plan.

Combustion reacted predictably. It set out to find Y.

A lie detector was set up. Some 40 or 50 employes were scheduled to take it. Only half a dozen did. For one thing, I found out about it and did a story for the Journal, which Combustion now agrees was "probably a factor" in the decision to call the tests off. But for another thing, the lie detector already had fingered a possible culprit.

A source at the company told me that management thought it knew who gave me the documents. Afraid of hurting Y, I neither questioned Combustion about this nor tried to reach Y again. Evidently, since lie detectors can't be used in court except by consent, Combustion couldn't fire its traitor in a public show and sue him.

Then a year ago, I began playing tennis regularly with a prominent figure in the power supply industry who had been fascinated by the Combustion episode. He said that Elno Powell, who recently retired as a senior executive at Combustion, had told him shortly after the lie detector tests that Combustion had identified the culprit and "neutralized" him.

My friend, taken aback by the Godfather-like language, replied, "What did you do, castrate him?" He says Mr. Powell just laughed, and replied, "Something like that." Mr. Powell, interviewed recently, says he doesn't recall the details, or what he meant by "neutralized," but confirms that others at Combustion told him they thought they had found the news source.

Subsequently I got a call from one Charles Puzas, who said he used to work in Combustion's contract department. He was given the lie detector test back in 1974 and was told afterwards that he alone had failed it. Another source at the company says he was told the same thing about Mr. Puzas.

Says Mr. Puzas: "I was singled out as the person who visited you. They brought in special attorneys. They interrogated me. Rumors started circulating throughout the company. My bosses became suspect. My associates, my peers, believed that I was the person. They would not confide in me any longer. I just felt I could not work in that type environment, under those conditions," he says. He began drinking heavily and calls himself an alcoholic. He says his family left him because of it. He says he found another job in the industry, but lost it in a lay-off.

When he first called me he was out of work and sounding desperate. A few days age he reported he had a new job. But he is getting divorced. He blames all those troubles on the Combustion episode. His estranged wife, in the extent she'll talk at all, tends to confirm what he says.

FLUNKED THE TEST

In several weeks of questions and answers relayed through a public relations staff, Combustion conceded that Mr. Puzas left when he said he did, but the company wouldn't disclose the results of the lie detector test. As for R. J. Hallinan—the Combustion general counsel who Mr. Puzas says told him he flunked the test—the Combustion PR people said Mr. Hallinan"doesn't recall whether he said such a thing or not." And the company said it didn't know whether other persons involved also told Mr. Puzas is flunked, as he says they did.

After numerous requests from Mr. Puzas and me to see the polygraph operator's report, Combustion finally allowed Mr. Puzas to see it in the company's office. But he says the company would not let him copy it or even take notes. He says that the report clearly indicates he failed the test, though it doesn't quite say so specifically. He says it showed he had "an adverse reaction" to 11 key questions, including whether he knew me, whether he had talked with me and whether he had given me documents. He says it concluded with words to the effect that he "could not be excused from guilt," or some such euphemism.

Faced with Mr. Puzas account yesterday, Combustion conceded that Mr. Puzas had shown "an adverse reaction" to "several questions"—whether it was 11 or not the PR man wasn't sure—and the company declared that the test was, in the PR man's word, "inconclusive." Combustion still wouldn't elaborate on the test.

Said the PR man, "The specific questions are really immaterial. The test overall was inconclusive. In our mind it was not a matter of excusing someone from guilt, it was a matter of establishing facts and events and the test did not enable us to do that. We do not associate Mr. Puzas' departure from the company with that test."

But others, including Mr. Puzas, do.

Lie detector experts will no doubt write in complaining that the polygraph doesn't lie, that a poor operator just messes things up. But there's always going to be an operator interpreting the responses, and there's no sure way to identify a "good" operator—any more than there's a way to tell whether a person is lying about something that only he knows.

In this case, there are three persons who know, with a rare kind of absolute certainty, that any lie detector that accuses Mr. Puzas is framing him. Mr. Puzas knows. The real Y knows. And I know.

When Mr. Puzas first called he told me he wasn't interested in suing Combustion. He said he merely wanted a letter from me that would clear him. I have made contact with Y and have received his permission to disclose the truth about Mr. Puzas.

So this is the letter. I never heard the name Charles Puzas before he called me up a few weeks ago. I had never talked to him before. He had never supplied me any documents or information before, directly or indirectly. And any detector that says different is lying.

WILLIAM F. CZULEGER: OUTSTANDING CALIFORNIAN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. DORNAN. Mr. Speaker, May 19, 1977, will be a day of sadness and great pride for the citizens of Redondo Beach, Calif. On that day, their mayor, the Honorable William F. Czuleger, will retire from public office.

His list of accomplishments while in the public service would be the envy of many of us here in this Chamber.

Born in Wilkes-Barre, Pa.—a fair city which incidentally was my mother's hometown—Mayor Czuleger emigrated to Redondo Beach 45 years ago. Since that time, he has served her citizens as councilman for 8 years and as mayor for 16. He has been president of the Redondo Beach Lions Club, the director of the South Bay Children's Health Center, a member of the board of directors of the American Red Cross, and a member of numerous National and State advisory boards.

Mr. Speaker, I am sure that my colleagues here today join with me in wishing Mayor Czuleger all the best in his well-earned retirement. For the record, I would like to list some of the mayor's accomplishments during his 30 years of public life. It will give all who read it an idea of how deserving he is of the respect of his fellow citizens:

PERSONAL HISTORY OF WILLIAM F. CZULEGER, MAYOR, CITY OF REDONDO BEACH

1. Born in Wilkes-Barre, Pennsylvania.

2. Married—3 children (William, Jr., Robert and Mary Ann).

3. Lived in Redondo Beach for 45 years.

4. Served as Councilman for 8 years, elected Mayor in 1961, 1965, 1969, 1973. Terms: 4 years.

5. Exalted Ruler of Elks—1944-45, past trustee of Elks.

6. Past President of Redondo Beach Coordinating Council.

7. Past President of Lions Club, Redondo Beach.

8. Director, South Bay Children's Health Center.

9. 1971, appointed to the Committee on International Municipal Cooperation of the National League of Cities.

10. Member of Eagles and Moose Lodges.

11. Director, Los Angeles County Sanitation District No. 5.

12. Was instrumental in receiving first money for development of King Harbor.

13. Served on Public Improvement Commission as Chairman in building new Police Facility and two new Fire Stations—thus helping to reduce fire insurance rates in Redondo Beach.

14. Representatives to Los Angeles Regional Forum on Solid Waste.

15. Member of the Commission of the Californias since 1970.

16. Member of Board of Directors—American National Red Cross—1972-75.

17. 1971-72—Chairman of the Committee of Mayors of the Cities of Los Angeles County.

18. Member of Attorney General's Advisory Committee.

19. Member of the President's Committee on Employment of the Handicapped.

20. Member of the Board of Directors, Town Affiliation Association.

21. Member of YMCA Advisory Group—1973.

22. Appointed to Community Development and Housing Committee of U.S. Conference of Mayors, September 26, 1976.

23. Chairman of South Bay Regional Communications Board, January, 1976.

24. Charter member of Boys' Club.

25. Assisted in organization of Sister City Program and Round Table.

26. Instrumental in securing TRW Systems, Inc. installation in Redondo Beach.

27. Life Member of Hideout Youth Canteen.

28. Initiated chapters of Altrusa and Business and Professional Women's Clubs.

29. Instrumental in development of South Bay Bike Path.

30. Instrumental in securing:

A. King Harbor Breakwater.

B. King Harbor Development.

C. Senior Citizen Club Buildings and housing.

D. Redondo Beach Post Office.

F. City Hall and Police Department Complex.

G. International Surf Festival.

H. Riviera Village development.

I. Prospect Avenue, Knob Hill and Pacific Coast Highway improvements.

J. Land for development of 11-acre Wilderness Park.

31. Recipient of Eagles Fiorello La Guardia Award for outstanding Leadership in the field of municipal administration in 1965.

32. Member of National Bicentennial Committee.

HERMAN KAHN PREDICTS A PROSPEROUS FUTURE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BLANCHARD. Mr. Speaker, on the 20th of April, just prior to President Carter's energy message to the joint session of Congress, Herman Kahn, director of the Hudson Institute, told over 50 of our colleagues, "Basically, I support the President's message, but I do not think our energy situation is equivalent to war. We have got problems, but we can solve them without all this sacrifice."

The dinner, Mr. Speaker, was the fourth in a series of "Dialogues on America's Future" sponsored by the Congressional Clearinghouse on the Future. Mr. Kahn's remarks are rather interesting and I commend them to my colleagues. They will add another perspective to the discussion of the future of our energy needs.

The full text of our session follows:

NEXT 200 YEARS LOOK GOOD

Good evening, and thank you for inviting me to be with you in this series of dialogues. You have had an impressive group of speakers thus far, and I am to be followed by three more. I would like to talk a little tonight about some trends that I believe are developing and then I will speak about the energy problem which President Carter will address himself to in just an hour from now.

Two hundred years ago, man was everywhere poor, everywhere scarce, everywhere at the mercy of nature. Two hundred years from now, man (barring bad management and/or bad luck) will be everywhere rich, everywhere numerous, and everywhere in control of the forces of nature. We are in the middle of the most exciting 400 year period in human history.

For two hundred years we have been accelerating at ever increasing rates of speed. I believe that from 1975 on, we will slow down our rate of growth. There are a lot of people who believe there is a limit to growth. I don't agree with them, because I believe that our society will, of itself, slow down. The people who worry about limits to growth are the upper middle class elites who find that as the country as a whole gets richer their standard of living gets lower. Therefore they have a lot at stake in maintaining the status quo.

At Hudson, we see two kinds of issues facing mankind. These are the nine mostly understandable ones:

ISSUES FACING MANKIND

1. Likelihood of peak in percent rate of growth of world population and GWP occurring and of the slowdown in rate of growth being caused more by "natural" limitation of demand than by shortage of supplies and space or by pollution.

2. Various demographic, locational, and income issues which occur during the transition.

3. Providing an adequate supply of food.

(These issues are at the center of current sources of energy.

5. Expanding base or capability for other resources.

6. Pollution, ecological, and environmental programs to provide clean air, clean water, and aesthetic landscapes.

7. An important and exciting role for space and advanced technology.

8. "Surprise-free" partial images of the future, including the likely emergence of first the super- and then the post-industrial economies.

9. The extraordinary capability and flexibility associated with coming levels of affluence and advanced technology.

(These issues are at the center of current controversies and are thus very troublesome for the present and the immediate future. However, we believe there is—or could be—a surprisingly large consensus concerning their shape and possible solution. Thus, the current debate is very misleading, and drains off intellectual energies which could better be devoted to the great issues below. At the same time much current discussion discourages practical steps by assuming their inadequacy. An effort should therefore be made to articulate this consensus and demonstrate the likely feasibility of solutions so that the issues can be addressed with higher morale and greater competency and, at the same time, more attention be given to the truly uncertain issues of the future.)

The second list of issues facing mankind is made up of things we believe are basically uncertain, and potentially disastrous, issues. They are:

(These are the great issues of the future. What they will be in general terms is sometimes clear, sometimes not; in any case the exact shape they will take, the degree of danger and problems involved, the opportunities presented, and the solutions required are terribly unclear.)

1. Actual role for good or evil of science and advanced technology.

2. Degree of bad luck and bad management.

3. Effects of U.S. super-industrial economy on environment, society and culture of U.S. and the world.

4. Effects of U.S. post-industrial economy on environment, society and culture of U.S. and the world.

5. Parallel developments in other countries—including the likely dynamics of economic and technological development within and between various nations. We can group them initially in seven categories (numbers in parenthesis are millions of people): 1. Desperately Poor (215), 2. Coping Poor (950) 3. Communist Asia (925), 4. Transitional Society (500), 5. Mostly Developed (350), 6. Communist Europe (385), 7. "Capitalist Affluent" (675).

6. Popular and elite images of the present and future of these groups (by themselves and others) and the likely problems and opportunities caused by these images.

7. Other issues relating to quality of life, attitudes, values, morals, morale, and cultural change for the above groups.

8. Subsequent internal and external political, institutional, strategic and arms control issues and control of violence generally.

9. Complicated, complex, and subtle ecological and environmental issues.

10. Stabilization or reversal of the long-term multifold trend of Western culture to-

ward a sensate society—or its replacement by a new source of meaning and purpose.

I want to make two points about these lists. In the first place, we do not know everything about any of these issues and we cannot know everything. The second point is that the big issues are really soft issues. They are social and political issues.

Now I believe that the people who are in charge of the world in which these issues are present are the new class and the upper middle class elites. These people make their money from knowledge, language skills, and/or academic education. They come from academe, government, the media, research organizations, churches, corporation planning departments, and union staffs.

This group makes up about 5 percent of the population, but they are in charge of our institutions and they do not like growth. Ninety percent of the discussions today deal with the conflict of interest between the upper middle class elites and new class on the one hand and the rest of the country on the other.

The decade between 1965 and 1975 saw a sharp decline in public opinion about this group. Big business, unions, the executive branch, and Congress lost many points in the Gallup and Harris polls as Americans spoke about their loss of faith in the leadership and the institutions of the country. Those in charge have been unable to deal with rising cost and diminishing service, and no elite group has performed well.

One of the reasons the elites have been unable to cope is because they have misunderstood "Middle America" issues. The elites only read the New York Times, the Washington Post, et cetera, where they only see a crazy discussion of the issues.

When we ask faculty members and students at Harvard and Yale about their opinion of the limits to growth position, 95 percent of them said it was important and real. I do not believe that you would find that hostility to growth in middle America.

I have a book to recommend to you: Joseph A. Schumpeter's "Capitalism, Socialism and Democracy."

CARTER'S ENERGY PLAN: GOOD

Now let me talk for a minute about energy. I basically favor President Carter's energy plan, though I think the statement that we are somehow at war is a bit much. No war is being fought here and there is no need for such excessive language. If we make the right decisions by the year 2000, we will be using energy from eternal sources by the year 2025.

We need to use the fuel that is already in the ground because any expensive energy we do not use today will stay in the ground forever. Your grandchildren will not use it. So if you are thinking about robbing your grandchildren because you use it, do not worry. That is not true. If it is not used now, it will not be used at all.

I favor the liquification of coal and shale by Government owned operations. I believe it can be done at about $5 to $10 a barrel. Two hundred plants could be built to process it between 1980 and 1995 and we could sign long-term—30-year—contracts with any country at say, 100,000 barrels a day at 1977 US$12, factory delivered. If we did that, we would change the whole atmosphere in the energy discussion.

At Hudson we have a report on 12 proposals we believe could supply us with energy without cutting back. I will send any Member of Congress a copy who writes and asks for one.

One of our ideas is to look for unconventional gas. This gas comes in four areas:

First, gas trapped in coal;

Second, gas trapped in tight gas formations;

Third, gas found in Devonian shales composes about 10,000–100,000 quads of gas; and

Fourth, gas trapped in geopressurized zones. Aquifers 10,000–30,000 feet underneath Louisiana and Texas may be saturated with methane gas. ERDA has been interested in this area for its potential heat, but we are proposing that they look for the gas instead. ERDA has built one well. We propose building 20 wells next year. You are going to have to spend money if you are going to find out if there is gas there which can be used. If it proves to be economically feasible, we may have more than 100,000 quads of energy—we only use about 80 quads a year now.

In our negotiations with OPEC, if we convince them that oil and gas are getting more and more precious, we are going to have to pay higher and higher prices. The limits to growth position comes true when you do not spend any money on new programs to find new sources. We need to begin looking for extraordinarily interesting alternatives, all the while remembering that no program will work if it does not look at the social and ecological problems.

COLORADO AND ALASKA COAL

There are two very large coal deposits in Colorado and Alaska. In Colorado, 600 square miles of oil shale could be mined. But current environmental regulations require that the land be restored to its original state, and there would be no way to restore 600 square miles of Colorado after you take out the shale. This land is scrub land, used for hunting, and is sold very cheaply. I suggest that it be named the National Industrial Resource Park and that we mine the shale in it.

In Alaska, 2 trillion tons of coal lie under the ground. I suggest that we take 200,000 square miles and give it to the environmentalists. We give 350,000 square miles to the State of Alaska, and the remaining 50,000 miles, we use for mining. Of that 50,000 square miles, we mine the inside 20,000 square miles and leave a rim around the mining operation so that nobody will be offended by it. Most of this land is tundra, and no one as far as I can tell is a tundra lover. But the regulations which protect tundra make mining of this coal impossible to carry out.

It is true that 95 percent of the American people believe in the protection of our environment and of our ecology. And I agree with them. But the new class sees environmental protection as a religious issue, and the public sees it as a practical issue. My general philosophy is that we ought to protect species that are small and cudley or large and ugly with big wings. I do not think we need to worry about the rest.

One final note before I answer your questions on the political mind set of most Americans. Do you know who was one of the most admired persons in America between 1968 and 1972? George Wallace. And the second most admired American in every poll every year is Billy Graham. The upper middle class elites probably will not agree with these choices, but there they are anyway.

QUESTIONS AND ANSWERS

Q. Why do you think 1975 is the peak year in our development?

A. Because that was the year that the squares took over. Both sides went for traditional values.

Q. The geopressurized demonstration project is very advanced, and ERDA is assuming great reservoirs of gas and heat. New test sights are planned. If we find new energy resources, what is the justification of an energy conservation program?

A. Carter says that we should charge energy at the cost of replacement, and I think that is a sound idea. Anybody burning energy at less is wasting energy. The campaign, therefore, is not meant for sacrifice, but rather for less waste. We won't have to change our styles of living so much as we will have to change the ways we go about achieving them. A family buys a big car because they want to go picnicking and visiting relatives. You can't get three kids, two parents, a dog and a bike in a Volkswagen.

Q. In your latest book, The Next 200 Years, you say that the world's population will level out at about 15 billion. In 100 years, you predict an actual zero growth rate. You say that today we use about 50 quads of energy. How are we going to provide enough energy for those people if energy usage grows at the rate of the population?

A. We believe that the growth rate will decline because of the factor of energy, but we disagree with the limits-to-growth people about the reasons. They say the population rate will level out because of famine and poverty. We believe it will level out because of wealth and urbanization.

Q. Is nuclear energy competitive with fossil fuel energy?

A. In the Northeast, yes. In other places, not so much. In terms of realibility, no. In competency, yes. Besides it can be made more reliable, not less.

Finally, let me say that I don't think we can run the country the way we have been running it for the last ten years. Many of the issues we are dealing with are not issues between God and the devil, but between classes, and both sides have legitimate demands and needs.

SPECIAL PROSECUTOR

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. HYDE. Mr. Speaker, I was pleased to learn yesterday that the President endorses the idea of a special prosecutor who would be appointed by a special court panel, selected by members of the U.S. District Court in Washington.

Early this year, I introduced H.R. 2711, which amends title 28 of the United States Code by creating a triggering mechanism authorizing the appointment of a special prosecutor under certain circumstances with carefully defined standards.

H.R. 2711 is based on the premise that a nonpolitical independent prosecutor is best equipped to investigate and, if necessary, to prosecute high Government officials whenever the evidence warrants.

The officials covered in my bill include:

First. The President and Vice President;

Second. Cabinet-level officials;

Third. Executive Office employees earning at least $39,900 per year;

Fourth. The Director of the FBI and the Director of the CIA;

Fifth. Someone who held any post in items 1 through 4 during the incumbency of the President or of the last preceding President, if that President was of the same political party;

Sixth. A national campaign manager or chairman of a national campaign committee seeking the election or reelection of the President; and

Seventh. Members of Congress.

This legislation will not only remove partisan bias from a sensitive area, but also the public's perception of such bias. Respect for law can only exist in an atmosphere of faith and trust in our governmental institutions and in the fair and fearless prosecution of those who betray their public trust for personal or political gain.

There are several salient reasons for authorizing a temporary special prosecutor rather than creating a permanent office. The availability of lawyers of stature and achievement for this difficult post would be diminished if the post were permanent. But certainly top-caliber people could be retained to investigate and prosecute a particular set of allegations or a crisis.

My bill is more extensive than the measure the President is supporting, but his favorable expression of the concept of a special prosecutor appointed by a special court panel, is heartening.

I was also pleased to learn that the Subcommittee on Criminal Justice, of which I am a member, has scheduled hearings on Thursday, May 12, on special prosecutor bills. Our subcommittee will be considering H.R. 2835, sponsored by our distinguished chairman, Mr. Mann, which I have cosponsored.

The subcommittee will also consider the following related bills:

H.R. 2711, my original bill.

H.R. 4292, my bill with cosponsors: Mr. Baucus, Mr. Breckinridge, Mr. Collins of Texas, Mr. Derwinski, Mr. Hagedorn, Mr. Leach, Mr. Neal, Mr. Schulze, and Mr. Whitley.

H.R. 4835, my bill with Mr. O'Brien as cosponsor.

In the flurry of self-cleansing ethics proposals that are being offered almost daily, we must not forget the painful lessons of the past. I urge my colleagues to consider the proposition of a special prosecutor—a nonpolitical independent prosecutor—who will have adequate resources to investigate and prosecute, if necessary, Government officials, including Members of Congress.

THE NEW CARTER ADMINISTRATION POLICY ON DEEPSEA MINING LEGISLATION AND THE LAW OF THE SEA CONFERENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. FRASER. Mr. Speaker, I would like to commend the Carter administration for developing a new policy concerning the international negotiating process at the Third United Nations Conference on the Law of the Sea, and especially on the new administration position on the subject of deepsea mining legislation.

Ambassador Elliot Richardson, President Carter's Special Representative to the Law of the Sea Conference, articulated the new policy on Wednesday, April 27, 1977, in House hearings.

In his testimony before the Subcommittee on Oceanography, Richardson stated that:

> We do not, therefore, support legislation now. Passage of legislation now, or indeed even Administration support for legislation, could disrupt the May-July Conference session and jeopardize the prospect for progress at that session.

He did indicate that a review would be ongoing after the next session.

The Carter policy states that it is premature to proceed now with regulations for ocean mining exploitation as opposed to exploration. "Industry will not need to move forward with actual exploitation until the early 1980's." Ambassador Richardson concluded that "We thus believe it would be preferable to defer issuance of exploitation regulations."

On the important subject of site specificity, the Carter policy clearly opposes any explicit reference to mid-ocean blocks assigned or mining sites in domestic legislation. To quote again from the Richardson testimony:

> We believe there is an alternative approach which would better serve our foreign policy, economic and national security interests and still give the sort of assurance required by the miners and their banks. Permits to mine could be issued without regard to any specific mining site or block.

Instead of site specificity, the Carter administration proposals call for permits that are nonsite specific but that are in accord with principles of resource management and environmental conservation. According to Richardson:

> Thus the legislation would not grant exclusive rights, yet it would at the same time be likely that the administering agency would, in applying sound resource management and environmental principles, avoid conflicting mining operations, should the problem arise.

On the question of U.S. Government subsidies or investment guarantees to corporations like Lockheed and Kennecott Copper, the Carter administration made itself absolutely clear.

Mr. Speaker, I have long been opposed to massive and unlimited guarantees to large mineral corporations against an international treaty. Any insurance must have specific limits in both sum and duration. I made this point in testimony on April 4, 1977, when I said:

> Guaranteeing investments in the commercial stage against a treaty is a very strange proposition. H.R. 3350 in effect puts the United States Government in the business of insuring against risks which the United States Government may create through its deliberations and participation in the Law of the Sea negotiations. Moreover, there is no upward monetary limit and the guarantees could be providing investment guarantees as much as $800 million per mine site. We know that commercial recovery will not commence before 1985 and there is no need to give full guarantees now.

Mr. Speaker, a very interesting article appeared in the Wall Street Journal on April 25, 1977, discussing this very deepsea mining bill. The article stated that:

> The guarantee (in H.R. 3350) is open-ended, a controversial point. Between $500 and $700 million is expected to be sunk into each mine site, so the government conceivably could be required to pay out billions in compensation.

Finally, Mr. Speaker, my own assessment and that of the Wall Street Journal was reaffirmed by the U.S. Government, by President Jimmy Carter's policy decision as explained by Elliot Richardson. The policy is, and I quote:

> HR 3350 provides for compensation by the US Government for any loss suffered in commercial operations as a result of the entry into force of a treaty. We believe this provision is unnecessary, potentially expensive (up to $2 billion in 1975 dollars), and potentially harmful to the negotiations. I believe in the interest of obtaining a treaty that protects our varied interests our negotiators must have the flexibility to choose among a wide number of approaches that would, in different ways, protect our interests. Legislation providing for a US Government obligation to compensate for any losses caused by a treaty could force our negotiators to assure that the treaty would conform to U.S. legislation.

Richardson assured the Congress that a reasonable alternative would be to reaffirm the U.S. view that miners have the right to mine under high seas principles and to seek grandfather clauses in a treaty.

I want to again express my faith in the talents of Ambassador Richardson and the Carter negotiating team at the United Nations Conference and my hope that equitable agreement will be reached. The Subcommittee on International Organizations of the House Committee on International Relations will hold hearings on both deepsea mining and a joint resolution of Congress supporting the U.S. Delegation to the Law of the Sea Conference in seeking agreement based on the "common heritage of mankind" principle on May 17 and 18. I urge my distinguished colleagues to familiarize themselves with this important issue and to read the Wall Street Journal article which I am inserting below:

CONGRESS AND MINING THE OCEANS

(By Arlen J. Large)

WASHINGTON.—Everybody has heard that there's a fortune in nickel, copper, cobalt and manganese lying in nodules on the floor of the Pacific Ocean. According to the State Department's interpretation of international law, anyone is free to go out and mine the stuff and get rich.

The reason it isn't happening is oddly circular, National governments, including the U.S. government, want to impose rules on how the nodules are to be mined. Some would-be miners say that poses a risk to their profits and that the profits must be guaranteed by, what else, the U.S. government. This potential handout involves Congress, which once again finds itself mixing in international diplomacy, and hating it.

Four U.S. companies, along with some domestic and foreign partners, say they're ready to develop the special ships, suction scoops and buckets on endless belts needed to begin commercial mining in the 1980s. But first, they insist, Congress must pass a law bailing them out from any financial loss arising from a prospective treaty on the law of the sea.

There's no assurance that treaty will ever materialize, judging by past futile sessions of the United Nations Law of the Sea Conference. Lurching from Caracas to Geneva to New York, delegates of 156 nations so far have been unable to stitch together an agreement covering, among many other things, who can mine the seabed nodules. The State Department meanwhile has been warning Congress not to pass a bailout bill that would lead to unilateral mining by the American companies, lest the Law of the Sea Conference be wrecked. Congress reluctantly has complied, with pawing the ground with hearings and committee votes intended to bluff the diplomats out of their deadlock.

Now the bluffing has come to an end, the bill's sponsors insist. "We now have a whole new ball game," say Democratic Sen. Lee Metcalf of Montana, who predicts the measure will be passed this year or early next year. "The sentiment of Congress has changed greatly," says Democratic Rep. John Breaux of Louisiana, sponsor of a counterpart bill in the House. "Legislation would tell the rest of the nation cf the world that they're going to have to make some realistic compromises in order to participate in deep sea mining."

TWO-HUNDRED MILE LIMIT

Congress already has established a precedent for breakaway action from a Law of the Sea Conference impasse. Last year, after a long period of preliminary bluffing, Congress disregarded State Department objections and passed a bill extending an exclusive fishing zone out 200 miles from U.S. coasts. A 200-mile fishing limit for all coastal nations was slowly being drafted at the Law of the Sea Conference, but Capitol Hill lawmakers lost patience. Despite the State Department's fears, the Law of the Sea Conference wasn't wrecked, and the unilateral U.S. claim has been generally accepted by other nations.

Rep. Breaux says the same transition from bluff to inevitability occurred for the seabed mining bill last fall when the Law of the Sea Conference recessed. U.S. negotiators had assured Congress that "just one more session" would produce the final outline of a treaty. But there was no agreement, and the 156 teams of diplomats will return to New York next month to resume haggling over seabed mining.

People who want to see private U.S. miners make an early start don't like the direction in which these talks are going. At an early stage U.S. negotiators agreed to the lofty proposition that the deep seabed minerals are "the common heritage of mankind." Though one American official has called this a "glittering generality" with no concrete meaning, governments of many underdeveloped countries would like to make it a prohibition against private exploitation of the nodules. It's even been suggested that courts of foreign countries might seize cargoes of American-mined minerals as goods stolen from mankind's heritage, in the absence of a treaty protecting U.S. rights.

Governments of many underdeveloped countries, including landlocked ones, would like to split the loot from seabed mining through a proposed supra-national outfit to be called The Enterprise. There's strong congressional suspicion that underdeveloped countries with shore-based nickel and copper mines want to regulate all seabed production to keep prices high. A main objective of U.S. negotiators in New York last year was to maintain in the treaty the right of private American companies to do any independent mining at all, in co-existence with The Enterprise.

All this alarmed many on Capitol Hill, who thought former Secretary of State Henry Kissinger made too many concessions in his eagerness for a treaty. In a letter to President Ford last September, Sen. Metcalf and 19 other Senators complained: "It would be hard to imagine a scheme better designed to throttle free-enterprise competition, keep minerals in short supply and high in price, and generally thwart the interests of American consumers." They predicted the kind of treaty being discussed would have "very great difficulty" winning Senate ratification.

It all adds up to towering uncertainty for the four leaders of the seabed mining consortiums, Kennecott Copper Corp., International Nickel Co., Deepsea Ventures Inc. and Lockheed Aircraft Corp. Nobody knows whether there'll be a treaty or not, or when it would be ratified and put in force. And if there is a treaty, Kennecott's seabed mining director Marne Dubs told Congress last month, it "might very well terminate our rights under existing international law, or prohibit our mining activities, or limit the amount of our production, or fix prices, or raise our costs prohibitively, or force us to move from the minesite we have developed to another one, or all of these in combination."

Because of the potential losses stemming from the treaty, Mr. Dubs testified that banks won't loan the mining companies any substantial part of the $2.5 million needed to start commercial extraction. The miners say that with a federal guarantee, the loans will flow and mining can start. "This approach," said Mr. Dubs, "places a part of the political risk of ocean mining on the political entity which has control over the risk—the United States government."

The bill sponsored by Rep. Breaux and others would authorize the federal courts to award compensation to mining companies that suffer losses in equipment and facilities due to the treaty's terms. The guarantee is open-ended, a controversial point. Between $500 million and $700 million is expected to be sunk into each mine site, so the government conceivably could be required to pay out billions in compensation. Democratic Rep. Donald Fraser of Minnesota calls that an "unjustifiably high giveaway to special interests" and predicts Congress will balk. But Mr. Fraser, too, would like to see the U.S. companies take initial steps toward mining, so he's pushing a rival insurance plan with a $100 million per company limit.

There's some signal-sending going on here. The open-ended guarantee of Rep. Breaux's bill is intended, at least in part, to influence what the diplomats might do in New York. The U.S. companies dearly want a grandfather clause preserving the status quo for mines that are in place when the treaty takes effect. The menace of a bill in Congress exposing the treasury to huge payouts presumably puts extra pressure on Elliot Richardson, the chief U.S. negotiator, to strive extra hard for the grandfather clause. If he gets it, the threat of treaty-caused losses to existing mines would be wiped out, and the Treasury could keep its money.

Rep. Breaux's bill would authorize the Commerce Department to issue licenses to U.S. miners for exploiting specific sites on the ocean floor. The measure anticipates that this job would be taken over by some international authority if a treaty ever goes into effect. To butter up negotiators from underdeveloped countries the bill may be written to require U.S. miners to put some of their nodule profits into an escrow account, for ultimate payment to any treaty-created international revenue-sharing authority.

Some skeptics doubt this effort to display good faith about eventual global profit-sharing will cut much ice with the foreign governments. They say the sight of Congress acting unilaterally while the Law of the Sea Conference is still in progress will just upset everybody.

Rep. Fraser, who ardently wants a successful law of the sea treaty, complains that giving the U.S. government power to issue licenses to mine specific sites smacks of a claim of U.S. ownership of the nodules. To the United Nations, he warns, that might appear to repudiate the "common heritage of mankind" doctrine. Mr. Fraser's rival insurance bill pointedly omits this licensing authority.

CONGRESS IS THREATENING

Not everybody in Congress shares Mr. Fraser's enthusiasm for a law of the sea treaty. The U.S. last year unilaterally moved to solve its fishing problem, which had been a major incentive for Americans to stay at the law of the sea bargaining table, and now Congress is threatening to open the way for unilateral seabed mining. If the negotiations drag on futilely, and if a mining bill passes, what's the rationale for staying any longer?

There are at least a couple of remaining U.S. government objectives. As part of a general treaty it wants to nail down the right of American marine scientists to collect specimens and otherwise poke around off the coasts of foreign countries. And the U.S. Navy wants the treaty to guarantee its automatic right to sail submerged submarines through all the world's narrow straits, even if overlapped by 12-mile territorial boundaries.

Yet an all-encompassing treaty that requires U.S. concessions on seabed mining in return for the Navy's global sailing rights may not be necessary. In a paper published by the American Enterprise Institute, sometimes called a conservative think tank, Dean Robert Osgood of the Johns Hopkins School of Advanced International Studies argues that only the Straits of Gibraltar and Indonesia have real strategic importance. He suggests that in lieu of a world-wide treaty, the U.S. should make bilateral deals with the coastal nations involved.

U.S. negotiators are telling Congress there was "progress" toward a mining agreement at an informal meeting in Geneva last month. The Carter administration is likely to state its position soon on whether Congress should pass a bill helping the U.S. seabed miners, but officials have passed the word that they want nothing enacted before the next Law of the Sea sessions end in July.

As a matter of legislative mechanics, that's probably a safe request. But congressional advocates of an early start on seabed mining feel they've been burned before by State Department appeals to give the diplomats "just one more session." The same exasperation that finally produced the unilateral fishing limit bill last year is now being loudly voiced on all those nodules.

"I'm apprehensive that in the extremes of our international largess, we're going to give it all away," says Democratic Rep. James Santini of Nevada. "The Law of the Sea could come close to sinking our ship."

MATCHLESS PERFORMANCE BY CPSC

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. HAGEDORN. Mr. Speaker, today's Federal Register contains 15 pages on new safety regulations by the Consumer Product Safety Commission for matchbooks. Henceforth, under threat of a $50,000 fine, and a 1-year prison term, the Commission informs us that the makers of matchbooks shall, among other things, abide by the following rules:

(a) The friction shall be located on the outside back cover near the bottom of the matchbook.

(b) The cover shall remain closed without external force.

(c) No friction material shall be located on the inside of the cover where possible contact with the matchheads may occur during ordinary use.

(d) There shall be no bridge(s), or broken bridge(s).

(e) No matchhead in the matchbook shall be split, chipped, cracked, or crumbled.

(f) No portion of any matchhead shall be outside the matchbook cover when the cover is closed.

(g) No part of a staple or other assembly device for securing the cover and combs shall be within or touching the friction area.

(h) A staple used as an assembly device for securing the cover and combs shall be fully clinched so that the ends are flattened or turned into the cover.

These terms are fully defined in section 1202.3 for those of us unfamiliar with them. The "matchbook" for instance consists of "a group of matches joined together and fastened within a cover." A "bookmatch" means a single splint with a matchhead attached, that comes from a "matchbook."

In the past year alone, the Consumer Product Safety Commission has played a major role in protecting the American public against the dangers of toy balloons, baseball bats, campfires, and Halloween perils. To their great credit, however, they are not satisfied with resting on their laurels and have now taken the lead in warning the American people against the hazards of fire.

Admittedly, the consumer may now have to pay a few cents for his previously free matchbooks, and perhaps a few marginal matchbookmakers may be put out of business, and maybe the taxpayer will have to ante up a few dollars more to support the crew that developed these regulations and the inspectors that will enforce them, but who can argue that the regulations are not worth it. At least now, the matchbook user will be assured of fully clinched staples and will be able to learn from the newly required printed language on the matchbooks exactly which firm manufactured his matches, where they are located, and what their CPSC code number is. These may displace a few advertisements but then the FTC ought to have been investigating most of them anyway. The Commission informs us though that, after wrestling with the problem at great length, the address need not contain the zip code in order to conserve space.

Mr. Speaker, for those of my colleagues who doubt the wisdom of this wonderful agency, and its ability to build a better match, I would like to assuage them by inserting at this point an excerpt from the Commission's performance testing requirements:

(d) *Test for performance requirements.* These methods will test for the performance defects stated in § 1202.5:

(1) *Apparatus and materials*—(i) *Test device and fragment collection box.* A device shall be provided that is capable of indicating a force and of holding the matchbook above the base of the collection box. The device shall hold the matchbook with the long dimension of the friction in a vertical position to permit ignition of the bookmatch by striking in a path perpendicular to the base. The friction surface of the matchbook shall be perpendicular to the collection box front panel. The device shall be contained in a collection box with interior dimensions of 48.3 cm x 30.5 cm x 61 cm (19 in L x 12 in W x 24 in H±.4 in). (See figure 1). This box is for the purpose of collecting fragmentation debris. The matchbook shall be centered between the four vertical sides of the box with the top of the matchbook 28.6±1 cm (11.3±.4 in) above the collection base. The collection box shall have a hinged access panel on the front vertical face to permit access to the collecting paper. The access panel shall have a handhole no larger than 12.7 cm x 12.7 cm (5 in x 5 in) to facilitate striking of matches. The side of the box toward the operator should be transparent to observe the loading and striking of the match.

(ii) *Fragment measuring instrument.* A device, such as an optical comparator with reticle, that is capable of measuring particle size of 1.0±.05 mm (0.039±0.002 in) shall be used.

(iii) *Preconditioning chamber.* A circulating air oven of adequate size to precondition the specimen matchbooks at 49°±2° C (120±3.6° F) shall be used.

(iv) *Conditioning room or chamber.* A conditioning room or chamber that can be controlled to a temperature of 23.0°±2.0° C (73.4°±3.6° F) and a relative humidity within the range of 30–52 percent shall be used.

(v) *Collection sheet.* The fragment collection sheet of 7.26 kg (16 lb) white bond paper is placed on the base of the collection box and may be removed for examination for fragments and scorch marks.

(vi) *Timer.* A timing device with an accuracy of ±0.2 second shall be used.

(2)(i) *Procedures.* (A) Position the fragment collection sheet in the collection box on the base of the panel. Attach the force measuring and matchbook holding fixture within the box so that the matchbook friction surface is centered within 2.5 cm (1 in) of the four vertical sides of the box. Remove one randomly selected bookmatch from the matchbook. Place the matchbook in the holding fixture with the plane of the friction surface perpendicular to the collection sheet and the friction surface oriented for a vertical striking mode. Hold the splint's wide surface parallel to the striking direction and perpendicular to the friction surface. Press the matchhead against the strip 6.4 mm (¼ in) from the top of the friction pad with an initial force of 4.5−0+.04 N. (1.0−0+.1 1bf). Strike the match with a rapid downward motion. The contact between the matchhead and the friction should be maintained for at least a distance of 1.3 cm (0.5 in), but should not exceed 3.8 cm (1.5 in) during the striking motion (see Figure 2). The striking force must not exceed 6.7 N (1.5 1bf) during the striking motion. The striking stroke should be terminated within 7.6 cm (3 in) after leaving the bottom edge of the friction.

(B) Strike the matchbook as in paragraph (d)(2)(i)(A) of this section and measure the time lapsed from the start of the striking motion to the appearance of a visible flame. Note any delayed ignition exceeding two seconds. Observe and note if the performance defect in § 1202.5(b) occurred.

(C) After the bookmatch has been struck, observe any burning of the friction and measure any debris on the collection sheet for fragments and note the presence of any scorch marks on the collection sheet.

RHODE ISLAND INDEPENDENCE DAY

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, today, May 4, 1977, is a very significant day for every Rhode Islander and indeed, for every American who takes pride in our country's championship of the cause of political and religious liberty throughout the world.

It was in Rhode Island that the principle of religious freedom was first expounded in this country by Roger Williams, the founder of the Providence Plantations that later became the first of the American Colonies to declare independence from the British Crown and that was exactly 2 months before the Declaration of Independence at Philadelphia, July 4, 1776.

It was Roger Williams and his associate, John Clarke, who framed the language of the extraordinary Royal Charter of 1663, a charter that was signed virtually without change by King Charles II. That charter for Rhode Island still reposes in perfect condition at the State Capitol in Providence. It is in that charter that religious freedom is expounded in words that continue to inspire—"To Hold Forth a Lively Experiment That a Most Flourishing Civil State may Stand and Best be Maintained with Full Liberty in Religious Concernments."

Mr. Speaker, I think it is remarkable that the smallest State of our Union has provided so many illustrious public servants who have served the Nation so well. A few of these names would include William Sprague, Nelson W. Aldrich, Theodore Francis Green, John E. Fogarty, Aime J. Forand, J. Howard McGrath and John O. Pastore.

They loom large in the annals of public service and social progress recorded in the Halls of Congress. Perhaps these men, like so many others, were inspired by a Latin inscription seen by every visitor to the rotunda of the State capitol in Providence. It is a quotation from the writings of Tacitus that so aptly describes the climate of our lively experiment—"Rare felicity of the times when it is permitted to think as you like and to say what you think."

It was on May 4, 1776 that "An Act of Independence" was approved by the General Assembly of the Colony of Rhode Island and Providence Plantations, meeting in what is now called the "revolutionary" statehouse at Kingston. That act repealed "An Act for the more effectual securing to His Majesty the Allegiance of His subjects in this His Colony and Dominion of Rhode Island and Providence Plantations and altering the form of Commissions, of all Writs and Processes in the Courts, and of the Oaths prescribed by Law."

This was indeed Rhode Island's declaration of independence from the Crown of Britain. It was 2 months later that Stephen Hopkins and William Ellery signed the Declaration of Independence for Rhode Island at Philadelphia, July 4, 1776.

It was in Rhode Island that the Continental Navy was founded, a fact only discovered by the rest of the Nation during our Bicentennial celebration last year. It was Rhode Island which gave General Washington one of his most skilled commanders, Gen. Nathanael Greene. It was Rhode Island's Maj. Gen. James Varnum who insisted that men freed from the bondage of slavery serve side by side with colonists in the Continental Army and enjoy full citizenship.

Today, Rhode Island maintains its fierce defense of personal liberty, its devotion to religious freedom and its forthright, outspoken championship of individuality. Rhode Island's Independence Day is observed with a month-long series of notable events called Rhode Island Heritage Month, in which every city, town, and village participates with an enthusiasm and a flavor that exhibit the kind of patriotic devotion that is all too rare in this untidy world of ours.

DR. MAX NOVICH NAMED FINANCE CHAIRMAN OF U.S. MACCABIAH BOXING COMMITTEE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. PATTEN. Mr. Speaker, one of my talented constituents, Dr. Max Novich, is a man of many achievements, but he recently added one more.

Dr. Novich was named finance chairman of the U.S. Maccabiah Boxing Committee. That is an accomplishment and challenge in itself, but what makes the appointment notable and significant was that he was named by a sports immortal: Nat Holman, former City College of New York basketball coach, original Celtic and Hall of Famer, as well as being president of the U.S. Committee Sports for Israel.

I hereby insert the text of the news release on the appointment—with special pride:

DR. MAX NOVICH NAMED FINANCE CHAIRMAN OF U.S. MACCABIAH BOXING COMMITTEE

NEW YORK, N.Y.—Dr. Max M. Novich of Perth Amboy, New Jersey, a member of the United States Olympic Boxing Committee and executive vice chairman of the National AAU Boxing Committee, has been named Finance Chairman of the United States Maccabiah Boxing Committee.

The appointment was announced by Nat Holman, former City College of New York basketball coach, Original Celtic and Hall of Famer, who is president of the United States Committee Sports for Israel, the sponsoring organization of U.S. participation in the Maccabiah.

Dr. Novich, one of the leading authorities on sports medicine in the United States, served as chief physician of American Maccabiah teams in 1965 and 1969. He was a member of the Olympic medical boxing juries in 1968 and 1972 and accompanied a United States boxing team to Russia four years ago.

A graduate of the University of North Carolina where he was a conference boxing champion who reached the quarter finals of the 1936 Olympic trials, Dr. Novich is a prolific author. His volume entitled "Training and Conditioning of Athletes" is being used in more than 25 universities and colleges and has been translated into a number of languages.

In addition, he is a member of the Research Committee of the International Council of Sport and Physical Education of UNESCO; the medical staff of the New Jersey Athletic Commission; the Medical Advisory Committee of the World Boxing Association; the Olympic Medical Archives Committee; the National AAU Sports Medicine Committee; and the Medical Commission of the Association Internationale de Boxe Amateur.

Dr. Novich also runs the nationally publicized boxing school for "overprivileged" boys.

STRENGTHEN LAW THAT ALLOWED KENT STATE KILLERS TO GO FREE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, it has been 7 years since an explosion of National Guard gunfire took the lives of four young students at Ohio's Kent State University campus.

Millions of words have been written about the incident, the four students and their families, the guardsmen who fired the weapons, and the Nixon administration's policies that indirectly led to the confrontation between the students and National Guard.

But to date, nobody has been convicted of wrongdoing nor have any of the extensive legal efforts, brought by the victims' families, resulted in successful judgments against the guardsmen, the State of Ohio, or any of its public officials.

Worse however, is the fact that the law which allowed the student's assailants to remain guiltless remains unchanged.

David Hess, who writes for the Knight Newspapers and who has followed the saga of Kent State since that dreadful day 7 years ago, has written a thought-provoking article on the law which the Justice Department used unsuccessfully in its case against the Ohio National Guardsmen.

I would urge my colleagues to read Mr. Hess' article and judge for themselves whether the Congress should act on this matter.

It is not maudlin to suggest that this law should be changed as a memorial to four young people whose lives were snatched from them. Indeed, it would speak volumes of the current Congress if we did protect future protestors from Government-sanctioned violence.

Mr. Hess' article follows:

[From the Yale Daily News, Apr. 5, 1977]

KENT STATE LIVES IN THE LAW

(By David Hess)

It has been nearly seven years since Ohio National Guardsmen killed four and wounded nine students during antiwar demonstrations at Kent State University. And it is still possible, even probable, that if state militiamen again found themselves in a confrontation with unarmed students, they could—with impunity—fire at random into the student ranks. Indeed, they could conceivably choose a specific target, and fire away with little fear of being brought to account.

For, if the long years of torturous litigation in two federal trial courts have taught us anything about the Kent State shootings, it is that federal law does not shield protesting dissidents from the arbitrary imposition of lethal power.

In criminal proceedings after the Kent State shootings, U.S. Justice Department prosecutors tried and failed to apply a post-bellum civil rights law to the conduct of the guardsmen. Later, the parents of the dead and wounded students themselves brought a federal civil suit against the guardsmen—and lost the case.

All that emerged from these trials was the conclusion that the shootings had been unwarranted and unfortunate, but not unlawful or negligent. Perhaps such findings were to be expected in a system where equity seems to guide the hand but not the soul of justice. For, where guilt or negligence is diffuse, one should not expect juries to readily fix responsibility.

Yet, society should expect its laws to be written in a way that makes it clear to both offender and aggrieved where the bounds of legality lie. Otherwise, how can any jury steer a just course? Murky law, a lawyer once remarked, breeds murky verdicts.

In the Kent State case, as in the similar Jackson State and Orangeburg cases, the law failed to deliver this clarity. As Akron Beacon Journal reporter John Dunphy wrote in the aftermath of the first Kent trial, in which Federal District Judge Frank Batisti had decided to dismiss the criminal charges against the guardsmen: "If anything stood between the government's obtaining a conviction . . . it was the law under which the guardsmen were charged."

The existence of this law, nearly seven years after the May 4, 1970, shootings at Kent, still mocks those who are clinging to a fading hope for justice. And its existence means that there is still some unfinished business in this matter.

As it now stands, the federal civil rights code involves no consideration of whether law enforcement officers acted carelessly or recklessly or of whether their actions caused the deaths or injuries of unarmed protestors and spectators. Even if these facts were established by the prosecution beyond a shadow of a doubt, they would not be enough to warrant conviction. Conviction hinges on proving that the law enforcement officers or militiamen meant to deprive the victims of their civil rights.

Judge Battisti emphasized this point rather plainly in his decision freeing the Ohio guardsmen: "At best, the evidence presented by the government would support a finding that the amount of force used by the defendants was excessive and unjustified; that they intended to harm or frighten the demonstrators, and that they fired without being ordered to do so.

"This does not meet the stringent test that the defendants were motivated by a specific intent to deprive some students of their constitutionally-protected rights."

On that note, the judge invited the State of Ohio—which already had conducted a flagrantly whitewashed investigation and then had footed the bill for the guardsmen's defense—to "pursue criminal prosecutions against various persons responsible for the events at Kent State." In short, the judge said, the state courts, not the federal, are the appropriate forums for cases of this kind.

But what if state authorities do not act? Or act to protect themselves from criminal or civil liability?

If the states do not attempt to punish the random killing and maiming of unarmed dissenters and bystanders by reckless law enforcers using "excessive and unjustified" force, acting under the auspices of the law, who will?

The federal civil rights code was enacted expressly to deal with such arbitrary exercise of power. But, under the constraints of that defective code, federal authorities can rarely build a prosecutable case.

There was an attempt by civil rights attorneys to correct this deficiency in the ill-fated omnibus criminal code revision, known by its shorthand designation as "S. 1." S. 1, however, suffered multiple debilities and failed to muster sufficient support in the Senate. It is a dead letter. And with it, the civil rights revisions are dead. So what's left?

At the moment, nothing. For a time, two congressmen—Reps. Don Edwards of California and John Seiberling of Ohio—aroused some fleeting interest in the matter. But the knotty problems of drafting such legislation, along with a dearth of any political profit in fooling around with such an issue, soon drove them to other pursuits.

Still, there is on occasion some tinkering with the law in an effort to improve it. One lawyer, who has worked closely with the House Judiciary Committee on other matters, has proposed this rather blunt but straightforward revision:

"Any person, under color of law, who uses force recklessly, negligently, or in wanton disregard for the consequences, shall be subject to prosecution for the deprivation of the civil and constitutional rights of any injured party, and shall be subject to a fine of not more than $1,000 or to imprisonment for not more than one year, or both; and if death results, shall be subject to imprisonment for any term of years or for life."

It is not exactly an elegant piece of legislative draftsmanship. But the law frowns on the meting out of summary justice.

Congress, however, is in no mood today to ponder such issues. The war is over. The civil rights struggle is muted. The campuses and streets are quiet. Grievances are subdued. In the absence of a crisis, Congress is rarely moved.

ON NORMALIZING RELATIONS WITH VIETNAM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. GILMAN. Mr. Speaker, today we received the news that the United States has agreed not to oppose Vietnam's application for admission into the United Nations and to early establishment of diplomatic relations with the Hanoi Communist regime.

I cannot understand the administration's head-long rush toward normalizing relations with a nation which has been so recalcitrant in providing information on the more than 1,300 missing American servicemen who have not returned from the Southeast Asian hostilities of the 1960's and 1970's.

The President had said on several prior occasions that he would not make diplomatic concessions or normalize relations with the Vietnamese until everything possible has been done to obtain an accurate and exhaustive accounting of our missing fliers, soldiers and sailors.

In fact, in his foreign policy debate with President Ford last October, President Carter said that he would never formalize relationships with Vietnam nor permit them to join the United Nations until we received an accurate accounting.

The return of 11 bodies by the Vietnamese is certainly not any exhaustive or accurate accounting. The identity of the 11 remains which were brought back to the United States by the Woodcock Commission in March of this year was disclosed over 6 months ago. Admittedly, that was a gesture of good will, but it certainly was not any significant gesture.

Are these remains of 11 Americans to be traded now for Vietnam's admission to the U.N. and for normalization of relations?

In December of 1975, when our MIA Select Committee visted Hanoi, the Vietnamese promised that they would undertake a full-scale search for our missing. But in the intervening 18 months, the Vietnamese have failed to provide us with any pertinent, substantial information. The missing remain missing and their suffering wives and parents are still suffering the pain of not knowing.

If the normalization of relations is to be linked to an accounting, as the President had promised, why then are we in such a haste to sweep the MIA issue under the rug.

Instead, we should be demanding and insisting that the Vietnamese recognize and abide by international humanitarian principles with regard to all those still listed as missing in action—and we should be insisting that any normalization or U.N. membership be tied to a full and exhaustive accounting.

There is no other way.

PAUL WARNKE: MR. SOFTEE AT WORK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ASHBROOK. Mr. Speaker, I am extremely distressed that the Verification and Analysis Bureau of the Arms Control and Disarmament Agency is being disbanded. This is an important watchdog unit. In fact, it is the only bureau whose sole authority is to determine if Soviets are complying with or violating arms agreements.

I opposed Paul Warnke when he was nominated for the post of arms negotiator for President Carter. I was concerned that he would bow before Soviet pressure. These doubts are now being confirmed.

The dismantling of the Verification and Analysis Bureau of the Arms Control and Disarmament Agency hits at the vitals of the whole arms limitation negotiating process. Warnke's elimination of this bureau helps to destroy the verification process. Verification of Soviet arms actions has been at the core of responsible arms negotiations. In the words of the former head of the Verification Bureau—

> The guys trying to negotiate a treaty just don't want to hear the bad news from the guys who know what is possible in verifying, or, policing a treaty.

Is the Carter administration now saying that verification of arms agreements is to be downplayed? In my opinion, verification should be improved—not further weakened.

Following is the text of a column by William Safire entitled "Mr. Warnke's Hit List," and an Evans-Novak column which tells of the Warnke sellout before the Communists even made demands for unrelated concessions on our part:

[From the New York Times, Apr. 21, 1977]

MR. WARNKE'S HIT LIST

(By William Safire)

WASHINGTON.—Before the Inauguration, the Arms Control and Disarmament Agency received a demand from Anthony Lake, Mr. Carter's dovish national security helper, for a list of its civil servants and career Foreign Service officers, with information about their careers.

Properly, the agency turned down the demand; although there is nothing wrong with sweeping out Presidential political appointees at the change of Administrations, there is a great deal wrong with compiling a "hit list" of civil servants for the purpose of changing an agency's ideology.

At his stormy Senate confirmation hearings, Paul Warnke—who had been Senator McGovern's foreign policy adviser and was President Carter's sop to the doves as disarmament chief—was asked under oath about reports of a planned "purge" at the agency. He replied firmly that there was "no substance" to those reports.

The Senators were particularly concerned about "verification" at the A.C.D.A. Those are the people who work with the C.I.A. and National Photographic Interpretation Center to put into SALT agreements some way of seeing if the Soviets are cheating. Neither the Soviets nor our doves like our persnickety "verifiers." To ingratiate himself with skeptical Senators, Mr. Warnke took a hard line saying: "An agreement which is not verifiable is worse than no agreement."

Off went Mr. Warnke on Secretary Vance's arms control mission to Moscow last month, grumping about the United States position that had been based on a 17-page letter from Senator Henry Jackson and the first SALT paper in four years signed by the Joint Chiefs of Staff.

When the Russians stonewalled, the U.S. team held a seven-hour strategy session. As might be expected, Mr. Warnke's hearing-toughness vanished; he persuaded Mr. Vance to make a significant concession to the Soviets.

The Warnke concession was to offer to limit cruise missiles to 600 kilometers on non-heavy bombers. We had been willing originally to limit the cruise missile's range to 2,500 kilometers because we don't need another intercontinental missile—but we do need a theater weapon. Mr. Warnke, in making the cruise missile acceptable to the Soviets, makes it far less valuable to us.

The Russians turned up their nose to this concession; most Americans do not even know it was offered. But as the Vance party returned in disarray, the career "verifiers" back home in the agency began to point out some big problems in the concession.

The Soviet Union has a large cruise missile of its own, the AS-4 to be carried by its Backfire bomber. Although it would be easy for the Russians to check on any United States cheating in cruise missiles (by reading Aviation Week), it would be more difficult for us to verify Soviet compliance.

That is because the cruise missile, unlike the ICBM, does not have to fly 3,000 miles to a target to be tested, inviting surveillance; instead, they can be tested, in a "racetrack pattern," flying in circles locally. The ICBM crashes on the target, requiring it to send back data in flight, which our verifiers intercept; but the cruise, which can land by parachute, is silent.

"Verification" is the name of the arms control game. Now consider what has happened to this crucial watchdog function since the return from Moscow.

The ideological "hit list" has been activated. Throughout the Arms Control and Disarmament Agency, the hard-line professionals—not the political appointees, but the career officials—have been told to quit or find jobs elsewhere. Civil servants, Foreign Service officers and active-duty military like Robert Behr, Leon Sloss, William Steerman, Lee Niemels, Charles Estes, Paul Wolfowitz, William Graves and dozens of others are being "relocated"—to make room for men who won't make waves when U.S. strategic interests are conceded away.

Worst of all, the Verification Bureau has been abolished. The civil servant in charge, GS-18 Fred Elmer—nonpolitical—was asked to find work elsewhere. The next man, GS-17 Burt Aschenbrenner, was pushed out last week, and Cairns Lord, Phillip Jackson, Eric Erlinson and other experienced verifiers have fanned out to other Government agencies or to universities.

Thus the only group in the Government whose sole job is to develop systems to verify arms control has been systematically disbanded.

The dovecote that is now our Arms Control Agency will say that no verification bureau is needed, that the function can be handled at C.I.A. or sprinkled around the agency. But every savvy bureaucrat can see through that: the verifiers must have no vested interest, no bureaucratic loyalty other than to curtail possible Soviet duplicity.

Nor is the C.I.A. empowered to come up with treaty language or arms control negotiation suggestions dealing with verification. That is what should be the responsibility of an objective body within our State Department.

Firing political appointees is a legitimate function of a new broom; but compiling a "hit list" on an ideological basis, aimed at dispersing a group of nonpolitical professionals, deserves investigation. Ironically, Mr. Warnke's abuse of power is a step toward American strategic impotence.

[From the Dallas Morning News, Apr. 16, 1977]

WARNKE STOPS "CHECK-UP"—UNIT WATCHING SOVIET ARMS ACTIONS TO BE DISBANDED

WASHINGTON. — Disarmament negotiator Paul Warnke is disbanding the government unit which developed ways to check up on the Russians and to learn if they were violating arms limits, a spokesman confirmed Friday.

The Verification and Analysis Bureau, part of the Arms Control and Disarmament Agency, is being abolished effective May 1 by Warnke, spokesman Pedro San Juan said.

The bureau had been strengthened under the Ford administration to check on Soviet compliance with the strategic arms limitation agreement known as SALT I.

But it gained a reputation for raising difficulties in the arms negotiation process which delayed the conclusion of a new SALT II agreement by former Secretary of State Henry Kissinger in 1976.

Warnke serves as President Carter's top disarmament negotiator and heads the arms control agency. Under the ACDA reorganization he has ordered, highly qualified experts in the verification unit will be dispersed.

Some will be reassigned to work with officials handling specific areas of arms control negotiations, such as troop reductions in central Europe and a comprehensive ban on nuclear tests, a spokesman said.

The "verification" experts develop sophisticated technological means, such as new types of aerial surveillance to make sure the other side is complying with arms agreements. The actual monitoring is carried out by the military.

The spokesman said the organizational change should make the experts "more effective."

But Amron Katz, former head of the verification bureau, expressed concern it could lead to less emphasis on verification in arms pacts.

"The guys trying to negotiate a treaty just don't want to hear the bad news from the guys who know what is possible in verifying, or, policing a treaty," he said in a telephone interview from his Los Angeles home.

Katz recalled how the British sought to make verification experts work closely with negotiators in concluding a naval armaments pact with Germany before World War II. When the Nazis began cheating, he said, there was a tendency for British officials to cover up the evidence to protect the integrity of the treaty.

"This is a totally wrong signal to send the Russians at this time," said former deputy director John Lehman, who works in Washington.

'It is disastrous to signal the Russians we are willing to downplay verification because it is embarrassing."

A 600-KILOMETER MISSILE MYSTERY

(By Rowland Evans and Robert Novak)

From a muddy sea of equivocation and deception comes this hard fact: President Carter's arms-limitation proposal was watered down in Moscow even before the Russians could say no.

After early denials, it is now admitted officially that the Carter package, presented to the Soviets March 28, offered a 600-kilometer (373-mile) range limit on cruise missiles launched from non-heavy bombers. Still denied, but attested to by first-hand sources, this concession was added to the package at chief negotiator Paul Warnke's urging after the U.S. team arrived in Moscow. Finally, there is well-founded suspicion that the President was not immediately informed of the change.

The official U.S. line is that the 600-kilometer limit is not even a major concession. By any objective standard, however, it is. The only argument is whether it is too high a price for agreement in the strategic arms limitation talks (SALT).

But many who consider it a perfectly suitable concession worry about the way it was done. Adding a concession the moment the towers of the Kremlin are espied is all too reminiscent of past weak-willed U.S. negotiators. So, the 600-kilometer limit looks suspiciously like the start of what Foreign Service officers call "walking back the cat"—retreating from a previous set position.

The furor over this concession does show how much the arms-control debate has changed. When Henry Kissinger offered the 600-kilometer limit to the Russians at Helsinki in August 1975, there were only scattered, ineffectual protests. By early 1976, it was permanently embedded in President Ford's SALT position.

But not in President Carter's. When Secretary of State Cyrus Vance briefed members of Congress before leaving for Moscow, he did not mention the 600-kilometer limit. The reason was simple. At that point, it was not in the package.

The State Department has called "a lie" New York Times columnist William Safire's report that the 600-kilometer limit was added in Moscow. Actually, Safire's error was insignificant. (He reported it was added after, not before, the Soviet rejection.) Warnke proposed the concession in a full meeting of the U.S. team in Moscow. Despite a little opposition, Vance bought Warnke's proposal.

The Soviet rejection of the Carter package, extra concession or not, does not end the story. On the return from Moscow, not one word was said about the concession. Nor was it mentioned by Zbigniew Brzezinski, the President's national security adviser, at an April 1 press briefing. Nor did Secretary of Defense Harold Brown mention it in a discussion of SALT April 13. As late as April 22, one high official was denying the limit was in the package.

Revealing this concession would have helped rebut Soviet claims that Carter's proposal was one-sided. So why did these U.S. officials refrain from shouting it to the world? Incredible though it seems, it is held in some responsible circles that Brzezinski simply did not know about it. But other officials who obviously did know—including Warnke—may not have wanted debate on this point.

The administration has staggered to this consensus: The 600-kilometer limit is a "long-standing" U.S. position that may not have been in writing when the negotiators reached Moscow but certainly was in their minds and hearts. It is now defended as no concession at all but as a restriction on the Soviets, limiting cruise missiles on their Backfire bombers.

That argument only fertilizes suspicions. The Soviets are far behind the U.S. in cruise missile development, so such limitations hurt them less. Moreover, the 600-kilometer limit cannot be verified—supposedly a no-no in SALT.

What worries some Western European defense officials (miffed at not being informed of the concession) is the impact of the 600-kilometer limit on NATO's European theater defense planning. Even this regrettable introduction of tactical questions into strategic arms talks might be worthwhile if the Russians bought the rest of the Carter package. Still, nagging questions persist: Why was the limit not included in the original package? Why was its existence excluded from post-Moscow briefings?

Critics of Warnke reply that their worst fears have been realized and, contrary to acting as the President's attorney arguing his set case, he is making SALT policy on the run. Neither Vance nor Brzezinski is a match for Warnke in this intricate specialty; Harold Brown is more than a match but is keeping a low profile. The 600-kilometer mystery, therefore, raises suspicions that Paul Warnke will begin "walking back the cat" on the Carter SALT package, unless checked by the President himself.

TRIBUTE TO WEEKLY NEWSPAPER EDITOR AND PUBLISHER

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. PRESSLER. Mr. Speaker, the strength of this country depends on informed citizens. While the importance of papers such as the New York Times or any of the television networks is frequently recognized, the significance of weekly newspapers is frequently overlooked or, worse yet, downplayed.

These papers provide coverage of the news which affects and concerns Americans the most. They provide citizens a vehicle for voicing their opinions on local and national issues whereas in a national paper, their views would be lost in the numbers. They are also a vital part of the business community.

Today I would like to salute a newspaper publisher and editor whose paper has provided such service for 57 years—Aubrey Sherwood of De Smet, S. Dak.

Mr. Sherwood's father, Carter Sherwood, started the De Smet News in 1880 when South Dakota was still a territory. Aubrey officially joined his father in the business in 1920, and 10 years later, took over the paper. During his career, Aubrey saw his paper progress from using handset type to the use of computerized composition.

Like most South Dakota businesses, the De Smet News involved the whole family. Aubrey's wife, Laura, served as personal and society news writer while the couple's two daughters worked as composing machine operators.

Under Aubrey's eye, the De Smet News provided area residents news of everything from births to deaths. It provided a forum for local citizens to express their opinions, and from time to time would offer thoughtful analysis on the performance of elected officials.

The De Smet News is no longer owned by the Sherwood family, but the high standards it used will be remembered by his colleagues in the newspaper business. The people of the De Smet area will continue to regard Aubrey Sherwood as a man dedicated to his community.

TRIBUTE TO A GREAT AND GOOD PUBLIC SERVANT

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. JACOBS. Mr. Speaker, the following editorials and article are fitting tributes to a great and good public servant.

Larry Broderick was not only the highly talented professional police officer who attained the distinction of being elected sheriff of Marion County, Ind.—Indianapolis—but was also as kind a person as ever lived, truly one of God's noble men.

The articles follow:

[From the Indianapolis Star, Mar. 10, 1977]

LAWRENCE BRODERICK

The automobile accident death of Marion County Sheriff Lawrence Broderick is a jolting loss to the community.

He had the reputation of being both a knowledgeable politician and an uncommonly competent lawman, and it was obvious that throughout a long career in which the two interests intertwined the law came first.

If we had nothing else to go by but the daily flow of mail from The Star's readers we would know that Mr. Broderick was a concerned and capable sheriff. Though he had held the office scarcely more than two years, in that period we have received many, many letters from readers who had something complimentary to say about the activities and attitudes of members of his force.

But there is much more in the record. Early in his working life Mr. Broderick joined the State Police, and in 20 years at it he made his way to the rank of lieutenant and the assignment of directing the state patrol fleet. Later he took a job as chief of security at the Glendale Shopping Center and wound up as the center's manager.

As sheriff he directed the reorganization of the former Sheriff's Deputies into the Marion County Police Department, and his knowledge of both law enforcement and people contributed much to the smoothness of that changeover.

He will be missed and he will be remembered.

[From the Indianapolis News, Mar. 19, 1977]

LAWRENCE BRODERICK

Sheriff Lawrence Broderick will be missed by the citizens of Marion County.

He loved law enforcement work and the other policemen who fought crime. His lifelong desire was to be the sheriff of Marion County, and the sheriff he was without question.

For those who worked for and with him he was an energetic inspiration. He demanded professionalism and concern for all persons by his staff.

Long hours at his office were routine. A special quality of Broderick's was his "never forget your friends" attitude. Another was his love for politics.

His language and mannerisms were sometimes colorful. As he told old police and political stories, he would almost relive them.

Law enforcement work and public safety service occupied most of his life. Joining the Indiana State Police in 1938, he worked his way through the ranks to attain the rank of lieutenant before retiring in 1958.

After leaving the State Police he became chief of security at the Glendale Shopping Center and was named its general manager in 1966.

Broderick took pride in the fact his department had implemented the HELP patrol to assist stranded motorists along the county's roadways. It was the first program of its kind in the state.

A little known fact was his dislike for speed traps and the radar equipment used to make speeding arrests. Shortly after taking office, he ordered the radar equipment locked up and ordered it only be used in problem areas and school zones.

His goal as sheriff was to improve the overall operation of sheriff's department and to provide good police service to citizens in Marion County. He accomplished his goal.

Sincere sympathy is extended to his wife, Virginia, and their three sons.

[From the Indianapolis News, Mar. 9, 1977]

WANTED TO BE SHERIFF

(By Gerry LaFollette)

All his life he wanted to be sheriff.

Throughout the 1974 campaign for sheriff, Larry Broderick said that. Sometimes it was in public as part of a campaign speech. Sometimes it was in private at the end of a long day of politicking, and he liked that, too.

He had twin loves—law enforcement and politics.

It seemed right that two things he did last night shortly before his death were attend a Democrat political meeting and a stop by the county jail later on.

He liked them both and was good at both.

Although he had spent 20 years as a state policeman, from 1938 to 1958, he also made his way in Democratic politics.

While working at the Glendale Shopping Center from 1958 through his election two years ago, he was an active Democrat and a successful candidate.

He was elected to the old City Council in 1967 and elected to the first Uni-gov City-County Council in 1971.

With his ready Irish smile, strong handshake and football player physique, Broderick was good at both vocations.

At the end of the three-day nightmare on the Westside when Tony Kiritsis had held Richard Hall hostage for three days, Broderick helped explain what had gone on. Instead of seeming to be dead tired, which he probably was, he was lucid and direct with the questions from the press. He was one of three top law enforcement officials who had coordinated a successful conclusion of the kidnap-hostage case.

He was obviously doing what he liked best and he was good at it.

A native of Indianapolis, Broderick attended Cathedral High School and was a member of its 1933 national Catholic championship basketball team. While attending Butler University he was on the football, baseball and basketball teams.

He left Butler and worked at U.S. Rubber Co. and International Harvester before joining the State Police where he worked his way up to lieutenant and was for two years in charge of its state fleet.

He was married to the former Virginia Cox and was the father of three sons, Charles, Mark and Timothy.

Even in his spare time, his twin interests were evident. While he held memberships in the Fraternal Order of Police, Police League of Indiana and Indiana State Police Pioneers, he was also a member of the Indiana Democrat Club, the Westside Democrat Club and the 19th Ward Democrat Club.

He was a member of Holy Trinity Catholic Church.

Other memberships included the Ancient Order of Hibernians and the Knights of Columbus and various Cathedral and Butler alumni clubs.

At Glendale he started as chief of security and ended up as manager of the center from 1966 to 1974.

In 1974, The News, as it has for years, sent questionnaires to all the candidates for political office. The last question was, "Briefly, why are you seeking election?"

Broderick wrote: "I want to provide law enforcement without privilege or prejudice."

BIGGER IS NOT ALWAYS BETTER

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. LEHMAN. Mr. Speaker, the renewed publicity and efforts in recent weeks to activate construction of the proposed jetport in northwest Dade County has been a cause for concern among the residents of the 13th Congressional District of Florida.

The Metro Dade County Commission applied to the Federal Aviation Administration, FAA, on September 28, 1975, for $69,265,843 to purchase land specifically for a new jet training airport. So far, this request has not yet been presented to Congress for authorization.

I oppose the new jetport because of the concern I share with many area residents over the potential reduction in the quality of life in south Florida which may result from the jetport. Many persons came to south Florida, not only for the climate, but to escape the noise and congestion of northern cities. They bought homes in communities known for their peace and quiet and their tranquil lifestyle. A jetport could bring the noise and the congestion from increased surface traffic that our citizens came south to escape.

Another, and very practical, reason for opposition to the jetport is that the need for a new training airport has been greatly reduced in recent years. While 100,000 training flights were conducted at the existing Glades Jetport in 1972, only 22,000 flights were made in 1975. Last year, the South Florida Regional Planning Council voted unanimously against further efforts to acquire site 14 for a new training jetport, simply because the need is not there.

If the true purpose of Dade County's request for Federal funds is to develop a full commercial airport at site 14, this should be made clear both to the FAA and to the people of south Florida to allow an opportunity to judge the potential harm to the environment. While the environmental impact of a small training airport would be minimal, the construction of a full commercial airport could cause extensive ecological damage to almost 5,000 acres.

There are additional environmental problems which could affect the safety of our drinking water. Site 14 is situated over the Biscayne aquifer, the major source of drinking water for Miami. Without adequate precautions, the flow of water might be interrupted or reduced by airport construction and operations at site 14, leading to possible saltwater contamination of our drinking water. There is also the concern that waste material from airport operations might contaminate the aquifer and Miami's water.

The future need for another commercial airport in south Florida is still an open question. If there is going to be an energy crunch, the growth in air traffic cannot increase to the projected rates. Since south Florida and national population growth rates are leveling off, this too would limit the growth in air traffic. At the same time, both Fort Lauderdale and Miami International Airports are expanding their capacities, thereby easing the pressure for an additional airport.

For all of these reasons, I do not believe we should throw away $69,265,843 of our tax money to buy land for a jetport at site 14. As we have all been learning in the 1970's, bigger is not always better.

U.S.S.R. FAILS TO PERMIT UNITING OF PENNER FAMILY IN VIOLATION OF HELSINKI AGREEMENTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. McDONALD. Mr. Speaker, on February 28, 1977, on page 5541 I brought to the attention of this body the plight of the Seel family in West Germany, which seeks to have permission for the remainder of the family to leave the U.S.S.R. Now, I wish to bring to the attention of my colleagues a similar case involving the Penner family.

The Penner family left the U.S.S.R. in 1972. The father, Jacob, the mother Maria, and their four children were permitted to leave at that time. Since then, Mr. Penner has been attempting to have his mother, father, sister, brother, his wife and their three children, another wife and brother with their five children, plus a married sister and her husband and four children join his family. They all presently reside in Alma Ata in the U.S.S.R. Each of these family units has requested on at least two occasions for permission to officially depart the U.S.S.R. with no success. In addition, Mr. Jacob Penner has personally appealed by mail to Leonid Brezhnev twice, with no response, as well as to Andrey Gromyko and Alexi Kosygin, again with no response.

Thus, it can readily be seen that the U.S.S.R. continues to violate both the letter of the Helsinki Agreements as well as the spirit of Helsinki, on which so many hopes are based.

THE ADVERSE EFFECTS OF NOISE POLLUTION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ROSENTHAL. Mr. Speaker, noise is a major environmental problem facing our country today. An excess of noise pollution is not only annoying, but also threatens our physical, psychological and emotional well-being.

In a New York Times article, Evan Jenkins describes the suspected contribution of noise to a multitude of health problems. In addition to damaging hearing, noise may partially cause cardiovascular disease, diabetes, arthritis, fetal damage, and cancer. Experts also believe noise increases one's heart rate and blood pressure. This triggers a chain reaction, according to Jenkins, resulting in a change of the body's ability to fight infection.

Many specialists, Jenkins reports, are concerned about the psychological and emotional damage noise may create. Learning difficulties, communication interference and decrease in tolerance may partly be attributed to excessively noisy environments. There is rising concern among authorities that students' and workers' efficiency and productivity levels are impaired by excessive sound.

Aircraft contributes to the unbearable noise pollution which plagues our country today. Jet noise interferes with sleep, speech, listening to the radio or television, communicating, reading and much more.

To help curb this problem, immediate steps as well as long-range measures are needed. The ultimate solution to aircraft noise pollution includes retrofitting, aircraft replacement, a noise compatibility program and an orderly development of the airport and surrounding areas. These measures, however, take years to implement and show discernable results. I have, therefore, introduced legislation calling for the creation of a nine-member commission to investigate the establishment of curfews, on a nationwide basis, during normal sleeping hours.

The fact that the noise impact of a jetliner is estimated to be 10 times more disturbing during sleeping hours is sufficient evidence calling for action. A curfew on most late-night air traffic is a practical short-term answer that will provide immediate relief to many suffering from the adverse effects of noise pollution.

Many persons fail to realize the extremely serious health problem created by noise pollution. Evan Jenkins has pointed out the dangerous consequences of noise. I wish to share his article, which was published in the New York Times, April 24, with my colleagues:

NOISE: PHYSICAL HARM IS ONLY PART OF IT

(By Evan Jenkins)

A rhesus monkey named Mars recently spent 12 hours a day for 30 days being buffeted by the sounds any passerby might hear at noon outside Jackson Memorial Hospital in Miami.

Her experience is part of a research project on "acoustical physiology" now being conducted at the University of Miami Medical School with financial help from the Office of Noise Abatement and Control of the Environmental Protection Agency. The experiments reflect sharply rising concern that noise may be a serious general health hazard, though an insidious one often unrecognized even by its victims. Noise, experts say, not only damages hearing but may create psychological troubles and contribute to such diverse physical ailments as heart disease and cancer.

In industry, an ancient battle over noise in the workplace is still going on. While no one denies that excessive noise over long periods causes hearing loss, there is wide disagreement over what is excessive, given variations in individual susceptibility. But using 85 decibles, which many authorities consider too high for hearing safety, as an upper limit, it is estimated that more than 12 million American workers are "overexposed" to noise.

Permissible exposure under the current Labor Department standard is 90 decibels, roughly equivalent to the low range of jetplane noise, over an eight-hour day. (Mars the monkey was hearing about 75 decibels, comparable to the sound a subcompact car makes at 60 miles an hour and quieter than some portable hair dryers.) Labor unions want enforcement of the standard, now spotty at best, and then a reduction to 85 decibels.

Because the decibel scale is logarithmic, the difference between 85 and 90 represents a doubling in loudness. One estimate is that full enforcement of the 90-decibel standard would prevent a hearing loss of 25 decibels or more for 770,000 workers, and that an enforced standard of 85 would prevent the same loss for almost double that number.

Dr. Nicholas A. Ashford of the Center for Policy Alternatives at the Massachusetts Institute of Technology thinks the greatest danger in occupational noise may stem from an impairment of the body's ability to handle toxic material.

"There are 13,000 toxins in use in American industry and business," he says. "Ozone from office copying machines, to name one. Under stress, the body's intake of toxins is accelerated. It's been shown that amphetamines are 10 times more toxic under stress. What do you think the noise in a metal stamping plant is doing to a worker taking pep pills to keep up with the work? Noise is the most pervasive health hazard in the workplace, and noise as a stressor in combination with toxins may turn out to be the most serious health hazard workers face."

When noise assaults the body, the heart rate increases and blood pressure rises. Blood is diverted from the digestive system to muscles, the brain and other organs. Production of adrenaline and other hormones is stepped up, increasing the flow of fatty acids and glucose into the blood. The body's reaction to infection is changed.

All those involuntary reactions, vestiges of man's primeval "fight or flight" response to a threat, are part of the reason noise is thought of as an insidious danger. In addition, the ear, unlike other sense organs, cannot adjust to excessive stimulation, even in sleep. Finally, people tend to accommodate to noise and even enjoy it—witness rock musicians and their fans.

"You adjust to maladjustment, but the biological effects are the same," says Dr. Samuel Rosen, emeritus professor of otology (the science of hearing) at the Mount Sinai School of Medicine in New York. "You may forgive the noise, but your system won't forgive you."

What's to forgive? Because it acts as a long-range stressor, noise is suspected of contributing to cardiovascular disease, diabetes, arthritis, fetal damage and even cancer. Research has offered tantalizing clues in all those areas, but no conclusive proof.

Preliminary findings in the Miami research, designed to determine whether there is a direct, provable link between noise and cardiovascular damage, are typically provocative.

"It was like the original white-knuckle flight," Dr. Ernest A. Peterson, a psychologist, says of the experiments with Mars. "For the first three or four days, the poor animal just gripped the arms of her chair, refusing to look away from the noise source. Her blood pressure and heart rate shot up to about 30 percent above normal and stayed there, during the noise periods, for the whole 30 days. For the first two weeks or so, the rates stayed high even at night with the noise off." But Dr. Peterson and his colleague Dr. Jeffrey Augenstein, a physician, do not yet know whether or not Mars has been permanently harmed.

Dr. Jack Westman, a professor of psychiatry at the University of Wisconsin, is satisfied that noise contributes to mental troubles. He notes that schoolchildren have been shown to develop learning and emotional difficulties in noisy environments, and is particularly concerned about an almost universal trouble: noise in the home.

"My work with families has convinced me that excessive sound does affect the emotional tone of the individual, and that the harm often occurs without awareness of the source," Dr. Westman says. "You fly off at your wife and children presumably because of their behavior, when it's really the noise in the house that's getting to you."

Richard Marco, president of Local 588 of the United Automobile Workers, shares the concern over psychological damage. "People prefer to work the midnight shift just to get away from the noise a bit," Mr. Marco says. "And workers and supervisors on the late shift get along, play golf and bowl together. On the day shift, any kind of social interaction is stifled. They can't hear each other, and they shout, and pretty soon they're angry."

Against the background of such concerns, campaigners against noise find hope in a number of developments.

The Concorde still can't land in New York. New jetliners (Concorde, perhaps, aside) are quieter than earlier ones. New York City's Transit Authority, prodded by a sister agency, the Environmental Protection Administration, is beginning work to cut down the screech and roar and howl of the subway system, which in spots can reach 110 decibels, the noise level of a fairly loud jet.

Through enforcement of recent regulations at both the Federal and local levels, truck and railroad noise is being reduced. In New York and many other cities, construction equipment is quieter than it used to be.

Is America getting quieter? Most authorities seem doubtful or pessimistic. As Charles L. Elkins, director of the E.P.A. Office of Noise Abatement and Control, puts it:

"A lot of technology that could reduce noise isn't being used. The population of vehicles is going up, new machines keep coming out. A quieter country? We'll have a better fix on that in about a year."

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mrs. FENWICK. Mr. Speaker, less than 2 months ago, on March 9, 1977, funds were voted for an investigation to be undertaken by the Committee on Standards of Official Conduct. Since then, Mr. Philip Lacovanra, chief counsel, who has complete and sole authority for hiring the investigative staff, has nearly completed his staff requirements. A list of these is available to any Member. All were employed and, therefore, had to give notice, occasioning some delay.

A temporary office first became available on April 1 and the investigative staff still uses that office.

Since funding was voted on March 9, over two dozen subpenas have been issued, and a greater number of orders for records and papers.

The pace of the investigation must, of necessity, be dictated by the chief counsel, who has been strongly advised of the committee's desire to proceed as quickly as possible. We have restrained our impatience in the interest of a complete and soundly based investigation.

UNINTENDED CONSEQUENCES OF THE REPEAL OF THE BYRD AMENDMENT

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. O'BRIEN. Mr. Speaker, yesterday I introduced a bill to clarify the intent of the law which repealed the Byrd amendment, thereby prohibiting the importation of chromium of South Rhodesian origin.

During committee consideration of the bill, both the House and Senate committees expressed their concern that goods purchased before the date of enactment be permitted entry if they were purchased to meet current production needs.

The Senate Foreign Relations Committee's report stated in clear terms that the Secretary of the Treasury be given discretion to exempt from the embargo:

> Any chrome and ferrochrome shipments already in transit on the date of enactment of this bill. The term "in transit" is to be broadly construed to include imports reasonably judged to have been purchased for current production needs. It is the intent of this committee that this discretion not extend to orders clearly made to circumvent the effective date of the embargo or to orders which are made to stockpile chromium which obviously cannot be shipped or consumed in a reasonable amount of time.

The House International Relations Committee's report similarly stated that—

> The committee does not intend to imply that other materials which were also subject to the total embargo before the passage of the Byrd Amendment, could not also be granted similar in-transit exemptions by the President . . . The purpose of the amendment is to insure that enactment of H.R. 1746 will not result in an undue hardship on U.S. imports of such Rhodesian commodities, who contracted for shipments in good faith in accordance with existing laws and regulations well in advance of enactment

of H.R. 1746 but to whom delivery of the shipment has not been accomplished on the date of enactment.

The implementation of this law, Public Law 95-12, has deviated from the intent of the Congress. The Treasury Department issued its regulations on April 5, effective March 18, 1977. These regulations interpreted the intent of the legislation in the most strict sense. The discretion given to the Secretary of the Treasury to exempt imports from the embargo is conditioned upon "special certification procedures" which must be agreed to by Treasury and the government of the producing country. The certificate must state that the chrome-bearing material does not contain chromium of South Rhodesian origin. Unfortunately, this procedure relies on bilateral consultations which take considerable time.

As a result, the only materials bearing chrome which are allowed entry are those which were issued an ocean bill of lading—proof that they were in-transit in the strictest sense—on the date of enactment. All other shipments, whether they were contracted for months prior to the effective date of the law, are not able to be released for use by the purchaser.

I have become aware of considerable problems stemming from Treasury's adherence to these strict regulations. First, domestic companies raw materials importers and small metal producers are experiencing production schedule disruptions, layoffs of employees, possible bankruptcy, and abrogation of contract agreements. Second, the abrupt implementation of the law has international consequences.

Already, the Governments of Great Britain, Canada, Sweden, France, Belgium, and Japan have complained to the State Department. Their trade with the United States is being disrupted. Canada has complained that the regulations have disrupted Canadian production schedules and have forced Canadian employers to lay off workers.

Within the domestic industry, we not only have problems of temporary layoffs, but companies are forced to repurchase chromium for delivery to customers under outstanding contracts. Because the shipments of chrome-bearing materials are being withheld by the Customs Bureau, domestic firms must purchase a supplemental shipment of chrome from an alternate source—often from the competing firm.

I strongly believe the U.S. Government is not administering this law equitably. Given the intent of Congress that shipments under outstanding contracts be allowed entry, I think it is imperative that the procedures for those imports be expedited. Treasury has not taken the initiative to assure that these materials be released for disbursement to the purchaser.

My bill, introduced May 2, would allow entry of shipments of chrome-bearing materials which: First, were contracted for prior to March 18, 1977; and second, are certified by the seller of the product—as opposed to the government of the producing country—that they do not contain chromium of South Rhodesian origin.

This bill merely clarifies the original intent of the Congress. It upholds our intent that chromium imported directly from Rhodesia be prohibited. It applies to shipments of chromium from third countries and it recognizes that the U.S. Government did not intend to penalize U.S. firms which contracted for materials in good faith before the effective date of the embargo.

I am submitting materials which attest to the urgency of the situation. The sections of the House and Senate committee reports stating the intent of Congress are indisputable. In addition, a letter from the State Department to the Treasury Department illustrates the extent of the international problem.

I invite my colleagues to cosponsor this bill and I hope it will be seriously debated in the near future.

The materials follow:

DEPARTMENT OF STATE,
Washington, D.C., April 21, 1977.

Mr. JOHN H. HARPER,
Acting Assistant Secretary for Enforcement, Operations and Tariff Affairs, Department of Treasury, Washington, D.C.

DEAR JOHN: Representatives of Great Britain, Canada, Sweden and France have lodged protests against what they consider abrupt implementation of Treasury's new regulations requiring foreign governments to follow detailed and complex procedures in certifying that chrome-bearing materials imported into the U.S. do not contain chrome of Rhodesian origin. They have stated that the regulations which were published in the Federal Register of April 5 (effective retroactively to March 17) do not allow sufficient time for the implementation of the procedures which the Department of the Treasury requires and must approve following consultation with exporting governments. As a result of the immediate implementation of requirements which cannot be met without careful preparation and biltateral discussions, several countries' trade with the U.S. is being adversely affected. Our refusal to permit the entry of several shipments of chrome-bearing metals from Canada under outstanding contracts has disrupted Canadian production schedules and forced employers to lay-off workers. The U.K. has chrome-bearing material in transit to the U.S. and others may also.

Several U.S. manufacturers of steel products have protested that the virtual embargo of foreign supplies containing chrome has disrupted their production schedules and forced them to lay off workers. A New Jersey corporate official has bitterly complained that the embargo of Canadian metal has forced his company, the Red M Corp., to halt work on a U.S. Navy contract and to lay-off workers. The Robert Mitchell Company in Portland, Maine has indicated it may lay off up to one-hundred workers if its imports of chrome-bearing materials are not resumed in the near future.

The certification program requires that foreign governments: establish an office for monitoring the production of chrome-bearing products and issuing "special certificates of origin;" register firms producing items containing chrome; inspect the firms' premises and records; approve and inspect all shipments of chrome-bearing materials to the U.S. or to third countries which will use them in products destined for the U.S. market, etc. These procedures will require time to put in place and to be approved by Treasury.

A review of the legislative history of this bill indicates that Congress anticipated that the sanctions would be implemented in such a manner as to avoid undue interruptions of trade in products containing non-Rhodesian chrome, while at the same time not allowing shipments made for stockpiling in anticipation of the resumption of sanctions.

Under these circumstances, we believe that it would be appropriate for Treasury to establish interim measures to avoid undue disruption of U.S. imports where there is no reason to suppose that the products in question actually contain Rhodesian materials. It appears that the Secretary of the Treasury would have authority under the repeal legislation to adopt such interim measures pursuant to: (1) his authority under section (c)(3)(B) to exempt from the certification requirements any shipments of steel mill products in transit to the U.S. on the date of enactment; (2) his authority under section (c)(3)(C) to permit entry of any shipments of steel mill products "under such bond as he may require"; and (3) his authority to define the form and content of the required certificates of origin under section (c)(4).

One possible solution, and one which I would favor, would be to allow a period of ninety to one-hundred twenty days to work out certification procedures with the affected countries. During this period we could accept general certifications from those countries which support the United Nations sanctions against Rhodesian products. This would fulfill the intent of Congress while avoiding disruption of the production schedules of U.S. manufacturers and foreign suppliers.

Sincerely,

WILLIAM W. GEIMER,
Deputy Assistant Secretary for International Trade Policy.

REPORT NO. 95-37

RHODESIAN SANCTIONS

(Mr. CLARK, from the Committee on Foreign Relations, submitted the following extract from report to accompany S. 174.)

* * * * *

Finally, the bill contains provisions pertaining to goods which have been purchased, but not delivered, before the date of enactment of this embargo. The Secretary of the Treasury is to be given the discretion of exempting from the embargo any chrome and ferrochrome shipments already in transit on the date of enactment of this bill. The term "in transit" is to be broadly construed to include imports reasonably judged to have been purchased for current production needs. It is the intent of this committee that this discretion not extend to orders clearly made to circumvent the effective date of the embargo, or to orders which are made to stockpile chromium which obviously cannot be shipped or consumed in a reasonable amount of time.

REPORT NO. 95-59

AMENDING THE UNITED NATIONS PARTICIPATION ACT OF 1945 TO HALT THE IMPORTATION OF RHODESIAN CHROME

(Mr. FRASER, from the Committee on International Relations, submitted the following, extract from report, together with additional, supplemental, minority and dissenting views, to accompany H.R. 1746.)

* * * * *

PARAGRAPH (1)—REIMPOSITION OF THE EMBARGO

This paragraph amends section 5(a) of the United Nations Participation Act of 1945 by adding the following sentence: "Any Executive order which is issued under this subsection and which applies measures against Southern Rhodesia pursuant to any United Nations Security Council Resolution may be enforced, notwithstanding the provisions of any other law." This provision allows reimposition of the embargo on imports of chrome ore, ferrochrome, nickel and other materials from Rhodesia, as originally imposed by Executive Orders 11, 322 and 11,419 of July 5, 1967, and July 29, 1968.

Paragraph (1) was amended in committee by adding a second sentence which makes clear that the President has discretionary authority to exempt from a reimposed total embargo on trade with Rhodesia, shipments of chromium, in any form which are in transit to the United States on the date of enactment of H.R. 1746. The committee does not intend to imply that other materials which were also subject to the total embargo before the passage of the Byrd Amendment, could not also be granted similar in-transit exemptions by the President from the reimposition of the total embargo. The purpose of the amendment is to insure that enactment of H.R. 1746 will not result in an undue hardship on U.S. imports of such Rhodesian commodities, who contracted for shipments in good faith in accordance with existing laws and regulations well in advance of enactment of H.R. 1746 but to whom delivery of the shipment has not been accomplished on the date of enactment. It is not intended that the amendment serve to facilitate importation of shipments ordered in haste in anticipation of reimposition of the total embargo on trade with Rhodesia.

GUARANTEEING THE CIVIL RIGHTS OF ALL AMERICANS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BRODHEAD. Mr. Speaker, when Secretary Califano of the Department of Health, Education, and Welfare signed the 504 regulations last week, it marked another step on the long road toward guaranteeing the civil rights of all Americans. The 504 regulations, which were developed pursuant to section 504 of the Rehabilitation Act of 1973, prohibit discrimination against handicapped Americans.

As Secretary Califano said last week, the regulation will work "fundamental changes in many facets of American life—in many cases, it calls for dramatic changes in the actions and attitudes of institutions and individuals who are recipients of HEW funds. . . ."

Following the Secretary's action, Clarence Mitchell, the distinguished legislative chairman of the Leadership Conference on Civil Rights, issued a statement calling the signing of the regulations "another landmark event in the ongoing struggle for equality." Indeed it is.

Mr. Speaker, I believe Mr. Mitchell's statement deserves the attention of all Members of Congress and other readers of the CONGRESSIONAL RECORD. I include it as part of the RECORD:

LEADERSHIP CONFERENCE
ON CIVIL RIGHTS,
Washington, D.C., April 29, 1977.

LEADERSHIP CONFERENCE HAILS SIGNING OF SECTION 504 REGULATIONS

WASHINGTON, D.C.—Clarence Mitchell, Chairman of the Leadership Conference on Civil Rights, today hailed the signing by HEW Secretary Joseph A. Califano, Jr. of regulations to enforce the law prohibiting discriminations against the handicapped, saying "This is another landmark event in the ongoing struggle for equality."

Mr. Mitchell declared: "We join with the nation's 36 million handicapped Americans today in congratulating Secretary Califano for signing the Section 504 regulations. These regulations, while perhaps not perfect, will go far toward assuring handicapped citizens a large measure of equal treatment in employment, housing and education.

"Since 1949, the Leadership Conference on Civil Rights has worked the end discriminations against all minorities and the disadvantaged. The American Coalition of Citizens With Disabilities is one our newest members. The signing of the regulations and the strong prohibitions they contain are a direct result, we feel, of the Coalition's recent effort to win rights for its members. We take enormous pride and pleasure in observing their use of the very techniques we in the Conference have used for 28 years to win rights through the democratic process for all citizens who suffer discrimination.

"We join with the Coalition in saluting the Secretary. However, we recognize, again from experience, that regulations are only as good as their enforcement. We will join our comrades in the ranks of the disabled to see that these regulations are fully enforced."

The Leadership Conference is a coalition of 137 national civil rights, labor, religious and civic organizations.

ALBERT BOOKER EULOGIZED

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. YOUNG of Missouri. Mr. Speaker, I would like to take a moment to pay tribute to a man who faithfully served the Missouri State Senate for more than 40 years, Albert Booker.

As the custodian of the Missouri Senate chamber and quarters, Albert Booker was always friendly and helpful, showing those qualities of personality that are to be most cherished and emulated by all.

Because of his wisdom, dedication and devotion, the 34 members of the Missouri Senate named Albert Booker as the honorary "Senator from the 35th" District in 1974.

But he did not limit his activities to the senate chamber alone. Albert Booker was always active in civic affairs, explaining the need for good government.

Albert Booker died April 22 at the age of 77. He died in the city in which he spent his life—Jefferson City, where he has a great number of friends in city, county and State government.

As a former member of the Missouri Senate and a friend of Albert Booker, I express my sorrow of the passing of this dedicated man.

NEW OSHA HEAD UNDERSTANDS FARMERS AND FARM HAZARDS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. VENTO. Mr. Speaker, one of the knotty questions which Congress has confronted is the possible exemption of farm workers under the Occupational Health and Safety Act of 1970.

We have a new Assistant Secretary of Labor for OSHA who comes from a farm family and has been described by Business Week as a person "filled with commonsense." Dr. Eula Bingham is also a person who has told numerous business organizations in recent meetings that she believes her job under the law is "to save lives."

In this connection a recent report by the Bureau of National Affairs Occupational Safety and Health Reporter is worth reading. Dr. Bingham told farm leaders that farmers are exposed to many hazards and they should not be exempt from the law. Her comments are pertinent and I commend them to other Members of Congress.

In addition, there are many health hazards which are peculiar to the occupation of farming. These are described expertly by Phyllis Lehmann in her article "Far From the Polluted City" which appeared in the July 1973 issue of Job Safety and Health. It is also well worth reading and pondering, and should convince many of us that farmers like everybody else need the protection of the law.

[From the Occupational Safety and Health Reporter]

FARM OPERATIONS SHOULD NOT BE EXEMPT FROM OSHA COVERAGE, BINGHAM ASSERTS

Farm operations should not be exempted from coverage under the Occupational Safety and Health Administration, Assistant Labor Secretary Eula Bingham said on April 12.

Addressing a meeting of the Standards Advisory Committee on Agriculture, Bingham asserted that exempting farm operations with 10 or fewer employees from OSHA coverage, as was mandated in 1977 appropriations legislation for OSHA, amounts to "saying to farm workers that they do not really have a right to be protected" from hazards.

Bingham noted that "by and large, it has been the history of farming in the U.S. that the person who owned the farm actually was one of the main workers on the farm."

Noting that her father was a farmer, Bingham said, "I understand the antagonism of farmers toward the government, but I have also seen farm workers and farmers who have had their toes and feet mashed and crushed. We have to come to some kind of understanding of what will be the kind of regulation that farmers can live with and that will also protect farm workers."

OSHA, Bingham asserted, will have to produce regulations that farmers can understand, and that also "take into account their dignity." She emphasized the need for education "to tell employees what their rights are and what the hazards are."

[From Job Safety & Health, July 1973]

FAR FROM THE POLLUTED CITY

(By Phyllis Lehmann)

Envy the farmer. He spends his working day in the fresh country air and sunshine, far from polluted city streets and the noxious fumes of the factory, far from the reach of occupational disease. Right?

Well, not exactly. Even in this setting, occupational illness is no stranger. Quite a variety of health hazards is lurking on the farm. Aside from pesticides and other chemicals, which are beyond the scope of this article, the farmer is exposed to a number of less well known hazards—dusts, gases, and a host of diseases transmitted by animals.

Like some industrial workers, the farmer even has his own respiratory disease—popularly known as "farmer's lung"—caused by inhaling dust from moldy hay, oats, barley, corn, or beet pulp. Lung problems from inhaling grain dusts may be among the oldest occupational diseases. In 1700 Bernardi Ramazzini, often called the father of industrial medicine, wrote: "Whenever it is necessary to sift wheat and barley or other kinds of grain to be ground in the mill or to measure it when corn merchants convey it hither and thither, the men who sift and measure are so plagued by this kind of dust that when the work is finished, they help a thousand curses on their calling." Ramazzini noted that "almost all who make a living by sifting or measuring grain are short of breath . . . and rarely reach old age."

Certainly, this country has its share of elderly farmers, including many in good health, but scientists suspect that farmer's lung may be a more serious problem than is recognized. An estimated 50 percent of heavily exposed persons may be affected.

It is just one of a number of relatively obscure pneumonia-like ailments resulting from an allergic response to moldy dusts. The list includes bagassosis, caused by inhaling moldy sugar cane; mushroom picker's lung, from mushroom compost dust; cheese worker's lung, from moldy cheese; bird breeder's lung, from the dust of bird droppings; and bible printer's lung, from moldy paper.

Farmer's lung has been called the most frequent and disabling lung disease among dairy farmers throughout the world. Actually, it could occur in any farmer who stores and handles forage, but dairy farmers are perhaps more heavily exposed to the dusts because of milking operations in closed barns.

The climate in the central and northern United States and Canada is especially conducive to the growth of mold organisms that cause the disease. Because of cold winters, farmers must store forage for winter feeding; if the hay is stored wet in summer or fall, the organisms can thrive in the moist heat. Hay with a moisture content of more than 30 percent rapidly acquires the mold, and self-heating within the hay encourages its abundant growth. The hay crumbles to dust, which if shaken will liberate up to 1.6 million mold spores per cubic meter of air.

When inhaled, these tiny spores can penetrate deeply into the lungs.

Because stored hay and grain usually are poorly ventilated, the organisms can contaminate a hay mow or grainery for years. Doctors at the Marshfield Clinic in central Wisconsin note that they usually see acute cases of farmer's lung in late winter and spring, because farmers then are feeding cattle forage from the bottom of the stack, where the moisture and temperature are best for encouraging the growth of the mold. Severe winters, when farmers must work indoors in air-tight barns, increase exposure to the moldy dust.

Several exposures to the spores are necessary for a person to become sensitized. Then four to six hours after a subsequent exposure, the sensitized person may suffer chills, fever, severe headache, shortness of breath, and a dry cough. If the disease becomes chronic, the victim will continue to suffer from severe breathlessness and may become permanently disabled. A farmer with an acute reaction may be incapacitated for several months, but 70 percent of those afflicted recover completely if they are removed from exposure to moldy hay. Although death during an acute attack is rare, about 10 percent of farmer's lung victims die within six years of diagnosis.

Scientists admit they don't really know the extent of the disease, largely because the symptoms are often mistaken for those of pneumonia or bronchitis. Dr. John Rankin, chairman of the Department of Preventive Medicine at the University of Wisconsin and a farmer's lung researcher for 15 years, estimates that he has seen several hundred cases among Wisconsin farmers within the past several years. He notes that Wisconsin does not have a monopoly on the disease; it has been identified in virtually every state.

At the Marshfield Clinic, researchers have been studying the cause, methods of diagnosis, and treatment of farmer's lung for 11 years. Some of their recent work was done under a grant from the National Institute for Occupational Safety and Health. "I'm sure the disease is much more serious than is generally thought," says Dr. Dean Emanuel, head of the farmer's lung project. Since the research project began, his group has seen 250 cases of the disease. "We have about 20 to 30 new patients each year, although the number of new cases can range anywhere from 5 to 35 a year. If we have a wet summer and fall, when farmers are storing wet forage, we see many, many more cases." Emanuel reports that a recent survey of farmers throughout the northern United States revealed that 13 to 14 percent show evidence of a sensitivity to the spores that cause the disease. "This doesn't mean they will necessarily get the disease," he says, "but they are potential candidates."

How can farmers avoid the dusts that cause farmer's lung? The best rule is to prevent the mold from forming by not storing wet hay. Of course, limiting exposures to dusts, working in well-ventilated areas, and wearing disposable respirators will also help. More drastic measures include automating feeding operations, converting to non-dairy farming, or if the health threat is especially serious, giving up farming altogether.

As a result of education programs, especially in Wisconsin, more farmers are becoming aware of farmer's lung and precautions they should take against it. Dr. Emanuel and his group at the Marshfield Clinic, for example, write articles in farm journals and give numerous talks before farm organizations to help spread the word.

Beyond farmer's lung, research indicates that respiratory problems among farmers are more widespread than expected. Dr. Irving Kass, professor of medicine and head of the Regional Chest Center at the University of Nebraska College of Medicine, says: "I am impressed with the number of people who must give up farming because of various allergic reactions, although we don't always know what is causing their problem." He cites a recent survey of more than 400 Nebraskans—both farmers and nonfarmers—which showed that 35 percent had some abnormal pulmonary function. "This means," he says, "that lung disorders among rural people are about as common as among city dwellers."

Kass points out that not only dusts, but also substances such as hog and other animal danders, or fine hairs, can cause lung problems. "When inhaled, these danders can become very irritative," he says. "Many people have experienced tightness in the chest after a hog auction, but until recently we didn't know what was causing it. Now some researchers are studying how to ventilate hog barns, especially in winter, to control the levels of danders in the air."

As research progresses on farmer's lung and other farm ailments, scientists are discovering that health hazards from organic substances extend well beyond the farm. Rankin points out that organic particles are responsible for allergic lung reactions among some industrial workers, such as those who manufacture plastics or enzyme detergents. "We are recognizing problems among many different kinds of workers that we wouldn't have recognized several years ago," he says. "We have even seen a disease similar to farmer's lung in urban office workers, because the same organisms that cause farmer's lung grow in the moist heat inside air conditioning systems. We're trying to find out how big a problem this is for city dwellers."

Stored forage is the culprit in another farm hazard—silo filler's disease. Gases produced by fermenting silage can cause sudden illness or turn a silo into a death trap for the unwary farmer.

The first cases of sudden silo death were reported in 1914 by two Ohio doctors who investigated an incident in which four workers were found dead five minutes after climbing into a silo. The day after the deaths, the doctors tested conditions inside the silo by dropping a guinea pig down onto the silage. In 30 seconds it was unconscious. Next they dropped in a rabbit, who fell unconscious in 60 seconds. Finally, they lowered a dog inside; he lasted less than three minutes. Both the guinea pig and the rabbit died, but the dog revived after being removed from the silo. After analyzing the gases inside the silo, the doctors decided that the high level of carbon dioxide produced by the plant material was responsible for asphyxiating the workers and the test animals.

For the next 40 years, scientists blamed carbon dioxide for sudden silo deaths. Today, however, they know that nitrogen dioxide, produced by fermentation of nitrogen compounds in fodder—and not carbon dioxide—is responsible.

Nitrogen dioxide is formed in large amounts from fermenting silage soon after storage, reaching its peak in 24 hours and usually subsiding in about two or three days. Concentrations ranging from 200 to 4,000 parts per million have been measured inside freshly filled silos. By contrast, OSHA standards set a limit of five parts per million for industrial exposures. When inhaled, nitrogen dioxide combines with water in the respiratory tract to form nitric acid. The decomposition of nitric acid into nitrates and nitrites can cause extensive tissue damage.

The clinical effects of inhaling silage gas were first described in 1956, when four patients died after suffering from coughing, shortness of breath, fever, chills, and blueness of the skin. A recent review of the history of the disease describes a case study of a 36-year-old farmer who was afflicted with silo filler's disease and recovered completely. In 1961, the victim was admitted to the Veterans Administration Hospital in Baltimore with a diagnosis of far-advanced tuberculosis. A month before being admitted, he had entered the top of a silo that had been filled nearly full the previous day and in which the blower had not been started. He had seen a greenish-yellow haze and inhaled strong fumes that provoked a severe choking spell and left him dizzy and weak for half an hour. He had continued working but some 18 days later he had begun suffering from exhaustion, decrease in appetite, stuffy nose, headache, and high temperature. With a few weeks of hospital treatment, he recovered completely and went back to working as a farmer. Through seven years of observation, he experienced no recurring symptoms of the disease.

Studies of other patients showed that most had experienced a choking sensation, weakness, chest tightness, and coughing when first exposed to silage gas. Shortness of breath, wheezing, nausea, and vomiting followed. In some cases, more serious and occasionally fatal changes, such as collection of fluid in the lungs, occurred.

Although silo filler's disease has not received a great deal of attention, the American Medical Association (AMA warns) that it is more prevelant among farm workers than is generally thought. To avoid the risk of silo filler's disease or even sudden death, the AMA cautions farmers against remaining for any length of time in a freshly-filled silo. At the first sign of coughing or nausea, the worker should leave the silo immediately. Slight symptoms usually disappear with rest and inhalation of oxygen, but because of the insidious nature of the disease, any further problems should be brought to the attention of a doctor.

The AMA warns also that liquid manure stored in underground tanks or wells is another potential gas hazard. When the liquid is agitated without adequate ventilation, several gases—hydrogen sulfide, methane, ammonia, and carbon dioxide—are liberated. Of these, hydrogen sulfide is the most toxic and even at low concentrations—20 to 150 parts per million—will irritate the eyes. In slightly higher concentrations, it can cause headache and dizziness. A person who enters an underground tank or shallow well and is exposed to heavy concentrations of hydrogen sulfide will collapse quickly. Carbon dioxide and methane, though not considered as dangerous, displace oxygen in the air and also can cause collapse after some time.

To prevent exposure to those gases, the AMA recommends removing or transferring manure with pumps, or gravity flow to a tank wagon, irrigation line, or lagoon, while using forced ventilation equipment to remove the gases that collect just above the surface of the stored liquid. If working in an enclosed area, such as a shed, opening doors and windows also will help.

In addition to hazardous dusts and gases, the farm abounds with four-footed health hazards—domestic and wild animals that carry an amazing variety of diseases to which humans are susceptible. The Department of Health, Education, and Welfare's National Center for Disease Control (CDC) in Atlanta lists some 170 diseases that can be transmitted from animals to man. Approximately 100 of these may occur in North America.

Little is known about the extent of the health problems posed by these diseases because the federal government does not require the states to report most of them. "The state epidemiologists feel the effort required to gather data is better spent on the widespread infectious diseases," explains Dr. Richard Parker, chief of the Office of Veterinary Public Health Services at the CDC. "Unfortunately, it's simply a matter of medical priority." He notes that "taken individually, the diseases transmitted by animals are not that important, but taken collectively they do present a major problem."

Another scientist who echoes Dr. Parker's concern about animal-borne diseases is Dr. William McCulloch, director of continuing education at the University of Missouri School of Veterinary Medicine. "We see only the top of the iceberg in these diseases," he says. "The major problem is lack of support for laboratories at the state level. Although the situation is improving, most labs still aren't budgeted to test for many of these diseases, so they go unreported."

What diseases can man get from animals? The list includes such well known ones as rabies and salmonellosis and ones with such tongue-twisting scientific names as histoplasmosis, brucellosis, and leptospirosis. Because of the availability of rabies vaccine, only a few human cases of the disease are reported each year. However, "a sizable number of farm people each year must receive rabies treatment after coming into contact with infected animals," says Parker. "A farmer may think a cow is choking and put his hand in its mouth to try to dislodge whatever is choking it. Several days later the cow dies of rabies, and the farmer must undergo the painful series of rabies shots."

The animal disease that occurs most frequently among humans is salmonellosis, which has been steadily on the increase since 1945. More than 20,000 cases in humans are reported annually, but scientists think as many as one or two million people actually may be affected each year. The disease, which usually causes mild gastrointestinal upset but which can be fatal, often occurs among food processing workers but also poses a hazard to farmers. According to one authority on animal-borne disease, salmonellosis "will continue to occur until the animal cycle in which contaminated animal byproducts are fed to food-producing animals is broken."

A disease that is prevalent in the central United States, especially along the Mississippi River, is histoplasmosis—caused by a fungus that grows in soil enriched by bird droppings, especially those of chickens, starlings, and blackbirds. Consequently, it is a hazard to farmers cleaning out chicken houses. Slightly more than 200 cases—including about 60 fatal cases—are reported to the CDC each year, although histoplasmosis is not a reportable disease in many states. Dr. Fred Tosh, with the CDC in Kansas City, Kansas, estimates that there are as many as a half million new infections each year. He emphasizes, though, that only about 150,000 to 200,000 of those infected have any symptoms. Usually, the symptoms are mild, resembling a cold or upper respiratory infection. In most severe cases, the disease can damage the lungs or spread to other organs, such as the liver or spleen. Tosh points out that farmers can protect themselves from infection by decontaminating chicken houses with the chemical formalin—a solution of 40 percent formaldehyde.

Brucellosis, a disease which causes fever, sweats, chills, fatigue, lack of appetite, and weight loss is considered an occupational hazard for farmers and other animal handlers and packing house workers—especially those processing infected hogs. In 1971, nearly 200 cases of brucellosis were reported to the CDC. Half of these were among persons working in packing plants.

Leptospirosis, which can range from a mild flu-like ailment to a debilitating disease accompanied by jaundice, hemorrhaging, and kidney involvement, is a potential hazard to anyone who comes into contact with water contaminated by the urine of infested animals. Farmers, sewer workers, rice and sugar cane workers, and packing house employees risk infection, although leptospirosis also is becoming a recreational disease contracted, for instance, at the ol' swimming hole. Although only 66 cases were reported in 1971, the disease still is considered a problem because there is no specific therapy.

Other diseases which can be picked up by agricultural workers include tetanus; tularemia, which is transmitted by more than 100 wild and domestic animals and which causes skin ulcers, fever, and enlarged lymph nodes; parasitic diseases, such as tapeworm and trichinosis, which are caused by a variety of worms; and rickettsial diseases, which include spotted fever—carried by wild rodents and transmitted by ticks—and Q fever, which the farmer who assists animals with birth can contract primarily by inhaling the tiny organisms that contaminate placental tissues.

Both Parker and McCulloch note that animal-borne diseases have become relatively more important and widespread since scientists have learned to control most of the serious infectious diseases transmitted among humans. "Part of the problem in today's urban society," says Parker, "is that the average physician is trained to look for urban diseases. We have to remind people who have unusual ailments to inform their doctors of what they do both on the job or as an avocation that might have a bearing on their illness."

Whatever the source—dusts, gases, or animals—the diseases to which farmers are prey attract less attention than some other occupational illnesses because they do not occur in large, highly visible groups of industrial workers. But, despite that deceptive country air and sunshine, there are health hazards in farming that should not be ignored, especially by the farmer himself. Additional research and public concern will help, but the solution lies in prevention. And prevention demands awareness, better work practices, and in many cases, that old home remedy—common sense.

ROMANIA'S HUMAN RIGHTS STAND

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BINGHAM. Mr. Speaker, as one who has consistently supported improved relations with Romania, I am somewhat disturbed by recent press reports of the Romanian Government's actions against author Paul Goma and supporters of his open letter to the participants at the Belgrade review conference. Mr. Goma, whose novels have been published only in the West, sent the appeal in early February, protesting his government's neglect of the rights and freedoms guaranteed by the Romanian Constitution and the Helsinki accords. The letter has thus far gained the support, according to the London Times, of over 200 Romanians.

As a result, Mr. Goma has been repeatedly harassed and was placed under house arrest. The Associated Press reports that the dissident writer was again arrested in early April and has not been heard from since; 8 other signers of the letter have been forced into work camps; 16 Baptists were arrested during the same period; and several Western embassies in Bucharest have been surrounded and their visitors stopped, searched, and often turned back.

At stake are the basic rights of those who have chosen to dissent from their government's policies and of those who wish to be reunited with their families abroad. Such actions threaten to taint Romania's position at the upcoming Belgrade conference and to weaken its position regarding the upcoming extension of most-favored-nation treatment. They could, if continued, serve to reverse the generally upward trend that has marked the development of our two countries' relationship.

In light of these facts, I believe it important to publish the full text of Paul Goma's letter along with a letter protesting Goma's harassment written to President Carter by Roger N. Baldwin, the distinguished honorary president of the International League for Human Rights:

TRANSLATION OF THE OPEN LETTER ADDRESSED BY ROMANIAN AUTHOR PAUL GOMA TO THE PARTICIPANTS OF THE BELGRADE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

Preface: We request that this letter, to which a copy of the constitution of the Socialist Republic of Romania is appended, be disseminated by all possible means and particularly by press, radio and TV during preparatory phase of the Conference. Once the Conference is in session, we shall advise the participants of signers who had supported our action. Signers will be listed in alphabetical order.

As 1977 has been declared Human Rights Year, we, the signers of this open letter addressed to the Belgrade Conference, place great significance on the fact that it has become necessary to convene an international gathering at the highest level to defend and uphold the rights of man.

Regardless of which state's inhuman behavior brought about this conference, we protest against all forms of oppression—physical, moral, intellectual—in political prisons, in forced labor camps, in psychiatric wards, in older or newer Gulags—which destroy liberty and dignity.

In modern dictatorships, the basic forms of individual expression (the arts, culture, science, political and religious creeds, national consciousness) become meaningless once in the service of the ideological propaganda of the respective dictatorship. Yet the rights guaranteed by internal laws and international conventions, though ratified by the governments of totalitarian states, are not respected. Such is the case with certain articles of the R.S.R. Constitution: article 17, civil liberties; article 8, the right to work; article 21, the right to education; article 27, the right to association; article 21, the right to free speech, assembly, meetings and demonstrations; article 30, freedom of conscience; articles 31 and 32, the inviolability of person and home; and article 33, the secrecy of correspondence and telephone conversations. Equally disregarded is the right of free movement of persons, ideas, and information, while the right to citizenship is perverted into an obligation which does not serve the cause of progress.

There is much talk throughout the world about dignity and liberty. But how many people in the states where dignity and liberty are genuinely respected know that there are states where human beings are forever bound to the country in which they were born? How many people know that there are countries where for many decades voters unanimously cast their ballots in favor of a single candidate hand-picked by the men in power, in total disregard of the voters? How many people know that there are countries where work and not the laboring man is important? How many are aware of the fact that there are states where citizenship is turned against the citizen and where the principle of non-interference in internal affairs is used to deny the international community's right to concern itself with the non-observance of human rights and fundamental freedoms?

We conclude by thanking the distinguished participants at the Belgrade Conference which is convening to defend human liberty and dignity.

February 18, 1977.

INTERNATIONAL LEAGUE FOR HUMAN RIGHTS,
New York, N.Y., April 4, 1977.

THE PRESIDENT,
The White House, Pennsylvania Avenue,
Washington, D.C.

DEAR MR. PRESIDENT: The International League for Human Rights is deeply concerned for the safety of Romanian writer Paul Goma, his wife Ana Maria, and his infant son. Since Goma has come out in support of the Czechoslovak Chapter 77 movement and begun collecting signatures in Romania for an open letter to participants to the forthcoming Belgrade Conference on the Helsinki Act, he was placed under virtual house arrest and subjected to increasing harassment.

According to dispatches of the Associated Press (March 29), United Press International, and Agence France Presse, Goma's apartment was broken into three times on March 19, 25, and 26 by "a former boxer," Horst Stumpf, who reportedly intimidated and assaulted Mr. Goma.

To check on these reports, we telephoned Mr. Goma on March 30 but were told that no one answered the call. We tried again on March 31. This time Goma answered but the reception was noticeably poor. Upon being told that a call made yesterday was not answered, he said mockingly that his "telephone had been sick". Our spokesman asked him about his health, and his reply was that he was "now all right; it is better now." Throughout the technically unsatisfactory exchange, Goma sounded quite worried. The vitality he had displayed in our previous talk, on March 4, was lacking. He expressed gratitude for "all you are doing for us" and concluded by asking that the League call him again in about a week's time.

Deeply disturbed by the reports of repressive actions against Paul Goma, we appeal to you, Mr. President, to give voice to the concern felt by many Americans for the fate of this courageous advocate of human rights. It is our conviction that, given the significance of American credits and aid to the Romanian Government, your expression of concern could be of great importance.

I am with great respect.

Yours sincerely,

ROGER N. BALDWIN,
Honorary President.

ANNUAL CROSS COUNTRY KINETIC SCULPTURE RACE

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. DON H. CLAUSEN. Mr. Speaker, in these days when so many complain of the tedium and boredom of commonplace existence, it is very refreshing to find examples of initiative, imagination, industry, and good clean fun. I was recently privileged to participate as a designated official for the "annual cross country kinetic sculpture race." I think my colleagues will enjoy reading about this interesting and innovative event.

The prime mover of this extraordinary event is my good and creative friend, Hobart Brown of Ferndale, Calif.

Having participated in the program since its beginning, I have become quite attached to the people, the program objectives and expanding regional, statewide and national interest in this event.

Ferndale, Calif., is the most westerly incorporated community among the mainland States of the United States. It is therefore fitting that we give national recognition to this very constructive and creative community effort. The people in management and policy positions of the Smithsonian Institution may very well be interested in evaluating some of these unusual vehicles to be properly recognized and/or enshrined and displayed here in Washington or possibly creating a Smithsonian Institution—west at Hobart's in Ferndale, Calif.

FOURTH ANNUAL CROSS COUNTRY SCULPTURE RACE

FERNDALE, CALIFORNIA, March 15, 1977.—Satellite photographs showing mysterious flashes and spark showers centered on the Northern California Coast have just been received at Ferndale International Airport! An investigation by officials revealed this strange phenomenon to be the result of massive welding operations as local entrepreneurs and racing-sportsmen rush last minute fabrication of exotic people-powered-all-terrain-machines for the 4th Annual Running of the Great Arcata to Ferndale Cross Country Kinetic Sculpture Race.

This year's competitors will encounter increasingly diabolical hazards along a route that passes through terrain ranging from placid country roads to sand traps, mud bogs, shark infested bays, and alligator choked river crossings.

The big race starts from the Arcata Plaza at 12 Noon on Good Friday April 8th, and continues over Easter Weekend to finish in Ferndale on Sunday afternoon. The ingenious Mobile Sculptures will get away in a massive Le Mans start as Arcata's Darling, Mayoress Alexandria Fairless, drops the checkered flag. Locked in fierce competition, the Marvelous Machines will burst out of town, careening along a route running West through the Arcata Bottoms and then South over shifting sand dunes and trackless beach to the Samoa Bridge, where Official Timers will record positions for the day.

When all competitors have been accounted for, the California Highway Patrol will lead the Great Kinetic Sculpture Parade to the Eureka side. Then, Eureka Police pick up the official escort to the pit stop at Old Town Bar and Grill where exhausted drivers will be treated to a sumptuous feast in recognition of their prowess in the first day of this unique competition. After a seemly interval, the Amazing Kinetic Creations will move on to the Eureka Inn for the first overnight camp. Here, while drivers and crews are celebrating far into the night, a seldom seen array of sophisticated racing hardware will be on exhibit in the adjacent parking lot.

At 8 a.m. Saturday morning, drivers will join their crews in staggering to the Kinetic Wonders for the escorted parade south along U.S. Highway 101 to Fields Landing and the Great Trans-Bay Crossing to start the second day of racing. This is perhaps the most severe test of men and machines as the intrepid competitors battle gale winds, heavy seas, fiercely fanged sharks, man eating clams, and gawking tourists as they attempt the perilous voyage across to the South Spit.

Weather permitting, crews will splash in at 11 a.m. and the Colorful Machines will line up in the surf next to Fields Landing Ramp for a flying start on the boom of the official starting cannon. Rsecue and emergency towing service will be provided by U.S. Coast Guard and private boat-persons standing off shore in the unlikely event that one or more of the Incredible Devices should founder in the breakers of South Bay Channel.

On completing the frightening bay crossing, remaining competitors will struggle onto the Spit where their course leads South along the beach past Table Bluff to the second overnight camp directly opposite Crab Park. There, weary crews will be treated to a roaring fire, strong spirits, and a Chili and Bean Feed provided by Charlene and Denny Pecaut. (Peek-o).

Sunday morning, contestants will clear their trusty machines of Easter Eggs and board the Man Powered Marvels for a bracing dash into the Arctic waters of Crab Slough about 10 AM as this, the final day of the Great Cross Country Race begins. Now the course runs to the East along Cannibal Island Road, and then South onto Cock Robin Island to the shores of the treacherous Eel River for the last and most dangerous water crossing. At this point, gallant racers face not only the torrents of a storm swollen river, but schools of ferocious alligators and man-eating fish. Survivors will emerge on the South Bank to make a final dash through fields of enraged charging cows and along twisting country lanes to the Victorian Village of Ferndale. In a last supreme effort exhausted contestants will flash down Main Street in a blinding exhibition of speed to finish at Fireman's Park, where the great prize and award ceremonies take place.

Following the Award Ceremonies, there will be a gala celebration featuring a Crab Chappino Banquet sponsored by the Boy's Club, as the highlight of concluding festivities for the incredible three days of racing.

Spectators are advised to arrive early as the streets of the Arcata Plaza will be cleared at 4 AM for contestants and their exotic machines from all over the Pacific Coast to prepare for the Easter Weekend Competition. Spectators are also reminded to bring food and drink, cameras, rain and emergency gear, and plenty of spirits to see them through this mind boggling event—the 4th Annual and most exciting Arcata to Ferndale Cross Country Kinetic Sculpture race!

4TH ANNUAL CROSS COUNTRY SCULPTURE RACE INFORMATION AND RULES

RULES

(1.) Machine must be people powered. No reserve energy, except sails.

(2.) No towing or pushing will be allowed except by persons on board.

(3.) Pit crews must consist of people only.

(4.) Entry must complete race to qualify for any race award. One prize per machine will be awarded for each place bracket.

(5.) During timed competition, no relief drivers will be allowed.

(6.) Direct any and all complaints to: Dr. James Boren, National Press Building, Washington, D.C. 20004.

(7.) Entry forms must be in three (3) days before race in order to receive pilots wings. All entrants in race must sign non-responsibility claim.

(8.) All machines must be no more than 8′ wide and 13′ high on land or road.

(9.) Your sculpture must not be dangerous or harmful to others.

(10.) All machines must be equipped with a braking system.

(11.) All machines must have over-night and safety equipment (life preservers and signaling flares and holder) on board. A technical inspection will be held prior to race start of all safety equipment.

(12.) Coast Guard approved life preservers must be worn by all aboard during all water crossing.

(13.) All special terrain equipment must be on board machine at all times.

COURSE INFORMATION

APRIL 8TH

Race starts at the Arcata Plaza at 12:00 Noon by the Noon whistle.

A LeMans start with starting positions being assigned in a 11:00 a.m. lottery drawing.

Route maps will be distributed before race start.

A bumping system will be used on city streets.

Follow course through Arcata and down Old Samoa Road to sand crossing near Emmerson's Mill. Course will be flagged. From here to bridge crossing, BEACH *must* be used.

Return to paved road at area across from Samoa Cookhouse turnoff, then left to Eureka/Samoa Bridge for crossing.

Travel in parade across bridge to Old Town Bar & Grill on Second Street for buffet dinner. Park machines in dirt lot next to building.

Travel in parade to Eureka Inn to stay overnight. There will be a guard to watch the machines. One room per machine will be provided.

APRIL 9TH

Parade to Fields Landing for 11:00 a.m. start, depending on tide conditions. First one in Friday evening will lead parade to Fields Landing.

Last one in Friday evening will be first in water for Saturday a.m. start.

Race across bay to Crab Park.

If machine has to be towed, there will be a 3 hour penalty added on.

Chili feed will be provided on Crab Park.

All machines and drivers to spend night on Crab Park.

APRIL 10TH

10:00 a.m. start from Crab Park to start race to Ferndale. Race end timer to be at Francis Creek.

In Ferndale, go down main street, turn left at Eugene Street and follow turning right on Berding to Fireman's Park.

Crab ciappino feed to be held at Fireman's Park at race end sponsored by the Boy's Club of Humboldt.

NATIONAL FIRE PREVENTION WEEK

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. RUDD. Mr. Speaker, I have today introduced a House joint resolution proposing the annual observance of National Fire Prevention Week during the second week of October.

This week has traditionally been observed for this purpose, under the leadership of the National Fire Protection Association and other nongovernment organizations, on the anniversary of the historic Chicago fire of the mid-1890's, which was started by Mrs. O'Leary's cow.

I believe it is important for the President and the entire Federal Government to join and encourage this private effort each year, owing to the significant Federal responsibility and role in fire research and prevention, and the protection of public lands and property under Federal jurisdiction.

For example, over the past 3 years, more than 526,580 forest fires have occurred in Federal, State, and private forests, burning more than 9.7 million acres of precious land and timber.

Last year alone, the increase in the incidence of forest fires was dramtic and horrifying. More than 245,840 forest fires occurred in 1976, burning more than 5.1 million acres of forest land and timber.

The current fire season unfortunately looks even worse yet. Public awareness of this problem, and resolute private and public action is essential now to protect our vital natural resources, property, and the lives and safety of our citizens.

Mr. Speaker, private nongovernment efforts in fire protection and firefighting have been heroic in our own country, and around the world. In my own State of Arizona, the National Historical Fire Foundation and its National Hall of Flame have been established as a tribute to firefighters throughout history.

The National Hall of Flame is sponsored by the nonprofit National Historic Fire Foundation, and its founders George and Olive Getz of Scottsdale.

George Getz is one of those unique breed of Americans who, like his close friend the late Adm. Richard E. Byrd, is not content just to provide leadership and great ingenuity in his own chosen career as a business executive.

As chairman of the Globe Corp., and a director of Sante Fe Industries, the Atchison, Topeka, and Santa Fe Railroad System, American Graduate School of International Management, and numerous other organizations, Mr. Getz is also a leader and generous philanthropist associated with more than 30 notable civic and charitable organizations in 5 States, the District of Columbia, and throughout the world.

The National Historical Fire Foundation and his role as member and former vice president of the National Safety Council are just two examples of Mr. Getz' generous contributions to society as a private citizen vitally concerned about upholding and enhancing public safety, and paying tribute to the ingenuity and devotion of others in this regard.

The National Hall of Flame is a most unusual museum. It is unique, and according to Mr. Getz' future plans for its expansion will soon become an internationally renowned center of tribute to man's epic struggles with fire.

Its collection of firefighting equipment already includes more than 80 pieces of handdrawn, horsedrawn, and powered pumpers, chemicals carts, and fire engines throughout the United States and many foreign countries.

Some of these mint-condition pieces date back to 1725, and are identical to English firefighting equipment imported into Boston and Philadelphia during that time period.

Much of this equipment has been acquired by Mr. Getz himself, or donated by local firefighting organizations and individuals throughout the country, in order to retain its appropriate historical value. Most fire engine collections are sponsored by local communities or States, such as New York's museum at the firemen's retirement home in Hudson, N.Y., and have only local or regional equipment.

The Hall of Flame is a truly international collection of all firefighting equipment, memorabilia, and literature.

In addition to the wheeled equipment, the National Historical Fire Foundation also has a large collection of firemen's helmets from almost every nation around the world, as well as caps, uniforms, rubber coats, hat and coat badges, and a large collection of arm patches.

The Hall of Flame also has the famous Dick Fowler Library, consisting of 4,000 volumes on fire, firefighting, and fire equipment, including historical books from Japan, Sweden, Norway, Germany, and so on.

In the library also is the famous 23-volume Moon Mullins collection of photographs of fires around the New York area, which was donated by Timothy Stillman.

Mr. Stillman also donated about 38 scale models of firefighting equipment dating back to the early 1700's, up to about 1960.

Many unique small items, such as axes, hoses, and nozzles, and spare parts for the older equipment are much too numerous to mention. Many of the older gasoline-powered fire engines are operable, and the entire Hall of Flame collection is a breathtaking tribute to the firefighters of the world.

Mr. Speaker, it is certainly true that through the work of Mr. Getz and his wife, Arizona's Hall of Flame can become to firefighting what the Hall of Fame at Cooperstown now is to baseball.

This is really a testimonial to valiant volunteers and salaried firefighters throughout the years who have helped to protect the public from devastating injury, property losses, and anguish.

My resolution is designed to focus needed national attention on the current problem of fires everywhere that senselessly injure or kill our people and destroy our beautiful environment.

I believe that Congress can perform a valuable service to the Nation by establishing this National Fire Prevention Week as an annual national observance.

We need to harness all possible private and public resources into a common effort to educate ourselves for fire prevention—and to find ways to reduce and eliminate this national disaster of fire that destroys our property, our environment, and threatens the quality of life and life itself.

I insert the resolution at this point in the RECORD.

H.J. RES. 438

Joint resolution to designate the week commencing with the second Monday in October of each year as "National Fire Prevention Week"

Whereas the preservation of life, our Nation's natural resources, and private and public property is threatened by the annually increasing incidence of fires; and

Whereas such destruction is often caused by carelessness, and a failure of citizens to fully understand the combination of circumstances that can lead to dangerous and destructive fires; and

Whereas it is proper and necessary for all people and their public servants at all levels of government to join in a common effort to prevent fire, and to find better ways to fight fire and reduce the destruction of life, natural resources, and property: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week commencing with the second Monday in October of each year is hereby designated as "National Fire Prevention Week."

SEC. 2. The President is authorized and requested to issue annually a proclamation—

(1) calling upon the people of the United States to commemorate National Fire Prevention Week with appropriate observances and activities;

(2) encouraging primary and secondary schools to emphasize appropriate science curriculum activities for that week including such elements as fire prevention and firefighting in all areas of our environment, burn research and victim rehabilitation, and restoration of fire-damaged areas; and

(3) requesting each agency of government at all levels, private organizations, the media, and individual citizens to recognize such week by taking such action as they may deem appropriate.

THE CORDELL HULL AWARD TO DAVID J. STEINBERG

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. HARRIS. Mr. Speaker, I would like to take this opportunity to extend my congratulations to a constituent, David J. Steinberg, for receiving the Cordell Hull Award. The Board of Trustees of the U.S. Council for an Open World Economy recently conferred this honor upon Mr. Steinberg, for his outstanding work and significant performance in campaigning for an open world economy. The text of the award announcement follows:

The U.S. Council for an Open World Economy, formed in 1974 to promote balanced, objective research and public education on the merits and problems of achieving a more open international economic system in the overall public interest, assumed responsibility for the Cordell Hull Award as successor to the Committee for a National Trade Policy, which had held this responsibility for over 15 years. The Award is given only occasionally, in recognition of "vision and statesmanship in the advancement of United States policy promoting reciprocal trade among nations, a policy serving the cause of peace and the well-being of our country and of all free peoples, to which Cordell Hull dedicated his major efforts throughout a long and distinguished career."

The Council has refined this standard to require that the recipient be "a person who in recent years has campaigned consistently, tirelessly, selfishly and productively for an open world economy in the overall public interest to a degree that convincingly merits the recognition which this Award affords."

In the judgment of the Council's Board of Trustees, the person who merits the Award must display impeccable concern with the total public interest, not just that part that may be in the special interest of his or her business or professional activity. The Board is interested in advocacy both of a truly open world economy and the domestic policies required to backstop sustained national commitment to this goal.

The Board sought the suggestions of over 100 individuals exceptionally knowledgeable in this area of public policy, and in a position to know of persons who ought to be considered for such an award. Those consulted were currently or formerly active in government, business, the press, the academic and research community, or organizations actively concerned with international economic affairs.

Having studied all the recommendations, and having considered other possibilities on its own initiative, the Board decided that no one merited the Award more convincingly than the Council's own President and the leading figure in the formation of this unique organization. In reaching this decision, the Board was deeply impressed by the firm view of an esteemed respondent who said that, if the Council did not give the Cordell Hull Award to David J. Steinberg, the Council's President, it should not give it to anyone.

The Board has decided to give the Award to Mr. Steinberg (a) because he deserves it more than any other American we know of, and (b) to set an example of the kind of personal commitment and involvement so urgently needed, yet so seriously in short supply, in the liberal-trade movement.

The record of the past 15 years is replete with Mr. Steinberg's tireless, selfless and extremely useful work in the campaign for an open world economy in the overall public interest. No trade barrier has been too insignificant, no forum too minor, for his exertion of his best efforts. His testimony before government committees, his speeches, his communications to government officials and newspaper editors, his constructive concern with domestic adjustment problems and with the need for a consumer-oriented trade policy that addresses the needs of all consumers—these and more display an idealism, a grasp of the public interest, and a sense of national mission which the Cordell Hull Award provides a most welcome opportunity to acclaim.

IN TRIBUTE TO THEODORE TANGER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ANDERSON of California. Mr. Speaker, on May 21, 1977 the Centinela Tribe of the Improved Order of Red Men will honor a very special person. Theodore Tanger, the last charter member of the Centinela Tribe and Great Guard of the Forest of the Great Council of the United States, will receive recognition for his many years of outstanding service to his community and brothers in his fraternal organization.

Theodore Tanger, or Ted, as he is known to his many friends, currently holds one of only four appointed offices on a national level in the Improved Order of Red Men. Since he first joined the organization on April 15, 1930, he has exemplified the high standards of character and achievement that are the hallmarks of the Improved Order of Red Men.

Born in Page, N. Dak., on July 6, 1903, Tanger moved to California in 1924, and soon came to be a resident of the Centinela Valley area. Three years later, in

1927, Theodore Tanger married his lovely wife, Irene Holcomb, a third generation Californian. In 1930, he became a charter member of Centinela Tribe 273 of the Improved Order of Red Men. In the same year, Ted and Irene became charter members of Centinela Council 211 of the Degree of Pocahontas, an auxiliary of the Red Men whose membership is open to both men and women.

The Improved Order of Red Men is the oldest patriotic fraternal organization of purely American origin. It traces its history back to the Sons of Liberty, the famous independence movement in the original Thirteen Colonies which played such an important role in gaining our Nation's independence. The Native American theme which is characteristic of the order comes from the Sons of Liberty habit of adopting Indian names and dress for secrecy against the British, which was demonstrated at the famous Boston Tea Party.

In his many years with the Order of Red Men, Ted has held many positions of authority. A past Sachem of the Centinela Tribe—a position equivalent to presiding officer—Theodore was head of the tribes in the State of California in 1948 and 1949. He has held several appointed offices on the State level, and sits on the judicial committee of the great council of the United States.

Last September, in Rochester, N.Y., Theodore Tanger received his appointment as Great Guard of the Forest of the United States, a position he is holding for a 2-year term. Since there are only four appointive offices on a national level in the order, this position was quite an honor, recognizing Ted's many years of service and leadership.

A manufacturing supervisor by trade, Ted retired in 1968. He now resides in Big Bear, Calif., a community located in the mountains that overlook the Los Angeles Basin and his former home of Inglewood, Calif.

I would like to take this opportunity to congratulate Ted on his many years of outstanding service to his family, his community, and to the Improved Order of Red Men. His lovely wife, Irene, who shared many of those years and their children, Renee and Dana, must be very proud of Theodore's many achievements.

SENATOR ALLAN McKINNON

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. STUDDS. Mr. Speaker, as every Member of this body knows, the word "politician" has assumed extraordinarily unpleasant connotations—particularly in recent years. No one knows better than those who are themselves active in public life, however, the many remarkable exceptions to this unfortunate stereotype.

One such exception is the very distinguished member of the Massachusetts State Senate from the town of Weymouth—Allan McKinnon. Because I think it is important for people to realize that "politician" can be a good word, I am inserting at this point in the RECORD a column on Senator McKinnon from the South Shore Mirror of March 23, 1977. He is a good, and honest, and courageous man—and he is a politician.

The column follows:

ALLAN McKINNON

(By Charlotte Cooper)

Allan McKinnon of Weymouth was a 40-year-old high school teacher when, in 1970, he decided to run for a seat in the state senate.

While McKinnon's career change came somewhat late in life, his move from private to public life was hardly impulsive. The lifelong Weymouth resident had been involved in local politics for many years. He had put in terms as a Weymouth Town Meeting member, and had served on the board of Assessors and the Board of Public Works. As a chairman of the Weymouth Democratic Town Committee, McKinnon had helped other candidates for state office conduct their campaigns—an experience, he says, which convinced him to run. "When you're interested in politics and get involved in somebody else's campaign," he confesses, "you want to see how you'd do with your own name on the ballot."

When McKinnon finally decided to take the plunge, he won in the Democratic primary, defeated his Republican opponent by 800 votes in the election, and began his first term on Beacon Hill.

The freshman senator came to the legislature at an especially propitious time. Kevin Harrington had just assumed the state senate president's post, and was conducting a changing of the guard. McKinnon was appointed to the influential Commerce and Labor Committee, and assumed the chairmanship in 1973. "I was a little nervous about accepting that positoin," McKinnon admits, "but I've always thought that the way to get over feeling like that is to jump right in."

McKinnon's adjustment to state politics was both speedy and successful. Last February 29, after six years in the state legislature, he was appointed assistant majority whip, a position which makes him one of the senates most powerful men.

McKinnon's appointment came in the wake of one of the legislatures worst scandals. After a long trial, Senate Majority Leader Joseph DiCarlo had been convicted of extortion, and resigned. Kevin Harrington moved Assistant Majority Whip William Bulger of South Boston into DiCarlo's old post, and then tapped McKinnon for the assistant whip's job.

"I'd hoped for the appointment," McKinnon says. "I was encouraged by the senate president. But in life," he adds philosophically, "you can never be sure of anything until it happens."

Those close to the senator, however, had expected their colleague to move up the legislative ladder. During his six years on the Commerce and Labor Committee, McKinnon had acquired the reputation of a hard-working chairman skilled in the political arts of negotiation and compromise.

"Some people," McKinnon says, "feel you have to be the adversary of the establishment. I think that maybe we do need a few rebels like that. In fact, when I came to the senate six years ago, I tended to be independent and reform-minded. Then I got involved with the chairmanship of the Commerce and Labor Committee, and got wrapped up in the work. I discovered that if you want to get legislation passed, you have to work within the system. I adopted the approach of trying to cooperate with the leadership, as long as that didn't mean compromising myself."

The McKinnon approach helped push through the senate several pieces of legislation designed to stimulate business and thereby create more jobs. The Weymouth legislator worked to establish the Massachusetts Industrial Mortgage Insurance Agency, which guarantees loans to businesses planning to expand or locate in the state. He also supported the Community Development Finance Corporation, an agency which provides seed money to struggling manufacturing centers.

Richard Demers, a representative from Chicopee who shared the Commerce and Labor chairmanship with McKinnon for two years, terms the new whip "a very compassionate legislator who was keenly and intensely aware of all legislation before the committee." McKinnon, Demers claims, "was extremely conscientious about people's needs. He took an active role in supporting legislation which enfranchised people who had been harmed by the system in some way."

Indeed, in the state legislature, McKinnon is considered a liberal. He has worked successfully for a mobile home "Tenants' Bill of Rights," and helped expand the "Second Injury Fund," which resulted in more jobs for handicapped workers. Last year, McKinnon worked for legislation that increased workmen's compensation benefits, and helped pass an act designed to protect small, independent gasoline station operators who the senator felt were being exploited by the large oil companies. Out of concern for the environment, McKinnon helped pass the Massachusetts Growth Policy Act, and is co-chairman of the Wetmore-McKinnon Commission which aims to make economic expansion and ecological balance compatible.

McKinnon, however, is uncomfortable with the term "liberal." Like his mentor, senate president Kevin Harrington, he likes to think of himself as "an eclectic, one who picks and chooses from the best of all philosophies." "I don't always agree with liberals or conservatives," McKinnon claims. "I don't think those labels always hold true. Some liberals can be more responsible on economic issues than conservatives. It doesn't follow that a liberal is a free spender."

Indeed, McKinnon is not one to vote for every social program that emerges. While he is sympathetic to those who have been abused by the system, he sees the creation of more jobs as an answer to the problems of a state where taxes are already high. "Our social programs are necessary," he says, "but some of them have to be more demanding in their requirements."

In line with this philosophy, McKinnon two years ago pushed for a reform of the unemployment compensation law which eliminated "volunteer quits," unemployment benefits for people who had quit their jobs. While to some this seemed a harsh measure, McKinnon felt the legislation was a means to help make the state more fiscally responsible.

"I thought eliminating volunteer quits was right," he explains, "because I think the unemployment compensation law was meant to protect people who've been temporarily laid off of work. Volunteer quits were a drain on the fund."

McKinnon's sponsorship of reforms in both workmen's compensation and unemployment legislation helped cement his friendly relationship with Governor Dukakis, who supported both bills. McKinnon ran Dukakis' gubernatorial campaign on the South Shore, and managed to maintain a working relationship with the state's chief executive at a time when most other legislators were not on speaking terms with the Governor.

McKinnon says he has "tremendous respect for Dukakis' integrity," but then adds, "That doesn't mean I always agree with his positions. On some things, I'd like to see him be more flexible."

As evidence of Dukakis' occasional inability to compromise, McKinnon points to the Governor's recent rejection of $51 million in federal funds to build highways.

"The Governor thought the money could have been better spent," McKinnon explains, "but I thought he should have reconsidered his position since half the people in our construction trades are unemployed. I felt the Governor should have taken the money, and then should have argued with the federal government on how it should be spent. In human terms, the decision was wrong. I thought he was being inflexibile, and I told him so."

Despite occasional conflicts, McKinnon and the Governor have remained on very cordial terms. Lanny Johnson, Dukakis' assistant chief secretary, says his boss is "very pleased" with McKinnon's new appointment. "Allan has been very helpful to the Governor in the legislature, especially in the Commerce and Labor Committee," Johnson maintains. "He helped us with some major pieces of legislation, and was instrumental in negotiating between industry and labor. He has great credibility in both sectors, and works very hard."

"Allan is a good negotiator because he has total integrity," Johnson continues. "He lets everybody know exactly what his position is, so no one has false hopes. He can predict and sense what areas people are willing to compromise on."

"He's one of the senators closest to the Governor."

When McKinnon's appointment to the assistant majority whip's position was first announced, some Beacon Hill observers expressed surprise that the low-key Weymouth senator had been selected for a job normally associated with the high-powered and the forceful. McKinnon himself claims he does not think of himself as a "whip-type person." He adds, however, that he is certain he has the qualities necessary to be a successful whip—an assessment with which few who have witnessed his skill as a negotiator disagree.

"A whip's function," McKinnon explains, "is to help the senate president in running sessions, and to make sure people get to roll calls on bills The whip has to know where everybody stands on crucial issues, and has to help count noses. He finds out where the votes are. I don't think it's arm-twisting so much as it's friendly persuasion."

As a senate leader, however, McKinnon is in an excellent position to work for those measures which he feels are essential for the South Shore—the establishment of a commuter boat system, the construction of more low-income housing, the creation of a sensible growth policy. He says he intends to run for office again in 1978, and hopes to become even more influential in the senate. But the new assistant majority whip claims he does not plan to stray from state to national politics.

"In this business," McKinnon says, "you have to be practical about what your best qualities are. To run for national office, you have to be a media-type person. I'm reasonably effective with small groups of people, but I don't think that would carry over to a large media-type campaign. There's tremendous fundraising involved. And the drain on your family life is enormous."

In his current job, McKinnon says, he has little enough time to spend with his wife and four children. Besides maintaining a full schedule during the days, he serves as a Democratic State Committeeman, and is a member of the Weymouth Democratic Committe. For the past few years, he has taught several nights a week at Quincy Junior College and Curry College to augment his salary which, with his appointment to majority whip, rise from $18,332 to $20,623.

The three-term senator, however, claims he thrives on a busy schedule. "I don't mind working hard," he insists. "I enjoy the legislative process. There's nothing more exciting. If I'd had any success in my dealings here, it's because I have enough flexibility to realize other people's point of view. Progress comes slowly when you're dealing with the system. That's the type of attitude you have to have in the state legislature."

LOBBYING DISCLOSURE ACT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. EDWARDS of California. Mr. Speaker, for several years now we in the House have been working toward passage of a revision to the largely ignored and unenforced 1946 Lobby Act. The Administrative Law and Governmental Relations Subcommittee, chaired by my colleague GEORGE DANIELSON, is presently working hard on just such a measure. It is my sincere hope that as the lobby reform effort in the House moves forward, we will all be supportive of a bill which requires disclosure of all significant lobbying efforts. At the same time, I think it is imperative that we remain sensitive to the chilling effect which heavy reporting requirements will have on small, low-budget groups seeking to exercise their first amendment rights. With this concern in mind, I wish to call the Members' attention to a recent editorial from the St. Louis Post Dispatch:

LOBBY CONTROL AND FREE SPEECH

Although it has been obvious for years that the 1946 federal lobbying act has been ineffective in curbing the corrupting influence of lobbyists on Congress, the lawmakers up to now have been unable to agree on a bill that would strengthen the 1946 law without jeopardizing legitimate First Amendment rights. Last year the Senate passed the so-called Lobbying Disclosure Act of 1976, but the legislation was never enacted, in part because many critics thought it imposed improper impediments on grass roots lobbying efforts by consumer, environmental, civil rights and other citizens groups.

This year similar legislation is expected to be introduced in the Senate by Senator Abraham Ribicoff. But a superior bill, without the constitutional defects of last year's Senate measure, has already been introduced in the House by Representative Don Edwards of California. House hearings on the Edwards bill (H.R. 5578) are scheduled for today and tomorrow.

The Edwards bill is designed to regulate the expenditure of large sums of money to directly influence members of Congress, while avoiding the imposition of burdensome requirements that would deter the advocacy of ideas or inhibit the exercise of the First Amendment right to petition the government for the redress of grievances.

Previous proposals have had three major flaws: (1) By including so-called "lobbying solicitation" within their scope, they would define lobbying so broadly as to bring within the purview of the lobbying disclosure law virtually all activity designed to promote a given policy viewpoint—information dissemination, expression of opinion and other communication aimed at persuasion.

(2) By minimizing the amount of lobbying activity necessary to trigger regulation, they would impose burdensome registration and reporting requirements on small, even temporary, organizations.

(3) By requiring the disclosure of the names of individual contributors to lobbying organizations, they would deter contributions for lobbying in behalf of unpopular causes.

All such provisions, the American Civil Liberties Union has pointed out, conflict with Supreme Court decisions upholding freedom of speech, petition and association.

The Edwards bill focuses on the real sources of abuse—gifts to lawmakers or their staff members—rather than on areas that might affect the advocacy of ideas. It would apply only to direct contacts with members, officers and employes of Congress. The thresholds for triggering the act's obligations would require substantial expenditures of money and time in directly contacting legislators or their staffs. Organizations that spend $2500 a quarter on lobbying activities and either retain an outside lobbyist or have at least one salaried employee who spends 20 per cent of his or her time on lobbying would be covered and would have to report on their markup, the amount of money spent on lobbying communications, the names and salaries of lobbyists and the issues on which they lobby.

By enacting such a measure, Congress would be seeking to protect itself and the public interest against the corrupting influence of big money, while avoiding interference with citizens' legitimate efforts to shape public policy.

LAWS WILL DISARM ONLY THE SHMUCKS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ASHBROOK. Mr. Speaker, gun control is frequently touted as a means of crime control. This assertion, however, is wrong. Despite the claims of the antifirearms crowd, gun control does not control crime.

George V. Higgins, recently a write-in-residence for the Washington Star, explores this myth in his article entitled "Laws Will Disarm Only the Shmucks." In this article Mr. Higgins thoroughly rejects gun control as a cure for crime.

Mr. Higgins writes that "Prohibition did not work with booze, and it won't work with guns or bag jobs, either." I would like to bring this thought-provoking piece, which appeared in the February 20 edition of the Washington Star, to the attention of my colleagues:

LAWS WILL DISARM ONLY THE SHMUCKS

(By George V. Higgins)

Unable longer to control the madness that had festered in his brain for years, Frederick Cowan, 33, of New Rochelle, N.Y., last week killed five people and himself. He used firearms.

Fred Cowan was in felonious violation of the New York penal code before he fired a shot. Under what is commonly known as the Sullivan Act, possession of a firearm by a private citizen is strictly regulated, and has been for years.

According to Lt. John Cunningham of the New Rochelle Police Department, Cowan had not complied with those regulations. Cowan was therefore in commission of a felony, the week before last, but as Police Commissioner William Hegarty observed, there wasn't a hell of a lot the cops could do about it:

"We cannot go into the house of anyone and account for weapons, unless we believe them to be illegal. If you ask how we can control every potential deviant, we cannot, without prior identification. This kind of act can never be prevented in this kind of society, where people are protected by the Constitution, and a variety of laws."

Comes now Ramsey Clark, former attorney general of the United States, and other civil libertarians, severally singing, also last week. Clark was the point man for the Committee for Public Justice, the American Civil Liberties Union, and the Center for National Security Studies. What bothers him, and them, is that current Justice Department guidelines for FBI control contain no penalties for violation.

Citing a GAO review of FBI domestic intelligence cases, the joint venturers said the FBI's been snooping without warrants for more than 40 years. They demanded enactment of a 19-page legislative proposal "leaving no doubt as to what is the bureau's criminal enforcement jurisdiction, and no room for the executive branch to mold the FBI to fit White House policies." Violation of the provisions would bring a maximum of three years in prison and a $10,000 fine.

Ramsey Clark was AG under Lyndon Johnson, when the FBI was doing its downright level best to break up the marriage of my former client, Eldridge Cleaver. We could use a lot less on the loud pedal from him. But it would also help, as we reflect upon what Fred Cowan did with firearms, and wonder about gun control, to proceed beyond the obvious, and engage in some effort to perceive what it is that the law actually does.

The answer is: Not much. I quote from the published writings of my present client, G. Gordon Liddy:

"In prison, I have had numerous conversations with murderers, armed robbers, hijackers, and burglars. Those professional criminals who make use of firearms and do not view gun control as a joke, endorse it strongly. To quote one of the latter who raised his right hand in the manner of one taking an oath as he spoke: 'On my mother, when I go on a piece of work I don't look to hurt nobody. But God forbid something goes wrong and I gotta do what I gotta do and the sucker's got a piece (gun). I mean it ain't all that cut and dried, you know—he could end wackin' me out. I hope they take away all them guns from all them legitimate shmucks. Me? Forget about it. I'll always have a pistol when I need one.' "

Mr. Liddy, had he heeded the provisions of Title 18, United States Code, Section 2511, would not have sent those fellows into Larry O'Brien's office back in 1972 to tap a few phones. Conviction threatened five years in the slammer and $10,000 in fines. He did it anyway.

Mr. Cowan, had he obeyed the New York penal code, would not have possessed the rifles that he used to kill five people, and himself. And some "official of the federal government," as Liddy was in 1972, determined in the future to bug some future Martin Luther King, is unlikely to be deterred therefrom, if Ramsey Clerk's newest notion is put into the statute books.

I own a gun, and from time to time I carry it. That will destroy my credibility with the liberals, but it is so, and there is no purpose in concealing it. I also hate the goddamn thing, detest carrying it, and would prefer that anonymous folks refrain from making plans which cause the cops I know to think I probably should strap it on again. That should take care of my credibility with the National Rifle Association.

You buy a newspaper, or you would not be reading this. On the inside of your hatband paste this memo to yourself: The laws are not self-executing. Prohibition did not work with booze, and it won't work with guns or bag jobs, either. There are Fred Cowans about in the nighttime, tattoed with swastikas, raging against the rest of us, catastrophes in search of places to happen, and we are at their mercy.

The alternative is to lock ourselves indoors, or go totalitarian. Those alternatives are not acceptable.

TRIBUTE TO MAYOR WILLIAM F. CZULEGER OF REDONDO BEACH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ANDERSON of California. Mr. Speaker, when a man leaves public life after a long and distinguished career, the memories that he carries with him undoubtedly must center around the successes and achievements he has been responsible for through his efforts. Since this is indeed the case, retiring Redondo Beach Mayor William F. Czuleger must have much to reflect upon as he steps down from the office he has held since 1961.

A resident of Redondo Beach for the past 45 years, Bill Czuleger has exemplified the type of leadership and determination that a community must have if it is to grow and develop. He has been actively involved in local, State and National Government for the past 30 years, and it is largely through his efforts that Redondo Beach, Calif., has become what it is today.

Born in Wilkes-Barre, Pa., in 1909, Bill Czuleger moved to California in 1928 and soon settled in Redondo Beach. A salesman by trade, Bill was extremely active in community service organizations, serving as Exalted Ruler of the Elks in 1944–45. A past trustee of the Elks, Czuleger is also a past president of the Lion's Club and belongs to the Eagles and Moose lodges as well. In addition, he is a past president of the Redondo Beach Coordinating Council, and is a charter member of the Redondo Beach Boys' Club.

William Czuleger was elected to the Redondo Beach City Council in 1953, and served as a member of that body for 8 years until his election as mayor in 1961. When Bill's retirement became effective on May 2, 1977, it signaled the end of an era for the Redondo Beach community. For during Bill's tenure in civic government, his city experienced an unparalleled period of growth and development.

Located on the shore of Santa Monica Bay in southern California, Redondo Beach is blessed with many advantages which make it an ideal place to live, work, and play. It was during Bill Czuleger's tenure as mayor that much of that latent potential was realized. He was instrumental in the building of the King Harbor breakwater and the development of the fine recreational harbor that now lies on that site.

In addition, his efforts led to the establishment of the Senior Citizens Club buildings and housing, the Redondo Beach Post Office, and the Redondo Beach City Hall and the police department complex, and fire stations, the Riviera Village development, Prospect Avenue, Knob Hill, and Pacific Coast Highway improvements, and to the obtaining of land for the development of an 11-acre wilderness park. His personal efforts also played a key role in securing the TRW Systems, Inc. facility for Redondo Beach.

The leadership, ability, and experience that Bill possesses has been recognized on many occasions. In 1965, he received the Eagles' Fiorello La Guardia Award for outstanding leadership in the field of municipal administration. Mayor Czuleger has also served in a number of professional capacities which demonstrate the high regard in which he is held by those in the field of municipal government.

In 1971, Bill Czuleger was appointed to the Committee on International Municipal Cooperation of the National League of Cities. He served as chairman of the Committee of Mayor of Cities of Los Angeles County from 1971 to 1972, and was appointed to the Community Development and Housing Committee of the U.S. Conference of Mayors on September 26, 1976. In January of 1976, Mayor Czuleger became chairman of the South Bay Regional Communications Board. Additionally, Bill is a member of the State Attorney General's Advisory Committee and the President's Committee on Employment of the Handicapped, and was a member of the National Bicentennial Committee.

William Czuleger's devotion to community affairs goes beyond his work in government. A member of the YMCA Advisory Group in 1973, he served on the board of directors for the American Red Cross from 1972 to 1975, and is a life member of the Hideout Youth Canteen. Mayor Czuleger also initiated chapters of Altrusa, and business and professional women's clubs in his community.

Bill is a sincerely religious man who has long been an active parishoner of St. James Catholic Church. During his stay as mayor, the mayor's prayer breakfasts became an important facet of Redondo Beach civic and community life.

Mr. Speaker, Mayor William Czuleger of Redondo Beach has completed a career of leadership and achievement which few people in any level of government can match. His experience and ability will be missed by all of us who have been priviledged to know and work with him over the years.

My wife, Lee, joins me in congratulating Bill Czuleger on an outstanding tenure of service to the city and people of Redondo Beach, and to wish him well in the years ahead. We are sure that his lovely wife, Hilda, and their children, William, Jr., Robert, and Mary Ann are all justly proud of Bill's many achievements.

LEGAL SERVICES CORPORATION STRETCHES ITS MANDATE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ASHBROOK. Mr. Speaker, H.R. 6666, a bill to extend the Legal Services Corporation—LSC—for an additional 2 years, was reported out of the Judiciary Committee on May 3. I strongly urge a "no" vote when this bill reaches the House floor.

When the legal services program was established as an independent corporation in 1974, Congress carefully limited the scope of the corporation's permissible activities. The LSC, however, has gone off on its own merry way. Rather than confining its work to representing the poor, it has engaged in aggressive social activism. Basic institutional change has been one of its primary goals.

Let me cite just a few examples of what I am talking about. The LSC-funded Massachusetts Law Reform Institute lobbied actively in behalf of a referendum for a graduated State income tax. Is this providing legal services to the poor? The LSC-funded Pine Tree Legal Assistance, Inc. and Native American Rights Fund have been trying to force the State of Maine to give two-thirds of its land back to the Passamaquoddy and Penobscot Indian tribes. Again, I ask, is giving part of the country back to the Indians providing legal services to the poor?

Following is an excellent article from Barron's that discusses how the Legal Services Corporation has stretched its mandate:

BAR SINISTER: THE LEGAL SERVICES CORPORATION STRETCHES ITS MANDATE

(By Shirley Scheibla)

WASHINGTON.—Originally funded by the Office of Economic Opportunity as part of the War on Poverty, the Legal Services Program started out with what seemed like a good idea—equal access to the courts for the poor. But it fell into disrepute as poverty lawyers (among other things) encouraged boycotts, rent strikes and picketing, sued U.S. agencies with federal money and handled cases on behalf of those who could afford to retain their own counsel. Poor people with ordinary legal problems often were ignored in the push for landmark cases and other issues to bring about social change.

Mounting controversy over such activities led Congress in 1974 to create an independent body, the Legal Services Corp. (LSC), to replace the program. With widespread support, the lawmakers also wrote into the law a number of restraints, notably a ban on encouragement of picketing, boycotts or strikes.

After slightly more than a year of operation, however, the new agency plainly is bound on pursuing many of the activities which discredited the old one. For example, the Legal Services Corp. argues that despite the ban cited above, poverty lawyers are obligated "to advise a client about lawful alternatives to litigation." Such advice is illegal, according to LSC, only if it intentionally—and provably—leads to the proscribed activities.

By the same token, poverty lawyers are still bringing class action suits, even when all the members of the class aren't poor, and are testifying at regulatory agencies on behalf of "consumers." Moreover, LSC argues that its own liberal determination of eligibility for its services is immune to challenge in court. Poverty lawyers are still suing federal agencies with federal money. And the Corporation's interpretation of the ban on lobbying makes it virtually meaningless.

In view of such developments, it's not surprising to learn that E. Clinton Bamberger Jr. is executive vice president of LSC, the No. 2 post. He was the first head of the Legal Services Program at OEO under Sargent Shriver (a large picture of the latter is prominently displayed in Bamberger's office). While Bamberger held that post, Robert Kirk Walker, president of the Tennessee Bar Association, charged that encouraging rent strikes was tantamount to inciting social revolution. Bamberger replied: "There's going to be a change in this country. If the lawyers want to watch it and not participate in it, that's your decision."

Jean Camper Cahn heads one of the law centers funded by LSC. The OEO Legal Services Program was her brainchild and that of her husband, Edgar Cahn. Mrs. Cahn was a member of OEO's National Advisory Committee on Legal Services, and Mr. Cahn was assistant to Shriver.

While the old legal services program managed with an appropriation of $70 million, the "new" one operates on a much grander scale. It boasts 3,300 federally subsidized lawyers and over 1,000 para-legal aides. All together, they handle around one million cases a year in 300 programs with 700 offices. LSC's budget this fiscal year is $125 million. Although the federal budget released last week calls for $90 million for the next fiscal year, LSC officials plan to request $216.8 million when they testify before Congressional committees.

Within a few years, LSC is aiming at half a billion dollars. But according to its arithmetic, even that sum won't suffice to take care of all those who need its help. Thomas Ehrlich, LSC president, says that out of 29 million eligible, seven million need legal aid each year. To help those who can't be reached by the LSC program, Ehrlich wants the American Bar Association to require all licensed lawyers to devote 5% of their time to the "public interest." (The LSC Act bars financing public interest law.)

The Corporation has successfully argued that the President of the United States cannot control how much money it requests from Congress, and that the Office of Management & Budget has no say over how the money is parceled out. LSC also has found a loophole in the ban on handling fee-generating cases, which is likely to mean still more money for the legal activists.

With two exceptions, Congress specifically banned LSC-funded legislative activities. One is when it is necessary to the provision of legal advice and representation with respect to an eligible client's rights. The other is in the event that "a governmental agency, a legislative body, a committee or a member thereof requests personnel of any recipient (of LSC money) to make representations thereto."

Nevertheless, the LSC-funded Massachusetts Law Reform Institute openly lobbies. According to John J. McGlynn, supervisor of Public Records for the Commonwealth of Massachusetts, seven people are "registered as legislative agents for the Voluntary Defenders Committee Inc. d/b/a (doing business as) Massachusetts Law Reform Institute during the calendar year 1976."

According to the Boston Herald American, the Institute spear-headed a lobbying campaign for the graduated income tax in Massachusetts, a measure which voters rejected in a referendum. The newspaper added that such activity on behalf of poor people was questionable, since most of them pay no state taxes. It reported that the Institute also prepared the legal work on a case which barred corporations from contributing funds to oppose the referendum.

The Institute's application for its LSC grant states flatly that one of the funded activities would include "legislative advocacy." It said that Legislative Advocate Susan Hamilton, would "coordinate and manage legal services legislative program, draft, follow and give advice on state legislation materially affecting low-income people."

On Dec. 23, 1975, the Institute asked LSC for a grant of $317,141 for one year. This compared with $288,310 received from the Community Services Administration, successor to OEO. The following February, LSC President Ehrlich signed a document authorizing a grant of $337,557, for the year ending March 31, 1977.

Nor is the Institute alone in its activities. On the contrary, the November issue of the Clearinghouse Review, published by LSC, discloses that the LSC-funded Legal Aid Society of Albuquerque Inc., which is seeking an executive director, will give prime consideration to applicants with, among other things, a commitment to legislative advocacy. Advocates for Basic Legal Equality Inc., of Toledo, also subsidized by LSC, says in the Review that it wants a director of litigation whose duties will include "supervising the law reform litigation and legislative advocacy activities of seven staff attorneys. . . ."

Beyond the field of legislation, centers subsidized by LSC are particularly active in criticizing public utilities and promoting low rates for all low-volume users. Lawyers from the LSC-funded Legal Aid Bureau of Baltimore argued along these lines in September before the Commission of Electric Utility Rate Structures in Maryland. Similarly, attorneys from several LSC-funded Centers represented "consumers" at a proceeding of the Public Service Commission of Indiana concerning new rules for gas utilities.

Yet there is nothing in the LSC Act authorizing such attorneys to represent "consumers." The mandate is to provide legal services for the poor. Moreover, the LSC Act specifically prohibits use of LSC funds "directly or indirectly to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any federal, state, or local agency."

We asked LSC President Ehrlich how he could justify action in areas like utility rates, which affect not only the poor, but also the population at large. He replied: "If a group of poor people says, 'We don't think the increase in utility rates is proper,' the program brings an action to restrain the public utility commission in the particular jurisdiction from approving a rate increase. The fact that other people may benefit from that doesn't preclude them from bringing it."

LSC, plainly, is generous in deciding who is eligible for its help. The statute requires the Corporation to consult with the director of the Office of Management & Budget and state governors and set maximum income levels, accounting for family size, urban and rural differences and substantial cost-of-living variations. Instead, LSC has decided to let its grantees set the levels. The act specifically says that the maximum levels for eligibility shall not exceed 125 percent of those established by OMB. LSC's regulation on the subject says that a grantee shall not exceed the 125 percent limitation "unless specifically authorized by the Corporation."

Its regulations also stipulate that over-income persons are eligible if they are seeking legal assistance to obtain or prevent the loss of benefits provided by a government program for the poor. They don't explain how a person with income over the maximum would be eligible.

In a speech before the annual meeting of the National Legal Aid & Defender Association last October, Ehrlich declared: "We are working to establish judicial precedents that the financial eligibility of legal services clients is non-litigable, and, therefore, not open to inquiry by a court, bar association or opposing party."

In the same address, Ehrlich said LSC is working hard to insulate itself from control by the Executive branch of government. He pointed out that the Corporation successfully fought President Ford's rescission of $45 million of its appropriation for the coming year. Instead, it won an extra $35 million.

In its budget request for fiscal 1977, LSC maintained that OMB may look at the LSC request but lacks authority to limit the amount. According to Ehrlich, "The Corporation also mounted a major legal effort in opposition to the apparent intention of the Office of Management & Budget to apportion the Corporation's appropriation in installments. Apportionment would have given the executive branch a powerful tool for management and control. OMB was persuaded by our argument, and the entire appropriation was made available on Oct. 1."

LSC views its current level of federal funding as just a downpayment on grandiose future plans. The task force which furnished a position paper analyzing and justifying appropriations for LSC declared: "to carry out its responsibility, the Corporation will require at least $241 million and perhaps in excess of $525 million to provide minimal coverage of attorneys to service the legal needs of the nation's poor. The Corporation, therefore, must begin what may be a five-to-10-year set of goals toward an effective national legal services program."

HIGHER AND HIGHER

LSC seems to have gotten the word. Ehrlich has been publicly pointing to a recent study done by the Bureau of Social Science Research Inc., an LSC grantee. The document estimates that 23 percent of the nation's poor, about seven million, face legal difficulties every year. LSC-funded projects can handle only about one million. This suggests that Ehrlich may be shooting at a budget seven times the present size, or $875 million. But LSC apparently is aiming even higher. When it issued its eligibility regulations last November, it said it may seek adoption of a more realistic income standard. This, of course, would make more people eligible for its services.

While stating that its purpose is to serve only the poor, the LSC Act permits class actions at the discretion of local LSC boards. Here's what Ehrlich told Barron's: "I can conceive of some class actions where you couldn't identify all the people in the class. . . . Then it is possible that it includes some people, therefore, who aren't eligible. The key thing is to determine there is a group of people who are poor and need help. . . . The fact that it includes people who are not eligible should not bar those who are (poor) from getting assistance."

Even under that reasoning, some of the classes seem unusually broad for a poverty program. For example, California Rural Legal Assistance brought a case in which it argued that the California Secretary of State is impeding the registration of 1,360,000 potential voters by failing to provide bilingual oral registration assistance. LSC-funded attorneys even bring cases on behalf of entire Indian tribes.

One notable multi-faceted endeavor involves giving part of the country back to the Indians. Attorneys from Pine Tree Legal Assistance Inc. of Portland, Maine, and the Native American Rights Fund of Boulder, Colo., both subsidized by LSC, have argued that two-thirds of the state of Maine belongs to the Passamaquoddy and Penobscot Indian tribes.

TRIBAL JUSTICE

On Jan. 14, the Interior Department issued a report in which it supported ownership of between eight and 10.5 million acres by the two tribes, out of 12.5 million acres claimed. Both Interior and the Justice Department said Congress should settle the dispute. Earlier, Maine Governor James B. Longley wired Tom Tureen to accept a settlement that would not disturb the homes or jobs of those living in the disputed areas. Tureen is an attorney in the case of Pine Tree and Native American. They contend that the federal Nonintercourse Act of 1790 makes it illegal to acquire Indian land without the consent of the U.S. A year ago, they won a decision by the U.S. First Circuit Court of Appeals that the Act applies to the Passamaquoddy Tribe and establishes a trust relationship between the tribe and the U.S.

While the case is far from over, on Oct. 23 The New York Times reported that the decision has stopped the sale of $27 million of bonds by the Maine Bond Bank and left the Maine towns of Ellsworth and Millinocket unable to raise money. The Times pointed out that the case casts doubts on the Maine's ability to increase taxes, the ultimate guarantee of municipal bonds, because Indian land cannot be taxed.

Tureen is involved in other cases arguing for return of land to Indians. They concern 2,100 acres in Connecticut, 16,000 acres on Cape Cod, 3,200 acres in Rhode Island and 300,000 acres in Utica, N.Y.

Does turning the country back to the Indians constitute a proper activity for federally funded poverty lawyers? To this question, LSC President Ehrlich replied: "Litigating poor people's claims is (proper) . . . What we've got to be sure of is that there are human beings who are eligible for help and need help. If that's the case, as I've every reason to believe it is, then it's perfectly proper."

Although legal centers are funded by the federal government, they often bring suits against it, a practice which results in Uncle Sam subsidizing legal challenges to his own actions. Last April, for example, lawyers for the Western Center on Law and Poverty of Los Angeles and the San Fernando Valley Neighborhood Legal Services of Pacoima, Calif., sued the Secretary of Health, Education & Welfare to force payment of supplemental Social Security benefits to indigent patients at an alcoholic rehabilitation center. They lost.

In a suit against the Secretary of Housing & Urban Development, Southern Tier Legal Services of Corning, N.Y., and Legal Services for the Elderly Poor of New York City, seek to enjoin the payment of HUD grants to the city of Corning until it properly identifies the housing needs of low- and moderate-income citizens.

PROTECTING CRIMINALS

The law limits the Corporation to "providing financial support for legal assistance in non-criminal proceedings." But Ehrlich told Barron's that this proviso does not keep it from looking out for the civil rights of criminals. As a result, LSC is funding much activity in that connection. For example, the Youth Law Center of San Francisco, argued that a youth convicted of vandalism had received too heavy a sentence. The Spokane Legal Services Center even provided counsel for the defense in a case of criminal slander before an Indian tribal court.

During a long interview, LSC Executive Vice President Bamberger emphasized several times that LSC-funded attorneys must not take fee-generating cases. But then Barron's came across a case in which Community Legal Services Inc., of Philadelphia was awarded $2,820 in legal fees when it successfully challenged age discrimination by the city of Philadelphia in hiring security officers. Again, in two voting rights class actions brought by an LSC grantee, the Puerto Rican Legal Defense & Education Fund, a lower court held that attorney's fees awarded should be less than the going rate for similar services received by privately employed counsel. But the Fund convinced an appeals court to award $23,252 in fees.

Asked about those cases, Bamberger explained that he had said that LSC grantees must not take fee-generating cases for purposes of simplification; actually they may do so if private attorneys are not available. The statute says that no LSC funds may be used in any fee-generating case. But it created a loophole large enough for Bamberger and his colleagues to walk through arm-in-arm when it added, "except in accordance with guidelines promulgated by the Corporation."

These guidelines say that LSC-funded lawyers need not attempt referral to a private lawyer if the case is "of a type that private lawyers ordinarily do not accept." The regulation adds that referral may be postponed if emergency circumstances require immediate action. Such determination, by the way, is left up to the grantee.

In a case now pending in a Massachusetts superior court, Brandywine Village Co. (owned by First Realty Management Corp. of Boston) contends that the LSC-funded Greater Boston Legal Services Inc. held a press conference to raise money for defendants not poor enough to qualify for Greater Boston's services.

THE 21ST NATIONAL WHEELCHAIR GAMES

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. MINETA. Mr. Speaker, I rise today to honor those involved in an exciting event to be held in San Jose, Calif., June 16–19; the 21st National Wheelchair Games. I am pleased to have been chosen this year's honorary chairman.

There are more than 4,000 wheelchair athletes in the United States and 400 star athletes from throughout the country will be involved in the national competition following 14 regional meets held around the United States in April and May.

Mr. Speaker, I am sure that you and all of my colleagues here in the House will join me in commending these men and women for their determination to strive for excellence in athletic competition and in wishing each contestant the best of luck in the National Wheelchair Games.

LEGISLATION OFFERED TO RESOLVE TUNA-PORPOISE DISPUTE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. BOB WILSON. Mr. Speaker, the legislation my colleagues from San Diego and I have introduced today is of direct, vital importance to tens of thousands of workers in our country and will ultimately affect every household in the United States.

For months now, we have been letting our domestic tuna fishing industry twist slowly in the wind and the results of our inaction are now really hitting home.

With the imposition of an impossible porpoise mortality quota system issued by the National Marine Fisheries Service, 2,000 fishermen were idled. The strict regulations have made commercial tuna fishing economically impractical and the fishermen themselves liable for criminal prosecution if the regulations were violated.

The effect of the harsh quotas and the specific ban on the mortality of the species known as the "Eastern Spinner" porpoise was as a stone tossed into a still pond. The first ripple, as I have indicated, was the enforced layoff of the fishermen. The second ripple comprised the vessel suppliers—the repair workers, fuelers, and provisioners—small businessmen whose livelihoods depend on the ability of the fleet to fish.

The canners were hit with ripple No. 3 and will be followed by distributors and brokers. The ripples will spread out to encompass farmers who supply soy bean oil for packing, manufacturers of steel, labels and cartons for the cans. Finally, the ripple will be felt in almost every American household, where the consumer will face price increases for tuna of 20 to 50 percent, probably by July of this year.

Let me give a few examples of what has happened and is happening as a result of governmental overregulation and judicial misinterpretation of the Marine Mammal Protection Act. The tuna industry provides direct employment for some 30,000 men and women in fishing and processing, with a total paycheck of well over $200 million. If these quotas are allowed to stand, that 30,000 employed will dwindle and the unemployed rolls will swell. Already 2,800 Van Camp workers at Terminal Island, Calif., and in Puerto Rico have been laid off and the Terminal Island plant closed.

Bumble Bee Seafood has closed their Cambridge, Md., plant, costing 360 persons their means of making a living.

Sun Harbor Industries has laid off 242 workers in Puerto Rico, almost 32 percent of their work force, thereby adding to Puerto Rico's already skyhigh unemployment rate.

Thousands of other jobs are directly related and threatened by the fleet's inability to fish for tuna in an economic manner — contractors, investors, ship builders, warehousemen, engineers, scientists, net weavers, oil suppliers, steel and paper workers, wholesalers, retailers, and office employees.

I cannot understand the paradox in the administration's position. President Carter is planning to spend millions of dollars to create new jobs at the same time the tuna industry, which already employs these thousands of workers, is being strangled.

It took President Carter a mere 19 days to issue permits to foreign-flag vessels to fish within our new 200-mile limit and we are now negotiating with Cuba to allow their fishermen to do the same. This is patently unfair. Our domestic fleet deserves similar consideration and deserves it immediately.

All this is not to mention that, while our fleet lays silent along the piers of San Diego, other foreign vessels are out at sea, harvesting tuna as fast as they can, with absolutely no restrictions whatsoever on the killing of the porpoise, which is what the Fisheries Service's quotas are all about. If we are indeed concerned about saving the porpoise, then it is imperative that we get our own fleet back to sea as soon as possible. If we do not, then any possible research into reduction of porpoise mortality is impaired. Any progress with respect to new gear and new techniques is halted—and both the fisherman and the porpoise will be the worse for it, for each, then, is in grave danger of extinction.

Mr. Speaker, we have an opportunity here to do a great good. Yearly, even today, the Congress passes a plethora of laws that tell our people what they cannot do. We regulate our citizens to the brink of absolute frustration. Let us now take action to relieve some of this pressure. Instead of placebos and pie-in-the-sky promises of jobs in the future, let us give jobs back to people who have lost them because of our neglect. This is a good bill. It will put people back to work. It will go far toward achieving a reduction in porpoise mortality. It will continue to supply a source of low-cost, high protein food to the table of America.

I urge my colleagues—in the strongest sense of the word—to look favorably on this legislation and to give it speedy attention. Too much time has already passed. Thirty thousand of our most dedicated citizens need relief right now.

TRIBUTE TO LEO BRIZZEE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 4, 1977

Mr. ANDERSON of California. Mr. Speaker, one of the most memorable moments in a person's life comes when his contributions and achievements are publicly recognized by his friends and peers. On May 21, 1977, such a moment will arrive in the life of Leo Brizzee, a resident of my home town of Hawthorne, Calif. On that day, Leo's fellow members of the Centinela Tribe 273 of the Improved Order of Red Men will hold a reception and banquet to honor his many years of service to the organization and the community.

Leo currently holds the office of Great Mishinewa for the State of California in the Improved Order of Red Men, one of the highest State level positions a member of that organization can hold. It is an office that has called for considerable traveling inside that State to various organizations within the Order of Red Men, and I understand that Leo was often accompanied by his lovely wife, Mercedes, as he carried out his official duties.

Born in Mesa, Ariz., on April 20, 1911, Leo Brizzee moved to California at an early age. He served as an enlisted man in the U.S. Marine Corps during the Second World War, and was stationed in the Pacific region during that conflict.

Brizzee has been an active member of the Improved Order of Red Men for approximately 17 years. He has been "through the chairs" several times, rising from the first position of guard in the tribe to the presiding officer, or Sachem, position which he now holds. In addition, Leo Brizzee was Great Brave of the State of California in 1967.

Leo currently resides in Hawthorne, Calif., with his wife Mercedes, who has been an active member of the Centinela Council of the Degree of Pocahontas—an auxiliary of the Improved Order of Red Men—for 11 years. Formerly a dispatcher for a trucking firm, Leo retired 2 years ago, but has remained active through his many outside interests. Aside from his responsibilities with the Order, Brizzee belongs to the American Legion, the Veterans of Foreign Wars, and the Eagles.

The Brizzees have hosted the annual "Tamany Day" activities at their home for the past several years. This is a fundraising event aimed at helping organizations whose benefits go to retarded children. This year's event, including a hamburger fry, was once again a highly successful venture.

Considered to be the oldest patriotic and fraternal organization of purely American origin, the Improved Order of Red Men traces its beginnings back to the Sons of Liberty, the well-known freedom group which played such an important role in our Nation's struggle for independence. The Native American theme so characteristic of the organization comes from the Sons of Liberty's practice of adopting Indian names and dress for secrecy against the British, a practice that gained fame in the Boston Tea Party.

Leo Brizzee has consistently demonstrated the leadership, ability, and devotion that have enabled him to assume leadership in this outstanding organization. I would like to take this opportunity to congratulate him for his many achievements, and join the many friends who will pay him tribute on May 21, 1977.

His lovely wife, Mercedes, and his children, Earl, Don, and Patricia should all be justly proud of the recognition he is soon to receive.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 5, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 6

9:30 a.m.

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 1303, authorizing funds for fiscal year 1978 through 1980 for the Legal Services Corporation.
Until 2:00 p.m. 4232 Dirksen Building

Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.

*Banking, Housing, and Urban Affairs
To consider bills relating to housing and community development programs, including S. 741, 1246, 1144, 1145, and 1146.
6302 Dirksen Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 1358 and H.R. 4390, to authorize funds for fiscal year 1978 for construction of the San Luis Unit, Central Valley Water Project, California.
3110 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
3302 Dirksen Building

Select Small Business
To hold hearings to investigate problems in development of timber setasides.
424 Russell Building

10:30 a.m.

Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on legislation to extend and revise child nutrition programs under the National School Lunch Act and Child Nutrition Act.
322 Russell Building

11:00 a.m

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for activities of the Peace Corps, to be followed by markup of this legislation.
4221 Dirksen Building

Joint Economic
To hold hearings to receive testimony on the April employment/unemployment situation.
6226 Dirksen Building

MAY 9

9:00 a.m.

Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building

9:30 a.m.

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

10:00 a.m.

*Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

MAY 10

8:30 a.m.

Governmental Affairs
To hold hearings on the nomination of Manuel D. Plotkin, of Illinois, to be Director of the Census.
3302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

9:00 a.m.

Energy and Natural Resources
To mark up proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

Human Resources
To mark up H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
4232 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building

Environment and Public Works
To mark up proposed authorizations for fiscal year 1978 for environmental research and development programs.
4200 Dirksen Building

10:00 a.m.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:00 p.m.

Human Resources
To mark up S. 705, to revise and strengthen standards for the regulation of clinical laboratories; and S. 621, 945, and 1217, to establish guidelines for regulating research relating to recombinant DNA.
4232 Dirksen Building

Select Intelligence
Subcommittee on Charters and Guidelines
To hold a closed business meeting.
357 Russell Building

MAY 11

9:00 a.m.

*Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Energy and Natural Resources
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust endorsement by the Justice Department and FTC, to hear Attorney General Bell.
2228 Dirksen Building

*Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
412 Russell Building

10:00 a.m.

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal

Election Campaign Act; S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

MAY 12

8:30 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management.
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Environment and Public Works
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Human Resources
To mark up S. 1303, authorizing funds for fiscal years 1978 through 1980 for the Legal Services Corporation; Black Lung Benefits program legislation; and possibly other pending legislation.
4232 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a closed business meeting.
235 Russell Building

1:30 p.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

2:00 p.m.
Select Intelligence
To hold a closed businness meeting.
357 Russell Building

MAY 13

9:00 a.m.
Human Resources
To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director, both of the Office of Drug Abuse Policy.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

* Select Indian Affairs
To resume hearings on S. 1377, extending the time for Indian tribes to bring actions before the Indian Claims Commission.
Room to be announced

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of John McGrath Sullivan, of Pennsylvania, to be Administrator of the Federal Railroad Administration.
5110 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Rules and Administration
To resume hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

Select Indian Affairs
To hold hearings on S. 103, 667, and 785, to convey certain Federal land to the Ely Indian Colony, Paiute, and Shoshone Tribes.
Room to be announced

2:00 p.m.
Rules and Administration
To continue hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Rules and Administration
To continue hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

MAY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

9:00 a.m.
*Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold oversight hearings on the implementation of the Wild Horses and Burros Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommitee
To hold hearings on S. 600, the Regulatory Reform Act of 1977.
6226 Dirksen Building

Select Indian Affairs
To hold hearings on S. 905, the Central Arizona Indian Tribal Water Settlement Act of 1977.
Room to be announced

MAY 24

9:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on S. 19, S. 743, and H.R. 130, to provide for the protection of franchised distributors and retailers of motor fuel.
Room to be announced

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 657, to establish an Earth Resources and Environmental Information System.
5110 Dirksen Building

Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold oversight hearings to review the proposed exchange of land between the Superior Oil Company and the Federal Government.
3110 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue hearings on S. 600, the Regulatory Reform Act of 1977.
6226 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.
5110 Dirksen Building

Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

Select Indian Affairs

To hold hearings on S. 660, seeking an agreement with the Cherokee, Choctaw, and Chickasaw Indian Tribes of Oklahoma for the purchase or lease of their rights in the riverbed of the Arkansas River.

Room to be announced

Veterans' Affairs

To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.

Until noon 318 Russell Building

10:00 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To continue hearings on S. 600, the Regulatory Reform Act of 1977.

6226 Dirksen Building

Select Small Business

To hold hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.

235 Russell Building

1:00 p.m.

Governmental Affairs

Governmental Efficiency Subcommittee

To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.

1224 Dirksen Building

MAY 26

9:30 a.m.

Energy and Natural Resources

Public Lands and Resources Subcommittee

To hold hearings on S. 1338, to authorize the issuance of permits on public domain national forest lands for commerical outdoor recreation activities.

3110 Dirksen Building

Select Small Business

To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.

235 Russell Building

10:00 a.m.

Governmental Affairs

Subcommittee on Reports, Accounting, and management

To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

Select Small Business

To continue hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.

424 Russell Building

JUNE 6

10:00 a.m.

Select Indian Affairs

To hold oversight hearings on the Indian Education Reform Act (P.L. 93-638).

Room to be announced

JUNE 7

10:00 a.m.

Human Resources

Health and Scientific Research Subcommittee

To hold hearings to evaluate information upon which the FDA based its decision to propose regulations banning the use of saccharin.

4232 Dirksen Building

Select Indian Affairs

To continue oversight hearings on the Indian Education Reform Act (P.L. 93-638).

Room to be announced

JUNE 8

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.

5110 Dirksen Building

10:00 a.m.

Human Resources

Health and Scientific Research Subcommittee

To continue hearings to evaluate information upon which the FDA based its decision to propose regulations banning the use of saccharin.

4232 Dirksen Building

JUNE 9

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 421 to establish a program to educate the public in understanding climatic dynamics.

5110 Dirksen Building

JUNE 10

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 421 to establish a program to educate the public in understanding climatic dynamics.

5110 Dirksen Building

JUNE 13

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 657, to establish an Earth Resources and Environmental Information System.

235 Russell Building

JUNE 14

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.

5110 Dirksen Building

JUNE 15

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 657, to establish an Earth Resources and Environmental Information System.

235 Russell Building

CANCELLATIONS

MAY 11

10:00 a.m.

Banking, Housing, and Urban Affairs

Consumer Affairs Subcommittee

To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

5302 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, May 5, 1977*

The House met at 11 o'clock a.m.

Rev. Preston B. Mixon, chaplain-director of the Charity Hospital, New Orleans, La., offered the following prayer:

In all thy ways acknowledge Him, and He shall direct thy paths.—Proverbs 3: 6.

Eternal Father, for our great Nation rich in resources, great in privilege, great in opportunities and responsibility, we thank Thee now, and ask for Thy continued blessings.

Lord, bless our President, the Speaker of the House, and the noble Members of this Congress. May they know the keeping power of Thy love and protection, the guidance of Thy wisdom, and the practice of prudence that our people may be guided by wise policies through faithful administration of their duties.

Almighty God, purify our thoughts, strengthen our wills, and kindle in the hearts of our people the spirit of devotion and obedience that they may learn to do justly, and to love mercy, and to walk humbly with our God, through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4975. An act to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4975) entitled "An act to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. HATHAWAY, Mr. PELL, Mr. NELSON, Mr. JAVITS, Mr. SCHWEIKER, and Mr. CHAFEE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 19. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

The message also announced that the Vice President, pursuant to Public Law 86-42, appointed Mr. HATHAWAY to serve as chairman to the Canada-United States Interparliamentary Conference, to be held in Victoria, British Columbia, May 27 to 31, 1977.

REV. PRESTON B. MIXON

(Mr. TREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TREEN. Mr. Speaker, it is a privilege to have with us today for the opening invocation the Reverend Preston Mixon, who, for the last 8 years, has served as both the head chaplain and the Protestant chaplain for Charity Hospital in New Orleans, the Nation's second largest hospital. He has served tirelessly and compassionately in what is an endless and demanding job.

A native of McComb, Miss., Reverend Mixon has lived in the New Orleans area for the last 30 years. For the last 23 years he has lived in Metairie, La., which is my home.

Reverend Mixon is a graduate of Mississippi College in Clinton, Miss. He completed his divinity studies at the New Orleans Baptist Theological Seminary. He received his clinical pastoral education at Baptist Hospital in New Orleans where he was certified as an institutional chaplain. He is a member of the College of Chaplains of the American Protestant Hospital Association.

Reverend Mixon served as pastor of Airline Baptist Church in Metairie for 14 years before assuming his present duties at Charity Hospital. He plans to retire in 2 years after many years of service to the people of the New Orleans area.

He is accompanied today by his wife, Mrs. Mildred McClendon Mixon, and his sister, Miss Isolean Mixon. I know my colleagues will join in welcoming them here today.

FORMER PRESIDENT NIXON OWES MORE THAN AN APOLOGY

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, last night on nationwide television, millions of Americans viewed the first in a series of interviews of former President Richard Nixon by David Frost. While watching this program, two interesting thoughts came to mind: money and taxes. It was recently announced that Mr. Nixon is expected to receive a minimum of $600,000 plus a percentage of the profits, which may reach into the millions, for the interviews. That covers the money thought, now the taxes. In April 1974 the Internal Revenue Service found that former President Nixon owed $432,000 in back taxes; $148,000 of this amount was for taxes owed from Mr. Nixon's 1969 income taxes. Although the statute of limitations has run for the $148,000, freeing Mr. Nixon of any legal obligation to pay these taxes, he did publicly state that he would pay all that he owed. In spite of this promise, however, the 1969 obligation remains outstanding.

I will be offering an amendment on the floor of the House to the fiscal year 1978 Treasury, Postal Service, and General Government appropriations bill to remedy the situation of the former President's nonpayment of taxes. Currently, the bill would allot $169,000 to former President Nixon to cover personnel and office expenses under the authority of the Former Presidents Act. This amount is separate from the $75,000 he is entitled to under his pension. This amendment would, in effect, "set off" $148,000 which former President Nixon has not paid in taxes, but which he publicly promised to pay. The amendment would simply reduce the appropriations for personnel and office expenses from $169,000 to $21,000 without any conditions, and therefore would be germane.

The rationale for this "set off" is that, while the moneys which are used for Mr. Nixon's support are provided from the income taxes of U.S. citizens, the former President himself should pay the Government money in back taxes. Since the statute of limitations has run on former President Nixon's 1969 income taxes, the "set off" I am proposing is an effective way to hold Mr. Nixon to his original promise.

Mr. Speaker, the former President owes this country more than an apology and we should at least collect what he owes in back taxes.

CALL OF THE HOUSE

Mr. NATCHER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 196]

Anderson, Ill.
Andrews, N.C.
Archer
Bingham
Bowen
Burgener
Chisholm
Clausen, Don H.
Conyers
Dent
Derwinski
Diggs
Dornan
Drinan
Forsythe
Fountain
Fraser
Gammage
Gephardt
Gibbons
Harsha
Heftel
Hillis
Holland
Hollenbeck
Jones, Tenn.
Kemp
Latta
Milford
Minish
Moorhead, Pa.
Moss
Murphy, Ill.
Neal
Nolan
Oakar
Price
Rangel
Roe
Runnels
Ryan
Scheuer
Skelton
Skubitz
Teague
Tucker
Udall
Ullman
Wiggins
Young, Fla.

The SPEAKER pro tempore (Mr. CHARLES H. WILSON of California). On this rollcall 382 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR SUBCOMMITTEE ON ADVANCED ENERGY TECHNOLOGIES AND ENERGY CONSERVATION, DEVELOPMENT, AND DEMONSTRATION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET TODAY UNDER THE 5-MINUTE RULE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Advanced Energy Technologies and Energy Conservation, Development, and Demonstration may be permitted to meet today under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, the gentleman from Maryland could not hear the request. I have no idea of what the gentleman has requested.

The SPEAKER pro tempore. The gentleman from Washington (Mr. McCORMACK) will please repeat his request.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Advanced Energy Technologies and Energy Conservation, Development, and Demonstration may be permitted to meet today under the 5-minute rule.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, will the subcommittee be marking up a bill?

Mr. McCORMACK. If the gentleman will yield; yes, we will be marking up the ERDA authorization bill which is under the jurisdiction of this subcommittee.

I very much regret the situation, but the reason for it is that the bill has come to us very late and we must consider the bill in full committee next week. It is contrary to the usual practice in marking up such a bill, but, in this instance, we simply have no choice.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, has the gentleman cleared this matter with the minority?

Mr. McCORMACK. Yes, I have.

Mr. ROUSSELOT. I appreciate my colleague's answers, Mr. Speaker, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

THE NIXON INTERVIEW

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the David Frost interview last night gave us a welcome chance to see former President Richard Nixon as a human being, responding to sharp probes by the interviewer, reflecting with emotion on the embarrassments and agonies of the Watergate era, admitting he had lied and explaining why, declaring that he had let down his constituents and the U.S. system of government.

Before the interview, the events of Watergate and Mr. Nixon's self-imposed exile had made him largely a legend, not a person—a man stereotyped by many people as totally reprehensible and devoid of any decency or worth.

The interview did not, of course, rehabilitate the former President. Only he can accomplish that goal. But it did bring him into the consciousness of our citizens as a human being who acknowledged error and weakness.

While he hardly emerged as an angel neither did he come through as the devil incarnate.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE A REPORT BY MIDNIGHT, FRIDAY, MAY 6, 1977, ON H.R. 6669, THE CLIMATE BILL

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight, Friday, May 6, 1977, to file a report on H.R. 6669, the climate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1978

Mr. GIAIMO. Mr. Speaker, pursuant to section 305(a), title III of Public Law 93-344, the Congressional Budget Act of 1974, and the order of the House of April 29, 1977, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 214), setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

GENERAL LEAVE

Mr. Speaker, pending that motion, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter during consideration of House Concurrent Resolution 214.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. ICHORD. Mr. Speaker, reserving the right to object, I would ask the gentleman from Connecticut how many hours of general debate there are to be?

Mr. GIAIMO. Mr. Speaker, in response to the inquiry of the gentleman from Missouri, let me state that under the law, under the Budget Act, 10 hours of general debate are permitted.

Mr. ICHORD. Mr. Speaker, I thank the gentleman from Connecticut, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, House Concurrent Resolution 214, with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN. Pursuant to section 305(a), title 3, Public Law 93-344 of the Congressional Budget Act of 1974, the gentleman from Connecticut (Mr. GIAIMO) will be recognized for 5 hours, and the gentleman from New York (Mr. CONABLE) will be recognized for 5 hours.

The Chair now recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of House Concurrent Resolution 214, the first budget resolution for fiscal year 1978.

As Members know, this resolution is made necessary by the House's rejection last week of House Concurrent Resolution 195, the original resolution reported by the Budget Committee on April 6. The Budget Committee believes that this revised resolution meets the overall objections of House Members as expressed on the floor last Wednesday.

The House adopted the following major amendments to the committee's original resolution:

First. An amendment adding $4.2 billion in budget authority and $2.3 billion in outlays for national defense;

Second. An amendment adding $249 million in budget authority and $75 million in outlays for law enforcement and justice; and

Third. An amendment adding $500 million in budget authority and outlays for veterans' benefits and services.

The result of these amendments, however, was to add approximately $2.9 billion to an already high budget deficit for fiscal year 1978. That high deficit—$68.6 billion—in large part caused the House's rejection of the budget resolution.

Faced with the House's conflicting actions—adding substantial amounts, on the one hand, yet rejecting the amended resolution, on the other—the Budget Committee met in open executive session last Friday to develop a compromise resolution. Our objective was threefold: To give at least partial recognition to the actions of the House last Wednesday; to reduce substantially the budget deficit that would have resulted from the House's actions on amendments; and to present to the House a resolution reasonably balanced between defense and domestic spending.

We believe the revised resolution meets these objectives and deserves the support of the House. The revisions to the original resolution are as follows:

First. An increase for national defense of $1.150 billion in budget authority and $300 million in outlays, bringing the defense function targets to $117.1 billion in budget authority and $109.9 billion in outlays. This increase represents approximately one-fourth of the amounts adopted by the House last week.

Second. An increase for veterans' benefits and services of $125 million in budget authority and outlays, bringing the veterans' function targets to $20.06 billion in budget authority and $20.03 billion in outlays. This increase represents approximately one-fourth of the amounts adopted by the House last week.

Third. An increase of $60 million in budget authority and $20 million in outlays for law enforcement and justice, bringing the law enforcement targets to $3.6 billion in budget authority and $3.8 billion in outlays. Again, this increase represents one-fourth of the amounts adopted by the House last week.

The revised resolution also includes last week's amendments adding $1.5 billion in increased outlays for the agriculture function and reducing budget authority and outlays in the general government function by $7 million.

Adoption of this revised resolution would result in a budget deficit of $66.2 billion, about $2.4 billion below the deficit that would have resulted from the House's actions on amendments last week. Furthermore, I want to emphasize, as I did last week, that the roughly $8 billion addition over the President's budget deficit—$57.9 billion—is due primarily to different economic assumptions and outlay estimates. In fact, if these different assumptions and estimates are eliminated, the deficit in this revised resolution would differ from the President's by only $2 billion.

This resolution also makes needed adjustments in the third budget resolution for fiscal year 1977 to remove provision for the $50 rebates and special payments to individuals. The effect of this adjustment—also adopted by the House last week—is to reduce the fiscal year 1977 budget deficit by $10.5 billion, from $69.75 billion to $59.25 billion.

At this time, I wish to make a special plea to Members on behalf of this revised resolution.

Last week's actions on the House floor should be considered very carefully by all Members. First, the House adopted amendments sharply increasing spending for the coming fiscal year. Then, the House, looking at its actions as a whole, rejected its own work. The image of the House cannot have been a positive one.

Furthermore, last week's actions should have demonstrated, in the clearest way, the very difficult task involved in constructing a budget resolution that is fair to all of the various interests competing for our scarce budget resources. This is particularly true when budget deficits are high, primarily as a result of the deep recession of the past 2 years. There is no doubt in my mind that the amendments adopted by the House last week—taken as a whole—produced a resolution which, many Members felt, did not contain a reasonable set of budget priorities.

If we are ever to get a real handle on spending, as the great majority here want, all must show restraint. No one group or interest can receive special treatment. We must be willing to be even-handed across-the-board.

I believe we met this test in our original resolution, which is why late last Wednesday evening many Members were urging us to go back to our earlier recommendations. That seems no longer possible, however, if we are to give at least partial recognition to the wishes of the House.

Consequently, I urge you to support the committee's revised resolution. It proposes a reasonable and responsible set of budget priorities, and it does so with a budget deficit reduced by 2.4 billion from the House's actions last week.

I urge you also to maintain your support for the budget process. We have gained great credit in the past 2 years by making an extremely difficult set of budget procedures an integral part of the House's business. To fail to support the process at this time would signal to the American people that we cannot discipline ourselves when it comes to the Federal budget.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, may I state to the gentleman in the well that I have the greatest respect for the gentleman from Connecticut, the chairman of the Budget Committee. I greatly respect the work that the gentleman has done on this budget resolution. I know the worry that the gentleman has been subjected to. I know the many hours the gentleman has put on this budget. I know the problems, I would state to my friends on the Republican side of the aisle and to my colleagues on the Democratic side of the aisle, of getting everyone together.

I would also state to the gentleman from Connecticut that years ago I decided that leading the life of a CPA would not be exciting enough for me, and I have taught hundreds of CPA's in this country. I know a little bit about budgeting, not as much as the gentleman from Connecticut, granted, because the gentleman has studied this much more than I have.

I regret to state that someone has been doing some capricious budgeting juggling. This is why I want to ask the gentleman from Connecticut this question. The revenue estimates and economic assumptions of the gentleman's committee, I believe, are excessively pessimistic, compared to the current state of the economy and compared to administration estimates.

The real issue, and I learned a new word from some of my southern colleagues the other day, the "lick log" of this question is whether we can afford $120.1 billion for defense, which my President and your President has asked.

Mr. GIAIMO. Mr. Chairman, could I ask the gentleman if the gentleman asked me to yield for the purpose of questioning me or making a statement?

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, yes I asked for purposes of a query and here is my question: If the very pretty woman and very intelligent woman who is head of the Congressional Budget Office forecast $405 billion under a slow recovery path in December 1976, and things have improved since then, why does the Budget Committee come in so pessimistically?

Mr. GIAIMO. Let me just say that what is really happening to the economy is not known to the gentleman from Connecticut, nor is it known to the gentleman from Missouri, nor is it known downtown in the OMB. It is not clear whether the recent economic statistics reflect a rebound from the severe winter weather or the beginning of recovery from the minirecession of the fall.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, does the gentleman have no confidence in Mrs. Rivlin?

Mr. GIAIMO. Mr. Chairman, will the gentleman allow me to take back my time and respond to his question?

Mr. ICHORD. I will.

Mr. GIAIMO. I will not yield any further to the gentleman until I finish my statement.

Our budget figures are based upon the economic assumptions which our Budget Committee staff has put together—not Mrs. Rivlin, I will say to the gentleman—so let us eliminate that question right now. It is our Budget Committee staff that has compiled economic assumptions about what revenues will be, given the existing economic conditions in the country. I will say to the gentleman that the House Budget Committee—the House Budget Committee, not the Congressional Budget Office—but the House Budget Committee staff assumptions on economic projections and revenues for fiscal year 1976 were exactly on target, which is something that cannot be said for the administration's estimates.

Mr. ICHORD. How about Mrs. Rivlin?

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Illinois.

Mr. SIMON. If I may also respond, they were closer than the projections of the Chase Manhattan, the Wharton School, the University of Michigan or any other indices. That does not mean that we are necessarily going to be exactly right now. There is guesswork on this, but our staff has been an exceptionally fine one. Here we have to give credit to our staff, particularly Nancy Teeters, who has just done a tremendous job. We are proud of the staff. Their work is exceptionally fine. The House would be making a mistake in assuming that the projections of the President or anyone else are better.

Mr. GIAIMO. I thank the gentleman. I have just checked with staff, and we are informed that the projections from the Congressional Budget Office, which is headed by Mrs. Rivlin, were also close to those of the Budget Committee.

Let me also say this, and then I will yield to the gentleman all of the time within reason that he needs. It was only a year ago that we also heard, after a good pickup in the economy in the first quarter, about how beautifully we were coming out of the recession and how well the economy was picking itself up, only to have a very quick and drastic downturn in the third and fourth quarters of last year.

Now, we are hearing the same swan song. We are hearing it from those who want us to tighten our belts in education, in income security, in health, in every function, I will say to the gentleman, except in defense, because the argument is that the economy is recovering. I hope that the economy is recovering and I will say that there is evidence and there are indications that it is coming back, and coming back quite strongly. But, I will submit that we do not know that to be a fact today, in the month of May. We are going to have to wait until this summer to see what truly happens to our economy; whether there will be a need, for example, for greater stimulus in our economy to take care of the poor, to take care of the unemployed, as we get into the third and fourth quarters of this year. We do not know those facts now.

Now, the administration's estimates were put together a long time ago. In fact, they were not even originally the estimates of President Carter; they were the estimates of the prior administration. President Carter, after he assumed office in January, had to revise those as best he could in a very short period of time. He did a very creditable job, but the economic estimates assume a much rosier economic picture, and therefore greater revenues, than we have, traditionally, and we have been on target. Congressman Ichord's revenue estimates do not include tax changes that the committees of the Congress just agreed to, that the conference on the tax bill has just agreed to, an increase in the standard deduction and a job tax credit. These tax measures were not even proposed last November. These tax cuts are going to reduce the November estimate of revenues of our figure. We feel that our figures are correct.

Now, I will yield to the gentleman from Missouri.

Mr. ICHORD. I appreciate the very eloquent gentleman from Connecticut yielding to me. Are the statements prepared by my staff incorrect when they tell me that Mrs. Rivlin forecast $405 billion under a slow recovery path in 1976? Is that incorrect?

Mr. GIAIMO. I cannot tell the gentleman that is incorrect. I do not have those figures before me. I believe they are correct.

Mr. ICHORD. I would say to the gentleman from Connecticut that I have to agree with him, economists are just like us lawyers—you can get just about any answer you want.

Mr. GIAIMO. Except that the economists of the House Budget Committee were right last year and pretty well right the year before.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to my good friend on the committee, the gentleman from California (Mr. Rousselot) who does such yeoman work on the committee.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Chairman, I do not think any of us have been too accurate on what the actual expenditures have been. Even

President Carter estimates now that the expenditures will be substantially lower than the committee had originally estimated.

Mr. GIAIMO. We cannot even be sure of that.

Mr. ROUSSELOT. If the gentleman will yield further, the so-called shortfall—I like to call it savings, as the gentleman knows—in expenditures would more than accommodate the level of outlays the President is requesting in defense, as the gentleman knows.

Mr. GIAIMO. The gentlmean is not sure what the shortfall will be.

Mr. ROUSSELOT. I am just reading the figures in the report.

Mr. GIAIMO. The gentleman is not sure what the shortfall will be when we get to the end of fiscal year 1977. We still have 4 or 5 months to go.

Mr. ROUSSELOT. But the gentleman can be pretty sure it will be nowhere near as high as we estimated in the fall of last year.

Mr. GIAIMO. And neither do we know that the shortfall is all a saving, or partly a saving, or a reduction in estimated expenditures, or whether it is a carryover which will take place in 1978. We do not know these figures, and there is no sense in trying to imply that these are available resources in this budget, which is for the 1978 fiscal year.

Mr. ROUSSELOT. On the basis of the first 4 months of experience for this year, which is certainly a good measuring track to run on, we are certainly going to have less on the expenditure side than we anticipated last fall.

Mr. GIAIMO. Which fiscal year is the gentleman talking about?

Mr. ROUSSELOT. 1977.

Mr. GIAIMO. But we are debating today the fiscal 1978 budget resolution.

Mr. ROUSSELOT. I am aware of that.

Mr. GIAIMO. And I submit to the gentleman that he has no idea whether there will be a shortfall.

Mr. ROUSSELOT. I am aware of that. But we are trying to project into 1978 in this resolution, as the gentleman knows.

I thank my committee chairman for yielding.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we will have ample opportunity to discuss the particulars of the proposal before us today. I trust the Members will exercise some restraint in general debate so that we can proceed without too much repetition of the debate which has already occurred. It is my intention to make just a few general remarks about the rôle of the parties, the responsibilities that we face under the Budget Act, leaving the details for the 5-minute period of discussion later on.

I doubt that there is a single man or woman in this Chamber who is not at least somewhat saddened that for the first time in the brief and fragile history of the new congressional budget process, a concurrent resolution was soundly defeated on the House floor. Speaking for my Republican colleagues, I can say without qualification that this new process, and the discipline it should bring to congressional spending decisions, is an absolute imperative not only for this House, but for the American people as well. The refusal of an overwhelming number of Republicans to vote in favor of this first concurrent resolution last week in no way compromises our commitment to see that this new process becomes an effective vehicle to bring Federal spending under some sort of rational control.

Mr. Chairman, I am greatly disturbed, however, by a number of rather harsh criticisms voiced by some Members of the majority's leadership and echoed on the editorial pages of some of our more respected papers which suggest that the budget process may be destroyed because some of the Republicans would not accept the decision of the majority on the Committee on the Budget. There is an underlying assumption here that the Republicans ought to support any budget resolution simply to preserve and enhance the process regardless of the results that process produces. Such assertions are not only misleading, but they represent a dangerous misinterpretation of the roles of the two parties in our system of representative government.

On many issues Republicans and Democrats agree; we all understand the wide areas of consensus which are possible and appropriate in the moderate climate of American politics. But the more basic the issue—and what issue is more basic than the setting of the year's priorities?—the greater the obligation on those charged with the decisions of government to consider a range of options rather than to try to force a consensus.

I would remind my colleagues on the other side of the aisle that they are the majority party, by a substantial margin, and as such have been elected by the people to govern this country. You are the ones who control the legislative program for the next 2 years, and you are the ones who should properly be held accountable to the people for the overall performance of the Congress.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield briefly. I wish to complete my statement, but I will yield just briefly.

Mr. ICHORD. Mr. Chairman, I am sure the gentleman from New York (Mr. CONABLE) supported the amendment offered by the gentleman from Texas (Mr. BURLESON), but at the same time on the final vote we only got two Republicans who supported the final resolution.

Mr. CONABLE. Mr. Chairman, the gentleman from Missouri (Mr. ICHORD) is well aware that there was a mixed bag of motives involved in the entire consideration of the budget proceeding. I would like to express my views fully in these opening remarks, and then we will discuss the particulars, those involving defense and otherwise, as they come up.

Mr. ICHORD. If the gentleman will yield later, I would appreciate it very much.

Mr. CONABLE. I will be very happy to yield under the 5-minute rule when amendments are offered.

Mr. Chairman, the point is that under our system of government the minority party not only has the option on basic issues of proposing alternative courses of action based on specific priorities, it has an absolute responsibility to do so. Opposition alone does not fulfill that responsibility. Under any two-party system of which I am aware, it is the duty of the party out of power to put forth its own agenda of reasonable, viable programs and the priorities it believes to be in the best interests of the country. In this way the people are assured a choice. As the minority in this Congress, we are pledged to organize and propound concise and viable alternatives to the programs being advanced by the majority. We did this just last week when we presented, in the form of a substitute to the majority's first concurent resolution on the 1978 budget, an attainable, moderate, and compassionate budget alternative. We will do the same thing again today.

I am particularly distressed when critics, especially within the Democratic leadership, demand that the Republicans abandon their responsibilities and vote with the Democrats simply because they cannot achieve a voting majority any other way. If the Democratic Party, with a 2 to 1 majority in this House, cannot pass major pieces of its own legislation without Republican support, then something is terribly wrong. When, as happened just last week, the Republicans' alternative budget resolution received more votes than did the one put forth by the Democratic leadership, then one ought to question the ability of that leadership to govern this country, not the Republicans' refusal—if you will pardon the expression—to bail out the majority leadership.

I have just spoken of the responsibility of the Republican Party to propose its own set of alternatives when it believes they will better serve the people than those proposed by the majority. Later today I will put forth a substitute for the resolution now before the Members—not because we wish to damage the budget process, far from it, and not because we wish to object in knee-jerk fashion to anything proposed by the majority party. We believe this alternative is a more appropriate, more reasonable and more responsive proposal, given the state of the economy, the needs of our citizens, and our ability to produce the resources needed to finance responsible Government programs. We are deeply committed to the principles on which this alternative is based. We do not intend to sacrifice either our principles or our responsibility to argue forcefully for them and support them, even if the Democratic Party cannot produce the needed votes to govern from a membership twice as numerous as ours.

There will be time later to discuss and explain the rationale behind the Republican alternative.

At this moment I would like to make

several observations as to why my Republican colleagues felt it incumbent to make this proposal in the first place.

The budget process was adopted by this body with the full knowledge and understanding that to be effective, it had to provide a discipline and not be merely a license to continue business as usual without plan or organization of the available resources. This discipline was to force the Members to reconcile national economic conditions with a myriad of narrow legislative desires typically expressed in the form of an endless list of spending programs.

Sadly, the resolution being presented by the majority leadership has not made this reconciliation. The alleged spending restraints made by the majority of the Committee on the Budget were either arbitrary and misguided—as with the national defense function—or they were illusory, showing reductions from sets of unrealistic spending wish-lists submitted by some authorizing committees, but, in fact, setting targets above those prevailing in 1977.

Mr. Chairman, this resolution is characterized by what can only be called a disregard for the actual state of the economy. It is as though the spending decisions had been made first, then the economic projections tortured and twisted until they appeared to justify the spending levels already selected.

The Republicans in this Chamber will have no part of this practice.

To set the record straight, Mr. Chairman, just what are the economic realities which should be shaping the budget resolution? Two trends stand out. First, we are entering our third full year of recovery from a deep recession, and the economy is performing well above even the most optimistic projections of the majority party. To wit:

Leading indicators rose sharply in March, up 1.4 percent over February, indicating a stronger upturn in business progress.

GNP grew at 5.2 percent in the first quarter, ahead of projections and almost double the rate in the last quarter of 1976.

Consumer demand, as measured by retail sales of goods and services, grew by 11 percent in March.

The economy added over 500,000 new jobs in March, and new homes and apartments were begun in March at an annual rate of 2.1 million, historically a very high level.

Personal income rose sharply in March, for the second biggest monthly gain ever recorded.

Second, however, the evidence is building that we may be in for another round of debilitating double-digit inflation which forced the economy into a tailspin a few months ago. For some time we have seen that the one principal indicator most sensitive to inflation—the pace of capital investment—is remaining sluggish as investors hold back on decisions to expand job-creating plant and equipment in fear that inflation will once again reignite.

Recognizing these facts of life about the economy—a healthy rate of expansion but with the very real threat of new inflation on the horizon—what is the appropriate Federal fiscal policy for this set of conditions? As the Republican alternative will spell out in great detail:

It is a budget with a deficit which sets us directly on the track to a balanced budget by no later than 1981. Has the majority abandoned this goal?

It is a budget with a deficit which will clearly indicate to all Americans, including both business and labor, that we are dead serious about stopping inflation in its tracks.

It is a budget which provides for moderate growth in essential spending programs, but eliminates the temptation to overstimulate the economy.

It is a budget which recognizes that we must give equal consideration to those who pay the bills as we give to those who receive the benefits.

And it is a budget which reverses the trend toward higher and higher taxes on the American people, which is the inevitable result of inflation, pushing working people into higher and higher tax brackets.

It is, in short, a budget proposal which strikes a proper balance between our endless list of wants and desires and our very limited resources. It is shaped not by the demands of special interests, but by the economic conditions expected to prevail over the next 18 months.

Mr. Chairman, I will offer such an amendment in support of the new budget process, not in opposition to it. I ask that the Members join with me in this effort.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr CONABLE. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I can well appreciate the statement of the gentleman in the well, and I understand the responsibility of the minority party and that we all have to give and take. Furthermore, by no stretch of the imagination am I defending the position of the gentleman from Connecticut (Mr. GIAIMO) on defense, as the gentleman well knows.

I state very emphatically that I think the Committee on the Budget is out of step with this House, and I think that was shown when we increased defense to $120.1 billion by 43 votes.

However, Mr. Chairman, let me present the figures illustrating the problem that the gentleman from Connecticut (Mr. GIAIMO) has to deal with. On the Burleson amendment 106 Democrats voted "yes" and 164 Democrats voted "no."

One hundred and nineteen Republicans voted "yes" and 20 Republicans voted "no."

On final passage, and I might say that I voted on final passage even though I had to swallow a lot of things that the Committee on the Budget put in that I did not want, only 82 Democrats voted "yes," 185 Democrats voted "no"; only 2 Republicans voted "yes" and 235 Republicans voted "no."

We have got to give and take somewhere in this budgetary process if it is to survive.

Mr. CONABLE. Mr. Chairman, it seems to me it is a question of where the gentleman's priorities are. The Republicans feel very strongly about the need for a tax cut to eliminate fiscal drag and the need to keep the deficit manageable. Apparently the gentleman from Missouri and his friends in opposing the Committee on the Budget's position on defense but not on fiscal policy, did not consider fiscal policy of primary importance.

It seems to me that the problem is of priorities, an issue that has been with us for a long time, out of which this budget process grew. It is as basic as any issue, not only in the two party system but in government. But we should not abandon our position on that despite the fact that we are all going to have to have different views about the various line items that make up this budget.

Mr. ICHORD. If the gentleman will yield further, I do not think any Member of the 435 Members of this House will be satisfied with whatever we come out with. However, the gentleman cannot ask me as a Democrat, and the gentleman in the well is a Republican, to always support the Republican position all the time; can the gentleman?

Mr. CONABLE. No. I expect that the gentleman from Missouri, as a Democrat, will participate in the responsibilities of the majority party. I hope my colleagues in the Republican Party will contribute to the functioning of the two-party system in supporting our alternatives regarding the budgetary process. This is a basic responsibility in our form of government.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank my distinguished colleague for yielding.

In further response to my fine colleague, the gentleman from Missouri (Mr. ICHORD), let me suggest that the gentleman refer to the remarks of our distinguished colleague, the gentlewoman from Maryland (Mrs. HOLT), in the current report from the Committee on the Budget. As the gentlewoman from Maryland (Mrs. HOLT) stated in those remarks that although she supports the concept of an adequate national defense and believes that that is a major priority responsibility for the Federal Government, she also notes with great interest that there has been a huge increase in the human resources portion of the budget and that since 1970 that major segment has increased 227 percent while the defense function has increased about 39 percent. There has been no attempt to put any restraint and I mean real restraint, on the very substantial increases, in the human resources programs, many of which, as the gentlewoman from

Maryland points out, have not been proven programs. As a matter of fact, many of them have been failures. Even this administration came up and said we cannot spend the money as fast as the Congress is trying to give it to them. Let me review the figures from that chart presented by Mrs. Holt:

DEFENSE AND HUMAN RESOURCES OUTLAYS

[In billions of dollars]

	1970	Percent of total outlays	Estimated, 1978	Percent of total outlays	Percent increase, 1970–78
Defense	$79	40	$110	24	39
Human resources [1]	73	37	239	52	227

[1] Includes these functional budget categories: Education, training, employment, and social services; health, income security; veterans' benefits, and services.

So I would say, Mr. Chairman, in response to our colleague, the gentleman from Missouri (Mr. Ichord), the reason many of we Republicans and Democrats cannot support these wild deficits is because there has been no real restraint on human resources expenditures that have proven to be failures.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I am just looking over some figures on payroll which have been prepared by the Armed Services Committee staff and I find that the real growth under this resolution in defense is 1.7 percent. I see that the real growth in international affairs is 11.8 percent. I have to agree with the gentleman from California, and that is why I stated that the Budget Committee is out of step with the House, out of step with the President of the United States, and out of step with the man in the streets in the United States.

Mr. ROUSSELOT. Absolutely.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, we have been told that the budget resolution we are now considering (H. Con. Res. 214) represents a compromise which should be acceptable to all concerned. Some have argued, or implied, that to oppose this resolution would weaken the U.S. Congress as an institution. I am constrained to disagree.

We ought to examine very closely this compromise. Apparently a balance was struck between those who advocate the committee deficit of $64.3 billion and others who favor the resolution as amended by the House on April 27 which increased the deficit target to $68.6 billion. Those of us who favor a balanced Federal budget, or the Republican alternative which set the deficit for fiscal year 1978 at $45.3 billion, were left out in the cold as the compromise was forged.

The great majority of Americans, especially those who finance Federal spending with their tax dollars, want to see Federal revenues equal expenditures. They would like to see our headlong rush toward financial ruin reversed. That is why I want to go on record as opposing the revised budget resolution for fiscal year 1978.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. Burleson).

Mr. BURLESON of Texas. Mr. Chairman, I am not too sure that this idea of dealing in all these massive figures is particularly relevant to this budget resolution. Neither am I at all sure about some of the comparisons being made. I see my friend, the gentleman from Maryland (Mr. Mitchell), who I believe said—no, I am sorry it was not the gentleman from Maryland (Mr. Mitchell) the other evening but I believe it was our colleague, the gentleman from Wisconsin (Mr. Obey) who was making percentage comparisons of priorities on social programs and military. I assume those percentages came from what the various authorizing committees had done as related to national defense.

It reminds me a little of the old saw about two men friends—but now I believe it would be better to say two wives were talking and one asked the other: "How is your husband?" The other asked: "Compared to what?"

So we have to have legitimate comparisons. I doubt if these figures we have bandied around really have that much relevancy.

Let me say I want to see this resolution passed. I want to see the defense figure raised to that sum which has been pretty well agreed to, it seems to me, in our authorizing committees and the administration, along with the defense expert presentations before our committees. I just do not believe that we should take chances; that we should put a cap on national defense to the extent proposed in this resolution. We can have all these other good things but if we do not have the ability to defend them, what have we got?

Of the 84 votes, for the resolutions last week I think they came largely from what might be called the center in this House. I know where they did not come from. They did not come, following up on what my good friend, the gentleman from New York, has said, and I see no place for partisanship in this thing—but those votes did not come from the minority, and they did not come, for lack of a better word, from the liberal element on this side. They came from the center.

I will first appeal to the center to stay with this resolution. Then I would appeal to our friends in the minority to exercise a responsibility to try to make this process work. I am not chiding anybody, far be it from me to do that, but there is a responsibility on us because we are the majority. I have in times past found it more comfortable to serve in the minority. In my 30 years here I have served under all imaginable combinations, such as when the President was of one party and the House of another, and vice versa.

I repeat, I found it more comfortable, but frankly I did not know how to enjoy it as much as I might have. So when we vote on the amendment which I expect to offer at the appropriate time, I hope it will be adopted and then I fervently hope there will be approval of the resolution. This House overwhelmingly voted for this amendment the other evening. I do not like to vote for any deficit. I would rather not vote for a $1.25 deficit—nothing. Spending should and must be reduced if, on down the line, our economic system is to maintain its integrity. To sacrifice our military posture to a lot of programs of doubtful worth is not the way to it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. BURLESON of Texas. I thank my chairman. I want the vote of the House on this amendment, certainly. Then I would like to see this resolution pass and this budget process preserved, because I think it holds great potential. I think we should make it work. We really have not had an opportunity to make it work; but we have the tools to get some handles on our fiscal affairs, which has never been the case and is the reason this Nation finds itself in the shape it is today.

Mr. Chairman, what is the alternative? Is it to go back to the old hit and miss system which provides no method of really determining spending rates until things come out at the end of the horn, when all appropriations are completed at the end of the session, and sometimes they are not, sometimes they go over into the next session. So we do have an opportunity to better discipline ourselves and bring order into the spending process.

There should be some other things to go along with the budget process, such as zero budgeting. I hope we can make a start, and thus far it is only a start. We have nothing better at this time.

Mr. Chairman, I would like to urge my colleagues to support this resolution. It is not what anybody wants. It is not what I want, but I do think that we should give this machinery time enough to work. We can develop a process and we can make changes. We are not setting ourselves in concrete with figures here. We can make changes in those; but more fundamentally, we can make changes in this system as we go along after a level of experience that we have not had yet. We have got to make this work, if we ever hope to get a balanced budget. We desperately need this budget process—to make it succeed and then we can get the confidence of this Nation by acting responsibly.

Mr. CONABLE. Mr. Chairman, I reserve the balance of my time.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri (Mr. Ichord).

Mr. ICHORD. Mr. Chairman, I appreciate the distinguished gentleman from Connecticut, the chairman of the Committee on the Budget, yielding me so gen-

erously this 10 minutes, when the gentleman knows that I am so diametrically opposed to the gentleman's views on Defense.

Mr. Chairman, as I understand the situation prevailing at the present time, the Budget Committee is arguing that the level of $117.1 billion for Defense represents an increase of $8 billion over the level for fiscal year 1977, and that should be sufficient. At the same time, I want to remind my colleagues that the figure the Budget Committee is now proposing to this body is still $3 billion under that recommended by the President of the United States, who promised during his campaign that he would cut Defense spending by $5 billion.

In good conscience, the only amount that he could cut was $2.8 billion. This is why the President of the United States called the Speaker of this House, when we considered this measure last week, to support his figure of $120.1 billion.

I just put in a call to the President of the United States. Mr. Chairman, you have more influence than I, and I wish someone would get a hotline so that they could call back here into the Capitol from Air Force One, since the President is on his way to Europe. I would like to hear what he still says. Is he going to stand by the $120.1 billion? I am sure that he must, in good conscience, stand by the $120.1 billion.

What is not addressed by the Budget Committee, Mr. Chairman, is the fact that the full amount of $120.1 billion is desperately needed and is still inadequate to restore our defense posture to an acceptable level. During this decade, under a policy of noninvolvement, a policy vigorously debated and endorsed by this Congress, we opted to provide our friends and allies—and I say this to the gentleman from Florida (Mr. Lehman) because we had a conversation about this last night—we have opted to provide the necessary equipment to defend themselves rather than to commit American forces to a conflict on foreign soil. The consequences of this policy, Mr. Chairman—and I know this because I just became chairman of R. & D., succeeding the man who knows more about defense than any of us, and I am going to read his letter into the Record again before we finish this debate—Mel Price, I succeeded to his position as chairman of R. & D.—the consequences of this policy, I state to the gentleman from Florida, were a drain of ammunition stocks and equipment in support of the South Vietnamese and the Israelis. This equipment was urgently needed at the time, and was taken from our defense stockpile. In many instances, it came directly from our fighting units. The situation, my friends, is critical. That is why I say that the crux of the matter is whether we are going to support the President of the United States.

Let me state to the gentleman from Connecticut that we have active units today using jeeps as substitutes for armored personnel carriers. If war broke out in Europe tomorrow, we would have reinforcements from the United States falling in on nonexistent equipment in our pre-positioned stocks, and we would be guaranteed a short war because our depleted war reserves and ammunition stocks could only sustain our forces for a matter of days.

Much of this equipment went to the Israelis, and many of the doves who are fighting defense spending voted for the sending of that equipment to Israel. My friends, you cannot assume the posture of a dove when it comes to defense spending, and then fight like a ferocious tiger when they are going to take a base out of your district.

That is the height of inconsistency. Excuse me, my friends, if I offend anyone, but I feel very strongly about this issue.

Even with a budget of $121.1 billion, it is projected that it will take until 1979 or 1980 before we have reconstituted our preposition stocks, and until the mid 1980's before war reserves are at an acceptable level.

I would not challenge that our friends, the Israelis, were anything but deserving of our support; however, I would ask that we display the same magnanimous attitude when it comes to the needs of our own forces here in the United States. In the complex world in which we live, we cannot militarily, economically or politically survive as the paper tiger that the Committee on the Budget would have us become. To ignore reality, I say to my good friend, the gentleman from Connecticut, in the setting of priorities is to guarantee the failure of Presidential initiative, both domestic and international.

Mr. GIAIMO. Mr. Chairman, I yield 6 minutes to the gentleman from Florida (Mr. Lehman).

Mr. LEHMAN. Mr. Chairman, I rise in support of House Concurrent Resolution 214, the first concurrent resolution on the fiscal year 1978 Federal budget.

I want to respond to the statements of my good friend from Missouri. We did have a conversation. We are in agreement of the necessity of an adequate defense for this country and for our ally, Israel.

The question here is not whether we will decide to put $116 billion into defense, or $120 billion, or the compromise $117 billion. The real question is whether we are going to have a congressional budget system or not. A vote for a $120 billion defense budget is, for all practical purposes, a vote against the budget—we cannot increase the defense function to $120 billion, or even above the $117 billion in this resolution, and still have a budget.

Do we, as Members of Congress, have the responsibility and self-discipline to exercise our historical and rightful prerogative of setting national priorities for spending our constituents' tax dollars? If we do, we must now demonstrate that, although we represent 435 different constituencies with 435 different mixes of concerns and priorities, we can work, through the democratic process, to reach a reasonable consensus.

If we allow the congressional budget process to fail, we will again be reduced to simply reacting to this and future administrations' budgets, from fiscal year to fiscal year. Congress will become a mix of competing jurisdictions, with committees authorizing expenditures without regard to revenues, the deficit, or meaningful national priorities.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN. I yield to the gentlewoman from Maryland (Mrs. Holt).

Mrs. HOLT. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman how he reconciles the fact that the vote on the authorization bill here in the House was overwhelmingly in favor of the figure which was brought in by the House Armed Services Committee and that the Budget Committee completely disregarded that figure, disregarded the executive figure that was brought in, and then the gentleman says that this is a destruction of the budget process.

It seems to me that if we completely disregard the thinking of the American people, who are represented by 435 Members in this House, that is the factor that is destroying the budget process.

Mr. Chairman, I would like to hear the gentleman's comments on that.

Mr. LEHMAN. Mr. Chairman, I would like to complete my statement first, and then I will respond to the gentlewoman from Maryland (Mrs. Holt).

Mrs. HOLT. Mr. Chairman, I thank the gentleman.

Mr. LEHMAN. Mr. Chairman, if we have these competing jurisdictions without regard to meaningful national priorities, we will again lose our ability to look at the whole budget, to exert overall restraint, and to plan for future years. This, in my view, will lessen our effectiveness, reduce the likelihood of balancing the budget in 1981 or in any foreseeable year, and do a grave disservice to the people we serve.

If an overriding national need arises which requires changes in the budget, in defense or any other function, we will have another opportunity to respond in the second concurrent resolution in September. However, we may not have a second chance to keep our budget process viable and credible, and allowing its demise will leave Congress itself sadly diminished.

Mr. Chairman, it is vital that this resolution succeed as it was reported. Any further increases will drive the deficit, already high, to intolerable levels, and the delicate balance of commitments will be destroyed. If any function is substantially raised, particularly if defense goes up, the resolution will fail and the increases will be lost. A pyrrhic victory is no victory at all.

Mr. Chairman, in responding to the gentlewoman from Maryland (Mrs. Holt), I would say that I am trying to preserve the budget process by dealing with the practical politics of this matter. We should have a budget that will give us adequate defense spending, provide future opportunities to increase the defense function when necessary, and make whatever increases or decreases, in all functions, as are necessary to best serve the people of the 435 constituencies that we represent.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the gentleman talks about restraint.

Is the gentleman aware that since 1970 the defense budget has gone up exactly 39 percent, and that the human resources side of our budget has gone up at the rate of 22 percent?

That is the kind of disproportion that concerns those of us who are deeply interested in defense. Some Members say that we ought to take equal cuts.

But what kind of equality do we have when we see that kind of a difference?

Mr. LEHMAN. Mr. Chairman, I think we are only playing with figures here. We must recognize that in human resources there are contained many noncontrollable items such as social security, medicare and unemployment benefits.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, in speaking during the first debate to those who supported the Burleson amendment, the chairman and other members of the Budget Committee attempted to make the point that the supporters of the President's figure in national defense were unwilling to compromise and that the leaders of all committees were going to have to take reductions if the resolution were to pass. His statement made it appear that those supporting defense were the only ones asking for higher dollar amounts and were the ones unwilling to take any reduction.

This is simply not true.

It may be true, as was said then, that the recommendations that came from the committees were, in total, $30 billion over the President's request. However, the recommendations were not exorbitant in the case of defense. Our committee recommended an increase of only $800 million, a total of $120.9 billion. The Appropriations Committee recommended exactly $120.1 billion, the President's figure. In the case of our committee, detailed justification was provided for all of the recommended changes.

Further, in our actions on the first budget resolution we were already supporting a reasonable compromise and a substantial reduction by supporting simply the President's figure of $120.1 billion. As I stated, this is $800 million below our committee's recommendation. But what also should be pointed out and what the Budget Committee failed to mention, is that the President's figure was $2.8 billion below the Defense budget submitted by President Ford in January. In other words, the President had already made a reduction here and there was already a substantial reduction in the national defense request.

The fact that that reduction is a substantial reduction is attested to by the fact that the congressional committees that have studied it in detail; that is, the two Armed Services and two Appropriations Committees, recommended either the President's figure or a higher amount.

It is particularly interesting, for example, that the Senate Armed Services Committee recommended $121.3 billion—more than a billion dollars over the President. And the Senate Appropriations Committee recommended $121.7 billion. Even the Senate Budget Committee recommended more than the President—$120.6 billion.

The other day the Senate Armed Services Committee, after further very detailed study of the Defense budget, approved its proposed military authorization bill. The authorization bill, as you know, covers approximately one-third of the total Defense budget, but it applies to the important investment area of procurement and research and development, the area that really governs our defense capability. In its bill the Senate committee recommended an increase of $127 million over the President's request. By contrast, the bill approved on the House floor for military authorization was only $60 million over the President's request.

One member of the Budget Committee complained in the last debate that all others were willing to take cuts except Defense. The point that was lost was from what are they cutting?

The Budget Committee member was referring to cutting from the committee recommendations but he did not make that clear. The real test is what is being cut from the card dollar request of the President. As the committee report itself shows, on page 94—appendix A-5, the committee originally recommended a total reduction of $6.4 billion below President Carter's request for new budget authority. Of that $6.4 billion, $4.1 billion would have come out of national defense and the rest of the reductions were spread around the other 16 budget categories.

Finally, members of the Budget Committee attempted to state at the time of the last debate that there was still real growth in the defense budget. The figures clearly show, however, that—when one allows for the fact that $1 billion of the defense increase is simply an increase in retired pay as required by law—therefore under the original recommendation of the Budget Committee there would have been no growth at all in the defense budget.

Mr. Chairman, I am a man who likes to see progress made. I want to see to it that the Committee on the Budget survives, if it can. It has problems, primarily in its composition.

Mr. Chairman, I voted for the bill on final passage when it was before us the other day. I think it is the first final budget figure that I have ever voted for because of the excessive figures. Even though it was perhaps larger than all the others, I believe nevertheless that since I had had a part in trying to protect the defense interests of our country, I therefore felt a compunction to vote for final passage of the bill, although it was very much more than what I would have liked to have had.

Mr. Chairman, the study made by the House Committee on Armed Services' staff showed me, after the meeting, that possibly without serious damage we could go down as low as $119 billion. So, in order to try to make the budget process work, I met with members of the Committee on the Budget and with the majority leader and suggested that I personally could go to $119 billion. I said that that would be confidential on getting support from my committee, which I have not yet had. Still, it is a figure which I think we could live with; and if we cannot do any better than that, I would certainly support $119 billion in this bill.

Mr. Chairman, it is not true that the failure to reduce the President's defense budget is synonymous with the defeat of the budget process. Rather, it is a criticism of the composition of the committee.

I do not want to get too personal about it, but I did run for membership on the Committee on the Budget and was not supported by the leadership at that time. I was defeated by a freshman Congressman, a very fine Congressman with leadership support. However, I am just trying to say to the Members that the processes of political strength in the House led to a situation where people were placed on the committee who are really critics of defense. Even those coming from the Committee on Armed Services are critics. The gentleman from California (Mr. LEGGETT) has made much of his headlines and much of his leadership felt by way of being critical rather than being supportive of the national defense. At least, that is how I believe one would characterize it. It is fine leadership, but it is leadership for reductions in defense expenditures and in the defense reality, as I see it.

Anyway, Mr. Chairman, that is how this committee is composed.

The Congress cannot expect, and the country cannot expect, to have a committee stacked, as that committee is and also get accord in the House. It is not representative of even the Democratic Caucus, much less the Congress and much less the population of the United States. We cannot expect that committee to come in with its stated priorities when it is overlooking the needs for national defense, and also expect that majority thinking of this country could be stifled.

A committee of the Congress has given me figures showing that from 1970 to 1978 in defense we had a $79 billion figure in 1970 and in 1978 it is estimated to be $110 billion.

Human resources received $73 billion in 1970 and they are now $239 billion.

The percent of total outlays, 24 percent for defense and 52 percent for human resources in 1978 when the percentages were 40 for defense and 37 for human needs in 1970.

That makes a percentage increase from 1970 to 1978 in defense of 39 percent. It makes a percentage increase for human resources of 227 percent.

Human resources include these functional budget categories: Education, training, employment, and social services; health, income security; veterans benefits and services.

So it is not the truth that in areas of human resources and needs that they are being sapped up and destroyed by national defense. The great real growth of outlay totals is in the field of human resources, not defense. There are in certain instances great waste in the human needs areas. There are programs in the Federal Government that are soundly criticized for being wasteful in the human resources fields. Criticism has for instance been made as to the billions of dollars that have been wasted in medicare. We all know of the waste in the food stamp program.

There are other programs that we should really end, like Federal revenue sharing and foreign aid, both military and domestic. I am not saying that we should never give aid to a foreign country if it is in grave need, but it should be done on a case by case basis and not as in the case of a banker of one's funds where money can be taken and exported at any time as a matter of right. But it should not be on the basis of "give me the money or you are not my friend." That is not a good way to run our international affairs.

So, Mr. Chairman, there are a tremendous number of areas capable of reduction in the budget. I would say there are some programs that could be ended which would save billions of dollars like the foreign aid program and like revenue sharing. There is no majority constituency support in either one of those programs. About the only support that comes for revenue sharing comes from city hall and we do not get elected by city hall. We get elected by campaigning ourselves. My constituents as a whole do not approve these types of expenditures.

Mr. Chairman, I will conclude by saying I do hope this Congress will at least come up with $119 billion for national defense. That is the least amount of money that can do the job needed to be done. I went to the Committee on the Budget to see if we could get moving on this and make the budget system work, but it will not be our fault if the budget system fails, it will instead be a showing that the committee itself is stacked in an unrealistic manner, not representative of the nationwide views, particularly as to national defense.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I would like to begin by saying that I regard myself as being as devoted to the budget process as any other Member of this body. In fact, I voted for the budget when it came up last week. And I was one of those Members who joined in the original effort to create the budget process and I believed it should be preserved.

But the thing that concerns me about the budget process, and the thing that concerns our beloved chairman, the gentleman from Illinois (Mr. PRICE) who is at this moment recovering very successfully, I might report, from his operation on yesterday, the thing that concerns him in the letter which the gentleman from Missouri (Mr. ICHORD) reported to us last week when we were considering this same resolution, is that if the budget process is to be used as a device for loading up every other program at the expense of defense, then we are in real trouble with the budget process. That is precisely what happened when the budget process went into effect 2 years ago.

We loaded up all of the domestic programs at that time, and then because they added up to $9 billion over what they were supposed to be, we simply cut $9 billion out of Defense. That did create such an imbalance in our capabilities against the Soviets that even the chairman of the Budget Committee, Mr. Brock Adams, now the distinguished Secretary of Transportation, realized he could not do it again, and so last year the Defense budget was virtually left intact as presented to us by the President of the United States.

This time we have a new President. He campaigned on a promise to cut Defense spending by $5 billion to $7 billion. But when he got in office and took a look at the world and at the Defense picture, as has also happened in a number of other areas, Mr. Carter recognized that there was just not $7 billion to cut without damaging the defense of this country at a time when the Russians are on the move upward in their expenditures and have shown every reluctance to make any kind of concessions in SALT. All he could safely cut was $2.8 billion, and that is what he presented to our committee and to this Congress in his 1978 defense budget.

The experts tell us we need a 2-percent growth every year in order just to stay even with the Soviet Union, in other words, if we are going to have "rough equivalence." That is what the American people want us to have, at least rough equivalence. In fact every poll taken shows that the American people want us to be superior to the Soviet Union.

Yet, in spite of what we have learned from past experience, this Budget Committee comes in here with all these serious cuts and based on no real analysis at all. The gentleman from California (Mr. LEGGETT), chairman of the Defense Task Force, admitted that his group spent only one meeting on the question and the figures had really been pulled out of the air. This is the committee that comes in with a $4 billion cut.

I think it is very interesting that in all of the press accounts I have heard about what the Budget Committee did to the Defense budget, they never mention that $4 billion figure. That is the actual size of the budget authority figure. That is the figure that really counts. The papers kept quoting the outlay figure because then the Budget Committee's damage to defense was only $2 billion. But the fact is that they actually cut $4 billion, a very damaging cut on top of the $2.3 billion cut already made by President Carter, thereby they eliminated any real growth in defense and they put us back into a position where we are going to be in real trouble in trying just to keep up with the Soviet Union.

We are told everybody is taking a cut, so why should not Defense take a cut? Every other program is taking a cut they tell us.

I read the real figures to the gentleman from Florida (Mr. LEHMAN) a moment ago. He said somebody is playing with the figures. But there is no playing. These are the official figures of the U.S. Government. In the last 7 years the Defense budget has gone up exactly 39 percent. The Human Resources budget, on the other hand, which includes education, training, employment, health, and income security, has gone up a whopping 227 percent.

All we are asking is to try to reverse the devastating cuts in our Defense that have taken place since 1970 and until last year, and begin to get us moving back up, at least equally to the Soviet Union.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GIAIMO. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. STRATTON. Mr. Chairman, I do not object if the gentleman from Florida has said we have to be bargainers. We are willing to bargain. But we who are responsible for defense are being asked to take three-quarters of the reduction we are supposedly bargaining on and the other side has to yield only one-quarter. Our side is being cut by $3 billion. I do not think we ought to stand for that. If there is to be bargaining, there must be some equality. At the very least we ought to split the difference. Do not forget that every $750 million we cut this defense budget is going to mean the loss of 200,000 jobs. Make no mistake about that. It is certainly also going to mean a reduction in bases. And still another substantial area where the money has been cut in foreign military sales. So we are not going to be able to sell weapons to Greece, or Israel, or Iran, or other countries that are vital to our security, if this cut is allowed to stand.

Mr. Chairman, I support the Burleson amendment. I think the security of our country requires that we vote to support it, and thereby support our President.

Mr. CONABLE. Mr. Chairman, I yield

such time as he may consume to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, just last week the House overwhelmingly voted down the first edition of the first concurrent resolution on the budget by a margin of 320 to 84. The reasons were, of course, varied but paramount among them was the feeling that a $68.6 billion deficit was simply too large.

Now, we are being asked to consider a second edition of this budget resolution and, despite the action of the House last week, I do not see that the deficit has declined appreciably. Regardless of the changes in spending levels for various Government functions, spending under this resolution will still exceed outlays by $66.2 billion in fiscal 1978. Given the fact that the cumulative budget deficit for the 3 preceding fiscal years comes to $181 billon, such a figure is absolutely outrageous. It took us 185 years for Federal spending to reach the level represented by our deficits over the last 4 years.

As any housewife will tell you, one can go on spending beyond his means for just so long and then it begins to catch up with you. The same holds true for governments, whether they be local, State, or Federal. Sooner or later the bills come due and must be paid, either by direct taxation or, indirectly, through inflation. And, as practically any American will tell you, both are too high as it is.

Deficit spending has another disadvantage, it contributes to unemployment. Instead of private enterprise being able to borrow the money needed to buy new machinery, increase jobs, develop new technology and take advantage of new markets, the investment capital available is soaked up by the Federal Government to cover its deficits. That "crowding out" can, in turn, be expected to drive up interest rates on the capital that is left, making it unprofitable to borrow. The inevitable result of such a policy, if it is not reversed, will be economic stagnation and greater unemployment. Instead of modernizing and expanding, which creates jobs, companies will be standing pat or cutting back on their operations to lessen the effects of higher interest rates.

The irony of all this is that reducing deficit spending and reforming the Tax Code so as to stimulate capital investment is a far cheaper way to reduce unemployment than creating public works jobs through public works construction projects. Moreover, the latter course has the further disadvantage of adding more expensive bureaucracy—in this case the Economic Development Administration—to administer it.

If the irony of huge budget deficits is that they are self-defeating, then the tragedy is that we are not stopping them. For each of the last 2 fiscal years, I have had my staff do an extensive analysis of the budget with an eye toward bringing it into balance. For fiscal 1976, when the deficit came to $66.5 billion, the staff analysis indicated that the budget could have been balanced with $900 million to spare and without tax reform. And for fiscal 1977, when the deficit is expected to reach $50–$70 billion, the figures showed that coupling sensible spending cuts with enactment of the Jobs Creation Act sponsored by my distinguished colleague from New York (Mr. KEMP) would have produced a surplus of approximately $41 billion. Given these precedents, I do not think it unreasonable to balance the budget this year, or at the very least, to reduce substantially the deficit.

The alternative which has been proposed, the Republican alternative, would be a major step in the right direction. A 10-percent across-the-board personal income tax cut and a $20 billion cut in Federal spending will do far more to stimulate the economy and discourage inflation, than a continuation of the present "tax and spend" system ever will. If all these social welfare programs, on which we have spent billions, have not solved practically every imaginable problem by now, what indication is there that spending even more money in the same manner will work any better? The truth of the matter is that government subsidies are no substitute for individual initiative and until we start emphasizing the latter over the former, the two plagues of inflation and unemployment are not likely to leave us.

Obviously, it is not easy to vote against what are so frequently advertised as "people programs" but if spending more money for less return is the end product of these programs, then we should have no qualms about voting against false advertising. What will really help the people is lower taxes, less inflation, and less government involvement in their lives. Bringing all that about will not be easy, but a good place to start would be right here with the first concurrent resolution on the budget. If Congress is going to make a mockery out of these budget ceilings, as it has this past year, then the least we can do is take that into account and reduce the deficit considerably at the outset.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, 3 years ago this body undertook a major overhaul of the Federal budget process. It was a step that was long overdue and desperately needed. Federal expenditures had been running out of control for decades, and the momentum that has built up cannot be reversed overnight.

Today we are being told that we must do exactly what the leadership tells us, and accept the resolution that has been presented by the Budget Committee. To do anything less, we are told, would be to undo all the reforms of the past 3 years. Our respected majority leader even paints it as a constitutional test of the highest order. To all of which I say, Mr. Chairman, "nonsense".

I believe the budget process is working just fine. What is not working fine is the direction of the leadership and the makeup of the Budget Committee. In fact, if anything, the events of the past week indicate that the members themselves have finally managed to complete the transition of control envisioned in the original Budget Reform Act, by assuming that control for themselves and on behalf of their constituents.

No longer must we accept on faith the spending and taxing figures of the administration, whether hostile or friendly. And no longer must we accept the spending and taxing plans of a single committee of the House, on a take-it-or-leave-it basis. Because the authors of the Budget Reform Act very wisely gave us, 3 years ago, the opportunity and the responsibility to work the will of the full House on this issue. And that is exactly what is happening on the floor of this chamber and has been happening for the past week.

Mr. Chairman, the document we will be voting on today is the blueprint for our Nation for the next year. It is with this resolution that we must decide where we want to be a year from now and how we want to get there. Whether we want to end the next fiscal year with a deficit that is larger than all but two functional items in the budget. Whether we want to increase our national debt to a level approaching $800 billion. Whether we want a budget that has as its fourth largest item, the payment of interest on that debt. And whether this budget will insure that our Nation will remain secure on the international front and free at home during the next year.

Let us look at the facts. In the past 8 years, defense spending has increased by 39 percent, and now represents 24 percent of fiscal year 1978 outlays. During the same period, outlays for social spending have increased 227 percent, and now represent 52 percent of our budget.

Mr. Chairman, I think we have to get back to basics. National defense is the primary function of the Federal Government. We must be secure from outside attack before we can be free at home. Our vote today will constitute a signal to the world at large of our intentions and will in this matter. And we cannot afford to shortchange ourselves, because in a world where perceived strength is the primary defense, a lack of capability is fatal.

But to retain our military strength, we must be strong domestically, with a healthy economy. And to me, the continued deficits of the past two decades are unhealthy. The substitute which we are proposing today addresses both these issues. It restores our defense capability to a level consonant with a realistic view of the world today. And it attempts to mend our domestic economy by reducing taxes. It includes a 10-percent across-the-board personal income tax reduction effective next January. This cut will, of course, reduce Government revenues, but that money will not be lost to the economy. In fact, past experience and current economic theory show that a tax cut of that size will actually generate 1 million new jobs in the private sector—improving our economy, increasing net revenues to the Government over the long haul, and saving $3 billion a year in unemployment benefits and costs. In fact, the substitute envisions a net reduction in expenditures next year of $22 billion, and a decrease in the projected deficit of about $21 billion.

Mr. Chairman, I believe that if the American people could have a direct vote on the two proposals before us today, they would reject the committee's version and choose our substitute. I urge my colleagues to do likewise.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I take this time to ask some questions of the distinguished gentleman from New York (Mr. CONABLE), who is also the ranking minority member of the Committee on Ways and Means.

I have worked very hard over the past years to get legislation providing for tax credits for the rapidly escalating cost of higher education.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, I would like to acknowledge that he has a unique commitment to that issue, yes.

Mr. COUGHLIN. Similar legislation passed the other body in the last three Congresses and passed the other body twice last year alone. At the conclusion of the last Congress, the distinguished chairman, the gentleman from Oregon (Mr. ULLMAN), agreed to bring this measure before this House for a vote. So I have three questions to ask in connection with this budget resolution.

First, in a colloquy yesterday in the other body, the Senator from Maine (Mr. MUSKIE) assured Senator ROTH, who has been a prime sponsor of this legislation in the other body, that there was sufficient leeway in their budget resolution to provide for the estimated $175 million first year cost for a program of tax credits. Would there be similar leeway in the budget resolution currently before us?

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, this is a first budget resolution. It is not line item. I believe the report encompasses probable further changes in the tax law as a result of the energy package proposal that the President has announced and as a result of his expected recommendations for tax reform on September 30. Doubtless these would have an impact in fiscal year 1978, so the issue in which the gentleman is interested could easily be included in those particular proposals. They will have to have some Budget Committee recognition, but it is expected that there will be changes made in that way; so I see no reason why the gentleman's proposal could not be considered at that time and in the same context as the present proposal.

Mr. COUGHLIN. Mr. Chairman, I note in the committee report on the first budget resolution that the resolution does not specify changes in tax expenditures as the administration proposes to submit tax reform proposal late this year. I take it that individual Members could also propose reforms such as tax credits for the cost of higher education.

Mr. CONABLE. The President cannot change the law. Congress will have its input in these proposals and the gentleman, as a Member, of course, is perfectly capable of getting his own programs advanced vigorously within this body.

Mr. COUGHLIN. Secondly, I notice that the concurrent resolution before us recognizes that changes in economic circumstances could warrant additional changes in the budget resolution and a proposal for education tax credits could fit under that kind of category, too.

Mr. CONABLE. Yes; it would have a stimulative impact and many Members here would feel it should be included in this budget as a stimulus, if the economy changes. What the gentleman is proposing would have a stimulative impact, particularly with respect to tax credits that would be accorded to the middle class, which as we know is our vigorous and productive class in this country; so clearly, the gentleman's proposal could be considered as a stimulus proposal.

Mr. COUGHLIN. Mr. Chairman, I thank the distinguished gentleman from New York and I do hope that tax credit legislation to help meet the cost of higher education will be passed by this Congress. It is sorely needed by Americans who are finding themselves very hard pressed to send their children to college.

Mr. GIAIMO. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Chairman, I rise simply to support the budget resolution which is before the House. I think, when all is said and done, later on today it will become clear to most Members that the compromise budget resolution offered by the chairman is a good one, a sound one. The test of that will be that no one Member will agree with all parts of it, but will be unable to come up with a better set of guidelines. I do think the budget process has worked quite well, contrary to what many commentators have said recently.

The Budget Committee has gone the extra distance with this proposal. We have come out with a compromise that deserves support. The military advocates are not going to get all they want under this compromise. Those who feel strongly about income support and human resources programs are not going to get all they want either, and even the champions of public works, and dams and reservoirs, may not get all they want. The Government and the country, however, will get a fair compromise on the basis of which the budget and appropriation processes can move forward.

Now, last week, when we met so late that night, we added items to the authorization and outlay part of the resolution, and then we voted against the whole thing. I happened to vote against those amendments and against the whole thing because I felt that we were moving the budget in the wrong direction toward higher expenditures, and that we really ought to go back and put the thing through the cycle once again.

I do worry about the high deficit, but I remind my colleagues that this is the first resolution, not the last one. Come September, after we have worked our will on appropriations, after we know better whether the recent economic recovery has really taken hold, we can address ourselves to the budget targets that will bind us for the next fiscal year. Then, we will have a better view of the next fiscal year.

For those who feel pushed at this time, I do remind them that this is the semifinal budget round, not the final round. Last September I happened to vote against the budget resolution because I thought, in view of the economic situation at that time, the outlays and the deficit were too high. I do not know where I will be next September, but I expect to be in a better position than I am now to come to final grips with this matter.

In the meantime, for those of us who want the budget process to work, I think the thing to do is vote for this workable compromise.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the concurrent resolution.

Mr. Chairman, this is our second try at the first budget resolution. It may not be our last try, since today's resolution is no better than last week's which was soundly beaten.

Last week, the House defeated a similar resolution by an enormous majority. The resolution and the committee were, in fact, repudiated.

That repudiation was wholly justified. The resolution raised the Carter deficit by $8 billion. The Carter deficit, it should be noted, raised the Ford deficit by $10 billion.

The resolution was just plain irresponsible. Today's is no better. The deficit it proposes could never be approved in a public referendum.

The distinguished chairman of the Budget Committee has been quoted as blaming the President, the Secretary of Defense, Republicans, and anybody else handy, for the resounding failure of the original resolution. In my judgment, the resolution failed simply because it was not good enough for more than a handful of House Members to vote for it.

Insofar as I am aware, Republicans have no obligation to support the fiscal nightmare—either last week's or this week's—reported by the committee. Our obligation is to support responsible legislation and to produce alternatives to irresponsible bills like the one pending before us.

The Democrat majority controls two-thirds of this House. It has the responsibility to pass a budget resolution. If, as has been its custom, it ignores the views of the minority, it should not be surprised when the minority does not embrace its resolution.

The Republican minority has a well-considered position, expressed in its amendment to last week's resolution, which will be reintroduced today. I believe it to be far superior to the committee's version, since it substantially lowers the deficit, does not cut the figure which the President feels is necessary for national defense, and provides an understandable, across-the-board, 10-percent tax cut.

Republicans generally supported that amendment last week and I suspect they will do so again. I know I will.

Perhaps naively, I had thought that we adopted the Budget Act so we could regain control of an uncoordinated, runaway spending system. Last year, the Budget Committee looked as though it was actually trying to regain control. But this year, it is a different story.

The current Budget Committee is using the budget process to accelerate runaway spending rather than control it. The fireman has become an arsonist.

If the budget process is to be saved, the salvation must come right here in this Chamber by the full House rescuing the country from the Budget Committee. I urge that the Republican alternative be adopted. If not, the budget resolution deserves to be soundly beaten again.

Mr. CONABLE. Mr. Chairman, I have no further requests for time. I would like to reserve the balance of my time.

Mr. GIAIMO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to include at this time a short summary of economic developments which should be helpful to the Members.

The summary follows:

SUMMARY OF ECONOMIC DEVELOPMENTS

Real Gross National Product advanced at an annual rate of 5.2 percent in the first quarter of 1977 following a 2.6 percent rise during the previous quarter.

Led by a substantial increase in automobile production, the Industrial Production Index rose at an annual rate of 5.2 percent in the first quarter of 1977 following a 2.6 percent increase in the last quarter of 1976.

Real final sales slowed during the first quarter from an annual rate of 5.7 to 3.9 percent.

Spurred by price increases in farm products and processed foods, wholesale prices rose at a seasonally adjusted annual rate of 8.6 percent during the first quarter of 1977.

Consumer prices for the first quarter were up 8.4 percent at a seasonably adjusted annual rate due largely to the rising cost of food.

Manufacturing capacity utilization at 80.9 percent in the first quarter of this year has recovered only 58 percent of its 73–75 decline according to the Federal Reserve Board's index.

The unemployment rate for the first quarter of 1977 averaged 7.4 percent, down from the 7.7 percent recorded last year, but still considerably worse than the pre-recession rate of 5.6 percent.

Despite an apparent rebound in March, housing starts in the weather-disrupted first quarter of 1977 rose only 0.3 percent to a seasonally adjusted annual rate of 1.8 million units.

Personal income rose by $41 billion or at an annual rate of 12 percent in the first quarter of 1977, yet earnings lagged behind prices and real spendable earnings for the quarter were down by 2 percent at an annual rate.

The basic money supply (M_1) was up at an annual rate of 4.8 percent in the first quarter of 1977 while M_2 grew by 9.7 percent. The major interest rates registered first quarter declines.

The Rate of Real Growth increased from the fourth quarter of 1976 to the first quarter of 1977. Fixed investment was up but so were inventories, and noticeable slowdowns occurred in consumption and final sales.

Preliminary figures set the first quarter GNP at $1296.8 billion in 1972 dollars, up $16.4 billion or 5.2 percent at an annual rate from the $1280.4 billion of the previous quarter. The 5.2 percent annualized growth rate compares with a 2.6 percent rise in the last quarter of 1976.

Real fixed investment was up by $4.8 billion or 11.9 percent at an annual rate, slightly above the 10 percent growth in the previous quarter. However, 94 percent of the $4.8 billion increase was due to investment in automobiles and trucks. The change in business inventories was $4.9 billion following a fourth quarter accumulation of only $0.9 billion.

Both consumption and final sales slowed. After increasing by $14 billion in '72 dollars during the fourth quarter of '76, personal consumption expenditures rose only $12.5 billion during the first quarter of 1977 and 43 percent of this increase was centered in automobile expenditures. Final sales (equal to GNP less change in business inventories), as an indicator of real growth grew only 3.9 percent after increasing by 5.7 percent in the previous quarter.

The Index of Industrial Production improved considerably in the first quarter of 1977 with production of automobiles and auto parts leading the advance.

At 133.5 percent of its 1967 average, the index for total industrial production was up 5.3 percent at an annual rate in the first quarter of 1977. This compares with a fourth quarter advance of only 2.6 percent.

The increase was concentrated in the automotive sector. Auto and utilities production rose by a full 19 percent at an annual rate and production of automotive products was up by 12.8 percent.

Both Wholesale and Consumer Prices advanced rapidly during the first quarter of 1977 as weather-related costs and shortages drove up the price of food.

With farm product prices up 22 percent and the cost of processed foods up by 13 percent, the Wholesale Price Index increased at a seasonally adjusted annual rate of 8.6 percent in the fourth quarter, up from the previous quarter's already large advance of 6.4 percent. While the food price component rose, industrial prices slowed from 9.0 percent in the fourth quarter to 6.6 percent in the first.

The Consumer Price Index for the quarter was up 8.4 percent at a seasonally adjusted annual rate compared with a 4.3 percent fourth quarter rise. The advance, which represents the highest inflation rate in six quarters, was led by a 10 percent increase in the price index for foods. Excluding foods, the price index for commodities rose by a seasonally adjusted annual rate of 7.5 percent.

The Federal Reserve Board's Index of Capacity Utilization indicates that the decline in capacity utilization which occurred during the recession has been only partially revised.

Total manufacturing capacity utilization reached 80.9 percent in the first quarter of this year compared to the peak of 88 percent in 1973.

The primary processing industries have recovered only 48 percent of their previous decline in utilization, the advanced processing industries 68 percent, and the materials industries 42 percent.

Increased capacity utilization will probably be necessary before any major increase in business investment occurs.

The First Quarter Unemployment Rate for 1977, still hovering above 7.0 percent, continues to reflect the devastation of the recent recession but marks an improvement over last year's performance.

After rising from a quarterly average of 7.6 percent to 7.9 percent during 1976, the unemployment rate declined again, averaging 7.4 percent in the first quarter of this year.

A decline of 500 thousand in the number of unemployed occurred despite an increase of 400 thousand workers in the civilian labor force. Employment increased by 1 million during the first quarter to a total of 89 million.

Improvement in the unemployment rates was uneven, favoring males and white females, while the rates actually worsened for non-white females aged 20 and over (at 11 percent) and for female and non-white teenagers (at 19 and 38 percent respectively).

The Housing Sector, although picking up in February and March following the slowdown caused by the winter cold spell, advanced very little for the quarter as a whole.

Sales of new single family houses increased in February by 8.5 percent to 853 thousand units, the highest rate of sales since the collection of such data began in 1963.

Also in February completions of privately owned housing, at a seasonally adjusted annual rate of 1.615 million units, reached the highest level in 2½ years, due partly to forestalled January work. By the end of March, starts of privately owned housing units reached a seasonally adjusted annual rate of 2,127 units, a strong 17 percent above the revised February rate.

Averaged over the first quarter, however, privately owned housing units were started at a seasonally adjusted annual rate of only 1775 thousand units, climbing just 0.3 percent above the previous quarter.

Personal Income increased during the first quarter with a considerable jump in the month of March; yet earnings did not catch up with rising consumer prices, and real spendable earnings over the quarter were down.

Total personal income rose by $41 billion or 12 percent at an annual rate to $1462.8 billion during the first quarter of 1977 and jumped by nearly 22 percent at an annual rate in March.

Average hourly earnings of production workers, seasonally adjusted, rose 8.2 percent at an annual rate in the first quarter of 1977, but were more than offset by the 8.4 percent rise in consumer prices.

Real spendable weekly earnings (earnings adjusted for prices and taxes) fell at an annual rate of 2 percent over the quarter and remained 5.2 percent or $5 billion below their 1972 average.

Personal Saving As A Percent of Income was low in the first quarter of 1977, yet this did not apparently reflect a rise in consumer confidence.

The personal savings rate, at 4.96 percent for the first quarter, was lower than it has been since the first quarter of 1969.

The fact that consumer confidence, as measured by the University of Michigan Survey Research Center, has improved little since November suggests that the low savings rate is not a positive sign. Consumers may have dipped into savings to pay high heating bills, to make auto purchases delayed by the Ford Motor Strike, and in anticipation of the expected rebate.

Machine Tool Orders have risen substantially since the first quarter of 1976.

Net new orders of machine tools, a fairly volatile figure, totaled $665 million in the first quarter of 1977, representing a 61 percent increase from the first quarter of 1976.

While orders of machine tools are subject to large quarterly swings, the 61 percent increase is still encouragingly high.

Orders of the metal cutting type were up 64 percent from last year's first quarter while orders of the metal forming type were up by 52 percent, totaling $165 million for the quarter.

Retail Sales made a strong showing in the first quarter of this year with automobile sales again in the forefront.

Averaging $58.1 billion during the first quarter of 1977, retail sales were up at an annual rate of 15.8 percent over the previous quarter. The automotive sector accounted for most of the increase, with sales of new passenger cars averaging 11 million units for the quarter and 13 million units in March following an average of 10 million units in the fourth quarter of 1976.

The March Retail Sales level of $59.6 billion represented an 11.6 percent advance over March of 1976, the strongest year-over-year gain since last April.

Growth in the Money Supply slowed from the fourth quarter to the first.

The basic money supply (M_1) increased at a seasonally adjusted annual rate of 4.8 percent in the first quarter of 1977, slowing from the last quarter's annualized growth rate of 7.0 percent and averaging $311 billion for the quarter.

Growth in M_2 was also down following the 12 percent growth rate of the previous quarter.

SUMMARY OF THE ECONOMETRIC FORECASTS

The Three Econometric Models are currently difficult to compare due to the succession of recent changes in Federal policy.

All updated forecasts have removed the rebate and adjusted the real growth rate down accordingly. Only Chase, however, has removed the business tax credit. Meanwhile all three have adjusted their forecasts for recent price rises for a higher than expected first quarter growth rate and for the anticipated passage of some type of energy package.

Data Resources, after adding an energy package, removing the rebate, and adjusting for price increases, forecasts a slower 1977 and a somewhat more active 1978 than the March prediction implied. The 5.7 percent rate of real growth which was predicted in March for 1977 has been revised downward to 5.6 percent, but the 1978 growth figure has been moved up slightly from 4.7 to 4.8 percent. Likewise inflation for 1977 has been brought down by .3 percentage points to 6.3 percent while 1978 inflation is estimated .3 percentage points higher at 5.8 percent. Unemployment is hardly changed from previous forecasts, declining to 7 percent by the last quarter of this year and to 6.2 by the end of 1978.

Chase econometrics has increased its real growth prediction for 1977 from 4.5 to 4.9 percent. Yet for 1978, Chase continues to predict a recession with growth at an annual rate of only 0.6 percent. The inflation rate for 1977 has been left at 7.5 percent but the revisions have added .4 percentage points to 1978 inflation bringing the rate to 5.8 percent. With growth slightly higher in 1977, the unemployment rate has been revised downward from previous forecasts and is now set at 7.5%.

Wharton's forecast of April 1 has been revised considerably in the forecast of April 28 which includes the addition of an energy package and the removal of the rebate. Real growth for 1977 has been revised only slightly to 6.6 percent, but real growth for 1978 is now set at 4.1 percent, down considerably from the early April estimate of 5.2 percent. Inflation, meanwhile, is up slightly from earlier estimates, averaging 7.3 percent and 7.7 percent respectively in 1977 and 1978. The overall impact on employment is negative, bringing the unemployment rate up slightly to 6.6 percent by the final quarter of 1977 and to 5.8 percent by the end of 1978.

SUMMARY OF ECONOMETRIC FORECASTS

	Actual 1976:4	Projected	
		1977:4	1978:4
Gross national product (4th quarter)	$1,784.5		
DRI		$1,953.5	$2,173.1
Chase		1,949.9	2,065.8
Wharton		1,985.4	2,235.3
Rate of real growth (4th quarter over 4th quarter) (percent)	3.0		
DRI		5.6	4.8
Chase		4.9	.6
Wharton		6.6	4.1
Inflation rate (as measured by CPI) (4th quarter over 4th quarter) (percent)	4.5		
DRI		6.3	5.8
Chase		7.5	5.8
Wharton		7.3	7.7
Unemployment rate (percent)	7.9		
DRI		7.0	6.2
Chase		7.5	8.5
Wharton		6.6	5.8
3-mo. Treasury bill rate (percent)	4.67		
DRI		5.42	5.58
Chase		5.43	4.54
Wharton		5.60	6.82

Mr. BADILLO. Mr. Chairman, I rise in firm opposition to House Concurrent Resolution 214, the first budget resolution. I am frankly appalled by it. The mandate of the Congress in regard to these resolutions is to "establish national budget priorities." Yet we are being told that we should not modify this resolution to articulate what our country's priorities should be because we are dealing with a period of uncertain economic development.

But I ask you, just where are our national priorities? We have been cajoled and bullied and threatened with the scare propoganda that we are falling behind in our national commitment to defense. Well, I maintain that we have fallen far, far behind in our national commitment to the basic human needs of our own people. I am appalled to think that we are ready to make unjustifiable "sacrifices" by increasing the defense function by $1.5 billion, but not willing to make the same kind of commitment to social programs. This is a compromise that does nothing but compromise our supposed commitment to progress and well-being for Americans.

Mr. Chairman, yesterday, I testified before the New York City Board of Estimate on New York City's capital budget for fiscal year 1978, a capital budget prepared by the mayor. That budget contained not 1 penny for capital projects in my district in the South Bronx. I asked the board what their priorities were, what their projections were for the future of the South Bronx. And I stand here this afternoon and ask the same question—and sadly for the same reason. Just where are our priorities? For, in reality, we are not talking about a 1-year projection, but a long-term direction for our spending programs and the priorities that will be established for the length of this administration. And we ignore what is as plain as daylight—we are saying we do not care.

The President, during the campaign, vigorously espoused the cause of our decaying cities. He spoke over and over again about his concern for reversing that decay. My constituents, buoyed by the hope of change and progress, voted in unprecedented numbers, they voted out of desperation with their lives and for the promise of jobs and housing and education. And this budget resolution dashes those hopes. Although LEAA and Veterans' Affairs, the two areas where we forced some change, are indeed concerned with social needs, they do not provide any answer for my constituents.

This morning I learned that the unemployment in New York City now stands at 11.5 percent—and that is only what is recorded. I know that in my district it is at least 40 percent. How do we deal with that? Why, if we are willing to increase a defense authorization $1.5 billion over what the Budget Committee originally asked, can we not increase domestic authorization in the same way?

I want my colleagues to be aware that this is not just something that I, as the usually outspoken urban Congressman feels, but it has been reflected by both the New York Times and the Daily News within the past 2 days. I would like to have inserted in the CONGRESSIONAL RECORD two articles, one an editorial from the Times, entitled "The Welfare Promise, Local and National," that begins—

> There's a message for New York City in the President's policy statement on welfare reform. It's not "drop dead", exactly. It's more like, "I know you folks are bleeding, but you'll just have to wait. For at least four more years."

The second, an article from the far more conservative Daily News by James Weighart called "Hey, Jimmy, Remember Us, the Cities?" That one starts—

> President Carter has shown little sign that he intends to repay the city-dwellers who voted for him in droves in hopes that he would reverse the tide of urban decay . . .

So, we are seeing a pattern emerging. It is a pattern I do not like. I shall vote for the Weiss amendment to cut the defense function back to where it was originally, I shall vote for the greatly reduced Mitchell transfer amendment. But I shall vote against this resolution, and all succeeding resolutions unless they begin to benefit those sectors of our society who need help most. The articles follow:

[From the New York Times]

THE WELFARE PROMISE, LOCAL AND NATIONAL

There's a message for New York City in the President's policy statement on welfare reform. It's not "drop dead," exactly. It's more like, "I know you folks are bleeding, but you'll just have to wait. For at least four more years."

Those were not President Carter's words, any more than President Ford in fact said "drop dead." But it is hard to put any other construction on what Mr. Carter did say. He knows he promised, in a major campaign speech, to remove the welfare burden from cities and relieve it for states. He knows New York City has to pay half a billion dollars a year in welfare costs that should, justly, be shared nationally. Yet this is the way he expresses himself now: "The unpredictable and growing financial burden on state and local governments should be reduced as rapidly as Federal resources permit." And how rapidly is that? Mr. Carter estimates that his still-sketchy welfare reform plan could not go into effect until 1981 at the earliest.

One need not hold a parochial New York City perspective to feel disappointment. Reaction may be even more bitter in places where there is no city government to help and where Federal takeover of welfare could dramatically ease the burden of poverty. In Texas, there has been no increase in payments to families with dependent children since 1969. Yet the State House, though enjoying a $3 billion surplus, has just voted to reduce benefits, from $8.68 a month per child to $3.

What, meanwhile, has happened to welfare relief for cities and states, one of the main urban pledges of the campaign to elect Jimmy Carter? It has now become the first pledge of his *next* campaign for re-election.

Taken as a theoretical whole, there is much to admire in Mr. Carter's policy statement. The present welfare system is no system at all. Its many parts, after-thoughts and add-ons create inequities at every turn. As the Administration's welfare study group concluded: "No two of these programs are congruent in Federal, state or local roles or responsibilities." In theory, at least, the President is both bold and right to recoil from tinkering and to aim, instead, for a new system. He has presented a list of goals that square with the most enlightened thinking of recent years.

In place of the present tangle of Federal benefits, the President calls for a consolidation into a simple cash payment. In place of the grotesque state-by-state variations in payments, he proposes a uniform level, adjusted for local differences in the cost of living. Where the present system pushes fathers out of the home, the President calls for incentives to keep families together. And he calls for important incentives and programs to allow more people to work, to earn more, and to keep more—proposals deserving of fuller examination.

However admirable and ambitious these objectives, the President has cast a cloud over them with the very first goal on his list: that the initial cost of his reform be no greater than the cost of present systems. That has to leave Mr. Carter's audience incredulous, wondering about either his sincerity or his arithmetic.

His goals represent an amalgam of the proposals in four options offered by his welfare study group; the costs of these options varied from $6 billion to $40 billion a year. How does the President propose to achieve his goals with no new dollars, at least in the first year?

Even rudimentary calculations about his job-creation program demonstrate the need for significant new spending. Creating a public job costs about $8,000. Subtract the roughly $3,000 in Federal benefits that the average new job-holder would no longer require and the net cost for each job becomes $5,000. Secretary of Labor Marshall talks of creating two million jobs which, times $5,000, is $10 billion in new costs. These are, admittedly, maximum figures; the number of jobs that could or need be created may be considerably less than two million. Better targeting of public service jobs already authorized for the needy could reduce the net Federal cost to much less than $5,000 per job. But even reduced figures would produce new costs running into the billions—billions more than the President proposes to spend.

And that's just for creating jobs, without a word—or dollar—for where we came in: reducing the burden on state and local governments.

[From the New York Daily News, May 4, 1977]

Hey, Jimmy, Remember Us, the Cities?

(By James Wieghart)

Washington.—President Carter has shown little sign that he intends to repay the city-dwellers who voted for him in droves in hopes that he would reverse the tide of urban decay that threatens to overwhelm most of the large central cities in the North and East.

The latest sign of Carter's less than red-hot commitment to the cities was his welfare reform mesage Monday, in which he deferred for four years any meaningful action to federalize the welfare burden that is crushing many of the big cities.

But this was no surprise in view of Carter's eariler decision to delay for at least several years—perhaps until his second term—a comprehensive national health insurance program, and his flimsy $15 billion economic stimulus package for this fiscal year. Instead of focusing on jobs, the package was largely made up of tax breaks for individuals and business, and he dropped more than $11 billion of this when he withheld the ill-fated $50 tax rebate plan.

The lack of urgent concern for the problems of the cities was also reflected in Carter's energy plan. Although the energy package will go part of the way toward curbing the enormous waste in oil and gasoline that goes on in this wacky automobile culture of ours by jacking up fuel prices so high that only the rich will be able to indulge themselves, it does little or nothing to spur a change in lifestyle that will eventually be required as oil reserves are depleted.

Thanks to the auto mystique and billions of dollars in federal spending for interstate highways, middle-class housing subsidies and the creation of dozens of federal tax shelters and loopholes, Americans are now so dispersed in suburbia, exurbia and rural areas that they need several cars per family just to get to work and school and the shopping center. Public transportation is not even a feasible alternative for most of them because of the low density dispersal of housing.

Any sensible, long-term energy package should have included incentives not only to lure people back to the cities, but also to rehabilitate substandard housing and build new housing so that they would have a decent place to live when they got there.

It may be still too early in Carter's term to rule out all hope that he may yet come up with some bold and imaginative programs to help put the financially pressed cities back on their feet again. Treasury Secretary W. Michael Blumenthal continues to voice public support for creation of a national urban development bank that would help cities finance rehabilitation and new construction. And Carter has expressed interest in stepping up youth employment programs, although he clearly favors a gradual approach.

But despite the administration's continued lip service to press for full employment and to support youth job programs and to provide financial help to troubled cities, the money sought for such efforts has been modest to say the least. In fact, the most influential Carter administration official in the area of finances—Budget Director Bert Lance—makes no bones about his conviction that holding down inflation and achieving a balanced budget by 1980 (coincidentally, a presidential election year) are the top priorities as far as he is concerned. Lance is convinced that the best way to reduce unemployment and lay a firm foundation for full economic recovery is through restoring confidence in the private sector, not through increased federal spending.

Thus, Lance is opposed to any massive increase in federal spending for youth employment or public jobs programs. Instead, he favors federal exhortation or tax incentives as the best means of getting the private sector to create new jobs for the unemployed. Federal job programs, he says, merely make the recipients dependent on the government instead of creating permanent employment. When the federal program ends, the jobs end and the worker is right back where he started, jobless and once more on the street.

Sensible as this may sound to the business community, which, after all, benefits from a large pool of unemployed from which to choose, it is not very reassuring to those looking for work. There are now more than 7 million persons looking for work who cannot get jobs, half of them youngsters from 16 to 24 years of age. In addition, there are millions of others unemployed who have given up even looking for jobs, either through frustration or lack of motivation. A disproportionate number of these are young men and women who have never held a full-time job.

Mr. ZABLOCKI. Mr. Chairman, just last week I stood before this House and voiced my support for the amendment offered by my friend from California (Mr. Anderson).

At that time I related the fact that there are over 21,000 veterans of World War I living in my home State of Wisconsin. I am sure that each Member of this House has received letters from veteran constituents relating the traumas they face in trying to make ends meet.

Mr. Chairman, I would like to share some facts with my colleagues:

Currently there are 793,000 veterans of World War I living. Of this number, less than 300,000 (294,397) are drawing a veterans pension;

There are nearly 500,000 veterans of World War I not drawing any veterans pension; and

The average monthly pension for these veterans is $138.34—or, but another way—the average income of those veterans of World War I that are drawing a pension is $1,300, or $25 per week.

The average age of those World War I veterans that are drawing a pension is 81.9.

Finally, last week there was debate heard that a veteran of World War I also receives income from other sources; namely, compensation, aid in attendance, housebound, et cetera.

However, as of March 1977, only 46,408 veterans of World War I receive both a monthly veterans pension and compensation. Thus when we hear arguments that the rates of compensation have been increased, we must realize that these increases affect only 13.62 percent of the number of veterans of World War I that are receiving a pension.

Mr. Chairman, I realize that these are a lot of facts and figures, but as far as I am concerned, the bottom line of this whole argument is summed up by this letter from one of my constituents:

> I am now receiving a pension of $29.00 and with the increase in living, it doesn't go

very far. I am writing to ask you to try to have (H.R. 55) passed.

MRS. MARGARET DOWNEY.

GREENDALE, WIS.

Our World War I veterans helped this country in its time of need. I submit that we help our veterans and their survivors now.

I urge us all to now show our compassion and concern and pass this amendment and subsequently H.R. 55. The vote last week was 329 to 73. Let us do better this time.

Mr. KELLY. Mr. Chairman, I rise in support of the amendment to the first budget resolution for fiscal year 1978, that will be offered by the gentleman from California (Mr. ANDERSON), proposing an additional $500 million for pension benefits for the veterans of World War I.

These veterans have not had the advantages enjoyed by other veterans of military service, such as education benefits; vocational rehabilitation—except for the disabled; GI loans for homes, condominiums, and mobile homes; and job-hunting assistance. Simply put, they have not been adequately compensated for their service to our country.

The gentleman from California has introduced legislation to grant a minimum monthly pension of $150 to World War I veterans and their dependents, regardless of other pension benefits they may receive. I have cosponsored this bill, and have subsequently urged all members of the Veterans' Affairs Committee to begin hearings on it immediately. The $500 million proposed in this amendment will cover only one-third of the total cost of the legislation introduced, but it is an important initial step toward implementing the minimum pension for World War I veterans.

There are now 834,000 surviving veterans of World War I, 94,000 less than were living last year. Time is running out for the remaining veterans.

I urge my colleagues in the House to vote favorably on this amendment, as an expression of the Nation's gratitude for the service of our World War I veterans.

Mr. DORNAN. Mr. Chairman, the profligate spending habits of the Democrat members of the Budget Committee have again been demonstrated in the legislation now before us.

The second time around, it still looks bad.

The projected spending levels set in this resolution are based upon the faulty notion that the Congress can, through larger Federal deficits, further stimulate the economy without fueling inflation.

Not only is this approach a discredited one, but the majority party's adherence to it in this body has proven costly to the American public in terms of reduced production, increased unemployment, and higher rates of inflation.

Had President Ford's budget proposals for the past 2 years been accepted by the majority in Congress, we would now be within grasp of a balanced budget. The actual achievement of that goal might have been a reality by fiscal year 1979.

Instead, the new administration, with more than ample assistance from the majority cohort on the Budget Committee has decided that it would be "appropriate" for the country to increase deficit spending by 12 percent and run up a deficit of $66.2 billion in fiscal year 1978. This course of action—if accepted—would put a balanced budget completely out of reach for the foreseeable future.

In view of this fact, I cannot see how President Carter intends to keep his promise to the American public and balance the budget by the end of his term in office. It reminds me of the fat lady who promises to lose 20 pounds in between mouthsful of chocolate cake.

Mr. Chairman, there are some clearheaded Members of Congress who know that one cannot promise a balanced budget in between mouthsful of $60 billion deficits.

Some Members of Congress—including the minority members of the Budget Committee—have a more intellectually honest way of providing for a strong, healthy economy and balanced budget. They would:

First, provide for an across-the-board individual tax rate deduction of 10 percent so that the crippling tax load borne by our citizens would be lightened;

Second, cut the deficit by 20 percent so that the strain on the budget caused by back-breaking interest payments would be relieved;

Third, control the growth of the money supply so that inflationary pressures would be eased; and

Fourth, reduce business taxes—so that there would be money left for new jobs.

This approach would provide for a steady upward growth in the economy by increasing investment, expanding production, and opening up millions of new permanent private sector jobs. By limiting the growth of the money supply, inflationary pressures would be stabilized in an expanding economy.

In conclusion, Mr. Chairman, I must say that I am extremely disappointed and discouraged by the actions of the majority on the Budget Committee.

Real growth requires real solutions. Real solutions will not be found in the sheltered Halls of committees and Congress or in pork barrel programs. They will be found only within the framework of a market economy. The continued expansion of the deficit of the Federal Government, as contained in this resolution, means more economic uncertainty, increased inflationary pressures, and sustained long-term unemployment.

I intend to vote against this measure, and I urge my colleagues to do the same.

Mr. BRADEMAS. Mr. Chairman, I rise in strong support of the budget resolution.

Mr. Chairman, I believe that it is essential that we understand what this resolution does not do as well as what it does do.

The resolution does not carve immutably into stone any of the fiscal 1978 figures contained in it.

It does not determine for all time what we shall spend in 1978 for defense purposes.

Nor does it determine for all time what we shall spend in 1978 for social programs, for the cities, or, indeed, for new programs.

Rather this resolution, the first step mandated by the Budget Act, sets targets in order that Congress may have a framework within which to work in considering both authorization and appropriations bills for the next fiscal year.

Members will have ample opportunity to vote for or against specific programs in all of the vast number of categories of Government activity, from defense to programs of assistance for the cities.

And Members will again have an opportunity, in the second budget resolution, which we shall consider in September, to modify the final budget figures in accordance with the priorities and the item by item judgments on specific programs which will have been made in the interim.

So, Mr. Chairman, this is merely the first step in a budget process, a mechanism with which we have equipped ourselves in order more rationally to carry out our responsibilities under the Constitution.

Mr. Chairman, I am well aware that many Members feel strongly that the resolution does not contain sufficiently high figures for defense, while others that it does not contain enough for the cities or for social programs.

And I would add, for my part, that I myself am not totally satisfied with all of the figures contained in the resolution.

But the resolution, on the whole, is not unreasonable. To reiterate, this is simply not the time or place for close surgery.

So I urge Members to vote for this resolution in order that we might get on with the business of the House and the country.

Some of the programs the resolution contemplates will be fully funded will have to be cut and some will have to be increased.

We will have ample opportunities to see to those matters.

But if we allow this budget system, still frail and in its infancy, to disintegrate under pressures it was not designed to bear, we will have abdicated our responsibility, and, indeed, a good part of the role of Congress as an independent branch of the Government.

Mr. EVANS of Delaware. Mr. Chairman, I rise in strong opposition to the budget-busting resolution for fiscal year 1978. This resolution, with its deficit of $66.2 billion, completely ignores the plight of the middle-income taxpayers in this country, and moves us further away than ever before from a balanced Federal budget.

President Carter has promised this Nation a balanced budget by 1981. Yet this resolution, which is being pushed with unmatched vigor by Members of the President's own party, moves this Nation in completely the wrong direction. The budget before the House today reflects the largest Federal deficit in the history of the country, and I for one cannot support it.

Middle-income taxpayers and those on fixed incomes in Delaware and across the country are demanding a letup from the heavy burden of taxes. For that reason, I support the alternative budget proposal which would cut the deficit by almost $21 billion, and at the same time would allow room in the budget for a 10-percent across-the-board personal income tax reduction effective this coming January 1. This 10-percent tax cut would not only put money back in people's pockets, where it belongs, but would also stimulate our economy, creating about 1 million jobs in the private sector, and saving about $3 billion in unemployment-related expenditures.

American taxpayers are taking it on the chin. They simply cannot stand it any more. Yet the 1978 budget resolutions give them the biggest dose yet of uncontrolled Federal spending.

This Nation cannot spend its way to prosperity. Time and again, we have seen that massive Federal deficits mean only higher taxes and higher inflation, which is the most regressive tax of all and hits hardest those who can least afford it.

I support the congressional budget process. But I want a budget which recognizes that the worn-out philosophy of big spending and big deficits has not and will not work. Under this resolution, the Federal Government will have to spend $43 billion next year just to pay the interest on all the money we borrow. This Nation simply cannot continue on this course of fiscal irresponsibility.

President Carter has called for a balanced Federal budget. But that goal cannot be accomplished unless we in the Congress start restraining Federal spending now. The choice is simple: Either we are serious about balancing our Federal budget in the near future, or we want to watch Government spending continue to climb through the roof at the expense of the American taxpayer. Our vote on this resolution will signal whether in fact all the promises we have made are worth a plug nickel.

I urge the defeat of this inflationary resolution.

Mr. KASTENMEIER. Mr. Chairman, as we reconsider the first concurrent budget resolution. I wanted to take this occasion to explain my vote last week in favor of the Pike amendment, which eliminates $7 million in budget authority from the general Government function—the cost of the pay raise for Members of Congress.

I believe, and have so indicated in response to the many letters and press inquiries that I have received, that the $12,900 increase for Members of Congress was excessive. In my opinion, the question is not what we may think Members of Congress are worth in relation to other sectors of the economy, but rather what is a reasonable, one-time increase. Reasonable in terms of what the budget will bear, what the public will accept, and what we actually need to keep up with rising living costs. I would contend that $12,900 was not reasonable in any of those terms. I chose to treat the Pike amendment as my vehicle for an expression of that view.

However, I do believe that some increase is justified. We, like every other American, are subject to the difficulties created by rising living costs. With the exception of the 5 percent cost-of-living increase in 1975, this is the first salary increase since March 1969. Without some raise this year, we would have to wait 4 more years for the next recommendation of the Pay Commission. That would mean 12 years with only a 5 percent cost-of-living adjustment. I do not think there is any reasonable American who would expect anyone to go for 12 years with only one 5 percent increase. If my assessment of the reaction of the public to this increase is correct, it was not a reaction against any increase, but rather a reaction against the size and manner in which this increase was achieved.

Unfortunately, the current system does not allow us the option of voting for a reduced salary increase. We cannot express the view that $12,900 is excessive by voting for $5,000 or $10,000. We must vote the $12,900 either up or down, or not vote at all and accept the pay increase. Neither the House nor the Senate chose to vote, realizing full well that, in response to public criticism, the pay increase would have been denied. Implicit in our avoiding a vote, however, is the belief held by most that some increase was required if we hoped to keep and attract the best possible individuals to this Congress.

It seems likely that there will be an attempt to include in the legislative branch appropriations bill for fiscal 1978 a prohibition against the use of funds in that bill for the pay increase. Despite the fact that a more modest increase would have been preferable, I did not and will not have that choice. Given my firm belief that some increase is justified, I am henceforth constrained to oppose efforts designed to roll back fiscal year 1978 salaries to prior levels, thereby having the effect of defeating any increase whatsoever in the congressional branch.

Mr. Chairman, clearly the method by which pay increases for Members of Congress are achieved must be changed. I would recommend the alternative offered by Mr. WHALEN, which I have cosponsored, now pending before the Post Office and Civil Service Committee. This bill provides that salary increases approved in one Congress will not become effective until the subsequent Congress after all House Members have faced a general election. This would address the argument that Members of Congress should serve at the salary at which they were elected, and would also remove, somewhat, the immediate and direct benefit of a clearly self-serving vote.

Although I am convinced the question of whether or not to vote our own salary increases will never be satisfactorily resolved, the Whalen proposal at least offers a reasonable alternative.

I would further suggest that the committee give some consideration to offering the Congress the option of adjusting pay recommendations that we feel are too high, or too low. Had the Congress had that option this time around, we might have avoided the public furor that has come down upon us.

Frankly, I would hope that we may finally be able to put this issue behind us and devote our time and energies to devising some concrete, workable solutions to some of the very pressing problems facing this country. It seems to me that the best thing we could do is to start proving to the American people that we are earning our salaries. If we are unable to prove that to the people back home, it really does not matter what our salary level is. They would not send us back anyway.

Mr. GIAIMO. Mr. Chairman, I reserve the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield back the balance of my time.

Mr. GIAIMO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to clause 8 of rule XXIII, the concurrent resolution is considered as having been read for amendment and open to amendment at any point.

The concurrent resolution is as follows:

H. CON RES. 214

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $398,094,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $1,073,000,000;

(2) the appropriate level of total new budget authority is $502,092,000,000;

(3) the appropriate level of total budget outlays is $464,302,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $66,208,000,000; and

(5) the appropriate level of the public debt is $792,539,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $92,539,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $117,136,000,000;

(B) Outlays, $109,947,000,000.

(2) International Affairs (150):

(A) New budget authority, $9,543,000,000;

(B) Outlays, $7,397,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,930,000,000;

(B) Outlays, $4,737,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $20,950,000,00;

(B) Outlays, $20,677,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,153,000,000;

(B) Outlays, $4,395,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $20,569,000,000;

(B) Outlays, $20,277,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $8,237,000,000;

(B) Outlays, $10,926,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $22,739,000,000;

(B) Outlays, $27,756,000,000.

(9) Health (550):

(A) New budget authority, $47,685,000,000;

(B) Outlays, $44,238,000,000.

(10) Income Security (600):

(A) New budget authority, $182,688,000,000;

(B) Outlays, $148,309,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $20,060,000,000;

(B) Outlays, $20,028,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,620,000,000;

(B) Outlays, $3,820,000,000.

(13) General Government (800):

(A) New budget authority, $3,891,000,000;

(B) Outlays, $3,991,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,822,000,000;

(B) Outlays, $9,783,000,000.

(15) Interest (900):

(A) New budget authority, $43,000,000,000;

(B) Outlays, $43,000,000,000.

(16) Allowances:

(A) New budget authority, $1,069,000,000;

(B) Outlays, $1,021,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$16,000,000,000;

(B) Outlays, —$16,000,000,000.

SEC. 3. In the Third Budget Resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the First Budget Resolution for Fiscal Year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the Second Budget Resolution for Fiscal Year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1977 made by S. Con. Res. 10 are revised as follows:

(1) the recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) the appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250,000,000;

(5) the appropriate level of the public debt is $707,970,000,000; and

(6) based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of this section, the appropriate level of new budget authority and the estimated budget outlays for Income Security (function 600) is as follows:

(A) New budget authority, $167,700,000,000;

(B) Outlays, $138,100,000,000.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk proceeded to read the amendment in the nature of a substitute.

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, can the gentleman tell us, under my reservation of objection, does this affect a wide range of functional levels, is it just some small refinement, or what is it?

Mr. MITCHELL of Maryland. If the gentleman will yield, it is a small refinement. And if the gentleman will continue to reserve his right to object, I hope to explain the amendment.

Mr. ROUSSELOT. Mr. Chairman, I realize that, but further reserving the right to object, can the gentleman give us a brief synopsis?

Mr. MITCHELL of Maryland. If the gentleman will yield further, if the gentleman from California wants a brief preview I will be glad to do it. All that it will do will be to reduce outlays in function 50 by $300 million. This is a straight reduction which will effect the reduction of the deficit.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, under my reservation of objection, I will yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I believe we have a confusion here. I do not believe the Clerk has at the desk the amendment that the gentleman intended to offer.

I suggest that the gentleman ask unanimous consent to withdraw this amendment and to offer the Weiss amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield, I believe that the amendment at the desk is identical with the Weiss amendment. Mr. WEISS is not here.

Mr. ROUSSELOT. Mr. Chairman, I object. I will ask that the amendment be read.

The CHAIRMAN. Objection is heard. The Clerk will read the amendment.

(The Clerk continued to read the amendment in the nature of a substitute.)

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, apparently it is the wrong amendment at the desk.

Mr. Chairman, I would ask unanimous consent to withdraw the amendment in the nature of a substitute and substitute therefor for the Weiss amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland that the amendment now pending be withdrawn?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. MITCHELL) to offer another amendment.

Mr. MITCHELL. Mr. Chairman, I offer an amendment.

PARLIAMENTARY INQUIRY

Mr. ICHORD. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ICHORD. Mr. Chairman, will the Weiss amendment be read?

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Maryland at this time.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 2, line 20, strike out "$117,136,000,000" and insert in lieu thereof "$115,986,000,000."

Page 2, line 20, strike out "$109,947,000,000" and insert in lieu thereof "$109,647,000,000."

Adjust the figures on page 1, line 11, and page 2, line 2, accordingly.

Mr. MITCHELL of Maryland. Mr. Chairman, this is an amendment which was proposed by the gentleman from New York (Mr. WEISS) and I was working independently on this same amendment.

Mr. Chairman, all this amendment does is to reduce the function in (050) by 1.150 percent. The net effect of that reduction will be that we will be dealing with the original budget resolution that came out of the committee. That is all this amendment does.

Let me suggest to the Members why this amendment is necessary and proper. The Committee on the Budget, like the whole House, has to wrestle with at least three variables, and indeed we do wrestle with them. We wrestle with the matter of whether our national defense posture is adequately funded; we wrestle with the matter of whether or not we are promoting the general welfare by taking care of our citizens who are in need, and we also wrestle with the third variable; which is the deficit.

I voted for the original budget resolution that came out of our committee, and many other Members were inclined to vote for it also before we hacked it up on the floor. I did this because I think that the Committee on the Budget had, in its first attempt, really struck a compromise among these three elements.

It is quite true that in the first resolution which came out of the Committee on the Budget those who favored function 050 were not satisfied, and I know that I had to swallow very hard many times, because in light of the reality that exists in this country right now that first budget resolution did not begin to address the needs of literally millions of people in our country.

But the deficit was down, the three variables had been dealt with, and, therefore, I supported that first attempt to pass a budget resolution.

What transpired thereafter was, in my opinion a deliberate attempt on the floor that was designed to destroy the whole budget process.

Mr. Chairman, this amendment which I offer on behalf of the gentleman from New York (Mr. Weiss) and myself deals fairly with all three of the elements, defense, national welfare, and the deficit. If the amendment is agreed to—and I hope it will be—it will result in reducing the deficit from $66.2 to $65.9 billion. The reduction of the deficit is of much concern to every Member in this House, and properly so.

I would respectfully suggest, Mr. Chairman, that much of the argument we have heard about the defense programs is really almost irrelevant. It almost sounds like mythology to me. In prior discussions on this floor I attempted to indicate that last year we had so overlooked the Department of Defense that there was an enormous shortfall in spending.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Mitchell) has expired.

(By unanimous consent, Mr. Mitchell of Maryland was allowed to proceed for 3 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, to continue, we so overloaded that function (050) that there was a $15 billion shortfall in budget authority spending, and there is every indication that this year there will be a similar shortfall in spending—perhaps a greater one.

In prior discussions on this floor, I have tried to indicate to the Members that in unexpended balances we have something like $72 billion in this function. We have $72 billion in unobligated funds to be spent over the next 5 to 7 years.

If we load up again, Mr. Chairman, all that we are doing is increasing unexpended balances.

Mr. Chairman, I suggest to my colleagues that the first attempt by the Committee on the Budget was the right attempt. It struck a balance between the three things that his body must deal with. In no way did it endanger national defense.

Mr. Chairman, others have spoken about a reduction in defense spending. We have to remember that there did, indeed, occur a reduction in defense spending. That occurred because we reduced mammoth spending that we were doing when we were in a war in Vietnam.

Mr. Chairman, it makes sense for those who are so highly conscious of the deficit; it makes sense for those who recognize the budget process to be an attempt to strike a balance between competing interests; it makes sense for those who want to see the budget process continue as an integral part of the operation of this body; it makes sense to vote for this amendment; and therefore, Mr. Chairman, I urge its support.

Mr. STRATTON. Mr. Chairman, will the gentleman yield for a question?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the gentleman from Maryland (Mr. Mitchell) mentioned that there was a shortfall of expenditures of some $15 billion and unobligated balances of an even larger figure.

Does the gentleman realize that when it comes to the defense budget, it was the Congress itself which directed the Department of Defense to fund acquisitions like new ships, tanks, and aircraft at the full amount, rather than put just a little amount in this year and another amount another year? Therefore, if we want to buy a carrier at $1 billion, not all of that $1 billion is obviously going to be spent in 1 year; is that not correct?

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Mitchell) has expired.

(On request of Mr. BAUMAN and by unanimous consent, Mr. Mitchell of Maryland was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. If I have time, I would like to respond to the question of the gentleman from New York. However, I will defer that and yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the only question I want to ask the gentleman from Maryland (Mr. Mitchell) is this: Is the pending amendment entirely different from the one the gentleman offered last week, which would have provided a $6.5 billion transfer out of defense funds and into social programs. Does the gentleman intend to offer that amendment later?

Mr. MITCHELL of Maryland. No, I do not. However, I have another amendment which is at the desk which may call for a transfer, but certainly not at the same level as last week. It would probably be in the range of about $1 billion.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. BURLESON OF TEXAS TO THE AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. BURLESON of Texas. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Burleson of Texas to the amendment offered by Mr. Mitchell of Maryland: In the matter relating to the appropriate level of total new budget authority strike out "502,092,000,000" and insert in lieu thereof "505,092,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "464,302,000,000" and insert in lieu thereof "466,302,000,000";

In the matter relating to the amount of the deficit strike out "66,208,000,000" and insert in lieu thereof "68,208,000,000";

In the matter relating to the appropriate level of the public debt strike out "792,539,000,000" and insert in lieu thereof "794,539,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "92,539,000,000" and insert in lieu thereof "94,539,000,000";

In the matter relating to National Defense strike out "117,136,000,000" in budget authority and insert in lieu thereof "120,136,000,000"; and strike out "109,947,000,000" in outlays and insert in lieu thereof "111,947,000,000."

Mr. BURLESON of Texas (during the reading). Mr. Chairman, I ask that the amendment to the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Reserving the right to object, Mr. Chairman, does the gentleman's amendment speak only to the functional categories addressed by the gentleman from Maryland (Mr. Mitchell)?

Mr. BURLESON of Texas. That is correct.

Mr. ROUSSELOT. I thank the gentleman, Mr. Chairman; and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GIAIMO. Reserving the right to object, Mr. Chairman, does the gentleman from Texas (Mr. Burleson) intend to explain whether he is going to $120.136 billion or $119.136 billion?

Mr. BURLESON of Texas. It is the $120.136 billion; it is the same amendment.

Mr. GIAIMO. Mr. Chairman, I thank the gentleman and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON of Texas. Mr. Chairman, this is the same amendment that I offered to this resolution last week.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Thirty-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Texas (Mr. Burleson) is recognized for 5 minutes.

Mr. BURLESON of Texas. Mr. Chairman, the amendment which I offer to the amendment of the gentleman from Maryland (Mr. Mitchell) provides the original $120 billion, plus, that was carried in the amendment which I offered last week to the resolution. The resolution at that time which our committee brought in, in round figures, was $116 billion. The resolution today, brought in by our Budget Committee, is $117 billion. The amendment of the gentleman from Maryland, as I understand, goes back to the $116 billion.

My amendment go to those figures which has been established and arrived at by various authorizing committees—the Committee on Armed Services of the House, the Committee on Armed Services of the Senate, which was a little greater by some $600 million than the House figure, and the appropriation committees of both bodies.

This is the figure proposed by the administration. Expert testimony has been delivered before the various committees having jurisdiction over defense matters, and they have testified over and again that $120 billion for defense is a minimum amount for the safety and security of this country. Now, Mr. Chairman, these are huge sums. Of course they are. My amendment increase budget authority by $3 billion, and outlays by $2 billion, and I know that this increases the deficit in the sum of $2 billion, but I hardly see how we can afford to do less.

I just cannot—and with all due respect to our committee—I cannot bring myself to believe that we have an omnipotence in this area, particularly above the judgment of people who have devoted months to determine what the needs are to maintain a military posture to keep us number one in this world.

As I said a little while ago in general debate, what good are all these other things we yearn for, the good things of life, we want people to enjoy, benefits of this affluent society—what good is all that if we are not able to ultimately to defend it on down through the years. We do not start, of course, these things in one year and have it all in place. This is a long process, and we had better not take the chance of not being properly prepared.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. BURLESON of Texas. I yield to my colleague from Texas.

Mr. KAZEN. I thank the gentleman for yielding to me, and I want to commend him for bringing this amendment to the House. I have just come back from a tour of the NATO countries. I looked at some of our equipment; I went to the forward lines and talked to the people in the field. I saw some of our atomic weapons; I saw the shelters, and let me just tell the gentleman and the House this: I sure hope that the other side does not start a war any time soon, because I must say that we are ill prepared to meet any all-out attack on us.

I think that we cannot afford to be a second-class nation militarily, and if we do not continue to at least try to keep up with what the Warsaw Pact countries are doing, that will happen.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. Kazen and by unanimous consent Mr. Burleson of Texas was allowed to proceed for 2 additional minutes.)

Mr. KAZEN. Let me put it to the gentleman this way: We have not even replenished inventories, after the drawdown for the Israeli war; we have not even replaced the equipment, ammunition, and other supplies which we gave the Israelis.

The other thing I would like to point out, which my colleague has touched upon, is the fact that this Budget Committee has no omnipotence when it comes to the action of the entire Committee of the Whole House on the State of the Union, because this is the committee that is paramount to every other committee in this Congress. The mere fact that the entire House does its will, as it did the other day in adopting the gentleman's amendment—the mere fact that it does work its will and amends the resolution will bring about the result that some Members of the Budget Committee will say, "If that is what the whole House wants, the heck with it, we will just vote against the entire resolution."

This double standard I cannot understand. If we turn down the amendment offered by the gentleman from Texas, this resolution will pass. If we adopt the amendment then the entire resolution fails. That happens to be what the rules of the game are going to be from now on. This is what was shown us last week.

Mr. BURLESON of Texas. I thank the gentleman for his contribution.

Let me just say this: I appeal to the Members on both sides of the aisle to support this amendment and appeal to all factions to vote for this resolution. I am going to vote for it whether my amendment passes or not. It is because I want to preserve this process that I appeal to the Members to support this amendment and support the resolution on final passage.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Burleson) has expired.

(On request of Mr. Mitchell of Maryland and by unanimous consent, Mr. Burleson of Texas was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BURLESON of Texas. I yield to the gentleman from Maryland (Mr. Mitchell).

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Mr. Chairman, it is obvious that I have a great respect for the gentleman. There are just two things which trouble me. I would like to get the gentleman's reflections on those two troublesome areas.

Mr. Chairman, as of this moment, this day, the great powers that are involved, America and the Union of Soviet Socialist Republics, have the capacity to destroy both populations. That is a given. We know that. I would like the gentleman to comment, first, on that; and then I would like his comment on the second part. May I add the second part now?

Mr. BURLESON of Texas. The gentleman has raised a very fundamental question, and what he says is true. What we need, along with our capability in the nuclear area, are conventional forces, conventional weapons, to be strong enough that the second event will not occur.

I think it was Admiral Nimitz who said, "Men do not fight as long as they talk." And if we are strong enough that we can talk from strength, then we have that opportunity to avoid the holocaust which could occur if we ever went to the use of nuclear weapons.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield so that I can ask the second part of my question?

Mr. BURLESON of Texas. I yield to the gentleman from Maryland (Mr. Mitchell).

Mr. MITCHELL of Maryland. The second part, the second troublesome area for me—and I hope for the gentleman—is: As a person conversant with history, and indeed modern history, it has disturbed me a great deal when I look at the fate of those countries that tip the balance, in terms of their spending, and tip it heavily toward military spending. Almost inevitably, where there have been democracies, they have been eroded because of that.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Burleson) has again expired.

(On request of Mr. Mitchell of Maryland and by unanimous consent, Mr. Burleson of Texas was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. If the gentleman will yield further, the danger is that when we start to really loading the scales on the other side just toward defense, something almost imperceptible but definitely happens to the whole process of democracy.

I would ask the gentleman to respond.

Mr. BURLESON of Texas. Mr. Chairman, the gentleman raises a philosophical question and one concept—I am not too sure there is any precise or total answer to the gentleman's proposition, but remember this: the nations of the free world look to the United States for leadership. They measure the value of that leadership by our military and moral strength. The world looks to this Nation to maintain a capability that they can depend upon, not to defend their borders but make their own preparations with assurance they have a strong ally.

We cannot afford to be less than to be No. 1 and to give to those who are our friends the courage to know that we are aware of our position of responsibility in this volatile world.

Mr. MITCHELL of Maryland. I thank the gentleman for his remarks. They are not quite responsive to my question, but I thank him anyway.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. BURLESON of Texas. I am glad to yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding.

I sit on the Subcommittee on Defense of the Committee on Appropriations, and we have gone through the appropriations and expenditures and we find the Defense Department has a shortfall of $5 billion. That represents moneys that have been appropriated and that they have not been able to spend.

There has been general allusion to the fact that if we do not have a proper defense, the other services to the people will not be important. The question is asked: What good is excessive defense spending?

If the people do not have the wherewithal to live and they do not have a place to live and the proper health services.

The CHAIRMAN. The time of the gentleman from Texas (Mr. BURLESON) has expired.

(On request of Mr. ADDABBO and by unanimous consent, Mr. BURLESON of Texas was allowed to proceed for 1 additional minute.)

Mr. ADDABBO. Mr. Chairman, will the gentleman yield further?

Mr. BURLESON of Texas. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, again let me say we are not departing a decrease today; we are talking of an increase of $7 billion over last year. Last week it was $6 billion. We have now raised that ceiling another $1 billion, giving the Defense Department a $7 billion increase over last year.

From the record we find that most of that money is going into unobligated funding, because from last year to this year the unobligated balances have increased from $16 billion to $18 billion.

So why should we give the Pentagon an additional $4 billion over and above what the Committee on the Budget is ready to give them? They are just going to put it into a fund for use as they see fit, and the Congress will have little control.

Mr. ICHORD. Mr. Chairman, will the gentleman yield to me to answer that, since I am a member of the Committee on Armed Services?

Mr. BURLESON of Texas. Yes; I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, let me state to the gentleman from New York (Mr. ADDABBO) that in this resolution from the Committee on the Budget we are only given for the defense of this country—and this is what our President is asking for—a 1.7 percent real growth increase, yet the committee comes in here and presents an 11.18 percent increase for international affairs.

The CHAIRMAN. The time of the gentleman from Texas (Mr. BURLESON) has again expired.

Mrs. HOLT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Burleson amendment to the Mitchell amendment.

We have heard a lot of talk today about destroying the budget process, and I am deeply concerned about this because I think this is a point that we really should recognize. If the budget process is being destroyed here today, it is being destroyed by a committee that is completely disregarding the thinking of all the Committee on Armed Services and the thinking of the people of the United States, as was expressed in their vote here on the floor when we brought our authorization bill to the floor. The Committee on the Budget has completely disregarded that in trying to reorder priorities.

I think that we should certainly make sure that that point is clearly understood. I feel that the time is very late. The question that we have to decide here today as we vote on the Burleson amendment is whether we are going to continue reducing our defense spending in favor of social programs. This is a threat that we thought we had stopped last year. As the gentleman from Missouri (Mr. ICHORD) pointed out, we had turned that trend around a little bit, but now we are going back in the other direction.

Mr. Chairman, I am reminded of the 1930's, when the Western democracies showed weakness and accommodation as their response to the growing military power of Nazi Germany and Imperial Japan. We had a world war then. Maybe we will not have a world war now. The gentleman from Maryland (Mr. MITCHELL) says that we could each kill each other many, many times over.

But what is happening today is that aggressors perceive us as a weak, spineless country with no will to remain free, and so they are going to continue to encroach at every point on that freedom. If that continues, some day they are going to walk in and say, "There is no more freedom," and we are not going to be able to do a thing in the world about it.

If we take a look at the Federal spending in recent years, as has been pointed out several times today, in 1970 we were spending $79 billion on defense and $73 billion on human resources. That amounted to 40 percent of our total outlays for defense and 37 percent of the total for human resources.

In 1978 what we are estimating here under this budget would be $110 billion and $239 billion. Twenty-four percent for defense and 52 percent for human resources. The increases from 1970 to 1978 have been 39 percent for defense and 227 percent for human resources.

Mr. ADDABBO. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentlelady for yielding. Mr. Chairman, the gentlewoman from Maryland (Mrs. HOLT) has just given the figure of $79 billion for the defense budget. We were at war in Vietnam at that time. We were spending $10 billion. We stopped the war in Vietnam and promised to give the American people a peacetime dividend.

Instead of $79 billion, we are now speaking about $120 billion. When are the American people going to stop paying that bill, and when will they be able to receive some benefits from this Government?

Mrs. HOLT. When there is no more agression in the world.

Mr. ADDABBO. We are at peace now.

Mrs. HOLT. I know that the gentleman has read history. We are at peace now because we have been strong enough to back down the aggressors when they come forward. We are fast reaching a point when we will not be able to do that.

We have had to resupply our military after the long Vietnam war and a draw down to supply an ally in the Middle East, and I think that was a very, very vivid demonstration of how we were able to back down the aggressors. We have been able to continue a very fragile peace in the Middle East simply because we had the strength to do it.

Mr. DELLUMS. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentlewoman for yielding.

I appreciate the concern of the gentlewoman from Maryland (Mrs. HOLT). She made a comment in her statement that nations around the world are now perceiving the United States as a weak, defenseless Nation.

Mr. Chairman, I would ask the gentlewoman to respond to this question: How could any nation in the world perceive the United States as weak when we have 2 million men and women stationed overseas and in this country, when our submarines can fire 5,000 warheads, when our bombers can deliver 5,000 warheads, when our ICBM's—and most of them are MIRV's—are so numerous, and when we have more heavy bombers than any nation in the world? How can the gentlewoman make that statement?

Mrs. HOLT. Mr. Chairman, I will try to answer the gentleman's question, but I would like to preserve my time.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. HOLT) has expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mrs. HOLT was allowed to proceed for 3 additional minutes.)

Mrs. HOLT. To answer the gentleman's question, Mr. Chairman, the perception comes about because there are people in this Congress who are trying to bring those troops home, who are constantly trying to reduce the weapons systems that we have, and who are trying to take away even the ability to operate what we have today. That is the perception that goes out to the rest of the world. If we reduce our spending to this degree we won't be able to continue those things the gentleman points to.

Mr. Chairman, as we go into the SALT talks, we have a new President. He has made every effort to cut back. He has made every effort possible to find ways in which he can cut back defense spending, and now he has asked us to give him this amount to go forth with in his attempts to negotiate to try to reduce defense spending all over the world.

We are dealing with an aggressor that does not have to come to the Congress to decide how much they are going to spend on their military strength. They strain their people to the very limit to finance development of their war machine.

Therefore, Mr. Chairman, I think that this is a realistic approach which the gentleman from Texas (Mr. BURLESON) has offered us here today. The Committee on Armed Services has carefully scrutinized this budget. We have tried to come up with the bare minimum that we feel is absolutely necesary.

Mr. Chairman, I think that if we do agree to the cuts that are proposed here today, we are going to have to sacrifice jobs in every district, we are going to have to sacrifice bases, we are going to have to sacrifice contracts, and we are going to have to sacrifice sales to Israel and Greece.

I think that when we think about reordering priorities, we had better think a little bit about what our basic Federal concern is. We do not get any help from the States or from the local jurisdictions on this matter.

This is the one area to which we should lend our entire support. Therefore, Mr. Chairman, I urge this body to think carefully as we vote on the Burleson amendment, and I urge the Members to support it.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in the House we usually speak of a balanced budget, and we think in terms of the deficit.

There is another way by which we balance a budget or balance other things, and that is in terms of conflicting interests.

Mr. Chairman, it is not only in the budget field that we do that. For example, the police say one thing; the civil libertarians say something else, and we have to achieve a balance between these two.

It is true that in the defense field we are not giving the Pentagon every dollar that they would want but it is also true, if you will check with the chairman of the Committee on Education and Labor that that gentleman believes that we are far underspending in the area of education and employment. If you check with the chairman of the Committee on Veterans' Affairs, the gentleman from Texas (Mr. ROBERTS), you will see that that gentleman feels that we are far underspending in the area of veterans affairs. So you can go and check with committee after committee, and the area where we have had the least cut is in this area of defense.

I see that the chairman of the task force on national security is here on the floor and I would point out to our colleagues that those of us who have had the briefings from the Department of Defense, who have had a look at what our situation is, I believe they will find that a majority of the members on that task force support the recommendations of the committee.

I think the recommendations of the committee are sound. They have been made with a lot of good plain commonsense. If we believe that we do not want this budget just to escalate way out of line, then we ought to support the committee.

The requests from the various authorizing committees were $32 billion more than we authorized. If we start saying, "Oh, go ahead and add this on to defense, add this on to this and add this on to that," we are going to have chaos financially once again.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I appreciate the gentleman from Illinois yielding to me.

The gentleman stated a moment ago that the area that has not been cut is defense and that all of the other programs are suffering badly.

Mr. SIMON. It was cut. I did not say it was not cut, it was cut, but not cut as much as the other areas.

Mr. STRATTON. Is the gentleman from Illinois aware that since 1970 the defense budget has gone up exactly 39 percent and that human resources authorities, which include income security, employment, social services, health, and so forth, have gone up 227 percent.

Mr. SIMON. In response to the gentleman from New York, the gentleman will recall that in 1970 we were involved in a war.

Mr. STRATTON. We were cutting back, that is when we began.

Mr. SIMON. But we were involved. Also in 1970 we had an unemployment rate that was far, far different than it is right now.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I thank the gentleman for yielding. Let me say that the gentleman from Illinois (Mr. SIMON) has been a very valuable member of our task force on national security, and the gentleman is aware that we have engaged in studies as to the vast sums that have been spent in these areas. The gentleman I am sure knows that, talking about the escalation that has occurred in income security, that, in fact, that has escalated from $37.3 billion in 1969 to $137.1 billion in 1977. But is it not a fact that the story that was not told is that the public taxes to cover income security, and that includes social security, unemployment taxes and others, special cookie jar taxes have escalated from $44 billion back in 1969 and will be $183 billion by 1978, so, in fact, the income going into the trust fund, into the income security account, is greater than the amounts going out, and that has been the consistent trend over the past 8 years? I know the gentleman knows that is true and can affirm that.

Mr. SIMON. Mr. Chairman, let me say that once again my colleague from California has added wisdom and good sense to the discussion on the floor.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I would like to commend the gentleman from Illinois upon the statement he has made. I think the gentleman has put his finger on the point exactly. We are talking about the budget of the United States of America. We are talking about a balancing process. We are not talking about the defense authorization bill. That is something we handled 2 weeks ago. That is where we narrowed our focus on military interests.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. CARR and by unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, if the gentleman will yield further, I for one as a member of the House Armed Services Committee get a little tired about what experts say we need in military, and yet we systematically ignore what experts say we need in health care and education. For one thing we need to be No. 1 in health care and we need to be No. 1 in education and we need to be No. 1 in employment in the world, and we are not in any of those areas.

It is all fine and good to listen to what experts say we need, but it is also well and good that we do not abdicate our judgment process under the Constitution to those experts. We have to make a balancing between experts in education and experts in the military, and between experts in health care and experts in the military, and experts in school lunch programs and experts in the military, and all kinds of child development areas we are ignoring.

I just hope this Congress will consider this budget is a balancing process. I congratulate the gentleman for his statement.

Ms. HOLTZMAN. Mr. Chairman, would the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

The gentleman has made an extremely

sensible statement and an extremely sensible point. The budget process involves not only trying to balance various interests but also taking account of what an agency can reasonably spend.

It is important to point out to the Members of the House the figures the staff of the Budget Committee has put together with respect to what the Department of Defense has been able to spend in the past. For example, the amount of unexpended balances in the defense pipeline will have increased from 1972 down through 1978 by 93 percent. In other words, the amount in the pipeline has almost doubled. By fiscal year 1978 the amount in the pipeline is going to be about $72.2 billion.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Ms. HOLTZMAN, and by unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, if the gentleman would yield further, the amount in the pipeline that the Defense Department has not been able even to obligate under contract has increased since 1972 by 64 percent, in other words by more than half.

Mr. SIMON. If I could interrupt my colleague, the unexpended balance at the end of this fiscal year will be approximately $1.3 billion more than the Defense Department estimated it would be simply because they overestimated inflation.

Ms. HOLTZMAN. So I would say to my colleague from a budgetary point of view in deciding what is a reasonable balancing of interests, we must take into account also what can be reasonably spent and also the extent to which our future is going to be mortgaged by the decision we make now.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I thank the gentleman for yielding.

Is it not true that the Congress mandated the Defense Department to fullfund its contracts as opposed to incremental funding?

Mr. SIMON. That is correct.

Mrs. HOLT. So that it is necessary to have money to pay for ships and things that go on ships, so this would account for some of the money that is in that unobligated figure.

If we look at the budget, is it not true that in agriculture in 1976 there was $4 billion unobligated and in 1978 there is $10 billion; in foreign aid there is $11 billion; in transportation there is $13 billion; in health, education, and welfare it is $47 billion. This is across the board. Is this not true?

Mr. SIMON. There is no question that there are these unexpended balances in agriculture because of the Farmers Home Administration. There is no question on some of the others.

Mrs. FENWICK. **Mr. Chairman, I thank the Chair for recognizing me. I** rise in opposition to the Burleson amendment.

Mr. Chairman, I would like to preface my remarks by saying that I believe I have voted for every Defense budget since I came to Congress, but there comes a time when we have to stand by the Budget Committee itself, and that is the plea I would like to make: hold the line. We cannot have this endless fooling around with a document, which is conspicuously fair and balanced. If the mail of other Members looks anything like mine, what are people trying to tell us? "For God's sake, stop spending."

Mr. Chairman, if there were not this enormous increase in the Defense budget, already a part of the document before us, I would not be talking as I am. I know we need more money for defense, and Defense has got it; but somewhere, someone has to hold the line and answer the pleas of the people of the country. I got a letter the other day saying, "For Heaven's sake, keep your dirty little $50 and give us some stability and an end to inflation." That is what the people in this country are saying.

We cannot bust this budget, playing around with money every time one department wants more than another. Does anyone think we have enough for small business in this budget? No, we have not. I am on the Committee on Small Business and we did not get all we need, but everybody cannot get everything. We must hold the line.

Thank you, Mr. Chairman.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the Burleson amendment.

Mr. Chairman, I agree absolutely with my distinguished colleague, the gentlewoman from New Jersey, on the need to hold the line, but I do not come to the same conclusion about the Burleson amendment that the gentlewoman did. I think there is a very interesting view of the role of balancing implicit in the discussion we have already had here that needs some further amplification. Any amount of money spent on defense is wasted if it is not needed. It is also a terrible waste if we do not spend enough on defense to meet our national defense goals. The balancing that must be done then is not between defense and social needs, but between defense and the need for defense.

Now, one cannot look at a Defense budget as though it were something that existed in a vacuum. One must look at it in the light of history and in light of the current condition of the world. It seems to me for this reason that it is relevant to consider the budgeting process that has already gone into defense.

I acknowledge that I am not an expert on Defense; however, President Carter promised in the course of his election, and he is an honorable man, that he would cut $5 to $7 billion from Defense and from the budget prepared by President Ford. President Ford submitted his budget over $2 billion above the current level eventually requested by President Carter. An analysis by the experts in the new administration apparently persuaded President Carter that he could not live up to his campaign promises he had made in good faith and, difficult as it was, he proceeded to cut out of the Ford budget only slightly more than $2 billion.

Now, in the face of this, are we to assume that the proposal made by President Carter is swollen and can be appropriately cut, or is it likely that we are cutting into muscle and sinew when we do.

I believe him to be an honorable man. I believe he would have cut the Defense budget as much as he could, consonant with the campaign promises he had made. For that reason, Mr. Chairman, and because this budget item constitutes only a ceiling on Defense expenditures, I am very happy to leave the final figure to the experts in Appropriations and in the Armed Services Committees. For that reason, I think we should leave the figure at the level set by President Carter after deliberation and in due light of the commitments he had already made. I am supporting the Burleson amendment not because I think Defense, as such, has a right to a certain proportion of our budget or that we should play games balancing social needs against the very real needs for defense in this not-the-best-of-possible worlds, but because we must meet the actual requirements of Defense regardless of our other needs. We must do what is necessary, notwithstanding of our wishes, forgetting specious argument about defense jobs or tradeoffs in priorities or historical analysis facing budgetary trends. I am satisfied that this is the approach the President has been forced to take by circumstance and by the incentive to do otherwise implicit in his expressed campaign hopes. The Burleson amendment supports his conclusion, and so do I.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to both amendments, the Mitchell amendment to reduce the Defense number and the Burleson amendment to increase it.

I rise in support of the gentlewoman from New Jersey (Mrs. MILLICENT FENWICK) and also to support the budget process. I think if this budget resolution is dumped by a coalition again, if the Defense number is increased by a coalition again which coalition is slightly different, I think that we may well totally destroy the budget process.

Now, I think we have got to keep in mind that, again, I would say these are only targets. These numbers are where we would like to go. Our whole debate right now, if Members can look at appendix B–5 in the report on this bill, is whether or not the defense expenditure will be 23.7 percent of our overall expenditures, or the Carter number of 24.4 percent. So, we have got a difference of 0.7 percent of overall spending.

If the Members listened to some of the proponents of these amendments here, they would think that the Earth would come to an end if the amendments are not enacted, either reducing or increasing. I think we have set a reasonable compromise target. To argue that 0.7 percent of overall spending is going to make or break NATO, or make or break the B–1 bomber—my colleague, the chairman of the R. & D. Committee, is going to question me in a minute, but the biggest budget cutter in this whole Congress in national defense is the gentleman from Missouri. He cut the R. & D. budget by $750 million in the House Armed Services Committee.

Mr. ICHORD. Will the gentleman yield to me, since he mentioned my name?

Mr. LEGGETT. Not quite yet, but I will.

The biggest cut in this whole budget was done by the House Armed Services Committee. They cut that R. & D. item $750 million, and I think that was about 7 or 8 percent of the overall R. & D. amount. The gentleman made some very substantial impressions there, and that was his general imprint. He will go to conference, and that number will probably be massaged.

I recognize that he did recognize that he wanted to spend some more money in procurement, but believe me, when we were deliberating in the R. & D. Committee—and I am the ranking member—the gentleman will recall that we did not balance the research numbers with the increased procurement numbers. We were looking at research as a microcosm, and it just so happened that in our overall number in the committee, we decided to put some more money into procurement.

I would say this: If we choose to accept the recommendations of all of the committees instead of the Committee on the Budget, we will have a deficit of $82 billion or $85 billion. The committee budget number, which is in large part a reestimate of where President Carter was, is $66 billion. I think we have to show some fiscal responsibility. I think that this budget program is, in fact, a new process, but believe me, we can kill it. We can kill it by too much effort made on the target resolution.

I believe that many of us here who are supporting the targets in this current budget resolution also supported the House Armed Services Committee bill when it came on the floor here a few weeks ago. If one looks at some of the numbers that are reduced in other functions, and the statement has been made that perhaps we have not decreased other functions as much as national defense, on page 14 of our report we show $3 billion reduced in budget authority for national defense.

But, $750 million is reduced out of international affairs. Then, $1.2 billion is reduced out of community and regional development; $3.94 billion reduced out of function 500, education, training, employment and social services; $140 million reduced out of law enforcement and justice.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. ICHORD and by unanimous consent Mr. LEGGETT was allowed to proceed for 5 additional minutes.)

Mr. LEGGETT. There is $1.88 billion reduced out of allowances. We had to provide an additional $1.2 billion for interest. As a result, the numbers in defense are not totally out of proportion with reductions effected in other areas. If the Members look at our report, also, they will find that in the area that the House Armed Services Committee is concerned with, in the original number that we submitted, we increased the budget authority by $500 million. In personnel and compensation, we reduced the number by $750 million, in large part because normally 15 percent of our increase in wages is usually absorbed by the Department, particularly in national defense. And in the reestimate submitted by the Department of Defense, last week they have indicated that there is a reduced need in both salaries and retirement of some $500 million.

So we are tracking fairly closely up to that point.

In inflation, we note that a $500 million inflation, one-half million dollars in the operation of maintenance accounts, was perhaps enough. We want to hold the Defense nose to the millstone and not have them dump logistics supplies overboard that are coming back into port merely to keep an overall budget number.

There is one more item. In the level of purchases, we reduced that item by $1 billion, and that was the item which was objected to by the House Armed Services Committee when we were here before. But when the committee went back into session and reviewed this item, we put back that $1 billion. So, in fact, in the area where the House Armed Services Committee is concerned, we not only put back the $1 billion in purchases that we took out, but we have added $500 million for additional budget authority, for additional purchases above and beyond the budget that was submitted to the committee.

In financial adjustments, we took out $1 billion, namely, because we have this $72 billion backlog in unexpended and unobligated balance. We think that is a reasonable amount. As a result, the item we have on the $200 million reduction in strategic supplies, the gentleman from Missouri well knows that that $200 million reduction will not occur unless the Armed Services Committee makes a recommendation to make that sale of strategic stockpile. We are very close together.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I thank the gentleman for yielding.

I appreciate the very kind remarks the gentleman made about the R. & D. Subcommittee.

Mr. LEGGETT. The gentleman does an outstanding job on the Research and Development Subcommittee.

Mr. ICHORD. We did cut three-quarters of a billion dollars, and, as the gentleman stated, we did it because we wanted to put it back into hardware. One of the reasons why we wanted to put it back into hardware, as I stated to the gentleman from Florida (Mr. LEHMAN), and the majority members wanted to put our cuts back into hardware, was because we had depleted our stocks with so much aid to Israel, which I am sure the gentleman supports and which I am sure many of the members of this committee support. That is why I state that unless we get the President's budget of $120.1 billion, the nation of Israel is going to be hurt. I would ask the gentleman to answer my question: Will it not be hurt?

Mr. LEGGETT. No.

Mr. ICHORD. Why will it not?

Mr. LEGGETT. The gentleman may have had an unexpressed intention that he did not spell out, that he wanted to take this three-quarters of a billion dollars out of 3,500 systems and subsystems because he wanted to put it into hardware.

The gentleman certainly knows well that his subcommittee does not have jurisdiction over hardware. The only thing the subcommittee has jurisdiction over is research, development, and engineering.

Mr. ICHORD. Mr. Chairman, I will say to the gentleman that we made those cuts with the understanding that the full committee would put the amounts back into hardware.

Mr. LEGGETT. Those hopes were not expressed in the resolution of the subcommittee.

Mr. ICHORD. Did we not realize our ambitions in the full committee?

Mr. LEGGETT. Certainly, that is true.

Mr. ICHORD. Why did the gentleman not, as a member of the Committee on Armed Services, uphold in the Committee on the Budget what we did in the Committee on Armed Services?

The CHAIRMAN. The time of the gentleman from California (Mr. LEGGETT) has expired.

(By unanimous consent, Mr. LEGGETT was allowed to proceed for 1 additional minute.)

Mr. LEGGETT. Mr. Chairman, in answer to the question asked by the gentleman from Missouri (Mr. ICHORD), the simple reason why I did not move to reject the increases that were made in the House Armed Services bill is because the budget resolution and the action of the Committee on Armed Services are not in conflict, and I wish the Members of the House and the members of the committee would recognize that. These two actions are not in conflict at this point. These are only targets we are talking about.

None of this action today relates to Diego Garcia, none of it relates to carriers, none of it relates to strike cruisers, and none of it relates to shipbuilding.

Mr. Chairman, I support shipbuilding programs, but at the same time I want to work toward some kind of a balanced budget posture some day. We will only get to that point through some exercise of restraint, and this is one of the areas where we can use restraint.

Mr. WRIGHT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the resolution on the budget, as presented by the Budget Committee and in opposition to both the Burleson amendment and the Mitchell amendment.

We have done our very best in this committee to achieve a balanced arrangement of spending targets, and I think it is one that the responsible majority of the House can support. Obviously it is not perfect. We are imperfect creatures.

As polarized as opinions quite obviously became last week on the House floor, particularly with respect to this question of defense, it is utterly impossible for the Committee on the Budget to bring in a figure that will be universally acceptable. We have done our best.

Mr. Chairman, let me say something to each of the three groups involved. First, let me address those who are inclined to support the amendment offered by my friend, the gentleman from Texas (Mr. Burleson).

The first point is that the $117.15 billion that the committee has brought forth ought to be adequate as a figure to take into conference with the Senate. It does not represent a big cut below what the President has asked. It does represent some movement in the direction that the Members on the side of the gentleman from Texas (Mr. Burleson) who support this issue desired last week.

Let me add this further thought: It represents budget authority of $8 billion more, for the coming fiscal year, than we granted for this present fiscal year. And it represents actual outlays of $9 billion more, for the coming fiscal year, than were granted in the present fiscal year, when during the past five quarters there has been a shortfall of some $4.2 billion in actual expenditures below those amounts that were made available.

So the $117.15 billion contained herein should be sufficient for the purposes of this resolution.

Let me say a word now to those Members who would be inclined to support the amendment offered by my friend, the gentleman from Maryland (Mr. Mitchell). It has been suggested that defense has been increasing at the expense of essential domestic programs. This is not at all true.

Since I came to Congress in the mid-fifties, defense as a percentage of our total expenditures has been steadily decreasing. In 1955—and that was not a war year—defense was about 45 percent of our total budget expenditures. In the present fiscal year it amounts to 24.2 percent, but in fiscal year 1978, as proposed in this budget resolution, it would drop to 23.7 percent of the total expenditures provided in the budget.

So it is not accurate to say that defense is increasing as a percentage of what we do in other areas.

Mr. MITCHELL of Maryland. Mr. Chairman, will the distinguished majority leader yield?

Mr. WRIGHT. I would rather not at this point. If I can get additional time, I would be delighted to yield, but first I want to make another point.

The thing that my friend, the gentleman from Maryland (Mr. Mitchell), must recognize is that the most rapidly rising item in our budget in the past few years has been that item known as income security. This includes welfare, food stamps, and unemployment compensation. That item overtook defense as the biggest item in the budget about 3 years ago, and it is now substantially more than the total amount provided for defense.

I should like to suggest further that this budget includes some very substantial items to provide job stimulus, and these are programs of the very type for which the gentleman from Maryland (Mr. Mitchell) has fought and worked so hard.

This budget provides $5.9 billion for public service jobs, $1.7 billion for countercyclical aid to cities and States, $3.1 billion in outlays for accelerated public works, $2.7 billion for youth and veterans and similar jobs programs, a total of $13.4 billion in direct job stimulative activity much of which was not included in last year's budget.

Therefore, Mr. Chairman, it is not fair on either side to say that we have shortchanged defense or to say that we are aggrandizing defense at the expense of our domestic programs.

Let me say this one word, then, to one other group, and that is the group that fears to vote for final passage of the budget resolution because it just does not want to go on record as favoring a deficit. The only way we will curb or curtail the growth of the debt, runaway growth, is through the preservation of the budget process.

This budget resolution represents a cut of approximately $22 billion in the total amounts that were submitted to the Committee on the Budget from the various committees of the House; and it can be catalogued that in the past year a total of some $16 billion has been unexpended that otherwise would have been offered to the House floor. Bills in that general magnitude were made subject to points of order and thus obviated as a direct result of this very budget process.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Wright) has expired.

(By unanimous consent, Mr. Wright was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Therefore, Mr. Chairman, if we look at it on balance, unless we want to stymie the legislative process, unless we are prepared by our own action to render Congress the victim of a self-inflicted paralysis under which we would be unable to proceed with the important legislative business of the House, including authorizations and appropriations, we must pass this budget resolution.

Mr. Chairman, I believe that the figures brought to the House by the committee offer the best hope of doing that. Consequently, I appeal to my colleagues to vote down the Mitchell amendment and vote down the Burleson amendment and to support the figures submitted by the committee and vote for the final passage of this budget resolution once this House has worked its will.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I wonder whether the majority leader would not agree that the Congress subjected itself to ridicule, to some degree, at least, in not being able to dispose of this matter last week? I would submit that I think that is true.

Mr. WRIGHT. I would not disagree with that statement.

Mr. BURLISON of Missouri. Mr. Chairman, if we are unable to do it today, if we have to come back next week to try again, we are going to subject ourselves to a greater degree of ridicule.

I and the gentleman from Texas (Mr. Wright) are among those who believe that we ought to sustain the new budget process that we have; and I feel, as I believe the gentleman does, that if we are to pass this resolution, we will have to defeat the Mitchell amendment and the Burleson amendment. If either of those amendments passes, the gentleman from Missouri firmly believes that this resolution cannot be passed today.

Mr. WRIGHT I would be inclined to agree with the gentleman's judgment on that matter. That is basically true, and that is why I am opposed to the amendments.

The CHAIRMAN. The time of the gentleman from Texas (Mr. Wright) has expired.

(On request of Mr. Dellums and by unanimous consent, Mr. Wright was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Certainly, I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

I would like to establish the factual situation. The gentleman has indicated that over his tenure in the U.S. Congress dating back to the 1950's, the percentage of the overall military budget steadily decreased.

Is it not a fact that in the 1950's, when the gentleman first came to the Congress, the budget was split into two sections; that is, the controllable general funds budget and the fixed expenditures, over which the U.S. Congress has no control unless it, in fact, changes such fund allocations through legislation?

Then in the 1960's, during the era of the Johnson administration, Lyndon Johnson came up with the mechanism known as the unified budget, during the era of the Vietnam war, which locked in the trust fund and the general fund allocations, thereby bringing down the percentage of the military budget overall and that now the overall sum is a different situation; is that not correct?

Finally, is it not true, as of now, that when you look at the amounts of money appropriated or authorized for the military that it is, indeed, over 50 percent of the controllable budget that the U.S. Congress can act upon? If you take out the trust funds, this military budget is over 50 percent of the general fund's allocation and not, in fact, 23 percent or whatever?

Mr. WRIGHT. The gentleman from California makes a good point in describing the difference between the manner in which the budget once was calculated and presented and the way in which it is calculated now and presented by the President. But I would point out to him that in 1970, after the change he mentions, defense consumed 40 percent of the budget as compared with some 23 percent today. I still insist upon the basic fact that as a percentage of the total expenditures of Government the amount established for military expenditures has steadily declined since 1955 and today, as a percentage of the total governmental expenditures, those amounts set aside for military defense, are less than they were in 1970 and less than they were in 1955.

Mr. TUCKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues, I come from a southern State where we have an absolute abhorrence of deficit spending. I guess I was asked about that in my campaign as frequently as anything else. I was usually attacked as being a big spender, because I was a Democrat, and the Democrats have that reputation. I generally support social programs because I believe they represent so much of the best of this Nation. I intend to support them here. As a result, I argued for some of the amendments of my colleagues here last week and voted for some of those amendments. At the same time, in my southern State, we believe in a strong defense. I have always considered myself somewhat hawkish and I support a good, strong defense budget.

But, Mr. Chairman, I believe very, very strongly that unless we maintain the integrity of the congressional budget process—and Mr. Chairman, let me add this—that I say this particularly to my colleagues who have entered the Congress with me this year, that unless we maintain the integrity of the budget process and vote against all amendments to the committee budget report and vote for the committee budget recommendations, that we are going to destroy the congressional budgetary process and we will make it impossible to deal with any of the major issues that face us. We will not be able to move forward on the necessary expenditures for income security and we will also not be able to move forward on a strong defense budget.

If we insist on $2 or $3 billion more in our budget for income security, for defense, or for any of our other deep interests, that instead of maintaining the budgetary process we will continue the inexorable march toward a greater and greater budget deficit.

To my colleagues on the other side of the aisle I say with all sincerity that it is of no value to us whatsoever to put in another $2 or $3 billion for defense if in the process we simply destroy the only opportunity of Congress to have a sane and sensible approach to budgetary matters.

Thus, Mr. Chairman, I rise today to ask the members of the committee to defeat these amendments, the substitute amendments, and to approve the recommendations of the congressional Committee on the Budget.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my fellow colleagues, it is a difficult act to follow that of the distinguished, illustrious, effective, congenial and most gentle majority floor leader, the gentleman from Texas (Mr. Wright) who I know is trying to save the budget process.

My good friend, the gentleman from Texas (Mr. Wright), the majority floor leader, has twisted many arms on the floor of this House. He can twist the arm in the most gentile way. I facetiously remarked to him this morning coming in that he probably twisted so many arms on this particular issue that his own arm was sore. He can twist one's arm and smile at one and one can hurt to the bottom of one's toes and one will still be smiling to one's self.

We can twist the issue all we want to, I say to my fellow Democrats, but the question is are we going to support our Democratic President of these United States who made the promise during the campaign that he was going to cut, I would state to my distinguished friend, the gentleman from Missouri, $5 billion from defense. How much did he end up cutting out? He could only cut out $2.8 billion.

If Members are asking me, I will stay here as long as is necessary I say to my friends because I believe in this so strongly. This affects my children, it affects my grandchildren, and it affects the kind of world that I want to live in.

The President of the United States is now on a plane going to Europe. He sent a message here last week. Let me state to my friend, the gentleman from Missouri, the President sent a message to the Speaker of the House, the presiding officer of this body:

> Support my budget for $120 billion because I need it in dealing with the Russians.

That commitment, that belief of the President, still stands.

Some people are living in a make-believe world. They are living in a world that they would like to live in rather than in the world they are living in.

If we want some meaningful reductions in arms, some reductions in the Defense expenditures down the line, support the President of the United States and we may be able to live in the kind of world we would like.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I will not yield to the gentleman at this time but I will yield to him until Hades freezes over if he will give me the time.

Now, my good friend, my distinguished floor leader, the question is: Who is out of step with the House? Who is out of step with the President of the United States? Who is out of step with the American people?

It all reminds me of the war story about the proud parents who were watching their draftee son in the Army parade and the mother says:

> Look people. Everybody is out of step but our son Jimmy.

The Budget Committee is out of step with everyone. The Budget Committee is out of step, I say to my Republican colleagues here, with the President's budget. President Ford asked $122.9 billion. The Budget Committee, I say to my Democratic colleagues, is out of step with President Carter. He asks $120.1 billion. The Budget Committee is out of step with the House Armed Services Committee, which is supposed to know—I do not know whether we do or not—something about the defense needs of this country and asked for $120.9 billion. The Budget Committee, I say to my distinguished majority floor leader, now standing on the floor of the House, is out of step with the Senate Armed Services Committee. They asked for $121.3 billion. And I could go on.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. Ichord was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. I go on, and I will speed it up, and I will yield to the gentleman from Michigan in just a few minutes. I will try to speed up the process of telling the majority leader just how far they are out of step with everyone. The House Appropriations Committee asked $120.1 billion. The Senate Appropriations Committee asked $121.8 billion. The Senate Budget Committee asked $120.6 billion, and that is already passed, one-half a billion dollars above the Carter budget, and the gentleman is asking this House, my distinguished arm-twisting friend from Texas, is asking this House to pass $117.1 billion, undercutting the President of the United States to the tune of $3 billion.

Now, I say to the gentleman from Texas, in addition to five of the six congressional committees and the President, public opinion also opposes a drastic reduction in the Defense budget.

In the Harris survey of January this year, approximately two-thirds of those surveyed stated that they wanted to keep Defense spending at the current level or increase it. The Harris survey indicated that the shift is due to public awareness of Soviet military strength.

I resent, I would state to my friend from California, very strongly when someone stands up trying to support the Democratic President of the United States and derisively states that, "The Russians are coming." My God, it insults my intelligence and the intelligence of every Member in this body.

Mr. Chairman, I will yield to the gentleman from Michigan, since I mentioned his name, in just a few minutes.

The Harris survey indicated that the shift is due to public awareness.

The Gallop poll in 1976 found widespread agreement that the military strength and influence of the Soviet Union is increasing.

Mr. Chairman, we are living in a make-believe world. The SALT talks have broken down. If we want to get some meaningful reduction in both arms and personnel, support the President of the United States.

First, I say to the majority floor leader, the President just recently wrote to the majority leader to that effect and called our Speaker. He told the Republican conference committee just yesterday morning that he still needs $120.1 billion.

Second, the well-documented build-up of Soviet military strength and strategic power is not disputed by any knowledgeable defense expert.

Third, the savings proposed by the Budget Committee requires passage of legislation, such as wage board reform, already rejected by this Congress. We have some very unusual budgetary juggling going on in this resolution.

I would state to my friend, the gentleman from Missouri, I would stay here 3 weeks before I would yield to such pressure that will undercut the President of the United States.

The Congress last year deliberately began the process of providing for some growth in the Defense budget, growth beyond inflation. The Budget Committee would only give us a 1.7-percent growth. I state, Mr. Chairman, support the President, support the Burleson of Texas amendment and let us hope that we realize a world in the future some day that our children can live in, which is a better world than that in which we have lived.

Mr. Chairman, I yield to the gentleman from Michigan (Mr. CARR) and also yield later to the distinguished majority leader.

Mr. CARR. Mr. Chairman, I think the gentleman from Missouri makes a most compelling argument in terms of supporting the President. I would be inclined to follow the gentleman's leadership in this regard.

Mr. ICHORD. Mr. Chairman, the gentleman should.

Mr. Chairman, I do not yield any further.

I ask this House to be opposed to me when I am wrong, but always support me when I am right, and President Carter and I are right on this issue.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I would be compelled by the gentleman's argument to follow the President, if I did not know that in committee the gentleman from Missouri did not support the A-7, the F-15, and the military medical school.

Mr. ICHORD. Mr. Chairman, let me state in answer, I always support the President when he is right. I always oppose him when he is wrong.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the Burleson amendment.

Mr. Chairman, we all support the President when we believe that he is right, and we disagree with him when we believe that he is wrong. In this instance, I believe that a cut of $3 billion in Defense from $120.1 billion to $117.1 billion is reasonable. Furthermore, it is not really a cut. These are only target figures. These are figures designed to give the budget process time to work, time for the Committee on Appropriations to come in and give us their recommendations. We should make clear judgments on what the real level of Defense spending will be at the time of the second budget resolution in September.

But we certainly would be neglecting our duty if we merely take the figure of $120.1 billion sent to us from downtown and say, "Yes, Mr. President, we have received your budget, and we shall obey your budget requests to the last penny."

My gentleman friend from Missouri (Mr. ICHORD)—and I hope he is here—claimed that public opinion polls oppose a drastic reduction in the defense budget. He mentioned a Harris survey that was taken on this subject. It was quoted in a "Dear Colleague" letter that 11 members of the Armed Services Committee circulated yesterday; but they did not include everything that the Harris poll indicated. Referring to the Harris poll, they stated in the letter, "public opinion also opposes a drastic reduction in the defense budget."

They said in their letter that the Harris survey of January of this year found that approximately two-thirds of those surveyed stated they wanted to keep defense spending at current levels, or increase it—underlined.

The contrary is true. Here are the facts from that same poll: Twenty-five percent wanted to increase defense spending. Twenty-seven percent wanted to decrease defense spending. Thirty-eight percent wanted to keep defense spending the same, and 10 percent were not sure. So, it would be far more accurate to say that approximately two-thirds of the people wanted to keep defense spending at current levels, or decrease it—underlined.

The poll, in fact, said far more than that. The very same poll asked whether respondents thought there was a "great deal of waste" in defense spending, or "only some waste," or "hardly any waste at all." The results were that 62 percent thought there was a "lot of waste" in the defense budget—62 percent of the American people. Only 4 percent thought there was "hardly any waste."

Finally, people were asked in this poll, "If you have to choose, would you prefer to see cuts made in national defense or in other programs"—the guns or butter choice. The results were as follows: Between cuts in defense or Federal health programs, 40 percent would opt for defense cuts, while only 24 percent would cut health programs. Between cuts in defense and Federal education programs, 40 percent would cut defense spending, while only 26 percent would reduce education funds. Between cuts in defense or Federal crime prevention programs, 37 percent would cut defense while only 26 percent would reduce crime prevention programs. Between cuts in defense or air and water pollution control, 35 percent would reduce defense while only 28 percent pollution control funding. Those are the real facts, and they came out of this recent Harris survey.

Notwithstanding any poll results, I stand here in this well to say that I will take second place to no man or woman in my determination to have a free, strong America, with the certain capability to defend itself. This budget will give America that capability.

Furthermore, $117 billion—if the Members will excuse a pun—are not peanuts. They give us a great deal of defense.

Second, we are not supposed to, nor should we, be debating the relative merits of what are good programs in defense and what are bad programs in defense; how much is enough, and so forth. We should leave these matters to the expert committees of the House, and particularly to the Appropriations Committee. But we do have a function in this Budget Committee, and that function is to recommend how much money the Government can afford to spend, in total, for all purposes and needs of the American people. We never have enough—witness our deficit of $66.2 billion.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent Mr. GIAIMO was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. We never have enough money. However, the determination of broad national priorities is the purpose of this Budget Committee. That is the basic purpose of the Budget Act, so that Congress can take available dollars and allocate and apportion them equitably—equitably. Now, where is the equity?

We hear from the defense proponents that there must not be $1 of reduction. Not $1 of reduction. We came in here last week with a $4 billion cut. We lost. We are here before the Members now with a $3 billion cut. It is a compromise. Do we hear any word of compromise from the defense proponents?

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will yield very briefly to the gentleman from Missouri (Mr. ICHORD). I only have a few minutes.

Mr. ICHORD. Why did the gentleman not cut the category of International Affairs? The gentleman has an 11.7 percent real growth increase in International Affairs.

Mr. GIAIMO. I will tell the gentleman exactly why. It was at the request of the President of the United States, whom the gentleman just mentioned.

I will yield no further.

Mr. ICHORD. Why did not the gentleman's committee agree with the President's figure on national defense?

Mr. GIAIMO. We increased International Affairs by $1.5 billion at the President's request so we could make, at long last, our contribution for callable capital to the international financial institutions. It was increased at the direct request of the President of the United States. It is a one-shot proposition.

And let me say this: Our function is to adjust equity and to determine a proper balance between defense and nondefense needs of this country. We feel we have done that. All we ask is that in this first budget resolution, which is a target, we give this process a chance to work.

The American people will not forgive this Congress if we say to the American people 2 years after adopting a budget act that "We cannot discipline ourselves and live and work within a budget."

That is what we will be saying if we cannot adopt a budget resolution. It is imperative that we do so now. It is imperative that we all compromise to a degree and that we all curb our appetites for more spending for defense or more for education or more for other programs. We must live within our available means. Our deficits are exorbitant due to recession, due to high unemployment, and due to these ever-increasing demands for expenditures.

I plead with the Members to vote down both of these amendments, stay with the committee, and let us pass this first budget resolution today.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment offered by the gentleman from Texas (Mr. BURLESON) and I support the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

I want to talk not about the Defense budget but about the budget process and what my observations of it have been in the brief period of time that I have been here.

I find it a strange compromise from last week's efforts when the gentleman from Maryland moved to transfer some $4½ billion in authorization in the military budget to the domestic budget and the gentleman from Texas, Mr. BURLESON, moved to add $4 billion to the Defense budget, to have the compromise not leave things as initially proposed by the committee or add some amount to the domestic budget, but in fact to add $1,150,000,000 to the military defense budget.

That is not a compromise, in my opinion. That is giving in further to the outcries of those to whom the Defense budget is not only sacred but it is never enough.

Mr. Chairman, if we look about this country we find a society in deep crisis. We are, in our allocation of moneys, supposed to be attempting to be fair. I do not think that we are. And when we have a budget process that pretends to be fair and is not, I have to utter the heretical thought that perhaps the budget process is not really all it was cracked up to be.

Maybe we ought to consider whether it is worth keeping. If the consequence of the budget resolution process is that it gives the military every nickel they want and they do not have to come back during the course of the year and ask for additional amounts, but that as far as domestic needs are concerned it puts some unnatural ceiling on it, and no matter how deep the crisis is, we cannot get any more funds because we are tied to the budget, then I am not for that kind of a process.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I certainly appreciate the gentleman's statement. The gentleman comes right to the heart of the matter.

Since I have been on the Committee on the Budget, I will admit frankly that in the past I have compromised in terms of human needs because I thought the committee was trying to strike a balance. On this so-called compromise, though, it comes out that there is no attempt to strike a balance. It amounts to capitulation over to the military-industrial complex, and we cannot live with that.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. WEISS. Mr. Chairman, I appreciate the comments of my colleague, the gentleman from Maryland (Mr. MITCHELL).

It seems to me that the American people are not going to stand for the kind of freezing in or capping of domestic needs at the very outset of the year.

The committee that I am participating in, the Committee on Education and Labor, has found that there is an acknowledged number of unemployed among young people amounting to almost 3½ million, and we are providing a program which will provide jobs for perhaps 138,000.

Do we think that we are meeting needs?

We talk about the health needs of the people of this country. We are not meeting those needs at all, and yet we talk about the military as if that were in fact the only budget that really means anything to our people.

Mr. Chairman, I think we are playing a very dangerous game here with ourselves and with the people of this country. It seems to me that we ought to think through what we are doing.

I would suggest that if the aim is to reduce deficits when we compare the deficits in the 2 years since we have had this budget process with the deficits that we had during the prior 6 or 8 years, we will find that our goal has not been accomplished.

So it seems to me that perhaps this process is not working as it was originally in good faith intended to work, and maybe we ought to review it. I see an unnatural situation developing in our committee work.

Mr. Chairman, because of this arbitrary May 15 deadline, every committee of the House is meeting at the same time. Instead of having a deliberative process, I see the Members running hither and yon and being asked to give proxies to vote on legislation that they cannot follow and cannot understand. It is the budget process that is causing that.

Mr. Chairman, I am just not at all sure that what may really have been a good thought is working out badly in practice.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it goes without saying that I would rise in support of the Mitchell amendment and in opposition to the Burleson of Texas amendment. That is not surprising; that is extremely predictable.

The fact of the matter is that virtually everything that happens in the House of Representatives is predictable. It is repetitive. We all know one another's speeches, we all know who is going to speak and on what point, and we all know what items are going to pass on the floor of Congress. Everything is extremely predictable.

That is the problem. With the repetitive nature of our debates and with the predictability of the activity of the House, we tune each other out.

I have taken the floor many times and argued that we should cut our military budget and radically alter the nature of our role in the world. I have done that without success. I have taken the well and pointed out that it is my sincere belief that a society's values are rooted in its priorities and its priorities are reflected in its budget, and that therefore, its budget ought to reflect human consideration and human concern. I have argued that there are human beings in this Nation who are suffering from poverty, from hunger, from disease, from unemployment, and from all the other crippling problems that confront human beings. But all that has fallen on deaf ears.

So at this point what I would like to do is to step out of that predictable role and not be repetitive, not take the floor and argue that we should decrease the military budget, because every time I do that my colleagues say this: "No, Mr. DELLUMS." They say, "The gentleman from California is correct about all the human needs, but the military budget is the No. 1 priority, so we cannot cut it."

The Soviet Union must realize that we are a nation of strength and determination, and finally, we must add more billions of dollars to our military budget because we must show them we are moving into the strategic arms limitation talks from a position of strength.

Mr. Chairman, in a $468 billion budget, arguing about $1 billion, $2 billion, $3 billion, or $4 billion is an abstraction. All of us understand that. If we do not, we are fools. Therefore, Mr. Chairman, we are not going to move the Soviet Union with $1 billion to $4 billion.

What about this recommendation, Mr. Chairman? The gentleman from Missouri, the gentlewoman from Maryland, and the gentleman from California, all of those people argued for an increase of the budget.

Therefore, Mr. Chairman, one time this year let us do something very radical. Let us communicate to the Soviet Union that we are determined, that we are strong, and let us increase the military budget by $150 billion.

If we take the insanity of the logic that to increase the budget will mean that we will move out dead center in SALT and that we will reduce the number of our nuclear weapons, I am all for that. I want that to happen, so let us take the logic of the hawks on the floor. If we really want to worry the Soviet Union, let us tell the American people, the students who are going to school, the veterans who fought for this country for benefits, the senior citizens who have rights, the poor people who ought to be served in this country, because that is what the function of government is, let us tell them, "To hell with all your concerns. For 1 year we are going to frighten the hell out of the Soviets."

Let us stop playing games with all this lightweight rhetoric about $1 billion to $4 billion. Let us really frighten the Soviet Union. If you are really for real, then stand up. Some persons have been telling me in private and on the floor, "To hell with all these human problems. If they drop bombs on us, the problems go away." Therefore, why do we not spend $150 billion more?

Mr. Chairman, I want to see if the hawks have the heart to do it. I am not offering the proposal. I am just giving out a recommendation to spend $150 billion in addition so that we will come out with a total military budget of roughly $270 billion.

Mr. Chairman, if that does not frighten the Soviet Union, I do not know what will.

If we take the absurdity of that logic, let us move at one time and in one big year let us give President Carter all the ammunition he needs to negotiate from strength and move us away from the insanity of the world that is prepared to blow itself to smithereens with nuclear weapons. Let us do it this one year, ask all the American people to sacrifice all their concerns and considerations. Maybe next year when the gentleman from California, the gentlewoman from Maryland, and the gentleman from Missouri take the floor and argue on behalf of the people who are desperate in this country, we will be able to say, "You can have all the money you want for all of those people because last year we frightened the hell out of the Soviets." We can say, "We frightened the Soviet Union. The SALT talks are all taken care of. We have moved away from all of these missiles and now we can get on with dealing with problems that confront the human beings in this country."

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 30 additional seconds.)

Mr. DELLUMS. Mr. Chairman, it seems to me that if the hawks are for real in fighting for $1 billion, $2 billion, or $3 billion, then maybe we can get the problem solved.

The gentleman from California has been trotting into the well year in and year out with a predictable statement, a repetitive statement. All of us hear but do not listen. We all debate each other, but we are really not listening because we all have our position. Maybe we ought to take a radical point of departure and take the step I have recommended so that I do not have to hear this nonsense about the Russians are coming.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, after listening to the debate last Wednesday, and then again today, I find myself in somewhat the same position of the two ministers I heard of some time ago. There occurred a vacancy in the pulpit of this large city church and the list of candidates to fill that vacancy had been reduced to two. For comparative purposes, the congregation desired to hear both men on the same morning.

By lot preacher No. 1 arose and delivered a beautiful oration on Spurgen's great sermon on love. As he spoke, preacher No. 2 sat in silent disgust because he too had memorized Spurgen's great sermon on love.

But, just before preacher No. 1 concluded, a smile and look of accomplishment came over the face of the No. 2 man.

As he arose to speak he said:

> You know, it has just occurred to me that in a church as large as this one, with so many members and such a diversity of programs the greatest asset one could have is a keen memory, and to demonstrate my fitness for the job I am going to repeat, word for word, that which was said by Preacher No. 1.

Whether or not, the Russians are coming to our shores we need a strong national defense.

If the last 3 years has taught me anything it is that we have as much an energy economy as we have a dollar economy. Nothing moves in this Nation in the absence of energy. Where does our energy come from? I wish that more of the Members could have heard the comments of the Secretary of Defense to the ad hoc committee on energy yesterday. He pointed out in vivid terms what a strong defense means in providing jobs, which is the name of the game for the people of this Nation.

Fifty-two strategic materials which are required in our industrial enterprises are imported. Forty-three percent of our petroleum products are imported. When we look today at where these materials are coming from, we find they are coming primarily from Africa and from the Middle East.

Then we see that the Soviet Union has built this tremendous base on the eastern horn of Africa, in Somalia. She controls the Mozambique Straits. Now with the takeover of Angola, they have sea and air surveillance over all these shipments.

So, Mr. Chairman, hopefully this is another factor which will persuade the Members to vote for a strong national defense in order that we may maintain and broaden our economic basis.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues: Last week I voted for the amendment offered by the distinguished gentleman from Texas (Mr. BURLESON). Previously our distinguished floor leader had proposed this exact compromise amendment on this subject. The chairman of the Committee on the Budget will recall that I strongly urged that it be accepted at that time, and I predicted correctly what would happen if it was not adopted. Instead there was a failure even to ask for a recorded vote, and the Wright amendment was defeated on a half-hearted voice vote.

Today we are back, and I am prepared, in the spirit of compromise, to accept and vote for the resolutions recommended by the distinguished chairman of the Committee on the Budget. If we are going to increase the budget for the military, then I will reserve judgment, as many of the rest of the Members will, to vote for several of these other substantial increases that were accepted last week, and the Members know what the result will be. It will result in no budget document at all. I think that would be a tragedy. I think that such a failure in the legislative budgetary average would be a keen disappointment to the people of this country.

Bear in mind that the figures that we set in this first budget resolution are merely tentative target figures. They may well be changed and probably will be changed, in conference between the House and the Senate.

Then, as we progress over the next 4 months we will come back and we will set the final figures. We will hear further from the President. We will hear further from the different agencies of the Government. We will hear further from different committees. At that time we will have the flexibility to change the budget document in accordance with the light that we may have at that time, as it reflects upon the various items in this resolution.

But for today I am prepared to vote for the resolutions that the Budget Committee has recommended under the very able leadership of the distinguished gentleman from Connecticut. This does not mean that I will vote for as much money for some of the items as are in this resolution. I may vote for less. I know I will on the excessive amount proposed for foreign aid.

If Members will accept the Chairman's recommendations, I am willing to make this compromise. And in a spirit of compromise, I ask every Member of this House to vote for the Budget Committee's recommendation, and without this amendment.

Mr. BENNETT. Mr. Chairman, I move to strike the next to the last word.

Mr. GIAIMO. Mr. Chairman, I wonder if we could get an idea how many more people would like to speak on this amendment?

The CHAIRMAN. The Chair would like to advise the gentleman the Chair has recognized the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. I yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, could we have an indication?

Mr. Chairman, I ask unanimous consent that all time on the Mitchell of Maryland amendment and all amendments thereto expire upon the expiration of the time of the gentleman from Florida.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. BENNETT. Mr. Chairman, the impression has been given here that those who serve on the Armed Service Committee are intransigent and that they will brook no compromise and that they will not take anything less than everything that has been asked for. I assure the Members that this is not so.

I am the acting chairman of the Armed Services Committee. I introduced the first arms control legislation introduced in this Congress. It was amended a lot before it finally got passed, but essentially it was the bill I introduced, and I was joined in it by Senator HUMPHREY and Senator Jack Kennedy. This should demonstrate to you my concern about armament rises and my efforts to stop them.

After the action we took last week on this matter I went to my committee staff and asked what was the least number we could get by with, and they told me that the least number would be $119 billion. It would be hard to live with; but we could do it.

The budget that is before us today represents a cut from the Ford budget of $2.5 billion or something like that, down to the $120.1 billion of the Carter figure, and then cut again $3 or $4 billion by the Budget Committee.

The House Armed Services Committee, I think had the lowest figure, certainly one of the lowest figures of any of the four committees that have really studied the national defense of our country in depth—this House and Senate Armed Services and Appropriation Committees—and it was $700 million more than the Carter figures as the figure came from this House Armed Services Committee.

So the last time this matter was up members of the House Armed Services Committee agreed to a $700 million cut. It was not that we were intransigent at all. We were supporting the Carter figure, which was $700 million or thereabouts less than the House Armed Services Committee had already approved in legislation which they had before them. I personally took the $119 billion figure to the Budget Committee but they turned it down. I do not want to leave the impression with the Members that there has not been any effort to bring about a reasonable compromise.

The Budget Committee process is important. We all want it to succeed if it can. Certainly it is true that passage of this particular figure today is not the end of the rope, because eventually we will be passing on individual bills and we can look to those bills and see how they are being passed, and we can see they are being passed at larger figures than allowed here and we can adjust this final budget figure accordingly.

The only reason for the awkwardness which appears before us today is that the Budget Committee is stacked with people who are not defense-minded. The vast majority of the people who are on the Budget Committee are not defense-minded at all and they give figures which I think are misleading. The figures from 1970 and 1978 show a 39-percent increase for defense, and they show a 227-percent increase for social needs, human needs. That is in a period of less than 10 years that we have gone up that much.

We have gone up tremendously in the so-called social and human need areas. Apparently the Budget Committee feels that this disproportionate trend should continue; but, as we know, the bottom line is the country has to survive. There is no other way. We have to have what is necessary for national defense to insure our Nation's survival; otherwise everything else is meaningless. I have voted for several of these social programs to end. I think revenue sharing can be considered, for example, a fiasco. I think foreign aid has outrun its course by about 10 or 15 years. I would not say that I would not aid a foreign country that is in trouble, but it ought to be done case by case and by the Congress, not by a bureaucratic establishment that says, "we want you to be friendly to our country so we will pay you so much to make you our country's friend.

So in conclusion, Mr. Chairman, I strongly support the Burleson amendment and oppose the Mitchell amendment. I feel that otherwise we are not going to have the strong national defense we should have to protect ourselves against the incipience of war.

National defense is to see to it that we do not have war. Many people complain about the fact we are able to blow up the Russians many times over. Yes, we are and we have thereby been able to make almost an impossibility a nuclear war, by the pressure of some of our strategic type defense weapons, like the Trident and things of that type. But we are not in good condition with regard to a conventional-type war. The cuts proposed by the Budget Committee are not in the direction of preventing war by insuring that we could win if war should occur.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BURLESON) to the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 233, not voting 23, as follows:

[Roll No. 197]

AYES—176

Abdnor
Ambro
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Byron
Caputo
Carter
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Corcoran
Crane
Daniel, Dan
Daniel, R. W.
Davis
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flood
Flynt
Fountain
Frenzel
Frey
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hollenbeck
Holt
Horton
Hubbard
Huckaby
Hyde
Ichord
Jeffords
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Lent
Levitas
Lloyd, Tenn.
Lott
McClory
McDade
McDonald
McEwen
Madigan
Mahon
Mann
Marlenee
Marriott
Martin
Mathis
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Gary
Myers, Ind.
Natcher
Nichols
O'Brien
Pepper
Pettis
Pickle
Poage
Quayle
Quie
Quillen
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rousselot
Rudd
Runnels
Ruppe
Sarasin
Satterfield
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Staggers
Stangeland
Stanton
Steed
Steiger
Stockman
Stratton
Stump
Symms
Taylor
Thone
Treen
Trible
Vander Jagt
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Whitley
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Young, Alaska
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOES—233

Addabbo
Akaka
Alexander
Allen
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Badillo
Baldus
Barnard
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Danielson
de la Garza
Delaney
Dellums
Derrick
Derwinski
Dicks
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Ertel
Evans, Colo.
Fary
Fascell
Fenwick
Fisher
Fithian
Flippo
Florio
Flowers
Foley
Ford, Tenn.
Fowler
Fraser
Fuqua
Gaydos
Gephardt
Giaimo
Glickman
Goodling
Gore
Gudger

Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holtzman
Howard
Hughes
Ireland
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Jordan
Kastenmeier
Keys
Kildee
Koch
Kostmayer
Krebs
LaFalce
Le Fante
Leach
Lederer
Leggett
Lehman
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
Luken
Lundine
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Neal
Nedzi
Nix
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pike
Pressler
Preyer
Pritchard
Pursell
Rahall
Railsback
Rangel
Reuss
Richmond
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stark
Steers
Stokes
Studds
Thompson
Thornton
Traxler
Tsongas
Tucker
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whalen
Whitten
Wilson, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Yatron

NOT VOTING—23

Biaggi
Burgener
Burton, John
Clausen,
  Don H.
Corman
Dent
Diggs
Ford, Mich.
Forsythe
Gammage
Hillis
Holland
Krueger
Latta
Michel
Milford
Moss
Price
Roe
Skelton
Teague
Udall
Young, Fla.

The Clerk announced the following pairs:

Mr. Teague for, with Mr. Dent against.

Mr. Milford for, with Mr. John L. Burton against.

Messrs. EVANS of Georgia, LEVITAS, and MARLENEE changed their vote from "no" to "aye."

Mr. RAILSBACK changed his vote from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. HOLT TO THE AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mrs. HOLT. Mr. Chairman, I offer an amendment to the amendment.

PARLIAMENTARY INQUIRIES

Mr. MITCHELL of Maryland. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MITCHELL of Maryland. Mr. Chairman, I could not hear the last request. I do not know what the gentlewoman's amendment is or what form it takes or anything.

The CHAIRMAN. The Clerk will now report the amendment.

Mr. GIAIMO. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GIAIMO. Mr. Chairman, is it not correct that all debate on the Mitchell amendment and all amendments thereto has terminated?

The CHAIRMAN. The Chair will state that the gentleman is correct.

The Clerk will report the amendment

The Clerk read as follows:

Amendment offered by Mrs. HOLT to the amendment offered by Mr. MITCHELL of Maryland: In the matter relating to the appropriate level of total new budget authority strike out "502,092,000,000" and insert in lieu thereof "504,092,000,000;";

In the matter relating to the appropriate level of total buget outlays strike out "464,302,000,000" and insert in lieu thereof "465,302,000,000";

In the matter relating to the amount of the deficit strike out "66,208,000,000" and insert in lieu thereof 67,208,000,000";

In the matter relating to the appropriate level of the public debt strike out "792,539,000,000" and insert in lieu thereof "794,539,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "92,539,000,000" and insert in lieu thereof "93,539,000,000";

In the matter relating to National Defense strike out "117,136,000,000" in budget authority and insert in lieu thereof "119,136,000,000"; and strike out "109,947,000,000" in outlays and insert in lieu thereof "110,947,000,000".

Mrs. HOLT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. HOLT. Mr. Chairman, I ask unanimous consent to be allowed to proceed for 1 minute to explain the amendment briefly.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. HOLT. Mr. Chairman, very simply, the amendment changes the figure in the (050) function to $119,136,000,000 and changes the outlay figure to $110,947,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. HOLT) to the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was orderd.

The vote was taken by electronic device, and there were—ayes 184, noes 223, not voting 25, as follows:

[Roll No. 198]

AYES—184

Abdnor
Ambro
Anderson, Ill.
Andrews,
  N. Dak.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bevill
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Byron
Caputo
Carter
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derwinski
Devine
Dickinson
Dicks
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flynt
Fountain
Fowler
Frenzel
Frey
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hammer-
  schmidt
Hansen
Harsha
Hollenbeck
Holt
Horton
Hubbard
Huckaby
Hyde
Ichord
Jeffords
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lott
McClory
McDade
McDonald
McEwen
Madigan
Mahon
Mann
Marlenee
Marriott
Martin
Mathis
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead,
  Calif.
Myers, Gary
Myers, Ind.
Natcher
Nichols
O'Brien
Pepper
Pettis
Pickle
Poage
Pritchard
Quayle
Quie
Quillen
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rousselot
Rudd
Runnels
Ruppe
Sarasin
Satterfield
Schulze
Sebelius
Shuster
Sikes
Sisk
Skubitz
Smith, Nebr
Snyder
Spence
Staggers
Stangeland
Stanton
Steed
Steiger
Stockman
Stratton
Stump
Symms
Taylor
Thone
Treen
Trible
Vander Jagt
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Whitley
Wiggins
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Young, Mo.
Young, Tex.
Zeferetti

NOES—223

Addabbo
Akaka
Alexander
Allen
Ammerman
Anderson,
  Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Cornell
Cornwell
Cotter
D'Amours
Danielson
de la Garza
Delaney
Dellums
Derrick
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Ertel
Evans, Colo.
Fary
Fascell
Fenwick
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gaydos
Gephardt
Giaimo
Glickman
Gore
Gudger
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Heckler
Hefner
Heftel
Hightower
Holtzman
Howard
Hughes
Ireland
Jacobs
Johnson, Calif.

Johnson, Colo.
Jordan
Kastenmeier
Keys
Kildee
Koch
Kostmayer
Krebs
LaFalce
Le Fante
Leach
Lederer
Leggett
Lehman
Lloyd, Calif.
Long, La.
Lujan
Luken
Lundine
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Neal
Nedzi
Nix
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pike
Pressler
Preyer
Pursell
Rahall
Railsback
Reuss
Richmond
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Steers
Stokes
Studds
Thompson
Thornton
Traxler
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whalen
Whitten
Wilson, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Zablocki

NOT VOTING—25

Brown, Calif.
Burgener
Burton, John
Clausen, Don H.
Corman
Dent
Diggs
Forsythe
Gammage
Hawkins
Hillis
Holland
Krueger
Latta
Michel
Milford
Moss
Price
Rangel
Roe
Skelton
Stark
Teague
Young, Alaska
Young, Fla.

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STRATTON TO THE AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. STRATTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. Stratton to the amendment offered by Mr. Mitchell of Maryland: In the matter relating to the appropriate level of total new budget authority strike out "502,092,000,000" and insert in lieu thereof "503,092,000,000";
>
> In the matter relating to the appropriate level of total budget outlays strike out "464,302,000,000" and insert in lieu thereof "966,302,000,000".
>
> In the matter relating to the amount of the deficit strike out "66,208,000,000" and insert in lieu thereof "67,208,000,000";
>
> In the matter relating to the appropriate level of the public debt strike out "792,539,000,000" and insert in lieu thereof "793,539,000,000";
>
> In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "92,539,000,000" and insert in lieu thereof "93,535,000,000";
>
> In the matter relating to National Defense strike out "117,136,000,000" in budget authority and insert in lieu thereof "118,136,000,000" and strike out "109,947,000,000" in outlays and insert in lieu thereof "110,947,000,000".

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record, and that I be given 1 minute to explain the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GIAIMO. Mr. Chairman, reserving the right to object, do I understand that the gentleman from New York asked for 1 minute?

Mr. STRATTON. If I am allowed 1 minute, I intend to explain the amendment.

Mr. GIAIMO. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Chairman, this amendment is one final attempt to get some real negotiation on an important matter. We could not get it in the Budget Committee, but this is an attempt to get it in the House.

We are now offering to split the difference at $118 billion. That seems to be a fair amendment, and I would ask for a record vote on that amendment, containing the figure of $118 billion, halfway between the position of the President and the original position of the Budget Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Stratton) to the amendment offered by the gentleman from Maryland (Mr. Mitchell).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. STRATTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 214, not voting 28, as follows:

[Roll No. 199]

AYES—190

Abnor
Alexander
Ambro
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bevill
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Byron
Caputo
Carter
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Derwinski
Devine
Dickinson
Dicks
Dornan
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Fish
Flynt
Fountain
Fowler
Frenzel
Frey
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hollenbeck
Holt
Horton
Hubbard
Huckaby
Hyde
Ichord
Jeffords
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McDade
McDonald
McEwen
Madigan
Mahon
Mann
Marlenee
Marriott
Martin
Mathis
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Gary
Myers, Ind.
Natcher
Nichols
O'Brien
Pepper
Pettis
Pickle
Poage
Quayle
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rousselot
Rudd
Runnels
Ruppe
Sarasin
Satterfield
Schulze
Sebelius
Shuster
Sikes
Sisk
Skubitz
Smith, Nebr.
Snyder
Spence
Staggers
Stangeland
Stanton
Steed
Steiger
Stockman
Stratton
Stump
Symms
Taylor
Thone
Treen
Trible
Vander Jagt
Waggonner
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Whitley
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOES—214

Addabbo
Akaka
Allen
Ammerman
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, Phillip
Carney
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Cornell
Cornwell
Cotter
D'Amours
Danielson
de la Garza
Delaney
Dellums
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Ertel
Evans, Colo.
Fary
Fascell
Fenwick
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fraser
Fuqua
Gephardt
Giaimo
Glickman
Gore
Gudger
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Heckler
Hefner
Heftel
Hightower
Holtzman
Howard
Hughes
Ireland
Jacobs
Johnson, Calif.
Johnson, Colo.
Jordan
Kastenmeier
Keys
Kildee
Koch
Kostmayer
Krebs
LaFalce
Le Fante
Leach
Lederer
Leggett
Lehman
Long, Md.
Luken
Lundine
McCloskey
McFall
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Neal
Nedzi
Nix
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pike
Pressler
Preyer
Pritchard
Pursell
Rahall
Reuss
Richmond
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Steers
Stokes
Studds
Thompson
Thornton
Traxler
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whalen
Whitten
Wirth
Wolff
Wright
Wylie
Yates

NOT VOTING—28

Brown, Calif.
Burgener
Burton, John
Clausen, Don H.
Corman
Dent
Edwards, Okla.
Forsythe
Gammage
Hawkins
Hillis
Holland
Krueger
Latta
McCormack
Michel
Milford
Moss
Price
Rangel
Roe
Skelton
Stark
Teague
Wiggins
Wilson, Tex.
Young, Alaska
Young, Fla.

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

PARLIAMENTARY INQUIRY

Mr. MITCHELL of Maryland. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MITCHELL of Maryland. Mr. Chairman, is it possible that I may explain the amendment again at this time? We have had so many votes that I want to make sure the Members know what they are voting on.

The CHAIRMAN. The Chair would like to advise the gentleman from Maryland (Mr. MITCHELL) that only by unanimous consent can that request be made.

Mr. MITCHELL of Maryland. Mr. Chairman, I ask unanimous consent to be allowed to proceed for 1 minute to explain my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The gentleman from Maryland (Mr. MITCHELL) is recognized for 1 minute.

Mr. MITCHELL of Maryland. Mr. Chairman and Members of the House, all that this amendment does is to reduce the 050 function by $1.150 billion. That takes us back to the original committee position in the resolution that was offered last week. It does not add, it does not subtract from that original committee position.

I would hope that we could get a vote for the balance that was achieved under the original submission made by the Committee on the Budget.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. MITCHELL of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 315, not voting 29, as follows:

[Roll No. 200]

AYES—88

Addabbo
AuCoin
Badillo
Beard, R.I.
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Blouin
Bonior
Brodhead
Burke, Calif.
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Cornell
Dellums
Diggs
Downey
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
Ford, Tenn.
Fraser
Gaydos
Hamilton
Harkin
Harrington
Holtzman
Jacobs
Johnson, Colo.
Jordan
Kastenmeier
Keys
Kildee
Koch
Kostmayer
Lederer
Lundine
McKinney
Maguire
Markey
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Mitchell, Md.
Moffett
Myers, Michael
Nix
Nolan
Oakar
Oberstar
Ottinger
Pease
Pike
Rahall
Reuss
Richmond
Rodino
Rosenthal
Ryan
Schroeder
Seiberling
Sharp
Solarz
St Germain
Stokes
Studds
Thompson
Udall
Vanik
Vento
Volkmer
Waxman
Weaver
Weiss
Whalen
Wilson, C. H.
Yates

NOES—315

Abdnor
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, Tenn.
Bennett
Bevill
Biaggi
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Caputo
Carter
Cavanaugh
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flood
Flowers
Flynt
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frey
Fuqua
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hall
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madigan
Mahon
Mann
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nowak
O'Brien
Obey
Panetta
Patten
Patterson
Pattison
Pepper
Perkins
Pettis
Pickle
Poage
Pressler
Preyer
Pritchard
Pursell
Quayle
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Scheuer
Schulze
Sebelius
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stangeland
Stanton
Steed
Steers
Steiger
Stockman
Stratton
Stump
Symms
Taylor
Thone
Thornton
Traxler
Treen
Trible
Tsongas
Tucker
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walgren
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—29

Brown, Calif.
Burgener
Burton, John
Clausen, Don H.
Corman
Dent
Dornan
Eckhardt
Florio
Forsythe
Gammage
Hawkins
Hillis
Holland
Krueger
Latta
Michel
Milford
Moss
Price
Rangel
Roe
Sawyer
Skelton
Stark
Teague
Wiggins
Young, Alaska
Young, Fla.

Mr. BADHAM changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DORNAN. Mr. Chairman, I have been having trouble with my electronic voting card. It has been checked over and found that it is not working because of a flaw in it and it has been turned in. However, I would like to have my vote recorded for the first quorum call today, No. 196, I was present in the Chamber and did attempt to vote with my electronic voting card but was not recorded.

Also on rollcall No. 200 just completed. I again used my electronic voting card and voted "no" and again was not recorded.

AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ANDERSON of California: Page 4, line 2, strike out "$20,060,000,000" and insert in lieu thereof "$20,235,000,000".
>
> Page 4, line 3, strike out "$20,028,000,000" and insert in lieu thereof "$20,203,000,000".

Mr. ANDERSON of California. Mr. Chairman, today I was going to reoffer my amendment to the veterans section of this budget resolution to provide $500 million in new budget authority and outlays.

Just last week, by a recorded vote of 329 to 73, the $500 million amendment passed. However, largely due to the persuasion of our distinguished chairman of the Budget Committee ROBERT GIAIMO, but also because of my respect for the importance of this new budgetary process, I am instead reducing by $200 million my initial request.

Later this fall, during the consideration of the second resolution on the budget, I will offer an amendment bringing this figure to the full $500 million.

I still remain very strongly convinced that this money, of whatever amount, should go to finance a World War I Pension Act of 1977.

I was pleased to note that all but 3 of the 160 cosponsors of H.R. 55—our bill to provide a $150 monthly pension to these World War I veterans—voted in favor of this amendment last week.

I was also very happy to see nearly 170 additional Members join in the effort to provide funds for this needed pension bill. During the course of the debate on this amendment last week, several points arose which I would like to take this opportunity to clarify.

The first centers around the statement that: "No major veterans organization supports a blanket monthly pension for Veterans of World War I."

RESOLUTION FROM THE VETERANS OF FOREIGN WARS

Whereas, Veterans of World War I have not been granted the benefits granted veterans of World War II, the Korea Conflict and Vietnam Conflict; and

Whereas, Veterans and their survivors of World War I gave of their lives, time, health, and suffered the same hardships as veterans of other wars, and conflicts; and

Whereas, the ranks of those veterans are rapidly thinning, and they do not have the numerical voice once enjoyed;

Now therefore be it resolved, that we memorialize the Congress of the United States to enact appropriate legislation to provide a meaningful pension to the veterans of World War I, now living, and to the widows of those who have died; and to provide that no income limitation be placed on the right to receive a monthly pension.

THE VETERANS OF WORLD WAR I

From the 110,000 member strong veterans of World War I:

Please accept the thanks and appreciation of our entire membership, and myself, for introducing H.R. 55, a bill that would greatly benefit the veterans of World War I.

It is most gratifying to know that there is a Congressman such as yourself who will openly express concern of the many problems facing the veterans of our group, and I commend you for so doing.

We are closely watching the progress of your bill with respect to co-signers. Each additional co-signer attests to the fact that the public at large is aware that the veterans of World War I have been denied benefits accorded later veterans, and that they need assistance now because time is of the essence.

BRUCE BENNETT,
National Commander.

THE AMERICAN LEGION

Now lastly, we were told of the American Legion's feelings regarding a World War I pension bill.

Last year, at their national convention, the Legion had before it a resolution to place it in support of a pension for World War I veterans. That that resolution failed to pass is definitely a true statement.

But what we did not hear last week in the discussion was the fact that this same resolution failed to pass by only two votes.

In addition to this factor, the State of Pennsylvania, the largest Department of the American Legion with over 262,000 members, actively supported this resolution at their convention and in fact had supported such resolutions for years. However, they have never been able to gather the necessary votes to put the national organization of the American Legion on record as being in support. Last year, they came within two votes.

Also, I have been advised that my home State of California will this summer, at its convention in Palm Springs, no doubt go on record in favor of a blanket monthly pension for World War I veterans.

I also have been advised that when California joins Pennsylvania and the States of New York and Illinois—who have also passed State resolutions favoring such legislation—the next national convention of the American Legion will most likely vote to go on record in support of our World War I pension legislation.

Incidentally, 53 of the 131 members of the congressional delegations from these four States are cosponsors of H.R. 55. I cannot accept the argument that: "No major veterans organization supports a World War I pension bill."

THE NEED FOR A WORLD WAR I PENSION

Also last week, there was considerable debate on the need of an additional pension for these men and women.

I have contacted the Census Bureau and they advise me that they have figures that will once and for all tell us where the living veterans of World War I fall—as to income.

It will take several months, most likely, for them to compile this data and we will have to coordinate a quite complex system of reimbursement for their efforts. But this is data that we must have made available and I intend to get it.

But even without this data, I am very certain that veterans of World War I will not rate much differently from the figures that are available for men and women—regardless of veteran status—relative to their income.

The average income for a male age 72 in this country is $3,501.

The average income for a female age 72 or over is even less, $2,854.

Also, when you consider the fact that the average age of a veteran of World War I is over 80, I have no problem stating that these men and women are definitely in need. After all, $3,501 is less than $75 a week.

I did not mean to take this much time.

I do however, urge my colleagues to again voice their support for their support for this urgently needed amendment that will allow our own Veterans' Affairs Committee, headed by my distinguished friend from Texas, RAY ROBERTS, the opportunity to authorize a World War I Pension Act of 1977.

The dollar figure before us today is considerably less than that required to fully fund a $150 monthly pension. But I am willing to compromise, given the tightness of the budget this year.

But to have this compromise figure further reduced to the $125 million amount offered by the Budget Committee, after such an overwhelming vote last week, is in my opinion well past compromise and fringing on quitting.

Fellow colleagues, I have spent nearly 37 years in government service, including mayor of Hawthorne, a member of the California State Legislature, and Lieutenant Governor of my home State of California.

And in all that time I have never seen a budget that "had excess moneys." We have a priority here. A priority that becomes more urgent each year. Last year, 94,000 veterans of World War I died.

How many more must die before we can afford them?

I thank my friends for hearing me. I now ask for your support.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. EDGAR. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will each be recognized for 1 minute and 10 seconds.

The Chair recognizes the gentleman from Arkansas (Mr. TUCKER).

Mr. TUCKER. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the distinguished chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO).

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mr. ASHBROOK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Arkansas (Mr. TUCKER).

Mr. TUCKER. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from California (Mr. EDWARDS).

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from California. I do so reluctantly because the gentleman is a very good friend of mine; however, although I know the gentleman is most sincere in his concern with the well-being of our World War I veterans, I must oppose the granting of any pension as a form of bonus for military service to a specific group of veterans without regard to other income of the veteran.

I am supported in my belief by the American Legion and most other veterans' organizations. Recently I received a letter from the National Commander of the American Legion stating his organization's national policy on the issue. He said:

> The American Legion has supported the veterans' death and disability pension program from its inception in 1933. We are totally committed to the concept of an income-maintenance program for veterans who are totally disabled by reason of age or physical condition, and for dependent survivors of those veterans who have died.

He stated further:

> We believe that this program should serve the needs of all eligible veterans, without regard to the war in which they served.

On many occasions in recent years the Congress has studied, and revised, the pension program applying to World War I and later war periods. In each instance the Congress liberalized the pension program but retained the underlying principles of disability and financial need. Enactment of legislation along the lines suggested by my friend from California would reverse the congressional policy of standards of need underlying the pension program for World War I veterans and all other eligible war veterans.

For these reasons, I am opposed to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in opposition to the amendment. As every Member of this body knows, we discussed this issue last Wednesday. As every Member also knows, we failed to reach a compromise which could be supported by a majority in our efforts to set fiscal targets for Federal spending in fiscal year 1978.

It appears that we are repeating our errors of last week by considering this amendment. It is obvious that a majority of this body is in basic agreement with the gentleman from California (Mr. ANDERSON); however, it is also just as obvious that that same majority is not willing to accept responsibility for the budget deficits which this amendment helps to inflate. As the gentleman from Missouri (Mr. ICHORD) so amply stated during the debate on our first attempt to adopt a budget resolution, "you cannot vote dry and drink wet." It appears that that is precisely what this body is attempting to do. Even though the amount of this amendment has been reduced the gentleman's proposal leads to multibillions in additional outlays on down the road.

There are not enough funds in the U.S. Treasury to accommodate every desire of every Member of Congress. I doubt that there are many Congressmen or Congresswomen who are completely satisfied with every target level recommended by the Budget Committee. However, we must try and work out a compromise between the varying viewpoints which exist between us. It is time to exercise some self-discipline.

Congress must accept the fact that the Federal Government has limited resources and that we will exceed those resources by approximately $66 billion during fiscal year 1978. The Federal Government is living beyond its means. The issue here is fiscal responsibility. Voting to increase a budget which already has a $66 billion deficit simply is not fiscally responsible.

We were elected to this body to represent our constituents' best interest. Excessive Federal spending is not in the best interest of any American. The burden that inflated deficit spending causes is too much to bear without having adverse effects on our economy. Trying to place priorities on human needs versus fiscal integrity is difficult. We must not allow our emotions to cloud the economic facts. No one should have any qualms about voting against this amendment in order to preserve the fiscal integrity of the congressional budget process.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, during the debate on this amendment offered by my friend from California last week, I was in my home State of West Virginia, specifically at the veterans hospital in Martinsburg.

Thus, I was not able to stand in this well of the House and voice my strong support for this urgently needed legislation. I did, however, thanks to my colleague from West Virginia, JOHN SLACK, have printed my thoughts.

But today, my friends of the House, I urge you to pass this amendment to partially fund the World War Pension Act of 1977.

I cosponsored this legislation to provide a $150 monthly pension for veterans of World War I because I firmly believe that these men and women deserve more than a life of poverty.

The current pension legislation, and I state for my friend from Texas, RAY ROBERTS, the chairman of the Veterans' Affairs Committee, that I appreciate his diligent efforts to improve the plight of veterans, will do no more than keep a veteran at the poverty level.

And I know that this is where these senior citizens are living. I have 9,000 World War I veterans in my State. They write me almost daily telling me of their problems at making "the ends meet."

They tell me that they need the additional pension that H.R. 55 would pay. I personally would like them to get more.

During the debate last week, another friend from California, ED ROYBAL, related that the Select Committee on Aging had documentation that many veterans of World War I were living on dog food.

I repeat: "living on dog food."

How we can on the one hand debate the pros and cons of billions of dollars of defense spending and now have any doubt in our mind of the need to provide food on the table is beyond me.

The average income of a male age 72 or over in this country is $3,501 a year.

The average age of a veteran of World War I is 80.2.

The average pension that this amendment offered by GLENN ANDERSON offers would be a meager $50.

Let us recognize this and pass this amendment. Last week the vote was 329 to 73. This time, I feel that it should be unanimous.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from California. I oppose the measure for several reasons.

First, legislation which would grant a pension to World War I veterans without regard to other income has been before the Congress on numerous occasions without receiving favorable consideration. Enactment of such legislation would reverse the congressional policy of standards of need underlying the pension program for World War I veterans and all other eligible war veterans. On nine occasions in recent years the Congress has studied, and revised, the pension program applying to World War I and later war periods. In each instance the Congress liberalized the pension program but retained the underlying principles of disability and financial need.

Second, I oppose any measure that would provide a form of bonus for military service to a specific group of veterans. The current pension program applies equally to World War I, World War II, the Korean conflict, and Vietnam era veterans. Pension benefits were never intended to be a form of bonus or reward for military service, but rather were created to provide financial assistance, based upon need, to war veterans who become totally and permanently disabled for employment purposes as the result of disabilities not related to their military service. In view of the need concept of the program, it has always contained an income limitation for the payment of benefits.

I think the policy adopted by the American Legion, the largest national service organization, expresses the view of most of the veterans organizations. The following letter from the National Commander, Mr. William J. Rogers, sets out the policy that has been adopted by his great organization:

THE AMERICAN LEGION,
Washington, D.C., May 4, 1977.

Hon. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: The American Legion has supported the veterans' death and disability pension program from its inception in 1933. We are totally committed to the concept of an income-maintenance program for veterans who are totally disabled by reason of age or physical condition, and for

> dependent survivors of those veterans who have died.
>
> It continues to be the conviction of The American Legion that the veterans' death and disability pension program, to be faithful to its basic concept as an income-maintenance program, should be projected from the needs of its beneficiaries, while taking into account their available income from other sources. This is a matter of principle, and to retreat from it would violate the Legion's essential belief that the objective of the pension program is to insure the ability of eligible beneficiaries to live in dignity and reasonable comfort at a standard which is above the poverty level, as established by the United States government.
>
> Our concern is for the equitable needs of all veterans, in accordance with what reasonably can be expected of the American people, by recognizing service rendered during time of war or national emergency. The American Legion cannot support a pension program that differentiates between the value of service rendered to the nation by veterans of different wars. We believe that this program should serve the needs of all eligible veterans, without regard to the war in which they served.
>
> We stand for a fair, generous and equitable death and disability pension program, based on the needs of its eligible beneficiaries.
>
> Sincerely,
>
> WILLIAM J. ROGERS,
> *National Commander.*

Under the current program, the maximum pension that may be paid to a single veteran over age 78 is $231.25. If the veteran is disabled to the extent that he is housebound, he could receive $302.50 per month. Should he be disabled to the extent that he is drawng aid and attendance, the maximum allowed is $425 per month. Of course, if the veteran is married, the maximum rate would be even higher.

Although I have not seen an official cost estimate, if I understand the gentleman from California correctly, the $500 million would be enough to provide an additional $50 per month on top of the amount of pension the veteran is currently receiving. In addition, those whose income exceeds the maximum limit allowed for pension purposes would also be eligible to receive $50 per month. Under such proposal a millionaire who meets the service requirements of active military, naval, or air service for 90 days or more during World War I would be eligible to receive the $50 per month. Of course, we all know, Mr. Chairman, that the $50 per month additional pension being proposed is the first step.

Although the gentleman from California is only requesting that the total budget authority and outlays be increased by $500 million, according to the Veterans' Administration, the estimated cost of his bill, H.R. 55—which proposes $150 per month—in 1978 alone would be approximately $2.4 billion. The 5-year cost is estimated to be $14 billion.

Mr. Chairman, I think we have excellent programs for veterans. We will spend about $20 billion for such programs in fiscal year 1978. The reason we have such excellent programs today is that Congress has always placed a high priority on program integrity. Unless we continue to maintain the integrity of the pension program, we will be doing veterans a great disservice. If the public loses confidence in the program because of its high cost, the elderly, needy disabled veteran will be the first to suffer. We cannot allow that to happen. The current pension program already costs more than $3 billion per year.

Mr. Chairman, the impression offered by the gentleman from California suggests that the Congress is not doing anything for World War I veterans. Of course, this is not the case. Through June 30, 1976, expenditures from appropriated funds for all wars have exceeded $258 billion. Of this total amount, $60.4 billion has gone to World War I participants compared with $120.3 billion for World War II participants. During World War I, some 4,744,000 veterans participated as compared with 16,535,000 who served in World War II. Expenditures per participant in fiscal year 1976 totaled $392 for the World War I veteran and $425 for the World War II veteran. At this point, Mr. Chairman, I would like to insert into the RECORD a breakdown of the VA expenditures from appropriated funds by war which will show very clearly that we have not neglected our World War I veterans:

Veterans of World War I were the first group of veterans to receive a reasonably comprehensive set of benefits. World War I veterans received bonuses totaling $3.8 billion. Insurance came into existence for the first time for the World War I group and that program has cost $1.8 billion. Vocational rehabilitation and training was provided for disabled World War I veterans for the first time. This program cost $644 million. There was no medical program for veterans until such a program was created for World War I veterans. There are many other benefits available to World War I veterans which were not available to veterans of earlier wars, such as nursing home care, invalid lifts, drugs, burial, and plot allowances.

Last year we passed legislation granting a 25 percent increase in all pension rates for veterans 78 years of age or older at a cost of $65 million. We increased pension rates for all veterans effective January 1, 1977, at a cost of $432 million. This year we plan to increase the basic pension rates for all veterans and eligible widows another 6 percent to offset inflation during calendar year 1977, which is estimated to cost about $146 million.

In addition, we plan to provide widows of veterans at age 78 the same 25-percent increase we granted to the veteran last year. This is estimated to cost about $33 million. We hope to pass legislation granting World War I veterans the automobile allowance and special adaptive equipment now available to World War II, Korean conflict, and Vietnam era veterans. We also hope to pass a bill that would provide medical services for veterans of World War I on the same basis as are now provided for Spanish American war veterans—total health care and services, including prescription drugs.

The point is, Mr. Chairman, we have not ignored the World War I veteran and his eligible dependents. On the contrary, we have continued to evaluate the program, and where necessary, have made adjustments in the pension program in order to provide adequate benefits for all eligible veterans and their dependents.

The Committee on Veterans' Affairs will look closely at the pension program during the next session of the Congress. Section 404 of Public Law 94–432 directed the Administrator of Veterans' Affairs to conduct a comprehensive investigation, analysis, and evaluation of existing and alternative nonservice-connected pension programs, and to report the results of the investigation to the Congress no later than October 1, 1977. Following receipt of the Administrator's report, the Subcommittee on Compensation, Pension, and Insurance will focus on the issue early next session. There simply would not be enough time to make a proper analysis of the report and hold hearings before the end of this calendar year.

Mr. Chairman, I support the targets established in the resolution for veterans benefits and services. On the whole, I think Chairman GIAIMO and all members of the Committee on the Budget have done the very best they could. For the reasons I have outlined, I oppose the amendment offered by the gentleman from California.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, I think we have a very important amendment under consideration here, and I commend the gentleman from California (Mr. ANDERSON) for reducing the amount of money that he is requesting in this amendment but allowing us the opportunity to focus on World War I pensions.

I think the vote last week has to be a vote that all of us remember. There were 329 of us who said that the Committee on Veterans' Affairs should move with all due deliberate speed to construct a response to the needs of World War I veterans. Only 73 Members of the House voted against that $500 million amendment.

Mr. Chairman, I urge the Members of the House today to support the $175 million addition, and I urge the Committee on Veterans' Affairs to put together a veterans' bill that will aid World War I pensioners.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Chairman, I would like to share with you some words printed in a congressionally mandated study by the Veterans' Administration on the needs of veterans and widows 72 years of age or older.

On page 5 of this report of July 24, 1975, I read:

> A pension is essentially a rear guard or backward looking device. In the past, it has

been enacted as a delayed afterthought many years after the war is over for the purpose of relieving distress from disability or destitution among the aging veteran population. It has been used to show the Nation's gratitude for services performed many years before.

If any Member present here today can honestly say that these men and women who served the Nation during its First World War do not fall into the above category, then he or she should oppose this amendment.

I for one will have no problem voting for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to this amendment.

I think I have some knowledge of the legislation since I serve as chairman of the Subcommittee on Compensation, Pension, and Insurance of the Committee on Veterans Affairs; and this legislation would come to our subcommittee.

Mr. Chairman, if we did what the gentleman from California (Mr. ANDERSON) wants us to do, all of the World War I veterans would receive about $8 to $10 per month under this amendment, whether they needed it or not, and not based on income or need.

On October 1 we have a mandated report coming down from the Veterans' Administration making recommendations on the compensation and pension programs. We get this report and try to improve the programs, but not by this process.

Mr. Chairman, if we are forced to adopt what the gentleman from California (Mr. ANDERSON) is trying to do, we are going to have to take some money away from the fully disabled veterans. We are also going to have to take some money from those non-service-connected veterans, clearly opening a can of worms that we cannot put the top on.

Mr. Chairman, I ask that the Members please vote down this amendment. It is not workable, and we in the Committee on Veterans' Affairs are trying to do everything possible for the veteran within the means that we have available.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ANDERSON).

The question was taken; and on a division (demanded by Mr. ANDERSON of California) there were—ayes 34, noes 56.

RECORDED VOTE

Mr. ANDERSON of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 282, noes 100, answered "present" 1, not voting 49, as follows:

[Roll No 201]

AYES—282

Abdnor
Addabbo
Akaka
Allen
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Armstrong
Ashbrook
Badillo
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Bedell
Bennett
Bevill
Biaggi
Blanchard
Blouin
Boggs
Boland
Bonior
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Byron
Caputo
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conte
Corcoran
Cornell
Cornwell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Dicks
Diggs
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Eilberg
Emery
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fithian
Flippo
Flood
Flynt
Ford, Tenn.
Fountain
Fowler
Fraser
Frey
Fuqua
Gaydos
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Grassley
Gudger
Guyer
Hagedorn
Hamilton
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kildee
Kindness
Kostmayer
Krebs
Lagomarsino
Le Fante
Leach
Lederer
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lujan
Luken
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Meeds
Metcalfe
Meyner
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Ind.
Natcher
Neal
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Patten
Patterson
Pattison
Pepper
Perkins
Pettis
Pressler
Preyer
Pritchard
Pursell
Quie
Rahall
Railsback
Regula
Rhodes
Richmond
Rinaldo
Rogers
Rostenkowski
Roybal
Rudd
Runnels
Ruppe
Russo
Scheuer
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stangeland
Stanton
Stark
Steiger
Stokes
Studds
Stump
Symms
Taylor
Thone
Thornton
Traxler
Trible
Tsongas
Vander Jagt
Vento
Waggonner
Walgren
Walker
Walsh
Wampler
Waxman
Weaver
Weiss
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Yatron
Young, Alaska
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOES—100

Alexander
Ammerman
Anderson, Ill.
Archer
Aspin
AuCoin
Badham
Beard, Tenn.
Beilenson
Benjamin
Bingham
Brademas
Breckinridge
Burleson, Tex.
Burlison, Mo.
Butler
Cavanaugh
Conable
Conyers
Danielson
Devine
Dickinson
Dodd
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Erlenborn
Evans, Colo.
Fascell
Fenwick
Findley
Fisher
Flowers
Foley
Frenzel
Gephardt
Giaimo
Gibbons
Hall
Hammerschmidt
Holtzman
Hyde
Jacobs
Johnson, Colo.
Jordan
Keys
LaFalce
Leggett
Lehman
Long, La.
Lott
Lundine
McClory
McKay
Mahon
Mann
Mattox
Mazzoli
Mikva
Mineta
Montgomery
Moorhead, Pa.
Nedzi
Obey
Panetta
Pease
Pickle
Pike
Poage
Quayle
Reuss
Roberts
Robinson
Rodino
Roncalio
Rooney
Rose
Rosenthal
Santini
Satterfield
Schroeder
Seiberling
Simon
Solarz
Steers
Stockman
Stratton
Treen
Tucker
Udall
Ullman
Van Deerlin
Volkmer
Whalen
Whitehurst
Wilson, Bob
Wirth
Wright
Wylie
Yates

ANSWERED "PRESENT"—1

Bonker

NOT VOTING—49

Ashley
Bolling
Brown, Calif.
Burgener
Burton, John
Burton, Phillip
Clausen, Don H.
Collins, Tex.
Corman
Dent
Dingell
English
Fish
Florio
Ford, Mich.
Forsythe
Gammage
Hawkins
Hillis
Holland
Jones, Okla.
Koch
Krueger
Latta
Michel
Milford
Moss
Murphy, N.Y.
Myers, Michael
Price
Quillen
Rangel
Risenhoover
Roe
Rousselot
Ryan
Sarasin
Sawyer
Skelton
St Germain
Steed
Teague
Thompson
Vanik
Watkins
White
Wiggins
Wydler
Young, Fla.

Messrs. KREBS, VENTO, PATTERSON of California, SCHEUER, and METCALFE changed their vote from "no" to "aye."

Mr. HALL and Mr. ECKHARDT changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

I yield to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I thank the distinguished chairman for yielding to me. I ask for this time to explain to many Members what has happened to the amendment on LEAA and ask the chairman if my understanding is correct.

What the committee did in its prior resolution was to cut the President's allocation for the law enforcement and justice function by $249 million in budget authority and $75 million in outlays. The committee not only cut the President's budget in this category, but said that the entire amount of that cut would have to come out of the LEAA function.

The committee, as a result of the action on the floor last week in favor of my amendment has now added to its original figure for the function for law enforcement $60 million in budget authority and $20 million in outlays. The House removed the language that targets any cut in the President's figures to the LEAA function.

In other words, what the committee has now done is add to the function of law enforcement and justice and says that any cuts that are made below the President's budget may be taken from any place in the function. Under the committee's language LEAA can be funded in the full amount of my original amendment?

Mr. GIAIMO. The gentlewoman is correct. We did not target the reduction in their function. It can be from anyplace within the function.

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: In the matter relating to the recommended level of Federal revenues strike out "398,094,000,000" and insert in lieu thereof "401,400,000,000";

In the matter relating to the appropriate level of total new budget authority strike out "502,092,000,000" and insert in lieu thereof "502,992,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "464,302,000,000" and insert in lieu thereof "464,202,000,000";

In the matter relating to the amount of the deficit strike out "66,208,000,000" and insert in lieu thereof "62,802,000,000";

In the matter relating to the appropriate level of the public debt strike out "792,539,000,000" and insert in lieu thereof "789,133,000,000".

In the matter relating to National Defense (050) strike out "117,136,000,000" in budget authority and insert in lieu thereof "120,136,000,000"; and strike out "109,947,000,000" in outlays and insert in lieu thereof "111,947,000,000";

In the matter relating to Interest (900) strike out "43,000,000,000" in budget authority and insert in lieu thereof "40,900,000-000"; and strike out "43,000,000,000" in outlays and insert in lieu thereof "40,900,000-000".

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ICHORD. Mr. Chairman, I commend the gentleman from Connecticut (Mr. GIAIMO) for his victory. I commend the leadership of the House for their victory. The leadership of the House is tough. I commented just a few minutes ago about our distinguished and beloved majority floor leader twisting so many arms. However, if the Members will examine the armpits of the gentleman from Texas, our majority floor leader, they will find he has a split in the coat underneath the arm. He has been twisting arms very strong. But I can assure the membership of this House—and I hope the Members will vote for this amendment—that the fight has just begun on this matter. The Members will hear about it time and time again, as long as this Member is a Member of this body. I hope the Members will forgive me for my insistence, because I feel so strongly about the matter. I think the Members have made a mistake, in all sincerity I think the Members have cut the legs out from under the President of the United States. I think that many of the Members, if you will forgive me, have voted dry and drunk wet. We cannot live with this budget and expect to keep our bases open. We cannot live with this budget that has been adopted and expect to have increased aid to Israel. I am going to give the Members a chance to vote dry and drink wet, keep their bases open and aid Israel by this amendment.

Simply what we are doing by this amendment—and I am going to decrease the deficit—we are going to adopt the figures, the budget figures of the President of the United States.

This amendment, Mr. Chairman, will increase revenues to $401.4 billion, as estimated by President Carter, from $391.1 billion, as estimated by the Committee on the Budget.

It will increase budget authority from $502.1 billion to $503 billion.

It will decrease outlays from $464.3 billion to $464.2 billion.

It will decrease the deficit, Mr. Chairman. I hope that many of the Members were here when I talked about capricious budgetary juggling. I think that has been done by the Committee on the Budget.

The Members can vote for this amendment, Mr. Chairman, and decrease the deficit from $66.2 to $62.8 billion. To vote against this amendment is to vote against Israel. No longer will we be able to aid our friends in time of need, knowing that the preparedness of our own forces will be degraded and that they can no longer rely on this Congress to provide for the timely replacement of equipment diverted to assist our friends. The needs of our own forces must and will come first—our friends the Israelis and others will pay the ultimate penalty if we vote down this amendment.

Additionally, those who have bases and defense related jobs will pay the price. There will be more base closures, realinements and reductions in force. The day of drinking dry will be upon us.

Mr. Chairman, I will insist on a rollcall vote on this amendment.

Mr. Chairman, this amendment sounds rather complex, but the essence of it is very easily understood. My amendment calls for confidence in the ability of the President of the United States to lead this country in a sustained economic recovery, and a willingness to trust in his judgment—and the judgment of responsible committees of the Congress—by giving him the necessary tools to defend the country against aggresion.

For some reason, the Budget Committee has taken a very negative view of the President's ability to lead this country toward economic growth, and that fact has gone almost unnoticed during this debate. The Budget Committee created a $9 billion increase in the deficit in this resolution on paper because they do not share President Carter's confidence. How did they do this? Very simply. They reduced the anticipated revenues to $398.1 billion although President Carter's latest estimate of revenues—as of April 22—is $404.7 billion. And I am assured by CBO that the only difference in these two figures is that the Budget Committee assumes a lower rate of recovery than the President.

The President's figure is based upon actual results through the end of the first quarter of this year. And you will recall, those results were so favorable that it was agreed that the tax rebate plan was not necessary. The Budget Committee based its gloomy prediction on computer models of the economy—one of which even predicted that we are heading toward a full scale recession.

I submit to you that computers do not understand that the economic situation is largely influenced by the confidence of the people in their leadership.

As late as December 1976, Alice Rivlin appeared before the Joint Economic Committee and reported that CBO estimated that under the least optimistic assumptions, Federal revenues would be at a level of $405 billion in fiscal year 1978. Things have improved since then, so how can the worst case estimated suddenly be $7 billion too high?

My amendment proposes to split the difference between the administration and the Budget Committee estimates and to set revenues at $401.4 billion in the first target resolution. That is a very modest increase that is still below the CBO worst case estimated of 5 months ago.

My amendment would also reduce the interest category in the budget by $2.1 billion. When the Budget Committee marked up this resolution, they were under the assumption that the deficit for fiscal year 1977 would be $69.8 billion. That, of course, assumed passage of rebate and tax incentive proposals that have since been abandoned. And it also assumed a higher rate of outlays than has since proved to be the case.

Just a little over a week ago, OMB released a revised estimate lowering its projection on the deficit for 1977 by $19.3 billion, and the President now says that only $40.9 billion—not $43 billion will be required to pay the interests on the debt in fiscal year 1978.

In other words, the Budget Committee is figuring on a deficit for this year $20 billion higher than the President's estimate. Now, it stands to reason that if you are going to owe $20 billion less, then the amount of interest you are going to have to pay is going to be less. If not, then somebody is forecasting higher interest rates and runaway inflation. How many of you Democrats want to endorse the idea that President Carter is leading us into another inflationary spiral?

The bottom line on my amendment is that if we accept the President's economic assumptions, and support his request for national defense, then the net effect on this resolution will be to reduce the outlays figure by $100 million, and to reduce the deficit and the national debt aggregates by $3.4 billion.

At best, the estimates on revenues are just that—estimates. Nobody on the Budget Committee can guarantee that actual revenues will not exceed $398.1 billion. In fact if you ask, they will hedge this estimate with all sorts of technical arguments. When you strip all the fuzz off their explanation, it will come down to this: They do not know what revenues are going to be—$398.1 billion is just a guess.

Frankly, Mr. Chairman, I think there is at least as much reason to trust the judgment of the President of the United States on the state of the economy as there is to trust the judgment of the Budget Committee.

I do not need to spend a lot of time going back over the reasons why it is absolutely critical to restore the national defense budget to the level requested by President Carter. The issues have all been clearly defined in the last 2 weeks. I would only point out that the President has not changed his mind about what is needed.

Much has been made of the fact that we simply cannot afford to support the President on national defense because it would add to an already excessive deficit. According to the economic assumptions of the President—and who here can stand up and say they are not valid? We can afford to provide for adequate defenses without breaking the bank. In fact, if we share his faith in the American people, we can do so and lower the projected deficit in this resolution by $3.4 billion.

I call on my colleagues on both sides of the aisle to support this amendment and send a strong signal to the world that the American economy is alive and well and will not be used as an excuse to cut vital military programs.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I admire the gentleman from Missouri (Mr. Ichord) for his dedication of purpose and for his tenacity. I truly admire him for those qualities, but I would say to him that we are not capricious in the Committee on the Budget, and that our figures signify real estimates.

This amendment that has been offered by the gentleman from Missouri (Mr. Ichord) would restore $4 billion to national defense and take $3 billion out of the interest on the national debt, which is needed.

As I say, I admire the gentleman's tenacity and dedication of purpose, but it reminds me of when I studied Latin in high school and college. I wonder if the gentleman remembers the first Catalinarian address of Cicero that was delivered in great ringing tones. If the gentleman remembers, it went like this:

> Quo usque tandem abutere patientia nostra, O Catalina!

Mr. Chairman, I will translate that, although I am sure I do not have to translate it for my distinguished friend, the gentleman from Missouri (Mr. Ichord). Perhaps there are some younger Members here, however, who may not have studied Latin as much as we did.

Mr. ICHORD. Mr. Chairman, since the gentleman mentioned my name, will he yield to me?

Mr. GIAIMO. I will yield later.

There are some Members here who perhaps did not study Latin as much as we did in the old days. This is what the quotation means:

> How long, how long, O Catalina, must you abuse our patience?

Mr. Chairman, the House has spoken its will on three separate occasions concerning the question of the proper level for defense spending in the first target resolution. Obviously the matter of interest is not one that is even subject to debate. We must add $1.2 billion over the President's estimate, because we estimate that is what the cost is going to be on the national debt for fiscal 1978.

So, Mr. Chairman, we are really back to square one, where we were earlier this afternoon. I say that we should vote down this amendment. It is not an amendment that can reasonably be supported. The House has already spoken on this general matter several times today. Quite frankly, it is a capricious amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield? Since the gentleman mentioned my name, I will ask him to yield.

Mr. GIAIMO. Mr. Chairman, I do not believe I have enough time.

(On request of Mr. Ichord, and by unanimous consent, Mr. Giaimo was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield now?

Mr. GIAIMO. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I am not as facile in Latin as is the gentleman from Connecticut (Mr. Giaimo). I had taken only 5 hours of it. Therefore, I must retort in the words of one of the most famous American humorists that this country has produced, Mark Twain.

Mr. GIAIMO. I must remind the gentleman that Mark Twain also lived in Connecticut.

Mr. ICHORD. To paraphrase Mark Twain, once you have done in the budget, once you get the statistics, "it is much like getting down the unvirtuous woman. Once you get her down, you can do anything you want to."

Mr. SCHEUER. Mr. Chairman, we all savored the richness of our colleague, Mr. Giaimo's quotation in Cicero's denunciation of Cataline in the Roman Senate. The lines following the great quote he rendered cannot be omitted in fairness to future generations of Latinists yet unborn. The full passage follows:

> Quo usque tandem, abutere Catalina, patientia nostra?
> Quam diu etiam furor iste nos eludet?
> Quem and finem sese efrenata iactabit audacia?
> O tempora! O mores!

The translation is:

> How long, O Catline, will you continue to abuse our patience?
> How long will your furies continue to harass us?
> When will we see the end of your unbridled audacity?
> O, the times! O, the conditions!

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. Ichord).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 85, noes 306, not voting 41, as follows:

[Roll No. 202]

AYES—85

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Bowen
Breckinridge
Brown, Ohio
Burleson, Tex.
Carter
Chappell
Clawson, Del
Cleveland
Cochran
Coleman
Crane
Daniel, Dan
Daniel, R. W.
Davis
Devine
Dickinson
Dornan
Duncan, Tenn.
Emery
Evans, Del.
Flynt
Gilman
Goldwater
Gonzalez
Guyer
Hammerschmidt
Hansen
Holt
Ichord
Jeffords
Kazen
Kemp
Ketchum
Kindness
Lagomarsino
Lloyd, Tenn.
Lott
McClory
McDonald
Marriott
Mathis
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Gary
Myers, Ind.
Nichols
Nix
Pepper
Quayle
Rhodes
Rudd
Runnels
Satterfield
Schulze
Shuster
Sikes
Skubitz
Snyder
Spence
Stratton
Stump
Symms
Taylor
Treen
Trible
Waggonner
Walsh
Wilson, Bob
Wilson, Tex.
Young, Alaska
Young, Mo.

NOES—306

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Applegate
Aspin
AuCoin
Badillo
Baldus
Barnard
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Butler
Byron
Caputo
Carney
Carr
Cavanaugh
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Cornell
Cornwell
Cotter
Coughlin
D'Amours
Danielson
de la Garza
Delaney
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
English
Erlenborn
Ertel
Evans, Colo.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Frenzel
Frey
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goodling
Gore
Gradison
Grassley
Gudger
Hagedorn
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs

Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kelly
Keys
Kildee
Kostmayer
Krebs
LaFalce
Le Fante
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Long, La.
Long, Md.
Lujan
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Martin
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Natcher
Neal
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Pursell
Quie
Rahall
Railsback
Regula
Reuss
Richmond
Rinaldo
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Ruppe
Russo
Santini
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Simon
Sisk
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stangeland
Stanton
Stark
Steers
Steiger
Stockman
Stokes
Studds
Thompson
Thone
Thornton
Traxler
Tucker
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whalen
Whitehurst
Whitley
Whitten
Wilson, C. H.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—41

Ashley
Brown, Calif.
Burgener
Burton, John
Burton, Phillip
Clausen,
Don H.
Collins, Tex.
Corman
Dent
Fish
Florio
Forsythe
Fuqua
Gammage
Hawkins
Hillis
Holland
Koch
Krueger
Latta
Michel
Milford
Moss
Price
Quillen
Rangel
Risenhoover
Roe
Rousselot
Ryan
Sarasin
Sawyer
St Germain
Steed
Teague
Tsongas
Vanik
White
Wiggins
Wydler
Young, Fla.

Messrs. BEARD of Rhode Island, D'AMOURS, EDWARDS of Oklahoma, and MARLENEE changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. CONABLE: Strike all after the resolving clause and substitute in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congresional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $395,300,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $11,400,000,000;

(2) the appropriate level of total new budget authority is $478,953,000,000;

(3) the appropriate level of total budget outlays is $440,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $45,300,000,000; and

(5) the appropriate level of the public debt is $775,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $75,000,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a) (2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $120,100,000,000;

(B) Outlays, $111,900,000,000.

(2) International Affairs (150):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $7,000,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,500,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $19,100,000,000;

(B) Outlays, $19,500,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,153,000,000;

(B) Outlays, $4,400,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $18,200,000,000;

(B) Outlays, $18,600,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $6,400,000,000;

(B) Outlays, $7,800,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $18,300,000,000;

(B) Outlays, $19,600,000,000.

(9) Health (550):

(A) New budget authority, $48,300,000,000;

(B) Outlays, $44,000,000,000.

(10) Income Security (600):

(A) New budget authority, $172,000,000,000;

(B) Outlays, $143,600,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $18,200,000,000;

(B) Outlays, $18,300,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,700,000,000;

(B) Outlays, $3,800,000,000.

(13) General Government (800):

(A) New budget authority, $3,900,000,000;

(B) Outlays, $3,900,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,100,000,000;

(B) Outlays, $8,100,000,000.

(15) Interest (900):

(A) New budget authority, $40,600,000,000;

(B) Outlays, $40,400,000,000.

(16) Allowances:

(A) New budget authority, $1,200,000,000;

(B) Outlays, $1,200,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$16,000,000,000;

(B) Outlays, −$16,000,000,000.

SEC. 3. In the Third Budget Resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the First Budget Resolution for Fiscal Year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the Second Budget Resolution for Fiscal Year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1977 made by S. Con. Res. 10 are revised as follows:

(1) the recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) the appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250,000,000;

(5) the appropriate level of the public debt is $707,970,000,000; and

(6) based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of this section, the appropriate level of new budget authority and the estimated budget outlays for Income Security (function 600) is as follows:

(A) New budget authority, $167,700,000,000;

(B) Outlays, $138,100,000,000.

Mr. CONABLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Mr. Chairman, in my introductory remark at the beginning of the general debate, I sketched out the political and economic assumptions driving the Republican budget alternative. At that time I explained why it was politically imperative—given the budget the Democrats were proposing and given the nature of our two-party system—for there to be an alternative. I also explained at that time why our alternative was economically justified. As you remember, I ranged over a broad array of economic indicators which, taken together, point to the undeniable fact that the general state of the economy is good and getting better, and that the prospects for a continued strong and healthy recovery are better than they have been. But I also warned that capital investment, adjusted for inflation and for expenditures on nonproductive equipment such as pollution-control devices, was significantly behind the rate achieved in previous recoveries. Moreover, I reminded this Body that the greatest risk to our recovery was the accelerating rate of inflation—which ran at the very scary, double-digit 10-percent rate for the first quarter of this calendar year.

Given these facts, I asked what sort of Federal fiscal policy was the most appropriate to the situation as it exists today and is likely to exist in the future. Is it appropriate to propose the second largest deficits in history during the 3d full year of strong economic recovery? Is it appropriate to spend over $464 billion in 1978, over $66 billion more than we will take in, when inflation is growing and once again threatening to wreak havoc with the economy?

Some of my friends complain that we are not doing enough for the unemployed or the poor. But who is hurt most when inflation takes off into the double-digit range? Are you really doing the unemployed a favor by spending money on programs which most everyone agrees create precious few new jobs at enormous costs? We have to recognize that we help no one, and hurt everyone, when we vote money for programs with popular, catchy titles, but which we all know, in our heart, are inefficient and ineffective.

Well, the substitute before you now does just that: We are saying "no" to some very worthy causes. Not because we think them unimportant; not because we do not care or because we are not concerned about social problems. We say "no" to some worthy causes because only by saying "no" could be say "yes" to another very worthy cause—achieving a strong economic recovery of full employment without inflation.

Our substitute package has the following key policy elements:

A deficit of $45 billion, $22 billion less than the committee proposal and $3 billion less than President Carter anticipates for this fiscal year;

An across-the-board cut of 10 percent in personal income tax rates;

Deletion of the business tax credits as contained in the economic stimulus package; and

Restoration of national defense spending levels to those recommended by President Carter.

Our substitute resolution is based on four principles:

First. We believe it is absolutely essential to balance the budget as quickly as possible in order to keep our economic recovery strong, and to keep it from falling victim to the vicious cycle of inflation—begets recession, begets unemployment, begets even greater deficits. To accomplish this, we have called for outlays and budget authority significantly below that contained in the resolution. Specifically, we have eliminated the Carter stimulus measures planned for 1978 and beyond because they are simply not needed to stimulate the economy. We have also provided for fair, but not excessive increases in many other fundamental areas, most specifically—the human resource programs; and we have provided for fair, but not excessive decreases in other economic stimulus related programs. The end result is a moderate, compassionate budget with outlays of $440 billion and a deficit of $45 billion. That is $3 billion less than what President Carter is projecting for this fiscal year. We are proposing a deficit which keeps the trend line going downwards. President Carter needs that trend if he is to balance the budget in fiscal year 1981. Let me put it to you squarely: Vote for our proposal with a reasonable deficit and help the President; or vote for a near record—deficit of $66 billion. Face facts—we cannot balance the budget in fiscal year 1981 if the deficit is $66 billion in fiscal year 1978—the single biggest drop we have ever had in the deficit was $28 billion, the next biggest drop was $13 billion, and we have not had more than 2 consecutive years of declining deficits since 1950. Face it—that deficit in fiscal year 1978 has got to be smaller than the fiscal year 1977 deficit—especially since there is no economic rationale in fiscal year 1978 for a deeper deficit.

Second. We believe that the first priority of the budget must be to provide for a strong, but not excessive, national defense, and have called for defense outlays in 1978 of $111.9 billion, or the amount contained in the President's budget estimates of February 1977. This is $2.3 billion more and it is appropriate.

Third. We believe that the most oppressed people of this country are the average taxpayers. We believe that it is patently unfair to finance greater and greater levels of Federal spending by raising the taxes of the working people of this country, but that is exactly what has happened as inflation has pushed our citizens into higher and higher tax brackets while the Congress has refused to recognize that fact by lowering the tax rates. Indeed the Congress has made this worse by contributing, through 20 years of deficit spending, to the very inflation which pushes working people into higher tax brackets. We therefore have made provision in the revenue and outlay targets to accommodate a 10-percent across-the-board reduction in permanent income taxes. For those who supported Mr. Carter's ill-fated $50 rebate we would assume that you will then support this substitute. To not do so, I would remind you, is to condemn the American taxpayers to continued tax increases every year in the future.

Let me say also that we heard a lot on the Floor last week about the supposed evils of tax relief for big business. Well, this tax proposal is not for business; it is just for the American taxpayer. To underscore that fact, the Republican budget alternative removes the $2.4 billion in tax credits for business. So, no one—I repeat no one—can get off the hook by opposing this substitute on the ground that it helps big business and hurts the little guy.

Fourth. We believe that we must provide meaningful, productive, permanent job opportunities for all Americans willing and able to work. This does not mean make-work jobs in the public sector, but jobs created by the expansion of the private sector. We are already making progress towards that goal, but need to further stimulate capital investment by improving the climate for such investment. Our proposal to provide an across-the-board, personal 10-percent tax cut will, we believe, cause about 1,000,000 jobs to be created, and will result in savings of approximately $3 billion in unemployment related expenditures. These are realistic estimates based on computations run by the Congressional Budget Office and the Congressional Research Service and we stand behind them. They show the soundness of a strategy which links tax cuts with spending cuts and aims for a balanced budget with a lightened tax burden on the American people.

One final point: It may be a strong temptation to criticize this alternative budget because each of you has your own pet programs that you feel might be slighted. But it is just this sort of temptation, and our joint inability to resist it, which has caused the Federal Government to run budget deficits in all of the past 20 years, save 1. We cannot keep saying we will balance the budget "next year," because next year never seems to come. It is so easy for each of us to think of countless programs and activities which ought to be funded at a higher level, but it is a real test of courage to admit that the health of this Nation's economy and the welfare of our taxpayers must come first. Thank you for your attention.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the Conable alternate budget resolution. Not only would this resolution substantially reduce the projected budget deficit for fiscal year 1978, but it would also provide a 10-percent reduction in all individual income tax rates.

The budget for fiscal year 1978 has undergone considerable revision since it was first proposed by President Ford. President Carter took the first swing at the revision process and increased outlays to $462.6 billion. This is an increase of more than $22 billion above the Ford budget. The House Budget Committee majority, however, outstripped the Carter revision by pushing Federal outlays up to $467 billion. This would result in a projected deficit of $69 billion in fiscal year 1978. When this unprecedented annual deficit was coupled with the Budget Committee's cut in defense spending, the resolution was unacceptable to Congress. Therefore, we are again revising a twice-revised budget. Despite signs of an expanding economy, and universal dissatisfaction with high taxes and unbridled Federal spending, this revised revision will still call for a deficit of $66.2 billion. I submit that we must stop revising and start afresh.

This substitute would reduce government involvement in our private lives, restrain inflation, create jobs, and promote real and enduring economic growth; all this by simply cutting taxes. It would reduce Federal Government outlays by $26 billion, cut the deficit by at least $21 billion, and increase the taxpayers buying power—not by some deceiving rebate mechanism, but by simply letting him keep what he has rightfully earned. In other words, the substitute allows each individual citizen to spend money as he sees fit, instead of having the Federal Government spend it.

The American economy is on the upswing and prospects for a strong and healthy recovery are excellent. According to a summary of recent economic developments released on April 29, the Nation's economy made a strong advance in the first quarter and continues to show signs of business expansion. But the private sector must continue to lead and sustain any economic recovery. Thus, this substitute amendment is intended to stimulate consumption and investment by expanding the money supply in the private sector. Even the Carter administration recently acknowledged the upswing in the economy and the prominent role of private businesses and farmers in sustaining the recovery by recalling major portions of its economic stimulus program.

The greatest threat to our continued recovery is unchecked inflation. In the words of Arthur Burns, Chairman of the Federal Reserve Board, testifying May 2 before the Senate Banking Committee—

> Unless we achieve a less inflationary environment, there will be little chance of sustaining the [economic] expansion that is now in progress or of significantly reducing the high level of unemployment.

Despite this, the Budget Committee revisions retain a record-shattering deficit which approaches $70 billion. Such an extreme outpouring of borrowed cash would send our economy into another ruinous dive by destroying consumer buying power and driving interest rates higher due to the Government's drain on capital markets. The very worst time to pile up a deficit is during economic recovery.

The American people deserve this 10-percent tax cut and the jobs which it would stimulate. Lasting private sector jobs are created by business expansion and investment. But no business will risk investment when inflation, taxation, and regulation threaten to wipe out profits. Since all three of these economic restraints are caused by inept Federal policies, it is incumbent upon Congress to reverse, not merely revise, the trend. This amendment is just such a reversal. By granting general tax breaks, the inflationary deficit is reduced and America keeps more of what it earns, thus encouraging investment and work.

Instead of revising a weak and unwise proposal, Congress has the opportunity to renew American confidence in a balanced budget, plentiful employment, and individual freedom to earn and spend as one chooses. It all sounds like a dream, dare I say, an American dream?

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I rise in support of the substitute to the resolution reported by the Budget Committee majority. In its present form, this resolution offers more government, more inflation, and higher taxes. It is a formula for economic stagnation, lagging production, and fewer jobs for the American people.

Our substitute offers a much better prospect for the people. We propose substantial reductions in government spending, a lower inflationary deficit, and a general tax reduction of 10 percent for all income groups. If we are really interested in strong, durable economic growth, we will increase the rewards for investment and work, which are steadily being diminished by government.

By taxation and debt, government is transferring excessive amounts of wealth from the productive sector of the economy to the nonproductive sector. Government is spending at a rate faster than the creation of wealth by production. Total government spending, Federal, State, and local has reached more than 42 percent of national income.

The consequences are these: The spendable income of workers is cut by inflation and taxation. Savings are devalued. Business profitability declines. Investment lags. Production is slowed. Jobs are not created.

The process has occurred over years with periodic waves and troughs in the economy, but the trend is constant. Government tries to spend us to prosperity, instead of disciplining government spending to strengthen the private sector, and thereby creates the conditions for even slower economic growth.

We are currently in a period of economic recovery from the last round of stagflation, but inflation is already threatening our economy again. The cause is not hard to find. We have had a great burst of Federal deficit spending which exceeded revenues by $44 billion in fiscal 1975, a record $65 billion in fiscal 1976, and an estimated $60 billion in this fiscal year.

Even if we accept the argument that some deficit spending is useful to pull the economy out of a slowdown, it is clear that excessive cheap money stimulation is inflationary, and huge deficits during periods of economic recovery are widely inflationary.

The most dangerous deficit of them all is to be found in the committee's budget resolution for fiscal 1978. At a time of economic recovery when consumer demand is already strong, the committee majority has decided to heap another $66 billion of borrowed, unearned dollars unto the inflationary fire.

What government neglects to take by taxation, it takes through inflation, devaluing the earnings and savings of the people, and inflation pushes workers into higher tax brackets. It is total government spending that must concern us.

Federal policy ordained by Congress has concentrated on excessive spending to stimulate consumer demand, but nothing has been done to generate production. Investment is the weakest part of the economy.

Congress has enacted modest tax cuts to relieve the burden on lower-income families, but it has ignored the plight of middle-income taxpayers, our most productive citizens.

Our substitute budget resolution responds to these needs. It is necessary to cut Federal spending substantially to reduce both inflation and taxation, to free funds for investment and inspire confidence by the business community, to provide some relief for middle-income taxpayers who are being crushed by the weight of government on their backs.

I believe it is important that we all understand how the explosive increases in Federal spending in recent years have come about. If we are to control the budget and limit the growth of Federal spending, then we must comprehend where this spending has occurred. I offer the following chart comparing actual 1970 outlays with the outlays projected by the Budget Committee's resolution.

Outlays

[In billions]

	1970	Estimate, 1978	Percent increase
National defense	$79.3	$109.9	39
International affairs	3.6	7.3	103
General science, space, and technology	4.5	4.7	4
Natural resources, environment, and energy	4.0	20.6	415
Agriculture	5.2	4.4	(−15)
Commerce and transportation	9.1	20.2	122
Community and regional development	3.2	10.9	241
Education, training, employment, and social services	7.9	27.7	251
Health	13.1	44.2	237
Income security	43.1	148.3	244
Veterans benefits and services	8.7	20.0	130
Law enforcement and justice	1.0	3.8	280
General government	1.9	3.9	105
Revenue sharing and general purpose fiscal assistance	.5	9.7	1,840
Interest	18.3	43.0	135

Mr. ROUSSELOT. Mr. Chairman, here we are again considering the first concurrent resolution on the budget for 1978. I feel it is noteworthy to point out that the defeat of the first version of this resolution, House Concurrent Resolution 195, indicated a dissatisfaction shared by many Members of this body not only with the record-high deficits which the proposal called for, but also with the use of the process by which the budget was derived. For a full 2 days last week, Members wrangled over self-serving amendments to accommodate pet programs and special interests. Even though the Budget Control and Impoundment Act of 1974 was never designed to permit "line-item" consideration of individual projects, many hours were devoted to increasing various functions for numerous spending boondoggles. As a result, we wound up with a record deficit of nearly $69 billion—a deficit, which in the end, virtually no one in good conscious could support.

Almost 3 years ago, we passed the Budget Act and when we did, it was hailed as a "great step forward" in budgetary control. After many years without a formal method by which Congress could monitor its spending procedures, the Budget Control Act was greeted as the answer to our problems. In the opinion of many, we were finally on our way to fiscal integrity and balanced budgets. Unfortunately, however, as was evidenced by last Wednesday's debacle, our dreams for true budget reform are far from being fulfilled.

Let us take a look at the facts. It took the U.S. Government 181 years to reach its first $200 billion budget which it did in 1971. Only 6 years later, Congress approved a budget that was more than twice that size: $417 billion. And the increases continue. Just this week, the Budget Committee reported by far the largest budget in the history of the Union—$464 billion. Since 1974 alone, the year the Budget Control Act was passed, the U.S. Government has spent well over $1 trillion, and the size of the Federal budget has almost doubled. It is plain to see that the restraints in increases that many of us had hoped for simply have not materialized. It seems clear, by considering the above facts, that the act, rather than controlling deficits, has "legitimized" them. It is my strongly held belief that the Budget Control and Impoundment Act of 1974 has not been effectively used to deal with the problems of restraining increases in spending, working toward balanced budget practices, or adhering to and respecting its own expenditure ceilings. It is only by vigorous discipline and hardnosed collective restraint that we will finally eliminate red ink financing and put our fiscal house in order.

The Republican substitute, as introduced by my colleague from New York (Mr. CONABLE), to the majority's proposal provides us with an opportunity to exercise such restraint. By proposing a deficit that is $22 billion less than the committee bill, a 10 percent permanent tax cut, a national defense spending level recommended by the President, and a deletion of the business tax credits contained in the economic stimulus package, we are creating real long term jobs, reducing inflation, and helping the average American by lowering his taxes.

If we are in fact concerned about fiscal integrity and wish to stop the budget busting that has characterized Federal spending in recent years, then we must start now to live within our means. Deficit spending in the neighborhood of $66 billion, as the Democrats have proposed in House Concurrent Resolution 195, will create economic hardship on the millions of working taxpayers in this country. As it is now, taxpayers must work the first 4 months of every year—January through April—just to pay their taxes. And taxes are the fastest growing item in most family budgets, exceeding even inflation.

The Republican alternative takes a meaningful step toward a longlasting, sound economy while at the same time providing working Americans with a greater measure of economic freedom. I urge my colleagues to lend their strong support to this substitute.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the substitute amendment remains basically the same Republican substitute that we had last week, except for deletion of the business tax credit. This, basically, is a return to the Ford budget—not the Carter budget. It would reduce those expenditures in our social service programs, such as education and other important programs in that function, by some $24 billion. On revenues, it proposes the usual Republican permanent tax credit, ignoring the actions of the Committee on Ways and Means and the Finance Committee. The substitute is unrealistic both economically and politically.

Mr. Chairman, I do not think we should spend much more time on it at this late hour. I think we should vote it down.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. KEMP. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for 1 minute each.

Mr. FRENZEL. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from New York (Mr. KEMP).

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. GIAIMO. Mr. Chairman, reserving the right to object, earlier today a similar request was made, and objection was heard from the minority side.

I do not intend to object, but what is good for one side is really good for the other, I presume.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MOORE. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from New York (Mr. KEMP).

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. DOWNEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I appreciate the opportunity my friend, the gentleman from Connecticut (Mr. GIAIMO) has given me by letting another colleague yield his time to me. I rise in favor of the tax rate reduction that this Conable amendment provides.

Mr. Chairman, our distinguished colleague, the gentleman from New York (Mr. CONABLE) has wisely pointed out a very important aspect of what is happening to American taxpayers today. As inflation, which is now running for the fourth consecutive month at an annualized rate of 14 percent, pushes people up into higher tax brackets, there is an automatic tax increase for all taxpayers. Every 1 percent increase in the Consumer Price Index leads to a 1.5-percent increase in tax revenues that the Government gets as an inflation bonus. By 1981, the American people will have their taxes increased by 30 percent. What the Conable budget resolution is attempting to do, is to help protect the American people from the ruinous effects of inflation. A 10 percent, across-the-board reduction in their tax rates will encourage those productive aspects of our economy that leads to more jobs, more work, more production and more investment. I believe we need to increase the after tax income of all Americans right across the board to help this economy grow.

I find it hard to believe that anyone in this body does not recognize that inflation and confiscatory tax rates are a drag on the economy. We all share the same goals for America. We want jobs. We want a better economy. We want a higher standard of living for all. The only way to do this is to reduce the tax rates and encourage growth in the economy.

As a matter of fact, it was John F. Kennedy and his chief economic adviser, Prof. Walter Heller, who proved that tax rate cuts across the board do stimulate the economy without inflation and without increasing the deficit.

President Kennedy announced his plan for a tax cut to stimulate the economy early in his administration. In an address to the Nation on August 13, 1962 he said:

> The single most important fiscal weapon available to strengthen the national economy is the Federal tax policy. The right kind

> of tax cut at the right time is the most effective measure that this Government could take to spur our economy forward. For the facts of the matter are that our present tax system is a drag on economic recovery and economic growth, biting heavily into the purchasing power of every taxpayer and every consumer.

President Kennedy repeated this point many times throughout 1962 and 1963, in response to criticism from both liberals and conservatives. As he put it in his economic report to Congress on January 21, 1963:

> The main block to full employment is an unrealistically heavy burden of taxation. The time has come to remove it.

The problem of inflation-induced increases in the tax rates is much more serious today than it was when President Kennedy announced his tax reduction plan. Consequently, the positive effects on employment, investment, and production which would result from an across-the-board cut in tax rates could be expected to be much greater today. President Kennedy, in fact, underestimated the benefits from his own program. He thought there would be an increase in the budget deficit from the cut in taxes but felt that this would be made up in the long run. As it turned out, the increase in productivity and economic growth caused an immediate increase in tax revenues after the tax cut which exceeded Treasury estimates for the next 6 years. The following table illustrates this:

[In billions]

Year	1963	1964	1965	1966	1967	1968	Total
Treasury-estimated revenue losses	−2.5	−5.2	−13.3	−20	−23.7	−24.4	−89
Actual revenue gains	+7.0	+6.0	+4.0	+14	+19.0	+4.0	+54

Note: Library of Congress study done at my request.

Mr. Chairman, I agree with the Kennedy approach and every time in this century it has been followed it has worked. Secretary of the Treasury Mellon in the 1920's was the first to advocate it and with great success for all.

What else can we expect from the coming increase in taxes fostered by current spending and tax policies? We can expect a continuation of the economic stagnation, unemployment, lagging capital spending, low productivity, more Government spending, and inflation. As Prof. Arthur Laffer of the University of Southern California recently observed:

> It is not only conceivable, but quite possible, that in the entire energy program, when combined with existing taxes and spending programs, will lead to reduced overall revenue and markedly higher spending. Deficits will most likely be increased as a result of the overall program. When one thinks that reductions in output lead to a reduction in other tax receipts, increased spending on such programs, as unemployment compensation, Social Security, etc., it is hard to imagine anything other than expanded federal deficits.

This is because the increase in tax burden will reduce still further the incentive to work and invest. The inevitable result must be a shrinking of the economic base, which is why the deficit will continue to rise despite the increase in taxes.

By contrast, this positive budget proposal seeks to balance the budget not by further increasing the tax burden on the American people, which has already reached intolerable proportions, but by expanding the economic base through tax rate reduction. The following table shows the increasing share of total government expenditures as a proportion of national income, which is the total value of goods and services produced in the private sector. Since the total burden of Government spending must ultimately fall on the private sector, either through taxes or borrowing, this is the most accurate way to reflect the total burden of Government on the economy:

[In billions]

Year	Total Government sector	National income	Percent
1976	$575.1	$1,348.4	42.65
1975	530.8	1,207.6	43.95
1974	457.8	1,135.7	40.28
1973	405.1	1,064.6	38.05
1972	370.9	951.9	38.96
1971	340.5	858.1	39.68
1970	311.9	798.4	39.07
1969	285.5	767.9	37.19
1965	187.8	566.0	33.18
1960	136.4	412.0	33.11

Source: Department of Commerce, Bureau of Economic Analysis.

Since taxation is fundamentally a disincentive to earning more income, the higher taxes go the more incentive there is to forego income opportunities and invest more of one's time and effort either in additional leisure or in seeking out tax shelters, like tax-free municipal bonds. This decision, however, is not based so much on the total burden of taxation, but by the marginal rate of taxation—the tax applied to each additional dollar that is earned. This is why a reduction in tax rates is crucial to an expansion of the economic base.

Mr. Chairman, I believe taxes to be far too high on hard-working Americans, as if people did not already know they work nearly 5½ months a year just to pay taxes. It is time to give them a cut.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Chairman, there is only one trouble with the Congress of the United States, and that is that it is divided into two groups. One group says that if it is domestic spending, there cannot be any waste in it because it is for people. The other group says that if it is military spending, there cannot be any waste in it because it is for national defense.

That is the trouble. That is why we have a national debt of $700 billion, and that is why it is going to go up another $100 billion in the next 18 months.

Anybody who has ever served in the military knows there is plenty of waste in it, and anybody who has gone out and looked at a social program knows that there is actually plenty of waste there. Anybody who moves toward decreasing income and increasing spending in any category is not being fiscally responsible.

Mr. Chairman, I ask that this body start now in 1977 and begin paying off this debt that we have run up in all categories.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from Connecticut (Mr. GIAIMO), the distinguished chairman of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. CARNEY. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. MOORE).

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I urge support for the Conable substitute. This amendment will separate the spenders from the savers.

The Conable amendment will reduce spending, cut individual taxes by 10 percent, and reduce the deficit by a whopping $20 billion. I surely cannot vote against that package.

Those who vote against the Conable amendment and for the committee version will be voting for the second highest deficit in history in the third year of a pretty good recovery from recession. In an extension today, I will discuss the recovery more fully and show why no "spending stimulus" is needed now.

Our economy is recovering well. Its chief difficulties today are inflation—the Wholesale Price Index was up another 1.1 percent today—and uncertainty. Those difficulties are due in large part to unnecessary congressional overspending.

This resolution calls for another irresponsible $65 billion of deficits. It should be improved by approving the Conable amendment, or defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from Texas (Mr. WRIGHT).

The CHAIRMAN. Is there objection to

the request of the gentleman from Connecticut?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, the House on repeated occasions has considered sweeping Republican amendments of this general type and has repeatedly rejected them, as I am sure we will reject this one today.

We have behaved responsibly in the House today. I want to express my commendation to Members on both sides of the aisle and to Members on both sides of the various issues for the responsible character of the debate we have heard.

I believe that we will adopt this budget resolution today after having rejected the pending amendment. I want to express my appreciation to those Members of the House who have taken part in the debate for the manner in which they have addressed themselves to this delicate and difficult but extremely necessary budget resolution.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I wish to thank my friend, the gentleman from New York (Mr. KEMP), for his remarks, and I wish to say that he made a major contribution to the development of this alternative budget resolution. I am grateful to him for it.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I thank the gentleman for yielding.

This is a very important amendment. It seems to me that if we are to help the President of the United States, as I want to and as I hope all the Members of the House do, to balance the budget by fiscal year 1981, we have to start from a much lower base than the base spelled out in the concurrent resolution which the Committee on the Budget has in its wisdom brought out. That is the whole matter and the whole thrust of the Conable amendment.

I also compliment, as did the gentleman from New York (Mr. CONABLE), the gentleman from New York (Mr. KEMP) for the contribution that he has made and for the speech he made today. I will not paraphrase or repeat what the gentleman said about how important it is to the economy that this Conable substitute be adopted, but I agree with him thoroughly.

Mr. Chairman, I think it is very important to the economy that we vote "aye" on this amendment in the nature of a substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. CONABLE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 240, not voting 42, as follows:

[Roll No. 203]

AYES—150

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bowen
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Caputo
Carter
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Coleman
Conable
Corcoran
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Del.
Evans, Ind.
Findley
Flynt
Frenzel
Frey
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Heckler
Hollenbeck
Holt
Horton
Hyde
Ichord
Ireland
Jeffords
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Leach
Lent
Levitas
Lott
Lujan
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Gary
Myers, Ind.
Neal
Nichols
O'Brien
Pettis
Pressler
Pritchard
Pursell
Quayle
Quie
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Robinson
Rudd
Runnels
Ruppe
Satterfield
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stangeland
Stanton
Steers
Steiger
Stockman
Stump
Symms
Taylor
Thone
Treen
Trible
Vander Jagt
Waggonner
Walker
Walsh
Wampler
Watkins
Whitehurst
Wilson, Bob
Winn
Wylie
Young, Alaska

NOES—240

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Badillo
Baldus
Barnard
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Byron
Carney
Carr
Cavanaugh
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Cornell
Cornwell
Cotter
D'Amours
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Dicks
Dingell
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Ertel
Evans, Colo.
Evans, Ga.
Fary
Fascell
Fenwick
Fisher
Fithian
Flippo
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Gaydos
Gephardt
Giaimo
Ginn
Glickman
Gonzalez
Gore
Gudger
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hefner
Heftel
Hightower
Holtzman
Howard
Hubbard
Huckaby
Hughes
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Keys
Kildee
Kostmayer
Krebs
LaFalce
Le Fante
Lederer
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Luken
Lundine
McCormack
McFall
McHugh
McKay
McKinney
Maguire
Mahon
Mann
Markey
Mattox
Mazzoli
Meeds
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Natcher
Nedzi
Nix
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pickle
Pike
Poage
Preyer
Rahall
Reuss
Richmond
Roberts
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Santini
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Simon
Sisk
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Stokes
Stratton
Studds
Thompson
Thornton
Traxler
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whalen
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—42

Brown, Calif.
Burgener
Burton, John
Burton, Phillip
Clausen, Don H.
Collins, Tex.
Corman
Dent
Diggs
Dodd
Early
Fish
Florio
Forsythe
Fuqua
Gammage
Hawkins
Hillis
Holland
Koch
Krueger
Latta
Metcalfe
Michel
Milford
Moss
Pepper
Price
Quillen
Rangel
Roe
Rousselot
Ryan
Sarasin
Sawyer
St Germain
Teague
Vanik
White
Wiggins
Wydler
Young, Fla.

The Clerk announced the following pairs:

On this vote:

Mr. Milford for, with Mr. Dent against.

Mr. Teague for, with Mr. Fuqua against.

Mr. Burgener for, with Mr. Moss against.

Mr. Don H. Clausen for, with Mr. Corman against.

Mr. Fish for, with Mr. Rangel against.

Mr. Latta for, with Mr. Metcalfe against.

Mr. Michel for, with Mr. St Germain against.

Mr. Quillen for, with Mr. Pepper against.

Mr. Rousselot for, with Mr. Diggs against.

Mr. Wiggins for, with Mr. Florio against.

Mr. Young of Florida for, with Mr. Hawkins against.

Mr. Wydler for, with Mr. Vanik against.

Mr. Gammage for, with Mr. Koch against.

Mr. STEERS and Mr. NICHOLS changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this resolution, but I also wish to raise some serious concerns I have about the process that has led us to today's consideration of an over $500 billion budget.

Before I share my thoughts with you, I would like to join my colleagues who have expressed their admiration for the outstanding work done by the Budget Committee in resolving the conflicts in the last resolution and bringing this compromise to us ahead of the May 15 deadline. Working under a relatively new system, with such an incomprehensibly large budget, the committee and its chairman have done as thorough and thoughtful a job as is possible.

But, Mr. Chairman, I want to reaffirm the concerns I expressed last week about the budget process. We cannot be satisfied with what is necessarily a hasty and very general consideration of a very complex topic. It is, as we all know, extremely difficult for any Member to cast as well-informed a vote as he would like on an over $500 billion budget, with only a few days' opportunity to study and debate its contents. I also wonder whether it is possible for the committee to get a thorough handle on the budget with the several months allotted for the committee's review.

While in theory, we have set aside a year for the budgeting process, I have seen already that a great deal of that time is consumed by consideration of supplemental appropriations, fine-tuning of the budget for the current fiscal year's final quarters, and by the many adjustments that are necessary in the forthcoming budget every time the President proposes or withdraws a proposal, such as the $50 tax rebate.

The committees which recommend the legislation for which the budget is prepared spend a great deal of their time during each year recomputing funding levels for each new fiscal year and introducing new legislation which is then also incorporated into the budget. These two activities, as my colleagues all know, can well occupy an entire year.

The most serious consequence of the time-crunch facing both the Budget Committee and the legislative committees is that there is virtually no time set aside for oversight of existing or proposed programs. I would ask my colleagues whether the very fact that we have no time for oversight, despite the commendable reforms of the Congressional Budget Act of 1974, has not played some part in bringing our budget to the $500 billion level? With little oversight, we are unsure or unable to hesitate to cut back any program, so we simply keep funding programs on the one hand and creating new programs on the other hand to make up for the deficiencies in existing programs.

Mr. Chairman, I proposed last week and again recommend to the Congress that we consider implementing a 2-year budgeting process, in which funds would be budgeted and appropriated for a full 2-year period, during which 1 year would be devoted to formulating the budget itself and the other year to overseeing the requests and spending practices of Federal departments and agencies. At the same time, committees such as Agriculture on which I serve would work on an opposite pattern, overseeing programs of departments and the second year making funding recommendations for the Budget Committee to consider the following year.

There are of course a variety of rather complex considerations that would have to be worked out before such a proposal could be enacted. We would have to provide for inclusions of special instances, such as funds for military emergencies, natural disaster relief, or unique proposals such as the President's energy package.

I would draw Members' attention to the fact that the Congressional Budget Office, after an exhaustive study, concluded that such biennial appropriations would be feasible. For the most part, the Budget Office noted, spending decisions are already made in advance: as much as 75 percent of the budget is "uncontrolled," consisting of items such as social security payments and the like which cannot be substantively changed from year to year. In addition, the Office felt that biennial appropriations would give State and local governments and the many other institutions dependent on Federal funding some assurance of continuity in the moneys they receive, so that these bodies could implement better long-range planning mechanisms.

In conclusion, Mr. Chairman, I hope that as each Member experiences our current budget process and feels, as I am sure each of us will, a great sense of frustration in attempting to evaluate a $500 billion budget in so little time, and as each Member is forced by his constituents to defend his vote for or against this resolution, with again perhaps little basis upon which to make that defense—I hope some thought and serious consideration will be given to switching to a biennial appropriation system.

In addition, Mr. Chairman, given the great interest on the part of the President in zero-based budgeting, and given the support many Members are prepared to lend to that concept, I might suggest that biennial appropriations may be the only direction we can take to make zero-based budgeting a reality, for it is the only system that will allow us enough time to make the changes and the cuts that can bring the budget back into manageable proportions.

Mr. Chairman, I thank the chair.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be as brief as I possibly can. Some of us on this side fought and fought very hard against increases in the military budget in the defense function. I think that some of us on this side are still displeased about the amount of money that has been added on to the military without a commensurate increase in domestic programs.

I further believe that there are sufficient numbers of us on this side who are so displeased that if we decided to cast our vote against this budget resolution, it would fail.

I would suggest to the House that in my own thinking much of what has transpired today and last week is a cover for a deliberate attempt to destroy the whole budget process. So in the event that we should cast our votes in that direction, I think we ought to take a moment to look at the options. To look at the options, we must look at what the climate is. I am talking to my friends on this side. There is no doubt that the military-industrial complex that President Eisenhower warned us against is back with great power.

Mr. Chairman, let me digress for just a moment, if I may, and tell a little story. It was said that the great John Barrymore was such an actor that even in his sleep he talked in a Shakespearean cadence. Once when he was performing in one of the great theaters he said, "My kingdom for a horse."

Somebody crudely snickered in the audience, and without even breaking his cadence, Barrymore quickly said, "Saddle yon braying ass."

I think the military-industrial complex is back in power. I think the old cold war attitudes are back in this country. I further think that we are almost paranoid about a deficit, in the Congress and outside the Congress. If we decided to end the budget process tonight, which I think we have the capability of doing, what do we have to offer? Obviously all we have to offer is the return of power to those committees which have consistently fought against human survival programs and fought for their own interests. If we destroy the budget process, what we will be doing is saying that in light of the resurgence of the military-industrial complex, in light of the cold war attitudes, and in light of the deficit, every act in this House will be geared to defense and reducing the deficit.

There is only one place we can cut. That would be in human survival programs. That is the reality of it. I know that to face reality I have to make a decision. I fought as hard as I could, and I thank my friends who fought with me, but rather than return to the status quo, with the committees and all their old strengths, I plead with the Members to vote aye on final passage on this concurrent resolution.

Mr. MINETA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of House Concurrent Resolution 214, the first concurrent resolution on the budget for fiscal year 1978. My statement will be very brief.

I urge my colleagues to support this measure as a compromise that has been fashioned to accommodate the actions taken by the full House last week and the intricate balance between defense and domestic needs established by the original Budget Committee recommendations. It is the essence of compromise that not everyone gets everything he or she wants—a compromise that does so is obviously not a compromise at all.

Resolution 214 asks those who voted for additional spending in the functional categories of defense; law enforcement and justice; and veterans affairs and benefits, to accept amounts somewhat lower than those they originally voted for. It asks them to compromise their demands so that the congressional budget process can move forward.

Alternatively, resolution 214 asks those who had rejected last week's spending targets because of their dissatisfaction over the realinement of national priorities in the amended resolution, to accept functional category totals which are slightly higher than they might desire. It asks them to accept this compromise so that the congressional budget process can move forward.

Mr. Chairman, before we speak of balancing national priorities, accommodating opposing beliefs, and forging an acceptable compromise; before we speak of the integrity of the congressional budget process and the necessity of establishing discipline on a previously undisciplined system; before we speak of the entire range of issues which are before us today, and which wait to be resolved by our votes on this first concurrent resolution, let us step back and consider just what a first concurrent resolution on the budget is. It is not an appropriations bill which gives spending authority to the thousands of line items in the budget; it is not the final document which establishes total Federal fiscal policy. The first concurrent resolution outlines a concurrent resolution which establishes a tentative, alternative, congressional, budget. All three of those adjectives are important: It is tentative because there will be a second concurrent resolution which sets binding figures; it is alternative because it is a different fiscal policy from the budget submitted by the executive branch in January; and it is congressional because we, in the Congress, are building and voting on this budget; because we, in the Congress, are finally establishing a disciplined process upon ourselves that requires planning to create an entire Federal budget.

The first concurrent resolution is one step in that process—it is intended to guide, not bind us. After adoption of this resolution, we will begin processing the 13 regular appropriations bills which grant spending authority for the coming fiscal year. Then, in September, we will vote on a second concurrent resolution. At that time we will set binding spending ceilings and revenue floors. The second concurrent resolution will be heavily influenced by what we do here today; but it will also be heavily influenced by our actions over the summer, by changes in the economy, and by our final deliberations on total fiscal policy. However, if we cannot accept a certain amount of discipline, if we cannot all accept small cuts in what we desire and pass this resolution, we will never get to the second resolution. I believe we all have a commitment to this process, and a responsibility to vote for the compromise embodied in House Concurrent Resolution 214 so that the congressional budget process can move forward.

Mr. Chairman, this resolution asks us all to accept slightly less than what we desire. In my opinion it is a fair proposal. I urge all my colleagues to vote for this measure.

PERFECTING AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer a perfecting amendment to conform the amendments which have been agreed to to the aggregates, to provide mathematical consistency as provided for in the Budget Act.

The Clerk read as follows:

Perfecting Amendment offered by Mr. GIAIMO: On page 1, line 11, strike out "$502,092,000,000" and insert in lieu thereof "$502,267,000,000";

On page 2, line 2, strike out "$464,302,000,000" and insert in lieu thereof "$464,477,000,000";

On page 2, line 5, strike out "$66,208,000,000" and insert in lieu thereof "$66,383,000,000";

On page 2, line 7, strike out "$792,539,000" and insert in lieu thereof "$792,714,000,000";

On page 2, line 9, strike out "$92,539,000,000" and insert in lieu thereof "$92,714,000,000."

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the perfecting amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The perfecting amendment was agreed to.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with amendments, with the recommendation that the amendments be agreed to and the concurrent resolution, as amended, be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 214) setting forth the congressional budget for the U.S. Government for the fiscal year 1978, had directed him to report the concurrent resolution back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER. Under the law, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the concurrent resolution.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 213, nays 179, not voting 40, as follows:

[Roll No. 204]

YEAS—213

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Baldus
Barnard
Baucus
Beard, R.I.
Bedell
Beilenson
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Carney
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Cornwell
Cotter
D'Amours
Danielson
de la Garza
Delaney
Derrick
Dicks
Diggs
Dingell
Dodd
Downey
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Ertel
Evans, Colo.
Evans, Ga.
Fary
Fascell
Fisher
Flippo
Flood
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Fraser
Gephardt
Giaimo
Ginn
Gonzalez
Gore
Gudger
Hall
Hanley
Harris
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Howard
Hubbard
Huckaby
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jordan
Kazen
Kildee
Krebs
LaFalce
Le Fante
Lederer
Leggett
Lehman
Lloyd, Calif.
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McFall
McHugh
McKay
Maguire
Mahon
Markey
Mattox
Mazzoli
Meeds
Meyner
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Michael
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Rahall
Reuss
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Scheuer
Seiberling
Shipley
Sikes
Simon
Sisk
Skelton
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Steers
Stokes
Studds
Thompson
Thornton
Traxler
Tsongas
Tucker
Udall
Ullman
Van Deerlin
Vento
Volkmer
Waggonner
Walgren
Watkins
Waxman
Weaver
Whalen
Whitten
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—179

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Badham
Badillo
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bennett
Bonior
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Butler
Byron
Caputo
Carr
Carter
Cavanaugh
Cederberg
Chappell
Clawson, Del
Cleveland
Cochran
Coleman
Conable
Conyers
Corcoran
Cornell
Coughlin
Crane
Daniel, Dan
Daniel, R. W.
Davis
Dellums
Derwinski
Devine
Dickinson
Dornan
Drinan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick

Findley
Fithian
Flynt
Fountain
Frenzel
Frey
Gaydos
Gibbons
Gilman
Glickman
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harkin
Harrington
Harsha
Heckler
Holt
Horton
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Johnson, Colo.
Jones, Tenn.
Kasten
Kastenmeier
Kelly
Kemp
Ketchum
Keys
Kindness
Kostmayer
Lagomarsino
Leach
Lent
Levitas
Lloyd, Tenn.
Lott
Lujan
Lundine
McClory
McDade
McDonald
McEwen
McKinney
Madigan
Mann
Marks
Marlenee
Marriott
Martin
Mathis
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Gary
Myers, Ind.
Nichols
O'Brien
Pettis
Pressler
Pritchard
Pursell
Quayle
Quie
Railsback
Regula
Rhodes
Robinson
Runnels
Ruppe
Russo
Santini
Satterfield
Schroeder
Schulze
Sebelius
Sharp
Shuster
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stangeland
Stanton
Steiger
Stockman
Stratton
Stump
Symms
Taylor
Thone
Treen
Trible
Vander Jagt
Walker
Walsh
Wampler
Weiss
Whitehurst
Whitley
Wilson, Bob
Wilson, C. H.
Winn
Wylie
Young, Alaska
Young, Mo.

NOT VOTING—40

Burgener
Burton, John
Burton, Phillip
Clausen, Don H.
Collins, Tex.
Corman
Dent
Early
Fish
Florio
Forsythe
Fuqua
Gammage
Hannaford
Hawkins
Hillis
Holland
Koch
Krueger
Latta
Metcalfe
Michel
Milford
Moss
Price
Quillen
Rangel
Roe
Rousselot
Rudd
Ryan
Sarasin
Sawyer
St Germain
Teague
Vanik
White
Wiggins
Wydler
Young, Fla.

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Milford against.

Mr. Corman for, with Mr. Gammage against.

Mr. Hawkins for, with Mr. John Burton against.

Mr. Fuqua for, with Mr. Rangel against.

Mr. Moss for, with Mr. Burgener against.

Mr. Florio for, with Mr. Don H. Clausen against.

Mr. Vanik for, with Mr. Collins of Texas against.

Mr. St Germain for, with Mr. Fish against.

Mr. Price for, with Mr. Latta against.

Mr. Ryan for, with Mr. Michel against.

Mr. Early for, with Mr. Quillen against.

Mr. Koch for, with Mr. Rousselot against.

Mr. Metcalfe for, with Mr. Wydler against.

Mr. Teague for, with Mr. Wiggins against.

Until further notice:

Mr. White with Mr. Phillip Burton.

Mr. Hannaford with Mr. Hillis.

Mr. Holland with Mr. Krueger.

Mr. Roe with Mr. Rudd.

Mr. Sarasin with Mr. Sawyer.

Mr. GLICKMAN changed his vote from "yea" to "nay."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 19) setting forth the congressional budget for the U.S. Government for the fiscal year 1978, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 19

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the appropriate level of total budget outlays is $459,200,000,000;

(2) the appropriate level of total new budget authority is $504,600,000,000;

(3) the amount of deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $63,500,000,000;

(4) the recommended level of Federal revenues is $395,700,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $18,200,000,000; and

(5) the appropriate level of the public debt is $789,900,000,000, and the amount by which the temporary statutory limit on such debt should be accordingly increased is $89,900,000,000.

Sec. 2. Based on the appropriate level of total budget outlays and total new budget authority set forth in paragraphs (1) and (2) of the first section of this resolution, the Congress hereby determines and declares, pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate allocation of the estimated budget outlays and new budget authority for the major functional categories is as follows:

(1) National Defense (050):
(A) New budget authority, $120,300,000,000;
(B) Outlays, $111,600,000,000.
(2) International Affairs (150):
(A) New budget authority, $9,300,000,000;
(B) Outlays, $7,300,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,900,000,000;
(B) Outlays, $4,700,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $20,500,000,000;
(B) Outlays, $19,900,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,200,000,000;
(B) Outlays, $3,700,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $19,400,000,000;
(B) Outlays, $19,100,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $8,100,000,000;
(B) Outlays, $10,700,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $27,100,000,000;
(B) Outlays, $27,000,000,000.
(9) Health (550):
(A) New budget authority, $48,000,000,000;
(B) Outlays, $44,400,000,000.
(10) Income Security (600):
(A) New budget authority, $179,900,000,000;
(B) Outlays, $145,900,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $20,300,000,000;
(B) Outlays, $20,200,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,800,000,000;
(B) Outlays, $3,900,000,000.
(13) General Government (800):
(A) New budget authority, $3,800,000,000;
(B) Outlays, $3,800,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $9,800,000,000;
(B) Outlays, $9,700,000,000.
(15) Interest (900):
(A) New budget authority, $43,000,000,000;
(B) Outlays, $43,000,000,000.
(16) Allowances (920):
(A) New budget authority, $800,000,000;
(B) Outlays, $900,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$16,600,000,000;
(B) Outlays, —$16,600,000,000.

Sec. 3. Pursuant to section 304 of the Congressional Budget Act of 1974—

(a) Section 1 of S. Con. Res. 10 is revised to read as follows: "That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

"(1) the recommended level of Federal revenues is $349,300,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $10,200,000,000;

"(2) the appropriate level of total new budget authority is $469,800,000,000;

"(3) the appropriate level of total budget outlays is $480,800,000,000;

"(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $59,500,000,000; and

"(5) the appropriate level of the public debt is $708,300,000,000.".

(b) Section 2 of S. Con. Res. 10, paragraphs 1 to 10, 13, 16, and 17, is revised as follows:

(1) In paragraph (1)(B) (outlays for National Defense) strike out "$100,100,000,000" and insert "$98,900,000,000".

(2) In paragraph (2)(B) (outlays for International Affairs) strike out "$6,800,000,000" and insert "$6,500,000,000".

(3) In paragraph (3)(B) (outlays for General Science, Space, and Technology) strike out "$4,400,000,000" and insert "$4,600,000,000".

(4) In paragraph (4)(B) (outlays for National Resources, Environment, and Energy) strike out "$17,200,000,000" and insert "$15,800,000,000".

(5) In paragraph (5)(B) (outlays for Ariculture) strike out "$3,000,000,000" and insert "$4,500,000,000".

(6) In paragraph (6)(B) (outlays for Commerce and Transportation) strike out "$16,000,000,000" and insert "$14,900,000,000".

(7) In paragraph (7)(B) (outlays for Community and Regional Development) strike out "$10,550,000,000" and insert "$10,100,000,000".

(8) In paragraph (8)(B) (outlays for Education, Training, Employment, and Social Services) strike out "$22,700,000,000" and insert "$29,900,000,000".

(9) In paragraph (9)(B) (outlays for Health) strike out "$39,300,000,000" and insert "$39,000,000,000".

(10) In paragraph (10)(A) (new budget authority for Income Security) strike out "$170,900,000,000" and insert "$167.300,000000"; and (10)(B) (outlays) strike out "$141,300,000,000" and insert "$136,900,000,000".

(11) In paragraph (13)(B) (outlays for General Government) strike out "$3,500,000,000" and insert "$3,700,000,000".

(12) In paragraph (16)(B) (outlays for Allowances) strike out "$800,000,000" and insert "$700,000,000".

(13) In paragraph (17)(A) (new budget authority for Undistributed Offsetting Receipts) strike out "—$15,600,000,000" and

insert "—$15,100,000,000"; and (17) (B) (outlays) strike out "—$15,600,000,000" and insert "—$15,100,000,000".

Mr. GIAIMO (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate concurrent resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

MOTION OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GIAIMO moves to strike out all after the resolving clause of Senate Concurrent Resolution 19 and insert in lieu thereof the provisions of House Concurrent Resolution 214, as agreed to, as follows:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $398,094,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $1,073,000,000;

(2) the appropriate level of total new budget authority is $502,267,000,000;

(3) the appropriate level of total budget outlays is $464,477,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $66,383,000,000; and

(5) the appropriate level of the public debt is $792,714,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $92,714,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $117,136,000,000;

(B) Outlays, $109,947,000,000.

(2) International Affairs (150):

(A) New budget authority, $9,543,000,000;

(B) Outlays, $7,397,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,930,000,000;

(B) Outlays, $4,737,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $20,950,000,000 .

(B) Outlays, $20,677,000,00.

(5) Agriculture (350):

(A) New budget authority, $2,153,000,000;

(B) Outlays, $4,395,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $20,569,000,000 .

(B) Outlays, $20,277,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $8,237,000,000;

(B) Outlays, $10,926,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $22,739,000,000 .

(B) Outlays, $27,756,000,000.

(9) Health (550):

(A) New budget authority, $47,685,000,000;

(B) Outlays, $44,238,000,000.

(10) Income Security (600):

(A) New budget authority, $182,688,000,000;

(B) Outlays, $148,309,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $20,235,000,000;

(B) Outlays, $20,203,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,620,000,000 .

(B) Outlays, $3.820,000,000.

(13) General Government (800):

(A) New budget authority, $3,891,000,000;

(B) Outlays, $3,991,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850).

(A) New budget authority, $9,822,000,000;

(B) Outlays, $9,783,000,000.

(15) Interest (900):

(A) New budget authority, $43,000,000,000;

(B) Outlays, $43,000,000,000.

(16) Allowances:

(A) New budget authority, $1,069,000,000;

(B) Outlays, $1,021,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$16,000,000,000;

(B) Outlays, —$16,000,000,000.

SEC. 3. In the Third Budget Resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the First Budget Resolution for Fiscal Year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the Second Budget Resolution for Fiscal Year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1977 made by S. Con. Res. 10 are revised as follows:

(1) the recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) the appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250,000,000;

(5) the appropriate level of the public debt is $707,970,000,000; and

(6) based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of this section, the appropriate level of new budget authority and the estimated budget outlays for Income Security (function 600) is as follows:

(A) New budget authority, $167,700,000,000;

(B) Outlays, $138,100,000,000.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

The Senate concurrent resolution was concurred in.

A similar House concurrent resolution (H. Con. Res. 214) was laid on the table.

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate concurrent resolution (S. Con. Res. 19) setting forth the congressional budget for the U.S. Government for the fiscal year 1978, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut? The Chair hears none, and appoints the following conferees: Messrs. GIAIMO, WRIGHT, LEGGETT, MITCHELL of Maryland, DERRICK, PIKE, OBEY, LEHMAN, MATTOX, LATTA, ROUSSELOT, REGULA, and Mrs. HOLT.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4876) entitled "An act making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes."

The message also announced that the Senate agreed to the House amendments to Senate amendments Nos. 4, 5, and 9.

PERSONAL EXPLANATION

Mr. BRECKINRIDGE. Mr. Speaker, I was unable to make the votes on Monday, May 2, 1977, due to the fact that I was in San Antonio, Tex. giving a speech concerning rural development to the National Association of Regional Councils. Had I been here, I would have voted "yea" on roll No. 175, which the House voted on to suspend the rules and pass U.S. territories, H.R. 6550, to authorize certain appropriations for the territories of the United States, and other certain acts relating thereto. I would have voted "yea" on roll No. 176, which the House voted on to suspend the rules and pass San Luis unit, Central Valley project, California, H.R. 4390, to amend the act of June 3, 1960, authorizing the Secretary of Interior to construct the San Luis unit, Central Valley project, California. I would have voted "yea" on roll No. 177, which the House voted on to suspend the rules and pass energy, S. 36, authorizing appropriations for the Energy Research and Development Administration for the fiscal year of 1977. I would have voted "yea" on roll No. 178, which the House voted on to suspend the rules and pass Veterans' Administration, H.R. 5025, to amend title 38 of the United States Code in order to revise the provisions therein relating to the construction, alteration, and acquisition of Veterans' Administration medical facilities. I would have voted "yea on roll No. 179, which the

House voted on to suspend the rules and pass income tax, H.R. 4007, to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes. I would have voted "yea" on roll No. 180, which the House voted on to suspend the rules and pass defense, H.R. 4962, to extend the Defense Production Act of 1950.

PERSONAL EXPLANATION

Mr. EDWARDS of Oklahoma. Mr. Speaker, I would like the RECORD to show that on vote 199 I was involved in questioning Secretary Schlesinger with the Ad Hoc Committee on Energy, and I missed that vote. Had I been present, I would have voted "aye."

TAX BREAK FOR CIVIL SERVICE RETIREES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, today I am introducing a bill to exempt the first $5,000 of civil service retirement annuities from taxation. Under present law, social security and railroad benefits, as well as a portion of private pensions based on social security, are exempted from income taxation. Currently, Federal retirees pay personal income taxes on every dollar after they have drawn out the exact amount of their own contribution over the years into the fund.

To correct this inequity, I have introduced this bill to correlate the Federal employee's exemption with that presently extended to social security recipients. Allow me to take this opportunity to express my reasons for introducing this legislation.

First, older Americans are finding their savings and fixed incomes devoured by staggering increases in the cost of food, medical care, State and local taxes and energy. Today's retirees are the first in our history to experience a long and early retirement. Inflation, as everyone knows, hits those living on fixed incomes the hardest. Removing $5,000 of retirement income from Federal income taxation is one way to provide an important segment of our population a less burdened retirement with a decent standard of living.

Second, while the Tax Reform Act of 1976 made substantial increases in the tax credit for the elderly, a definite inequity exists regarding an "income phaseout" based on adjusted gross income. For example, a single taxpayer loses the benefit of a tax credit when his adjusted gross income reaches $12,500. In the case of married couples the credit is phased out at an income level above $15,000 if only one spouse is age 65 or over and at $17,400 if both spouses are 65 or older. Many elderly Americans who, under prior law were eligible for the retirement income credit now find themselves, under the new law, ineligible for any credit. Too, the present phaseout levels may be unrealistic in view of the unprecedented rate of inflation which we have experienced in recent years. No longer is $12,000 a generous income.

Mr. Speaker, in past Congresses I have been pleased to sponsor and support similar legislation. The time has come to provide the same tax treatment for those who have given loyal service to their country that retirees who worked in the private sector enjoy. I urge the Ways and Means Committee to give this legislation the prompt attention it deserves.

GEOTHERMAL STEAM ACT AMENDMENTS OF 1977

The SPEAKER pro tempore. Under a previous order of the House the gentleman from California (Mr. GOLDWATER) is recognized for 10 minutes.

Mr. GOLDWATER. Mr. Speaker, today I am introducing a most important bill for consideration in the 95th Congress. The bill is entitled "The Geothermal Steam Act Amendments of 1977."

I am introducing this bill to insure that our Federal lands leasing program will provide for the expeditious leasing and development, in an environmentally acceptable manner, the vast geothermal resources of the United States which are situated beneath Federal lands. These amendments are based on our experiences in the 7 years since the Geothermal Steam Act was enacted. The amendments will provide the additional statutory authority to accelerate the Federal geothermal leasing program and thereby make available at the earliest possible time the vast potential of the geothermal energy resources. In fashioning these amendments, I have worked closely with the Federal agencies involved in the leasing program, with representatives of State and local governments in the areas where these Federal lands are located, and with the industry which must in the end develop this resource.

There are a series of significant issues associated with this act today and for the future. The amendments in my bill focus on those specific issues which must be addressed in the near term to accelerate our leasing program over the next several years. I have deferred on several other issues to allow for more time within the agencies, within the State and local organizations, and within industry for more detailed analysis of alternatives.

The first amendment I am offering increases the per State acreage limitation on a geothermal leasehold from 20,480 to 51,200 acres. At the time the Geothermal Steam Act was considered in the late 1960's, there was insufficient information available to determine whether or not the 20,480-acre limitation would inhibit geothermal development. Accordingly the authors of the act included the possibility for the increase I today am proposing. However, that increase could only occur after December 1985, under the current statute, to allow for operating experience. Based on our experience to date, it is quite clear that the original concerns of the drafters have been realized. Our experience indicates that increasing the limit would significantly accelerate and enhance the development of these resources. The present limit is about the size of one "good" geothermal reservoir. As a result, the limit is inhibiting the activities of several active bona fide developers who are seriously interested in development of the resource. By increasing the limit, we will provide sufficient flexibility in covering the many reservoirs now under consideration for development.

I should note that much of our increased knowledge regarding the development of the geothermal resource is a direct result of our aggressive total Federal program under the leadership of the Energy Research and Development Administration. As a ranking minority member of the Subcommittee on the Science and Technology Committee which wrote the Geothermal Research, Development and Demonstration Act of 1974 and subsequently has authorized all of the funds for this major Federal geothermal program, I am very familiar with the strides we have made in the past 3 years. The ERDA-led Government-wide geothermal program has focused on institutional barriers, including Federal leasing, as well as technology development. The results of our activities over these past years have substantiated the need for this larger acreage limitation.

The second amendment provides a statutory scheme to insure that geothermal lessees will have access, on an equitable basis, to any transmission lines or rights of way for transmission lines on public lands in the general area of their leasehold. We have found through our work in the Federal program that transmission lines to transmit the power from a generating facility at the resource location to the electrical grid of a power utility can be a critical item for a geothermal developer. Ultimately, we may find that this problem will result in the use of geothermal-generated electricity in dispersed as well as, or rather than, grid power applications. For the moment, we must make every effort to insure that the transmission line and transmission line right-of-way requirement does not become a limiting factor in the development of a total system. In going from the geothermal energy in the ground to electrical power in our homes or factories, we must provide equitably for transmission of that power. An equitable approach must also insure a reasonable basis for sharing costs. My amendment will do both.

Finally, my third amendment addresses the increasingly critical question of environmental assessments required for geothermal leases. In many cases, an environmental assessment will cost hundreds of thousands of dollars of taxpayers' money and result in time delays of a year or more, when ultimately the lessee determines that there is no producible geothermal resource. In my own State of California, under the progressive and precedent-setting California Environmental Quality Act—CEQA—California State officials employ a phased environmental assessment approach. A geothermal developer from California is involved in a series of assessments directly related to each stage of proposed operations rather than an assessment of full development prior to any activity at all, as is the case in the Federal leasing program. In other words, the developer proposes to conduct exploration activities or exploration drilling, et cetera, and the assessment is limited to that activity.

This does mean that a developer must bear the risk that not only is there the possibility that he will not find a resource that is commercially developable, but also that he may find such a resource, and because of environmental limits, can only develop it in a prohibitively costly way or not at all. My amendment would provide an option for bidders on these Federal geothermal leases to choose the phased assessment approach.

The advantage of the phased approach for those choosing it would be that the time and expense of the full-blown prior environmental assessment could be deferred until such time as there was some confidence that the geothermal reservoir, in fact, could be developed commercially. At that time the environmental assessment for commercial development would be completed. Of course, the developer would have to assume the concomitant risk that the full-blown assessment might prohibit or preclude that development.

The advantage to the Federal Government is several-fold. First, what is becoming an increasingly costly and time-consuming process can be substantially reduced in dollars and time. The various Federal leasing agencies involved in this process would benefit from such a change. Also, we would be in a much more precise knowledge regime when we made the environmental assessment for commercial development after knowing what the resource, in fact, is. Now, when we do the full-blown environmental assessment a large portion of it is based on speculation as to what development will occur, the nature of the reservoir, in terms of salinity and dissolved solids and gases, and its exact location. The "fine tuning" that can be achieved by waiting to get the exact details would be beneficial. In short, our efforts to protect the environment would be enhanced. Also, we would not be wasting the time and money associated with the full-blown assessment for those many leases which once explored, perhaps with a single well, are never developed, because they are not commercially viable. Finally, and perhaps most important is that geothermal development could be accelerated in response to our increasingly critical national energy crisis. This acceleration through much faster leasing of the Federal geothermal resource, which constitutes the large majority of the resource in the United States, can be accomplished with this phased approach in an envirnomentally acceptable way. In fact, I am convinced that when we base the environmental assessments on a greater level of knowledge and only do them where commercial development is supportable by the resource, then we will have a far more precise and effective assessment process. We, thereby, will achieve the dual objectives of enhanced environmental protection and accelerated exploration and development of our vital geothermal energy resources.

I am confident that this bill can make a meaningful contribution to our progress in meeting the Nation's energy challenge. I sincerely hope that the Committee on Interior and Insular Affairs, and its distinguished chairman, Mr. UDALL, will concur in the need to actively and quickly consider the wisdom of these amendments in hearings. I am sure that the amendments will stand that test and that the 95th Congress will act aggressively to enact them. Enactment will insure that the United States will have the benefit of this important national energy resource as soon as possible.

THE DELANEY CLAUSE AND SACCHARIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 30 minutes.

Mr. FRENZEL. Mr. Speaker, few issues have caused as much furor as the proposal by the Food and Drug Administration to ban, completely or partially, the use of saccharin. Many Members have received more mail on this subject than on any other in recent years, and recent years have seen a lot of issues causing a lot of mail.

Saccharin is the last available artificial sweetener that can be used by diabetics and other patients in a program for dietary management. It is essential to the health of millions of citizens that an artificial sweetener be readily available.

As chairman of the Republican Research Committee of the House of Representatives, I would like to share with you and our colleagues the statement issued today by our committee's Task Force on Health Policy. Health is not, to be sure, a partisan issue. But, as Members of Congress, we must all be concerned about the implications of the Food and Drug Administration's actions. I endorse the position of the task force in calling for hearings on, and passage of H.R. 5166:

THE DELANEY CLAUSE AND SACCHARIN

In an effort to address the health threat posed to millions of Americans by the Food and Drug Administration's proposed ban on saccharin, the Republican Task Force on Health Policy supports the bill H.R. 5166. This bipartisan bill, co-sponsored by over 185 Representatives, would allow the Secretary of Health, Education, and Welfare to weigh the public risks and benefits of a food additive before making a judgment on whether it can be sold to the general public. The Secretary would then be able to take into account the best available evidence and expert judgment possible in making such a decision and would also be able to consider the health risk to the general public of denying such an additive.

This proposed ban on saccharin, the last remaining artificial sweetener available to diabetics and others who must control their food intake or weight, has justifiably caused a furor. The Food and Drug Administration asserts, correctly in our opinion, that under existing law the agency has no choice but to ban saccharin because it has been found to induce bladder tumors in rats in a study conducted in Canada. Under the "Delaney Clause" of the Federal Food, Drug, and Cosmetic Act, a substance must be banned as a food additive if it induces cancer in man or animal. It is our opinion that the Delaney Clause must be amended, but amended with great caution. We recommend amendment, not as a partisan group, but as members of a task force having had considerable experience with issues in the area of public health and nutrition.

We believe the Delaney Clause to be basically sound and believe that when it was adopted in 1958 it was an appropriate standard in light of the technology at that time. Any amendment to it should be considered only if it will enhance, not endanger, health.

Chairman Paul Rogers of the Health Subcommittee of the Commerce Committee is to be commended for calling prompt oversight hearings on the proposed FDA ban of saccharin. We urge early passage of legislation, but caution against "doing something just for the sake of doing something" or "just to be seen doing something". Extreme care is required.

We note that, while the Canadian study and at least one other have shown that saccharin may be carcinogenic, other studies—such as epidemiological analyses of human health statistics by Armstrong at Oxford, Kessel at Johns Hopkins, and Wynder at the American Health Foundation, and pathology studies on the rhesus monkey at Albany—have failed to show any relationship between saccharin and bladder cancer, or any general increase in cancer. We note the statement of the Director of the National Cancer Institute that saccharin "is not a potent carcinogen, if a carcinogen at all." There is no evidence of risk with its normal use.

We do not assert that saccharin presents a zero risk; we cannot assert that anything presents a zero risk. We believe there is a greater risk if it is banned. We propose that the Federal Food and Drug Administration be empowered to assess the public health benefits and public health risks with regard to food additives. The Secretary of Health, Education, and Welfare (who has the ultimate responsibility for the FDA) must be permitted to allow a food additive on the market if its public benefits clearly exceed the public risks. We feel H.R. 5166 allows the weighing of benefits and risks without opening floodgates for additives of questionable health or nutritional value.

With regard to saccharin, the Task Force is of the opinion that the substance's value as a mechanism for the dietary mangement of sufferers from diabetes, hypoglycemia, hyperglycemia, myasthenia gravis, assorted metabolic disorders, and obesity far outweighs any remote risk of tumor development. It is intriguing to note the risk of replacing the current consumption of dietetic soft drinks with the standard kind by those who must control their diet. That translates through calories and pounds into a prediction of 25,000 additional heart attacks annually. Obesity also increases the risk of cancer. Serious considerations of that sort have to be taken into account along with the very serious intent of the Delaney Clause.

The health interests of millions of consumers will benefit from the kind of cautious modernization we are proposing.

RESOLUTION PROPOSING CONSTITUTIONAL AMENDMENT WITH RESPECT TO THE RIGHT TO LIFE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, I am introducing today a resolution proposing a constitutional amendment with respect to the right to life.

I have offered this resolution as a symbolic gesture in support of my belief that Congress must address the issue of abortion on demand.

There are hundreds of thousands of people in every religious denomination throughout this land whose consciences will not let them remain silent on this issue. Included in this group are many of my constituents who share the belief that abortion is the taking of a life and should be outlawed.

Mr. Speaker, this Nation grounds its existence in respect for life and individual liberty. We hold the protection of life at the highest level surrounded by elaborate constitutional and legal requirements of due process.

As a people, we have experienced searing debate and deep pangs of concern over capital punishment. Our deepest sympathies and some of the most emotionally charged legal battles in years have been aroused by so-called "right to die" cases.

Yet while solicitous of life and its preservation at one end of the spectrum, Americans have been less concerned with those just beginning life.

It has been 4 years since the Supreme Court issued its abortion opinion. During that time, more and more Americans have become concerned and active in the movement to secure a constitutional amendment prohibiting the practice. Mr. Speaker, these good people believe in the legislative process. They have come to Washington in ever increasing numbers to petition for consideration of their views. I believe we owe them that consideration.

Consistently when amendments circumscribing the practice of abortion or any of its aspects have come to the floor of the House they have been approved. Only last year this body voted for Mr. Hyde's amendment. Yet we cannot seem to secure consideration of a resolution despite the fact that numerous versions have been offered.

Mr. Speaker, I believe we owe it to all of those who have petitioned the Congress to take up this issue. Let us have extensive hearings and debate with room for all views to be presented. I realize there are many very personal and controversial moral and ethical values involved in an attempt to address the abortion question. My amendment is not offered as the final solution to these questions, but as a vehicle to bring the issues into focus. I believe we should take the opportunity to view all the questions surrounding abortion in the open where we can debate the merits of an amendment and register our vote. In this fashion, we will demonstrate our good faith to the American people and our determination to assure that all viewpoints are represented.

A BETTER WAY TO IMPORT OIL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, in reviewing President Carter's energy plan, it appears that there is no new proposal relating to the purchase of imported oil. Although the energy bill which passed the House in 1975 established an import monitoring system providing for import licenses, the administration appears to rely on the traditional and unsatisfactory system of allowing the multinational oil companies to negotiate with foreign governments to obtain imported oil supplies.

Yesterday morning, I asked Mr. Schlesinger whether the administration plan failed to deal with procurement of oil imports. He replied that the President's program only dealt with the domestic problem and that the administration would probably deal with the import problem later. I find this deferral unacceptable, since imported oil now constitutes one-half of our domestic consumption. An energy plan which fails to deal with the import mechanism is only one-half of an essential plan.

Under the present system, the oil which we purchase abroad is acquired through the multinational oil companies which act principally as intermediaries or agents of the sovereign oil-producing states.

The recent Federal Energy Administration findings of imported oil price manipulation revealed a $336 million overcharge to the American consumer. Not only is the present import licensing system ripe for fraud and abuse, but it does not impose or provide any mechanism for controlling the prices at which the multinational oil companies value their oil imports. To my mind, the continuation of the present import control mechanism is unthinkable, if we are going to ask the American consumer to make the sacrifices called for in the President's program.

There must be better ways to import oil.

We could adopt the import licensing system and quota controls proposed in the bill reported by the Ways and Means Committee and passed by the House in June of 1975—but which failed to be considered by the Senate.

Another choice would be to develop a Federal agency to purchase all oil imports and to serve as the one procurement agency dealing with the oil exporting countries.

Since we purchase oil from sovereign governments, it would more certainly be in the public interest to deal with these governments on a direct basis—and eliminate any commissions and overhead to the multinationals which in their operations have become handmaidens to the OPEC countries. There is tremendous economic power in purchasing and paying for $35 billion in oil imports. We should use that power in the best interests of the American public.

CHICAGO'S NORTHEASTERN ILLINOIS UNIVERSITY INAUGURATES NEW PRESIDENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on May 12, Northeastern Illinois University, located in the 11th District, which I am honored to represent, will inaugurate its third president, Dr. Ronald Williams. Inauguration week, May 7–12, will be celebrated with a series of educational and cultural events, as the chairperson of the university's inauguration committee, Ms. Blanche Hersh, has said:

> At the direction of President Williams, this inauguration will be more than a brief, formal ritual. We envision it as an important event which will cap a week-long series of lectures, symposia, and workshops focused on the goals and mission of the urban university. Leaders in education, business, and government will join with our faculty, students and community members to explore various aspects of urban education and make recommendations that can help us move closer to what we have the potential to become: a model urban university. We hope to build on the unique strengths and resources we already have. These include community-oriented outreach centers in three ethnically diverse areas of the city and a variety of alternative degree and other special programs which serve the needs of our urban students, including minorities, women, older students and working students.

Mr. Speaker, I extend my sincerest congratulations to President Williams, the faculty, staff, and students of Northeastern Illinois University, and send all of them my warmest best wishes for many more years of outstanding service and inspiration to our northwest side Chicago community and to the people of our State and Nation.

A news release regarding the appointment of Dr. Williams as well as the calendar of events for Northeastern Illinois University's inauguration week follow:

Washington, D.C., Educator to Top Post at Northeastern Illinois University

> The appointment of Dr. Ronald Williams as the new president of Northeastern Illinois University was announced today by the Illinois Board of Governors of State Colleges and Universities.
>
> Dr. Williams comes to his new post from Washington, D.C. where he was Provost and Vice-president for Academic Affairs at the Federal City College since 1972. His more than 15 years of academic and administrative experience includes Chairperson, Department of Communication Sciences, the Federal City College; Professor of Speech and Dean, College of Ethnic Studies, Western Washington State College; Acting Executive Dean, Afro-American Affairs, Ohio University; Director of the Speech Clinic, Oberlin College, where he was one of the founders of the Oberlin Summer Theatre.
>
> A graduate of Western Reserve University with a B.A. in Speech Pathology and M.A. in Speech and Hearing, Dr. Williams also holds a Ph.D. (Phonetics and Psycholinguistics) from Ohio State University (1969).
>
> Dr. Williams has published and lectured extensively in his field of sociolinguistics. His publications range from technical abstracts in speech pathology and Afro-American linguistics to book reviews, short stories and poetry.
>
> Dr. Williams received numerous honors and special awards for professional leadership in his field.
>
> Aged 49, Dr. Williams is married and has two children.
>
> Northeastern Illinois University, a public urban institution, has an approximate enrollment of 10,000 in the College of Arts and Sciences, College of Education and Graduate

College. In addition to offering the traditional undergraduate and graduate program, Northeastern has been a leader in introducing and offering innovative and non-traditional programs.

EVENTS: INAUGURATION WEEK, MAY 7–12, 1977

The community is cordially invited to help celebrate the inauguration to Northeastern Illinois University's third president, Ronald Williams. In his honor, a week of varied activities is planned. All events are open to the general public free of charge unless otherwise inidcated.

Saturday, May 7, 10:00 a.m.–4:00 p.m.:

ACADEMIC FAIR

Visitors to Northeastern will have an opportunity to see the "campus in action." The university's diverse programs, departments, and clubs will stage various activities aimed at entertaining as well as informing the public. Alumni Hall, in the Commuter Center, will be the scene of displays, booths, and exhibits depicting many aspects of campus life; elsewhere on campus, an all-day festival of women's films, student film projects, open dance rehearsals, strolling musicians, and other events will be in progress. Morning tours of the campus are scheduled, and plans are being made to visit the university's three field centers; to sign up, please call Jose Acevedo at El Centro, 384–1766, between 1:00 p.m.–9:30 p.m. A particular highlight of the day will be a reception in honor of President Williams, hosted by the Alumni Association, between 1:00 p.m.–3:00 p.m. in room 217 of the Commuter Center.

Monday, May 9–Thursday, May 12:

ACADEMIC DIALOGUE

Noted outside speakers will join with Northeastern Illinois University faculty, students, and staff in a series of symposia and workshops to be held throughout the week. The general theme of these sessions will be the mission and goals of the urban university. Individual discussions will focus on such topics as the political aspects of creating the urban university, cooperation among urban schools, how to achieve both excellence and service to the community, the problem of grade inflation, career-oriented programs for urban students, and school desegregation.

Monday, May 9–Tuesday, May 10:

KELLOGG FACULTY FELLOWSHIP CONFERENCE

The theme of this two-day segment of the week will be "Toward the Urban University." Nationally known educators will be featured as well as invited papers on various aspects of urban higher education. The conference is sponsored by a faculty development grant to Northeastern Illinois University from the W. K. Kellogg Foundation.

Tuesday, May 10–Wednesday, May 11:

ACADEMIC FESTIVAL

Northeastern talent will be featured in music, dance, and theater productions in honor of the president's inauguration.

Saturday, May 7:

All-day Academic Fair in Alumni Hall, 10:00 a.m.–4:00 p.m.

Festival of Women's Films, Room 216—Commuter Center, 10:00 a.m.–4:00 p.m.

Tours of Campus, 10:00 a.m., 11:00 a.m. and 12 noon.

Tour of Field Centers, 12:30 p.m.–5:30 p.m.

Alumni Reception for President Williams, Room 217—Commuter Center, 1:00 p.m.–3:00 p.m.

Open Dance Rehearsals, Auditorium, 8:00 a.m.–1:00 p.m.

Other films and events to be announced.

Monday, May 9:

9:30 a.m.–12 noon, Alumni Hall.

Opening session of Kellogg Conference; speaker Michael Goldstein, Associate Vice-Chancellor for Urban Affairs, University of Illinois at Chicago Circle, on "Toward the Urban University: The Needs and the Obstacles."

2:00 p.m.–4:00 p.m., Alumni Hall.

Symposium on "New Directions and Alternatives in Urban Education"; speakers are: Donn Bailey, moderator, Director, Northeastern Illinois University's Center for Inner City Studies; John H. Clarke, Professor of African Studies, Hunter College; and Alison Bernstein of the Fund for the Improvement of Postsecondary Education.

8:00 p.m.–9:30 p.m., Alumni Hall.

Keynote Address of Kellogg Conference: "Toward the Urban University: The Possibilities and the Promise"; speaker will be Peter Szanton, former head of Rand Corporation, now with Carnegie Endowment for International Peace.

Tuesday, May 10:

9:30 a.m.–12 noon, Alumni Hall.

Symposium on "Building a Higher Education Network for Chicago"; speakers will be the chief executive officers of four sister schools: Leo Goodman-Malamuth, moderator, President, Governors State University; Benjamin Alexander, President, Chicago State University; Wallace B. Appleson, President, Truman College; and Donald H. Riddle, University of Illinois, Chicago Circle.

1:00 p.m.–3:15 p.m., Auditorium.

Spanish Theatre Repertory Company will present "LA FIACA," a comedy by Argentine playwright Ricardo Talesnik; sponsored by the Spanish Club. General Admission: $1.00. UNI Community: Free.

1:00 p.m.–2:45 p.m., 3:00 p.m.–4:45 p.m., CC 214, 215, 216, 218.

Kellogg Conference Concurrent Workshops featuring Invited Papers on the Urban University.

2:00 p.m.–4:00 p.m., CC 217.

Symposium on the Role of the Urban Academic Library in the Community. Eva R. Brown, Coordinator of Interlibrary Cooperation, Chicago Public Library; Melvin R. George, University Librarian, Northeastern Illinois University; Yuri Nakata, Documents Librarian, University of Illinois at Chicago Circle; Dr. Kenny J. Williams, Professor, Department of English, Northeastern Illinois University; Moderator: Sophie K. Black, Associate University Librarian, Northeastern Illinois University.

8:00 p.m., Auditorium

Music Department Concert featuring faculty members Dr. Allen Anderson, pianist, and Dr. Ronald Combs, baritone; program will include seldom heard songs of Tschaikovsky and piano works of Chopin.

Wednesday, May 11:

9:30 a.m.–12 noon, CC 217

Symposium on "How to Achieve Excellence at Northeastern"; panelists will be Northeastern Illinois University faculty: Harold Berlinger, moderator; Frank Dobbs, Robert Paine, Dorothy Patton, Angelina Pedroso, Leo Segedin, and Lillian Vittenson.

2:00 p.m.–3:30 p.m., 3:45 p.m.–5:00 p.m., CC 214, 215, 216, 218

Workshops on "Excellence at Northeastern"; topics for roundtable discussions will include: Non-traditional Degree Programs, Programs for "Special Students," Grade Inflation, Career-Oriented Programs.

4:30 p.m.

Community Tree Dedication to Commemorate the inauguration of President Ronald Williams by the Hollywood North-Park Improvement Association.

8:00 p.m., Auditorium

Program of Dance by Northeastern Illinois University Dance Community: The ARVE Connection and the Ensemble Español; program will include recent works and commemorative pieces newly created in honor of the inauguration.

Thursday, May 12:

9:30 a.m.–12 noon, CC 217

Symposium on "School Desegregation in Chicago and Elsewhere," co-sponsored with Educational Forum Committee; speakers include: Conrad Worrill, moderator, of Northeastern Illinois University's Center for Inner City Studies; Meyer Weinberg, Northwestern University and editor, Integrated Education; Edgar Epps, University of Chicago and member, Chicago Board of Education; and Anderson Thompson of Northeastern Illinois University's Center for Inner City Studies.

2:00 p.m.–4:30 p.m., CC 217

Symposium on "Politics of Creating the Urban University"; speakers include: State Comptroller Michael J. Bakalis, moderator; Vernon R. Alden, Chairman of the Board, The Boston Company, and former president of Ohio University; James M. Furman, Executive Director, Board of Higher Education; Donald E. Walters, Executive Officer and Secretary, Board of Governors of State Colleges and Universities; Congressman Frank Annunzio and State Representative Alan J. Greiman have also been invited.

New Art String Ensemble Concert; sponsored by the Commuter Center Activity Board; time to be announced.

8:00 p.m., Auditorium

Inauguration Ceremony

9:30 p.m., Alumni Hall

Inauguration Reception (by invitation)

OFF CAMPUS EVENTS

The following off-campus events have been dedicated to President Williams:

The Department of Art Faculty at Northeastern Illinois will present an exhibition of works in a variety of media from May 5th to May 16th to coincide with the Inaugural week festives honoring our President, Ronald Williams. The exhibit will have a special opening on Thursday, May 5th, from 4:00 p.m. to 7:00 p.m. Everyone is invited, it is free and refreshments will be served.

"Recycled Chicago" exhibit, sponsored by the Art Department, at the Archi Center, 111 South Dearborn, May 4-June 3. Through the medium of photograph, this exhibit shows the trend of adaptive use in late 19th and early 20th century buildings in Chicago. Included are projects as vast as Navy Pier, and as intimate as private urban "nests", created by owners of typical Old Chicago residential buildings.

The Athletic Department will dedicate the following contests held during Inaugural Week to President Williams:

Varsity Baseball: Will be participating in the NAIA District No. 20 playoffs at Lewis University in Lockport, Illinois on May 11th and 12th.

Varsity Tennis: Will be participating and hosting the Chicagoland Collegiate Tennis Conference Championships on May 6th and 7th. On May 10th, they play Elmhurst College at Elmhurst and on May 11th, they play Rockford College here at Northeastern.

Women's Varsity Softball: Their schedule is not yet completed, but they will dedicate any games scheduled during that week also.

INAUGURATION COMMITTEE

Donn Bailey, Director, Center for Inner City Studies.

Jill K. Bohlin, Coordinator, Interversitas.

Annette Buurstra, Library.

Frank Dobbs, Chairperson, Chemistry Department.

Blanche Hersh, Coordinator, Women's Studies Program, Chairperson.

Allen Knox, Budget Office.

Stan Newman, Coordinator, Human Services.

Pedro Martinez, Bilingual/Bicultural Studies.

William Speller, University Counseling Center.

Josephine Spiros, Alumni Representative.

Lillian Vittenson, Special Education.

Carol Jean Zalatoris, Student Representative.

EX OFFICIO

Donn Bichsel, Vice President for Development and Public Affairs.

Joseph Braun, Office of Vice President for Academic Affairs.

Gerald Cannon, Director, University Relations.

Reynold Feldman, Director, Center for Program Development, Director, Kellogg Faculty Fellowship Program and Conference.

Jean Kelchauser, Acting Assistant to the President, Office of the President.

Linda Kilroy, Secretary, Inauguration Committee.

Sheila Rotman, Publications Manager and Coordinator, Special Events.

PANAMA CANAL: GIVEAWAY TREATY PROPAGANDA: EDITORIAL FALLACIES CLARIFIED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, a massive propaganda campaign in support of a new Panama Canal treaty or treaties that would surrender U.S. sovereign control over the Canal Zone territory has been underway for many months, much of it financed by the State Department.

This campaign has included hiring highly paid PR specialists and collecting hundreds of thousands of dollars for propaganda purposes with the result that many biased articles have appeared in magazines and other news media as well as editorials in major newspapers. These writings generally reflect the rhetorical verbiage of the State Department and avoid the presentation of crucial facts that are essential for clear understanding.

One such example was an editorial on December 27, 1976, in the influential Philadelphia Inquirer. Because of its inadequacies, I wrote the editor exposing its fallacies, offering a positive canal program, and urging the editors to study the complicated canal problem in depth and to present it comprehensively.

The construction of the Panama Canal and its subsequent maintenance, operation, sanitation, and protection have been one of the greatest works of man of which all Americans can be proud.

We bought the Canal Zone three times: First, from Panama following its secession from Colombia; second, from individual property owners; and last, from Colombia. It cost more than all other territorial acquisitions of the United States combined and the entire enterprise, including defense, represents an investment of the U.S. taxpayers' money of more than $7,000,000,000. It has given Panama the highest per capita income in all of Central America.

Mr. Speaker, so far as I have been able to ascertain, the indicated letter was never published. Accordingly, I quote it and the editorial to which it refers as parts of my remarks:

House of Representatives,
Washington, D.C., January 4, 1977.

The Editor,
The Philadelphia Inquirer,
Philadelphia, Pa.

Dear Mr. Editor: As a student of interoceanic canal problems and Panama Canal history for many years, I read the December 27, 1976 editorial on the "New Panama Treaty" with more than passing interest. Significant for what it fails to relate rather than for what it states, this editorial reflects assumptions so fallacious as to require informed comment.

First, it should be understood that the Panama Canal enterprise consists of two major elements: (1) the Canal itself; and (2) its indispensable protective frame of the Canal Zone territory. Both are owned by the United States, are under its sovereign control and, including defense, represent an investment of the U.S. taxpayers from 1904 through June 30, 1974, of more than $6,880,370,000.

In regard to the editorial's assertion that the U.S. Zone "bisects" the Republic of Panama, it should be realized that prior to the construction of the Canal that the two sections were separated by two torrential rivers: the Rio Chagres and the Rio Grande that had to be crossed in small boats. Today, far more convenient crossing are provided at the locks, and over the $20,000,000 Thatcher Ferry Bridge at the Pacific Entrance, with good highways in the Zone. These facilities serve to join the two parts of Panama better than ever, and at the expense of the United States.

Soviet power is well established in Cuba. The de facto Panama Government is closely allied with the Havana-Moscow Axis, communist agents are in Panama in important capacities and the Caribbean-Gulf of Mexico basins seem well on their way to becoming Red Lakes.

As to the statement in the editorial that the canal question "unites Latin America against the U.S.", this is simply not true. The 1975 Inter American Conference on Freedom and Security, in which other members of the Congress and I were participants, was in overwhelming opposition to the projected giveaway of the Canal Zone to Panama and supported the continuance by the United States of its undiluted sovereign control over the Zone. (Congressional Record, September 9, 1976, pages 29561–29566.)

In spite of a sustained propaganda campaign of hostility by the defacto Panama Government against the United States, aided and partly subsidized by the Department of State, Latin American opposition to the projected giveaway is stronger than ever. Latin American business and other leaders, including many Panamanians, realize what the consequences of surrender of the Canal Zone to Panama would be and have been making their views known. It is anticipated that more will be heard from them in the future.

The crucial sovereignty issue concerning the Canal is not between the United States and Panama, which latter country is only the "tip of the iceberg," but a global struggle between the U.S.A. and the U.S.S.R. The transcendent questions are whether the Caribbean-Gulf basins shall remain as peaceful moats for the navigation of the vessels of all nations or shall they be lost to an openly announced enemy of the United States, for upon the fate of the U.S. Canal Zone depends the fate of the Caribbean-Gulf danger zone.

Attempts to brainwash the American people and the Congress, based upon the invalid urgings of a privately financed so-called "blue ribbon commission" associated with the Council on Foreign Relations of New York, are utterly futile for too many capable leaders, in and out of the Congress, including State Legislatures, know the facts and cannot be misled by self-serving propaganda, however, plausible. In this opposition are such organizations as the American Legion, the Veterans of Foreign Wars, the United States Industrial Council, the General Federation of Women's Clubs, and many others.

Without question, Panama has been, and still is, the greatest single beneficiary of the Canal with total benefits during Fiscal Year 1975 of $253,130,000. Yet, this sum is seldom mentioned in current publicity nor the fact that of the total population of 1,600,000 Panamanians, some 300,000 are below the poverty level. The questions are where is the money going and why do U.S. and international bankers continue to loan money in such a situation? (American Legion Bulletin, December 13, 1976.)

A country of endemic revolution and endless political intrigue, Panama is so primitive technologically that it has neither the resources nor competence to maintain, operate, sanitate and protect the Canal, and, if given such responsibilities, it would undoubtedly have to call upon others to assume the burden. The surrender of U.S. sovereignty over the Canal Zone to Panama as supported by the editorial would undoubtedly invite a communist takeover of that country and lead to its transformation into a second communist colony in the Western Hemisphere.

The time has certainly come for the United States to look to the future for which the past is prologue. The solution of the canal problem is not the abandonment of our treaty based responsibilities in the Canal Zone but the prompt assumption of our obligations in the spirit of President Theodore Roosevelt who launched the Panama Canal enterprise and was primarily responsible for its success.

It is now timely to urge a constructive, definite and historically based policy derived from experience. The program to implement such policy, which is strongly supported in the Congress as well as by many patriotic, civic, commercial and other responsible organizations, is simple:

1. Reaffirmation by the U.S. Senate and House of Representatives of U.S. Sovereign rights power and authority over both the U.S. Canal Zone and Panama Canal, with termination of the current treaty negotiations.

2. Major modernization of the existing Canal as provided in the Terminal Lake-Third Locks solution under existing treaty provisions; and

3. Authorization for the election by U.S. citizens residing in the Canal Zone of a non-voting Delegate in the Congress as have Guam, the Virgin Islands and the District of Columbia.

The prompt approval by the Congress of pending legislative measures for this program will assure the continued efficient management of the Canal, resolve the present Isthmian situation, restore the impaired morale of Panama Canal employees, and be in the best interests of all the nations that use the Canal, especially Panama, which country would receive enormous benefits.

In these connections, the evidence is overwhelming that the Congress and the People of the United States would never approve the expenditure of the large sums involved in major canal modernization except in territory over which the United States has sovereign control. Thus the questions of Canal Zone sovereignty and Panama Canal modernization are definitely linked.

Pennsylvania, as a great coastal state with large shipping activities and other industries, has much at stake at Panama for all actions that affect transits or tolls will be reflected in the cost of products transported through the Canal.

The current national debate on the Canal question is serving as a catalyst for restoring national will in the United States of its true status as the greatest power in the struggle for the defense of freedom and civilization. Accordingly, it is hoped that the editors of the *Philadelphia Inquirer* will study the highly complicated canal problem in depth and present it comprehensively and objectively.

Sincerely yours,
Daniel J. Flood, M.C.,
U.S. Representative from Pennsylvania.

[From the Philadelphia Inquirer, Dec. 27, 1976]

New Panama Treaty Is Urgent

Every American political campaign has at least one "sleeper" issue. In the 1976 campaign, it was the Panama Canal. Republican challenger Ronald Reagan woke it up, exploiting the lurking jingoism of the right and driving President Ford into an uncomfortable corner, where eventually Democratic nominee Jimmy Carter joined him.

Mr. Reagan succeeded in delaying negotiations, which the Ford Administration had been conducting since early 1974, for several months. Now, with the campaign over, those negotiations must proceed, and the Carter Administration will find a helpful guide in the recommendations of a private, blue-ribbon commission headed by Sol Linowitz.

Urging the new administration to be prompt in negotiating a new canal treaty and to involve Congress in those negotiations, the Commission on United States-Latin American Relations emphasizes that the administration "should make clear to the American public why a new and equitable treaty with Panama is not only desirable but urgently required."

One reason is that the old treaty is inequitable, a product of and now a hangover from the days of "Big Stick" diplomacy.

Another reason is the corollary, which is that the Panamanians simply will no longer accept it. And if, by refusing to recognize their just claims to their own territory, the U.S. should cause a radical regime to come to power, the U.S. would be in a most uncomfortable position in more ways than one.

If any single issue unites Latin America against the United States, it is this. And anything that unites Latin America against the U.S. is contrary to American interests. The issue is not "giving away" the canal, as Mr. Reagan charged. It is simply the goodfaith negotiation of a treaty to recognize our joint interests, Panama's full sovereignty over the canal bisecting its territory and America's uninterrupted use of it.

HEARING BEFORE THE SUBCOMMITTEE ON CRIME OF THE HOUSE COMMITTEE ON THE JUDICIARY ON OVERSIGHT OF THE COMMUNITY ANTICRIME PROGRAM IN LEAA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will hold a hearing on Wednesday, May 11, 1977 at 10 a.m., in room 2141, Rayburn House Office Building, to perform oversight of the community anticrime program created by the recent LEAA authorization act, Public Law 94-503.

The agency has recently promulgated draft regulations for the operation of the program. The subcommittee will be inquiring into the reasons for the delay in starting up the program and the policies behind some of the proposed regulations. There is concern in the subcommittee that congressional intent be followed in the operation of this small but potentially effective project.

Acting Administrator James Gregg of LEAA will appear with staff to explain the proposed regulations. Other witnesses expected to appear before the subcommittee are Mr. Irving Joyner, Mr. Frank Jasmine of the LEAA Minority Advisory Council, and Mr. Edward Shurna of the National People's Action Committee. Mr. Martin Danziger, former Director of the National Institute of Law Enforcement and Criminal Justice will also testify.

Those wishing to testify or submit a statement for the record should address their requests to the Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

NURSING SECTION FORMED BY PAN AMERICAN MEDICAL ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, recently the Pan American Medical Association, PAMA, formed an Allied Section on Nursing and Nursing Education.

This new section, whose first president will be Ms. Alice A. Morse, R.N., M.S., of Miami, Fla., will have equal professional standing with other sections of PAMA such as those for surgery, pediatrics, public health, and obstetrics and gynecology.

There has been a trend in this country toward greater recognition of the role of nurses in the medical profession through participation in several physicians' organizations. Formation of the PAMA Section on Nursing and Nursing Education marks the first time this has been carried to an international level through such an organization.

The new section has already attracted considerable interest and support among recognized nursing organizations in the Western Hemisphere. Participation has been established with members of the National League for Nursing, the Florida State Board of Nursing, and Project Hope, the people-to-people health foundation. Many leaders in the nursing profession will participate in the educational and information exchange programs already in the planning stage.

I am happy to see that the section will have as its president a nurse of great experience and ability. Ms. Morse has been actively involved in the field of nursing administration and education in the State of Florida for the last 20 years. She has held nursing administrative positions in hospitals in both Palm Beach County and Dade County, and has also held teaching positions in south Florida hospitals' inservice departments. She has been a member of the teaching staff in the department of nursing at Miami Dade Junior College.

Ms. Morse received her R.N. from All Souls Hospital School of Nursing, New Jersey, and her B.S. from Barry College in Miami. Her M.S. degree in administration of adult education and management of health care facilities was awarded by Florida International University.

Presently, she serves as a nursing consultant to the Office of International Education, American Hospital of Miami, and is a member of the scientific advisory panel of the Journal of Inter-American Medicine.

PAMA is a voluntary professional organization open to all medical personnel in the Western Hemisphere. It is dedicated to the exchange of medical information and assisting these professionals in acquiring the knowledge required to do the best possible job.

Through the creation of an Allied Section on Nursing and Nursing Education, I know that new impetus will be given to international efforts toward nursing professional progress. I commend PAMA for this precedent-making effort and extend my hopes for its future success and accomplishment.

TRIBUTE TO RABBI ABRAHAM M. FEINERMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 15 minutes.

Mr. LE FANTE. Mr. Speaker, during this, the 29th anniversary of the founding of the State of Israel, I rise to pay tribute to one of the most distinguished religious leaders the State of New Jersey has ever known. Rabbi Abraham M. Feinerman, rabbi emeritus of Temple Emanu-El in Bayonne, N.J., has been a strong leader in the Zionist movement.

Throughout his long and distinguished career, Rabbi Feinerman, a Talmudic scholar of wide reputation, has been honored many times by various groups. On Wednesday night, he returned to Bayonne from his new home in Riverdale, N.Y., near his son's family, to once again receive the accolades of the people who know him best.

For more than 30 years, he has fought the battle of Israel, and last night Rabbi Feinerman was honored by the Bayonne Zionist District for his outstanding work. From the time he first came to Bayonne in 1941 to take over the pulpit of the city's Conservative synagogue, the good Rabbi won the minds and hearts of his people and all the people in Bayonne. Whenever he spoke out against injustice and prejudice, his voice was heard and heeded throughout the city, county, and State.

At the conclusion of my remarks about this great and gentle scholar, I will include in the RECORD the program tribute to the rabbi and the message of Joseph Wigdor and Max E. Lourie, the incoming and outgoing presidents of the Bayonne Zionist District.

I was proud to be asked to say a few words about Rabbi Feinerman at the Zionist dinner because he was for so many years a strong moral force in my home community. Bayonne is a better place today because the rabbi lived among us.

I salute him and the people of Israel.

Am- Yisroel-Chai—people of Israel live.

A Tribute to Our Guest of Honor

Rabbi A. M. Feinerman, Honoree of this Bayonne Zionist District Annual Testimonial Dinner, has been participating in the religious, spiritual and inspirational life of the Bayonne Jewish Community in general and congregants of Temple Emanu-El, in particular, since 1941, when the good Rabbi arrived in town to take over the pulpit of Bayonne's Conservative synagogue.

Born in New York City, Dr. Feinerman came to us from Harrisburg, Pennsylvania, where, during his tenure there, he met and became betrothed to his fondly-remembered, charming, cultivated and gracious Lady, the late Rose Winfield Feinerman.

Recipient of a Bachelor of Arts Degree from New York University, Rabbi Feinerman holds a Master's Degree from Columbia University and a Doctorate in Hebrew Literature from the Jewish Institute of Religion of Hebrew Union College, where he received his ordination as Rabbi, as well as, on the occasion of the 25th anniversary of his ordination and in recognition of his service as a member of its faculty and in appreciation of his scholarship and writing for the archives of its library, he was granted the honorary degree of Dr. of Divinity by that institution.

A resident of Riverdale, New York—where he is a neighbor of his son Toby, his daughter-in-law Roslyn and two lovely grandchildren—since resigning his active conduct of the pulpit of Temple Emanu-El to accept status as its Rabbi Emeritus, Rabbi Feinerman remains a frequent visitor to Bayonne whenever pastoral duties call and whenever he is able to contribute of his erudition and religiosity to the legions of his friends and devotees as well as to such worthwhile causes as the work of the Bayonne Zionist District.

OUTGOING PRESIDENT'S MESSAGE

(By Max E. Lourie)

Every member of the Bayonne District of the Zionist Organization of America can look back at the 1976–1977 season with pride. Once again our district proved itself to be the outstanding unit in New Jersey by holding regular monthly meetings with an average attendance of 70–80. Those who attended attested to the fact that each program was informative, interesting and entertaining. We can all be proud of the manner in which we honored Mrs. Okon Polanska, for saving several Jewish families during the holocaust. Everyone should stand a little taller as a result of our two trips to New York City to participate in protest demonstrations against France and Brazil, the former for releasing the terrorist Abu Daoud and the latter for voting for the resolution at the UN equating Zionism with racism. Members of our Bayonne district picketed the Brazilian consulate by themselves.

I am looking forward to the 1977–1978 year with full confidence in our new president, Joseph Wigdor, and returning membership chairman, David Hoffer. They need our cooperation to make their dedication succeed.

Best wishes for the coming year.

INCOMING PRESIDENT'S MESSAGE

(By Joseph Wigdor)

Thank you for the great honor you have bestowed upon me by electing me as the next president of the Bayonne Zionist District.

I am looking forward to the expansion of our activities for our community and for the state of Israel. We must rededicate ourselves to the cause of Zionism and Judaism.

We have many challenges and problems but, working together, we can solve them.

I have the privilege of working with a thoroughly-involved group of directors and officers. But we must have your individual help throughout the year. Join the board of directors, enroll your friends as members, attend meetings, participate.

I wish health and happiness to all for our coming year of activity and God's blessing on Israel.

ANN GLEZER AND HELSINKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

But the Soviet Union is not living up to the commitment contained in Basket Three of the Helsinki accords. As the Library of Congress recently pointed out in a paper on the subject of Helsinki:

> Despite U.S. interest, the number of Jews allowed to emigrate from the Soviet Union has dropped sharply from the peak year in 1973 when 35,000 people were allowed to leave. In 1975, only about 12,000 permits to emigrate were granted. The monthly figures for 1976 have remained similar to those of 1975 despite changes in Soviet visa regulations that were supposed to simplify emigration procedures. Non-Jewish emigration has been even more restricted.

Last year when concerned Members of Congress spoke for the "Orphans of Exodus," I had the privilege of speaking on behalf of Dr. Ilya Glezer. Dr. Glezer is an eminent biological research scientist with a specialty in neuropathology and research in schizophrenia. Known primarily for his research on the human brain, Dr. Glezer is recognized throughout the world as a brilliant biologist.

In February of 1972, 1 month after he asked permission to emigrate to Israel to join his mother, Mrs. Rebecca Boriskina, Dr. Glezer was arrested, charged with spreading anti-Soviet propaganda and sentenced to 3 years of hard labor in prison and 3 years of exile.

Dr. Glezer remains in Siberian exile where he is gravely ill and, unhappily, unable to join his mother in Israel.

But, Mr. Speaker, today I would like to reflect on the plight of Dr. Glezer's daughter, Ann Glezer, who has also been refused exit from Russia and, hence, has joined those for whom the promise of Helsinki remains unfulfilled.

Ann Glezer is 20 years old and a librarian. She was refused an exit visa in May of 1976, and has since become what is known around the world as a "refusnik." Apparently, Soviet officials have told Ann Glezer that she cannot leave the Soviet Union to join her grandmother in Israel because Mrs. Boriskina is not considered a relative.

As Dr. Glezer himself responded when learning that his daughter had been refused exit—

> If Soviet officials do not presently consider grandchildren and their grandparents to be relatives, I would be interested in their attitude when they become grandparents.

Mr. Speaker, I have a special interest in this particular case and this particular family because I have the pleasure of being the Representative in Congress for Mrs. Sara Goloubow, Ann Glezer's great aunt, and Mrs. Rebecca Boriskin's sister.

So it is especially disheartening to me that Soviet officials have not been living up to their end of the bargain under the Helsinki accords. But it is still my hope that they will do so soon and permit Dr. Glezer and his daughter Ann to emigrate to Israel this year.

REVITALIZING THE PEACE CORPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, I am introducing a bill to authorize $81 million for the Peace Corps during fiscal year 1978, as reported by the Subcommittee of International Development today.

This new subcommittee of the Committee on International Relations, which I have the privilege of chairing, has approached this year's authorization bill with a considerable degree of enthusiasm. I think I speak for all of our Members when I state that the Peace Corps is one of few innovative programs of the 1960's which has touched off a sympathetic spark throughout the world. It embodies American idealism and humanitarianism better than any other function of this Government, precisely because it captures the volunteer spirit of American individualism.

In recent years, the Peace Corps has suffered through a variety of difficulties, many of them externally imposed as a result of a general loss of faith in all Government programs in the wake of the Vietnam war. It has also struggled within a management structure that appears to have sacrificed creativity for efficiency. The need for efforts to restore the Peace Corps to its former spirit emerged most clearly during the recent Presidential campaign, when now Vice President MONDALE pledged a "revitalization" of the corps.

The Subcommittee on International Development has heard the new ACTION Director, Sam Brown, outline his program of revitalization. His commitment to the subcommittee that the Peace Corps will once again reflect its former integrity and spirit is one which we intend to help him make concrete. The authorization level in the subcommittee's bill is a necessary first step toward that goal. It reverses a declining trend—in terms of new volunteers and program innovation—and starts Peace Corps on the road to a revived role in American international relations.

While recognizing that recent years have seen an ongoing debate about the proper organizational place for Peace Corps, and its role in the American foreign policy establishment, I strongly urge that revitalization not await the results of what must be further study of those issues. The subcommittee intends to explore these questions during the coming year, in the hopes of finding the best medium for the growth of Peace Corps' optimistic approach to helping other people. In the interim, we encourage the new administration to reverse the program's decline with the infusion of its new ideas and energy.

I wish to insert the bill proposed by the subcommittee, along with a list of its cosponsors, and urge all Members to fully support it when it reaches the House floor.

The cosponsors are: Representatives BONKER, PEASE, and WHALEN.

The text of the bill follows:

H.R. 6967

A bill to authorize appropriations for the Peace Corps for fiscal year 1978

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3(b) of the Peace Corps Act is amended by inserting "and for the fiscal year 1978 not to exceed $81,000,000" immediately after "$81,000,000,".

(b) Section 3(c) of such Act is amended—

(1) by striking out "and fiscal year 1977" and inserting in lieu thereof "for fiscal year 1977, and for fiscal year 1978 by subsection (b)"; and

(2) by striking out "for fiscal year 1977" and inserting in lieu thereof "for fiscal years 1977 and 1978".

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. YOUNG of Florida (at the request of Mr. RHODES) for today and the balance of the week, on account of a death in the family.

Mr. CORMAN (at the request of Mr. WRIGHT), after 12 noon today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GARY A. MYERS) to revise and extend their remarks and include extraneous material:)

Mr. WHALEN, for 5 minutes, today.
Mr. GOLDWATER, for 10 minutes, today.
Mr. FRENZEL, for 30 minutes, today.
Mr. McDADE, for 5 minutes, today.

(The following Members (at the request of Mr. SKELTON), to revise and extend their remarks, and to include extraneous matter:)

Mr. VANIK, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. FLOOD, for 15 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mrs. COLLINS of Illinois, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. LE FANTE, for 15 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. HARRINGTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent permission to revise and extend remarks was granted to:

Mr. ROUSSELOT to revise and extend his remarks immediately following Mr. CONABLE of New York.

Mr. ASHBROOK and to include extraneous matter in two instances.

Mr. SCHEUER asked and was given permission to revise and extend his remarks immediately following the remarks of Mr. GIAIMO during the 5-minute rule in the Committee of the Whole today.

(The following Members (at the request of Mr. GARY A. MYERS) and to include extraneous matter:)

Mr. BOB WILSON.
Mr. MICHEL in two instances.
Mr. KELLY in two instances.
Mr. FREY.
Mr. COCHRAN of Mississippi.
Mr. GRASSLEY in two instances.
Mr. SYMMS.
Mr. LAGOMARSINO.
Mr. MARTIN.
Mr. STEERS.
Mr. BROWN of Ohio.
Mr. SARASIN.
Mr. SHUSTER.
Mr. McCLORY.
Mr. BURKE of Florida in two instances.
Mr. COUGHLIN.
Mr. STEIGER.
Mr. HYDE.
Mr. ABDNOR.
Mrs. SMITH of Nebraska.
Mr. ARMSTRONG.
Mr. DORNAN.
Mr. WYLIE.
Mr. FRENZEL in five instances.
Mr. HANSEN in three instances.
Mr. ASHBROOK.

(The following Members (at the request of Mr. SKELTON) and to include extraneous matter:)

Mr. JACOBS.
Ms. OAKAR.
Mr. RICHMOND in two instances.
Mrs. MEYNER.
Mr. APPLEGATE.
Mr. LEHMAN.
Mr. FARY in three instances.
Mr. REUSS.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. TEAGUE.
Mr. LAFALCE in three instances.
Mr. BARNARD.
Mr. BRECKINRIDGE.
Mr. RUSSO.
Mr. LONG of Maryland in two instances.
Mr. RODINO.
Mr. DANIELSON.
Mr. AKAKA.
Mr. MURPHY of Illinois.
Mrs. CHISHOLM.
Mr. PREYER in two instances.
Mr. KOCH.
Mrs. SPELLMAN in two instances.
Mr. FASCELL.
Mr. MURPHY of New York.
Mr. HEFTEL.
Mr. WAXMAN.
Mr. MAGUIRE.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4876. An act making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes.

ADJOURNMENT

Mr. SKELTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Friday, May 6, 1977 at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1421. A letter from the President of the United States, transmitting his determination that import relief for the U.S. sugar industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 95–146); to the Committee on Ways and Means and ordered to be printed.

1422. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–33, to provide for the use of volunteers by the District of Columbia government, pursuant to section 602 (c) of Public Law 93–198; to the Committee on the District of Columbia.

1423. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the program authorized by the Runaway Youth Act; to the Committee on Education and Labor.

1424. A letter from the General Counsel, U.S. Arms Control and Disarmament Agency, transmitting a report on political contributions made by Ralph Earle II, nominated as an Ambassador while serving as Alternate Chairman of the U.S. delegation to the Strategic Arms Limitation Talks, and members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1425. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the authorization of appropriations for the educational broadcasting facilities program and for the development of nonbroadcast telecommunications facilities and services through fiscal year 1978; to the Committee on Interstate and Foreign Commerce.

1426. A letter from the Secretary of Commerce, transmitting the annual report of the Foreign-Trade Zones Board for fiscal year 1976, together with reports for the same period on the activities of Foreign-Trade Zones 1, 2, 3, 5, 7, 8, 9, 12, 15, 17, 18, 21, and 23, and subzones 3A and 9A, pursuant to section 16 of the Foreign-Trade Zones Act of 1934, as amended; to the Committee on Ways and Means.

1427. A letter from the Comptroller General of the United States transmitting an assessment of the proposals made by the Panel on International Information, Education, and Cultural Relations (D–77–21, May 5, 1977); jointly, to the Committees on Government Operations, and International Relations.

REPORTS OF COMMITTEE ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Internal Revenue Service and Treasury Department enforcement of the foreign bank account reporting requirement of the Bank Secrecy Act (Rept. No. 95–246). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 5813. A bill to revise the basis for estimating the annual Federal payment to the District of Columbia for water and water services and sanitary sewer services furnished to the United States (Rept. No. 95–247). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 6530. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia, and for other purposes; with amendments (Rept. No. 95–248). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 1406. A bill for the relief of Lilia Araujo (Rept. No. 95–249). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 1420. A bill for the relief of Umberto Ruffolo (Rept. No. 95–250). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 1432. A bill for the relief of Mrs. Desolina Sciulli (Rept. No. 95–251). Referred to the Committee of the Whole House.

Mr. SAWYER: Committee on the Judiciary. H.R. 1437. A bill for the relief of Soo Jin Lee (Rept. No. 95–252). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THOMPSON:

H.R. 6936. A bill to amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations contained in such act; to the Committee on House Administration.

By Mr. BRECKINRIDGE (for himself, Mr. De la Garza, Mr. Carter, Mr. English, Mr. Goodling, Mr. Jenrette, Mr. Lagomarsino, Mr. Montgomery, Mr. Perkins, Mr. Quie, Mr. Robinson, Mr. Santini, Mr. Waggonner, Mr. Hightower, and Mr. Chappell):

H.R. 6937. A bill to direct the Secretary of Agriculture to take an enumeration of horses in 1978 and in every year thereafter; to the Committee on Agriculture.

By Mr. CHAPPELL:

H.R. 6938. A bill to delay for 1 year the effective date of changes made by the Tax Reform Act of 1976 in the minimum tax; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 6939. A bill to amend the Immigration and Nationality Act, to make it unlawful to knowingly hire an alien not lawfully admitted into the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 6940. A bill to amend section 501(c) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. FREY (for himself, Mr. Bonior, and Mr. Burke of Florida):

H.R. 6941. A bill to amend title 18 of the United States Code to provide for the mandatory sentencing of certain offenders whose offenses involve narcotic drugs, and for other purposes; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.R. 6942. A bill to amend the Geothermal Steam Act of 1970 to provide for expedited development of geothermal resources on Federal lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HANSEN:

H.R. 6943. A bill to require that real property in the Canal Zone which is not necessary to the United States for governmental purposes be sold or otherwise transferred for fair market value to appropriate individuals and nongovernmental entities, and to require that the President prepare a detailed proposal for self-government of the Canal Zone under the U.S. Constitution; to the Committee on Merchant Marine and Fisheries.

By Mr. HEFTEL (for himself and Mr. Akaka):

H.R. 6944. A bill to amend the Employee Retirement Income Security Act of 1974 to clarify the status of the Hawaiian prepaid health care law under title 1 and title IV of such act; to the Committee on Education and Labor.

By Mr. JONES of Oklahoma (for himself, Mr. Florio, Mr. Duncan of Tennessee, Mr. Archer, Mr. Mollohan, Mr. Kindness, Mr. Perkins, Mr. Pepper, Mr. Risenhoover, Mr. Fountain, Mr. Quie, Mr. LaFalce, Mr. Watkins, Mr. Martin, Mr. Dornan, Mr. Murphy of Pennsylvania, Mr. Collins of Texas, Mr. Downey, Mrs. Lloyd of Tennessee, Mr. Glickman, Mr. Brodhead, Mr. Andrews of North Dakota, Mr. Young of Missouri, Mr. Clay, and Mr. Blouin):

H.R. 6945. A bill providing that the tax treatment of certain transportation expenses between a taxpayer's residence and place of work shall be determined without regard to Revenue Ruling 76–453; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma (for himself, Mr. AuCoin, Mr. Steed, Mr. Crane, Mr. Eilberg, Mr. Baucus, Mr. Sebelius, Mr. Kastenmeier, Mr. Steers, Mr. Madigan, Mr. Rahall, Mr. Cornell, and Mr. O'Brien):

H.R. 6946. A bill providing that the tax treatment of certain transportation expenses between a taxpayer's residence and place of work shall be determined without regard to Revenue Ruling 76–453; to the Committee on Ways and Means.

By Mr. KILDEE (for himself, Mr. Murphy of New York, Mr. Bob Wilson, Mr. O'Brien, and Mr. Beard of Rhode Island):

H.R. 6947. A bill to amend the Child Abuse Prevention and Treatment Act to prohibit the sexual exploitation of children and the transportation and dissemination of photographs or films depicting such exploitation; to the Committee on Education and Labor.

By Mr. KOCH (for himself, Mr. Badillo, Mrs. Chisholm, Mr. Drinan, Mr. Dodd, Mr. Edwards of California, Mr. Eilberg, Mrs. Fenwick, Mr. Gaydos, Mr. Gilman, Ms. Holtzman, Mr. Rodino, Mr. Rosenthal Mr. Roybal, Mr. Scheuer, Mr. Vento, and Mr. Weiss):

H.R. 6948. A bill to amend the Public Health Service Act to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Carter, Mr. Badillo, Mr. Fraser, Mr. Hughes, Mrs. Spellman, Mr. Rosenthal, and Mr. Waxman):

H.R. 6949. A bill to amend the Public Health Service Act to establish a program of Federal financial assistance for research programs respecting human fertility and sterility and the human reproductive process, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of New York:

H.R. 6950. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services; to the Committee on Armed Services.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Blanchard, Mr. Badillo, Mr. Lundine, Mr. Barnard, Mr. Fauntroy, Mr. LaFalce, Mr. McKinney, and Mr. Stanton):

H.R. 6951. A bill to amend the Council on Wage and Price Stability Act to extend its termination date, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NIX (by request):

H.R. 6952. A bill to preserve and promote ethical standards throughout the executive branch, and for other purposes; jointly to the Committees on Armed Services, the Judiciary, and Post Office and Civil Service.

By Mr. NIX (for himself and Mrs. Spellman):

H.R. 6953. A bill to amend title 5, United States Code, to provide for grade retention benefits for certain employees whose positions are reduced in grade, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RODINO (for himself, Mr. Danielson and Mrs. Schroeder):

H.R. 6954. A bill to preserve and promote ethical standards throughout the executive branch, and for other purposes; jointly to the Committees on Armed Services, the Judiciary, and Post Office and Civil Service.

By Mr. RUSSO:

H.R. 6955. A bill to provide compensation for the victims of crime, assistance to witnesses in criminal cases, and an increase in witness fees; to the Committee on the Judiciary.

By Mr. RYAN (for himself, Mr. Hightower, Mrs. Lloyd of Tennessee, Mr. Risenhoover, Mr. Duncan of Tennessee, Mr. Devine, Mr. Danielson, Mr. Kindness, Mr. Trible, Mr. Lott, Mr. Whitehurst, Mr Kemp, Mr. Dornan, Mr. Grassley, Mr. Baucus, Mr. Moore, Mr. Jenrette, Mr. Goldwater, and Mr. Mathis):

H.R. 6956. A bill to amend title XVI of the Social Security Act to provide that an alien may not be paid supplemental security income benefits unless he not only is a permanent resident of the United States but has also continuously resided in the United States for at least 1 year; to the Committee on Ways and Means.

By Mr. SAWYER (for himself, Mr. Carney, Mr. Conyers, Mr. Moakley, Mr. Patterson of California, and Mr. Winn):

H.R. 6957. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains have bulletproof glass and equipment capable of providing controlled temperatures; to the Committee on Interstate and Foreign Commerce.

By Mrs. SCHROEDER:

H.R. 6958. A bill to amend title 5, United States Code, to provide for an increase in the number of positions which may be placed in grades 16, 17, and 18 of the General Schedule by the Director of the Administrative Office of the U.S. Courts; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.R. 6959. A bill to amend the Emergency Livestock Credit Act of 1974; to the Committee on Agriculture.

By Mr. WHALEN:

H.R. 6960. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of an individual's civil service retirement annuity shall be exempt from income tax; to the Committee on Ways and Means.

Mr. BOB WILSON:

H.R. 6961. A bill to amend title 10, United States Code, with respect to crediting certain service of females sworn in as members of telephone operating units, Signal Corps; to the Committee on Armed Services.

By Mr. BYRON:

H.R. 6962. A bill to amend the Water Resources Development Act of 1974 to provide that the drilling of ground water wells to meet the water supply needs of the Washington metropolitan area may not be authorized if the county in which such drilling is to take place disapproves the drilling; to the Committee on Public Works and Transportation.

By Mr. CAPUTO:

H.R. 6963. A bill to repeal section 108A of the Mutual Educational and Cultural Exchange Act of 1961 which allows participation by Federal employees in certain cultural exchange programs financed by foreign government; to the Committee on International Relations.

By Mr. CARTER:

H.R. 6964. A bill to authorize necessary flood protection at locations in Kentucky on an expedited basis; to the Committee on Public Works and Transportation.

By Mr. CORMAN (for himself, Mr. Andrews of North Dakota, Mr. Bonker, Mr. Bowen, Mr. Brodhead, Mr. Hannaford, Mrs. Heckler, Mr. Hubbard, Mr. Jacobs, Mr. Jeffords, Mr. Kemp, Mr. Lott, Mr. McKinney, Mr. Pursell, Mr. Rangel, Mr. Ryan, Mrs. Schroeder, Mr. Slack, and Mr. Steers):

H.R. 6965. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. HANLEY:

H.R. 6966. A bill to amend title 10 of the United States Code to provide a more equitable standard for awarding the gold star lapel button; to the Committee on Armed Services.

By Mr. HARRINGTON (for himself, Mr. Bonker, Mr. Pease, and Mr. Whalen):

H.R. 6967. A bill to authorize appropriations for the Peace Corps for fiscal year 1978; to the Committee on International Relations.

By Mr. HARSHA:

H.R. 6968. A bill to modify the project for the Caesar Creek, Ohio River Basin, Ohio, authorized by the Flood Control Act of 1938; to the Committee on Public Works and Transportation.

By Mr. HOLLENBECK:

H.R. 6969. A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct qualified smoke detector expenses; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 6970. A bill to amend the Marine Mammal Protection Act of 1972 with respect to the taking of marine mammals incidental to the course of commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RHODES:

H.R. 6971. A bill to amend title 38, United States Code, to provide that the "85–15" rule does not apply to courses which lead to a standard college degree; to the Committee on Veterans' Affairs.

By Mr. RHODES (for himself, Mr. Martin, Mr. Erlenborn, Mr. Forsythe, Mr. Sarasin, Mr. Snyder, Mr. Robinson, Mr. Vander Jagt, Mr. Carter, and Mr. Mann):

H.R. 6972. A bill to establish a Commission on the Reorganization of the executive branch of the Government, to extend the authority of the Reorganization Act of 1949, to authorize the reorganization of executive departments under such act under certain circumstances, and for other purposes; to the Committee on Government Operations.

By Mr. ROYBAL:

H.R. 6973. A bill to authorize financial assistance for service, employment, and redevelopment centers; to the Committee on Education and Labor.

By Mrs. SCHROEDER (by request):

H.R. 6974. A bill to amend title 5, United States Code, to provide for an increase in the number of positions which may be placed in grades 16, 17, and 18 of the General Schedule by the Director of the Administrative Office of the U.S. Courts; to the Committee on Post Office and Civil Service.

H.R. 6975. A bill to amend title 5, United States Code, to increase the number of hearing examiner positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule; to the Committee on Post Office and Civil Service.

By Mr. LAGOMARSINO:

H.R. 6976. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; jointly to the Committees on Armed Services, Interstate and Foreign Commerce, Post Office and Civil Service, and Ways and Means.

By Mr. MAGUIRE:

H.R. 6977. A bill to amend the National Flood Insurance program and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. DEL CLAWSON (for himself, Mr. Kazen, Mr. Ketchum, Mrs. Keys, Mr. LaFalce, Mr. Lagomarsino, Mrs. Lloyd of Tennessee, Mr. Lott, Mr. Lujan, Mr. Lundine, Mr. McClory, Mr. McDonald, Mr. McEwen, Mr. Marriott, Mr. Mazzoli, Ms. Mikulski, Mr. Minish, Mr. Moakley, Mr. Moorhead of California, Mr. Mottl, Mr. Murtha, Mr. Natcher, Mr. Nedzi, Mr. Nichols, and Mr. Nolan):

H.J. Res. 439. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. DEL CLAWSON (for himself, Ms. Oakar, Mr. Pepper, Mr. Perkins, Mrs. Pettis, Mr. Pickle, Mr. Poage, Mr. Quie, Mr. Quillen, Mr. Rangel, Mr. Rinaldo, Mr. Risenhoover, Mr. Robinson, Mr. Rodino, Mr. Roe, Mr. Rousselot, Mr. Runnels, Mr. St Germain, Mr. Santini, Mr. Satterfield, Mr. Scheuer, Mr. Sebelius, Mr. Shipley, Mr. Sikes, and Mr. Slack):

H.J. Res. 440. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. DEL CLAWSON (for himself, Mrs. Smith of Nebraska, Mr. Solarz, Mr. Spence, Mr. Stanton, Mr. Stark, Mr. Steiger, Mr. Symms, Mr. Taylor, Mr. Thone, Mr. Traxler, Mr. Treen, Mr. Vander Jagt, Mr. Walsh, Mr. Whalen, Mr. White, Mr. Whitehurst, Mr. Wiggins, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Wydler, Mr. Wylie, Mr. Yatron, and Mr. Young of Florida):

H.J. Res. 441. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. McDADE:

H.J. Res. 442. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. RHODES (for himself, Mr. Edwards of California, Mr. Rahall, Mr. Mazzoli, Mr. Ertel, Mrs. Spellman, Mr. Baucus, Mr. Fisher, and Mr. Solarz):

H.J. Res. 443. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. BROOMFIELD:

H. Con. Res. 216. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. STUMP:

H. Res. 545. Resolution that Congress move expeditiously to resolve pending issues regarding national telecommunications policy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BOB WILSON (for himself and Mr. Biaggi):

H. Res. 546. Resolution to establish a senior citizen internship program; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

137. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Pennsylvania, relative to telephone service, which was referred to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RHODES:

H.R. 6978. A bill for the relief of Judith A. Gerhard; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

104. By the SPEAKER: Petition of the Board of Directors, Kentucky Bankers Association, Louisville, Ky., relative to the congressional rural caucus budget proposal for fiscal year 1978, which was referred to the Committee on Agriculture.

105. Also, petition of Prof. Ihor Sevcenko, Harvard University, Cambridge, Mass., relative to assistance to Rumanian Byzantinists in the replacement of books lost in the recent earthquake; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6112

By Mr. PATTERSON of California:

Page 7, line 22, insert "(a)" after "Sec. 104."

Page 8, after line 4, insert the following:

(b) Section 104 of such Act is amended by adding the following new subsection at the end thereof:

"(i)(1) The Secretary shall, in making funds available to the recipients of grants under this title, permit any such recipient to receive funds, in one payment, in an amount not to exceed the total amount designated the recipient's application, and approved by the Secretary pursuant to this section, for use by the recipient for establishing a revolving loan fund which is to be established in a private financial institution and which is to be used to finance rehabilitation activities that are part of the recipient's community development program. The Secretary may, as a condition of making such payment, require that the revolving loan fund be utilized for the making of loans to finance rehabilitation activities in a manner satisfactory to the Secretary, within a reasonable amount of time as determined by the Secretary, after the Secretary has made such payment.

"(2) The Secretary shall establish standards for such cash disbursements which will insure that the deposits result in appropriate benefits in support of the recipients rehabilitation program. These standards shall be designated to assure that the benefits to be derived from the local program include at a minimum one or more of the following elements, or such other criteria as determined by the Secretary.

"(A) Leverage of community development block grant funds so that participating financial institutions commit private funds for loans in the rehabilitation program in amounts substantially in excess of deposit of community development funds;

"(B) Commitment of private funds for rehabilitation loans at below-market interest rates or with repayment periods lengthened or at higher risk than would normally be taken;

"(C) Provision of administrative services in support of the rehabilitation program by the participating lending institution; and

"(D) Interest earned on such cash deposits shall be used in a manner which supports the community rehabilitation program.

At the time of application, the Secretary shall review and approve all agreements with lending institutions which receive funds for community rehabilitation programs. Such approval shall be made on a case-by-case basis, and upon a determination by the Secretary that the agreement with the lending institution meets minimum benefit standards as listed in this paragraph."

Page 7, line 22, insert "(a)" after "Sec. 104".

Page 8, after line 4, insert the following:

(b) Section 104 of such Act is amended by adding the following new subsection at the end thereof:

"(i) (1) The Secretary shall permit any recipient of funds under this title to receive such funds in one payment in an amount not to exceed the total amount designated in the recipient's application for use by recipient in a rehabilitation program which is to be established with a private depository institution(s) and which is to be used to finance rehabilitation activities that are carried out in conjunction with the recipient's community development program.

"(2) The Secretary may not permit such a use of funds unless satisfied that the recipient and participating institution(s) have in effect an agreement which provides the recipient benefits in the form of credit, services, or otherwise, which will assist it in carrying out its rehabilitation activities under this title."

H.R. 6655

By Mr. TAYLOR:

Page 48, after line 3, insert the following:

AMENDMENTS TO FLOOD DISASTER PROTECTION ACT OF 1973

SEC. 215. (a) Section 202(b) of the Flood Disaster Protection Act of 1973 is repealed.

(b) Section 3(a) (4) of such Act is amended by striking out all after "mortgages or mortgage loans" and inserting in lieu thereof the following: "but shall exclude assistance pursuant to the Disaster Relief Act of 1974 (other than assistance under such Act in connection with a flood);".

By Mr. WALKER:

Page 34, after line 12, insert the following new subsection and redesignate the subsequent subsections accordingly:

(c) Section 8(b) of such Act is amended by adding the following new paragraph at the end thereof:

"(3) After the date of the enactment of the Housing and Community Development Act of 1977, neither the Secretary nor a public housing agency may agree to enter into an annual contributions contract under this section unless, at least thirty days before entering into such agreement, the Secretary or the public housing agency has transmitted the following information to the Member of the United States House of Representatives who represents the district in which the assisted housing is, or is to be, located and to the Members of the United States Senate who represent the State in which such housing is, or is to be, located:

"(A) the location of the units which are to be assisted;

"(B) the person with whom the agreement is to be entered into;

"(C) the number and type of such units;

"(D) the number of occupants for which such units are designed;

"(E) the date on which rehabilitation or construction, if any, of such units will begin; and

"(F) the age or income group or groups for which such units are designed.".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of April 28, 1977 (page 12705).

HOUSE BILLS

H.R. 1636. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for deposits in a higher education savings plan.

H.R. 1637. January 11, 1977. Public Works and Transportation. Amends the Federal-Aid Highway Act of 1976 to increase and extend the appropriations authorized under such Act for the Federal-aid primary system. Increases the Federal share of the cost for construction projects financed with primary funds on the Federal-aid primary system.

H.R. 1638. January 11, 1977. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing and intermediate care facilities participating in Medicare and Medicaid programs under the Social Security Act to publish a statement of the rights and responsibilities of their patients.

H.R. 1639. January 11, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to require the Secretary of Health, Education, and Welfare, under specified circumstances, to make payment for inpatient hospital services furnished to an individual by a hospital located outside the United States.

H.R. 1640. January 11, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed (registered) nurses.

H.R. 1641. January 11, 1977. Ways and Means. Amends the Internal Revenue Code of 1954 and Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to authorize individuals who are enrolled in a private retirement plan to voluntarily exempt themselves from the Old-Age, Survivors, and Disability Insurance program.

H.R. 1642. January 11, 1977. Education and Labor. Amends the National Labor Relations Act to stipulate that it shall not be an unfair labor practice for a labor organization, which has agreed upon a method for the settlement of grievance disputes arising over the application or interpretation of an existing collective-bargaining agreement, to refuse to provide or defray the cost of an attorney for any nonunion employee involved in any such settlement procedure.

H.R. 1643. January 11, 1977. Merchant Marine and Fisheries. Authorizes the Secretary of the Interior to issue certain obligations to acquire additional waterfowl nesting and breeding grounds.

Authorizes the payment of principal and interest on such obligations through revenues obtained from the sale of Federal migratory bird hunting stamps along with other revenues available in the migratory bird conservation fund.

H.R. 1644. January 11, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, and physical examination, and related routine laboratory tests.

H.R. 1645. January 11, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, and physical examination, and related routine laboratory tests.

H.R. 1646. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to limit the application of the Tax Reform Act's elimination of the sick pay exclusion for persons who have not retired on total disability, to taxable years beginning after December 31, 1976.

H.R. 1647. January 11, 1977. Merchant Marine and Fisheries. Amends the National Environmental Policy Act to establish a National Environmental Policy Institute to assess and recommend environmental policy.

H.R. 1648. January 11, 1977. Merchant Marine and Fisheries. Amends the Fishermen's Protective Act of 1967 to authorize the President to direct the Secretary of the Treasury to prohibit the importation of any or all products from countries engaged in fishing operations which adversely affect international fishery conservations programs.

H.R. 1649. January 11, 1977. Merchant Marine and Fisheries. Authorizes the Secretary of the Interior to establish programs and regulations for the protection of the fishery resources of the United States, including the freshwater and marine cultural industries, against the dissemination of serious disease of fish and shellfish.

H.R. 1650. January 11, 1977. Merchant Marine and Fisheries. Directs the Secretary of Commerce to prescribe the standards of sanitation and quality control for the processing of fish and fishery products.

Directs the Secretary to make a continuous inspection of each establishment where fish or fishery products are processed for interstate commerce.

Authorizes the Secretary to require that adequate inspections be made of vessels processing fish or fishery products for interstate commerce.

Places restrictions upon the importation of fish into the United States.

H.R. 1651. January 11, 1977. Merchant Marine and Fisheries. Authorizes the Secretary of the Interior to establish a program of research to control and manage predatory and depredating animals in order to assist States in controlling damage caused by such animals.

Authorizes Federal assistance to State control programs. Restricts the use of certain toxic chemicals as a method of predator control.

H.R. 1652. January 11, 1977. Merchant Marine and Fisheries. Designates specified lands in Alaska as units of the national wildlife refuge system, to be administered by the Secretary of the Interior.

H.R. 1653. January 11, 1977. Merchant Marine and Fisheries. Amends the Water Bank Act to increase the maximum amount of aggregate payments which may be made by the Secretary of the Interior to owners or operators of eligible wetland areas in calendar years after 1976.

H.R. 1654. January 11, 1977. Merchant Marine and Fisheries. Amends the Migratory Bird Treaty Act to prohibit the baiting of migratory game birds during certain periods. Authorizes the Secretary of the Interior to suspend the migratory game bird hunting season in areas of suspected violations.

H.R. 1655. January 11, 1977. Merchant Marine and Fisheries. Requires a Federal permit for the taking of migratory game birds other than migratory waterfowl. Directs the Secretary of the Interior to utilize funds collected from the sale of such permits for the purpose of conserving migratory game birds other than waterfowl.

H.R. 1656. January 11, 1977. Interstate and Foreign Commerce. Amends the Fair Packaging and Labeling Act to authorize regulations designed to reduce oversized and excessive packaging of consumer commodities.

H.R. 1657. January 11, 1977. Public Works and Transportation. Increases the national maximum speed limit from 55 to 60 miles per hour.

H.R. 1658. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to increase the maximum size of small issues of industrial development bonds on which the interest qualifies for a tax exclusion.

H.R. 1659. January 11, 1977. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to prohibit the Federal Trade Commission from requiring any person, partnership, or corporation to file line of business information.

H.R. 1660. January 11, 1977. Interstate and Foreign Commerce. Requires the prominent labeling of prescription and over-the-counter drugs and pharmaceuticals whose effectiveness or potency become diminished after storage as to the date beyond which the product shall not be used.

Authorizes the Food and Drug Administration to establish the "beyond use" dates for all applicable products, and the manner in which they shall be labeled.

H.R. 1661. January 11, 1977. Interstate and Foreign Commerce. Amends the Federal Energy Administration Act of 1974 to direct the Federal Energy Administrator to prohibit practices involving pricing of energy supplies sold to consumers which allow per unit rates to vary inversely with total consumption.

H.R. 1662. January 11, 1977. Judiciary. Revises the penalty for conspiring to defraud or to commit an offense against the United States to: (1) increase the maximum fine; (2) set forth a separate maximum fine for corporations; and (3) repeal imprisonment as a possible punishment.

H.R. 1663. January 11, 1977. Judiciary. Amends the Immigration and Nationality Act to include the employment of an illegal alien within the definition of "harboring" for purposes of such Act. Permits the Attorney General to adjust the status of specified illegal aliens to that of alien lawfully admitted for permanent residence if such alien is the spouse, parent, son, daughter, brother, or sister of a legal alien.

H.R. 1664. January 11, 1977. Judiciary. Amends the Clayton Act to prohibit companies engaged in production, refining and marketing of petroleum products from acquiring or retaining an interest in coal, oil shale tar sands, uranium, geothermal steam, or solar energy assets.

H.R. 1665. January 11, 1977. Post Office and Civil Service. Makes January 15, the anniversary of Martin Luther King Junior's birth, a legal public holiday.

H.R. 1666. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction to individuals who rent their principal residence for a portion of the real property taxes paid or accrued by their landlord.

H.R. 1667. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax credit equal to one half the amount paid for health insurance premiums, up to a maximum credit of $250.

H.R. 1668. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for deposits in a higher education savings plan.

H.R. 1669. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax a limited amount of specified higher education expenses, including tuition, fees, books and supplies, incurred by the taxpayer for himself and any dependents.

H.R. 1670. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for the tuition paid to a private, nonprofit elementary or secondary educational institution for the education of a dependent.

H.R. 1671. January 11, 1977. Ways and Means. Amends title XX (Grants to States for Services) of the Social Security Act in order to provide additional funding and incentives to facilitate the implementation of standards for child care set forth in the Social Services Amendments of 1974.

Amends the Internal Revenue Code to limit the tax credit for Federal welfare recipient employment incentive expenses.

H.R. 1672. January 11, 1977. Judiciary. Banking, Finance and Urban Affairs. Prohibits discrimination based on sex or marital status with respect to the sale or rental of housing under the Civil Rights Act and the National Housing Act.

H.R. 1673. January 11, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for hearing aids and dentures under the supplementary medical insurance program.

H.R. 1674. January 11, 1977. Rules. Establishes the Citizens' Oversight Panel consisting of private persons to accept written sworn complaints alleging that any Member, officer, or employee of the House of Representatives violated the Code of Official Conduct of the House of Representatives, any law, or other standard of conduct applicable to the conduct of such Member, officer, or employee. Requires the Panel, when appropriate, to refer such complaints to the House on Standards of Official Conduct of the House of Representatives for investigation.

H.R. 1675. January 11, 1977. Banking, Finance and Urban Affairs. Establishes ten Regional Capital Development Banks vested with special authority to make loans to, and buy stock in, corporations with assets or given sales not in excess of $10,000,000.

Directs each bank to undertake research and to facilitate exchange of concepts and techniques relating to capital financing of business enterprises and economic development.

H.R. 1676. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for 25 percent of the amount of rent paid by the taxpayer which is equal to the taxpayer's proportionate share of the local and State property taxes imposed on the land and building in which his dwelling is located.

H.R. 1677. January 11, 1977. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to make the provisions, formerly applicable to persons between 40 and 65 years of age, applicable to anyone 40 years of age or older.

H.R. 1678. January 11, 1977. Veterans' Affairs. Designates the Veterans' Administration hospital located at 13000 North Thirtieth Street, Tampa, Florida, as the "James A. Haley Veterans' Hospital."

H.R. 1679. January 11, 1977. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 1680. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to provide that taxpayers shall not be required to pay the principal or interest for underpayments of taxes for any period prior to April 16, 1977 (March 16, 1977 in the case of a corporation), nor penalized for any failure to withhold and deduct taxes on renumeration paid before 1977, to the extent that such failures or underpayment are attributable to new or increased tax liabilities imposed by the Tax Reform Act.

H.R. 1681. January 11, 1977. Banking, Finance and Urban Affairs. Extends the authority for the regulation of interest rates on deposits and accounts in depository institutions. Eliminates the prohibition on depository institutions situated in New York and New Jersey from offering negotiable order of withdrawal accounts.

Amends the Federal Deposit Insurance Act to provide for the conversion of State-chartered mutual savings banks into Federal saving banks.

H.R. 1682. January 11, 1977. Banking, Finance and Urban Affairs. Establishes a National Commission on Neighborhoods to study the factors contributing to the decline of city neighborhoods and to make recommendations for programs necessary to facilitate neighborhood preservation and revitalization.

H.R. 1683. January 11, 1977. Banking, Finance and Urban Affairs. Establishes the National Development Bank for the purposes of making long term, low-interest loans to individuals, State and local governments, and corporations in order to increase employment opportunities and foster public works and low- and moderate-income housing projects.

H.R. 1684. January 11, 1977. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 1685. January 11, 1977. Judiciary. Grants a Federal charter to the United Service Organizations, Incorporated.

H.R. 1686. January 11, 1977. Judiciary. Grants a Federal charter to the United States Submarine Veterans of World War II.

H.R. 1687. January 11, 1977. Judiciary. Grants a Federal charter to the American Blood Commission.

H.R. 1688. January 11, 1977. Ways and Means. Redefines "surviving spouse" and "head of household" under the Internal Revenue Code to include otherwise qualified individuals who maintain households for dependent family members other than in their own homes. Applies the new definitions retroactively to taxable years beginning after 1968, with a provision for refunds or credits of resulting overpayments.

H.R. 1689. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to exclude winnings from State lotteries from gross income.

H.R. 1690. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to require an automatic cost-of-living adjustment in the income tax rates, the amount of the standard deduction, personal exemption, and depreciation deduction, and the rate of interest payable on certain obligations of the United States.

H.R. 1691. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for the tuition paid to a private, nonprofit elementary or secondary educational institution for the education of a dependent.

H.R. 1692. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax a limited amount of specified higher education expenses, including tuition, fees, books and supplies, incurred by the taxpayer for himself and any dependents.

H.R. 1693. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals a limited income tax credit for charitable contributions in lieu of a deduction.

H.R. 1694. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to treat agency fees incurred in the adoption of a child as deductible medical expenses.

H.R. 1695. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to allow an individual income tax deduction for expenditures for the purchase and installation of qualified insulative materials or heating equipment in the taxpayer's home or any residential structure he owns.

H.R. 1696. January 11, 1977. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to increase the inpatient hospital deductible from $40 to $104 in the case of any spell of illness beginning before 1978.

Amends the Internal Revenue Code to roll back the time period considered for the purpose of determining the rate of hospital insurance tax on employees, employers, and the self-employed.

H.R. 1697. January 11, 1977. Public Works and Transportation. Amends the Local Public Works Capital Development and Investment Act of 1976 to increase the amount authorized to be appropriated under such Act.

H.R. 1698. January 11, 1977. Agriculture; Ways and Means. Establishes a base domestic price for sugar and an adjustment formula for such price.

Amends the Tariff Schedules of the United States to establish variable customs duties on the importation of sugar. Exempts such imports from the general preference system. Repeals the Special rates for sugar imported from Cuba. Prohibits the exportation or importation of sugar, except under certain determinations by the Secretary of Agriculture regarding domestic supply.

Imposes civil penalties for violation of this Act.

Requires the President to find that modification of such duties would not interfere with purposes of this Act, prior to making any such modification.

H.R. 1699. January 11, 1977. Banking, Finance and Urban Affairs. Requires the developers of all condominium projects to disclose specific information on proposed new construction or conversion of existing structures to any federally regulated financial institution and any prospective purchaser as a prerequisite for the granting of a construction or purchase loan.

Establishes the Office of Assistant Secretary for Condominiums in the Department of Housing and Urban Development.

Sets forth regulations to protect the rights of tenants of multifamily rental housing which is to be converted to condominiums.

Authorizes the Secretary of Housing and Urban Development to make grants to State and local governments to establish similar programs.

H.R. 1700. January 11, 1977. Interior and Insular Affairs. Requires the Secretary of the Interior to undertake a study of the Site of the 1964–1965 World's Fair in New York and includes appropriate parts of such area in the Gateway National Recreation Area.

H.R. 1701. January 11, 1977. Interstate and Foreign Commerce. Amends the Medicaid program of the Social Security Act to direct the appointment of a "Special Auditor General for Medicaid Fraud and Abuse" within the Department of Health, Education, and Welfare.

Stipulates that any person convicted of fraud in connection with the receipt of Medicaid payments shall be ineligible for any such payments for two years from the date of conviction.

H.R. 1702. January 11, 1977. Interstate and Foreign Commerce; Ways and Means. Entitles women and children to have payment made for specified maternal and child health care services. Establishes within the Department of Health, Education, and Welfare a Maternal and Child Health Care Board. Establishes an Advisory National Maternal and Child Health Care Council.

Creates in the United States Treasury a Maternal and Child Health Care Trust Fund. Amends the Internal Revenue Code of 1954 to impose maternal and child health care taxes on employers, and employees, and self-employed individuals. Appropriates the revenue from such taxes to such Fund.

H.R. 1703. January 11, 1977. Post Office and Civil Service. Entitles the former spouse of a Federal employee or Member of Congress a portion of that employee's or Member's annuity and to a portion of the annuity of any surviving spouse of such employee or Member.

H.R. 1704. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Chincoteague National Wildlife refuge and Assateague Island National Seashore in Virginia and Maryland as wilderness, to be administered by the Secretary of the Interior.

H.R. 1705. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Big Bend National Park in Texas as wilderness, to be administered by the Secretary of the Interior.

H.R. 1706. January 1, 1977. Interior and Insular Affairs. Designates specified lands in the Bryce Canyon National Park in Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 1707. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Carlsbad National Park in New Mexico as wilderness, to be administered by the Secretary of the Interior.

H.R. 1708. January 11, 1977. Interior and Insular Affairs. Designates specified lands within the Cedar Breaks National Monument in Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 1709. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Colorado National Monument, Colorado, as wilderness, to be administered by the Secretary of the Interior.

H.R. 1710. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Crater Lake National Park in Oregon as wilderness, to be administered by the Secretary of the Interior.

H.R. 1711. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Cumberland Gap National Historic Park in Kentucky, Tennessee, and Virginia, as wilderness to be administered by the Secretary of the Interior.

H.R. 1712. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Death Valley National Monument in California and Nevada as wilderness, to be administered by the Secretary of the Interior.

H.R. 1713. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Dinosaur National Monument in Colorado and Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 1714. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Everglades National Park in Florida as wilderness, to be administered by the Secretary of the Interior.

H.R. 1715. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Glacier National Park in Montana as wilderness, to be administered by the Secretary of the Interior.

H.R. 1716. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Grand Teton National Park in Wyoming as wilderness, to be administered by the Secretary of the Interior.

H.R. 1717. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Great Smoky Mountains National Park in North Carolina and Tennessee as wilderness, to be administered by the Secretary of the Interior.

H.R. 1718. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Guadalupe Mountains National Park in Texas as wilderness, to be administered by the Secretary of the Interior.

H.R. 1719. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Hawaii Volcanoes National Park as wilderness, to be administered by the Secretary of the Interior.

H.R. 1720. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Katmai National Monument in Alaska as wilderness, to be administered by the Secretary of the Interior.

H.R. 1721. January 11, 1977. Interior and Insular Affairs. Designates specific lands in the Mount Rainer National Park in Washington as wilderness, to be administered by the Secretary of the Interior. Authorizes the Secretary to utilize aircraft and scientific devices for volcanic and glacial research in the wilderness areas.

H.R. 1722. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the North Cascades National Park and in the Rass Lake and Lake Chelan National Recreation Areas in Washington as wilderness.

H.R. 1723. January 11, 1977. Interior and Insular Affairs. Designates specific lands in the Olympic National Park in Washington as wilderness, to be administered by the Secretary of the Interior.

H.R. 1724. January 11, 1977. Interior and Insular Affairs. Designates specific lands in the Organ Pipe Cactus National Monument in Arizona as wilderness, to be administered by the Secretary of the Interior.

H.R. 1725. January 11, 1977. Interior and Insular Affairs. Designates specific lands in the Rock Mountain National Park in Colorado as wilderness, to be administered by the Secretary of the Interior.

H.R. 1726. January 11, 1977. Interior and Insular Affairs. Designates specific lands in the Sequoia and Kings Canyon National Parks in California as wilderness.

H.R. 1727. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Theodore Roosevelt National Memorial Park in North Dakota as wilderness, to be administered by the Secretary of the Interior.

H.R. 1728. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Yellowstone National Park in Idaho, Montana, and Wyoming, as wilderness, to be administered by the Secretary of the Interior.

H.R. 1729. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Yosemite National Park in California as wilderness, to be administered by the Secretary of the Interior.

H.R. 1730. January 11, 1977. Interior and Insular Affairs. Designates specified lands in the Zion National Park in Utah as wilderness, to be administered by the Secretary of the Interior.

H.R. 1731. January 11, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to establish specified employment, training, and guidance programs for youths through prime sponsors under such Act, including a Youth Community Service opportunity in private enterprise, and occupational information and career guidance programs.

Authorizes the Secretary of Labor to establish a National Occupational Information and Career Guidance Service.

Requires each prime sponsor to establish an Education Work Committee within its planning council.

Directs the Secretaries of Agriculture and of the Interior to establish a National Conservation Corps.

Increase the amount authorized to be appropriated annually to the Job Corps.

H.R. 1732. January 11, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire lands and interests in lands in specified areas of Nebraska and to establish the Trails West National Historical Park in Nebraska and Wyoming once sufficient lands have been acquired.

H.R. 1733. January 11, 1977. Ways and Means. Amends the Internal Revenue Code to repeal the carryover basis provisions enacted by the Tax Reform Act which provide that beneficiaries receiving property from a decedent's estate will retain the decedent's basis in the property. Restores prior law which "stepped up" or "stepped down" the property's basis to its market value at the time of death without imposing tax consequences on the appreciation or depreciation the property underwent while held by the decedent.

H.R. 1734. January 11, 1977. Public Works and Transportation. Amends the Water Resources Development Act of 1976 to delete the requirement that construction of the Potomac River water diversion structure in Maryland and Virginia not conflict with the report of the Secretary of the Army, acting through the Chief of Engineers, on such project.

H.R. 1735. January 11, 1977. House Administration. Prohibits any Member of the House of Representatives from traveling at government expense if such Member has been defeated for reelection to the House, from the date of such defeat until the last day of the term of office which such Member is serving when such defeat occurs or if such Member is otherwise not reelected to the House, after the adjournment sine die of the Congress in which such Member is serving. Sets penalties for violating this Act.

H.R. 1736. January 11, 1977. Interstate and Foreign Commerce. Authorizes the Federal Power Commission to require mandatory allocation of scarce supplies of natural gas.

HOUSE JOINT RESOLUTIONS

H.J. Res. 151. January 17, 1977. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 to authorize qualified individuals appointed by the Secretary of Labor and to hear and determine claims for black lung benefits for the period from July 1, 1973, through December 31, 1977, without regard to specified requirements for hearing examiners.

H.J. Res. 152. January 19, 1977. Interior and Insular Affairs. Withdraws all minerals within a specified area of the Los Padres National Forest in California from all forms of appropriation or disposition under mining and mineral leasing laws.

H.J. Res. 153. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week of September 18 through September 24, 1977, as "National Lupus Week."

H.J. Res. 154. January 19, 1977. Judiciary. Constitutional Amendment—Deems every human being to be a person from the moment of fertilizatioin.

H.J. Res. 155. January 19, 1977. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 156. January 19, 1977. Government Operations. Authorizes and requests the President to reduce the volume of regulations, orders, decisions, studies, memorandums and other forms of paperwork generated by the executive branch of the Federal Government.

H.J. Res. 157. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to proclaim the month of February of each year as "American History Month."

H.J. Res. 158. January 19, 1977. Judiciary. Constitutional Amendment—Permits religious observances in governmental institutions and public places. Permits reference to a supreme being in a governmental or public document, activity, place, or on money. Declares that this amendment shall not constitute establishment of religion.

H.J. Res. 159. January 19, 1977. Judiciary. Constitutional Amendment—Extends due process and equal protection to an individual from the moment of conception.

Prohibits the deprivation of human life on account of age, illness, or incapacity.

H.J. Res. 160.—January 19, 1977. Judiciary. Constitutional Amendment—Provides that total appropriations shall not exceed estimated revenues. Authorizes the suspension of such prohibition in time of war or by a concurrent resolution passed by the Senate and the House stating that a national emergency requires suspension.

H.J. Res. 161. January 19, 1977. Judiciary. Permits the authority administering any school system, educational institution, or other public building supported in whole or in part through the expenditure of public funds to allow voluntary participation by students or others in prayer.

H.J. Res. 162. January 19, 1977. Judiciary. Constitutional Amendment—Prohibits assignment of public school students to a particular school based upon their race, creed, or color.

Grants Congress the power to enforce this amendment by appropriate legislation.

H.J. Res. 163. January 19, 1977. Judiciary. Constitutional Amendment—Extends the term of office of the President and Vice President to six years and prohibits any person from being elected to such offices more than once.

Establishes three year terms of office for Members of the House of Representatives.

H.J. Res. 164. January 19, 1977. Ways and Means; Interstate and Foreign Commerce. Establishes a nine-member National Commission on Social Security. Requires the Commission to study and investigate titles II (Old-Age, Survivors, and Disability Insurance) and VIII (Medicare) of the Social Security Act.

H.J. Res. 165. January 19, 1977. Ways and Means; Interstate and Foreign Commerce. Establishes a nine-member National Commission on Social Security. Requires the Commission to study and investigate titles II (Old-Age, Survivors, and Disability Insurance) and VIII (Medicare) of the Social Security Act.

H.J. Res. 166. January 19, 1977. Ways and Means; Interstate and Foreign Commerce. Establishes a nine-member National Commission on Social Security. Requires the Commission to study and investigate titles II (Old-Age, Survivors, and Disability Insurance) and VIII (Medicare) of the Social Security Act.

H.. Res. 167. January 19, 1977. Judiciay. Constitutional Amendment—Provides that total appropriations shall not exceed estimated revenues. Authorizes the suspension of such prohibition by a two-thirds vote of the Senate and the House stating that a national emergency (of an economic or defense nature) requires such suspension.

H.J. Res. 168. January 19, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 169. January 19, 1977. Judiciary. Constitutional Amendment—Prohibits compelling a student to attend a public school other than the one nearest his residence for reasons of race, color, national origin, religion, or sex.

H.J. Res. 170. January 19, 1977. Judiciary. Constitutional Amendment—Provides for the direct election of the President and Vice President of the United States.

H.J. Res. 171. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to annually proclaim April 22 as "Queen Isabella Day."

H.J. Res. 172. January 19, 1977. Post Office and Civil Service. Designates the first full week of April as "National Drafting Week."

H.J. Res. 173. January 19, 1977. Interstate and Foreign Commerce. Prohibits the Interstate Commerce Commission from authorizing the abandonment of any line of a railroad pursuant to the Interstate Commerce Act prior to June 30, 1976.

H.J. Res. 174. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate October 1, 1977, as "National Coaches' Day."

H.J. Res. 175. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to declare the fourth Saturday of each September as "National Hunting and Fishing Day."

H.J. Res. 176. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the calendar week beginning May 9, 1977, as "National Historic Preservation Week."

H.J. Res. 177. January 19, 1977. Post Office and Civil Service. Designates April 24, 1977, as "National Day of Remembrance of Man's Inhumanity to Man."

Declares the purpose of such day to be to commemorate the victims of genocide, and especially those victims of Armenian heritage who succumbed to the genocide perpetrated in 1915.

H.J. Res. 178. January 19, 1977. Post Office and Civil Service. Designates April 17, 1977, as "National Food Day."

H.J. Res. 179. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to proclaim the last week in June of each year as "National Autistic Children's Week."

H.J. Res. 180. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate February 20 of each year as "Postal Employees Day."

H.J. Res. 181. January 19, 1977. Post Office and Civil Service. Designates the fourth Monday in March of each year as "National Agriculture Day."

H.J. Res. 182. January 19, 1977. Post Office and Civil Service. Designates the month of April, 1977, as "Columbian Squires Month."

H.J. Res. 183. January 19, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the second full calendar week in March of 1977 as "National Employ the Older Worker Week."

H.J. Res. 184. January 19, 1977. Merchant Marine and Fisheries; Ways and Means. Amends the Fisherman's Protective Act of 1967 to direct the Secretary of the Treasury to place an embargo on the products of all foreign enterprises engaged in commercial whaling.

H.J. Res. 185. January 19, 1977. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 186. January 19, 1977. Judiciary. Constitutional Amendment—Permits any State to allow, prohibit, or regulate abortion.

H.J. Res. 187. January 19, 1977. Judiciary. Constitutional Amendment—Declares vacant the office of any Senator or Representative who fails to be recorded in person on 70 percent of the roll call votes taken during any regular session of Congress unless such roll call votes were missed due to hospitalization due to illness or accident.

H.J. Res. 188. January 20, 1977. Judiciary. Constitutional Amendment—Requires the President to review Government revenues and expenditures at specified times and to determine a surtax rate when expenditures exceed revenues to insure that receipts will equal outlays.

Authorizes the suspension of such measures in the case of a grave national emergency declared by Congress.

H.J. Res. 189. January 20, 1977. Judiciary. Constitutional Amendment—Permits any State to allow, prohibit, or regulate abortion.

H.J. Res. 190. January 20, 1977, Judiciary Constitutional Amendment—Establishes a new procedure for the election of President and Vice President, based upon a proportional assignment of electoral votes.

H.J. Res. 191. January 20, 1977. Ways and Means. Prescribes model regulations to govern the implementation by the States of social service programs pursuant to Title I (Grants to States for Old-Age Assistance and Medical Assistanct for the Aged), Title IV–A (Aid to Families with Dependent Children), IV–B (Child-Welfare Services), Title X (Grants to States for Aid to the Blind), Title XIV (Grants to States for Aid to the Permanently and Totally Disabled), and Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act.

H.J. Res. 192. January 24, 1977. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 193. January 26, 1977. Post Office and Civil Service. Authorizes and requests the President of the United States to designate the week ending October 15, 1977 as "National Gifted Children Week."

H.J. Res. 194. January 26, 1977. Post Office and Civil Service. Designates the John Philip Sousa composition known as "The Stars and Stripes Forever" as the national march of the United States.

H.J. Res. 195. January 26, 1977. Judiciary. Constitutional Amendment—Provides that the President and Vice President shall be chosen by popularly elected electors.

H.J. Res. 196. January 26, 1977. Government Operations. States that it is the general policy of the U.S. Government to rely upon private commerical sources for the goods and services required to meet Government needs, and that this policy shall be administered by the Office of Federal Procurement Policy.

H.J. Res. 197. January 26, 1977. Judiciary. Constitutional Amendment—Provides for the direct and popular election of the President and Vice President of the United States.

H.J. Res. 198. January 26, 1976. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 199. January 26, 1977. International Relations. Declares it should be the objective of the United States to commend the "Declaration of Freedom" adopted by certain Cuban exiles on January 23, 1966.

H.J. Res. 200. January 26, 1977. Judiciary. Constitutional Amendment—Changes the terms of office and total length of service for the President, the Vice President, Members of Congress, and Federal judges.

H.J. Res. 201. January 26, 1977. Post Office and Civil Service. Designates the second Sunday in June of each year as "Children's Day."

H.J. Res. 202. January 26, 1977. Judiciary. International Relations. Directs the President to declare Valentyn Moroz an honorary United States citizen.

Declares it the sense of Congress that: (1) the signatory nations should observe the principles of the Final Act of the Conference on Security and Cooperation in Europe; and (2) the Soviet Union should permit Valentyn Moroz to accept an invitation by Harvard University.

H.J. Res. 203. January 26, 1977. Judiciary. Constitutional Amendment—Provides that Members of the House of Representatives shall serve for a term of three years. States that any person who is a Representative for five consecutive terms may not be a Representative during the three-year period following the fifth term with an exception for vacancies.

Stipulates that no person may serve as a Representative after attaining the age of 75 or if attaining the age of 75 before the end of a term.

H.J. Res. 204. January 27, 1977. Judiciary. Constitutional Amendment—Declares the term "person" with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 205. January 27, 1977. Post Office and Civil Service, Authorizes the President of the United States to designate the week of September 18 through September 24, 1977, as "National Lupus Week."

H.J. Res. 206. January 27, 1977. Interior and Insular Affairs. Allows the States to enact laws regulating off-reservation hunting and fishing granted to Indians by treaty if the laws are: (1) purely regulatory concerning the time and manner of hunting and fishing outside an Indian reservation; and (2) equally applicable to Indians and all other citizens.

H.J. Res. 207. January 27, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 208. January 27, 1977. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 209. January 31, 1977. Post Office and Civil Service. Requests the President of the United States to designate the week of October 2 through October 8, 1977, as "National Stamp Collecting Week."

H.J. Res. 210. January 31, 1977. Post Office and Civil Service. Requests the President of the United States to designate the week beginning on the last Monday in October as "National Magic Week."

H.J. Res. 211. January 31, 1977. Post Office and Civil Service. Designates the month of June, 1977, as "National Graduating Class of 1977 Month."

H.J. Res. 212. January 31, 1977. Post Office and Civil Service. Designates the John Philip Sousa composition known as "The Stars and Stripes Forever" as the national march of the United States.

H.J. Res. 213. January 31, 1977. Judiciary. Constitutional Amendment—Permits any State with a bicameral Legislature to apportion one house of its legislature on factors other than population.

H.J. Res. 214. January 31, 1977. Judiciary. Constitutional Amendment—Prohibits any governmental authority from requiring a school or school district, desegregated within the meaning of Title IV of the Civil Rights Act, to: (1) force the busing of students; (2) require the abolishment of a desegregated school; or (3) transfer a student, over the protest of such student's parents, to or from a particular school because of the race, creed, or color of such student.

H.J. Res. 215. January 31, 1977. Judiciary. Constitutional Amendment—Permits religious observances in governmental institutions and public places. Permits reference to a supreme being in a governmental or public document, activity, place, or on money. Declares that this amendment shall not constitute establishment of religion.

H.J. Res. 216. January 31, 1977. Judiciary. Prohibits the United States from appearing in any civil action in any Fedral court other than as a party.

H.J. Res. 217. January 31, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 218. February 1, 1977. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits abortion except in an emergency when a reasonable medical certainty exists that continuation of the pregnancy will cause the mother's death. Requires that every reasonable effort be made to preserve the life of the fetus.

H.J. Res. 219. February 1, 1977. Judiciary. Constitutional Amendment—States that Congress shall make no appropriations for any fiscal year which exceed the total revenues of the United States for such year. Suspends such requirements when Congress and the Vice President declare a national emergency.

H.J. Res. 220. February 1, 1977. Post Office and Civil Service. Declares the flower commonly known as the rose to be the national floral emblem of the United States of America. Requests the President of the United States to declare such fact by proclamation.

H.J. Res. 221. February 1, 1977. Post Office and Civil Service. Requests the President of the United States to issue an annual proclamation designating the week of August 19 as "National Aviation Week."

H.J. Res. 222. February 1, 1977. Post Office and Civil Service. Designates February, 1977, as "Black History Month."

H.J. Res. 223. February 1, 1977. Judiciary. Constitutional Amendment—Prohibits a justice of the Supreme Court or a judge of any inferior court established by Congress from holding office for more than ten years after: (1) taking office; (2) the Senate last consented to his continuance in office; or (3) the ratification of this amendment, whichever last occurs, unless the President nominates and the Senate consents to a continuance in office.

H.J. Res. 224. February 1, 1977. Post Office and Civil Service. Authorizes the President of the United States to designated September 8 of each year as "National Cancer Day."

H.J. Res. 225. February 1, 1977. Judiciary. Constitutional Amendment—Permits any State to regulate or prohibit abortion.

H.J. Res. 226. February 1, 1977. Judiciary. Constitutional Amendment—Requires that

Presidential and Vice Presidential candidates be awarded such proportion of the electoral votes in each State and the District of Columbia as equals their proportion of the total votes cast in such State.

H.J. Res. 227. February 2, 1977. Appropriations. Makes appropriations for operations and maintenance of the Southwestern Power Administration for fiscal year 1977.

H.J. Res. 228. February 2, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 229. February 2, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 230. February 2, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 231. February 2, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 232. February 2, 1977. Judiciary. Constitutional Amendment—Provides that the term of office of the President and Vice President shall be six years, and no person shall be elected to the office of President or Vice President more than once. Makes a person who has been elected as Vice President for any term eligible for election as President for a later term.

H.J. Res. 233. February 2, 1977. Judiciary. Constitutional Amendment—Grants the States the power to regulate or to forbid voluntary abortion.

H.J. Res. 234. February 2, 1977. Judiciary. Constitutional Amendment—Prohibits compelling a student to attend a public school other than the one nearest his residence.

Grants Congress the power to enforce by appropriate legislation the provisions of the amendment, and to insure equal educational opportunities for all students wherever located.

H.J. Res. 235. February 2, 1977. Judiciary. Constitutional Amendment—Prohibits interpretation of the United States Constitution to require school systems which assign pupils on a neighborhood basis to assign such pupils in any other manner.

Grants Congress the power to enforce this article by appropriate legislation.

H.J. Res. 236. February 2, 1977. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 237. February 2, 1977. Judiciary. Constitutional Amendment—Provides that appropriations made by the Congress for any fiscal year shall not exceed the total revenues of the United States for such year, and prohibits spending by, or on behalf of, the United States which exceeds the total revenue for that year.

H.J. Res. 238. February 3, 1977. Judiciary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 239. February 7, 1977. Extends to March 30, 1977, the filing date of the Joint Economic Committee's report on the President's 1977 Economic Report.

H.J. Res. 240. February 7, 1977. Merchant Marine and Fisheries. Approves agreements concerning fisheries off the coasts of the United States with Bulgaria, Romania, the Republic of China, the German Democratic Republic, the Union of Soviet Socialist Republics, and Poland as governing international fishery agreements.

Amends the Fishery Conservation and Management Act of 1977: (1) to establish transition measures concerning foreign fishing permits and permit fees; and (2) to exempt 1977 permit application by foreign nations pursuant to governing international fishery agreements from the requirement of written comments on such application from the appropriate Regional Fishery Management Council.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 76. January 19, 1977. International Relations. Declares it the sense of Congress that the Holy Crown of Saint Stephen should remain in the United States until a constitutional government is established in Hungary.

H. Con. Res. 77. January 19, 1977. Rules. Establishes a Joint Congressional Committee to conduct an investigation of the operation and organization of the United States Postal Service.

H. Con. Res. 78. January 24, 1977. Judiciary. Declares it the sense of Congress that a general or blanket amnesty or pardon for persons who committed draft or military absence offenses during our Nation's military involvement in Vietnam would present a breach of faith with those who served honorably, particularly our honored war dead and their survivors, and should not be issued or granted by the President of these United States.

H. Con. Res. 79. January 24, 1977. Post Office and Civil Service. Expresses the sense of Congress that the President should not transmit to the Congress any budget or other recommendations with respect to rates of pay for Members of Congress.

H. Con. Res. 80. January 24, 1977. Ways and Means. Expresses the disapproval of Congress with respect to the action taken by, or the determination of, the President (under the authority conferred by the Trade Act of 1974) to adjust customs duties to prevent serious injury to an industry transmitted to the Congress on August 28, 1976.

H. Con. Res. 81. January 26, 1977. Ways and Means. Requests the President to prepare and submit to Congress a program for reducing the number of unemployed individuals through private employer incentives as an alternate to any program to reduce the number of unemployed individuals through the expenditure of Federal funds.

H. Con. Res. 82. January 26, 1977. Armed Services. Expresses the sense of Congress that the President should establish a Presidential task force to advise the President with respect to actions which may be taken to achieve the fullest possible accounting of all Americans who are prisoners of war or missing in Southeast Asia as a result of the Vietnam conflict and to recommend to the President the adoption of national policies with respect to prisoners of war and individuals who are missing in action.

H. Con. Res. 83. January 26, 1977. Judiciary. Establishes a Commission on Legislative-Judicial Relations to conduct a study relating to the authority of Congress to limit the appellate jurisdiction of the Supreme and inferior courts and other related issues.

H. Con. Res. 84. January 26, 1977. Rules. Declares the commitment of the House to comply with the Congressional Budget and Impoundment Control Act of 1974 and to reduce spending levels.

H. Con. Res. 85. January 26, 1977. International Relations. Declares it the sense of Congress that the President take the steps necessary to place the question of human rights violations in the Ukraine on the agenda of the United Nations.

H. Con. Res. 86. January 26, 1977. International Relations. Declares it the sense of the Congress that the President will take steps to: (1) call upon the Soviet Union to resurrect the Ukrainian Orthodox and Catholic Churches; (2) contact the officials of the Soviet Union to secure freedom of worship in the Soviet Union and Eastern Europe; and (3) raise the question of Stalin's liquidation of such churches in the United Nations.

H. Con. Res. 87. January 26, 1977. International Relations. Urges President Carter to request the Soviet Union to release Valentyn Moroz from Prison and to permit his immediate family to emigrate.

H. Con. Res. 88. January 26, 1977. International Relations. Directs the President to request the Soviet Union to permit Valentyn Moroz to accept an invitation to Harvard University.

H. Con. Res. 89. January 26, 1977. Post Office and Civil Service. Requests the President of the United States to designate the fourth Saturday in March of each year as "National Bake and Take Day."

H. Con. Res. 90. January 26, 1977. International Relations. Declares it the sense of Congress that the President seek a multilateral treaty to deny sanctuary to international terrorists.

H. Con. Res. 91. January 27, 1977. Judiciary. Establishes a Commission on Legislative-Judicial Relations to conduct a study of Article III, section 2, of the Constitution relating to the authority of Congress to limit the appellate jurisdiction of the Supreme and inferior courts and other related issues.

H. Con. Res. 92. January 27, 1977. Post Office and Civil Service. Commends Ralph J. Maglione, Major General, United States Air Force, for a long and distinguished military career.

H. Con. Res. 93. January 31, 1977. House Administration. Directs the Joint Committee on the Library to procure a bust or statue of Martin Luther King, Jr., and to place it in a suitable location in the Capitol.

H. Con. Res. 94. January 31, 1977. International Relations. Declares it the sense of Congress that the President should direct the Ambassador to the United Nations: (1) to have the United States accepted as a member of the United Nations Council for Namibia; (2) to endorse United Nations Council for Namibia "Decree Number 1—For the Protection of the Natural Resources of Namibia"; and (3) to support any proposal in the Security Council declaring the administration of Namibia by South Africa a threat to the peace.

H. Con. Res. 95. January 31, 1977. Post Office and Civil Service. Expresses the sense of the Congress that the Commission on Executive, Legislative, and Judicial Salaries should stagger or limit salary increases for certain Federal employees in the executive and judicial branches and for Members of Congress to five percent per year for the next six years.

H. Con. Res. 96. February 1, 1977. Judiciary. Establishes a Commission on Legislative-Judicial Relations to conduct a study of Article III, section 2, of the Constitution relating to the authority of Congress to limit the appellate jurisdiction of the Supreme and inferior courts and other related issues.

H. Con. Res. 97. February 1, 1977. International Relations. Requests that the concerns of the United States be conveyed to the Soviet government regarding adherence to the Helsinki Declaration with respect to freedom to emigrate.

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H. Con. Res. 100. February 1, 1977 International Relations. Requests that the concerns of the United States be conveyed to the Soviet government regarding adherence to the Helsinki Declaration with respect to freedom to emigrate.

H. Con. Res. 101. February 1, 1977. International Relations. Declares it the sense of Congress that the President seeks a multilateral treaty to deny sanctuary to international terrorists.

H. Con. Res. 102. February 2, 1977. International Relations Expresses the sense of Congress that Gunars Rode, a Latvian political prisoner, should be released from imprisonment and that the Government of the Soviet Union should allow him and other political prisoners within its borders to be released due to provisions of the United Nations Covenant on Civil and Political Rights.

H. Con. Res. 103. February 2, 1977. Veterans' Affairs. Declares it to be the sense of Congress that the Veterans' Affairs Committees of the House and the Senate consider and report without delay legislation eliminating the possibility of any reduction in veterans' pensions on account of increases in social security or railroad retirement benefits.

H. Con. Res. 104. February 2, 1977. Judiciary. Establishes a Commission on Legislative-Judicial Relations to conduct a study of Article III, section 2, of the Constitution relating to the authority of Congress to limit the appellate jurisdictions of the Supreme and inferior courts and other related issues.

H. Con. Res. 105. February 2, 1977. Ways and Means. Express the disapproval of Congress with respect to the action taken by, or the determination of, the President (under the authority conferred by the Trade Act of 1974 to adjust customs duties to prevent serious injury to an industry) transmitted to Congress on August 28, 1976.

H. Con. Res. 106. February 7, 1977. Provides for an adjournment of the House of Representatives and the Senate.

H. Con. Res. 107. February 7, 1977. Judiciary. Declares it the sense of Congress that a general or blanket amnesty or pardon for persons who committed draft or military absence offenses during our Nation's military involvement in Vietnam would present a breach of faith with those who served honorably, particularly our honored war dead and their survivors, and should not be issued or granted by the President of these United States.

H. Con. Res. 108. February 8, 1977. Ways and Means. Expresses the disapproval of Congress with respect to the action taken by, or the determination of, the President (under the authority conferred by the Trade Act of 1974 to adjust customs duties to prevent serious injury to an industry) transmitted to Congress on August 28, 1976.

H. Con. Res. 109. February 8, 1977. International Relations. Declares that the United States should effect a regional conservation treaty for the protection of northern hemisphere pinnipeds.

H. Con. Res. 110. February 8, 1977. Sets forth the congressional budget for the United States Government for fiscal year 1977. Specifies the appropriate level of new budget authorities and the estimated budget outlays for each major functional category.

H. Con. Res. 111. February 9, 1977. Interstate and Foreign Commerce. Declares it the sense of the Congress that the President should establish a special task force to develop reliable information to determine whether the price of natural gas in interstate commerce should be deregulated.

H. Con. Res. 112. February 9, 1977. International Relations. Expresses Congressional condemnation of the killing of three priests and four nuns at the Musami Mission in Rhodesia.

H. Con. Res. 113. February 9, 1977. International Relations. Urges President Carter to request the Soviet Union to release Valentyn Moroz from prison and to permit his immediate family to emigrate.

H. Con. Res. 114. February 9, 1977. International Relations. Declares it the sense of the Congress that the President shall take steps to: (1) call upon the Soviet Union to resurrect the Ukranian Orthodox and Catholic Churches; (2) contact the officials of the Soviet Union to secure freedom of worship in the Soviet Union and Eastern Europe; and (3) raise the question of Stalin's liquidation of such churches in the United Nations.

H. Con. Res. 115. February 9, 1977. International Relations. Directs the President to request the Soviet Union to permit Valentyn Moroz to accept an invitation of Harvard University.

H. Con. Res. 116. February 9, 1977. International Relations. Declares it the sense of Congress that the President take the steps necessary to place the question of human rights violations in the Ukraine on the agenda of the United Nations.

H. Con. Res. 117. February 16, 1977. House Administration. Directs that there be printed for the use of the House Committee on Judiciary additional copies of the hearings, "Bankruptcy Act Revision," parts 1, 2, 3, 4, the Appendix, and Supplemental Appendices, parts 1 and 2, 94th Congress.

H. Con. Res. 118. February 22, 1977. Armed Services. Expresses the sense of Congress that the President should establish a Presidential task force to advise the President with respect to actions which may be taken to achieve the fullest possible accounting of all Americans who are prisoners of war or missing in Southeast Asia as a result of the Vietnam conflict and to recommend to the President the adoption of national policies with respect to prisoners of war and individuals who are missing in action.

H. Con. Res. 119. February 22, 1977. Armed Services. Expresses the sense of Congress that the President should establish a Presidential task force to advise the President with respect to actions which may be taken to achieve the fullest possible accounting of all Americans who are prisoners of war or missing in Southeast Asia as a result of the Vietnam conflict and to recommend to the President the adoption of national policies with respect to prisoners of war and individuals who are missing in action.

H. Con. Res. 120. February 22, 1977. Interstate and Foreign Commerce. Declares it the sense of the Congress that the President should establish a special task force to develop reliable information to determine whether the price of natural gas in interstate commerce should be deregulated.

SENATE—*Thursday, May 5, 1977*

(Legislative day of Thursday, April 28, 1977)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. HERMAN E. TALMADGE, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Breathe on us breath of God, not as a mighty wind, but with that quiet breath that fans the flame of our smouldering faith. Ignite the dim fire of faith within us and keep it aglow throughout this day. Before we think of another thing, shape another thought, compose another sentence, utter another word, may we adore Thee, love Thee and give thanks to Thee for Thy goodness and Thy mercy. From this moment onward accompany us as we think and speak and vote that we may be worthy followers of Him who went about doing good. We pray in His name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 5, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HERMAN E. TALMADGE, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. TALMADGE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Wednesday, May 4, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are several nominations on the Executive Calendar. They were on the calendar yesterday as having been ready for confirmation by unanimous consent. I did not call the calendar yesterday. I thought I would give the calendar an additional day for Senators to be notified.

Therefore, I ask unanimous consent that the Senate now proceed to the consideration of the Executive Calendar to consider all nominations thereon.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I only say to the distinguished majority leader that the Executive Calendar is clear on our side as to items under both the Superior Court of the District of Columbia and the Civil Service Commission.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all nominations on the Executive Calendar be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Gladys Kessler, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

Robert McCance Scott, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

Robert Alan Shuker, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

Annice McBryde Wagner, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

Paul Rainey Webber III, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

CIVIL SERVICE COMMISSION

Alan K. Campbell, of Texas, to be a Civil Service Commissioner for the remainder of the term expiring March 1, 1979.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe that is all the time I will take this morning.

FEDERAL ELECTION REFORM

Mr. BAKER. Mr. President, we have heard a lot of discussion lately concerning various proposals that would reform in varying ways the Federal election system. One of those proposals, one which I have long supported, provides for the direct election of the President. Another, about which I have strong reservations, concerns the registration of voters on election day. And the last, to which I am unalterably opposed, would establish a system of public financing of senatorial campaigns.

I am taking this opportunity, Mr. President, to announce that later today Senators Packwood, Nunn, Talmadge, and I will introduce yet one more electoral reform proposal, and it, too, is a proposal I have long supported. This bill will provide for an increase in the tax credit for contributions to candidates for the U.S. Senate and it is offered with the specific purpose of providing an alternative to public financing.

It would seem to me, Mr. President, that our goal should be the increased participation of the individual in the democratic process and we should take every precaution against diminishing it. We already have a Congress that once elected sits out the remainder of its tenure in nearly total, self-imposed isolation.

To the degree that we provide public financing for the process of our selection we limit even further the individual's role in Government, we remove him just that much further from the governmental process. Before long, the circle will be closed and we will not only be full-time legislators on a full-time Federal salary, but our very selection will be financed as well by the Government.

The purpose of the bill we will introduce this afternoon is to check this unfortunate progression and to reaffirm our dedication to the principle that the individual's participation in the political and governmental processes must be protected. It is a bill that will provide the incentive to encourage the small contributor to exercise his first amendment right of political expression in supporting a candidate of his own choosing. It will avoid requiring the taxpayer to provide the funds for a candidate who may be totally repugnant to him.

I believe this is the direction we should be taking if we have any hope of restoring both the individual and the Congress to their respective original roles in Government. With public financing and a program to encourage private financing both before us, we have a very clear-cut decision to make. I would urge my colleagues to choose the latter.

Mr. President, I have no further requirement for my time and no request for it. Therefore, I yield back the remainder of my time under the standing order.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia is recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum with the time to be charged against my 15 minutes.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNFAIR COMMUTER TAX OPPOSED

Mr. HARRY F. BYRD, JR. Mr. President, news stories report a new campaign is being launched by District of Columbia government leaders to get the Congress to authorize a tax on Virginia and Maryland residents working in the District of Columbia.

At my urging, the Congress specifically prohibited the imposition of a commuter tax when the District's home rule legislation was passed.

I remain firmly opposed to any form of the commuter tax.

Such a tax is totally unfair.

Virginia and Maryland citizens are already taxed to help pay for the high cost of the extravagant District of Columbia government.

District leaders now say they will have their citizens "hound" Senators and Congressmen into agreeing to a commuter tax.

Instead of "hounding" the Congress, the people of Washington should be hounding the leaders of the District of Columbia government to put an end to extravagant and excessive spending by their own city government.

A Library of Congress report just released dramatically indicates that per capita government spending by the District of Columbia is two to three times the spending levels in 13 similar-sized U.S. cities and double that of Virginia's three major cities—Norfolk, Richmond, and Roanoke.

The answer to the District's problems is not a raid on its neighbors—it is to follow the example of Virginia and her cities and counties, and live within its means by cutting the fat out of its own budget.

CERTIFICATES OF ORIGIN FOR CHROME

Mr. HARRY F. BYRD, JR. Mr. President, I wish to bring to the attention of the Senate a situation which has developed as a result of passage of H.R. 1746, a bill passed by the House and the Senate and signed by the President in March of this year.

The purpose of the bill was to reimpose an embargo on the importation of Rhodesian chrome and to insure that no steel products containing Rhodesian chrome were imported into the United States. This bill had the effect of suspending the so-called Byrd amendment as it applied to Rhodesia.

I opposed the enactment of this legislation for a number of reasons. The most important of these was the fact that I did not believe it was wise for the United States to intentionally make itself more dependent on the Soviet Union for the supply of a strategic material vital to our national defense.

The United States has no chrome and we must import all of our needs from foreign sources. Rhodesia has two-thirds of the world's supply and if we cut ourselves off from that supply, then we necessarily make ourselves more dependent on the other two major sources of chrome—South Africa and the Soviet Union.

However, another important reason that I put forward in Senate debate for opposing the bill to reimpose the embargo was that the provisions concerning certification of the origin of the chromium used in processed steel products would be cumbersome and lead to trade difficulties with other nations.

A third important reason I had for opposing this legislation was the fact that its passage would undoubtedly cause increased costs to the American consumer.

Mr. President, I am sorry to report that my fears are coming true.

The enforcement provisions of the law reimposing sanctions on Rhodesian chrome have had a devastating impact on U.S. industries which import steel mill products from overseas.

The Treasury Department's enforcement of the requirement for a "certificate of origin" issued by the government of the country in which the steel mill product was produced has almost halted the flow of steel mill products into this country. Tons and tons of steel products are sitting on the docks at ports around this country awaiting release from customs custody.

The reason for this is, that so far, no governments have been able to comply when the requirement for a certificate of origin verifying that their steel mill products contain no chromium of Rhodesian origin. Consequently, the Treasury Department has not allowed the steel mill products to enter the United States.

Mr. President, this situation dramatizes the hypocrisy of the legislation passed by Congress this past March. The purpose of the legislation, according to those who supported it, was to put the United States in compliance with United Nations embargo and to put the United States in accordance with that action being taken by other countries; namely, embargoing all trade with Rhodesia. The fact that these others countries are not able to certify that the chrome which is being used in the steel products coming into this country is not of Rhodesian origin shows rather conclusively, I think, that such chrome does come from Rhodesia and that those other countries are not obeying the United Nations sanction.

I believe it is important to note that prior to the enactment of H.R. 1746 an estimated 65 percent of Rhodesia's chrome product was being consumed by sanction violators while the United States consumed only 25 percent.

Mr. President, this legislation, which was passed in March, is having a very adverse effect on the firms which have contracted for these steel mill products and is already starting to have a ripple effect through our economy.

There have already been layoffs of American workers and more are expected in the weeks ahead if the steel mill products are not received by these firms.

Also, a chain reaction has already begun.

One firm in Oklahoma has now lost an order worth hundreds of thousands of dollars because of its inability to meet a deadline caused by delays in receiving imported steel mill products.

A firm in New Jersey has even had to halt work on a Navy contract because of the interruption in supply of specialty steel products. This situation can be expected to spread in the weeks ahead.

This, again, shows and dramatizes the folly and the unwisdom of what Congress did in March, when it modified the Byrd amendment so that it would not apply to Rhodesia.

At present, I have confirmed reports that at least 23 companies in 10 States are seriously affected by this situation. They are:

Maine: Walker Broadway Co. and Robert Mitchell Co.

New Jersey: Kurt Orban Co. Inc., Prudential Stainless Pipe Corp., and Red M Corp.

New York: Sperry Rand, Union Carbide, Crucible Steel (Colt Industries), Metallurg Corp., Sovereign Metal Corp., Allborough Metal Products Co., and Albert Pipe & Supply Corp.

Rhode Island: ASC Industries.

Connecticut: Pratt and Whitney.

Pennsylvania: Teledyne Corp., Plymouth Tube Co., Horace T. Potts Corp., Greenville Tube, and Tioga Pipe Co.

North Carolina: Diamond Shamrock Co.

Oklahoma: Flo-Bend Co.

Texas: Behring Co.

California: Colton Metallex Co., Brown Pacific Corp., and Cook and Sanders Bar and Wire Corp.

This list is incomplete and I am sure that many more firms are being affected by requirements of H.R. 1746.

The net effect of this disruption of supply is surely going to be increased costs to the consumer. It has already cost some jobs, and the supply and demand dictum points clearly in the direction of rising costs for specialty steel products.

I might add, that by coincidence, I noticed an article in Tuesday's Wall Street Journal which indicated that Allegheny Ludlum Industries has announced an 8 percent price increase for its stainless steel products. I do not know if this price increase is related to the difficulties caused by H.R. 1746 but I do know that the consumer is going to pay higher prices in the coming months.

This situation, caused by H.R. 1746, is having a disruptive effect in the diplomatic sphere as well. The State Department has received official protests from members of the European Economic Community—EEC—and a large number of other countries including Japan, Spain, Austria, Brazil, Turkey and others are considering an official protest. I find it very interesting that Great Britain, the nation which was the moving force behind the original embargo, has been one of the most vociferous in complaining about this matter.

Great Britain was the No. 1 advocate of the United Nations' proposal to embargo all trade against Rhodesia. Now that the United States is complying with the United Nations' embargo totally, Great Britain is complaining because she has to certify that her steel products coming into this country contain no Rhodesian chrome.

Mr. President, this matter is a clear instance of Congress taking actions in a hurry to meet political expediency without adequate consideration of the results of those actions. People are being hurt and our relations with trading partners are being harmed.

I find it ironic that Congress has been discussing a jobs bill and an economic stimulus bill at the very time when its actions are causing the loss of jobs and economic loss in an important American industry. Clearly, the left hand does not know what the right hand is doing.

I believe the passage of H.R. 1746 was a mistake and I am sorry to say that the Senate of the United States shares the blame for this shortsighted action.

Mr. President, I am rather amused at the attitude of the Department of State in this matter. The Department of State, for years, has been seeking the repeal of the Byrd amendment. Now that it has accomplished part of that purpose—namely, that Congress, while it did not repeal the Byrd amendment, stated that it would not apply insofar as Rhodesia is concerned—now the Department of State is upset and is asking the Department of the Treasury not to enforce the law which Congress has passed.

I have in my hand a letter from the Department of State signed by William W. Geimer, Deputy Assistant Secretary for International Trade Policy. It is addressed to Mr. John H. Harper, Acting Assistant Secretary for Enforcement, Operations and Tariff Affairs at the Department of Treasury.

In this letter the Department states that representatives of Great Britain, Canada, Sweden, and France have lodged protests against the Treasury's handling of the new regulations required by the law passed in March.

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes have expired.

Mr. ROBERT C. BYRD. Does the Senator want another minute or so?

Mr. HARRY F. BYRD, JR. Two minutes more?

Mr. ROBERT C. BYRD. Mr. President, I have authority to ask unanimous consent that 2 minutes of the time under the order for Mr. BARTLETT be transferred to Mr. HARRY F. BYRD, JR.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Virginia may continue for 2 additional minutes.

Mr. HARRY F. BYRD, JR. Mr. President, the State Department is now seeking to have the Treasury Department set aside the requirements of the law enacted by Congress. Even though the State Department advocated the law which it now feels is hampering its efforts, it seeks to have the Treasury Department set aside the requirements of that law.

I must say I do not have a great deal of sympathy for the position that the State Department finds itself in.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from the State Department to the Treasury Department dealing with this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., April 21, 1977.

Mr. JOHN H. HARPER,
Acting Assistant Secretary for Enforcement, Operations and Tariff Affairs, Department of Treasury, Washington, D.C.

DEAR JOHN: Representatives of Great Britain, Canada, Sweden and France have lodged protests against what they consider abrupt implementation of Treasury's new regulations requiring foreign governments to follow detailed and complex procedures in certifying that chrome-bearing materials imported into the U.S. do not contain chrome of Rhodesian origin. They have stated that the regulations which were published in the Federal Register of April 5 (effective retroactive to March 17) do not allow sufficient time for the implementation of the procedures which the Department of the Treasury requires and must approve following consultation with exporting governments. As a result of the immediate implementation of requirements which cannot be met without careful preparation and bilateral discussions, several countries' trade with the U.S. is being adversely affected. Our refusal to permit the entry of several shipments of chrome-bearing metals from Canada under outstanding contracts has disrupted Canadian production schedules and forced employers to lay-off workers. The U.K. has chrome-bearing material in transit to the U.S. and others may also.

Several U.S. manufacturers of steel products have protested that the virtual embargo of foreign supplies containing chrome has disrupted their production schedules and forced them to lay-off workers. A New Jersey corporate official has bitterly complained that the embargo of Canadian metal has forced his company, the Red M Corp., to halt work on a U.S. Navy contract and to lay-off workers. The Robert Mitchell Company in Portland, Maine has indicated it may lay off up to one-hundred workers if its imports of chrome-bearing materials are not resumed in the near future.

The certification program requires that foreign governments: establish an office for monitoring the production of chrome-bearing products and issuing "special certificates of origin;" register firms producing items containing chrome; inspect the firms' premises and records; approve and inspect all shipments of chrome-bearing materials to the U.S. or to third countries which will use them in products destined for the U.S. market, etc. These procedures will require time to put in place and to be approved by Treasury.

A review of the legislative history of this bill indicates that Congress anticipated that the sanctions would be implemented in such a manner as to avoid undue interruptions of trade in products containing non-Rhodesian chrome, while at the same time not allowing shipments made for stockpiling in anticipation of the resumption of sanctions.

Under these circumstances, we believe that it would be appropriate for Treasury to establish interim measures to avoid undue disruption of U.S. imports where there is no reason to suppose that the products in question actually contain Rhodesian materials. It appears that the Secretary of the Treasury would have authority under the repeal legislation to adopt such interim measures pursuant to: (1) his authority under section (c)(3)(B) to exempt from the certification requirements any shipments of steel mill products in transit to the U.S. on the date of enactment; (2) his authority under section (c)(3)(C) to permit entry of any shipments of steel mill products "under such bond as he may require"; and (3) his authority to define the form and content of the required certificates of origin under section (c)(4).

One possible solution, and one which I would favor, would be to allow a period of ninety to one-hundred twenty days to work out certification procedures with the affected countries. During this period we could accept general certifications from those countries which support the United Nations sanctions against Rhodesian products. This would fulfill the intent of Congress while avoiding disruption of the production schedules of U.S. manufacturers and foreign suppliers.

Sincerely,

WILLIAM W. GEIMER,
Deputy Assistant Secretary for International Trade Policy.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oklahoma is recognized for not to exceed 10 minutes.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRESIDENT CARTER AND BIG BROTHER MANAGEMENT OF OUR ENERGY PROBLEMS

Mr. BARTLETT. Mr. President, President Carter has now submitted to the Congress a program designed to address critical questions regarding America's present and future energy needs. Taken in its entirety, I find his program gravely disappointing because it is devoid of any promise for increased domestic supplies of energy. I expect to detail the deficiencies of this program as its specific measures are considered in the Congress.

However, beyond the many questions related to the promise of the program are equally serious questions regarding the principle of the program. I believe this matter, the fundamental principle embodied in the President's approach to our energy problems, must be addressed at the outset.

The administration's energy program features a broad array of new Federal regulations and a comprehensive new tax and rebate system for the energy economy. It can only be viewed as a centrally planned scheme for the confiscation and redistribution of wealth across income levels, the invasion of free, intrastate natural gas markets, the transfer of energy resources across State lines, and the allocation of energy shortages between States and areas.

I suggest that this design represents not just an "energy initiative," but a major economic initiative. It is based on assumptions that are foreign and contrary to the concept of free enterprise as the only economic system compatible with our democratic form of government.

These assumptions reveal profound mistrust and obvious contempt for the open market pricing system. They rely instead on the ability of President Carter, cast as Big Brother, to know us better than we know ourselves and to provide for us by confiscating our resources and giving us our rations.

Scarcity is a fact of life for all economic commodities and therefore some means of rationing must come into being for all economic goods—including energy. By far the best and most efficient means of rationing ever devised has been the free market pricing system. Nearly everything the President wishes to accomplish by his ill-conceived energy package would be accomplished by allowing the forces of supply and demand to operate openly and freely. To some extent, they will operate in any case—they always do.

Conservation, fairness, and the development of substitutes are the results of allowing relative prices for energy resources to change according to changing supply and demand conditions. The President's proposals, despite his talk of allowing the price of energy to reflect its true replacement cost, will do worse than nothing to encourage production, they will pervert the economic choices of our citizens—for example, by encouraging owners of "gas-guzzlers" to hold on to them longer rather than buying small cars and will misallocate our energy resources nationally—for example, by penalizing the Southwestern States for being producers.

The President's own stated principles of his energy program evidence further its contradictory and counterproductive nature.

Principle 1 states that we can have an effective energy policy "only if the government takes responsibility for it." In fact, our current energy problems are the result of the Government assuming pricing responsibility and authority in the energy industry. Federal authority is the cause, not the cure for our energy problems.

Principle 2 asserts that "only by saving energy can we maintain our standard of living." To the contrary there has been a direct correlation between energy consumption and an improved standard of living. Automobile transportation, modern home appliances, and better general living conditions are all a part of our increased energy consumption and have been especially important advances in the standard of living for lower income Americans. Sacrifice and deprivation of energy resources can only set back the struggle for a higher standard of living, with those at the bottom of the income ladder suffering the greatest.

Principle 3 maintains that "our energy problems have the same cause as our environmental problem—wasteful use of resources." But what has been the cause of this waste? The principal cause of waste and inefficiency has been Government controls, mainly price controls, in the energy industry. For example, price controls on natural gas have encouraged wasteful use of this energy source under industrial boilers and for electricity generation, while discouraging the more efficient use of coal for this purpose. And yet the President's program is based largely on additional Federal control of the energy market. These two initiatives work against each other, in direct conflict, and to the extent they are equal, they cannot be successful.

Principle 4 suggests that we should "reduce our vulnerability to potentially devastating embargoes * * * by reducing our demand for oil." This approach ignores the measure which offers us the greatest protection from embargoes—increased domestic energy production.

Principle 5 states that "energy producers deserve fair treatment, but we will not let the energy companies profiteer." First, there is nothing fair about government controls that hold prices below fair and free market levels. Second, the reference to "profiteering" attempts to make "profits" an obscene word. In fact, America has profited from a strong energy industry only because profits have encouraged production. The President's program on the other hand calls for "profiteering" by the Federal Government, in the form of massive energy taxes.

Principle 6 establishes conservation as the cornerstone of the administration's program and "the quickest, cheapest, and most practical source of energy." One might also instruct a pauper who has no income to open a savings account in order to gain wealth. The lesson in either case is that we cannot conserve ourselves into abundance.

To deemphasize production of energy resources so that we must use less energy makes no more sense than attempting to solve a food shortage by paying our farmers less for their products, increasing our reliance on foreign sources of food, and demanding a decrease in per capita food consumption. Such a response to a food shortage would be unjustifiable and certainly unacceptable to the public. It is an equally irresponsible approach to the energy shortage.

Principle 7 acknowledges that "prices should generally reflect the true replacement cost of energy." However, the administration's program belies this principle. Higher prices would only reflect the Federal taxes which are added to existing prices. The share of these prices returned to producers would remain relatively unchanged.

Thus, a vast percentage of domestic energy would continue to be subject to legalized thievery, with products sold at prices far below replacement costs.

Actual replacement costs for energy products would be a step in the right direction. However, prices somewhat above replacement costs would be necessary to build up needed reserves and to bring supplies more closely into balance with demands.

Principle 8 states that "Government policies must be predictable and certain." This principle is certainly not consistent with the administration's performance to date. Having previously stated that he would work to "deregulate new natural gas," President Carter has instead proposed expanded regulation including the invasion of the three intrastate natural gas markets—the most viable segment of the entire energy economy. The administration has already violated this very principle of predictability and certainty.

Principle 9 instructs us to "conserve fuels that are scarcest and make the most of those that are most plentiful." Again, the President's program ignores the ability of free market forces to achieve this goal in a far more competent and positive manner than that of Federal regulation.

Finally, principle 10 declares that "we must start now to develop the new, unconventional sources of energy we will rely on in the next century." Yet, the administration's program offers absolutely no financial incentive for the development of these energy sources. Instead, capital will be consumed by new energy taxes, and used not for the development of additional supplies or alternate energy sources, but for rebates, or welfare reform, or some other favored project of the administration.

These then are the 10 principles upon which the administration's energy program is founded. But, they are more than just statements of principle regarding energy policy. They are principles with far reaching and ominous governmental, economic and social implications.

I believe the administration's program would open the door to a new and awesome level of Federal regulation, regulation designed to suppress individual initiative in order to make our citizens more dependent on Big Brother management of our lives.

I reject this Big Brother mentality and I hope the public and Congress will reject it as well. It is not only an affront to American initiative, ingenuity, and productivity, it is a direct assault on the individual liberties of the American people.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I commend the Senator from Oklahoma for his remarks. I am sure that he and I and many others are going to be looking with great care and diligence at the President's energy program.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Is there morning business?

TURMOIL IN AFRICA

Mr. SCHMITT. Mr. President, this morning I call the attention of my colleagues to a letter received on April 10, 1977, from Jack L. McClellan, of Roswell, N. Mex., relative to a visit he recently made to Southern Africa.

In this letter, he expresses great concern about the motivations of various countries that are intervening in the affairs of Southern Africa. I ask unanimous consent that a portion of his letter dealing with that trip and an article from U.S. News & World Report, which he brought to my attention, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LETTER

I have just returned from a three-week trip to Africa, where I had the opportunity of meeting many leading business and professional people of both races. My visit encompassed South Africa, Swaziland and Kenya. I had many talks with those people who are in a position to know the real situation in these parts of South and East Africa, and my conclusion is simply that the communists are using every available means of convincing the nations of Africa that all of their problems can and will be solved by Communism.

I feel compelled to write and tell you that these Communist countries are bent to gain political control and subsequently the great wealth involved in the belt through the center of Africa. Please use your influence to help all of our Senators realize that our time is short there and that we must take decisive *action now* in support of those opposing this calculated takeover. If we lose Africa to Communist influence, if not outright control, I fear that we are doomed.

TURMOIL IN AFRICA—HOW MOSCOW CAPITALIZES ON STRIFE

(Reported from Nairobi and Moscow)

(There's far more at stake than a skein of local wars. The Kremlin's goal: control of strategic sea lanes and the continent's vital resources.)

Exactly four years after the last American combat troops were pulled out of Vietnam, the U.S. is under massive Soviet pressure to abandon yet another part of the world—Black Africa.

The extensive travel in central and southern Africa of two Communist leaders—Cuba's Fidel Castro and Russia's President Nikolai Podgorny—underlines an increasingly serious situation on a volatile continent. Their efforts are concentrated on gaining influence in the region as a long step toward helping Marxist governments to get into power.

Prolonged fighting in Rhodesia, for example, would more than likely develop into an ideological struggle that would radicalize moderate black African leaders. Russia with its input of arms for the blacks would benefit from this, much as it did in Angola.

Two long-range Soviet goals:

Gain secure naval bases on both sides of Africa that could be used to choke off the sea lanes over which Middle East oil is transported.

Deny Western nations access to the rich resources in strategic materials possessed by many African nations.

The U.S. has less clearly defined goals. It supports black-majority rule in Rhodesia and pushes South Africa to moderate its segregation policies. It supports Zaire, as it has for the last 16 years, but not to the extent of sending troops or powerful military support.

The U.S. wants Cuban troops out of Africa so that peaceful change in the South will be possible.

American economic stakes in the area are not all-important. In Zaire, for example, they total about 1 billion dollars—of which more than 400 million is in bank loans and investments.

But the U.S. has a strategic stake. It is estimated that 70 per cent of all important raw materials imported by its allies in Europe are shipped over sea routes that could be threatened by Soviet bases in Africa.

And finally, some experts say that the growing threat of trouble all around Africa—sanctioned if not instigated by Russia and Cuba—is a development that the U.S. as leader of the free world would ignore at its peril.

Other experts insist, however, that the Soviet Union is not as powerful in Africa as the West fears. They claim the Russians suffer from two disadvantages:

1. They are just as white as Western "imperialists" and black Africans are unwilling to exchange one set of domineering outsiders for another.

2. The Soviet economy, including its ability to finance large-scale investments, is not as complementary as Western economies to the African nations. The West has much more to offer in development aid and business throughout the continent.

SOVIET STAYING POWER

Moscow has a long record in both the Middle East and Africa of encountering failures and setbacks after enjoying initial successes. Client nations almost totally dependent on the U.S.S.R. have on occasion broken free. Even Somalia and South Yemen on the Gulf of Aden show signs of loosening their ties with Moscow.

Moscow is far from dominating Africa. Yet experts in many capitals say its position on this unpredictable continent has advanced in recent years while the West's has regressed. The question now being asked: How far should, could or will the U.S. go in trying to reverse this course of events?

Zaïre, the former Belgian Congo, is the immediate focal point of the super-power rivalry. Cuban-trained Katanganese soldiers, armed with Soviet weapons, invaded Zaire in early March from their base in Angola. The ostensible Katanganese intention: to "liberate" their former homeland in Southern Zaïre and establish an independent Marxist state.

Another event that underlined the growing chaos in the area: President Marien Ngouabi of the Congo, a Marxist with close ties to Russia, Cuba and Angola, was assassinated—apparently by dissidents in his own Army.

Breakup of Zaïre would seriously weaken the last strongly pro-Western foothold in central Africa. To help counter this, the U.S. rushed two planeloads of medicine and other supplies to its beleaguered ally and debated sending guns and ammunition. Belgium promised to send 30 planeloads of military hardware, and Zaïre asked France to help. Nigeria was urged to bring pressure on Angola to cease supporting the Katanganese invaders.

On the other side of the continent, a second crisis was brewing, with Russia and the U.S. struggling for control of the Horn of Africa and the southern entrance to the Red Sea. In a matter of days, President Carter twice referred to the Horn as a potential danger spot.

It was the threatened disintegration of Ethiopia, once a close friend of the U.S., that jangled alarm bells. In the long guerrilla war in the Province of Eritrea, secessionists were closer than ever to victory—which would mean loss of the Ethiopian Government's foothold and ports on the Red Sea.

A Soviet client state, Somalia, might then try to further the breakup of its neighbor by taking over the Somali-populated Ethiopian Province of Ogaden. Somalia also has designs on Afars and Issas—a French territory slated for independence in June—which is a major Ethiopian outlet to world markets.

Both superpowers use proxies in this struggle. Eritrean rebels have Soviet arms. Somalia gets Soviet weapons in return for providing Russia with naval installations. The U.S. backs moderate Arab states, with Saudi Arabia in the vanguard, that are trying to persuade countries on both sides of the Red Sea to form a regional organization that could keep the Russians at bay.

Farther to the south, the Rhodesian time bomb continues to tick. Soviet weapons and Cuban advisers who are training black Rhodesian forces for insurrection are pouring into countries that ring the white-ruled nation.

It was clear that Castro and Podgorny were partners in the Communist campaign in Africa. Yet the Cuban was effusively welcomed everywhere while the Russian—despite his statement in Tanzania that "the Soviet Union does not seek concessions or military bases or some special privileges"—was received coolly.

Mr. SCHMITT. Mr. McClellan, as are many others, is very concerned about the nature of the Soviet presence in Southern Africa and the motivations behind that presence.

I commend to the attention of my colleagues the information he has transmitted.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees; and a message withdrawing the nomination of George S. Vest, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Pakistan.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF JOINT RESOLUTION AND BILL

A message from the President of the United States announced that on May 4, 1977, he approved and signed the following joint resolution and bill:

S.J. Res. 44. Joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author.

S. 385. An act to name a certain Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building."

MESSAGE FROM THE HOUSE

At 11:25 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1413. An act for the relief of Robert H. Glazier;

H.R. 1613. An act for the relief of certain postmasters charged with postal deficiencies; and

H.R. 6689. An act to authorize fiscal year 1978 appropriations for the Department of State, the United States Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 1413. An act for the relief of Robert H. Glazier; to the Committee on the Judiciary.

H.R. 1613. An act for the relief of certain postmasters charged with postal deficiencies; to the Committee on the Judiciary.

H.R. 6689. An act to authorize fiscal year 1978 appropriations for the Deaprtment of State, the United States Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes; to the Committee on Foreign Relations.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1262. A communication from the President of the United States transmitting, pursuant to law, a report setting forth the President's determination that import relief for the U.S. sugar industry is not in the national economic interest (with an accompanying determination); to the Committee on Finance.

EC–1263. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notice of two construction projects to be undertaken by the Army Reserve (with an accompanying report); to the Committee on Armed Services.

EC–1264. A letter from the Acting Assistant Secretary of the Army, Manpower and Reserve Affairs, transmitting a draft of proposed legislation to amend title 37, United States Code, to authorize family separation allowance for members in the pay grade of E–4 and below with dependents (with an accompanying paper); to the Committee on Armed Services.

EC–1265. A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to extend the authorization of appropriations for the Educational Broadcasting Facilities Program and for the development of nonbroadcast telecommunications facilities and services through fiscal year 1978 (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–1266. A letter from the Chairman of the Federal Power Commission transmitting, for the information of the Senate a copy of the publication, "Statistics of Privately Owned Electric Utilities in the United States, 1975" (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1267. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, the FEA's quarterly report for the period of October through December 1976, concerning: imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1268. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at 2025 M Street, NW., Washington, D.C. (with accompanying papers); to the Committee on Environment and Public Works.

EC–1269. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a report of building project survey for Washington, D.C., (with an accompanying report); to the Committee on Environment and Public Works.

EC–1270. A letter from the Administrator of the Agency for International Development transmitting, pursuant to law, a report on the progress of relief and rehabilitation efforts in behalf of people affected by recent earthquakes in Guatemala (with an accompanying report); to the Committee on Foreign Relations.

EC–1271. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Public Diplomacy in the Years Ahead—An Assessment of Proposals for Reorganization" (ID-77-21) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1272. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act No. 2-33, "An Act to provide for the use of volunteers by the District of Columbia government (with accompanying papers); to the Committee on Governmental Affairs.

EC–1273. A letter from the Acting Administrator of the General Services Administration transmitting a draft of proposed legislation to repeal Chapter 27 of Title 44, United States Code (with accompanying papers); to the Committee on Governmental Affairs.

EC–1274. A letter from the Chairman of the National Commission on Libraries and Information Science transmitting, pursuant to law the fifth annual report of the National Commission on Libraries and Information Science (with an accompanying report); to the Committee on Human Resources.

EC–1275. A letter from the Secretary of Health, Education, and Welfare transmitting pursuant to law, a regulation prohibiting discrimination against handicapped Americans (with accompanying papers); to the Committee on Human Resources.

EC–1276. A letter from the Secretary of Health Education, and Welfare transmitting a draft of proposed legislation to extend the program authorized by the Runaway Youth Act (with accompanying papers); to the Committee on the Judiciary.

EC–1277. A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved (with accompanying papers); to the Committee on the Judiciary.

EC–1278. A letter from the Administrator of the Veterans Administration transmitting, pursuant to law, a report covering those cases recommended for equitable relief under paragraph 210(c)(3) during calendar year 1976 (with an accompanying report); to the Committee on Veterans Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

With an amendment:

H.R. 6370. An act to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes (title amendment) (Rept. No. 95–122).

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

S. 1468. An original bill to amend the Energy Supply and Environmental Coordination Act of 1974 (Rept. No. 95–123).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Spurgeon M. Keeny, Jr., of the District of Columbia, to be Deputy Director of the U.S. Arms Control and Disarmament Agency.

Frederick T. Van Dyk, of Maryland, to be an Assistant Administrator of the Agency for International Development.

Wilbert John Le Melle, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya.

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Wilbert J. Le Melle.

Post: Ambassador.

CONTRIBUTIONS AND AMOUNT

(If none, write none)

1. Self, none.
2. Spouse, none.
3. Children and spouses, names, none.
4. Parents, names, none.
5. Grandparents, names, none.
6. Brothers and spouses, names, none.
7. Sisters and spouses, names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

WILBERT J. LE MELLE.

Nabel Murphy Smythe, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Cameroon.

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Mabel Murphy Smythe.

Post: Ambassador to Republic of Cameroon.

Nominated: ---- ---- -----.

Contributions, amount, date (all 1976), and donee

(If none, write none)

1. Self, $75, 1/23, 7/26, 9/23, Democratic Party. Spouse, $15, 1/1, 6/23, Jimmy Carter Campaign.
2. Spouse, $5, 3/27, Udall 1976 Committee. (Mabel M. Smythe), $3, 8/26(?), Democratic Women's Club of Newtown, Conn.
3. Children and spouses (names), none.
4. Parents: Deceased. Names, Harry S. and Josephine Dibble Murphy.
5. Grandparents, deceased. Names, Eugene and Sallie Lee Dibble, Benjamin and Sarah Murphy.
6. Brothers and spouses (names), Harry S. Murphy, Jr., none.
7. Sisters and spouses (names), Sarah M. Lemon, none. Doris and Maurice Coates, none; she reports, he has for years been a Federal employee subject to the Hatch Act. She recalls their purchasing tickets for one political fund raiser.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

MABEL MURPHY SMYTHE.

Ralph Earle II, of Pennsylvania, for the rank of Ambassador while serving as alternate chairman of the U.S. delegation to the Strategic Arms Limitation Talks.

POLITICAL CONTRIBUTIONS STATEMENT

Nominee, Ralph Earle II.

Post, Ambassador-Designate, Nominated:

Contributions, Amount, Date and Donee

1. Self: Ralph Earle II, none.
2. Spouse: Eleanor F. Owens Earle, $10, 4/76 James Symington (U.S. Senate, Mo.)
3. Children and spouses: Eleanor F. Earle, none; Ralph Earle III, none; Duncan O. Earle, none; Amanda W. Earle, none; Caroline E. McK. Earle, none.
4. Parents and spouses: Mrs. Huberta P. Sheaffer (mother), none; Mr. T. C. Sheaffer, $25, 1/73, $100; 10/73 Repub. Natl. Fin. Com., Mr. G. H. Earle III (father), none; Mrs. Jacqueline S. Earle, none.
5. Grandparents and spouses: (All deceased prior to 1/1/73).
6. Brothers and Spouses: Mr. George H. Earle IV, none; Mr. Hubert P. Earle, none; Mrs. Elizabeth W. Earle, none; Mr. Lawrence W. Earle, none; Mrs. Sylvie P. Earle, none; Mr. Anthony W. Earle, none.
7. Sisters and spouses: Mrs. Jacqueline Earle-Cruickshanks, none; Mrs. Paul Earle-Cruickshanks, none.

I have listed above the names of each member of my immediate family, including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

RALPH EARLE II.

Ulric St. Clair Haynes, Jr., of Indiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria.

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee, Ulric St. Clair Haynes, Jr.

Post, Ambassador to Algeria.

Contributions.

Amount, Date, and Donee

(If none, write none)

1. Self, none.
2. Spouse, Yolande T. Haynes, none.
3. Children and spouses, names, Alesandra, Gregory, none.
4. Parents names, Ulric Haynes, Ellaline Haynes, none.
5. Grandparents names, Foster H. Gay, none.

6. Brothers and spouses names none.
7. Sisters and spouses names none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Ulric St. Clair Haynes.

(The foregoing nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHILES, from the Committee on Governmental Affairs:

Lester A. Fettig, of Virginia, to be administrator for Federal Procurement Policy.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

JOINT REFERRAL OF A BILL— S. 1360

Mr. CHURCH. Mr. President, I ask unanimous consent that S. 1360, a bill to establish an Advisory Committee on Timber Sales Procedure, which was referred to the Energy and Natural Resources Committee, be jointly referred to the Energy and National Resources Committee and the Committee on Agriculture, Nutrition, and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TOWER (for himself, Mr. Garn, Mr. Lugar, and Mr. Schmitt):

S. 1460. A bill to prescribe standards and procedures relating to the disclosure of certain financial information by financial institutions to prevent unwarranted invasions of privacy, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CURTIS (Mr. Zorinsky, Mr. Talmadge, Mr. Dole, Mr. Young, Mr. Stone, Mr. Helms, Mr. Allen, Mr. Lugar, Mr. Melcher, Mr. Humphrey, and Mr. McGovern):

S. 1461. A bill to expand the research in agricultural commodities and forest products; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. EASTLAND (for himself, Mr. Young, and Mr. Huddleston):

S. 1462. A bill relating to the Emergency Run-Off Retardation and Soil-Erosion Prevention Program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NUNN:

S. 1463. A bill amending title 5 of the United States Code to improve agency rule making by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 1464. A bill to require a health warning on the labels of bottles containing certain alcoholic beverages; to the Committee on Human Resources.

By Mr. DANFORTH:

S. 1465. A bill to increase the authorization for the special bridge replacement program under section 144 of title 23 of the United States Code; to the Committee on Environment and Public Works.

By Mr. BIDEN:

S. 1466. A bill to amend title II of the Social Security Act to increase to $6,000 the annual amount which individuals may earn without suffering deductions from their social security benefits on account of excess earnings; to the Committee on Finance.

By Mr. ROTH:

S. 1467. A bill to limit the jurisdiction of the Supreme Court of the United States and any such inferior court as ordained and established by the Congress of the United States to enter any judgment, decree, or order, denying or restricting, as unconstitutional, the exercise of free religious expression or the saying of voluntary prayer in any public school or other public building; to the Committee on the Judiciary.

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

S. 1468. An original bill to amend the Energy Supply and Environmental Coordination Act of 1974; placed on the Calendar.

By Mr. JACKSON (by request):

S. 1469. A bill to establish a comprehensive national energy policy; to the Committee on Energy and Natural Resources.

By Mr. TALMADGE (for himself, Mr. Long, Mr. Ribicoff, Mr. Dole, Mr. Nunn, Mr. Eastland, Mr. Matsunaga, Mr. Randolph, Mr. Hollings, Mr. Inouye, Mr. Gravel, Mr. Ford, Mr. Javits, Mr. Pell, Mr. Percy, Mr. Brooke, Mr. Burdick, Mr. Stone, Mr. Metzenbaum, and Mr. Hathaway):

S. 1470. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; to the Committee on Finance.

By Mr. PACKWOOD (for himself, Mr. Nunn, Mr. Baker, and Mr. Talmadge):

S. 1471. A bill to amend the Internal Revenue Code of 1954 with respect to contributions to candidates for public office; to the Committee on Finance.

By Mr. ROBERT C. BYRD (by request):

S. 1472. A bill to implement the tax aspects of the Comprehensive National Energy Policy; to the Committee on Finance.

By Mr. ROTH:

S.J. Res. 49. A joint resolution proposing an amendment to the Constitution; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER (for himself, Mr. Garn, Mr. Lugar, and Mr. Schmitt):

S. 1460. A bill to prescribe standards and procedures relating to the disclosure of certain financial information by financial institutions, to prevent unwarranted invasions of privacy, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. TOWER. Mr. President, on behalf of Senators Garn, Lugar, Schmitt, and myself, I am introducing today the Right to Financial Privacy Act of 1977 to correct certain deficiencies in the Bank Secrecy Act and to provide statutory safeguards against unauthorized disclosure of an individual's bank and credit card records.

Protecting the privacy of the individual is very important to the citizens of our great country.

Yet Congress keeps grinding out laws which intrude the eyes and ears of the Federal bureaucracy into the intimate details of their daily lives.

An instructive example may be seen in the Bank Secrecy Act.

One of the purposes of the Bank Secrecy Act—Currency and Foreign Transaction Reporting Act, Public Law 92–508—which Congress passed in 1970, was to enable law enforcement authorities to obtain evidence needed to prosecute white collar criminals by preserving bank records and making them available at an appropriate time. Unfortunately, neither the law nor the Treasury Department regulations implementing it, contained any legal standards that law enforcement officials must meet before obtaining access to records which banks or other institutions are required to keep. This meant that Federal agencies such as the Internal Revenue Service or the FBI could obtain without legal process a complete profile of a citizen through his financial records.

Prior to the enactment of the Bank Secrecy Act, by tradition most banks would not permit unauthorized disclosure or use of customer's records. In fact, the State courts generally imposed monetary and other sanctions on those banks which breached the bank customers reasonable expectation that his financial affairs entrusted to a bank will be confidentially protected. (See for example *Valley Bank of Nevada* v. *Superior Court,* 15 Cal. 3d 652 (Dec. 1975); *Burrows* v. *Superior Court,* 13 Cal. 3d 238, 529 P. 2d 590 (1974); *Molohnick* v. *First National Bank of Miami Springs,* 224 So 2d 759 (1969); *Peterson* v. *Idaho First National Bank,* 83 Idaho 589, 367 P. 2d 284 (1961).)

Bank recordkeeping procedures were drastically altered by the Bank Secrecy Act. Prior to July 1, 1972, when the regulations implementing the Bank Secrecy Act became effective, retention of bank customers' records was kept to a minimum. Microfilming was not done to provide a record of the customer's activity but instead to provide a record of the bank's activity for the protection of the bank and its customer. Suddenly this was changed by the requirements of the Bank Secrecy Act: Emphasis was shifted to picture and record the customer's activity in such a way that it could be readily available in the event a governmental agency found cause for access. Every bank had to amend its procedures and in most cases acquire new equipment. Literally millions of items which were not recorded had to be microfilmed. Although the costs of compliance for the banks was substantial, the impact that this had on the personal privacy of bank customers was devastating.

Bank records were sought after with increasing frequency by law enforcement agents sometimes without service of any type of process. In response to requests or pressures from police departments and governmental agencies concerned with catching smugglers, tax evaders, bad check artists, and various white collar criminals, many bankers simply turned over the records to the officials without the knowledge of the customer. The Supreme Court in the case of United States against Miller on April 21, 1976 made clear that a citizen's interest in his bank records were insufficient to entitle him to notice and to resist the production of the records by the financial institution.

An early bipartisan effort was made by Senators Cranston and Brock, who served on the Senate Banking Committee, to correct this situation with legislation designed to give the bank customer standing to contest the production of his bank records. As praiseworthy as these efforts were they met with little success because they failed adequately to take into consideration the needs of Federal and State courts and law enforcement agencies for access to financial records. Our bill has been drafted in light of the hearings last year before the Financial Institutions Subcommittee and gives better balance to these interests without sacrificing the reasonable expectation of privacy of the individual.

The purpose of the bill is to protect the confidential relationship between banks and credit card issuers and their customers. It also limits the authority of the Secretary of Treasury under the Bank Secrecy Act to require retention of records for supervisory purposes and the monitoring of foreign or domestic currency movements. Under the bill, the financial records of a customer may be disclosed only if the disclosure is authorized by the customer or if it is pursuant to a search warrant, administrative summons, or judicial subpena which has been served on the customer as well as the record holder. The customer is given standing to contest the process in a court of competent jurisdiction. A court may grant an agency a subpena with a 90-day delay of delivery of notice to the customer upon a finding that notification would jeopardize a continuing investigation of a serious crime. The record holder would be reimbursed by the U.S. Government for the cost of the production of records required by its agencies. Exempted from the disclosure restrictions are: Internal Revenue Service summons, grand jury subpenas, statistical data, supervisory data, tax data, records used in the prosecution of crime, and records disclosed under the provisions of the Fair Credit Reporting Act. There are both criminal and civil sanctions.

A number of provisions in the bill deserve special analysis.

COVERAGE

Credit card issuers as well as financial institutions are covered by the bill. This includes the entertainment, oil and travel card issuers who do not charge interest. Although the nonbank credit card issuers are not subject to the recordkeeping requirements of the Bank Secrecy Act, the cards are used in a manner similar to a checking account. The breach of the confidentiality of these records can seriously injure the credit card customer.

The Internal Revenue Service is exempted from coverage because in 1976 Congress amended the Internal Revenue Code to permit taxpayers whose bank records are sought to challenge in court the Service's right to the records before the bank produces them. Section 7 of our bill tracks this procedure.

Nor is the grand jury subpena covered. One of the objections to prior bills by State and Federal prosecutors was that coverage of grand juries would seriously impair their effectiveness and breach their secrecy. The grand jury is under the supervision of the court and this coupled with the traditional requirement that the proceedings and evidence gathered be kept secret should be sufficient to protect the public in most cases.

In exempting the grand juries from this bill, we are not taking the position that the process is without abuse. There is some indication that Federal grand juries would turn records over to other Federal agencies. These abuses are being studied by other committees of Congress and State legislatures which are in the best position to undertake comprehensive grand jury reform.

Another problem relates to the disclosure of information to private parties for legitimate business purposes. Most credit card holders and bank customers expect that the record holder will make available to credit bureaus credit information which will enable the customer to maintain a credit record. This usually is beneficial to the customer whose privacy is protected by the provisions of the Fair Credit Reporting Act. Thus disclosure under the Fair Credit Reporting Act is exempt.

Also exempt is the use of records to compile statistical data, tax returns and supervisory reports. In these instances, the identity of the customer is protected and there is no measurable breach of privacy.

A more difficult problem concerns the need for banks to disclose records to notify officials of the commission of a crime. Clearly banks should be permitted to reveal to law enforcements the records of a person who is attempting to defraud the bank or writes bad checks. A closer question regards the extent to which a bank should be permitted to produce records to assist in the prosecution of a crime. We will welcome comments on the treatment of this problem in section 5(d).

NOTIFICATION AND STAY OF PROCESS

The basic thrust of sections 7, 8, and 9 is to give the customer notice of the demand for the records and the same standing as the recordholder to seek an administrative or judicial stay of the demand. In common parlance, the depositor is given his day in court.

So as not to place an impediment to law enforcement, the bill carves out certain exceptions. Immediate notice need not be given the customer when a court determines that there is reasonable cause to believe that the giving of notice may lead to attempts to destroy or conceal the records or to flee to avoid prosecution or testifying. In addition, search warrants issued by a court may be immediately complied with.

The significant factor here is that the courts are placed in the role of balancing the individual interest in privacy and the social interest in law enforcement. One of the major deficiencies of the Bank Secrecy Act is that it makes the agency issuing the process the judge of these often conflicting social interests.

AMELIORATING THE RECORDKEEPING BURDEN

Some have questioned whether the recordkeeping burden of the Bank Secrecy Act is justified by the benefits in law enforcement. To bring this matter into focus, section 11 has the effect of repealing those sections of the Bank Secrecy Act which authorize the Treasury Department to require the retention of records that "have a high degree of usefulness in criminal, tax, or regulating investigations." Although we are not committed to the total repeal of these provisions but are offering the proposal for the purpose of oversight hearings, there is probably some need for a limitation on this open-end authority.

REIMBURSEMENT OF PRODUCTION EXPENSE

Section 12 provides that the Federal agencies shall reimburse record holders for costs in production of dockets. This follows the procedure that Congress recently adopted for the Internal Revenue Service.

This provision is designed to correct two deficiencies. First, there is a serious due process question involved in the requirement that banks or other institutions go to the considerable expense of assembling documents. Some courts have questioned the fairness of this requirement and have suggested that the Government pay the cost of such searches as a condition precedent to obtaining any documents. Finally, if the Government bears the cost of the search it will be more circumspect in its demands and less inclined to go on fishing expeditions.

STATE-FEDERAL RELATIONSHIP

A final question concerns coverage of State agencies. Although some of the provisions of our bill covers State law enforcement officials, we recognize that there are sound arguments for totally exempting the States. Much of the concern over the invasion of individual privacy stems from abuses by the Federal Government. It seems unfair to penalize the States for these abuses. In addition, many States, such as California have moved to protect their citizens on the local level. For these reasons we have exempted the State officials from Federal criminal sanctions.

In sponsoring this legislation, we wish to work with our distinguished colleague on the Banking Committee, Senator Cranston, in his efforts to correct flaws in the Bank Secrecy Act through a similar bill. It is imperative that Congress promptly act on this matter to eliminate the injustices being inflicted on American citizens.

Mr. President, I request unanimous consent that the section-by-section analysis and bill be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Right to Financial Privacy Act of 1977".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) procedures and policies governing the relationship between financial institutions, including credit card issuers, and government agencies have in some cases developed without due regard to the confidential relationships between financial institutions and their customers; and

(2) certain reporting and recordkeeping requirements imposed on financial institutions, including credit card issuers, by government agencies constitute a burden on interstate commerce.

(b) The purposes of this Act are to protect and preserve the confidential relationship between financial institutions, including credit card issuers, and their customers and to promote commerce by prescribing policies and procedures to insure against unwarranted disclosure of customer records.

DEFINITIONS

SEC. 3. (a) For the purposes of this Act—

(1) the term "financial institution" means—

(A) a bank or trust company organized under the laws of any State, territory, possession, or commonwealth of the United States or of the United States;

(B) a savings and loan association or building and loan association organized under the laws of any State, territory, possession, or commonwealth of the United States or of the United States;

(C) a credit union organized under the laws of any State, territory, possession, or commonwealth of the United States or of the United States; and

(D) any other depository organization chartered under the banking laws of any State, territory, possession, or commonwealth of the United States and subject to the supervision of the bank supervisory authorities of a State, territory, possession, or commonwealth of the United States;

(2) the term "credit card issuer" means a card issuer as defined under section 103 of the Consumer Credit Protection Act;

(3) the term "financial records" means any original or any copy of—

(A) any debit or credit to one or more deposits or accounts of customers of a financial institution or credit card issuer; and

(B) any record held by a financial institution or credit card issuer containing information pertaining to one or more customers' relationships with the financial institution or credit card issuer;

(4) the term "person" means an individual who is a citizen of the United States or an alien lawfully admitted for permanent residence, or a partnership, corporation, association, trust, or any other legal entity organized under the laws of a State or the United States;

(5) the term "customer" means any person who is or was a patron of a financial institution or credit card issuer, or who utilizes or has utilized services provided by a financial institution or credit card issuer;

(6) the term "appropriate supervisory agency" means—

(A) the Comptroller of the Currency in the case of a national bank;

(B) the Board of Governors of the Federal Reserve System in the case of member banks (other than national banks);

(C) the Board of Directors of the Federal Deposit Insurance Corporation in the case of banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System);

(D) the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) in the case of any institution subject to section 5 (d) of the Homeowners Loan Act of 1933, section 407 of the National Housing Act, or section 6(i) or 17 of the Federal Home Loan Bank Act;

(E) the National Credit Union Administration in the case of a Federal credit union;

(F) the department, agency, or instrumentality of a State which is responsible for the chartering, insurance, or supervision of any bank, savings and loan association, savings bank, or other institution not subject to regulation by any agency referred to in clauses (A) through (E); and

(G) the Federal Trade Commission in the case of any credit card issuer, other than a credit card issuer subject to regulation by any agency referred to in clauses (A) through (F) of this paragraph.

(b) Any subpena or summons requiring testimony relating to financial records shall be treated as a subpena or summons requiring the production of such records.

ENFORCEMENT

SEC. 4. (a) Compliance with the requirements of this Act shall be enforced by the appropriate supervisory agencies utilizing the authority conferred by the law under which such agencies exercise their jurisdiction of the financial institutions and credit card issuers subject thereto, and any violation of the requirements imposed under this Act or any regulation prescribed in accordance with this Act shall be deemed to be a violation of a requirement imposed under that law. In addition to its powers under any such provision of law, each of the agencies may exercise, for the purpose of enforcing compliance with the requirements of this Act, any other authority conferred on it by law. The rule making authority of the supervisory agencies or the Federal Trade Commission for the enforcement of this Act shall be limited to the promulgation of procedural rules necessary to enforce compliance with this Act.

(b) The Federal Trade Commission shall enforce the requirements of this Act with respect to any financial institution or credit card issuer which is not subject to regulation by any agency referred to in clauses (A) through (E) of section 3(a)(6) but only during periods when the Commission has determined that such institution or issuer is not subject to enforcement by a department, agency, or instrumentality of a State which is sufficient to achieve the purpose of this Act.

CONFIDENTIALITY OF RECORDS; EXCEPTIONS

SEC. 5. (a) A financial institution or credit card issuer may disclose information contained in financial records or make financial records available for inspection or copying only in accordance with procedural regulations prescribed by the appropriate supervisory agency only if—

(1) the financial records are disclosed in accordance with a customer authorization under the provisions of section 6;

(2) the financial records are disclosed or made available (A) in response to an administrative subpena or summons which meets the requirements of section 7, and (B) in accordance with the procedures contained in such section;

(3) the financial records are disclosed or made available in response to a search warrant which meets the requirements of section 8;

(4) the financial records are disclosed or made available in response to a judicial subpena which meets the requirements of section 9; or

(5) the financial records are disclosed or made available to a consumer reporting agency, as defined in section 603 (d) of the Fair Credit Reporting Act, or are otherwise disclosed or made available in accordance with the provisions of such Act.

(b) A financial institution or credit card issuer is not required to inquire or determine that any person or agency seeking disclosure has complied with the requirements set forth in sections 6, 7, 8, or 9, if the authorization, administrative subpena or summons, search warrant, or judicial subpena, as the case may be, shows compliance with the requirements of this Act and appears valid on its face.

(c) This Act does not apply to—

(1) a third-party summons described in section 7609 of the Internal Revenue Code of 1954;

(2) a subpena issued by or on behalf of a grand jury;

(3) the dissemination of any financial information which is not identified with or identifiable as being derived from the financial records of a particular customer;

(4) the examination of financial records by or disclosure of financial records to any supervisory agency in the exercise of its supervisory, monetary, or regulatory functions; or

(5) the use of financial records in making reports or returns required under the Internal Revenue Code of 1954 or State revenue laws.

(d) Nothing in this section precludes a financial institution or credit card issuer—

(1) from notifying appropriate officials of Federal, State, or local governments of suspected violations of the criminal law; or

(2) from using records in its custody in assisting the prosecution of such a crime.

CUSTOMER AUTHORIZATION

SEC. 6. (a) A financial institution or credit card issuer may disclose information contained in financial records or make financial records available for inspection or copying if it receives from the person or agency seeking the information or records, at the time of the request, a signed and dated authorization statement in which the customer identifies the financial records which are authorized to be disclosed, and specifies the time period of record activity which is to be disclosed.

(b) Any standard authorization form shall include a clear and conspicuous disclosure that the customer may revoke authorization at any time, unless such authorization is required by law.

ADMINISTRATIVE SUBPENAS AND SUMMONS

SEC. 7. (a) A financial institution or credit card issuer may disclose information contained in financial records or make financial records available for inspection or copying pursuant to an administrative subpena or summons pursuant to section 5(a)(2) only if—

(1) notice of the summons or subpena is provided by the agency to the customer within 3 days of the day on which service is made on the financial institution or credit card issuer, but no later than 14 days before the day fixed as the day upon which such records are to be examined, and such notice is accompanied by a copy of the summons or subpena which has been served and contains directions for staying compliance under subsection (b)(2); and

(2) such notice is served upon the customer, or is mailed by certified or registered mail to the last known address of such customer, or, in the absence of a last known address, is left with the person summoned or subpenaed, and if such notice is mailed, it is mailed to the last known address of the customer.

(b) Notwithstanding any other law or rule of law, any person who is entitled to notice of a summons or subpena under subsection (a) shall have the right to stay compliance with the summons or subpena if, not later than 14 days after the day such notice is given in the manner provided in subsection (a)—

(1) notice in writing is delivered to the person summoned or subpenaed not to comply with the summons or subpena, and

(2) a copy of such notice not to comply with the summons or subpena is mailed by registered or certified mail to such person and to such office as the agency may direct in the notice referred to in subsection (a) (1).

(c) No examination of any records required to be produced under a summons or subpena as to which notice is required under subsection (a) may be made—

(1) before the expiration of the 14-day period allowed for the notice not to comply under subsection (b) (2), or

(2) when the requirements of subsection (b) (2) have been met, except in accordance with an order issued by a court of competent jurisdiction authorizing examination of such records or with the consent of the person staying compliance.

(d) Any summons or subpena which does not identify the person with respect to whom the summons or subpena is issued may be served only after a court proceeding in which the agency establishes that—

(1) the summons relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that such person or group or class of person may fail or may have failed to comply with any provision of law; and

(3) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources.

(e) The provisions of subsections (a) (1) and (b) shall not apply if, upon petition by the agency, the court determines, on the basis of the facts and circumstances alleged, that there is reasonable cause to believe the giving of notice may lead to attempts to conceal, destroy, or alter records relevant to the examination, to prevent the communication of information from other persons through intimidation, bribery, or collusion, or to flee to avoid prosecution, testifying, or production of records.

(f) (1) The United States district court for the district within which the person to be summoned resides or is found shall have jurisdiction to hear and determine proceedings brought under subsections (d) or (e). The determinations required to be made under subsection (d) or (e) shall be made *ex parte* and shall be made solely upon the petition and supporting affidavits. An order denying the petition shall be deemed a final order which may be appealed.

(2) Except as to cases the court considers of greater importance, a proceeding brought for the enforcement of any summons, or a proceeding under this section, and appeals, take precedence on the docket over all cases and shall be assigned for hearing and decided at the earliest practicable date.

SEARCH WARRANTS

SEC. 8. A financial institution or credit card issuer may disclose information contained in financial records or make financial records available for inspection or copying pursuant to a search warrant issued by a court of competent jurisdiction which is served on both the customer and the financial institution or credit card issuer as soon as such service is effected.

JUDICIAL SUBPENAS

SEC. 9. (a) Except as provided in subsection (b), a financial institution or credit card issuer may disclose information contained in financial records or otherwise make financial records available pursuant to a judicial subpena under section 5(a) (3) only if—

(1) notice of the subpena is given to the customer within 3 days of the day on which service is made on the financial institution or credit card issuer, but no later than 10 days before the day fixed as the day upon which such records are to be produced, and such notice is accompanied by a copy of the subpena which has been served and contains directions for staying compliance in accordance with subsection (b) (2);

(2) such notice is served upon the customer, or is mailed by certified or registered mail to the last known address of such customer, or, in the absence of a last known address, is left with the person who is the subject of the subpena, and if such notice is mailed, it is mailed to the last known address of the customer; and

(3) such institution or credit card issuer has not, prior to the day fixed as the day upon which such records are to be produced, received service or other appropriate notice that the customer has entered a motion to quash the subpena, or that such a motion, having been made, has been denied by the court.

(b) (1) Upon application of an officer or employee of the United States or of a State, a court may grant a subpena with a temporary delay of delivery or of mailing to the customer of the notice required by subsection (a), which delay shall not exceed 90 days following the date of issuance, if the court finds, on the basis of an affidavit or sworn testimony, that it has been affirmatively demonstrated that such notification would seriously jeopardize a continuing investigation of any serious criminal offense. If the court so finds, it shall enter an *ex parte* order granting the requested delay. Additional delays may be granted by the court upon application, but only in accordance with this subsection. The total period of time from service of the subpena to notification of the customer shall not exceed one year, except that if the court finds on the basis of an affidavit or sworn testimony that there is probable cause to believe that a serious criminal offense is being committed, has been committed, or is about to be committed, and that the records sought or made available pursuant to this Act are relevant to a continuing investigation of such offense, the court may enter an *ex parte* order granting the requested delay.

(2) Upon the expiration of the period of delay of notification of the customer the following notice shall be delivered or mailed to him along with a copy of the subpena.

"Records or information concerning your transactions which are held by the organization named in the enclosed subpena were supplied to the authority named in the subpena on (date)   . Notification was withheld pursuant to a determination by the court that such notice would seriously jeopardize an investigation.".

RESTRICTIONS ON SUBSEQUENT USE OF INFORMATION

SEC. 10. Financial records or information contained in financial records which is obtained in accordance with the provisions of this Act may not be retained or used except for the purpose for which such records or information was originally obtained and may not be provided to any government department or agency or other person except where permitted by this Act or otherwise authorized by law.

RECORDKEEPING AND REPORTING

SEC. 11. (a) Notwithstanding any other provision of law, the Secretary of the Treasury may not require a financial institution or credit card issuer to maintain any financial records or to transmit any reports relating to customers (other than under the Internal Revenue Code of 1954) unless—

(1) such records are required for use by a supervisory agency in the supervision of that institution; or

(2) such records or reports are used solely for the purpose of monitoring foreign or domestic currency movement.

(b) A financial institution or credit card issuer shall maintain a record of all customer authorizations, administrative summons of subpenas, judicial subpenas, and search warrants issued under this Act for a period of five years. Copies of such records shall be available to the customers upon request, and payment of a reasonable fee.

COST OF SEARCHES

SEC. 12. Each department and agency of the United States shall provide reimbursement for costs that are reasonably necessary and which have been directly incurred by a financial institution or credit card issuer in searching for, reproducing, or transporting books, papers, records, or other data relating to a customer required to be produced by any customer authorization, summons, subpena, or search warrant issued by or at the request of that department or agency.

JURISDICTION

SEC. 13. An action to enforce any provision of this Act may be brought in any appropriate United States district court without regard to the amount in controversy or in any other court of competent jurisdiction within three years from the date on which the violation occurs or the date of discovery of such violation whichever is later.

CIVIL PENALTIES

SEC. 14. (a) Any financial institution or credit card issuer, or any officer, employee, or agent of a financial institution, who discloses financial records or makes such records available to any person or agency in violation of this Act is liable to the customer to whom such records relate in an amount equal to the sum of—

(1) any actual damages sustained by the customer as a result of the disclosure;

(2) such punitive damages as the court may allow in the case of a knowing or willful violation; and

(3) in the case of any successful action to enforce liability under this section, the cost of the action together with reasonable attorney's fees as determined by the court.

(b) A financial institution or credit card issuer, or an officer or employee or agent of a financial institution or credit card issuer, has no liability under this section for any violation of this Act which was proximately caused by the reliance of that institution, officer, employee, or agent on any certification, affidavit, statement, or other representation by any person or agency requesting financial information or financial records.

CRIMINAL PENALTIES

SEC. 15. (a) Any officer, employee, or agent of a financial institution or credit card issuer, or any officer or employee of the United States or any agency or department thereof who willfully and knowingly participates in a violation of this title shall, upon conviction, be imprisoned for not more than one year, or fined not more than $5,000, or both.

(b) Any officer, employee, or agent of a financial institution or credit card issuer, or any officer or employee of the United States or any agency or department thereof who induces or attempts to induce a violation of this title shall, upon conviction, be imprisoned for not more than one year, or fined not more than $5,000, or both.

INJUNCTIVE RELIEF

SEC. 16. In addition to any other remedy contained in this chapter or otherwise available, injunctive relief shall be available to any person aggrieved by a violation or threatened violation of this title. In the event of any successful action, costs together with reasonable attorney's fees as determined by the court may be recovered.

EFFECTIVE DATE

SEC. 17. The provisions of this Act shall become effective upon the expiration of one year following the date of enactment.

RIGHT TO FINANCIAL PRIVACY ACT OF 1977—SECTION-BY-SECTION ANALYSIS

Sec. 1. Act to be cited as the "Right to Financial Privacy Act of 1977".

Sec. 2. Findings and Purposes. Congress

finds that in some instances the procedures governing the relationship between financial institutions, including credit card issuers, and government agencies have developed without due regard to confidential relationships between those institutions and their customers. The purpose of the Act is to protect and preserve these confidential relationships.

Sec. 3. Definitions. The following terms are defined: financial institutions, credit card issuers, financial records, person, customer, appropriate supervising agency, and subpoena or summons.

Sec. 4. Enforcement is placed in the appropriate supervisory agencies in the exercise of jurisdiction conferred by law over financial institutions. The Federal Trade Commission is vested with enforcement authority over institutions or card issuers not otherwise covered. Rule making authority is restricted to issuing procedural rules.

Sec. 5. Confidentiality of Records. (a) Financial records may be disclosed only if they are made available in response to a customer's authorization under section 6, an administrative summons under section 7, a search warrant under section 8, or a judicial subpoena under section 9. They may also be disclosed in accordance with the provisions of the Fair Credit Reporting Act. (b) The institution or issuer is not required to go beyond the face of the authorization, summons, warrant or subpoena to determine compliance. (c) Exceptions from coverage are: (1) Internal Revenue Service summons; (2) Grand Jury subpoena; (3) unidentifiable financial data; (4) Supervisory examinations; (5) Information for State or Federal tax reports. (d) Nothing in the section precludes notifying officials of criminal violations or the use of records in assisting in the prosecution of a crime.

Sec. 6. Customer authorizations must be signed, dated, identify records to be disclosed and specify the time period of record activity to be disclosed. Any authorization form must disclose that the authorization is revokable unless the authorization is required by law.

Sec. 7. Administrative Summons. (a) Records may be disclosed in response to administrative summons only if notice and copies of the summons are provided by the agency to the customer within 3 days on which service is made on the record holder but no later than 14 days before the return date. Service may be personal or by registered or certified mail to the last known address of the customer. (b) A customer may stay compliance with a summons by delivering within 14 days to the record holder a notice not to comply and mailing a copy of the notice to the agency. (c) Records may not be examined until the expiration of 14 days or if a stay noticed has been mailed to the agency only upon court order. (d) A John Doe summons not identifying the customer may be served only after a court proceeding establishing that a particular person or group may fail or have failed to comply with any provision of law and that the information is not readily available elsewhere. (e) Notice need not be given the costomer when a court determines that there is reasonable cause to believe that the giving of the notice may lead to attempts to destroy or conceal the records or to flee to avoid prosecution or testifying. (f) The United States district court where the customer resides or is found shall have jursdiction to order the production of records in an expedited *ex parte* proceeding.

Sec. 8. Search Warrants served on both the customer and record holder may be immediately complied with.

Sec. 9. Judicial Subpoena may be compiled with only if proper notice is given the customer within 3 days and not later than 10 days before the return date and the record holder has not been notified that the customer has entered a motion to quash. A court may grant an agency a subpoena with a 90 day delay of delivery of notice to the customer upon a finding that notification would seriously jeopardize a continuing investigation of a serious crime. Additional delays may be granted up to one year. At the expiration of the period of delay notice of the records examination must be given the customer.

Sec. 10. Restrictions on Subsequent Use of Information. Records obtained under the Act may be retained and used only for the purposes for which they were originally acquired.

Sec. 11. Recordkeeping and Reporting. This section limits the power of the Secretary of Treasury under the Bank Secrecy Act to require the retention of records except for purposes of supervision or the monitoring of foreign or domestic currency movements. Institutions and issuers must keep customer authorizations and subpoenas for a period of five years for examination by the customer.

Sec. 12. Federal agencies shall reimburse record holders for reasonable costs in production of documents.

Sec. 13. Jurisdiction is vested in any appropriate United States district court without regard to the amount in controversy or any other court of competent jurisdiction within three years.

Sec. 14. Civil Penalties.

(1) actual damages

(2) such punitive damages as the court may allow

(3) reasonable attorneys fees

(b) There is no liability where the proximate cause of the violation was reliance on a representation of the person or agency requesting the records.

Sec. 15. Criminal Penalties. Employees of the record holder or the United States government who willfully violate or induce the violation of the Act shall be liable for imprisonment up to one year or a fine of not more than $5,000 or both.

Sec. 16. Injustice Relief may be given an aggrieved party.

Sec. 17. The Effective Date is one year after enactment.

By Mr. CURTIS (Mr. Zorinsky, Mr. Talmadge, Mr. Dole, Mr. Young, Mr. Stone, Mr. Helms, Mr. Allen, Mr. Lugar, Mr. Melcher, Mr. Humphrey, and Mr. McGovern):

S. 1461. A bill to expand the research in agricultural commodities and forest products; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. CURTIS. Mr. President, in behalf of myself and my Nebraska colleague, Mr. Zorinsky, the distinguished chairman of the Committee on Agriculture, Nutrition and Forestry, Mr. Talmadge, and the distinguished ranking minority member of the Committee on Agriculture, Nutrition and Forestry, Mr. Dole, and Senators Young, Stone, Helms, Allen, Lugar, Melcher, Humphrey, McGovern, I send to the desk a proposal and ask that it be appropriately referred.

Many nations of the world blend alcohol with their gasoline for motor fuel. It is very successful. At present prices alcohol can compete with the cost of gasoline. It results in cleaner fuel and, most important, it helps solve our Nation's shortage of motor fuel. The bill that we are introducing today is the first step in inaugurating such a program in the United States.

Mr. President, we are importing more than half of our petroleum. This means that foreign powers are able to idle the tractors on our farms, disrupt the transportation of the country, shut down factories and cripple our Air Force and our Navy. Now is the time for us to leave no stone unturned in becoming self-sufficient in energy.

Mr. President, the bill that we are introducing today is an amendment to title V of the Rural Development Act of 1972. It calls for a program of research, but it does not stop there. It calls for the building of four pilot plants for the manufacture of alcohol to meet our current needs. It does this through a system of guaranteed loans. Mr. President, the bill is short, it speaks for itself. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title V of the Rural Development Act of 1972 is amended by adding at the end thereof a new section as follows:

"Sec. 509. (a) Research Grants.—The Secretary of Agriculture shall make grants under this subsection to State colleges and universities for the purpose of conducting research related to (1) the production and marketing of coal tar for the manufacture of agricultural chemicals and alcohol-blended motor fuel (such agricultural chemicals to include, but not be limited to, fertilizers, herbicides, insecticides, and pesticides), (2) the production and marketing of alcohol made from agricultural commodities and forest products as a susbtitute for alcohol made from petroleum products, and (3) the production and marketing of other industrial hydrocarbons derived from agricultural commodities and forest products. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not more than $24,000,000 may be used for the purpose of making such grants and not more than a total of $3,000,000 may be awarded to the colleges and universities of any one State.

"(b) Pilot Projects.—(1) The Secretary of Agriculture is authorized and directed to formulate and carry out a pilot program for the production and marketing of industrial hydrocarbons derived from agricultural commodities and forest products for the purpose of stabilizing and expanding the market for such commodities and products and expanding the Nation's supply of industrial hydrocarbons.

"(2) The Secretary of Agriculture shall provide for four pilot projects for the production of industrial hydrocarbons from agricultural commodities and forest products by guaranteeing loans not to exceed $15 million per project to public, private, or cooperative organizations organized for profit, or nonprofit, or to individuals for a term not to exceed 20 years at such a rate of interest agreed upon by the borrower and lender.

"(3) No loan may be guaranteed under this section unless (A) research indicates the total energy content of the products and by-products to be manufactured by the loan applicant will exceed the total energy input from fossil fuels utilized in the manufacture of such products and by-products, or (B) such other conditions as the Secretary deems appropriate to achieve the purposes of this subsection are met.

"(4) In order to assure the recipients of loans made under this subsection with a dependable supply of agricultural commodities at a stable price for use in the pilot project provided for under this subsection, the Secretary is authorized to enter into long-term contracts, not exceeding five years, with the recipients of such loans. Such contracts shall guarantee the recipients of such loans a specified quantity of agricultural commoditiess annually at mutually agreed upon prices, but in no case shall the agricultural commodities be sold under any such contracts at less than the price support level prescribed for the commodity concerned unless the product is out of condition, unstorable, or sample-grade or lower, as prescribed in Department of Agriculture standards.

"(5) The Secretary of Agriculture shall purchase such quantities of agricultural commodities as may be necessary to comply with the terms of agreements entered into under this subsection.

"(6) The provisions of this subsection shall be carried out through the Commodity Credit Corporation.".

Mr. ZORINSKY. Mr. President, today I am joining my distinguished colleague from Nebraska, Senator CARL CURTIS, in introducing a bill to expand the research in agricultural commodities and forest products. The President has vividly portrayed the impending energy crisis to the American people and has given to the Congress a comprehensive national energy policy proposal. A major cornerstone of this policy is the development of energy resources currently available within the United States. The bill which we are today introducing provides for research into one such available energy source, the use of grain alcohol in combination with gasoline, gasohol.

We must use all possible resources in order to provide adequate time to develop permanent renewable energy for this Nation. The use of gasohol would help buy this time. By using a blend of alcohol and gasoline we would be able to lengthen the amount of time we can use gasoline while at the same time allowing the continuance of activities dependent upon this shrinking commodity.

The development of gasohol will also aid our Nation's farmers. With its use of grain for alcohol, a gasohol program will provide a market for farmers grain which they are now forced to hold or sell for very low prices.

The development of gasohol will provide an alternate energy source for the country at a time when these sources are greatly needed. This bill will provide the first step in the development of that source.

By Mr. NUNN:

S. 1463. A bill amending title 5 of the United States Code to improve agency rule making by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; to the Committee on Governmental Affairs.

ADMINISTRATIVE RULE MAKING REFORM ACT OF 1977

Mr. NUNN. Mr. President, I rise today to introduce the Administrative Rule Making Reform Act of 1977. This legislation represents a comprehensive treatment of the matter of review of regulations and rules promulgated by the "fourth branch of Government," the Federal regulatory agencies. Mr. President, I initiated my legislative efforts in this regard in the 94th Congress by introduction of the Regulatory Limitation Act of 1975.

If a poll were conducted today requesting the opinion of Americans, in all walks of life, regarding the issues which concern them on a regular basis, I believe that the burden imposed by the Federal regulatory structure would rival economic and energy issues as the most frequently mentioned subject. The demands of the American people for more responsiveness on this issue must be brought to bear on the hordes of faceless, unelected bureaucrats who, while often well meaning, impose unrealistic restrictions on private activity due to their insulation from the practical impact.

Every year we enact volumes of legislation which authorizes the appropriate agency to promulgate regulations to implement the intent of Congress. All too often the actions of the agency differ from the implementation contemplated by the Congress and we find ourselves unable, in practical terms, to correct the situation. Generally, enactment of remedial legislation would be required and this alternative is often precluded by the backlog of other legislative issues.

Federal regulations are pervasive. They affect our food, clothing, transportation, entertainment, finances, and health. Over 40 agencies and 100,000 employees devote full time to generating directives affecting all segments of our society. The Federal Government will spend approximately $3.5 billion on this regulatory process this year, a figure which represents an increase of 21 percent over last year's regulatory expenditures.

I recognize that the ever-increasing complexity of the issues with which Congress must deal necessitates delegation of much of the technical analysis and implementation. I reject, however, the "out of sight—out of mind" syndrome which has permitted the generation of this quasi autonomous "fourth branch of Government." We have seen our government of laws gradually erode into government of rules and regulations. It is incumbent upon Congress to exercise some oversight responsibility in this area if our system of government is to be truly a government of law made by the elected representatives of the people.

Following introduction of the Regulatory Limitation Act of 1975, I chaired hearings on the issue of regulatory reform before the Senate Government Operations Committee. As you know, Mr. President, a comprehensive joint study on the issue was also conducted by the Commerce Committee and the Government Operations Committee. A substantial amount of activity of regulatory reform has also transpired in the House of Representatives, led by my colleague from Georgia, Congressman ELLIOTT LEVITAS. Congressman LEVITAS sponsored a bill similar to the Regulatory Limitation Act of 1975 in the House and he has already introduced the Administrative Rule Making Reform Act of 1977 in the 95th Congress.

The Administrative Rule Making Reform Act is comprehensive legislation which addresses all facets of the rule and regulation promulgation procedure. It incorporates several suggestions made by the American Bar Association with regard to improving the notice requirements attendant to the rulemaking process. A Federal agency preparing to hold a rulemaking session would be required to make a reasonable effort to inform those likely to be affected. Notice would have to contain a projected effective date, the purpose of the proposed rule, its text, and the studies to be relied upon in the rulemaking proceedings.

The congressional review provisions of the act require that a copy of all proposed rules be filed with Congress. Such a rule, except an emergency rule, would not become effective if disapproved within 90 days by both Houses of Congress or if disapproved within 60 days by one House and no action is taken on the disapproval resolution by the other House within 30 days of that action. In the event that one House passes such a resolution and the other defeats it, the rule would, of course, go into effect. If at the end of 60 days following promulgation of a rule, no committee of either House has reported or been discharged from consideration of a resolution of disapproval, and neither House has approved such a resolution, the rule would immediately go into effect.

Furthermore, either House is authorized to require any agency to reconsider and resubmit any rule subject to the act. A procedure for such reconsideration is provided.

A sunset provision has been incorporated in the bill terminating the review requirements, unless renewed by Congress, at the adjournment of the 97th Congress. In addition, a review of the procedures instituted under the act by the Administrative Conference of the United States is mandated in order to develop an objective analysis of the effectiveness of the procedure.

Mr. President, in recent years we have seen Congress move to reassume its constitutional role as an equal participant in the governing process with the executive branch. This was epitomized by the enactment of the Congressional Budget and Impoundment Control Act of 1974. Moreover, the review procedure contemplated is not a novel one. We recently approved reorganization authority which embodied the legislative review and approval mechanism and since 1932 over 190 statutes containing nearly 300 separate provisions requiring some form of review by Congress of executive branch action have been enacted.

Mr. President, someone recently facetiously said that we are approaching the point in our society where everything that is not prohibited is mandatory. While this is not yet true, we must not let such a trend continue. I hope that this legislation will provide a vehicle for detailed and constructive debate on this issue. This is a problem which impacts each and every American and it is imperative that we take responsible action to correct it.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Rule Making Reform Act of 1977."

SEC. 2. (a) Section 551 of title 5, United States Code, is amended as follows:

(1) Amend paragraph (4) of such section to read as follows:

"(4) 'rule' means the whole or a part of an agency statement of general applicability designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of an agency and includes any amendment, revision, or repeal of such a statement;".

(2) Insert immediately after paragraph (4) of such section the following new paragraphs:

"(5) 'emergency rule' means a rule which is temporarily effective without the expiration of the otherwise specified periods of time for public notice and comment and which was duly promulgated by an agency pursuant to a finding that delay in the effective date would—

"(A) seriously injure an important public interest,

"(B) substantially frustrate legislative policies, or

"(C) seriously damage a person or class of persons without serving any important public interest;

"(6) 'ratemaking and cognate proceedings' means agency process for the approval or prescription for the future of rates, wages, corporate or financial structure, or reorganizations thereof, prices, facilities, appliances, sevices, or allowances therefor, or of valuations, costs, accounting, or practices bearing on any of the foregoing;".

(3) Redesignate paragraphs (5) through (13) as paragraphs (7) through (15), respectively.

(b) Section 556(d) is amended by striking out "rule making or" in the last sentence thereof and inserting in lieu thereof "ratemaking and cognate proceedings, rule making, or".

(c) Section 557(b) is amended by striking out "rule making or" in the fourth sentence thereof and inserting in lieu thereof "ratemaking and cognate proceedings, rule making, or".

SEC. 3. Section 553 of title 5, United States Code, is amended to read as follows:

"§ 553. Rule making

"(a) This section applies, according to the provisions thereof, except to the extent that there is involved—

"(1) a matter pertaining to a military or foreign affairs function of the United States that is (A) specifically authorized under criteria established by Executive order to be kept secret in the interest of the national defense or foreign policy and (B) in fact properly classified pursuant to such Executive order; or

"(2) a matter relating to agency management or personnel.

"(b)(1)(A) Except as provided in subparagraph (B), general notice of proposed rule making shall be published in the Federal Register. In addition agencies shall make a reasonable attempt to inform those likely to be affected by the proposed rule making or, if the group is large, representative members thereof of the pendency of the proceeding; and agencies shall send copies of the notice of proposed rule making to all persons requesting such notice.

"(B) If all persons affected by those proposed rule making are named and either personally served or otherwise have actual notice thereof in accordance with law, published notice in the Federal Register may be omitted.

"(2) The notice shall include—

"(A) A statement of the time, place, and nature of public rulemaking proceedings and the projected effective date of rules;

"(B) a brief statement of the purpose of the proposed rule making, and a reference to the legal authority under which the rule will be proposed;

"(C) a description of the subjects with which the rule making will deal and major issues it will raise;

"(D) the text of a proposed rule, if available, except that the agency may omit the proposed text in its initial notice of rulemaking, if, prior to the adoption of a rule, the agency publishes and distributes (as provided in paragraph (1) of this subsection) the text of the proposed rule, a reference to the initial notice, and a statement of the time, place, and nature of the public proceedings for the consideration of the text of the proposed rule; and

"(E) a list of the technical, theoretical and empirical studies, if any, on which the agency intends to rely in the rulemaking proceeding and a statement of where this material may be inspected or copies thereof may be obtained.

"(3) Unless notice with opportunity for public comment are otherwise required by statute, this subsection and paragraphs (1), (2), and (3) of subsection (c) do not apply—

"(A) to rules of agency organization, practice, or procedure; or

"(B) when the agency finds that—

"(i) public notice and comment are unnecessary due to the routine nature or the insignificant impact of the proposed rule, or

"(ii) emergency rules should be promulgated.

An agency which finds that a rule is within an exception specified in subparagraph (A) or (B) of this paragraph shall publish in the document promulgating such rule either that finding and a brief statement of reasons therefor.

"(4) The requirements of this subsection shall not preclude an agency from—

"(A) inviting persons representing different points of view to submit,

"(B) creating an advisory committee to report, or

"(C) using other such devices to obtain suggestions regarding the content of proposed rules prior to notice of rulemaking.

"(c)(1) The agency shall give interested persons not less than 45 days after the notice required by subsection (b) to participate in the rulemaking. The agency may extend this period of time if it appears that such period is too short to permit diligent, interested persons to prepare comments or if the agency determines that other circumstances justify an extension.

"(2) The agency shall receive written statements on each proposed rule. The agency may hold hearings on a proposed rule to receive oral presentations. Any such hearing shall be conducted in such a manner, for such duration, and at such places and times as the agency shall direct. The head of the agency, one or more of the members of the body which comprises the agency, or one or more agency employees assigned the responsibility of recommending changes in the proposed rule shall preside at any such hearing.

"(3) If the agency determines that there is a significant controversy over a factual issue the resolution of which will materially affect the substance of the rule, the agency shall utilize a procedure for resolution of that issue which will permit different points of view to be adequately presented, will provide for agency objectivity in such resolution, and will not unduly delay the rulemaking. Not later than the date on which the rule is promulgated, the agency shall state its resolution of the issue and the reasons therefor.

"(4) The agency shall maintain a file of each rulemaking proceeding. The file shall include—

"(A) the notice of proposed rulemaking required by subsection (b) and any supplemental notice;

"(B) all relevant material and all material which the agency by law is required to retain on file in connection with the rulemaking;

"(C) the rule and statements required of the agency in formulating the rule; and

"(D) copies of petitions for exceptions to, amendments of, or repeal of a rule.

This file shall be available to the courts and the Congress in connection with review of the rule, and to the public as provided by law.

"(d)(1) After consideration of all relevant material, the agency shall adopt such rule as it deems appropriate, incorporating therein a concise statement of (A) the purpose of the rule, (B) the legal authority for the rule, and (C) any other statements required by law. In addition, at the time a rule is adopted, the agency shall place in the rulemaking file a statement setting forth the primary considerations interposed by persons outside the agency in opposition to the rule as adopted, together with brief explanations of the reasons for rejecting those considerations.

"(2) When rulemaking is required to be conducted in compliance with subsections (a) and (b), an agency may not adopt a rule substantialy different from the proposed rule, unless (A) interested persons were apprised of such potential differences during the period for public participation and were afforded an opportunity to comment upon them, or (B) the agency gives notice as required by subsection (b)(2)(D) with respect to such revised rule and receives comments on such differences.

"(e) Unless a longer period of time is required by law or provided in the rule—

"(1) a rule may become effective immediately if it—

"(A) grants or recognizes an exemption to or relieves a restriction from a rule, or

"(B) is exempt from public notice and comment under subsection (b)(3) of this section; and

"(2) a rule which is subject to disapproval or reconsideration pursuant to chapter 6 of this title shall not take effect except as provided in sections 602(a) and 603(b) of such chapter.

"(f) At the time of promulgation of an emergency rule the agency shall commence rulemaking proceedings in accordance with the subsections (b), (c), and (d), except that the period for public comment shall be limited to 60 days unless the agency determines that an additional 30 days are necessary to enable diligent, interested persons to participate. Within 30 days after the close of the period for public comment, the agency shall issue a final rule to take effect as provided in subsection (e). Unless earlier withdrawn or set aside by court action, an emergency rule shall expire 210 days after its promulgation or upon the effective date of the final rule, whichever occurs first.

"(g) When rules are required by statute to be made on the record after opportunity for agency hearing, sections 556 and 557 of this title apply to significant issues of fact in dispute instead of subsections (b), (c), and (d) of this section.

"(h) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.

"(i) Unless a rule is adopted in conformity with this section, or is within an exception to the provisions of this section, no person shall be required to resort to or be adversely affected by such a rule, nor may such a rule be admitted into evidence or considered in any agency proceeding, or any judicial review of such proceeding, except that this shall not prevent a person from interposing such a rule as a defense to an agency proceeding or to a criminal prosecution, or from seeking agency or judicial review of such rule.".

SEC. 4. (a) Title 5 of the United States Code is amended by inserting immediately after chapter 5 the following new chapter:

Chapter 6—CONGRESSIONAL REVIEW OF AGENCY RULE MAKING

"Sec.
"601. Definitions.
"602. Resolution of disapproval.
"603. Resolution for reconsideration.
"604. Effect on statutory time limits.

"605. Computation of calendar days of continuous session of Congress.
"606. Procedure for consideration of resolutions.
"607. Effect on judicial review.
"608. Administrative Conference study.

"§ 601. Definitions

"The definitions set forth in section 551 of this title shall apply to this chapter except that—

"(1) those functions excluded from the definition of the term 'agency' by paragraph (1)(H) of such section are included in such definition for purposes of this chapter;

"(2) the terms 'rule', and 'emergency rule' shall not include—

"(A) rules of agency organization, practice, and procedure,

"(B) rules relating to agency management and personnel,

"(C) rules granting or recognizing an exception or relieving a restriction, or

"(D) rules adopted without public notice and comment pursuant to a valid agency finding that such notice and comment were unnecessary due to the routine nature or insignificant impact of the rule; and

"(3) the term 'promulgation' means filing with the Office of the Federal Register for publication.

"§ 602. Resolution of disapproval

"(a)(1) Simultaneously with promulgation or repromulgation of any rule, including an emergency rule, the agency shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), rules other than emergency rules shall not become effective, if—

"(A) within 90 calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: 'That Congress disapproves the rule promulgated by dealing with the matter of ------------, which rule was transmitted to Congress on ----------.', the first blank being filled with the name of the agency issuing the rule, the second blank being filled with the title of the rule and such further description as may be necessary to identify it, and the third being filled with the date of transmittal of the rule to Congress; or

"(B) within 60 calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of Congress after such transmittal.

"(2) If at the end of 60 calendar days of continuous session of Congress after the date of promulgation of a rule, other than an emergency rule, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of Congress after its promulgation unless disapproved as provided in paragraph (1).

"(b)(1) An agency may not promulgate a new rule or an emergency rule identical to one disapproved pursuant to this section unless a statute is adopted affecting the agency's powers with respect to the subject matter of the rule.

"(2) If an agency proposes a new rule dealing with the same subject matter as a disapproved rule, the agency shall comply with the procedures required for the issuance of a new rule, except that if less than 12 months have passed since the date of such disapproval, such procedures may be limited to changes in the rule.

"§ 603. Resolution for reconsideration

"(a) Either House of Congress may adopt a resolution directing agency reconsideration of a rule other than an emergency rule. The matter after the resolving clause of such a resolution shall be as follows: 'That the directs to reconsider its rule dealing with the matter of which rule is found at .' (or if a new rule 'was transmitted to Congress on .'), the first blank being filled with the House of Congress adopting the resolution, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description as may be necessary to identify it, and the fourth blank being filled with the citation to the rule in the agency records or, if it is a new rule, the date on which it was transmitted to Congress.

"(b)(1) If a resolution for reconsideration of a rule, other than an emergency rule, is adopted by either House within 90 calendar days of continuous session of Congress after the date the rule was promulgated, the rule shall not go into effect. The agency shall reconsider the rule and within 60 days either withdraw or repromulgate the rule with such changes and with such public participation as the agency determines appropriate. If the agency takes no action within 60 days such rules shall lapse. If promulgated, the rule shall be subject to congressional review and go into effect as provided in this chapter.

"(2) If at the end of 60 calendar days of continuous session of Congress after the date of promulgation of a rule, other than an emergency rule, no committee of either House of Congress has reported or been discharged from further consideration of a resolution of reconsideration of a rule, the rule may go into effect at the end of such period. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of Congress after its promulgation.

"(c) One hundred eighty days after passage of a resolution for reconsideration with respect to a rule which has taken effect, the rule shall lapse unless repromulgated by the agency. Unless excepted by subsection 553(a) of this title, the agency shall, not less than 60 days prior to repromulgating such a rule, give notice of a proceeding to consider its repromulgation. The notice and proceeding shall comply with subsections (b) and (c) of section 553 of this title, except that the provisions of paragraph 553(b)(3) shall not be available to the agency and the agency shall hold a hearing for oral presentations. Rules repromulgated pursuant to this subsection within 180 days of the passage of the resolution for reconsideration shall take effect as provided in section 602(a); and during the period for congressional review provided in that section the reconsidered rule may remain in effect.

"(d) A concurrent resolution of disapproval supersedes a resolution for reconsideration of the same rule or part thereof.

"§ 604. Effect on statutory time limits

"If a resolution of Congress disapproves or directs reconsideration of a rule which was being promulgated subject to a statutory time limit for rule making, the adoption of the resolution shall not relieve the agency of its responsibility for adopting a rule, but any statutory time limit shall apply to such renewed rule making only from the date on which the resolution was adopted.

"§ 605. Computation of calendar days of continuous session of Congress

"For the purposes of this chapter—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session.

"§ 606. Procedure for consideration of resolutions

"(a) The provisions of this section are enacted by Congress—

"(1) as an exercise of the rule making power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by sections 602 and 603 of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b)(1) resolution of disapproval and resolutions for reconsideration of a rule shall, upon introduction or receipt from the other House of Congress be immediately referred by the presiding officer of the Senate or of the House of Representatives to the standing committee having oversight and legislative responsibility with respect to the promulgating agency in accordance with the rules of the respective House; and such resolutions shall not be referred to any other committee.

"(2) If a committee to which is referred a resolution which has not been adopted by the other House of Congress, does not report out such resolution—

"(A) within 45 calendar days of continuous session of Congress after referral, in the case of a resolution to disapprove or to require reconsideration of a rule pursuant to section 602(a) or 603(b); or

"(B) within 90 calendar days of continuous session of Congress after referral, in the case of a resolution to require reconsideration of a rule pursuant to section 603(c),

it shall be in order to move to discharge such committee from further consideration of such resolution.

"(3) If a committee to which is referred a resolution which has been adopted by other House of Congress does not report out such resolution within 15 calendar days of continuous session of Congress after referral, in the case of a resolution to disapprove a rule pursuant to section 602(a), it shall be in order to move to discharge such committee from further consideration of such resolution.

"(4) Such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after the committee has reported a resolution of disapproval or for reconsideration with respect to the same rule); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(c)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval or for reconsideration shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(3) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to or motion to recommit, the resolution is not in order and it is not in order to move to reconsider the vote by which the resolution is agreed or disagreed to.

"§ 607. Effect on judicial review

"Congressional inaction on or rejection of a resolution of disapproval or of a resolution for reconsideration shall not be deemed an expression of approval of such rule.

"§ 608. Administrative Conference study

"The Administrative Conference of the United States shall undertake a study of congressional review of agency rules under sections 601 to 606 and its effect on agency rulemaking and report its findings to Congress on or before July 1, 1982. The sum of $200,000 is authorized to be appropriated for such study.".

(b) The table of chapters for part I of title 5 is amended by inserting immediately after

"5—Administrative Procedure-------- 501"

the following:

"6—Congressional Review of Agency Rule Making ------------------------ 601".

(c) The provisions of chapter 6 of title 5, United States Code, shall, for the duration of the period during which such chapter is in effect (as provided in section 6 of this Act), supersede any other provisions of law governing procedures for congressional review of agency rules to the extent such other provisions are inconsistent with such chapter.

SEC. 5. Section 706 of title 5, United States Code, is amended—

(1) by inserting "553(c)(3) or" after "section" in clause (E) of paragraph (2), and by striking out "or" at the end of such clause;

(2) by striking out the period at the end of cause (F) of paragraph (2) and inserting in lieu thereof "; or"; and

(3) by inserting immediately after clause (F) of paragraph (2) the following new clause:

"(G) unwarranted by material in the rulemaking file when and to the extent any agency rule is not covered by clause (E) hereof, and a rulemaking file is required by section 553(c)(4) of this title or similar provision of law.".

SEC. 6. (a) This Act shall become effective at the beginning of the second session of the Ninety-fifth Congress.

(b) Section 4 of this Act shall lapse at the adjournment sine die of the Ninety-seventh Congress unless renewed prior thereto.

By Mr. BIDEN:

S. 1466. A bill to amend title II of the Social Security Act to increase to $6,000 the annual amount which individuals may earn without suffering deductions from their social security benefits on account of excess earnings; to the Committee on Finance.

Mr. BIDEN. Mr. President, today I am introducing an amendment to the Social Security Act which would increase from $3,000 to $6,000 the amount of income social security recipients could earn without having their benefits reduced.

Several months ago, I visited a Delaware nursing home—and came away very unsettled.

After talking with several of the elderly residents, I noticed one woman standing over to the side. She looked uncomfortable and more than a little nervous. Catching my eye, she walked over and spoke in a low voice.

"I have to talk to you," she whispered, "but you have got to promise not to tell the law."

Now I thought about for a minute. First, I wondered whether I would be be violating my moral obligations as a lawyer. But I admit I was also intensely curious about what wrongdoing would make this frail elderly woman so distraught. So I prmised not to report her. What dastardly deed did she want to confess?

"I am a criminal," she said, hoarsely. Soon, she was pouring out her story, the words tumbling on top of each other as she hurried to explain her problem.

Seems she works part-time in a drugstore and lets them pay her in cash so that her social security benefits are not endangered. She made $4,000 last year and was afraid to report it.

There may be a crime in there somewhere, but I do not think it is in her actions.

The law is neither realistic nor fair. Now, a person between 65 and 72 must not earn more than $3,000 a year if he or she wants to get all of his social security benefits. If he earns more than $3,000 he loses $1 in benefits for each $2 in earnings above the $3,000 limit.

This amounts to one of the highest effective tax rates in the Federal system; and it is applied to people who can afford it the least.

For people dependent on social security, that ceiling is unjust. That is why I am introducing this amendment to double the amount a retired person may earn and still be eligible for all his social security benefits. The cost of such a move will not be small, but it is worth it to do away with this injustice to the Nation's elderly.

This limit has hurt the older American who is not well fixed, who is not independently wealthy. Stock dividends, interest and annuities are not included in the earnings ceiling. So, in effect, the elderly man or woman who needs the least help from the Government has been receiving the most.

My amendment will insure that no more retired persons have to view themselves as criminals because they earn too much to suit the Social Security Administration. For those Americans who look forward to retirement days, let them relax. But let us not penalize those who still wish to keep a hand in.

By Mr. ROTH:

S. 1467. A bill to limit the jurisdiction of the Supreme Court of the United States and any such inferior court as ordained and established by the Congress of the United States to enter any judgment, decree, or order, denying or restricting, as unconstitutional, the exercise of free religious expression or the saying of voluntary prayer in any public school or other public building; to the Committee on the Judiciary.

S.J. Res. 49. A joint resolution proposing an amendment to the Constitution; to the Committee on the Judiciary.

Mr. ROTH. Mr. President, the freedom to worship is a fundamental right of the American people guaranteed by the Constitution. Today, I introduced legislation to restore that right to worship.

The U.S. Supreme Court in 1962 in *Engel* v. *Vitale* 370 U.S. 421 (1926) and again in 1963 in *Abington School District* v. *Shempp* 374 U.S. 203 (1963) held that State-sponsored prayer or Bible reading in public schools violates the first amendment to the Constitution. After 14 years the scope of these decisions remains broad. They deny the State the authority to conduct or prescribe almost any religious exercise or display, even when participation is voluntary.

Mr. President, over the years public reaction to these decisions remains strong. Throughout our Nation, there is preponderant support for voluntary prayer in public schools.

In a recent poll of my constituents, I found that over 80 percent of the respondents favored a constitutional amendment to permit voluntary prayer in public schools.

It seems incongruous that this Nation, whose birth certificate invoked the blessing of our God upon its struggle for freedom, should now outlaw prayer—even voluntary prayer—in public schools. School prayer can never be an effective substitute for parental guidance or religious training. However, the return of school prayers would help restore a sense of individual morality that at times seems forgotten.

As a Member of Congress and indeed throughout my career in the Senate I have supported and introduced legislation to amend the Constitution to permit voluntary prayers in public schools and other public buildings. Today I am again introducing similar legislation. My proposed constitutional amendment is relatively clear in scope. It guarantees the right of all persons "lawfully assembled, in any public school or other public building which is supported in whole or in part through the expenditure of public funds, to participate in voluntary prayer."

I do not view the proposed amendment as an attempt to impose a particular religion on an individual. Were that its aim, I would oppose it. The Constitution bars the Government from establishing an official state religion, but it should not deny individuals the right to pray if they wish. I believe that our forefathers devised the Constitution to guarantee and preserve the freedom of religion, rather than the freedom from religion.

Mr. President, I introduce a second measure today to limit the jurisdiction of the Supreme Court of the United States and any such inferior court as ordained and established by the Congress of the United States, to enter any judgment, decree, or order, denying or restricting, as unconstitutional, the voluntary participation by anyone in the exercise of free religious expression or the saying of a prayer of his or her choice in any public school or public building.

This bill, if enacted, will not overturn the Engel and Shempp decision. The purpose of this bill is to reinstate the legal right of the States to make their own decision with respect to prayer in public school. My bill will preclude the Supreme Court of the United States from having any appellate jurisdiction, and any Federal district court from having any original jurisdiction over cases emanating from any State statute, ordinance, rule, regulation or the like related to the free exercise of religious expression or the saying of a voluntary prayer in any public school or public building.

Mr. President, it is time that we quit denying our children the right to reaffirm their faith and dependence on God. It is time for the Congress to give affect to the public outcry for action.

Mr. President, I now send to the desk my legislative package, in support of prayer in public schools and ask unanimous consent that the full text be printed in the Record at the conclusion of my remarks.

There being no objection, the bill and joint resolution was ordered to be printed in the Record, as follows:

S. 1467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provision of sections 1253, 1254, and 1257 of this chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ, or certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of any Act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to the exercise of free religious expression or the saying of voluntary prayers in public schools or other public buildings.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

Sec. 2. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1363. Limitation on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1363. Limitations on jurisdiction.".

Sec. 3. The amendments made by the first two sections of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.

S. J. Res. 49

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"Article —

"Section 1. Nothing contained in this Constitution shall abridge the right of persons lawfully assembled, in any public school or other public building which is supported in whole or in part through the expenditure of public funds, to participate in voluntary prayer.

"Sec. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.".

By Mr. TALMADGE (for himself, Mr. Long, Mr. Ribicoff, Mr. Dole, Mr. Nunn, Mr. Eastland, Mr. Matsunaga, Mr. Randolph, Mr. Hollings, Mr. Inouye, Mr. Gravel, Mr. Ford, Mr. Javits, Mr. Pell, Mr. Percy, Mr. Brooke, Mr. Burdick, Mr. Stone, Mr. Metzenbaum, and Mr. Hathaway):

S. 1470. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; to the Committee on Finance.

(The remarks of Mr. Talmadge when he introduced the above bill appear later in today's proceedings.)

By Mr. JACKSON (by request):

S. 1469. A bill to establish a comprehensive national energy policy; to the Committee on Energy and Natural Resources.

(The remarks of Mr. Jackson when he introduced the above bill appear later in today's proceedings.)

By Mr. PACKWOOD (for himself, Mr. Nunn, Mr. Baker, and Mr. Talmadge):

S. 1471. A bill to amend the Internal Revenue Code of 1954 with respect to contributions to candidates for public office; to the Committee on Finance.

Mr. PACKWOOD. Mr. President, Senators Nunn, Baker, Talmadge and I are today introducing a bill which would liberalize the existing tax credit for contributions to Senate campaigns. We propose it as an alternative to S. 926, a bill providing for public financing of Senate campaigns.

Under current law, a taxpayer can elect either:

First. A credit of 50 percent of a contribution, up to $25 on single returns and $50 on joint returns; or

Second. An itemized deduction for political contributions up to $100 for single returns and $200 for joint returns.

Under our tax credit bill, the tax incentive for contributions to Senate candidates would be increased to 75 percent of the contribution, up to $100 for single returns and $200 for joint returns.

The 75 percent was chosen because at that figure the estimated revenue loss very closely approximates the cost of S. 926. The sponsors of S. 926 estimate its annual cost would be $19 million. The Joint Committee on Taxation estimates that the annual cost of my bill would be $16.5 million.

Just as S. 926 limited itself to the public financing of Senate campaigns, so does my bill limit itself to contributions to U.S. Senate campaigns. I find that illogical, frankly, but I want to be able to compare apples and apples.

Mr. President, I outlined the principal arguments in support of this proposal during testimony before the Rules Committee this morning. I ask unanimous consent that that testimony and the bill be printed at this point in the Record.

There being no objection, the bill and testimony were ordered to be printed in the Record, as follows:

S. 1471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Increase in Credit for Contributions to Candidates for the United States Senate

(a) Increase in Portion of Contribution Creditable.—Subsection (a) of section 41 of the Internal Revenue Code of 1954 (relating to general rule for contributions to candidates for public office) is amended to read as follows:

"(a) General Rule.—In the case of an individual, there shall be allowed, subject to the limitations of subsection (b), as a credit against the tax imposed by this chapter for the taxable year, an amount equal to the sum of—

"(1) one-half of all political contributions (other than those described in paragraph (2)) and all newsletter fund contributions, and

"(2) 75 percent of the sum of all political contributions to candidates for nomination for election to the United States Senate or for election thereto,

payment of which is made by the taxpayer within the taxable year.".

(b) Increase in Maximum Credit Limitation.—Paragraph (1) of section 41(b) of such Code (relating to maximum credit) is amended—

(1) by striking out "$25" and inserting in lieu thereof "$100",

(2) by striking out "$50" and inserting in lieu thereof "$200", and

(3) by inserting before the period at the end thereof the following: "of which not more than $25 ($50 in the case of a joint return under section 6013) shall be determined under paragraph (1) of subsection (a)".

(c) Denial of Alternative Deduction for Senate Campaign Contributions.—Subsection (a) of section 218 of such Code (relating to allowance of deduction for contributions to candidates for public office) is amended by inserting after "(as defined in section 41 (c)(1))" the following: "other than a political contribution (as so defined) to a candidate for nomination for election to the United States Senate, or for election thereto.".

(d) Effective Date.—The amendments made by this section apply with respect to taxable years beginning after December 31, 1976.

Statement by Senator Bob Packwood Before the Committee on Rules and Administration

This Committee is today considering one of the fundamental issues of the American political system—how political campaigns should be financed. S. 926 now before this Committee, compared with the bill I am introducing today with Senators Nunn, Baker and Talmadge, offers a perfect and complete contrast on the direction financing of political campaigns should take.

I believe millions of small contributors, freely exercising their discretion, should be encouraged to give to the candidate or party of their choice. To that end, Mr. Chairman, my bill would increase the federal tax credit for contributions to campaigns to 75 percent of the contribution up to a maximum of $100 on an individual return and $200 on a joint return.

The proponents of S. 926 have as their ultimate goal the total public financing of campaigns with private contributions banned. Their ultimate purpose is clearly shown by a "Dear Colleague" letter dated September 10, 1973, asking for support of legislation which would be an "extension of the Presidential check-off concept adopted in 1971 to provide Treasury financing of qualified candidates for President and Congress in the general elections." And it would include "full funding for major party candidates . . ." This letter was signed by Senators Cranston, Kennedy, and Mathias, among others.

In 1975, Senators Cranston, Kennedy, and Mathias cosponsored a public financing bill. The sponsors, in their introductory statement, said, "We are introducing legislation in the Senate today calling for comprehensive public financing of both primary elections and general elections for the Senate and the House of Representatives."

Among the bill's principal features was "full public funding for candidates of major parties in general elections for the Senate and House of Representatives."

"In our view the time has come for full public financing of all elections to Federal office."

In 1977, another public financing bill is introduced, this time with a matching grant approach. Once again we see Senators Cranston, Kennedy, and Mathias as cosponsors. Whatever retreat from full public financing is represented by S. 926, that retreat is motivated only by a desire to get their noses in the tent. Their ultimate goal of full public financing remains.

If the desire of the proponents of public financing is to prohibit very large donations to political campaigns, it should be noted that individuals can now only contribute $1,000 per election, and committees $5,000 per election. Whether or not those private contribution limits should be further lowered is not addressed by S. 926. Consequently, my bill does not address that either because I have tried to tailor my bill closely to theirs so that a comparison of the two would not be obscured by secondary and tertiary issues.

However, even if you limit or totally prohibit private donations to political parties and political candidates you cannot constitutionally eliminate either:

1. Large, independent expenditures by an individual or group. The Court in *Buckley* v. *Valeo*, 424 U.S. 1 (1976), made this very explicit when they said,

"It is clear that a primary effect of these expenditure limitations is to restrict the quantity of campaign speech by individuals, groups, and candidates. The restrictions, while neutral as to the ideas expressed, limit political expression 'at the core of our electoral process and of First Amendment freedoms.' " (*Buckley*, supra at 39)

"Rather, the constitutionality of Section 608(e)(1) turns on whether the governmental interests advanced in its support satisfy the exacting scrutiny applicable to limitations on core First Amendment rights of political expression.

"We find that the governmental interest in preventing corruption and the appearance of corruption is inadequate to justify Section 608(e)(1)'s ceiling on independent expenditures . . ." (*Buckley*, supra at 44–45)

2. You cannot eliminate expenditures by a union, corporation or other organization to communicate to its members or shareholders even if the union or corporation or organization used its due or corporate money to pay for the communication.

As the Court said in the case of *United States* v. *C.I.O.*, 335 U.S. 106 at 121 (1948):

"If section 313 (see now 2 U.S.C. sec. 441b) were construed to prohibit the publication, by corporations and unions in the regular course of conducting their affairs, of periodicals advising their members, stockholders or customers of danger or advantage to their interests from the adoption of measures, or the election to office of men espousing such measures, the gravest doubt would arise in our minds as to its constitutionality. 335 U.S. at 121."

I will not belabor the point further. The sum of the Court's decisions is simply that you cannot constitutionally limit the right of individuals or groups to independently spend whatever sum they want supporting or opposing whomever they want.

General Motors heir Stewart Mott, who participated in the challenge to the law, said the Buckley decision put fat cats like him back in business.

The Washington Post on January 31, 1976 quoted Mott as saying he planned to spend up to $100,000 last year on congressional races and $100,000 on the presidential race.

In the Washington Star on January 30, 1976, Mott said, "I may not be able to give all that directly to a candidate in the future, but I will find ways to spend it—and so will Joe Coors."

What this shows is that if you curtail or eliminate private contributions to political candidates and political parties, you do not stop the contributions and expenditures, you simply transfer control of them to private interest groups outside the direction or control of the political mainstream. The impact of this flow of power and authority to large membership organizations was well illustrated in the March 19, 1977 article in the National Journal by Michael J. Malbin. He concluded that organized labor was the real beneficiary of "reform," and not the candidates and political parties. He wrote,

"When Congress amended the campaign finance law in 1974 and 1976, the bills' supporters said they would bring an end to the days when special interests could have undue influence over elections.

"It hasn't worked out that way.

"The new law has eliminated some of the ways that money can influence politics. But the net result of limiting some contributors has been to increase the power of other big spenders who were permitted to operate as they always did.

"The biggest winner was organized labor. The magnitude and sophistication of labor's efforts last year are even more impressive when stacked up against what others could do, particularly on the presidential level. Public financing for the general election campaign shut off private contributions to the two major presidential candidates. Contributions to the national party committees were permitted, but even this was limited. In contrast, labor was able to spend as much as it wanted to in communicating with union members and their families, registering them to vote and getting them to the polls."

"Labor, not surprisingly, supported the 1974 and 1976 amendments to the campaign finance law. For the future, it supports an extension of public financing to congressional elections. . . . Public financing could leave labor in as dominant a position on congressional elections as it was in 1976 on the presidential."

The issue therefore is whether total control over these expenditures will be left outside the control of political parties and candidates who offer themselves for election and are held accountable by the voters and by the law. In other words, will total control be left to organizations and individuals unaccountable to anybody but their own special interests and monetary passions. I do not believe it is in the interest of America that the significance of our political parties and their candidates be further diminished and that politics be turned over to the whims of Stewart Mott, Joe Coors and George Meany.

What labor learned in 1976 will soon be discovered by other large membership organizations. Woe be to the candidate who votes for gun registration and earns the wrath of the National Rifle Association. Say good-bye to the candidate who votes for legal abortion and draws the wrath of Right to Life. The amount of money that a candidate could spend under public financing would be dwarfed by the narrowly-targeted massive spending of organizations dedicated to the defeat of a candidate whose sole sin was to vote his conscience, and in so doing crossed the passions of a particularly massive and wealthy special interest group.

These independent and wealthy organizations are also independent of accountability to voters which is very critical in our political system.

What happens to the competition of ideas when powerful one-viewpoint organizations can use their resources to subvert the electoral process?

How involved can a citizen feel up against an ideological barrage from a privately run campaign by an individual or organization?

These are vital questions, and in framing answers, we must remember that campaigns are waged to give voters a choice about their representation, not merely for the benefit of the candidates, the political parties, labor unions, the rich or special interest groups.

Instead of trying to shrink the base and influence of political parties and candidates, Congress should try to devise a system of broadening that base so that millions of Americans, exercising their free choice of whom to support, are encouraged to give to the party or candidate of their choice.

On March 10, 1977 the Executive Director of the Coalition of National Voluntary Organizations (included in the Coalition are such organizations as the American Council on Education, the American Hospital Association, Associated Council of the Arts, Council of Jewish Federations and Welfare Funds, Inc., National Urban League, United States Catholic Conference, United Way, etc.) testified on the tax bill then pending before the Finance Committee.

The Coalition was concerned at the perpetual increase in the size of the standard deduction. With each increase in size, fewer taxpayers itemize deductions and more take the standard deduction. As charitable contributions are a tax deduction, the Coalition correctly concluded that anything that encourages use of the standard deduction, and therefore discourages itemizing deductions, discourages charitable contributions. As the witness said,

". . . this will further decrease the inducements to giving by those in low and middle-income brackets. Because recent studies indicate there is a strong correlation between giving and active participation in charitable endeavors, the effect may extend well beyond the mere loss of financial support." (Hearings before the Committee on Finance, March 10, 1977, page 334)

The Coalition testified that close attention should be paid to the objectives of the Filer Commission Report entitled, "Giving in America: Toward a Stronger Voluntary Sector."

Those objectives included:

1. To increase the number of people who contribute significantly to and participate in non-profit activities.

2. To increase the amount of giving.

3. To increase the inducement to giving by those in low and middle-income brackets.

4. To preserve private choice in giving.

Aren't these objectives exactly the ones we should choose for political parties and candidates?

Nothing is more important to a dynamic and thriving political system than vibrant political parties.

Voters can answer their own doubts about our government by increasing involvement in political parties—and that means financial giving as well as the giving of time and energy.

We should strive to increase the amount of giving.

We should strive to increase the inducement to give by those in low and middle-income brackets.

Most importantly, we should preserve private choice in giving. A check-off on an income tax form is scarcely the way to give a feeling of choice or personal involvement.

The accountability function applies not

simply to candidates but also to voters. Just as we seek to insure that candidates live up to their responsibility, so we should encourage voters to accept their responsibility—not just to vote, but to get involved.

How can any person feel involved as we move toward total public financing of primary and general campaigns?

The individuality of our states and the delicate balance of a Federal system was much on the minds of those who drafted the United States Constitution. While conceding that much is changed in our society, the value of personal and identifiable representation must not be underestimated.

We are a big, diverse, heterogenous country with fifty states, all of which are unique.

We worry about an homogenized nation of spectators, and then fall in with an idea such as public financing—which will speed that trend in our politics.

Let's stop selling the people of this nation short, and let's stop promoting spectator politics.

When the debate on this issue is finished, we will hear of polls and rumors of polls showing that the public supports or opposes public financing of campaigns. To date the only poll in which the voters participated occurred in Oregon in November 1976. On the ballot was an issue providing for public financing of campaigns in Oregon. The issue was very similar to S. 926. There was partial public financing of general election campaigns with a match of public and private funds.

The voters of Oregon overwhelmingly rejected this proposal by a vote of 263,738 (yes) to 659,377 (no).

From 1960 to 1962, I was Chairman of the Republican Central Committee of Multnomah County in Oregon, the Portland metropolitan area. Every year we had a Dollars for Republicans Drive. We would knock on doors and ask for contributions of $1 per registered voter. We discovered the ease with which the money could be collected. About one house in three would make a contribution whether or not the household happened to be Republican or Democrat. Our greatest problem was not in getting donations. It was getting the people to ask for donations.

I commissioned a poll after one of the drives trying to discover why it was that people so willingly gave. The poll discovered that people had a nagging sense of responsibility (that important word again) about politics. Over the years they had heard dozens of advertisements from the League of Women Voters and other civic groups encouraging people to register, encouraging people to vote, and, most importantly, encouraging people to give to the party of their choice. Like most of us, however, they frequently forget to give until asked. Consequently, when these voters were finally asked to give, they had already been presold on the obligation and responsibility.

As the pollster said, they feel that giving to a political party is like going to church. They know they ought to do it.

I was elected to the United States Senate in 1968 as an unknown state representative running against a four-term Democratic incumbent. At the start of the campaign, I was told how difficult it would be to raise money and that I would be lucky to match by 1/10 my opponent's fund-raising capabilities.

Recalling my experience as county chairman and the willingness of people to give if asked, I sent many of my young volunteers down the main streets of every town in Oregon, going into every business. They would ask every proprietor and employee if they would be willing to give no more than $25.00 to my campaign. The incidence of giving was tremendously high.

Again the principle worked. There are legions of citizens willing to make donations only if they are asked. Political parties in the past have depended too long on large contributions. Political parties and political leaders had become lazy. If you could ask one person and get $100,000, why bother to ask 100,000 people for $1? The recent campaign reforms have been good reforms. Because of the limitation on the size of donations, parties, political parties, and candidates in order to raise adequate budgets for campaigning have been forced to look to the small donor.

I am Chairman of the Republican Senatorial Campaign Committee. If you look at the record of donations to this committee over the past five years, you will see what I'm talking about.

NATIONAL REPUBLICAN SENATORIAL COMMITTEE, BIYEARLY CONTRIBUTION ANALYSIS BY LEVEL OF CONTRIBUTION, JANUARY 1973 TO 1ST 3D OF 1977

Contribution level	Total	Number of contributions	Average contribution
1973–74:			
Under $100	$774,787	38,609	$20.05
$100 to $499	293,756	1,353	217.10
$500 to $999	93,708	179	523.50
$1,000 to $4,999	912,800	712	1,282.20
$5,000 and above	203,000	20	10,150.00
Total	2,278,051	40,873	55.75
1975–76:			
Under $100	812,737	38,839	20.90
$100 to $499	333,585	2,416	138.10
$500 to $999	98,220	193	508.90
$1,000 to $4,999	650,900	524	1,242.20
$5,000 and above	164,000	20	8,200.00
Total	2,059,422	41,992	49.05
Jan. 1 to Apr. 30, 1977:			
Under $100	341,237	18,937	18.00
$100 to $499	58,356	462	126.30
$500 to $999	25,700	45	571.10
$1,000 to $4,999	22,000	17	1,294.10
$5,000 and above	30,000	5	6,000.00
Total	477,293	19,466	24.50

Mr. PACKWOOD. These figures demonstrate the trend toward more small contributions being involved in political fundraising. The figures can be highlighted as follows:

Year	Number of contributors giving less than $100	Average contribution
1973–74	40,873	$55.75
1975–76	41,992	24.05
1977 (first 4 months)	19,466	24.50

Thus far in 1977, 97.3 percent of our contributors have given less than $100, with an average contribution of $18. I predict that by November 1978 we will have some 150,000 to 200,000 contributors, each with a contribution of less than $100.

What we should be doing in this Congress is not trying to figure out how we can limit and eventually prohibit free choice in private contributions to campaigns. We should be trying to figure out how we can encourage private contributors.

For these reasons, I am introducing a bill to increase the Federal tax credit for contributions to campaigns to 75 percent of the contribution up to a maximum credit of $100 on an individual return and $200 on a joint return.

I chose 75 percent, because at that figure the estimated revenue loss very closely approximates the cost of S. 926. The sponsors of S. 926 estimate its annual cost will be $19 million. The Joint Committee on Taxation estimates that the annual cost of my bill would be $16.5 million.

Just as S. 926 limited itself to the public financing of Senate campaigns, so does my bill limit itself to contributions to U.S. Senate campaigns. I find that illogical, but I want to be able to compare apples and apples. If the proponents of S. 926 want to compare the cost of their bill if extended to the House of Representatives, I would be happy to do the same.

Who would benefit from total public financing?

Not the voters, who would lose their voice in campaigns.

Not political parties or candidates, who would be on an electoral handout.

Only the narrow interest of a selfish few.

As Robert Frost, the poet, wrote:

> Before I built a wall I'd ask to know
> What I was walling in or walling out,
> And to whom I was like to give offense.

It seems to me we very likely are walling the voters and ourselves out with public financing, and the special interests in.

Before we build this wall in the name of reform, let us be sure of what we are walling in—and out.

ADDITIONAL COSPONSORS

At the request of Mr. Percy, the Senator from Minnesota (Mr. Anderson), the Senator from Missouri (Mr. Danforth), the Senator from Oregon (Mr. Hatfield), the Senator from Hawaii (Mr. Inouye), and the Senator from Ohio (Mr. Metzenbaum) were added as cosponsors of S. 600, a bill to reorganize Federal regulatory agencies.

S. 834

At the request of Mr. Schweiker, the Senator from Utah (Mr. Hatch) was added as a cosponsor of S. 834, a bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide education for himself, for his spouse, or for his dependents.

S. 987

At the request of Mr. Anderson, the Senator from Montana (Mr. Melcher) and the Senator from Connecticut (Mr. Weicker) were added as cosponsors of S. 987, to amend the Immigration and Nationality Act.

S. 1092

At the request of Mr. Pell, the Senator from New Hampshire (Mr. McIntyre) was added as a cosponsor of S. 1092, to amend title 23 of the United States Code to make certain improvements in the Federal-aid highway program

S. 1280

At the request of Mr Clark, the Senator from Mississippi (Mr. Eastland) was added as a cosponsor of S. 1280, to provide for the maintenance or enhancement of the quality of water in rural areas.

S. 1310

At the request of Mr. Dole, the Senator from Oklahoma (Mr. Bellmon) and the Senator from Hawaii (Mr. Matsunaga) were added as cosponsors of S.

1310, providing for the installation of a telecommunication device to encourage communication between Members of Congress and their hearing impaired constituents.

S. 1379

At the request of Mr. SASSER, the Senator from New Hampshire (Mr. DURKIN) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1379, the Taxpayer Assistance Fairness Act of 1977.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

Mr. GLENN. Mr. President, I wish to announce that the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Governmental Affairs Committee will hold hearings on S. 897, the Nuclear Nonproliferation Act of 1977 and S. 1432, the Nuclear Nonproliferation Policy Act of 1977 at 9 a.m. on Friday, May 6, 1977 in room 318 of the Russell Senate Office Building. The witnesses will be Dr. Joseph Nye, Deputy Undersecretary of State for Security Assistance, Science and Technology. The second session of hearings on the above date will reconvene at 1 p.m. in room 3302 of the Dirksen Senate Office Building, and the witnesses will be Robert Fri, Acting Director, Energy Research and Development Administration, Marcus Rowden, Chairman, Nuclear Regulatory Commission, and Richard Kennedy, Commissioner, Nuclear Regulatory Commission.

SALE PROCEDURE ON NATIONAL FOREST TIMBER

Mr. MELCHER. Mr. President, I rise to announce that the Subcommittee on Environment, Soil Conservation and Forestry will hold hearings at 10 a.m., Monday, May 16, 1977, in room 324 of the Russell Senate Office Building, on S. 1360, a bill to establish an advisory committee on timber sales procedure.

The subcommittee proposes to hear witnesses from the Department of Agriculture, the Department of Justice, as well as congressional and public witnesses. Public witnesses will be limited to 10 minutes of oral testimony as is the policy of the Committee on Agriculture, Nutrition, and Forestry. Those who wish to testify should contact the committee clerk.

HEARINGS ON INCENTIVES FOR ECONOMIC GROWTH

Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management will hold hearings on May 16 and 17, 1977, and June 13 and 14, 1977, on the relationship between taxation and economic growth.

The hearings will begin at 9:30 a.m. in room 2221, Dirksen Senate Office Building.

The hearings will examine the effect of tax policy upon the growth of the private sector of our economy.

Witnesses before the subcommittee are to focus upon those proposals which they consider as the key to providing for greater business growth and high employment.

Capital formation proposals were put forth in general terms by the last administration and were discussed in connection with the Tax Reform Act of 1976. Hearings on this general subject were held early in 1976 before the Subcommittee on Financial Markets of the Committee on Finance.

Since then, the administration has indicted a strong interest in acting on the problem. The Treasury Department plans to submit recommendations in the fall.

Congress, and the subcommittee in particular, must become more involved in this subject if Congress is to have a significant role in the formulation of policy in this area.

We need to explore the range of current proposals, focus on those which merit serious consideration, see how they would work, and analyze the ramifications—who is going to be hurt and who is going to be helped.

I hope that witnesses will concentrate on what they consider to be the two or three most important proposals to encourage economic growth and employment.

One thing to be avoided is for business to present the subcommittee with a shopping list of proposals.

I want to give special attention to the views of the small business community. The impact of the current proposals on small businesses, incorporated and unincorporated, should be carefully considered.

We ought to immerse ourselves in the specifics of these proposals now, so that the Congress and the administration will have ample opportunity to study the views presented.

The hearings will begin with presentations by Daniel Brill, Assistant Secretary of the Treasury for Economic Policy, and Alan Greenspan, former Chairman of the Council of Economic Advisers, in order to set the stage.

The subcommittee will then hear from spokesmen representing small business and business generally. In the second 2 days of hearings, the subcommittee will receive testimony from present administration officials and leading economists, academicians, and "public interest" groups.

The following witnesses have been scheduled to testify on the first 2 days—May 16 and 17:

Daniel Brill, Assistant Secretary of the Treasury for Economic Policy.

Alan Greenspan, former Chairman, Council of Economic Advisers.

Council of Small and Independent Business Organizations.

Small Business Legislative Council.

National Association of Small Business Investment Companies.

American Council for Capital Formation.

Securities Industry Association.

American Bankers Association.

National Savings and Loan League and U.S. League of Savings Associations.

An announcement concerning witnesses for the second 2 days of hearings will be made in the next few weeks.

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

Mr. EASTLAND. Mr. President, the Senate Judiciary Committee's Subcommittee on Administrative Practice and Procedure will have a hearing on S. 270 at 10 a.m. on Monday, May 9, 1977, in room 2228 in the Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

A WEEK TO REMEMBER

Mr. ROTH. Mr. President, despite the rhetoric and last year's election promises about fiscal responsibility, the past 7 days have clearly demonstrated that the big spenders are still firmly in control of the U.S. Congress. Within the same week, the Senate has voted for increased Government spending and against lower taxes for the American people.

Exactly 1 week after the Senate rejected my proposal to provide permanent tax cuts for working Americans, the Senate has voted to increase total Federal spending by $50 billion over last year's level. I voted against this year's budget, which sets total Government spending at $459 billion and results in a $63 billion budget deficit, the second largest deficit in our Nation's history.

The implications of the Senate's actions are clear. The big spenders in Congress want the American people to continue paying for Congress' wasteful and irresponsible spending programs.

A permanent tax cut combined with restraints on Government spending would ease inflation and provide the economic expansion needed to create meaningful jobs in the private sector.

But increased Government deficit spending on make-work public service jobs will increase the tax burden on the private economy, resulting in higher inflation, slower economic growth, and more unemployment.

The American people do not want a bigger Government and bigger deficits. They want less Government spending and lower taxes. And despite this week's setbacks, I intend to continue fighting for restraints on Government spending and for permanent tax cuts for working Americans.

THE CALIFORNIA CONDOR

Mr. CRANSTON. Mr. President, recently the Los Angeles Times published an editorial concerning the endangered California condor. The condor are currently threatened with extinction by proposed phosphate mining activities adjacent their only sanctuaries. As this editorial points out, congressional action may be necessary to protect these magnificent birds. I commend this article to the Members of the Senate and ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REDUCING THE EXTINCTION THREAT

When it is on the ground the California condor is one of the ugliest creatures you are likely to see. It has a bald head, the menacing eyes of the predator and an unkempt ruff around its neck. It walks with a waddle and it has a terrible time reaching the speed to become airborne.

But once in flight, it is one of the most magnificent of all birds. It has a wingspread of 9 feet and an incredible grace as it soars over its mountain habitat on updrafts of warm air. Its strength and its knowledge of aerodynamics enable it to range 35 miles from its nesting site in search of its dead and dying prey.

But the California condor is rapidly becoming extinct because it abandons its terrain, or refuses to breed, when man intrudes.

U.S. Sen. Alan Cranston is trying to stop one of man's intrusions in the 55,000-acre federal condor sanctuary in Los Padres National Forest, north of Ventura. His Senate Joint Resolution 3 would prohibit a mining company from excavating phosphates in a section of the forest near the condor preserve because "the accompanying noise, air and water pollution would disturb the condors' feeding and breeding habits, causing an irreversible decline in their population."

Cranston argues that "there are adequate supplies of phosphate elsewhere in the United States to meet our current needs," but that "the condor clings to existence by a slim thread."

The senator is right. A federal census shows that only 40 of the birds are still alive in Los Padres National Forest, although 60 were there a year ago.

Denial of the mining permit by the U.S. Department of the Interior might not save the condor for too long a time, however. Direct action may be necessary.

The U.S. Fish and Wildlife Service is now considering a proposal by the federal Condor Recovery Team that calls for trapping one or more pairs of adult birds, breeding them in captivity and then releasing their young into the wilds.

But many environmentalists claim the plan would only kill off the condors more quickly because they would languish and refuse to breed.

We are not experts and we have no opinion in whether the recovery team's plan would work. But we do know that a mining operation in the condors' only sanctuary could hasten their extinction, and we support what Cranston is doing to keep the ugly, magnificent creatures in the skies a little longer.

THE CRUEL HOAX OF DEREGULATION

Mr. GOLDWATER. Mr. President, for several weeks now the Subcommittee on Aviation of the Senate has been holding hearings on legislation introduced to affect deregulation of the airlines. It became perfectly obvious from the very outset that this academic approach to the problem was a poorly drafted one, in fact, a poorly conceived one, but I have always felt that out of this start can be drafted legislation with which the airlines can prosper and live and continue to grow. There appeared an editorial in the May 1977, issue of Air Line Pilot magazine entitled, "The Cruel Hoax of Deregulation." I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CRUEL HOAX OF DEREGULATION

Last February, the General Accounting Office (GAO) issued a report entitled "Lower Airline Costs Per Passenger Are Possible In The United States And Could Result In Lower Fares." Those touting deregulation as the answer to the airlines' woes promptly claimed that the GAO supports deregulation. Sen. Edward M. Kennedy (D-Mass.), who had requested the report in the first place, jumped at the chance to headline the report by saying that airline passengers will save millions once airline regulation is lifted.

The 188-page report is not what Senator Kennedy and the other deregulation proponents would have you believe. First of all, it is not a GAO report in the usual sense. It is a GAO analysis of a 1972 study by Dr. Theodore E. Keeler, an economics professor at the University of California at Berkeley.

Dr. Keeler estimated that unregulated airline fares were lower than those regulated by CAB. He attributed this to lack of price competition and too much service competition—mostly in the form of frequent flights.

The GAO updated the Keeler study to cover the six years from 1969 to 1974. Assuming that a deregulated industry would mean easier entrance and exit to particular markets and that airlines could raise or lower fares as they chose, the conclusion was that passengers would have saved $1.4 billion to $1.8 billion annually.

What Senator Kennedy and those favoring deregulation have not bothered to tell is that the GAO report represents only the GAO/Keeler views and assumptions and stems primarily from analysis of the California and Texas intrastate airline situations. On page 39 of the report, the agency carefully hedged by saying ". . . but this report does not answer a number of questions about what might happen if the form of airline regulation were changed or if regulation were abandoned completely."

What Senator Kennedy should remember is that the GAO recommended "that CAB continue to work toward improving airline efficiency under its existing legislation by emphasizing higher load factors, higher seating densities, and the other factors identified in this report and by increasing its reliance on competition to determine service and prices."

The GAO also recommended that Congress provide CAB with "legislative guidance defining current national objectives for air transportation, and the extent to which increased competition should be used to achieve those objectives."

Before those who make the laws go off and legislate a vital industry out of existence, perhaps it would be wise for them to read the GAO report in its entirety. The GAO actually suports the airlines in what is already known to be necessary to restore earnings to the industry. It does not support deregulation as many contend.

What is really lacking in all this palaver is a sound national air transportation policy which will guide the industry and its regulators for the rest of the century. Congress should give guidance as GAO suggests. It should not dismantle an industry under the guise of promising lower fares. This is a cruel hoax which must not be perpetuated any further.

PORTAL TO PORTAL CHAUFFEUR SERVICE STILL PROVIDED AT LEAST 148 GOVERNMENT OFFICIALS

Mr. PROXMIRE. Mr. President, despite President Carter's splendid example in denying members of his staff the privilege of being driven to and from home in Government-chauffeured cars, there are still at least 148 officials who enjoy this taxpayer-supported perquisite at a total cost of about $3.3 million a year. The number does not include diplomats and most military commanders abroad, officials on field service, or some who are provided portal to portal transportation for security reasons. This number of Government officials who are driven to and from home is at least 120 more than the 28 my limousine limitation bill would authorize.

As chairman of the Subcommittee on Priorities and Economy in Government and the Joint Economic Committee early this year I wrote to every department, agency, office, regulatory commission, and court in the U.S. Government asking them what officials by title in the agency are driven to and from home. I further asked for the cost of chauffeurs as well as the most of leasing, depreciation, maintenance, gas, and oil.

The average cost of chauffeurs and drivers, including overtime and second drivers, was about $20,000 a year. Operating costs varied but averaged about $2,500 for the cars. It was on this basis—148 times $22,500—that the $3.3 million estimate was made.

PENTAGON HAS WORST RECORD

The worst offender is the Pentagon where 31 officials are routinely driven to and from home and 34 others are given the privilege "if essential to the successful accomplishment of their duties for that day."

The Department of Transportation comes in second. In addition to the Secretary, the Commandant of the Coast Guard and 12 Coast Guard district commanders enjoy the service.

Congress comes in third with 11. Not only do the Speaker, majority and minority leaders in both Houses, and the President and Deputy President pro tempore of the Senate receive the service but the Attending Physician of the Capitol, the Architect of the Capitol, and the Comptroller General and his Deputy are driven to and from home.

Of the three branches of Government, the best record is that of the Judiciary where only the Chief Justice of the United States, among the hundreds of Supreme Court, district, and appellate judges, has the privilege.

Among others who deserve special mention are the four whips in both the House and Senate who do not accept the service, and the Space Agency and the Environmental Protection Agency whose heads have given up the practice. In addition, the head of the Veterans' Administration drives himself to and from work, in contrast to the practice of his predecessors, even though he is a triple amputee.

The breakdown by branch of Government or type of agency is:

White House	3
Judicial Branch	1
Congress	11
Cabinet Departments	96
Agencies	15
Regulatory Commissions	22
Total	148

CHAUFFEUR COST HIGH

The highest amount paid for chauffeurs was for driving the Director of the FBI which was $29,266 in 1976 including overtime. Others in the $24,000 to $27,000 range for 1976 chauffeur costs include the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of Health, Education, and Welfare, and the Administrator and Deputy Administrator of ERDA. Some chauffeurs perform mail and other services in addition to driving. By law the Secretaries of departments, but not executive branch agency heads, are granted the right to be driven to and from home.

Neither the State or Defense Department nor the Comptroller General provided figures on chauffeur costs or maintenance, gas and oil costs. The Comptroller General states that in his opinion "savings" to the Government based on his time saved would be $3,350 to $3,375 annually.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of agencies and officials who have the privilege. All figures are based on the practice as stated at the time of the reply. Cars used are not, in the majority of the cases, luxury vehicles.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The White House (3): The President; Vice President; Assistant for National Security Affairs.

The Judicial Branch (1): The Chief Justice.

The Congress (11): Senate: President Pro-Tempore, Deputy President Pro-Tempore, Majority Leader, Minority Leader; House: The Speaker, Majority Leader, Minority Leader.

Other Congressional Officials: Attending Physician of the Capitol, Architect of the Capitol, Comptroller General of the General Accounting Office, Deputy Comptroller General.

The Cabinet Departments (96):

The State Department (7): The Secretary of State, The Deputy Secretary, U.S. Representative to the United Nations, Deputy U.S. Representative to the United Nations, Deputy U.S. Representative to the Security Council, U.S. Representative on the United Nation's Economic and Social Council, The Alternate U.S. Representative For Special Political Affairs in the U.N.

Treasury Department (1): The Secretary of the Treasury.

The Defense Department (65):

Regular Basis (31): Secretary of Defense, Deputy Secretary of Defense (2), Secretary of the Army, Secretary of the Navy, Secretary of the Air Force, Chairman, Joint Chiefs of Staff, Army Chief of Staff, Air Force Chief of Staff, Chief of Naval Operations, Commandant of the Marine Corps, Director of Defense Research and Engineering, 17 Four Star Generals outside the National Capitol Region, Commander, Middle East Force, Commander in Chief, Europe.

Exception Basis (34): "Authorized if essential to the successful accomplishment of their duties for that day. . . .", Nine Assistant Secretaries of Defense, General Counsel, DOD, Under Secretary of the Army, Under Secretary of the Navy, Under Secretary of the Air Force, Vice Chief of Staff, Army, Vice Chief of Staff, Air Force, Vice Chief, Naval Operations, Assistant Commandant of the Marine Corps, Five Assistant Secretaries of the Army, Four Assistant Secretaries of the Navy, Four Assistant Secretaries of the Air Force, Commander, Army Materiel Development and Readiness Command, Chief, Navy Materiel, Commander, Air Force Systems Command, Director, Joint Staff.

Justice Department (2): The Attorney General Director, Federal Bureau of Investigation.

Department of the Interior (1): Secretary of the Interior.

Department of Agriculture (1): Secretary of Agriculture.

Department of Commerce (1): Secretary of Commerce (Under Secretary when Acting Secretary).

Department of Labor (1): Secretary of Labor.

Department of Health, Education and Welfare (2): Secretary of HEW, Commissioner of Social Security.

Department of Housing and Urban Development (1): Secretary of Housing.

Department of Transportation (14): Secretary of Transportation, Commandant, U.S. Coast Guard, Twelve Coast Guard District Commanders.

Agencies, corporations, institutions (15): The President of Amtrak, Mayor, District of Columbia, Fire Chief, D.C., Assistant Fire Chief, D.C., Administrator of Energy Research and Development Administration, Deputy Administrator of ERDA, President and Chief Executive of the Overseas Private Development Corporation, Postmaster General, Deputy Post Master General, Administrator, Small Business Administration, Deputy Administrator, Small Business Administration, Secretary of the Smithsonian Institution,[1] Editor, Smithsonian Magazine,[1] Director, United States Information Agency, Deputy Director, U.S.I.A.

Regulator commissions and boards (22): Chairman of the Civil Aeronautics Board,[2] Four Members, CAB,[2] Chairman, Commodity Futures Trading Commission,[2] Four Commissioners, CFTC,[2] Chairman, Equal Opportunities Commission, Commissioner, EEOC, Chairman, Export-Import Bank, Chairman, Federal Communications Commission, Chairman, Federal Deposit Insurance Corp., Appointive Director, FIDC, Assistant to Appointive Director, FDIC, Executive Secretary, FDIC, Comptroller of the Currency, Federal Maritime Commissioner, Chairman, Federal Reserve Board, Counsel to the Chairman, FRB.

THE RETIREMENT OF MR. JOHN C. BROGER

Mr. THURMOND. Mr. President, on May 1, 1977, Mr. John C. Broger retired from the Federal Government after 27 years of distinguished service.

During his last 20 years, Mr. Broger served as Director, Office of Information for the Armed Forces, IAF, Office of the Secretary of Defense. I have been personally acquainted with his outstanding leadership and expertise during these years.

On April 27, 1977, a testimonial dinner was given in his honor. Many Government and civilian leaders and friends and associates paid tribute to his dedicated service to our country and to our Armed Forces. On this occasion, I sent Mr. Broger a telegram which reflected my respect for his leadership and my appreciation for his astute counsel and wise advice during the past 20 years. On April 29, 1977, in further recognition of his loyal service to our country, the Department of Defense awarded Mr. Broger the Distinguished Service Medal for exceptionally meritorious service. In recognition of his dedicated service to our country, I would like to bring his outstanding record to the attention of my distinguished colleagues and others in our country.

Mr. President, I ask unanimous consent that my telegram to Mr. Broger on April 27, 1977, the Distinguished Service Medal Citation, the accompanying achievement summary, and Mr. Broger's biographical sketch be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Telegram]

APRIL 27, 1977.

Dr. JOHN C. BROGER,
Director, Office of Information for the Armed Forces, Office of Secretary of Defense, Washington, D.C.

It is a pleasure for me to extend my heartiest congratulations upon your retirement on May 1, 1977, from the Federal government after twenty-seven years of faithful and dedicated service.

It will be very difficult for the Department of Defense to find another Director of Information for the Armed Forces who can match your skill and professionalism in directing and guiding this vital and sensitive information program. Your wise counsel and sound advice through the years to insure that the Defense Information Programs are not muzzled were of great help to me, especially during the Senate hearings in 1961 on military speech censorship and cold war education activities.

I commend you for your courage and vigilance to keep this important media program on a steady course to protect a free flow of news and information to our Armed Forces worldwide in spite of austere personnel and funding, organizational and functional problems and malicious critics.

As you close this chapter of your distinguished career, it is good to know that you will devote full time to Christian leadership and counseling activities. There is a great need today for spiritual guidance in our society. A leader with your religious experience, distinction and outstanding qualifications can make a major contribution in helping many of our citizens overcome tragic personal problems.

I regret that prior commitments prevented me from joining with your friends at this testimonial to your devoted service to our government and our Armed Forces. I extend greetings to all, and my best wishes to you and Dorothy for continued success, good health and happiness.

STROM THURMOND,
U.S. Senator.

CITATION

Citation, Department of Defense Distinguished Civilian Service Medal to John C. Broger for exceptionally meritorious service to the Department of Defense from September 4, 1956 to April 30, 1977, while in positions of increasing responsibility as Director, Office of Information for the Armed Forces in the Office of the Assistant Secretary of Defense (Public Affairs).

With keen perception and sensitivity, Mr. Broger greatly improved the mass communications programs and information capability of the Defense Department, making them ever more responsive to the vast world-wide audience of active and reserve forces. Particularly significant was his leadership of the Federal Absentee Voting Assistance Program, and his information support for the CHAMPUS health care program, the Defense Department Drug and Alcohol Abuse Program, and the Defense Department Human Goal Credo. Concurrently, he achieved significant increases in efficiency and effectiveness in major programs and policy areas of direct concern to the Secretary of Defense and the Congress.

For his superior performance and meritorious accomplishments, culminating a distinguished career of public service to the United States and Department of Defense, the Defense Distinguished Civilian Service Medal is awarded to John C. Broger.

DISTINGUISHED SERVICE MEDAL TO JOHN C. BROGER

During the period September 4, 1956 through April 30, 1977, Mr. John C. Broger distinguished himself by exceptionally meritorious service to the Department of Defense while in the position of Director, Office of Information for the Armed Forces (IAF).

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[1] Letter states service is paid for from non-appropriated funds.

[2] Performed when travel, night, work, or before 8:00 start dictates driving official to and from home.

From 1960–1962 he represented the Defense Department in the Senate Armed Services Committee hearings concerning Military Cold War Education and the House Committee on Government Operations concerning overseas Military Information Programs. He was also instrumental in developing the 1962 report to the Secretary of Defense on Non-Military Instruction.

In 1964, he streamlined the world-wide operations of the American Forces Radio and Television system resulting in an annual savings of $2.8 million with a reduction of 369 personnel.

Through his initiative, a drug and alcohol abuse information program was developed in 1966. In subsequent years, six presentations were made for the White House to help stimulate and support the national programs. This program was supported by additional funds from the Congress and served as the catalyst for the Military Services in their successful individual programs. Concepts and materials were shared with the National Institutes of Health for incorporation in nation-wide programs.

In 1969, responsibility for the Federal Absentee Voting Assistance Program was assigned to Mr. Broger's office. Every State, the District of Columbia, the Commonwealth of Puerto Rico and the Territories of Guam and the Virgin Islands now permit Armed Forces personnel to register and vote by absentee process. In support the Secretary of Defense as Presidential designee to oversee implementation of the Federal Absentee Voting Assistance Act, Mr. Broger established close liaison with State election officials and legislators to ensure support of the Act. He also initiated a high priority program to provide information to persons covered by the Act, enabling them to cast absentee ballots.

In 1972 Mr. Broger was given responsibility for managing and establishing policy for all Defense periodicals. The number of periodicals was reduced from 1,402 to 650 with annual savings of $1.1 million.

In 1973, the information responsibility for the CHAMPUS Health and Medical Program was transferred to Mr. Broger's office so that the program could receive more intense and responsive support to meet the requirements of the beneficiaries.

In 1973, Mr. Broger established internal management initiatives to automate the operations of the American Forces Radio and Television Services—Washington which resulted in a 30% reduction in personnel.

Because of the urgent need to control the diverse DoD audiovisual activities, responsibility for supervising this program was assigned to Mr. Broger's office in 1974. Management actions have resulted in annual savings of approximately $15 million to date.

Mr. Broger has also been responsible for support of the National Committee for Employer Support of the Guard and Reserve. He has been instrumental in guiding this Committee in securing signed pledges of support from over 320,000 employers. Through his efforts, the Committee has also been effective in developing greater public awareness and support for the Guard and Reserve programs.

During the period of U.S. involvement in Vietnam, when military personnel and those associated with the Defense Department were subject to frequent criticism, information programs were developed under Mr. Broger's direction to insure that military members were informed on important matters affecting their careers and personal welfare and that commanders were informed about major policies and objectives of the DoD. In the course of this broadened information program, Mr. Broger improved the quality of mass communications in the DoD and laid the basis for considerable cost savings. He was a major resource in developing and publicizing the DoD Human Goals Credo, whose understanding has contributed substantially to the quality of military service and civilian employment with the Department.

As a result of this dedication to the ideals of the Constitution and the fundamentals of democracy, and the sound information programs produced by his office supporting these principles, Mr. Broger and his office have received numerous awards from nongovernmental organizations. His continuous outstanding performance reflects great credit upon himself and the Department of Defense.

BIOGRAPHICAL SKETCH: JOHN C. BROGER

Professional Background: Past 35 years devoted to all aspects of communications of ideas, concepts and fundamentals essential to the free society and representative government. Background includes all media overseas and in the U.S., radio, television, motion pictures, publications, press, art, hard news, features, specials, etc. Experience includes design, concept, technical execution, broadcasting, administration and management, negotiations with foreign governments, networks, guilds, unions, publishers, writers, producers and sponsors. Familiar with foreign sensitivities for most areas of the world.

Current Position: (1960 to present) Director, Office of Information for the Armed Forces, Office of the Secretary of Defense, Department of Defense, Washington, D.C. Directs, supervises and manages the Armed Forces Information Program for the Armed Forces of the United States including the Armed Forces Motion Picture Service, the Armed Forces Publications Service, the Armed Forces Press Service and the American Forces Radio and Television Service. Provides policy guidance and program materials for operations and support of over 1134 American Forces Radio and Television stations and 1900 Armed Forces newspapers and civilian enterprise newspapers worldwide. Prepares materials and programs on national policies and the subjects of democracy, communism, citizenship, allied forces, U.S. forces, area orientation, world affairs, code of conduct and personal affairs. Provides a free flow of news and information directly to U.S. military forces worldwide.

(1956–1960) Deputy Director, Office of Armed Forces Information and Education: Included all of above responsibilities and in addition policy and operation of United States Armed Forces Institute, involving 200 correspondence courses and 4500 additional courses from 45 colleges and universities. Also policy responsibility for military dependents school system overseas.

(1954–1956) Full time consultant to the Chairman of the Joint Chiefs of Staff and members of the Joint Chiefs of Staff on psychological operations related to national policy goals. Primary responsibilities included national policy planning, operations and functions of the Department of Defense, Department of State, United States Information Agency, Central Intelligence Agency, and the National Security Council.

(1945-1954) President, Far East Broadcasting Company, a philanthropic non-profit, non-commercial organization currently operating 22 transmitters, medium and shortwave in the Philippines, Okinawa, Seychelles and California. Operates 20 hours daily in 40 languages and dialects, over 800 program hours weekly, to Asia, Russia, Africa, the Middle East, and Latin America. 12,000 letters received monthly from 58 countries.

Military Service: U.S. Navy 1942 to December 1945. Wrote and/or edited 38 textbooks and manuals for Naval radio and radar training. Joined Task Force 38 in 1944 as Electronics Officer in Night Torpedo Squadron 91. Received Presidential Unit Citation, two battle stars. Later assigned to reserve duty in Naval Intelligence. Ranks held: Petty Officer 2nd and 1st class, Warrant Commissioned Warrant, Lieutenant Senior Grade. Honorary Retired.

Education: Georgia Institute of Technology 1934, Southern California College 1936-1939, Texas A&M 1942. Subjects: Theology, Psychology, Electronics Engineering.

Residence Abroad: Resided in China 1946, Southeast Asia, the Middle East and Europe 1948-1954. During this time, researched Communist techniques and activities and worked with Philippine, Greek and other governments in programs which support freedom and personal liberty.

Lectures: National War College, Industrial College of the Armed Forces, Army War College, Air War College, Marine Corps Senior Schools, Armed Forces Staff College, Air Command and Staff College, Military Assistance Institute, Harvard Business School, and various civic, educational, religious, and private organizations.

Awards and Affiliations: AMVETS annual Americanism award 1956, Principal Freedoms Foundation award for Militant Liberty program 1956, other Freedoms Foundation awards 1958 and 1965, Doctor of Laws Honorary Degree Wheaton College 1965, National Association of Evangelicals Layman of the Year 1968. Board of Directors, International Christian Leadership 1955 to present; Vice Chairman Armed Services Committee for President's People-to-People Program 1956-1960; Chairman, Board of Visitors, 1963-1969 and member Board of Trustees 1969 to present, Freedoms Foundation.

Personal Data: Born Nashville, Tennessee, October 30, 1913; married to Dorothy Mae Smeltzer of Fullerton, California 1941.

THE LIFE OF SUSIE BUTLER

Mr. GOLDWATER. Mr. President, during the 1 year I attended college I had the great privilege of being a fraternity brother with Dr. Karl Butler who has since become one of the country's greatest agricultural experts. His mother, though, was one of my oldest and dearest friends, and I have always been honored and flattered to think that she shared that friendship with me. Susie Butler passed away this past year and an article appearing in the Sun Valley Spur-Shopper describes her life. Besides it is so typical of a devout Mormon pioneer's life. I ask unanimous consent to have this article printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A REMARKABLE STORY, SUSIE BUTLER'S LIFE

They laid Susie Butler to rest in Mesa Cemetery yesterday at the age of 96, closing the book of life on one of the most remarkable women I have ever known.

Hers was a strenuous life of ups and downs in the family fortunes, of shattering setbacks when she and her late husband John, who died in 1940, were struggling to rear and educate their seven children.

Yet I have never heard of anyone with such a zest for life, a passion for learning, a burning desire to see how the other half lived.

After her husband died and her children were grown and left home, she traveled, at her own expense, to all parts of the country and abroad, through her 80's and into her 90's.

Never a woman of means, she took advantage of tours to travel unescorted, around the nation and around the world in her diligent search for knowledge.

She visited every Mormon temple in the world, in Salt Lake City, St. George, Logan, and Manti in Utah; Oakland and Los Angeles in California; the burned temple in Navoo and Kirtland, Ill., and temples in other parts of the world—at Bern, Switzerland, London, Hawaii, New Zealand, and Cardston, Alberto, Canada.

A devout Mormon until six months ago she never missed one of the general conferences of the Church of Jesus Christ of Latter-day Saints in Salt Lake City.

Sometimes she went with friends, often alone by plane or train. Until the last, this woman of indomitable courage and independence insisted she could always take care of herself.

She fractured a hip about three years ago but that didn't stop her. She bounced back to make a few more trips before she died.

Previously, when she was 85, she broke one of her legs and after four months in the hospital it was predicted the accident had ended Susie's travels for good—that she would never walk again.

But she came back and renewed her tours of exotic places in distant places, visiting some of the countries in Europe she had not seen before, and Australia, Hong Kong and Tokyo.

She also included the Holy Land in her late travels. There was no limit to what this astounding little Lady couldn't and didn't do.

Susie was never too old to learn anything she wanted to set her mind to. At an advanced age she decided she wanted to play the organ.

She bought one, had it installed in her home and took lessons. She became so proficient she played at innumerable church gatherings, for the different wards of her church, and when she was in her 80's still played the organ at the Information Center on the grounds of the Arizona Temple in Mesa.

Susie was born December 14, 1880 in Harmony, Utah, a little town between Cedar and Parawan.

She lived in Harmony until she was 12, then, with her mother and father moved by covered wagon to Bluff, near Blanding, Utah on the San Juan River famous for the "Goose Necks."

The family moved to Colonia Juarez in Mexico where she was a member of the first graduating class of the Juarez-Stake Academy of the Church of Jesus Christ of Latter-day Saints.

She and John T. Butler were married there in 1902.

She and her husband moved, by wagon again, to Colonia Morelos, Sonora, where they helped colonize.

They lived in a tent where her first child was born without benefit of what is now considered proper medical attention.

John built her a house of burned brick in the settlement, the first to have real windows in it. Other houses just had canvas over the openings.

The house also had a board floor instead of the packed dirt floors so common to other houses and the tent homes of the area. They lived five years in the one-room house with the windows.

Then came the first disaster.

A cloudburst hit the little town of Oaxca, about 15 miles north.

They watched the water coming with chairs and tables and other household items tumbling over and over in the turbulent water, but could do nothing.

Some homes had basements, but these were flooded and the foodstuffs were washed away.

The Butlers had a good crop, one of their best, but it was all washed away, and the family was destitute.

The Butlers moved across the border to Douglas, in Arizona, and in 1914 came to Lehi.

The farm in Lehi did well. They also had a store where the Lehi School now stands. They kept the store because they felt it would make a living if the farm didn't, but it burned to the ground.

So they brought a farm northeast of Mesa and put all their acreage in cotton.

This was the next great disaster. The bottom dropped out of the cotton market. Instead of selling for the $1.50 it had been when they planted, it dropped to around 20 cents.

Again they were destitute, and in debt.

Next the Butlers rented a dairy farm southeast of Mesa and they operated it until the owner thought they were making too much money. He confiscated the cows for back rent, took the lease away, and again the family was broke.

In 1940, John Butler died as the result of an accident. He had been burning weeds in the orchard and the fire apparently got the best of him.

As he tried to beat it out, he was overcome and died where he was working.

The family was still in debt, with the prospects of getting out from under very slim.

Susie for sometime had been engaged in direct selling. She sold "anything I thought there was a market for." This included cosmetics, silverware, books, Christmas cards or anything else she could get the agency for.

"I think I sold everybody in Mesa their silverware."

"Yes, we were flooded out, burned out, and lost everything we owned in the cotton venture. Everytime, we ended up without a penny. But we managed."

Bad luck seemed to dog their footsteps.

"When we came to Lehi in 1914, they told us it hardly ever rained. It rained for two solid weeks, and we were literally rained in. We could do nothing because of the rain and mud."

Shortly after Susie was widowed, she suffered the first of a series of fractures. She fell down the cellar stairs of her home and broke her arm.

She was selling cosmetics at the time and had to demonstrate facials with one hand while the arm was healing.

But nothing could keep Susie Butler down!

She laughed about these disasters when I knew her, years later, but someone of lesser stature might have simply fallen by the wayside.

To Susie, misfortune was one of the ingredients which went into the experience of living and how one met misfortune was more important than the misfortune itself.

Hers was the strongest kind of faith and it left her with a shining torch to light her way through life.

She squeezed all she could out of life—the good of life—and was rewarded with enormous gifts in return.

KEEP HUMAN RIGHTS MOMENTUM FLOWING BY RATIFYING GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, human rights has been a prime topic of discussion in Government circles in 1977. President Carter's emphasis on human rights, his public citations of nations with questionable human rights records, and his meeting with Soviet dissidents have highlighted a new American emphasis on the basic rights of all men. This emphasis on human rights is a worthy and appropriate foundation for our Nation's foreign policy.

Undoubtedly, the President's stress of human rights has improved the American image in the eyes of the world. The Vietnam war left a tarnished image of the United States, but the new administration's high placement of human rights has signaled a new and fresh American approach, one that other nations of the world can again look up to.

Mr. President, I have urged the Senate to take a leadership role in this movement toward human rights priorities by ratifying the Genocide Convention. I have pointed out this opportunity for the Senate to take a substantive policy step in the realm of foreign policy, thereby showing the Senate capable of leading this Nation in the formulation of foreign policy.

Today I again urge my colleagues to ratify the Genocide Convention, but for a slightly different reason. Ratification of the treaty will not only allow the Senate to take a leadership role, but it will also continue the momentum of the human rights movement.

Ratification of the Genocide Treaty will clearly illustrate where the Senate stands in relation to basic human rights.

Mr. President, I urge my colleagues to ratify the Genocide Convention immediately.

ARIZONA LEGISLATURE URGES ESTABLISHMENT OF A NATIONAL PATRIOTISM WEEK

Mr. GOLDWATER. Mr. President, I was delighted to receive this week from the secretary of state of Arizona, a certified copy of House Concurrent Resolution 2005 which the Arizona Legislature has just approved urging the U.S. Congress to establish a National Patriotism Week.

On March 30, I introduced exactly such a proposal which is presently being cosponsored by Senators DOLE, LAXALT, THURMOND, DECONCINI, and BARTLETT.

Mr. President, I am pleased to say that Gov. Raul Castro of Arizona will issue a proclamation designating Patriotism Week in Arizona, and I believe this is an excellent example for the U.S. Congress to follow. The essence of the idea is to give an opportunity when the youth of America can stand up and be heard on the subject of their devotion to our country and recognition of the many, many aspects of our country's greatness. The truly unique part of this proposal is its encouragement of the creation of programs in schools during Patriotism Week which include a special emphasis upon the study of the ideas, qualities, people, and accomplishments which make this country great.

Mr. President, I ask unanimous consent that the text of the resolution adopted by the Arizona Legislature be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

[State of Arizona]

HOUSE CONCURRENT RESOLUTION 2005

A concurrent resolution urging the Congress of the United States to establish a National Patriotism Week

Whereas, a nationwide nonpartisan effort is now underway to annually designate the week commencing with the third Monday in February as "National Patriotism Week"; and

Whereas, this effort was initiated by Miss Lori Cox of Scottsdale, Arizona and resulted in the introduction in the Congress of the United States of a joint resolution requesting the President to annually issue a proclamation calling upon the people of the United States to commemorate National Patriotism Week with appropriate celebrations and observances, encouraging primary and secondary schools to adopt an appropriate curriculum for that week including such elements as the study of the Pledge of Allegiance, the National Anthem, national symbols, seals and mottos and national monuments, heroes, heroines and accomplishments and requesting each federal agency to recognize such week by taking such action as it may deem appropriate; and

Whereas, many national civic, fraternal and service organizations are behind this effort; and

Whereas, Governor Raul Castro will this year issue a proclamation designating the third week in February as "Patriotism Week" in Arizona.

Therefore be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

1. That Miss Lori Cox is hereby congratulated for her fine efforts.

2. That the establishment of "National Patriotism Week" is strongly urged.

3. That the Secretary of State of the State of Arizona is directed to transmit authenticated copies of this Concurrent Resolution to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, each Member of the Arizona Congressional Delegation and to Miss Lori Cox.

EMPLOYMENT IMPACT OF NATIONAL FOREST POLICY

Mr. McCLURE. Mr. President, this week a group of Idaho workers have paid their own way to Washington, D.C., to present their case to Members of Congress and the administration. Their message is one of deep concern over their jobs—which are tied to the harvest of sustained-yield timber on the national forests. A large part of Idaho and other Western States' national forests are in a roadless category and not available for development because of a court decision mandating environmental impact statements before allowing development.

These statements and forest unit plans are being challenged and subjected to continual delays. These workers represent thousands of other concerned people who see their jobs, homes, and way of life threatened because of this issue.

I ask unanimous consent that their message be printed in the RECORD, together with supportive forest information.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL FORESTS

We would like to discuss today the logging closures in the National Forest of the State of Idaho. As a group, we would like to express the concern of other groups of people and various industry users of the National Forest lands who have workers or employees who derive their livelihood from the public land.

The people who work in the sawmills, the logging industry, and the other groups of people, along with the various industry users of the public lands, now believe that these closures will continue unless a more balanced and realistic approach on the environmental issue is brought about. The people who earn their living from the forest and public lands pay taxes and help support the economy in Idaho and, we might add, a large part of the economy of the State of Idaho. The people who earn their living in the Wood Products Industry know that as a basic industry in Idaho, it has a multiplier effect on the states economy, and on some of the individual counties and communities located in Idaho.

As a group, we support the concept of some wilderness and the concept of protection of the environment. We believe in good forest management. We believe in our total environment, not just part of it. We are firm believers in the Multiple-Use concept.

As of the last three or four years, we have also become very concerned about the problem of the environment, wilderness, wilderness study areas and roadless areas, and we believe it has become a real problem to us. One of the reasons we are led to believe this is the fact that we are workers in the Wood Products Industry. Some people have described us as being greedy and selfish simply because we take our products from the land and that we destroy the beauty and the environment of the land. This is not true. Under present day laws, timber, the raw product of the Wood Product Industry, cannot be removed from the land until highly qualified foresters and other specialists have made complete studies. These studies include environmental, sociological, economic, wilderness and primitive impact studies, which take several years in time, energy and money to complete.

The Wood Industry workers feel that the pressure of public controversy makes resource management very difficult. As a group we feel that this advocacy of thorough-going extreme measures on the part of well-meaning, but ill-informed environmental, wilderness, wild-life conservation organizations must be balanced in partnership with resource management of our National Forest and other public lands.

The employees in the Wood Products Industry in Idaho know that industry has provided direct employment for over 15,000 people, who received more than $180,000,000.00 in wages for the year 1975, and it generated secondary employment for an additional 31,000 people, and that in 1975 we were the third largest Idaho industry, after agriculture and manufacturing.

Receipts from the National Forest are major revenue sources for many Idaho counties and communities. Counties receive a share of the receipts from the sale of National Forest Products and the county payments are divided 70% to road funds and 30% to school funds. Valley County, in Idaho, is an example of a county where forest receipts are very significant. The 1975 payments to the schools were the equivalent of $122.94 tax offset per student, or the equivalent of $31.82 per county resident. In two counties, Boise, and Valley, National Forest receipts paid more than 20% of county school costs. Primarily because of National Forest receipts, Valley County has never needed a tax levy to finance the county road program.

Here in Idaho commercial timberland ownership is 69% U.S. Forest Service and 4% other public, State 6%, Forest Products Industry 7%, and other private 14%. In some Idaho timberland ownership categories, growth and harvest will increase and productivity on the privately owned timberland will increase through better forestry management by a more rapid harvest of mature trees to increase growth and decrease mortality losses. But the Wood Products Industry is heavily dependent upon State and Federal timberlands and unfortunately declines in Federal timber harvest will more than offset gains in all other sectors. If all National Forest "Roadless" areas and proposed wilderness study areas are permanently removed from the timber base in Idaho, our state-wide timber supply could be reduced as much as 24%.

We the workers in the Wood Products Industry, in companionship with all the other workers in other industries, such as mining, livestock and various other industries who derive their livelihood from the public lands, have a very critical concern for the environment and the management of our forest. We also have a critical concern that basic and balanced economies will dictate the prospects for our future and for our children's future. For this reason we feel that economics and the environment must be a realistic and balanced partnership. The proposed land withdrawals on the National Forest restrict recreation potential to a privileged few, eliminates harvest of forest products and mineral resources, and restricts grazing even further.

We are told by our government of badly needed low-income housing. Yet, while these land withdrawal proposals command our attention, another branch of government proposes more land withdrawals that would take up to 300 million board feet of timber in Idaho alone annually from the market, further denying our workers jobs in processing plants, and creating an upward cost spiral and more inflation, even restricting employment in our building trades, due to the cost spiral.

The situation in Idaho has now reached the point where every environmental and land-use plan developed by the U.S. Forest and others, on any planning unit in the National Forest is immediately appealed repeatedly so that all development will be deferred for the future. We believe the end result will be that the workers in the Wood Products Industry and other industries will be the losers in this game of Environment versus Resource Management.

The Environmental Protection Agency has standards which the logging industry and the whole Wood Products Industry must meet. No company today, with a large amount of employees, with an equal number of stock holders, can afford a cut, slash and move operation. But, when the environmental factor becomes too costly, then that company will be forced to close its operation down. The economics dictate that you close the operation, then the workers in that industry and supporting industries have plenty to say and complain about the environment. Their whole environment is going to be disrupted and ripped apart. Their position in their communities and surrounding areas as taxpayers and supporters of the economy cannot exist without logs, which must come from the forest.

We know that industry in Idaho cannot and will not invest money to repair or replace old equipment in the present lumber mills nor will they invest in new mills due to the uncertainty of the present timber supply, due to the unending appeals made on nearly every planning unit on commercial timberland under control of the U.S. Forest Service.

We also know that their appeals are made for only one reason, using the environmental issue as an excuse to stop or stall timber sales, or to stop mineral development on our public lands in Idaho.

We, as a group, are asking your support in achieving a realistic balance on the environmental issue so that we do not live in constant fear of lawsuits and appeals, forcing a closure of forest timber sales to our industry.

Lewis McFadden, McCall, Idaho.
Robert Beaubier, McCall, Idaho.
Robert Scoles, McCall, Idaho.
Ernest Overbillig, Yellow Pine, Idaho.
Marsha A. Shriver, New Meadows, Idaho.
Myron Cook, Couriel, Idaho.
A. L. Osborn, McCall, Idaho.
L. Dopp, St. Anthony, Idaho.
Lewis Foruria, Emmett, Idaho.
Evert T. Highley, New Plymouth, Idaho.
Lester L. Kelley, Box 259, Cascade, Idaho.

Forest Information

With the recent announced closure of the McCall Sawmill a number of people have expressed a greater interest in forest management.

Attached is a summary which should help to explain somewhat the results of the 10 year Forest Service plans and the viewpoint of our foresters on the timber supply issue. Timber supply is an exceedingly complex area and there is always some risk of misunderstanding. If anyone is interested in greater detail, please contact Glen Youngblood or me in Emmett (Phone 208 365–4431).

First, some background on region requirements from the Boise and Payette Forests:

SOUTHERN IDAHO REGION

Current usage:

Other mills—50–60 million board feet per year.

Boise Cascade (7 sawmills, 1 plywood plant)—240 million board feet per year.

Total—290–300 million board feet per year.

Sources:

Boise Cascade land—25* million board feet per year.

Private, State and BLM—30–40 million board feet per year.

USFS (Boise and Payette)—174 million board feet per year.

Total—229–239 million board feet per year.

Deficit—61–71 million board feet per year.

Over the last 10 years the Boise and Payette Forests had an average sales program of 230 MMBF. In fact, for the last several years it has been somewhat lower and for the next 5 years it is planned to be 174 MMBF/year. Curtailments in 1975 and higher than average backlogs have allowed the industry to operate at higher than sustainable rates. But a 56 MMBF reduction in the sales program makes mill shutdown and curtailments inevitable.

The attached sheet summarizes the results of the latest and fairly extensive land use planning process on the Boise and Payette forests. Productive forest acres (the total land base is actually bigger but only forest acres are shown) are divided into several categories:

Standard: Those acres on which forest management activities can take place with normal precautions.

Special: Land where multiple use considerations such as erosion control, game management, aesthetics, etc. require that special care be exercised in forest management. For planning purposes the land base is reduced and reflected as "acre equivalents" to represent these restrictions. This category on the Payette Forest also includes a deduction of 106,000 acres which is being studied for wilderness potential.

Marginal: Land subject to multiple use deduction (as above) but in addition, because of terrain, timber type or accessability would, under some market conditions, be uneconomical to log.

Reserved and Deferred: Primitive and wilderness candidate areas. This sheet also shows the estimated merchantable timber inventories on land available for management. The final two columns on the attachment compare a conservative estimate of the annual growth to the sales program. For comparative purposes the inventory and growth on Boise Cascade land is also shown. The growth estimate used is achievable with no "management" other than periodic harvest of some of the mature trees on each stand.

Several conclusions can be drawn from looking at this information.

(1) Only 53% of the productive forestland on the Boise and Payette Forests combined is available for management.

Much is allocated by "public desire" to wilderness areas.

Some can't and shouldn't be managed because of its other values.

Some still requires decisions and public input to determine how it should be managed.

(2) Forest Service "standard" acres appear to have approximately 2½ times the inventory that Boise Cascade does. We regard our lands as generally fully stocked. This "overstocking" on comparable federal land could account for lower growth rates. Many stands are stagnant and therefore aren't producing additional merchantable timber each year.

(3) The land allocated for timber management in the latest plans for the Boise and Payette National Forests contains approximately 10 billion board feet of mature timber (more than 120 years old) out of a total inventory of 17 billion board feet.

This 10 billion board feet is enough timber to run all of the mills that are dependent of these two forests for 40 years. It would supply the McCall sawmill for over 300 years.

This land, if stocked with vigorous trees, will grow enough each year to supply existing mills (230–250 million board feet). Consequently, these mills could be kept operating indefinitely.

Mature trees grow more slowly, if they grow at all, than younger trees. They may also inhibit the growth of younger trees around them. Many acres on the Payette and Boise have zero or "negative" timber growth because more trees are dying or rotting than are growing.

Good forestry and good economics require that each acre of timberland is stocked with trees growing at their maximum rate. This means that mature trees should be harvested as soon as possible before they rot or die and become unuseable.

An unmanaged forest with a number of mature or over-mature trees is regarded as a high risk. Insects are more likely to attack these less vigorous trees.

Current Forest Service plans indicate that many of the timberlands containing a high proportion of mature trees won't be harvested for 50 years or more. Thus, many of these trees will be wasted and the land will be growing (on a net basis) nothing or substantially less than it could for 50 years.

There appear to be two primary barriers to a faster harvest of these mature trees on land allocated for management:

Forest Service policy prevents an accelerated harvest of mature trees so that an "even flow" of timber can be maintained forever. A number of foresters feel, however, that historical cuts could be maintained without a risk of future curtailment. They believe that by cutting more now the timberland will ultimately produce more.

An improved road system is required in order to provide access to some of these areas so that the "high risk" trees can be removed.

Achieving a change in Forest Service policies or decision requires public involvement and input through established representatives. Timber management is a complex area but interested people must make the effort to become informed, make up their mind based on the facts, and become active in communicating their views to associates and public officials. Attached is a list of public officials who can have the most impact on Idaho timber supply.

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*Will be 40 MM with the new mill at Cascade designed for cutting small logs.

	Inventory						In million board feet	
	Total productive acres (1,000)	Total merchantable timber (billion board feet)	Acres (1,000) allocated for management	Estimated merchantable timber on "managed" acres (billion board feet)	Mature timber on "managed" acres greater than 140 yr old (billion board feet)	Estimated growth on managed [1] (board feet per acre per year)	Possible annual harvest (conservative) [2]	Actual 5-yr planned sales
Payette:								
Standard	408	5.0	[3] 408	5.0	4.7	200	80	
Special	300	3.7	97	1.2	1.1	100	10	
Marginal	94	1.2	80	1.0	1.0	100	8	
Total	802	9.9	585	7.2	6.8		98	76.8
Reserved	552	5.4						
Deferred	161	2.5						
Unregulated	2							
					Greater than 120 yr old			
Boise:								
Standard	430	5.6	430	5.6	[4] 2.3	200	86	51.9
Special	518	4.5	348	3.0	[5] 1.2	100	35	31.6
Marginal	347	2.0	151	.9	[6] .3	100	15	13.6
Total	1,295	12.1	929	9.5	3.8		136	97.1

Footnotes at end of table.

	Inventory						In million board feet	
	Total productive acres (1,000)	Total merchantable timber (billion board feet)	Acres (1,000) allocated for management	Estimated merchantable timber on "managed" acres (billion board feet)	Mature timber on "managed" acres greater than 140 yr old (billion board feet)	Estimated growth on managed [1] (board feet per acre per year)	Possible annual harvest (conservative) [2]	Actual 5-yr planned sales
Reserved	41	.5						
Unregulated	26	.3						
Total, both forests	2,879	30.7	1,514	16.7	10.6		234	173.9
Boise Cascade Corp	195	1.0	195	1.0	.3	200–250	40	40.0

[1] Net growth if land stocked with vigorous instead of mature trees.

[2] Perpetual harvest based on conservative estimates of natural growth and no use of such silviculture techniques as thinning.

[3] 135,000 in roadless class.

[4] At 20M bm/acre.

[5] At 15M bm/acre.

[6] At 12M bm/acre.

Sources: 10-yr timber management plans and environmental impact statements for Payette (final) and Boise (draft) forests.

NEW TAX CURBS ON FOREIGN TRAVEL PLEASE NO ONE

Mr. GOLDWATER. Mr. President, last Friday the Wall Street Journal published an article which sums up the problems with new tax curbs on foreign travel better than anything else I have seen. Contrary to arguments made on the floor of the Senate last week, the article very clearly points out the major problems with the new tax law.

First, the article verifies that the effect of the new law is the same as if it were a complete prohibition on foreign travel. American businessmen, professional groups, and students are so upset with the childish paperwork and other requirements of the law that they are not traveling abroad and are canceling numerous meetings that were already scheduled.

Second, foreign governments, which view the loss of revenue as meetings are canceled or not scheduled in their countries, consider it to be a very unfriendly act for the United States unilaterally to deny equality under our tax laws to meetings held outside this country. This discriminatory law invites retaliation by foreign governments and opens the United States to the charge of having erected a barrier to international trade.

Third, the damage from the new tax restrictions to the economy of friendly foreign countries is all too real. Do we really want to tear down the economy of Mexico? Are we indifferent to financial crises which the law is creating in several foreign locations?

Fourth, the same excuse given for ending deductions for foreign conventions because some of them may be vacations in the guise of business can be leveled against travel by Americans to meetings within the United States. The next step of the people who present this emotional argument, which shows an antieducational and antibusiness attitude, is to apply restrictions on deductions for conventions held in this country. Imagine the damage to a major U.S. industry, which in Arizona and other States ranks as the No. 1 source of income, if this should happen.

Mr. President, in order that any of my colleagues who may have missed this excellent article may have an opportunity to read it, I ask unanimous consent that the article appearing in the Wall Street Journal of April 29, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GROUPS, CITIES AND NATIONS ARE DISTURBED BY NEW CURBS ON CONVENTION DEDUCTIONS

(By William D. Hartley)

When Congress put stringent limits on tax deductions for conventions and other meetings held abroad, at least somebody should have been happy about it. Convention sites in the U.S. for instance.

But so far, it seems, no one is pleased:

Associations and other large groups find some of the rules and the resulting paperwork onerous, and are junking plans for overseas trips.

Nearby countries, which get the bulk of the American conventioneers' foreign business, are infuriated over the loss of revenue as meetings are canceled.

Even U.S. convention sites picking up the canceled gatherings aren't exactly celebrating. They worry about foreign retaliation and about future congressional action.

The cause of all the fuss is Section 602 of the Tax Reform Act of 1976. Its purpose is to end deductions for vacations abroad taken in the guise of business trips. Proponents charged that taxpayers were subsidizing golf and other fun-in-the-sun for conventioneers.

The section provides that, starting Jan. 1, 1977, no American may deduct from his taxable income the cost of more than two meetings attended abroad in a year. For each meeting, he can deduct only the cost of an economy round-trip air fare plus daily expenses totaling no more than the per-diem rates established for government employes traveling abroad. Previously, a meeting-goer could write off anything considered a business-related expense.

Although there is some complaint that the per-diem rates are unrealistically low—some of the rates: $39 in Mexico City, $46 in Toronto, $49 in London, $57 in Tokyo, $62 in Paris—most groups say they can live with these restrictions. What drives them to distraction is another provision of Section 602. It sets up standards for deciding whether a conventioneer can take any deduction whatsoever.

THE TWO-THIRDS RULE

To be entitled to a deduction, a person must attend at least two-thirds of the business activities of the convention, and at least six hours of such activities must be scheduled each day. The conventioneer must submit with his tax return a detailed list of the meetings he attended, and of how many hours he spent at each one. The list must be attested to by a group official.

All these rules apply, as well, to meetings where a company foots the entire bill, though in these cases, of course, the rules govern the company's deductions rather than individuals'. A company can hold as many such meetings as it wishes, but it can deduct the costs of a given employe for no more than two such meetings a year.

Group after group cite these rules as the main reason for having canceled a foreign meeting. The American Wood Preservers Association had planned a Toronto meeting in 1978; now it will go to Washington, D.C., instead. "When you've got a meeting of 500 people, how do you count them?" asks John D. Ferry, secretary-treasurer of the group. "When a guy wants to go to the bathroom, do you keep a clock and time him in and out of the room?"

The same attitude caused the American Land Title Association to cancel last month's meeting in Mexico City in favor of a California location and to forsake Montreal in 1980 in favor of Hawaii. The American Industrial Development Council is going ahead with a Toronto meeting because many of its members are Canadian, but Lawrence Cohick, executive vice president, figures that only 300 of the 500 Americans originally intending to make the trip will make it after all.

"The ironic thing," Mr. Cohick says, "is that the theme of our convention is the North American island, a hands-across-the-border motif, and all of a sudden the Internal Revenue Service wants to keep everybody home."

INFORMAL SESSIONS

Those upset by the new requirements make another point: Much of the business at conventions isn't conducted in meeting rooms. Scientific associations say that this is particularly true of their gatherings; they say scientists would rather get together informally than listen to formally presented papers in which they may have little interest.

Such a predilection, coupled with the new rules, is one reason the American Psychological Association is thinking of taking its 1978 meeting out of Toronto, a move that would cost that city 10,000 convention goers. The association will decide soon between Toronto and New York.

Groups aren't too keen about the per-diem limitations either. "You can either eat or you can sleep, but you can't do both," a convention organizer says. Toronto's per-diem rate of $46 compares with an expenditure of $65 to $70 for the average conventioneer there. Convention organizers say that even in cases where there isn't much difference between the rate and probable expenditures, the restriction nevertheless constitutes a psychological barrier to making the trip.

It is generally small meetings that have been shifted this year. Big groups have been shifting meetings scheduled for next year and beyond. The reason: It is too difficult to reschedule conventions of several thousand people on short notice. "We couldn't wait," says an official of the Mortgage Bankers Association of America in explaining why the group has already decided to move its 1979 meeting from Montreal to Chicago. "You book sites three to five years ahead of time to get the dates you want," he says, "especially with a convention that uses 4,000 first-class hotel rooms."

Few conventions in Europe and Asia have been moved, mainly because these are usually conventions of international groups, or joint meetings with local counterparts who would have to pay more if the meeting was moved to the U.S. A scientific group went ahead with a meeting in Europe becase half the people who were going weren't Americans. The Americans there filled out attendance forms, and group officials vouched for their accuracy without actually clocking people in and out. "We had to assume they were there during those periods," an official says. "A day-by-day check-in would have been an impossible situation."

A LOSS FOR MEXICO

The brunt of the cancellation blow has been felt in North American locations, such as Canada, Mexico, and Bermuda. More than 40 Mexican meetings have been canceled, meaning a direct loss of $5.6 million, says Juan Buendia, director of Mexico City's convention and visitors bureau. In Toronto, the figure is 17 conventions gone, a loss of about $3.7 million; cancellation of the American Psychological Association's Toronto meeting would almost double the loss.

Montreal has been hit even harder, losing $9 million through cancellation of meetings that would have drawn 33,500 people. A Bermuda hotel reports cancellations of 10,000 to 11,000 "bed nights." Contemplating his losses, an official of a foreign convention bureau asks: "How do you commit hara-kiri gracefully?"

The big worry is that groups will simply stop thinking of foreign locations. "Executives will say, 'Forget it; let's stick to the good old U.S.A.,'" says Mexico City's Mr. Buendia. There are signs this is happening. American Republic Insurance Co, which canceled out of a Mexican meeting last January, feels that "foreign meetings are out of the picture," a company official says.

North American countries, associations, hotel chains and others have been lobbying for a "North American Exemption": The new rules wouldn't be applied to meetings in Canada or Mexico or on islands off the U.S. Sens. Barry Goldwater, Republican of Arizona, and Daniel Inouye, Democrat of Hawaii, submitted the exemption as an amendment to the tax bill now before Congress, but it was defeated Wednesday. It will probably be resubmitted.

Meanwhile, foreign convention bureaus are urging groups not to cancel so soon, to hold on awhile in hopes the exemption will pass. They also are trying to ease some of the burden: Packages set at the per-diem rate are being organized by hotels; in Toronto, wives of hotel executives help associations do the paperwork at meetings.

The U.S. Travel Service calculates that about 100,000 more foreigners come to meetings in the U.S. each year than Americans go to meetings abroad, and this figure has American convention bureaus worried about possible retaliation. "Why are we making them mad, especially Canada and Mexico?" asks Paul Howell, convention manager for San Francisco. "They can do the same thing to us, and we get a lot of visitors from both."

Even some convention bureaus that have picked up some business as a result of the law—such as Hawaii, which figures that it has already benefited to the tune of $2.5 million—worry about the precedent. The next step, they fear, is to put a limit on deductions for conventions held in the U.S.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification from the Department of Defense the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the three notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

TRANSMITTAL No. 77–28

(Notice of proposed issuance of letter of offer pursuant to section 36(b) of the Arms Export Control Act.)

(i) Prospective Purchaser: Republic of China.

(ii) Total Estimated Value:

	Million
Major defense equipment*	$0.0
Other	34.8
Total	34.8

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Cooperative logistics supply support arrangement for follow-on spare parts and supplies for support of Republic of China's aircraft of U.S. origin.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 4, 1977.

TRANSMITTAL No. 77–30

(Notice of proposed issuance of letter of offer pursuant to section 36(b) of the Arms Export Control Act.)

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:	Million
Major defense equipment*	$0
Other	76
Total	76

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Personnel support services for the Iranian F–14/Phoenix weapons system program through Calendar Year 1978 and includes program management office in Iran, crew training, engineering services, auditing, communications, personnel support and travel.

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 4, 1977.

TRANSMITTAL No. 77–31

(Notice of proposed issuance of letter of offer pursuant to section 36(b) of the Arms Export Control Act.)

(i) Prospective Purchaser: Philippines.

(ii) Total Estimated Value:	Million
Major defense equipment*	$13
Other	0
Total	13

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Conventional ammunition 5.56mm through 76mm.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 4, 1977.

TELECOMMUNICATIONS

Mr. CURTIS. Mr. President, in this day of rapidly soaring prices it is an oddity to run across a product or service that actually costs less than it did 60 years ago. When you do find such a bargain, you know it must have benefited from more efficient technology, higher employee productivity, better management, or other highly favorable influences. In any event, it is a rare occurrence because most of what we buy today is increasing in price at a dizzying pace. It is for this reason that I would like to take a minute to compliment the telephone industry on what it seems to me has been a genuinely effective effort to hold down the price of its service to the average citizen. The minimum price for a 3-minute long-distance telephone call from New York City to San Francisco in 1915 was $20.70. If you did not want to pay that much, you could write letters, 690 of them, for the same amount of money. Today the price of a coast-to-coast, 3-minute call, is only 78 cents, while the price of those 690 letters would be $89.70. Even the price of basic residence telephone service, which has been increased several times in recent years due to inflationary pressures, has gone up at less than half the rise in the Consumer Price Index.

This kind of performance has made it possible for over 96 percent of the households in my home State of Nebraska to afford a telephone.

There is still a way to go in some exchanges to get the quality of that service, particularly in rural areas, up to the highest standards. But the companies are making what I believe is a sincere effort to get there. I know they are investing a lot of money and their efforts are being closely followed by the Nebraska Public Service Commission whose responsibility it is to regulate pricing and service standards. I believe the benefits which the regulated telephone industry brings to the American public are very much worth preserving.

Accordingly I have cosponsored a bill which will enable the Congress to investigate the strengths and weaknesses of our current national policy toward regulation of the industry. I am particularly concerned at what appears to be a weakening of support for pricing policies that benefit the average residence customer.

This policy was articulated by Congress in the Communications Act of 1934 which directed the industry "to make available so far as possible, to all the people of the United States a rapid, efficient, nationwide and worldwide wire and radio communication service with adequate facilities at reasonable charges." Early experiences with competition in the industry were resolved by general agreement of the public that a single company could operate more efficiently within a given community. Government regulators have guided the companies in purposefully establishing rates for residence service which would make it affordable to the largest possible number of customers. Long distance and certain other premium services were priced to return a profit that could help offset the shortfall from basic residence rates.

It now appears that recent policies promulgated by the FCC are forcing the industry to a cost-based pricing philosophy which, if carried to its logical conclusion, will cause basic residence service to become too expensive for many persons, especially the poor, the unemployed and those on fixed incomes. The beneficiaries would appear to be the large commercial users of intercity communications services and the companies which manufacture and provide equipment to serve them. It is my conviction that any such national decision to benefit these companies at the expense of the average residence customer is harmful to the public interest. In no event should it be the exclusive province of an appointed regulatory body such as the FCC to determine and to implement broad policy changes without the express permission and direction of Congress.

For these reasons, I am hopeful that the study of this important issue will proceed as promptly as possible. I would also hope that the FCC would delay any further experimentation which would unnecessarily duplicate the facilities of the regulated common carriers.

I believe the result of our deliberations on this issue will result in a well thought-out communications policy that will serve the public interest for many years to come.

OSHA—A STEP IN THE RIGHT DIRECTION

Mr. PELL. Mr. President, as a member of the Senate Labor Subcommittee and as a Senator from a State in which almost 90 percent of the businesses are "small businesses," I have received hundreds of letters from businessmen saying, in effect, "We want to comply with OSHA and make our workplaces safe, but we cannot understand the regulations and need help—cannot OSHA simply give us a consultative visit?"

Small businessmen can get that support, but until recently it was so expensive that 37 States opted not to provide it. Under section 7(c) (1) of the Occupational Safety and Health Act, a provision is made for Federal OSHA contracts with States to provide occupational safety and health counseling services. Until this month, however, the cost of those services was shared on a 50–50 basis between Federal and State government. Under new regulations just announced by Dr. Eula Bingham, the Assistant Secretary for Occupational Safety and Health, that funding ratio will be moved to 90–10, meaning that many more State governments will be able to avail their businessmen of these important consultant services.

This is a big step in the right direction to assure maximum voluntary compliance with the principles of OSHA, and is a very welcome and long-needed administrative decision.

COURT UPHOLDS ORGANIZATIONS' RIGHT TO CHALLENGE B-1 BOMBER

Mr. PROXMIRE. Mr. President, on April 25, 1977, Judge Thomas Flannery of the D.C. District Court found that the six national organizations have the right to bring suit against the Defense Department and the Air Force for their failure to complete an environmental impact statement—EIS—on the supersonic B–1 bomber as required by the National Environmental Policy Act—NEPA. The plaintiffs, Environmental Action Foundation, Federation of American Scientists, Council on Economic Priorities, Environmental Action, Friends of the Earth, and Americans for Democratic Action, are requesting a court order to stop the U.S. Government from spending additional money or approving contracts on the B–1 until an adequate EIS is prepared and processed. The suit was filed on January 11, 1977.

In this case, the plaintiffs allege that some of their members live and work in the vicinity of the production and proposed test sites of the B–1 bomber and that these and many more of their numbers would be injured by the adverse environmental impact of the B–1 bomber program added to the already existing fleet of B–25's. These environmental impacts include deterioration of air quality, creation of undue noise, propagation of microwave radiation, and creation of dangerous sonic booms.

The court upheld the plantiffs' right to seek review of the environmental impact of the proposed B–1 bomber fleet. Judge Flannery stated: "Certainly no exemption to NEPA exists for weapons systems or other strategic military actions." The Judge ordered the Government to prepare within 10 days their response to plantiffs' claim that an EIS was not prepared.

The complaint was filed in the U.S. District Court for the District of Columbia by Leonard Meeker and Richard Frank of the Center for Law and Social Policy, a public interest law firm in Washington, D.C.

Mr. President, I ask unanimous consent that the memorandum opinion and order be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[In the U.S. District Court for the District of Columbia, Civil Action No. 77–59]

Environmental Action Foundation et al., Plaintiffs, v. Harold Brown, Secretary of Defense, et al., Defendants

Memorandum Opinion and Order

This matter comes before the court on defendants' motion to dismiss pursuant to Rule 12 of the *Federal Rules of Civil Procedure*. Plaintiffs in this action seven organizations professing an interest in the environmental consequences of the B–1 bomber program, charge that defendants failed to comply with the requirements of the National Environmental Policy Act of 1969 (NEPA),[1] Executive Order 11514,[2] and various regulations before deciding to produce and deploy a fleet of 241 B–1 bombers. Defendants now move to dismiss on the grounds that plaintiffs lack standing to bring this action and that plaintiffs are barred from pursuing this action by laches.

I. STANDING

As most recently formulated by the Court of Appeals for this Circuit, the issue of standing to bring suit subdivides into four separate questions: (1) whether plaintiff is injured in fact; (2) whether plaintiff is arguably within the zone of interest protected by the relevant statute: (3) whether a causal nexus exists between the injury and defendant's actions; and (4) whether the injury is one capable of prevention or redress by appropriate court order, *Harrington* v. *Bush*, — F. 2d —, No. 75–1862 (D.C. Cir. Feb. 18, 1977), slip opinion at 28 n. 68; *see Simon* v. *Eastern Ky. Welfare Rights Org.*, 426 U.S. 26 (1976); *Warth* v. *Seldin*, 422 U.S. 490 (1975); *Linda R.S.* v. *Richard D.* 410 U.S. 614 (1973); *Association of Data Processing Serv. Org.* v. *Camp*, 397 U.S. 150 (1970). Defendants in this action primarily contend that plaintiffs have failed to demonstrate injury in fact, though they also claim that plaintiffs fall outside the zone of interest to be protected by NEPA; defendants appear to concede, however, that plaintiffs would prevail on the third and fourth criteria if injury in fact is shown.

Plaintiffs claim injury in fact on three separate bases. First, the four plaintiffs that are membership organizations[3] contend that defendants' actions threaten the interest of their members in living in a clean environment. Members of these organizations allegedly live and work in the vicinity of the manufacturing sites for the B–1 aircraft and its engines and in the vicinity of Edwards Air Force Base in California, site of the proposed B–1 test area. In addition, plaintiffs claim that other members will be injured by emissions and sonic booms produced by the bomber, as these potential injuries are not site specific. Included among the claimed adverse environmental impacts of the project are deterioration of air quality, creation of undue noise, propagation of microwave radiation, and creation of dangerous sonic booms. On the basis of these allegations, plaintiffs assert that they fall squarely within the rationale of *United States* v. *SCRAP*, 412 U.S. 669 (1973), and thus have standing to proceed in this action. In SCRAP the Supreme Court upheld an organizational plaintiff's standing where it alleged that its members used the forests, rivers, mountains, and other natural resources in a particular area for recreational and aesthetic purposes and that these uses had been adversely affected by the environmental consequences of defendants' actions. *Id.* at 678, 688–90. Injury in fact clearly is a sufficiently elastic concept to include noneconomic, adverse environmental impact. *See id.; Sierra Club* v. *Morton*, 405 U.S. 727 (1972); *Sierra Club* v. *Morton*, 514 F.2d 856, 868–9 n. 20 (D.C. Cir. 1975), *rev'd on other grounds*, 427 U.S. 390 (1976); *Scientists' Inst. For Public Info.* v. *Atomic Energy Comm'n*, 481 F.2d 1079, 1086–87 n. 29 (D.C. Cir. 1973); *Environmental Defense Fund, Inc.* v. *Hardin*, 428 F.2d 1093, 1096–97 (D.C. Cir. 1970).

Defendants do not challenge the continued viability of the SCRAP line of cases; rather they suggest that plaintiffs' claimed injuries are too generalized and speculative. Since B–1 bomber operations have not yet resulted in any environmental injury to members of plaintiff organizations, defendants reason that plaintiffs' claims reduce to an assertion that they may be harmed at some time in the future.[4] The court cannot agree that plaintiffs have presented only a claim of generalized injury, undifferentiated from that suffered by all citizens or taxpayers. In this case plaintiffs have alleged that

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Footnotes at end of article.

some of their members live and work in the vicinity of the production and proposed test sites of the B–1 bomber and that these and many more of their members would be injured by the adverse environmental impact of the B–1 bomber program. Such a claim of injury should not be considered too generalized or undifferentiated. Nor is the court convinced that the injury alleged by plaintiffs is too speculative to confer standing. Actual injury is not required; threatened injury is sufficient when the threat is real and immediate. *See Linda R.S.* v. *Richard D.*, 410 U.S. 614, 617 (1973); *O'Shea* v. *Littleton*, 414 U.S. 488, 494 (1974). Although there certainly exist contingencies that could thwart the production of the entire fleet of 241 aircraft—such as a Congressional failure to fund the program or an executive decision to abandon or cut back on the fleet—defendants admit that the Secretary of Defense approved the recommendation for the full B–1 fleet. In any major federal program designed to be completed over a period of years, subsequent legislative or executive decisions could result in curtailment or abandonment of the plan. Indeed, in the SCRAP case, subsequent determinations concerning the railroad rate increase could have negated plaintiffs' claim of environmental injury arising from defendants' acts. Moreover, in the present case defendants concede that they have made a final decision to produce and test at least some B–1 bombers. The only contingency between the present time and plaintiffs' purported actual injury as to those bombers is a temporal one. Thus the court concludes that plaintiffs' claim of injury in fact is not so speculative as to be fatal to their standing to bring suit.

Plaintiffs' second theory of injury in fact and standing in this case, applicable even to the nonmembership organizational plaintiffs,[5] is that defendants' actions injure plaintiffs' interest in preparing and distributing informational material. Plaintiffs rely on the Court of Appeals' decision in *Scientists' Institute for Public Information* (*SIPI*) v. *Atomic Energy Commission*, 481 F.2d 1079 (D.C. Cir. 1973), for the proposition that injury to an informational interest is sufficient to show injury in fact. In CIPI the court considered a challenge under NEPA to the Atomic Energy Commission's determination not to provide an environmental impact statement for the Liquid Metal Fast Breeder Reactor Program. In finding standing for the organizational plaintiff, the court commented:

> The activities of the plaintiff organization in this case, as described in a memorandum submitted to the District Court on the standing issue, include making available to the public scientific information relevant to important social issues and stimulating and informing public discussion of the scientific aspects of questions of public policy. The AEC's decision not to provide an impact statement on the overall LMFBR program has an adverse effect on these organizational activities by limiting appellant's ability to provide the public information on the LMFBR program. Appellant thus has alleged and shown more than the "mere 'interest in the problem'" held insufficient in Sierra Club. *See* 405 U.S. at 739, 92 S. Ct. 1361. Any other approach to standing in the context of suits to ensure compliance with NEPA for long-range Government programs not yet resulting in injury to discrete economic, aesthetic or environmental interests would insulate administrative action from judicial review, prevent the public interest from being protected through the judicial process, and frustrate the policies Congress expressed in NEPA, a result clearly inconsistent with the Supreme Court's approach to standing. *See* 405 U.S. at 740, 92 S. St. 1361.

Id. at 1087 n. 29. No other cases cited by the parties suggest that injury to an informational interest would be sufficient. Indeed, it would appear somewhat doubtful, outside the context of a NEPA suit, that a mere allegation of an injury to an informational interest of an organization would be sufficient to confer standing under the Sierra Club test. 405 U.S. 727, 739 (1972) (mere interest in a problem insufficient). Because of the Congressional purposes surrounding the passage of NEPA, however, and the apparent continued vitality of the Court of Appeals' holding SIPI,[6] the court concludes that an injury to an informational interest potentially creates injury in fact. It is clear that these plaintiffs further distinguish themselves from members of the general public in that they allege possession of the skills and resources to prepare and distribute "legal, scientific, and technical information on the B–1 bomber." Complaint ¶55. In light of these unrebutted allegations, it appears to the court that plaintiffs have shown sufficient injury in fact to warrant standing under a SIPI informational theory.

Plaintiffs' third and final claim of injury in fact sufficient to confer standing is that defendants' actions deprive plaintiffs of the opportunity to comment on an Environmental Impact Statement addressing the proposed B–1 bomber fleet of 241 bomber aircraft. Since the court already has found that six of the plaintiffs have demonstrated sufficient injury in fact to merit standing, it need not and does not reach the question of whether injury to a participatory interest is sufficient to confer standing.[7]

Defendants also dispute that plaintiffs have demonstrated that they fall within the zone of interest sought to be protected by NEPA insofar as they allege an interest in an impact statement concerning the combat use of the B–1 bomber. To hold otherwise, in defendants' view, would create under NEPA a right of review by courts of the tactical military policy of the United States. The court cannot read plaintiffs' complaint, however, as seeking review of tactical military policy; rather, they seek review of the environmental impact of the proposed B–1 bomber fleet. Certainly no exemption to NEPA exists for weapons systems or other strategic military actions. *Concerned About Trident* v. *Rumsfeld*, — F.2d —, No. 75–1515 (D.C. Cir. Oct. 13, 1976), slip opinion at 9–12. Thus the court concludes that plaintiffs fall squarely within the zone of interests sought to be protected by NEPA and find that they meet that requirement of the standing test.

II. LACHES

Defendants suggest that plaintiffs are barred from maintaining this suit because of laches. In order to prevail, defendants must show both that plaintiff failed to institute this suit with due diligence and that defendants were prejudiced thereby. *Powell* v. *Zuckert*, 366 F.2d 634, 636 (D.C. Cir. 1966). Because of the court's decision on the question of whether plaintiff unreasonably delayed institution of this suit, the court does not reach the second question of whether defendants were prejudiced by plaintiffs' alleged lack of diligence.

Defendants contend that the last final administrative action concerning the subject matter of the present suit occurred on September 24, 1976, the date of the filing of the final B–1 impact statement. Plaintiffs filed the present lawsuit January 11, 1977, less than four months later. Plaintiffs suggest that December 2, 1976, the date defendants decided to proceed on procuring and deploying the B–1 fleet without preparation of a final impact statement concerning the whole fleet, should be considered the relevant date for purposes of computation. Even if the court uses defendants' suggested date of September 24, 1976, that interval does not constitute unreasonable delay. Defendants have failed to cite any NEPA case in which a delay of less than four months was held to have been unreasonable delay, nor is the court aware of any. In addition, nothing in the present case suggests that plaintiffs were not diligent. Counsel undoubtedly had to gather a good deal of information and research the relevant law before filing the complaint. Coordination between seven separate plaintiffs, two of whom are based outside of Washington, inevitably takes some time.

Finally, defendants have failed to cite adequate countervailing reasons why an immediate filing of a lawsuit was necessary in this case so as to make a four month delay undue and unreasonable. Although defendants contend that during the four month interim the United States entered binding contracts for production of the B–1 bomber, they admit that the contracts concerned only three of a proposed 241 bomber aircraft. The United States is not at the present time bound by any contractual obligation to complete the balance of the B–1 program. On the whole it appears that plaintiffs have brought this challenge to the B–1 program at an early stage in that program's development. The court therefore concludes that plaintiffs exercised the requisite diligence and that they did not unreasonably delay institution of the present suit. Accordingly, this action will not be dismissed on the grounds of laches.

Accordingly, it is, by the court, this 22nd day of April, 1977,

Ordered that defendants' motion to dismiss be, and the same hereby is, denied as to all plaintiffs except the Oil, Chemical and Atomic Workers International Union; and it is further

Ordered that defendants' motion to dismiss be, and the same hereby is, granted as to plaintiff Oil, Chemical and Atomic Workers Union; and it is further

Ordered that plaintiff Oil, Chemical and Atomic Workers Union hereby is dismissed as a plaintiff in this action; and it is further

Ordered that defendants shall file their opposition to plaintiffs' motion for summary judgment, as well as any cross motion for summary judgment that they deem appropriate, no later than May 3, 1977; and it is further

Ordered that plaintiffs shall oppose any motion for summary judgment by defendants no later than ten days after the filing of such motion.

FOOTNOTES

[1] 42 U.S.C. § 4321 *et seq.*

[2] 3 C.F.R. 271.

[3] The four are Federation of American Scientists, Environmental Action, Friends of the Earth, and Americans for Democratic Action.

[4] Defendants also contend that plaintiffs lack standing under the rationale articulated by Judge Robinson in the case of *Animal Welfare Institute* v. *Richardson*, 7 E.L.R. 20073 (D.D.C. Dec. 23, 1976) (appeal pending). In that case, however, standing was denied because plaintiff organizations failed to show that their members even could visit the area that they claimed an interest in studying and thus failed to show injury in fact. Here, plaintiffs allege that their members live and work in the affected area.

[5] Plaintiffs do not include plaintiff union in this claim.

[6] Defendants attempt to discredit the vitality of the SIPI opinion by claiming that the Supreme Court implicity overruled it in *Kleppe* v. *Sierra Club*, 427 U.S. 390 (1976). In Sierra Club, however, the Court considered the question of when a region-wide impact statement was required under NEPA and did not consider any standing issue.

[7] The seventh plaintiff, the Oil, Chemical and Atomic Workers Internatonal Union, has failed to answer certain interrogatories propounded by defendants in this case, and the court will dismiss the union for its unjustified failure to file these answers.

THE ADVANCEMENT OF HUMAN RIGHTS INCLUDES IMPROVING THE ECONOMIC WELL-BEING OF A PEOPLE

Mr. GOLDWATER. Mr. President, as this administration continues pressing its criticism of the denial of human rights in other nations and seeks to promote improvements in this area, I hope due attention will be given to the amazing contrast between the suppression of all human liberties in Communist China and the successful advancement of freedom and the livelihood of the people in the Republic of China on Taiwan.

For in all the reports of visitors to the mainland of China, there is nothing said about noticing the extension of any of the accepted human rights to the hundreds of millions of people living under Communist rule. On the other hand, visitors to the open society of the Republic of China, who are free to travel and talk as they wish, are becoming increasingly aware of the tremendous advances in human welfare that are occurring in Taiwan.

For example, a recent article in the New York Times is captioned, "Taiwan Bridges the Income Gap While Maintaining High Growth." This article documents the opportunities which citizens of the Republic of China have to advance themselves rapidly in the economic strata. The story confirms the accuracy of a new study published by Oxford University Press which finds the Republic of China to be "one of only very few developing countries to have achieved both high growth and improved distribution of income."

Indeed, the article also confirms fulfillment of the pledges made by Premier Chiang in his address to the 1976 Convention of the National Assembly on the occasion of marking the 30th anniversary of adoption of the Free Chinese Constitution. In this speech, Premier Chiang stated that the "primary goal" of economic development in the Republic "is the improvement of the lives of our people." He said:

> To put it another way, we hope to guarantee the security of the people, to narrow the gap between wealth and poverty and to raise the average living standard through economic stability.

Mr. President, objective reports appearing in the free media of the United States prove that the Chinese Government on Taiwan is achieving these goals. For if people are able to afford their own house, to be better clothed, to have the right to work of one's choice, and to be able to eat well, then major progress is being made in the advancement of the human rights of those people.

Mr. President, progress in strengthening the economic well-being of the 16 million people in the Republic of China is made possible by that country's vigorous efforts to lift itself from the status of a developing country to one of a developed country. This effort is accompanied by a major program of construction projects that stress the latest technology. In order that my colleagues may have a better understanding of the type of activities underway in the Republic of China and just why this nation is having such great success in improving the livelihood of its people, I ask unanimous consent that the following articles shall be printed in the RECORD: First, "Taiwan Bridges the Income Gap While Maintaining High Growth," from the New York Times of Saturday, April 2, 1977; second, "Taiwan Altering Emphasis of Its Economy," from the New York Times of Saturday, April 23, 1977, and third, "Taiwan, The Largest—Banking System—For Its Size," from the Far Eastern Economic Review, April 18, 1977.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 2, 1977]

TAIWAN BRIDGES THE INCOME GAP WHILE MAINTAINING HIGH GROWTH

(By Fox Butterfield)

TAIPEI, TAIWAN—When Amy Hsu finished junior high school five years ago, near where her father has a small rice field, she went to work in one of the many electronics factories that have sprung up in Taiwan taking advantage of the island's cheap labor. She lived frugally in the factory domitory, finished high school in night classes.

Now, with the money she saved from her wages of about $150 a month, she has helped her parents buy a mechanical plow, harvester and rice thrasher for their two acres of land, and a color television set, electric refrigerator, gas stove and even a clothes dryer for their modest brick house. The next goal is to send her four younger brothers and sisters to college.

The prosperity of Miss Hsu's family is in many ways typical of Taiwan's strong economic growth in the last two decades. Since 1953, the island's national income has increased by about 8 percent a year after adjusting for inflation, and last year per capita income for Taiwan's 16 million people reached $809.

STORY WITH FAMILIAR OVERTONES

But Miss Hsu's success story with its familiar overtones of old-fashioned victrian virtues also reflects a lesser known but at least equally important development.

In the last two decades Taiwan has substantially narrowed the gap between its rich and poor. In fact, according to a study by five Western scholars, "Redistribution with growth," published by Oxford University Press, Taiwan is one of only very few developing countries to have achieved both high growth and improved distribution of income.

Economists had thought that the two were in conflict in developing nations.

The statistics are striking. In 1953, the bottom two-fifths of Taiwan's population received only 11 percent of the island's national income, while the top one-fifth had risen to 22 percent, while the top one-fifths share was reduced to 39 percent.

VIEWING INCOME DISTRIBUTION

By contrast, in Brazil and Mexico, which have similar growth rates, the bottom two-fifths of the population earn 10 percent of income and the top one-fifth controls more than 60 percent. A similar gap exists in the Philippines.

As measured by the Gint coefficient, a mathematical formula that shows how far from perfect a country's distribution of income is, Taiwan also ranks ahead of both Japan and the United States.

Taiwan's record is all the more striking since the Nationalists lost mainland China in large part because of their indifference to corruption, inflation and terrible extremes of luxury and starvation side by side.

There is still a distance between Taiwan's wealthy businessmen, who drive expensive imported autos, and the small vendors who ply back streets selling bowls of noodles and beancurd. For instance, Wang Ghun-tsai, a 26-year-old cabdriver, complained that he could not have enough money to get married and buy a house.

However, economic development has transformed the lives of almost everyone. According to statistics gathered by the Taipei city government, 98 percent of all the families in the capital have television sets, refrigerators, 57 percent have telephones and 33 percent have motorcycles. Only 3 percent as yet have cars.

Prosperity has also created a new way of life, with more leisure and travel. Along Ghung Shan North road, one of the more fashionable streets in Taipei, almost every third or fourth building has been converted into a Western style coffee house. On the Friday afternoon flight from Taipei to Kaohsiung, about the same distance as from Boston to New York. Chinese businessmen in conservative dark suits mix with some college girls going to visit their boyfriends for the weekend. Ten years ago, there was not even reliable air service.

In the view of Kno Wan-yong, an M.I.T.-trained economist who is vice chairman of the Economic Planning Council, several government policies help account for Taiwan's success in improving its distribution of income.

Foremost among them, Miss Kuo said in an interview, are the extensive land-reform program the Nationalists carried out in the 1950's, the development of an excellent system of free public education that has enabled children of peasants and factory workers to go to the best universities and Government ownership of several major industries, keeping the profits out of the hands of private businessmen who are seen as exploiting them. These include the oil, electric power, sugar, chemical fertilizer and liquor and tobacco industries.

The Government's tax policy played only a small role, other specialists here say, since most taxes are indirect and regressive and only a small proportion is collected through a progressive income tax.

[From the New York Times, Apr. 23, 1977]

TAIWAN ALTERING EMPHASIS OF ITS ECONOMY

(By Fox Butterfield)

KAOHSIUNG, TAIWAN.—Here at the nearly completed plant of the China Steel Corporation, Taiwan's first large integrated steel mill, engineers are putting the rolling mills through their test runs.

Next door, two 445,000-ton supertankers are under construction in the recently finished China Ship Building Company's mammoth drydock, the second largest in the world.

Not far away in this port city in Southern Taiwan, other workmen are putting together sections of a $700 million petrochemical complex.

The steel mill, the shipyard and the petrochemical complex are all part of a series of 10 major construction projects designed to transform Taiwan's labor-intensive economy, which has been based on export-oriented light industries such as textiles and electronics, into a more highly developed economy that stresses capital-intensive, high-technology industry.

Relying largely on its only natural resource, hard-working cheap labor, Taiwan has over the last two decades achieved a growth rate of better than 8 percent a year in its gross national product.

But, unless the country moved to a higher stage of development, Taiwan's economic planners feared, this enviable record was in danger of being undercut by other ambitious nations in the region with even cheaper labor.

Y. S. Sun, Taiwan's Minister of Economics, compares the process to "shifting into high gear after driving along in first."

GREAT LEAP FORWARD

When the 10 major projects were conceived in the early 1970's, they were seen as a critical but very expensive gamble: Taiwan's "great leap forward," some critics dubbed the program.

There have, in fact, been some problems. Largely as a result of the oil crisis, costs are double the original estimates and will eventually reach about $7 billion, nearly half the size of Taiwan's gross national product last year, $15.7 billion.

Government officials admit that the steel mill will probably have to be subsidized for at least five years, and the shipyard, designed to build supertankers at a time when they were in demand, may lose "pots of money," as one knowledgeable source put it.

Despite these problems, the verdict among most Government officials and foreign bankers here is that the 10 projects are a success.

Construction schedules have generally been met, with most of the projects scheduled to be finished either this year or next.

With a total of 180,000 workers employed in building the projects, the program had the byproduct of helping Taiwan avoid the worst effects of the worldwide recession.

Moreover, Taiwan has also managed to maintain its reputation as one of the best investment risks in Asia, after Japan.

Western bankers have lent Taiwan $2.7 billion in long-term credits, with the island having a net capital inflow, in the last year alone, of $526 million.

A recent syndicated loan for the Bank of Taiwan was heavily oversubscribed

"Sometimes it looks like we are standing in line here," observed an American banker who frequently travels to Taipei.

CONSERVATIVELY MANAGED ECONOMY

The reason for the bankers' bullishness about Taipei, he explained, is that the economy is conservatively managed; the country's debt-service ratio, a rough measure of its ability to pay off its long term debt with export earnings, is the lowest in Asia. Last year it dropped to 5.6 percent, less than half that of South Korea, the Philippines or Indonesia.

Ironically, if bankers and other businessmen now see a fault with the 10 major projects, it is that they do not go far enough. For now that Taiwan is making the effort to become an industrialized country, it will be thrust into a new level of competition. Its petrochemicals and tankers will have to compete with Japan, not just Hong Kong and the Philippines, as its textile and electronics industries do.

"Taiwan is trying to join the major league, but it has a long way to go in marketing, quality control and product development to get out of the minor leagues," said one American familiar with the island.

In addition, some outside businessmen see reason for concern in the kind of money Taiwan is attracting. Last year foreign businesses invested $141.5 million in Taiwan, a marked increase after a three-year decline. But most of it still went to the light industries—51 percent to electronics alone—that Taipei is trying to get away from.

The chemical industry, which has priority under Taiwan's current Six-Year Economic Development Plan, received only 8.8 percent, and heavy machinery manufacturing 8.7 percent.

[From the Far Eastern Economic Review, Apr. 8, 1977]

Taiwan—The Largest—For Its Size

(By William Glenn)

Taipei: Changes made in the 1975 revision of the banking law were not far-reaching. The Government wanted modernisation but was unwilling to relax its own tight controls: managers conditioned under the old system still call the tune. The basic fault is a conservatism that even Premier Chiang Ching-kuo has complained about—to little avail. Loans are made on gilt-edged security or because the Government approves. In the post-recession era of tight money, limits on bank credit have caused problems for many small and medium-sized businesses and industries. Dubious loans made with Government approval have not helped, either, even though those responsible went to jail. The banking community became even more cautious.

For its size (14,000 sq. miles) and population (16.5 million), Taiwan probably has the biggest banking system in the world. There are 16 domestic banks with 505 branches, 74 credit cooperative associations, 288 credit departments of farmers' associations, seven mutual savings and loan companies with 81 branches, a postal savings system with 790 offices and 1,613 agencies, seven investment and trust companies and 12 foreign banks (eight of them American). Also included among financial institutions, by Government definition, are nine life insurance companies, 14 fire and marine insurance companies, a development corporation and bills finance corporations.

A Government committee is now studying new incentives for investment in more technological industries in order to build on the foundation laid by the 10 major projects.

But the biggest reported change, a one-to-three-year extension of the current five-year tax holiday for favored industries, may not be enough to bring in capital-intensive heavy industry; some businessmen believe that would not be long enough for them to build their factories and start operations.

RESHAPING INDUSTRIAL STRUCTURE

For the present, however, Government officials point with pride to the progress of the 10 major projects in reshaping the basic industrial structure of this island of 16 million people.

The most expensive of the projects, at least $2.3 billion, is the construction of three nuclear power plants which, when completed, will about double Taiwan's electric generating capacity from 5.3 million kilowatts to nearly 11 million kilowatts in 1984.

The plants will also make Taiwan almost 50 percent dependent on nuclear power. Government officials believe this will bring large economies, saving millions of dollars in imported Middle Eastern oil, but it also carries a variety of potential difficulties, not least of which is insuring a steady supply of uranium.

The most controversial of the projects has been the steel mill. Its final cost, according to M. H. King, a vice president of the China Steel Corporation, will run to nearly $1 billion. The plant's debt, as of Dec. 31 last year, was already $553 million, with interest running to about $1.8 million a month. Can it produce at a profit against competition from Japan, which already has most of the market in Taiwan?

An American banker who has put money in the steel mill believes it will eventually, but with the Government subsidizing the price through charging higher tariffs on Japanese imports.

Of the other projects, five are for improvements in Taiwan's transportation facilities, which basically date back to the Japanese colonial regime here before World War II. Among them are a freeway to connect the port of Keelung in the north with that of Kaohsiung in the south, two new ports, a new airport for Taipei at Taoyuan, electrification of the north-south trunk railroad and a new railroad along the mountainous east coast.

At the end of 1976, the financial system showed deposits of US$11,452 million, up 23.5% for the year. Loans and investments amounted to US$11,773 million for an increase of 17.7%. Reserves totalled US$2,628 million and excess reserves US$234 million. The money supply stood at US$3,434 million for a year's gain of 19.4%. Foreign assets reached an all-time record of US$3,600 million at the end of January Trade surpluses, the continuing inflow of capital in the form of loans and investments, and currency swapping, were mainly responsible for an increase of nearly 100% since the end of 1975.

Some Government officials and economists have suggested that reserves are too high. Those who control banking do not agree, and suggest that anticipated import increases will whittle down the excess before the end of 1977. The Central Bank said it would not discontinue currency swaps with foreign banks operating in Taiwan to reduce the high reserve level. Foreign banks sell foreign-exchange to the Central Bank for New Taiwan dollars to be used for local lending, then buy back the exchange within six months. Such short-term pre-export transactions accounted for more than a third of foreign-exchange holdings in 1976. Each foreign bank is limited to US$1 million of such transactions a day. The daily limit per borrower is US$200,000.

South Korea terminated currency swapping at the end of 1976 because foreign-exchange reserves had climbed to nearly US$3,000 million. The Central Bank maintains that swapping increases reserves only temporarily and that it aids trade. Foreign banks admit that the loan business generated by swapping is an important part of their operations, which otherwise are rather sharply circumscribed. The Government welcomes foreign banks for political as well as economic reasons, but does not allow them to compete in some of the most lucrative branches of banking—savings accounts, for example.

A ninth American bank—Seattle First National—has established a liaison office in Taipei and may subsequently open a branch. Chase Manhattan, whose chairman David Rockefeller visited Peking recently, went out of its way to make clear that its tighter foreign loan policy would not be applied here.

Taiwan has no trouble getting credit from the foreign banks. Yu Kuo-hua, Governor of the Central Bank, announced in February that a syndicate of New York banks had oversubscribed by US$100 million the Government's request for US$120 million to finance infrastructure projects. The US Export-Import Bank has agreed in principle to provide 55% and guarantee 25% of a US$212 million loan for thermal power generation, in southern Taiwan. A US$20 million loan agreement with Chemical Bank of New York's Taipei branch and six other foreign banks was signed by Taiwan Power Company in March. Chase Manhattan recently loaned another US$10 million to Nan Ya Plastics, which had already borrowed US$18 million from the New York bank.

Taiwan's gross national product is about 6.3-times its foreign indebtedness of US-$2,700 million. This puts the island not only among the richest developing lands but also among the most creditworthy. Political considerations do not appear an important factor in banking assessments of Taiwan's ability to repay loans. Neither do threats from the so-called Taiwan Peoples Liberation Front, which mailed a message to "foreign imperialists and capitalists" investing in Taiwan early this year. Foreign banks were among those ordered to depart by the end of June on pain of "due punishment by unfortunate event" thereafter. The Front said foreigners are interfering with the "unification of China and the liberation of the people of Taiwan.

Although business and industry complains of declining profits, the Government adamantly declines to devalue the currency. The NT$38=US$1 rate was set in February 1973, and represented an upward revaluation from the NT$40=US$1 rate in effect since 1963. With other Government leaders, Premier Chiang Ching-kuo, who tried to combat inflation with currency reforms in Shanghai during the late 1940s, believes that the inflationary risk of devaluation outweighs any possible export benefits. The rate will stay at 38:1 barring an economic cataclysm.

The Government reduced interest rates fractionally last October and again in December. Another small cut is in prospect for rates, which now stand at 12.50%–12.75% unsecured and 11.75%–12% secured. Export loans are made at 7%; time deposits earn 10.75%, the passbook rate is 6%.

In 1976, those who could not qualify for bank loans paid an average 2.14% monthly for postdated checks and 2.20% for unsecured loans. Deposits with companies earned 1.76%. Interest on some unsecured loans goes as high as 3% monthly.

Three bill-financing companies supported by domestic banks are being established to help provide short-term financing. The oldest has been operating less than a year: volume is small. This new money market may be a convenience to well-heeled companies with guaranteed commercial paper and other credit instruments, but it will not help those who now must go to the unorganised money market.

Newly-established is the Government's Guarantee Fund for Small and Medium Enterprises, assuming 70% of the risk for banks and guaranteeing approved commercial paper in amounts of NT$1 million or less. Eligible companies must have been engaged in manufacturing for more than six months and have no more than NT$10 million in capital and less than NT$20 million in net assets.

SENATOR PERCY TESTIFIES ON HOUSING AND COMMUNITY DEVELOPMENT

Mr. BROOKE. Mr. President, on April 21, the distinguished senior Senator from Illinois (Mr. PERCY) testified before the Committee on Banking, Housing, and Urban Affairs concerning the future of Federal housing and community development programs. Because Senator PERCY's testimony is a thoughtful contribution to the discussions we have been having on the direction these programs should take, I would like to share it with my colleagues.

Mr. President, I ask unanimous consent that the text of the Senator's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE CHARLES H. PERCY BEFORE THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. Chairman and distinguished Members of the Banking Committee, it is indeed a pleasure for me to be here today to testify on housing and community development legislation. As many of you know, I am a former Member of this Committee myself and although my committee responsibilities have changed, I have neither forgotten nor lost interest in the vitally important work you do. Recently, I had the opportunity to meet with HUD Secretary Patricia Harris and discuss the achievements, problems and future directions of our nation's housing programs. I reaffirmed to her, as I reaffirm to you now, my commitment to safe, sanitary and decent housing for all Americans and my willingness to help as much as possible in the formulation and implementation of effective programs to achieve our national housing goals.

This morning I would like to comment on some of the specific housing and community development proposals under consideration by the Committee and, in particular, on the Neighborhood Preservation Act introduced by the able Chairman, Senator Proxmire, and by the distinguished ranking Republican, Senator Brooke. Before I proceed, I want to express my satisfaction that the Senator from Massachusetts is the new ranking Republican Member. He knows a great deal about housing and urban problems and I know he will make an outstanding contribution to the work of this Committee.

Mr. Chairman, the Housing and Community Development Act of 1974—the first major housing legislation enacted since 1968—charted an entirely new course for the nation's housing and urban aid programs. The major provisions of the measure instituted a three-year $8.6 billion dollar program of block grants for community development and established a new rental assistance program—Section 8—for low- and moderate-income Americans while extending several existing programs, including the Section 235 homeownership assistance. Among the other highlights of the Act, I was particularly intrigued by the potential for the urban homesteading program and gratified by the attention given to the housing needs of the elderly and the handicapped.

Three years later, I remain a supporter of the housing programs and urban aid concepts embodied in the Housing and Community Development Act of 1974, but I am deeply concerned by the extent of mismanagement of these programs and of frustration of Congressional intent. The virtues of otherwise sound programs have been obscured by the faulty operations of agencies entrusted with implementation of our housing laws—and I am speaking here of the FHA—which erode the confidence of the people in their public institutions and take us off the track of meeting our national housing goals. FHA has also been cited as a major factor in the resegregation of entire Chicago neighborhoods, contributing to the aggravation of racial tension and wholesale deterioration of residential neighborhoods. One specific example deals with FHA appraisers who came under criticism for using the changing racial patterns in an area as a negative factor in appraising the value of homes to be sold through FHA programs.

During the last year, the Chicago Urban League cited Chicago as the nation's "most segregated" city, based on a report on housing by the U.S. Civil Rights Commission. Although such segregated housing patterns are not by any means totally attributable to federal housing programs or to the FHA, it is untenable that such conditions should exist a full nine years after enactment of the fair housing laws. I urge the Committee to make full use of this opportunity for corrective action. What to do about FHA is not a new problem. What we have, with a new Administration and a new bill, is the chance to begin again and put our housing programs on firm footing.

I will comment briefly now on some of the proposals you have before you in this Committee:

I support a three year re-authorization of the Community Development Block Grant Program. As an early supporter of federal revenue sharing, I feel strongly positive about programs that maximize local control over the planning and development process. Many Illinois mayors and local officials have told me that their cities and neighborhoods have benefited from the increased flexibility provided by this program over the old categorical programs. It has fostered creativity among local governments and has nurtured in the community an awareness of the need and desirability of citizen participation in designing plans for creative government at the grass-roots level. A three-year extension is desirable from two standpoints; first, to give local governments sufficient time for adequate planning and, second, to give Congress the opportunity to review the effectiveness of the program at reasonable intervals.

With further reference to the Community Development Block Grant program, I support and urge enactment of the dual approach to the allocation of funds proposed by HUD. Under this proposal, a city would receive the larger of amounts computed under the existing formula—based on population, amount of housing overcrowding and poverty weighted twice—or under a new formula based in age of housing stock, poverty and "growth lag," the extent to which a city's population growth rate between 1960 and 1973 fell short of the average population growth rate of all metropolitan cities during the same period. This is an important and significant improvement in the funding formula that will improve the equity of the block grant program and benefit the older more depressed cities that are in the greatest need. Removing the straight population figure as a factor in the second formula represents a tremendous step forward in facing up to the reality that cities whose growth rates have slowed or declined are in the worst shape in terms of eroded tax bases, flight to the suburbs and inability to attract new investment. These are the cities that need help.

Should the old formula be the sole determinant of future fund allocations, the money would, in effect, flow from the older cities to new communities as the "hold harmless" entitlements were phased down. According to a Congressional Quarterly analysis, among the cities that would lose money under the existing formula if there were no "hold harmless" provision are Boston, Charlotte, Detroit, Philadelphia, Cincinnati, Cleveland, Milwaukee, Atlanta, Minneapolis, St. Louis, Kansas City, Newark and Washington, D.C. Yet most of the cities I mentioned are commonly acknowledged to need more not less help in addressing contemporary urban problems.

Mr. Chairman, under the second formula, many Illinois cities would receive greater entitlements than under the present formula and I am pleased that this is the case. Illinois has been getting the short end of the stick on federal funding formulas for years and remedial action is long overdue. Illinois, of course, is only one of the beneficiaries—the new formula will improve the standing in general of the Northern and Midwestern industrial states. It is fruitless to have, as the keystone of our national urban policy, a program whose main thrust is not directly aimed at the older central cities whose problems have been aggravated and compounded in recent years. I think the Administration has given us a workable, practical and fair alternative in the dual formula proposal, which targets aid to the older urban centers without penalizing newer communities who have made creative use of their community development block grant funds.

Further, I endorse the new Administration proposal for Urban Development Action Grants. This would enable selected cities to receive special grants as a supplement to the community development block grant program for neighborhood reclamation projects, some economic redevelopment and other special projects. I have discussed this with Secretary Harris and I am convinced that it is a sound approach to helping the cities which will provide an economic and social return far in excess of the money spent on it. I urge the Committee to give Urban Development Action Grants favorable consideration.

In addition, I would like to urge the Committee, in its deliberations on a final bill, to place special emphasis on the following:

HOMEOWNERSHIP

Expanded authority for HUD to implement alternative mortgage instruments, in particular, the graduated payment mortgage. The cost of homeownership today has reduced the proportion of American families in the last five years who were able to buy a median priced new home from 54.7% to

39.6%. Because of factors such as land and construction costs, homeownership costs rose 1½ times faster than income in that time period for typical first-time homebuyers. Most of the first-time buyers are young families who have the desire, the fiscal stability and the prospects for a sound future conducive to successful homeownership but they do not have an income high enough in the early years to accommodate the conventional mortgage system of 360 equal payments over a thirty-year time span.

I have long been an advocate of homeownership. I feel that continued use of the 235 housing program along with a new system of graduated payment mortgages will greatly expand opportunities for homeownership among middle income Americans rapidly being priced out of the housing market.

CONSUMER-ORIENTED HOUSING PROGRAMS

For years I have supported—and introduced legislation to back up—the concept of making FHA housing programs work for the benefit of the housing consumer. The 1974 Housing Act incorporated a number of my proposals, albeit in greatly modified and less specific terms. I ask the Committee to consider a warranty and inspection program—which I understand is now under study at HUD—for FHA insured housing and greater emphasis on prepurchase counseling.

Finally, I would like to comment on S. 411, the Neighborhood Preservation Act, which I co-sponsor and which I hope can be incorporated in some form into the extension of the Housing and Community Development Act. Specifically, the bill provides that communities shall emphasize the rehabilitation of existing housing in their low-rent housing programs, by being required to identify their rehabilitation needs in a housing preservation plan to be submitted as part of the required Housing Assistance plan (HAP) in applying for community development block grants. It requires localities to designate "concentrated revitalization" areas in which at least 90% of Section 312 rehabilitation loan funds must be allocated. It also amends the 312 program by eliminating the flat 3% interest rate and substituting a sliding scale of interest rates based on income of the borrower, with a maximum income limit of $20,000.

This is not a new program, but a new approach using existing federal programs for the cities to encourage preservation and rehabilitation of the existing housing stock by requiring local governments to devise neighborhood redevelopment strategies. It represents a significant breakthrough in the treatment of urban problems without overloading us with new programs, new agencies and new bureaucracies. It also represents a way to deal with two serious housing-related problems that have come to light in Chicago and which, I am certain, occur in other cities; first, the problem of abandoned houses and second, windfall profits to speculators who use federal loans to rehabilitate houses and then turn them over quickly at increased prices beyond the incomes of the average wage earner in the neighborhood.

If there were a comprehensive effort made to rehabilitate older structures, perhaps there would not be 45 square miles of abandoned buildings in the city of Chicago, providing breeding grounds for crime and eyesores for once-pleasant, family neighborhoods. Housing rehabilitation is one means by which to provide better housing for those already living in the central city and one means by which to attract back to the city those who flee to the suburbs each year in increasing numbers. It does not provide all the answers but it is a beginning, and I applaud the emphasis the bill would require to be placed in this area.

The question of windfall profits to housing speculators is a difficult one, and one of great controversy in Chicago and other cities. The profit incentive is absolutely necessary to capture and hold the interest of the private sector in revitalizing the cities. Government cannot and should not do it all. I have concluded, however, that where federal programs such as 312 are involved, the government should come forward on the side of the person who is likely to be fixing up a house so that he himself can live in it and remain or become a part of the community. For this reason, I very strongly support the income cap in S. 411 for eligibility for 312 loans.

Mr. Chairman, this concludes the remarks I wish to make on pending housing and community development legislation. I would only like to add that I have spent a great deal of time in recent months thinking about housing and related problems, and about the future of the cities and I wish there was time for me to cover more subject matter and in greater detail. I hope you will find what I have said to be useful and that you will call on me for any assistance I can render the Committee.

We have so often in the past come up with this program or that program which was supposed to provide all the improvements we wanted. So many of them have not worked, or have been abused, or have brought results the opposite of what was expected. In the Housing and Community Development Act of 1974, I think we finally got off to a good start. Certainly these programs are not perfect nor will they satisfy everyone—but they do provide a good foundation for our continued efforts to meet our commitment to the American people in the area of housing and to reaffirm that there is a future for the American city.

REGULATORY REFORM: AGENDA AND SUNSET DISCIPLINE MEETS INCREASING ACCEPTANCE

Mr. PERCY. Mr. President, on behalf of Majority Leader Robert C. Byrd and Senator Abe Ribicoff, I am pleased to announce the addition of five cosponsors to S. 600, the Regulatory Reform Act of 1977. This brings the total number to 39. The new cosponsors are: Senators Wendell Anderson, John Danforth, Mark Hatfield, Daniel Inouye, and Howard Metzenbaum.

They join, as cosponsors to S. 600, Senator Allen, Senator Bentsen, Senator Burdick, Senator Harry F. Byrd, Jr., Senator Chafee, Senator Chiles, Senator DeConcini, Senator Domenici, Senator Durkin, Senator Eastland, Senator Ford, Senator Gravel, Senator Hansen, Senator Haskell, Senator Heinz, Senator Huddleston, Senator Humphrey, Senator Johnston, Senator Kennedy, Senator Leahy, Senator Lugar, Senator Mathias, Senator Matsunaga, Senator Nunn, Senator Riegle, Senator Roth, Senator Schmitt, Senator Scott, Senator Stafford, Senator Tower, and Senator Zorinsky.

They are not the only ones who see the need for regulatory reform and the wisdom of the sunset approach contained in S. 600. Last month, Common Cause testified before the Subcommittee on Intergovernmental Relations on the need for establishing a rigid timetable and agenda for reforming the Federal regulatory agencies. The Common Cause spokesman noted that:

> The climate for regulatory reform is excellent. Liberals and conservatives, persons inside and outside of government are on the regulatory reform bandwagon. Admittedly, regulatory reform means different things to different people. But almost everyone is ready to begin the review. Unfortunately, no systematic approach to regulatory reform has been adopted. Sunset offers such an approach. For the first time, regulatory practices would be reviewed on a periodic and orderly basis.
>
> S. 600's provisions requiring the President to submit comprehensive regulatory reform plans to Congress and requiring reports by GAO and CBO would result in the comprehensive policy review we seek from Sunset.

I am particularly pleased that the sponsors of S. 600 have been able to reach agreement with Senators Muskie and Roth, the principal sponsors of S. 2, on a means for resolving possible conflicts between these two sunset procedures. In connection with the markup last week in the Intergovernmental Relations Subcommittee of Governmental Affairs Committee, it was agreed in principle that as S. 2 moves toward consideration in the full committee, agencies and functions which are principally regulatory will be reserved for consideration under the comprehensive procedures of S. 600 and will not be subject to the 5-year periodic budget reauthorization procedure set forth in S. 2.

The obvious reason for this is a recognition, on all our parts, that the regulatory agencies have never been subject to an intensive and systematic review since the inception of the first independent regulatory commission—the Interstate Commerce Commission—back in 1887. Because S. 600 calls for a rethinking of the entire regulatory process, it is important that key regulatory commissions, agencies, and functions which substantially impact on the economy be reconciled with present regulatory needs of a much changed, and continually changing economy.

Accordingly, on behalf of the cosponsors of S. 600, I commend Senators Muskie and Roth for their willingness to exempt principal regulatory agencies functions from S. 2, in order to pave the way for their treatment under S. 600 when considered in the Governmental Affairs Committee and on the floor later this year. This is a major step forward in the progress of both these bills.

I personally look forward to participating with Senators Muskie and Roth in hearings on S. 600 which will be commencing on May 23.

Many States have adopted, or are now adopting, sunset laws to apply to their own governments. Most of these deal specifically with a phaseout of regulatory agencies and functions in the absence of comprehensive review and reconsideration of their need. At the National Conference of State Legislatures, Bruce Adams of Common Cause eloquently described the rationale and progress of such State laws. What began as the idea of one man—Craig Barnes of Colorado—has mushroomed into a national movement in less than 2 years. "Sunset" has become a household word.

Mr. President, Bruce Adams' analysis, on behalf of Common Cause, is thoughtful and lucid. It will be useful as we consider the Federal sunset possibilities in the months ahead, and I ask unanimous consent that it may be printed in the Record at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

STATEMENT OF BRUCE ADAMS, ON BEHALF OF COMMON CAUSE

SUNSET: A WORKABLE APPROACH

We all know why you as State government officials are here today. Citizens are upset with government, and you want to do something about it. The pollsters tell you—and you feel it—that the base of public support for government is perilously thin. The reasons are obvious: Certain essential services are not provided; still others are provided in an inefficient and wasteful manner. Taxes are up. Regulation is too burdensome. Accountability is often undermined by secrecy and special interest domination.

That is why you are here. But why is Common Cause here? Isn't Common Cause the group that advocates sunshine and ethics? Common Cause is a 250,000 member citizens' lobby dedicated to the proposition that government can be made to work. The reforms proposed by Common Cause—sunshine, ethics, disclosure, and sunset—all stem from a common theme. They all aim at increasing the accountability of our institutions of government. Common Cause stands ready to work with you and other problem-solving officials toward the goal of a government that works. As Neal R. Peirce, whose syndicated columns have done as much as anything to spread the word about sunset to the states, has written:

"The sunset law places Common Cause at the cutting edge of an overriding issue of our times—controlling the growth of bureaucracies, lest government, by its very complexity and distance from average citizens, becomes paralyzed and incapable of performing its essential tasks."

The sunset legislation that we are here to discuss this weekend is an excellent example of the creative role that citizens can play in a representative democracy. Sunset is the brainchild of a Colorado Common Cause activist—a Denver lawyer named Craig Barnes—who had grown frustrated with more traditional methods of reforming Colorado's regulatory structure. It is a tribute to the power of ideas in our political process that less than one and one half years after Barnes first broached the idea, ten states have enacted sunset laws—Alabama, Arkansas, Colorado, Georgia, Florida, Louisiana, New Mexico, Oklahoma, South Dakota, and Utah.

I have included with my statement the results of a recent Common Cause state-by-state survey of sunset activity. Incredible as it might seem, we found that every state has at least considered sunset during the last year. Common Cause expects enactment of sunset legislation in many more states in the next year. In Montana and Indiana, sunset bills await the signature of the governors. In another dozen legislatures, sunset legislation has already passed in one house this year. Study resolutions have been adopted in Michigan and Virginia. I understand that the legislative leaders in New York plan to introduce legislation in the near future. Congress is into its second year of serious deliberation on sunset legislation.

What is sunset and why is it needed?

I take it that I have made my point—sunset is a hot item. But what is it? Common Cause would define sunset as an action-forcing mechanism designed to increase executive branch accountability through improved executive and legislative evaluation of programs and agencies. While Sunset has many possible applications, a typical Sunset law would establish a timetable for review of a group of programs, laws, or agencies. These would terminate on certain established dates unless affirmatively recreated by law. This threat of termination is the mechanism designed to force evaluation.

Why, you ask, do we need sunset? Can not the legislature terminate programs and agencies now? The legislatures do have the power to terminate existing programs and agencies. But they seldom exercise that power. There is a grain of truth in the saying that "Old agencies never die. They don't even fade away." Programs and agencies tend to proliferate. Evaluation reports sit on the shelf. The reasons are not mysterious—program evaluation and legislative oversight are difficult, time-consuming tasks.

It is easy to put them aside. Most legislators look ahead rather than behind. They are extremely busy and can always justify doing something other than oversight. Proposing legislation is more glamorous than reviewing existing laws.

In recent years, many state legislatures have made improvements in their evaluation work. But most legislatures still spend far too little time on oversight and make little use of the program evaluation information that they do receive. The lack of legislative response to the 1971 report of the New Jersey Professional and Occupational Licensing Study Commission serves as an excellent example of the need for the action-forcing mechanism of sunset. After a thorough study, the Commission proposed abolition of ten regulatory boards and substantial substantive changes in others. There has not been any legislative action on these recommendations in six years.

What is the Common Cause approach to sunset?

Common Cause views sunset as a way to make government work. But the name and the termination mechanism alone are not enough. Sunset should not be a tool for those out to destroy government. Nor should it be mere rhetoric designed to placate the public. Common Cause believes that sunset legislation must contain the institutional arrangements necessary to guarantee meaningful and thoughtful program evaluation. Evaluation is the key to the increased accountability that we seek.

In testimony before a U.S. Senate subcommittee last year, Common Cause Chairman John Gardner suggested ten basic principles essential to any workable sunset law:

First: The programs or agencies covered under the law should automatically terminate on a date certain, unless affirmatively recreated by law.

Second: Termination should be periodic (*e.g.*, every six or eight years) in order to institutionalize the process of reevaluation.

Third: Like all significant innovations, introduction of the Sunset mechanism will be a learning process, and should be phased in gradually, beginning with those programs to which it seems most applicable.

Fourth: Programs and agencies in the same policy area should be reviewed simultaneously in order to encourage consolidation and responsible pruning.

Fifth: Consideration by the relevant committees of Congress must be preceded by competent and thorough preliminary studies.

Sixth: Existing bodies (*e.g.*, the executive agencies, General Accounting Office) should undertake the preliminary evaluation work, but their evaluation capacities must be strengthened.

Seventh: Substantial committee reorganization, including adoption of a system of rotation of committee members, is a prerequisite to effective Sunset oversight.

Eighth: In order to facilitate review, the Sunset proposal should establish general criteria to guide the review and evaluation process.

Ninth: Safeguards must be built into the Sunset mechanism to guard against arbitrary termination and to provide for outstanding agency obligations and displaced personnel.

Tenth: Public participation in the form of public access to information and public hearings is an essential part of the Sunset process.

Common Cause views the sunset process as a means of increasing executive branch accountability through increased evaluation. The sunset process should not be limited to a "yea" or "no" vote on whether to continue an agency. The Alabama sunset law—which should really be termed a "High-Noon" law instead—required the legislature to vote "yes" or "no" on over two-hundred agencies, one right after the other with a two hour limit on debate for each agency. Because of the crushing workload, few detailed evaluations were prepared and the information that was turned up was not used to change statutes or adjust budgets. This is not Common Cause's view of a good sunset process. We assume that many agencies will be continued. Sunset is more of a "yes, but . . ." rather than a "yes" or "no" process. The test of whether sunset is working, as Colorado Governor Richard D. Lamm properly has pointed out, is whether agencies are made more responsive and accountable, not merely how many are terminated. Through sunset, the legislature says to most agencies: "Yes, you will continue, but you are going to shape up." If sunset is working as it should, legislative mandates will be rewritten, public members added to boards and commissions, and other reforms instituted.

Even before the sunset reviews begin, Colorado provided us with a hint of the promise of sunset as an accountability device. In 1975, the Shorthand Reporters Board certified only 3 of 84 applicants, an example of the way some state regulatory agencies block access to occupations, impede competition, and lead to increased consumer costs. But last year, after the Board became the subject of much discussion at the time of debate over Colorado's Sunset law, the Board conducted a massive housecleaning of procedures and increased its certification rate to 50%. In this session of the Colorado General Assembly, a large number of reform bills have been requested by agencies set for review in future years. Facing the certainty of close public scrutiny, agencies are reforming their rules and regulations. They want to be ready for their moment in the sunshine. Of the five agencies voted on by Senate committees in Colorado to date, three have been terminated and two have been the subject of substantial substantive change.

How should sunset work?

It is not possible to design a program evaluation process that could be used in every state. Existing state resources and government organizations vary considerably. That is why Common Cause has proposed ten sunset principles rather than a model bill. Nevertheless, I would like to describe in general terms how Common Cause thinks a sunset process should work.

Let's take a licensing agency and its underlying statute that are set for termination on July 1, 1979. At least one year before termination—preferably, as early as the spring of 1978—representatives of the relevant standing committees of each house should meet with representatives of the agency and the state's evaluation agencies. From this meeting, the committee should establish a work plan for the year-long evaluation. In most cases, the agency under review would be asked to provide certain basic data. The committees would designate in their work plan whether, for example, the governor's budget office or the legislature's fiscal staff would prepare an evaluation report summarizing basic findings and providing policy options. The committees should receive the evaluation report in the late fall or early winter of 1978. Public hearings should be held before the session or, at a minimum, in the early weeks of the session. This should allow the committee time to prepare a committee report and draft a bill incorporating needed substantive changes long before the end of session logjam.

I now would like to focus on four key elements of the evaluation process—the work plan, preparation of evaluation reports, the evaluation criteria, and committee consideration—as well as some important lessons that we have learned from our first year of experience with sunset.

I. Evaluation Work Plans

The greatest problem with evaluation is that it is not used. All too often, evaluation is done with no thought of whether or not it will be useful to legislative policy-makers. Also, laws often express vague or conflicting objectives, making evaluation difficult. The work plan—an integral part of the sunset bill that passed the Maryland Senate—forces the evaluator and the legislative committees to sit down together and to communicate concerns and priorities. Through early communication and continued monitoring, the committees can ensure that the evaluation product is useful to them in their deliberation.

II. Preparation of Evaluation Reports

While sunset is generally thought of as a legislative tool and zero-based budgeting as an executive tool, the two complement each other and can be integrated into a coherent evaluation system. Sunset should be a partnership between the executive and legislative branches aimed at making government work. Very few state legislatures have standing committees that have the staff resources to enable them to prepare meaningful agency evaluations. The Florida and Louisiana laws require the standing committees to do the preliminary evaluation work. They are almost certain to be overwhelmed with work.

In most states, it is important that evaluation be done outside of the legislative committee structure. Each state must decide which state entities are most able to perform the evaluation task and must provide them with the staff and resources necessary to do an adequate job. For example, the Colorado law directs the Legislative Audit Committee to have a performance audit completed prior to the termination date. The State auditor's office reports spending over 9,000 hours at a cost of over $130,000 to prepare the thirteen audits required for 1977. In many states, the executive branch has a greater evaluation and fact gathering capacity than the legislative branch. It makes sense to build these executive branch evaluation resources into the sunset process.

The evaluation report is critical. Colorado Senate President Fred Anderson, the author of the perofrmance audit requirement in the Colorado law, has pointed out that without the evaluation report the fate of agencies might rest on whim or misinformation. The job of marshalling information into a manageable review package with policy alternatives set forth in straightforward terms is a difficult but essential task. Legislators are busy people whose talents lie in making common sense political judgments, not in analyzing mountains of statistics described in the sometimes incomprehensible language of bureaucrats. Legislators must have information readily available that allows them to refine the goals and purposes of agencies and to identify alternative methods to achieving those goals.

III. The Evaluation Criteria

Virtually all sunset legislation contains evaluation criteria to guide the legislators and evaluators in their sunset reviews. Benjamin Shimberg, of the Center for Occupational and Professional Assessment at the Educational Testing Service, has suggested that the sunset review "should be a two-step process. The first step should be a determination of need. The second step should be an examination of the way in which the agency has fulfilled its mandate." Common Cause agrees. The first line of inquiry is whether the government should perform the function under evaluation (*e.g.*, should the state license barbers?). The Florida law poses a series of questions that are relevant to this point (*e.g.*, Would the absence of regulation significantly harm or endanger the public health, safety, or welfare?). The second line of inquiry assumes a positive answer to the first and asks whether the function could be performed in a better way. The Colorado law establishes criteria that are relevant here (*e.g.*, The extent to which the division, agency, or board has permitted qualified applicants to serve the public.). The sunset bill that passed the West Virginia Senate adopted this two stage approach to sunset review.

IV. Committee Consideration

The Alabama law establishes a special joint committee to perform all sunset reviews. This is not a good idea. It is important that the existing legislative committees take responsibility for program review and oversight within their areas of expertise. Oversight should be an integral part of the duties of all legislative committees and sunset is a mechanism for establishing the necessary discipline. Creation of a special joint committee is a legislative admission of failure, an admission that the standing committees cannot do their jobs.

A joint committee is likely to become a bottleneck that impedes rather than facilitates action. It is preferable to spread the committees. The Arkansas legislature established a Joint Performance Review Committee to monitor the sunset law but not to do the actual evaluation. This committee can be a mechanism for forcing the standing committees to carry out their obligations under the law.

V. Other Aspects of the Sunset Process

Over the past year, Common Cause has found that the Colorado law is not a model law for use in every state. It is, however, an excellent first draft. No significant and far reaching legislative proposal can be blueprinted ahead of time. We proceed slowly. The descripiton of how a snnset process should work is based on the lessons of this last year. A few others are especially worthy of note. First, the Florida law established a joint committee and gave it one year to prepare for implementation. The disappointing experience in Alabama with sunset and even the generally positive Colorado experience have demonstrated the wisdom of providing additional time for implementation. Second, the Colorado law terminates agencies but leaves their underlying statutes on the books. The Florida, Georgia, and Utah approach—with sunset applied to the laws as well as the agencies—is preferable. In Colorado, the Board of Cosmetology, for example, might terminate under sunset, but the law to require cosmetologists to be licensed might remain. Thus, there would be a requirement for a license, but no state agency to issue a license.

Should we apply sunset to the entire Government?

It was inevitable that people would learn of the Colorado law and conclude that if sunset is such a good idea, they should apply it to all government programs and agencies. The Alabama, Arkansas, and Louisiana legislatures did just that. Ultimately, these legislatures may be responsible for ruining a good concept by loving it to death.

Program evaluation is immensely difficult and costly. Evaluation techniques are still in the developmental stage. As Common Cause Chairman John Gardner has said: "Like all significant innovations, introduction of the Sunset mechanism will be a learning process, and should be phased-in gradually beginning with those programs to which it seems most readily applicable." Allen Schick, an expert on state and federal budgeting, told the 1976 annual meeting of the National Conference of State Legislatures: "The more comprehensive you are, the less analytic you are and the less likely there will be change." The planning-programming-budgeting system (PPBS) experience of the 1960s should serve as a warning of the danger of a reform that choked itself with paperwork. Common Cause would much rather see thorough evaluation of selected agencies and programs than superficial evaluation of all agencies and programs. Common Cause believes that if Sunset is phased-in and made to work, its coverage can be expanded at a later date.

No state currently has the capacity to perform comprehensive, government-wide evaluation. Such a requirement would overload the system to the lasting detriment of the Sunset concept. There are two clear dangers in an overambitious Sunset law.

First, agencies might be routinely recreated because of the lack of time for meaningful deliberation. Second, entities that have wide public support might fail to be recreated in the confusion caused by repassage of so much legislation in the last minute logjam. In either case, Sunset would be discredited just as PPBS was discredited by well motivated government officials trying to do too much evaluation in too short a period of time. Sunset should not be allowed to become a bureaucratic paper-shuffling exercise. Also, Common Cause would not support a sunset proposal that would so overburden the legislature that it could not find time to do evaluations that come up on an emergency basis. Legislatures must build in the flexibility to allow them time to tacke targets of opportunity.

Common Cause is quite serious about the need to go slow with sunset. Our experience over the last year has taught us that this is by far the most important of our ten principles. Last month, Common Cause President David Cohen devoted the bulk of his testimony on the federal sunset bill (S. 2) before Senator Muskie's Subcommittee on Intergovernmental Relations to the need for and ways of phasing-in sunset. Common Cause proposed four priority areas in which to initiate sunset—tax expenditures, regulatory activities, programs selected on a priority basis by action of the Congress each year, and advisory committees.

On the state level, Common Cause—in Colorado and elsewhere—has advocated sunset for regulatory agencies. While regulatory agencies do not have substantial budgets, they do have a heavy cost impact on the economy and are a source of much citizen dissatisfaction with government. An added incentive for applying sunset to regulatory agencies is that they are given little scrutiny in the budget process. Six of the ten state sunset laws—Colorado, Florida, Georgia, New Mexico, Oklahoma, and Utah—are aimed primarily at regulatory activities.

Common Cause has demonstrated that we are prepared to lobby as hard against a bad or overambitious sunset law as for a good one. In the last days of the 1976 session, the Iowa legislature adopted a sunset law for a host of departments and regulatory agencies. Because of the hasty manner of approval—without a public hearing or serious legislative debate—and the broad coverage, Common Cause urged the Governor to veto the bill. He did so. In Florida, Oklahoma, and Utah, Common Cause opposed sweeping sunset bills and the legislatures adopted laws similar to Colorado. Common Cause/Nebraska stopped one bill by labeling it "Total Darkness" and able to focus the unicameral on a more responsible sunset bill.

In addition to trimming the number of agencies covered, states should consider expanding the review cycle. The four year review cycles for 400 agencies in Alabama and 20 departments in Louisiana are ridiculous. Little meaningful evaluation will result. An eight or ten year cycle would make more sense. Legislative leaders in states that have enacted over ambitious sunset laws should take responsibility for establishing evaluation priorities so that not all agencies are given rubber stamp approval.

* * * * *

Legislative oversight has been, in the words of Alan Rosenthal of the Eagleton Institute of Politics, the "neglected stepchild" of the legislative process. According to Rosenthal: "Much of the transfer of power from legislatures to executives, and especially to executive bureaucracies, in recent times is due to the lack of legislative capability in this respect."

I did not come here to argue that sunset is a panacea. It is not. But it is a powerful concept with great promise. Sunset contains risks and presents problems, but they can be managed. If legislators resist the temptation to try to do too much too soon—if they avoid overpromising—sunset can gain the necessary public credibility. If legislators have the will and provide the institutional capacity to implement sunset properly, sunset could help to restore the balance of power between the legislative and executive branches. The promise of sunset is a stronger legislative branch overseeing a more accountable executive branch. But the benefits of sunset will come only if a workable sunset law is enacted. The test for the states is to formulate workable sunset laws so that the great promise of sunset can become a reality.

Thank you.

Attachment 1: State-by-State Survey of Sunset Activity

Alabama: In 1976, Alabama enacted the nation's fourth Sunset law (*Act No. 512 of 1976*). The law provides for the termination of approximately one-hundred named state agencies and all other state agencies from 1977 to 1980. The law establishes an eleven member joint committee to hold public hearings and to report to the legislature regarding the agencies under review. The agencies under review are required to supply the committee with certain basic information specified in the law. The law requires a zero-based review and evaluation. On the tenth legislative day of each regular session, each house begins voting on the recommendations of the joint committee. There is a two hour limit on debate for each agency. The law provides that no agency shall be terminated except by action of both houses of the legislature. No agency may be recreated for more than four years. If terminated, an agency continues in existence for 180 days to wind up its affairs.

The law provided for the termination of 18 agencies in 1977. The law provided that all state agencies not specified in the law would terminate in 1978. The legislature found 300 agencies not specified in the law and decided to review 200 agencies in 1977. Because of the heavy workload, the joint committee did not prepare formal evaluation reports. Subsequently, the Attorney General ruled that all of the 300 agencies not specified in the law had to be reviewed in 1978, rather than in 1977. Of the eighteen agencies specifically listed in the law, one was terminated.

Alaska: Several Sunset bills have been introduced, including a bill similar to the Colorado law (H.B. 1). The Governor has endorsed the Sunset concept.

Arizona: Three Sunset bills have been introduced in the Senate and are still in a Senate committee. Common Cause has endorsed a bill that is similar to the Colorado law (S.B. 1302).

Arkansas: In February of 1977, Arkansas became the fifth state to enact a Sunset law (*Act 100 of 1977*). The law provides for the termination of all 285 state agencies from 1979 to 1983 (136 agencies in 1979; 89 in 1981; and 60 in 1983). The law requires the Division of Legislative Audit to prepare performance audits based on criteria established in the law three months prior to termination. The appropriate joint interim committees are required to report by September 1 of the year preceding termination. The law provides for only one termination cycle and does not limit the period of time for which an agency may be recreated. Act 392 of 1977 established a Joint Performance Review Committee to be responsible for monitoring the operation of the Sunset law and for other evaluation functions.

California: The Senate has passed a resolution to require the Legislative Analyst to study Sunset and report to the legislature by December 1, 1977 (S.C.R. 3). The study resolution was proposed by the Senate President Pro Tem and endorsed by Common Cause. Common Cause has also endorsed a bill providing for a Sunset pilot program using the Department of Insurance (S.B. 5) and has opposed a bill providing for the termination of all state agencies over a five year period (S.B. 62).

Colorado: In 1976, Colorado enacted the nation's first Sunset law (*H.B. 1088 of 1976*), a law proposed by Common Cause/Colorado. The law provides for the termination of the 40 boards and commissions in Colorado's Department of Regulatory Agencies, with one-third scheduled for termination every other year beginning on July 1, 1977. The law requires the Legislative Audit Committee to have a performance audit report prepared on each agency based on criteria established in the law. Bills to recreate agencies are referred to the standing committees. No agency may be recreated for more than six years. If terminated, an agency continues in existence for one year to wind up its affairs.

The State Auditor completed the performance audits required by the law by early April at a cost of $133,315 for professional time (over 9,000 person-hours). The Department of Regulatory Agencies has prepared reports on most agencies with the assistance of interns operating under a $25,000 federal grant. As of April 19, the Senate committees had held hearings on seven of the 13 agencies. Senate committees had voted to terminate three (Athletic Commission, Board of Barber Examiners, and Board of Registration for Professional Sanitarians) and to substantially change two (Collection Agency Board and Passenger Tramway Safety Board). Two had not been voted on. The legislature is still in session.

Connecticut: Three Sunset bills have been introduced and a Sunset bill being drafted by the Joint Committee on Governemnt Administration and Policy is expected shortly.

Delaware: In 1976, the House passed a Sunset bill aplicable to regualtory agencies (H.B. 1122). The bill stalled in the Senate and has been reintroduced in the House this year (H.B. 27).

Florida: In 1976, Florida became the second state to enact a Sunset law (*Chapter 76–168 of 1976*). Common Cause opposed a more sweeping Sunset bill and endorsed the bill that was enacted. The law provides for the termination of approximately 94 regulatory laws from 1978 to 1982 (36 in 1978; 23 in 1980; and 35 in 1982). The law requires the appropriate standing committees sitting jointly to begin their reviews based on criteria established in the law one year prior to termination. The committees must report their recommendations to the legislature by February 15 of the year of termination. No law may be recreated for more than six years. If terminated, a law continues in existence for one year. The law established a joint committee to assist with implementation.

Georgia: In 1977, Georgia became the sixth state to enact a Sunset law (*S.B. 4 of 1977*). The law provides for the termination of 44 regulatory agencies and the statutes relative to them from 1978 to 1982 (10 in 1978; 17 in 1980; and 17 in 1982). The State Auditor (who is selected by the legislature) is required to prepare a performance audit on each agency. The appropriate standing committees are required to hold public hearings and report their recommendations to the legislature. No agency or law may be recreated for more than six years. If terminated, the agencies continue in existence for one year to wind up their affairs, but the statutes relative to the agencies are terminated.

Hawaii: The Senate has passed a Sunset bill similar to the Florida law (S.B. 460).

Idaho: The major Sunset bill (S.B. 1008) was defeated on the Senate floor. Common Cause opposed the bill primarily because of the creation of a joint committee to perform the Sunset review (rather than use of the standing committees).

Illinois: The House has passed a Sunset bill (H.R. 540) similar to the Florida law. Common Cause has endorsed the House passed bill. The Governor has submitted a Sunset bill to the legislature (H.B. 2231).

Indiana: The House has passed a bill terminating about twenty advisory commissions in December 1978 and creating a joint committee to set up a Sunset schedule for other state agencies (H.B. 2181).

The General Assembly passed a bill which terminates agencies created by executive order when a Governor leaves office, terminates agencies created by concurrent resolution when a General Assembly winds up every two years, and terminates all new agencies after ten years unless otherwise stated in the enacting legislation (H.B. 1763). The Governor is expected to sign the bill soon.

Iowa: The legislature adopted a Sunset amendment to a program evaluation bill in the closing days of the 1976 session (H.F. 1573). The bill provided for the termination of 77 departments and regulatory agencies from 1977 to 1982. Because of the hasty manner of approval (without public hearing or serious deliberation) and the broad coverage of the bill, Common Cause urged the Governor to veto the bill. On June 28, 1976, Governor Ray vetoed the bill. In the 1977 session, Common Cause has endorsed a more modest bill aimed at occupational licensing boards (S.S.B. 15).

Kansas: The Governor and Common Cause endorsed a Sunset bill aimed primarily at occupational licensing boards (H.B. 2044).

Kentucky: In 1974, the legislature enacted a law that abolished all administrative regulations unless printed in Kentucky's *Administrative Register* and filed with and reviewed by the Administrative Regulation Review Subcommittee (K.R.S. §§ 13.084 and 13.085). According to Kentucky's Legislative Research Commission, the law helped trim 2,572 regulations to 1,601.

In 1975, Governor Carroll issued an executive order that abolished all of the state government's forms effective June 30, 1976 and established a review process to determine which should be reestablished (Executive Order 75-916 of 1975). According to the Governor's office, 25% of the state's 8,601 forms were eliminated and 18% were simplified.

The legislature is not scheduled to meet in 1977.

Louisiana: In 1976, Louisiana became the third state to enact a Sunset law (*Act No. 277 of 1976*). The law provides for the termination of all twenty of the state's departments from 1979 to 1982. The appropriate standing committees are required to conduct zero-based reviews of the departments and report their findings to the legislature. The committees must begin their zero-based reviews two years before termination (*e.g.*, July of 1977 for the five departments scheduled for termination in 1979) and the legislature is to review the departments one year before termination. No department may be recreated for more than four years. If a department is terminated, the statutes relative to the department are construed as repealed.

Maine: The Governor and Common Cause

have endorsed a Sunset bill for independent agencies (L.D. 1206). The bill has passed both houses, but is awaiting action regarding appropriations in the summer.

Maryland: The Senate passed a Common Cause endorsed Sunset bill aimed at occupational licensing boards (S.B. 933). A House committee deferred action on the Senate passed bill and recommended an interim study of Sunset legislation.

Massachusetts: A Common Cause endorsed Sunset bill applicable primarily to licensing boards (S.B. 1125) has been referred to the Joint State Administration Committee which expects to report a bill to the floor in the fall.

Michigan: In 1976, the legislature adopted a resolution to establish a Special Joint Committee to Study Sunset Legislation (S. Con. Res. 471 of 1976). The Committee expects to report a bill in the fall. The Governor has endorsed the Sunset concept and asked for appropriations to implement a law when enacted.

Minnesota: A Sunset bill terminating over 80 regulatory statutes (S.F. 6) is awaiting a hearing in a Senate committee.

Mississippi: The Senate passed a comprehensive Sunset bill terminating all state agencies (S.B. 2306), but the bill died in a House subcommittee. The Governor endorsed S.B. 2306; Common Cause opposed it as being too ambitious in coverage.

Missouri: The Senate passed a bill terminating the authority of 90 agencies to issue rules and regulations (S.B. 107). The Governor has endorsed the Sunset concept.

Montana: A Sunset bill has passed both houses and will be signed by the Governor shortly (S.B. 162). The bill is similar to the Colorado law, with 15 licensing boards and regulatory agencies up for review every two years beginning in 1979.

Nebraska: A Sunset bill terminating over 30 agencies (primarily occupational licensing) from 1978 to 1983 has been reported from committee. The bill has been endorsed by the Governor and Common Cause.

Nevada: A Sunset bill applicable primarily to advisory committees and licensing boards is being revised by a Senate committee (S. 219).

New Hampshire: The legislative research department is drafting a Sunset bill for introduction in the near future.

New Jersey: A Sunset bill applicable to 33 regulatory agencies has been co-sponsored by over one-half of the Assembly and endorsed by Common Cause (A. 2043). The Assembly committee has held a hearing on the bill.

New Mexico: In 1977, New Mexico became the ninth state to enact Sunset legislation (H.B. 133 of 1977). The law provides for the termination of 44 occupational licensing boards from 1978 to 1980. The law requires the Legislative Finance Committee to make recommendations to the legislature based on criteria established in the law. No agency may be recreated for more than six years. If terminated, an agency continues in existence for one year to wind up its affairs.

New York: A Sunset bill terminating 13 commissions and transportation authorities in 1978 and 1980 has 40 cosponsors and has been endorsed by Common Cause (S. 412 and A. 518). The Assembly and Senate leaders are expected to introduce Sunset legislation shortly.

North Carolina: Forty-six of the fifty members of the Senate recently introduced a Common Cause endorsed Sunset bill providing for the termination of approximately 60 licensing boards and regulatory agencies (S.B. 334). A Senate committee has amended the bill to expand coverage to 118 agencies.

North Dakota: The Senate passed a Sunset bill similar to the Colorado law (S.B. 2380), but it was killed on the House floor. The House passed a Sunset bill applicable to all state agencies (H.B. 1500), but it was buried in the Senate.

Ohio: Sunset legislation applicable to occupational boards, regulatory agencies, and advisory committees has been introduced in both houses (S.B. 113, S.B. 190/H.B. 331). Common Cause is lobbying to reduce the coverage of all three bills.

Oklahoma: In 1977, Oklahoma became the seventh state to enact Sunset legislation (S.B. 138 of 1977). As enacted, the bill proposed by the Governnor terminates 110 agencies from 1978 to 1983, predominantly occupational licensing boards and advisory commissions (21 in 1978; 14 in 1979; 18 in 1980; 16 in 1981; 20 in 1982; and 21 in 1983). Common Cause endorsed the bill after the House dropped 80 boards and agencies from the Senate passed bill. The agencies under review are required to provide the appropriate standing committees meeting jointly with certain information specified in the law, including a zero-based operating budget review. No agency may be recreated for more than four years. If terminated, an agency has one year to wind up its affairs.

Oregon: Several Sunset bills have been introduced, including a Common Cause endorsed bill similar to the Florida law (H.B. 2762).

Pennsylvania: A dozen Sunset bills have been introduced, including a Common Cause endorsed bill terminating 90 occupational boards and regulatory agencies from 1978 to 1983 (S.B. 2).

Rhode Island: The Governor has endorsed a Sunset bill applicable to regulatory boards and advisory commissions (S. 1190).

South Carolina: The House has passed a Sunset bill that terminates 57 licensing boards and regulatory agencies from 1979 to 1983 (H.B. 2635).

South Dakota: In 1977, South Dakota became the tenth state to enact Sunset legislation (S.B. 1 of 1977). The bill provides for the termination of the Divisions of Banking, Insurance, Consumer Protection, Securities, and Human Rights in 1978. These five agencies are to prepare reports based on criteria established in the law. A special Joint Interim Committee will oversee this process and report its recommendations to the legislature by January 1978. If terminated, the divisions have one year to wind up their affairs.

Tennessee: A Sunset bill terminating all state agencies from 1980 to 1985 has been reported to the House floor (H.B. 937).

Texas: The Senate has passed a Common Cause endorsed Sunset bill terminating about twenty licensing boards and regulatory agencies every two years from 1979 to 1983 (S.B. 54). The bill is being reviewed by a special House committee. The Governor has endorsed the Sunset concept.

The proposed Texas Constitution of 1975 that was rejected by the voters (for reasons unrelated to Sunset) contained a Sunset provision. Statutory state agencies with statewide jurisdiction and appointed officers, except institutions related to higher education, would have been limited to a life of ten years unless renewed periodically for terms of not more than ten years.

Utah: In 1977, Utah became the eighth state to enact Sunset legislation (S.B. 63 of 1977). The law provides for the termination of a modest number of regulatory laws from 1979 to 1983, primarily occupational licensing. The appropriate legislative study committee is required to begin reviews of the laws one year before termination and to report its recommendations by January 1. No agency may be recreated for more than six years. Any authority terminated by the law may continue in existence for one year to wind up its affairs.

Vermont: A Sunset bill proposed by the Secretary of State and endorsed by Common Cause has been reported to the House floor (H. 375). The law terminates 30 licensing statutes.

Virginia: The legislature adopted a Common Cause endorsed resolution to establish a 12 member advisory task force to study Sunset and to report to the 1978 legislature (H.J.R. 18).

Washington: The Senate has passed and a House committee has approved a Common Cause endorsed Sunset bill applicable to licensing boards (S.B. 2082). The Governor has endorsed the Sunset concept.

West Virginia: The Senate passed a Sunset bill applicable to 36 licensing boards and agricultural and water programs (S.B. 347). The bill died in a House committee.

Wisconsin: Several Sunset bills have been introduced. Hearings have been held on a Common Cause endorsed bill to terminate approximately 50 occupational licensing boards and regulatory agencies (S.B. 24).

Wyoming: The House passed a modest Sunset package (H.B. 239 and H.B. 240), but the bills died in a Senate committee.

Mr. PERCY. Mr. President, Common Cause thus joins with such other great national organizations as the U.S. Chamber of Commerce in emphasizing the critical need for a timetable and discipline for reform along the lines specified in S. 600.

DISCRIMINATION AGAINST WOMEN AND MINORITIES IN FEDERAL ADVISORY COMMITTEE APPOINTMENTS, 1976

Mr. METCALF. Mr. President, the gross imbalance in Federal advisory committee membership which discriminated against women and minorities in 1975 continued in 1976, although there was a slight improvement in each category.

In its continuing oversight of the Federal Advisory Committee Act, the Subcommittee on Reports, Accounting and Management for the second year in a row has surveyed the sexual and racial/ethnic composition of all Federal advisory committees.

At the end of 1976 there were 1,159 advisory committees in existence, having a reported total of 23,375 members. Of these, 2,949 were women, up from 2,525 at the end of 1975, and 2,145 represented minorities, up from 1,784 in 1975.

However, in percentage terms, only 12.61 percent of advisory committee members at the end of 1976 were women, up from 11.35 percent in 1975. Taken together, 9.18 percent of advisory committee members at the end of 1976 represented racial or ethnic minorities, up from 7.91 percent in 1975.

Whites made up 90.82 percent of total membership at the end of 1976, down from 92.09 percent a year earlier. Blacks comprised 4.77 percent, Hispanics 2.35 percent, Asians or Pacific islanders 1.33 percent, and American Indians or Alaskan Natives 0.73 percent.

Mr. President, subcommittee staff compiled these figures by examining the 4,800 pages of supporting documents submitted by agencies for the fifth annual report of Federal advisory committees, covering calendar year 1976. The following points should be kept in mind in interpreting the figures:

First. The supporting documents reveal that members had not yet been appointed to 35 of the 1,159 committees in existence at year's end, often but not always because a committee was established late in the year and the membership selection process was still underway. Since the 1,124 committees for which membership information was submitted average about 21 members apiece, the 35 other committees could involve more than 700 additional memberships. Whether more or less balance was achieved in appointments to these committees remains to be seen, but 20 of the 35 committees serve the Department of Health, Education, and Welfare, which outperformed the other departments by far in appointing women to advisory committees.

Second. The Federal Communications Commission, which had the second highest committee membership total among the agencies, operated 17 technical advisory committees whose membership was open to all who wished to participate. The members of three other committees were chosen through a formal appointment process.

Third. On February 25 President Carter ordered a Governmentwide, zero-base review of all advisory committees. The results of that review have not yet been announced, but I anticipate a committee cutback of about 15 percent, which would put the current committee population at about 1,000. If departments and agencies responded to the President's order by trimming committees that did not have truly balanced membership, there will be a better balance in committee membership now than there was 4 months ago.

Mr. President, while it is true that some advisory committee members serve 3-year and even 4-year terms, it is also true that enough committees are newly established or reestablished in the course of a year to permit significant year-to-year improvement in the representation of women and minorities. At the end of March 1975 I wrote agency heads to remind them that Office of Management and Budget Director Roy Ash on January 28, 1975, sent a memorandum to the heads of executive departments and agencies directing that the interests of minorities and women be fully considered when members are selected for new and existing advisory committees.

I received 43 replies to my letter. Many were especially informative and thoughtful. Some acknowledged room for improvement and explained what steps they were taking to bring it about. In view of that exercise and the emphasis OMB's committee management secretariat is placing on fair balance, I expected a far better showing as of the end of 1976.

At the end of 1975 there were 1,267 committees, having a combined membership of 22,256. Of these, 2,525, or 11.35 percent, were women; 904, or 4.07 percent, were blacks; 443, or 1.99 percent, were Hispanics; 268, or 1.21 percent, were Asiatics; and 143, or 0.64 percent, were Indian Americans.

By the end of 1976 the numbers in each of these sexual and racial/ethnic categories had increased, but not by very much. The overwhelming majority of advisory committee members are public citizens appointed by agency heads or the President, and it is up to them to correct this imbalance which discriminates against women and minorities.

Mr. President, I ask unanimous consent that a summary of the subcommittee's findings and agency-by-agency details regarding service on advisory committees by women and minorities be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of findings: Women and minority members of Federal advisory committees, as indicated in the fifth annual report of Federal Advisory Committees, covering calendar year 1976

Number of advisory committees	1,159
Total reported membership	23,375
Women (12.61%)	2,949
Blacks (4.77%)	1,114
Hispanics (2.35%)	550
Asians or Pacific Islanders (1.33%)	310
American Indian or Alaska Natives (0.73%)	171
Whites (90.82%)	21,230

Percent Women Serving on Federal Advisory Committees, by Departments, 1975–76

	1975	*1976*
Agriculture	6	5
Commerce	5	3
Defense	5	5
HEW	23	25
HUD	14	14
Interior	9	9
Justice	8	5
Labor	10	11
State	4	4
Transportation	6	8
Treasury	5	3

In its instructions for preparing and submitting the fifth annual report of Federal Advisory Committees, the General Services Administration listed these categories of racial/ethnic composition:

I/A=American Indian or Alaskan Native. A person having origins in any of the original peoples of North America.

A=Asian or Pacific Islander. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands, and Samoa.

B=Black, not of Hispanic Origin. A person having origins in any of the black racial groups.

H=Hispanic. A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish Culture or origin, regardless of race.

W=White, not of Hispanic Origin. A person having origins in any of the original peoples of Europe, North Africa, the Middle East, or the Indian subcontinent.

TABLE 1

	Total ADCOMS	Number with women	Number with minorities	Total members	Female	American Indian	Asiatic	Black	Hispanic	White	Percent women	Percent black	Percent Hispanic
EXECUTIVE OFFICE OF THE PRESIDENT													
Council on Environmental Quality	1	1	0	15	2	0	0	0	0	15	13	0	0
OMB	3	2	1	80	6	_	0	1	0	79	8	1.0	0
Office of Science and Technology Policy	2	2	1	30	3	0	0	1	0	29	10	3.0	0
Office of the Special Trade Representative	1	1	0	46	1	0	0	0	0	46	2	0	0
Office of Telecommunication Policy	3	1	0	62	1	0	0	0	0	62	2	0	0
DEPARTMENTS													
Agriculture	108	40	34	1,397	89	5	7	26	47	1,312	6	2.0	3.0
Commerce	88	34	32	1,566	73	11	35	37	35	1,448	5	2.0	2.0
Defense	59	21	19	973	50	1	6	21	3	942	5	2.0	.3
HEW	349	306	211	4,109	946	51	108	258	119	3,573	23	6.0	3.0
HUD	2	2	1	43	6	0	0	3	1	39	14	7.0	2.0
Interior	48	35	16	963	89	3	2	18	9	931	9	2.0	1.0
Justice	8	6	7	208	16	1	2	17	28	160	8	8.0	13.0
Labor	23	16	11	677	69	3	1	19	7	647	10	3.0	1.0
State	38	24	18	1,675	72	2	15	14	7	1,637	4	1.0	.4
Transportation	29	12	13	865	52	1	4	19	6	835	6	2.0	1.0
Treasury	26	12	11	422	19	0	3	13	3	403	5	3.0	1.0
AGENCIES													
Administrative Conference of the United States	1	1	1	89	5	0	0	4	1	84	6	4.0	1.0
Agency for International Development	4	2	3	45	5	0	0	4	0	41	11	9.0	0
CAB	1	0	0	12	0	0	0	0	0	12	0	0	0
Commission of Fine Arts	1	1	0	7	1	0	0	0	0	7	14	0	0
Commodity Futures Trading Commission	1	0	0	7	0	0	0	0	0	7	0	0	0
Community Services Administration	1	1	1	21	6	1	1	4	3	12	23	19.0	14.0
Consumer Products Safety Commission	3	3	2	53	17	1	0	3	1	48	32	6.0	2.0
ERDA	13	5	2	127	5	0	1	1	0	125	4	.7	9
EPA	15	12	10	208	26	1	6	13	2	186	13	6.0	.0
Export-Import Bank of United States	1	1	0	7	2	0	0	0	0	7	29	0	2
FCC	20	9	11	940	22	0	9	9	2	920	2	.9	.0
Federal Election Commission	1	1	0	20	3	0	0	0	0	20	15	0	6
FEA	14	10	10	442	29	4	1	14	3	420	7	3.0	.0
Federal Home Loan Bank Board	2	1	1	49	2	0	0	1	0	48	4	2.0	0
Federal Mediation and Conciliation Service	2	2	1	26	4	0	0	0	1	25	15	0	4.0

TABLE 1.—Continued

	Total ADCOMS	Number with women	Number with minorities	Total members	Female	American Indian	Asiatic	Black	Hispanic	White	Percent women	Percent black	Percent Hispanic
AGENCIES—Continued													
FPC	1	1	1	584	20	2	0	0	0	582	3	0	0
GSA	18	8	11	170	14	1	1	16	2	150	8	9.0	1.0
ICC	1	0	0	8	0	0	0	0	0	8	0	0	0
NASA	28	5	7	425	5	0	4	4	2	415	1	.9	.4
National Credit Union Administration	1	1	0	7	1	0	0	0	0	7	14	0	0
National Endowment for the Arts	14	14	13	405	89	2	3	4	6	353	22	.9	1.0
National Endowment for the Humanities	7	7	6	690	114	0	6	17	14	553	17	3.0	2.0
NLRB	1	1	1	36	3	0	0	1	0	35	8	3.0	0
National Science Foundation	51	33	21	2,011	312	8	22	128	42	1,811	16	6.0	2.0
Nuclear Regulatory Commission	2	0	0	23	0	0	0	0	0	23	0	0	0
Railroad Retirement Board	1	0	0	3	0	0	0	0	0	3	0	0	0
Securities and Exchange Commission	3	2	0	62	2	0	0	0	0	62	3	0	0
Small Business Administration	67	63	59	2,314	296	7	40	148	97	2,022	13	6.0	4.0
U.S. Arms Control and Disarmament Agency	1	0	0	13	0	0	0	0	0	13	0	0	0
U.S. Civil Service Commission	4	2	2	48	3	0	0	3	0	45	6	6.0	0
U.S. Commission on Civil Rights	51	51	51	860	379	65	29	244	106	416	44	28.0	12.0
U.S. Information Agency	1	0	0	5	0	0	0	0	0	5	0	0	0
Veterans' Administration	28	11	13	395	79	1	4	9	3	378	20	2.0	.7
SELECTED COMMITTEES, COMMISSIONS, AND COUNCILS													
Advisory Commission on Federal Pay	1	0	0	3	0	0	0	0	0	3	0	0	0
Architectural and Transportation Barriers Compliance Board	1	1	1	16	5	0	0	2	0	14	31	13.0	0
Federal Employee Pay Council	1	0	0	2	0	0	0	0	0	2	0	0	0
Joint Board for the Enrollment of Actuaries	1	1	0	8	1	0	0	0	0	8	13	0	0
Marine Mammal Commission	1	0	0	9	0	0	0	0	0	9	0	0	
National Commission on Electronic Fund Transfers	1	1	0	26	1	0	0	0	0	25	4	0	
National Commission on New Technological Uses of Copywrited Works	1	1	1	14	3	0	0	1	0	13	21	7.0	0
National Study Commission on Records and Documents of Federal Officials	1	1	0	17	1	0	0	0	0	17	6	0	0
National Transportation Policy Study Commission	1	0	0	17	0	0	0	0	0	17	0	0	0
Privacy Protection Study Commission	1	0	0	7	0	0	0	0	0	7	0	0	0
U.S. Water Resources Council	1	0	0	13	0	0	0	0	0	13	0	0	0

THE ARMY 1976 YEAREND REPORT

Mr. GOLDWATER. Mr. President, at long last the Army's reorientation from the war in Southeast Asia is nearly complete. The equipment inventory which was so dangerously low in 1973 is improving although it is still unsatisfactory. And there are other problems remaining; for example, significant improvement is still needed in the Reserve components and the Army's ability to attract volunteers is a potential problem. It may soon need to be addressed. But on the whole, the maturation of the total Army is believed achievable in the near future and that is good news.

Mr. President, because of the importance of the Army in the defense structure of this Nation, I ask unanimous consent that the 1976 yearend report for this branch of the service be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE ARMY 1976 YEAR END REPORT

PREFACE

Many images come to mind when people think of the Army. Some think in terms of wars fought: the Army of General Washington at Valley Forge, gallant men of the North and South fighting for a cause, soldiers in trenches on foreign soil, a nation united in World War, and a military force recently engaged in the agonies of Southeast Asia. In part, these images are conditioned by the stereotypes that are held of men and machines in battle.

Other images are equally revealing of the dynamic organization that is the Army today: peacetime maneuvers at home and abroad aimed at enhancement of combat readiness; disaster relief missions to foreign lands; Army aid to victims of domestic disasters; the Corps of Engineers improving waterways and removing the dangers of flooding; and Reserve units training on weekends and at summer encampments.

The images are varied, reflecting the complexity of the Army—its organization, its equipment, its activities. All these things the Army is. But above all else, in war and in peace, the Army is people. The Army's story is told by the deeds of its men and women.

This report is an account of those deeds over the past year. The first chapter provides the context by explaining the Army's purpose. Succeeding chapters outline the Army's peacetime missions: training to achieve the necessary combat readiness; acquiring the equipment needed for war; and caring for its people.

The Army is smaller today than it has been in over a quarter of a century, and its portion of the Federal Budget remains lower than it has been since before World War II. However, the Total Army is a powerful combat force, respected in every corner of the globe. It has earned that respect by its military performance. It sustained that respect in 1976 by steadily progressing toward its established readiness standards.

In 1976, there were these substantive achievements:

Improvement in combat readiness, across the board, in Active and Reserve Component units, especially in forces deployed overseas.

Activation of new combat units, thus increasing Army fighting power, while maintaining a stable end strength.

Increases in stocks of equipment which had declined in previous years.

Significant advances in development of tactical doctrine compatible with advances in modern weaponry.

This report would be less than candid if it did not comment on the shortcomings that still existed at the end of the year:

There is a serious shortfall in the wherewithal to mobilize adequate manpower quickly in the event of a national emergency.

The Reserve Component forces have yet to reach the desired standards of readiness.

Newly activated divisions are still short of the readiness required of Active units by reason of shortages in people, equipment, and training.

Strategic lift is inadequate to deploy the Total Army fast enough to meet the expected wartime need.

Prepositioned unit sets of equipment which airlifted troops would use in event of war are inadequate.

Compared to other armies, such as the Soviet or People's Republic of China, the U.S. Army is small, which means the deficiencies described above are all the more disturbing.

Each portion of this report explains how one of the Army's various activities enhances the Army's combat readiness. Supply and services, for example, sustain combat readiness; the Army's structure is its organization for readiness; installations and facilities, streamlined by successive consolidations and closures over the last several years, represent an investment in readiness; the Army's budget provides critical resources for readiness. Security assistance, an important contribution to national strategy, affects Army readiness by sharing military hardware and expertise with allied armies that will probably fight in the first battles of any future war. The Civil Works program of the Corps of Engineers does not contribute directly to Army readiness, and is funded outside the Army budget. That important function contributes to the growth and security of the Nation itself.

Although they do not contribute directly to Army readiness, there are several other Army activities which provide for the growth and security of the Nation itself. The most important of these are the Civil Works program of the Corps of Engineers (discussed in Chapter X), those missions for which the Army has been assigned as Department of Defense executive agent, and the historic connection with the Panama Canal.

The Army's executive agent responsibilities for Military Traffic, Land Transportation, and Common-User Ocean Terminals expanded during the year. The Military Traffic Management Command (MTMC), a jointly staffed major command of the Army, extended its common-user ocean terminal to Europe. During the year, the MTMC workload in terms of people and things in movement was fairly stable; however, there was considerable upward pressure on cost. At year's end, plans were in preparation for extension of the command's terminal operations to the Pacific area. Also, during 1976, significant advances were made by MTMC in developing a Department of Defense Railroads for National Defense program, similar to the highly successful Highways for National Defense program.

Under a plan developed by a triservice task force, the Army is required to assume full responsibility for specified conventional ammunition functions. The Army has traditionally provided conventional ammunition support to the Air Force. This expanded role, which will commence by the start of Fiscal Year 1978, will include responsibility for nearly 200 government-owned facilities, with an estimated value of $17 billion.

Just as Army Engineers and Medical Corps personnel played a key role in the construction of the Panama Canal and the Conquest of yellow fever, even today the Army provides talented officers who fill key positions within the canal enterprise. In addition to Army units which furnish primary defense and protection for the canal and its associated facilities, military involvement in the efficient operation of the Panama Canal Company and the Canal Zone Government provides testimony to the Army's excellence and indicates the wide scope of activities that fall within the purview of the Department of the Army.

I.—THE ARMY'S PURPOSE AND ROLE

The role of the United States Army is well established in legal, philosophical, and historical precedent and is expressed in Title 10, United States Code, Section 3062.

It is the intent of Congress to provide an Army that is capable, in conjunction with the other armed forces, of preserving the peace and security . . . of the United States; . . . supporting the national policies; . . . implementing the national objectives; . . . and overcoming any nations responsible for aggressive acts that imperil the peace and security of the United States.

(The Army), shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations on land . . . is responsible for the preparation of land forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated . . . mobilization plans, for the expansion of the peacetime components of the Army to meet the needs of war.

The law relates role, philosophy, and doctrine to national security policy and objectives. In a dangerous and competitive world, U.S. interests are challenged by the subtle pressures of coercion as well as the more direct threat by outright violence. As the Soviets have achieved rough equivalence with the U.S. in strategic nuclear forces, the burden of deterrence has again fallen largely on conventional forces. Hopefully, the reemergence of the conventional balance, to which the Army is central, can keep the peace. The fundamental basis of military strategy must, however, be readiness for war. The Army must, therefore, be sensitive to the world environment, flexible and innovative in thought and action, and, most importantly, in a high state of readiness to protect U.S. interests anywhere in the world. This means that every soldier—whether a rifleman in Korea, a paratrooper in North Carolina, a tanker in Germany or a reservist in Kansas—must be ready to fight on short notice and, although outnumbered, to win.

II.—PERSONNEL—THE KEY TO SOLVING THE READINESS EQUATION

The soldier

The Army of today is people. There is no more important resource, and, consequently, no more important matter for the attention of Army leaders and managers at all levels. The commander of a Reserve unit in Colorado or an Army National Guard organization in Minnesota must each devote the same degree of attention to their people as do the commanders of Active Army units anywhere in the world.

The soldier of 1976 is, in many ways, far different from his ancestor in 1776. Today's typical soldier may be male or female, about 23 years old, with 3 years of active military service. He is probably about 5'10" tall, weighing in the vicinity of 167 pounds, while she is probably 5'4" tall and weighs about 130 pounds. This typical soldier is among 82 percent of the members of the Army who are high school graduates or equivalent and the 87 percent who are in the average or above average mental categories. There is a better than even chance that he or she will be married. Most likely, our typical soldier will have come from a community of around 25,000 people, where the family's income is around $10,000, and probably not over $15,000. There is a one in three chance that a member of the family will have previously served in the Army.

Today's volunteer soldiers are especially well motivated. They believe in themselves. They know they have a lot to offer the Army, and they are interested in the Army as a profession.

How many soldiers does the Army need?

The past 2 years have been years of transition and experimentation as the Army entered the volunteer era. The transition has not been without its problems, however, and achievements have not been easily won. At the end of the year, the Army had a strength of 778,325, slightly below its authorized level. In achieving and mantaining a force of this size, the Army enlisted 166,194 men and 15,160 women who were entering the Army for the first time; 16,283 men and women who had prior military service also enlisted. The figures below summarize recruiting results in 1976:

	Active Army objective	Achievement	Percent
Nonprior service males	171,308	166,194	97.0
Nonprior service females	14,915	15,160	101.6
Prior service personnel	15,616	16,283	104.3
Total	201,839	197,637	97.9

Reenlistments play a vital role in insuring that the Army is fully manned with capable and experienced men and women. Immediate reenlistment results are indicated below:

	Active Army objective	Achievement[1]	Percent
First termers	22,927	18,035	78.7
Males	-----	15,990	----
Females	-----	2,045	----
Careerists	38,310	39,277	102.5
Males	-----	38,394	----
Females	-----	883	----
Total	61,237	57,312	93.6

[1] Does not include prior service enlistments, who are accounted for in accessions, or extensions of 3 or more years.

With the establishment of the volunteer era, and with the smallest active force level since before the Korean War, the importance of the Reserve Components as a co-equal partner in our Nation's defense effort has been significantly increased. To support this responsibility, the United States Army Reserve (USAR) has provided substantial augmentation to the recruiting and retention effort in order to achieve a force level in line with requirements. As of October 1976, the USAR's paid drill strength was 192,787, a figure well below established requirements. The USAR is developing a recruiting program designed to reverse this trend during Fiscal Year 1977, and to proceed toward achieving the congressionally authorized average paid drill strength of 212,400.

The paid drill strength of the Army National Guard (ARNG) as of 1 January 1976 was 384,625—a decrease from the 1 January 1975 strength of 396,717. Except for a slight upturn in March and April, overall ARNG strength declined steadily in 1976 to an end strength of 364,394.

Why it is essential for the Army to attract quality people

For the all volunteer force era, the historic concept of the citizen soldier continues in a vital, viable, and modern concept. But, today's soldier—whether Active or Reserve—must be more than a civilian in uniform if he is to fulfill the demands placed upon him by the complexities of the modern world. The soldier of the 1970's and 80's must know and be able to use techniques and technology unknown to the soldiers who fought in World War II and Korea. At the same time, he must demonstrate those basic qualities that have characterized good soldiers through the ages: strength, both mental and physical; discipline; confidence; and loyalty.

Today's complex and economy-conscious Army particularly demands more capable soldiers with the motivation, discipline, and intelligence to perform their military role effectively for the full term of their enlistment. Soldiers who do not possess these personal qualities fall out along the way. They simply can't compete. A study of accessions in 1975 showed that 1,200 non-high school graduates had to be recruited to perform the same useful services as 1,000 diploma holders. Those whom the Army must separate prematurely waste the taxpayer's money, since additional resources must then be used to attract, enlist, and train replacements before they would otherwise be needed.

The high quality recruit is the high school diploma graduate who achieves high scores on military entrance examinations. The high school diploma is the single most important predictor of success in the Army. Experience has shown that high school graduates are about twice as likely to complete their enlistments as their non-graduate contemporaries. High quality pays off in terms of fewer disciplinary problems and reduced personnel turbulence which results from the need for frequent reassignments to fill unscheduled vacancies. High quality also pays off in the overall readiness of Army units.

High quality pays off in fewer disciplinary problems, reduced turbulence, and overall readiness.

Recruiting adequate numbers of qualified people is not enough by itself, however. Just as important is "skill match" which, in its broadest context, describes the Army's goal of training and assigning the right man to the right job at the right time. Specifically, skill match is achieved when an individual is recruited for a specific training program to fill a position which will exist when the soldier finishes his Army schooling. The skills taught in training centers and the number of soldiers being trained in each skill must be tied to Army needs. Filling available training spaces at the right time with qualified volunteers supplies manpower in the quantity and skills needed. Assignment to the military occupational specialty (MOS) for which the individual was trained assures fulfillment of the expectations of the volunteer soldier and promotes satisfaction and stability.

This past year was the first full year of recruiting under a refined system of management by weekly objectives. This new system takes advantage of a computerized Army network which is similar to an airline's reservation system. Manpower and training planners, in close coordination with personnel managers, "marry up" manpower requirements and weekly training center capabilities which become, in essence, "seats" to be displayed on the computerized system. Specific numbers of spaces in a given mix of skills constitute a weekly objective, and the Recruiting Command achieves its mission only after filling all spaces available each week.

Using this system, the Army experienced a measurable improvement in "skill match." Skill classes which had previously been only about half full experienced consistent fills of from 90 to 100 percent. Of perhaps even greater importance were the benefits gained from more satisfied soldiers. Men and women who have been trained for a specific job, and who are actually performing the job they joined the Army for, contribute greatly to improved morale and unit readiness.

As has been noted, the USAR and ARNG, along with the Active Army, have been experiencing difficulty in recruiting and retaining the necessary manpower levels. To counter this problem, the USAR has developed an expanded full-time professional recruiting force designed to recruit personnel in the quantity and quality required. Implementation of this expanded plan was begun during this past year. A readiness improvement package, designed to improve overall Reserve Component readiness, was also developed in 1976.

Recruiting remained a top priority activity in the ARNG this year, with emphasis on continuing the enlistment of quality soldiers. Proven methods, such as the "Try One" program, initiated in 1970, will be capitalized on to attract trained veterans. A mutual referral program between U.S. Army Recruiting Command and ARNG recruiters was strengthened through additional incentives and improved management. ARNG recruiters were authorized colocation at Army recruiting stations on a space available basis. ARNG armories also became available as sites for mental testing of Active and Reserve Component applicants for all services.

How the Army manages careers

The management of the careers of its people continues to be one of the Army's most challenging and rewarding activities. Implementation of the Officer and Enlisted Personnel Management Systems (OPMS and EPMS) continued satisfactorily during 1976. Both systems represent marked changes from traditional management practices in response to a changing environment. OPMS recognizes the fact that the increasing complexity of Army duties and the greater length of time required to master them has required movement from a generalist philosophy of officer professional development to one placing greater emphasis on specialization.

This past year, Army officer strength was reduced to its lowest level (about 98,000) since 1950. Accompanying this reduction in total strength was a corresponding decrease in senior officer grade structure, particularly in the ranks of colonel and lieutenant colonel. Several important steps have been taken to meet the management challenges of tomorrow with a smaller and leaner officer force. In 1976, all Army officer positions in the force structure were converted to a new specialty classification system reflecting requirements for skills associated with one or more of the 46 specialties established under OPMS. Upon commissioning into a branch of the Army, each officer is designated a primary specialty which determines the thrust of the officer's initial training and development. This initial development is normally oriented toward skills related to the Army in the field. After completing about 8 years of service, each officer has an alternate specialty designated. The objective of professional development is for all officers to develop and maintain a high level of expertise in each of their two designated specialties, thus ensuring that the Army has sufficient highly skilled officers to satisfy projected requirements.

The test phase of OPMS for the USAR, or OPMS–USAR, as this program is now called, has proven highly successful. OPMS–USAR was approved for gradual implementation beginning this past year, and will eventually provide for the centralized and integrated management of some 75,000 USAR officers. OPMS in the ARNG also took great strides in 1976 toward becoming compatible with the Active Army OPMS. The states are actively pursuing the ARNG OPMS program, and, barring any unforeseen circumstances, complete implementation of OPMS into the Guard should be accomplished on schedule.

An innovative program of the Ohio National Guard is being evaluated over a 2-year period by the Department of the Army and the National Guard Bureau as an additional source of lieutenants for the ARNG. The program provides a total of 50 tuition grants to Ohio guardsmen for attendance at Ohio University, providing each candidate meets specified entrance requirements and enrolls in the Reserve Officers' Training Corps (ROTC). Upon graduation and commissioning, the guardsmen may return to the Ohio Guard or to the Guard of another state. North Carolina is also implementing a similar program, and, if the program proves successful, it may inaugurate a nationwide program to provide the ARNG with a valuable additional source of commissioned officers.

EPMS is designed to provide life cycle career management and development of enlisted soldiers. It encompasses promotion, military education, skill training, evaluation, and classification. It provides promotion opportunity all the way to E9 for all skills, and links the Noncommissioned Officer Education System to requirements at each career grade. Soldier skills are also being designed to broaden knowledge and responsibility at each stage of career development. In addition, EPMS supports achievement of individual combat readiness goals by linking promotion and skill level training for soldiers. Critical tasks for successful performance of each requisite combat skill are being developed and provided to each soldier in a *Soldier's Manual*. The soldier's mastery of those critical tasks will then be evaluated by the performance-oriented skill qualification test.

Women in the Army

The expanded utilization of women continued successfully in 1976. At the end of the year, the Active Army had over 4,800 women officers and over 44,000 enlisted women. Women officers were detailed to all branches except Infantry, Armor, Field Artillery, and Air Defense Artillery, while 371 of 406 enlisted MOS's were open to enlisted women.

The Women in the Army Study, a comprehensive review of the program, was completed during the year. It validated Army policies as being consistent with national intent and assuring combat effectiveness. It highlighted, however, a need for increased information to support policy decisions in several areas. In order to meet this requirement, by the end of the year several initiatives were underway. A common core program of instruction for basic training was being examined in the Basic Initial Entry Training test, and the Army Research Institute was validating maximum female content in units by means of a field test. Other efforts were also started to establish MOS physical requirements and to review assignment guidelines. These efforts are expected to render a significant contribution to assuring maximum opportunity and equity for women.

Officer Programs

For the fifth consecutive year, women participated in the ROTC program. The first 150 women graduates were commissioned last spring and, currently, 11,838 women students are enrolled at 281 institutions. At the end of this school year, approximately 600 women are projected to receive their commissions. In the future, ROTC will become the primary procurement source for women officers in the Active Army.

Beginning with the Officer Candidate School (OCS) class on 7 November 1976 at Fort Benning, Georgia, 11 women entered the first integrated OCS class. Women now participate with men in all major precommissioning procurement programs for the Army.

History was made on 7 July 1976 when 119 women entered the United States Military Academy (USMA). Except for minor adjustments required for physiological differences between women and men, the training will be the same for all cadets. At the end of cadet basic training, 98 of the original 119 women had successfully completed the rigorous 8 weeks and joined the rest of the Corps of Cadets for the start of the academic year. The remainder had voluntarily departed for a variety of reasons. The introduction of women cadets into West Point will provide invaluable information for the continued integration of women in the Army.

Army Reserve

As of December 31, 1976, approximately 10 percent of the total Army Reserve unit strength was composed of women. The phenomenal growth in the number of women in the USAR since 1972 resulted from changes in Army policies, the development of new enlistment training programs, and extensive advertising and recruiting efforts. Approximately 56 percent of nonprior service women enlisted in the USAR on the basis of a civilian acquired skill which equates with an MOS. This program offers the individual advanced rank and accelerated promotion; the Army benefits by savings in training costs.

Army National Guard

During 1976, the number of women in the ARNG continued to increase. As in the case with women in the Active Army, guardswomen now serve in a wide variety of nontraditional jobs. At the end of December, there were 11,461 in the ARNG. This is an increase of 3,093 women for the year.

A study is continuing to determine the optimum female ratio for different type units in the ARNG and to validate a previously informal total content of approximately 20,000 guardswomen.

USMA honor situation

One of the lasting strengths of West Point is the Honor Code, which states simply that a cadet will not lie, cheat, or steal, nor tolerate those who do. During the grading of an electrical engineering home study project taken by 823 cadets, it was discovered that unauthorized collabaration had occurred. Subsequently investigations indicated involvement of a significant number of cadets, of whom a total of 147 were eventually separated. Following a period of active interest by the Congress and the press, the Secretary of the Army announced the appointment of a special advisory panel, chaired by Mr. Frank Borman, to assess the underlying causes of the breakdown in the honor sustem.

To provide equity in this unprecedented situation, recognizing institutional shortcomings which contributed to a weakening of the honor system, the Secretary announced that cadets who violated the Honor Code on the electrical engineering examination would be separated from the Military Academy but could be eligible to apply for readmission in July 1977. A short range period was established so that cadets who admitted violations of the Honor Code could be eligible for readmission. For those cases involved in the electrical engineering examination, the 2-year Active Army service was waived, and, as a matter of equity, all honor cases occurring during the 1975–76 academic year were to be reviewed upon petition or request for eligibility for readmission.

The Borman report, submitted on 15 December, made a number of recommendations. The most important were:

a. All separated cadets should return as soon as possible.

b. The Honor Code should be retained in its present form.

c. The nontoleration clause should be retained.

d. Sanctions other than dismissal should be authorized for honor violations.

e. Greater emphasis should be placed on academics during the academic year.

f. In matters of instruction, in reinforcement, and in working knowledge of the honor system, all components of the institution must work more effectively to support the Honor Code and the system.

At the end of the year, the Army was studying these recommendations.*

Excellence of performance depends on morale and discipline

A high state of discipline and morale ensures stability of performance under stress and thus leads to predictable performance in military operations. Good discipline ensures constant high level performance whether or not outside pressure or supervision is present. As a result, the individual soldier is better able to understand the shock of battle and face difficult situations without faltering. There are numerous indications of the state of morale and discipline in the Army today and an analysis of the more salient indicators shows an overall favorable trend as compared to 1975.

For example, comparing first half 1976 to first half 1975: crimes against property were down 3 percent; drug offenses (other than marijuana) were down 31 percent; AWOL rates dropped 33 percent; and desertion rates dropped 54 percent. In the reenlistment area, the Army was able to meet 87 percent of its first term reenlistment goal during the first half of 1976, with the remaining 13 percent being filled by prior service enlistees.

The Army provides educational, recreational, and community services to the soldier and his dependents to foster a sense of community, to build morale and esprit, to enhance skills and physical well-being, and to provide healthy outlets for personal interests and energies. In a continuing effort to improve management and cost-effectiveness of these programs worldwide, functional realignment and consolidation of programs has been initiated. A 1976 study of appropriated fund support for morale, welfare, and recreation activities will result in better funding guidance by the Office of the Secretary of Defense.

The Army's Continuing Education System for voluntary education provides an educational program which is geared to the personal and professional needs of each service member. Accredited educational programs, ranging from high school level, through vocational/technical level, to graduate level studies, are available through some 330 worldwide educational centers. Additionally, the Army's Skill Recognition Program provides service personnel the opportunity to gain civilian recognition for military skills acquired through Army schooling and experience. In 1976, some 28,000 high school diplomas or state-issued equivalency certificates, 2,100 associate degrees or equivalent, 900 baccalaureate degrees, and 1,300 graduate degrees were earned through this program. These achievements are recorded on civilian educational and job records to provide visibility to the soldier's credentials when he leaves the Army and seeks a job in civilian life.

The importance of compensation

Military compensation—whether paid in cash or furnished as an in-kind benefit—is a keystone to a modern and effective Army. In the era of the all-volunteer force, compensation is a primary means to attract and retain the needed number and quality of young men and women in competition with the other sectors of the economy. This is the "competitive" function of compensation. Equally important is the "comparability" function. Military compensation is provided by the Nation so that service members may share fairly in the productivity of the American economy. In other words, adequate military compensation provides men and women in uniform with a standard of living which is comparable to the standard enjoyed by their fellow Americans.

The Army is not merely a job or a place to work. It continues to be a way of life based on national service. That way of life is built on a two-way commitment. The success of the Army in battle—and also in peacetime—depends squarely on a deep and strong commitment by the soldier to his comrades, his unit, the Army, and the Nation. In return, the soldier expects an equal commitment from the Army and the Nation. Benefits are a visible and tangible evidence of that commitment, which gives meaning to the saying, "the Army takes care of its own." In other words, they reinforce the soldier's commitment to serve, despite hazards, hardships, and uncertainties. Since oversea basing requires frequent reassignment, most "benefits" inure to the effectiveness of the Army as well as to the benefit of the individual. Benefits are therefore essential not only for the soldier but also for the vitality of the institution.

Military benefits reinforce the soldier's commitment to serve, despite hazards, hardships, and uncertainties.

During 1976, the Army participated in the Third Quadrennial Review of Military Compensation. This study, required by law every 4 years, reviews such fundamental questions as: How should compensation be set and adjusted? How should compensation comparison be made? Which pay system should be used? The Army, in unity with the Navy, Air Force, and Marine Corps, submitted to the Office of the Secretary of Defense a single set of recommendations on all the major compensation issues. Decisions are expected in 1977.

September 1976 marked the start of a Presidentially-directed study on compensation for the Reserve Components. This 12- to 18-month study is being conducted by the Department of Defense with Army participation.

The importance of health care

Combat effectiveness depends upon the physical health and mental well-being of each Army member. To accomplish the Army's medical mission, professionals are essential in the health care field. The Health Professional Scholarship Program provides a continuous flow of well prepared medical graduates into Army intern and resident programs helping to assure continuance of Army medical education, research, and service. Additionally, the Uniformed Services University of Health Sciences medical school enrolled its first class of 32 students (12 U.S. Army) this fall. The university is designed to provide a portion of the physician, dental, nursing, and other health care personnel required by the Armed Forces.

The U.S. Army Dental Corps during 1976 implemented professional and administrative changes to provide more and better dental care to soldiers and their families. Mandatory annual dental evaluations for all military members have been instituted to combat dental diseases. This evaluation includes complete dental and oral examinations, counseling concerning oral self-care, and appointments for corrective care.

The expanding scope of nursing practice and the increasing involvement of nurses in the health care team demands critical and continuous review of U.S. Army Nurse Corps officer utilization. One result of these efforts was the establishment in April 1976 of a Nursing Research Service to conduct research in the military aspects of nursing practice, science, and education; to design and develop techniques for rapid response to military requirements in all environments; and to correlate relevant data from other sources for enhancement of the professional standards of nursing practice in the U.S. Army.

The success of the Army Medical Department is also dependent upon modern facilities. The Army's Health Facilities Modernization Program continues to replace and modernize U.S. Army medical and dental treatment facilities around the world. It is a 10-year program, currently estimated to cost $1.3 billion. Since its beginning in 1974, 12 hospitals and 15 dental clinics have been funded and are in various stages of completion. Modernization of existing facilities will allow for improved methods of care, accommodate increased workloads, and ensure facilities comply with stringent professional and hospital accreditation requirements and life safety codes.

Managing civilian personnel

Civilians constitute over one-third of Department of the Army manpower and perform many vital functions. In 1976, the civilian work force continued to experience turbulence resulting from realignment of functions, work force reductions, and base closures. The total civilian strength was reduced during the year by 19,900 to 412,900 (appropriated fund). Force reductions occurred at Sharpe Army Depot, Stockton, California; Savanna Army Depot, Savanna, Illinois; Pueblo Army Depot, Pueblo, Colorado; Military Ocean Terminal, Bayonne, New Jersey; Picatinny Arsenal, Dover, New Jersey; Sacramento Army Depot, California; Fort Ord, California; San Francisco Engineer District; and Ballistic Defense Missile Command, Huntsville, Alabama.

Department of the Army continued to maintain good relations with employee unions, which now represent 61 percent of Army civilian employees. Contracts with the unions are negotiated and approved by installation commanders, and contact with the national headquarters of the unions is maintained by Headquarters, DA. During the year, labor organizations increasingly challenged the "compelling need" of Army regulations and expressed their opposition to proposals to contract to private industry some functions now performed by Army employees.

The employee suggestion program continued to be an important way of reducing costs. During Fiscal Year 1976, the Army led all other agencies in dollar benefits from suggestions and special achievement awards with savings of approximately $86.4 million. In a Pentagon ceremony on 8 October, the Secretary of the Army and other distinguished officials personally honored 16 employees for superior performance and cost-saving suggestions during the year.

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*On 5 January 1977, the Secretary of the Army announced approval of the major recommendations of the Borman Commission.

III.—MATERIEL—THE MEANS OF COMBAT POWER

The Army's philosophy of equipping the soldier

The Mideast War of 1973 has been heralded by many experts as the first violent insight into warfare on the modern battlefield. Few expected the extraordinary expenditure of military equipment that occurred in this short period of time. The Arabs lost 60 percent of their tanks and the Israelis lost 43 percent of their armored personnel carriers in 18 furious days of fighting. Although the open spaces of the desert environment contributed to these high losses, most experts agree that it was the deadly accurate weapons in the hands of highly trained soldiers that contributed most to the kills. This short but devastating war ended after a few days with both sides exhausted in materiel and manpower.

The evidence available from 1973 implies that future land battles will be fought with the weapons and equipment on hand at the beginning of the war.

In the foreseeable future, this type of warfare could occur in many parts of the world. The evidence available from 1973 implies that future land battles will be fought with the weapons and equipment that are on hand at the beginning of the war. The evidence also indicates that the Soviets understand this, and have established high goals for quality and quantity of weapons. It is essential that the American soldier be equipped with adequate numbers of modern weapons systems. The Army is carrying out that intent through the following materiel acquisition programs:

Research and Development;
Procurement;
Product Improvement;
Cost Reduction; and
Standardization and Cooperation.

Research and development maintains American superiority

The Army's ultimate goal in research, development, and acquisition is equipping the American soldier with materiel that is superior to that of potential enemy armies. To help achieve this goal, new management techniques have been instituted.

Categorizing Capabilities

One effort has been the development of standard capability categories for weapons and support systems. For example, the close combat capability category focuses on the forces which close with and destroy the enemy. In the close combat capability category are the weapons systems, equipment, and ammunition related to tanks, mechanized vehicles, and anti-tank, combat-aviation, and light weapons. This capability category, as do the others, integrates and balances the systems that closely interact on the battlefield.

Science and Technology Base

The Army's Science and Technology Base consists of all programs in basic and applied research and exploratory development. A new requirements document, the Science and Technology Objective Guide (STOG), was published during 1976 to provide specific research and development goals to government, industrial, and educational research institutions. The accomplishment of these goals will improve the Army's ability to perform its mission in the period 1980–1995. The STOG will be the sole research and development management document for the technology base. The input for the STOG originates with the user community, and direct contact between users and developers is strongly encouraged to ensure a clear understanding of the Army's needs.

XM–1 Tank Program

The XM–1 tank will be the Army's primary offensive weapon of the future. The XM–1 will restore the quality differential needed to offset the Soviet quantity advantage in tank strength. Its advanced armor technology, unique compartmentalization design, integrated fire control system, and high performance 1500-hp turbine engine will give the XM–1 tank an unparallel capability to survive and fight on the modern battlefield. Introduction of the XM–1 into the inventory is currently planned for 1980.

Validation testing of the two U.S. prototypes was completed in May 1976 with both the General Motors vehicles and the Chrysler vehicle demonstrating the capability to meet or exceed the materiel needs specified by the Army. Selection of the winning U.S. contractor and entry into full-scale engineering developments, originally planned for 20 July 1976, was delayed until 12 November 1976 to solicit from the contractors competitive alternate proposals which contemplated the incorporation of selected components common to the German Leopard 2 and U.S. XM–1. On 12 November 1976, Chrysler Corporation was selected to conduct a full-scale engineering development effort which will provide 11 pilot vehicles for development and operational testing leading to production in 1980. In accordance with the 1974 US/FRG agreement, a modified Leopard 2 was received in September 1976 for testing as a candidate for the U.S. main battle tank requirement. The Leopard 2 has been evaluated against the same criteria used for the XM–1 prototypes. By subsequent US/FRG agreement, final evaluation of the Leopard 2 has been limited to those subsystems defined in the July 1976 addendum to the 1974 US/FRG agreement

Advanced Attack Helicopter

The Advanced Attack Helicopter (AAH) will be a highly mobile weapon system fully capable of performing its mission during day, night, or adverse weather conditions.

The competitive airframe development program (Phase 1 of 2 phases) made major progress during 1976. Both contractors (Bell and Hughes) completed their developmental flight tests and the four flying prototype aircraft were delivered to the Army in May. The government competitive test was completed in September followed by source selection and contract award to Hughes Helicopters. Hughes is proceeding with full engineering development which includes development and integration of the weapons and target acquisition systems. A significant change occurred early in 1976 with the Army decision to replace the TOW missile system on the AAH with the Hellfire laser terminal homing missile. The Hellfire will be a far more lethal weapon system and will enhance AAH survivability significantly through greater weapon range and flexibility of operation.

Patriot (Formerly SAM–D)

Patriot, an advanced surface-to-air missile system, is being developed to provide an air defense for the field Army in the 1980's and beyond. The Army's present high and medium altitudes systems, Hercules and HAWK, do not have the potential to respond to the sophisticated threat anticipated in the future. The Patriot's multiple function radar, with high-speed computer control, and missile guidance concept will counter saturation tactics by engaging multiple targets simultaneously. The Patriot system will permit a significant manpower savings, compared to the present system.

This was a year of fabrication and integration of two sets of tactical ground equipment, and of extensive preparation for the next phase of flight testing at White Sands Missile Range.

Utility Tactical Transport Aircraft System

After slightly less than 4 years of contractor development and 9 months of government evaluation, the Army will be procuring its first Utility Tactical Transport Aircraft System (UTTAS). In addition to being the first true squad carrier ever developed, the UTTAS provides the Army with a durable aircraft that is low in cost to procure, operate, and support, while still providing the capability of operating in virtually any climatic condition. To date, each prototype design has been flight tested approximately 1400 hours, while the T–700 engine, which will power the UTTAS as well as the AAH, has accrued over 28,000 demanding test hours. On 23 December, the competitive production contract was awarded to Sikorsky Aircraft.

Mechanized Infantry Combat Vehicle

The mechanized infantry combat vehicle, more frequently referred to as the MICV, will be the U.S. Infantry's first true fighting vehicle. With greater power, acceleration, and advanced suspension, the MICV provides great improvement in cross-country speed. It is armed with a stabilized automatic cannon and coaxial machine gun in a fully protected turret, and has firing ports along the sides and rear for use by mounted infantrymen. Additionally, the turret design has been reconfigured to mount the TOW (tube-launched, optically-tracked, wire-guided) missile system on the MICV. The MICV will be employed as part of the combined arms team with the main battle tank of the 1980's.

The MICV program is in the engineering development phase. After some technical difficulties, developmental testing resumed on 1 October 1976 at Aberdeen Proving Ground and operational testing began at Fort Benning. Four vehicles, two with General Electric and two with Allison transmissions, will be tested at each location. Testing will continue through summer of 1977 and the production decision is scheduled for July. The addition of the TOW system is particularly noteworthy as it will provide greater battlefield firepower and allow the MICV to counter the heaviest of enemy armored vehicles.

COPPERHEAD CANNON-LAUNCHED GUIDED PROJECTILE

The Copperhead is a 155mm cannon-launched guided projectile that will be compatible with current and developmental 155mm howitzers. This projectile will be employed in indirect fire by field artillery units to destroy or neutralize moving and stationary hard targets such as armored vehicles and field fortifications. Targets will be illuminated with either ground or airborne laser designators and the projectile will be terminally guided through acquisition and tracking of the laser energy reflected from the target. This semiactive terminal guidance will provide a high probability of first round target destruction or neutralization.

The Copperhead is now in egnineering development. Design modifications to improve reliability and performance and to reduce costs were the primary efforts during Fiscal Year 1976.

OTHER SYSTEMS

In view of the increasing Soviet air threat to ground forces, special attention is being given to development of air defense weapons systems. Systems currently under development, in addition to the Patriot, already mentioned, include the Stinger, a light shoulder-fired missile, which is designed to counter low altitude, high-speed aircraft; the Roland, an all weather, short-range missile; and the LOFAADS system, which is an all weather, short-range gun.

Other systems under development include such priority items as Stand Off Target Acquisition Surveillance System, which is a helicopter-borne radar system that detects and locates targets at ranges well beyond ground line of sight, and automatic communications central office, which will provide automatic switching service with minimum size, weight, and power consumption.

Procurement

Army procurement is concerned with satisfying these goals:

To achieve and maintain full combat readiness, including those reserve supplies needed to replace losses expected early in any future war.

To maintain a production base capability to ensure that sufficient materiel will be available when needed.

To maintain a balance between sophistication and simplicity, quality and quantity, and weapons and supporting equipment.

To attain the necessary combat capability at the least possible expense.

Hardware procured in 1976 included the most simple items, such as rifle cartridges, and the most complex, such as M60 tanks, M113A1 armored personnel carriers, and Dragon anti-tank missiles. Procurement programs of special interest are discussed in more detail below.

Fielding of Commercial Vehicles in Tactical Vehicle Roles

In May of 1976, the Army began replacing the standard military ¾-ton and 1¼-ton truck fleets with approximately 33,000 1¼-ton commercial pickup trucks. These trucks are production line models which are outfitted with special kits to enable the vehicles to perform unique military missions. As of the end of 1976, over 13,000 trucks have been distributed to Army units worldwide. Vehicles issued to units in the field have proven to be effective and reliable. Expected long-range benefits of this program are threefold: the Army will have a readily available source of repair parts from the civilian market; there will be a continuous production base for new trucks; and acquisition costs will be lowered.

Attack Helicopter, AH–1 (Cobra/TOW)

The AH–1 (Cobra/TOW) helicopter has been introduced into the Army inventory to provide an urgently needed helicopter anti-tank capability. The Cobra/TOW is a product improved version of the AH–1G first employed in Vietnam. It has increased power and is armed with eight TOW missiles. This weapons system provides an early anti-armor capability until the more capable advanced attack helicopter is fielded. The Cobra/TOW is being assigned to air cavalry and attack helicopter units.

Helicopter Flight Trainers

Four synthetic flight trainers for UH–1 helicopter pilots were installed in military posts within the continental United States and Hawaii. Each of these trainers has four cockpits, each with its own five degrees of motion system, a central instructor-operator console, and a computer data system.

It permits instrument and emergency procedure training, pilot standardization, and undergraduate pilot qualification. Use of these flight trainers by the Army will save fuel and provide a safe, standardized environment for pilot training.

Tactical Satellite Communications Terminals

Super high frequency tactical satellite terminals were procured in 1976 to provide support and meet unique tactical communications command and control mission requirements which cannot be practically or reliably met by existing communications equipment. These terminals provide the capabilities of quick reaction, high reliability, terrain independent, and longer range communications never before available to the Army.

High/Low Mix Concept

Army procurement in 1976 continued to be governed by a high/low mix concept for offsetting the increasing cost of modernizing equipment. Higher priority units will receive the new items of equipment; units that will arrive in the combat zone later will keep older models or receive product-improved items. Thus, while modern systems will be coming into the inventory in future years, the bulk of Army weapons systems will be those presently fielded with planned and possible product improvements to enhance combat effectiveness.

Product improvement

Many items in the Army's inventory can be substantially improved by modifications or conversions. This process, which is aimed at providing more safety, reliability/maintainability, and operational capability, is a continuous one. By the use of product improvement, the Army increases the combat effectiveness of the soldier in the field with less cost in money and time than would be necessary by designing a new item. An outstanding example of product improvement was the extension by 20 percent of the range of the M109 (155) self-propelled howitzer by the addition of a longer gun tube. Another example is the continuing improvement of the M60A1 tank. Phase I of this improvement incorporated eight major advances in fire control, suspension system, and power package reliability. Phase II, initiated in 1976, includes eight additional improvements in such areas as ammunition storage, cross-country mobility, radiation, alarms, and communications security.

Cost reduction in materiel development

Reducing costs and overruns is a major Army goal. The Total Risk Assessing Cost Estimate (TRACE) system requires engineers to predict development costs of each component within a system. The design to cost technique specified a production cost for a given production quantity. A series of management seminars was conducted this year, with participation by officials from the Army and industry, to identify additional practices that can reduce cost growth in materiel development. These management procedures, in conjunction with the high/low mix concept in procurement, should materially improve the value received for dollars spent on equipping the Army.

Inflation, however, will remain a factor in evaluating program cost-effectiveness. For example, the comparative prices of the M60A1, M60A3, and XM–1 tanks depend heavily on the scale of inflation. The table below reflects the representative unit cost of the M60A1 in 1972 compared to what the same tank would have cost in 1976 (the Army is now buying the greatly improved M60A3), the representative cost of the M60A3 in 1976 compared to what it would have cost in 1972, and the price of the XM–1 in 1976 dollars, when the competitive selection was made, compared to the original target price of the tank which was set in 1972.

	1972	*1976*
M60A1	258, 700	416, 200
M60A3	357, 800	575, 600
XM–1	507, 000	754, 000

Only after adjustment for inflation can the true cost control record of a program be accurately assessed.

Standardization and cooperation

It is the policy of the Department of the Army to engage in cooperative research and development when evaluation shows the cooperation would result in a net benefit to the United States in cost or time savings, in technology, or an increase in the combat capability of the United States or a U.S. ally. Cooperation among the U.S. Armed Services affords obvious direct benefits in avoidance of unwarranted duplication of research and development efforts, cost savings from common materiel procurements and stockpiles, and efficiency in strategic and tactical operations.

The current emphasis on cooperation is in the NATO arena. The DOD Steering Group on NATO Rationalization/Standardization is charged by the Secretary of Defense to promote and facilitate cooperation between the United States and its NATO partners. The DOD effort complements actions taken by the NATO Defense Ministers to promote interoperability of NATO combat and support forces. Examples of Army cooperative research and development programs are the main battle rank, Roland air defense system, small arms, 15mm howitzers, and Patriot air defense system.

Industrial preparedness

The Army maintains an industrial base to support current and mobilization production requirements. The Industrial Preparedness Program ensures continued emphasis and the needed resources to maintain the readiness of the industrial base. The most important management initiatives in this program include those designed to accomplish the proper layaway, preservation, and maintenance of ammunition plants which have been closed due to reduced procurement. Other necessary actions are maintaining a warm base for critical items, efforts to reduce costs and leadtimes, assessment of foreign source dependencies, and modernization of essential plant equipment and facilities. Priority is currently being placed on an in-depth analysis, directed by the Department of Defense, to determine the responsiveness of the base to expand production of specific weapons systems.

IV.—TRAINING—THE MULTIPLIER OF COMBAT READINESS

How the Army plans to fight

The primary wartime objective of the Army is to win the land battle—large or small—against whatever foe, wherever war may take place. Since that battle may occur in any of a variety of places and situations, with opponents which could vary from the highly modern mechanized forces of the Warsaw Pact to light irregular units in a remote part of the less developed world, the Army must be equipped, organized, and trained to undertake any military mission.

Success will depend heavily on the Army's ability to assess correctly the dynamics of modern battle and to communicate an effective battle doctrine throughout the Total Army. The U.S. Army must prepare its units to fight, though outnumbered, and win.

To win, soldiers need the best weapons that can be provided, the best training their leaders can give them, and a sound tactical doctrine. Overall effectiveness at the small unit level can thus be stated in terms of the following formula: effectiveness of crew = weapon + proficiency + tactics. The difference between a high performance unit and a low performance unit will be exactly the difference between winning and losing.

On 1 July 1976, U.S. Army Training and Doctrine Command published Field Manual 100-5, a unique source of Army tactical doctrine, which elaborates the rationale described above. This manual focuses on the mission in Western Europe, and sets forth the tactics and techniques required to fight on the modern, highly lethal battlefield. It reflects the result of extensive collaboration with the High Command of the German Army. It is written in recognition of the fact that virtually the entire U.S. Army, from private to general, has had no battlefield experience in the form of combat most likely in the NATO environment. This manual reflects the transition of the Army from the rice paddies of Vietnam to the Western

European battlefield opposing the formidable armored forces of the Warsaw Pact. The principles it sets forth are applicable to military operations anywhere in the world. The manual serves as a capstone work, from which detailed "How to Fight" manuals are being derived.

How the Army trains its personnel

The Army's training mission is accomplished through a sizable establishment involving a substantial portion of the Army's total manpower, structure, and dollar resources. The Active and Reserve Component training establishments operate at an intensive pace, on a continuous basis, throughout the year. Student turnover is rapid. Much of the training involves dangerous or complex equipment, including weapons, aircraft, and electronic systems. Many military duties require knowledge of skills which are either not taught in public and private institutions, or for which special conditions, such as combat, require further training.

This very demanding training mission is accomplished by training of both individuals and units. The most promising technique for training individuals is One Station/One Station Unit Training (OSUT). OSUT was recently tested at the direction of Congress, following the Fiscal Year 1976 Military Construction hearings. The test, one of the largest of its kind ever conducted, required over a year to complete, and was conducted at posts throughout the United States. It required evaluation of the performance of 17,000 trainees in six military occupational specialities. Interviews with supervisors of the units which received these graduates fully confirmed the validity of the OSUT concept. Based on this test, which ended in November, the Army has concluded that a soldier can be trained to the same skill level as previously achieved in the traditional basic combat training/advanced individual training program, but in less time. Anticipated improvements in the field of instructional technology, such as laser simulation for rifle marksmanship and prepackaged audio-visual training extension courses, promise even greater efficiencies in training personnel.

How the Army trains its units

Once the soldier is trained to proficiency in his assigned skill, he then reports to his unit. Training in the unit is intended primarily to prepare the organization for combat operations. However, training of individuals does not cease, but rather is integrated into the unit training program. Priority of effort is placed on the tactical proficiency of the small unit. If the Army's squads, platoons, and companies can fight, so can its divisions and corps. Training links doctrine and battlefield execution.

The past year saw a number of advances in unit training methods. One example is the continuing program whereby Reserve Component units are affiliated with Active units. By using Reserve Component units in opposing force roles, both Active and Reserve units receive mutually beneficial training. Also, Reserve Component airborne units from Texas continue to rely on the 82d Airborne Division Advanced Airborne School for airborne training. Throughout the country there are examples of cooperation such as these, including operations with Air Force Reserve squadrons, that are mutually beneficial to Active and Reserve units.

Training is largely performance oriented. The Army Training and Evaluation Program (ARTEP), initiated in 1975, was developed to provide a realistic method for evaluation of performance against standards which all units must meet in the essentials of combat: moving, shooting, communicating. It is the goal of each unit in the Total Army to meet or exceed the ARTEP standards which are developed for that type unit. REALTRAIN, a technique for conducting realistic two-sided field exercises, has provided substantial increases in training effectiveness and in arousing enthusiasm and inherent competitiveness. In field exercises, a new emphasis is being placed on skills which have not enjoyed high priority in the past decade, such as protection against chemical attack, air defense, and electronic warfare. The intent in all these programs is to improve subperformance units to high performance standards and to maintain those standards with continuing practice.

Since the Army must be prepared for operations in response to worldwide contingencies, training exercises are conducted in European, arctic, jungle, and desert conditions. Participation of Active and Reserve Component units in training outside the continental United States and reciprocal exchanges with allied countries provide variety and challenge to selected units. Small unit exchanges were conducted last year, as in previous years, with Australia, Canada, New Zealand, Norway, and the United Kingdom.

The Army's training needs

At the field level, training is primarily a leadership exercise: the commander applies the resources provided to his unit to achieve the desired level of readiness. At the Department of the Army and major command level, training is a management problem: to meet the level of readiness desired, resources must be provided to subordinate commanders in the quantity and kind needed and at the time required. In times of limited resources, this requires a thorough understanding of the constraints imposed on training.

The chief constraint to training is the rising cost of materiel and services. Within the past several years, it became apparent that an analytical method of costing training must be developed. In the past, the Army had no system to quantify either the costs of training, or the costs of achieving the established levels of readiness. A major study was initiated in 1976 to accomplish the objective of rationalizing and managing the costs of training.

Escalating costs are limiting the Army's live fire exercises, which severely constrains traditional approaches to gunnery training. This problem is being addressed by substituting less costly training support systems for actual equipment and periodically providing simulation devices in place of weapons. A major research and development effort is underway to develop training devices and simulators for a variety of items to provide the necessary realignment in training at lesser cost.

One of the most pressing limitations to training worldwide is the availability of suitable real estate on which the 24 Active and Reserve Component division forces can adequately maneuver and fire their weapons. The Army's real estate acquisition program has kept pace neither with changes in the Army troop list nor with the expanding requirements of weaponry and doctrine. The Army is now examining the entire basis for its training requirements. Only after inventorying current assets and evaluating the realignment of forces and functions, as appropriate, will the Army then proceed to acquire additional acreage.

There are many other pressing training needs. One example is the system of targets used at most Army posts. With few exceptions, the present targets are antiquated and inefficient, and present unrealistic simulations of combat engagements. This particular inadequacy is presently being addressed by U.S. Army Training and Doctrine Command and will be rectified by appropriate procurement of modern systems in the future.

A snapshot of selected exercises

During 1976, the Army participated in three directed and 23 coordinated Joint Chiefs of Staff exercises which occurred throughout the world.

Largest of these exercises was the annual strategic mobility exercise—REFORGER 76. It marked a major turning point in the conduct of annual strategic mobility exercises. In the past, soldiers of the 1st Infantry Division and support units were airlifted to Europe where they participated in field training exercises using prepositioned equipment. In REFORGER 76, the 101st Airborne Division (Air Assault) deployed to Europe with equipment moving by sea and personnel by air. This deployment provided a long overdue demonstration of U.S. strategic sealift capability. Upon arrival in Europe, ports in Belgium and the Netherlands were used for sealift offloading, and maximum reliance was placed on host nation support. Deployed forces then participated in four field training exercises which included forces from NATO allies.

The testing of plans for movement, reception, and combat employment provides unique benefits to troops and units involved in strategic mobility and materially contributes to total force readiness. In addition to the training value, exercises reinforce perceptions of U.S. strength and resolve. Efforts will continue to further broaden force participation and to refine operational procedures with allies.

New initiatives in training

Since combat developments and doctrine are dynamic, since weapon systems are constantly evolving, and since tactics and techniques are continually changing, so must training methods continuously be refined, updated, and changed. The Army is engaged in a series of management initiatives which will utilize training resources more efficiently. These actions include broadened implementation of self-pacing of students within the Army service schools and training centers, expansion of one-station unit training, an Army Reserve training program which provides basic and advanced individual training for nonprior service enlistees, and establishment of the U.S. Army Training Support Center to better manage support of training Army-wide.

The Army Must Train to Fight Outnumbered and Win

Computer assistance is being used to teach commanders, at brigade and battalion levels, the dynamics of battle and effective methods of battle control. Two new programs, Computer Assisted Map Maneuver System and Combined Arms Tactical Training System, were implemented in 1976. Another initiative to enable junior leaders to conduct realistic operations is a gaming simulation called "Firefight." This technique emphasizes the use of terrain to exploit the operational capability of weapons, the use of indirect fire for suppression, and employment of smoke against enemy tactics and equipment. Testing began in the last quarter of 1976.

Many simulators and training devices are being developed to enhance attainment of ARTEP objectives with the expenditure of fewer resources. An example is the Multiple Integrated Laser Engagement System (MILES I) which entered engineering development this year. MILES I is an eyesafe laser system that allows realistic casualty assessment. It will support battalion ARTEP requirements.

The new Opposing Force Program (OPFOR) will concentrate on training soldiers and leaders how to fight when outnumbered and win. OPFOR will be integrated into all aspects of Army-wide training and will feature the use of realistic doctrine, tactics, and actual weapons systems of adversaries. A pilot program was initiated in 1976.

A final example of the many new training initiatives is tactical environment desert training which began at Fort Irwin, California, in late 1976. This is not a substitute for essential training requirements but rather additional training to enhance the capability of units to operate in a desert environment.

All of these initiatives are designed to capitalize on the Army's greatest asset—its soldiers. By maximizing the potential of the soldier—his pride, his motivation, his confidence, and his growth—the Army maximizes its combat readiness.

V.—SUPPLY AND SERVICES—SUSTAINING COMBAT READINESS

How the Army measures materiel readiness

The Army's materiel readiness goal is to have all equipment ready to fight at all times. The introduction of more sophisticated equipment into the Army inventory has complicated the maintenance of an accurate and simplified material readiness reporting system. The basic document which governs the materiel readiness reporting system is contained in a technical manual, entitled "The Army Maintenance Management System." Under its provisions, both Active Army and Reserve Component units provide readiness data on assigned reportable items of equipment through the submission of a materiel readiness report. Elements of the DA Staff, the U.S. Army Materiel Development and Readiness Command (DARCOM), and other major Army commands review the data summarized from this report to determine deviation from the DA standard and to highlight equipment problems. This reporting system thus provides objective and accurate information on the actual readiness of materiel in each unit, and provides a measure of the effectiveness of managing costly resources at all levels of command.

Improving reliabilty, availablity, and maintainability (RAM) of equipment

In 1976, the Army implemented a revitalized management technique for assessing and improving RAM.

The objective of this program is to sustain or improve combat readiness and reduce support costs of equipment, subsystems, and components in a changing technological environment. The program consists of four phases: identification of problems through assessment of reports and on-site effectiveness reviews; prospective improvement analysis; funding and implementation of planned improvements with the most promising potential payoffs; and assessment, after improvements are fielded, to measure actual achievements.

During 1976, 117 improvement projects were adopted for implementation at projected net cost savings of $112 million (for 45 of these) and reduced "down-time" in the other 72. Examples of recent improvement projects adopted include the Vulcan radar (AN/VSS–2) and the M60A1 product-improved tank engine. Mean-time-between-failure for the AN/VSS–2 radar is expected to be improved by a factor of three at a projected cost savings of $39.9 million, and mean-mile-between-failure for the tank engine is expected to be improved by a factor of 2½ at a projected cost savings of over $310 million.

Another facet of the RAM program accomplishments was the establishment of a high review of depot maintenance quality. The objective of the review is to assess the adequacy of the DARCOM depot maintenance program and initiate corrective action in areas identified as requiring improvement. Five major weapons systems and two major items were reviewed during the period, as were the procedures utilized by the appropriate overhaul depot.

Equipment issues to reserve components

During the period 1 July 1975 to 30 September 1976, the Reserve Components were issued $384 million in standard equipment. As of 30 September 1976, the Reserve Components had 70 percent (measured in dollar value) of their major item training requirements on hand. The Army has raised the resource distribution priority of those Reserve Component units involved in the affiliation program, assigning the roundout units an equal priority to that of their Active Army sponsor.

Modernizing the Army's logistics systems

Since the early sixties, the Army has been concentrating efforts on keeping automated logistics systems abreast of the computer age. The magnitude of logistics support effort would have become totally unmanageable and unattainable, were it not for the degree of automation which has been developed. A standard computer-based system now operates Army storage activities, and an extension of a system for operations at the six inventory control centers is nearing completion. An operating and management information system has been fielded for the CONUS posts and installations and an upgrade of that system will provide increased capabilities worldwide. New systems are under development to provide a complete maintenance management and reporting capability, worldwide management of ammunition, tracking of intransit cargo, and automated control of Army personal property shipments.

Maintaining Army aircraft

The Army has initiated an extensive program to improve the efficiency of scheduled inspections and maintenance for Army aircraft. From this effort, a system has evolved that replaces standard scheduled preventive maintenance procedures with a phased maintenance system based on condition. Phased maintenance experience, based on extensive test program with UH–1 (Huey) and CH–7 (Chinook) helicopters, has resulted in an increase in operational readiness, and decrease in maintenance manhours and spare parts consumption. Phased maintenance is in the process of being implemented on a worldwide basis for the UH–1 and CH–47.

The Army has capitalized on experience gained in Vietnam by restructuring the echelons of aviation maintenance from five to three levels in order to accomplish maintenance tasks where they can be most effectively and economically performed. An integrated direct support capability, aviation unit maintenance, has been established at the company-troop level to give the commander resources and capability for complete and responsive mission support. Direct and general maintenance support levels are being consolidated into one intermediate level, aviation intermediate maintenance, to provide backup support in the division and Army area.

In Fiscal Year 1973, the Army initiated a program of on-condition maintenance (OCM) to inspect and select aircraft for overhaul on a "worst first" basis. The system has resulted in significant improvements and cost savings over previous techniques that scheduled aircraft for overhaul on flying hours or calendar time. Through OCM, aircraft overhaul intervals have been progressively extended from a 5- to an 8-year cycle with resultant cost savings and increase in aircraft availability to operating units.

Strategic mobility

The need for strategic mobility results from the oversea commander's analysis of the time-phased requirements for combat divisions, support forces, and resupply necessary to provide balanced and sustainable combat power in wartime. These force requirements and the ability to deliver them are linked directly to detection of hostile activity, an early decision to mobilize, unit readiness, and strategic lift availability.

Since time is critical, most operation plans place key emphasis on early delivery of essential forces. During 1976, the Army initiated or supported many actions designed to provide a credible balanced aid and sea reinforcement capability:

Increased Army prepositioning of materiel, reducing the amount of equipment to be moved.

Supported the Air Force Airlift Enhancement Program, designed to increase current airlift capabilities and alleviate constraints on oversize cargo.

Supported Navy efforts to upgrade vessels in the National Defense Reserve Fleet to make shipping available earlier.

Completed the deployment of the second of two brigades to Europe, which increases forward deployed combat power.

Improving the management of commissaries

In 1976, the Army accomplished its planned objective for centralizing management to achieve economy and cost savings in operating the Army worldwide commissary system. Central management headquarters is at Fort Lee, Virginia, with field offices established to manage the operation of 143 commissaries in five regional areas. Major actions undertaken in 1976 include: separation of troop subsistence issue from the resale function; establishment of a separate division of the Army stock fund for resale subsistence; establishment of a commissary civilian career management program; and approval of a 3-year commissary construction program.

VI—THE STRUCTURE OF THE TOTAL ARMY—ORGANIZING FOR COMBAT READINESS

The total Army

The Total Army force structure equals the Active Component and Reserve Components, plus civilian support. Within the Reserve Component category are the Army National Guard and the Army Reserve. Constant readiness of the Total Army is the primary peacetime goal. Today's Army meets that challenge with 16 Active and 8 Reserve Component divisions, and their required combat support. The Total United States Army is a formidable force in the eyes of the world, and planned improvements will make it an even more credible force in future years.

Sixteen-division active component

As shown on the chart on the opposite page, the Active Component includes 16 divisions consisting of armored, infantry, mechanized, air assault, and airborne divisions. Three of the 16 divisions are relatively new, one having activated in 1974 and the remaining two in 1975. The three new divisions are the 5th Infantry Division (Mechanized) at Fort Polk, Louisiana; the 7th Infantry Division at Fort Ord, California; and the 24th Infantry Division at Fort Stewart/Hunter Army Airfield, Georgia. All three new divisions are organized with one of their three brigades from the Army National Guard.

In 1972, there were a total of 13 active divisions in the Army. Less than one-half could meet the stringent Joint Chiefs of Staff readiness standards of "ready for combat." By 1973, 10 of these 13 divisions were combat ready and by the end of 1974 and continuing to present, all 13 divisions are "combat ready." The three new divisions are well on their way to being manned and equipped so as to be fully capable of performing their mission in combat.

Eight-division reserve component

This year, as Americans celebrate the 200th birthday of our Nation, the National Guard celebrates its 340th. Rich in history, dating back to the organized colonial militia—forerunner of today's National Guard—the Minutemen remain poised to fulfill their commitment to helping prevent the outbreak of another major war. All eight Reserve Component combat divisions are part of the Army National Guard. The Reserve Component force consists of armored, infantry, and mechanized divisions.

To attain peak readiness in the Reserve Components, the Army is engaged in the Affiliation Program. Under this program, both Army National Guard and Army Reserve units required to support mobilization contingencies join with Active Component counterpart units to develop and share means and methods of improving combat readiness and deployability. The Affiliation Program has increased from 92 battalion-sized Reserve Component units in 1975 to 97 in 1976, 81 of which are from the National Guard.

The United States no longer has the luxury of assuming a lengthy period of time for mobilization.

As part of the Affiliation Program, the Army uses Army National Guard and Army Reserve units to form an integral part of Active Component divisions. These are called "roundout" units and are vital to the Total Army force structure. Currently, Army National Guard combat brigades make up the third brigade in four of the Active divisions. Nine Army National Guard and two Army Reserve combat battalions are also part of the roundout concept.

The Army National Guard and the Army Reserve must possess a degree of readiness that will permit them to rapidly mobilize and deploy, and engage effectively in combat in support of national commitments.

Converting support structure into combat power

A significant aspect of today's Army is the increasing number of personnel in combat units such as infantry, armor, and artillery, as opposed to the number of personnel in supporting units such as transportation, maintenance, and supply. The number of soldiers in combat units compared to the number in support-type units is commonly called the "combat to support" ratio.

In 1973, the Army began a major effort to convert overhead to fighting power. As a result, the Army went through a major reorganization which resulted in staff reorganization and overhead reduction throughout the Army. This reduction resulted in 50,000 personnel spaces which are being used to create 55 new combat battalions. Thirty-three of these new battalions are being used to form the three new divisions.

Shown below is a percentage display of the strides made in our Active Component "combat to support" ratio since 1973.

Combat to support ratio

[In percent]

Year:	*Combat*	*Support*
1973	43	57
1974	45	55
1975	50	50
1976	53	47

The Reserve Component has also to a large degree enabled the Active Army to increase its "combat to support" ratio, since 67 percent of the Army's 24 division tactical support requirement is presently assigned to the Reserve Components. The Reserve Component force structure is being refined and updated to meet this challenge. Upon completion of these structure changes, the Reserve Component will field the most combat ready force in its history.

Individual Ready Reserve

The Ready Reserve portion of the United States Army Reserve consists of both Troop Program Units (Selected Reserve) and the Individual Ready Reserve (IRR). The IRR is just as much a part of the Total Army as is the Active Army, the Army National Guard, and the Army Reserve. In the event of mobilization, the IRR functions as a manpower resource pool to fill to wartime strength both Active and Reserve Component units that exist at the time; to fill unmanned units required for war but not authorized in peacetime; and to replace initial combat losses until such time as output for the Selective Service System and training base is available. Over the past 4 years, the IRR has steadily declined in strength. This decline is depicted in the chart.

This continued decline is presently the subject of intensive study. The reduced availability of IRR assets may require corrective action oriented directly on the IRR or reevaluation, and subsequent possible increase, in paid drill manning objectives in units over the next few years.

The Army's deployment and stationing

The Army's combat forces are structured and deployed to support the national strategy, to meet the enemy threat, and to reflect fiscal constraints.

Active Component Deployment

In the continental United States and Alaska, the major active combat units are 10 divisions (including three new divisions not fully manned), three separate brigades, an air cavalry combat brigade, and an armored cavalry regiment. The units are structured for a variety of missions and world environments, but the goal is to maintain a force which is available for rapid commitment anywhere the U.S. interest requires.

In Europe, four divisions, three brigades[1] and two armored cavalry regiments retain the high level of readiness necessary to permit an immediate response to any aggression against the NATO alliance.

In the Pacific, the division in Hawaii and the division in the Republic of Korea (with its Korean augmentation) are ready to perform their assigned combat mission.

In the Canal Zone in Panama, the Army has deployed one brigade which provides for a ready response to any contingency which might arise in that area.

Reserve Component Deployment

All eight Army National Guard divisions are located within the continental United States. In addition, the Army National Guard has 19 combat brigades (three of which round out the three new active divisions) and three armored cavalry regiments located in the continental United States and one combat brigade located in Hawaii, which is roundout for the Hawaiian active division. The Army Reserve has three combat brigades in the United States. Both the Army National Guard and the Army Reserve major combat units provide the Total Army a substantial combat force.

Stationing

Force structure changes significantly impacted on stationing and installation programs in 1976. Training centers at Fort Ord, California, and Fort Polk, Louisiana, were converted to combat division stations requiring reorientation of construction programs. In addition, the Army continued to develop Fort Stewart/Hunter Army Airfield, Georgia, as a division station with reorientation of construction programs from support of infantry-type operations to mechanized-type operations. The following list depicts stationing of Active and Reserve Component divisions.

Active and Reserve Component Division Locations

Active Divisions and location:

1st Infantry (Mechanized), Fort Riley, Kansas.

2d Infantry, Camp Casey, Korea.

3d Infantry (Mechanized), Wurzburg, Germany.

4th Infantry (Mechanized), Fort Carson, Colorado.

5th Infantry (Mechanized), Fort Polk, Louisiana.

7th Infantry, Fort Ord, California.

8th Infantry (Mechanized), Bad Kreuznach, Germany.

9th Infantry, Fort Lewis, Washington.

24th Infantry, Fort Stewart, Georgia.

25th Infantry, Schofield Barracks, Hawaii.

1st Cavalry, Fort Hood, Texas.

1st Armored, Ansbach, Germany.

2d Armored, Fort Hood, Texas.

3d Armored, Frankfurt, Germany.

82d Airborne, Fort Bragg, North Carolina.

101st Airbone (Air Assault), Fort Campbell, Kentucky.

Army National Guard Divisions, and location.[2]

26th Infantry, Massachusetts/Connecticut.

28th Infantry, Pennsylvania.

38th Infantry, Indiana/Ohio/Michigan.

40th Infantry (Mechanized),[2] California.

42d Infantry, New York.

47th Infantry, Minnesota/Iowa/Illinois.

49th Armored, Texas.

50th Armored, New Jersey/Vermont.

Project CONCISE, which formulated an Army long-range stationing plan to reduce the number of installations the Army will occupy in the foreseeable future, has also had a significant effect on installation programs. In pevious years, the Army announced the adoption of one-station training, the elimination of six major headquarters, the reduction and closure of ARADCOM facilities, and the realignment of Army materiel laboratories and agencies. Implementation of realignments continued in 1976. The consolidation of signal training at Fort Gordon, Georgia, and the reduction of Pueblo and Savanna Depots are now complete. The closure of Frankford Arsenal and Lexington Bluegrass Army Depot are not complete because of delays due to legal challenges.[3] In all cases, their realignments represent the Army's best efforts to streamline the base structure to meet long-range mission needs and to reduce expenses which are borne by the American taxpayer.

VII.—INSTALLATIONS AND FACILITIES—INVESTMENT IN READINESS

The Army's requirements

Support of the Total Army was the purpose behind the Army's 1976 military construction and improvement programs. Emphasis continued on construction and rehabilitation of facilities of direct benefit to the Active duty and Reserve soldier. Base realignments, resource conservation, environment improvements, and major construction efforts all were designed to provide better management of the resources available within established financial restraints.

Realigning bases to improve efficiency

In addition to the actions discussed in Chapters III and VI to streamline the research and development management structure, the Army continued its review of other base structure requirements. In April 1976, the Army announced 18 candidate installation alignment actions for detailed study to reduce nonessential overhead and support costs and to improve overall operating efficiency. Input from the Congress and localities where the installation is located is a key to thorough review and justification of any action taken. Some installations are being studied for conversion of certain support activities to less expensive contract operations. Some are being reviewed for reduction or consolidation of mission functions, and other installations may be closed if no longer essential to present needs. These actions can result in an Army base structure more closely aligned with current mission needs, and will provide additional resources for the improvement of combat capability.

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[1] Not including the special mission brigade stationed in Berlin as part of the Tripartite occupation force.

[2] First state listed is location of division headquarters.

[3] In both cases, the challenges were resolved in favor of the Army.

Conserving scarce resources

The Army exceeded its goal for reducing consumption of energy on its installations and facilities during 1976. Reductions in consumption of natural gas, liquefied petroleum gas, coal, and petroleum heating fuels offset minor increases in purchased electricity and steam and resulted in total conservation of 9.8 trillion BTU's of energy during Fiscal Year 1976. This represents a savings of 4.4 percent over energy consumption figures for Fiscal Year 1975.

Conservation of thermal and electrical energy through new designs, material selection, and utilities is an integral part of the Army's facilities construction and rehabilitation program. Application of alternative energy sources for heating and cooling of buildings, resource conservation through use of recycled materials, substitute criteria for light duty pavements, and energy research and development, are all contributing to this conservation program. For example, solar heating and cooling systems are now under design for use in some Army Reserve centers. The Corps of Engineers is sponsoring research and development programs to improve energy utilization. By increasing the use of recycled concrete and asphaltic pavements, high quality aggregate materials used in pavements are being conserved.

New guidance on emergency expansion capability was published this year for mobilization facilities planning. Now, for the first time in Army history, installation personnel can evaluate the potential capability of their installation to support a specific mission as opposed to accommodating an imposed mission. Expansion is treated sequentially, recognizing the total capabilities of the existing and potential installation development to support a mission within environmental constraints which cannot be abated.

The industrial production base is also undergoing major improvements to meet safety, health, and pollution standards while conserving energy and critical natural resources and reducing production costs.

The Army is fulfilling its responsibilities in the areas of historical and cultural preservation. Emphasis has been added to existing programs to assure nominations are made of structures and sites worthy of inclusion in the National Register of Historic Places. Close coordination with various State Historic Preservation officers and the Advisory Council on Historic Preservation has been fostered. Identification of areas of significant archeological importance is receiving added attention. Before new construction is started or maneuvers on Army installations disturb the land, an archeological survey must be made. If the survey reveals significant findings, the area is excluded from disturbance.

Environmental considerations

The Army continued its efforts to improve the quality of the human environment on and adjacent to its installation and facilities. An inventory of air pollution sources was completed to identify those not in compliance with the Clean Air Act.

The Army also is participating in a Department of Defense-wide study of various resource recovery techniques prior to development of a plan to implement Environmental Protection Agency guidelines.

Major construction

About $1.3 billion was available for major construction during Fiscal Year 1976 (1 July 1975–30 June 1976). During that period, some $682 million in projects were placed under construction. This was the second most successful award year for Military Construction, Army (MCA) programs in the Army's history. The awards included 80 percent of the total Fiscal Year 1976 projects in the program and exceeded the 70 percent goal established by the Department of Defense. Major projects included new barracks, improvement of ammunition storage facili- and dental facilities, pollution abatement measures, improvement of security measures, improvemnt of ammunition storage facilities, construction of tactical equipment shops, energy conservation measures, dining facility modernization, family housing, and construction of facilities for military community support.

Construction support at government-owned contractor-operated industrial plants was largely devoted to the Army's Munitions Production Base Support Program, although work was also performed at missile and tank plants. Construction projects valued at about $32.7 million were placed under contract during the year and projects totaling $17.5 million were completed. An additional $18.5 million in MCA-funded air and water pollution abatement work was placed under contract at these plants in order to maintain the required production base.

During Fiscal Year 1976, 2,179 family housing units were completed at a cost of $55 million. An additional 8,299 new family housing units were under construction on 30 September 1976 at a cost of $273 million. These units, located in the continental United States and Hawaii, are scheduled for occupancy between November 1976 and March 1979.

During Fiscal Year 1976, construction was substantially completed on 36 projects in the Military Construction, Army Reserve program, totaling approximately $38.6 million. Construction contracts were awarded for 41 projects totaling $29.9 million. Construction was substantially completed on 79 Military Construction, Army National Guard projects totaling approximately $44.6 million, and construction contracts were awarded for 7 projects totaling $32.8 million.

The Army has undertaken a program to improve security of weapons storage sites at 155 sites worldwide. The program is designed to provide a security control center, an intrusion detection system, and lighting and fencing at each location.

Two significant congressional actions were the deferral of land acquisition request for Fort Hood, Texas ($36.5 million), and the water pollution abatement project at Holston, Tennessee, Army Ammunition Plant ($22.7 million).

The Fiscal Year 1977 MCA program is funded at a total obligational authority of $625.4 million. The fiscal year program includes almost $388 million for construction in the United States and $157 million for oversea construction, primarily in Germany and Korea. This includes 1 major Army hospital, 5 dental clinics, 5 major barracks projects, 2 schools, 7 tactical equipment shops, 5 flight simulator buildings, 27 pollution abatement projects, 32 energy conservation projects, and a major effort for security of nuclear weapons in the United States and overseas.

These efforts are meant to improve the life of the soldier and his dependents while providing the Nation a total Army ready to meet any crisis.

VIII.—MANAGING THE BUDGET FOR THE TOTAL ARMY

Fiscal year 1976 Army budget

The Defense Department budget in Fiscal Year 1976 was the largest requested to date in the post-Vietnam era as measured in current dollars. The final amount appropriated by Congress was also the largest. Of the $7 billion increase over that appropriated in Fiscal Year 1975, $3.6 billion afforded program growth and the remainder partially accommodated inflationary increases. For the fiscal year ending 30 June 1976, the Army budget of $24 billion was the largest current dollar budget in the post-Vietnam era, though it was less in buying power than Fiscal Year 1974 when expressed in Fiscal Year 1976 constant dollars:

Fiscal Year 1976 resources provided the necessary balance between manning, equipping, and sustaining the Army.

Manning the Army.—Support for a stabilized military end strength of 785,000 was gained. Congressional acceptance of the addition of three new divisions paved the way for the smooth transition to a 16 Active division force structure.

Equipping the Army.—Procurement resources of $3.2 billion initiated the equipping of newly organized combat units and provided the momentum toward equipment modernization. TOW and Dragon anti-tank missiles, M60 tanks, and armored personnel carriers were major equipment buys in Fiscal Year 1976.

Operating and Maintaining the Army.—Operation and maintenance funds of $8 billion for support of both Active and Reserve forces provided partial recovery from the effects of unbudgeted inflation and the start of a real program growth trend departing from the constrained Fiscal Year 1975 funding level.

Constructing Army Facilities.—Construction of facilities to support Active and Reserve forces amounted to $894 million in Fiscal Year 1976. The emphasis was on people-oriented projects with approximately 50 percent of the Military Construction, Army program devoted to troop housing, hospital additions and alterations, dental clinics, and community facilities.

Fiscal Year 1977 Budget.—The cost of maintaining the Army in Fiscal Year 1977 will be as shown:

The Fiscal Year 1977 budget for the new fiscal year starting on October 1, 1976 was noteworthy in two respects. It was the first time in some 21 years that the Congress completed the appropriation process prior to the start of the fiscal year. This will afford program stability and realistic use of resources throughout the year. Secondly, the Fiscal Year 1977 funding level of $26.9 billion sustains the upward trend in real program growth which began in Fiscal Year 1976 after the post-Vietnam period of declining real resources for the Army. The increase in procurement will start the redress of serious equipment shortages that have adversely affected both Active and Reserve Component readiness posture since the Vietnam war.

Financial Management.—This past year, the Army completed its investigation of several appropriations identified as being over-obligated and in some cases overexpended. A report was submitted to Congress on violations of Revised Statute 3679 involving the Fiscal Year 1971 and Prior Procurement of Equipment and Missiles, Army appropriations; the Fiscal Year 1972 Other Procurement, Army appropriations; and the Fiscal Year 1973 Procurement of Ammunition, Army appropriations. A comprehensive Financial Management Improvement Program was implemented shortly after discovery of these violations. Further, the Secretary of the Army established a Financial Management Advisory Committee comprised of six prominent personnel from industry and the academic community. The committee evaluated the conditions and the status of the corrective actions underway and, in June 1976, submitted recommendations in eight major areas to improve Army financial management. The Army is now emerging from this difficult period with the strongest financial management structure in recent history.

IX—SECURITY ASSISTANCE—AN IMPORTANT CONTRIBUTION TO NATIONAL STRATEGY

The purpose of security assistance

Security assistance programs supported by the U.S. Army in 1976 reflect the policy of the U.S. Government to employ grant aid and sales of military equipment, training, and other services to strengthen the self-defense posture of foreign countries allied to or friendly to the United States. In this regard, the primary goal of U.S. foreign policy is to foster a peaceful and politically stable environment in regions of the world where U.S. interests are significant. Thus, the concept of collective security and cooperation continues to govern the Army's contribution to the security assistance program.

The basic U.S. strategic concept of collective security continues to govern the Army's contribution to the security assistance program.

All security assistance programs are approved by the Department of State and monitored by the Office of the Secretary of Defense. Thus, the Army's contributions to the program are directly tied to the principles and policies established by law and are intended to:

Assist U.S. friends and allies in defending against subversion and external threats.

Support U.S. national security objectives, collective security agreements, strategy, and interests.

Lessen the chances for direct U.S. combat involvement in conflicts where U.S. interests are at stake.

Provide the "quid pro quo" for U.S. bases, facilities, overflight, and other rights in foreign countries that are necessary for executing U.S. strategy.

Further the concept of defense burden-sharing and to reduce requirements for large standing U.S. forces.

Promote standards for and acceptance of international human rights, anti-discrimination, anti-terrorism, and nuclear nonproliferation.

Support the concept of standardizing military equipment, doctrine, and training among allied and friendly nations.

The value of security assistance to the Army

Security assistance programs provide the Army with benefits directly related to its own military capabilities in:

Maintaining a warm production base by using potentially idle and under-utilized industrial capacity.

Reducing unit costs of material items procured by the Army by using foreign orders to enable larger buys and more economic production runs.

Expanding the U.S. peacetime logistics and training base to enhance capabilities to satisfy mobilization needs.

Enabling more widespread standardization of material, services, doctrine, training, and operations, especially within NATO countries.

The costs of security assistance

There are approximately 98 nations and 3 international organizations eligible to transact, with some limitations, security assistance business with the U.S. Government. The trend in that business has been steadily shifting from grant aid programs to sales orders. This trend continued in 1976 with Army grant aid at $0.06 billion and foreign military sales at $3.7 billion. Over half of the total Army sales of $23.3 billion since 1950 has been in the last 3 years, although the total for 1976 was below the record level of 1975.

The value of Army training for approximately 8,000 foreign students in U.S. military schools during the year was approximately $36 million. Mobile training teams and technical assistance teams providing assistance in foreign countries totaled 440 man-years of effort.

Army manpower devoted to all aspects of the 1976 security assistance program was approximately 1,800 military and 3,600 civilian personnel working on a full-time basis. Approximately 5,900 additional man-years of effort were extended on a part-time basis.

The impact of security assistance actions on the Army

Although the United States as well as friendly countries benefit from security assistance programs, there have been instances when such programs have impacted adversely on the combat readiness of U.S. forces. For example, the shipment of material to Middle East countries during and after the 1973 war, although determined to be in the best interests of national security, aggravated existing shortages, significantly affected war reserve and pre-positioned stocks, and contributed to the delay in modernization of National Guard and Army Reserve units. In making deliveries to foreign countries during 1976, withdrawals and diversions of equipment from Army inventories were negligible and the associated impacts on readiness were insignificant. Nevertheless, this basic problem has been recognized in the 1976 law governing security assistance. The President is now required to provide the Congress with a statement certifying that a proposed sale is important to the security of the United States in those cases significantly affecting U.S. force readiness. No equipment may be delivered to a foreign country until this certification is in effect.

Managing the security assistance program

During 1976, numerous organizational changes were made to provide more effective management of security assistance activities. Within the Army Materiel Development and Readiness Command, a new organization (International Logistics Command) was established to manage these activities. By the end of the year, significant changes had been made in the financial management of Foreign Military Sales (FMS). Centralization of FMS billing, cash collection, trust fund accounting, and administrative fee management was assigned to the Security Assistance Accounting Center in Denver, Colorado, under U.S. Air Force supervision. Overseas, 11 military assistance advisory groups were disbanded and replaced by small offices attached to the U.S. Diplomatic Missions in the affected countries. In terms of overall management, the most significant event of the year was the enactment of the International Security Assistance and Arms Export Control Act of 1976 (PL 94–329), which provides for expanded and more active participation by the Congress, and establishes widespread controls over all facets of the program.

X—CIVIL WORKS—AN IMPORTANT CONTRIBUTION TO THE QUALITY OF LIFE OF THE NATION

In 1976, the Civil Works Program of the U.S. Army Corps of Engineers included a wide range of water resources development and management activities, some of which supported priorities in energy, environmental quality, and economic recovery.

Generation of energy

The four new generating units brought on line increased the operational capacity at 65 Corps of Engineer hydropower projects to almost 16 million kilowatts. During Fiscal Year 1976, these projects generated over 87 billion kilowatt hours of electricity, about one-fourth of the Nation's total hydropower. The same amount of energy produced in oil-fired thermal plants would have consumed over 150 million barrels of petroleum. This electricty returned revenues of over $125 million to the U.S. Treasury.

Improving the Nation's waterways

A major new link in the national waterways system — The Tennessee-Tombigbee Waterway—is now under construction. This 253-mile channel will connect the Tennessee and Tombigbee Rivers and shorten the navigation distance from the Tennessee basin to the Gulf of Mexico by over 600 miles.

Development and operation of the inland navigation system is the Corps' oldest Civil Works responsibility, dating back to 1824. This system is vital to the economy of the country. About 95 percent of the population live in states served by these waterways and 131 of the Nation's largest cities are located along the commercial navigation system. The present system includes 25,000 miles of inland and intracoastal waterways, 107 commercial ports, 416 small boat harbors, and 255 locks in 172 dams.

The number of locks and dams decreased in recent years as obsolete structures were replaced with larger, more modern facilities. Replacements provide a savings to the government through lowered maintenance costs and to the shipper through decreased delays. Cargo carried on the waterways represents about 16 percent of all inter-city shipments. Over half the tonnage is energy-producing commodities such as coal and petroleum products. If the system were not in existence, it is estimated that national transportation costs would be one billion dollars higher each year.

Flood control

There are currently over 300 flood control dams in operation, including the multi-purpose hydropower dams with flood capacity, and approximately 700 local protection projects. It is estimated that Corps flood control efforts have prevented $48 billion in damages over the years. The Corps of Engineers was an early proponent—and is now the leader—in developing nonstructural flood control solutions. In Corps planning today, nonstructural alternatives are given equal consideration with structural solutions and are thoroughly investigated before any course of action is adopted. During 1976, the Corps responded to 19,000 requests for technical service, information, and planning guidance concerning flood hazards.

Disaster assistance

Army engineers responded to help people suffering from floods, earthquakes, and other disaster across the Nation and around the world. Flood fighting and other disaster relief efforts took place in North Dakota along the Souris River, in Idaho following the collapse of the Teton Dam, and in Colorado after a severe storm caused the Colorado River to overflow. Devastating earthquakes in Italy and in Guatemala brought engineer soldiers to remove debris and rebuild damaged roads and bridges.

Recreation and resource management

The Army Corps of Engineers now actively manages over 400 lakes with over 11 million acres of land and water. During 1976, as the recreation boom continued, over 380 million visitor recreation days were recorded at Corps projects. There is a wide range of recreational opportunities available at these projects, including nature studies, fishing, camping, swimming, family outings, and boating, where consistent with other project purposes.

Environmental and regulatory programs

Concern for preserving the quality of the environment is an integral part of the planning, engineering, construction, and operation of each Civil Works project.

As authorized by the River and Harbor Act of 1899, the Corps administers a regulatory permit program controlling structures and work in the navigable waters of the United States. The Federal Water Pollution Control Act Amendments of 1972 and the Marine Protection Research and Sanctuaries Act of 1972 modified this program to include the disposal of dredged or fill material in navigable and ocean waters. In 1976, the Corps received over 20,000 permit applications and issued over 16,000 permits.

In April, the Corps denied two of the three permits requested by the Deltona Corporation for development at Marco Island, Florida. Although the State of Florida approved the development in 1972 and 90 percent of the resort lots were already sold, applications for permits to fill 2,039 acres of mangrove wetlands at Big Key and Barfield Bay at Marco Island were disapproved. The Corps asserted that there were overriding national factors of public interest and that the proposed filling of these mangrove wetlands would constitute an unacceptable adverse impact on this aquatic resource.

In September, the Corps implemented Phase II of the Section 404 Permit Program of the Federal Water Pollution Control Act Amendments of 1972. When fully implemented in 1977, the Corps permit program will cover navigable waters and their tributaries, interstate waters, intrastate waters used for interstate recreation and commerce, all coastal waters and adjacent wetlands subject to the ebb and flow of the tide, and lakes five acres or larger in size.

In October 1976, the Chief of Engineers issued revised Corps environmental policies, objectives, and guidelines which are applicable to all facets of the Civil Works program. When a water resources problem is being examined, consideration is given in the earliest planning stages to the effects and impacts that all feasible alternatives would have on the environment. Recommendations are made in the light of ecological and environmental factors as well as social and economic considerations.

Importance of civil works to the national defense

The Civil Works Organization with its military leadership and highly qualified staff of 30,000 civilians represents a unique asset of the Army and the Nation. Located in 11 Divisions and 36 Districts throughout the United States, this group of professionals with its wide range of planning, engineering, and construction management skills is a national engineering resource.

During 1976, the Civil Works Organization provided engineering and design support to facilities engineers throughout the Army. This support augmented the capabilities of the facilities engineer, allowing him to improve the quality of installation management. Several districts have assisted the European Division in modernizing troop facilities in Europe by providing design support and highly qualified personnel. The Pacific Ocean Division continued to provide engineering support to troop units in Korea.

As in the past, the highly competent Civil Works Organization of the U.S. Army Corps of Engineers stands ready to respond in time of peace, war, or national emergency.

XI—THE FUTURE OF THE TOTAL ARMY

As can be seen from the preceding pages, the United States Army blends the best of the professional and volunteer traditions. It is a force designed for a serious business, and it is composed of men and women who are proficient and proud. It is an Army that deserves the confidence, esteem, and support of the American people.

The overall goal of the Army is to achieve and maintain a level of readiness that will signal to foreign governments the United States' preparedness to promote and protect its interests. To make that signal credible, the Army's readiness to fight must be unmistakable.

To accomplish its goal, the Army requires support in two vital areas:

Adequate budget support is required, if the considerable investment made by the American people for their security is not to be wasted.

A steady end strength is necessary, allowing personnel managers to plan the efficient use of the Army's most vital resource—manpower.

The Army's reorientation from the long war in Southeast Asia is nearly complete. The equipment inventory, dangerously lowered in 1973, is still unsatisfactory, but improving. Significant improvement is still needed in the Reserve Components. The Army's ability to attract the quantity and quality of volunteers needed is a potential problem that may need to be addressed in the near future. However, the progress of the last 2 years offers high hope for the Army's future. With the understanding and support of the American people, the maturation of the Total Army is achievable in the near future. The Nation deserves no less.

WATER RESOURCE PROJECTS VALUABLE IN REDUCING FLOOD DAMAGE

Mr. RANDOLPH. Mr. President, it has now been 1 month since heavy flooding occured in the Appalachian region. There was extensive damage and loss of property, particularly in an 11-county area of southern West Virginia. This section was declared a disaster area by the President. It is, therefore, eligible for extensive recovery and reconstruction assistance from the Federal Government.

Federal agencies have mobilized their resources, and considerable progress has been made in beginning the rebuilding of the affected communities and easing individual hardship.

Even before the April floods, the Army Corps of Engineers was developing plans to reduce the incidence of flooding in the Tug Fork Valley and its severity. The Committee on Environment and Public Works today adopted proposals by me, Senator ROBERT C. BYRD, Senator HUDDLESTON, and Senator FORD to expedite the construction of the flood control projects.

Mr. President, the Corps of Engineers has issued a news release discussing the flood disaster and the importance of water resource projects in lessening the impact of floods. This report is a dramatic realistic illustration of what can be achieved by moving forward with well-conceived projects of this type. I ask unanimous consent that the Corps of Engineers information be printed in the RECORD.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

FLOOD CONTROL LAKES PREVENT $600 MILLION IN DAMAGES

CINCINNATI, OHIO.—Recent floods which ripped through central Appalachia would have caused $600 million more in damages had it not been for the U.S. Army Corps of Engineers system of flood control reservoirs.

According to Army Engineers, nongovernment damage estimates place the flood loss at more than $275 million. Preliminary estimates by the Corps of Engineers indicate property loss in excess of $160 million for 4–6 April in eastern Kentucky, West Virginia, and Virginia.

Relief efforts by Federal, state, local, and private organizations have helped to reduce much of the human suffering and continue to encourage a return to normalcy. Even so, it will be several months, at least, before activities can resume in a reasonable fashion. It will take much longer to restore the faith of local people in their future.

The human suffering and the flood damage would have been very much greater but for the operation of a number of flood control reservoirs, every one of which functioned exactly as planned. These structures stored all of the flood waters intercepted from upstream rains, thereby reducing or eliminating downstream damages which would have otherwise occurred. Ohio River flood stages between Point Pleasant, West Virginia and Louisville, Kentucky would have been 8 to 12 feet higher. Flood stages in the tributary streams below the dams were similarly reduced, thereby eliminating or reducing flood damage significantly.

In the upper Kentucky basin the Carr Fork and Buckhorn Reservoirs prevented over $7 million additional damages to the communities of Hazard, Tallega, and Heidelberg. Actual damages in that area are estimated to have been $7,400,000.

The systems operation of John W. Flannagan, North Fork of Pound, and Fishtrap Reservoirs in Kentucky and Virginia prevented overtopping of the levee at Prestonburg, Kentucky. Without the reservoirs, the river stage would have been nearly 12 feet higher, or about 11 feet above the top of the levees. At Pikeville Kentucky, these reservoirs reduced the river stage from 65.5 feet to the observed crest of 51.9 feet.

The partially completed R. D. Bailey Reservoir in the Guyandotte basin stored approximately 151 feet (vertically) of water and prevented over $20 million of additional damage throughout that basin. Preliminary figures indicate actual damages approached $11 million.

The heaviest precipitation in the Kanawha basin occurred above Bluestone Reservoir and in the unprotected Greenbriar tributary basin. Systems operation of the Bluestone, Summersville, and Sutton Reservoirs in West Virginia prevented over $60 million in damages. A preliminary estimate of the actual damages on the Kanawha River is about $1 million.

The total reduction in flood damage achieved by this system of flood control reservoirs in the Ohio River basin, has been estimated to exceed $600 million.

Other flood control measures consisting of floodwalls, levees, and emergency operations, further reduced the severity of this flood.

In the upper Cumberland basin at Barbourville, Kentucky, above Wolf Creek Dam, sandbagging the levee of Barbourville, Kentucky, prevented overtopping and averted over $6 million additional damages. The sandbagging was made possible by a Federal-local plan which was successful in evacuating families, allowing workers to concentrate on the flood fight with their families safe. The diversion channel and levee at Middlesboro, Tennessee, constructed to guide flood waters around the town, prevented an estimated $2,800,000 damage. Total damages in the upper Cumberland basin are estimated to be $14 million. If Martins Fork Reservoir (now under construction) had been completed, this figure would have been reduced by $3 million.

The flood was the largest on record in many tributary areas. The combination of this severity with a reduced channel capacity possibly due to sediments derived from mining, and with floodwalls and levees which were designed to protect from lesser floods, produced significant additional flood damage.

The Williamson and Pineville levees and floodwalls were overtopped, resulting in about $20 million flood damage. These structures were designed and built to protect from the maximum flood events which the local sponsors could afford; unfortunately, the recent flood exceeded that design.

The economy of much of the area is heavily oriented toward coal mining. The sediments produced by inadequate controls on strip mining and from other sources over several decades have probably aggravated flooding by reducing the channel capacity at some locations. Such sediments did not reduce the effective flood control storage at Corps reservoirs by even one gallon, however, since an allowance for sediment is included in each reservoir.

The Corps is currently planning a number of improvements to further reduce the damage from future floods. This planning recognizes the fact that due to the restrictive topography of this central Appalachian area, nearly all developable land is in the flood plains. Improvements included in preliminary plans call for increased local protection at Williamson and a channel cutoff near Matewan, West Virginia, the combination of which would not only have prevented the recent damage at Williamson and Matewan but would, in the cutoff oxbow area, have "created" an area of over 200 flood-free acres of land for residential and industrial development.

It is fortunate that the frequency of the most severe floods is rare; similar flood heights will recur on the average of only once (or less) in 100 years for the Cumberland River at Harlan, Pineville, and Barbourville, Kentucky; and for the Big Sandy River at Pikeville and Prestonburg, Kentucky.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

EXPORT ADMINISTRATION AMENDMENTS OF 1977

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the Senate will proceed to the consideration of S. 69, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 69) to amend and extend the Export Administration Act.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Administration Amendments of 1977".

TITLE I—EXPORT ADMINISTRATION IMPROVEMENTS AND EXTENSION

EXTENSION OF EXPORT ADMINISTRATION ACT

SEC. 101. Section 14 of the Export Administration Act of 1969 is amended by striking out "September 30, 1976" and inserting in lieu thereof "September 30, 1979".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. The Export Administration Act of 1969 is amended by inserting after section 12 the following new section 13 and redesignating sections 13 and 14 as sections 14 and 15, respectively:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 13. Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act for any fiscal year commencing on or after October 1, 1977, unless previously and specifically authorized by legislation enacted after the enactment of this section.".

CONTROL OF EXPORTS FOR NATIONAL SECURITY PURPOSES; FOREIGN AVAILABILITY

SEC. 103. (a) Section 4(b) of the Export Administration Act of 1969 is amended—

(1) by striking out the third sentence of paragraph (1);

(2) by striking out paragraphs (2) through (4); and

(3) by inserting the following new paragraph (2):

"(2)(A) In administering export controls for national security purposes as prescribed in section 3(2)(C) of this Act, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may deem appropriate. The President shall periodically review United States policy toward individual countries to determine whether such policy is appropriate in light of the factors specified in the preceding sentence. The results of such review, together with the justification for United States policy in light of such factors, shall be included in the second semiannual report of the Secretary of Commerce required by section 10 of this Act following the date of enactment of the Export Administration Amendments of 1977 and in every second such report thereafter.

"(B) Rules and regulations under this subsection may provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data, or any other information, from the United States, its territories and possessions, to any nation or combination of nations threatening the national security of the United States if the President determines that their export would prove detrimental to the national security of the United States. The President shall not impose export controls for national security purposes on the export from the United States of articles, materials, or supplies, including technical data or other information, which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, unless the President determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the national security of the United States. The nature of such evidence shall be included in the semi-annual report required by section 10 of this Act. Where, in accordance with this paragraph, export controls are imposed for national security purposes notwithstanding foreign availability, the President shall take steps to initiate negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability.".

(b)(1) Section 4(h) of the Export Administration Act of 1969 is amended by striking out "controlled country" in the first sentence of paragraph (1) and in the second sentence of paragraph (2) and inserting in lieu thereof "country to which exports are restricted for national security purposes".

(2) Section 4(h)(2)(A) of such Act is amended by striking out "controlled" and inserting in lieu thereof "such".

(3) Section 4(h)(4) of such Act is amended—

(A) by inserting "and" at the end of subparagraph (A); and

(B) by striking out the semicolon at the end of subparagraph (B) thereof and all that follows the semicolon and inserting in lieu thereof a period.

(4) The amendments made by this subsection shall become effective upon the expiration of 90 days after the receipt by the Congress of the second semiannual report of the Secretary of Commerce required by section 10 of such Act following enactment of the Export Administration Amendments of 1977.

(c) Section 4(h) of such Act is amended—

(1) in paragraph (1)—

(A) in the first sentence by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution to the military potential of such country"; and

(B) in the second sentence by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country"; and

(2) in paragraph (2)(A), by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country".

(d) Section 6(b) of such Act is amended by striking out "Communist-dominated nation" and inserting in lieu thereof "country to which exports are restricted for national security or foreign policy purposes".

EXEMPTION FOR CERTAIN AGRICULTURAL COMMODITIES FROM CERTAIN EXPORT LIMITATIONS

SEC. 104. Section 4(f) of the Export Administration Act of 1969 is amended—

(1) by redesignating such section as section 4(f)(1); and

(2) by adding at the end thereof the following new paragraph:

"(2) Upon approval of the Secretary of Commerce, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed pursuant to section 3(2)(A) of this Act subsequent to such approval. The Secretary of Commerce may not grant approval hereunder unless he receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds that such commodities will eventually be exported, that neither the sale nor export thereof will result in an excessive drain of scarce materials and have a serious domestic inflationary impact, that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities, and that the purpose of such storage is to establish a reserve of such commodities for later use, not including resale to or use by another country. The Secretary of Commerce is authorized to issue such rules and regulations as may be necessary to implement this paragraph.".

CONGRESSIONAL REVIEW OF EXPORT CONTROLS ON AGRICULTURAL COMMODITIES

SEC. 105. Section 4(f) of the Export Administration Act of 1969, as amended by section 104 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(3) If the authority conferred by this section is exercised to prohibit or curtail the exportation of any agricultural commodity in order to effectuate the policies set forth in clause (B) of paragraph (2) of section 3 of this Act, the President shall immediately report such prohibition or curtailment to the Congress, setting forth the reasons therefor in detail. If the Congress, within 30 days after the date of its receipt of such report, adopts a concurrent resolution disapproving such prohibition or curtailment, then such prohibition or curtailment shall cease to be effective with the adoption of such resolution. In the computation of such 30-day period, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.".

PERIOD FOR ACTION ON EXPORT LICENSE APPLICATION

SEC. 106. Section 4(g) of the Export Administration Act of 1969 is amended to read as follows:

"(g)(1) It is the intent of Congress that any export license application required under this Act shall be approved or disapproved within 90 days of its receipt. Upon the expiration of the 90-day period beginning on the date of its receipt, any export license application required under this Act which has not been approved or disapproved shall be deemed to be approved and the license shall be issued unless the Secretary of Commerce or other official exercising authority under this Act finds that additional time is required and notifies the applicant in writing of the specific circumstances requiring such additional time and the estimated date when the decision will be made.

"(2)(A) With respect to any export license application not finally approved or disapproved within 90 days of its receipt as provided in paragraph (1) of this subsection, the applicant shall, to the maximum extent consistent with the national security of the United States, be specifically informed in writing of questions raised and negative considerations or recommendations made by any agency or department of the Government with respect to such license application, and shall be accorded an opportunity to respond to such questions, considerations, or recommendations in writing prior to final approval or disapproval by the Secretary of Commerce or other official exercising authority under this Act. In making such final approval or disapproval, the Secretary of Commerce or other official exercising authority under this Act shall take fully into account the applicant's response.

"(B) Whenever the Secretary determines that it is necessary to refer an export license application to any interagency review process for approval, he shall first, if the applicant so requests, provide the applicant with an opportunity to review any documentation to be submitted to such process for the purpose of describing the export in question, in order to determine whether such documentation accurately describes the proposed export.

"(3) In any denial of an export license application, the applicant shall be informed in writing of the specific statutory basis for such denial.".

EXPORT OF HORSES

SEC. 107. Section 4 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

"(j)(1) Notwithstanding any other provision of this Act, no horse may be exported by sea from the United States, its territories and possessions, unless such horse is part of a consignment of horses with respect to which a waiver has been granted under paragraph (2) of this subsection.

"(2) The Secretary of Commerce, in consultation with the Secretary of Agriculture, may issue rules and regulations providing for the granting of waivers permitting the export by sea of a specified consignment of horses, if the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.".

TECHNICAL ADVISORY COMMITTEES

SEC. 108. (a) Section 5(c)(1) of the Export Administration Act of 1969 is amended by striking out "two" in the last sentence thereof and inserting thereof "four".

(b) The second sentence of section 5(c)(2) of such Act is amended to read as follows: "Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any articles, materials, and supplies, including technical data or other information, and (D) exports subject to multilateral controls in which the United States participates including proposed revisions of any such multilateral controls. Such committees shall be informed of the reasons for the failure to accept any advice or recommendation which such committees have rendered or made to any officer or agency of the United States Government.".

(c) Section 5(c)(2) of such Act is further amended by striking out the third sentence and inserting in lieu thereof the following: "The Secretary shall include in each semi-annual report required by section 10 of this Act an accounting of the consultations undertaken pursuant to this paragraph, the use made of the advice rendered by the technical advisory committees pursuant to this paragraph, and the contributions of the technical advisory committees to carrying out the policies of this Act.".

PENALTIES FOR VIOLATIONS

SEC. 109. (a) Section 6(a) of the Export Administration Act of 1969 is amended—

(1) in the first sentence, by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(2) in the second sentence, by striking out "$20,000" and inserting in lieu thereof "$50,000."

(b) Section 6(b) of such Act is amended by striking out "$20,000" and inserting in lieu thereof "$50,000".

(c) Section 6(c) of such Act is amended by striking out "$1,000" and inserting in lieu thereof "$10,000".

(d) Section 6(d) of such Act is amended by adding at the end thereof the following new sentence: "In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.".

AVAILABILITY OF INFORMATION TO CONGRESS

SEC. 110. (a) Section 7(c) of the Export Administration Act of 1969 is amended by adding at the end thereof the following new sentence: "Nothing in this Act shall be construed as authorizing the withholding of information from any committee of the Congress having appropriate jurisdiction upon the request of the Chairman of such committee. Such information shall be accorded confidential treatment by the committee and may be disclosed only upon a determination by the committee that the withholding thereof is contrary to the national interest.".

(b) Section 4(c)(1) of such Act is amended by inserting immediately before the period at the end of the last sentence thereof "and in the last sentence of section 7(c) of this Act".

SIMPLIFICATION OF EXPORT REGULATIONS AND LISTS

SEC. 111. Section 7 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of Commerce, in consultation with appropriate United States Government departments and agencies and with appropriate technical advisory committees established under section 5(c), shall review the results and regulations issued under this Act and the lists of articles, materials, and supplies which are subject to export controls in order to determine how compliance with the provisions of this Act can be facilitated by simplifying such rules and regulations, by simplifying or clarifying such lists, or by any other means. Not later than 1 year after the enactment of this subsection, the Secretary of Commerce shall report to Congress on the actions taken on the basis of such review to simplify such rules and regulations. Such report may be included in the semiannual report required by section 10 of this Act.".

TERRORISM

SEC. 112. Section 3 of the Export Administration Act of 1969 is amended by adding at the end thereof the following:

"(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territory or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.".

SEMIANNUAL REPORTS

SEC. 113. (a) Section 10 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection (c):

"(c) Each semiannual report shall include an accounting of—

"(1) any organizational and procedural changes instituted, any reviews undertaken, and any means used to keep the business sector of the Nation informed, pursuant to section 4(a) of this Act;

"(2) any changes in the exercise of the authorities of section 4(b) of this Act;

"(3) any delegations of authority under section 4(e) of this Act;

"(4) the disposition of export license applications pursuant to section 4 (g) and (h) of this Act;

"(5) consultations undertaken with technical advisory committees pursuant to section 5(c) of this Act;

"(6) violations of the provisions of this Act and penalties imposed pursuant to section 6 of this Act; and

"(7) a description of actions taken by the President and the Secretary of Commerce to effect the policies set forth in section 3(5) of this Act.".

(b)(1) The section heading of such section 10 is amended by striking out "QUARTERLY".

(2) Subsection (b) of such section is amended—

(A) by striking out "quarterly" each time it appears; and

(B) by striking out "second" in the first sentence of paragraph (1).

SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS

SEC. 114. Not later than 12 months after the enactment of this section, the President shall submit to the Congress a special report on multilateral export controls in which the United States participates pursuant to the Export Administration Act of 1969 and pursuant to the Mutual Defense Assistance Control Act of 1951. The purpose of such special report shall be to assess the effectiveness of such multilateral export controls and to formulate specific proposals for increasing the effectiveness of such controls. That special report shall include—

(1) the current list of commodities controlled for export by agreement of the group known as the Coordinating Committee of the Consultative Group (hereafter in this section referred to as the "Committee") and an analysis of the process of reviewing such list and of the changes which result from such review;

(2) data on and analysis of requests for exceptions to such list;

(3) a description and an analysis of the process by which decisions are made by the Committee on whether or not to grant such requests;

(4) an analysis of the uniformity of interpretation and enforcement by the participating countries of the export controls agreed to by the Committee (including controls over the reexport of such commodities from countries not participating in the Committee), and information on each case where such participating countries have acted contrary to the United States interpretation of the policy of the Committee, including United States representations to such countries and the response of such countries;

(5) an analysis of the problem of exports of advanced technology by countries not participating in the Committee, including such exports by subsidiaries or affiliates of United States businesses in such countries;

(6) an analysis of the effectiveness of any procedures employed in cases in which an exception for a listed commodity is granted by the Committee, to determine whether there has been compliance with any conditions on the use of the excepted commodity which were a basis for the exception; and

(7) detailed recommendations for improving, through formalization or other means, the effectiveness of multilateral export controls, including specific recommendations for the development of more precise criteria and procedures for collective export decisions and for the development of more detailed and formal enforcement mechanisms to assure more uniform interpretation of and compliance with such criteria, procedures, and decisions by all countries participating in such multilateral export controls.

REVIEW OF UNILATERAL AND MULTILATERAL EXPORT CONTROLS

SEC. 115. The Secretary of Commerce, in cooperation with appropriate United States Government departments and agencies and the appropriate technical advisory committees established pursuant to the Export Administration Act of 1969, shall undertake an investigation to determine whether United States unilateral controls or multilateral controls in which the United States participates should be removed, modified, or added with respect to particular articles, materials, and supplies, including technical data and other information, in order to protect the national security of the United States. Such investigation shall take into account such factors as the availability of such articles, materials, and supplies from other nations and the degree to which the availability of the same from the United States or from any country with which the United States participates in multilateral controls would make a significant contribution to the military potential of any country threatening or potentially threatening the national security of the United States. The results of such investigation shall be reported to the Congress not later than 12 months after the completion of the first revision, after the date of enactment of this Act, of the list of items controlled or export by agreement of the Coordinating Committee of the Consultative Group.

REPORT ON TECHNICAL DATA TRANSFERS

SEC. 116. The Secretary of Commerce shall conduct a study of the transfer of technical data and other information to any country to which exports are restricted for national security purposes and the problem of the export, by publications or any other means of public dissemination, of technical data or other information from the United States, the export of which might prove detrimental to the national security or foreign policy of the United States. Not later than 6 months after the enactment of this section, the Secretary shall report to the Congress his assessment of the impact of the export of such technical data or other information by such means on the national security and foreign policy of the United States and his recommendations for monitoring such exports without impairing freedom of speech, freedom of press, or the freedom of scientific exchange. Such report may be included in the semiannual report required by section 10 of the Export Administration Act of 1969.

SUNSHINE IN GOVERNMENT

SEC. 117. (a) Each officer or employee of the Department of Commerce who—

(1) performs any function or duty under this Act or the Export Administration Act of 1969; and

(2) has any known financial interest in any person subject to such Acts, or in any person who obtains any license, enters into any agreement, or otherwise receives any benefit under such Acts;

shall, beginning on February 1, 1978, annually file with the Secretary of Commerce a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

(b) The Secretary of Commerce shall—

(1) within 90 days after the date of enactment of this Act—

(A) define the term "known financial interest" for purposes of subsection (a) of this section; and

(B) establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Secretary of such statements; and

(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed under subsection (b) of this section, the Secretary may identify specific positions within the Department of Commerce which are of a nonregulatory or nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section or any regulation issued hereunder, shall be fined not more than $2,500 or imprisoned not more than 1 year, or both.

MONITORING OF COMMODITIES IN POTENTIAL SHORT SUPPLY

SEC. 118. Section 4(c)(1) of the Export Administration Act of 1961 is amended by inserting after the first sentence thereof the following: "Such monitoring shall commence at a time adequate to insure that data will be available which is sufficient to permit achievement of the policies of this Act.".

TITLE II—FOREIGN BOYCOTTS

PROHIBITION ON COMPLIANCE WITH FOREIGN BOYCOTTS

SEC. 201. (a) The Export Administration Act of 1969 is amended by redesignating section 4A as section 4B and by inserting after section 4 the following new section:

"FOREIGN BOYCOTTS

"SEC. 4A. (a)(1) For the purpose of implementing the policies set forth in section 3(5) (A) and (B), the President shall issue rules and regulations prohibiting any United States person, with respect to his activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the folowing actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

"(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of rules and regulations issued to carry out this subparagraph.

"(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

"(C) Furnishing information with respect to the race, religion, sex, or national origin of any other United States person or of any owner, officer, director, or employee of such person.

"(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotted country. Nothing in this paragraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary of Commerce.

"(E) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

"(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by rules and regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

"(2) Rules and regulations issued pursuant to paragraph (1) shall provide for—

"(A) complying or agreeing to comply with requirements (i) prohibiting the import of goods or services from the boycotted country or goods produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country, or (ii) prohibiting the shipment of goods to the boycotted country, on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

"(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms after the expiration of one year following the date of enactment of the Export Administration Amendments of 1977;

"(C) complying or agreeing to comply with the unilateral selection by a boycotting country, or national or resident thereof (other than a United States person) of carriers, insurers, suppliers of services within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

"(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

"(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country; and

"(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his acitivities exclusively therein, and such rules and regulations may contain exceptions for compliance with import laws of that country.

"(3) Rules and regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

"(4) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

"(5) Rules and regulations pursuant to this subsection shall be issued not later than 90 days after the date of enactment of this section and shall be issued in final form and become effetcive not later than 120 days after they are first issued, except that (A) rules and regulations prohibiting negative certification may take effect not later than one year after the date of enactment of this section, and (B) a grace period shall be provided for the application of the rules and regulations issued pursuant to this subsection to actions taken pursuant to contracts or other agreements in effect on or before March 1, 1977. Such grace period shall be two years after the date of enactment of this section and may be extended for three additional one-year periods in cases in which good faith efforts are being made to amend such contracts or agreements.

"(6) This Act shall apply to any transaction or activity undertaken with intent to evade the provisions of this Act regardless of such transaction or activity involves the interstate or foreign commerce of the United States.".

"(b)(1) In addition to the rules and regulations issued pursuant to subsection (a) of this section, rules and regulations issued under section 4(b) of this Act shall implement the policies set forth in section 3(5).

"(2) Such rules and regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in secetion 3(5) shall report that fact to the Secretary of Commerce, together with such other information concerning such request as the Secretary may require for such action as he may deem appropriate for carrying out the policies of that section. Such person shall also report to the Secretary of Commerce whether he intends to comply and whether he has complied with such request. Any report filed pursuant to this paragraph after the date of enactment of this section shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any articles, materials, and supplies, including technical data and other information, to which such report relates may be kept confidential if the Secretary determines that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary of Commerce shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary of Commerce, may deem appropriate for carrying out the policies set forth in section 3(5) of this Act.".

(b) Section 4(b)(1) of such Act is amended by striking out the next to the last sentence.

(c) Section 7(c) of such Act is amended by striking out "No" and inserting in lieu thereof "Except as otherwise provided by the third sentence of section 4A(b)(2) and by section 6(c)(2)(C) of this Act, no".

STATEMENT OF POLICY

SEC. 202. (a) Section 3(5)(A) of the Export Administration Act of 1969 is amended by inserting immediately after "United States" the following: "or against any United States person".

(b) Section 3(5)(B) of such Act is amended to read as follows: "(B) to encourage and, in specified cases, to require United States persons engaged in the export of articles, materials, supplies, or information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person,".

ENFORCEMENT

SEC. 203. (a) Section 6(c) of the Export Administration Act of 1969 is amended—

(A) by redesignating such section as section 6(c)(1); and

(B) by adding at the end thereof the following new paragraph:

"(2)(A) The authority of this Act to suspend or revoke the authority of any United States person to export articles, materials, supplies, or technical data or other information, from the United States, its territories or possessions, may be used with respect to any violation of the rules and regulations issued pursuant to section 4A(a) of this Act.

"(B) Any administrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this Act for a violation of the rules and regulations issued pursuant to section 4A(a) of this Act may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

"(C) Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violations of the rules and regulations issued pursuant to section 4A(a) of this Act shall be made available for public inspection and copying.".

(b) Section 8 of such Act is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 6(c)(2), the".

DEFINITIONS

SEC. 204. Section 11 of the Export Administration Act of 1969 is amended to read as follows:

"DEFINITIONS

"SEC. 11. As used in this Act—

"(1) the term 'person' includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof; and

"(2) the term 'United States person' means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President.".

PREEMPTION

SEC. 205. The amendments made by this title and the rules and regulations issued pursuant thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, and any of the territories or possessions of the United States, or of any governmental subdivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

The PRESIDING OFFICER. Time for debate on this bill is limited to 2 hours, to be equally divided between and controlled by the Senator from Illinois (Mr. STEVENSON) and the Senator from Tennessee (Mr. BAKER) or his designee, with 1 hour on any amendment, except a series of amendments by the Senator from Pennsylvania (Mr. HEINZ), on which there shall be a total of 4 hours, and 20 minutes on any debatable motion, appeal, or point of order.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 69.

Mr. HEINZ. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STEVENSON. I yield for that purpose.

Mr. HEINZ. Mr. President, I ask unanimous consent that Mr. Gil Bray and Mr. Bill Reinsch, of my staff, have the privilege of the floor during the consideration of S. 69.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the following staff members be accorded the privileges of the floor during the consideration of S. 69, and all amendments thereto: Howard Menell, Lindy Marinaccio, and Stanley Marcuss.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the committee amendment be agreed to, and that the amendment be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENSON. Mr. President, S. 69 represents almost 2 years of efforts to reform the Nation's export controls and enact a strong and realistic law against participation in foreign boycotts. Last year the Senate and the House passed similar legislation by overwhelming margins. Enactment was blocked at the last minute only by a parliamentary maneuver which prevented the formal appointment of conferees.

Title I of the bill extends for a 2-year period the Export Administration Act, which expired last September, and makes major improvements in the implementation of national security and agricultural export controls.

Title II of the bill establishes for the first time a comprehensive and forceful law to deal with foreign boycotts. It is similar to the measure agreed upon in last year's informal conference between the House and the Senate. Title II is also the measure which the President and representatives of business and prominent Jewish service organizations have endorsed with certain modifications to be the subject of later amendment.

Mr. President, title I of the bill is needed to extend the Export Administration Act and insure that U.S. export control policy reflects the changing complexion of U.S. relations with other nations as well as the rapid rate of technological advance. Title I of the bill is also needed in order to increase America's reliability as an exporter of agricultural commodities.

Specifically, title I would do the following:

First. It would extend the Export Administration Act to September 30, 1979.

Second. It would provide for a continuing analysis of national security export controls so that a country's Communist or non-Communist status is no longer the sole determinant of U.S. policy.

Third. It would provide for a review of national security export controls to determine whether modifications are necessary in light of evolving technology, the availability of restricted items from sources outside the United States, and other relevant matters.

Fourth. It would require a study of technology transfers to countries to which exports are restricted for national security or foreign policy purposes.

Fifth. It would improve the role of industry representatives in formulating and implementing national security export controls.

Sixth. It would speed the process of export licensing review and decision.

Seventh. It would permit agricultural commodities purchased for export to be stored in the United States free from future short-supply export limitations under specified conditions.

Eighth. It would increase the penalties applicable to violations of the Export Administration Act; and otherwise improve the administration of U.S. export controls.

Title II of the bill would do the following:

First. It would prevent most forms of compliance with foreign boycotts.

Second. It would prohibit U.S. persons from refusing to do business with blacklisted firms and boycotted friendly countries pursuant to foreign boycott demands.

Third. It would prohibit U.S. persons from discriminating against other U.S. persons on grounds of race, religion, sex, or national origin in order to comply with a foreign boycott.

Fourth. It would prohibit U.S. persons from furnishing information about another person's race, religion, sex, or national origin where such information is sought for boycott enforcement purposes.

Fifth. It would provide for public disclosure of requests to comply with foreign boycotts.

Sixth. It would require U.S. persons who receive requests to comply with foreign boycotts to disclose publicly whether they are complying with such requests.

Seventh. It would insure that the antiboycott provisions of the Export Administration Act apply to all domestic concerns and persons, including intermediaries in the export process and otherwise strengthen U.S. law against foreign boycotts and reduce their domestic impact.

Mr. President, I ask unanimous consent that a detailed summary of the bill be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENSON. Mr. President, this bill deals with a number of sensitive areas of U.S. international economic policy.

The reform of national security export controls will diminish the tendency for rigid cold war perceptions of national security to dominate export policy. It will encourage a continuing reexamination of policy to insure that it reflects changing world conditions and the changing dimensions of national security. The bill will help to expand U.S. trade in many parts of the world while at the same time bringing about a more realistic assessment of national security interests.

Second, the bill will help remove a factor which unnecessarily restricts agricultural exports from the United States. Foreign buyers cannot now be certain that they will be able to import agricultural commodities which they buy in the United States, as the infamous soybean embargo amply demonstrated.

To reduce this uncertainty, the bill would authorize the Secretary of Commerce, in cooperation with the Secretary of Agriculture, to permit agricultural commodities purchased for export to a foreign country to be stored in the United States free from future short-supply export controls if the Secretary of Commerce receives the following assurances: First, that the commodities will eventually be exported; second, that neither their sale nor export will result in an excessive drain of scarce materials and have a serious domestic inflationary impact; third, that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities; and fourth, that the purpose of such storage is to establish a reserve of such commodities for later use in the purchaser's country and not for resale to, or use by, third countries.

The bill would, therefore, make a significant contribution toward improving the access of U.S. farmers to foreign markets, without impinging on the President's authority to control exports in extreme situations.

Finally, Mr. President, the bill directly attacks the most repugnant dimensions of the Arab boycott against Israel. It recognizes that the Arab States regard their boycott efforts as part of a continuing struggle against Israel. It would be unrealistic not to recognize that the use of economic weapons will continue until there is an overall political settlement, no matter what the Congress does. Boycotts are a common, although regrettable, form of international conflict. And there are severe limitations on the ability of outside parties to bring such boycotts to an end.

Nonetheless, measures can be taken to strengthen the resistance of American concerns to demands that they aid efforts to destroy Israel or discriminate against others for political, racial, or religious purposes.

By prohibiting Americans from refusing to do business with boycotted countries and others pursuant to foreign boycott demands, the bill would prevent foreign governments from enlisting Americans in their economic warfare against others.

By prohibiting discrimination on the basis of race, religion, sex, or national origin, the bill would help insure the equality of opportunity which is fundamental to the American system.

By prohibiting Americans from supplying information which is sought for purposes of enforcing foreign boycotts, the bill would prevent Americans from wittingly or unwittingly giving assistance to those who seek to boycott countries friendly to the United States.

And, finally, by carving out a number of limited exceptions to its general prohibitions, the bill recognizes that the United States is not alone in insisting on noninterference with its sovereignty. Sovereignty is as precious to others as it is to the United States. This bill will protect American sovereignty without infringing upon the sovereignty of others.

Mr. President, this bill is an attempt to deal responsibly with difficult and sensitive issues. It is not a hostile or unfriendly gesture toward any power. It is a measured response to an affront against our sovereignty. It preserves American influence and commercial opportunities in the Middle East and does nothing to undermine prospects for an overall settlement. It goes as far as it is possible to go to prevent American firms from being dragged involuntarily into the conflicts of foreign powers. And it prohibits without qualification compliance with the most offensive aspects of foreign boycotts.

I urge the Senate to act favorably on this measure.

EXHIBIT 1

DETAILED SUMMARY OF S. 69

TITLE I—EXPORT ADMINISTRATION

The Export Administration Act of 1969, as amended, is the basic statutory authority for regulation U.S. exports for national security, foreign policy, and short supply purposes. The present law expired on September 30, 1976. Since then exports have been regulated pursuant to Presidential Executive order issued under the presumed authority of the Trading With the Enemy Act.

Title I of S. 69, as reported by the committee, would extend the act until September 30, 1979, and in connection therewith, make changes and improvements in its policy and implementation. Among them are the following:

(1) The bill would provide that in administering export controls for national security purposes. U.S. policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of U.S. exports in accordance with U.S. policy, and such other factors as the President may deem appropriate.

It would also require periodic Presidential review of U.S. policy toward individual countries to determine whether such policy is appropriate in light of these factors. The results of such periodic reviews would be reported to Congress annually.

(2) The bill would change the present responsibility of the Secretary of Defense to review exports to "controlled countries" (defined as the Communist countries designated in the Foreign Assistance Act of 1961) so that he is required instead to review exports to countries designated by the President pursuant to the periodic review of U.S. policy called for by the bill.

(3) It would require the Secretary of Commerce, in cooperation with the appropriate technical advisory committees established pursuant to statute, to review U.S. unilateral and multilateral export controls for purposes of determining whether such controls should be removed, modified, or added in order to protect the national security of the United States. Among the factors to be taken into account is the availability of restricted materials from sources outside the United States.

As part of such review, the Secretary of Commerce would be required to explore ways of simplifying and clarifying export control lists.

The results of such review would be reported to Congress within 12 months of the next COCOM[1] review.

(4) The bill would strengthen provisions of existing law to confirm and emphasize the intent of Congress that any export license application be approved or denied within 90 days of filing.

(5) It would require an export license applicant to be informed in writing of the specific statutory basis for any denial of his application.

(6) It would increase to 4 years from 2 the terms of persons representing private industry on the technical advisory committees.

(7) It would add multilateral export controls to the matters on which technical advisory committees are to be consulted. In addition, it would require that the Government inform such committees of the reasons for not accepting any advice or recommendations which they may make or render regarding export controls within their areas of responsibility.

(8) It would require the Secretary of Commerce to conduct a study of (a) the transfer of technical data and other information to countries to which exports are restricted for national security purposes, and (b) the problem of technical data exports through publication or other means of public dissemination where such exports might prove detrimental to the national security and foreign policy of the United States. The results are to be reported within 6 months of enactment. In addition the bill would require the submission of a special report on the effectiveness of multilateral export controls within 12 months of enactment.

(9) The bill would require that before an export license application is referred for interagency review within the U.S. Government, the applicant, if he so requests, is to be given an opportunity to review the documentation to be submitted to such process for purposes of describing the proposed export in order to insure that it accurately describes the proposed export.

(10) It would permit agricultural commodities purchased by or for use in a foreign country to be stored in the United States free from short supply export limits which may be imposed after purchase if the Secretary of Commerce, in consultation with the Secretary of Agriculture, receives assurances: (i) that such commodities will eventually be exported; (ii) that neither the sale nor export thereof will result in an excessive drain of scarce materials and have a serious domestic inflationary impact; (iii) that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities; and (iv) that the purpose of such storage is to establish a reserve of such commodities for later use by the buyer, other than resale or delivery to another country.

(11) The bill would give the Congress an opportunity to revoke export controls placed on agricultural commodities for foreign policy purposes by passage of a concurrent resolution no later than 30 days after the controls are imposed.

(12) It would ban the export of horses by sea for slaughter.

(13) It would establish a new policy authorizing the use of export controls to encourage other countries to prevent the use of their territory or resources to aid persons who engage in acts of international terrorism.

(14) It would make it clear that monitoring of commodities in potential short supply as prescribed by existing laws is to begin at a time which is sufficient to permit achievement of the policies of the act.

(15) It would provide that the confidentiality provisions of the Export Administration Act do not authorize the withholding of information from Congress. Instead such information would have to be transmitted to any appropriate committee of Congress upon request of the chairman of that committee.

(16) It would require annual disclosure statements by each Commerce Department employee who has policymaking responsibilities relating to export administration and who has any known financial interest in any person subject to, licensed under, or otherwise receiving benefits under the Export Administration Act.

(17) It would increase the maximum penalties for violations of the Export Administration Act as follows:

(a) Judicially imposed penalties for a knowing violation of the act or any rule or regulation thereunder: the first time $25,000 (now $10,000); the second and subsequent times, $50,000 (now $20,000);

(b) Judicially imposed penalties for exporting anything contrary to the act or any rule or regulation thereunder knowing that the export will be used for the benefit of any country designated by the President pursuant to the review of national security export control policy called for by the bill: $50,000 (now $20,000 where the violator knows that such export will be used "for the benefit of any Communist-dominated nation.");

(c) Administratively imposed penalties for violating the act or any rule or regulation thereunder: $10,000 (now $1,000).

The Government would be authorized to defray or suspend the payment of any penalty during any "probation" period.

(18) It would require a specific authorization for expenses to carry out the Export Administration Act starting with fiscal 1978.

TITLE II—FOREIGN BOYCOTTS

Section 3(5) of the Export Administration Act sets forth U.S. policy against foreign boycotts as follows:

> It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against countries friendly to the United States [and] (B) to encourage and request domestic concerns engaged in . . . export . . . to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting . . . [such] . . . restrictive trade practices or boycotts . . .[2].

The act provides for implementation of this policy by requiring all domestic concerns receiving requests for the furnishing of information or the signing of agreements which have the effect of furthering or supporting a foreign boycott to report such receipt to the Secretary of Commerce for such action as he may deem appropriate.[3] This is the only measure specifically required under the present act for carrying out U.S. antiboycott policy. Implementation of that policy is otherwise left to the broad discretion of the President and the Secretary of Commerce.

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[1] International export control coordinating committee, consisting of Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Turkey, the United Kingdom, and the United States.

[2] 50 U.S.C.A. App. § 2402(5) (Supp. 1977).

[3] 50 U.S.C.A. App. § 2403(b)(1) (Supp. 1977).

Title II of S. 69, as reported by the committee, would expand and strengthen the implementation of U.S. antiboycott policy in a number of ways:

(1) It would prohibit any U.S. person from taking or agreeing to take any of the following actions with intent to comply with, further, or support a foreign boycott:

(a) Refusing or requiring any other person to refuse to do business with anyone pursuant to an agreement with, requirement of, or request from or on behalf of a boycotting country;

(b) Refusing or requiring any other person to refuse to employ (or otherwise discriminating against) any U.S. person on the basis of race, religion, sex, or national origin;

(c) Furnishing information with respect to the race, religion, sex, or national origin of any other U.S. person;

(d) Furnishing information about past, present, or prospective business relationships with boycotted countries or blacklisted persons;

(e) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports a boycotted country; and

(f) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any illegal boycott condition or requirement.

(2) The prohibitions of the bill are subject to exceptions for the following:

(a) Compliance with prohibitions on the import of goods or services from the boycotted country or goods or services produced or provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country;

(b) Compliance with prohibitions on the shipment of goods from the boycotting country to the boycotted country, on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

(c) Compliance with import and shipping document requirements with respect to country of origin, the name of the carrier and route of shipment, and the name of the supplier of the shipment or the name of the supplier of services. Effective 1 year after enactment, no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms;

(d) Compliance with the export requirements of the boycotting country relating to the shipment or transshipment of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

(e) Compliance by an individual with the immigration or passport requirements of a foreign country so as to permit a U.S. firm to proceed with a project in a boycotting country even if certain of its employees are denied entry for boycott reasons;

(f) Compliance with the unilateral selection by a boycotting country, its nationals, or residents (other than a U.S. person) of (i) carriers, (ii) insurers, (iii) suppliers of services within the boycotting country, or (iv) specific goods which, in the normal course of business, are identifiable by source upon importation into the boycotting country. However, in no case may the U.S. seller comply if the designation is based on grounds of race, religion, sex, or national origin; and

(g) Compliance by a U.S. person resident in the boycotting country with the laws of that country with respect to his activities exclusively within that country. The bill further provides that rules and regulations may contain exceptions for compliance with the import laws of the boycotting country. In no event could this exception be used to permit discrimination on the basis of race, religion, sex, or national origin.

(3) The bill would preempt all State foreign boycott laws.

(4) It would provide a maximum of 210 days for rules and regulations to become finally effective.

(5) It would provide a 2-year grace period for agreements in effect on or before March 1, 1977, with three additional 1-year extensions available in cases where good faith efforts are being made to amend such agreements.

(6) It would require public disclosure of all boycott reports filed with the Department of Commerce and further require that the person making the report indicate whether he intends to comply with the boycott request he has received. However, commercial information regarding the value, kind, and quantity of goods involved in any reported transaction could be kept confidential if the Secretary of Commerce determines that disclosure of such information would put the domestic concern or person involved at a competitive disadvantage.

(7) The bill would apply to all activities of U.S. persons (including the activities of controlled foreign subsidiaries and affiliates of U.S. concerns) in the interstate or foreign commerce of the United States, and it would apply to any transaction or activity undertaken with intent to evade the provisions of the Export Administration Act regardless of whether such transaction or activity involves U.S. commerce.

(8) The bill would increase the administrative penalties applicable under the Act for a violation of its antiboycott provisions from $1,000 to $10,000 and make it clear that existing law authorizes the suspension of export privileges for violations of the antiboycott provisions of the act as well as any other provision of the act.

(9) It would require public disclosure of Commerce Department charging letters or other documents initiating administrative proceedings for the imposition of sanctions for failure to comply with the antiboycott provisions of the act.

(10) It would require the Commerce Department to provide the State Department with periodic reports on the information contained in the boycott reports filed with the Commerce Department.

(11) And the bill would require that the Commerce Department's semiannual reports to Congress under the act include an accounting of all action taken by the President and Secretary of Commerce to effect the antiboycott policy of the act.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, who controls the time on the bill?

The PRESIDING OFFICER. The Senator from Illinois and the Senator from Tennessee or his designee.

Mr. STEVENSON. I yield the floor.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? Equally divided?

Mr. HEINZ. Equally divided?

Mr. STEVENSON. Equally divided.

Mr. HEINZ. I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, today we are considering S. 69, amendments to the Export Administration Act. This act is the basic statutory authority for regulating U.S. exports for national security, foreign policy, and short supply purposes. The Export Administration Act of 1969 expired on September 30, 1976. Since that time exports have been regulated pursuant to Presidential Executive order issued under the authority of section 5b of the Trading with the Enemy Act.

S. 69 is divided into two titles: Title I amends and extends the act, changing U.S. export policy in certain instances and improving its administration and effectiveness. Title II expands and strengthens U.S. policy toward foreign boycotts aimed at U.S. persons or at countries friendly to the United States.

I shall briefly discuss the major aspects of title I and title II.

Title I extends the Export Administration Act for 3 years to September 30, 1979. It also amends the act to improve its policy and implementation. With respect to the changing policy toward individual countries, S. 69 provides for a more realistic continuing analysis of national security export controls so that a country's Communist or non-Communist status is not the sole determinant of U.S. policy.

With respect to the commodity control lists, technology transfers and export licensing procedures, several improvements are made. A review of national security export controls is called for to determine whether modifications to control policy are necessary in light of evolving technology and the availability of restricted items from sources outside the United States. A study is also required of technology transfers to countries to which exports are restricted for foreign policy or national security purposes. The intent of the committee is to examine the possibility of leakages of U.S. knowhow which could compromise the security of the United States.

To improve the effectiveness of the export licensing system several improvements are proposed. The role of industry representatives in formulating and implementing national security export controls is vital. Their background and accumulated knowledge is essential to the efficient operation of the export licensing system. S. 69 lengthens their terms from 2 to 4 years and requires that they receive feedback on their recommendations. To facilitate the flow of export license applications, procedures are required to expedite the review and decision process.

Title I also contains an extremely important provision relating to the storage of agricultural commodities in the United States. This provision would permit the Secretary of Commerce in consultation with the Secretary of Agriculture to authorize the storage of agricultural commodities, purchased for exports, to be stored free from future short-supply export limitations provided certain conditions are met.

Title II of S. 69 expands and strengthens U.S. policy toward foreign boycotts. I believe that these modifications are long overdue. The intent of the committee is to prevent most forms of compliance by U.S. persons with foreign boycotts. Exceptions to the prohibitions are provided in recognition of the sovereign rights of nations. Prohibited activities include: refusing to do business with blacklisted firms and boycotted friendly countries pursuant to foreign boycott demands; discriminating against other U.S. persons on grounds of race, religion, sex or national origin in order to comply with a foreign boycott; furnishing information regarding a U.S. person's race, religion, sex or national origin where such information is sought for boycott enforcement purposes; furnishing information about business dealings with boycotted firms or countries where the information is sought for enforcement purposes; and paying, honoring, confirming or otherwise implementing a letter of credit containing conditions prohibited by the act.

U.S. persons receiving requests to comply with foreign boycotts must report this fact to the Department of Commerce as well as whether they intend to comply with the request.

The scope of the antiboycott provisions of the Export Administration Act apply to all domestic concerns and persons including intermediaries in the export process.

I will, as the Senator from Illinois knows, be offering a perfecting amendment to title II of the bill. It is my hope that as we consider my amendment and the bill as a whole and be thoughtful in our consideration and move in a most expeditious manner.

I take this opportunity to compliment the Senator from Illinois, the chairman of the subcommittee, for his very great diligence in working with this legislation both this year and in previous years, and for his fortitude in trying to get legislation that is meaningful, enforceable, and enactable. I think he deserves a great deal of credit from all of our colleagues for his very fine contribution.

Mr. President, I yield such time as he may consume to the Senator from Massachusetts, the distinguished ranking minority member of the Banking, Housing, and Urban Affairs Committee, Senator BROOKE.

Mr. BROOKE. I thank my distinguished colleague.

Mr. President, I ask unanimous consent that for the consideration of the present legislation and all votes pertaining thereto Jeremiah Buckley of the committee staff and Anthony Cluff of the Banking, Housing, and Urban Affairs Committee staff be given floor privileges.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, today we begin consideration of legislation designed to improve the export licensing process and to strengthen U.S. policy in dealing with foreign boycotts aimed at countries friendly to the United States or at our own citizens or business firms.

S. 69, entitled Amendments to the Export Administration Act, has a long and complicated legislative history. Language to strengthen U.S. foreign boycott policy was first introduced in 1975 as S. 953. Hearings were held and the legislation was favorably reported by the Banking Committee in early 1976. Subsequently, on March 4, 1976, another piece of legislation, S. 3084, was introduced to amend and extend the Export Administration Act, the act which contains U.S. antiboycott policy. Hearings were held on S. 3084, but were limited to the policy and regulation of the export licensing process. When S. 3084 was favorably reported by the Banking Committee on May 25, 1976, the previous bill, S. 953, dealing with foreign boycotts, was added as title II.

The Senate approved S. 3084 on August 27, 1976, by a vote of 65 to 13. The House subsequently modified the Senate language and by a wide margin, 318 to 63, sent the bill, S. 3084, back to the Senate.

Parliamentary maneuvers stopped the Senate from considering the House-passed bill during the last days of the 94th Congress, but a conference committee was informally convened and worked out a sound, constructive compromise.

The compromise agreed to by the informal conference committee was introduced in the 95th Congress by Senator STEVENSON as S. 69 and in a somewhat modified form by Senator PROXMIRE as S. 92; I cosponsored S. 92. Comprehensive hearings were once again held on the foreign boycott provisions contained in title II of both bills. All interested parties were given more than adequate opportunity to express their views on this legislation.

I am pleased that the committee has acted on this issue in such a thorough, yet expeditious fashion. But while I am pleased that a bill has been reported, I am sorry to have to inform my colleagues that the bill before us is weaker than the bill worked out in our informal conference committee last year.

Current U.S. policy relating to foreign boycotts is set forth in the Export Administration Act as follows:

> It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States [and] (B) to encourage and request domestic concerns engaged in . . . export . . . to refuse to take any action including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting . . . [such] . . . restrictive trade practices or boycotts . . .

This language, though commendable when written in the mid 1960's, does not address the realities of the world today. S. 69 would modify U.S. policy to not only encourage but also to require U.S. persons in specific cases to refuse to take actions or provide information which furthers or supports a foreign boycott fostered against a country friendly to the United States or against any U.S. person. It is intended to prevent boycotting countries from disrupting the trading relationships among U.S. firms or between U.S. firms and firms in the boycotted country. The legislation is essentially divided into prohibited activities and exceptions to the prohibited activities.

Specifically U.S. persons would be prohibited from refusing to do business with or in the boycotted country or with any U.S. or other person pursuant to a boycott request. Discrimination in employment or on the basis of race, religion, national origin, and sex as a result of a boycott request is also prohibited.

Often information has been requested from U.S. exporters which has the effect of furthering both the secondary and tertiary aspects of a boycott. To insure that neither our allies nor our own citizens bear the burden of such restrictive trade practices, the furnishing of information regarding a U.S. person's race, religion, or national origin is prohibited. S. 69 also prohibits the furnishing of information about any person's dealing, whether past, present or future, with the boycotted country or with other boycotted or blacklisted persons. In addition, the bill prohibits the providing of information about a person's affiliation with, or support of, any charitable organization which supports the boycotted country.

Financial institutions have not been immune from requests to further or support a foreign boycott. In letter of credit transactions where the letter of credit emanates from a boycotting country, boycott conditions are sometimes stipulated as a requirement for payment. Banks which facilitate the transaction between the foreign obligor and the beneficiary are therefore made party to furthering or enforcing the boycott. S. 69 prohibits financial institutions from paying, honoring, confirming, or otherwise implementing a letter of credit containing conditions prohibited by this act.

In order to insure that this legislation does not unduly disrupt normal trading relationships between the United States and the Middle East, exceptions to the prohibitions are provided. These exceptions attempt to delineate between those actions taken by U.S. persons which foster or support foreign boycotts and are within the jurisdiction of U.S. law and those which are not. Compliance by U.S. companies with the import and export regulations which are designed to enforce the primary boycott are exempt from the prohibitions. Activities of U.S. companies operating exclusively within the boycotting country are likewise exempt.

The committee adopted an amendment to permit unilateral selection by non-U.S. persons of importable goods or services which are identifiable at port in the normal course of business. This is a compromise from the principles upon which this legislation is based, but it does remove the decision to boycott from U.S. individuals or companies.

I opposed an amendment added in committee, by a narrow margin, to the "compliance with local law exception" contained in S. 69. This amendment would permit U.S. persons resident in the boycotting country to comply with the import laws of that country provided that the goods or services are being used solely by the company and are not being imported for resale. I believe that this exception is excessive and would permit U.S. firms resident in the boycotting country to implement a foreign boycott fostered against U.S. citizens or businesses.

As I stated in my additional views in the committee report, I believe that S. 69 as reported defers too much to the interests of the boycotting countries to the detriment of the rights of American citizens freely to do business among themselves and with other nations.

Since S. 69 was reported, there have been extensive discussions among interested parties and the administration in an effort to arrive at a national consensus on antiboycott policy. And as a result of these discussions, I understand that a number of amendments will be offered on the Senate floor today.

I have not as yet had the benefit of hearing an explanation of each of these amendments, and I must withhold my support until they have been explained. I recognize that the amendments are offered in a spirit of compromise in an effort to arrive at a national consensus on antiboycott policy, and I think that is a worthy objective. But I hope that it can also be said that the amendments will make S. 69 a stronger antiboycott bill.

Since September 30, 1976, the date the Export Administration Act expired, authority to conduct the function of export administration or carry out foreign boycott policy has continued on the thread of an Executive order issued under the Trading With the Enemy Act. We cannot allow this vital piece of legislation to longer remain dormant.

We must also urgently address in a rational way the problems imposed on the U.S. economy by foreign boycotts. The Arab boycott has existed since the inception of Israel but its influence on U.S. commerce has only recently been felt. It is time to make a policy commitment to our citizens, as well as our allies, and stop the malignant growth of economic discrimination within our economy which emanates from the pretext by certain foreign countries of legitimate economic warfare among nations.

Mr. President, I commend the distinguished chairman of the subcommittee (Mr. STEVENSON) and the distinguished ranking minority member of the subcommittee, our colleague from Pennsylvania (Mr. HEINZ), for the excellent work that they have done in preparation and hearings on this important piece of legislation. I trust that when we have concluded our debates, our discussions, and our deliberations on this vital legislation, we will end up with a strong antiboycott bill of which this Nation can rightfully be proud.

I thank the Senator for yielding.

Mr. HEINZ. Mr. President, I take this opportunity to commend the Senator from Massachusetts, the ranking Republican member of the committee, for the excellent work he has done on this legislation over the years. I know just how much he cares about having a strong, enforceable, effective piece of legislation.

It is my hope that this legislation, which I hope, we will adopt it today, will meet all of his goals and objectives. I know of no one who has been a stronger fighter for good, fair, equitable legislation to prevent secondary and tertiary discrimination against Americans such as has been a feature of our foreign trade from time to time as the Senator from Massachusetts.

Mr. BROOKE. I thank the Senator.

Mr. PROXMIRE. Mr. President, the Senate is well aware of the Arab primary boycott of Israel. What the Senate is not so well aware of are the secondary and tertiary aspects of the Arab boycott of Israel which operate in a manner to restrict the freedom of American firms to do business with Israel and to restrict the freedom of American firms.

Throughout the Banking Committee's deliberations on this legislation the right of an Arab nation to exclude the importation of goods or services manufactured in Israel or tendered by Israelis was recognized. But the Arab boycott of Israel does not stop there. The Arab nations use their boycott of Israel to dictate to American firms how and with whom they shall do business. For example, the Arabs employ the secondary boycott to require American firms not to do business with Israel or with Israeli companies as a condition of doing business with the Arab states. The secondary boycott is policed and enforced by the Arabs through their information gathering machinery which monitors the trade relationships of American firms.

Mr. President the secondary boycott is bad enough, but the Arabs employ an even more pernicious form of boycott against U.S. industry. This the tertiary boycott where in practice an American firm is required to refuse to deal with a blacklisted American firm which offers components or other supplies in connection with the products it manufactures or assembles. The tertiary boycott places American firms directly into the position of policing and enforcing the Arab boycott. And the American banking industry is forced to play a strong enforcement role through the inclusion of boycott clauses in the letters of credit which are used to finance international trade.

The secondary and tertiary forms of the Arab boycott employed against American firms place a dagger at the heart of our free enterprise system. We live in a pluralistic society and we have a free market economy which reflects our basic beliefs concerning democracy and equal opportunity. Under our economic system the price, the quality, and the service offered by sellers dictate in a free and open way how trade relationships among our firms will be established. The Arab boycott is destructive of these fundamental tenets. They would have our firms structure their economic relationships in a manner which would serve their own foreign policy objectives. This is an intrusion into our domestic sovereignty that we cannot afford to accept.

With the more than fivefold increase in the price of oil since 1973 the Arab nations now possess such enormous clout that the continued implementation of their boycott in our country presents now and in the future an increasing threat to our economic system. If more and more American business decisions are made for the political reasons of foreign countries, the efficiency of our free enterprise system may be irreparably damaged. This long term reduction in productive efficiency can substantially outweigh any short term loss in trade. Furthermore, the risks of any loss of trade by passing a tough boycott bill are speculative.

We should all doubt that the Arabs will choose not to do business with American firms if they are deprived of their ability to play off one American firm one against the other. In any event, the Arab boycott is approaching dimensions which we can no longer tolerate. The dollar value of goods involved in boycott-affected transactions increased from $9.9 million in 1974 to $5.5 billion during the first 9 months of 1976. This is an increase of more than 500 times over 1974. As trade with the Arabs grow so will the distortions in our economy. There are over 1500 American firms on the blacklist and they represent some of the largest companies in America. We should not continue to tolerate their being frozen out of Arab trade.

I support antiboycott legislation which would outlaw the secondary and tertiary forms of the Arab boycott restricting the freedom of American firms to trade with whom they desire on the basis of good business judgment. Indeed the legislation passed by the Senate last year would have done the job. The prohibitions in S. 69 would do the job. However, I have reservations about two of the exemptive provisions in S. 69.

My reservations will not cause me to vote against this legislation which has some positive features. Nevertheless, I think the Senate needs to be fully informed and to go into this with its eyes wide open. The provisions on which I have reservations are the so-called unilateral selection and compliance with local law provisions.

The unilateral selection provision will allow an Arab nation to specify to an American firm for boycott reasons the names of suppliers of components to be included on purchased goods. This exclusion from the bill's prohibitions will even apply in the case where an American firm knows that the unilateral selection is being made for the purpose of excluding a blacklisted American company. The compliance with local law exemption will allow an American company resident in an Arab boycotting country to choose its American suppliers in compliance with the terms of the Arab boycott.

Mr. President, I frankly do not like these provisions. I understand that the committee has endeavored to frame these exemptions just as tightly as it could and that they will have to be construed very narrowly. But the principle of the Arab boycott intruding into our economic sovereignty is one that I can never accept. The reporting features of the bill will require such boycott-based selections to be reported to the Commerce Department. I intend to do all that I can as chairman of the Banking Committee to insure that the committee keep the Senate informed as to the operation and effects in the marketplace of these provisions.

I hope other Senators will join with me in expressing their concern over the inclusion in this bill of provisions which, if not carefully monitored in their implementation, can do great harm to our economic system and the need for strict construction to obtain in framing the implementing regulations.

UP AMENDMENT NO. 194

Mr. HEINZ. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for himself and Mr. STEVENSON, proposes an unprinted amendment No. 194.

The legislative clerk proceeded to read the amendment.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 59, line 18, strike all that follows through page 61, line 25, and insert in lieu thereof the following:

"'(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms after the expiration of one year following the date of enactment of the Export Administration Amendments of 1977 other than with respect to carriers or route of shipment as may be permitted by such rules and regulations in order to comply with precautionary requirements protecting against war risks and confiscation;

"'(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country, or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

"'(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

"'(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family; and

"'(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such rules and regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade-named, or similarly specifically identifiable products or components of products for his own use, including the performance of contractual services within that country, as may be defined by such rules and regulations.

"'(3) Rules and regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

"'(4) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

"'(5) Rules and regulations pursuant to this subsection shall be issued not later than 90 days after the date of enactment of this section and shall be issued in final form and become effective not later than 120 days after they are first issued, except that (A) rules and regulations prohibiting negative certification may take effect not later than one year after the date of enactment of this section, and (B) a grace period shall be provided for the application of the rules and regulations issued pursuant to this subsection to actions taken pursuant to contracts or other agreements in effect on or before March 1 1977. Such grace period shall be two years after the date of enactment of this section and may be extended for three additional one-year periods in cases in which good faith efforts are being made to amend such contracts or agreements.

"'(6) This Act shall apply to any transaction or activity undertaken, by or through a United States or other person, with intent to evade the provisions of this Act as implemented by the rules and regulations issued pursuant to this subsection, and such rules and regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.'".

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HEINZ. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Christopher Lehman and Michael Hammond, of my staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I offer this amendment for myself and Mr. Stevenson. I wish to point out to my colleagues that this amendment, though unprinted, is identical in substance to printed amendment No. 254, which was not only printed and is available today but which also appeared in the RECORD of May 4.

This unprinted amendment is different only insofar as it is a motion to strike and insert beginning on page 59, line 18, therefore making this amendment not subject to a demand for division, to my understanding. The reason I have offered the amendment in this form is because I very strongly believe, Mr. President, that this amendment, which I will describe in a few minutes, deserves to be considered as a whole.

Of course, in offering the amendment in this form, I do not believe the right of any Member to amend the amendment is precluded, but a demand by an individual Senator to divide the amendment would not be in order as it would have been with my original amendment, printed amendment No. 254.

The PRESIDING OFFICER. The Senator is correct.

Mr. HEINZ. Thank you, Mr. President.

Mr. President, this amendment to title II of the bill is offered in the spirit of compromise, a compromise which is the result of prolonged negotiations between the two major forces that have concerned themselves with this bill—the Jewish community, exemplified by the American Jewish Committee the American Jewish Congress, and the Anti-Defamation League, and the business community, represented by the Business Roundtable.

In neither case are these groups inclusive of all interested parties. However, they do include most of those who have taken an active part in helping to formulate this legislation, and I think it is fair to say their representatives are as knowledgeable about the issues as anyone.

Those who have followed the progress of this bill know that compromise was not easily or quickly reached. An earlier more general agreement, reached prior to markup, ended up being subjected to varying interpretations as the Banking Committee attempted to put into legislation language the principle enunciated by the agreement.

This latest clarification of the earlier joint statement is superior because it embodies actual amendments to the text of S. 69 which have been agreed to by both parties. It is those amendments I am offering at this time, in the form of one comprehensive amendment.

It is somewhat unusual for us to consider intact actual language developed outside the Congress, but in this case I believe the circumstances clearly warrant it. Let there be no mistake about it: This has been a controversial bill with serious economic implications for a large segment of the business community, and serious foreign policy implications for the entire country. Beyond those more practical considerations there is the paramount moral issue: We should not comply with discriminatory requests by other nations to enforce their secondary or tertiary boycotts, and we should not allow our businesses to be put in a position of having to comply with such requests or undertake discriminatory actions. This is fundamental to our world view, our laws, and our ways of dealing with others. In fairness, few if any of the people I have talked with about this bill oppose these principles or specifically wanted to be able to undertake discriminatory actions.

At the same time, however, given the Arabs' intransigence with respect to their boycott, it is clear that the passage of meaningful antiboycott legislation will necessitate some disruption of existing business relationships and produce some loss of business. In reporting this bill the committee has clearly taken the position that maintaining our principles and the integrity of our conduct is worth the cost that will ensue. Some members of the business community have felt that cost to be higher than the committee's view of it, and some have differing views of the level of cost that is acceptable.

Further, in our effort to deal solely with boycott issues, the bill as it presently reads does not concern itself with nonboycott related actions. They are permitted in any case. The language used to draw lines between what is permissible and what is not inevitably leave some cases on the wrong side of the line, which necessitated further clarifications and complications. These also produced controversy.

Third, the realities of international commerce and the fact that boycotting countries do, in fact, control what goes on within their borders—or what crosses through their borders—necessitated some concessions to pragmatism. For example, if a product cannot enter a country—for any reason—it does little good to insist that a firm go through the motions of shipping it anyway knowing full well it will be confiscated at the border. That exercise is fruitless and of benefit to no one. Determining the limit of these concessions to reality, however, also engendered controversy.

There were also foreign policy considerations that affected the committee's deliberations. Since one of the objectives of legislation of this kind is to encourage the Arab States to modify or abandon their boycott policies, the committee wanted the bill to reflect that objective and not serve to encourage Arab intransigence. Further, the committee wanted to insure that the bill was not written in such a way as to have the effect of discouraging companies from doing business with Israel in order to avoid facing prohibited requests or questions later from the Arabs. I believe the bill we are considering, along with the amendment I am proposing, meets these objectives, but the process of getting to this point has been a difficult one.

For all these reasons, then, the process of translating a high moral principle into substantive, enforceable language has been a complex one, and that is why the agreement reflected in this amendment is so important. It is not simply a behind-closed-doors agreement of various lobbyists. It is a fundamental understanding of how far we will go in enforcing the principle of nondiscrimination and it is an understanding developed by the two most clearly affected parties.

The agreement also has the clear support of the administration, as evidenced by the President's statement of May 3, which I ask unanimous consent to have printed in the RECORD at this point:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I am pleased to announce that an agreement has been reached by the Anti-Defamation League, the American Jewish Committee and the American Jewish Congress with the Business Roundtable on legislative language for the anti-foreign boycott bill presently being considered by the Senate, and that I can strongly recommend Congressional approval of that language.

I would like to commend these organizations and their leaders for the skill and cooperation shown in the negotiations leading to today's agreement, which embodies concepts previously outlined in a Joint Statement of Principles agreed to by the Anti-Defamation League and the Business Roundtable.

I would also like to commend the many members of Congress who have devoted so much time and effort toward achieving strong anti-boycott legislation—Senators Proxmire and Stevenson and Congressmen Zablocki, Rosenthal, Hamilton, Bingham, Solarz and Whalen. Without their efforts, I doubt that the Congress would have ever come close to passage of anti-foreign boycott legislation.

In my view, one of the most gratifying aspects of the agreement is its reasonable balance between the need for stringent controls over the undesirable impact on Americans of foreign boycotts and the need to allow continuation of American business relations with countries engaging in such boycotts.

The agreement supports legislative language which would impose the following restrictions:

Prohibit all forms of religious or ethnic discrimination arising out of a foreign boycott;

Prohibit U.S. firms from refusing to do business with a boycotted country as a condition of doing business in another country;

Prohibit U.S. firms from acting as enforcers of a foreign boycott;

Prohibit U.S. firms from responding to requests for boycott-related information;

Prohibit the use of so-called negative certificates of origin within a year of enactment.

At the same time, the agreement supports limited exceptions which recognize that other countries, like the United States, may seek to impose their own laws within their own countries.

I urge the Senate, and the Congress, to adopt these agreed upon amendments to the anti-foreign boycott legislation. With adoption of the amendments, I believe passage of this legislation can occur very soon, and I look forward to signing the legislation.

Mr. HEINZ. I must say that this is the first time the administration has spoken publicly with one firm voice on this issue, and I welcome today, in particular, the clarification.

Before describing the amendment, which covers the most controversial elements of S. 69, I want to make clear the scope of the agreement. The parties to it have agreed on the wording of the amendment I am about to offer, and have further agreed to support its language throughout all stages of the legislative process if it is adopted on the floor, and to oppose all other strengthening and weakening amendments thereto. This is a commitment as I read it, on this language, that will save this body considerable debate and, possibly, a difficult and prolonged conference. I ask unanimous consent that the text of the agreement accompanying the amendment be printed at this point in the RECORD:

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

MEMORANDUM DATED APRIL 26, 1977

This memorandum is to record the understanding of the undersigned negotiators with respect to amendments and interpretations of S. 69 regarded to be acceptable in the interest of achieving effective, workable and realistic federal anti-boycott legislation.

The undersigned have closely followed the development of anti-boycott legislation in the Senate and House and have also participated in or closely followed the negotiation and drafting of the Joint Statement of Principles re Foreign Boycott Legislation, dated as of March 2, 1977, developed by a task force of representatives of the Anti-Defamation League and the Business Roundtable.

We recognize that legislation in this complex area necessarily reflects accommodations of differing points of view. Many of these differing points of view are reflected in the compromises which resulted in the Joint Statement. With respect to the pending anti-boycott legislative proposals, there are, of course, areas where the Business Roundtable representatives believe the proposals do not adequately meet the needs of business and, conversely, the representatives of the three undersigned agencies believe there are areas where the principles underlying the legislation have been unnecessarily compromised. Nonetheless, the undersigned believe that S. 69 modified in accordance with the proposals attached would be a legislative formulation representative of the principles enunciated in the Joint Statement which were supported by the organizations represented by the undersigned negotiators.

Moreover, we believe that there is reason for concern that the over-all benefits achieved through the negotiations represented by the compromises inherent in S. 69 as amended, and the Joint Statement itself, may well be lost if the bill is subject to wholesale floor amendments. We do not believe that the beneficial aspects of this vital legislation or the national interest are well served by extended confrontation and divisive floor debate. This subject is a highly controversial and emotional one. Developing a national consensus behind the legislation is highly desirable.

Should the Administration indicate its willingness to support actively the enactment of S. 69 incorporating the proposals hereto attached, each of the undersigned is prepared to recommend to the organization he represents that such organization should take no action at any stage of the legislative process inconsistent with such bill becoming law.

From the American Jewish Committee: Alfred H. Moses.

From the American Jewish Congress: Paul S. Berger.

From the Anti-Defamation League: Max M. Kampelman.

From the Business Roundtable: Hans H. Angermueller, Vincent A. Johnson, Gerald E. Kandler.

At this point, Mr. LEAHY assumed the chair.

Mr. HEINZ. Let me also say in all honesty, that I have a few questions, even reservations about this amendment, and I offer it in the spirit of compromise rather than a spirit of overwhelming enthusiasm. I hasten to add, however, that having lived with this bill for many weeks now, I have no language of my own that is any better, and I have seen none better from anyone else. Like all true compromises, no one is ecstatic about this one, and that very fact is probably a reflection of its virtue as a legitimate compromise. The important thing about it is that it is a compromise, and it has been agreed to by the diverse interested parties. Also, I believe it is accurate to say it is not widely divergent from S. 69 as reported in either language or intent.

The entire amendment encompasses five parts: unilateral selection, compliance with local law, nonevasion, a war risk clause, and immigration requirements.

The concept of unilateral selection represents one of the exceptions to the prohibitions written into the bill. Broadly speaking it permits someone in a foreign country to specify a particular component of a good or supplier of a service. For example, to use the classic case the committee is so familiar with, an Arab purchaser of tractors might insist that the accompanying tires by brand X. This selection is unilateral; it is made by the buyer. It is specific; the acceptable product is indicated. It is positive; the buyer may not have honored a request for any tires except brand Y, for example.

The language of the amendment, which substitutes for this entire paragraph in the bill, is as follows:

Page 60, line 4*:

"(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting county, or national or resident thereof of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;"

This differs from S. 69 as reported in that it permits unilateral selection by a U.S. person resident in the foreign country, and in that it adds the phrase "in the normal course of business" as part of the phrase beginning "complying or agreeing to comply." Both S. 69 and this amendment permit unilateral selection for the same range of products and services, and both restrict it with respect to products to those which are in the normal course of business identifiable when imported. For example, tires on a tractor would be identifiable, the steel that went into the body would not be, and the seller could not comply with a buyer's request for a particular company's steel.

The larger purpose of this amendment is to deal with the obvious problem of customs control. If a nation will not admit a certain brand of tire, it is useless to insist that those tires by shipped. This amendment permits a seller to comply with a buyer's selection but insists that such selection be positive, unliateral, and specific, thereby putting the burden of choice on the buyer, in many cases a foreign government or resident. Selections which are not boycott related, of course, are outside the scope of the bill anyway.

The explanatory comment in the agreement accompanying this part of the amendment is as follows:

This exception is directed toward permitting compliance by a U.S. person with a unilateral and specific selection by a boycotting country, or national or resident (including a U.S. person) thereof of a specific person to be involved in a particular aspect of a transaction including the specific person who is to act in the stated capacities.

COMPLIANCE WITH LOCAL LAW

The purpose of this exception to the prohibitions is to deal with the fact that a U.S. person resident in a foreign country finds himself subject to the laws of that country.

The text of the amendment, which again replaces all the comparable exception in the bill, is as follows:

Page 60, Line 20:

"(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such rules and regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade-named, or similarly specifically identifiable products or components of products for his own use, including the performance of contractual services within that country, as may be defined by such rules and regulations."

The first part of the amendment, down to the words, "therein", is unchanged from S. 69 and is self-explanatory. The second part states that regulations may also permit compliance with local import laws for the importation of certain, again, specifically identifiable products for the U.S. person's own use, or for the performance of contractual services within the country.

With respect to specifically identifiable products, this would permit compliance with import laws—for example a ban on certain manufacturers if it were written into host country law—if the product were for one's own use. If it were for resale, compliance would be prohibited. The explanatory comment in the agreement adds the following:

Explanatory Comment

This amendment provides the possibility for a limited exception (subject to the non-evasion provision) by regulation. Such an exception may allow a U.S. person, only under circumstances carefully defined by regulation, to comply with local laws and regulations in its importation of specific and identifiable goods for its own use, including the performance of contractual services. The exception is not to be available so as to allow such resident to serve in the manner of a procurement agent of goods for another. When the exception should or should not be available is not easily determinable and it is recognized is subject to varying interpretations which are left to be resolved by regulations.

Obviously, this imposes a burden on the regulations, but the specific cases are so many and their complexity so great that such a burden is inevitable, anyways. This amendment represents a narrowing in some respects from S. 69, which did not restrict compliance with import laws to products specifically for one's own use, but it is similar to an earlier version considered by the committee which prohibited compliance if the goods were for "simple resale."

NON-EVASION

The third amendment adds a new section as follows:

Page 61, Line 22:

"(6) This Act shall apply to any transaction or activity undertaken, by or through a United States or other person, with intent to evade the provisions of this Act as implemented by the rules and regulations issued pursuant to this subsection, and such rules and regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions."

The purpose of this section is to clarify further the scope of the bill and the use of the term "intent." It serves as a reminder of something I said earlier—that the bill only covers boycott-related actions. Actions taken without intent to comply with a boycott are not prohibited.

Second, this amendment makes clear that the exceptions to the prohibitions are narrowly construed and that the rules and regulations shall specify that activities or agreements beyond the intent of those exceptions are prohibited.

Third, the amendment makes clear that prohibited activities or agreements with respect to the exceptions are not necessarily overt and explicit, but can be expressed or implied by a course of conduct, including a pattern of responses.

The effect of this amendment is to clarify that the exceptions should be construed narrowly.

The explanatory comment in the agreement says the following:

The Bill provides an opportunity for certain exceptions in recognition of certain rights of sovereign states and to allow normal commercial transactions generally unrelated to a boycott. The suggested language is to make it clear that the exceptions are subject to the non-evasion provisions of Paragraph (6) and are not to permit a course of conduct or pattern of responses which constitute activities or agreements outside the intent of the exceptions in Paragraph (2).

WAR RISK CLAUSE

This amendment amends the second exception relating to import and shipping document requirements and certificates of origin. S. 69 permitted compliance with certain such requirements providing compliance was in positive rather than negative terms. For example, one could specify that a product was made in the United States, but not that it was not made in Israel.

This amendment maintains this language but adds to it an exception to positive certification as follows:

Page 60, Line 3:

"(B) . . . *1977,* other than with respect to carriers or route of shipment as may be permitted by such rules and regulations in order to comply with precautionary requirements protecting against war risks and confiscation."

Mr. President, this would permit a negative certification with respect to carriers or route of shipment, subject to regulations, in order to comply with requirements protecting against war risks and confiscation.

IMMIGRATION REQUIREMENTS

This amendment clarifies the intent of the exception in the bill that permits compliance with immigration or visa requirements by limiting an individual's compliance with such requirements to that individual or members of his own family. The text is as follows:

Page 60, Line 19:

Add to exception (E), after "country" the words: "with respect to such individual or any member of such individual's family."

In my view this clarifies the committee's intent that individuals supply immigration or passport information—even if it is boycott-related—about themselves or their families, but not about others. The effect of this language is to make the exception consistent with prohibition (C)—page 57, line 24—in the bill.

These then are the changes in the bill pursuant to the recent agreement between business representatives and representatives of the Jewish community. In my view they are primarily refinements and clarifications of S. 69 as reported. They make clear that certain exceptions to the prohibitions are permitted, but that they are narrowly and specifically drawn.

The effect of these changes is to make the bill more enforceable. That last word is the key term we should be using in discussing the legislation. The real test of the bill will occur long after its enactment and after the regulations are promulgated. It will occur when the Government is faced with the decision of whether to file a complaint under this act. At that point the Government will need to be sure it has a strong case. Such a case will depend on the specificity of the law and the regulations. To the degree that we can give business precise guidance as to what actions are acceptable and what are not, we will have written a strong bill. A vague bill, despite the presence of impressive rhetoric, will not pass the only important test—the test of a complaint and a court case. I support this amendment because it adds to specificity, and in doing so adds to the bill's strength and simultaneously provide greater guidance and protection for business.

I also support this amendment because it represents a considered—and legitimate—compromise among those groups most concerned about this issue. The Jewish community supports this amendment, the business community supports this amendment, the administration supports the amendment. The consensus is clear and a welcome one. The rationale for it is clear, and one which I hope I have explained adequately.

Mr. President, I urge the adoption of the amendment by my colleagues.

The PRESIDING OFFICER (Mr. ZORINSKY). The question is on agreeing to the amendment.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I reserve the remainder of my time.

Mr. STEVENSON. Mr. President, the Senator from Pennsylvania wisely said that it was difficult to be enthusiastic about this amendment. It is difficult to be enthusiastic about any part of this legislation. I say that because there is no perfect legislative answer to the problem that we face and are attempting to act upon.

This has been one of the most trying and one of the most difficult subjects with which I have had to contend in the Senate. The issue has been made difficult by well-intended and strenuous pressures and feelings on all sides, by the high stakes, not only for American commercial interests in the Middle East, but, more important, for the sake of peace and a political settlement in the Middle East.

It has been difficult because there is no perfect legislative answer for what it is we are attempting to do; namely, defend American sovereignty and prevent American companies from being drawn involuntarily into a conflict between friendly powers.

Nothing short of a settlement in the Middle East will end the boycott.

That is the plain fact of the matter. No legislation, no act by this body, is going to end the boycott.

It has been difficult at times in the past, because some of the well-intentioned proposals could have had the effect of diminishing not only commercial opportunities for the United States in the Middle East, but also U.S. political influence in the Middle East. Ironically, some of these proposals, if enacted, could have had the effect of prolonging the conflict and, therefore, in the name of antiboycott legislation, could have had the effect of prolonging the boycott.

The Senator from Pennsylvania, throughout this trying exercise, has exerted a most statesmanlike influence, and I thank him. I also commend him for seeing clearly, at all times, the interests of the United States, at all times putting those interests above all others, and at all times in this debate supporting a moderate, sensible, and statesmanlike position.

That approach, the positions he has taken throughout, have now been vindicated by the agreement which has been reached by representatives of the business community and the Jewish community and which now is supported by the President. Their position is basically one of support for S. 69, as reported by the Banking Committee, but with the modifications which are embodied in this amendment.

Those modifications are important not only because they strengthen this legislation, but also because they can serve to bring our national constituency together again behind what should be an American effort to defend American sovereignty.

The effect of this amendment is not only to strengthen the legislation. Its effect will also be, I believe, to unite all parts of our community behind a sensible effort to defend our commercial interests and, above all, our political influence in the Middle East, as well as the sovereignty of the country and the ability of American business to resist efforts to drag them into conflicts between Arab countries and the State of Israel.

So I commend the Senator for his labors throughout. I commend him for offering this amendment and I support the amendment.

This amendment reflects the efforts of representatives of the business community, a number of Jewish service organizations, and the President. They are united now in support of this amendment and, with it, S. 69.

The amendment modifies two of the exceptions contained in the bill reported by the committee. One is the exception for so-called "unilateral selections"; the other is the exception for compliance with the host country's law.

Under the unilateral selection exception in the bill, a U.S. person may comply or agree to comply with a boycotting country's choice of carriers, insurers, suppliers of services within the boycotting country, or goods which, in the normal course of business, are identifiable by source upon importation into the boycotting country. Compliance is permissible when the choice is made by the boycotting country, its nationals, or its residents, but it is not permissible if the person making the choice is a U.S. person, even if he is a resident of the boycotting country. Choices made by U.S. persons are expressly excluded.

What this amendment does is to permit compliance with unilateral selections made by U.S. persons abroad residing in the boycotting country. In other words, it eliminates the distinction between United States and foreign citizens with respect to compliance with unilateral selections. That was a distinction without much substance, except that it could have punished American businesses in the Middle East.

Under the amendment, if a U.S. company located in Saudi Arabia places an order with a U.S. company located in New York and designates the carrier on which the goods may be shipped, the U.S. company could comply. Under the committee bill, it could not. The business of the U.S. company abroad can go ahead, with this amendment to the advantage of businesses in the United States and to the advantage of the United States itself.

Without the amendment, the business of U.S. companies in boycotting countries could be diverted to foreign countries. If their choices could not be complied with by other U.S. companies, U.S. companies located in a boycotting country might well decide to place their orders with foreign companies. That would serve no useful purpose; and to the extent that foreign countries have no compunction about complying with the boycott—which appears to be the case in most, if not all, such countries, it would merely serve to reinforce rather than weaken the secondary and tertiary boycott.

The amendment's modification of the host country law exception is also reasonable.

Under the bill reported by the committee, there is authority for U.S. rules and regulations to permit compliance with the import laws of a foreign country. The amendment narrows that exception somewhat to make it available only with respect to imports of trade-marked, trade-named, or similarly identifiable products for one's own use, including the performance of services within the country. Such services presumably would include the services of carriers making deliveries to the boycotting country.

As modified, this exception would more closely parallel the exception for compliance with unilateral selections. One deals with what is permissible for the U.S. person making the order; the other deals with what is permissible for the U.S. person receiving the order. This amendment helps to make them more consistent with each other.

The amendment offered by the Senator from Pennsylvania also modifies the non-evasion provision of the bill reported by the committee. The committee bill provides that the act shall apply to any transaction or activity undertaken with intent to evade the provisions of the act. The amendment expressly provides that activities or agreements, express or implied through a course of conduct, which are not within the intent of the exceptions are not to be permitted.

This is a useful clarification. It does not in any way affect the purpose of the exceptions—namely, to permit limited compliance with foreign boycotts. But it does make clear that the rules and regulations shall expressly provide that activities outside the intent of the exceptions are not to be permitted.

The other modifications already mentioned pertain to war risk clauses and visas and are technical in nature.

Mr. President, I urge the Senate to adopt this amendment.

I suggest the absence of a quorum, and ask unanimous consent that the time be divided equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I yield 5 minutes to the distinguished Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, the measure we are considering today, the amendments to the Export Administration Act, is the product of a long comprehensive exercise of the legislative process. The bill extends the Export Administration Act which expired on September 30, 1976 for 3 years; it improves the efficiency of the export licensing process; and, it strengthens U.S. policy toward foreign boycotts aimed at U.S. firms or citizens or countries friendly to the United States.

First introduced in 1975 in a substantially different form, this legislation has undergone extensive hearings, lengthy markups, and an informal conference committee meeting during the late hours of the 94th Congress. The structure of S. 69 resembles the compromise agreed to by the informal conference committee but its content as amended by the Banking Committee embodies several substantive modifications which improve its manageability and effectiveness.

Title I amends and extends the Export Administration Act by modifying U.S. Export Administration policy toward individual countries, and improving and reviewing commodity control lists, technology transfer mechanisms and export licensing procedures. In addition authority is provided to the Secretary of Commerce in consultation with the Secretary of Agriculture to permit agricultural commodities purchased by or for use in a foreign country to be stored in the United States free from short supply export controls provided that certain assurances are received. I believe these changes are necessary and desirable and I endorse their passage.

With respect to title II, the provisions relating to foreign boycotts, I am less sanguine. Through this legislation we are attempting to establish a responsible U.S. policy toward foreign boycotts which neither alienates our allies, distorts the free flow of commerce nor complicates international diplomatic negotiations.

I believe that the provisions of S. 69 relating to foreign boycotts move in the right direction but more work is necessary. I commend the responsible and constructive actions taken by representatives of the business community acting through the business roundtable and by representatives of the American Jewish community acting through the Anti-Defamation League in achieving agreement on extremely complicated and divisive issues. We in Congress should be sensitive to their recommendations.

I hope my colleagues will carefully consider the amendment offered by Mr. HEINZ, the ranking minority member of the International Finance Subcommittee. I believe that they effectively deal with the real world conditions which we face and do not compromise the principles on which our free enterprise economy is based.

I hope to support this legislation. I believe U.S. policy needs a strong effective foundation on which our Government can operate when confronted with foreign boycotts damaging to our national interest.

This is a very delicate piece of legislation, Mr. President. We have to take into consideration not only the immorality but the unfairness of boycotts to American firms or individuals.

We also have to take into consideration the economic posture of the United States abroad and our ability to do business abroad.

I think that this compromise that has been worked out by the Anti-Defamation League and the business roundtable is good. I think we should go forward with it, and I hope the amendment will be adopted.

Mr. JAVITS. Mr. President, the key factor in amendments presented by the agreement between the Jewish organizations and the business roundtable is that the unilateral selection exception to the prohibitions in the bill will now be opened up to American firms resident in Arab boycotting countries. Under S. 69 as reported by the Banking Committee a unilateral selection could not be made by an American firm. S. 69 as reported thus shifted the entire burden of making unilateral selections to boycotting countries or their firms.

The unilateral selection exemption in S. 69 is bad enough because it allows U.S. firms to knowingly comply with the boycott of another American firm even though the provision is intended to apply in a strictly limited range of transactions. While this amendment will retain the strict limitations it will also allow a U.S. firm to make a unilateral selection. Thus, this amendment will sanction direct American firm participation in the implementation and enforcement of the Arab boycott.

The Jewish organizations have attempted to placate the business roundtable by coming to an agreement on this issue. But the defect in the agreement is that it will not finally—once and for all—end the Arab boycott of American firms. The Jewish organizations were undoubtedly motivated by a desire to involve the business roundtable in the process of acknowledging the seriousness of the Arab boycott and to make a beginning toward ending it on a cooperative basis with the business community. Compromise is the art of American politics and this agreement is about as far as either side can realistically go. As with all compromises of this nature on substantial issues a lot is left unsaid. But the Senate cannot close its eyes to the issues.

None of the Jewish organizations or the representatives of the roundtable were elected to the U.S. Senate. Senators have an obligation to stand up and speak out on the issues.

We have been threatened with the blame of loss of business and jobs if this legislation passes. The Arabian American Oil Co. has threatened its suppliers with loss of business should this legislation pass in its present form. The rhetoric is grossly exaggerated.

We have the largest economy in the world. We have no need to go down on our knees for Arab business. Our people can be productively employed at home. There is much work in our inner cities that has to be done. I support an expansionary economy, primarily in the private sector to get our people back to work. It is a cruel hoax to raise the issue of jobs in connection with the Arab boycott. Those few jobs that depend on the giving up of our basic free market economy are just not worth the price we will all have to pay.

The State Department needs to use its muscle with the Arabs. The United States is a stabilizing factor for peace in the Middle East. The Arab nations need to understand that free trade principles are in their best interests as well as ours. Far too much attention has been paid on the inflammatory rhetoric of some businessmen who threaten their suppliers with loss of business unless S. 69 is softened.

I do not intend to vote against this bill but these are to be construed as narrow exemptions to the basic free trade principles of the bill. We should all be clear that this situation is one that needs watching lest we sanction distortions in our free market economy to further the foreign policy objectives of others. And the debate on these provisions needs to make clear that they are not intended to destroy the prohibitions set forth in the bill.

Mr. DOLE. Mr. President, as we consider this legislation, I am reminded of a statement made by Mr. Carter while he was still a Presidential candidate. On October 6, President Carter stated:

> I believe that the boycott of American businesses by the Arab countries because those businesses trade with Israel or because they have American Jews who are owners or directors in the company is an absolute disgrace. This is the first time that I remember in the history of our country that we've let a foreign country circumvent or change our Bill of Rights. I'll do everything I can as President to stop the boycott of American businesses by the Arab countries.

Today, we are considering legislation, supported strongly by the Carter administration, which is far short of Mr. Carter's October commitment.

The change in the Carter position became clear early in April when the Senate Banking Committee first considered antiboycott legislation and attempted to produce a bill which would have some teeth in it. Rather than support such legislation, which would have been in keeping with Mr. Carter's campaign promise, representatives of the administration in the State and Commerce Departments urged the Senators to introduce amendments which would weaken the bill substantially. At the time, my distinguished colleague from Massachusetts, Senator BROOKE, remarked that:

> The administration wants some law but they don't want a law with any teeth at all.

When Senator SARBANES quoted Mr. Carter's October statement in an effort to rally support for more restrictive legislation, there were chuckles in the audience.

It represents one more in a growing list of examples of Carter reversals on important issues. There seems to be a vast difference between Carter the candidate and Carter the President. Candidate Carter was fond of labeling the Ford administration "weak" on the Arab boycott issue. In fact, however, the Ford administration was the first to bring antitrust action against a U.S. corporation for its compliance with the Arab boycott of Israel, and it led the way in disclosing names of firms that had cooperated in the boycott.

I do not disagree with the substance of the Heinz amendment. It embodies a compromise acceptable to both U.S. business and the American Jewish Congress, the American Jewish Committee, and the Antidefamation League. It should protect against religious or ethnic discrimination, while not inhibiting continued American transactions with Arab countries. But my point is that candidate Carter cavalierly criticized President Ford for "weakness" and suggested that he himself would somehow "strengthen" protections against Arab pressures on American business, when, in fact, President Carter has finally come around to a more sensible position basically in accord with that of the Ford administration.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, if no other Member wishes to be heard on this amendment, and I have checked around and I do not know of any other Members who wish to be heard on it, I am prepared to yield back the remainder of my time.

Mr. HEINZ. Mr. President, similarly, I know of no Member of the minority who is either in the Chamber seeking time or has indicated his desire to me or any of the other conduits of that information that he would desire time. So I am prepared to yield back the remainder of my time.

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

Mr. HEINZ. Mr. President, I also yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Illinois yield 3 minutes to me?

Mr. STEVENSON. I yield to the distinguished majority leader.

ECONOMIC STIMULUS APPROPRIATION BILL—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MCCLELLAN and with the approval of Mr. YOUNG, I submit a conference report on the disagreeing votes of the two houses on the bill, H.R. 4876, the economic stimulus appropriation bill.

I understand it has been cleared.

Mr. YOUNG. Yes. I have no objection. I think it should be approved. It was a good conference. In fact, there really was not much in the conference.

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4876) making economic stimulus appropriations for the fiscal year ending September 30, 1977, and for other purposes, having met, after full and free conferences, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the RECORD of May 3, 1977, beginning at page 13297.)

Mr. ROBERT C. BYRD. Mr. President, the Senate passed H.R. 4876 Monday, May 2. The conference committee convened the next day, Tuesday, May 3, and the conference was completed and the conference report filed on that day.

Mr. President, the conference report and statement of the managers appeared in the CONGRESSIONAL RECORD of May 3. The report and statement fully explain the action of the conferees in working out the differences between the House and Senate and I, therefore, will not go into all the details of the conference.

The conference report provides new budget authority totaling $20,101,484,000. As reported, the conference report is $3,692,365,000 below the budget estimates, $3,205,435,000 below the House bill, and $294,500,000 below the amount passed by the Senate.

On the day following the filing of the conference report, the President transmitted to the Congress a budget amendment rescinding his request of $3,193,535,000 for the tax rebate program for fiscal year 1977. Thus, the conference report would now be $498,830,000 below the budget.

The major differences in the conference report from the bill as passed by the Senate are the amounts for the antirecession financial assistance, a form of revenue sharing, for which the Senate amount was $925 million. The House amount of $632 million was agreed to by the conferees. The House conferees insisted on this amount in view of the lack of any authorizing action by the House on this item.

The Senate amendment providing funds in the amount of $225 million for drought assistance through the Economic Development Administration was reduced to $175 million by the conferees. Again, the House conferees insisted that this amount be made available rather than the higher Senate amount due to the lack of authorizing legislation. These two items were the major items in disagreement between the House and Senate, and I believe the compromises that have been worked out are the best that could be had under the circumstances.

Mr. President, I ask unanimous consent that a table showing the budget estimates, the House amounts, the Senate amounts, and the conference agreement, with comparisons thereto, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—H.R. 4876—ECONOMIC STIMULUS APPROPRIATION BILL

	New budget authority estimates, fiscal year 1978	New budget authority House, fiscal year 1978	New budget authority Senate, fiscal year 1978	New budget authority conference, fiscal year 1978	Conference compared with fiscal year 1978 estimate	Conference compared with House bill	Conference compared with Senate bill
CHAPTER I							
DEPARTMENT OF THE TREASURY							
Payments to State and local government fiscal assistance trust fund	$4,991,085,000	$4,991,085,000	$4,991,085,000	$4,991,085,000			
Antirecession financial assistance fund	925,000,000	632,500,000	925,000,000	632,500,000	−$292,500,000		−$292,500,000
Total, Department of the Treasury	5,916,085,000	5,623,585,000	5,916,085,000	5,623,585,000	−292,500,000		−292,500,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
Research and development		95,000,000	95,000,000	95,000,000	+95,000,000		
ENVIRONMENTAL PROTECTION AGENCY							
Construction grants		300,000,000	300,000,000	300,000,000	+300,000,000		
Total, chapter I: New budget (obligational) authority	5,916,085,000	6,018,585,000	6,311,085,000	6,018,585,000	+102,500,000		−292,500,000
CHAPTER II							
DEPARTMENT OF LABOR							
EMPLOYMENT AND TRAINING ADMINISTRATION							
Program administration	8,793,000	4,397,000	4,397,000	4,397,000	−4,396,000		
Trust fund transfer	(201,000)	(100,000)	(100,000)	(100,000)	(−101,000)		
Employment and training assistance	2,638,000,000	2,578,000,000	2,578,000,000	2,578,000,000	−60,000,000		
Temporary employment assistance	8,034,000,000	6,847,000,000	6,847,000,000	6,847,000,000	−1,187,000,000		
Community service employment for older Americans		59,400,000	59,400,000	59,400,000	+59,400,000		
Total, employment and training administration	10,680,793,000	9,488,797,000	9,488,797,000	9,488,797,000	−1,191,996,000		
Trust fund transfers	(201,000)	(100,000)	(100,000)	(100,000)	(−101,000)		
BUREAU OF LABOR STATISTICS							
Salaries and expenses		500,000	500,000	500,000	+500,000		
DEPARTMENTAL MANAGEMENT							
Salaries and expenses	1,036,000	602,000	602,000	602,000	−434,000		
Total, chapter II:							
New budget (obligational) authority	10,681,829,000	9,489,899,000	9,489,899,000	9,489,899,000	−1,191,930,000		
Trust fund transfers	(201,000)	(100,000)	(100,000)	(100,000)	(−101,000)		
CHAPTER III							
DEPARTMENT OF COMMERCE							
ECONOMIC DEVELOPMENT ADMINISTRATION							
Drought assistance programs			225,000,000	175,000,000	+175,000,000	+$175,000,000	−50,000,000
Local public works program	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000			
Job opportunities program		162,500,000				−162,500,000	
Total, Economic Development Administration	4,000,000,000	4,162,500,000	4,225,000,000	4,175,000,000	+175,000,000	+12,500,000	−50,000,000
Total, chapter III: New budget (obligational) authority	4,000,000,000	4,162,500,000	4,225,000,000	4,175,000,000	+175,000,000	+12,500,000	−50,000,000
CHAPTER IV							
FEDERAL AVIATION ADMINISTRATION							
Grants-in-aid for airports (airport and airway trust fund): Limitation on obligations (increase in limitation)		(35,000,000)	(35,000,000)	(35,000,000)	(+35,000,000)		
FEDERAL HIGHWAY ADMINISTRATION							
Off-system railway-highway crossings		75,000,000	75,000,000	75,000,000	+75,000,000		
Safer off-system roads		150,000,000	200,000,000	200,000,000	+200,000,000	+50,000,000	
Traffic control signalization demonstration projects		10,000,000	10,000,000	10,000,000	+10,000,000		
Highways crossing Federal projects		15,000,000	15,000,000	15,000,000	+15,000,000		
Railroad-highway crossings demonstration projects			20,000,000	16,000,000	+16,000,000	+16,000,000	−4,000,000
Total, Federal Highway Administration		250,000,000	320,000,000	316,000,000	+316,000,000	+66,000,000	−4,000,000
FEDERAL RAILROAD ADMINISTRATION							
Northeast corridor improvement program		50,000,000	50,000,000	50,000,000	+50,000,000		
Railroad rehabilitation and improvement financing funds		50,000,000		50,000,000	+50,000,000		+50,000,000
Total. Federal Railroad Administration		100,000,000	50,000,000	100,000,000	+100,000,000		+50,000,000
DEPARTMENT OF THE TREASURY							
Investment in fund anticipation notes		(50,000,000)		(50,000,000)	(+50,000,000)		(+50,000,000)
Total, chapter IV:							
New budget (obligational) authority		350,000,000	370,000,000	416,000,000	+416,000,000	+66,000,000	+46,000,000
Limitation on obligations (increase in limitation)		(35,000,000)	(35,000,000)	(35,000,000)	(+35,000,000)		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—H.R. 4876—ECONOMIC STIMULUS APPROPRIATION BILL—Continued

	New budget authority estimates, fiscal year 1978	New budget authority House, fiscal year 1978	New budget authority Senate, fiscal year 1978	New budget authority conference, fiscal year 1978	Conference compared with fiscal year 1978 estimate	Conference compared with House bill	Conference compared with Senate bill
CHAPTER V							
DEPARTMENT OF THE TREASURY							
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS							
Salaries and expenses	$17,935,000	$17,935,000			−$17,935,000	−$17,935,000	
Special payment to recipients of certain retirement and survivor benefits	1,810,000,000	1,300,000,000			−1,810,000,000	−1,300,000,000	
Special payment to recipients of aid to families of dependent children		600,000,000				−600,000,000	
Total, Bureau of Government Financial Operations	1,827,935,000	1,917,935,000			−1,827,935,000	−1,917,935,000	
INTERNAL REVENUE SERVICE							
Accounts, collection, and taxpayer service	5,000,000	5,000,000		$2,000,000	−3,000,000	−3,000,000	+$2,000,000
Rebate in excess of tax liability	1,363,000,000	1,363,000,000			−1,363,000,000	−1,363,000,000	
Total, Internal Revenue Service	1,368,000,000	1,368,000,000		2,000,000	−1,366,000,000	−1,366,000,000	+2,000,000
Total, chapter V: New budget (obligational) authority	3,195,935,000	3,285,935,000		2,000,000	−3,193,935,000	−3,283,935,000	+2,000.000
SUMMARY							
I Housing and Urban Development-Independent Agencies: New budget (obligational) authority	5,916,085,000	6,018,585,000	$6,311,085,000	6,018,585,000	+102,500,000		−292,500,000
II Labor and Health, Education, and Welfare:							
New budget (obligational) authority	10,681,829,000	9,489,899,000	9,489,899,000	9,489,899,000	−1,191,930,000		
Trust fund transfers	(201,000)	(100,000)	(100,000)	(100,000)	(−101,000)		
III State, Justice, Commerce, and Judiciary: New budget (obligational) authority	4,000,000,000	4,162,500,000	4,225,000,000	4,175,000,000	+175,000,000	+12,500,000	−50,000,000
IV Transportation:							
New budget (obligational) authority		350,000,000	370,000,000	416,000,000	+416,000,000	+66,000,000	+46,000,000
Limitation on obligations (increase in limitation)		(35,000,000)	(35,000,000)	(35,000,000)	(+35,000,000)		
V Treasury, Postal Service, and general government: New budget (obligational) authority	3,195,935,000	3,285,935,000		2,000,000	−3,193,935,000	−3,283,935,000	+2,000,000
Total: New budget (obligational) authority	23,793,849,000	23,306,919,000	20,395,984,000	20,101,484,000	−3,692,365,000	−3,205,435,000	−294,500,000
Trust fund transfers	(201,000)	(100,009)	(109,000)	(100,000)	(−101,000)		
Limitation on obligations (increase in limitation)		(35,000,000)	(35,000,000)	(35,000,000)	(+35,000,000)		

Mr. EAGLETON. Will the distinguished Senator from the State of Washington yield?

Mr. MAGNUSON. I yield to the Senator from Missouri.

Mr. EAGLETON. Mr. President, I am terribly troubled by the agreement reached by the Department of Labor and the Administration on Aging regarding the continuation of the 4811, title X—Economic Development Act—jobs. In order to put my concern in proper prospective I want to insert into the RECORD my understanding of how this agreement came to take place. In hearings before the Appropriations Subcommittee on Labor, HEW on February 15 and February 22 of this year I asked Secretary Marshall what the Department of Labor planned to do about restoring the 4811, title X jobs, that were expiring on March 31, 1977. On both occasions Secretary Marshall responded that the Department was still studying the matter and that they would contact the subcommittee as soon as a decision was reached. The House and Senate Appropriation Committees never received the Department's recommendations regarding this matter. We consequently directed that $10.5 million of the presently available discretionary funds under the Comprehensive Employment and Training Act be used to continue these 4811 jobs. At this time, Mr. President, I ask unanimous consent to have printed in the RECORD, report language which clearly describes the intent of Congress on how this $10.5 million is to be used.

There being no objection, the language was ordered to be printed in the RECORD, as follows:

HOUSE REPORT

In addition, the Committee directs the Secretary to utilize $10,500,000 of the discretionary funds under the Comprehensive Employment and Training Act to continue 71 older worker projects originally funded by the Administration on Aging in the Title X Job Opportunities Program under the Public Works and Economic Development Act. Currently, these projects provide employment opportunities for 4,811 workers 50 years of age or older, but the projects will expire by March 31, 1977. The 4,811 older workers are employed in a wide range of capacities benefiting the community, including environmental aides, parks and recreation aides, home health aides, legal services aides, ombudsmen, and pre-retirement counselors.

SENATE REPORT

The Committee directs that $10,500,000 of the Secretary's discretionary funds under Title III of the Comprehensive Employment and Training Act be used to continue 71 older-worker projects funded by the Administration on Aging under the title X job opportunities program of the Public Works and Economic Development Act. About 4,800 persons 50 years or older are employed in a wide range of capacities, including environmental aides, parks and recreation aides, home health aides, legal services aides, ombudsmen, and preretirement counselors. The 71 projects have helped to deliver essential community services while providing much-needed income for unemployed older persons.

Mr. EAGLETON. Mr. President, unfortunately, our subcommittee had to proceed in this matter without the benefit of the guidance of the Department of Labor. As we approached the March 31 deadline our subcommittee heard of possible plans that were being considered by the Department of Labor regarding the discontinuation of the title X programs. In response to those rumors, Senator MAGNUSON, the distinguished chairman of our subcommittee, Senator BROOKE, the distinguished ranking minority member of our subcommittee, and four other subcommittee members sent Secretary Marshall a letter which clearly describes the intention of this subcommittee regarding the continuation of the 4,811 job slots. At this time, Mr. President, I ask unanimous consent to have printed in the RECORD the letter sent to Secretary Marshall.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., March 30, 1977.

Hon. RAY MARSHALL,
Secretary of Labor, Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: We are writing to reemphasize instructions relating to employment of older workers in Senate Report No. 95–58 accompanying H.R. 4876, the 1977 Economic Stimulus Supplemental Appropriations bill. Both House and Senate Reports direct that $10,500,000 of presently-available discretionary funds under the Comprehensive Employment and Training Act be used to continue 4,800 jobs for the elderly previously funded under Title X of the Public Works and Economic Development Act.

We realize that some of these 4,800 workers have already lost their jobs due to lack of funding. Others are about to be laid off, as many projects are running out of money by the end of March, 1977. You have had adequate time to prepare for continuing these jobs, since we raised the problem with you during Committee hearings on both February 15 and February 22, 1977. You have not yet submitted a report promised during these hearings to recommend the best way to continue these jobs for the elderly and prevent further layoffs. In the absence of your guidance, both the House and Senate Appropriations Committees have issued clear directives that these jobs be continued under Title X.

It should be made clear that $10,500,000 was earmarked to continue these 4,800 Title X jobs over and above the July, 1977 scheduled expansion of the Community Service Employment program under Title IX of the Older Americans Act. We do not want to prevent individuals transferring from expiring Title X projects, but we are concerned that you maintain 4,800 jobs over and above the 37,400 jobs being funded under Title IX of the Older Americans Act.

Your personal urgent attention to this matter will be appreciated.

Sincerely,

Edward W. Brooke, Ranking Minority Member, Warren G. Magnuson, Chairman, Labor-HEW Appropriations Subcommittee; Thomas F. Eagleton, Lawton Chiles, Birch Bayh, Clifford P. Case, Ernest F. Hollings.

Mr. EAGLETON. Mr. President, the main emphasis of this letter was that the subcommittee did not want to necessarily prevent individuals from transferring from expiring title X projects, but that we were concerned that the Department of Labor maintained the 4,811 job slots over and above the 37,400 jobs being funded under the title IX program of the Older Americans Act. On April 18 of this year, Secretary Marshall notified this subcommittee that the title X program was being continued through June 30 of 1977. In addition, the Secretary informed us that the Department's longterm plan including transferring between 2,000 and 3,000 individuals on July 1 from the title X program to title IX of the Older Americans Act. The net effect of this transfer is a loss of jobs for the elderly and this is clearly the outcome that Congress was trying to avoid by directing the Secretary to use $10.5 million of his discretionary funds to continue the title X jobs. I think it would be very helpful if the Senator from Washington would once again state the intention of our subcommittee regarding the continuation of the title X jobs.

Mr. MAGNUSON. I would be happy to do so. As the distinguished Senator from Missouri has clearly articulated, the Appropriations Subcommittee on Labor-HEW is strongly committed to providing older workers with an opportunity for employment. Later this year the title IX program of the Older Americans Act will have 37,400 job slots available Obviously, many more jobs could be filled and the Department of Labor has assured our subcommittee that they will have no trouble whatsoever in filling these 37,400 jobs. Therefore, the net effect of our action should ideally be more jobs for the older workers rather than less jobs. What is more disturbing is that the Department of Labor is clearly ignoring the intention of Congress by not continuing the 4,811 job slots for the coming year. As our letter to Secretary Marshall on March 30 clearly stated, our subcommittee is not necessarily opposed to the transferring of job slots to title IX just as long as the net effect of this transfer is not less jobs. I trust that this brief discussion will help clear up any possible misunderstanding by the Department of Labor on what the intention of Congress is.

Mr. ROBERT C. BYRD. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The assistant legislativle clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

$59,400,000, of which $44,500,000 is to carry out section 906(a)(1) of the Older Americans Act

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

DROUGHT ASSISTANCE PROGRAM

For expenses necessary to carry out a community emergency dought assistance program, $175,000,000; *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

For necessary expenses of railroad-highway crossings demonstration projects, as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Assistance Act of 1974, to remain available until expended, $16,000,000 of which $10,666,667 shall be derived from the Highway Trust Fund.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 4, 5, and 9, en bloc.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

EXPORT ADMINISTRATION AMENDMENTS OF 1977

The Senate continued with the consideration of the bill (S. 69) to amend and extend the Export Administration Act.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally against both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, how much time does the Senator from New York wish?

Mr. JAVITS. I wish 1 minute, but I am not ready yet.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Will the Senator yield me 5 minutes?

Mr. HEINZ. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, a result has been obtained here in respect of antiboycott legislation and the problems arising out of antiboycott legislation in respect of the business community, as well as the community which is interested in the morality of boycotts. Traditionally, in our country, we condemn and feel boycotts are immoral and do not belong in commercial transactions or in commercial relations between States or between individuals. Especially, Mr. President, has there been the very deepest feeling about those aspects of this matter which got very personal—like what faith the directors of a company have, or its employees, whether that company was directly or indirectly related to the transactions in question; and the charges—many sustained—that our banks in the United States lent themselves to boycott regulations and arrangements which deeply offended the great part of the American community and the American business community.

Mr. President, the tissue of problems in this matter is so great that it could have resulted in a highly difficult and tense confrontation between those who, like myself, are deeply opposed to any aspect of U.S. business cooperation with such immoral practices as the boycott by the Arab States of Israel—or anything connected with it, or anyone connected with it, or anyone who even contributed to the future of its people—and the business community of the United States, or at least, some part of it, which felt that it should have absolute freedom to do anything that is desired by the buyers in order to continue commercial transactions with them in the Arab States which were concerned. Very fortunately, Mr. President, there were cooler heads and statesmanlike points of view on both sides. All of us have been furnished with an agreement arrived at between the Business Round Table of the American Jewish Committee, the American Jewish Congress, and the Anti-Defamation League, with the principal parties who actually did the negotiating being Burton Joseph of the Anti-Defamation League and Irving Shapiro, representing the Business Round Table, who, as we all know, is the President of DuPont.

These men, working indefatigably, reconciling innumerable interests which one would, in advance, have thought almost impossible to reconcile, came out finally with a give and take agreement, now incorporated in this bill, which Senator Heinz and Senator Stevenson have contrived. I cannot tell both these gentlemen how grateful I am to them for having worked this out.

I do not like the whole thing. I do not like the agreement, I do not like the bill, and so on. But I think that what has been done has been a triumph of the art of negotiation and of the effort to take the tension out of a particularly tense situation. By rights, as they say in the street, the United States should have flatly turned its face against the whole Arab boycott business and passed laws forbidding any American from going anywhere near it, in any way. I wish we lived in that kind of world, but we do not, not even here in the United States.

So, within this frame of reference, Mr. President, I think both these Senators have done us a very great service, have done the country a very great service, and that the negotiators to whom I have referred are entitled to the deep gratitude of us all.

The matter is now, as it were, settled, in balance, and I believe that there will be good faith in carrying it through. There is a real understanding as to precisely what it means, what it does and does not permit. So, without approving in any way the substance or the substantive aspects of it, which I cannot do, I feel it my duty nonetheless in the higher interests of an era of good feeling in the American community, to support the action which has been taken.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. JAVITS. I ask for an additional minute.

Mr. HEINZ. I yield an additional minute.

Mr. JAVITS. Mr. President before I came over, I participated in a meeting of the Committee on Governmental Affairs, over which Senator Ribicoff presides as chairman. He is unable to get to the floor, but he asked me to advise the Senate that his position on this matter is the same as mine, which I have already given.

I thank my colleagues.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. STEVENSON. Mr. President, I thank the distinguished Senator from New York for his comments. I also express my agreement with him. It is difficult to be enthusiastic about any part of this bill. I am not completely with it, for reasons that have been eloquently expressed by the Senator from New York.

The main reason is that it is not possible, no matter what this body does, to end this boycott, or all the aspects which are offensive to Americans. But I do believe that the bill, with the amendment that has been adopted, goes as far as is possible, as the Senator indicated, without dividing Americans against Americans. That leads to the main point the Senator was making: This bill, as it stands now, with the amendment, with all of its imperfections, is a reasonable defense of American sovereignty, a defense which all Americans can support.

I thank the Senator from New York for his kind comments and also for his support of the bill as modified by the amendment offered by the distinguished Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I want briefly to commend the Senator from New York for his excellent and thoughtful statement. When I heard him speak, it sounded as if he had eavesdropped on my conversation earlier, when I said that I found it difficult to be enthusiastic about the agreement for the very same reasons as the Senator from New York.

What we have here is a compromise. It does bring people together, and that is, indeed, a great virtue of this legislation, though the virtues extend very much beyond that.

I thank the Senator from New York for his contribution and for his support of what we have done.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum, with the time to be charged equally to both sides.

Mr. HANSEN. Will the Senator withhold that for a moment?

Mr. STEVENSON. I withhold it.

Mr. HANSEN. Mr. President, I ask unanimous consent that Nolan McKean, of my staff, may have the privilege of the floor during all further discussions on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent that Mr. Douglas Logan, of Senator Stevens' staff, have the privilege of the floor during the debate on S. 69.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I renew my suggestion.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that Betsy Moler and Mike Harvey of my staff be granted privilege of the floor in connection with the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 195

Mr. DURKIN. Mr. President, I have an unprinted amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. Durkin) on behalf of himself and Mr. McIntyre proposed an unprinted amendment numbered 195.

Mr. DURKIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

DOMESTICALLY PRODUCED CRUDE OIL

Sec. 119. Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920, no domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to such section 28 (except any such crude oil which (1) is exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or (2) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions.

Mr. HANSEN. Will the Senator yield for a unanimous-consent request?

Mr. DURKIN. Yes.

Mr. HANSEN. Mr. President, I ask unanimous consent that Theodore Orf of the Senate Committee on Energy and Natural Resources staff be granted privilege of the floor during the debate.

The PRESIDING OFFICER (Mr. Clark). Without objection, it is so ordered.

Mr. DURKIN. Mr. President, the amendment that I called up is a very simple amendment. I am concerned, as are my constituents, that the pressure from the oil companies will mount and increase and that our Alaska oil will be exported to Japan and possibly other overseas Pacific countries.

I think this is contrary to the clearly expressed congressional intent which was set forth in the Trans-Alaska Pipeline Act. And it is not just a figment of my imagination.

Last year, the Interior Department and the Commerce Committee held joint hearings on the west coast and the oil companies then indicated that they would like to transship the Alaskan crude oil, which was expected to produce a surplus of anywhere from 400,000 to 700,000 barrels of oil excess on the west coast, and sell that to Japan and possibly other Pacific countries.

Again, I think what we see is the oil companies blinded by their astigmatism which is produced by dollar signs and the public be damned attitude which has characterized their operations for the last 25, 30, 40, 50 years, depending on how far back we want to go.

It would seem to me that the President has declared the country is faced with a situation which is the moral equivalent of warfare. The President proposes to conserve energy, to reduce imports, proposes to set up a strategic reserve of oil of about 1 billion barrels, to lessen our dependence on foreign oil, and to make us less vulnerable to interruption of our oil supply, either in an economic action or even in a military action.

The President proposes to shift to coal, but I think we all realize that is going to take time. In the Northeast, in the eastern part of the country, they are going to have to put some money into the railroad beds if that coal is ever going to get there, because there are transportation problems, notwithstanding mining and other problems with respect to coal. That does not even get into the problem of the cost and the amount of effort that is going to have to be expended on cleaning up the coal before it is burned.

So we are faced with the moral equivalent of war, and we have the oil companies proposing to ship our oil, our Alaskan oil, to Japan.

The East, virtually every State east of the Rockies, is dependent on OPEC oil to some degree or another. The Northeast States, the eastern seaboard States, are now importing approximately 50 percent of their oil from OPEC, and the oil companies are suggesting that instead of being less dependent on foreign oil, instead of being less vulnerable to interruption of supply, instead of being less vulnerable economically, instead of being less vulnerable militarily, what will be offered in return is the opportunity to buy more OPEC oil.

The OPEC oil that was freed from supplying the Japanese needs will be available to the Northeast and the eastern seaboard at an uncontrolled price, at a price that if recent history is an indicator is subject to a gigantic fluctuation upward.

I think we have all seen the economic dislocation, not only in New England and the Northeast, but all across the country, because of the quadrupling of the price of OPEC oil.

So instead of reducing imports, instead of being less vulnerable, the good old oil companies once again are motivated by greed—and it is nothing other than greed—and are going to allow the eastern seaboard to buy more high-priced, uncontrolled-priced OPEC oil, and the Alaska oil, our oil, is going to be sold to Japan and possibly other overseas Pacific nations.

Aside from the impact that the OPEC oil will have on New England and the Northeast and the eastern seaboard, despite the impact it is going to have on the fuel adjustment surcharge that is hitting hard every citizen on the eastern seaboard, despite the impact it is going to have on the price of gasoline this summer, despite the impact it can have on the price of home heating oil next winter, and all with the very real prospect of another severe energy shortage in this country next winter, we have a situation where our oil, instead of staying in the United States and reducing our dependency and vulnerabilty, is going to be sold at higher profit to the oil companies, is going to be sold to the Pacific nations that are competing with this country.

Next winter, if an energy crisis does come to pass—I pray that it does not, but my prayers are not always answered—I wonder how Members of this body are going to feel when their constituents are home from work, the factories are closed, the natural gas is shut off, schools are closed, and the energy supply is inadequate. They are home and they are talking with their cousin who is out of work because some of that Alaskan oil went to make shoes perhaps in Taiwan, and the shoes have come to this country and have caused him to be out of work; or if they are talking to another cousin who is unemployed or working a reduced shift because the oil from Alaska has been used to help produce the TV sets that are flooding the market and causing a severe disruption in the TV and electronics industry in this country.

I realize that we are a global economy. I realize that we have global responsibilities. But I realize that we also have some fairly severe responsibilities to the people in the Northeast.

It is ironic that we saw last night—those of us who took time to watch—the tales from San Clemente. But when Arab oil, when OPEC oil, was $1.50 a barrel, the very man who was on TV last night would not let us buy it in the Northeast. Ed Muskie, before I was in this body, was trying to get a refinery in Machiasport. Then we could not buy OPEC oil. It was $1.50 a barrel. But now, if the oil companies have their way, they will sell the oil at high profit to the oil companies—the Alaskan crude. They will have to keep their shirts buttoned, or their hearts are going to fall right out on the boardroom floor. We are going to buy OPEC oil that otherwise would have gone to Japan. That is not a very good deal for my neck of the woods and for my area of the country.

There is another aspect here. What we are doing is increasing the OPEC leverage on this country politically, economically, and militarily. We may well be hindering a settlement in the Middle East. If we increase the OPEC influence, if we increase the Middle East influence, if we increase the Arab influence and the Arab ability to impact directly on our economy and our military capability, we will interfere with a solution that we all want in the Middle East.

So I think the greatest pressure we can apply to the oil companies is to make them live up to the commitments they made on this floor, before I was here, when the Alaska Pipeline Act was being considered in Congress, that that oil was not going to be transshipped; that oil was not going to be sold at high profits to the oil companies, sold to Japan and other Pacific nations.

The greatest pressure we can maintain on the friendly oil companies—the Seven Sisters—is to keep that oil here. There are pricing problems that I am aware of, but we have a stronger case when we can control the price of Alaskan oil. But there is absolutely no control over the OPEC oil that supposedly will be made available to the Northeast and the eastern seaboard by Japanese freeing their oil commitments that they have with OPEC.

So we go from a situation where we have a controlled price and we get a chance to buy more high-priced, unregulated oil—the price of the OPEC oil is unregulated—and we have a chance to buy more. To me that is not much of a bargain for any State east of the Mississippi. In the long run, I do not think it is much of a bargain for any State west of the Mississippi.

Mr. STEVENSON. Mr. President, this amendment is offered for a worthy purpose and with the best of intentions by the Senator from New Hampshire, but its effect would be precisely the reverse of what the Senator intends. The effect of this amendment would be either to curtail production in Alaska, for the benefit of no one, or to increase energy costs, particularly for those who reside in the Northeast and the central parts of the country.

This is a subject into which I have delved at some length. In fact, as chairman of the Commerce Committee's Subcommittee on Oil and Gas Production, I held hearings on this subject in the last Congress. It became evident in those hearings that, first of all, there would be a surplus of oil on the west coast resulting from Alaskan production and that if that oil could not be exported to Japan, it could be transported only through the Panama Canal, assuming tankers were available, or around South America to gulf ports, and from those ports to the interior.

The transportation costs of bringing Alaskan oil by such routes to the central and the eastern parts of the country are very high. The transportation costs of shipping it from Alaska to Japan are low. Both producers and consumers would benefit, if they were permitted to do so, from the lowest possible transportation costs. That can be done by transporting Alaskan oil to Japan and by continuing on a swap basis, to import oil from the Middle East. It is cheaper to bring oil to New Hampshire from OPEC countries than from Alaska.

I agree with the Senator's sentiments about the pipeline. The decision was wrong. That pipeline, in my humble judgment, should have been built across Canada, so that oil could be transported by pipeline directly to the areas of greatest need. However, that was not the decision, and now we have to live with the consequences.

The fact is that to bring the oil from Alaska to the eastern and central parts of the United States is very expensive, so expensive that we might simply end up with a curtailment of production. The Alaskan oil might not be produced; but if it were produced, the cost of transporting it to the central and eastern parts of the country would be high. It would be less expensive to bring oil from the Middle East and transport the Alaskan oil to Japan. Then action could be taken to make sure that the savings in transportation costs were apportioned equitably between producers and consumers.

In other words, this does not mean

windfall profits or higher prices for the oil companies. Action could be taken through price controls to make sure that consumers, including the consumers of oil in New Hampshire, would get the benefit of the transportation savings that result from swaps—namely, exports of Alaskan oil to Japan and imports from the Middle East countries.

In addition to the economic benefits to be derived from swaps, there are also environmental concerns to be considered. There are risks that are all too obvious, painfully obvious, in transporting large quantities of oil by tanker, not only to west coast ports but also all the way around South America and, in the case of small tankers, through the Panama Canal, to gulf ports. Those risks are obviated by simply continuing to bring in the oil from the Middle East and transporting the surplus to Japan.

Mr. President, this is a short-term proposition. It may be that, with an expenditure of large sums, Alaskan oil can be brought efficiently to the interior. However, that will require the construction of pipelines. It may take the reversal of natural gas pipelines. In any event, it is going to take time; and until that work is done and the investment is made, it may be necessary to engage in swaps, exporting Alaskan oil to Japan and continuing to import, for the Eastern and Central States, oil from Saudi Arabia.

Under existing law, exports are generally prohibited. However, the President can permit such exports subject to potential congressional override. I do not believe that the President should be deprived of the opportunity to permit export of Alaskan oil to Japan or elsewhere, including possibly Canada, on a swap basis, if the economics of those swaps is to the advantage of the American people.

Finally, Mr. President, I point out that there is no strategic concern here, at least for the short term. Should there be a serious supply interruption in the Middle East, tankers could be taken off the Middle-East run and simply put on an Alaskan run, and at that point they could be used to transport oil from Alaska to the interior through the Panama Canal or around South America.

So I urge the Senate to oppose this amendment. It has effects that are not intended by the Senator from New Hampshire, and those effects include a significantly increased price for energy in the Eastern and Central States.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. On the Senator's time I happily yield.

Mr. DURKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DURKIN. Mr. Prseident, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 16 minutes remaining.

Mr. DURKIN. I yield myself 2 minutes.

I wish to read a quote that the distinguished Senator from Illinois rendered during the debate in 1973 on the Alaskan pipeline wherein the Senator summarized the concern which is really the concern before us today, and I believe I am quoting accurately:

> Notwithstanding this expected crude surplus on the west coast, the owner companies indicated no clear plans for shipping Alaskan oil for other U.S. markets without a delivery system to the interior. With the west coast able to use the full production, we run the risk of future determination that the national interests would be served by transporting the oil to Japan instead of to the Midwest.

I think the Senator from Illinois is a prophet, because that is exactly the problem we have before us today.

There are allegations that the oil companies, the seven sisters, the big oil companies, control the OPEC price, and maybe that is true. But I do not see how we can state that this swap benefits anyone on the east coast or in the Midwest when the price of Alaskan oil can be controlled but the price of OPEC oil cannot. There is no way to control the price of that oil we are going to receive from OPEC. So we are trading away an oil that is readily available, and it is at a controlled price, to buy on a swap basis from OPEC oil that we have no control over that price. I mean any poker player who bets on an *x* card is soon going to be either borrowing money from someone in the game or he is out of the game. And I submit the people in the Northeast, the people of New England, of New Hampshire, and of the Midwest have paid through the nose for misguided oil company oil policy decisions long enough.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DURKIN. I yield myself 2 additional minutes.

The greatest pressure, I submit, on the oil companies and this Government to find a reasonably priced acceptable method for getting that oil to the Midwest is to not let them export it but to keep it on the west coast or keep it in Valdez, for that matter, for a while and then let the oil company, with the same ingenuity they use time and time again to find a way to maximize their profits at our expense, and the Government find a way to get that oil to the Midwest and East where we need it a lot faster than if it comes around the Horn.

I did a short stint in the Navy, and I was not a navigator, and I am not related to Marco Polo, but it is a long way around to get oil to New Hampshire via Japan. And it has to cost more, and the only way we are going to pressure to get oil to the Midwest and the Northeast at a reasonable price in a reasonable time frame is to keep the heat on the oil companies by keeping that oil here.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. DURKIN. I yield myself 1 additional minute .

Did I gather from the distinguished Senator from Illinois that the administration was opposed to this amendment and, if the administration is opposed, can we expect that the administration does plan to allow Alaskan oil to go to Japan and other Pacific countries? The Senator knows the law as well as I do. He was here when it was written. If that is true, then the President can allow that oil to be transshipped to Alaska, and it takes a concurrent resolution of both Houses in disapproval to halt the shipments that can be gained with the President's finding.

I hope the Senator from Illinois is not telling us that the administration is opposed to this amendment and that the administration plans to ship Alaskan oil or authorize the shipping of Alaskan oil to Japan because if the administration is, I have a feeling they are going to have a tough job selling this and other parts of the program up in the Northeast.

The PRESIDING OFFICER. The 1 minute has expired.

Mr. DURKIN. I reserve the remainder of my time, Mr. President.

Mr. STEVENSON. Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator has 23 minutes remaining.

Mr. STEVENSON. Mr. President, I thank the Senator from New Hampshire for his compliment. I did prophesy this situation and for that, among other reasons, strenuously opposed the decision to locate the pipeline on Alaskan soil. But now the situation is here.

I am not, as the Senator indicated, nor is the administration for that matter, proposing that we give up anything. In fact, what we are proposing is that we preserve all our options. And one of those options is to swap oil, in effect, to export Alaskan oil to Canada and to Japan while continuing to import oil from OPEC, because on the fact of it there are substantial transportation savings which can be derived and those savings can be passed on for the benefit of consumers, including consumers in the Northeast and in the Central States.

I have a letter, Mr. President, from John F. O'Leary, the Administrator of the Federal Energy Administration, in which he makes, among others, very much the same point. He writes:

> After some experience with the impact of North Slope crude oil supplies on the West Coast crude market, there might also develop a consensus that it would be in the national interest to relieve some of the pressure by authorizing limited foreign exchanges. In either case, without the option for limited exchanges, the only alternatives might be to shut in North Slope production or to impose unwarranted transportation cost burdens on the North Slope producers or U.S. consumers, neither of which would be in the national interest.

That, Mr. President, is the point. The Senator's amendment would foreclose what might be a necessary option, an option that will reduce costs to consumers and perhaps enhance the economic welfare of producers as well as the State of Alaska.

Mr. President, I ask unanimous consent that a copy of this letter addressed to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. ADLAI STEVENSON,
Chairman of the Subcommittee on International Finance Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing on behalf of the Administration to express opposition to the inclusion of any provision in S.

69, the Export Administration Act Amendments of 1977, or to any other bill that would have the effect of creating an outright prohibition on the export of Alaska North Slope crude oil to a noncontiguous country.

As I am sure you are aware, present law, as specified in Section 28 of the Mineral Lands Leasing Act, forbids exports of North Slope crude oil with non-contiguous countries, unless the President finds, among other things, that such exports will not diminish the total quantity or quality of crude oil available to the U.S. and are in the national interest. This finding may be overridden by Congress within 60 days by a concurrent resolution of disapproval.

It should be emphasized that under present law the President does not have unfettered authority to approve an exchange of North Slope crude oil with a foreign country. Indeed, that authority is already severely limited and subject to close monitoring by Congress. Since Congress, by concurrent resolution, may readily reverse any action by the President to approve exports, it is clear that no Presidential decision on the issue can run counter to the views of a majority of the Congress.

At this point, the decision on whether to permit such exchanges with a foreign country such as Japan has not been made, although the issue is currently being evaluated at the highest levels of the Administration. For this reason, I am unable as yet to indicate what the Administration's position ultimately will be on the exchange issue.

Regardless of the President's decision on this issue, however, we believe it is imperative that the exchange option be kept available to cope with all possible supply exigencies. For example, it is not inconceivable that a calamity causing a disruption of the vital Panama Canal waterway could occur. After some experience with the impact of North Slope crude oil supplies on the West Coast crude market, there might also develop a consensus that it would be in the national interest to relieve some of the pressure by authorizing limited foreign exchanges. In either case, without the option for limited exchanges, the only alternatives might be to shut in North Slope production or to impose unwarranted transportation cost burdens on the North Slope producers or U.S. consumers, neither of which would be in the national interest.

In short, nothing will be achieved by adopting a ban on exports of North Slope crude, other than to limit seriously and unnecessarily the President's and the Nation's ability to cope with short-term supply imbalances created by the influx of Alaska oil.

Sincerely,

JOHN F. O'LEARY,
Administrator.

Mr. STEVENSON. Mr. President, once again I urge the Senate to oppose this amendment.

Mr. STEVENS. Mr. President, will the Senator yield me some time on the amendment?

Mr. STEVENSON. Mr. President, I am happy to yield to the distinguished Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the Senator from Illinois. He was an opponent of the decision which was made with regard to the location of our trans-Alaska pipeline, and in his usual way following the decision of Congress he has been a partner in trying to make certain that the development of North Slope oil proceeds in accordance with the national interest, and we are particularly grateful to him not only for the hearings in Los Angeles, but for his insistence in the last Congress that the Trans-Alaska Gas Pipeline Transmission Act be a balanced piece of legislation that would permit the consideration of all options for the delivery of Alaska's gas to the South 48.

I shall take a minute or 2 to assist my good friend from New Hampshire with a bit of history, because I think that there are too many of us who are like Harry Truman who like to rewrite history as they record it.

But the history of this matter is this: The Alaska oil pipeline was before the Senate prior to the embargo. At that time the initial through-put of the trans-Alaska oil pipeline was planned to be 600,000 barrels. At that time we argued, successfully, that the demand in Petroleum District 5, the west coast, would more than absorb that amount of oil. As a matter of fact, projections showed that when the pipeline some 2 or 3 years later would hit the second stage of through-put of 1.2 million barrels a day, there still would be sufficient demand on the west coast for that oil.

Senator PASTORE insisted on an amendment, which I cosponsored and supported, which said that the oil and gas resources of Alaska's great North Slope area should be shared equitably throughout the United States to the extent possible, and I still think that should be our goal.

The initial capacity being at 600,000 barrels a day prior to the embargo, I would like to point out to my friend what has happened since that time.

The Indonesian imports to the United States, primarily to the west coast, have more than doubled. We have increased the production of the Lower Cook Inlet of Alaska. Congress authorized production of Naval Petroleum Reserve No. 1 in California. We have seen increased conservation efforts in California, which have reduced the projected increase in demand in Petroleum District No. 5, and as a consequence, while the demand in that area has been satisfied by additional sources, it has actually been reduced from our earlier projections.

The initial capacity of the oil pipeline through my State has been increased from 600,000 barrels a day to 1.2 million barrels a day, at the request of the national Government. That means that we will be hitting that level sometime next year. The pipeline will commence delivery sometime in July of this year.

The surplus that is predicted on the west coast is a national asset. It is not a problem that occurred, because of the routing decision, but it is a situation that has occurred, because we have increased supplies on the west coast, and because of less demand than was projected back in 1973.

The Senator's amendment would have the effect of denying the President of the United States the power to approve an exchange with Japan. We have never advocated a sale or export of Alaska oil to Japan.

Alaska oil is comparable to Saudi Arabian oil in terms of quality. Saudi Arabian oil today is being shipped to Japan. The efforts of this administration and the last have been to see if it is possible to work out agreements through which the oil purchased by Japan from Saudi Arabia could be shipped to the gulf coast and the east coast of the United States, and the oil that was produced in Alaska and purchased by refiners on the east coast and the gulf coast of the United States, subject to the price control laws, would be shipped to Japan.

That is not a sale. It is not an avoidance of the price control laws. It would be an exchange in the national interest. As a matter of fact, the FEA calculated in 1978 that, should an exchange with Japan of 400,000 barrels per day be worked out on a temporary basis, pending the completion of a pipeline to take the oil from the west coast into the Midwest, not only Alaska's oil but additional imports from Indonesia and hopefully Australia, the savings would be $124 million annually, if U.S.-flag vessels were used. If foreign-flag vessels were used, which I have opposed, the savings would be $241 million per year.

Mr. President, I ask unanimous consent that the calculations of the FEA be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POTENTIAL OCEAN TANKER COST SAVINGS OF AN EXCHANGE WITH JAPAN—1978

(Based on FEA calculations of potential savings through Japan exchange, from April 15, 1977 report)

Valdez to Japan:
$1.25 in U.S. flag vessels.
$0.45 in foreign vessels.

Persian Gulf to Japan: $0.75 in foreign flag vessels.

Valdez to U.S. gulf coast: $2.70 in U.S. flag vessels.

Persian Gulf to U.S. coast: $1.35 in foreign flag vessels.

Combined tanker costs of delivering a barrel of crude to the U.S. gulf coast and a barrel of crude to Japan:

1. Direct Shipment:	
Valdez to U.S. gulf	$2.70
Persian Gulf to Japan	.75
Total	3.45
2. Exchanges with Japan:	
A. Using U.S.-flag vessels from Valdez to Japan:	
Valdez to Japan	1.25
Persian Gulf to U.S. gulf	1.35
Total	3.45
B. Using foreign-flag vessels from Valdez to Japan:	
Valdez to Japan	.45
Persian Gulf to U.S. gulf	1.35
Total	1.80

Tanker cost savings from the exchange:

1. Using U.S.-flag vessels from Valdez to Japan:	
Direct shipment	$3.45
Less exchange	−2.60
($0.85/bbl save $124 mm/yr at 400 mBPD)	
2. Using foreign-flag vessels from Valdez to Japan:	
Direct shipment	3.45
Less exchange	−1.80
($1.65/bbl save $241 mm/yr at 400 mBPD)	

Mr. STEVENS. My point is that the savings we are talking about are U.S. savings, and they are the difference between the cost of any other transportation to take Alaska's oil to gulf ports or east coast ports directly, as compared to the cost of exchange. Obviously there are transportation costs savings.

We believe that that option should be left open to the President of the United States, and it was one of our intentions at the time of the Alaska Oil Pipeline Act amendments to assure that that option was there.

I argued at the time the act was passed that we should examine further the concept of the crude oil stream, and those who are concerned about pollution of the oceans should insist that this country participate in the crude oil stream, and insist that oil be transported the shortest distance wherever possible. This would be consistent with that.

Our difficulty is that the Sohio project to take the oil using the existing pipeline between California and Midland, Tex., is being delayed, because of the problems in California.

The Kitimat proposal to take a portion of our oil from the Prince Rupert area into the northern tier States is being delayed, because of negotiations with Canada. The northern tier pipeline proposal to take our oil through Puget Sound and then across the northern tier States to refiners in the Midwest is being delayed, again because of the necessary time involved in planning and getting that pipeline under construction.

I say parenthetically to the Senator from New Hampshire that, without regard to the surplus, we need such a transmountain pipeline, because this is just the first increment of oil from my State. By 1985, we project we will be exporting a minimum of 3.1 million barrels per day.

Mr. DURKIN. To Japan or to the United States?

Mr. STEVENS. We will be sending that oil to the United States. We are a part of the United States, I would remind my friend, and we are obviously not interested in decreasing the supply of this natural resource to our Nation.

But the impact of the Senator's amendment would be to deny the President of the United States the flexibility to work out short-term arrangements whereby the transportation by tanker could be shortened and the interests of both nations could be met adequately until permanent arrangements for transmountain diversion are approved.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STEVENS. Let me, in order to protect Senator Jackson, yield 10 minutes on the bill on this side, if I may, if I have any time to yield.

I want to make sure that the record is clear as to the position of the State of Alaska on this matter, because I have examined the colloquy in the House of Representatives and I have gone back and reread the debate with regard to the original amendment that authorized our pipeline.

Mr. President, our policy is that the oil that is produced in Alaska should be transported the shortest distance possible to a market in the United States, on a permanent basis. This oil is being produced from State lands. It is owned by the people of Alaska, and we are entitled to a one-eighth royalty from the oil. The longer the transportation distance, the lower the wellhead price. It will not affect the price to the consumers, because that is controlled, and that decision has been made by the President and by the FEA, as to the prices. But it will affect the interest of my State if tankers must take our oil down to the Panama Canal, transfer it to smaller tankers to go through the Panama Canal and then have it put back into larger tankers to be taken either to the gulf coast, the Virgin Islands, Bermuda, or the east coast to be refined for use on the east coast. That will cost a tremendous amount of money. It will cost at least a dollar and a quarter a barrel more to go beyond Los Angeles to the gulf ports of Texas alone, through the Panama Canal.

If they have to go around Cape Horn and then up into the Senator's area of New England, the cost could well come near $2 or $2.25 additional, beyond the cost of going to Long Beach.

That reduces our wellhead price, because the total price is subject to price control, and we do not believe that that option should be foreclosed which would permit the savings involved in this option on a short-term basis.

I think, Mr. President, that the Senator from New Hampshire would do well to read the national energy plan that was issued by President Carter on April 29. On page 55, there is a discussion of Alaskan oil. It points out the projection for the surplus based upon initial capacity, now at 1.2 million barrels a day.

This section of the President's plan discusses the options that are available, including the option of an exchange with Japan.

Mr. DURKIN. That would be hit by my amendment.

Mr. STEVENS. Now, that option is not an option that would decrease the amount of oil available in the United States, particularly to the Senator's area of New Hampshire, nor is it an option which would increase the price to the consumers in any part of the United States. It would effect a savings in transportation costs, a portion of which would, under the control programs, be passed on to consumers.

So what the Senator is proposing is to limit the flexibility of the President of the United States to ship the surplus in a manner which would decrease the cost to the consumer in his own area and would increase the return to my State as the owner of the land on which the oil is being produced.

The Senator from New Hampshire seems to blame this on the oil industry. The oil industry is proceeding rapidly with plans to develop the Sohio project or the Kitimat project or the northern tier pipeline project. One witness even testified before the Senator from Illinois and myself in Los Angeles that they had proceeded to try to line up tankers to go through the Panama Canal.

To my knowledge, no portion of the oil industry has ever advocated and pressed for authority to work out the exchange. That would have to be a government-to-government arrangement among ourselves, Japan, and Saudi Arabia. To put this at the feet of the oil industry, in my opinion, is wrong.

Mr. President, I, too, had a copy of the letter that the Senator from Illinois has placed in the Record. I state to the Senator from New Hampshire that we have received in my office, within this hour, a call in behalf of Secretary Kreps of the Department of Commerce.

In that call, I was asked to state this:

> The administration cppposes the Durkin amendment because it feels the President should not be stripped of his existing authority in the event of a national emergency such as the closing of the Panama Canal. Further, Congress already has the authority to disapprove any swap agreement arrived at by the President.

I find myself in the admirable position of being able to agree wholeheartedly with the new President of the United States and his executive officers, including the Secretary of Commerce.

I urge the Senate to disapprove this amendment. I think it would be an act of folly to force upon the consumers of the United States the cost of transporting oil such a fantastic distance in addition to that required. It would leave those of us who fear oil spills and are doing our best to work out a system to prevent increased oil spills in a position of having brought about a transportation distance which would be in excess of four times that required to take our oil either to west coast ports or to Japanese ports in the event of an exchange.

Mr. President, I ask unanimous consent that a section, beginning on page 55, of the President's national energy plan be printed at the closing of my remarks. It is a very short section.

The PRESIDING OFFICER (Mr. Sparkman). Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. I thank the Senator from Illinois for his courtesy in permitting me to state our views.

EXHIBIT 1

ALASKAN OIL

By the end of 1977, the Alaska pipeline terminal in Valdez, Alaska, should be receiving approximately 1.2 million barrels of oil per day. The current capacity for absorbing additional crude oil on the West Coast is no more than 600,000 to 800,000 barrels per day, leaving another 400,000 to 600,000 barrels of Alaskan oil as surplus.

Active Federal and State involvement will be necessary to assure expedited construction of the best project or combination of projects for receiving Alaskan oil on the West Coast and moving it in an environmentally sound way to inland markets where it is needed. A Federal project coordinator has been designated to coordinate Federal involvement and to work with States in ensuring timely and thorough review of all proposals in order to expedite projects. The Administration will consult with the Canadian Government to encourage timely Canadian consideration of projects that could be constructed in that country.

As the United States reviews its options for transporting Alaskan oil, it is important that the needs of midcontinent and northern tier refiners be taken into account along with those of refiners on the West Coast. The establishment of a long-term transportation system for supplementing supplies in these regions is a matter of high priority. An assessment will also be made of all options that would enable the U.S. to benefit from Alaskan oil in the short term until permanent transportation systems are in place. The options include transhipment of surplus crude to Gulf Coast markets as well as exchanges wtih other nations.

The 500,000 barrels per day of imports now expected to arrive on the West Coast could also be phased out by a refinery retrofit program that, over the course of the next several years, would enable more high-sulfur Alaskan oil to be refined in California.

In order to reduce the West Coast oil surplus, legislation will also be sought to provide authority to limit production from the Elk Hills Naval Petroleum Reserve to a ready reserve level. This action could reduce the West Coast surplus until the west-to-east transportation systems for moving the West Coast crude surplus are in place or California refiners have completed a major retrofit program. In the meantime, studies will be undertaken to determine the feasibility of producing and selling natural gas from Elk Hills to supply California markets.

Without a comprehensive oil pricing approach, inclusion of Alaskan North Slope oil production in the domestic composite price would introduce a degree of unnecessary uncertainty into domestic crude oil pricing. Because the large volume of new Alaskan oil would initially be moving into the composite average at a wellhead price considerably below the current average, its inclusion could allow price increases in other tiers in the short term. Under the Plan's proposed regulations, this problem would be eliminated. The $5.25, $11.28, and new oil pricing tiers would be guaranteed increases consistent with inflation. Alaskan oil from already developed fields would be subject to an $11.28 wellhead ceiling price, would be exempt from the equalization tax, and would be treated like uncontrolled oil for purposes of the entitlements program until that program is terminated. New Alaskan discoveries would be subject to the new oil wellhead price.

This program grants maximum and certain wellhead price incentives for Alaskan oil production.

Mr. JACKSON. Will the Senator yield?

Mr. STEVENSON. Mr. President, how much time do I have remaining on this amendment?

The PRESIDING OFFICER. The Senator has 10 minutes remaining on the amendment.

Mr. STEVENSON. Mr. President, I yield 5 minutes to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I think all of our colleagues here on the floor—Senator STEVENS, Senator STEVENSON, and my good friend from New Hampshire (Mr. DURKIN)—have the same thing in mind. That is that we want to make sure that the oil from Alaska, in one form or another—all of it—goes to the lower 48 or 49 States. There is no dispute about that.

I fully understand the concerns of the Senator from New Hampshire. I say to my good friend from New Hampshire that what we are discussing now we discussed in 1973, 4 years ago, in some detail. These very same arguments were gone into at length.

We are confronted, Mr. President, with a specific problem. The problem is that we are going to have somewhere between 400,000 and 600,000 barrels per day of oil surplus to Petroleum Administration District No. 5. That district is the western area of the country. The question is, how do we move that surplus oil to the other States?

The President of the United States, in order to carry out his responsibilities properly, in my view, must have flexibility. He must have some discretion. He needs to exercise some options. I have the same deep concern as the Senator from New Hampshire has about keeping the price down so that the consumers can benefit.

Having reviewed all that, we set up, in the act that we passed authorizing an Alaska pipeline in 1973, all of the safeguards that are essential. They are found in that act. I say that the House and Senate, under the existing law, would have an opportunity to reject any move by the President to export oil that, in the judgment of Congress, would not best serve the consumers who want to get this oil. I think Congress, in its wisdom, did the right thing in 1973.

Mr. President, I am not here advocating the export of oil from Alaska to Japan. What I am trying to say is that we shall defeat the very objective of getting that oil to the consuming markets at a reasonable price if we take away from the President the leverage—and I emphasize "leverage"—to deal with this problem in a way in which we can have a fair bargain to the consuming public.

That is basically the issue here. The chairman of the subcommittee (Mr. STEVENSON) held extensive hearings on this subject in Los Angeles, and I believe here in Washington, D.C., as well. Those hearings are extensive. We are all of one mind that we want adequate safeguards to protect the public, but we want to make it possible for the President to put together the best possible bargain for the public and to protect the public interest.

I am certainly not a spokesman for the oil companies. I want to protect the public. I want to be fair to the private sector as well as to the public sector. Our colleagues here, I think, all want to do the same thing. I can only say to my colleagues that the wise course here is not to change the bargaining authority on the eve of the movement of the oil through the pipeline.

Finally, I ask unanimous consent to have printed in the RECORD a letter from the Administrator of the Federal Energy Administration, John F. O'Leary, strongly opposing the amendment adopted in the House, which is similar to the amendment offered by my good friend from New Hampshire.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., May 5, 1977.

Hon. HENRY M. JACKSON,
Chairman, Energy and Natural Resources Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing on behalf of the Administration to express opposition to the inclusion of any provision in S. 69, the Export Administration Act Amendments of 1977, or to any other bill that would have the effect of creating an outright prohibition on the export of Alaska North Slope crude oil to a non-continguous country.

As I am sure you are aware, present law, as specified in Section 28 of the Mineral Lands Leasing Act, forbids exports of North Slope crude oil with non-contiguous countries, unless the President finds, among other things, that such exports will not diminish the total quantity or quality of crude oil available to the U.S. and are in the national interest. This finding may be overridden by Congress within 60 days by a concurrent resolution of disapproval.

It should be emphasized that under present law the President does not have unfettered authority to approve an exchange of North Slope crude oil with a foreign country. Indeed, that authority is already severely limited and subject to close monitoring by Congress. Since Congress, by concurrent resolution, may readily reverse any action by the President to approve exports, it is clear that no Presidential decision on the issue can run counter to the views of a majority of the Congress.

At this point, the decision on whether to permit such exchanges with a foreign country such as Japan has not been made, although the issue is currently being evaluated at the highest levels of the Administration. For this reason, I am unable as yet to indicate what the Administration's position ultimately will be on the exchange issue.

Regardless of the President's decision on this issue, however, we believe it is imperative that the exchange option be kept available to cope with all possible supply exigencies. For example, it is not inconceivable that a calamity causing a disruption of the vital Panama Canal waterway could occur. After some experience with the impact of North Slope crude oil supplies on the West Coast crude market, there might also develop a consensus that it would be in the national interest to relieve some of the pressure by authorizing limited foreign exchanges. In either case, without the option for limited exchanges, the only alternatives might be to shut in North Slope production or to impose unwarranted transportation cost burdens on the North Slope producers or U.S. consumers, neither of which would be in the national interest.

In short, nothing will be achieved by adopting a ban on exports of North Slope crude, other than to limit seriously and unnecessarily the President's and the Nation's ability to cope with short-term supply imbalances created by the influx of Alaska oil.

Sincerely,

JOHN F. O'LEARY,
Administrator.

Mr. DURKIN. I hope it has as much weight in this body as it did over there.

Mr. JACKSON. Mr. President, at the appropriate time, just to be fair, I state now that I shall offer a motion to lay the pending amendment on the table. I ask unanimous consent that the vote on the motion to table the Durkin amendment not occur before the hour of 2 p.m., nor after the hour of 3 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. JACKSON. This is a request of the majority leadership. There is a conference going on. I think there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I also ask unanimous consent that, at the conclusion of the time allowed under the unanimous-consent agreement, it be considered that a motion to lay on the table has been made at the conclusion of all the debate.

The PRESIDING OFFICER. Is there objection?

Mr. DURKIN. Reserving the right to object, I am not sure.

Mr. JACKSON. This is after all the time has expired and pursuant to the unanimous-consent agreement at the time we vote. Instead of a vote up or down, it will be on a motion to table.

Mr. DURKIN. Reserving the right to object, again, I am not at all sure, but in the event the motion to lay on the table is not successful, I am not precluded from having an up or down vote by any time agreement?

Mr. JACKSON. Oh, no. If the motion to table fails under the Senate rules, there is no change in the rules. If the motion to lay on the table fails, then the vote occurs on it up or down.

Mr. DURKIN. Even though the time has expired under the unanimous-consent agreement?

Mr. JACKSON. Oh, yes.

I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. If the motion to lay on the table fails, the vote, then, as I understand it, will occur up or down on the amendment itself?

The PRESIDING OFFICER. That is correct.

Is there objection to the request? Without objection, it is so ordered.

Mr. DURKIN. Let me make an observation, that I think we have both been giving our speeches in the wrong room.

The PRESIDING OFFICER. Who yields time?

Mr. DURKIN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DURKIN. How much time is remaining on all sides?

The PRESIDING OFFICER. The Senator from Illinois has 5 minutes. The Senator from New Hampshire has 10 minutes.

Mr. DURKIN. I thank the Chair.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Were the yeas and nays ordered on the Jackson motion to table the Durkin amendment?

The PRESIDING OFFICER. The request has not yet been made.

Mr. STEVENS. Is it in order at this time to make the request that at the time the motion is voted upon—I ask unanimous consent that it be in order to ask for the yeas and nays at this time on the motion by Mr. Jackson to lay Mr. Durkin's amendment on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DURKIN. Mr. President, I yield myself 2 minutes.

I wish to state unequivocally that no one here has, in any way, expressly or impliedly, questioned the motives of any Member. My chairman of the Senate Energy Committee (Mr. Jackson) has an outstanding record of fighting on behalf of the consumer with respect to energy matters. That is not the issue.

The Senator from Illinois (Mr. Stevenson) is a prophet. He predicted this in 1973. So we are not quarreling with him.

The Senator from Alaska (Mr. Stevens) has a very vital concern, a concern for his constituents, which is equalled by my concern for my constituents, who happen to be at the empty end, who happen to be at the expensive end of every energy pipeline.

To talk about cost, or talk about leverage, of course, the cost is 50 cents for every $5.25 a barrel in increased transportation cost. The Senator from Alaska conceded that that would reduce the wellhead price.

That is not going to be borne by the consumer. That will reduce the wellhead price and the oil companies' profits, for once.

I understand his concern that will reduce revenues in Alaska, and I am sorry. But that is one of the problems involved in having that much oil.

The PRESIDING OFFICER (Mr. McIntyre). The Senator's 2 minutes have expired.

Mr. DURKIN. Two more.

Mr. President, the best pressure and the fastest way to get a pipeline to get that oil to the lower 48 where we can use it and where it is needed is to put the leverage and the pressure on the oil companies and get the transportation to get it to the Midwest and the Northeast.

But I am afraid. I am distressed to hear the Commerce Department is in favor of exporting our oil to Japan. I am upset that the FEA is in favor of exporting our oil to Japan, and unless they are able to control the OPEC prices, we are getting a pig in a poke. We are getting unregulated OPEC oil in return for controlled and regulated oil, U.S. oil, from Alaska.

Let us face it, the oil companies do not want that oil in the United States. They want to get it out of here as fast as it is possible because it has the potential of depressing the price of energy, depressing the price of oil. The other oil they all control, manipulate, all the way from the wellhead to the gas tank. They want that oil out of the United States as fast as it is possible and get it to Japan.

We are going to aggravate our job situation, aggravate the jobs in the shipyards in this country, aggravate the job conditions in the refineries, and this makes it easier for Taiwan shoes to get here and put people out of work, and for those TV sets to come back on those empty tankers.

Tanker after tanker will be back with TV sets, putting our electronic people out of business, out of work, putting them on unemployment, increasing the cost of unemployment in this country.

One Member of this Chamber during the campaign, an ill-fated campaign, proposed cutting off New England.

The PRESIDING OFFICER. The 2 additional minutes have expired.

One minute more.

Mr. DURKIN. A Member of this body proposed during an ill-fated campaign cutting off New England and letting it float out to sea.

I am afraid that is what the administration is calling for today when we have a situation of being allowed to buy high-priced unregulated OPEC oil. We are providing them something we do not control, shipping something that is going to further aggravate our energy situation.

I would like to quote from the President when he came on the tube the other night and said, "Good evening, ladies and gentlemen, our energy problem is worse tonight than it was in 1973."

Monday night, President Carter emphasized that our continued reliance upon insecure foreign sources represents a serious danger to the economic and political independence of the United States.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DURKIN. One minute more.

Clearly, Mr. President, the exportation of Alaskan oil specially exchanged for additional OPEC supplies, as has been proposed, will aggravate the dangers to which the President referred and will encourage our dependence upon OPEC by approximately one-half million barrels of oil every day. It further jeopardizes the economic vitality of New Hampshire, New England, and the entire east coast.

Mr. President, I reserve the remainder of my time, but I have one concluding remark.

I doubt both Houses would have to disapprove the sale of Alaskan oil to Japan, that the President can initiate. I doubt very seriously if both Houses can defeat the combined efforts of the FEA, Commerce Department, administration, and big oil. So we better do it now.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DURKIN. Mr. President, I reserve the remainder of my time.

Mr. GRAVEL. Will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. Will the Senator yield me 5 minutes?

Mr. STEVENSON. How much time remains, Mr. President?

The PRESIDING OFFICER. Five minutes.

Mr. HEINZ. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Pennsylvania has no time on the amendment.

Mr. STEVENSON. How much time does the Senator desire?

Mr. GRAVEL. Five minutes.

Mr. DURKIN. How much time does the Senator from New Hampshire have?

The PRESIDING OFFICER. Four minutes.

Mr. DURKIN. I thank the Chair.

Mr. GRAVEL. May I have 5 minutes on the bill?

Mr. STEVENSON. I yield the Senator from Alaska 5 minutes on the bill.

The PRESIDING OFFICER. Five minutes on the bill.

The Senator from Alaska.

Mr. GRAVEL. I thank the Chair and I thank my colleagues from Illinois.

As the junior Senator from New Hampshire knows, I hold him in deep personal esteem. I truly understand how deep must be his concern for his people to come to the floor with an argument so blurred and so far from the realities of everyday life in the energy field.

I want the record to show it is only because his area has suffered and, as he stated, has been at the wrong end of the pipe with respect to energy that he has gone so far afield in what are obviously accepted facts.

First, let me assure my colleague that oil tankers do not carry TV sets. Maybe they have one in the recreation room of an oil tanker and maybe some people on the tanker wear Italian or Taiwan shoes, but they do not normally carry those things.

I say, if my colleague prevails in what I call a very irrational—and I do not mean this to him personally, I am also speaking to the amendment that passed the House—a very irrational piece of legislation, that he will be causing his constituents to suffer even more than they are now.

Let me give an example. One of the possibilities would be a trade of oil with Canada. There is no place on the west coast of this continent that Canada can handle Alaskan sour crude to refine. So what we have to do is swap with Canada, to ship it in a vessel, possibly a supertanker, take it all the way around South America and up into Canada, so they could refine it.

That would be very silly and too expensive for the Canadians.

But swapping of oil is literally what it means; that we have a quantity of oil in this part of the globe and cannot move it, or it makes no sense economically to move it. So what we do is use it in that part of the world and swap it for another quantity of oil in another part of the world which is more economically advantageous for us to get.

It has been stated here I am sure—I was not here for all the argument—that it is cheaper to move it from Alaska to Japan. It stands to reason.

I am sure if I were negotiating it for the administration and had the power to do this, I would say I would sell this oil to Japan. They would experience probably a 50 cent per barrel saving in transportation. Now, Japan has bought some oil in the Middle East. We will take that same quantity and ship it to the east coast, as we are doing now and paying the full tariff. Why not send it to the Japanese? We can split the 50 cents so the people in New Hampshire will get oil in New Hampshire at 25 cents a barrel less than they would normally pay.

Now, that to me, is a little brighter than saying, "Let's lock the oil in."

If we bring it anywhere, we have to bring it to New Hampshire via South America and via the Panama Canal, which is uneconomical. Of course, there is no pipeline that exists to do it now. One of the oil companies spent $20 million trying to get one into Long Beach and into Texas, just to move oil into that part of the country the Senator wants to get it to.

The PRESIDING OFFICER. The time has expired.

Mr. GRAVEL. Two additional minutes on the bill.

Mr. STEVENSON. Two additional minutes.

The PRESIDING OFFICER. Two additional minutes on the bill.

Mr. STEVENSON. On the amendment.

The PRESIDING OFFICER. On the amendment.

Mr. GRAVEL. All I am saying, it would be a tragedy to put blinders on one's head because we have deep emotions and they control our heads and say, "Well, that oil is not going anywhere in a reasonable, economic fashion except from Alaska to the United States, even if that is uneconomical." That is irrational.

There is oil in the North Sea that will have to come to the United States to be refined because they cannot refine it in Britain. And that is economical. It may sound irrational, but it is economical.

I submit, when we file an economical and political consideration, we do some very irrational things in that economic area.

I hope my colleague will not prevail. I think this is an unfortunate amendment that is pushed by deep emotions. Unfortunately, this is irrational.

Mr. President, I ask unanimous consent to have printed in the RECORD a memo to the Senate from me on this issue, plus a letter from the Federal Energy Administration.

I state that my office received a call from the White House stating President Carter definitely is opposed to the Durkin amendment. There is no reason for it.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHOULD CONGRESS PASS LEGISLATION TO PROHIBIT THE EXPORT OF PRUDHOE BAY OIL?

The House of Representatives recently passed the Export Administration Amendments Act of 1977 which, by Section 110, would prohibit the export of Prudhoe Bay oil for a period of two years. The question arises whether the Senate should pass a similar bill.

After considering all of the matters outlined below, one is led to the consideration that the Senate should not pass such a bill. The House acted prematurely in adopting an unduly restrictive measure when, in fact, the option of exporting the oil should remain open.

By way of background, production is expected to commence at Prudhoe Bay about July 1, 1977. The production rate is expected to start at 300,000 barrels a day and then increase to 1.2 million barrels per day by the first of 1978. It has been estimated that 700,000 barrels per day of this oil can be used in West Coast refineries, while 500,000 barrels per day would not be needed there. Questions arise, therefore, as to how these barrels are to be moved to where they are needed.

This oil can move eastward to the refining centers where it is needed once one or more pipelines have been finished for this purpose. However, construction has not yet started on any of the projects that are being considered, so that the completion date is a matter of conjecture. Several pipeline projects are under consideration, and a lot of effort has gone into them. One such pipeline would move oil from Long Beach to Midland, Texas, basically through gas pipelines no longer needed for the movement of gas. At Midland, the oil would feed into existing pipelines which could move it into the Gulf Coast and the Midwest. Another pipeline under consideration would extend from the State of Washington across the northern part of the United States to Minnesota, where the oil would move into existing pipelines which extend into the Midwest. Still another pipeline that is under consideration would connect the West Coast of Canada with the existing Canadian pipelines, which would permit movement of the oil into the northern part of the United States and on into the Midwest.

With the pipeline situation as it is, therefore, shorter term solutions for the distribution of the oil must be looked to, and there are at least three alternatives for the near term.

The oil could be exchanged with Canada or Mexico for similar quantities of oil. While some Federal administrative approval would be needed, such transactions would not require any action on the part of the President or Congress and, in fact, such exchanges are specifically permitted under the provisions of the Trans Alaska Pipeline Authorization Act. On the other hand, there are some basic physical problems with this type of exchange. Mexico has no refineries on its West Coast and it produces more oil than is needed by the refineries located on its East Coast, so an exchange with Mexico would not appear to be feasible. Canada's West Coast refineries are not capable of handling Alaskan type crude oil. Consequently, any exchange with Canada would require movement of the Alaskan oil to its eastern Providences. There is some question, however, whether the Canadian energy policy could be revised to increase its western Canadian oil exports to the U.S. as part of the exchange. It would appear, therefore, that this alternative is not viable.

The second alternative is to move this oil to the Gulf Coast through the Panama Canal. This seems to be a viable alternative, although it is certain that there are not enough Jones Act tankers to move the quantity of oil that will have to be moved. Even if American flag tankers, which have been built under construction subsidies, were used under the Maritime laws there is some uncertainty as to whether there would be sufficient tankers for this purpose. If not, there is a possibility that the Jones Act could be waived so that foreign flag tankers could be used, but there is no precedent for this, and no doubt it would be opposed by the U.S. shipping industry. Consequently, it would appear that while the movement through the Canal is a viable alternative, there is no assurance that enough tankers will be available.

In view of this uncertainty with respect to tankers, therefore, we have to look to a third alternative, and that is the possibility of exchanging some of the Alaskan oil with foreign countries. Under this alternative, foreign oil destined for Japan, for example, would be diverted to eastern United States ports in exchange for deliveries of Alaskan oil to Japan. Such an exchange under the terms of the Trans Alaskan Authorization Act would require a recommendation by the President and the concurrence of both Houses in Congress.

There are several points with respect to this export or exchange that need to be kept in mind:

1. First, there seems to be a fear that if we "export" Alaskan oil this country loses oil and receives nothing in return for it except money. That is not the case, however, since all of the speculation about a transaction with Japan, for example, is in terms of "exchanges". Unfortunately, there seems to be some mystery about exchanges in the minds of many people, even though exchanges are used every day in the oil business, both domestically and on an international basis.

Exchanges are merely trades for one party's oil in a given location for another party's oil at another location.[1]

Consequently, under an exchange, this country would receive back as much oil as it gave up.

There seems to be a fear that Japan could not deliver oil in an exchange because it doesn't own any oil fields. Lack of field ownership is of no consequence, as long as Japan is buying foreign oil which it could have delivered to the East Coast or the Gulf Coast ports of the United States. There is a fear, too, that if Japan stopped delivery on the exchange, say during an embargo, U.S. companies would still be required to deliver Alaskan oil in spite of the embargo. The answer to this is that continued deliveries would be a part of any exchange. In other words, if Japan stopped delivery, so would the U.S., and vice versa.

2. New legislation with respect to exports is not needed. Legislation already exists. The Trans Alaska Pipeline Authorization Act provides that oil moving through the pipeline (except for oil exchanged for similar quantities with Canada or Mexico, or oil moving through those countries' transportation facilities) cannot be exported unless the President makes and publishes a finding that such exports do not diminish the total quantity of oil available to the U.S. He must report the same to the Congress, and then Congress would have 60 days to disapprove the action by concurrent resolution.

3. It should be of concern to everyone that the House has passed a measure with national and international implications without the benefit of any hearings whatsoever, so in a rather offhand manner the House has removed an important national policy option.

4. It would appear that this option is one of many which may be used to solve the distribution problem of Alaskan oil, and it ought to be considered in the context of the President's entire energy program which the Senate Energy Committee and other committees have started hearings on already.

Consequently, one has to conclude that the legislation which has been passed was premature in foreclosing a national policy option which should be left open.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., May 5, 1977.
Hon. HENRY M. JACKSON,
Chairman, Energy and Natural Resources Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing on behalf of the Administration to express opposition to the inclusion of any provision in S. 69, the Export Administration Act Amendments of 1977, or to any other bill that would have the effect of creating an outright prohibition on the export of Alaska North Slope crude oil to a noncontiguous country.

As I am sure you are aware, present law, as specified in Section 28 of the Mineral Lands Leasing Act, forbids exports of North Slope crude oil with non-contiguous countries, unless the President finds, among other things, that such exports will not diminish the total quantity or quality of crude oil available to the U.S. and are in the national interest. This finding may be overridden by Congress within 60 days by a concurrent resolution of disapproval.

It should be emphasized that under present law the President does not have unfettered authority to approve an exchange of North Slope crude oil with a foreign country. Indeed, that authority is already severely limited and subject to close monitoring by Congress. Since Congress, by concurrent resolution, may readily reverse any action by the President to approve exports, it is clear that no Presidential decision on the issue can run counter to the views of a majority of the Congress.

At this point, the decision on whether to permit such exchanges with a foreign country such as Japan has not been made, although the issue is currently being evaluated at the highest levels of the Administration. For this reason, I am unable as yet to indicate what the Administration's position ultimately will be on the exchange issue.

Regardless of the President's decision on this issue, however, we believe it is imperative that the exchange option be kept available to cope with all possible supply exigencies. For example, it is not inconceivable that a calamity causing a disruption of the vital Panama Canal waterway could occur. After some experience with the impact of North Slope crude oil supplies on the West Coast crude market, there might also develop a consensus that it would be in the national interest to relieve some of the pressure by authorizing limited foreign exchanges. In either case, without the option for limited exchanges, the only alternatives might be to shut in North Slope production or to impose unwarranted transportation cost burdens on the North Slope producers or U.S. consumers, neither of which would be in the national interest.

In short, nothing will be achieved by adopting a ban on exports of North Slope crude, other than to limit seriously and unnecessarily the President's and the Nation's ability to cope with short-term supply imbalances created by the influx of Alaska oil.

Sincerely,

JOHN F. O'LEARY,
Administrator.

Mr. GRAVEL. I thank my colleague.

The PRESIDING OFFICER. Who yields time?

Mr. DURKIN. Mr. President, I have 4 minutes remaining. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DURKIN. I yield myself 1 additional minute.

I point out that my amendment does not prohibit exchange, export, or swap with Canada or Mexico. So I do not think that is a real problem.

Mr. GRAVEL. Mr. President, will the Senator yield on one point?

Mr. DURKIN. No, not now.

Mr. GRAVEL. We cannot swap with Canada. Will the Senator let me make that point?

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. DURKIN. The distinguished Senator from Illinois said that the administration wants to preserve its options. I should like to inform the administration that our burners in New England are not equipped to burn options. I do not want to preserve options; I want to preserve our oil.

In Alaska today, in Prudhoe Bay, they are returning the natural gas until they get a pipeline. They can hold some of that oil in Alaska, and it is not going to hurt anyone. It is not going to cost anyone anything, except perhaps some oil companies.

I grieve for my friend from Alaska, but the oil companies are on their own. Nobody is going to be hurt by shutting in that oil until the pressure grows so that we get a pipeline into the Midwest and into the eastern part of this country.

It is going to further aggravate our balance of payments. Our balance of payments is out of whack today. There was an economic conference at the White House all day Saturday in which they talked about our balance of payments. This is going to further aggravate our balance of payments. It is going to drain America first. We are going to sell our oil first. For what reason? To profit the oil companies and to fuel the economic machine of Japan and some other Pacific countries that are competing severely with our New England workers—our shoe workers who are out of business, our textile workers who are out of business, our electronics people who are being threatened.

New England and New Hampshire and the Northeast have paid a high enough price already for global politics, and it is time to call a halt, to keep our energy in this country and to use our ingenuity to get the oil to the Northeast. As I said before, our burners cannot burn options. We need oil.

Mr. President, I reserve the remainder of my time.

Mr. GRAVEL. Mr. President, will the Senator yield me one-half minute in order to respond to one item?

Mr. STEVENSON. I yield the Senator one-half minute on the amendment.

Mr. GRAVEL. Mr. President, simply shutting in oil will raise the cost of oil to the Senator's constituency, by defering the utilization of the pipeline. Interest is running on the pipeline; it is very costly; and that interest and added cost will have to be borne by the oil in the pipeline when it is shipped. That means the cost of the oil to market will be more.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. STEVENSON. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Hampshire has 2½ minutes remaining; the Senator from Illinois has 2½ minutes on the amendment.

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[1] The following illustrates the principle of an exchange, even though oil is not involved in this example. A store in New York City arranges to buy 100 widgets a month from a manufacturer in San Francisco. A store in Seattle arranges to buy 100 widgets a month from a manufacturer in Philadelphia. To simplify deliveries, the stores agree to take the following steps: The New York store tells its San Francisco manufacturer to make deliveries to the Seattle store; the Seattle store tells its Philadelphia manufacturer to make deliveries to the New York Store. To protect themselves in case of non-performance if the Philadelphia manufacturer stopped making its deliveries to the New York store, the New York store will tell the San Francisco manufacturer to stop making deliveries to Seattle. Conversely, if the San Francisco manufacturer stops deliveries to Seattle, the Seattle store will tell the Philadelphia manufacturer to stop making deliveries to New York. This is exactly the way an oil exchange with Japan would work.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against either side.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is ordered. Who yields time?

UNANIMOUS-CONSENT AGREEMENT

Mr. STEVENSON. Mr. President, I ask unanimous consent that the amendment offered by the Senator from New Hampshire be laid aside temporarily, without the loss of the time remaining to the proponent or the opponent of that amendment, in order that the Senate now can consider an amendment to be offered by the distinguished Senator from Kansas; that following the disposition of the amendment to be offered by the Senator from Kansas, the Senate then proceed to the consideration of S. 855, with no votes thereon until 2 p.m.

The **PRESIDING OFFICER.** Is there objection?

Mr. DURKIN. Mr. President, reserving the right to object, will the Senator qualify that, to incorporate the provision that we will get back to and have the vote on my amendment no later than, say, 3:15?

Mr. STEVENSON. The order in effect now says that the vote on the amendment offered by the Senator from New Hampshire will occur no later than 3.

Mr. DURKIN. All right. Then we will get back to it no later than 5 minutes to 3, and that gives the Senator 2 minutes.

Mr. STEVENSON. At some point between 2 and 3, a vote would occur on the motion to table the amendment by the Senator from New Hampshire. If that motion fails, then a vote will occur on the amendment itself. That would take place—those votes—between 2 and 3, under the order that now prevails, which is not affected by the request I am making.

The **PRESIDING OFFICER.** Is there objection?

Mr. DURKIN. Mr. President, reserving the right to object, I have no reason to object, so long as I am confident we will get back to this amendment no later than 3 o'clock.

Mr. STEVENSON. The Senator is correct.

Mr. DURKIN. I have no objection.

Mr. STEVENSON. That would be the effect, under this request.

Mr. HEINZ. Mr. President, reserving the right to object, I want to be sure that we are all clear as to the Senator's unanimous consent request.

The Senator is asking that the remaining time be laid aside on the Durkin amendment; that the Senator from Kansas (Mr. DOLE) be allowed to proceed with his amendment; that upon the disposition of the Dole amendment, it be in order to proceed to S. 855; that there would be no vote—and this is where I need guidance from the Senator—on the Dole amendment until after the disposition of S. 855.

Mr. STEVENSON. No. No vote will occur on S. 855 until after 2 p.m.

Mr. HEINZ. The Senator anticipates that both the Durkin amendment and the Dole amendment will be disposed of prior?

Mr. STEVENSON. No. It would be my expectation—and this was not addressed in the request—that a vote could occur on the amendment to be offered by the Senator from Kansas before 2 p.m., but no vote on the amendment by the Senator from New Hampshire until between 2 p.m. and 3 p.m., in accordance with the order previously entered.

Mr. HEINZ. I have no objection on this side.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The Senator from Kansas is recognized.

UP AMENDMENT NO. 196

Mr. DOLE. Mr. President, I send an amendment to the desk.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 196:

On page 42, line 15, after "clause" insert "(A) or".

Mr. DOLE. Mr. President, the clerk has read the entire amendment, so it is not particularly lengthy.

I am pleased to say that the senior Senator from Colorado (Mr. HASKELL) is a cosponsor of this amendment.

The section that the Senator from Kansas is amending requires that when export controls are imposed on farm commodities for foreign policy reasons, the President must report his reasons in detail to Congress; then Congress has 30 days to veto the action by concurrent resolution.

The Senator from Kansas—and I believe most other Senators from farm States—strongly support this section.

In the past we have seen embargoes or export controls—whatever name they are given—imposed by previous administrations. The net result was a loss in farm income, and there was never any full explanation of the reason, never any opportunity for Congress to participate in that decision.

Having said that I support that section, my amendment, by the use of the letter "A" and the word "for," simply would make this section apply when export controls are imposed due to domestic shortages.

It seems to me that this is totally reasonable. In recent years, when we have had export restrictions, it was difficult to get a precise explanation as to why the controls were imposed. Sometimes the administration said it was because of foreign policy; sometimes due to domestic shortage; sometimes they said national security was the reason.

This amendment simply would give Congress and farmers and consumers and the public at large time to understand why the action was taken.

We all know that the imposition of export controls is a matter of national importance.

It is a matter that deserves some national discussion. In fact the whole question of embargoes received a great deal of national discussion last year in the months of August, September, and October and a couple of days in November.

It did become a very important issue all across America, particularly in the so-called farm belt of America where we felt the sting of export embargoes and understood the realities of export controls.

So I think we must insure that fair and complete consideration is given to any decision to impose controls.

Based upon past experience, I am not certain the bureaucrats or officials at the USDA, the White House, or the Economic Policy Board fully understand the impact of export restrictions.

This amendment would simply let us understand the reasons for controls fully and have some open debate.

Under the Export Administration Act, export controls are imposed due to domestic shortages, for foreign policy purposes, and for national security reasons.

My amendment would not in any way affect the national security reasons. If the President should impose export controls upon recommendation because of national security reasons then this would not apply. It would not come to Congress. There would not be any report. We would not have any 30-day period to veto the action because some of these national security reasons, of course, are highly sensitive. But it would apply when domestic shortages or foreign policy purpose are the reasons given for the imposition of export controls. And that is what the amendment does.

I hope that it might be acceptable because I can say, coming from the part of the country where agriculture is highly important, and being the ranking Republican on the Agricultural Committee, I think this is a matter of great concern not only in the State of Kansas, but is of great concern all throughout the Midwest, and I do not believe it does violence to the good work done by the committee. I hope there might be some agreement on a rather technical minor amendment.

Mr. STEVENSON. Mr. President, there is no sound basis in my judgment for distinguishing between foreign policy and short supply embargoes as the distinguished Senator from Kansas indicated.

I agree with him. I hope that we will never see either kind of embargo again. But should either kind be imposed by the President in the future each and with equal logic is entitled to consideration in Congress. So, I would be happy to accept this amendment. I think it is a sound amendment and in fact should have been included when this provision was first adopted in the last Congress.

Mr. HEINZ. Mr. President, I would be happy to accept the amendment. I know of no objection on the minority side, either.

Mr. STEVENSON. Mr. President, if there is no other discussion on this amendment, I am prepared to yield back the remainder of my time.

Mr. DOLE. I thank the distinguished leaders in charge of the bill and I appreciate it very much.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. DOLE. I yield back my time.

Mr. STEVENSON. I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I ask unanimous consent that Robert P. Hunter and Miss Kristine Iverson have the privilege of the floor during the consideration of this measure and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT OF 1978

The PRESIDING OFFICER. Under the previous order the Senate will proceed to the consideration of S. 855, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 855) to authorize appropriations for the activities of the National Science Foundation, and for other purposes.

The Senate proceeded to the consideration of the bill, which had been reported from the Committee on Human Resources with an amendment in the nature of a substitute.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

Mr. DOLE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STEVENSON. I withhold the request and yield.

Mr. DOLE. Mr. President, I ask unanimous consent that Myron Kuropas and Claude Alexander of my staff be accorded the privilege of the floor during the consideration of S. 69 and S. 855.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to two sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that David Koehler of Senator GRIFFIN's staff be accorded the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, the National Science Foundation authorization as reported to the Senate by the Committee on Human Resources provides a 2-year authorization for the Foundation. The bill authorizes $898 million for fiscal year 1978 and $1,057,000,000 for fiscal year 1979. These figures are fully consistent with the funding provided for this function in the budget resolution as approved by the Budget Committee. The fiscal year 1978 total which is included in the committee bill is virtually identical with the administration's request. The only significant change made by the committee was the addition of $10 million to the budget for science education—a program which over the last 10 years has declined from 25 percent of the NSF budget to just 9 percent. This additional funding will be focused on programs to assist minorities, women, and the handicapped; on programs to improve access by citizens to information concerning the impact of science and technology on society; and on a special assessment of the science education needs of 2-year colleges.

Other major provisions in the pending bill include:

First, $1.1 million increase in funds for graduate fellowships;

Second, startup funding for three resource centers for education in science and engineering;

Third, $5 million for science for citizens, including assistance to citizen groups, fellowships and activities to improve public understanding of science;

Fourth, restoration of funding for continuing education to level requested by the administration;

Fifth, provisions allowing researchers in industry to compete for basic research funds and to be involved in exchange programs with academic institutions;

Sixth, emphasis in applied research programs on sustained support for interdisciplinary research;

Seventh, 50-percent set-aside of funds for precollege teacher development to train teachers to present material concerning the interrelationships between science and society;

Eighth, 2-percent set-aside of basic research funds in fiscal year 1978—4 percent in fiscal year 1979—for grants to strengthen the basic research capabilities of colleges and universities which conduct basic research;

Ninth, 15-percent set-aside of instrumentation and equipment funds for grants of less than $25,000;

Tenth, emphasis in the international program on bilateral and multilateral agreements with Western Hemisphere countries;

Eleventh, 3-year research grants for scientists and engineers whose doctoral degree was earned within the last 5 years;

Twelfth, $2 million reduction in policy research funds, providing that $2 million of fiscal year 1977 funds be made available in fiscal year 1978; and

Thirteenth, $20 million for earthquake engineering.

Mr. President, last year the Congress appropriated $769 million, plus $28 million in carryover funds, for the NSF. S. 855 provides a 10.9-percent increase over that level. It will provide for real growth of just over 3 percent. S. 855 restores the $14 million reduction in support for basic and applied research which the House made during its consideration of the administration's budget. This reduction was described by one witness before our committee as "the worst way for this country to save money that I can think of."

The fiscal year 1979 funding included in S. 855 is based on the recommendations of the National Science Board. That Board, which is comprised of 25 of the Nation's leading scientists and engineers, is the policymaking body for the foundation. Their recommendations are based on assessments and recommendations from professional societies, from the National Academies of Science and Engineering, from contracts with thousands of scientists in all parts of the country, from members of NSF program panels, and from thousands of reviewers. They also take into account information on Federal science support programs from other agencies, especially the National Institutes of Health, the Department of Defense, the National Aeronautics and Space Administration, and the Department of Agriculture.

Mr. President, the bill before the Senate today provides for the continued strength of the Federal Government's commitment to scientific research and science education. The 2-year funding it includes will establish a framework for planning that will be of substantial assistance to the NSF and the scientific community in the development of programs and policies.

Whether we are concerned about changing climate patterns, the impact of fluorocarbons on the ozone layer, recombinant DNA, or protecting man from environmental hazards, the public and the Congress looks to the scientific community to conduct research that will help the Nation deal with these issues. We also expect that research to result in an expanded knowledge base that will insure a steady stream of appropriate, new, and improved technology. We want to stimulate innovation that will improve the quality of life and provide new employment opportunities.

While it is difficult to tie specific economic and social changes directly to research investments, there is much evidence that U.S. science has had an overwhelmingly positive impact on society. A recent survey found that 75 percent of our population believes science and technology have changed life for the better.

Mr. President, S. 855 was unanimously favorably reported by the Subcommittee on Health and Scientific Research. It was favorably reported by the full Committee on Human Resources by a rollcall vote of 12 to 1. It is consistent with the budget sent to the Congress by the administration. It is consistent with the budget recommendations included in the first concurrent budget resolution as approved by the Senate Budget Committee.

I urge my colleagues to support the bill so that we can go to conference with the House in a strong position to get early enactment of a final authorization.

AMENDMENT NO. 202

Mr. HATCH. Mr. President, I call up my amendment No. 202 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an amendment numbered 202.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the followlowing new section:

SEC. . The National Science Foundation is directed to issue instructions to grantees covering the protection of students and procedures for involving students in precollege education research and development, pilot testing, evaluation, and revision of experimental and innovative precollege curriculum projects funded by the Foundation. These instructions shall, as a minimum, require the grantee to obtain written approval of the school board or comparable authority responsible for the schools. The Foundation shall further require that the grantee provide to the school board or comparable authority, and to other interested school officials, in advance of any such grant of approval, information concerning the need for and the purposes of the particular education project, the proposed content of the material to be used, the expected benefits to be derived, and the steps taken to insure that students will not be placed "at risk" with respect to their psychological, mental, and emotional well-being in keeping with the established Federal guidelines on the protection of human subjects. The Foundation shall also require grantees to provide information and materials to assist the school board or comparable authority in carrying out its own established procedures in regard to securing parental consent for involvement of students in such projects. The Foundation shall report periodically to the Committee on Human Resources of the Senate and the Committee on Science and Technology of the House of Representatives, on the actions taken by the Foundation to comply with this section.

Mr. HATCH. Mr. President, amendment No. 202, to S. 855, the National Science Foundation authorization, provides that the National Science Foundation should promulgate its own regulations to individual grantees in its science education directorate.

A staff paper by the National Commission on the Protection of Human Subjects of Biomedical and Behavioral Research has concluded that students involved in various experimental precollege programs are, in fact, "at risk" psychologically, emotionally, and physically. The Office of Education and the National Institute of Education, through the Department of Health, Education, and Welfare already have reasonable safeguards for children participating in curricula funded and developed by OE and NIE. NSF does not have a similar set of guidelines for its precollege projects.

This amendment requires the National Science Foundation to develop rules for its grantees in the science education area which would provide protection for children in these programs. The amendment stipulates two minimum requirements. First, NSF must instruct each individual science education grantee to secure the written consent of the school board with jurisdiction over the schools where the grantee intends to implement the experimental project. Second, prior to a decision by the school board, the grantee must make all of the proposed materials available for inspection by interested parties.

In my opinion, this is a "cannot lose" amendment for everyone concerned. For the first time parents and their elected school authorities will have the option to accept or reject NSF programs. The decisionmaking power of the local units will be increased. But with this additional power comes additional responsibility. Parents can no longer blame the Congress or the National Science Foundation for the fact that a controversial program is present in their school system. Their concern, and sometimes their outrage, will have to be directed at their own local school board representatives. On the local level, school boards will become more accountable to their constituencies. This amendment may even mean easier access for individual grantees to school systems which welcome, and would compete for, experimental programs.

This amendment will not decrease funding for NSF's science education directorate, and it will not impose restrictions on the type or content of precollege projects. It certainly will not add to the already mountainous pile of regulations with which schools must now comply.

I believe the Human Resources Committee grossly misunderstood the amendment, and interpreted it to mean more Federal control of local schools. If my colleagues here in the Senate read the text of the amendment carefully, they will see that this is obviously not true. This amendment, in actuality, would acknowledge in law the authority of local school boards over the curricula taught in schools under their jurisdiction.

The House of Representatives has incorporated this amendment in their version of the NSF authorization, H.R. 4991. I wholeheartedly support the inclusion of this amendment in the bill finally reported by the conference committee. But because I do not want to risk further misinterpretation of the amendment, I am withdrawing it from further consideration by the Senate. In doing so, I urge that Senators appointed to the conference committee give this provision the serious and deliberate study it deserves. Additionally, I would encourage the conferees on the part of the House of Representatives not to defer from the position adopted by the House.

With that disposed of, I ask unanimous consent that the remainder of my time on this amendment be added to the time on the next amendment, which I now call up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. The NSF program to improve the teaching of science at the precollege level, which is the subject of the amendment of the Senator from Utah, has been examined in detail by the Congress and the GAO over the last 3 years.

I want to share with my colleagues some of our findings:

First, let us look at the need for the program:

The Staff Director of the National Assessment of Educational Progress testified before the NSF Subcommittee in 1975 as follows:

The United States, long proud of its accomplishments in science, is faced with what may be a major crisis as a result of a decline in knowledge of scientific facts and principles among young Americans.

His testimony was backed by statistics, which I will include in the RECORD, which show, for example, that science achievement scores of schoolchildren dropped 2 percent between the 1969–1970 school year and 1972–1973. This represented the loss of a half year of learning experience in science.

A careful review of these findings and of similar studies by the U.S. Office of Education clearly shows the need for federally supported efforts in this area to supplement those undertaken by the private sector.

Second, let us look at how NSF has administered its curriculum program:

A series of administrative procedures and requirements is in place to protect fully the interests of local school boards and the interests of children involved in the use of these curricula;

Guidelines will be published shortly in the Federal Register to implement the provisions of the 1976 authorization to insure that parents are fully informed concerning NSF curricula and the materials which are used;

Every grantee has been advised by NSF that he must comply fully with procedures established by local school boards or a comparable authority

The Foundation has a clearly enunciated policy that decisions on participation in these projects must remain in the hands of local authorities.

The details of these safeguards are included in material provided by the National Science Foundation, and I ask unanimous consent that it be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROCEDURES USED BY N.S.F. IN THE DEVELOPMENT, TESTING AND IMPLEMENTATION OF PRE-COLLEGE CURRICULA

Immediately following passage of the FY 1975 Authorization Act, the Foundation amended all of its pre-college curricula awards. It required the awardee to include, in every publication, testing, or distribution agreement covering teacher's manuals, textbooks, films, tapes, or other supplementary instructional material, provisions that such material would be made accessible within the school district for inspection by parents or guardians. The same provisions have been applied to all new awards as well.

In addition the following principles are applied to curriculum programs:

Materials must meet high standards of scientific accuracy and currency;

Materials must be educationally effective;

Control of the content of the materials and its mode of presentation must be vested in the developers, and not the Federal government;

While the Foundation provides support for the development of alternatives in teaching materials, decisions on participation in the development and testing of materials, as well as their subsequent selection and use must remain in the hands of local authorites.

As a result of these principles curriculum projects share several characteristics:

Curricula are developed by scientists and educators who are independent of the Foundation. A frequent part of the development effort is the review of content by experts in relevant scientific fields.

There is extensive pre-testing of the materials before they are made available for large scale distribution. Typically, there is a "formative evaluation" or classroom trial in which information from students and teachers is obtained to be used in modifying the materials.

Distribution of NSF-supported curriculum materials has been through normal non-Federal channels such as commercial publishers, scientific or professional societies, or on a non-profit basis by the grantee.

To ensure conformance with these procedures, current NSF practices require:

Content and citizen reviews of materials, carried out by the projects themselves, their purpose is to identify possible subject matter errors and to identify potential value-laden topics.

Product reviews carried out by outside experts, knowledgeable members of the public, representatives of the teaching community, and others at various times during the development process. Attention is given to scientific accuracy, education merit and appropriateness to audience.

In accordance with the FY 1975 Authorization Act, the Foundation instructs grantees to make available for inspection by parents, and guardians materials at each formative evaluation site.

Publication contracts for commercial publication are required to contain a similar provision. Additionally, grantees are now providing to school authorities special informational materials for parents, special caveats for school authorities and parents calling attention to potentially controversial matters, and instructions on making trial use optional.

Grantees are expected to conform to the policies and procedures of the specific school jurisdiction regarding their participation in formative evaluations.

Further, the N.S.F. Grants Policy Manual is being revised and will include explicit grant requirements:

To abide by the policies and follow the procedures of the cognizant school jurisdiction in securing permission for and cooperation in the trial testing (formative evaluation) of new precollege instructional materials;

To provide information to cognizant school officials, in advance of approval to take part in the formative evaluation, on the nature of the course materials to be tested, their implications, and their purposes;

To obtain written permission for classroom testing from a duly authorized school official. In those cases where a school jurisdiction requires the informed consent of a parent or guardian prior to student participation, the awardees shall cooperate fully in securing, its fulfillment.

In summary:

The Foundation's procedures in precollege curriculum development are predicated on adherence to local school jurisdiction procedures and on preventing Federal involvement in local matters. Grantees are instructed to provide information and facilitate the implementation of the locally decided procedures. While other Federal agencies are also supporting the development of precollege instructional materials, no government-wide guidelines for their testing and evaluation have been created. A procedure like the Foundation's, which places emphasis on *local* procedures, and then allows the substantive decisions to be made by the local jurisdiction is responsive both to the diversity of the education system and for informed consent.

NATIONAL SCHOOL BOARDS ASSOCIATION,
Washington, D.C., April 4, 1977.
Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The National School Boards Association opposes the inclusion of Section 9 of H.R. 4991 in S. 855 (the National Science Foundation Authorization Act), on the grounds that Section 9 is redundant and imprecise, and that it would tend to impose limitations on the decision-making authority of local school boards.

As we understand the situation, the National Science Foundation has existing policies under which grantees funded by the pre-college curriculum development program are required to make the content and purpose of their curricular innovations fully clear to all interested persons, including parents and representatives of the community, before they may introduce them into any school for pilot testing and evaluation.

We question the meaning of the terms "experimental" and "innovative" as used in Section 9. Any departure from the existing curriculum is in some degree experimental; in fact, the development of a curriculum in any subject is a process of continual revision and improvement. Therefore, we regard this language as imprecise and too broad.

As you know, the development of curriculum is in all cases the duty of the local school board rather than the federal government. School boards continually make changes in the curriculum without securing the consent of the parents, although they may find it appropriate to be in communication with parent and other community groups where extensive revisions are undertaken.

While we are in general opposition to Section 9, we have no objection to the clause stating that grantees "shall obtain written approval of the school board or comparable authority" before undertaking their project. This language merely restates the policy followed by all prudent boards in circumstances of this nature.

Sincerely yours,
AUGUST W. STEINHILBER,
Assistant Executive Director.

Mr. KENNEDY. Third, let us look at the diversity of the NSF curriculum program and ask if it is appropriate to impose a single federally mandated standard.

It would have to cover the needs of 86,000 schools in 17,000 different school districts.

It would have to cover 53 different curricula developed by NSF.

It would have to meet the needs of the over 15 million school children who use NSF materials.

Now, let us ask some questions about the actual language proposed by the Senator from Utah:

Where is the evidence of need? I have yet to hear from a single parent, child or teacher with first-hand experience with these curricula who feels present procedures are not adequate.

How would the Federal Government write guidelines for "psychological, mental and emotional" impact statements? And if such guidelines could be written, what kind of burden would this place on local school systems.

What evidence is there that NSF curricula, as opposed to privately developed curricula, should be subject to special procedures? Of 76 most used math and science curricula only four are NSF supplied.

The Committee carefully reviewed all these aspects of the Senator's amendment:

We asked the National School Boards Association to present their position. That association stated its opposition to the amendment on the grounds that:

> It is redundant and imprecise, and that it would tend to impose limitations on the decision-making authority of local school boards.

We asked the National Science Foundation to comment and were advised of their position as follows:

> The amendment is unnecessary . . . existing procedures guard against these concerns.

We asked science educators to comment. A typical comment reads as follows:

> To set up procedures as cumbersome as in (the amendment) would mean that nothing at all would get done or even attempted. As one who has pioneered a few educational innovations, I can say that such pioneering is hard enough already. There are better ways to protect children.

An identical amendment was considered and voted on by the Committee on Human Resources. It was defeated on a roll call vote of 11 to 2.

I cannot support the amendment of the Senator from Utah.

AMENDMENT NO. 227

Mr. HATCH. I call up my amendment No. 227.

The PRESIDING OFFICER. The Chair would inquire of the Senator from

Utah, what is the desire of the Senator as to his first amendment?

Mr. HATCH. I withdraw that amendment.

The PRESIDING OFFICER. It is withdrawn.

Mr. HATCH. And ask unanimous consent to add the time on that amendment to the time on this amendment. I desire to have the conference consider that proposal. Then I ask unanimous consent to dispense with the reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH's amendment (No. 227) is as follows:

On page 10, between lines 3 and 4, insert the following new subsection:

(i) Notwithstanding any other provision of law, each State and the District of Columbia shall receive not less than one-quarter of 1 per centum of all of the funds authorized under section 2(b), excluding paragraph (9) of such section, for the fiscal year 1978 and not less than one-quarter of 1 per centum of all the funds authorized under section 2(c), excluding paragraph (9) of such section, for the fiscal year 1979.

Mr. BROOKE. Mr. President, will the Senator yield for a question?

Mr. HATCH. I yield.

Mr. BROOKE. Which amendment is he addressing?

Mr. HATCH. This is amendment No. 227, which I call the "Fair Shake" amendment.

Mr. BROOKE. That is the amendment with the 0.25 percent?

Mr. HATCH. Yes.

Mr. BROOKE. And the Senator is going to offer that?

Mr. HATCH. I am offering it at this time. I withdrew the other amendment, and hope that in conference it will be given more consideration.

Mr. BROOKE. Is it the Senator's intention to have us go directly to this amendment?

Mr. HATCH. Yes.

Mr. JAVITS. Is this an unprinted amendment?

The ASSISTANT LEGISLATIVE CLERK. No; it is printed, amendment No. 227.

Mr. HATCH. Mr. President, I know that each of my distinguished colleagues in the Senate is interested in fairness in the handling of Federal funds. Today, I am offering an amendment to S. 855 that will achieve a more equitable distribution of Federal research funds available through the National Science Foundation.

Section 3(b) of the National Science Foundation Act of 1950—Public Law 81–507—requires that the Foundation "avoid undue concentration of such research and education" in any geographical area. Though this provision is a part of law, the NSF spent more than 40 percent of its appropriated program funds in fiscal year 1976 in just four States. Eleven States of the remaining 46 States received even less than one-quarter of 1 percent, and 1 New England State received as little as $203,000 to divide among 12 different grantees. The success ratio; that is, the number of proposals funded to the number of proposals submitted, of these States, according to the NSF Management and Information Systems report for fiscal year 1976 ranges from a high of 41 percent to a low of 16 percent, the average of all 11 States being 26 percent. Mr. President, I ask unanimous consent that a chart taken from appendix A of the NSF fiscal year 1978 budget submission, and showing the actual number of grants and the amounts paid to each State in fiscal year 1976, be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

National Science Foundation grants and contracts awarded fiscal year 1976

[Dollar amounts in thousands]

State	Number	Amount
Alabama	38	$1,978
Alaska	49	3,434
Arizona	132	16,856
Arkansas	17	436
California	1,429	106,162
Colorado	241	39,647
Connecticut	190	7,621
Delaware	36	1,679
District of Columbia	918	20,106
Florida	214	12,371
Georgia	130	5,480
Hawaii	74	3,439
Idaho	12	246
Illinois	568	34,347
Indiana	282	17,273
Iowa	82	3,003
Kansas	68	1,956
Kentucky	60	1,623
Louisiana	75	2,510
Maine	37	1,414
Maryland	344	11,948
Massachusetts	759	55,900
Michigan	306	17,186
Minnesota	132	5.274
Mississippi	21	1,049
Missouri	166	6,451
Montana	25	571
Nebraska	34	1,648
Nevada	19	1,367
New Hampshire	41	2,053
New Jersey	229	12,261
New Mexico	48	1,706
New York	1,071	63,847
North Carolina	178	8,750
North Dakota	16	693
Ohio	293	11,087
Oklahoma	62	2,789
Oregon	170	7,972
Pennsylvania	504	26,452
Rhode Island	135	7,886
South Carolina	26	692
South Dakota	19	876
Tennessee	82	4.174
Texas	375	15,932
Utah	82	5.490
Vermont	12	203
Virginia	288	8.171
Washington	228	15,106
West Virginia	21	21,931
Wisconsin	216	10.113
Wyoming	23	1,487

Source: Taken from appendix A to NSF budget for fiscal year 1978.

Mr. HATCH. My amendment is simple. It merely requires that not less than one-quarter of 1 percent, that is, approximately $2.1 million of the more than $850 million requested for the numerous program activities in S. 855, be paid to qualified researchers in each of the 50 States and the District of Columbia.

By itself, this provision will not reduce the amount of funding any State now receives due to the proposed increase in program funds of more than $200 million over fiscal year 1976 levels.

Further, this amendment will not be harmful to the merit-peer review process by which proposals are evaluated on an individual basis. Officials of the National Science Foundation have said repeatedly during authorization hearings of the last several years that there are far more merit proposals submitted, and which qualify for funding, than the Foundation has program funds to distribute. Dr. Richard Atkinson, newly confirmed Director of the National Science Foundation after having served as Acting Director for many months, has said that NSF is only funding 45 to 50 percent of the quality proposals submitted. The total value of proposals coming from almost all of the individual States is at least three-quarters of 1 percent of NSF program funds, and a large share of these ideas have been judged good to excellent, so it is evident that each and every State is submitting important proposals.

My amendment stipulates a figure of one-quarter of 1 percent so as not to jeopardize the high quality of scientific endeavor funded by the NSF by virtue of its peer review/grants management system. This system, however, has no method of identifying the levels of funding for each State on a day-to-day basis, therefore permitting a kind of de facto concentration in four States.

Further, it is interesting, and most unusual to note that NSF has no record of the number of highly rated proposals from each State, so that comparisons cannot be drawn between the proposals actually funded and those qualified for funding by the peer reviewers. There have been charges that awards are made by NSF on the basis of an alleged "old boys' system"—a system claimed to be incestuous in nature and discriminatory in terms of NSF's grants policy. The unavailability of these records implies that there may be something worth investigation, but whether or not this is the truth should be decided in thorough and formal oversight hearings. However, I find it unacceptable that this information cannot be obtained to help determine the effectiveness of the NSF administration in abiding by its basic act.

This amendment would necessitate that NSF pay more strict attention to the tenets of its basic act. For whatever reason this concentration has occurred, it is necessary that we take some positive action to correct it. It is not fair to those States whose equally qualified and dedicated scientists' merit proposals have not been funded because of slippage in the administrative procedures designed to enforce the existing law.

This amendment will, however, provide important opportunities for students and scientists in all regions of the country to conduct productive research. In its report, the Human Resources Committee indicated its desire and indeed the advisability of promoting greater participation in science, recommending increased funding for such programs as "minorities, women, and the handicapped in science," and similar projects. I believe that enactment of this measure would be an extremely effective step Congress can take in achieving this goal. I would hate to think that Congress needed to devise special programs for the states not now receiving a fair shake.

I maintain that each state and the District of Columbia deserve at least a minimum level of funding for their worthy scientific and technological efforts. All U.S. taxpayers, already overburdened, contribute to fund NSF's program activities via their elected representatives action here in Congress. Failure to pass this "fair shake for all States" amendment will make us all party to this continuing error of non-enforcement and irresponsible in terms of our regard for law, particularly since it can be rectified without compromising the high-quality of American Science, and without endangering or affecting any other State.

I urge favorable consideration and a yea vote on this amendment, and I suggest that it really is a "fair shake" amendment, and is something that good sense, fair practices, and I think good faith should mandate every Senator to support.

Mr. **BROOKE**. Mr. President, will the Senator yield?

The PRESIDING OFFICER. On the Senator's time?

Mr. **BROOKE**. I really want to speak in opposition to the amendment.

Mr. **KENNEDY**. Mr. President, I will be glad, after I make a response to the Senator, to yield to my colleague.

Mr. **BROOKE**. Oh, yes, fine.

Mr. **KENNEDY**. Mr. President, the amendment of the Senator from Utah addresses a problem which the National Science Foundation and the National Science Board have been working on for a number of years.

A solution is being developed by the Board—and there is a strong possibility that special task forces will be set up to study the needs of States whose participation in NSF-supported research is below a certain specified level. I am concerned, however, that the establishment of an arbitrary percentage in law will not solve the problem.

As we look at this problem, we must not lose sight of the fact that the primary responsibility of the NSF, as defined in the NSF Act, is "to promote the progress of science; and advance the national health, prosperity, and welfare."

To meet this objective grants are awarded based on scientific merit, the technical adequacy of the researcher and his institutional base, criteria relating to utility or relevance and criteria relating to future and long-term scientific potential. As an additional aspect of its responsibility, the NSF Act states that it should be one of the objectives of the Foundation to avoid undue concentration of research. The NSF has met this objective and over half of our States receive $6 million or more in grants to researchers.

The NSF budget represents only 3 percent of the Nation's total R. & D. effort—the 3 percent which is carried out primarily Ph. D. scientists and engineers. Some States have as few as 330, some have as many as 26,000.

There are 11 States which do not meet the 0.25 percent criteria proposed by the Senator from Utah. When we look at the success ratio of those States—number of proposals submitted compared to number of proposals funded—it has run as high as 62 percent over the last 2 years, and no lower than 18 percent.

The amendment of the Senator from Utah would be a fundamental change in the mission of NSF to promote excellence in scientific research based primarily on scientific merit: It would require reprograming of approximately $10 million of the NSF budget.

This reprograming would be hampered by the fact that the most recent comprehensive data on this issue was developed in 1974.

This issue, which has important implications for the strength of the Nation's basic research, was not raised by the Senator from Utah during hearings, subcommittee markup or full committee markup.

I believe we should give the National Science Board an opportunity to develop proposed solutions; I believe we should hear from the scientific community in the States which would be affected; I believe we should have firm data before moving ahead in this area.

I would be pleased to work with the Senator from Utah, who serves on our committee, to see what can be done to develop this information.

Pending this kind of examination, it is my recommendation that the Senate not accept the amendment.

Beyond this, Mr. President, as the Chairman of the Board of the Office of Technology Assessment, let me state that we are involved now in a very elaborate review of the health of basic science and scientific research in this Nation.

We have two very distinguished panels which have been established. Dr. Louis Branscomb, who is vice president and chief scientist for IBM and one of the Nation's most outstanding scientists, innovators, and researchers in private industry, heads the panel on applications of science and technology. Dr. Harvey Brooks, who is an enormously distinguished scientist and researcher and has been one of the most celebrated scientists and researchers in our country chairs the panel on the health of the scientific and technical enterprise. They have established panels to give us an update on the state of scientific research and the health of scientific research in our society. It is something that we have to constantly reevaluate and review. It seems to me that what we ought to do is examine the recommendations of that panel and listen to the scientific community on how to fashion a national policy to strengthen basic scientific research.

What we are talking about here is basic research. We are not talking about applied research, for example, where we set aside funds for small businesses, to try to help smaller industries. We are talking about basic research. It seems to me that we ought to support basic research where it is being done now.

The Senator will remember the efforts that we made in the subcommittee and full committee to recognize that more and more basic research is being done in private industry. A very small amount, actually, of Science Foundation grants goes to private industry in the area of basic research.

Mr. **HATCH**. Will the Senator yield for a question?

Mr. **KENNEDY**. I shall in just a minute.

Very little goes to industry in the areas of basic research. We tried to stress, with the support of the Senator from Utah, the need to set, as criteria, quality and merit in the area of basic research. It does seem to me that that ought to be the test in this area, rather than trying to follow various formulas.

I am sensitive to the question of the adequacy of distribution of these resources, but it seems to me not to be wise to set arbitrary figures at this time.

I yield to the Senator from Utah.

Mr. **HATCH**. Is it not true that Massachusetts is one of the four States that who together receive 40 percent of the total $850 million budget?

Mr. **KENNEDY**. The Senator is quite correct.

Mr. **HATCH**. Is it not also true that although some States have 26,000 Ph. D.'s and others may have as low as 330 we may have some of the more high quality Ph. D.'s very high or equal quality Ph. D.'s in the 330?

Mr. **KENNEDY**. The Senator may very well be right.

Mr. **HATCH**. The Senator has indicated, in his initial statement, that there are several States that probably do not need these funds, unless I misunderstood what he said.

Mr. **KENNEDY**. No; I do not know a State that will not accept Federal funds.

Mr. **HATCH**. That is not my question. Does the Senator know of any who do not need them, or who would not qualify?

Mr. **KENNEDY**. I am sure any State would be willing to accept any funds that would come without any strings attached. I do not question that.

Mr. **HATCH**. The Senator does admit that my amendment really does not deprive any State of the basic funding it had in the last year or the year before—not even the Senator's State.

Mr. **KENNEDY**. That is not the question. Maybe the question was not correctly interpreted by the Senator from Utah, but I do not think that is the basic question that would be implied by the Senator's amendment. The amendment set an arbitrary mathematical formula, when the criteria ought to be the award of grants for scientific research on merit in the basic sciences.

I do not question that there is extremely valuable, worthwhile, commendable research that is being done throughout this country. My only point is that, under the amendment of the Senator from Utah, whether there are or are not qualified researchers he would still be willing to allocate funds to a particular State. I think that is unwise in terms of the purpose of the National Science Foundation legislation.

Mr. HATCH. Let me ask this question: Does the Senator contend that there is any State that would not qualify for these funds? Would he disregard the fact that the NSF itself has admitted that every State produces more projects than they can fund—more acceptable, good, excellent, worthy projects than they can fund—and they have to reject a good 50 or 60 percent?

Mr. KENNEDY. I do not differ with the Senator, that there is useful research which is not funded.

Mr. HATCH. Well, if the——

Mr. KENNEDY. If the Senator will let me respond, I do not question that there are many applications made. I daresay that on the number of awards in a number of the States the success ratio varies. That can be open to a number of interpretations. I still like to hope that decisions are based on merit.

It seems to me that that ought to be the criterion, rather than an arbitrary mathematical figure.

Mr. HATCH. Does the Senator agree with me and with the National Science Foundation that nearly 1 percent of the total value of projects submitted by the various States really would qualify as good to excellent? My amendment does not ask for a set percentage in the sense that it is an overwhelmingly large percentage. In fact, it is the overwhelmingly small percentage of one-quarter of 1 percent, meaning that nobody has to suffer, and every State is going to have some money for its particular worthy and meritorious projects.

Mr. KENNEDY. The fact of the matter is that every State does receive NSF funds at the present time.

Mr. HATCH. I am talking about substantive research funds.

Mr. KENNEDY. Speaking about the criterion, the Senator says it is not very much. It is like being a little bit pregnant. One cannot be just a little bit pregnant. By setting a mathematical formula, the Senator is infringing on what I think is a basic criterion which ought to be considered by the NSF. It should not be the only one, but it certainly should be the basic criterion. That is done by getting the best kind of overview, the best kind of peer review by the best scientists that we possibly can. Research dollars are limited and they should be assigned on the basis of merit and not by a minimum formula, as the Senator from Utah suggests. Just on that, we have a basic difference.

I do, as the manager of the bill, want to indicate to the Members that I have been a strong supporter of science and science support for State programs in the area of the application of science and technology to meet State needs. That was a principal issue which broke down in the House-Senate conference last year. We need to get science and technology information out into the States, supporting State programs. I believe in that. I believe that we have many different problems and issues and questions that are faced in our society in different parts of our country. I believe strongly in building a strong scientific base in all parts of our country.

It does seem to me that setting an arbitrary mathematical formula is not the wise way to try to deal with building a sound science capability and wise science policy.

I yield to my colleague for whatever comments he would like to make.

Mr. President, I ask unanimous consent to have printed in the RECORD certain material in connection with amendment 227.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL SCIENCE FOUNDATION GRANTS AND CONTRACTS AWARDED FISCAL YEAR 1976[1]

State	Success ratio	Number	Amount	Doctoral scientists and engineers in labor force
Alabama	22.9	38	1,978	2,255
Alaska	62.0	49	3,434	348
Arizona	49.8	132	16,856	2,216
Arkansas[2]	25.8	17	436	766
California	53.8	1,429	106,162	26,159
Colorado	45.6	241	39,647	4,266
Connecticut	48.9	190	7,621	4,245
Delaware	40.4	36	1,679	2,614
District of Columbia	53.9	918	20,106	6,762
Florida	41.4	214	12,371	4,871
Georgia	39.2	130	5,480	3,465
Hawaii	50.3	74	3,439	1,133
Idaho[2]	23.1	12	246	837
Illinois	49.2	568	34,347	11,013
Indiana	49.7	282	17,273	5,189
Iowa	34.3	82	3,003	2,351
Kansas	30.5	68	1,956	1,988
Kentucky	31.7	60	1,623	2,158
Louisiana	34.4	75	2,510	2,709
Maine[2]	38.5	37	1,414	756
Maryland	52.6	344	11,948	7,773
Massachusetts	52.5	759	55,900	9,989
Michigan	42.2	306	17,186	8,165
Minnesota	42.6	132	5,274	4,079
Mississippi[2]	19.6	21	1,049	1,090
Missouri	41.2	166	6,451	4,181
Montana[2]	38.8	25	571	714
Nebraska	32.4	34	1,648	1,232
Nevada[2]	42.2	19	1,367	412
New Hampshire	40.2	41	2,053	807
New Jersey	46.8	229	12,261	9,931
New Mexico	32.9	48	1,706	2,593
New York	45.3	1,071	63,847	23,841
North Carolina	44.9	178	8,750	4,727
North Dakota[2]	36.4	16	693	580
Ohio	38.4	293	11,087	10,067
Oklahoma	28.2	62	2,789	2,154
Oregon	54.1	170	7,972	2,354
Pennsylvania	43.6	504	26,452	12,163
Rhode Island	59.5	135	7,886	1,213
South Carolina[2]	18.1	26	692	1,724
South Dakota[2]	31.7	19	876	466
Tennessee	31.4	82	4,174	3,706
Texas	40.8	375	15,932	10,452
Utah	44.5	82	5,490	2,147
Vermont[2]	24.4	12	203	602
Virginia	37.2	288	8,171	5,589
Washington	52.3	228	15,106	3,897
West Virginia	28.0	21	21,931	1,091
Wisconsin	43.7	216	10,113	4,446
Wyoming[2]	43.4	23	1,487	449

[1] Dollar amounts in thousands.

[2] Below 0.25 percent criteria, 0.25 percent of 812.6 equals 1,500,000.

Note: Taken from Appendix A to NSF budget for fiscal year 1978.

Mr. BROOKE. I thank the Senator.

Mr. President, I rise to oppose the amendment being offered by the distinguished Senator from Utah (Mr. HATCH). As I understand his amendment, it would require that at least 0.25 percent of the money being authorized for the National Science Foundation by S. 855 be distributed to each State. Such a requirement, I am afraid, would be directly counter to the principles by which the National Science Foundation operates, namely, that it funds only the highest quality scientific research.

In 1950, the NSF was established by statute to insure that American basic research efforts remained second to none. At that time, it was determined that there was an appropriate role for the Federal Government in the support of scientific research. Today, 27 years later, that need is even more obvious. Since it began operations, NSF has been overwhelmed with requests for grants and contracts. Currently, it receives well over 20,000 such formal proposals each year—and countless other informal requests. The NSF simply does not have the resources to fund all or a significant percentage of these proposals. In fiscal year 1976, for example, it could only fund 45.1 percent of the proposals received, and undoubtedly, many of the 55 percent that did not get funded were scientific research of very high caliber.

In order to accomplish its congressional mandate, the NSF has developed a sophisticated and comprehensive review process that identifies the most qualified research proposals and recommends only the most meritorious for funding. The key word in that sentence is, of course, meritorious, for if the Federal Government, with its limited dollars to spend for scientific research is to support only some of the many excellent proposals received, it must select them exclusively on the basis of merit.

The hatch amendment, on the other hand, would require that a State receive a given amount of money, whether its proposals were meritorious or not. Such an approach, I submit, would be poor use of the Federal tax dollar. It would result in a giveaway of Federal money to some States, while highly qualified and potentially significant proposals from other States would be left unfunded.

Mr. President, NSF, in this amendment is being criticized for the way in which it distributes its money. But this is unjustifiable criticism, in my opinion. The fact of the matter is that NSF attempts to fund the highest caliber research. If some institutions receive more contracts than others it is because they submit the proposals which are deemed more worthy of Federal funding. I submit that to neglect some of these proposals just to provide a more equal distribution of NSF dollars would be a long-term disservice to the Nation.

The issue of geographic distribution of funds is very complex. It cannot be solved by awarding all States an equal amount of funds. Many factors determine the amount of NSF support received by a State: The number and quality of its scientific research institutions; the number of Ph. D. scientists and engineers in its labor force; the number and quality of proposals submitted; the number of degrees in science and engineering in the State, and others. The Hatch amendment disregards all of these factors and requires that a fixed amount of money be provided to every State. The result, I fear, could be the funding of many mediocre research proposals for which the Nation would suffer the consequences.

Fairer than looking at the total amount of NSF funds which a State receives is to look at the State's success ratio; that is, the ratio of the number of awards received to proposals submitted. Senator Hatch charges that NSF is concentrating its money in four States: California, New York, Colorado, and my home State of Massachusetts. In terms of dollars received, these are the top 4 States receiving NSF support. Yet, in terms of success ratio for fiscal year 1976, these four States are not all in the top 15. In fact, the correlation between dollars received and success ratio is not very high. Below are the top 10 States ranked by success ratio and dollars received in fiscal year 1976. We will note that many of the top 10 States in terms of success ratio are "smaller States," States which are to be commended for the care with which they put together top quality research proposals.

STATES RANKED BY SUCCESS RATIO

1. Alaska.
2. Rhode Island.
3. Oregon.
4. District of Columbia.
5. California.
6. Maryland.
7. Massachusetts.
8. Washington.
9. Hawaii.
10. Arizona.

STATES RANKED BY AMOUNT OF AWARDS RECEIVED

1. California.
2. New York.
3. Massachusetts.
4. Colorado.
5. Illinois.
6. Pennsylvania.
7. West Virginia.
8. District of Columbia.
9. Indiana.
10. Michigan.

Mr. President, another point that should be made is that NSF is not the only Federal agency which supports research. NSF's geographic distribution should, therefore, be viewed in terms of overall Federal R. & D. spending, and this should include Department of Defense and National Aeronautics and Space Administration spending.

In conclusion, then Mr. President, I oppose the Hatch amendment. In the short term, it may provide a few more dollars to a few more States. In the long term, however, it would have a significant impact on the Nation's basic research effort. NSF awards lay the cornerstones of knowledge on which rest the technical development of the future. To require the NSF to support anything but the most meritorious research requests would be a Federal "giveaway" with the most serious consequences.

I thank my distinguished chairman for yielding.

Mr. KENNEDY. Mr. President, I withhold the remainder of my time.

Mr. HATCH. Mr. President, how much time do we have on our side?

The PRESIDING OFFICER The Senator from Utah has remaining 19 minutes.

Mr. HATCH. Nineteen minutes.

I yield 10 minutes at this time to Senator Thurmond.

Mr. THURMOND. Mr. President, I am pleased to cosponsor with my good friend, Senator Hatch, his amendment requiring that no less than one-quarter of 1 percent of the total program funds of the National Science Foundation be paid to qualified individuals and institutions in each State and the District of Columbia.

This amendment is consistent with, and would help to realize the intention of the original act, expressed in section 3(b) of the National Science Foundation Act of 1950. This section states that the National Science Foundation should avoid undue concentration in certain geographic areas. Contrary to this stipulation, over 40 percent of the National Science Foundation funds have been spent in four States in recent years.

The opponents of this amendment will contend that, in the past, the National Science Foundation funds have been awarded on the basis of merit. That is, the most worthwhile project proposals submitted have received the available funding. Of course, such a procedure would be ideal, as it would provide the greatest return on our Federal dollars.

I contend, however, that this procedure has not actually been followed, and is, in fact, impractical.

Suppose, for example, that 100 project proposals have been submitted. There is no quantitative way in which reviewers can rate them in order of merit from 1 to 100. There will be a small percentage of these project proposals that should obviously be funded. At the same time, there will be a small percentage that should obviously not be funded. The vast majority of project proposals, however, will fall in the middle. The proposals in this category are well formulated by reputable scientists with a sound scientific basis, but will have to compete for the remaining funds. Here, in my opinion, is where the problem arises.

How can reviewers determine which of these projects in this middle category are more deserving than the others? I believe that, as a practical matter, the determination is usually based upon factors that have nothing to do with merit—like how well the reviewers know the researcher or whether the National Science Foundation has had prior contact with him.

Funds from the National Science Foundation are supposed to provide for research and to give institutions the opportunity to carry-on research in all parts of the country.

Another point, Mr. President, is worthy of consideration. Many of the institutions seeking support are caught in what has been referred to as a "Catch 22" situation. To get the requested funds, they have to show experience in the proposed area of research. To get experience in the proposed area of research, it is necessary to have requested funds.

Mr. President, considering these points, it is entirely reasonable to require a minimum amount of the National Science Foundation funds to be expended in each State and the District of Columbia. This requirement will not jeopardize the return on the Federal dollars used for scientific research administered by the National Science Foundation. What it will do is to provide opportunities for research on a more even-handed basis.

Mr. President, I would like to bring to the attention of my colleagues some data developed by Dr. John P. McKelvey, head of the Department of Physics and Astronomy at Clemson University in Clemson, S.C. His research was concerned only with funds expended for research in physics and astronomy, and these funds were received from other sources in addition to the National Science Foundation. In my judgment, though, the same pattern exists in other fields in the distribution of Federal money, so these data are relevant to our discussion.

Dr. McKelvey's calculations reveal that the total Federal support for physics and astronomy for the southeastern universities which grant Ph. D. degrees in these fields is about 4.35 percent of the national total. Yet, the region in question contains about 20.5 percent of the Nation's population. On the west coast, the University of California at Berkeley gets more Federal support in this area than all—I repeat, all—the southeastern universities put together.

Opponents of the amendment have tried to argue that the amount of research money which a State receives should be tied to the number of faculty members with a Ph. D. The theory is that Ph. D.'s do most of the research. Even if we grant this hypothesis, though, we find that the average nonsouthern faculty member receives nearly 2½ times the Federal support that the average southern faculty member receives.

We can also see a wide disparity between States and regions if we look at the per capita support given physics and astronomy. For example, some States receive nearly $3 per capita while others receive less than 5 cents per capita.

Mr. President, these figures are quite revealing. In order that my colleagues may be able to take a close look at them, I ask unanimous consent that the tables showing the comparisons I have mentioned be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, in the past I have supported increased levels of funding for the National Science Foundation. Scientific research, on the whole, has repaid our investment in it many times over. Indeed, I feel that we are growing more dependent on research every day. We urgently need new products and new technology, if we are to maintain our present standard of living.

Nevertheless, I have serious reservations about authorizing Federal funds for research where they are distributed in an inequitable fashion. The proposed amendment would do a lot to remove these reservations.

Mr. President, I wish to commend my distinguished colleagues once again for so ably focusing the attention of the Senate on this problem. I urge my colleagues to give this their most careful consideration, and to support the proposed amendment.

Mr. President, the able Senator from Utah has rendered our country a great service in bringing this matter to the attention of the Senate.

EXHIBIT 1

TABLE I.—*Federal support for physics and astronomy Ph.D. granting institutions, southeast region*

Institution	No. faculty	Total annual support	Annual support/faculty
Univ. of Va	35	749,136	21,403
Va. Polytech. Inst	31	353,000	11,387
Wm. & Mary	23	335,000	14,565
Duke Univ	30	1,085,000	36,167
Univ. of N.C	28	442,000	15,786
N.C. State Univ	27	164,900	6,107
Clemson Univ	27	92,000	3,407
Univ of S.C	15⅓	48,000	3,130
Univ. of Ga	24	225,000	9,375
Ga. Tech	32	279,000	8,718
Emory Univ	11	75,000	6,818
Univ. of Fla	33	671,000	20,333
Fla. State Univ	30	1,000,000	33,333
Miami Univ	16	206,000	12,875
Univ. of Ala	18	137,000	7,611
Auburn Univ	17	12,000	706
Univ. of Ala. (Huntsville)	13	603,000	46,384
Univ. of Miss	11	170,000	15,451
Miss. State Univ	12.5	20,000	1,600
Univ. of Tenn	36	670,000	18,611
Vanderbilt Univ	23	493,000	21,434
Univ. of Ky	24	589,500	24,562
La. State Univ	32	363,000	11,344
Univ. of New Orleans	13	0	0
Tulane Univ	10	30,000	3,000
Total (Southeast)	583⅚	8,812,536	[1] 15,094

[1] Average.

TABLE II.—*Federal support for physics and astronomy Ph. D. granting institutions, outside the Southeast*

Institution	No. faculty	Total annual support	Annual support/faculty
Brandeis Univ	27	704,259	26,084
Univ. Mass. (Amherst)	44	1,545,000	35,114
Boston Univ	20	579,000	28,950
Northeastern Univ	34	616,000	18,118
Tufts Univ	17	385,000	22,647
Worcester Polytech	16	35,570	2,223
Univ. of Maine	16	139,000	8,688
Univ. of N.H	16	630,000	39,375
Univ. of R.I	15	409,000	27,267
Brown Univ	39	748,000	19,179
Univ. of Conn	26	543,000	20,885
Rutgers Univ	42	1,448,000	34,476
Stevens Inst. of Tech	18	401,300	22,294
Lehigh Univ	17	227,000	13,353
Univ. of Pittsburgh	49	1,970,000	40,204
Temple Univ	29	303,802	10,476
Carnegie-Mellon Univ	31	1,726,000	55,677
Drexel Univ	21	770,000	36,667
Mich. State Univ	48	1,677,000	34,937
Wayne State Univ	29	225,000	7,759
Washington Univ. (St. Louis)	25	1,074,000	42,960
Univ. of Missouri (Rolla)	23	157,000	6,826
Univ. of Minnesota	51	2,682,000	52,588
Univ. of Kansas	22	210,404	9,564
Kansas State Univ	25	554,000	22,160
Univ. of Washington	42	2,270,000	54,048
Oregon Grad. Ctr	6	590,282	98,380
Univ. of Oregon	22	1,066,430	48,474
Univ. of Southern Calif	27	485,000	17,962
Univ. of Calif. (Davis)	24	502,250	20,927
Univ. of Calif. (Irvine)	24	1,950,000	81,250
Univ. of Calif. (Santa Barbara)	23	1,323,000	57,522
Univ. of Calif. (San Diego)	36	5,099,000	141,639
Ohio Univ	21	176,000	8,380
Case Western Reserve	27	1,112,000	41,185
Ohio State Univ	55	995,000	20,930
Indiana Univ	41	2,669,000	65,098
Purdue Univ	58	1,626,000	28,034
Notre Dame Univ	29	886,000	30,655
Univ. of Iowa	23	3,068,000	133,391
Univ. of Wisconsin	44	3,158,000	71,773
Univ. of Michigan	59	2,460,391	41,702
Univ. of Calif. (Riverside)	19	1,051,000	55,316
Univ. of Arizona	41	1,100,000	26,829
Ariz. State Univ	29	240,000	8,276
Univ. of Colorado	45	1,120,000	24,889
Colo. State Univ	20	319,000	15,950
Univ. of Denver	18.5	1,181,000	63,838
Univ. of Wyoming	20	1,883,000	94,150
Total	1,398.5	56,089,688	[1] 40,107

[1] Average.

TABLE III.—*Federal support for physics and astronomy graduate institutions, by State*

Institution	Dollar support	Per capita (1977 est.)	Population Federal support
Alabama (SE)	752,000	3,750,000	$0.200
Alaska	(NA)	332,000	(NA)
Arizona	4,319,000	1,950,000	2.216
Arkansas	115,000	2,020,000	0.057
California	30,221,472*	21,950,000	1.377*
Colorado	4,183,000	2,428,000	1.723
Connecticut	5,785,000	3,090,000	1.870
Delaware	350,000	576,000	0.608
District of Columbia	1,063,000**	760,000	4.399**
Florida (SE)	1,951,000	7,468,000	0.261
Georgia (SE)	579,000	5,049,000	0.115

Institution	Dollar support	Population (1977 est.)	Per capita Federal support
Hawaii	3,038,000	847,000	3.587
Idaho	0	748,000	0.000
Illinois	11,125,100	11,670,000	0.953
Indiana	6,305,000	5,453,000	1.156
Iowa	6,169,000	2,966,000	2.080
Kansas	775,404	2,362,000	0.328
Kentucky (SE)	589,500	3,380,000	0.174
Louisiana (SE)	393,000	4,007,000	0.098
Maine	139,000	994,000	0.140
Maryland	7,874,971	4,119,000	1.912
Massachusetts	23,655,829	5,689,000	4.158

TABLE III.—*Federal support for physics and astronomy graduate institutions, by State*—Continued

Institution	Dollar support	Per capita (1977 est.)	Population Federal support
Michigan	4, 362, 391	9, 319, 000	0. 469
Minnesota	2, 858, 000	3, 995, 000	0. 715
Mississippi (SE)	190, 000	2, 439, 000	0. 078
Missouri	1, 534, 000**	4, 901, 000	0. 313**
Montana	342, 000**	729, 000	0. 469**
Nebraska	430, 000	1, 558, 000	0. 276
Nevada	1, 500, 000	513, 000	2. 923
New Hampshire	765, 000	738, 000	1. 037
New Jersey	5, 054, 300	7, 312, 000	0. 691
New Mexico	809, 000	1, 067, 000	0. 758
New York	31, 915, 257	18, 250, 000	1. 749
North Carolina (SE)	1, 703, 900	5, 590, 000	0. 305
North Dakota	162, 000	649, 000	0. 250
Ohio	4, 867, 083**	11, 185, 000	0. 435**
Oklahoma	363, 700	2, 687, 000	0. 135
Oregon	1, 656, 712**	2, 301,000	0. 720**
Pennsylvania	**11, 615, 092**	11, 800, 000	0. 984
Rhode Island	1, 157, 000	950, 000	1. 218
South Carolina (SE)	140, 000	2, 850, 000	0. 049
South Dakota	0	700, 000	0. 000
Tennessee (SE)	1, 262, 250	4, 317, 000	0. 292
Texas	9, 623, 100	12, 316, 000	0. 781
Utah	860, 000**	1, 112, 000	0. 773**
Vermont	70, 000	445, 000	0. 157
Virginia (SE)	1, 497, 136	5, 113, 000	0. 293
Washington	2, 480, 000**	3, 750, 000	0. 661**
West Virginia	63, 000	1, 744, 000	0. 037
Wisconsin	3, 338, 000	4, 639, 000	0. 720
Wyoming	1, 883, 000	349, 000	5. 395
Total U.S.	201, 887, 097	214, 926, 000	0. 939
Total SE	9, 057, 786	43, 963, 000	0. 206
U.S. Exclusive of SE	192, 829, 311	170, 963, 000	1. 128

*Does not include $28,000,000 for support of Stanford Linear Accelerator Center.

**Figure is incomplete due to unavailability of data for one or more major institutions.

National Science Foundation grants and contracts awarded fiscal year 1976

[Dollar amounts in thousands]

State	Number	Amount
Alabama	38	$1, 978
Alaska	49	3, 434
Arizona	132	16, 856
Arkansas	17	436
California	1, 429	106, 162
Colorado	241	39, 647
Connecticut	190	7, 621
Delaware	36	1, 679
District of Columbia	918	20, 106
Florida	214	12, 371
Georgia	130	5, 480
Hawaii	74	3, 439
Idaho	12	246
Illinois	568	34, 347
Indiana	282	17, 273
Iowa	82	3, 003
Kansas	68	1, 956
Kentucky	60	1, 623
Louisiana	75	2, 510
Maine	37	1, 414
Maryland	344	11, 948
Massachusetts	759	55 ,900
Michigan	306	17, 186
Minnesota	132	5, 274
Mississippi	21	1, 049
Missouri	166	6, 451
Montana	25	571
Nebraska	34	1, 648
Nevada	19	1, 367
New Hampshire	41	2, 053
New Jersey	229	12, 261
New Mexico	48	1, 706
New York	1, 071	63, 847
North Carolina	178	8, 750
North Dakota	16	693
Ohio	293	11, 087
Oklahoma	62	2, 789
Oregon	170	7, 972
Pennsylvania	504	26, 452
Rhode Island	135	7, 886
South Carolina	26	692
South Dakota	19	876
Tennessee	82	4, 174
Texas	375	15, 932
Utah	82	5, 490
Vermont	12	203
Virginia	288	8, 171
Washington	228	15, 106
West Virginia	21	21, 931
Wisconsin	216	10, 113
Wyoming	23	1, 487

Source: Taken from appendix A to NSF budget for fiscal year 1978.

Mr. DURKIN. Will the Senator yield for a unanimous-consent request?

Mr. HATCH. Yes.

Mr. DURKIN. Mr. President, I ask unanimous consent that Kit Johnson, Mark Coven and Harris Miller of my staff be granted privilege of the floor during this, and the deliberations and vote on the exportation of Alaskan oil.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Will the Senator yield?

Mr. HATCH. Yes.

Mr. HELMS. Mr. President, I make a similar request and ask unanimous consent that Margaret Seawell of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, with regard to this NSF authorization, I think the record should show the total value of proposals that are highly rated in almost all States as being over three-quarters of 1 percent.

We remember in this amendment, the figure of one-quarter of 1 percent automatically preserves the peer review merit system.

I think there is a great deal of merit to spreading these moneys around a little. It does not change the allocations made last year.

It is interesting to note that the Foundation justifies its procedures by referring to what it calls success ratios. This is important to put the RECORD with regard to what Senator BROOKE has said. He is my distinguished colleague, and I have great regard for him.

However, the critical test is not whether one State had a success ratio of 50 percent, 70 percent, or 20 percent but, rather, that NSF achieve the objective of awarding grants to institutions in all States fairly and that it makes these awards in such a way that the scientists and students in each State are given an opportunity to participate in progressive research.

Senator KENNEDY claims that the number of Ph. D.'s in each State is significant to the amount of money a State will receive. I do not think that is quite right. I do not believe we can draw a logical correlation between the number of Ph. D.'s and quality research. Perhaps the State with the lowest number of Ph. D.'s—and he notes that the range is 26,000 to 330—also has the highest quality researchers. Perhaps one or more of these scientists have important discoveries in the making. Certainly, among 330 there is a vast reservoir of merit proposals for research.

This argument defeats Senator KENNEDY's point that this amendment would harm the merit system of granting money for research.

NSF spent $2 billion in a program to develop the scientific research capability of States not having that kind of reputation to which Senator KENNEDY refers. NSF discontinued this program, with the explanation that it had met its objective. NSF, by its own admission, has recognized that all States are equal in the merit system.

It is important that we represent not only our individual States in the Senate but also represent all States. We all have to pay this $850 million in taxes that funds this program. I think it is patently unfair, it is not proper, and it is discriminatory to other States to allow 40 percent of those total funds to be concentrated in just four States.

It is important to note that I am not proposing this amendment because Utah is going to benefit greatly by it. As a matter of fact, it will not benefit at all. It will continue to have its present rate of NSF funding because there are great Ph. D.'s in Utah, some of whom are developing at this time some of the greater programs in this country. I cite particularly a group at the College of Mining, at the University of Utah, who are almost ready to break through on liquefaction and gasification of coal. They have done great work for this country but presently do not have the funding to finish.

The reason why I am doing this is not necessarily that it is going to benefit Utah, because it will not. I am doing it because it is fair. It is fair to all the States. It is fair to all the professors. But most of all, I think it is fair to the taxpayers, who pay the freight in this society, who, in most of the other areas of the country, sometimes take second best.

Mr. KENNEDY. Mr. President, I am prepared to vote.

I am always interested in listening to my good friend and colleague from South Carolina talk about a formula. We would like to revise—I am sure my colleague from New York would—the formula for DOD funds, whereby the State of South Carolina gets such significant support.

We also would like to get the money from the Department of the Interior that is spent in the great State of Utah. I am sure that we would like to be able to get an allocation on that as well. So we understand that point of view, Mr. President.

Unlike Federal programs that are worked out in terms of a mathematical formula which is debated and discussed on the floor of the Senate, we have a different problem. The award of NSF funds is made on the basis of merit, and that is the way it should be.

I wish to indicate to my friend my serious interest in how we can strengthen the basis of scientific basic research in this country. It is of great interest to me, as chairman of the Health and Scientific Research Committee and as chairman of the board of the Office of Technology Assessment. I indicate to my friend and colleague that I will work with him in terms of the best way we can achieve that objective, and still take into consideration the objective which he has of insuring a broad-base geographically for the conduct of basic research.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, I have not participated in this debate because I appreciate, just as Senator Kennedy does, the basic thrust and purpose of opening scientific research insofar as universities and individually gifted men and women are ready for it.

I join Senator Kennedy, in the pledge to devote myself, as he has promised to devote himself, to being sure that this opportunity is truly afforded. The fact that things have been done a certain way and centers of research have been located in certain States does not make that forever, but we must be absolutely ready to bring in any faculties or individuals or institutions which can help in these highly esoteric fields.

I will do it fairly and honestly because, frankly, so far as my State is concerned, its population, as the population of California, is so large that no matter how these funds are distributed, it would receive a very large share.

It seems to me that we certainly do not want to endorse a know-nothing philosophy, but pledge that we will be entirely ready to bring in professors and institutions, no matter where they are, so long as they are able to contribute materially in a way in which others are contributing.

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time, if my colleague is willing to do so. I will withhold doing that until he has done so.

Mr. HATCH. Mr. President, I thank my three distinguished colleagues on the other side of this question—Senator Kennedy, Senator Javits, and Senator Brooke. Certainly, Senator Kennedy and Senator Javits, as interested members of this committee, have expressed their good faith and intent to see that these funds are distributed as equitably as possible in the future.

They have again demonstrated not only good grace but the desire to do what is right in this matter.

I still think the amendment is very valid. I think it is asking for very little in terms of NSF's total authorization. It certainly gives much more opportunity to other States to carry out their worthwhile ideas than at present, so I am ready to proceed with the rollcall vote at this time.

Mr. KENNEDY. Mr. President, I yield back my time.

Mr. HATCH. I yield back my time.

I ask for the yeas and nays at this time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Unless the Senator feels very strongly, I move to table the Senator's amendment. I will so move unless the Senator has strong objections.

Mr. HATCH. Why do we not just vote up or down?

Mr. KENNEDY. That is fine.

Mr. HATCH. I have asked for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Arizona (Mr. DeConcini), the Senator from Kentucky (Mr. Huddleston), and the Senator from Arkansas (Mr. McClellan) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. Morgan) is absent because of illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. DeConcini) would vote "yea."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. Griffin) and the Senator from California (Mr. Hayakawa) are necessarily absent.

The result was announced—yeas 31, nays 62, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—31

Allen
Baker
Bartlett
Bellmon
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Church
Curtis
Dole
Domenici
Eastland
Garn
Goldwater
Hansen
Hatch
Helms
Laxalt
Leahy
Lugar
McClure
Melcher
Pearson
Riegle
Roth
Scott
Stafford
Stennis
Thurmond
Young
Zorinsky

NAYS—62

Anderson
Bayh
Bentsen
Biden
Brooke
Byrd, Robert C.
Cannon
Case
Chafee
Chiles
Clark
Cranston
Culver
Danforth
Durkin
Eagleton
Ford
Glenn
Gravel
Hart
Haskell
Hatfield
Hathaway
Heinz
Hollings
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
Matsunaga
McGovern
McIntyre
Metcalf
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Sarbanes
Sasser
Schmitt
Schweiker
Sparkman
Stevens
Stevenson
Stone
Talmadge
Tower
Wallop
Weicker
Williams

NOT VOTING—7

Abourezk
DeConcini
Griffin
Hayakawa
Huddleston
McClellan
Morgan

So Mr. Hatch's amendment was rejected.

UP AMENDMENT NO. 197

Mr. METZENBAUM. Mr. President, I call up unprinted amendment No. 197, offered to the Senate by myself and Senators McGovern and Bayh, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Metzenbaum), for himself and Mr. McGovern and Mr. Bayh, proposes unprinted amendment numbered 197.

On page 4, line 8, strike "$892,000,000" and substitute "$894,000,000".

On page 4, line 9, strike "$1,049,000,000" and substitute $1,051,400,000".

On page 4, line 19, strike "$144,800,000" and substitute "$145,800,000".

On page 4, lines 24 and 25, strike "$78,000,000" and substitute "$79,000,000".

On page 5, line 14, strike "$182,400,000" and substitute "$183,600,000".

On page 5, lines 19 and 20, strike "$93,800,000" and substitute "$95,000,000".

The PRESIDING OFFICER. The Senate will be in order.

Mr. METZENBAUM. Mr. President, I rise to offer an amendment to S. 855 to increase the funds authorized for NSF-supported nitrogen fixation research by $2 million in fiscal 1978 and $2.4 million in fiscal 1979.

Mr. KENNEDY. Mr. President, may we have order? The Senator from Ohio has a very thoughtful amendment and he deserves to be heard. I ask that the Senate be in order and Members be asked to take their seats so that we can hear the Senator from Ohio.

Mr. METZENBAUM. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The Senate will be in order.

Mr. METZENBAUM. I believe that a small investment for research in this area now can help us to make enormous energy savings in the future.

Nitrogen fixation is the process by which certain plants—members of the legume family like soybeans, peanuts, and peas—are able to extract the nitrogen they require for growth from the air. Because essential crops like corn and wheat cannot capture, or "fix," their own nitrogen, farmers must use artificial fertilizers on a large scale.

Fertilizer, which now costs roughly $200 a ton, has become an increasingly expensive input for farmers in recent years and fertilizer manufacturing is a major user of natural gas; 576 billion cubic feet of gas are needed to produce 10 million metric tons of fertilizer we use each year. In addition, the growing use of anhydrous ammonia as a fertilizer is a health hazard for farmers, chemical workers, and people who might be exposed to it inadvertently during transportation as the result of accidents, derailments, and other such mishaps.

Researchers in universities and other research institutions around the world have been exploring alternative ways to provide usable nitrogen to plants without expending our limited supply of natural gas and other fossil fuels.

In this country, a large part of the nitrogen fixation research has been funded through the National Science Foundation. Currently, NSF is spending about $4 million in this area and the Department of Agriculture expends $2.4 million in research. In the NSF, a little less than half of the money is in the research applied to national needs—RANN—program. The rest comes from the basic biological sciences program.

If this research is successful, and there is good reason to believe that important breakthroughs are near, nitrogen fixation research could reduce our usage of natural gas significantly. It could help to free the American farmer from his dependence on gas-based fertilizer and it could provide him with a less costly alternative. Some scientists in this field believe that we shall see dramatic results within 10 years.

Currently, about $1.4 million in scientifically sound nitrogen fixation research proposals from institutions in all parts of the Nation cannot be funded by the NSF. In addition, ongoing projects are underfunded.

This amendment would permit the NSF to fund a minimum of 25 currently unfunded nitrogen fixation research projects.

Mr. President, I believe that this small increase in the NSF authorization could advance the payback from nitrogen fixation research and help us resolve one part of our energy-shortage problem.

Mr. President, it is my understanding that the Senator from Massachusetts would be receptive to accepting this amendment.

Mr. KENNEDY. Mr. President, this is a very thoughtful amendment. It is right on target with important work that is now being done.

Research holds promise of providing a way to augment nitrogen fixation in plants so that, in the future, plant species may be developed that will produce their own fertilizer. Certain legumes already have this capacity. Alfalfa, peas, and beans develop root nodules in which nitrogen-fixing bacteria grow and thrive. The roots of certain tropical grasses in Brazil also seem to have the ability to absorb nitrogen-fixing bacteria that apparently thrive near their root systems.

A major research goal is to find ways to introduce nitrogen-fixing bacteria into feed grains and other food plants to give these plants the ability to fertilize themselves. In March of this year, the National Science Foundation awarded a $3.9 million grant to the University of California for research aimed at enhancing the nitrogen-fixing capability of bacteria and at increasing the efficiency of nitrogen fixation in various legumes and cereals, especially rice. For years, rice farmers in Southeast Asia have used fern algae to enrich their rice paddies. The University of California research will experiment with water fern and nitrogen-fixing blue green algae.

The industrial production of nitrogen fertilizers is energy intensive and requires the use of great amounts of natural gas. The cost is prohibitive for many countries, especially those that have the most severe food problems. Progress on nitrogen fixation in plants could revolutionize agriculture and greatly reduce the world's dependency on chemical fertilizers. We could also realize the added benefit of significant energy savings from such techniques.

I completely agree with the Senator. I have talked with the minority members of the committee; they are willing to accept the amendment, and I urge that the amendment be adopted.

Mr. JAVITS. Mr. President, I join the Senator from Massachusetts in urging that this amendment be accepted and taken to conference.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MOYNIHAN). The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

UP AMENDMENT NO. 198

Mr. DOLE. Mr. President, I send an amendment to the desk in behalf of Senator GRIFFIN and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Mr. GRIFFIN, proposes an unprinted amendment numbered 198:

On page 6, line 22, strike out "not more than $100,000" and insert "$14,500,000".

Mr. DOLE. Mr. President, the amendment is being offered on behalf of Senator GRIFFIN, who is absent on official business today.

As reported by the Committee on Human Resources, section 3(b)(6) of S. 855, the 1978 authorization for the National Science Foundation, provides $100,000 for a study of the 2-year-old Comprehensive Assistance for Undergraduate Science Education program—CAUSE. The effect of the committee's action, if adopted, would be to gut this important program for the forthcoming fiscal year. My amendment would restore funds for CAUSE to $14.5 million, the level proposed by the administration.

The CAUSE program provides the opportunity, on a competitive basis, for colleges and universities to upgrade their undergraduate science education programs. The program is specifically intended to improve the resources available to 2- and 4-year colleges, to have a direct impact on the quality of undergraduate science instruction, and to encourage effective management and evaluation of science instruction. To this end the CAUSE program provides up to two-thirds funding for proposals by colleges and universities in the context of a broad institutional commitment to an integrated effort to enhance science education.

For some time the NSF has conducted different programs aimed at the specific aspects of undergraduate science instruction. These include special training for undergraduates, faculty improvement, purchase of equipment, and development of teaching materials.

The CAUSE program confronts undergraduate science education on a comprehensive basis. It provides support for upgrading an entire instructional program, based on an integrated plan which may include any or all of the aspects necessary to achieve that goal.

The specific applicants, which may be departments, divisions or consortia of institutions, are expected to design plans for improvement and maintenance of quality science instruction. The plan must take into account national trends and developments, but is primarily focused on locally defined responses to deficiencies in the immediate instructional environment. In effect, CAUSE encourages institutions to define their own problems, and generate an appropriate and comprehensive solution in light of local exigencies.

Several examples illustrate the variety of different plans which have been supported thus far:

In Arizona, Mohave Community College will purchase two mobile science classroom vans, to significantly expand science offerings for students in remote regions. Matching funds from the college will provide for equipment and development of courses relevant to this particular activity.

The College of Idaho in Caldwell plans to integrate modern computing facilities into the undergraduate science education curriculum. The project provides for purchase of a mini-computer and for the upgrading of education by the use of computers in the classroom and laboratory.

At the University of California at Riverside, the physics department will work to improve instruction in modern biological and medical instrumentation for premedical and life-science students. The staff will build a set of electronic instruments to be used in experiments illustrating the fundamental principles underlying the application of physical methods of measurements in biology and medical sciences.

A consortium, the Associated Colleges of the Midwest, will develop a new wilderness field station in Minnesota to serve member institutions. Besides supporting installation of basic facilities and the purchase of equipment, the project will stress an interdisciplinary approach to environmental education, and will provide for a program of independent study.

The CAUSE program is particularly significant due to the latitude of analysis and planning which is encouraged, its flexibility in responding to diverse needs, and its accessibility to small 2- and 4-year colleges which are typically not in position to compete for major research grants.

The CAUSE program has been in operation for 2 years, with the result of the second year's competition to be announced this month. The NSF, responding to the House Committee on Science and Technology, provided evidence of the remarkable response which the program has generated.

Over 1,500 individuals provided their own expenses to attend 13 regional meetings to discuss draft guidelines, held throughout the United States in the fall of 1975.

In fiscal year 1976, CAUSE received and reviewed 760 eligible proposals. Fifty-nine awards, or 7.8 percent of the proposals submitted, were supported.

Based on evaluations and comments by peer reviewers, 130 proposals worthy of funding in fiscal year 1976, requesting $29 million, had to be denied due to limited funds available.

In fiscal year 1977, the CAUSE program received 480 proposals requesting $82 million. The very low success ratio in fiscal year 1976—7.8 percent—discouraged many institutions from providing the extensive amount of staff time and concomitant funds for the preparation of new proposals.

A further indication of need is the willingness of colleges and institutions to commit their own resources for improving undergraduate science education. In fiscal year 1976, awardees have agreed to contribute costs amounting to $5,325,-763, or over 50 percent of costs they requested from NSF. This is much higher than the—one-third—minimum required.

In the past 2 fiscal years, CAUSE has been funded at very modest levels: $10 million in fiscal year 1976 and $11 million in fiscal year 1977. In view of the overwhelming response to the program, the administration requested an increase in funding to $14.5 million for fiscal year 1978. The House Committee on Science and Technology, recognizing the need to increase the proportion of funds used for science education, which has been declining in both relative and absolute terms as compared to funds for basic research, proposed a further increase to $17.5 million. Even this higher level of funding is quite conservative considering the number of worthy proposals which had to be turned down due to lack of funds in fiscal year 1976.

On the other hand, in preparing the 1978 NSF authorization, the Senate Committee on Human Resources has seen fit to cease funding the CAUSE program altogether. Instead, they have reported a bill which authorizes the appropriation of $100,000 to study the impact of the program to date.

I certainly agree with the committee's interest in program evaluation; it is a minimal requirement for accountable and responsible expenditure of the taxpayers' money. However, in view of the fact that the 1976 awards were made less than a year ago, and that 88 percent of those awards are for a period in excess of 1 year, the contemplated study is, at best, premature.

Further, to allow CAUSE to lapse for a year, makes equally little sense. Beyond discontinuity in a program which clearly confronts a deeply felt need, as indicated by the willingness of numerous institutions to commit their own resources to the program, cessation of CAUSE would result in administrative inefficiencies as established procedures are shut down, only to be commenced again later.

I believe there is more than sufficient testimony in support of the CAUSE program to warrant its continuation at this time. In fact, the Senate Committee report indicates, even before the proposed study has been conducted, that CAUSE funding will be resumed in fiscal year 1979—and at increased levels. If the program is to be discontinued at any time, it should be as a result of the proposed study, not in anticipation thereof.

Therefore, because of the overwhelming response to CAUSE, because it is a unique approach to improvement of undergraduate science education, and because a study of the sort proposed in S. 855 is clearly premature and in itself is no reason to halt the program before it is well established, I am offering an amendment to restore funding to CAUSE at the level proposed by the administration.

I have discussed this amendment briefly with the Senator from Massachusetts. I think we might discuss it briefly, and then the Senator from Kansas might possibly withdraw the amendment.

Mr. KENNEDY. Mr. President, I have talked with the Senator from Kansas about this proposal. Basically, the National Science Foundation bill as reported by the committee targets money to the same institution served by the CAUSE program the 2- and 4-year colleges. So basically the 2- and 4-year colleges would not be disadvantaged by this measure.

The Senator's proposal is in the House bill. We understand its merits. I appreciate the sentiments which have been expressed, and will take the Senator's sentiments to conference. I wish to indicate to the Senator from Kansas as well as the Senator from Michigan that we are very much interested in the CAUSE program. It is an important way of helping 2- and 4-year colleges. I am glad to hear from the Senator from Kansas, and I appreciate his willingness to withdraw the amendment, and will take his views and those of the Senator from Michigan to conference.

Mr. DOLE. Mr. President, I thank the Senator. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MUSKIE. Mr. President, at this time I would like to comment on the relationship of the pending bill, S. 855, the authorization measure for the National Science Foundation, with the first budget resolution for fiscal year 1978 as passed yesterday by the Senate.

I realize that the Senate has not yet adopted the conference report on the budget resolution. I know, however, that Senator KENNEDY and other members interested in this bill will want to know how the measure stands in relation to the budget resolution as passed.

S. 855 authorizes $898 million in budget authority for fiscal year 1978, with outlays estimated to be $835 million. These amounts are almost identical to the amounts noted in the March 15 report to the Budget Committee by the Committee on Human Resources.

As I have stated before, the Budget Committee is not a line-item committee. We do not set budget targets for specific programs or for particular agencies. That is the task of the authorizing and appropriations committees.

What we do set is a target for the functional categories of the budget, and, with the assistance of the Congressional Budget Office, we try to keep the Senate informed as to how legislation is affecting and would affect the functional targets of the budget resolution.

Funding for the National Science Foundation falls within function 250; general science, space, and technology. For this function, the Budget Resolution as reported sets targets of $4.9 billion in budget authority and $4.7 billion in outlays.

While the outlay target for this function is slightly below the total outlays recommended to the Budget Committee by the authorizing committees in their March 15 reports, I believe that it is reasonable to expect that actual outlays in function 250 in fiscal year 1978 will be consistent with the budget targets.

The Committee on Appropriations, in its March 15 report to the Budget Committee, indicated that function 250 spending in fiscal year 1978 should be $4.9 billion in budget authority and $4.7 billion in outlays, the same amounts as contained in the Budget Resolution. Moreover, the Committee on Appropriations has in the past funded the programs in this function at slightly below the amounts authorized. With careful review of the appropriations for all programs in this function, I believe the Senate can hold to the function 250 targets in the First Budget Resolution. Enactment of S. 855 will not hinder us in attempting to achieve that objective.

Neither will another bill, funding for which comprises a major component of function 250. This is the NASA authorization bill which is expected to be reported this week. This bill is likely to authorize funds at a level consistent with the functional targets of the budget resolution.

In the case of the third component of

this function, the Energy Research and Development Administration's programs of basic research, the authorizing legislation is not far enough along to know what amounts may be set for the function 250 programs. I think it is worth noting that these programs in this function are not in policy areas that are likely to increase greatly as a result of the energy crisis.

So I support S. 855, and I look forward to supporting appropriations in function 250 that will comply with the targets of the budget resolution.

Mr. KENNEDY. Mr. President, the National Science Foundation authorization which is before the Senate today provides funding authority as follows:

NATIONAL SCIENCE FOUNDATION—FISCAL YEAR 1978 BUDGET REQUEST AND COMMITTEE RECOMMENDATIONS BY PROGRAM ACTIVITY

[In millions of dollars]

Budget activity	Fiscal years				
	NSF budget request			Committee recommendation	
	1976 actual	1977 current plan	1978 proposed program	1978 program	1979 program
Mathematical and physical sciences and engineering	192.3	223.9	249.2	249.2	279.0
Astronomical, atmospheric, earth, and ocean sciences	171.0	188.8	213.4	213.4	234.6
U.S. Antarctic program	48.6	45.3	47.5	47.5	52.3
Biological, behavioral, and social sciences	109.0	126.6	144.8	144.8	182.4
Basic research stability grants	0	0	0	6.8	15.0
Science education	62.5	74.3	75.7	83.9	105.0
Research applied to national needs	72.0	67.6	78.0	78.0	93.8
Scientific, technological, and international affairs	22.4	20.6	22.6	[1] 20.6	27.6
Program development and management	42.2	45.8	47.8	47.8	59.3
Subtotal, salaries and expenses appropriation	720.0	792.9	879.0	892.0	1,049.0
Special foreign currency appropriation	4.4	5.0	6.0	6.0	8.0
Total, NSF	724.4	797.9	885.0	898.0	1,057.0

[1] Plus $2,000,000 to be carried forward from fiscal year 1977.

It will enable the Foundation to carry out its responsibility to advance scientific progress in the United States—a mission NSF carries out by sponsoring basic scientific research in all major fields of science and by sponsoring applied scientific research in areas where results are closely coupled to improvements in technology and economic productivity.

The NSF also has the primary responsibility within the Federal Government for strengthening science education in order to ensure the Nation an adequate pool of scientific and technological human resources, with greater participation of minorities, women and the handicapped; for improving science education to meet the needs of a broader range of students; for promoting public understanding of issues involving science and technology; and for improving the general effectiveness and efficiency of science education.

Eighty-seven percent of the NSF program is performed by colleges and universities. This support is a major determinant of the overall U.S. basic research effort and is the key to the effectiveness of the college and university system in expanding frontiers of scientific knowledge. More than 1,300 academic and nonprofit institutions participate in NSF research and science education programs in all 50 States and the District of Columbia. In addition, a growing number of small R. & D. and other industrial firms are taking part in the Foundation's applied research programs giving a new dimension to NSF research support activities. About 18,000 principal investigators—outstanding scientists and science educators—carried out Foundation supported programs with the assistance of more than 13,000 graduate students and technicians during fiscal year 1976. Over 1,650 graduate students held NSF fellowships in fiscal year 1976.

An expanding base of scientific knowledge is of critical importance to the Nation's future and to efforts to find ways to deal with a wide range of domestic and international problems. The products of research of U.S. scientists not only have provided for the progress of science, but provide the knowledge base needed to increase understanding of the principles that govern the physical, life and social sciences—understanding which is essential to the enhancement of the quality of life.

Whether we are concerned about changing climate patterns, the impact of fluorocarbons on the ozone layer, recombinant DNA, or protecting man from environmental hazards, the public and the Congress properly expect the U.S. scientific community to conduct research that will help the Nation deal with these issues. And we expect a great deal more. We want an expanded knowledge base that will insure a steady stream of appropriate, new, and improved technology. We want to stimulate innovation that will improve the quality of life and provide new employment opportunities.

While it is difficult to tie specific economic and social changes directly to research investments, there is much evidence that U.S. science has had an overwhelmingly positive impact on society. A recent survey found that 75 percent of our population believes science and technology have changed life for the better.

Good arguments can be made for increased research funding because support in constant dollars declined seriously for several years prior to 1977. At the same time, costs rose because of inflation. There is also a need for increased funding for science education programs and for programs which assist the public in dealing with the scientific and technical aspects of policy issues.

The bill before the Senate today provides for the continued strength of the Federal Government's commitment to scientific research and science education. The 2-year authorization provides for important growth in the programs of the NSF. It establishes a framework for planning that will be of substantial assistance to the NSF and the scientific community in the development of programs and policies.

Included in the bill is the full amount requested by the President for basic and applied research. Additional funds have been provided in science education for programs to increase the participation of minorities, women and the handicapped in science, and for programs to improve citizen access to information and expertise concerning the scientific and technical aspects of public policy issues.

In addition, the bill increases funding for the following programs which are of particular importance to undergraduate science education: Instructional scientific equipment, science faculty professional development, undergraduate research participation, secondary school student science training, precollege teacher development and local course improvement. Also provided is $1 million for an assessment of science education needs in 2-year colleges, and $100,000 for assessment of the program comprehensive assistance to undergraduate science education—CAUSE.

During the hearings on the NSF authorization the Committee on Human Resources examined a number of policy issues relating to the Foundation's overall program. Those included:

First, the need to build a broad base of support for increased funding for basic research and institutional support, a base which extends beyond the one million persons who make up our scientific and technical workforce and reaches out to nonscientists whose support is vital if we are to continue to provide strong Federal support for science and technology;

Second, the need to improve our ability to address the ethical and value issues associated with science and technology, an area in which there are too few well-trained persons and which now receives only $1.4 million dollars in a total Federal R. & D. budget of over $26 billion.

Third, the need to provide citizens groups with assistance to prepare high quality technical studies in a manner which meets stringent tests of scientific objectivity and merit and in a format readily understandable by the general public;

Fourth, the need to build more effective working relationships between the Department of State and the National Science Foundation and to strengthen the ability of our scientists to pursue international research issues affecting health, agriculture and nutrition—particularly in areas where advances in scientific research can benefit nations in the developing world;

Fifth, the need to improve our applied and policy research programs so that they reflect needs as perceived by those who will be using the results of the research, so that interdisciplinary projects can be sustained over an extended period of time, and so that the research focuses on future needs and provides early warning for our society of changing conditions;

Sixth, the uneven manner in which research grants are monitored by the NSF as a result of which some researchers are being so closely directed and are so concerned about future funding their their freedom of scientific inquiry may be impaired, and others so carelessly supervised that there is little or no assurance that scarce research funds are being used effectively and responsibly;

Seventh, the need for fundamental research in science education and the virtual halt in innovative programs to improve precollege science education which has taken place at a time when science achievement levels of our students are declining and the need for a sound understanding of science and its impact on society is essential for the young people who will guide our Nation's future;

Eighth, the lack of progress which has been made in providing opportunities for young researchers and for continuing education for experienced scientists and engineers particularly as changes in Federal R. & D. priorities result in economic dislocation and underemployment in the scientific and technical workforce;

Ninth, the importance of bringing more minorities, women and handicapped persons into careers in science and the need for imaginative, bold, and innovative experimental programs if we are to remedy the present situation in which minorities comprise less than 5 percent of the scientific and technical workforce, women less than 15 percent and handicapped individuals are so few as to be virtually unmeasurable.

Tenth, the need for inclusion in the National Science Board of more persons who are active in scientific research, persons who are nonscientists, and individuals involved in precollege science education;

Eleventh, the possibility that greater participation by business and industry in federally funded basic research programs could strengthen our scientific and technical base, enable us to draw more effectively on the talents of the 300,000 scientists and engineers who work in industrial laboratories, and provide significant new employment opportunities for the highly skilled workforce being produced by our universities;

Twelfth, the need to insure that the NSF uses the full extent of its leverage on the scientific community to encourage greater opportunities for minorities and women, to encourage participation by scientists in public policy debates, and to lead the way in providing opportunities for the public to become involved in the establishment of policies and priorities for science and technology.

The bill before the Senate today reflects the results of that examination. It authorizes $898 million for fiscal year 1978 and $1.057 billion for fiscal year 1979. This is an 11-percent increase over the Foundation's fiscal year 1977 budget.

The bill's fiscal year 1978 funding level provides the amount requested by the administration, plus a $10 million increase in science education programs. The bill's fiscal year 1979 funding levels are based on the recommendations of the National Science Board.

The bill restores the reductions made by the House in funding for basic and applied research. It continues and expands programs of particular interest to the Senate, including: Increased particiption by minorities, women and the handicapped in careers in science; improved access by citizens to information concerning the impact of science and technology on society; a special assessment of the needs of 2-year colleges; and provides increases in certain programs which have been particularly effective in 2- and 4-year colleges.

Other major provisions in the pending bill include:

Increase $1.1 million in funds for graduate fellowships;

Startup funding for three resource centers for education in science and engineering;

For science for citizens, $5 million including assistance to citizen groups, fellowships and activities to improve public understanding of science;

Restoration of funding for continuing education to level requested by the administration;

Provisions allowing researchers in industry to compete for basic research funds and to be involved in exchange programs with academic institutions;

Emphasis in applied research programs on sustained support for interdisciplinary research;

Fifty percent set aside of funds for precollege teacher development to train teachers to present material concerning the interrelationships between science and society;

Two percent set aside of basic research funds in fiscal year 1978—4 percent in fiscal year 1979—for grants to strengthen the basic research capabilities of colleges and universities which conduct basic research;

Fifteen percent set aside of instrumentation and equipment funds for grants of less than $25,000;

Emphasis in the international program on bilateral and multilateral agreements with Western Europe and Western Hemisphere countries;

Three-year research grants for scientists and engineers whose doctoral degree was earned within the last 5 years;

In policy research funds, $2 million reduction, providing that $2 million of fiscal year 1977 funds be made available in fiscal year 1978; and

For earthquake engineering, $20 million.

Mr. President, S. 855 was unanimously favorably reported by the Subcommittee on Health and Scientific Research. It was favorably reported by the full Human Resources Committee by a vote of 12 to 1. It is consistent with the budget sent to Congress by the administration and consistent with the budget recommendations included in the first concurrent resolution.

I urge my colleagues in the Senate to support the bill so that we can go to conference with the House of Representatives in a strong position to get early enactment of a final authorization.

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time on the bill.

The PRESIDING OFFICER (Mr. MATSUNAGA). The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The Chair lays before the Senate H.R. 4991, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 4991) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

The PRESIDING OFFICER. Under the previous order of the Senate, all after the enacting clause of H.R. 4991 is stricken, and the language of S. 855, as amended, is inserted in lieu thereof.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was order to be engrossed, and the bill to be read a third time.

The bill (H.R. 4991) was read the third time, and passed, as follows:

That this Act may be cited as the "National Science Foundation Authorization Act of 1977".

AUTHORIZATION FOR ACTIVITIES OF THE NATIONAL SCIENCE FOUNDATION

SEC. 2. (a) There is authorized to be appropriated to the National Science Foundation $894,000,000 for the fiscal year 1978 and $1,051,400,000 for the fiscal year 1979.

(b) Funds authorized for the fiscal year 1978 shall be available for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $249,200,000.

(2) Astronomical, Atmospheric, Earth, and Ocean Sciences, $213,400,000.

(3) United States Antarctic Research Program, $47,475,000.

(4) Biological, Behaviorial, and Social Sciences, $145,800,000.

(5) Basic Research Stability Grants, $6,800,000, or 2 per centum of the funds available for categories (1), (2), and (4) of this subsection, whichever is less.

(6) Science Education Programs, $83,900,000.

(7) Research Applied to National Needs, $79,000,000.

(8) Scientific, Technological, and International Affairs, $20,600,000.

(9) Program Development and Management, $47,825,000.

(c) Funds authorized for the fiscal year 1979 shall be available for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $279,000,000.

(2) Astronomical, Atmospheric, Earth, and Ocean Sciences, $234,600,000.

(3) United States Antarctic Research Program, $52,300,000.

(4) Biological, Behavioral, and Social Sciences, $183,600,000.

(5) Basic Research Stability Grants, $15,000,000, or 4 per centum of the funds available for categories (1), (2), and (4) of this subsection, whichever is less.

(6) Science Education Programs, $105,000,000.

(7) Research Applied to National Needs, $95,000,000.

(8) Scientific, Technological, and International Affairs, $27,600,000.

(9) Program Development and Management, $59,300,000.

USE OF CERTAIN FUNDS FOR FISCAL YEAR 1978

Sec. 3. (a) Notwithstanding any other provision of this or any other Act, of the total amount authorized under section 2(b)(6)—

(1) $12,500,000 shall be available for Graduate Fellowships;

(2) $1,200,000 shall be available for the program "Continuing Education for Scientists and Engineers";

(3) $6,000,000 shall be available for the program "Resource Centers for Science and Engineering";

(4) $3,000,000 shall be available for the program "Minorities, Women and the Handicapped in Science";

(5) $5,000,000 shall be available for the program "Science for Citizens";

(6) $2,600,000 shall be available for the program "Public Understanding of Science";

(7) $1,400,000 shall be available for the program "Ethics and Value in Science and Technology";

(8) $1,000,000 shall be available for a comprehensive assessment of science education in two-year colleges; and

(9) not more than $100,000 shall be available for the program "Comprehensive Assistance for Undergraduate Science Education".

(b) Notwithstanding any other provision of this or any other Act, not more than $2,000,000 shall be available for the program "Policy Research and Analysis" authorized under section 2(b)(8).

USE OF CERTAIN FUNDS FOR FISCAL YEAR 1979

Sec. 4. Notwithstanding any other provision of this or any other Act, of the total amount authorized under section 2(c)(6)—

(1) $14,300,000 shall be available for Graduate Fellowships;

(2) $15,000,000 shall be available for the program "Resource Centers for Science and Engineering";

(3) $3,000,000 shall be available for the program "Minorities, Women and the Handicapped in Science";

(4) $5,750,000 shall be available for the program "Science for Citizens";

(5) $3,000,000 shall be available for the program "Public Understanding of Science";

(6) $2,000,000 shall be available for the program "Ethics and Values in Science and Technology".

PROGRAM ADMINISTRATION

Sec. 5. (a) From funds authorized under section 2(b) (1), (2), and (4) and under section 2(c) (1, (2), and (4) the National Science Foundation is authorized and directed to increase support for cooperative research projects involving researchers from the industrial and academic sectors. The National Science Foundation is further authorized and directed to insure that researchers in the industrial sector are permitted to compete for funds available under section 2(b) (1), (2), and (4) and under section 2(c) (1), (2), and (4) on an equal basis with researchers in the academic sector.

(b) From funds authorized under section 2(b)(7) and under section 2(c)(7) of the National Science Foundation is authorized and directed to provide sustained support for projects which encourage the establishment of interdisciplinary teams of researchers to address selected problems of national importance in order to (1) increase the effective use of appropriate science and technology in dealing with national problems involving the public interest, (2) shorten the lead time between basic scientific discoveries and relevant practical applications, and (3) provide early warning of potential national problems and initiate assessments and research useful in avoiding or solving such problems.

(c) Notwithstanding any other provision of this or any other Act, not less than 12.5 per centum of the amount available under section 2(b)(7), and not less than 15 per centum of the amount authorized under section 2(c)(7), shall be expended to small business concerns.

(d) Notwithstanding any other provision of this or any other Act, not less than 50 per centum of the funds available for the program "Pre-College Teacher Development" authorized under sections 2(b)(6) and 2(c)(6) shall be used to provide science teachers with training in instructional method which encourage students to explore the interaction between science and society.

(e) Notwithstanding any other provision of this or any other Act, not less than 15 per centum of the funds available under section 2 for instrumentation, facilities and research resources shall be available for instrumentation, facilities and research resources, the cost of which does not exceed $25,000.

(f) From funds authorized under section 2(b)(6) and section 2(c)(6) fellowship shall be available to enable academic researchers to spend not to exceed two years in an industrial environment and to allow industrial researchers to spend not to exceed two years in an academic environment.

(g) From funds authorized under section 2(b)(8) and under section 2(c)(8) for "International Cooperative Scientific Activities" emphasis shall be placed on bilateral and multilateral research and exchange programs, particularly programs involving Western Europe and neighboring countries in the Western Hemisphere.

(h) From funds authorized under section 2(b) (1), (2), and (4), and under section 2(c) (1), (2), and (4) three-year nonrenewable research grants shall be made available to scientists and engineers whose doctoral degree was earned not more than five years prior to the year in which the grant is awarded.

SCIENCE AND PUBLIC POLICY

Sec. 6. (a) From funds authorized under section 2(b)(6) and section 2(c)(6) for the program "Science and Society" the National Science Foundation is authorized and directed to provide support, which shall be designed to—

(1) improve public understanding of public policy issues involving science and technology;

(2) facilitate the participation of qualified scientists and engineers in public activities aimed at the resolution of public policy issues having significant scientific and technical aspects;

(3) facilitate the participation of undergraduate and graduate students in scientific and technical aspects of community and citizen group activities aimed at the resolution of public policy issues; and

(4) enable nonprofit, citizens, and public interest groups to acquire necessary scientific and technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues.

The program required by this section shall include awards and planning grants in accordance with the provisions of this section.

(b) Awards made by the National Science Foundation in the conduct of the program required by this section shall include support for—

(1) qualified scientists and engineers to work on public policy issues with significant scientific and technical components in conjunction with public interest groups, units of State and local government, or nonprofit media organizations;

(2) internship programs for science and engineering undergraduate or graduate students to work on public policy issues with significant scientific and technical components in conjunction with public interest groups, units of State and local government, or nonprofit media organizations, as part of their academic training;

(3) forums, conferences, and workshops on public policy issues with significant scientific and technical components;

(4) training in the presentation of scientific and technical studies in a manner which—

(A) improves public understanding of the ways in which science and technology influence contemporary life,

(B) improves public access to the results of scientific and technical research,

(C) encourages and facilitates interaction between citizens and scientists on public issues with important scientific and technological components,

(D) increases public knowledge and understanding of the ethical and value implications of scientific and technological developments;

(5) new and existing programs using radio or television to increase public understanding of public policy issues with significant scientific and technical components;

(6) public interest groups to acquire necessary scientific and technical expertise relating to the scientific and technical aspects of public policy issues and to enable such groups to bring together in appropriate forums experts whose research has been directed to the resolution of such issues; and

(7) travel and related expenses incurred by scientists, engineers, or members of public interest groups to facilitate the exchange of information regarding the scientific and technical components of public policy issues.

(c) Planning grants under this program shall be available for—

(1) the design and use of registries of scientists and engineers to serve as a resource to local decisionmakers, community and citizens public interest groups, including the study of past and present registries and their effectiveness;

(2) the establishment of at least one regional center to support projects involving public policy issues with significant scientific and technical components, which have been proposed by State and local organizations and institutions; and

(3) the establishment of a national clearinghouse with at least one regional branch to facilitate access by scientists, engineers and general public to research and other information and material related to the scientific and technical components of public policy issues.

(d) The evaluation of applications for awards and planning grants under this program shall be conducted by review panels which include a balanced group of scientists and engineers, representatives of public interest groups, representatives of minority groups, representatives of women's groups, and nonscientists.

RESOURCE CENTERS FOR SCIENCE AND ENGINEERING

SEC. 7. (a) From funds authorized under section 2(b)(6) and section 2(c)(6) the National Science Foundation shall establish three Resource Centers for Science and Engineering to be located at geographically dispersed educational institutions which—

(1) enroll substantial numbers of minority students, students from low-income families, or both;

(2) are geographically located near population centers of low-income families or minority groups;

(3) demonstrate a commitment to encouraging and assisting minority students or students from low-income families, or both; and

(4) have an existing or developing capacity to offer doctoral programs in science and engineering.

(b) Each Center, established under this section, shall—

(1) support basic research and the acquisition of necessary research facilities and equipment;

(2) serve as a regional resource in science and engineering for the community which the Center will serve; and

(3) develop joint educational programs with nearby precollege and undergraduate institutions which enroll a substantial number of minority students or students from low-income families.

FOREIGN EXPENDITURE LIMITATION

SEC. 8. In addition to such sums as are authorized by section 2, not to exceed $6,000,000 is authorized to be appropriated for fiscal year 1978, and not to exceed $8,000,000 is authorized to be appropriated for fiscal year 1979, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

CONSULTATION AND EXTRAORDINARY EXPENSE LIMITATIONS

SEC. 9. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 each in fiscal year 1978 and fiscal year 1979 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

OBLIGATION LIMITATION

SEC. 10. Appropriations made pursuant to this Act shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

TRANSFER LIMITATION

SEC. 11. No funds may be transferred from any particular category listed in section 2 for any fiscal year to any other category or categories listed in such section for that year if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 2 for any fiscal year from any other category or categories listed in such section for that year if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Director of the National Science Foundation or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Human Resources of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(2) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

INFORMATION REQUIREMENT

SEC. 12. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Human Resources of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

COMPENSATION

SEC. 13. Section 14(d) of the National Sciaence Foundation Act of 1950 is amended to read as follows:

"(d) The members of the Board and the members of each special commission shall receive compensation for each day engaged in the business of the Foundation at a rate fixed by the Chairman but not exceeding the rate specified for the daily rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, and shall be allowed travel expenses as authorized by section 5703 of title 5, United States Code.".

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that S. 855 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that in the engrossment of the Senate amendment to H.R. 4991, the Secretary of the Senate be authorized to make technical and clerical corrections

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I move that the Senate insist on its amendments to H.R. 4991, and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. KENNEDY, Mr. PELL, Mr. NELSON, Mr. HATHAWAY, Mr. SCHWEIKER, Mr. JAVITS, and Mr. CHAFEE conferees on the part of the Senate.

EXPORT ADMINISTRATION AMENDMENTS OF 1977

The PRESIDING OFFICER. In accordance with the previous order, the Senate will resume the consideration of the bill (S. 69) to amend and extend the Export Administration Act. The pending amendment is No. 195, offered by the Senator from New Hampshire (Mr. DURKIN). Who yields time?

Mr. STEVENSON. Mr. President, how much time do I have remaining on this amendment?

The PRESIDING OFFICER. The Senator has 2½ minutes.

Mr. STEVENSON. Mr. President, I am prepared to yield back my time.

Mr. BAYH. Mr. President, would it be possible to get 1 minute on the bill? I realize there is only a short period of time remaining. Is there any time remaining on the bill which might extend an opportunity to discuss this issue?

Mr. STEVENSON. Mr. President, there is a little time remaining on the bill, but I remind Senators that under the order which has been entered, a vote must occur on a motion which I believe will be made by the Senator from Washington at 3 o'clock.

Mr. DURKIN. Provided that the remaining time that the Senator and I have has not been used.

Mr. STEVENSON. That consists of about 5 minutes. I will yield 1 of those minutes to the Senator from Indiana.

Mr. BAYH. The Senator from Illinois is very gracious.

Mr. President, I rise to support the Durkin amendment to prohibit any export of Alaskan oil for the next 2 years. In light of the President's recent statements on the crucial need for America to reduce her imports of foreign oil and conserve our domestic sources of energy, it is almost ludicrous that we should be debating today whether or not to export our newest source of domestic energy, the oil that will soon be flowing through the Alaska pipeline from the North Slope. By this November, the pipeline will be transporting 1.2 million barrels of oil per day. And the sad fact is that most likely half of this oil will be exported.

Mr. President, I ask you how, in good conscience, we can ask the American people to believe that we are in the midst of a severe energy crisis, and ask them to reach further down in their pockets to pay more for energy, to turn their thermostats down and drive their cars less, while we are exporting half a million barrels of oil per day to Japan.

I would remind my colleagues that I, along with many others, opposed the Alaskan pipeline, because it was obvious to us, even at that time, that the Alaskan route would not provide oil to the sections of the country that needed it, but would likely result in a surplus of oil on the west coast and exports to Japan. When we lost that fight, we tried to prohibit any export of North Slope oil. We lost that one, too. The Alaskan pipeline is virtually complete and that decision cannot be reversed. But the Durkin amendment provides us once again with the opportunity to make sure that Alaskan oil stays in America. I urge its acceptance.

Mr. President, the proven reserves in Alaska's North Slope have been estimated at 10 billion barrels. In all likelihood, there is probably closer to 30 billion barrels there. At a rate of 1 million barrels per day, that oil supply will last for at least 90 years. We must act immediately to get this oil to sections of the country in desperate need of it, and to reduce our dependence on unstable sources of foreign oil.

The situation is going to get worse, not better. The Canadians are continuing their gradual reduction of exports to the United States. By 1982 we will get no more Canadian oil. The loss of this crude will result in idling greater than half of the capacity of northern tier refineries.

Unfortunately, no transportation system currently exists to easily move Alaskan oil to energy deficient areas of the Nation. However, several initiatives are underway in the private sector to add to existing pipelines and make efficient transportation of Alaskan oil to northern tier refineries possible. We must do all we can to expedite the construction of these additional pipelines.

On February 28, I joined with Senator MELCHER and 14 other colleagues in urging the Federal Energy Administration to recommend a means of expediting the construction of these new pipelines as required by section 18 of the Alaskan Natural Gas Act. Unfortunately, the report issued by the Federal Energy Administration, in response to this requirement, did not recommend strong executive action. This was true despite the fact that the FEA agreed that the pipeline proposals were technically feasible and could be made operational within the next few years. I hope the administration will reconsider this decision.

In closing, Mr. President, I once again urge my colleagues to support this effort to keep Alaskan oil in the United States and to join in urging the administration to take positive action to expedite the construction of pipelines to bring Alaskan oil to the energy-starved States of this country.

The PRESIDING OFFICER. The Senator's 1 minute has expired. Who yields time?

Mr. HEINZ. Mr. President, I yield 2 minutes to the Senator from Alaska on the bill.

Mr. STEVENS. Mr. President, because of the statement of the Senator from Indiana, I am compelled to remind the Senate that this amendment is opposed by the administration, opposed by the President, by Mr. Schlesinger, and by the Secretary of Commerce. It is an amendment which would take away from the President the flexibility which was built into the Trans-Alaska Pipeline Authorization Act at the insistence of the Senator from Indiana and the Senator from Minnesota.

This authority gives the President the right to approve exchanges, not to approve any net loss of oil to the United States. It could bring about the delivery of Saudi Arabian oil to the east coast of the United States and the delivery of Alaskan oil to Japan at a savings of anywhere from $140 to $300 million, as I documented the statement earlier today. That savings is a saving in transportation costs, tanker costs, of sending Saudi Arabian oil to Japan and sending Alaskan oil either through the canal or around Cape Hope all the way up to the gulf coast or to the east coast of the United States.

As was pointed out by the Secretary of Commerce, what about the Panama Canal? Should there be a closure of the canal, the option of using the tankers, as some people suggest, is lost and our oil would have to go all the way around South America to get to the consumers on the east coast and the Midwest.

Furthermore, this is not the surplus that the Senator was talking about at the time of the authorization of the pipeline. At that time, the initial stage of delivery of the Alaska pipeline was 600,000 barrels a day. It is now 1.2 million barrels per day, because of the insistence of the national Government that the delivery of Alaska oil be accelerated. The surplus we are talking about now is 500,000 barrels less than the 600,000-barrel increase that was brought about.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

The Senator from New Hampshire has 2 minutes.

Mr. DURKIN. Two and a half minutes, I believe.

The PRESIDING OFFICER. The Senator has 2 minutes.

Mr. DURKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DURKIN. The last time I was told I had 2½ minutes. I do not see how I lost a half a minute.

The PRESIDING OFFICER. The Senator from Illinois has 2½ minutes. The Senator from New Hampshire has 2 minutes.

Mr. DURKIN. Thank you, Mr. President.

Mr. President, the President said not too long ago that the energy crisis was worse that night when he came on the tube. He declared the moral equivalent of war. He called for conservation, reduced imports, alternatives to oil, and for sacrifices from the American people.

Today half of his administration has declared war, not the moral equivalent, on the east coast.

This concerns selling the oil to Japan, and we have the chance to buy the OPEC priced oil. This is not much of a swap.

There is no saving to the east coast. The only saving is to the oil companies. The only ones who will profit will be the oil companies. The only savings is that in the transportation cost to get it to the east coast, they have to be at the wellhead price. So the savings comes out of the oil companies and the savings comes out of the Alaskan revenue. It will cost jobs to refinery workers and pipeline workers.

This is the energy that heats some of the factories that are putting our shoe workers, our electronics, and textile workers out of work as well. I have a global view, but not at the expense of the east coast.

The PRESIDING OFFICER. The Senator's time has expired. The Chair observes that the Senator has not yet modified his amendment. Does the Senator choose to modify his amendment now?

Mr. DURKIN. I was under the impression that the amendment did not have to be further modified as it is at the desk. But if it does, then it has to be further modified.

The PRESIDING OFFICER. The amendment is so modified, without objection.

The amendment, as modified, is as follows:

On page 56, after line 11, insert the following:

DOMESTICALLY PRODUCED CRUDE OIL

SEC. 119. Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 185 of Title 30, no domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to such section 28 (except any such crude oil which (1) is exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or (2) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions.

Mr. STEVENSON. Mr. President, I will yield 1 minute on the bill to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 1 minute.

Mr. MELCHER. I thank the Senator.

Under the present law, Alaskan oil has to come to the lower 48 States. It was very explicit in the passage of the Alaska Pipeline Act. Then when it comes to the lower 48 States it must be equitably distributed. It is better that we pass this amendment now to reiterate to all of the administration and all of the oil companies which are involved that we are going to insist that Alaskan crude come to the lower 48 and be equitably distributed.

The Durkin amendment reiterates that, it makes it more ironclad.

The President, under existing law, cannot make a finding that it is in the national interest to have swaps with Japan, even if it is only temporary. It is in the national interest that we get the oil down to the lower 48 and share it here and only here.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. STEVENSON. Mr. President, I yield to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 1½ minutes.

Mr. JACKSON. Mr. President, for the benefit of the Senators who were not here earlier, the pending amendment would, in effect, bar any use of the Alaskan surplus oil for purposes of exchange in export. May I say to our colleagues that in 1973 in the passage of the Alaska Pipeline Act, which we had on the floor and debated for many weeks, we covered this situation fully and adequately. If any such proposal of exchange is made it would require that the matter be submitted to the House and Senate and we would vote on it. I think it is unfair for any President, Republican or Democrat, to be denied the opportunity here to exercise the kind of leverage that is essential in seeing to it that this oil is properly distributed in an equitable and fair way.

I would hope that the President will have the opportunity to utilize the leverage and the options that are inherent in the present law. I strongly urge that my colleagues vote to table the pending amendment.

Mr. HATFIELD. Mr. President, I do not support the Durkin amendment. In my opinion, we should not restrict the options that are available. Other opponents of the amendment have made clear how impractical this amendment would be.

Certainly no one believes that all, or most, or even much, of the Alaskan oil should be shipped to other countries. The ability to export a portion of that oil when circumstances warrant it, however, is important.

The Japanese are important customers of American goods, as well as manufacturers of goods that are imported here. The Senator from New Hampshire said he did not want our American oil fueling the Japanese economy that makes goods for import to the United States. Mr. President, such an approach flies in the face of U.S. policies and ignores economic realities.

Japan imported goods from our customs district in Oregon valued at $851,733,515 last year. At the same time, our State imported Japanese goods valued at $526,892,517.

Certainly I recognize that Japan has had a history of restrictive policies that have excluded many U.S. products, but this policy has been relaxed, and more and more products are exported from the United States to Japan. Of course, trade policies should be founded in equity, based on mutual access to markets. The Durkin amendment, however, is a step in the wrong direction.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I move to table the Durkin amendment.

The PRESIDING OFFICER. The question is on the motion to table the pending amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Arizona (Mr. DeConcini), the Senator from Kentucky (Mr. Huddleston), and the Senator from Arkansas (Mr. McCellan) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. Morgan) is absent because of illness.

I further announce that, if present and voting, the Senator from Arizona (Mr. DeConcini) would vote "yea."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. Griffin) and the Senator from California (Mr. Hayakawa) are necessarily absent.

The result was announced—yeas 66, nays 27, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—66

Allen
Anderson
Baker
Bartlett
Bellmon
Bentsen
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Danforth
Dole
Domenici
Eagleton
Eastland
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Haskell
Hatch
Hatfield
Heinz
Helms
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
Metcalf
Moynihan
Nelson
Nunn
Pearson
Percy
Roth
Sarbanes
Schmitt
Sparkman
Stennis
Stevens
Stevenson
Stone
Talmadge
Thurmond
Tower
Wallop
Williams
Young
Zorinsky

NAYS—27

Bayh
Biden
Brooke
Byrd, Robert C.
Chafee
Durkin
Hart
Hathaway
Hollings
Johnston
Leahy
McGovern
McIntyre
Melcher
Metzenbaum
Muskie
Packwood
Pell
Proxmire
Randolph
Ribicoff
Riegle
Sasser
Schweiker
Scott
Stafford
Weicker

NOT VOTING—7

Abourezk
DeConcini
Griffin
Hayakawa
Huddleston
McClellan
Morgan

So the motion to lay Mr. Durkin's amendment on the table was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROOKE. Mr. President, I shall vote for passage of S. 69, the Amendments to the Export Administration Act, which contains the antiboycott provisions.

In its present form, the bill represents a compromise, and I recognize this compromise is considered necessary in order to achieve a consensus on our national antiboycott policy.

I had hoped that a consensus could have been reached on stronger antiboycott provisions than are contained in the present bill. Yet, if sound regulations are promulgated, I believe that this measure could serve as an effective deterrent to secondary and tertiary boycotts. And we must monitor the regulations promulgated by the Commerce Department to assure that they carry out the objectives of the bill.

If the antiboycott provisions are vigorously enforced, then we will have today taken a major step toward protecting the freedom of American citizens freely to do business among themselves and with other nations, and it is with this hope that I support the passage of S. 69.

Mr. WILLIAMS. Mr. President, S. 69, as reported by the committee after extensive consideration, and as further amended this morning, represents a consensus on legislation designed to provide an effective and responsible American position in the face of the Arab boycott of Israel and of American companies doing business with Israel.

I would have preferred the enactment of an antiboycott law with fewer loopholes and exemptions which expressly sanction certain boycott-related conduct by American business. But I recognize the complexity and sensitivity of the issues and the intensity and thoroughness of the debate which has surrounded the consideration of antiboycott legislation. Having registered my reservations about S. 69, as reported, in additional views in the committee report, I recognize that the deliberative process has been both full and fair and I am prepared to support the passage today and enactment in the near future of S. 69.

HORSE EXPORT PROVISION OF S. 69

Mr. President, I would like to note that title I of S. 69 contains a provision to end the inhumane trade of exporting horses by sea for slaughter. This provision would have little economic impact, but would eliminate a great deal of unnecessary cruelty to horses.

These horses, many of which were once the prize possessions of Americans, are bought at auctions throughout the country. They are taken to Richmond, Va., and other ports, and shipped by sea to Europe. There, some may be purchased for work or pleasure purposes, but most are slaughtered for table meat.

Many do not arrive at their destination. Those that do are often sick, injured, emaciated or exhausted. The horses that die at sea are merely thrown overboard.

Humane investigators have reported deplorable conditions and improper care aboard ship. Since the horses will be slaughtered upon arrival and their economic value is relatively low, little care is taken to insure their safety. The rolling of the ship prevents them from sleeping during the 13- to 17-day voyage. Many persons experienced in the handling and transport of horses maintain that there is simply no humane way to ship large consignments of horses by sea over long distances.

This provision, which I introduced as a floor amendment to the export administration bill last year, would prohibit the export of horses by sea. It would, however, authorize the Secretary of Commerce, in consultation with the Secretary of Agriculture, to establish regulations for granting waivers to allow the export of consignments of horses which are not intended for slaughter. The waivers would allow the shipment by sea of breeding, riding, racing, and show horses in cases where air transport is not practical. These shipments would continue to be regulated by the Department of Agriculture under existing law. The value and intended use of these horses are the best insurance that they will receive proper care.

This provision has the support of humane organizations, including the Humane Society of the United States, the International Society for the Protection of Animals, and the American Horse Protection Association; the National Horse Industry Advisory Committee of the Department of Agriculture; and the American Horse Council.

Mr. BAYH. Mr. President, today the Senate is considering an important and complex proposal that would strengthen in a meaningful way our commitment to discourage and prohibit the compliance of U.S. companies with the boycott policies of foreign governments which violate the rights of our own citizens and American businesses.

Since 1965 and until the Export Administration Act expired several months ago, the law regarding foreign boycotts was a statement of official policy in opposition to foreign boycotts and restrictive trade policies. The law up until that point had only "encouraged and requested" American businessmen to refuse to take any action furthering or supporting restrictive trade practices or boycotts. There were no exact standards of lawful conduct in a boycott context and the law did not provide an effective enforcement mechanism. Last August the Senate did pass legislation—similar in many respects to the bill before us today—requiring disclosure and prohibiting compliance by U.S. firms with boycott policies aimed at countries friendly to the United States. I voted for S. 3084 when it passed the Senate by a vote of 66 to 12 on August 27, 1976. I am now prepared to support S. 69 as a workable vehicle that will provide expanded authority to reduce the participation of U.S. firms in the secondary and tertiary boycott of Israel by the Arab League. We must not through policies or nonpolicies facilitate the economic warfare being waged against a traditional ally.

Despite the attractiveness of S. 69 as a means to at last put the force of law behind our antiboycott efforts, this was not my first choice as the most effective way to deal with the Arab boycott of Israel. I was a cosponsor of S. 92 that represented what I believed to be tougher sanctions and more effective prohibitions against boycott compliance. Provisions of that bill dealt more effectively with the secondary and tertiary boycotts which have augmented the primary boycott of Israel by the Arab States.

The Business Roundtable and groups such as the Anti-Defamation League, American Jewish Congress and American Jewish Committee have, however, discussed boycott problems in great detail and developed a common position on potentially divisive issues which must be dealt with in any meaningful antiboycott legislation. While I am not enthusiastic about every provision of the final compromise which will be embodied in the bill we pass today, I am pleased the bill will retain an important prohibition against compliance with the odious practice of providing negative certificates of origin. Such a practice requiring U.S. firms to mark goods "not made in Israel" has been described as a "cornerstone" of the Arab boycott strategy. One year is provided for firms to adjust to the requirement "that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting or similar exclusionary terms."

The unilateral selection provision has troubled me and many of my colleagues who feel that this is an unwarranted infringement upon the right of U.S. companies to select subcontractors regardless of their corporate relations with Israel. Even though this practice will be permitted under the terms of the legislation we are considering today, it is important that we make clear that such a step in no way reflects approval of the tertiary boycott of Israel by the Arab States. Other provisions contained in the bill do prohibit discriminatory trade practices by one U.S. firm against another in order to do business with American companies operating in the Middle East.

Fortunately, the compliance of U.S. firms with the import laws of foreign countries will be restricted to "laws or regulations of that foreign country governing imports—of trademarked, tradenamed or similarly specifically identifiable products or components."

Mr. President, I do acknowledge the complexity of these issues and varied interests which have required these changes to be made. I am hopeful, that given President Carter's campaign commitments to doing something about the "disgraceful" compliance of certain U.S. firms with Arab blacklisting and boycott demands, we have a Chief Executive who will fully and aggressively enforce the spirit as well as the letter of the proposed law we are debating here today. I know I reflect the views of many of my colleagues in saying that we shall continue to be vigilant in assuring our long-time allies that we will sacrifice neither principle nor purpose in continuing our economic and political relationships with all the countries in the Middle East.

Mr. STEVENSON addressed the Chair.

The PRESIDING OFFICER (Mr. Anderson). The Senator from Illinois.

May we have order, please?

Mr. STEVENSON. Mr. President, I do not know of any further amendments. Third reading.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 5840.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5840) to amend the Export Administration Act of 1969, and so forth.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. STEVENSON. Mr. President, I move to strike all after the enacting clause of H.R. 5840 and to substitute the text of S. 69, as reported and as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STEVENSON. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the rollcall be limited to 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, I would not often object to this, but I feel that to protect our committees who may be meeting I would have to object.

The PRESIDING OFFICER. Objection is heard. It will be a 15-minute rollcall.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Arizona (Mr. DeConcini), the Senator from Kentucky (Mr. Huddleston), the Senator from Arkansas (Mr. McClellan), and the Senator from Montana (Mr. Metcalf) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. Morgan) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) and the Senator from Arizona (Mr. DeConcini) would vote "yea."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. Griffin), the Senator from California (Mr. Hayakawa), and the Senator from North Dakota (Mr. Young) are necessarily absent.

The result was announced—yeas 90, nays 1, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—90

Allen
Anderson
Baker
Bartlett
Bayh
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chafee
Chiles
Church
Clark
Cranston
Culver
Curtis
Danforth
Dole
Domenici
Durkin
Eagleton
Eastland
Ford
Garn
Glenn
Goldwater
Gravel
Hansen
Hart
Haskell
Hatch
Hatfield
Hathaway
Heinz
Hollings
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
McIntyre
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Scott
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Talmadge
Thurmond
Tower
Wallop
Weicker
Williams
Zorinsky

NAYS—1

Helms

NOT VOTING—9

Abourezk
DeConcini
Griffin
Hayakawa
Huddleston
McClellan
Metcalf
Morgan
Young

So the bill (H.R. 5840), as amended, was passed, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Administration Amendments of 1977".

TITLE I—EXPORT ADMINISTRATION IMPROVEMENTS AND EXTENSION

EXTENSION OF EXPORT ADMINISTRATION ACT

SEC. 101. Section 14 of the Export Administration Act of 1969 is amended by striking out "September 30, 1976" and inserting in lieu thereof "September 30, 1979".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. The Export Administration Act of 1969 is amended by inserting after section 12 the following new section 13 and redesignating sections 13 and 14 as sections 14 and 15, respectively:

"AUTHORIZATION OF APPROPRIATIONS

SEC. 13. Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act for any fiscal year commencing on or after October 1, 1977, unless previously and specifically authorized by legislation enacted after the enactment of this section.".

CONTROL OF EXPORTS FOR NATIONAL SECURITY PURPOSES; FOREIGN AVAILABILITY

SEC. 103. (a) Section 4(b) of the Export Administration Act of 1969 is amended—

(1) by striking out the third sentence of paragraph (1);

(2) by striking out paragraphs (2) through (4); and

(3) by inserting the following new paragraph (2):

"(2)(A) In administering export controls for national security purposes as prescribed in section 3(2)(C) of this Act, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may deem appropriate. The President shall periodically review United States policy toward individual countries to determine whether such policy is appropriate in light of the factors specified in the preceding sentence. The results of such review, together with the justification for United States policy in light of such factors, shall be included in the second semiannual report of the Secretary of Commerce required by section 10 of this Act following the date of enactment of the Export Administration Amendments of 1977 and in every second such report thereafter.

"(B) Rules and regulations under this subsection may provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data, or any other information, from the United States, its territories, and possessions, to any nation or combination of nations threatening the national security of the United States if the President determines that their export would prove detrimental to the national security of the United States. The President shall not impose export controls for national security purposes on the export from the United States of articles, materials, or supplies, including technical data or other information, which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, unless the President determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the national security of the United States. The nature of such evidence shall be included in the semiannual report required by section 10 of this Act. Where, in accordance with this paragraph, export controls are imposed for national security purposes notwithstanding foreign availability, the President shall take steps to initiate negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability.".

(b)(1) Section 4(h) of the Export Administration Act of 1969 is amended by striking out "controlled country" in the first sentence of paragraph (1) and in the second sentence of paragraph (2) and inserting in lieu thereof "country to which exports are restricted for national security purposes".

(2) Section 4(h)(2)(A) of such Act is amended by striking out "controlled" and inserting in lieu thereof "such".

(3) Section 4(h)(4) of such Act is amended—

(A) by inserting "and" at the end of subparagraph (A); and

(B) by striking out the semicolon at the end of subparagraph (B) thereof and all that follows the semicolon and inserting in lieu thereof a period.

(4) The amendments made by this subsection shall become effective upon the expiration of 90 days after the receipt by the Congress of the second semiannual report of the Secretary of Commerce required by section 10 of such Act following enactment of the Export Administration Amendments of 1977.

(c) Section 4(h) of such Act is amended—

(1) in paragraph (1)—

(A) in the first sentence by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution to the military potential of such country"; and

(B) in the second sentence by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country"; and

(2) in paragraph (2)(A), by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country".

(d) Section 6(b) of such Act is amended by striking out "Communist-dominated nation" and inserting in lieu thereof "country to which exports are restricted for national security or foreign policy purposes".

EXEMPTION FOR CERTAIN AGRICULTURAL COMMODITIES FROM CERTAIN EXPORT LIMITATIONS

SEC. 104. Section 4(f) of the Export Administration Act of 1969 is amended—

(1) by redesignating such section as section 4(f)(1); and

(2) by adding at the end thereof the following new paragraph:

"(2) Upon approval of the Secretary of Commerce, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed pursuant to section 3(2)(A) of this Act subsequent to such approval. The Secretary of Commerce may not grant approval hereunder unless he receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds that such commodities will eventually be exported, that neither the sale nor export thereof will result in an excessive drain of scarce materials and have a serious domestic inflationary impact, that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities, and that the purpose of such storage is to establish a reserve of such commodities for later use, not including resale to or use by another country. The Secretary of Commerce is authorized to issue such rules and regulations as may be necessary to implement this paragraph.".

CONGRESSIONAL REVIEW OF EXPORT CONTROLS ON AGRICULTURAL COMMODITIES

SEC. 105. Section 4(f) of the Export Administration Act of 1969, as amended by section 104 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(3) If the authority conferred by this section is exercised to prohibit or curtail the exportation of any agricultural commodity in order to effectuate the policies set forth in clause (A) or (B) of paragraph (2) of section 3 of this Act, the President shall immediately report such prohibition or curtailment to the Congress, setting forth the reasons therefor in detail. If the Congress, within 30 days after the date of its receipt of such report, adopts a concurrent resolution disapproving such prohibition or curtailment, then such prohibition or curtailment shall cease to be effective with the adoption of such resolution. In the computation of such 30-day period, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.".

PERIOD FOR ACTION ON EXPORT LICENSE APPLICATIONS

SEC. 106. Section 4(g) of the Export Administration Act of 1969 is amended to read as follows:

"(g)(1) It is the intent of Congress that any export license application required under this Act shall be approved or disapproved within 90 days of its receipt. Upon the expiration of the 90-day period beginning on the date of its receipt, any export license application required under this Act which has not been approved or disapproved shall be deemed to be approved and the license shall be issued unless the Secretary of Commerce or other official exercising authority under this Act finds that additional time is required and notifies the applicant in writing of the specific circumstances requiring such additional time and the estimated date when the decision will be made.

"(2)(A) With respect to any export license application not finally approved or disapproved within 90 days of its receipt as provided in paragraph (1) of this subsection, the applicant shall, to the maximum extent consistent with the national security of the United States, be specifically informed in writing of questions raised and negative considerations or recommendations made by any agency or department of the Government with respect to such license application, and shall be accorded an opportunity to respond to such questions, considerations, or recommendations in writing prior to final approval or disapproval by the Secretary of Commerce or other official exercising authority under this Act. In making such final approval or disapproval, the Secretary of Commerce or other official exercising authority under this Act shall take fully into account the applicant's response.

"(B) Whenever the Secretary determines that it is necessary to refer an export license application to any interagency review process for approval, he shall first, if the applicant so requests, provide the applicant with an opportunity to review any documentation to be submitted to such process for the purpose of describing the export in question, in order to determine whether such documentation accurately describes the proposed export.

"(3) In any denial of an export license application, the applicant shall be informed in writing of the specific statutory basis for such denial.".

EXPORT OF HORSES

SEC. 107. Section 4 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

"(j)(1) Notwithstanding any other provision of this Act, no horse may be exported by sea from the United States, its territories and possessions, unless such horse is part of a consignment of horses with respect to which a waiver has been granted under paragraph (2) of this subsection.

"(2) The Secretary of Commerce, in consultation with the Secretary of Agriculture, may issue rules and regulations providing for the granting of waivers permitting the export by sea of a specified consignment of horses, if the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.".

TECHNICAL ADVISORY COMMITTEES

SEC. 108. (a) Section 5(c)(1) of the Export Administration Act of 1969 is amended by striking out "two" in the last sentence thereof and inserting in lieu thereof "four".

(b) The second sentence of section 5(c)(2) of such Act is amended to read as follows: "Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any articles, materials, and supplies, including technical data or other information, and (D) exports subject to multilateral controls in which the United States participates including proposed revisions of any such multilateral controls. Such committees shall be informed of the reasons for the failure to accept any advice or recommendation which such committees have rendered or made to any officer or agency of the United States Government.".

(c) Section 5(c)(2) of such Act is further amended by striking out the third sentence and inserting in lieu thereof the following: "The Secretary shall include in each semiannual report required by section 10 of this Act an accounting of the consultations undertaken pursuant to this paragraph, the use made of the advice rendered by the technical advisory committees pursuant to this paragraph, and the contributions of the technical advisory committees to carrying out the policies of this Act.".

PENALTIES FOR VIOLATIONS

SEC. 109. (a) Section 6(a) of the Export Administration Act of 1969 is amended—

(1) in the first sentence, by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(2) in the second sentence, by striking out "$20,000" and inserting in lieu thereof "$50,000".

(b) Section 6(b) of such Act is amended by striking out "$20,000" and inserting in lieu thereof "$50,000".

(c) Section 6(c) of such Act is amended by striking out "$1,000" and inserting in lieu thereof "$10,000".

(d) Section 6(d) of such Act is amended by adding at the end thereof the following new sentence: "In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.".

AVAILABILITY OF INFORMATION TO CONGRESS

SEC. 110. (a) Section 7(c) of the Export Administration Act of 1969 is amended by adding at the end thereof the following new sentence: "Nothing in this Act shall be construed as authorizing the withholding of information from any committee of the Congress having appropriate jurisdiction upon the request of the Chairman of such Committee. Such information shall be accorded confidential treatment by the committee and may be disclosed only upon a determination by the committee that the withholding thereof is contrary to the national interest.".

(b) Section 4(c)(1) of such Act is amended by inserting immediately before the period at the end of the last sentence thereof "and in the last sentence of section 7(c) of this Act".

SIMPLIFICATION OF EXPORT REGULATIONS AND LISTS

SEC. 111. Section 7 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of Commerce, in consultation with appropriate United States Government departments and agencies and with appropriate technical advisory committees established under section 5(c), shall review the rules and regulations issued under this Act and the lists of articles, materials, and supplies which are subject to export controls in order to determine how compliance with the provisions of this Act can be facilitated by simplifying such rules and regulations, by simplifying or clarifying such lists, or by any other means. Not later than 1 year after the enactment of this subsection, the Secretary of Commerce shall report to Congress on the actions taken on the basis of such review to simplify such rules and regulations. Such report may be included in the semiannual report required by section 10 of this Act.".

TERRORISM

SEC. 112. Section 3 of the Export Administration Act of 1969 is amended by adding at the end thereof the following:

"(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territory or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.".

SEMIANNUAL REPORTS

SEC. 113. (a) Section 10 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection (c):

"(c) Each semiannual report shall include an accounting of—

"(1) any organizational and procedural changes instituted, any reviews undertaken, and any means used to keep the business sector of the Nation informed, pursuant to section 4(a) of this Act;

"(2) any changes in the exercise of the authorities of section 4(b) of this Act;

"(3) any delegations of authority under section 4(e) of this Act;

"(4) the disposition of export license applications pursuant to section 4 (g) and (h) of this Act;

"(5) consultations undertaken with technical advisory committees pursuant to section 5(c) of this Act;

"(6) violations of the provisions of this Act and penalties imposed pursuant to section 6 of this Act; and

"(7) a description of actions taken by the President and the Secretary of Commerce to effect the policies set forth in section 3(5) of this Act.".

(b)(1) The section heading of such section 10 is amended by striking out "QUARTERLY".

(2) Subsection (b) of such section is amended—

(A) by striking out "quarterly" each time it appears; and

(B) by striking out "second" in the first sentence of paragraph (1).

SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS

SEC. 114. Not later than 12 months after the enactment of this section, the President shall submit to the Congress a special report on multilateral export controls in which the United States participates pursuant to the Export Administration Act of 1969 and pursuant to the Mutual Defense Assistance Control Act of 1951. The purpose of such special report shall be to assess the effectiveness of such multilateral export controls and to formulate specific proposals for increasing the effectiveness of such controls. That special report shall include—

(1) the current list of commodities controlled for export by agreement of the group

known as the Coordinating Committee of the Consultative Group (hereafter in this section referred to as the "Committee") and an analysis of the process of reviewing such list and of the changes which result from such review;

(2) data on and analysis of requests for exceptions to such list;

(3) a description and analysis of the progress by which decisions are made by the Committee on whether or not to grant such requests;

(4) an analysis of the uniformity of interpretation and enforcement by the participating countries of the export controls agreed to by the Committee (including controls over the reexport of such commodities from countries not participating in the Committee), and information on each case where such participating countries have acted contrary to the United States interpretation of the policy of the Committee, including United States representations to such countries and the response of such countries;

(5) an analysis of the problem of exports of advanced technology by countries not participating in the Committee, including such exports by subsidiaries or affiliates of United States businesses in such countries;

(6) an analysis of the effectiveness of any procedures employed in cases in which an exception for a listed commodity is granted by the Committee, to determine whether there has been compliance with any conditions on the use of the excepted commodity which were a basis for the exception; and

(7) detailed recommendations for improving, through formalization or other means, the effectiveness of multilateral export controls, including specific recommendations for the development of more precise criteria and procedures for collective export decisions and for the development of more detailed and formal enforcement mechanisms to assure more uniform interpretation of and compliance with such criteria, procedures, and decisions by all countries participating in such multilateral export controls.

REVIEW OF UNILATERAL AND MULTILATERAL EXPORT CONTROLS

SEC. 115. The Secretary of Commerce, in cooperation with appropriate United States Government departments and agencies and the appropriate technical advisory committees established pursuant to the Export Administration Act of 1969, shall undertake an investigation to determine whether United States unilateral controls or multilateral controls in which the United States participates should be removed, modified, or added with respect to particular articles, materials, and supplies, including technical data and other information, in order to protect the national security of the United States. Such investigation shall take into account such factors as the availability of such articles, materials, and supplies from other nations and the degree to which the availability of the same from the United States or from any country with which the United States participates in multilateral controls would make a significant contribution to the military potential of any country threatening or potentially threatening the national security of the United States. The results of such investigation shall be reported to the Congress not later than 12 months after the completion of the first revision, after the date of enactment of this Act, of the list of items controlled or export by agreement of the Coordinating Committee of the Consultative Group.

REPORT ON TECHNICAL DATA TRANSFERS

SEC. 116. The Secretary of Commerce shall conduct a study of the transfer of technical data and other information to any country to which exports are restricted for national security purposes and the problem of the export, by publications or any other means of public dissemination, of technical data or other information from the United States, the export of which might prove detrimental to the national security or foreign policy of the United States. Not later than 6 months after the enactment of this section, the Secretary shall report to the Congress his assessment of the impact of the export of such technical data or other information by such means on the national security and foreign policy of the United States and his recommendations for monitoring such exports without impairing freedom of speech, freedom of press, or the freedom of scientific exchange. Such report may be included in the semiannual report required by section 10 of the Export Administration Act of 1969.

SUNSHINE IN GOVERNMENT

SEC. 117. (a) Each officer or employee of the Department of Commerce who—

(1) performs any function or duty under this Act or the Export Administration Act of 1969; and

(2) has any known financial interest in any person subject to such Acts, or in any person who obtains any license, enters into any agreement, or otherwise receives any benefit under such Acts;

shall beginning on February 1, 1978, annually file with the Secretary of Commerce a written statement concerning all such interests held by such officer or employee during the preceding calendar year. Such statement shall be available to the public.

(b) The Secretary of Commerce shall—

(1) within 90 days after the date of enactment of this Act—

(A) define the term "known financial interest" for purposes of subsection (a) of this section; and

(B) establish the methods by which the requirement to file written statements specified in subsection (a) of this section will be monitored and enforced, including appropriate provisions for the filing by such officers and employees of such statements and the review by the Secretary of such statements; and

(2) report to the Congress on June 1 of each calendar year with respect to such disclosures and the actions taken in regard thereto during the preceding calendar year.

(c) In the rules prescribed under subsection (b) of this section, the Secretary may identify specific positions within the Department of Commerce which are of a nonregulatory or nonpolicymaking nature and provide that officers or employees occupying such positions shall be exempt from the requirements of this section.

(d) Any officer or employee who is subject to, and knowingly violates, this section or any regulation issued hereunder, shall be fined not more than $2,500 or imprisoned not more than 1 year, or both.

MONITORING OF COMMODITIES IN POTENTIAL SHORT SUPPLY

SEC. 118. Section 4(c) (1) of the Export Administration Act of 1969 is amended by inserting after the first sentence thereof the following: "Such monitoring shall commence at a time adequate to insure that data will be available which is sufficient to permit achievement of the policies of this Act.".

TITLE II—FOREIGN BOYCOTTS

PROHIBITION ON COMPLIANCE WITH FOREIGN BOYCOTTS

SEC. 201. (a) The Export Administration Act of 1969 is amended by redesignating section 4A as section 4B and by inserting after section 4 the following new section:

"FOREIGN BOYCOTTS

"SEC. 4A. (a) (1) For the purpose of implementing the policies set forth in section 3(5) (A) and (B), the President shall issue rules and regulations prohibiting any United States person, with respect to his activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the following actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

"(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of rules and regulations issued to carry out this subparagraph.

"(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

"(C) Furnishing information with respect to the race, religion, sex, or national origin of any other United States person or of any owner, officer, director, or employee of such person.

"(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotted country. Nothing in this paragraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary of Commerce.

"(E) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

"(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by rules and regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

"(2) Rules and regulations issued pursuant to paragraph (1) shall provide exceptions for—

"(A) complying or agreeing to comply with requirements (i) prohibiting the import of goods or services from the boycotted country or goods produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country, or (ii) prohibiting the shipment of goods to the boycotted country, on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

"(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms after the expiration of 1 year following the date of enactment of the Export Administration Amendments of 1977 other than with respect to carriers or route of shipment as may be permitted by such rules and regulations in order to comply with precautionary requirements protecting against war risks and confiscation;

"(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country, or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

"(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

"(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family; and

"(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such rules and regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade-named, or similarly specifically identifiable products or components of products for his own use, including the performance of contractual services within that country, as may be defined by such rules and regulations.

"(3) Rules and regulations issued pursuant to paragraphs (2) (C) and (2) (F) shall not provide exceptions from paragraphs (1) (B) and (1) (C).

"(4) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

"(5) Rules and regulations pursuant to this subsection shall be issued not later than 90 days after the date of enactment of this section and shall be issued in final form and become effective not later than 120 days after they are first issued, except that (A) rules and regulations prohibiting negative certification may take effect not later than 1 year after the date of enactment of this section, and (B) a grace period shall be provided for the application of the rules and regulations issued pursuant to this subsection to actions taken pursuant to contracts or other agreements in effect on or before March 1, 1977. Such grace period shall be 2 years after the date of enactment of this section and may be extended for 3 additional 1-year periods in cases in which good faith efforts are being made to amend such contracts or agreements.

"(6) This Act shall apply to any transaction or activity undertaken, by or through a United States or other person, with intent to evade the provisions of this Act as implemented by the rules and regulations issued pursuant to this subsection, and such rules and regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.

"(b) (1) In addition to the rules and regulations issued pursuant to subsection (a) of this section, rules and regulations issued under section 4(b) of this Act shall implement the policies set forth in section 3(5).

"(2) Such rules and regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in section 3(5) shall report that fact to the Secretary of Commerce, together with such other information concerning such request as the Secretary may require for such action as he may deem appropriate for carrying out the policies of that section. Such person shall also report to the Secretary of Commerce whether he intends to comply and whether he has complied with such request. Any report filed pursuant to this paragraph after the date of enactment of this section shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any articles, materials, and supplies, including technical data and other information, to which such report relates may be kept confidential if the Secretary determines that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary of Commerce shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary of Commerce, may deem aprpopriate for carrying out the policies set forth in section 3(5) of this Act.".

(b) Section 4(b) (1) of such Act is amended by striking out the next to the last sentence.

(c) Section 7(c) of such Act is amended by striking out "No" and inserting in lieu thereof "Except as otherwise provided by the third sentence of section 4A(b) (2) and by section 6(c) (2) (C) of this Act, no".

STATEMENT OF POLICY

Sec. 202. (a) Section 3(5) (A) of the Export Administration Act of 1969 is amended by inserting immediately after "United States" the following: "or against any United States person".

(b) Section 3(5) (B) of such Act is amended to read as follows: "(B) to encourage and, in specified cases, to require United States persons engaged in the export of articles, materials, supplies, or information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person,".

ENFORCEMENT

Sec. 203. (a) Section 6(c) of the Export Administration Act of 1969 is amended—

(A) by redesignating such section as section 6(c) (1); and

(B) by adding at the end thereof the following new paragraph:

"(2) (A) The authority of this Act to suspend or revoke the authority of any United States person to export articles, materials, supplies, or technical data or other information, from the United States, its territories or possessions, may be used with respect to any violation of the rules and regulations issued pursuant to section 4A(a) of this Act.

"(B) Any administrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this Act for a violation of the rules and regulations issued pursuant to section 4A (a) of this Act may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

"(C) Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violation of the rules and regulations issued pursuant to section 4A(a) of this Act shall be made available for public inspection and copying.".

(b) Section 8 of such Act is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 6(c) (2), the".

DEFINITIONS

Sec. 204. Section 11 of the Export Administration Act of 1969 is amended to read as follows:

"DEFINITION

"Sec. 11. As used in this Act—

"(1) the term 'person' includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof; and

"(2) the term 'United States person' means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person) any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President.".

PREEMPTION

Sec. 205. The amendments made by this title and the rules and regulations issued pursuant thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, and any of the territories or possessions of the United States, or of any governmental subdivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

Mr. STEVENSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 199

Mr. STEVENSON. Mr. President, I have an amendment at the desk to amend the title.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes an unprinted amendment No. 199:

Amend the title so as to read: "A bill to amend and extend the Export Administration Act of 1969."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 5840.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. STEVENSON. I ask unanimous consent that S. 69 be indefinitely postponed.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. TALMADGE. Mr. President, I yield to the distinguished majority leader, reserving my right to the floor.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Georgia.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with no resolutions coming over under the rule, the period not to exceed 30 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 2 P.M. ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 2 p.m. on Monday.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday there be a period for the transaction of routine morning business of not to exceed 30 minutes with no resolutions coming over under the rule.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, on the Unanimous-Consent Calendar there are two measures that were cleared for action on yesterday or the day before, I believe really, and they are Calender Orders No. 93 and 98. I ask unanimous consent that the Senate proceed to their consideration.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

FOREIGN CORRUPT PRACTICES AND DOMESTIC AND FOREIGN INVESTMENT IMPROVED DISCLOSURE ACTS OF 1977

The Senate proceeded to consider the bill (S. 305) to amend the Securities Exchange Act of 1934 to require issuers of securities registered pursuant to section 12 of such act to maintain accurate records, to prohibit certain bribes, and for other purposes, which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert in lieu thereof:

TITLE I FOREIGN CORRUPT PRACTICES

SEC. 101. This title may be cited as the "Foreign Corrupt Practices Act of 1977".

SEC. 102. Section 13(b) of the Securities and Exchange Act (15 U.S.C. 78q(b)) is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following:

"(2) Every issuer which has a class of securities registered pursuant to section 12 of this title and every issuer which is required to file reports pursuant to section 15(d) of this title shall—

"(A) make and keep books, records, and accounts, which accurately and fairly reflect the transactions and dispositions of the assets of the issuer; and

"(B) devise and maintain an adequate system of internal accounting controls sufficient to provide reasonable assurances that—

"(i) transactions are executed in accordance with management's general or specific authorization;

"(ii) transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets;

"(iii) access to assets is permitted only in accordance with management's general or specific authorization; and

"(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

"(3) It shall be unlawful for any person, directly or indirectly knowingly to falsify, or cause to be falsified, any book, record or account made or required to be made for any accounting purpose, of any issuer which has a class of securities registered pursuant to section 12 of this title or which is required to file reports pursuant to section 15(d) of this title.

"(4) It shall be unlawful for any person, directly or indirectly—

"(A) knowingly to make, or cause to be made, a materially false or misleading statement, or

"(B) knowingly to omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading

to an accountant in connection with any examination or audit of an issuer which has a class of securities registered pursuant to section 12 of this title or which is required to file reports pursuant to section 15(d) of this title, or in connection with any examination or audit of an issuer with respect to an offering registered or to be registered under the Securities Act of 1933.".

"(5)(A) No duty or liability under paragraphs (2) through (4) of this section shall be imposed upon any person acting in cooperation with, and at the specific, written directive of, the head of any Federal agency or department responsible for matters concerning the national security of the United States: *Provided, however,* That this subparagraph (A) shall only apply to the extent that the requirements of paragraphs (2) through (4) of this section would result, or be likely to result, in the disclosure of information which has been classified by an appropriate department or agency of the United States for protection in the interests of the national security and only to the extent that such information is specifically related to the person's lawful cooperation. Every directive executed under this paragraph shall set forth therein the specific facts and circumstances concerning which provisions of this paragraph are to be invoked and, unless renewed in writing, every directive shall expire one year after issuance.

"(B) The head of the agency or department executing any directive pursuant to this paragraph shall maintain a complete file of all such directives and shall, on October 1 of each year, transmit to the President copies of all directives in force at any time during the prior year. The President shall review and certify that such directives involve classified activities or information and are in conformity with applicable statutes and Executive orders.".

SEC. 103. The Securities Exchange Act of 1934 is amended by inserting after section 30 the following new section:

"PAYMENTS TO OFFICIALS

"SEC. 30A. It shall be unlawful for any issuer which has a class of securities registered pursuant to section 12 of this title or which is required to file reports pursuant to section 15(d) of this title, or any officer, director, employee, or stockholder thereof acting on behalf of such issuer, to make use of the mails or of any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, or promise to pay, or authorization of the payment of, any money, or offer, gift, or promise to give or authorization of the giving of anything of value to—

"(1) any person who is an official of a foreign government or instrumentality thereof for the purpose of inducing that individual—

"(A) to use his influence with a foreign government or instrumentality, or

"(B) to fail to perform his official functions, to assist such issuer in obtaining or retaining business for or with, or directing business to, any person or influencing legislation or regulations of that government or instrumentality;

"(2) any foreign political party or official thereof or any candidate for foreign political office for the purpose of inducing that party, official, or candidate—

"(A) to use its or his influence with a foreign government or instrumentality thereof, or

"(B) to fail to perform its or his official functions, to assist such issuer in obtaining or retaining business for or with, or directing business to, any person or influencing legislation or regulations of that government or instrumentality; or

"(3) any person, while knowing or having reason to know that all or a portion of such money or thing of value will be offered, given, or promised directly or indirectly to any individual who is an official of a foreign government or instrumentality thereof, or to any foreign political party or official thereof, or any candidate for foreign political office, for the purpose of inducing that individual, official, or party—

"(A) to use his or its influence with a foreign government or instrumentality, or

"(B) to fail to perform his or its official functions, to assist such issuer in obtaining or retaining business for or with, or directing business to, any person or influencing legislation or regulations of that government or instrumentality.".

PAYMENTS TO OFFICIALS

SEC. 104. (a) It shall be unlawful for any domestic concern, other than an issuer which is subject to section 30A of the Securities Exchange Act of 1934, or any officer, director, employee or stockholder thereof acting on behalf of such domestic concern to make use of the mails or of any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, or promise to pay, or authorization of the payment of, any money, or offer, gift, or promise to give or authorization of the giving of anything of value to—

(1) any individual who is an official of a foreign government or instrumentality thereof for the purpose of inducing that individual—

(A) to use his influence with a foreign government or instrumentality, or

(B) to fail to perform his official functions, to assist such concern in obtaining or retaining business for or with, or directing business to, any person or influencing legislation or regulations of that government or instrumentality,

(2) any foreign political party or official thereof or any candidate for foreign political office for the purpose of inducing that party, official, or candidate—

(A) to use its or his influence with a foreign government or instrumentality thereof, or

(B) to fail to perform its or his official functions,

to assist such concern in obtaining or retaining business for or with, or directing business to, any person or influencing legislation or regulations of that government or instrumentality; or

(3) any individual, while knowing or having reason to know that all or a portion of such money or thing of value will be offered, given, or promised directly or indirectly to any individual who is an official of a foreign government or instrumentality thereof, or to any foreign political party or official thereof or any candidate for foreign political office, for the purpose of inducing that individual, official, or party—

(A) to use his or its influence with a foreign government or instrumentality, or

(B) to fail to perform his or its official functions,

to assist such concern in obtaining or retaining business for or with, or directing business to, any person or influencing legislation or regulations of that government or instrumentality.

(b) Any person who willfully violates this section shall upon conviction be fined not more than $10,000, or imprisoned not more than five years, or both: Provided, however, That in the case of a corporation the fine shall be not more than $500,000.

(c) As used in this section—

(1) the term "domestic concern" means an individual who is a citizen or national of the United States, or any corporation, partnership, association, joint-stock company, business trust, or unincorporated organization which is owned or controlled by individuals who are citizens or nationals of the United States and which has its principal place of business in the United States, or which is organized under the laws of a State of the United States or any territory, possession, or commonwealth of the United States; and

(2) the term "interstate commerce" means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State, or between any State and any place or ship outside thereof, and such term includes the intrastate use of a telephone or other interstate means of communication or any other interstate instrumentality.

SEC. 105. Section 32(a) of the Securities Exchange Act of 1934 is amended—

(1) by inserting "(1)" after "except that"; and

(2) by inserting after "may be imposed" a comma and the following: "and (2) when such person is an issuer who violated section 30A, a fine not exceeding $500,000 may be imposed".

TITLE II—DISCLOSURE

SEC. 201. This title may be cited as the "Domestic and Foreign Investment Improved Disclosure Act of 1977".

SEC. 202. Section 13(d)(1) of the Securities Exchange Act of 1934 (14 U.S.C. 78m) is amended to read as follows:

"(d)(1) Any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a class which is registered pursuant to section 12 of this title, or any equity security of an insurance company which would have been required to be so registered except for the exemption contained in section 12(g)(2)(G) of this title, or any equity security issued by a closed-end investment company registered under the Investment Company Act of 1940, is directly or indirectly the beneficial owner of more than 5 per centum of such class shall, within ten days after such acquisition, send to the issuer of the security at its principal executive office, by registered or certified mail, send to each exchange where the security is traded, and file with the Commission, a statement containing such of the following information, and such additional information, as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors—

"(A) the background, and identity, residence, and citizenship of, and the nature of such beneficial ownership by, such person and all other persons by whom or on whose behalf the purchases have been or are to be effected;

"(B) the source and amount of the funds or other consideration used or to be used in making the purchases, and if any part of the purchase price or proposed purchase price is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading such security, a description of the transaction and the names of the parties thereto, except that where a source of funds is a loan made in the ordinary course of business by a bank, as defined in section 3(a)(6) of this title, if the person filing such statement so requests, the name of the bank shall not be made available to the public;

"(C) if the purpose of the purchases or prospective purchases is to acquire control of the business of the issuer of the securities, any plans or proposals which such persons may have to liquidate such issuer, to sell its assets to or merge it with any other persons, or to make any other major change in its business or corporate structure:

"(D) the number of shares of such security which are beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly, by (i) such person, and (ii) by each associate of such person, giving the background, identity, residence, and citizenship of each such associate; and

"(E) information as to any contracts, arrangements, or understandings with any person with respect to any securities of the issuer, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guaranties against loss or guaranties of profits, division of losses or profits, or the giving or withholding of proxies, naming the persons with whom such contracts, arrangements, or understandings have been entered into, and giving the details thereof.".

SEC. 203. Section 13 of the Securities Exchange Act of 1934, as amended (15 U.S.C 78m), is amended by adding at the end thereof the following new subsection:

"(g)(1) Any person who is directly or indirectly the beneficial owner of more than five per centum of any security of a class described in subsection (d)(1) of this section shall send to the issuer of the security and shall file with the Commission a statement setting forth, in such form and at such time as the Commission may, by rule, prescribe:

"(A) such person's identity, residence, and citizenship;

"(B) the number and description of the shares in which such person has an interest and the nature of such interest:

"(C) the time and manner of acquisition of such shares and subsequent transactions in such shares; and

"(D) such other similar information as the Commission may, by rule, prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(2) If any material change occurs in the facts set forth in the statement sent to the issuer and filed with the Commission, an amendment shall be transmitted to the issuer and shall be filed with the Commission, in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) When two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of an issuer, such syndicate or group shall be deemed a "person" for the purposes of this subsection.

"(4) In determining, for purposes of this subsection, any percentage of a class of any security, such class shall be deemed to consist of the amount of the outstanding securities of such class, exclusive of any securities of such class held by or for the account of the issuer or a subsidiary of the issuer.

"(5) In exercising its authority under this subsection, the Commission shall take such steps as it deems necessary or appropriate in the public interest or for the protection of investors (A) to achieve centralized reporting of information regarding ownership, (B) to avoid unnecessarily duplicative reporting by and minimize the compliance burden on persons required to report, and (C) to tabulate and promptly make available the information contained in any report filed pursuant to this subsection in a manner which will, in the view of the Commission, maximize the usefulness of the information to other Federal and State agencies and the public.

"(6) The Commission may, by rule or order, exempt, in whole or in part, any person or class of persons from any or all of the reporting requirements of this subsection as it deems necessary or appropriate in the public interest or for the protection of investors.

"(h) The Commission shall report to the Congress within thirty months of the date of enactment of this subsection with respect to (1) the effectiveness of the ownership reporting requirements contained in this title, and (2) the desirability and the feasibility of reducing or otherwise modifying the 5 per centum threshold used in subsections (d)(1) and (g)(1) of this section, giving appropriate consideration to:

"(A) the incidence of avoidance of reporting by beneficial owners using multiple holders of record;

"(B) the cost of compliance to persons required to report;

"(C) the cost of issuers and others of processing and disseminating the reported information;

"(D) the effect of such action on the securities markets, including the system for the clearance and settlement of securities transactions;

"(E) the benefits to investors and to the public;

"(F) any bona fide interests of individuals in the privacy of their financial affairs;

"(G) the extent to which such reported information gives or would give any person an undue advantage in connection with activities subject to sections 13(d) and 14(d) of this title;

"(H) the need for such information in connection with the administration and enforcement of this title; and

"(I) such other matters as the Commission may deem relevant, including the information obtained pursuant to section 13(f) of this title.".

SEC. 204. Section 15(d) of the Securities Exchange Act of 1934 is amended by inserting immediately before the last sentence the following new sentence: "The Commission may, for purpose of this subsection, define by rules and regulations the term 'held of record' as it deems necessary or appropriate in the public interest or for the protection of investors in order to prevent circumvention of the provisions of this subsection."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–114), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

HISTORY OF THE BILL

During the 94th Congress, the Committee on Banking, Housing and Urban Affairs held extensive hearings on the matter of improper payments to foreign government officials by American corporations. The committee also considered several bills designed to deal with the problem in various ways including S. 3133 introduced by Senator Proxmire on March 11, 1976; S. 3379 introduced by Senators Church, Clark, and Pearson on May 5, 1976, and S. 3418 introduced by Senator Proxmire at the request of the Securities and Exchange Commission (SEC) on May 12, 1976.

On May 12, 1976, the committee received from the SEC an extensive "Report on Questionable and Illegal Corporate Payments and Practices," ("SEC report") which summarized the SEC's enforcement activities and findings to that date. That report traced the history of the Commission's discovery of conduct involving the misuse of corporate funds and the commencement of investigations which subsequently revealed that instances of undisclosed questionable or illegal corporate payments were indeed widespread and represented a serious breach in the operation of the Commission's system of corporate disclosure and, correspondingly, in public confidence in the integrity of the system of capital formation. The SEC report also analyzed the public filings of 89 corporations that had disclosed varying types of questionable payments, plus six special reports obtained as the result of SEC enforcement actions and the allegations made in eight additional cases in which the SEC had obtained some form of judicial relief. Finally, the report contained the SEC's analysis of the degree of disclosure required concerning questionable foreign payments under the existing Federal securities laws and outlined the legislative and other responses which the Commission recommended to remedy these problems.

On June 22, 1976, the committe met and ordered reported a bill, S. 3664, which incorporated the SEC's recommendations and a direct prohibition against the payment of overseas bribes by any U.S. business concern.[1] On September 15, 1976 the Senate, by a unanimous vote of 86–0 pased S. 3664. The House of Representatives, however, did not complete work on that legislation before its adjournment on October 2, 1976.

Title II of S. 305, which would amend the Federal securities laws to enhance the present system of disclosure of the ownership of American business, has also been the subject of numerous hearings and careful deliberation by the committee in the past. Last year, as part of S. 3084, the committee reported favorably[2] and the Senate passed the disclosure provision as title III of S. 3084. No final action was taken by the Congress on this bill prior to adjournment either.

Shortly after the 95th Congress convened on January 18, 1977, Senators Proxmire and Williams introduced S. 305. As introduced, title I of the bill was identical to S. 3664, the measure which the Senate had passed unanimously during the prior Congress and title II was substantially the same as title II of S. 3084.

The committee held hearings on S. 305 on March 16, 1977, and received testimony from Senator Metcalf, the Securities and Exchange Commission, the Department of the Treasury, the American Bankers Association, and the Securities Industry Association. Subsequently, on April 7, 1977, the committee met in open session to consider S. 305. The committee ordered the bill, with an amendment, to be reported to the Senate.

SUMMARY OF THE BILL

A. Title I—Corporate bribery of foreign officials

Title I of S. 305 is designed to prevent the use of corporate funds for corrupt purposes. As reported, Title I:

1. Requires companies subject to the jurisdiction of the SEC to maintain strict accounting standards and management control over their assets;

2. Prohibits the falsification of accounting records and the deceit of accountants auditing the books and records of such companies; and

3. Makes it a crime for U.S. companies to bribe a foreign government official for the specified corrupt purposes. Companies violating the criminal prohibitions face maximum fines of $500,000. Individuals acting on behalf of such companies face a maximum fine of $10,000 and 5 years in jail.

In the past, corporate bribery has been concealed by the falsification of corporate books and records. Title I removes this avenue of coverup, reinforcing the criminal sanctions which are intended to serve as the significant deterrent to corporate bribery. Taken together, the accounting requirements and criminal prohibitions of Title I should effectively deter corporate bribery of foreign government officials.

B. Title II—Improved disclosure of corporate ownership

As reported by the committee, Title II of the bill is designed to strengthen the disclosure and ownership reporting requirements of the Securities Exchange Act of 1934 applicable to domestic and foreign investors having a significant ownership interest in the securities of American corporations.

Title II of the bill would:

1. Amend section 13(d) of the Act to require those persons who already file reports with the SEC when they own more then 5 percent of the shares in a U.S. company to identify their residence, citizenship, and the nature of their beneficial ownership.

2. Enact a new section 13(g) to provide for the development of a comprehensive system for gathering and disseminating information about ownership interests in publicly held companies.

3. Require the Commission to consolidate the various beneficial ownership reporting requirements of the Securities Exchange Act into a centralized nonduplicative system for the collection of such information, and to tabulate such information and make it available to regulators and the public;

4. Enact a new section 13(h) to require the Commission, within 30 months of the date of enactment of the legislation, to report to Congress with respect to the effectiveness of the ownership reporting requirements under the act and the desirability and feasibility of reducing or otherwise modifying the 5-percent disclosure threshold giving appropriate consideration to specified regulatory and public policy considerations.

5. Provide the Commission with authority to assure that the jurisdictional effectiveness of section 15(d) of the Securities Exchange Act is not inappropriately limited because of the use of nominee and street name registration of securities.

NEED FOR LEGISLATION

A. Title I—Corporate bribery of foreign officials

Recent investigations by the SEC have revealed corrupt foreign payments by over 300 U.S. companies involving hundreds of millions of dollars. These revelations have had severe adverse effects. Foreign governments friendly to the United States in Japan, Italy, and the Netherlands have come under intense pressure from their own people. The image of American democracy abroad has been tarnished. Confidence in the financial integrity of our corporations has been impaired. The efficient functioning of our capital markets has been hampered.

Corporate bribery is bad business. In our free market system it is basic that the sale of products should take place on the basis of price, quality, and service. Corporate bribery is fundamentally destructive of this basic tenet. Corporate bribery of foreign officials takes place primarily to assist corporations in gaining business. Thus foreign corporate bribery affects the very stability of overseas business. Foreign corporate bribes also affect our domestic competitive climate when domestic firms engage in such practices as a substitute for healthy competition for foreign business.

Managements which resort to corporate bribery and the falsifacation of records to enhance their business reveal a lack of confidence about themselves. Secretary of the Treasury Blumenthal, in appearing before the committee in support of the criminalization of foreign corporate bribery testified that: "Paying bribes—apart from being morally repugnant and illegal in most countries—is simply not necessary for the successful conduct of business here or overseas."

The committee concurs in Secretary Blumenthal's judgment. Many U.S. firms have taken a strong stand against paying foreign bribes and are still able to compete in international trade. Unfortunately, the reputation and image of all U.S. businessmen has been tarnished by the activities of a sizable number, but by no means a majority of American firms. A strong antibribery law is urgently needed to bring these corrupt practices to a halt and to restore public confidence in the integrity of the American business system.

B. Title II—Disclosure of corporate ownership

Title II of S. 305 deals with the disclosure of ownership of American corporations.

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[1] See Senate Report No. 94–1031, 94th Cong., 2d sess.

[2] See Senate Report No. 94–917, 94th Cong., 2d sess. (1976) to accompany S. 3084, the Export Administration Amendments, Foreign Boycotts, and Domestic and Foreign Investments Improved Disclosure Acts of 1976.

Title II would expand the disclosure requirements applicable to investors, both domestic and foreign.

Section 202 of S. 305 would amend section 13(d)(1) of the Exchange Act to require any person who is the beneficial owner of more than 5 percent of a class of voting securities to disclose certain information in addition to that already required. The additional disclosures would include information concerning an investor's residence, nationality, and the nature of the beneficial ownership. In addition, the bill would require investors to disclose the background, identity, residence, and citizenship of each associate who beneficially owns shares of the same class of equity security.

The committee recognizes that the new reporting requirements will deal with only one aspect of the larger problem of acquiring information with respect to the ownership of, and transactions in, U.S. securities. As the SEC's Street Name Study[3] observed, the value of data with respect to the beneficial ownership of the securities extends beyond the need to monitor the acquisition of controlling interests in U.S. corporations. In particular, the committee notes that the increased use of financial intermediaries and nominee accounts, particularly foreign intermediaries where information with respect to transactions on behalf of customers is protected by local secrecy laws, may invite attempts by persons acting under a cloak of anonymity to violate the laws of the United States.

Several authoritative studies done by the Congress, the Commission, and others have underscored the need for accurate disclosure and broad dissemination of corporate ownership information. Although such information has been required by Congress, and mandated by many regulatory agencies for many years, it is not yet available.

One of the principal problems in obtaining accurate information is the practice of recording stock ownership in other than the name of the beneficial owner through "nominee" or "street name" accounts. Nominee accounts are typically used by institutional investors (for example, insurance and investment companies) and financial intermediaries (for example, banks and trust companies) to register in the name of a third person securities held by them for their own accounts or the accounts of their customers. This is done to facilitate trading or other transactions in the stock. Street name accounts are used for the same purpose, typically by brokers, who register securities held for themselves or their customers in their own names or in the name of a nominee.

While there are sound reasons for use of street and nominee names to facilitate securities transactions, their widespread use raises a numbers of problems both for investors and for the formulation of public policy. For one thing, street name and nominee accounts impose one or more layers between the issuer and the beneficial owner thereby making issuer-shareholder communications more difficult and expensive. For another reason, street name and nominee accounts impede public access to information regarding the control of publicly held corporations and make it possible for power and influence to be exercised with relative anonymity.

In recent years, the Congress and the Commission have shown renewed interest in improving the accuracy and the availability of the information it collects and in streamlining the data collection process while reducing the paperwork and attendant costs to the reporting entity.

First, the Senate Committee on Government Operations has conducted extensive studies of the inaccuracy and inadequacy of the Federal Government's information concerning ownership of U.S. corporations.[4] The landmark "Disclosure of Corporate Ownership Report" issued in March 1974 concluded:

"Neither companies nor ordinary stockholders have information which they need, to protect their own interests, regarding stock ownership and the personnel and business relationships between portfolio companies and institutional investors, principally banks. The Federal Government does not have sufficient information in these areas upon which to base reasoned public policy. Much of the information collected by Federal agencies regarding stock ownership, displayed in public files and shared with State agencies and the public, is meaningless or misleading despite the clear policy stated in the Federal Reports Act of 1942 that information collected by Federal agencies should be tabulated so as to "maximize the usefulness of the information to other Federal agencies and the public."

Second, Congress directed the Commission (in section 12(m) of the Securities Exchange Act of 1934) to conduct a study and investigation of the practice of recording the ownership of securities in other than the name of the beneficial owner—"street" and "nominee" names—to determine whether the practice is consistent with the purposes of the act and whether steps can be taken to facilitate communications between issuers and the beneficial owners of their securities while retaining the benefits of the practice. The Commission reported to Congress on its preliminary findings on December 4, 1975, and its final conclusions and recommendations on December 3, 1976.

In its final report to Congress, the Commission discussed at length the impact of street and nominee registration of securities on disclosure of beneficial ownership. It concluded that:

"The practice limits the amount of information readily available to the public regarding beneficial owners of substantial amounts of an issuer's securities * * * and may not fully achieve the scope of disclosure contemplated by Congress. In particular, certain persons whose ownership interest exceeds 5 percent are not required to report their ownership. Implementation of section 13(f) of the Act, requiring reporting by large institutions, has not been completed. Furthermore, information about persons who are required to report is not as widely disseminated as may be desirable. Finally, the Commission's powers need to be clarified in order to assure effective enforcement of the disclosure provisions, particularly against foreign persons."

To more fully achieve the purposes originally intended by Congress in 1968 when ownership reporting at the 5 percent was added to the Act by the committee, the Commission recommended the establishment of a comprehensive system for disclosure of ownership interests and called for legislation "to require ownership reports from those persons owning more than 5 percent of an issuer's securities who are not currently required to report under the Act."

These recommendations of the Commission would be implemented under Title II of S. 305. In these respects, Title II will close inappropriate and anomalous gaps in the legislative scheme of disclosure under the Exchange Act and result in across-the-board disclosure essential to a cohesive and comprehensive reporting system.

At the same time, Title II of the legislation is designed to unify present reporting requirements of the Securities Exchange Act into a comprehensive system for gathering and disseminating information about ownership interests.

Public policy in support of enhanced disclosure in securities transactions follows a pattern which began with the Securities Acts of 1933 and 1934. The committee believes this legislation will complement continuing efforts within the executive branch, the regulatory agencies, and the committee to increase the availability of information which is vital to the development of sound policy where important national and international issues are at stake.

In addition to the disclosure provisions, title II carries out another recommendation of the Street Name Study. The study expressed concern that a substantial increase in the use of nominee and street name registration, particularly resulting from the dramatic growth of securities depositories in recent years, could further obscure the true pattern of ownership in U.S. companies. Because the jurisdiction of section 15(d) depends, in part, upon a shareholder-of-record requirement, growth in the use of street and nominee name registration could exclude or remove from the jurisdiction of the Act issuers which properly should be subject to the Act. Accordingly, the bill would expressly empower the Commission to define the term "held of record" for purposes of section 15(d) of the Securities Exchange Act.

NATURE OF THE LEGISLATION

A. Title I—Corporate bribery of foreign officials

1. Accurate Accounting

The committee recognizes that the SEC has broad authority to promulgate accounting standards for companies subject to jurisdiction under its existing authority. Nevertheless, the committee believes the Commission's current program for accurate accounting should be supplemented by an explicit statement of statutory policy. The accounting standards in S. 305 are intended to operate in tandem with the criminalization provisions of the bill to deter corporate bribery. S. 305 expresses a public policy which encompasses a unified approach to the matter of corporate bribery.

This legislation imposes affirmative requirements on issuers to maintain books and records which accurately and fairly reflect the transactions of the corporation and to design an adequate system of internal controls to assure, among other things, that the assets of the issuer are used for proper corporate purpose. The committee believes that the imposition of these affirmative duties under our securities laws coupled with attendant civil liability and criminal penalties for failure to comply with the statutory standard will go a long way to prevent the use of corporate assets for corrupt purposes. Public confidence in securities markets will be enhanced by assurance that corporate recordkeeping is honest.

Section 102 of the bill as reported amends section 13(b) of the Securities Exchange Act by adding new paragraphs (b)(2), (b)(3), (b)(4), and (b)(5). The provisions of section 102 apply to issuers which have securities listed on an exchange pursuant to subsection 12(b) of the Securities Exchange Act, to issuers which meet the requirements of section 12(g) of that Act, and to issuers subject to the reporting requirement of section 15(d) of the Act.

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[3] Final Report of the Securities and Exchange Commission on the Practice of Recording the Ownership of Securities in the Records of the Issuer in Other Than the Name of the Beneficial Owner of Such Securities, 94th Cong., 2d sess. (Committee Print 1976).

[4] Senate Committee on Government Operations, Disclosure of Corporate Ownership, 93d Cong., 1st sess. (1973). For an analysis of pertinent data on corporate ownership and control, see also Senate Committee on Government Operations, Corporate Ownership and Control, 94th Cong., 1st sess. (1975).

The purpose of section 102 is to strengthen the accuracy of the corporate books and records and the reliability of the audit process which constitute the foundations of our system of corporate disclosure. Section 102 substantially embodies the measures which the SEC recommended to the committee in its May 22, 1976, report on questionable payments. New subparagraph (b)(2)(A) imposes an obligation on issuers to maintain books and records that accurately and fairly reflect the transactions and dispositions of the assets of the issuers.[5]

Subparagraph (b)(2)(B) would require issuers to devise and maintain an adequate system of internal accounting controls sufficient to provide reasonable assurances that, among other things, transactions are recorded as necessary to permit the preparation of financial statements in conformity with generally accepted accounting principles or any other applicable criteria. Because the accounting profession has defined the objectives of a system of accounting control, the definition of the objectives contained in this subparagraph is taken from the authoritative accounting literature. See American Institute of Certified Public Accountants, Statement on Auditing Standards No. 1, 320.28 (1973).

The establishment and maintenance of a system of internal controls is an important management/obligation. A fundamental aspect of management's stewardship responsibility is to provide shareholders with reasonable assurances that the business is adequately controlled. Additionally, management has a responsibility to furnish shareholders and potential investors with reliable financial information on a timely basis. An adequate system of internal accounting controls is necessary to management's discharge of these obligations.

The committee understands that auditors customarily provide management with comments on the state of the client's internal controls. Those comments are designed to assist the issuer in improving its system of internal controls and thereby to assist the auditor in the conduct of its audit. The committee recognizes that no system of internal controls is perfect and that there will always be room for improvement. Auditor's comments and suggestions to management on possible improvements are to be encouraged.

The establishment and maintenance of a system of internal control and accurate books and records are fundamental responsibilities of management. The expected benefits to be derived from the conscientious discharge of these responsibilities are of basic importance to investors and the maintenance of the integrity of our capital market system. The committee recognizes, however, that management must exercise judgment in determining the steps to be taken, and the cost incurred, in giving assurance that the objectives expressed will be achieved. Here, standards of reasonableness must apply. In this regard, the term "accurately" does not mean exact precision as measured by some abstract principle. Rather it means that an issuer's records should reflect transactions in conformity with generally acepted accounting principles or other applicable criteria. While management should observe every reasonable prudence in satisfying the objectives called for in new paragraph (2) of section 13(b), the committee recognizes that management must necessarily estimate and evaluate the cost/benefit relationships of the steps to be taken in fulfillment of its responsibilities under this paragraph. The accounting profession will be expected to use their professional judgment in evaluating the systems maintained by issuers. The size of the business, diversity of operations, degree of centralization of financial and operating management, amount of contact by top management with day-to-day operations, and numerous other circumstances are factors which management must consider in establishing and maintaining an internal accounting controls system.

2. Prohibition Against Falsification of Accounting Records and Deception of Auditors

Paragraph (b)(3) would make it unlawful for any person, directly or indirectly, knowingly to falsify any book, record or account maintained or required to be maintained, for an accounting purpose of an issuer subject to paragraph (b)(2) of section 13 of the Securities Exchange Act of 1934. This paragraph covers both actions of commission and omission.

Paragraph (b)(4) would prohibit knowingly making false or misleading statements, or knowingly omitting to state facts necessary to be stated, to an accountant in connection with any audit or examination of issuers identified in paragraph (b)(2) of section 13 of the Securities Exchange Act. This paragraph would also apply to audits in connection with a securities offering registered or to be registered under the Securities Act of 1933. Concepts of aiding and abetting are applicable to conduct covered by these sections. By specifically prohibiting the making of knowingly materially false or misleading statements or omissions to auditors, the bill is designed to encourage careful communications between the auditors and persons from whom the auditors seek information in the audit process. The committee is of the view that a proscription on knowing false statements to auditors will enhance the integrity of the auditing process.

The amendments to section 13(b) prohibiting the falsification of corporate books and records and the making of misleading representations to auditors are not intended to make unlawful conduct which is merely negligent. To clarify the purpose of these paragraphs, therefore, the committee inserted the term "knowingly" in appropriate places in both paragraphs (3) and (4). As explained to the committee, the term "knowingly" connotes a "conscious undertaking." Thus these paragraphs proscribe and make unlawful conduct which is rooted in a conscious undertaking to falsify records or mislead auditors through a statement or conscious omission of material facts.

The committee believes that the inclusion of the "knowingly" standard is appropriate because of the danger, inherent in matters relating to financial recordkeeping, that inadvertent misstatements or minor discrepancies arising from an unwitting error in judgment might be deemed actionable. The committee does not, however, intend that the use of the terming "knowingly" will provide a defense for those who shield themselves from the facts. The knowledge required is that the defendant be aware that he is committing the act which is false—not that he know that his conduct is illegal. The inclusion of this standard is intended to be limited to matters arising under these new subsections and not to any other provisions of the securities laws. As a result, in this limited instance, in order to prove that falsification of corporate accounting records or deception of auditors is "knowingly" committed, the Commission will be required to establish this element in actions arising under new paragraphs 13(b)(3) and 13(b)(4).

The knowledge required is that the person be aware that he is or may be making a false statement or causing corporate records to be falsified through a conscious undertaking or due to his conscious disregard for the truth.

The bill, as reported, would also permit the head of any agency or department responsible for national security matters to exempt, on a limited basis, an issuer involved in an endeavor related to national security from the accounting and reporting requirements of the bill. The facts and circumstances to which the directive applies must be reported to the President.

3. Criminalization of Foreign Bribery

The committee recognizes that the SEC has diligently sought to enforce the existing provisions of the Federal securities laws by requiring corporate reports to disclose "material" payments. Nevertheless, the committee has concluded that—"The serious abuses which the Commission has uncovered justify an explicit congressional affirmation of our national commitment of ending corrupt foreign payments. While the Commission has made substantial progress in its enforcement program, the committee believes that legislation is appropriate to make clear that cessation of these abuses is a matter, not merely of SEC concern, but of national policy."

Secretary of the Treasury Blumenthal supported the criminalization of overseas bribery in testimony before the committee. The committee considered the matter extensively in the 94th Congress and concluded that the criminalization approach was preferred over a disclosure approach. Direct criminalization entails no reporting burden on corporations and less of an enforcement burden on the Government. The criminalization of foreign corporate bribery will to a significant extent act as a self-enforcing, preventative mechanism.

Sections 103 and 104 of the bill provide criminal penalties for foreign corporate bribery. Section 103 applies to issuers and reporting firms under the jurisdiction of the SEC. Section 104 applies to all other domestic concerns. Under sections 103 and 104, a corporation is prohibited from making payments to a foreign official for the purpose of inducing him to obtain or retain business for the corporation or to influence legislation or regulations of the Government.

Payment to officials of a foreign political office having the purposes set forth respecting payments to foreign government officials are likwise proscribed. And payments to agents, while knowing or having reason to know, that all or a portion of the payment will be offered or given to a foreign government official, foreign political party or candidate for foreign political office for the proscribed purposes are also forbidden.

The statute covers payments made to foreign officials for the purpose of obtaining business or influencing legislation or regulations. The statute does not, therefore, cover so-called "grease payments" such as payments for expediting shipments through customs or placing a transatlantic telephone call, securing required permits, or obtaining adequate police protection, transactions which may involve even the proper performance of duties.

The word "corruptly" is used in order to make clear that the offer, payment, promise, or gift, must be intended to induce the recipient to misuse his official position in order to wrongfully direct business to the payor or his client, or to obtain preferential legislation or a favorable regulation. The word "corruptly" connotes an evil motive or purpose, an intent to wrongfully influence the recipient. It does not require that the act be fully consummated, or succeed in producing the desired outcome.

Sections 103 and 104 cover payments and gifts intended to influence the recipient, regardless of who first suggested the payment or gift. The defense that the payment was demanded on the part of a government official as a price for gaining entry into a market or to obtain a contract would not suffice since at some point the U.S. company would make a conscious decision whether or not to pay a bribe. That the payment may have been first proposed by the recipient rather than the U.S. company does not alter the corrupt purpose on the part of the person paying the bribe. On the other hand true extortion situations would not be covered by this provision since a payment to an official to keep an oil rig from being dynamited should not be held to be made with the requisite corrupt purpose.

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[5] The phrase "dispositions of its assets" is not intended as a limitation on the scope of the requirement that accurate books and records be maintained. The issuer's responsibility to keep records correctly reflecting the status of its liabilities and equities is no less than its obligation to maintain such records concerning its assets. The word "transactions" in the bill encompasses accuracy in accounts of every character.

Section 305 as reported also covers the officers, directors, employees, or stockholders making overseas bribes on behalf of the corporation. This provision is intended to make clear that it is corporate or business bribery which is being proscribed. Whether or not a particular situation involves bribery by the corporation or by an individual acting on his own will depend on all the facts and circumstances, including the position of the employee, the care with which the board of directors supervises management, the care with which management supervises employees in sensitive positions and its adherence to the strict accounting standards set forth under section 102. The prohibitions against corrupt payments apply in this regard to payments by agents where the corporation paying them knew or had reason to know they would be passed on in whole or in part to a foreign government official for a proscribed purpose. Of course, where the corporation knows the payment will be passed on for a proscribed purpose, the violation is complete.

The committee has recognized that the bill would not reach all corrupt overseas payments. For example, the bill would not cover payments by foreign nationals acting solely on behalf of foreign subsidiaries where there is no nexus with U.S. interstate commerce or the use of U.S. mails and where the issuer, reporting company, or domestic concern had no knowledge of the payment. But a U.S. company which "looks the other way" in order to be able to raise the defense that they were ignorant of bribes made by a foreign subsidiary, could be in violation of section 102 requiring companies to devise and maintain adequate accounting controls. Under the accounting section no off-the-books accounting fund could be lawfully maintained, either by a U.S. parent or by a foreign subsidiary, and no improper payment could be lawfully disguised.

4. Enforcement Responsibilities

After careful consideration the committee concluded that the SEC should continue to have a role in the investigation of violations of the criminal prohibitions as they apply to companies under the jurisdiction of the SEC. The SEC has been the principal agency of the Government taking the lead in the investigation of foreign bribery. This is as it should be for the bribery of foreign officials often violates our securities laws to the extent the payment is not disclosed to investors. The SEC has thus developed considerable expertise in investigation corrupt overseas payments. This same expertise can be put to work in investigating potential violations of the antibribery provisions of this legislation. If this investigative responsibility were to be assigned solely to the Justice Department, as some had advocated, that agency would have to duplicate the investigative capability already in the SEC at a greater cost to the Government.

It should be emphasized that while the SEC investigates potential violations of the securities laws, the only remedy it can bring on its own is an injunctive action. When the SEC believes it has compiled enough evidence for a criminal action, it refers the case to the Justice Department for criminal prosecution. This same division of responsibility would also apply with respect to the antibribery provisions of this legislation.

The committee believes this division of responsibility will result in a stronger enforcement effort compared to an exclusive assignment to the Justice Department. It is often difficult to assemble the degree of evidence required in a criminal action, but enough evidence may exist to enable the SEC to halt a continuation of the corrupt practices through an injunctive action.

The committee expects that close cooperation will develop between the SEC and the Justice Department at the earliest stage of any investigation in order to insure that the evidence needed for a criminal prosecution does not become stale. The arrangements which the committee expects the SEC and Justice to work out on criminal matters is in no way intended to cast doubt upon the authority of the SEC to prosecute and defend its own civil litigation. Under the bill, the Justice Department retains sole investigative and prosecutional jurisdiction over domestic concerns covered but which are not otherwise within the jurisdiction of the SEC.

The committee believes that, by assigning to the SEC enforcement responsibilities for the new prohibition, it will strengthen the Commission's ability to enforce compliance with the existing requirements of the securities laws, and with the new accounting provisions recommended by the Commission and included as section 102 of the bill. Obviously, there may be practical impediments to enforcement in individual cases, just as proof of bribery and other white collar crimes is often difficult to obtain in domestic cases. Nonetheless, the Commission's enforcement efforts under existing U.S. law demonstrate that it is entirely feasible for U.S. agencies successfully to investigate improper foreign payments made on behalf of American corporations.

The SEC's responsibilities would extend to conducting investigations, bringing civil injunctive actions, commencing administrative proceedings if appropriate,[6] defending lawsuits against the Commission and its staff arising out of the Commission's obligations under this Act, and referring cases to the Justice Department for criminal prosecution on a timely basis. The Commission, of course, will retain all of its existing remedies under the securities laws, and the committee anticipates that the Commission will continue to tailor remedies to fit the circumstances of specific cases.

B. Title II—Disclosure of corporate ownership

Title II of S. 305 attacks the problem of inadequate investment information in two ways: First, it would amend section 13(d)(1) of the Exchange Act to require any person who acquires more than 5 percent of any class of registered equity securities to disclose the residence, citizenship, and nature of the beneficial ownership of the purchaser as well as the background and nationality of each associate of the purchaser who has a right to acquire additional shares of the issuer. Those who beneficially own more than 5 percent of a corporation's equity securities or make a tender offer for corporate securities are already required to disclose such information as the identity and background of the purchaser, the source and amount of the consideration, and the purpose of the purchase.

Disclosure of the citizenship of the purchaser or person making a tender offer will make it possible to measure the extent to which foreign investors have acquired or seek to acquire controlling or potentially controlling interests in U.S. corporations without discriminating against them or imposing on them any additional burdens. Disclosure of the nature of the beneficial ownership will make it possible to determine the degree of control or potential control represented by persons owning more than 5 percent of a company's securities. An investor who merely has the right to receive dividends; for example, is far less significant from the standpoint of corporate control than one who has full voting rights with respect to his securities.

Second, title II would delete two exemptions from the existing reporting requirements—the exemption for persons who acquired their ownership interest prior to 1970 and the exemption for persons acquiring less than 2 percent of a security in any 12-month period.

Although Congress determined in 1968 that an ownership interest of more than 5 percent in a publicly held company is often sufficient to influence corporate management, the Act's only disclosure provision of general application, section 16(a), pertains to ownership interests of more than 10 percent. Section 13(d) requires disclosure of an ownership interest of more than 5 percent only under given circumstances; section 14(d) applies to prospective beneficial ownership. Neither section 13(d) nor 14(d) applies to any person who acquires less than 2 percent of a security in a 12-month period; nor do they apply to any person who acquired his ownership interest prior to the enactment of the current disclosure thresholds in 1970.

In the Street-Name Study, the Commission concluded that this constitutes an inappropriate gap in the legislative scheme of disclosure and that across-the-board disclosure is essential to a cohesive and comprehensive reporting system and the committee agrees. Accordingly, section 203 of the bill is intended to supplement the current statutory scheme by providing legislative authority for certain additional disclosure requirements that in some cases could not be imposed administratively. It would add a new subsection 13(g) to the Act to require any person owning beneficially more than 5 percent of any class of a section 13(d) security who is not currently required to report under section 13(d) or 16(a) of the Securities Exchange Act of 1934 to file with the Commission a short statement detailing relevant ownership information and to transmit such ownership statement to the issuer.

On its face, subsection 13(g) would require filing regardless of whether the person was required to report ownership under other sections of the Securities Exchange Act. The bill as reported, however, directs the Commission to take such steps as are necessary and appropriate in the public interest to achieve centralized reporting of the information, to avoid unnecessarily duplicative reporting, and to minimize the compliance burden on persons required to report. In this regard, the committee expects that the Commission will not require extensive historical information from persons who have held ownership interests for long periods of time but who have not, heretofore, been required to report under the Exchange Act. It is likewise the committee's intent that the provision of the bill requiring the reporting of transactions subsequent to the acquisition of an ownership interest will be primarily prospective in application. In implementing these reporting requirements the committee expects the Commission to be attentive to practical considerations of cost and ease of compliance in order to avoid unduly onerous or duplicative reporting burdens.

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[6] For example, rule 2(e) of the Commission's rules of practice, 17 CFR 201.2(e), authorizes the Commission to censure, suspend, or bar professionals, such as accountants and lawyers, from practicing before the Commission. A public or privae rule 2(e) proceeding might, in the Commission's view, be preferable, or used in addition to a civil injunctive action or criminal referral, in particular cases.

To enable the Commission to avoid duplication and to minimize the compliance burden, the committee has deliberately empowered the Commission with broad power to exempt, in whole or in part, any person or class of persons from any or all of the reporting requirements of the subsection.

Another important feature of new subsection (g) is the explicit recognition by the committee of the need to integrate and consolidate, wherever possible, the various reporting requirements of the Securities Exchange Act into a comprehensive system for gathering and disseminating information about ownership interests in public held companies. Thus, section 13(g)(5) would direct the Commission to take appropriate steps to establish a centralized, nonduplicative system for reporting ownership information. The language encompasses reporting under all sections of the Securities Exchange Act and parallels language which appears in section 13(f), relating to disclosure by institutional investment managers. It would also require the Commission to tabulate the information and promptly make it available for public use and inspection.

While the committee believes it is important to fix the responsibility for gathering, processing, and disseminating ownership information in the Commission, it also believes that the Commission must be mindful of existing disclosure requirements to which reporting persons are subject under other State and Federal laws. Moreover, in exercising its authority under this subsection, the Commission can be expected to consult with and seek the cooperation of other Federal and State regulatory authorities which may have similar ownership reporting requirements. In this way, the committee believes uniform, centralized ownership reporting can be achieved with the least costs and delays and with maximum usefulness and convenience.

It should be noted that section 203 was substantially revised by the committee. Originally, section 203 would have progressively reduced the threshold percentage level at which beneficial ownership interests in U.S. corporations would have to be reported from the current 5-percent level to one-half of 1 percent in 1979. Also eliminated was the provision of the original title II which would have required the Commission to report to the Congress on the necessity and feasibility of a further reduction in the threshold reporting level to one-tenth of 1 percent. While the Committee believes that such measures may ultimately be necessary, it has determined that statutory provisions of this nature may be deferred at this juncture, particularly in light of the Commission's mandate under section 203 of S. 305 to study the effectiveness of current reporting levels.

As important as these improvements are to perfecting and expanding the existing disclosure requirements, the committee recognizes that section 203 will not resolve all of the economic, political, social, and regulatory concerns raised by investment activities of individual and institutional investors, both foreign and domestic. Further and more definitive study is needed. Accordingly, section 203 would add a new section 13(h) to the act directing the Commission to study the effectiveness of the ownership reporting requirements of the Securities Exchange Act and the desirability and feasibility of reducing or otherwise modifying the 5 percent reporting threshold provided in subsections 13(d) and 13(g), giving appropriate consideration to nine specified criteria which committee believes represent many of the most important considerations in this area. The Commission's report must be furnished to Congress within 30 months from the date of enactment of the bill.

Finally, section 204 of the bill would amend section 15(d) of the Exchange Act to provide the Commission with the authority to define the term "held of record" for purposes of that subsection.

Section 12(g) and 15(d) of the Exchange Act make certain issuers whose securities are traded otherwise than on a national securities exchange subject to the act. The jurisdiction of both sections is based, in part, on shareholder-of-record criteria which were intended to provide a certain and easily applied measure of public investor interest and to avoid the difficulties inherent in a standard based on the number of beneficial owners.

Congress enacted subsections 12(g) and 15(h) on the assumption that the number of recordholders and the number of underlying beneficial owners would be approximately the same. However, this assumption is becoming increasingly less valid given the substantial increase in the use of nominee and street name registration. Combining the holdings of many shareholders into a single nominee of records could cause issuers which properly should be subject to the Securities Exchange Act to be excluded from the act.

While the SEC's Street Name Study indicated that there had not been a substantial increase in the percentage of securities held in nominee and street name since enactment of the shareholder-of-record standards in 1964, it did note the dramatic growth of securities depositories since 1968.[7] Moreover, the Commission concluded that "a substantial increase in the use of nominee and street name registration * * * could * * * exclude or remove from the jurisdiction of the act issuers which, in the contemplation of Congress, properly should be subject to the act."

Section 204 would therefore implement the recommendation in the Street Name Study, and enable the Commission to take steps to remove depositories from the chain of ownership of securities held in depositories, thus preserving the jurisdictional effectiveness of section 15(d). With these express powers, the committee believes the growth of depositories can be continued as part of the development of a comprehensive national system for the clearance and settlement of securities transactions required by section 17A of the Act without adversely affecting the jurisdictional provisions of the Exchange Act.

COST OF THE LEGISLATION

Pursuant to section 252(a) of the Legislative Reorganization Act of 1970, as amended, the committee accepts as its own estimate of the cost of carrying out the legislation the following cost estimates as prepared by the Congressional Budget Office.

CHANGES IN EXISTING LAW

In the opinion of the committee, it is necessary to dispense with the requirements of subsection 4 of Rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., April 21, 1977.
Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 305, Foreign Corrupt Practices Act of 1977 and Domestic and Foreign Investment Improved Disclosure Act of 1977, as amended by the Committee on Banking, Housing and Urban Affairs.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, APRIL 21, 1977

1. Bill No.: S. 305.

2. Bill title: Foreign Corrupt Practices Act of 1977 and Domestic and Foreign Investment Improved Disclosure Act of 1977.

3. Bill status: As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs.

4. Purpose of bill: This bill amends the Securities Exchange Act of 1934 to require the issuers of securities registered under section 12 of the Act to maintain accurate records and to prohibit certain bribes. The bill also requires the Securities and Exchange Commission to maintain a file of all stockholders who own more than 5 percent of a corporation's stock, and requires the SEC to submit a report to Congress thirty months after the enactment of this legislation.

5. Cost estimate:

Fiscal year:	*Thousands*
1978	$55
1979	30
1980	13
1981	13
1982	14

6. Basis of estimate: It is assumed for this estimate that the SEC will have to update its existing ownership information file to conform with this legislation. Presently the file lists all people who own more than 10 percent of the existing stock issued by a company. Under this legislation, the list would have to be expanded by approximately 14,000 names to meet the 5 percent requirement. In addition, the existing file would have to be updated to conform with the information requirements mandated by this bill. The preparation of all this data for keypunching would necessitate 1.5 clerical staff years (GS-05) plus 0.5 staff years of verification and supervisory work by a GS-12. This total cost, including overhead, would be $32,000. Presently it costs the SEC approximately $2,000 to update 15,000 cards in a file; this cost includes keypunching, staff time, and computer time. Updating the 66,000 cards now on the system would cost $9,000. Adding 14,000 names to the system is expected to cost $4,000. A further cost of $10,000 is associated with coordinating the new data with the existing retrieval system, for a total cost of $55,000 for completely updating the present system to conform to the requirements in S. 305. While the bill takes effect on the date of its enactment, it is estimated that no significant costs will be incurred in fiscal year 1977. These costs are therefore estimated to occur in fiscal year 1978; beyond that, maintenance and updating costs of $12,000 would occur annually, with increases for inflation.

The SEC is also required to report to the Congress within 30 months of the date of enactment of this legislation on the effect of these requirements, with consideration given to nine issues. It is assumed that this report can be written with 0.5 staff years (GS-13), at a cost of $18,000. This report would be due at the beginning of fiscal year 1980, and therefore the cost would occur in fiscal year 1979.

7. Estimate comparison: The SEC estimates that it will cost between $261,000 and $550,000 to implement the legislation proposed by S. 305. The SEC estimate is based upon assumptions which include building a

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[7] Between 1968 and 1976 the number of shares evidenced by certificates maintained in securities depositories increased from approximately 400 million to over 4 billion. Street Name Study, p. 55, note 4.

new data system and having a report to the Congress which would cost $100,000.

8. Previous CBO estimate: On April 7, 1977, CBO prepared a cost estimate for S. 305 as introduced on January 18, 1977, and referred to the Senate Committee on Banking, Housing and Urban Affairs. That version of the bill included no significant additional cost to the government. The committee has amended the bill by adding section 203, which results in the costs estimated above.

9. Estimate prepared by: Jack Garrity.

10. Estimate approved by:

ROBERT A. SUNSHINE,

(For Robert L. Blum, Assistant Director for Budget Analysis).

WICHITA TRIBAL LAND CLAIM

The bill (S. 773) authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 14, 1946 (60 Stat. 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the Indian Claims Commission to hear, determine, and render judgment on any claims the Wichita Indian Tribe of Oklahoma and its affiliated bands and groups have against the United States with respect to any lands or interests therein which were held by aboriginal title or otherwise, which were acquired from such tribe, bands, or groups without payment of adequate compensation by the United States. Such jurisdiction is conferred notwithstanding any failure of such tribe, band, or groups to exhaust any available administrative remedies. Any party to any action under this Act shall have the right to have any final decision of the Court of Claims reviewed by appeal to the Supreme Court of the United States.

(b) Any award made before, on, or after the date of the enactment of this Act, under any judgment of the Indian Claims Commission or any other authority, with respect to any lands that are also the subject of a claim submitted under this Act shall not be considered as a defense, estoppel, or set-off to such claim, and shall not otherwise affect the entitlement to, or amount of, and relief with respect to such claim.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–119), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE MEASURE

Notwithstanding certain statutes of limitations S. 773 authorizes the Indian Claims Commission to consider claims by the Wichita Indian Tribe and affiliated bands with respect to aboriginal title to lands which were acquired by the United States without payment of adequate compensation.

BACKGROUND

The Wichita Indian Tribe of Oklahoma and its affiliated groups and bands have always asserted aboriginal claim to land now included in the States of Oklahoma and Texas. While the Wichita Indians have consistently asserted aboriginal title to such lands, the portion of the lands located in southwestern Oklahoma were conveyed to the Choctaw and Chickasaw Indians by the United States in the 19th century.

The Wichita Indians ceded certain lands to the United States, pursuant to the Jerome Agreement of June 4, 1891 (ratified by the act of March 2, 1895, 28 Stat. 876.) Also, under that Agreement, the Wichita Indians reserved the right to bring claims against the United States for taking of their land with the exception of those lands ceded to the United States pursuant to the Jerome Agreement.

Additionally, the 1895 act conferred jurisdiction on the Court of Claims to consider claims of the Choctaw and Chickasaw Indians to disputed land in Oklahoma known as the Wichita Reservation. Aspects of the Wichita land claims were considered by the Court of Claims and the U.S. Supreme Court around the turn of the century in a dispute between the Wichita and the Choctaw and Chickasaw Indian Nations. That case resulted in an award to the Wichita of some $675,000 which were the proceeds from the surplus lands on the Wichita Reservation. However, the 1895 act under which the suit was authorized did not authorize the Wichita Tribe to bring any other claims.

PREVIOUS LEGISLATION RELATING TO WICHITA CLAIMS

Subsequent to the Supreme Court decision, Congress passed the Jurisdictional Act of June 4, 1924 (43 Stat. 366) which authorized the U.S. Court of Claims to determine all claims of the Wichita Indians against the United States. In 1939, The Court of Claims concluded that the Wichitas' claim was based on aboriginal occupancy and that the 1924 act did not authorize such a claim. However, the court went on to say that "even if it should be held that the Jurisdictional Act confers authority to consider such claim, we are nevertheless of the opinion from the record, that such a claim is not sustained by the record." The decision was not appealed to the U.S. Supreme Court.

WICHITA EFFORTS TO FILE THEIR CLAIM WITH THE INDIAN CLAIMS COMMISSION

Apparently because of the statement in the Court of Claims decision, the Wichita Tribe was not able to find an attorney willing to file their claim with the Indian Claims Commission during the 5-year period (1946–51) that such claims could be filed. It was apparently feared by attorneys approached by the Wichita that the 1939 Court of Claims decision would be considered as having been on the merits of their claim rather than on the basis of a lack of adequate jurisdiction and thereby, under the doctrine of *res judicata* barring consideration of the claim again by the Indian Claims Commission.

Senator Dewey F. Bartlett of Oklahoma introduced a bill (S. 773) on February 24, 1977 that would waive certain legal defenses of the United States, including the statute of limitations, and permit the Wichita Tribe of Oklahoma (including its affiliated bands and groups of Indians) to file with the Indian Claims Commission their claims against the United States.

At the hearings of the 94th Congress the Wichita tribal chairman submitted extensive testimony and documentation outlining the tribe's futile efforts to file its claim with the Commission. The Indian Claims Commission Act provides that no claims existing prior to its enactment and which was not presented to the Commission during the 1946 to 1951 period "may thereafter be submitted to any court or administrative agency for consideration, nor will such claim thereafter be entertained by the Congress."

NEED

The Wichita Tribe and its affiliated bands have always asserted aboriginal claim to land now included in Oklahoma and Texas. Legislation was enacted in 1924 authorizing the Court of Claims to determine all claims of the Wichita against the United States. In 1939, the Court of Claims concluded that the Wichita's claim was based on aboriginal occupancy and that the 1924 act did not authorize such a claim.

Because of the Court of Claims decision, the Wichita Tribe was unable to find an attorney willing to file their claim with the Indian Claims Commission during the 5-year filing period that expired on August 13, 1951. Apparently the attorneys approached by the Wichita feared the 1939 decision would be construed under the doctrine of *res judicata*, thus barring consideration of the claim again by the Indian Claims Commission.

S. 773 would waive certain statutes of limitation and authorize the Indian Claims Commission to consider the Wichita claim on its merits.

LEGISLATIVE HISTORY

S. 773 which addresses the Wichita Claim was introduced by Senator Dewey Bartlett on February 24, 1977.

The Senate and House Committees on Interior and Insular Affairs compiled a considerable hearing record on this subject in the 94th Congress. At the Senate hearing, administration officials recommended against enactment, while the Wichita Tribe recommended that the measure be enacted.

Additional hearings in the Senate in this Congress did not appear likely to produce substantially new evidence; therefore, the Select Committee on Indian Affairs agreed to place S. 773 on the committee agenda for immediate consideration.

A companion measure, H.R. 3377, is presently pending before the House Committee on Interior and Insular Affairs.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Select Committee on Indian Affairs, in open business session on April 27, 1977, by unanimous vote of a quorum present, recommends that the Senate pass S. 773 without amendment.

SECTION-BY-SECTION ANALYSIS

S. 773 provides that notwithstanding the statutes of limitations, the Indian Claims Commission is granted jurisdiction to hear, determine, and render judgment for claims the Wichita Indian Tribe of Oklahoma and its affiliated bands and groups have against the United States for land it acquired from the tribe without payment or adequate compensation. The failure of such tribe, band or groups to exhaust administrative remedies are waived and the right of both parties to petition the U.S. Supreme Court for certiorari is authorized. No other award with respect to any of such lands may be considered as a defense or set off to such claim or the entitlement, or amount of, any relief with respect to such claim.

COST AND BUDGETARY CONSIDERATIONS

The enactment of S. 773 could result in an expenditure of Federal appropriations if the Wichita Tribe successfully litigates its aboriginal land claim in the Indian Claims Commission. The timing of the expenditure is indeterminate.

EXECUTIVE COMMUNICATIONS

Department reports were not received at the time of the filing of this report.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, the committee notes that no changes in existing law are made by the bill S. 773 as reported.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the votes by which the two bills were passed.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF MEASURES TO THE UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the General Orders Calendar that are cleared for passage by unanimous consent as soon as cleared by the Budget Committee. They are Calendar Orders Nos. 97 and 100.

I ask that the clerk transfer those two measures to the Unanimous-Consent Calendar for consideration next week.

The PRESIDING OFFICER. They will be so transferred.

Mr. ROBERT C. BYRD. I thank the Senator.

MEDICARE-MEDICAID ADMINISTRATIVE AND REIMBURSEMENT REFORM ACT—S. 1470

Mr. TALMADGE. Mr. President, today I am introducing, along with many other Senators, the Medicare and Medicaid Administrative and Reimbursement Reform Act of 1977.

In the last Congress I introduced a similar proposal, S. 3205.

That bill and the newer version which I am introducing today have been drafted to deal with many of the problems we face in the medicare and medicaid programs.

The most pressing of these problems is the continued explosion in the costs of those programs.

This problem was graphically illustrated to me as I prepared these remarks.

In introducing the bill last year, I had pointed out that medicare and medicaid would cost Federal and State taxpayers more than $38 billion in fiscal 1977.

This year I must point out that the programs will cost Federal and State taxpayers more than $47 billion in fiscal 1978.

This is an increase of $9 billion in just 1 year's time with no sign that this cost spiral is abating.

Mr. President, during the past year my comprehensive reform proposal was the subject of a great deal of discussion within the health community.

Hearings were held on my bill by the Subcommittee on Health of the Finance Committee last July.

I am pleased to say that during those 5 days of hearings many thoughtful and constructive suggestions were presented.

All of the testimony at the hearing was carefully reviewed and many of the suggestions made have been included in the new version of the bill.

At this point I take the opportunity to publicly thank Mr. Glenn Markus, Mr. Robert Hoyer, Mr. Jack Ebeler, and Miss Jennifer O'Sullivan from the Congressional Research Service for their very able and extensive assistance in reviewing the testimony and assisting to translate the suggestions into legislative proposals.

I have made a number of modifications in my bill which I will discuss at some length later in my remarks.

These modifications consist of both additions to and deletions from the original proposal.

The new version of my bill consists of four major parts:

Changes in hospital reimbursement;

Changes in practitioner reimbursement;

Changes in the long-term care area; and

Changes in the administrative structure of the programs.

Mr. President, before discussing the modifications in my new bill, I would like to point out how my bill relates to certain initiatives undertaken by the new administration in the health care area.

The first administration initiative was to reorganize the structure of the Department of Health, Education, and Welfare as it relates to medicare and medicaid.

I am pleased to say that the President and the Secretary of Health, Education and Welfare adopted administratively the structural changes which I called for in my bill last year.

Specifically, they estabilshed an administration for health care financing which is made up of the old Bureau of Health Insurance, Bureau of Quality Assurance, Medical Services Administration and the Office of Long-Term Care.

Although I am proud that the new administration followed my proposals, I am most apprehensive that in implementing this reorganization, the aims of the original proposals may be lost.

I had proposed this reorganization in order to collapse duplicative functions within the existing agencies and to establish clear lines of command and authority.

Because the Department's establishment of this new health care financing administration was done simultaneously with the elimination of a large and inefficient welfare bureaucracy—the social and rehabilitation service—it appears as if a number of the high-level bureaucrats whose jobs were eliminated in the welfare area are attempting to scramble into the new health financing administration.

From the latest information available to us, it seems as if the new health care agency, rather than collapsing overlapping positions and clarifying lines of authority, may do the opposite and establish a new bureaucratic superstructure as a haven for displaced bureaucrats.

Because of my concern in this area, I have left the reorganization provision in my bill.

If the Department's handling of this matter is not satisfactory, we in the Congress will then be in a position to address the issue legislatively.

Needless to say, if the administration acts appropriately, as I hope they will, many of the details in this provision may prove unnecessary.

Mr. President, the second major initiative of the new administration in the health care area is their recent proposal for a 9-percent cap on hospital revenue increases.

Here again the new administration and I see a common problem.

Their proposal speaks to the same issue—rapidly rising hospital costs—that the first portion of my bill seeks to address.

I should immediately point out that my proposal and theirs are not competitive.

My proposal represents a long-term basic structural answer to the problem of rising hospital costs, whereas the administration is calling for a short-term interim cap on revenues to be in place only until a long-term solution can be established.

The administration has made this clear to me on a number of occasions and they have indicated to me their continued support for a long-term solution following the lines of my proposal.

However, in addition to supporting my proposal, they have expressed their belief in the need for an interim ceiling on hospital revenues and the need for broadening my proposals in the long run to go beyond medicare and medicaid.

For my part, I am quite open to the idea of broadening my proposals to reach beyond medicare and medicaid if a consensus seems to favor this approach.

I am less certain at this point as to my final decision with respect to an interim cap on hospital revenues.

I understand the urgency of the problem and have in fact modified my proposal so that the long-term solution could begin operating earlier—the start of fiscal 1979.

What we are left to deal with then is a 1-year period.

My uncertainty over the wisdom of a cap on hospital revenues stems from a series of concerns:

First, that a cap may become a floor;

Second, that with all the exceptions, the cap may be ineffective as a ceiling;

Third, that a cap by its very nature is arbitrary and tends to penalize those who have been efficient in the past and reward those who have been inefficient; and

Fourth, that switching from our current control mechanisms on reimbursement to the new concept of a cap for 1 or 2 years, and then to yet another control concept as embodied in my bill, may cause such chaos within the hospital field as to cancel out the dubious savings involved.

In short, I have not reached a final conclusion on the merits of the administration proposal for an interim cap on hospital revenues.

But I do share their concern and will strongly support redoubled efforts at effective application of presently authorized controls and interim measures—such as broad public disclosure of hospital costs and charges and whatever appropriate jawboning activities the administration might engage in.

Mr. President, I ask unanimous consent that the summary of the bill prepared by the Congressional Research Service be printed in the RECORD at the conclusion of my remarks, as well as the text of the proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TALMADGE. Mr. President, Senators will find that the summary provides an excellent description of the provisions in the bill.

I therefore propose to confine my remarks to a brief discussion of changes from last year's bill.

First, in the hospital reimbursement area, there was in S. 3205 a 1-year period during which hospitals would receive only half of the incentive payments to which they would normally be entitled and only half of the reductions in payments would apply.

This has been dropped in favor of the bill becoming fully effective with respect to incentives and penalties in the first full year of operation.

In the hospital reimbursement area we have also exempted from operation of the system those States which have effective State ratemaking agencies; that is, where the State agency's ratemaking applies to all hospital payers in the State and where the Secretary of HEW finds that the State system results in lower medicare and medicaid costs than would otherwise be incurred.

Additionally, hospitals will be required to agree not to pass on to any other payers such as Blue Cross or private health insurance any costs to the extent they are determined excessive under medicare and medicaid.

The provisions in present law which prohibit medicare and medicaid from reimbursing a hospital for capital costs connected with disapproved expenditures have been strengthened. Under this bill, where a capital expenditure is not specifically approved, medicare and medicaid would not only exclude reimbursement for the capital-associated costs but also for any direct operating costs connected with the unapproved expenditure.

Further, in those areas where a metropolitan area crosses State lines, the proposed capital expenditure must be approved by the several States concerned or it will be deemed disapproved.

Of course, an appeals process is provided.

With respect to payments for the services of physicians, we have made a number of important changes.

First, last year we said that a doctor had to agree to accept assignment on all of his medicare payments or none of them.

An assignment, of course, occurs where the doctor agrees to accept the medicare reasonable charge as the full charge for his services.

Now, under this bill, we have retained the present system where a doctor can refuse to take assignments or accept them some of the time, but we have added a third category—"participating physician."

The participating physician would be a doctor who agrees to accept assignment on all his medicare patients in return for which he would be relieved of a substantial amount of redtape and paperwork as well as being eligible for administrative cost savings allowances.

A new section would permit the usage of relative value schedules, approved by the Secretary of HEW, for purposes of establishing reasonable payments under medicare and medicaid and other programs.

This is a very sensitive area where the Federal Trade Commission has been active.

I believe that the proposal we have developed meets their concerns as well as safeguarding the legitimate interests of doctors, Government, and the public.

Another provision would modify the Freedom of Information Act so as to preclude the Secretary of HEW from having to routinely disclose aggregate payment to doctors by medicare.

The provision does not stop the Department from assembling those lists and screening them for possible abuse or fraud.

It simply would avoid an unfair appearance of guilt on the part of physicians who may be rendering significant amounts of necessary services to medicare patients at reasonable charges.

I might also point out that the names and amounts released to date, have been characterized by a high degree of inaccuracy which has not only embarrassed the physicians concerned, but also the Government.

A number of provisions in last year's bill are not included in this proposal because, as in the case of the section establishing the Office of Inspector General, they have been enacted into law or because they are presently being considered separately.

For example, my bill last year contained many provisions designed to enhance the detection and prosecution of fraud under the medicare and medicaid programs.

That is the subject of a separate bill, S. 143, which I introduced earlier this year along with 32 other Senators.

I am pleased that the counterpart antifraud bill on the House side, sponsored by Congressmen ROSTENKOWSKI and ROGERS, H.R. 3, is rapidly proceeding toward passage.

As soon as the House completes action on that measure, we will promptly take it up in the Finance Committee.

Included in H.R. 3, now receiving committee consideration in the House, are sections dealing with performance requirements for carriers and intermediaries under medicare and provisions designed to tighten up on participation by health maintenance organizations under medicaid.

For that reason I have not included, again, sections dealing with those areas in this year's administrative and reimbursement reform bill.

The bill also does not contain the section, previously included, which would have required States to pay doctors under their medicaid programs not less than 80 percent of what medicare pays.

The American Medical Association testified in opposition to that provision, as did the Governors conference.

Inasmuch as the provision would have cost several hundred million dollars, and in view of that opposition, I have not included it.

Mr. President, I believe we have made a good bill better.

I look forward to reasonably prompt consideration of the measure in committee and, hopefully, early action by the Senate.

I now submit the bill on behalf of myself and Senators LONG, RIBICOFF, DOLE, NUNN, EASTLAND, MATSUNAGA, RANDOLPH, HOLLINGS, INOUYE, GRAVEL, FORD, JAVITS, PELL, PERCY, BROOKE, BURDICK, METZENBAUM, STONE, and HATHAWAY, and ask that it be appropriately referred.

[EXHIBIT 1]

SUMMARY

MEDICARE-MEDICAID ADMINISTRATIVE AND REIMBURSEMENT REFORM

I. Hospital reimbursement reform

SEC. 2. Criteria for Determining Cost of Hospital Services.

This section of the bill would establish a new method of reimbursement for routine operating costs for hospitals under the Medicare and Medicaid programs. The new mechanism, to be phased in by FY 1981, would provide for incentive reimbursement—rewarding hospitals whose routine operating costs are below average, and penalizing hospitals whose routine operating costs are substantially above average. The Secretary of HEW would be directed to develop comparable approaches to paying for the costs of other hospital departments.

Operation of Reimbursement Mechanism.—Comparisons among institutions would be facilitated by:

Classifying hospitals in groups, by bed size and type of hospital, or other categories found to be appropriate;

Establishing an accounting and uniform cost reporting system;

Limiting the incentive reimbursement system to routine operating costs (for example, routine nursing, administrative, maintenance, supply, and food costs), and excluding cost elements such as costs of capital, costs of education and training programs, malpractice insurance, etc. Such costs would continue to be reimbursed under current law; and

Adjusting routine operating costs to take into account the effect of area wage differences.

A per diem rate for routine operating costs would be determined for each hospital by:

Calculating the average per diem routine operating cost within each group of hospitals under the classification system; and

Determining the per diem rate for each hospital in the group by adjusting the personnel cost component of the average to reflect the difference in wages in effect in each hospital's area compared with average wages in effect in all of the areas in which the hospitals are located.

Hospitals whose actual routine operating costs fell below their payment rate would receive one-half of the difference between their cost and their payment rate, with the bonus payment limited to five percent of their payment rate. Hospitals whose actual costs exceeded their payment rate, but were no more than 120 percent of that rate, would be paid their actual costs. Those with costs above 120 percent of their payment rate would have their reimbursement limited to that amount. The payment rate could be adjusted to take into account any wage and price changes, subject to certain limits, actually taking place after determination of the rate.

Exceptions Procedures.—Provision is made for a hospital to demonstrate that its unusually high routine costs are caused by (1) underutilization of beds or facilities, but only where such beds or facilities are necessary to meet the needs of an underserved area, or (2) an unusual patient mix which results in a greater intensity of routine care. To the extent that such additional costs could be justified, they would be excluded from the reimbursement criteria provided for in the bill.

If the Secretary is satisfied that a State hospital reimbursement system results in lower aggregate payments to hospitals in a State than the system established by the bill, then payments to hospitals in that State could be based on the State system.

Phasing in of Reimbursement System.—The bill provides for a phasing-in to permit orderly implementation and to allow ample opportunity for hospitals to make appropriate professional and administrative decisions. FY 1978 cost data would be used in developing a listing of payment rates for FY 1980 on an advisory and informational basis only. This would permit hospitals to become familiar with the new methodology. FY 1979 data, based on the accounting and uniform reporting system, would be used in determining the payment rates to be fully effective in FY 1981.

Report and Further Development by the Secretary.—Subsequently, the Secretary could develop and submit to the Congress comparable approaches to paying for the costs of other hospital departments such as radiology, laboratory, etc., and for payment to skilled nursing facilities.

SEC. 3. Payments to Promote Closing and Conversion of Underutilized Facilities.

This section provides for including in hospital reasonable cost payment, reimbursement for capital and increased operating costs associated with the closing down or conversion to approved use of underutilized bed capacity or services in nonprofit short-term hospitals, (limited to increased operating costs in for-profit short-term hospitals). This would include costs which might not be otherwise reimbursable, because of payment "ceilings" such as severance pay, "mothballing" and related expense. In addition, payments could be continued for reasonable cost capital allowances in the form of depreciation or interest or debt which would ordinarily be applied toward payment of debt actually outstanding and incurred in connection with the terminated beds. In the case of complete closing down of a hospital, payments would continue toward repayment of any debt, to the extent previously recognized by the program, and actually outstanding.

Appropriate safeguards are to be developed to forestall any abuse or speculation. During the first two years not more than 50 hospitals could be paid these transitional allowances in order to permit full development of procedures and safeguards. This limited application will also provide Congress with an opportunity to assess the effectiveness and economic effect of this approach in encouraging hospitals to close or modify excess and costly capacity without suffering financial penalty.

SEC. 4. Federal Participation in Hospital Capital Expenditures. Changes are made in the current law limitations on Medicare and Medicaid payments related to certain hospital capital expenditures. These changes link the procedure to the new health planning law, and require that the designated planning agency approve capital expenditures in excess of $100,000 as a condition to Medicare and Medicaid reimbursement for capital and direct operating costs associated with those expenditures. A special procedure is established for proposed capital expenditures in metropolitan areas which include more than one State or jurisdiction. All States or jurisdictions in the area must approve the expenditure, or it would be considered disapproved for purposes of reimbursement subject to review by the Secretary.

II. Practitioner reimbursement reforms

SEC. 10. Agreements of Physicians to Accept Assignment of Claims.

Under the bill there would be "participating" physicians, a concept employed by many Blue Shield plans.

A "participating" physician is an M.D. or D.O. who voluntarily and by formal agreement agrees to accept the Medicare reasonable charge determination on an assignment basis, as the full billing amount for all services to all Medicare patients. Agreements would be cancellable or concluded on the basis of 30 days' notice. "Non-participating" physicians could continue to elect to use the assignment method of billing on a claim-by-claim basis, as under present law.

In the case of a participating physician: (1) the Secretary would establish appropriate procedures and forms whereby such physician may submit his claims on one of various simplified bases and these claims would be given priority handling by the Part B agent.

An "administrative cost-saving allowance of $1 per eligible patient would be payable to a participating physician covering all services provided and billed for with respect to an eligible patient which were included in a multiple billing listing. Two separate allowances would not be made for billing on two listings of items ordinarily included in a single visit or service, nor for different services which were provided to the same patient within a seven-day period.

With respect to inpatient or outpatient hospital care, the administrative allowances would be payable only in the case of: (1) a surgeon or anesthesiologist, or (2) attending physician or consultant whose principal office and place of practice outside the hospital, and where in the case of (1) and (2) such physicians ordinarily bill and collect directly for their services.

No administrative allowance would be payable in the case of claims solely for laboratory tests and X-rays undertaken outside of the office of the billing physician.

As an example of how this would operate, take the case of a physician who does not accept assignments today and whose routine office visit charge is $10. If he became a "participating" physician, he would receive an extra $1 allowance for that visit plus probably save at least another $1 in billing, collection and office paperwork costs. In effect, his net practice income would increase by 20 percent as a result of "participation". The physicians with the lowest charges (often those in rural or ghetto areas) would benefit proportionately most from participation, as the cost-savings allowance and the office cost cutting would represent a greater percentage of their charges.

SEC. 11. Criteria for Determining Reasonable Charge for Physicians' Services.

Medicare presently allows a new doctor to establish his customary charge at not greater than the 50th percentile of prevailing charges in the locality. The bill would permit new physicians in localities with low fee levels to go in at the 75th percentile (rather than the 50th) as a means of encouraging doctors to move into low-fee, physician shortage areas. It would also permit doctors presently practicing in shortage areas to move up to the 75th percentile.

Medicare utilizes more than 200 different "localities" throughout the country for purposes of determining Part B "reasonable" charges. In some States there are as many as 15 different localities. This has led to irrational disparities in areas of the same State in the prevailing charges for the same service. For example, the prevailing charge under Medicare was $450 in Los Angeles for a hemorrhoidectomy but only $280 in San Francisco for the same procedure. Additionally, under present law, all prevailing charges are annually adjusted upward by a fixed percentage to reflect changes in the costs of practice and wage levels. The effect of present law is to further widen the dollar gap between prevailing charges in different localities.

A section of the bill would require calculation of Statewide prevailing charges (in any State with more than one locality) in addition to the locality prevailing charges. To the extent that any prevailing charge in a locality was more than one-third higher than the Statewide average charge for a given service, it would not be automatically increased each year. This provision would not reduce any prevailing charges currently in effect—it would operate, to the extent given charges exceed the Statewide average by more than one-third—to preclude raising them.

SEC. 12. Hospital Associated Physicians.

Another section preserves the eligibility of radiologists, pathologists and anesthesiologists to be paid by Medicare and Medicaid on a fee-for-service basis for patient care services which they personally perform or personally direct. The bill provides that reimbursement for the portion of his services which the physician may perform for the hospital as an executive, educator, or supervisor would be paid on a basis related to what would be paid in the case of a salaried physician performing similar work for an institution. Percentage or lease arrangements would ordinarily not be recognized for Medicare and Medicaid reimbursement purposes. These provisions were developed with the help of representatives of the American College of Radiology and the American Society of Anesthesiologists. This section will avoid excessive payment to some physicians for services which they do not personally provide.

The provision in present law which permits 100 percent payment for inpatient radiology and pathology tests, instead of 80 percent as is the case with all other physician services under Medicare, would be restricted to physicians who agree to become "participating physicians."

SEC. 13. Payment for Certain Antigens under Part B of Medicare.

Present law would be amended to provide that allergists might be paid directly for preparation of a reasonable supply of antigens which would be dispensed or administered by another physician. This is designed to deal with the situation where a doctor refers his patient to an allergist who may then prepare a supply of antigens for the referring doctor's use. Today, the allergist has to be paid by the referring physician.

SEC. 14. Payments on Behalf of Deceased Individuals.

A technical change would permit payment by Medicare on the basis of a non-receipted bill for care directly to the spouse or other legal representative of a deceased Medicare beneficiary. Under present law, Medicare can only pay where the physician accepts an assignment or where the family has actually paid the bill. Where a physician refuses an assignment, families have encountered difficulty in raising sufficient cash to pay the bill in order to be eligible for payment by Medicare.

SEC. 15. Use of Approved Relative Value Schedules.

The bill authorizes the Secretary to approve the use of terminology systems and relative value schedules by physicians in billing Medicare, Medicaid, and for other purposes. The purpose of this amendment is to establish a common language to describe the kinds of services that are covered under public and private health benefit plans and to provide for a more rational basis for evaluating the reasonableness of fees.

III. Long-term care reforms

SEC. 20. Hospital Providers of Long-Term Care Services.

The bill includes a provision to make better and more flexible use of underutilized hospital beds in rural areas by providing for a simplified cost reimbursement formula which avoids the current requirement for separate patient placement within the facility and separate cost finding.

SEC. 21. Reimbursement Rates under Medicaid for Skilled Nursing Facilities and Intermediate Care Facilities.

This section would allow States to include a reasonable profit in determining reimbursement on a cost-related basis.

SEC. 22. Medicaid Certification and Approval of Skilled Nursing Facilities.

The bill includes a section comparable to an amendment approved by the Finance Committee and Senate in 1972 which would make the Secretary of HEW the final certifying officer for skilled nursing and intermediate care facilities. Today, the Secretary has such authority with respect to skilled nursing facilities participating under Medicare only, or both Medicare and Medicaid, but not where they participate only under Medicaid. The principal purpose of this provision is to assure more uniform application of health and safety standards and timely termination of facilities with serious deficiencies.

SEC. 23. Visits Away from Institution by Patients of Skilled Nursing or Intermediate Care Facilities.

The bill would prohibit the Secretary from imposing numerical limits on the number of home visits which might be made by skilled nursing home or intermediate care patients. Questions as to the appropriateness of the extent of such visits are matters for professional review rather than absolute numbers.

IV. Administrative reforms

SEC. 30. Establishment of Health Care Financing Administration.

The bill combines the Medicare, Medicaid, Office of Long Term Care, and Bureau of Quality Assurance agencies into a single Administration for Health Care Financing headed by an Assistant Secretary. Medicare would continue to use the Social Security computer and District office systems. This is designed to promote uniform policy-making and enhanced accountability.

SEC. 31. State Medicaid Administration.

Specific performance criteria would be established with respect to State administration of Medicaid. These would require timely determination and redeterminations of eligibility; prompt payment of proper claims; effective review of those providing services and the services provided; and timely development and submission of program operating data. The Secretary would review, on-site, each State's compliance, with the Comptroller-General certifying the methodology used by the Secretary. Deficiencies would be required to be corrected within periods not exceeding six months. At Federal expense, States would be provided any necessary technical or professional assistance they requested to improve their systems or correct deficiencies. Graded penalties relating to Federal matching for administrative costs would be assessed for uncorrected deficiencies. All review reports and findings would be made available to Governors and State legislatures on a routine basis.

SEC. 32. Regulations of the Secretary.

A minimum period of 60 days would be required for comment on proposed HEW regulations with respect to the Social Security Act, except for those of an urgent nature.

Except where specifically provided otherwise, final regulations would be required to be issued within one year of enactment of this bill.

SEC. 33. Repeal of Section 1867.

The Health Insurance Benefits Advisory Council (HIBAC) would be terminated.

V. Miscellaneous reforms

SEC. 40. Procedure for Determining Reasonable Cost and Reasonable Charge.

Reimbursement to contractors, employees or related organizations, consultants, or subcontractors at any tier would not be recognized where compensation or payments (in whole or part, in cash or kind) were based upon percentage arrangements. This would include payment of commissions and/or finders' fees and lease or rental arrangements on a percentage basis. This would also include management or other service contracts or provision of services by collateral suppliers such as pharmacies, laboratories, etc. The percentage prohibition would flow both ways either from the supplier or service agency back to the provider or organization or from the original provider or organization to the supplier or service agency.

SEC. 41. Ambulance Service.

Today, Medicare will pay for the ambulance service only to a hospital if it is the nearest participating institution with adequate facilities. A problem has arisen in that sometimes the nearest hospital doesn't have a staff member qualified to undertake the care (i.e., no neurosurgeon where neurosurgery is involved). A provision in the bill would cover ambulance service to more distant hospitals where the nearer hospitals do not have staff qualified to undertake the care required.

SEC. 42. Grants to Regional Pediatric Pulmonary Centers.

A section of the bill incorporates an authorization of up to $5 million annually for the support of pediatric pulmonary centers. This is identical with an amendment approved by the Senate in 1972, but which was not acted upon by the House.

SEC. 43. Waiver of Human Experimentation Provision for Purposes of Cost Sharing.

Under current law, State Medicaid programs may impose nominal cost-sharing requirements on Medicaid eligibles. Recently, some cost sharing provisions have been challenged as violations of the Human Experimentation statute. These challenges would have the effect of nullifying the intent of cost-sharing provisions from the Human Experimentation statute.

SEC. 44. Disclosure of Aggregate Payments to Physicians.

The bill would prohibit the release of the names of physicians who have been paid large amounts for treating Medicare patients. Similar information on Medicaid payments could be released by a State if it chooses to do so. While lists of highly paid physicians are useful to the administering agencies in identifying possible program abusers, they also serve to unjustifiably embarrass honest physicians who have a large number of elderly patients.

SEC. 45. Denial of Medicaid Eligibility for Intentionally Disposing of Assets.

The bill would allow States to deny Medicaid benefits for up to a year in the case of persons who give away their property to relatives in order to reduce their resources to the eligibility level.

SEC. 46. Rate of Return on Net Equity for For-Profit Hospitals.

Under current law, for-profit institutions are allowed a rate-of-return on net equity invested equal to one and one-half the current rate-of-return on Social Security investments. This return would be increased to two times the Social Security investment rate until fiscal 1981 when incentive payments, based upon performance, may be earned by hospitals.

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medicare-Medicaid Administrative and Reimbursement Reform Act".

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CRITERIA FOR DETERMINING REASONABLE COST OF HOSPITAL SERVICES

SEC. 2. (a)(1) The first sentence of section 1861(v)(1)(A) of the Social Security Act is amended by striking out "The" and inserting "Subject to subsection (aa), the".

(2) Section 1861(v) of the Act is also amended by adding at the end of the following paragraph:

"(8) For additional requirements applicable to determination of reasonable cost for services provided by hospitals, see subsection (aa).".

(b) Section 1861 of the Act is amended by adding after subsection (z) the following subsection:

"CRITERIA FOR DETERMINING REASONABLE COST OF HOSPITAL SERVICES

"(aa)(1) To more fairly and effectively determine reasonable costs incurred in providing hospital services, the Secretary shall, not later than April 1, 1978, after consulting with appropriate national organizations, establish—

"(A) An accounting and uniform functional cost reporting system (including uniform procedures for allocation of costs) for determining operating and capital costs of hospitals providing services, and

"(B) a system of hospital classification under which hospitals furnishing services will initially be classified as follows:

"(i) by size, with each of the following groups of hospitals being classified in separate categories: (I) those having more than 5, but fewer than 25, beds, (II) those having more than 24, but fewer than 50, beds, (III) those having more than 49, but fewer than 100, beds, (IV) those having more than 99, but fewer than 200, beds, (V) those having more than 199, but fewer than 300, beds, (VI) those having more than 299, but fewer than 400, beds, (VII) those having more than 399, but fewer than 500, beds, and (VIII) those having more than 499 beds.

"(ii) by type of hospital, with (I) short-term general hospitals being in a separate category, (II) hospitals which are the primary affiliates of accredited medical schools (with one hospital to be nominated by each accredited medical school) being in one separate category (without regard to bed size), and (III) psychiatric, geriatric, maternity, pediatric, or other specialty hospitals being in the same or separate categories, as the Secretary may determine appropriate, in light of any differences in specialty which significantly affect the routine costs of the different types of hospitals, and

"(iii) other criteria which the Secretary may find appropriate, including modification of bed-size categories;

but the system of hospital classification shall not differentiate between hospitals on the basis of ownership.

"(2) The term 'routine operating costs' used in this subsection does not include:

"(A) capital and related costs,

"(B) direct personnel and supply costs of hospital education and training programs,

"(C) costs of interns, residents, and non-administrative physicians,

"(D) energy costs associated with heating and cooling the hospital plant, and

"(E) malpractice insurance expense, or,

"(F) ancillary service costs.

"(3)(A) During the calendar quarter beginning on January 1 of each year, beginning with 1979, the Secretary shall determine, for the hospitals in each category of the system established under paragraph (1)(B), an average per diem routine operating cost amount which shall (except as otherwise provided in this subsection) be used in determining payments to hospitals.

"(B) The determination shall be based upon the amount of the hospitals' routine operating costs for the preceding fiscal year.

"(C) In making a determination, the routine operating costs of each hospital shall be divided into personnel and nonpersonnel components.

"(D)(i) The personnel and nonpersonnel components of routine operating costs for each of the hospitals (other than for those excluded under clause (ii)) in each category shall be added for all hospitals and then divided by the total number of days of routine care provided by the hospitals in the category to determine the average per diem routine operating cost for each category.

"(ii) In making the calculations required by clause (i), the Secretary shall exclude any hospital which has significant understaffing problems or which otherwise experiences significant cost differentials resulting from failure of the hospital to fully meet the standards and conditions of participation as a provider of services as determined by the Secretary.

"(E) There shall be determined for each hospital in each category a per diem payment rate for routine operating costs. That payment rate shall equal the average per diem routine operating cost amount for the category in which the hospital is expected to be classified during the subsequent fiscal year, except that the personnel component shall be adjusted using a wage index based upon general wage levels (including fringe benefit costs) in the areas in which the hospitals are located. If the Secretary finds that, in an area where one or more hospitals in any category are located, for the fiscal year ending June 30, 1977, the wage level (including fringe benefit costs) for hospitals is significantly higher than the general wage level (including fringe benefit costs) in that area (relative to the relationship between hospital wages and general wages in other areas), then the general wage level in the area shall be deemed equal to the wage level for hospitals in that area, but only during fiscal year 1979.

"(4)(A)(i) The term 'adjusted per diem payment rate for routine operating costs', means the per diem payment rate for routine operating costs plus the average percentage increase in prices determined under succeeding provisions of this subparagraph.

"(ii) In making payments for services, the Secretary shall add a semiannual average percentage increase in the cost of the mix of goods and services (including personnel and nonpersonnel costs) comprising routine operating costs, equal to the lesser of: (I) the average percentage increase estimated by the hospital, or (II) the average percentage increase in the area estimated by the Secretary.

"(iii) At the end of the fiscal year, the amounts paid under clause (ii) shall be adjusted to reflect the lesser of (I) the actual cost increase experienced by the hospital or (II) the actual increase in costs which occurred in the mix of goods and services in the area. Adjustments shall also be made to take account of unexpected changes in the hospital's classification.

"(B) For purposes of payment the amount of routine operating cost incurred by a hospital shall be deemed to equal—

"(i) for a hospital which has actual routine operating costs equal to or greater than that hospital's adjusted per diem payment rate for routine operating costs, an amount equal to the greater of:

"(I) The hospital's actual routine operating costs, but not exceeding 120 percent of the hospital's adjusted per diem payment rate for routine operating costs, or

"(II) the amounts determined for the hospital under clause (I) if it had been classified in the bed-size category nearest to the category in which the hospital was classified, but not exceeding the hospital's actual routine operating costs; and

"(ii) for a hospital which has actual routine operating costs less than that hospital's adjusted per diem payment rate for routine operating costs, an amount equal to (I) the amount of the hospital's actual routine operating costs, plus (II) whichever is smaller: (a) 5 percent of the hospital's adjusted per diem payment rate for routine operating costs, or (b) 50 percent of the amount by which the hospital's adjusted per diem payment rate for routine operating costs exceeds the hospital's actual routine operating costs.

"(C) Any hospital excluded by the Secretary under paragraph (3)(D)(ii), shall be reimbursed for routine operating costs the lesser of (i) actual costs or (ii) the reimbursement determined under this subsection.

"(D) April 1 of the year in which the Secretary determines the amount of the average per diem operating cost for each hospital category and the adjusted per diem payment rate for each hospital, the determinations shall be published by the Secretary; and the Secretary shall notify the hospital administrator and the administrative governing body of each hospital with respect to all aspects of the determination which affect the hospital.

"(E) If a hospital is determined by the Secretary to be—

"(i) located in an underserved area where hospital services are not otherwise available,

"(ii) certified as being currently necessary by an appropriate planning agency, and

"(iii) underutilized,

the adjusted per diem payment rate shall not apply to that portion of the hospital's routine operating costs attributable to the underutilized capacity.

"(F) If a hospital satisfactorily demonstrates to the Secretary that, in the aggregate, its patients require a substantially greater intensity of care than is generally provided by the other hospitals in the same category, resulting in unusually greater routine operating costs, then the adjusted per diem payment rate shall not apply to that portion of the hospital's routine operating costs attributable to the greater intensity of care required.

"(G) The Secretary may further increase the adjusted per diem payment rate to reflect the higher prices prevailing in Alaska or Hawaii.

"(H) Where the Secretary finds that a hospital has manipulated its patient mix, or patient flow, or provides less than the normal range and extent of patient service, or where an unusually large proportion of routine nursing service is provided by private-duty nurses, the routine operating costs of that hospital shall be deemed equal to whichever is less: the amount determined without regard to this subsection, or the amount determined under subparagraph (B).

"(5) Where any provisions of this subsection are inconsistent with section 1861 (v), this subsection supersedes section 1861(v)."

(c)(1) The Secretary shall, at the earliest practical date, develop additional methods for reimbursing hospitals for all other costs, and for reimbursing all other entities which are reimbursed on the basis of reasonable cost. Those methods shall provide appropriate classification and reimbursement systems designed to ordinarily permit comparisons of the cost centers of one entity, either individually or in the aggregate, with cost centers similar in terms of size and scale of operation, prevailing wage levels, nature, extent, and appropriate volume of the services furnished, and other factors which have a substantial impact on hospital costs. The Secretary shall provide procedures for appropriate exceptions.

(2) The systems of reimbursement shall not permit payment for costs which exceed 120 percent of the average cost incurred by other institutions or agencies in the same class, unless an exception has been allowed.

(3) The Secretary shall, as classification and reimbursement systems methods are developed, but not later than two years from enactment, submit appropriate legislative recommendations to the Congress.

(d) The provisions of section 1861(aa)(2), (3), and (4) of the Social Security Act—

(1) shall apply for informational purposes for services furnished by a hospital before October 1, 1979, and

(2) shall be effective for fiscal years beginning with fiscal year 1981.

(e) Notwithstanding any other provision of this Act, where the Secretary has entered into a contract with a State, as authorized under section 222 of Public Law 92-603 or section 1533(d) of the Public Health Service Act, to establish a reimbursement system for hospitals, hospital reimbursement in that State under titles XVIII and XIX shall be based on that State system, if the Secretary finds that—

(1) the State has mandated the reimbursement system and it applies to all hospitals in the State which have provider agreements under title XVIII or title XIX;

(2) the system applies to all revenue sources for hospital services in the State;

(3) all hospitals in the State with which there is a provider agreement conform to the accounting and uniform reporting requirements of section 1861(aa)(1)(A), and furnishes any appropriate reports that the Secretary may require; and,

(4)(A) based upon an annual evaluation of the system, aggregate payments to hospitals in the State under title XVIII and title XIX for those components of hospitals costs determined under section 1861(aa) for the fiscal year following an annual evaluation are estimated to be less than payments would be under section 1861(aa) or, (B) where a State that is unable to satisfy requirements of subparagraph (A) demonstrates to the satisfaction of the Secretary that total reimbursable inpatient hospital costs in the State are lower than would otherwise be payable under title XVIII and title XIX.

If the Secretary finds that any of the above conditions in a State which previously met them have not been met for a year the Secretary shall, after due notice, reimburse hospitals in that State according to the provisions of this Act unless he finds that unusual, justifiable and nonrecurring circumstances led to the failure to comply.

(f)(1) Section 1866(a)(1) of the Social Security Act is amended by inserting ", and" in place of the period at the end of subparagraph (C), and by adding a subparagraph: "(D) not to increase amounts due from any individual, organization, or agency in order to offset reductions made under section 1861 (aa) in the amount paid, or expected to be paid, under title XVIII.".

(2) Section 1902(a)(27) of the Social Security Act is amended by deleting "and" at the end of subparagraph (A), by inserting ", and" in place of the semicolon at the end of subparagraph (B) and by adding a new subparagraph:

"(C) not to increase amounts due from any individual organization, or agency in order to offset reductions made under section 1902(a)(13)(D) in the amount paid, or expected to be paid under title XIX;"

(h) Section 1902(a)(13)(D) is amended to read as follows:

"(D) for payment of the reasonable cost of inpatient hospital services provided under the plan, applying the methods specified in section 1861(v) and section 1861(aa), which are consistent with section 1122; and".

PAYMENTS TO PROMOTE CLOSING AND CONVERSION OF UNDERUTILIZED FACILITIES

SEC. 3. (a) Part A of title XI of the Social Security Act is amended by adding at the end the following new section:

"PAYMENTS TO PROMOTE CLOSING AND CONVERSION OF UNDERUTILIZED FACILITIES

"SEC. 1132. (a)(1)(A) Before the end of the third full month following the month in which this section is enacted, the Secretary shall establish a Hospital Transitional Allowance Board (referred to in this section as the 'Board'). The Board shall have five members, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, who are knowledgeable about hospital planning and hospital operations.

"(B) Members of the Board shall be appointed for three-year terms, except some initial members shall be appointed for shorter terms to permit staggered terms of office.

"(C) Members shall be entitled to per diem compensation at rates fixed by the Secretary, but not more than the current per diem equivalent at the time the service involved is rendered for grade GS–18 in section 5332 of title 5, United States Code.

"(D) The Secretary shall provide technical, secretarial, clerical, and other assistance as the Board may need.

"(2) The Board shall receive, and act upon applications by hospitals certified for participation (other than as 'emergency hospitals') under titles XVIII and XIX for transitional allowances.

"(b) For purposes of this section—

"(1) The term 'transitional allowance' means an amount which—

"(A) shall, solely by reason of this section, be included in a hospital's reasonable cost for purposes of calculating payments under the programs authorized by title V, XVIII, and XIX, of this Act; and

"(B) in accordance with this section, it is established by the Secretary for a hospital in recognition of a reimbursement detriment (as defined in paragraph (3)) experienced because of a qualified facility conversion (as defined in paragraph (2)).

"(2) The term 'qualified facility conversion' means closing, modifying, or changing usage of underutilized hospital facilities which is expected to benefit the programs authorized under title XVIII and title XIX by (i) eliminating excess bed capacity, (ii) discontinuing an underutilized service for which there are adequate alternative sources, or (iii) substituting for the underutilized service some other service which is needed in the area and which is consistent with the findings of an appropriate health planning agency.

"(3) A hospital which has carried out a qualified conversion and which continues in operation will be regarded as having experienced a 'reimbursement detriment' (A) to the extent that, solely because of the conversion there is a reduction in the aggregate reimbursement (but only to the extent the capital was accepted as reasonable for purposes of reimbursement) which is considered in determining for payment purposes under title XVIII or title XIX to the hospital the reasonable cost (as the term is used for purposes of those titles) incurred by the hospital; (B) if the conversion results, on an interim basis, in increased operating costs to the extent that operating costs exceed amounts ordinarily reimbursable under title XVIII and XIX, or (C) in the case of complete closure of a nonprofit, nongovernmental (except local governmental) hospital, other than for replacement of the hospital to the extent of actual debt obligations previously recognized as reasonable for reimbursement, where the debt remains outstanding, less any salvage value.

"(c)(1) Any hospital may file an application with the Board (in a form and including data and information as the Board, with the approval of the Secretary, may require) for a transitional allowance with respect to any qualified conversion which was formally initiated after December 31, 1977. The Board, with the approval of the Secretary, may also establish procedures, consistent with this section, by means of which a finding of a reimbursement detriment may be made prior to the actual conversion.

"(2) The Board shall consider any application filed by a hospital, and if the Board finds that—

"(A) the facility conversion is a qualified facility conversion, and

"(B) the hospital is experiencing a reimbursement detriment because it carried out the qualified facility conversion,

the Board shall transmit to the Secretary its recommendation that the Secretary establish, a transitional allowance for the hospital in amounts reasonably related to prior or prospective use of the facility under titles XVIII and XIX, and for a period, not to exceed twenty years, specified by the Board; and, if the Board finds that the criteria in clauses (A) and (B) are not met, it shall advise the Secretary not to establish a transitional allowance for that hospital. For an approved closure under subsection (b)(3) (C) the Board may recommend or the Secretary may approve a lump-sum payment in lieu of periodic allowances, where such payment would constitute a more efficient and economic alternative.

"(3)(A) The Board shall notify a hospital of its findings and recommendations.

"(B) A hospital dissatisfied with a recommendation may obtain an informal or formal hearing at the discretion of the Secretary, by filing (in the form and within a time period established by the Secretary) a request for a hearing.

"(4)(A) Within thirty days after receiving a recommendation from the Board respecting a transitional allowance or, if later, within thirty days after a hearing the Secretary shall make a final determination whether, and if so in what amount and for what period of time, a transitional allowance will be granted to a hospital. A final determination of the Secretary shall not be subject to judicial review.

"(B) The Secretary shall notify a hospital and any other appropriate parties of the determination.

"(C) Any transitional allowance shall take effect on a date prescribed by the Secretary, but not earlier than the date of completion of the qualified facility conversion. A transitional allowance shall be included as an allowable cost item in determining the reasonable cost incurred by the hospital in providing services for which payment is authorized under this title: *Provided, however,* That the transitional allowance shall not be considered in applying limits to costs recognized as reasonable pursuant to the third sentence of section 1861(v)(1) and section 1861(aa) of this Act or in determining the amount to be paid to a provider pursuant to section 1814(b), section 1833 (a)(2), section 1910(1)(3), and section 506 (f)(3) of this Act.".

"(d) In determining the reasonable cost incurred by a hospital with respect to which payment is authorized under a State plan approved under title V or title XIX, any transitional allowance shall be included as an allowable cost item.

"(e)(1) The Secretary shall not, prior to January 1, 1981, establish a transitional allowance for more than a total of fifty hospitals.

"(2) On or before January 1, 1980, the Secretary shall report to the Congress evaluating the effectiveness of the program established under this section including appropriate recommendations."

(b) The amendments made by subsection (a) shall apply only to services furnished by a hospital or skilled nursing facility for fiscal years beginning on and after the first day of the first calendar month following enactment of this Act.

FEDERAL PARTICIPATION IN HOSPITAL CAPITAL EXPENDITURES

SEC. 4. (a) Section 1122(b) of the Social Security Act is amended to read:

"(b) For purposes of this section, the State Health Planning and Development Agency designated under section 1521 of the Public Health Service Act shall serve as the designated planning agency."

(b) Section 1122(c) is amended to read:

"(c) Expenses incurred by planning agencies shall be payable from—

"(i) funds in the Federal Hospital Insurance Trust Fund,

"(ii) funds in the Federal Supplementary Medical Insurance Trust Fund, and

"(iii) funds appropriated to carry out the health care provisions of the several titles of this Act,

in amounts as the Secretary finds results in a proper allocation. The Secretary shall transfer money between the funds as may be appropriate to settle accounts between them. The Secretary shall pay the planning agencies without requiring contribution of funds by any State or political subdivision."

(c) Section 1122(d) is amended to read:

"(d)(1) Except as provided in paragraph (2), if the Secretary determines that—

"(A) neither the Health Systems Agency nor the designated planning agency had been notified of any proposed capital expenditure at least sixty days prior to obligation for the expenditure; or

"(B) (i) the designated planning agency had not approved the proposed expenditure; and

"(i) the designated planning agency had granted to the person proposing the capital expenditure an opportunity for a fair hearing with respect to the findings;

then, in determining Federal payments under titles V, XVIII, and XIX for services furnished in the health care facility for which the capital expenditure is made, the Secretary shall not include any amount attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of proprietary facilities), other expenses related to the capital expenditure, or for direct operating costs, to the extent that they can be directly associated with the capital expenditure. In the case of a proposed capital expenditure in a standard metropolitan statistical area which encompasses more than one jurisdiction, that expenditure shall require approval of the designated planning agency of each jurisdiction who shall jointly review the proposal. Where the designated planning agencies do not unanimously agree, the proposed expenditure shall be deemed disapproved; where the designated planning agencies do not act to approve or disapprove the proposed expenditure within one hundred and eighty days of submission of request for approval the proposed expenditure shall be deemed approved; any deemed approval or disapproval shall be subject to review and reversal by the Secretary following a request submitted to him within sixty days of the deemed approval or disapproval, for a review and reconsideration based upon the record. With respect to any organization which is reimbursed on a per capita, fixed fee, or negotiated rate basis, in determining the Federal payments to be made under titles V, XVIII, and XIX, the Secretary shall exclude an amount reasonably equivalent to the amount which would otherwise be excluded under this subsection if payment were made on other than a per capita, fixed fee, or negotiated rate basis.

"(2) If the Secretary, after submitting the matters involved to the advisory council, determines that an exclusion of expenses related to any capital expenditure would discourage the operation or expansion of any health care facility or health maintenance organization which has demonstrated to his satisfaction proof of its capability to provide comprehensive health care services (including institutional services) effectively and economically, or would be inconsistent with effective organization and delivery of health services or effective administration of title V, XVIII, or XIX, he shall not exclude the expenses pursuant to paragraph (1)."

(d) Section 1122(g) of the Social Security Act is amended to read:

"(g) For purposes of this section, a 'capital expenditure' is one which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance and which (1) exceeds $100,000, (2) changes the bed capacity of the facility, or (3) substantially changes the services of the facility, including conversion of existing beds to higher cost usage. The cost of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of the plant and equipment shall be included in determining whether the expenditure exceeds $100,000.

(e) Section 1861(z) of the Social Security Act is amended to read:

"Institutional Planning

"(z) An overall plan and budget of a hospital, skilled nursing facility, or home health agency shall—

"(1) provide for an annual operating budget which includes all anticipated income and expenses related to items which would, under generally accepted accounting principles, be considered income and expense items (except that nothing in this paragraph shall require that there be prepared, in connection with any budget an item-by-item identification of the components of each type of anticipated expenditure or income);

"(2) provide for a capital expenditures plan for at least a five-year period (including the year to which the operating budget applies) which identifies in detail the sources of financing and the objectives of each anticipated expenditure in excess of $100,000 related to the acquisition of land, improvement of land, buildings, and equipment, and the replacement, modernization, and expansion of the buildings and equipment, and which would, under generally accepted accounting principles, be considered capital items. The capital expenditures plan shall be a matter of public record and available in readily accessible form and fashion;

"(3) provide for annual review and updating; and

"(4) be prepared, under the direction of the governing body of the institution or agency, by a committee consisting of representatives of the governing body, administrative staff, and medical staff (if any) of the institution or agency."

AGREEMENT BY PHYSICIANS TO ACCEPT ASSIGNMENTS

Sec. 10. (a) (1) Title XVIII of the Social Security Act is amended by adding the following section:

"AGREEMENTS OF PHYSICIANS TO ACCEPT ASSIGNMENT

"Sec. 1868. (a) For purposes of this section the term 'participating physician' means a doctor of medicine or osteopathy who has in effect an agreement by which he agrees to accept an assignment of claim (as provided for in section 1842(b) (3) (B) (ii)) for each physicians' service (other than those excluded from coverage by section 1862) performed by him in the United States for an individual enrolled under this part. The assignment shall be in a form prescribed by the Secretary. The agreement may be terminated by either party upon thirty days' notice to the other, filed in a manner prescribed by the Secretary.

"(b) To expedite processing of claims from participating physicians, the Secretary shall establish procedures and develop appropriate forms under which—

"(1) each physician will submit his claims on one of alternative simplified approved bases, including multiple listing of patients, and the Secretary shall act to assure that these are processed expeditiously, and

"(2) The physician shall obtain from each patient enrolled under this part (except in cases where the Secretary finds it impractical for the patient to furnish it), and shall make available at the Secretary's request, a signed statement by which the patient: (i) agrees to make an assignment with respect to all services furnished by the physician; and (ii) authorizes the release of any medical information needed to review claims submitted by the physician.

"(c) (1) Participating physicians shall be paid administrative cost-savings allowances (as specified below in this subsection), in addition to the reasonable charges that are payable.

"(2) The administrative cost-savings allowance shall equal $1 and shall be paid to the participating physician for each claim he submits in accordance with the simplified billing procedure referred to in subparagraph (b) and these payments shall be treated as an administrative expense to the medical insurance program: *Provided, however,* That:

"(A) not more than $1 shall be payable to a physician for claims for services furnished to any particular patient within any seven-day period; and

"(B) no administrative cost-savings allowance shall be payable for services performed for a hospital inpatient or outpatient unless:

"(i) the services are surgical services, anesthesia services, or services performed by a physician who, as an attending or consulting physician who, has personally examined the patient and whose office or regular place of practice is located outside a hospital, and

"(ii) the physician ordinarily bills directly (and not through such hospital) for his services;

"(C) no administrative cost-savings allowance shall be payable for services which consist solely of laboratory or X-ray services which are for hospital inpatients or outpatients or are performed outside the office of the participating physician.".

(b) The amendments made by paragraph (1) shall become effective July 1, 1978.

CRITERIA FOR DETERMINING REASONABLE CHARGE FOR PHYSICIANS' SERVICES

Sec. 11. (a) (1) So much of section 1842 (b) (3) of the Social Security Act as follows the first sentence is amended to read:

"(3A) (A) In determining the reasonable charge for services for purposes of paragraph (3) (including any hospital-associated physicians), there shall be taken into consideration the customary charges for similar services generally made by the physician or other person furnishing such services, as well as the prevailing charges in the locality for similar services.

"(B) (i) Except as otherwise provided in clause (iii), no charge may be determined to be reasonable in the case of bills submitted or requests for payment made under this part after December 31, 1970, if it exceeds the higher of (I) the prevailing charge recognized by the carrier and found acceptable by the Secretary for similar services in the same locality in administering this part on December 31, 1970, or (II) the prevailing charge level that, on the basis of statistical data and methodology acceptable to the Secretary, would cover 75 per centum of the customary charges made for similar services in the same locality during the last preceding calendar year elapsing prior to the start of the fiscal year in which the bill is submitted or the request for payment is made.

"(ii) In the case of physician services the prevailing charge level determined for purposes of clause (i) (II) for any fiscal year beginning after June 30, 1973, may not (except as otherwise provided in clause (iii)) exceed (in the aggregate) the level determined under such clause for the fiscal year ending June 30, 1973, except to the extent that the Secretary finds, on the basis of appropriate economics index data, that such higher level is justified by economic changes. Moreover, for any fiscal year beginning after June 30, 1978, no prevailing charge level for physicians' services shall be increased to the extent that it would exceed by more than one-third the statewide prevailing charge level (as determined under subparagraph (E)) for that service.

"(iii) Notwithstanding the provisions of clauses (i) and (ii) of this subparagraph, the prevailing charge level in the case of a physician service in a particular locality determined pursuant to such clauses for the fiscal year beginning July 1, 1975, shall, if lower than the prevailing charge level for the fiscal year ending June 30, 1975, in the case of a similar physician service in the same locality by reason of the application of economic index data, be raised to such prevailing charge level for the fiscal year ending June 30, 1975.

"(C) In the case of medical services, supplies, and equipment (including equipment servicing) that, in the judgment of the Secretary, do not generally vary significantly in quality from one supplier to another, the charges incurred after December 31, 1972, determined to be reasonable may not exceed the lowest charge levels at which such services, supplies, and equipment are widely and consistently available in a locality except to the extent and under circumstances specified by the Secretary.

"(D) The requirement in paragraph (3) (B) that a bill be submitted or request for payment be made by the close of the following calendar year shall not apply if (i) failure to submit the bill or request the payment by the close of such year is due to the error or misrepresentation of an officer, employee, fiscal intermediary, carrier, or agent of the Department of Health, Education, and Welfare performing functions under this title and acting within the scope of his or its authority, and (ii) the bill is submitted or the payment is requested promptly after such error or misrepresentation is eliminated or corrected.

"(E) The Secretary shall determine separate statewide prevailing charge levels for each State that, on the basis of statistical data and methodology acceptable to the Secretary, would cover 50 percent of the customary charges made for similar services in the State during the last preceding calendar year elapsing prior to the start of the fiscal year in which the bill is submitted or the request for payment is made.

"(F) Notwithstanding any other provision of this paragraph, any charge for any particular service or procedure performed by a doctor of medicine or osteopathy shall be regarded as a reasonable charge if—

"(i) the service or procedure is performed in an area which the Secretary has designated as a physician shortage area,

"(ii) the physician has a regular practice in the physician shortage area,

"(iii) the charge does not exceed the prevailing charge level as determined under subparagraph (B), and

"(iv) the charge does not exceed the physician's customary charge.".

(2) The amendment made by paragraph (1) shall take effect upon enactment.

HOSPITAL-ASSOCIATED PHYSICIANS

SEC. 12. (a)(1) Section 1861(q) of the Social Security Act is amended by adding "(1)" immediately after "(q)" and by adding, immediately before the period at the end thereof, the following: "; except that the term does not include any service that a physician may perform as an educator, an executive, or a researcher; or any professional patient care service unless the service (A) is personally performed by or personally directed by a physician for the benefit of the patient and (E) is of such nature that its performance by a physician is customary and appropriate".

(2) Section 1861(q) is amended by adding the following paragraphs at the end:

"(2) In the case of anesthesiology services, a procedure would be considered to be 'personally performed' in its entirety by a physician where the physician performs the following activities:

"(A) preanesthetic evaluation of the patient;

"(B) prescription of the anesthesia plan;

"(C) personal participation in the most demanding procedures in this plan, including those of induction and emergence and assuring that a qualified individual, who need not be his employee, performs any of the less demanding procedures which the physician does not personally perform;

"(D) following the course of anesthesia administration at frequent intervals;

"(E) remaining physically available for the immediate diagnosis and treatment of emergencies; and

"(F) providing indicated postanesthesia care: *Provided, however,* That during the performance of the activities described in subparagraphs (C), (D), and (E), the physician is not responsible for the care of more than one other patient. Where a physician performs the activities described in subparagraphs (A), (B), (D), and (E) and another individual performs the activities described in subparagraph (C), the physician will be deemed to have personally directed the services if he was responsible for no more than four patients while performing the activities described in subparagraphs (D) and (E) and the reasonable charge for his personal direction shall not exceed one-half the amount that would have been payable if he had personally performed the procedure in its entirety.

"(3) Pathology services shall be considered 'physicians' services' to patients only where the physician personally performs acts or makes decisions with respect to a patient's diagnosis or treatment which require the exercise of medical judgment. These include operating room and clinical consultations, the required interpretation of the significance of any material or data derived from a human being, the aspiration or removal of marrow or other materials, and the administration of test materials or isotopes. Such professional services shall not include professional services such as: the performance of autopsies; and services performed in carrying out responsibilities for supervision, quality control, and for various other aspects of a clinical laboratory's operations that are customarily performed by nonphysician personnel.

(3) Section 1861(b) of such Act is amended—

(A) by striking out "or" at the end of paragraph (6),

(B) by striking out the period at the end of paragraph (7) and inserting "; or", and

(C) by adding at the end the following paragraph:

"(8) a physician, if the services provided are not physicians' services (within the meaning of subsection (q)).".

(b)(1) Section 1861(s) of the Social Security Act is amended by adding at the end: "The term 'medical and other health services' shall not include services described in paragraph (2)(A) and (3) if furnished to inpatients of a provider of services unless the Secretary finds that, because of the size of the hospital and the part-time nature of the services or for some other reason acceptable to him, it would be less efficient to have the services furnished by the hospital (or by others under arrangement with them made by the hospital) than to have them furnished by another party.".

(2) Section 1842(b)(3A) of such Act, as added by section 20 of this Act, is amended by adding:

"(G) The charge for a physician's or other person's services and items which are related to the income or receipts of a hospital or hospital subdivision shall not be considered in determining his customary charge to the extent that the charge exceeds an amount equal to the salary which would reasonably have been paid for the service (together with any additional costs that would have been incurred by the hospital) to the physician performing it if it had been performed in an employment relationship with the hospital plus the cost of other expenses (including a reasonable allowance for travel-time and other reasonable types of expense related to any differences in acceptable methods of organization for the provision of services) incurred by the physician, as the Secretary may determine to be appropriate.".

(c) Section 1861(v) of the Social Security Act is amended by adding:

"(8)(A) Where physicians' services are furnished under an arrangement (including an arrangement under which the physician performing the services is compensated on a basis related to the amount of the income or receipts of the hospital or any department or other subdivision) with a hospital or medical school, the amount included in any payment to the hospital under this title as the reasonable cost of the services (as furnished under the arrangement) shall not exceed an amount equal to the salary which would reasonably have been paid for the services (together with any additional costs that would have been incurred by the hospital) to the physician performing them if they had been performed in an employment relationship with the hospital (rather than under such arrangement) plus the cost of other expenses (including a reasonable allowance for traveltime and other reasonable types of expense related to any differences in acceptable methods of organization for the provision of the services) incurred by the physician, as the Secretary may determine to be appropriate.".

(d)(1) Section 1833(a)(1)(B) of the Social Security Act is amended by inserting "(except as provided in subsection (h))" immediately after "amounts paid shall".

(2) Section 1833(b)(2) of such Act is amended by inserting "(except as otherwise provided in subsection (h))" immediately after "amount paid shall".

(3) Section 1833 of such Act is amended by adding:

"(h) The provisions of subsection (a)(1)(B) and clause (2) of the first sentence of subsection (b) shall not apply to any physician unless he has entered into an agreement with the Secretary under which he agrees to be compensated for all such services on the basis of an assignment the terms of which are described in section 1824(b)(3)(B)(ii).".

(e) The amendments made by this section shall, except those made by subsection (d), apply to services furnished in accounting periods of the hospital which begin after the month following the month of enactment of this Act. The amendment made by subsection (d) shall be effective July 1, 1978.

PAYMENT FOR CERTAIN ANTIGENS UNDER PART B OF MEDICARE

SEC. 13. (a) Section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (C),

(2) by inserting "and" at the end of clause (D), and

(3) by adding after clause (D) the following new clause:

"(E) antigens (subject to reasonable quantity limitations determined by the Secretary) prepared by an allergist for a particular patient, including antigens he prepares which are forwarded to another qualified person for administration to the patient by or under the supervision of another physician;".

(b) Subsection (a) shall apply to items furnished after the month of enactment of this Act.

PAYMENT UNDER MEDICARE OF CERTAIN PHYSICIANS' FEES ON ACCOUNT OF SERVICES FURNISHED TO A DECEASED INDIVIDUAL

SEC. 14. (a) Section 1870(f) of the Social Security Act is amended, in the matter following clause (2) thereof, by—

(1) inserting "(A)" immediately after ", and only if", and

(2) by inserting immediately before the period the following ", or (B) the spouse or other legally designated representative of such individual requests (in such form and manner as the Secretary shall by regulations prescribe) that payment for such service without regard to clause (A)".

(b) Subsection (a) shall apply to payments made after the month of enactment.

USE OF APPROVED RELATIVE VALUE SCHEDULE

SEC. 15. (a) To provide common language describing the various kinds and levels of medical services which may be reimbursed under titles V, **XVIII**, and **XIX**, of the Social Security Act, the Secretary of Health, Education, and Welfare shall establish a system of procedural terminology, including definitions of the terms. The system shall be developed by the Health Care Financing Administration with the advice of other large health care purchasers, representatives of professional groups and other interested parties. In developing the system, the Health Care Financing Administration shall consider among other things, the experience of third parties in using existing terminology systems in terms of: implications for administrative and program costs; simplicity and lack of ambiguity; and the degree of acceptance and use.

(b) Upon development of a proposed system of procedural terminology and its approval by the Secretary of Health, Education, and Welfare, it shall be published in the Federal Register. Interested parties shall have not less than six months in which to comment on the proposed system and to recommend relative values to the Secretary for the procedures and services designated by the terms. Comments and proposals shall be supported by information and documentation specified by the Secretary.

(c) The good faith preparation of a relative value schedule or its submission to the Secretary by an association of health practitioners solely in response to a request of the Secretary as authorized under this section shall not in itself be considered a violation of any consent decree by which an association has waived its right to make recommendations concerning fees: *Provided*, That the proposed relative value schedule shall not be disclosed to anyone other than those persons actually preparing it or their counsel until it is made public by the Secretary.

(d) The Health Care Financing Administration shall review materials submitted under this section and shall recommend that the Secretary adopt a specific terminology system and its relative values for use by carriers in calculating reasonable charges under title XVIII of the Social Security Act, but only after:

(1) Interested parties have been given an opportunity to comment and any comments have been considered;

(2) Statistical analyses have been conducted assessing the economic impact of the relative values on the physicians in various specialties, geographic areas and types of practice, and on the potential liability of the program established by part B of title XVIII of the Social Security Act;

(3) It has been determined that the proposed terminology and related definitions are unambiguous, practical, and easy to evaluate in actual clinical situations and that the unit values assigned generally reflect the relative time and effort required to perform various procedures and services.

(4) That the use of the proposed system will enhance the administration of the Federal health care financing programs.

(e) A system of terminology, definitions, and their relative values, as approved by the Secretary, shall be periodically reviewed by him and may be modified. An approved system (as amended by any modification of the Secretary) may subsequently be used by any organization or person for purposes other than those of this Act. Nothing in this section shall be considered to bar the Secretary from adopting a uniform system of procedural terminology in situations where a relative value schedule has not been approved.

HOSPITAL PROVIDERS OF LONG-TERM CARE SERVICES

SEC. 20. (a) Section 1861 of the Social Security Act is amended by adding after subsection (aa) (as added by section 10(b) of this Act) the following:

"Hospital Providers of Extended Care Services

"(bb) (1) (A) Any hospital (other than a hospital which has in effect a waiver of the requirement imposed by subsection (e) (5)) which has an agreement under section 1866 may (subject to paragraph (2)) enter into an agreement with the Secretary under which its inpatient hospital facilities may be used for the furnishing of services of the type which, if furnished by a skilled nursing facility, would constitute post-hospital extended care services.

"(B) (i) Notwithstanding any other provision of this title, payment to any hospital for services furnished under an agreement entered into under this subsection shall be based upon the reasonable cost of the services as determined under this subparagraph.

"(ii) The reasonable cost of the services will consist of the reasonable cost of routine services and ancillary services. The reasonable cost of routine services furnished during any calendar year by a hospital under an agreement under this subsection shall equal the product of the number of patient-days during the year for which the services were furnished and the average reasonable cost per patient-day. The average reasonable cost per patient-day shall be established as the average rate per patient-day paid for routine services during the previous calendar year under title XIX to skilled nursing facilities located in the State in which the hospital is located and which have agreement entered into under section 1902a(28). The reasonable cost of ancillary services shall be determined in the same manner as the reasonable cost of ancillary services provided for inpatient hospital services.

"(2) (A) The Secretary shall not enter into an agreement under this subsection with any hospital unless—

"(i) for a period specified by the Secretary (not less than twelve months) which immediately precedes the date the agreement is entered into, the hospital has had an average daily occupancy rate of less than 60 percent,

"(ii) the hospital is located in a rural area and has less than 50 beds, and

"(iii) the hospital has been granted a certificate of need for the provision of long-term care services from the agency of the State (which has been designated as the State health planning and development agency under an agreement pursuant to section 1521 of the Public Health Services Act) in which the hospital is located.

"(3) An agreement with a hospital entered into under this section shall, except as otherwise provided under regulations of the Secretary, be of the same duration and subject to termination on the same conditions as are agreements with skilled nursing facilities under section 1866, unless the hospital fails to satisfy the requirements defined in paragraph (2) (A) of this subsection and shall, where not inconsistent with any provision of this subsection impose the same duties, responsibilities, conditions, and limitations, as those imposed under such agreements entered into under section 1866; except that no such agreement with any hospital shall be in effect for any period during which the hospital does not have in effect an agreement under section 1866, or where there is in effect for the hospital a waiver of the requirement imposed by subsection (e) (5). A hospital whose agreement has been terminated shall not be eligible to undertake a new agreement until a two-year period has elapsed from the termination date.

"(4) Any agreement with a hospital under this subsection shall provide that payment for services will be made only for services for which payment would be made as post-hospital extended care services, if those services had been furnished by a skilled nursing facility under an agreement entered into under section 1866; and any individual who is furnished services, for which payment may be made under an agreement, shall, for purposes of this title (other than this subsection), be deemed to have received post-hospital extended care services in like manner and to the same extent as if the services furnished to him had been post-hospital extended care services furnished by a skilled nursing facility under an agreement under section 1866.

"(5) During a period for which a hospital has in effect an agreement under this subsection, in order to allocate routine costs between hospital and long-term care services for purposes of determining payment for inpatient hospital services (including the application of reimbursement limits specified in section 1861(aa)), the total reimbursement received for routine services from all classes of long-term care patients, including title XVIII, title XIX, and private pay patients, shall be subtracted from the hospital's total routine costs before calculations are made to determine title XVIII reimbursement for routine hospital services.

"(6) During any period during which an agreement is in effect with a hospital under this subsection, the hospital shall, for services furnished by it under the agreement, be considered to satisfy the requirements, otherwise required, of a skilled nursing facility for purposes of the following provisions: sections 1814(a) (2) (C); 1814(a) (6), 1814(a) (7), 1814(h), 1861(a) (2), 1861(i), 1861(j) (except 1861(j) (12)), and 1861(n); and the Secretary shall specify any other provisions of this Act where the hospital may be considered as a skilled nursing facility.

"(7) (c) Within three years after enactment, the Secretary shall provide a report to the Congress containing an evaluation of the program established under this subsection concerning:

"(1) The extent and effect of the agreements on availability and effective and economical provision of long-term care services,

"(2) whether the program should be continued, and

"(3) whether eligibility should be extended to other hospitals, regardless of bed size or geographic location, where there is a shortage of long-term care beds.".

(b) Title XIX of such Act is amended by adding at the end thereof the following new section:

"HOSPITAL PROVIDERS OF SKILLED NURSING AND INTERMEDIATE CARE SERVICES

"SEC. 1911. (a) Notwithstanding any other provision of this title, payment may be made, in accordance with this section, under an approved State plan for skilled nursing services and intermediate care services furnished by a hospital which has in effect an agreement under section 1861(bb).

"(b) (1) Payment to any such hospital, for any skilled nursing or intermediate care services furnished, shall be at a rate equal to the average rate per patient-pay paid for routine services during the previous calendar year under this title to skilled nursing and intermediate care facilities located in the State in which the hospital is located. The reasonable cost of ancillary services shall be determined in the same manner as the reasonable cost of ancillary services provided for inpatient hospital services.

"(2) With respect to any period for which a hospital has an agreement under section 1861(bb), in order to allocate routine costs between hospital and long-term care services, the total reimbursement for routine services received from all classes of long-term care patients, including title XVIII, title XIX, and private pay patients, shall be subtracted from the hospital total routine costs before calculations are made to determine title XIX reimbursement for routine hospital services.".

(c) The amendments made by this section shall become effective on the date on

which final regulations, promulgated by the Secretary to implement the amendments, are issued; and those regulations shall be issued not later than the first day of the sixth calendar month following the month in which this Act is enacted.

REIMBURSEMENT RATES UNDER MEDICAID FOR SKILLED NURSING AND INTERMEDIATE CARE FACILITIES

Sec. 21. Section 1902(a)(13)(E) of the Social Security Act is amended by inserting "(and which may, at the option of the State, include a reasonable profit for the facility in the form of: (a) fixed per diem amounts or, (b) incentive payments related to efficient performance, or (c) a rate of return on net equity)" immediately after "cost related basis".

MEDICAID CERTIFICATION AND APPROVAL OF SKILLED NURSING AND INTERMEDIATE CARE FACIILTIES

Sec. 22. (a) Section 1910 of the Social Security Act is amended to read:

"CERTIFICATION AND APPROVAL OF SKILLED NURSING AND INTERMEDIATE CARE FACILITIES

"Sec. 1910. (a) The Secretary shall make an agreement with any State which is willing and able to do so whereby the State health agency or other appropriate State or local agencies (whichever are utilized by the Secretary pursuant to section 1864 (a)) will be utilized to recommend to him whether an institution in the State qualifies as a skilled nursing facility (for purposes of section 1902(a)(28)) or an intermediate care facility (for purposes of section 1905(c)).

"(b) The Secretary shall advise the State agency administering the medical assistance plan of his approval or disapproval of any institution certified to him as a qualified skilled nursing or intermediate care facility for purposes of section 1902(a)(28) and specify for each institution the period (not to exceed twelve months) for which approval is granted, except that the Secretary may extend that term for up to two months, where the health and safety of patients will not be jeopardized, if he finds that an extension is necessary to prevent irreparable harm to the facility or hardship to the facility's patients or if he finds it impracticable within the twelve-month period to determine whether the facility is complying with the provisions of this title and applicable regulations. The State agency may upon approval of the Secretary enter into an agreement with any skilled nursing or intermediate care facility for the specified approval period.

"(c) The Secretary may cancel approval of any skilled nursing or intermediate care facility at any time if he finds that a facility fails to meet the requirements contained in section 1902(a)(28) or section 1905(c), or if he finds grounds for termination of his agreement with the facility pursuant to section 1866(b). In that event the Secretary shall notify the State agency and the skilled nursing or intermediate care facility that approval of eligibility of the facility to participate in the programs established by this title and title XVIII shall be terminated at a time specified by the Secretary. The approval of eligibility of any such facility to participate in the programs may not be reinstated unless the Secretary finds that the reason for termination has been removed and there is reasonable assurance that it will not recur.

"(d) Effective July 1, 1978, no payment may be made to any State under this title for skilled nursing or intermediate care facility services furnished by any facility—

"(1) which does not have in effect an agreement with the State agency pursuant to subsection (b), or

"(2) whose approval of eligibility to participate in the programs established by this title or title XVIII has been terminated by the Secretary and has not been reinstated, except that payment may be made for up to thirty days for skilled nursing or intermediate care facility services furnished to any eligible individual who was admitted to the facility prior to the effective date of the termination.".

"(e) Any skilled nursing facility or intermediate care facility which is dissatisfied with any determination by the Secretary that it no longer qualifies as a skilled nursing facility or intermediate care facility for purposes of this title shall be entitled to a hearing by the Secretary to the same extent as is provided in Section 205(b) and to judicial review of the Secretary's final decision after such hearing as is provided in Section 205(g). Any agreement between such facility and the State agency shall remain in effect until the period for filing a request for a hearing has expired or, if a request has been filed, until a decision has been made by the Secretary. Provided, however, that the agreement shall not be extended if the Secretary makes a written determination, specifying the reasons therefor, that the continuation of provider status constitutes an immediate and serious threat to the health and safety of patients, and if the Secretary certifies that the facility has been notified of its deficiencies and has failed to correct them."

(b) Section 1869(c) of the Social Security Act is amended by adding at the end the following sentence: "If the Secretary's determination terminates a provider with an existing agreement pursuant to Section 1866 (b)(2), or if the determination consists of a refusal to renew an existing provider agreement, the provider's agreement shall remain in effect until the period for filing a request for a hearing has expired or, if a request has been filed, until a final decision has been made by the Secretary. Provided, however, that the agreement shall not be extended if the Secretary makes a written determination, specifying the reasons therefor, that the continuation of provider status constitutes an immediate and serious threat to the health and safety of patients and if the Secretary certifies that the provider has been notified of such deficiencies and has failed to correct them."

(c) The amendments made by this section shall become effective on the date on which final regulations, promulgated by the Secretary to implement the amendments, are issued; and those regulations shall be issued not later than the first day of the sixth calendar month following the month in which this Act is enacted.

VISITS AWAY FROM INSTITUTIONS BY PATIENTS OF SKILLED NURSING OR INTERMEDIATE CARE FACILITIES

Sec. 23. Section 1903 of the Social Security Act is amended by adding:

"(1) In the administration of this title, the fact that an individual who is an inpatient of a skilled nursing or intermediate care facility leaves to make visits outside the facility shall not conclusively indicate that he does not need services which the facility is designed to provide; however, the frequency and length of visits away shall be considered, together with other evidence, in determining whether the individual is in need of the facility's services.".

ESTABLISHMENT OF HEALTH CARE FINANCING ADMINISTRATION

Sec. 30. (a) Section 702 of the Social Security Act is amended—

(1) by inserting "(a)" immediately after "Sec. 702.", and

(2) by adding at the end the following subsection:

"(b) The Secretary shall establish, within the Department of Health, Education, and Welfare, a separate organization to be known as the Health Care Financing Administration (which shall include the functions and personnel of administrative entities known as of January 1, 1977 as the 'Bureau of Health Insurance', the 'Medical Services Administration', the 'Bureau of Quality Assurance' (including the National Professional Standards Review Council), and the 'Office of Long-Term Care' and related research and statistical units (including the Division of Health Insurance Studies of the Social Security Administration) which shall be under the direction of the Assistant Secretary for Health Care Financing, who shall report directly to the Secretary and who shall have policy and administrative responsibility (including policy and administrative responsibility with respect to health care standards and certification requirements as they apply to practitioners and institutions) for the programs established by title XVIII and XIX, part B of XI, for the renal disease program established by section 226 and any other health care financing programs as may be established under this Act. The Assistant Secretary may not have any other duties or functions assigned to him which would prevent him from carrying out the duties required under the preceding sentence on a full-time basis.

(b)(1) There shall be in the Department of Health, Education, and Welfare an Assistant Secretary for Health Care Financing, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) Section 5315 of title 5, United States Code, is amended in paragraph (17) by striking out "(5)" and inserting in lieu thereof "(6)".

STATE MEDICAID ADMINISTRATION

Sec. 31. (a) Section 1902(a) is amended by adding at the end the following:

"(37) provide—

"(A) for making eligibility determinations on the basis of applications for coverage, within forty-five days of the date of application for all individuals: (i) receiving aid or assistance (or who except for income and resources would be eligible for aid or assistance) under a plan of the State approved under title IV, part A, (ii) receiving aid or assistance (or who except for income and resources would be eligible for assistance) under any plan of the State approved under title I, X, or XVI (for the aged and the blind), or (iii) with respect to whom supplemental security income benefits are being paid (or who would except for income and resources be eligible to have paid with respect to them supplemental security income benefits) under title XVI on the basis of age or blindness; and

"(B) for making eligibility determinations based upon applications for coverage, within sixty days of application for all individuals: (i) receiving aid or assistance (or who except for income and resources would be eligible for aid or assistance) on the basis of disability under any plan of the State approved under title XIV or XVI, or (ii) for whom supplemental security income benefits are being paid (or who would except for income and resources be eligible to have paid to them supplemental security income benefits) under title XVI based upon disability;

"(C) for making redeterminations of eligibility for persons specified in subparagraphs (A) and (B): (i) when required based upon information the agency has previously obtained on anticipated changes in the individual's situation, (ii) within thirty days after receiving information on changes in an individual's circumstances which may affect his eligibility, and (iii) periodically but not less often than every six months for persons specified in subparagraph (A)(i), and not less often than annually for persons specified in subparagraph (A)(ii) and (A)(iii);

"(38) establish procedures to assure accurate determinations of eligibility and provide that the error rate for eligibility determinations made on or after October 1, 1977, shall not exceed the rate specified in section 1911(b); and

"(39) establish payment procedures to assure that (A) 95 percent of claims for which no further written information or substantiation is required to make payment, be paid within thirty days of receipt of the claim from a provider, and that 99 percent of such claims be paid within ninety days, and (B) both prepayment and postpayment claims review procedures are performed, including—

"(i) review, on a reasonable sample or more extensive basis, to determine the accuracy of data submitted and processed;

"(ii) review to determine that the provider is a participating provider;

"(iii) review to determine whether the service is covered under the State's plan;

"(iv) review to determine whether the recipient is eligible;

"(v) review of care and services provided where such review has not been assumed by an organization designated by the Secretary under part B of title XI of this Act;

"(vi) review to determine that payments made do not exceed those allowable;

"(vii) review to determine and recover any third party liability;

"(viii) review which reasonably safeguards against duplicate billing.".

(b) Section 1902(a)(6) is amended by adding the following at the end: "the reports are to be accurate and filed within sixty days following the close of the reporting period for monthly and quarterly reports, and within one hundred and five days following the close of reporting periods for yearly reports;".

(c) Amend section 1903 by adding at the end the following subsection:

"(n)(1) Effective with each calendar quarter beginning October 1, 1978 the amount paid to each State under paragraphs (a)(2), (a)(3), and (a)(6) shall be reduced or terminated unless the State demonstrates to the Secretary that—

"(A) 95 percent of eligibility determinations are made within the time periods specified under section 1902(a)(37) (A) and (B), except that in determining whether a State has met the requirements of this paragraph there shall not be included eligibility determinations for persons whose eligibility is determined under State plans approved under title I, X, XIV, XVI, or part A of title IV, or by the Secretary under section 1634;

"(B) the State's eligibility determination error rate does not exceed the rate specified in section 1911(b), except that in determining whether a State has met the requirements of this paragraph there shall not be included error rates for those persons whose eligibility is determined under a State plan approved under titles I, X, XIV, XVI, or part A of title IV or by the Secretary under section 1634;

"(C) the State is processing claims for payment within the time period specified in section 1902(a)(39)(A) and applying prepayment and postpayment claims review procedures specified in section 1902(a)(39)(B); and

"(D) the State is making timely and complete reports to the Secretary on the operation of its medical assistance program within the time period including the information specified in section 1902(a)(6).

"(2) The Secretary shall conduct an onsite survey in each State, at least annually, of State performance in each category under paragraph (1). The methodology and procedures (which may involve onsite evaluation) employed, including procedures for any necessary followup of any deficiencies, must be formally approved by the Comptroller General of the United States;

"(3) Any State which fails to meet one or more of the requirements specified in subparagraph (A), (B), (C), or (D) of paragraph (1) shall be formally notified within thirty days of the survey of the deficiencies. The State shall be given an appropriate period of time, not to exceed six months, to correct the deficiencies;

"(4) Any State which fails to correct deficiencies within the time period specified under paragraph (3) as determined by the Secretary shall be notified and subject to a reduction in Federal matching as specified in paragraph (5) beginning on the first day of the first calendar quarter following the date on which the Secretary specified the deficiencies must be corrected under paragraph (3);

"(5)(A) Where the Secretary finds that a State failed to meet the requirements of one of the subparagraph (A), (B), (C), or (D) of paragraph (1) and has not made corrections required under paragraph (4), Federal matching shall be reduced to 50 percent of what the State would otherwise receive under subsections (a)(2), (a)(3), and (a)(6).

"(B) Where the Secretary determines that a State failed to meet requirements of two or more of subparagraphs (A), (B), (C), or (D) of paragraph (1) and that it has not made the corrections as determined under paragraph (4), its Federal matching shall be terminated under subsections (a)(2), (a)(3), and (a)(6).

"(6)(A) Any State which had had Federal matching reduced or terminated under paragraph (5) shall continue to have the matching reduced or terminated until the Secretary determines that the deficiencies have been corrected.

"(B) A State determined to have corrected all categories specified as deficient shall be entitled to the matching rate specified in subsections (a)(2), (a)(3), and (a)(6) beginning on the first day of the calendar quarter in which the corrections were made.

"(C) In a State where matching has been terminated under subsections (a)(2), (a)(3), and (a)(6) as provided under subparagraph (5)(B) and where the Secretary determines that deficiencies continue in only one of the four specified categories, that State shall, beginning on the first day of the calendar quarter in which the correction was made, be entitled to the reduced matching rate specified in subparagraph (5)(A).

"(7) Where a State is determined by the Secretary based upon an onsite evaluation to substantially exceed the requirements of at least two of subparagraphs (A), (B), (C), or (D) of paragraph (1) and meets the requirements of the remaining subparagraphs, that State shall be notified and entitled to a Federal matching rate under subsection (a)(6) of 75 percent and that amount shall apply in each calendar quarter for which the Secretary finds the State continues to meet the requirements of this paragraph;

"(8) The Secretary shall provide or arrange for the reasonable provision of technical assistance by experienced and qualified Federal, State or local governmental personnel to any State which requests assistance in meeting the requirements of paragraph (1).

"(9) If the Secretary notifies a State of deficiencies, or a reduction, termination, or increase in Federal matching, simultaneous notification shall also be made to the Governor of the State, and the respective chairmen of the legislative and appropriation committees of that State's legislature having jurisdiction over the medical assistance program authorized under this title.".

(d) Title XIX of the Social Security Act is amended by adding at the end the following new sections:

"QUALITY CONTROL

"SEC. 1911. The Secretary shall—

"(a) determine the eligibility error rates, including cases incorrectly approved and cases incorrectly denied, for each State for the six-month period commencing with the first calendar quarter beginning six months following enactment of this title. The Secretary shall exclude those cases for which the most recent determination or redetermination of eligibility was correctly made, but where eligibility status subsequently changed, if the State meets the time requirements specified in section 1902(a)(37);

"(b) establish a State classification system, with States classified according to: (1) whether the State provides medical assistance for persons specified in section 1902(a)(10)(C); and (2) population, with those States with greater populations in one grouping and those States with lesser populations in another;

"(c) establish an error rate defined as the rate which equals the 75th percentile of the rates reported by the States under paragraph (a) for each class of States under (b).

"REPORT BY THE SECRETARY

"SEC. 1912. The Secretary shall prepare a biannual report (beginning with fiscal year 1978) on the characteristics of the State programs of medical assistance financed under this title, including, at least (1) a description of the scope and duration of benefits available in each State, (2) a description of eligibility criteria for all groups eligible for medical assistance, (3) specification of the reimbursement methodology for payments under the State program for the major types of services, and (4) a listing of all fiscal agents, insurers and health maintenance organizations contracted with for administration of the program. Such report shall be submitted to the Committee on Finance of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives no later than six months following the close of the fiscal year."

REGULATIONS OF THE SECRETARY

SEC. 32. (a)(1) Section 1102 of the Social Security Act is amended—

(A) by inserting "(a)" immediately after "SEC. 1102.", and

(B) by adding at the end the following subsection:

"(b) Whenever the Secretary, in compliance with requirements imposed by law, has published in the Federal Register general notice of any proposed rule or regulation to be promulgated by him, that notice shall indicate whether prompt promulgation is urgent. Where the notice indicates that prompt promulgation is urgent, the rule or regulation shall become effective within sixty days after publication of the notice; in any other case, the rule or regulation shall become effective without regard to the provisions of this subsection in the manner prescribed by applicable provisions of law.".

(2) Amendments made by paragraph (1) shall be effective for proposed rules published in the Federal Register on and after the first day of the first calendar month which begins more than thirty days after the date of enactment of this Act.

(b) Except as otherwise specified in this Act or in a provision of law which is enacted or amended by this Act, any regulation of the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary"), which is necessary or appropriate to implement any provision of this Act or any other provision of law which is enacted or modified by this Act, shall, subject to paragraph (2), be promulgated so as to become effective not later than the first day of the thirteenth month following the month in which this Act is enacted.

REPEAL OF SECTION 1867

SEC. 33. Section 1867 of the Social Security Act is hereby repealed.

PROCEDURES FOR DETERMINING REASONABLE COST AND REASONABLE CHARGE

SEC. 40. (a)(1) In determining the amount of any payment under title XVIII, under a program established under title V, or under a State plan approved under title XIX, when the payment is based upon the reasonable cost or reasonable charge, no element comprising any part of the cost or charge shall be considered to be reasonable if, and to the extent that, that element is—

(A) a commission, finder's fee, or for a similar arrangement, or

(B) an amount payable for any facility (or part or activity thereof) under any rental or lease arrangement

which is, directly or indirectly, determined, wholly or in part as a percentage, fraction, or portion of the charge or cost attributed to any health service (other than the element) or any health service including, but not limited to, the element.

AMBULANCE SERVICE

Sec. 41. (a) Section 1861(s)(7) of the Social Security Act is amended by inserting:

"(Including ambulance service to the nearest hospital which is: (a) adequately equipped and (b) has medical personnel qualified to deal with, and available for the treatment of, the individual's illness, injury, or condition)" immediately after "ambulance service".

(b) The amendment made by subsection (a) shall apply to services furnished on and after the first day of the first calendar month which begins after the date of enactment of this Act.

GRANTS TO REGIONAL PEDIATRIC PULMONARY CENTERS

Sec. 42. (a) Section 511 of the Social Security Act is amended—

(1) by inserting "(a)" immediately after "Sec. 511.", and

(2) by adding at the end of the section:

"(b)(1) From the sums available under paragraph (2), the Secretary is authorized to make grants to public or nonprofit private regional pediatric respiratory centers, which are a part of (or are affiliated with) an institution of higher learning, to assist them in carrying out a program for the training and instruction (through demonstrations and otherwise) of health care personnel in the prevention, diagnosis and treatment of respiratory diseases in children and young adults, and in providing (through such program) needed health care services to children and young adults suffering from such diseases.

"(2) For the purpose of making grants under this subsection, there is authorized to be appropriated, for the fiscal year ending September 30, 1978, and each of the next four succeeding fiscal years, such sums (not in excess of $5,000,000, for any fiscal year) as may be necessary. Sums authorized to be appropriated for any fiscal year under this subsection for making grants for the purposes referred to in paragraph (1) shall be in addition to any sums authorized to be appropriated for such fiscal year for similar purposes under other provisions of this title.".

(b) Section 502(2) of such Act is amended by inserting "(a)" immediately after "511".

WAIVER OF HUMAN EXPERIMENTAL PROVISION FOR MEDICARE AND MEDICAID

Sec. 43. Any requirements of title II of Public Law 93–348 otherwise held applicable are hereby waived with respect to programs established under titles XVIII and XIX of the Social Security Act.

DISCLOSURE OF AGGREGATE PAYMENTS TO PHYSICIANS

Sec. 44. Section 1106 of the Social Security Act is amended by adding

"(f) The Secretary shall not make available, nor shall the State title XIX agency be required to make available to the public information relating to the amounts that have been paid to individual doctors of medicine or osteopathy by or on behalf of beneficiaries of the health programs established by titles XVIII or XIX, as the case may be, except as may be necessary to carry out the purposes of those titles or as may be specifically required by the provisions of other Federal law.".

RESOURCES OF MEDICAID APPLICANT TO INCLUDE CERTAIN PROPERTY PREVIOUSLY DISPOSED OF TO APPLICANT'S RELATIVE FOR LESS THAN MARKET VALUE

Sec. 45. Section 1904 of the Social Security Act is amended by adding the following sentence: "The Secretary shall not find that a State has failed to comply with the requirements of this title solely because it denies medical assistance to an individual who would be ineligible for such assistance if, in determining whether he is eligible for benefits under title XVI of this Act, there were included in his resources any property owned by him within the preceding twelve months to the extent that he gave or sold that property to a relative for less than its fair market value.".

RATE OF RETURN ON NET EQUITY FOR FOR-PROFIT HOSPITALS

Sec. 46. (a) Section 1861(v)(1)(B) of the Social Security Act is amended—

(1) in the first sentence thereof, by inserting "hospital or" immediately after "Such regulations in the case of",

(2) in the second sentence thereof, by striking out "one and one-half times" and inserting in lieu thereof "the percentages specified in the next sentence, of", and

(3) by inserting after the last sentence of subparagraph (13) the following sentence: "For hospital and skilled nursing facility fiscal periods beginning before the month following the month of enactment of the Medicare-Medicaid Administrative and Reimbursement Reform Act, the percentage referred to in the previous sentence is 150 percent and for subsequent fiscal years, the percentage is 200 percent: *Provided, however*, That no payments will be made under this subparagraph, in the case of a hospital, for October 1980 or any month thereafter.

Mr. RIBICOFF. Mr. President, it is a pleasure to join my colleagues Senator TALMADGE and Senator LONG in introducing the Medicare-Medicaid Administrative and Reimbursement Reform Act of 1977.

This bill builds on our bill of last year. It has been improved by suggestions we have received. This act starts us on the road to permanent, sensible cost containment.

Skyrocketing medical care costs are of major concern across the Nation. The money we spend because of rapidly rising costs is not available for other important goals. We are all aware of gaps in medicare and medicaid coverage, but we cannot afford to patch those gaps until we get a handle on the cost problem.

The first part of the Medicare-Medicaid Administrative and Reimbursement Reform Act establishes prospective reimbursement for routine hospital costs. This would be phased in between now and 1981. Unlike our current system of reimbursement, prospective reimbursement provides incentives for efficient operation. It rewards those hospitals whose routine operating costs are below average and penalizes those substantially above average. This bill proceeds sensibly. Hospitals would be compared only with similar hospitals—similar in type and size. We begin with prospective reimbursement only for routine costs. However, the Secretary is directed to develop comparable approaches for other hospital departments.

Another major problem in medicare has been the refusal of physicians to accept medicare reasonable charges. Many people who cannot afford to pay more are billed over and above what medicare has determined to be a reasonable fee. This bill addresses that problem. It provides simplified administration and an administrative allowance for the "participating physician"—the doctor who agrees to accept the medicare reasonable charge determination as full payment.

The bill also contains a number of other changes in reimbursement and administrative procedures. I believe it can help us slow spiraling costs in the medicare and medicaid programs and streamline the administration of these programs. These steps are important if we are to move to provide better health benefits for all Americans.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. DOLE. Mr. President, I am pleased today to join the distinguished chairman of the Finance Committee's Health Subcommittee, Senator TALMADGE, in introducing legislation providing constructive reform of the administrative and reimbursement mechanisms of the medicare and medicaid programs. As ranking minority member of the Health Subcommittee, I have a particular interest in seeing that meaningful improvements are made in these programs—which are becoming an increasing burden on the Federal budget and an impenetrable maze to the providers serving program beneficiaries.

COST OF HEALTH CARE

The myriad of statistics detailing the rapid rise in health care expenditures—particularly the Federal share of those expenditures—hardly needs repeating. As a member of the Budget Committee, I have been exposed to the concerns of those who fear that—without some form of health cost containment—other national priorities will be downplayed if we are to retain any semblance of fiscal solvency. We are all familiar with the figures which indicate that total health care spending comprised 4.5 percent of the GNP in 1950, while today it amounts to approximately 8.6 percent. Projected fiscal year 1977 spending for the medicare and medicaid programs alone account for $38 billion. It is generally acknowledged that the medicare and medicaid programs themselves have contributed markedly to the rapid increase in total health care expenditures, as the rate of increase has gone from 7.5 percent between 1950–65 to 14 percent in the 12-year period following enactment of these programs.

MEDICARE-MEDICAID PROGRAMS

During initial consideration of the medicare-medicaid programs, I expressed serious reservations as to their design and their ability to provide the best possible access to health care services for the individuals they sought to assist. As hindsight now demonstrates, my observations were not entirely inaccurate. The rise in health costs has not only resulted in an increase in out-of-pocket costs to medicare recipients and curtailment of services initially provided to medicaid beneficiaries, but has also had its impact on the personal budgets of all American citizens. Most individuals today do not need to be confronted with facts and figures to tell them that it is simply costing them more to obtain adequate health care.

RESPONSIBLE ALTERNATIVE

While I have a deep concern for the impact which health costs have had on all Americans, I also recognize that the delivery system itself is not completely responsible for generating those inflationary pressures. Rising labor and supply costs; the need to constantly upgrade equipment and facilities; skyrocketing malpractice premiums, and compliance with a proliferation of new regulations have all played a part in the dilemma we have managed to reach today.

Those are conditions which apparently have gone unnoticed by the administration in its proposal to arbitrarily impose a 9-percent cap on hospital reimbursement increases. Without assuring that corresponding limits will be placed on price hikes and improved services which the hospital must purchase, however, it is unrealistic and inequitable to expect our health care institutions to bear the entire burden of alleviating the rising health costs problems.

In my view, the proposal we are introducing today represents a responsible alternative to the Carter cost containment plan. If there are savings to be realized from increased efficiency in Federal health program administration, then the provisions of S. 1470 are designed to bring them about while maintaining a realistic view of changes which providers are and are not able to make.

OTHER PROVISIONS

Although I do not feel it necessary at this time to discuss every feature of this measure, I would like to take particular note of the fact that it provides incentives for the establishment and maintenance of practices in low-fee physician shortage areas by increasing relative reimbursement levels. My own State of Kansas contains many areas in which physicians are badly needed, but recruitment efforts have been hampered in part by the discriminating nature of current medicare reimbursement practices. Hopefully, this change will be a positive means of reversing that trend.

Another section of our legislation in which I have a special interest is the prohibition on publication of physicians earnings data. Early last month, I brought to the attention of this body the inexcusably large number of errors included in the recent medicare "$100,000 Club" listing put out by HEW, and this move to protect against another unnecessary violation of personal privacy is especially timely.

HOPE FOR PROMPT ACTION

There is no doubt that serious pressures have come to bear on our medicare and medicaid budgets, and I commend Senator TALMADGE for his dedicated efforts at bringing about the kind of reforms it will take to achieve some measure of control in this area.

Mr. President, my cosponsorship of this legislation does not necessarily reflect a complete embracement of all its provisions, for certainly there is room for difference of opinion and further constructive input. Senator TALMADGE has indicated himself that nothing is locked in concrete, and in that spirit I welcome the opportunity to support the thrust of this reform effort while remaining open to suggestions for its refinement.

In that regard, I look forward to another series of productive hearings similar to those of last July on this bill's predecessor, S. 3205. It was clear to me then that we as legislators have a common commitment with providers, intermediaries, beneficiaries, and administrators to come to grips with the fiscal challenges which we face—without losing sight of program objectives for quality and accessibility—and this measure is a restatement of that joint obligation.

Mr. TALMADGE. I now yield to my distinguished chairman, the able senior Senator from Louisiana.

Mr. LONG. Mr. President, the Senator is to be congratulated on the very fine statement that he has made here today, as well as the legislation that he has developed for the benefit of all of us.

The Senator introduced, conducted hearings on, and persuaded us to pass by a unanimous or near unanimous vote last year a measure that included many of these necessary improvements of the medical program, and I would ask the Senator, is it not true that the Senate did pass a substantial number of these recommendations?

Mr. TALMADGE. We did indeed, and part of them became law last year.

As I pointed out in my remarks, the respective jurisdiction on the House side on medicare is that of Representative ROSTENKOWSKI of the Ways and Means Committee, who is chairman of the Health Subcommittee, our counterpart there. The jurisdiction on medicaid in the House of Representatives lies with the Commerce Committee, which is chaired by Representative ROGERS of Florida. Both those distinguished Representatives have taken the bill we passed last year, held hearings on it, and are rapidly moving toward passage, and it will come back to us for hearings very shortly.

Mr. LONG. I am pleased to hear that, because the failure of enactment of many of these provisions the Senator is recommending to us for a second time was really due to the failure of the House to give it consideration in the last Congress. I am sure there is no doubt in my mind, and I am sure none in the Senator's mind, that the Senator from Georgia is on the right track. He has advised us wisely, and I hope very much we will be able to enact the Senator's proposal this year, with such modifications and improvements as the Members of this body and the House of Representatives may generate.

Much of what the Senator is recommending here, in my judgment, is overdue. The case was made for it last year.

Mr. TALMADGE. Long overdue, I might say.

Mr. LONG. It should have attracted sufficient attention in the House of Representatives that the House would have voted on it last year. Had it done so, we would just be following up, in many respects, on last year's work.

Mr. TALMADGE. I thank my distinguished friend for his generous remarks.

I think I would be remiss in my duty, Mr. President, if I did not inform the Senate of the efficiency, dedication, and devotion to duty of the able staff of our committee. Senators will recall that this matter first came to our attention about 5 years ago, when we learned through the news media about massive fraud and abuse in these programs in the State of Illinois. We sent our staff out to Illinois to investigate, got the General Accounting Office involved, and found that the massive fraud and abuse is not confined to Illinois, it is prevalent throughout the United States, including my own State of Georgia. One of the problems Governor Busby has had since he has been in office has been the fraud and abuse in medicaid.

We have had the cooperation of virtually every aspect of health care and delivery in the Nation. For some 5 years our staff has worked with hospital administrators, medical associations, private insurers, and medical organizations in every category of health care and delivery in perfecting this bill. We have had the best suggestions we could get from all of them. The Governor's Conference has been very active in it. My own Governor, Governor Busby, is chairman of the Governor's Conference on Health, and has been very cooperative and had tremendous input into these suggestions.

In addition, we have had other committees. The Committee on Aging, which, as the Senator knows, was chaired by Senator Moss, made some investigations. My colleague, Senator NUNN, was involved in an investigation by the Government Operations Committee.

We have found that outright fraud probably costs the taxpayers of this country a billion and a half to two billion dollars a year, and we have found that the cost of overutilization is probably about three times that high. So we are talking about waste and fraud running about $5 to $6 billion a year. And for the program beyond that, there is no real cost control. They submit a bill which they say is reasonable, they determine whether it is reasonable, and the Government signs a blank check.

So we have no real cost controls now. I believe I pointed out before my distinguished chairman came on the floor that this program this year is going to cost Federal and State taxpayers $47 billion. That is an increase of $9 billion in 1 year's time. So it is a massive problem we are wrestling with, and I deeply appreciate the support and aid of the distinguished chairman and the able committee that has worked so diligently in this field.

PROXMIRE OPPOSITION TO BUDGET RESOLUTION

Mr. PROXMIRE. Mr. President, just before the vote last night on the budget resolution, the distinguished Senator from Florida (Mr. Chiles) said he wanted to see the votes against the budget resolution and compare those votes with the votes of those who voted for the three amendments that increased the size of that resolution.

Well, Mr. President, this Senator was the principal sponsor of two of those three amendments. My amendments restored the funds for housing which the Budget Committee cut out of President Carter's request. I not only voted for that restoration; I led the fight for it. And, yes, indeed, I certainly did vote against the budget resolution. I did so because it was too high, much too high.

Now, Senator Chiles says that will interest him. I hope it does. What my vote means is that the budget resolution, as amended, was right in the housing area, which covers a tiny fraction of the bill, but much too high in other areas.

Let me be specific. The resolution calls for at least $4 billion too much in the defense area. It calls for $4.5 billion too much for foreign aid. It calls for $1.5 billion too much for the Space Agency. It calls for $2 billion too much for public works. It calls for $5 billion too much for health, education, and welfare. It calls for $2 billion too much in the highway program. It calls for at least $1 billion too much for veterans. And, yes, I voted against the Cranston amendment.

Mr. President, the major housing amendments restoring the President's request by putting back $6 billion of obligation authority do that over a period of 30 years.

I submit—30 years. That is not 1 year, but 30 years. During that period, even if we assume that the budget stays at the current one-half trillion dollar level, we shall expend $15 trillion. In all likelihood, the expenditure will be several times that.

Now, Mr. President, $6 billion is a mammoth amount of money, but it is less than one-tenth of 1 percent of the budget over the 30 years during which it would be expended, and it represents a major portion of the funds we would devote to housing for people with low and moderate incomes.

Mr. President, the Proxmire position would reduce the budget this year by more than three times as much as the housing amendment would increase it over 30 years.

So, Mr. President, my vote against the budget resolution because it was too high was thoroughly justified.

Furthermore, the $6.2 billion figure the Senator from Florida cut is a most misleading figure compared with the other figures in the budget. Housing takes it in the neck because other programs are figured on a 1-year basis, while the housing funds we restored are measured on a 40-year basis.

This is not done for the military or for public works or for the solemn obligation of the Treasury to pay the interest on the debt and the bonds and notes that secure the debt.

If the debt were treated the same way as housing under the budget resolution, we would have to add $800 billion to the budget resolution to cover that solemn contractual obligation.

This method was established by former Budget Director Lynn, who destroyed the housing programs. Under his jurisdiction, the notorious moratorium on housing was put into effect that choked off Government-assisted housing for 3 years. Under his administration as budget director, he made housing appear to be excessively costly compared with other programs.

It also makes it an attractive target because a cut of $150 million looks like a $6.2 billion cut in funds. Housing, therefore, as I predicted last February, runs the danger of being the first program to be cut and the last program to be funded.

For 40-year housing money to compete with 1-year money for other programs puts housing at an impossible disadvantage. It was this disadvantage which the Senator from Florida attempted to exploit. That is a major reason why housing was the target of the Budget Committee.

I know it pains the Senator from Florida to find that my priorities do not coincide with his. I would cut the space program he champions so ably. He would cut the low-income housing programs in which I believe. If he thinks I feel bound to vote for a budget resolution that is $20 billion too high—and I have just listed where it is too high—simply because I favor restoring the cuts made in the President's budget by the Budget Committee, he is wrong. The budget resolution is much too big. It was too big before I offered my amendments. It is too big now.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENDED AUTHORIZATION FOR THE FEDERAL ELECTION COMMISSION

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the Unanimous-Consent Calendar that I would like to call up at this time. I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 92.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1435) to authorize appropriations for the Federal Election Commission for fiscal year 1978.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HARRY F. BYRD, JR. Mr. President, I shall vote against the proposed authorization.

This commission was established only several years ago. The proposed authorization for the fiscal year 1978 is $7,500,000. This is an increase of $1.5 million, or 2 percent, over what it is for the current fiscal year. What this is doing is establishing the beginning of another large bureaucracy. In reading the committee report, I was interested in the number of personnel that it already has, although it is an input in the way of agencies around town.

The Commissioner's office has 20 permanent personnel positions; then the office of the Staff Director has 12 permanent personnel positions. The Office of Administration has 16 permanent personnel positions. The Office of the General Counsel has 51 permanent personnel positions, including 16 lawyers. The Division of Data Systems Developments has 14 permanent personnel positions and a $365,000 contract for the rental of computer services.

The Disclosure Division has 33 permanent positions. The Office of Information Services has 16 positions. And the Compliance Review Division has 36 permanent positions.

That means this new agency now has a total of 198 administrative personnel and it is seeking an increase of 25 percent in its budget.

I think this suggests that this agency is going to mushroom into a large bureaucracy. I shall vote against this bill when it is put to a vote.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

There being no objection, the bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 319 of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "and" after "September 30, 1976,", and

(2) by inserting after "September 30, 1977" a comma and the following: "and $7,500,000 for the fiscal year ending September 30, 1978".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 95–113), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Purpose of the Bill

This bill would authorize appropriations for the Federal Election Commission for the fiscal year ending September 30, 1978, in the amount of $7,500,000. This is an increase of $1,500,000 or 25 percent above the authorization provided the Commission for the fiscal year ending September 30, 1977.

Federal Election Commission

The Federal Election Commission was established pursuant to the Federal Election Campaign Act Amendments of 1974 and

1976 (Public Law 93-443 and Public Law 94-283). The Commission is comprised of the following offices or divisions: Commissioners, Staff Directors, General Counsel, Data Systems, Disclosure, Administration, Information, and Compliance Review. Following is a brief description of each office. A more extensive description of the Commission's organization activities during the 1976 election year can be found in the Commission's annual report submitted to the Congress on March 31, 1977.

1. *Commissioner's offices.*—Members of the Commission are responsible for the implementation, interpretation, and civil enforcement of the act. The Commissioners, with assistance from their personal staffs, direct the formulation and consideration of all Commission policies and procedures. The Commission generally meets at least once a week. For 1977, these offices are operating with 20 permanent personnel positions.

2. *Office of Staff Director.*—The Staff Director serves the Commission as the Commission's Executive Officer, and is responsible for providing and coordinating staff support to implement all of the statutory duties and powers of the Commission. The line divisions of the Commission (Data Systems, Disclosure, Administration, Information, and Compliance Review) report directly to the Staff Director. In 1977, this office operated with 12 permanent personnel positions.

3. *Office of General Counsel.*—As the Commission's legal counsel, the General Counsel assists in establishing policy, preparing rules, regulations, and opinions, and is responsible for coordinating and implementing the enforcement of the law. This office presently operates with 51 permanent personnel positions which includes 16 lawyers and a number of investigators, secretaries, and research assistants.

4. *Division of Data Systems Developments.*—This division is responsible for determining and coordinating the Commission's data processing needs and providing technical support in the processing of information filed with the Commission. At present, this division operates with 14 permanent personnel and a $365,000 contract for the rental of computer services.

5. *Disclosure Division.*—This division serves as the principal operating arm of the Commission to monitor compliance with the disclosure and limitation provisions of the act. It is responsible for the entry of data and subsequent production of indexes; review of reports filed by candidates and committees; and the processing for public inspection the disclosure and registration statements filed with the Commission. This division is presently operating with 33 permanent positions.

6. *Office of Administration.*—This office is responsible for personnel matters, budget management, space rental, supplies, equipment rental, procurement, and contracting, and is presently operating with 16 permanent positions.

7. *Office of Information Services.*—The basic responsibility of this office is to insure that the requirements of the act and the policies of the Commission are accurately and promptly transmitted to all candidates, political parties, and interested parties. This office has information specialists who handle correspondence and telephone inquiries and publish a newsletter (The Board) and a series of campaign guides. The office also includes the National Clearinghouse for Information on the Administration of Elections, which provides information regarding elections and election administration to Federal, State, and local governments and the public, and also contracts research projects in the area of election administration. This office is presently operating with 16 permanent positions.

8. *Compliance Review Division.*—This division conducts audits in accordance with the policy established by the Commission. This policy implements the statutory requirements of 2 U.S.C. 438(a)(8) in achieving the objective of full disclosure and securing voluntary compliance by persons subject to the act. This division is presently operating with 36 permanent positions.

On February 22, 1977, the Commission submitted to the Senate a request for an authorization of $8,123,000 for fiscal year 1978, representing a $2,123,000 or 35 percent increase over its fiscal year 1977 authorization of $6,000,000. Although the Office of Management and Budget reduced the Commission's proposed budget to $6,833,000, which was the amount included in the President's budget submitted to the Congress on January 17, 1977, the Commission's direct submission of its budget authorization request to the Congress is authorized in 2 U.S.C. 437(d)(1).

COMMITTEE ACTION

On March 3, 1977, the Committee on Rules and Administration received testimony from the Commission with respect to its authorization for fiscal year 1978. Additional information was submitted at the request of committee members and staff for the consideration of the committee.

In presentation before the Committee on Rules and Administration, the Commission indicated that budgetary restrictions caused the curtailment or postponement of several important audit and enforcement responsibilities during the 1976 election year cycle. Some of the effects of these budgetary restrictions are reflected in the following data made available to the committee.

Approximately 9,049 individuals or organizations filed as reporting entities with the Commission, resulting in 1 million pages of disclosure forms containing 20 million separate pieces of information which the Commission attempted to process through its computer-based information system, all representing $300 million in campaign funds. Due to budgetary restraints, the Commission only reviewed reports of entities exceeding an aggregate of $10,000 in activity. This, for example, resulted in a review of only 30 percent of the 3,700 reports filed by House candidates and 80 percent of the 700 reports filed by Senate candidates.

Supervision and administration of the public financing provisions of the act resulted in the certification of $72,000,000 to 15 different Presidential primary candidates, the two major party conventions, and the two major party candidates in the general election, requiring the time of 90 percent of the Commission's audit and certification staff. Consequently, the Commission only audited 22 of the 9,049 reporting entities, 19 of which were recipients of public funds, mandating an audit.

Although the time the Commission took to respond to requests for advisory opinions decreased from an average of 117 days in 1975, it remained at a high average of 51 days in 1976.

A total of 339 complaints were filed with the Commission from January 1, 1976, to January 31, 1977, 251 of which were closed. The overall average time for disposition of these closed cases was approximately 115 days. Many of the open cases involve extensive investigative and audit review, and a growing number are resulting in litigation in the courts due to the Commission's inability to resolve them expeditiously.

A review of the Commission's authorization request indicates the major requirements to be for additional permanent personnel, contracts for data processing needs, and contract support for the Clearinghouse of Election Administration.

The Commission reported that it has had studies conducted by outside organizations of its certification and auditing procedures, its internal housekeeping procedures, its classification and salary schedules, and its computer systems. In addition, all contracts related to the Clearinghouse operations are reviewed by a 20-member advisory committee of State and local election officials.

The record before the committee clearly indicates that the Commission has not been able to adequately discharge its responsibilities and requires an authorization for fiscal year 1978 in excess of the $6,833,000 submitted as part of the President's budget. The committee consequently approved and recommends to the Senate an authorization in the amount of $7,500,000 for fiscal year 1978. The committee feels that with adequate budgetary controls, this authorization should be adequate to enable the Commission to carry out its many responsibilities under the law. Senator Dick Clark of Iowa requested that the record show him in favor of the $8,123,000 authorization amount requested by the Commission.

REGULATORY IMPACT

Pursuant to rule 29, section 5(a) of the Standing Rules of the Senate, the committee received the following information from the Federal Election Commission containing its views as to the regulatory impact of the Commission's proposed budget for fiscal year 1978.

AN ESTIMATE OF THE NUMBER OF INDIVIDUALS AND BUSINESSES WHO WOULD BE REGULATED BY THE COMMISSION AND A DETERMINATION OF THE GROUPS AND CLASSES OF SUCH INDIVIDUALS AND BUSINESS

The Commission has determined that there are six basic categories of individuals or political committees that it regulates. These are Presidential candidates and committees, candidates and committees engaged in races for House and Senate seats, party-related committees, nonparty related political committees, and individuals or committees making independent expenditures. This latter category also includes delegates and delegate committees and persons making expenditures for communication costs. The table below indicates the number of filers in each category as of December 1976:

Category	Candidates	Committees	Other
Presidential	230	[1]234	
		[2]166	
Senate	415	460	
House	2,377	2,408	
Party related:			
National level		73	
State level		285	
Local level		730	
Nonparty related		1,295	
Independent expenditures (individuals and committees)			139
Delegates			199
Communication costs [3]			38
Total	3,022	5,651	376

[1] Authorized.

[2] Unauthorized.

[3] 2 U.S.C. 431(f)(4)(c) communications by corporations, labor organizations, and other membership organizations.

Note: Total filers, 9,049.

As 1978 is an election year, the Commission anticipates that the number of House and Senate filers will be in the same range, and since both party and nonparty related committees are ongoing operations, their numbers will remain the same or even increase, as more committees become involved in Federal elections; 1978 is not, however, a Presidential election year and the number of filers in the Presidential category, as well as the delegate and Presidential independent expenditures will drop sharply.

THE ECONOMIC IMPACT OF THE COMMISSION'S REGULATIONS ON THE INDIVIDUALS, CONSUMERS, AND BUSINESSES AFFECTED

At the present time, the economic impact of the Commission's regulations is difficult to judge in view of the limited statistics available. The only figures readily available are from the reports of the two major party Presidential candidate's campaign committees. The 1976 Democratic Presidential Campaign Committee, Inc., reported that between July 15, 1976, and December 31, 1976, it spent $502,963 for "compliance costs." The Ford-Dole Committee reported spending $286,834 for legal and accounting fees between the time President Ford was nominated and the end of 1976. Beyond these figures, the situation is less clear. Though a number of candidates appear to have retained counsel and periodically had accounting firms review their records, the Commission has reported it is not possible at this time to determine the extent which this goes beyond previous practices.

The economic impact on both party-related and non-party-related committees is reported to be negligible. Party-related committees appear to simply have the treasurer or accounting staff assume responsibility for disclosure reports. In the majority of the non-party-related committees, the sponsoring organization provides the manpower and facilities to comply with the law, as they are permitted to do. In short, under both instances, existing staff add one more task to their duties. There does not appear to be any economic impact upon those entities making independent expenditures.

THE IMPACT ON THE PERSONAL PRIVACY OF THE INDIVIDUALS AFFECTED

The purpose of the Federal Election Campaign Act is to disclose sources of funds and expenditures made in campaigning for a Federal office, and as such the Commission does not bear directly upon the personal privacy of the individuals involved. The information required for disclosure pertains only to political activity and is by statute a matter of public record. In addition to the campaign finance reports filed in the Commission's Office of Public Records, there are two other systems of records containing audit, investigative, and compliance actions, which are exempt from the Privacy Act, and required to be kept confidential under 2 U.S.C. 437g. However, even these systems are available once the matter is closed by the Commission.

A DETERMINATION OF THE AMOUNT OF ADDITIONAL PAPERWORK THAT WILL RESULT FROM REGULATIONS TO BE PROMULGATED BY THE COMMISSION DURING FICAL YEAR 1978

The Commission does not envision promulgating any regulation during the coming fiscal year that would create any additional paperwork. The Commission indicated its aim is to reduce the burden of paperwork required of candidates and committees and will be presenting a number of legislative recommendations to the Congress in the hope that the act can be modified in a fashion which will reduce the reporting requirements of candidates and committees.

5-YEAR COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 29, 1977.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for the Federal Election Commission fiscal year 1978 authorization.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: Not yet assigned.
2. Bill title: "Federal Election Commission fiscal year 1978 Authorization."
3. Bill status: As ordered reported by the Senate Committee on Rules and Administration.
4. Bill purpose: The purpose of this legislation is to authorize $7,500,000 for fiscal year 1978 for the Federal Election Commission (FEC).
5. Cost estimate (function 800).

	Thousands
Fiscal year 1978:	
Authorization level	$7,500
Estimated cost	6,710
Fiscal year 1979:	
Authorization level	0
Estimated costs	790
Fiscal year 1980:	
Authorization level	0
Estimated costs	0
Fiscal year 1981:	
Authorization level	0
Estimated costs	0
Fiscal year 1982:	
Authorization level	0
Estimated costs	0

6. Basis of estimate: The fiscal year 1978 cost is based on an estimate of total outlays in fiscal year 1978—$7,443,000 (if the full amount of the authorization is appropriated), minus the current estimate of outlays in fiscal year 1978 from the fiscal year 1977 appropriation—$733,000. The remaining $790,000 from the fiscal year 1978 appropriations is assumed to be fully expended in fiscal year 1979.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by Kathy Weiss (225-7760).
10. Estimate approved by C. G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

ORDER TRANSFERRING MEASURE TO UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the General Orders Calendar that can be moved. It can be passed by unanimous consent, I understand, as soon as cleared by the Budget Committee. I, therefore, ask that the clerk move it to the Unanimous-Consent Calendar. It is Calendar Order No. 94.

The PRESIDING OFFICER. The clerk will so move order No. 94 to the Unanimous-Consent Calendar.

Mr. ROBERT C. BYRD. I thank the Chair.

AUTHORIZATION TO RECEIVE AND REFER MESSAGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until Monday, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION TO BE TAKEN DURING ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment over until Monday the Vice President of the United States, the President of the Senate pro tempore, the Deputy President pro tempore and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until midnight tomorrow to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 2—ORDER TO DISCHARGE COMMITTEE AND HOLD BILL AT DESK

Mr. ROBERT C. BYRD. Mr. President, on Tuesday, May 3, 1977, H.R. 2, an act for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations and the acquisition and reclamation of abandoned mines and for other purposes, was referred to the Committee on Energy and Natural Resources.

I ask unanimous consent that the committee be discharged from further consideration of H.R. 2 and that it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1469—NATIONAL ENERGY ACT

Mr. JACKSON. Mr. President, on Friday, April 29, the President submitted to Congress a proposed national energy plan and a National Energy Act to implement that plan.

The National Energy Act is in two titles. Title I contains the pricing, regulatory, and other nontax provisions. Title II contains the tax provisions, which will be referred to the Finance Committee.

The provisions of title I are predominantly within the jurisdiction of the Committee on Energy and Natural Resources. However, there are five other committees with some interest in the provisions of title I. Those interested committees are:

Banking, Housing, and Urban Affairs—because of proposed amendments to housing laws in sections 110–114 designed to remove the barriers to opening a secondary market for residential energy conservation loans;

Commerce, Science, and Transportation—because of provisions in sections 221–222 relating to the disclosure of the auto fuel efficiency tax and the fuel inefficiency rebate;

Human Resources—because of the proposed conservation program for schools and hospitals in sections 301–309;

Government Affairs—because of the proposals in section 701 for a Federal vanpooling program; and

Environment and Public Works—because of the proposed solar demonstration program for Federal buildings in sections 741–746.

Mr. President, I do not think it necessary or desirable that title I of the National Energy Act be referred to five committees in addition to the Committee on Energy and Natural Resources. Such a multiple referral would be contrary to the intent of the Stevenson reforms approved by the Senate last February.

I believe the interests of other committees can be accommodated by referring title I of the National Energy Act to the Committee on Energy and Natural Resources with the direction to consult with these other committees having an interest in the legislation. My conversations with the chairmen of these committees lead me to believe that they share this view.

If title I is referred to the Committee on Energy and Natural Resources in this way, we would be prepared to work with the other committees in any way which seems desirable. Some committees may wish to hold hearings and make formal legislative recommendations. Others may wish to participate in markups. In some cases, less formal arrangements may be satisfactory. In the course of our energy work over the past 5 years we have worked with several committees on legislation and would hope to continue this kind of cooperative effort.

Mr. President, I am introducing title I of the National Energy Act as a separate bill, and I send it to the desk.

I ask unanimous consent that the legislation be referred to the Committee on Energy and Natural Resources with the direction to consult with the committees referred to in my statement regarding their respective interests in the provisions of this bill.

Mr. BAKER. Mr. President, reserving the right to object, if the distinguished Senator from Washington will yield for a moment.

Mr. JACKSON. Yes.

Mr. BAKER. Do I understand that the techniques suggested here, that is, referral to a committee, consultation with the other named committees, has been cleared with the ranking members of the affected committee?

Mr. JACKSON. It has been cleared with the chairmen of the other committees and with the ranking member on the Energy and Natural Resources Committee. We have not formally cleared it with such, but I am sure there is no problem on this with the minority on each of the five committees. I explained this to Senator HANSEN when we discussed it this morning.

I assure the Senator that if there is any problem, I will be glad to have it reconsidered on Monday or Tuesday.

Mr. BAKER. Mr. President, I am sure there is no problem, but I am sure the Senator from Washington understands my responsibility and concern in that respect.

Mr. JACKSON. I understand.

Mr. BAKER. We agree, then, that if there is any difficulty——

Mr. JACKSON. With the ranking minority members on any other committees, we will take the matter up all over again, ab initio.

Mr. BAKER. Mr. President, with that understanding, I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the President's communication (EC–1246) be referred jointly to the Committee on Energy and Natural Resources and the Committee on Finance, with the same understanding as regards title I.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR RECORD TO REMAIN OPEN UNTIL 6 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 6 p.m. today to introduce bills and submit resolutions, statements, memorials, and petitions into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 2 P.M. MONDAY, MAY 9, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 2 p.m. on Monday next.

The motion was agreed to; and at 4:32 p.m. the Senate adjourned until Monday, May 9, 1977, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate May 5, 1977:

DEPARTMENT OF STATE

George S. Vest, of Maryland, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

Sander Martin Levin, of Michigan, to be an Assistant Administrator of the Agency for International Development, vice Fred O. Pinkham.

John H. Sullivan, of Virginia, to be an Assistant Administrator of the Agency for International Development, vice Arthur Z. Gardiner, Jr., resigned.

DEPARTMENT OF TREASURY

Stuart Evan Seigel, of the District of Columbia, to be an Assistant General Counsel in the Department of the Treasury (Chief Counsel for the Internal Revenue Service), vice Meade Whitaker, resigned.

DEPARTMENT OF JUSTICE

John M. Harmon, of North Carolina, to be an Assistant Attorney General vice Antonin G. Scalia, resigned.

James W. Moorman, of California, to be an Assistant Attorney General vice Peter R. Taft, resigning.

DEPARTMENT OF THE INTERIOR

Robert H. Mendelsohn, of California, to be an Assistant Secretary of the Interior, vice Ronald G. Coleman, resigned.

CIVIL SERVICE COMMISSION

Jule M. Sugarman, of Georgia, to be a Civil Service Commissioner for the remainder of the term expiring March 1, 1981, vice L. J. Andolsek.

Ersa H. Poston, of New York, to be a Civil Service Commissioner for the term of 6 years expiring March 1, 1983, vice Georgiana H. Sheldon, term expired.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 5, 1977:

George S. Vest, of Maryland, a foreign service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Pakistan, which was sent to the Senate on April 7, 1977.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 5, 1977:

CIVIL SERVICE COMMISSION

Alan K. Campbell, of Texas, to be a Civil Service Commissioner for the remainder of the term expiring March 1, 1979.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

The following-named persons to be Associate Judges of the Superior Court of the District of Columbia for terms of fifteen years:

Gladys Kessler, of the District of Columbia;

Robert McCance Scott, of the District of Columbia;

Robert Alan Shuker, of the District of Columbia;

Annice McBryde Wagner, of the District of Columbia; and

Paul Rainey Webber III, of the District of Columbia.

EXTENSIONS OF REMARKS

INDEPENDENCE FOR THE HANDICAPPED

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. TEAGUE. Mr. Speaker, independence is a goal that is of paramount importance to the members of the handicapped community. One approach that is being tried across the country with tremendous success is that of independent living centers for the handicapped. Both California and Texas have been very successful in establishing living centers run for and by the handicapped.

Washington, D.C. will be taking the initiative soon. But their approach will be a little bit unique. Rather than establishing a center for the handicapped, Beverely Price, founder of Independent Living For the Handicapped—ILH—is striving to establish a house set in a normal residential setting. This house will be for six disabled people and additional staff will be hired and trained by the residents themselves. Rather than someone else deciding what is good for them they will hire people to meet their own self-determined needs.

The Committee on Science and Technology recently completed a study on Research Programs to Aid the Handicapped. This study was conducted by a panel comprised of consumers, physicians, engineers, and representatives of the various Federal agencies involved in aid for the handicapped. One of the members of this remarkable panel was Miss Mary Pat Bradley. In the following article, published in the April 26 edition of the Washington Post, Miss Bradley relates her feelings about this exciting prospect for a new lifestyle. It is with great enthusiasm and hope for the success of the ILH organization that I commend this article to my colleagues:

A Self-Help House for the Handicapped

(By Judith Martin)

Mary Pat Bradley has been thinking of moving out of her parents' home in McLean. Not that she isn't comfortable there, but she is 34 years old, and most of her brothers and sisters have already gone off on their own.

But until recently, the prospect for Bradley—who has a master's degree in education and works at the Congressional Information Service in Bethesda—has been frightening. Because she is a paraplegic, leaving home when her family might no longer be able to provide the help she needs in getting up and down stairs or cooking or getting dressed, could only mean going to an institution.

"I can't think of a worse alternative," she said. "It would mean an automatic, constrained, regimented life, with a stupendous lack of privacy.

"Every time society institutionalizes someone, it raises society's expenses, and the negative attitude towards that person increases accordingly.

"You are treated as a patient, a sick person. You are thrown in with a lot of people you didn't choose—a mixed bag of the retarded, the physically handicapped, the aged and senile. The lack of mental stimulation can't help changing you. Personal initiative, mental perceptiveness, creativity are drained. You can fight it, but only to a degree."

What has changed Bradley's prospects from frightening to exciting is Independent Living for the Handicapped, an organization which hopes to set up residential living run for and by the physically handicapped. With money from a matching grant and from a Grand Auction Party to be held April 30 at the British Embassy, ILH hopes to establish its first such house in Washington by the end of the year.

Beverly Price, the founder of ILH and chairman of the embassy party, says the first house will be for six disabled adults, a live-in staff member or couple, extra part-time help at peak hours, such as mealtime, and a bus and driver. There would also be a room for a transient—a visitor to the city, or someone whose family is temporarily away. It is to be in the city, "not off in some rural area away from everything," as conventional residential facilities are apt to be.

Staff will be hired, trained, and, if necessary, fired, by the residents. The psychological difference between their employing people to meet their needs, and being cared for according to the ideas of others about what is good for them is fundamental to the idea of Independent Living for the Handicapped.

The house, which will charge $800 a month for room, board and service to those who can afford it and provide also for those who cannot, is to be called Cheshire House, after the self-help homes developed in England and throughout the world by Group Capt. Leonard Cheshire.

Cheshire is also thinking of expanding his idea to America, and Price says she finds his efforts of enormous help "when people tell me 'It can't be done,' and I can point to the Cheshire Homes and say, 'Oh, yes, it can.' "

Although Price's son Christopher, 27, who has cerebral palsy, is "the inspiration" for ILH, she does not expect him to be among the residents of the first house. He communicates mostly in Morse code and "I want all six people in the first home to be verbal, so they can talk to Congress, or whoever will listen. By the time we have a second house, I hope they will be able to take a Christopher."

One of the benefits she mentioned would be the absence of the somber attitude towards the disabled held by what she called "The T.A.B.—the Temporarily Able Bodied."

"You either run into hostile paternalism, or total bewilderment," said Bradley. "The idea of the 'active victim' is a paradox, but it's becoming more and more of a reality. Because unless we take it on our shoulders, this pattern is never going to be broken."

PLOP, PLOP, FIZZ, FIZZ

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. MICHEL. Mr. Speaker, there has been so much nonsense and big government propaganda written about health care in this country that it is delightful to come across a well-written, well-researched article on this important subject. It is all the more delightful when the writer happens to be Harry Schwartz of the New York Times and author of the Case for American Medicine. Common sense, a wide-ranging knowledge and the courage to puncture some current myths about health care and the alleged need for mandatory tax-supported national health insurance: these are what Harry Schwartz brings to his readers in "Plop, Plop, Fizz, Fizz", published in the May 1977 issue of The Alternative. At this point I include in the Record Mr. Schwartz's article:

Plop, Plop, Fizz, Fizz

Even as I write these words, a titanic struggle is underway in Washington, D.C. The Federal Trade Commission is striving with might and main to protect me and you and you and you. The forces of evil against whose machinations the FTC is struggling so fiercely are those friendly folk who do so much to support television, the networks and the independent stations both. You know, the people who put announcers to such tasks as putting tablets in glasses of water and pronouncing poems of purest ecstasy over the fact that tablet A dissolves one-tenth of a second faster than tablet B. Yes, it's the over-the-counter drug industry, the good people whose cheap products save us so much money every year in avoiding visits to doctors and hospitals. The FTC is worried that one of these companies might want to advertise that its tablet or pill or lotion or cream or whatever might be good for the blahs or for the trots or for that horney feeling you get every once in a while. No such villainy will take place if the FTC has its way. Each over-the-counter remedy will have a few prim, standardly phrased claims authenticated on the label and that's all the advertisers are going to be able to talk about. What we do about the blahs, the trots, or that horney feeling will be our business. Such language isn't used on drug labels whose authors are all born-again Puritans. Of course the drug companies are complaining and fighting, and even as I write, hearings on these momentous issues are going on in Washington. The head reels to think of the millions of dollars being spent on lawyers' fees alone in these incredible proceedings.

I begin with this remarkable event because the chief topic of health conversation these days is no longer the grim toll taken by cancer and heart disease or something serious like that. When we talk about illnesses these days, we usually discuss either esoteric and exotic ailments like Legionnaires Disease or virtually nonexistent diseases like swine flu. "Cost containment" is the magic phrase to mention early and often if you find yourself at a cocktail party or a massage parlor with a group of health apparatchiks. Health care costs too much and something's got to be done about it. (Of course, if you were dying of incurable cancer, you might think the something to be done would be a doubling or tripling of spending on research about your particular type of malignancy.) But the people who talk this way are usually very healthy, and besides they see chances for getting better jobs or bigger research grants as part of the push to cut health costs. A few are professional sadists and spoil sports or secret members of the Women's Christian Temperance Union or one of its fellow-traveler organizations who think the high cost of health care is the lever that will get the old 18th Amendment and glorious Prohibition reinstated. But anybody with a micron of intelligence knows that aspirin and Dristan and Rolaids and the kindly pharmacist who sells them are the most effective weapons we have to date against rocketing health care costs. Every pharmacist I've ever met is prepared to give you an instant diagnosis of your version of the blahs and to suggest one of his better profit margin non-prescription remedies to do what needs doing. And it usually works, I've noticed. And here are these FTC jokers trying to prevent all the pitchmen, even the pharmacist, from telling us what's good for the blahs. Hasn't anybody told them about the First Amendment?

Here in standard bureaucratic prose is the Carter Administration's description of the health care cost crisis as given in President Jimmy's budget revision statement last February:

"National health spending per person has more than tripled during the last decade, from $212 in 1966 to $638 in 1976. Total national health expenditures grew from $42.1 billion to $139.3 billion during the same period. The availability and use of new medical services account in part for rising spending. Nevertheless much of the increase has resulted from health cost inflation. Without cost restraints, Federal spending for Medicare and Medicaid alone would climb 75 percent between 1978 and 1982, from $38 billion to $66 billion."

Apparently something dreadful happened in 1966 which unleashed the inflationary monster. The solution would seem to be obvious: Find out what inflationary monster was let loose in 1966, get rid of it, and health spending per person would zoom down again—maybe not all the way to $212, but $300 ought to be attainable. And it's quite clear what happened in 1966. That was the year Medicaid and Medicare got off the ground, going from zero dollars spending to next fiscal year's budgeted $38 billion. Just abolish Medicaid and Medicare. The $38 billion saved that way would come to about half the projected Carter budget deficit in fiscal 1978. And imagine how doctors' fees and hospital room rates would crumble in consequence. Your friendly local GP might even call you up and ask if you wouldn't like a house call at a special rate—just for sociability, even if there's nothing detectably wrong with you. And that local general hospital which is collecting $200 a day from Blue Cross every time you go in to have your heartburn investigated might run a sale—you know, $25 a week in a private room for a honeymoon couple and nobody will ask you for your marriage license. There's nothing like a sharp decline in business, after all, to make people much more reasonable about price and delivery conditions.

But of course all that's an idle dream. Medicare and Medicaid aren't going to be repealed. How could I ever think of such an awful idea? Do I want to deny the elderly and the poor the medical care they need? But people who ask such questions don't realize I'm such an old duffer that I can remember what it was like before Medicare and Medicaid. We were poor when I was a kid but that didn't mean we didn't get medical care. We always went to the nearby hospital clinic where the standard fee was 50 cents. And if occasionally we called a private doctor, he not only came but apologized for asking for a $2 fee. My maternal grandmother—may God rest her soul—got such good medical care in this country on practically zero income that she died at age 92 well before Medicare.

No, Medicare and Medicaid are safe. There's so much free floating guilt around—after all, wouldn't you feel guilty if you were Joe Califano and made the amount of money he did last year?—that Medicare and Medicaid will not only continue, but will be expanded. In that very same Carter budget message quoted above, it was announced that Medicaid would be expanded still further by setting up a new screening program that will expose 14 million kids—not just 12 million as at present—to the risk of becoming hypochondriacs by sending them to doctors and nurses when they don't feel any pain at all. And to secure that goal, the bribe to the states for participating is being upped to 75 percent of the bill. Some way to save money!

No, the way we save money on health costs these days—and on this there really is no difference between the Nixon, Ford, and Carter Administrations—is by means of price controls and policemen. Carter has already announced a "cap" on hospital costs which have been going up 15 percent a year, but are henceforth to be permitted to go up no more than 10 percent a year. And what happens if the cost of living goes up more than 10 percent a year? That awful possibility and its implications for hospital costs don't seem to have occurred to the would-be regulators. Anybody remember when Jimmy Carter ran against Washington and all those dreadful regulators and regulations that made life impossible for ordinary folks like us?

The doctors needn't be so cocky. Their turn will come. First the screws are applied to the hospitals, and then, that task finished, out will come the national fee schedule or whatever the Carter Administration will choose to call it. But nobody should have any illusions. When that fee schedule goes in, the doctor will give you your 30 seconds, no more and no less. If you expect him to be interested in your troubles and really do something about them—you'd better figure out a way to slip him a supplement the way wise people do in Moscow and Prague. And, of course, if we go far enough down that road, we'll have two medical systems just as in the Soviet Union—one for the proles, the majority, and the other for the ruling minority.

But price and wage controls in medicine—for that is what the Carter Administration has in mind, whatever the terminology it employs—won't do the trick. The ultimate aim of the present Washington policymakers, after all, is National Health Insurance. And that goodie, the ordinary guy and gal think, means that everybody gets all the health care he or she wants whenever they want it. Nonsense!

Powell's Law stands there glowering all the time. For those who've forgotten, Powell's Law is the piece of common sense which points out that there is an infinite demand for "free" health care—or at least for health care paid for by somebody other than the beneficiary. There is always another doctor who can be called in, another treatment that can be tried, another amenity that can be installed to ease the lot of the afflicted one. And why not try them all if it's "free"? Dr. Kevin Cahill, Democratic Governor Hugh Carey's health dictator for New York State, told me some time ago that New York is forking out about $35,000 a year to care for every one of the retarded patients at infamous Willowbrook—but even that is not enough, as every new exposé of the conditions at Willowbrook reveals.

The point is that as health care becomes more and more "free," whether because of Medicare and Medicaid, or because of national health insurance, or because you've been enrolled in a Health Maintenance Organization, it has to be rationed somehow. Already, the first instruments of medical rationing are in place and beginning to operate. Have you ever heard of a Professional Standards Review Organization (PSRO to the cognoscenti)? Practically every hospital belongs to one, and it's the job of the PSRO nurse to see that you get thrown out of the hospital as soon as possible—at least if the government or an insurance company or a Health Maintenance Organization is paying your hospital bill. Of course, if you're paying your own hospital bill, you can stay as long as you want to. But who can afford to pay current hospital bills at the rates to which they've been driven by insatiable demand born of Blue Cross and other third-party-payer inspired inflation?

But, as the British discovered long ago, the best means to ration medical care—by making you wait for it, wait perhaps until you die—is by making resources unavailable. The hospital that isn't built can't be used for patients. The surgeon who isn't trained can't operate. The method is simplicity itself. But here in the United States we've been on a jag building hospitals, training doctors, buying equipment, etc. Have you any idea how many hospitals have been built with Uncle Sam's help through the almost unknown Hill-Burton legislation, or how many additional doctors have been trained through government subsidies to medical schools?

All that was in the bad old days. Now we're creating Health Systems Agencies—and bow low when you pronounce the magic letters HSA—and they're going to plan the medical system of each part of the United States. For a starter they're going to focus on hospitals and the like, but down the road one can see these eager planners deciding how many dermatologists Flatbush or Marin County is entitled to and where they may have their offices. All this, of course, is under the flag of avoiding waste and needless duplication. But the HSA's waste may be that hospital around the corner you've been accustomed to going to. You won't like it when they close that hospital down and you have to go to another one 20 blocks or 20 miles away, depending on where you live.

Moreover it's important to cut out fraud, and even the village simpleton knows by now that the freer medical care has become in this country, the more crooks have supped at the Federal treasury's trough. So more and more we'll have policemen overseeing the medical system, policemen working for HEW's new Inspector General or his local counterparts in state and municipal and county governments. Did that 90-year-old lady really need to be in a nursing home? After all she does have an apartment on the top floor of a five-story walkup tenement. Should Jim Smith really have had that hernia operation? His truss didn't seem to be inconveniencing him any. And so it will go as the policemen dig in.

What it all adds up to is that government is behaving in its usual Janus-faced fashion. One face is promising us new wonders of free medical care, with the hint that even immortality may be down there at the end of the road as the result of some marvelous discovery by the National Institutes of Health scientists. The other face is perpetually frozen in a snarl born of ceaseless complaining that it costs too much. Who's to blame? That's easy. In the official demonology, it's the inefficient hospital managers and the greedy doctors. Just take care of them, and all will be well. The notion that the troubles begin with "free" medicine in the first place because the consumer has no motive to economize must of course be rejected out of hand. Ye gods, such subversive reasoning might even lead one to blame Congress and the President, who are taking the bows for today's free medicine and looking forward to taking the bows for tomorrow's free medicine.

So the future looks good for medical bureaucrats, for medical inspectors, for medical policemen, for medical computer specialists—in short, for the whole army of paper pushers that a vast and complex government organization accumulates automatically. For sick people and those who try to take care of them things don't look so good.

What is tragic is that there is a mechanism for combining humanitarianism with a healthy respect for medical economy. It can be built on a simple principle: The important thing is to help people who really need help. Another name for this mechanism is catastrophic health insurance.

The basic fact is that most Americans are healthy most of the time. The average American family can afford to pay out of pocket normal medical expenses. There is no need to set up a monstrous "free" medical system without any incentive for patient economy. The real problem is that posed for people who have severe illness for which something can be done. Leukemia was cheap 30 years ago when nothing could be done and the patient died more or less promptly. Leukemia is financially expensive today because for many forms of the disease patients can be kept alive and even functioning fairly normally—often for many years after the diease strikes. Kidney disease killed fast in the old days. Now kidney dialysis keeps patients alive and functioning for years and kidney transplants—in thousands of cases already—have made patients almost as good as new. A heart attack that would have been fatal a decade ago you may now recover from and go back to work—but only after spending a month in the coronary intensive care unit where the cost may exceed $500 a day.

What this suggests therefore is that the proper role of government in health care financing is just one: To encourage as many people as possible to get catastrophic insurance, meaning insurance that will compensate them for medical costs that go above some significant percentage—15 or 20 percent say—of a family's income. This should be done regardless of age—90-year-old Cyrus Eaton doesn't need Medicare—and the use of a percentage of income as the cut-off point means that expenditures which would be considered normal for a family from Great Neck or Newport Beach would be considered catastrophic for a family living in Bedford-Stuyvesant or Watts or Appalachia. But in all these cases the patients would begin with some incentive to economy because they would have to pay the first dollars of medical care. (To my mind, first-dollar medical or hospital insurance of any kind ought to be outlawed—with a very stiff penalty for violation.) But of course this scheme can be abused, too. After a family has passed the threshold percentage of its income, the care it receives is "free" and the door is wide open for all the old abuses. There has to be a watchdog, something some people would call the Death Committee while the Nice Nellies would call it the Optimum Medical Use of Resources Committee. In each case the point is the same: The committee would have the job of deciding when enough is enough. The Karen Quinlans of the world would not be allowed to remain under care, unconscious, living their vegetable existences without hope, forever.

And oh yes, we would let Rolaids, Dristan, et al. claim they combat the blahs. Maybe they do. More important they don't cost very much. Most conditions you take them for go away of their own accord. And if you didn't take those non-prescription drugs, you'd probably visit your doctor and start chipping away toward the point at which catastrophic medical insurance would take over.

None of this is new. The ideas have been around for years. But there are no votes to be garnered by promising people you'll pay their medical bills only if they suffer a catastrophe. Many voters, unfortunately, and even more the demagogues who crowd the electoral lists each year, prefer to think that even one dollar paid by the patient for medical care is a disaster. Little do they know!

IMPORTANCE OF LAW

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. RODINO. Mr. Speaker, Mayor Kenneth Gibson of Newark, N.J., is President of the U.S. Conference of Mayors. For Law Day 1977 he made a profound and thoughtful statement on the importance of the law in all our lives. Mayor Gibson's remarks follow:

LAW DAY 1977

Our age is characterized by an increasing public skepticism about the ability of our institutions to deal effectively with complex problems. Questions concerning the continuing viability of our nation's cities, the need to balance environmental concerns with those of national production and economic well-being, the disintegration of the American family, and the difficulties of maintaining the human rights and civil liberties of our citizens are all indicative of this skepticism. These problems, and the attendant denigration of the capacity of the people to solve problems, cry out for solutions. As the public's faith in our social and governmental institutions seems to have waned, the people, in increasing numbers, have looked to the courts for solutions and for justice.

The courts are now becoming victims of the same malaise. From the Supreme Court of the United States to local police and consumer courts, dockets are clogged and delays an accepted fact. The courts are being asked to decide issues which our other institutions cannot or will not resolve. The courts are becoming the forum for resolution of complex moral, philosophical, and political issues. Under this load, the courts are verging on paralysis. It can only be a matter of time before the public's confidence in the ability of the nation's judicial system to resolve these issues will become irreparably damaged. The crisis which would result from this loss of faith, essentially, the destruction of the rule of law and respect for the law, would be a devastating crisis. In difficult times, in times of turmoil, the people have looked to the courts as the ultimate arbiters of what is good and what is fair. In our most difficult times, respect for the law has been the single element which has held society together

When we speak of "Partners in Justice," we must speak of building respect for our institutions. If nothing else, that respect can be manifested in cities throughout the nation—in citizen involvement, in citizen action on behalf of the family, the poor, the elderly, the disadvantaged, and all individuals. Most importantly, we must generate citizen involvement and support for the courts. In all of these areas, citizen participation consists of the infinite number of small acts that the people can contribute every day toward the betterment of ourselves and our institutions.

Only the commitment of the people can restore confidence in our institutions. The people, in practicing the art of the good and the fair, are the true ultimate arbiters. On this Law Day, 1977, we should dedicate ourselves to the betterment of our judicial system and our other institutions. We should pause and reflect on these words of Abraham Lincoln: "Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

CONVERTING TO METRIC

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. ABDNOR. Mr. Speaker, the Department of Transportation's Federal Highway Administration has published in the Federal Register proposed rules for establishing a timetable on the conversion of highway signs to the metric system. For some converting to thinking in metric will be very easy. For others, it will not.

To make it easier for everyone, it seems to me the signs along our highways should carry both the metric and standard measurements for a number of years. Some are recommending that 10 years might be an appropriate transition period, as this editorial from the Sioux Falls, S. Dak., Argus Leader suggests.

DUAL MILEAGE, KILOMETER SIGNS WOULD HELP MOTORISTS

Federal Highway Administration officials could help many of their fellow American citizens by planning to carry mileage figures as well as kilometers on highway signs over the next 10-year period.

The highway agency announced plans this week to start converting speed limit signs from miles to kilometers during the summer of 1978. The agency has no plans to carry mileage figures as well as metric. Motorists won't be required to buy new speedometers for their cars; they'll be able to go metric by pasting a label over their speedometers. New cars will have markings for kilometers; some American cars already contain dials in both kilometers and miles.

The national switch to the metric system is mandated by the Metric Conversion Act of 1975.

The change in signs will apply to every highway, road and city street in the country.

The national speed limit of 55 miles per hour will become either 88 or 90 kilometers per hour. The 55 mile limit works out to be 88.5 k.p.h. Officials are considering rounding that off to 90 k.p.h. or about 56 m.p.h. Ten-foot clearance warnings will become three-meter signs.

Current plans call for converting warning and regulatory signs by Sept. 30, 1980, and milepost and guide signs by Sept. 30, 1982.

The most efficient way from the government's standpoint would be to follow the plan adopted by the highway agency. However, there's a good case for dual listings in miles as well as kilometers while American motorists become accustomed to thinking metric. The additional expense involved would not need to be great, because replacing highway signs is a continuous process.

The government in the past has arbitrarily changed the signs to fit its new regulations. Keeping the familiar mileage figures with their metric counterparts until 1987 would make it easier for most American motorists.

DALLAS/FORT WORTH WANT THE CONCORDE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. TEAGUE. Mr. Speaker, I would like to commend to my colleagues a recent article from the Dallas Morning News, which tends to support my contention that people in the Dallas and Fort Worth area, even around the DFW airport, support bringing the Concorde to Texas:

SST SERVICE AT D-FW FAVORED BY MOST IN AREA

(By Susan Yoachum)

When Mrs. Earl Reeder moved to Coppell from her Dallas home 15 years ago, she did it to get away from the noise at Dallas Love Field.

Shortly after she moved into her home on Coppell Road, she found she'd moved into the same situation—only magnified.

Her home now sits in the flight pattern of the Dallas-Fort Worth Airport which she said, "means nothing but noise." Mrs. Reeder said she hopes the Concorde supersonic jet doesn't come to D-FW "because the jets are bad enough as it is."

"I just tell you, it's going to be something awful if they get that plane in here," she said.

But Mrs. Reeder's concern apparently wasn't shared by many of her neighbors. Some say they are indifferent about the Concorde's possible arrival, while others express cautious approval.

"It's hard to dig up an objector," Henry Stuart, airport board chairman, said.

Stuart said Dallas-Fort Worth officials plan to emphasize this positive attitude Tuesday when they meet with Transportation Secretary Brock Adams in Washington. He said officials are seeking "a June 1 target date" for Concorde service by Braniff International from D-FW.

In New York, protestors Sunday demonstrated against the Concorde at Kennedy Airport. In the Dallas-Fort Worth area, residents seem to be quietly awaiting the possible arrival of the Concorde, which would mean direct service between Dallas-Fort Worth and Europe.

"I don't think it's going to bother much of anybody," Murl Lambert, an Irving resident who lives in the D-FW flight pattern, said. "I think we're all pretty used to the noise by now."

"The Concorde may be a little bit noisier, but it won't be anything compared to the noise we get from that Naval base," Don Brown, also of Irving, said.

Some airport area residents were more apathetic toward the arrival of the Concorde. Mrs. Iola Haynie, another Irving resident, said, "It doesn't make any difference" to her whether the Concorde lands at D-FW.

"It don't bother me," Henry J. Bradshaw, one of Mrs. Haynie's neighbors, said.

Although noise has been one of the consistent criticisms leveled at the Concorde, Stuart said this argument's misleading, because "the noise is generated at higher levels than the noise from other airplanes."

Although Stuart said the members of the group that will plead D-FW's case Tuesday had not talked with residents near the airport, he said "I don't know why we really need to. We conducted environmental studies of the area two or three years ago, and that was all considered in those studies."

Jack Downey, deputy executive director of the airport, said the people "have been probed through the elected officials in the area, and so far, it's been pretty positive."

"Of course, there will always be people who will gripe about any change," he said.

Asked why reaction in the Dallas-Fort Worth area had been more favorable than in New York, Stuart credited the layout of the airport.

"We planned this airport for the supersonic airplanes," he said. "We've got enough land so that noise shouldn't bother anyone, because they should be far enough away."

The Concorde service has the business community's support, Stuart said, because it is likely to strengthen the economy of the area by "making D-FW the airline hub of the U.S."

But one of the most wholehearted Concorde supporters near the airport is Mrs. Gordon Goodier. She built her home in the airport flight pattern before D-FW was built, but nonetheless, she is eager to see Concorde service to D-FW.

Of course, she admitted she's a little biased—her husband's a Braniff pilot.

NASA ADMINISTRATOR, DR. JAMES C. FLETCHER

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1977

Mr. WYDLER. Mr. Speaker, effective May 1, 1977, Dr. James C. Fletcher stepped down as Administrator of the National Aeronautics and Space Administration; a position he has held since April 1971. As ranking Minority Member of the House Committee on Science and Technology, I think it is important that each of us extend our gratitude and thanks for the fine job that Dr. Fletcher has done.

During Dr. Fletcher's tenure as Administrator we have seen the successful landing of the Viking Craft on the surface of Mars; we have seen the utilization of Earth orbiting satellites for weather monitoring and communications become commonplace; we have seen the space transportation system develop and grow to a point where today it appears as an imminent reality. These are not insignificant accomplishments. These are accomplishments that have significant societal impacts on this Nation and the whole world. I have seen some estimates that for every dollar spent on NASA research and development, $14 are returned to the economy within 10 years. The fiscal responsibility and guidance that Dr. Fletcher has provided is truly a remarkable and commendable accomplishment. For example the fiscal year 1978 budget for the NASA overhead cost was essentially unchanged from fiscal year 1977. In light of the rising energy cost and inflation this is an accomplishment worthy of noting.

As a consequence, I hope my colleagues will join me in extending my thanks, my gratitude and my praise to Dr. Fletcher for a fine job. I also wish him and his family the very best of luck in the future.

DR. IOSIF BEGUN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. LONG of Maryland. Mr. Speaker, I recently learned of the impending trial in Moscow of Dr. Iosif Begun. Although his case has not received widespread attention in the Western press, Dr. Begun has been a steadfast advocate of human rights in the Soviet Union, despite continued harassment by the Soviet authorities. I wish to insert in the RECORD the text of a telegram I have sent to Soviet Ambassador Dobrynin, as well as a brief biographical sketch of Dr. Begun:

TELEGRAM

To His Excellency ANTOLY F. DOBRYNIN,
Ambassador of the Union of Soviet Socialist Republics, Washington, D.C:

I call your attention to the case of Dr. Iosif Begun, who is scheduled to stand trial on May 6 in Moscow. Dr. Begun has been repeatedly denied permission to emigrate to Israel, dismissed from his job as a mathematician, and denied registration as a private tutor. His arrest and prolonged detention, and the trumped-up charges of parasitism brought against him represent a serious breach of fundamental human rights. I strongly urge the Soviet Government to drop its scurrilous charges against Dr. Begun and to immediately approve his request for emigration.

CLARENCE D. LONG, M.C.

DR. IOSIF BEGUN

Begun is currently imprisoned in Moscow's Matrosskaya Tishina prison, awaiting trial under the possible charge of "systematically engaging in vagrancy and begging." If convicted he could be imprisoned for two years or face one year of "correctional work."

Upon application for an exit visa to Israel, Begun was dismissed as a mathematician in 1971. A graduate of the Radio Technical School of Moscow University and the University's Faculty of Mathematics, Begun has always sought a job in his profession, but been refused. For a period of time, since his refusal on grounds of knowing "state secrets", Begun worked in a telephone communication center and later as a night watchman. Because of his activities on behalf of Soviet Jews attempting to emigrate, and his arrests, he was soon thereafter dismissed from both jobs. Divorced from his wife, though still close with his son, Begun has published a number of papers in the field of radio-electronics. Some of them have appeared in the Soviet periodical Questions in Radio Electronics.

On March 2, 1977, Begun was called to the 52nd militia branch and questioned about his employment problem. On the next day he was again called and detained for three days. The investigator of the 52nd militia branch told Begun's fiancee that criminal proceedings had been opened against Begun, according to Art. 209 of the Criminal Code of the RFSFR, while having claimed before that Begun was held as a suspect. The questionings are conducted in a careless manner and no protocol is written down as Begun refused to have the questions recorded on protocol. The very fact that he is being detained in such a way leads one to think that the charge presented against Begun would be more serious than just the charge of parasitism. The term of presenting the charge against Begun expired on March 13th, ten days after his arrest, and the term of arrest was extended.

Since January 1972 Begun has been teaching Hebrew and trying to get registered officially as a private tutor. His last request for registration was sent two months ago and was rejected again on the grounds that "Hebrew is not taught at the universities" and that Begun has no teacher's diploma. (At the same time two such teachers, Mikhail Nosovsky and Lev Furman, were registered in Leningrad.) Begun wrote to the commission of the Regional Executive Committee requesting assistance in finding a position in accordance with his qualifications and profession. The answer received by him said: "The Commission does not deal with the employment of persons in vacant positions". (Begun is a Candidate of Technical Sciences and usually such specialists have to compete for positions).

Begun is a member of the Organization Committee of the Symposium on Jewish Culture in the USSR and the author of the paper "National Culture and Self-consciousness as a Factor of Preservation of National Minorities" (from Soviet sources). Begun was one of the 4 Jews who lodged a defamation suit against the Soviet television for the broadcasting of the anti-Jewish film 'Traders of Souls'. Two days before his arrest he was detained near the American Embassy where he went on invitation and was accompanied by an Embassy employee.

TRIBUTE TO SUSAN HALFON

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. WAXMAN. Mr. Speaker, It is a privilege to join with members of the Sephardic Temple Tifereth Israel and a legion of friends in commemorating Susan Halfon's devotion and service to the congregation. A testimonal dinner on Saturday evening, May 14, 1977 will bring together the many friends of Sue Halfon who recognize that her dedication to the temple has been outstanding. Apart from her administrative work, she has also been active in every area of the community's programs. A past president of the congregation's Sisterhood, Sue is a shining light in a family which has been a mainstay in the temple for almost half a century. She has succeeded in serving the needs of a large group, diverse in age, temperament and interests, with grace and wisdom. The accomplishment of these duties in such illustrious fashion certainly proves that Susan Halfon is a most exceptional leader of her community.

Susan's husband, Jack, now retired, shares her interest and involvement in the community. They are both justly proud of their two sons, Ben and Richard, both engineers, and of their two grandchildren, Robert and Edward. A family-centered person, Susan embodies the old world virtues of Sephardic Judaism and translates her ideals into a generous sharing of herself. I am happy to inscribe her accomplishments as a devoted human being and community leader and to bring them to the attention of my fellow Members.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE TO HOLD HEARINGS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. FASCELL. Mr. Speaker, a journalist from Czechoslovakia, a television writer and director from Romania, and a writer from Poland will testify May 9 to the Commission on Security and Cooperation in Europe about the impact of the 1975 Helsinki accords on public opinion and governmental behavior in those countries. After introductory testimony by a veteran American analyst of Communist affairs, each witness will discuss the rise of human rights agitation in his native country since the Helsinki Final Act was signed and the actions taken to repress such dissent.

The witnesses at the public hearing, beginning at 1 o'clock in room 6202 of the Dirksen Senate Office Building, are:

James F. Brown, director of research and analysis at Radio Free Europe since 1969, author of "The New Eastern Europe" and "Bulgaria Under Communist Rule";

Jiri Hochmann, former Rude Pravo correspondent in West Europe, Moscow, and Washington and a former editor of the liberal Prague weekly, Reporter, during the Dubcek regime;

Dmitru Udrescu, a top Romanian television script writer and director until he worked on the CBS-TV film on gymnast Nadia Comaneci and decided to stay in the United States last year; and

Gustav Herling-Grudzinski, a Polish survivor of Soviet concentration camps, who has written extensively on internal Soviet-bloc affairs from the West and will present the views of historian Adam Michnik and other activists in the Polish intelligentsia.

In addition to the May 9 hearing, the Commission is also scheduling sessions May 19, 24, and 25 to take testimony on progress in implementing programs for the freer flow of information and the expansion of educational and cultural exchanges.

The Commission is an independent agency composed of six Members of the House of Representatives, six Senators and three executive branch officials, created to evaluate and encourage compliance with the agreements signed August 1, 1975 by 33 European states, the United States, and Canada at the conclusion of the Conference on Security and Cooperation in Europe.

The Commission will welcome written testimony on Helsinki compliance in Eastern Europe from knowledgeable individuals and organizations and will hold the record of the May 9 hearing open for such submissions until May 19.

WRONG WAY TO AID CONGRESS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. HYDE. Mr. Speaker, since the President has pledged to reduce the Federal bureaucracy it seems to me that adding another layer to it—in the form of the proposed Agency for Consumer Advocacy—will simply compound the problem. I think the American taxpayers have about had it with "Big Government" and want to see the bureaucracy trimmed down to size. Breathing life into yet another costly Federal agency is not the answer—resuscitating those governmental agencies already in existence which are supposed to be representing the consumer, is.

Legislation has been introduced in both the House and the Senate to make these existing agencies more effective in protecting consumer interests. If they are not serving the purpose for which they were established in the first place, they should be restructured or eliminated.

As the debate on the merits of establishing an Agency for Consumer Protection within the Federal Government continues to ensue, I would like to share with my colleagues today an editorial from the Chicago Daily News of April 11 which echoes the objections which many of us have expressed against creation of the ACA:

> WRONG WAY TO AID CONSUMERS
>
> It is hard to reconcile President Carter's pledge to reduce the federal bureaucracy with his support of a bill to create a powerful new consumer agency within the government. But even during the campaign, Carter followed this contradictory line, once boasting that he hoped to challenge Ralph Nader "for the title of top consumer advocate of this country." His backing for bills that would establish an Agency for Consumer Protection (ACP) thus comes as no surprise.
>
> Congress has been down this road before. The push for ACP began in 1970, and in 1975 both houses passed bills to create the agency. The margin in the House was too small to override a promised veto by President Ford, and the measures were allowed to die. This year could be different.
>
> But the objections to such a specialized agency remain, beginning with the effrontery of the assumption that consumers are a breed apart. The plain fact is that all Americans are consumers, but their needs and wants will not always coincide. There are many who would rather not have the federal government—or Ralph Nader—as their sole spokesman on all consumer matters.
>
> As conceived by the consumer advocates, the ACP would be able to intervene in the proceedings of other federal regulatory agencies, and haul an agency into court if a decision failed to please it. The opportunities for meddling, conflict and delay would be almost endless. The ACP could also demand business records to a degree that would amount to "fishing expeditions," plac-

ing added burdens on businesses already awash in a sea of paperwork required by the federal bureaucracy.

Protection of the consumer against fraud and chicanery of all kinds is of course essential. But there is already a body of law to provide that protection. If these laws need strengthening, let them be strengthened. Reform of the existing regulatory agencies is also of prime concern; plainly, they have not always served the consumer well. Some steps were taken by the Ford administration to safeguard consumer interests within the agencies. These efforts would be abandoned under the plan to consolidate consumer advocacy within a separate agency.

Carter's message proposed a spending limit of $15 million a year for the ACP, and added the vow that it "will not be another regulatory agency." But it is interesting to note that the 1975 bill carried a price tag of only $10 million for the first year. Already the price has risen by 50 per cent. And anyone who supposes that a federal agency, once it's born, will just lie there without growing has not been keeping track of the goings-on in Washington.

With this President committed to signing a bill creating an Agency for Consumer Protection, any hope of blocking it lies with Congress. We wish the opposition well.

CINCO DE MAYO—A DAY OF GLORY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. FARY. Mr. Speaker, today is May 5, Cinco de Mayo, which is celebrated by Mexicans and Mexican Americans as the beginning of a revolution against foreign domination.

It was 115 years ago today that the great Battle of Puebla was fought under the brilliant leadership of Gen. Ignacio Zaragoza. On May 5, 1862, though greatly outnumbered in men and artillery, General Zaragoza and his troops repelled the enemy three times, finally defeating a part of the army of Napoleon III then considered to be the most powerful and famous army in the world.

Traditionally, Cinco de Mayo has been a day of celebration to honor the defense of freedom, very similar in spirit to our own Fourth of July. As a holiday commemorating a great battle fought in defense of the principles of freedom, justice, and equality, it presents us with a fitting opportunity to see that these principles have been applied to all of our citizens equally—especially in regard to our Mexican-American citizens.

Mr. Speaker, I firmly believe that the prospects as of today have never been greater for truly equal opportunity of our people, regardless of race or national origin. Indeed, we can almost be said to have completed a full circle in our history.

These changes merely reflect trends in our society as a whole. New doors of opportunity are being opened to men and women of all races and backgrounds. Opening those doors has often proven to be of a long and ardous process.

Now that these doors are opening, we must be sure that they stay open—and that there are individuals standing ready to take advantage of these portals. Education and training will eventually prove to be the strongest tools for progress ever forged.

So on this Cinco de Mayo, we join our Mexican neighbors and Mexican-American citizens in observing this celebration of freedom we remember all that has been done in the past to guarantee freedom and equality—and we look forward to what must yet be accomplished.

HUMAN RIGHTS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. LAFALCE. Mr. Speaker, it is very important that we develop a workable human rights policy for our country. The subject is a delicate and sensitive one and we must find a policy which both promotes our concerns and yet remains realistic in the light of international relations. To promote further discussion about our policy, I would like to share with you an editorial entitled, "Mr. Vance on Human Rights," which appeared in the Washington Post on Wednesday, May 4, 1977:

MR. VANCE ON HUMAN RIGHTS

A government that campaigns for human rights need to be precise about its purposes. Last weekend Secretary of State Cyrus Vance usefully began to lay out a series of clear principles for the Carter administration to follow. Ever since Woodrow Wilson, Americans have understood that these attempts to impose their morality on other nations are perilous. But most Americans consider it a national responsibility to keep trying, and some of the consequences are already beginning to nip at President Carter's ankles. Mr. Vance, in his speech at the University of Georgia, was sharpening the public definition of the administration's intentions.

Enthusiasm is not an adequate substitute for intellect. When an administration begins to chide other governments for inadequate attention to their citizens' rights, it lays itself open to charges of inconsistency. Why punish Argentina and not South Korea? The answer lies, of course, in an assessment of American national interests. Pressing some countries is risky, pressing others is not. It's best to be quite candid about that.

Mr. Vance is evidently beginning to worry about the exploitation of the human-rights issue in Congress. When the House passed the Harkin amendment last month, it demonstrated the kind of trouble that can spring up. The amendment would require the United States to oppose loans by the World Bank and other international agencies to countries engaging in "gross violations" of human rights. The vote was carried by a strange alliance between the super-pure and those earthly souls who simply don't like foreign aid and saw the rights campaign as a convenient device to cut it. There are a good many other opportunities of that sort lying around. Not many congressmen like to be called protectionists, for example—but some of those troublesome imports of shoes and steel and clothing come from countries that might be said to violate one definition or another of human rights.

If Mr. Carter's defense of rights abroad is to survive, it is going to have to be stated more exactly than he has yet attempted. He is going to have to deal explicitly with the Wilsonian dilemma. The United States can't run the whole world. But neither can it ignore its obvious power, in some places and in some circumstances, to improve the condition of people living under oppressive governments. Mr. Vance's speech in Georgia was more careful than some of Mr. Carter's observations on the same subject. We read the Secretary's words as the attempt of a good lawyer to refine and focus a presidential position. That position is a courageous and valuable one but, at the moment, it seems to mean something a bit different to each person who hears it.

SAME DAY REGISTRATION QUESTIONABLE

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BURKE of Florida. Mr. Speaker, hearings on H.R. 5400, which will allow individuals to register and vote in Federal elections at the polling place on election day are being conducted by the House Administration Committee.

The Carter administration states this legislation is an extension toward greater democracy in America and will be instrumental in removing another barrier to voter participation. There is, however, a real question whether or not the bill will significantly increase voter participation. Ironically, despite general relaxation or elimination of structural barriers since 1960—abolishing the poll tax and literacy tests, reduction of residency from a standary 1- to 2-year requirement to generally 30 days, elimination of periodic reregistration, and more liberalized registration procedures such as mobile registration units and the adoption of evening/weekend registration hours, voting participation has decreased steadily.

One of the chief defects in the bills—H.R. 5400 and S. 1072—is the loose language regarding proof of voter qualifications. The whole identification process is open to error, and the authentication of voter eligibility is questionable. One of the major questions to be answered is the effectiveness of the mechanisms to investigate and prosecute fraud.

Another major question is the administrative burden the act would impose. The voter verification process will be an expensive and time-consuming endeavor, adding to the confusion and delays on election day. Cost to the local jurisdiction—in more election personnel, voting equipment and supplies—will be significant.

I would like to share with my colleagues a letter which I received from Mrs. Jane Carroll, supervisor of elections, Broward County, Fla., the area I am privileged to represent in Congress. In her letter dated April 19 she expresses her concern about the need for such legislation. In my opinion, Mrs. Carroll's letter gets to the heart of the matter. Why do we need it, when there is insufficient evidence that it will increase voter participation but ample evidence that the cost is monumental?

While I favor more voter participation

in elections, I am not sure that the more voters is the answer to a stable democracy. I prefer a more intelligent, more informed, and more interested public to a blind, emotional response on election day.

I trust that my colleagues in order to get a better view of the picture will take the time to read the views of the supervisor of elections of Broward County, who will be required to administer the program should this bill be passed:

BROWARD COUNTY,
SUPERVISOR OF ELECTIONS,
BROWARD COUNTY COURTHOUSE
Fort Lauderdale, Fla., April 19, 1977.

Hon. J. HERBERT BURKE,
Member, House Administration Committee, Rayburn House Office Building, Washington, D.C.

DEAR HERB: As the Supervisor of Elections in Broward County, Florida, which has a population of approximately 955,000, I am very strongly opposed to the concept of what is being commonly referred to as "Same Day Registration."

As reported in the April 4 issue of *County News*, according to a recent survey by the Bureau of the Census, less than 2 per cent of those who did not vote did so because of registration inconvenience. I feel that the facts are clear and that any thinking person knows that the reasons for not voting are not administrative obstacles but rather a lack of interest and knowledge about issues and candidates.

Why are we so intent on forcing these disinterested and unknowledgeable people to vote? Have we no interest in the quality of the vote? The quantity of the voters seems to have become the hue and cry. Everything should be done to facilitate registration and voting for all citizens desiring to participate and we are doing just this in Broward County; however, the present proposal will take tax dollars away from these worthwhile tasks and spend those dollars on precinct registration. Let us not forget that financial assistance from the federal level is not "money from heaven" but money generated from taxes paid by the same citizens who support local and state government.

We have instituted a program in Broward County which has been widely acclaimed by our voters. This is the mailing of sample ballot booklets with the address of the polling place, hours of polling, etc. to every household where a registered voter resides. This is a costly program and one that is admittedly advantageous to other counties; however, the cost factor prevents this being a widespread practice. I propose that the federal government consider a free postage allowance to all counties throughout the U.S. for all general elections when federal offices appear on the ballot. I feel that informing the voters already registered should be a consideration of the government and one that should take precedence over getting more people out to vote—people whose interest was so low as to keep them from registering prior to election day.

I have not mentioned the chaos and fraud which would be inevitable in precinct registration because I am sure you have received volumes of mail reiterating these subjects in detail.

Please give serious consideration to all of problems this proposal will create in comparison to its questionable benefits.

Thank you.

Sincerely,

JANE CARROLL,
Supervisor of Elections, Broward County.

VOICE TO BE HEEDED

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. MICHEL. Mr. Speaker, every now and then a letter comes to my office which seems to me to say some very important things. With all that has been written and said about President Carter's proposed tax on gasoline, I have come across nothing that has been more eloquent or more moving than a letter sent to me by Mr. G. E. McAlister of St. Augstine, Ill. The letter speaks for itself, but as preface I want to say this: If President Carter and those who want this burdensome tax do not listen to the reasonable and persuasive arguments of citizens like Mr. McAlister, there will be terrible injustice done in this country. His is but a single voice. To some it might be a "voice crying out in the wilderness," but to me it is the voice of the people and it had better be listened to. At this point I want to place in the RECORD Mr. McAlister's letter. He has granted me permission to do so and it is my hope that it comes to the attention of those who would impose upon the people another tax:

ST. AUGUSTINE, ILL.,
April 22, 1977.

DEAR FRIENDS: A few lines with food for thought and one question.

I am a middle age married man working as a welding engineer earning 18+ K/year.

I live 14 miles from work on 2 acres which we are improving because we couldn't afford the monthly payments nor rent required to live closer. It costs me approximately $500.00 year for gasoline to commute. My hours of work do not allow me to share a ride, nor do we have other means by public conveyance.

The total taxes which I was allowed to declare in 1976 were 22 percent of my gross earnings. You know about the other taxes which I couldn't declare.

Our utility bills have increased 18¼ percent.

We use our auto for pleasure approximately once a week and never over 85 miles more than twice a year.

We haven't been able to afford a vacation away from home since 1975.

We haven't been able to put our 1957 model boat(35 H.P.) in the water since 1974.

We super insulated our home, turned the thermostat down to 65° F., water heater to warm, donned insulated underwear, and fired the fireplace with wood which we cleared, cut and split ourselves.

We had our nite-lite removed which saved more of our energy bill by $84.00 year at current prices.

We have 4 hens and 1 duck producing approximately 27 eggs per week. We raise a large garden each year and store or can vegetables.

We drive a 1967 olds wagon and a 1953 pick-up because we can't afford a better one and educate 2 children. I do my own maintenance and over-haul work also and look forward to fill my gasoline tank.

I feel that what little we have today has been acquired thru steady employment and being conservative.

I supported all of you in the last election and three of you in previous elections.

Will you all please take the time to digest this and help make me understand why it is necessary for me to spend additional taxes for the gasoline which we are consuming?

Sincerely,

G. E. MCALISTER.

CAMPING INDUSTRY RECOGNIZES NEED FOR CAMP SAFETY ACT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. SARASIN. Mr. Speaker, the Youth Camp Safety Act, a measure to meet the long-recognized need for a comprehensive national health and safety program to protect the 8 to 10 million children going away to camp each year, has now been reported out of the Committee on Education and Labor and should be coming before the full membership of this body very soon.

Most of my colleagues will recall that 2 years ago, we responded to this need and adopted a sound camp safety bill, only to see our efforts thwarted by the failure of the other body to complete the necessary action. The sad result has been more needless injury and death for our children.

I have great hope that the majority of Members of the House will once again recognize the need for this legislation and that this time the measure will complete its passage through Congress and be signed into law. Children's lives and health depend upon it.

I know, however, that this will not be accomplished without earnest debate and strong opposition. Some oppose the measure on philosophical grounds, and this I can understand, if not agree with. I certainly will try to persuade you of this bill's merit and worth. Some, however, will oppose this bill due to misinformation or misinterpretation. I would hope these Members will read carefully the attached endorsement of the measure by the American Camping Association, the largest professional organization in youth camping, representing some 40 percent of the camps in the country.

Any representations that this bill would be detrimental to the responsible camp operators, or that it is not needed, should be laid to rest by this strong letter of support, and I urge you to consider it carefully.

AMERICAN CAMPING ASSOCIATION,
Martinsville, Ind., May 7, 1977.

Re Youth Camp Safety Act, H.R. 6761
Rep. JOSEPH GAYDOS,
Chairman, Subcommittee on Compensation, Health and Safety, U.S. House of Representatives, Washington, D.C.

My colleagues and I have been pleased to review H.R. 6761, the Youth Camp Safety Act, as reported May 4th, 1977, by the House Committee on Education and Labor. This bill is a document which this Association has worked to develop for many years, and in closest cooperation with the Congress.

We have recommended several technical amendments to H.R. 6761 for clarifications. With these additions, the bill as stands today will then be very acceptable to the American Camping Association. On behalf of our National Board of Directors I wish to commend the efforts of the Committee in sponsoring legislation for the protection of ALL children in ALL camps in ALL states. I feel that the Committee was extremely fair in conducting its hearings and gave every opportunity to hear all viewpoints.

As a voluntary, professional organization in youth camping, the American Camping Association can have but minimal effect on non-member camps that are not professionally accredited for ACA's operating standards. The same would be true of a Youth Camp Safety Act were it to become voluntary on the part of individual camps or States, as recommended in proposed substitute amendments. The Association cannot endorse such a concept. The protection of all children in all camping situations can only have validity if subscribed to across the nation, and only then can valid statistical data be compiled with proper controls for future study. Only then can all parents of all youngsters in any camp rely upon the basic protections offered for fundamental health and safety. These youngsters are entitled to such protections regardless of the camp they attend and only a national guideline can establish such regulations.

In today's rapid transit and interstate society, the American Camping Association understands that campers' experiences are frequently far from his/her home community, and hence the need for a national standard regardless of any camps' location or programs.

Accordingly, the American Camping Association is pleased to support your efforts in H.R. 6761 as being in the interest of good camping for all across the nation. Our own members, who have already met the high standards for operations demanded for our accredited ACA camps, have nothing to fear in this legislation. (As a private camp owner/operator in my personal position, I also endorse the national effort.) We also realize that passage of H.R. 6761 will call for enforcement and responsibility for Youth Camp Safety regulations by the States on the local level, where each camp operator will have fullest opportunity for participation.

On behalf of the American Camping Association, I wish to thank you for your courtesies in the hearings just concluded. We wish you well in your efforts and would urge support for H.R. 6761 from your colleagues in the House and Senate. You may insert this memorandum in the Congressional Record and circulate it to members of the Congress as you wish.

ALAN J. STOLZ,
National Legislative Chairman.
ARMAND BALL, Jr.,
Executive Vice-President.

CINCO DE MAYO

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. PICKLE. Mr. Speaker, today is May 5, a day which commemorates the bravery of the Mexican people in repelling an invasion by the French in 1862. This glorious day in the history of this continent is not only observed in Mexico, but also by the large contingent of Mexican Americans who reside in Texas and the Southwest. But the celebration is enjoyed by all of us, Mexican descent or not.

It is a time when we should stop and reflect upon the contributions made to our society by the immigrants from our neighbor Mexico and also to acknowledge the debt we have to our good friends of Mexico.

NEW HOPE FOR HANDICAPPED PERSONS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BRADEMAS. Mr. Speaker, the White House Conference on Handicapped Individuals will be held in Washington, D.C., May 23 through May 27. The groundwork for the conference has been laid by meetings in the States and territories involving thousands of individuals. I believe that these meetings, the White House conference, the recent peaceful but forceful demonstrations by handicapped persons throughout the Nation, and the signing by HEW Secretary Califano of the regulations to implement section 504 of the Rehabilitation Act all herald a fundamental change in our Nation's understanding and treatment of handicapped individuals.

All these steps represent the beginnings of the broad public awareness and the new attitudes toward handicapped persons that are essential if change is to occur. They are significant strides toward assuring for handicapped persons their fundamental human dignity and the opportunity to live as productive, independent, and full-fledged members of the community.

Mr. Speaker, the April 1977 issue of American Education contains an excellent article by Jane Hauser Hoyt describing the State meetings and the preparations for the White House conference, and I insert this article at this point in the RECORD.

BEYOND THE HANDICAP

(By Jane Hauser Hoyt)

It is a cold day in Syracuse, New York. Bad weather makes those attending a meeting for improving services for the handicapped apprehensive about catching plane flights or driving their cars back to surrounding cities. But they stay throughout the day because what is going on is more important than a missed airline connection.

The room where they are gathered is austere—a small gray auditorium in the back of a civic center. But its concrete floor makes a smooth surface for wheelchairs. Up front, in one corner of the room, a signer translates the proceedings into sign language for those who are deaf. A blind committee member makes Brailler notes during the testimony.

People are talking about what it's like to be handicapped. About how they are treated. About what the State of New York should be doing and is not. Some are saying that the laws on the books aren't being used. Others are saying that handicapped children aren't getting an adequate education.

WHITE HOUSE CONFERENCE ON HANDICAPPED INDIVIDUALS

Meetings like this—one of eight hearings held throughout the state—are New York's way of preparing for the White House Conference on Handicapped Individuals to be held May 23 through 27 at the Sheraton Park Hotel in Washington, D.C.

During those five days in May, several thousand people will converge on the nation's capital with a spirit not unlike that pervasive of other rallies by those wanting to get things done. Veterans of World War I marched for pensions; more recently, minorities assembled to insist on their rights of full citizenship. This time, the participants will come on behalf of what is estimated to be between 35 and 50 million handicapped Americans. Half of them will themselves be handicapped. And they mean to spend a week sharing ideas and, at the end of that time, recommending how this country can better treat its handicapped persons. As Paul Ackerman, White House Conference director of planning and evaluation, puts it, "They want a chance at living their lives as we all do and aspiring to the same goals."

The conference itself was authorized by Congress and signed officially into law by the President in December of 1974. There are three goals:

To assess the problems and potentials of both the mentally and physically handicapped in this country,

To make the country more aware of these problems and potentials, and

To make recommendations to the President and Congress with an eye to enabling "individuals with handicaps to live their lives independently, with dignity, and with full participation in community life to the greatest degree possible."

STATE MEETINGS

Throughout this past year the states and territories have been holding meetings, according to Dr. Ackerman, "to find out what the handicapped in their communities need, what has been wrong in the past, and what needs to be done to correct it." To assist the states in examining and discussing the problems of the handicapped, the White House Conference staff commissioned papers in five areas: economic concerns, educational concerns, health concerns, social concerns, and special concerns. Each topic area was further divided to spark more organized discussions at the state meetings.

The state meetings, however, soon took on a spark of their own because behind these rather formal-sounding goals are emotional issues. One recurring need coming out of the state conferences, according to Dr. Ackerman, is the need to educate the community about the handicapped. The effects of community attitudes came up dramatically at one of the New York hearings when one man told the state steering committee, "Our bodies make us disabled, but society makes us handicapped."

The need for changing attitudes was also reflected in New York's report to the White House Conference, a report such as each state will submit before May. The New York report says, "Society tends to ostracize the handicapped individual. There is a fear of association with such individuals. This fear arises from a misunderstanding of the causes and effects of specific disabilities. Another problem is that the nondisabled individual often does not know how to cope with the disabled one. He may want to help, without being paternalistic; and yet, is not sure how."

AN EQUAL FOR THE HANDICAPPED

Helping people understand is a part of the White House Conference's mission, of course, but another big concern is giving the handicapped an equal chance in all areas of life. Again according to Dr. Ackerman, who is also chief of the conference's educational concerns section, two important educational issues that are recurring at the state meetings and are also of national concern are early identification of the handicapped and the education of what he calls "postschool adults."

It has been recognized by experts and proven by a number of programs supported by the U.S. Office of Education that if help reaches a handicapped child early enough, the negative effects of the handicapped can frequently be abated. "With infant intervention," says Dr. Ackerman, "one can alleviate a lot of suffering and a lot of inequalities later on."

Says Lou Grumet, director of the New York State Council on the Handicapped and one of the state directors of the White House Conference, "When children go to kindergarten, certain things, like shots, are required. The conference should also recommend that other things, like speech and hearing tests, be given routinely. That way everything could be done at once."

Dr Ackerman's postschool hopes involve making education available to the handicapped after they leave formal schooling. "Most people have a chance to update their skills throughout their lives," he says "But for the handicapped this opportunity has been lacking."

One thing that has been far from lacking during this year of hearings and meetings is ideas about what can be done. "The exciting thing is that we are getting some really original kinds of ideas which can be implemented—some of them costing money, some not," says Dr. Ackerman

For example, New York, which recently passed far-reaching legislation for the handicapped, still found what Lou Grumet calls "an enormous need for an ombudsman office." He explains, "A lot of people had specific problems to which there *were* answers, but people were unable to get to them. They were unable to find the right office to help them or the right person to give them an answer. If we had someone helping full time—if we advertised that such help was available merely by using a tollfree number—we would be able to take care of a lot of existing problems with existing remedies."

New York is just one example of the innate value of state conferences. "At the very least," says Dr. Ackerman, "people are beginning to get together, states are developing policies on behalf of the handicapped, coalitions are being formed," Mr. Grumet agrees. "We have." he says, "as a result of preconference activities, located 900 or 1,000 people who *care*. We have identified a lot of common goals. We are mobilizing a whole new set of people. We hope to build a coalition. We are showing the people of this state that we *do* care and we *do* mean what we say."

Another value is that a lot of people who have not been heard from before began talking about their concerns. "We were reaching out for those very people," says Mr. Grumet, "the ones who don't talk, who don't come to meetings." The result was that by the time New York had held just four of its hearings, there were already 700 persons who attended, 300 of whom testified.

ORGANIZATION AND ROLE OF THE WHITE HOUSE CONFERENCE

To ensure, insofar as possible, that all of the concerns of the handicapped are represented at the national conference and to protect the rights of the handicapped of all ages, those responsible for the conference have set up certain guidelines. These call for 50 percent of the 672 state delegates to be disabled, 25 percent to be parents or guardians of handicapped individuals, with the remaining 25 percent to include "service providers," professionals, and representatives from state governments. In addition, there will be 600 alternates and 2,000 invited observers.

To make certain that the suggestions brought up at local and state levels actually reach the national conference and the consideration of the delegates, more is involved than just accepting the state reports. "All of the recommendations from the state reports are being cross referenced," says Dr. Ackerman. "In addition, a frequency rate is being set up—how many states thought certain issues were important, which issues kept recurring."

The national conference is charged with two reports: The first will be a set of recommendations, the result of all the delegates voting on the issues. "We hope to have the results in the hands of the people as they leave the conference," says Dr. Ackerman. "That way, they can continue their work as soon as they get home. There are many things the able-bodied don't realize they can do that would be helpful to the handicapped, many attitudes they hold toward the handicapped that can be changed." The White House Conference recommendations will go to Congress and the President.

Some months afterward, the conference's National Planning and Advisory Council will issue a report on how the recommendations can be put into effect around the country. At that point, all citizens will be involved—particularly educators. For indeed, the handicapped "want to be accepted by others," as one man told the Syracuse gathering. And a student from the State University of New York at Albany, who had herself been in a wheelchair for the last four years, expressed the hope that parents could one day educate their children "so they can look beyond the handicap at the person."

The White House Conference is aiming to attain this hope. And so are others. Says one New York parent of a handicapped child, "A nation's values are reflected in its government. If government stands up for the handicapped and takes the initiative in guaranteeing them lives of the highest possible quality, then the handicapped will cease to be burdens, and the nation will benefit from their many talents and skills."

MY BLUEPRINT FOR AMERICA'S FUTURE

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. WYLIE. Mr. Speaker, Mr. Christopher Fehn, a senior at Dublin High School, Dublin, Ohio, and a constituent of mine, is the recipient of the annual U.S. Government Award presented by the Dublin Area Women's Republican Club. Mr. Fehn demonstrates a maturity in identifying the problems facing America which belies his youth. At the same time he evidences a personal conviction to help in their solution. I am pleased to accept the suggestion of Mrs. Sandra Bolon, vice president of the Dublin Area Women's Republican Club, to have the essay published in the RECORD:

MY BLUEPRINT FOR AMERICA'S FUTURE

Each preceding generation has been faced with the question as to their role in the blueprint of America's future. All looked ahead with concern and rose to meet the challenge.

In my blueprint for America, I include, developing our schools beyond their present state. Our country's greatest asset is the extensive education of our youth. It gives us the opportunity of looking backward and utilizing the benefits received from the experiences of other generations. Our predecessors were able to solve most of the problems which confronted them, and we can, and will, excel in solving the problems which face us.

One of the most pressing and immediate problems that lies in my blueprint, is the energy situation. We must first concentrate on energy conservation, and then channel our resources into developing new sources of energy. This includes harnessing the winds and tides, solar energy geothermal exploration, and finally, developing more efficient and economical uses of our present fossil fuels.

The economic survival of our country, as we now exist, depends upon such solutions as illustrated in the past winter. Industry was curtailed due to the fuel shortage, and our school systems were forced into emergency situations that not only disrupted normal education, but were extremely costly in economic terms.

Attention must also be given to the protection of our environment. The governmental agency known as the E.P.A., has been established with tremendous powers to concentrate on environmental problems, but at the same time to act responsibly in the interest of all our citizens. Their decisions must be weighed more carefully in the future to avoid extreme economic impacts. The immediate areas where energy needs and economic impact are at odds with each other involve off-shore drilling, strip mining of coal and pipeline transportation of oil.

In the area of economics, a strong stand needs to be taken to keep control of our rate of inflation, which continues to decrease the purchasing power of the dollar. Inflation discourages thrift and savings, erodes the value of money and thus cripples the supply of investment capital.

We must certainly solve our high rise of unemployment, so that job opportunities will be available to our generation and those that seek employment. An unemployed person contributes nothing toward the good of our country; he merely becomes a statistic.

Our greatest contribution to the future of our country begins with our own personal education. We not only need to be better educated than previous generations, but we must have a broader mind in social attitudes to our fellow citizens. Thousands of job opportunities will be required in engineering, economics, production, public relations and counseling, to name a few.

Professional men will be of prime importance. We must not overlook the future needs for mechanics and service personnel where extreme shortages will exist in a few years.

The blueprint has been laid, the challenges are before us, but with proper education and desire, we will overcome them, as have our predecessors. It will not be done for us, but rather, by us.

HOMEOWNERSHIP AND HOME RULE IN THE PANAMA CANAL ZONE

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. HASSEN. Mr. Speaker, free enterprise, si! Local self-government, si! Socialism, no!

Free enterprise and local self-government are long overdue for citizens of the United States in the Panama Canal Zone. As one of America's key territories, the people there deserve expanded civil rights to a similar degree enjoyed by citizens of the nation in other political subdivisions.

As a case in point, the Federal enclave of the Nation's Capital does not preclude private property ownership and local self-government to the tens of thousands of Americans in the District of Columbia. The same should be true for the Canal Zone notwithstanding the need for Federal holdings for canal and military purposes.

Mr. Speaker, I have today introduced legislation to give the Panama Canal Zone an economic and civil structure similar to the District of Columbia. This legislation would provide for the sale or transfer at fair market value of real property in the Zone to U.S. citizens—land that is not essential to the continuing operation of the canal itself, the required military installations and civil government purposes.

The United States would not only continue to own and operate the canal under this proposal, but private ownership and a property tax base would be created under a civil self-government. The enactment of this legislation would strengthen the need for an elected delegate to Congress as proposed in other bills currently before the House.

Mr. Speaker, there is considerable potential for private development in the Canal Zone. Only a small percentage of the land there is used directly for the canal. Of the 529 square miles of land, 68 percent is designated military and 25 percent is not under use at all. There are just under 40,000 U.S. citizens living in the zone of which some 30,000 are military and some 5,000 are employed by the Panama Canal Co.

The District of Columbia is considerably smaller in size—67 square miles but larger in population—about 750,000. From 50 to 55 percent of the land in the District is Government and the remainder is private.

Guam, another distant territory, has 203 square miles and a population of American citizens of 85,000. About 33 percent of the area is under U.S. Government jurisdiction and 20 percent is controlled by the Government of Guam. The other 47 percent is in private ownership.

Mr. Speaker, Americans in the Panama Canal Zone should enjoy the same rights of private ownership of property and local self-government as citizens of the 50 States, the District of Columbia, and other U.S. territories. My bill provides for the much-needed and long-overdue adjustment.

The text of the proposed legislation follows:

A bill to require that real property in the Canal Zone which is not necessary to the United States for governmental purposes be sold or otherwise transferred for fair market value to appropriate individuals and nongovernmental entities, and to require that the President prepare a detailed proposal for self-government of the Canal Zone under the United States Constitution

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Without prejudice to the rights of the United States in the Canal Zone with respect to any other Nation, it is the purpose of this Act that, notwithstanding any other provision of law, the United States shall hold no title or other ownership interest in real property located within the Canal Zone, unless such property is essential for present or future (1) operation of the Panama Canal, (2) national defense activities, or (3) civil governmental purposes. Real property which is not required for the purposes specified in clauses (1), (2), and (3) of the preceding sentence shall be sold or otherwise transferred for fair market value to appropriate persons.

SEC. 2. For purposes of this Act, the term "person" means an individual or a nongovernmental entity.

SEC. 3. In order to carry out section 1, the President shall develop specific criteria for retention and disposal of real property within the Canal Zone, and shall conduct a comprehensive review of such property in light of such criteria. Upon completion of the review, but not later than six months after the date of enactment of this Act, the President shall transmit to the Congress a Canal Zone Real Property Retention and Disposal Plan (hereinafter referred to in this Act as the "Plan") to implement section 1. Such transmittal shall be made to both Houses of the Congress on the same day. If both Houses are not in session on the day the Plan is received by the appropriate officers of each House, the Plan shall be deemed to have been transmitted on the first succeeding day on which both Houses are in session.

SEC. 4. The Plan shall—

(1) provide that conveyance of the real property to be disposed of shall be accomplished not more than one year after the date on which the Plan becomes effective;

(2) set forth appropriate qualifications for or restrictions on sales or transfers of real property under the Plan;

(3) set standards for granting preference rights for acquisitions of real property by persons who have special associations with the Canal Zone or with specific units of real property therein, by reason of long-term residence or service in the Canal Zone, legal use or occupancy of such units, or otherwise; and

(4) provide that real property conveyed under the Plan shall be subject to regulation and taxation as prescribed by applicable law.

SEC. 5. The Plan transmitted to the Congress under section 3 shall become effective six months after the date of such transmittal, unless between the date of such transmittal and the end of such six-month period—

(1) there has been enacted into law a statute which establishes a procedure for implementing section 1, or

(2) either House of the Congress has passed a resolution which specifically disapproves the Plan.

SEC. 6. As soon as practicable, but not later than one year after the date of enactment of this Act, the President shall submit to the Congress a detailed proposal for making the Canal Zone a self-governing entity under the United States Constitution.

HORSE CENSUS BILL II

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BRECKINRIDGE. Mr. Speaker, 1 month ago, on April 5, I was privileged to introduce H.R. 5935 directing the Secretary of Agriculture to conduct a horse census starting in 1978.

Today, I am honored to reintroduce my bill with 14 additional cosponsors as well as to amend its provisions by providing for a $1.25 million authorization annually, beginning in fiscal year 1978. This change reflects the opinion of the Statistical Reporting Service of the USDA that an accurate census of equines can be conducted within this funding level in one-third of the States, annually, for a 3-year period. The revised bill also provides that the Secretary shall publish national and State totals each year for public consumption.

Mr. Speaker, in the short 30 days since H.R. 5935 has been introduced. The American Horse Council and their more than 80 affiliated associations, representing over 2 million American citizens, have advised their strong support for this legislation. I have been informed, Mr. Speaker, that the National Horse Industry Advisory Committee, whose purpose is to strengthen communication between the Secretary of Agriculture and the various segments of the horse industry, has strongly urged each and every year a national horse census to be conducted by the USDA. The committee's 30 members represent a broad spectrum of horse interests: farmers, ranchers, breeders, trainers, veterinarians, and other horse-related organizations. The National Association of State Departments of Agriculture have also reaffirmed their earlier resolutions to urge the USDA in establishing accurate equine statistics. Support for the horse census bill continues to grow each day.

I have recently learned, Mr. Speaker, that the Bureau of Land Management of the Department of Interior has spent over $3,620,000 during fiscal years 1973 to 1976 researching wild horses and burros. It is estimated that this ongoing project will spend $2 million in fiscal year 1977 alone. In addition, it has come to my attention that the Forest Service of the USDA, during the same period spent over $250,000 to conduct the same research on wild horses and burros. How it it possible, Mr. Speaker, that this amount of funding can be authorized for wild horses, when at the same time our horse industry whose combined investment and annual expenditures amount to more than $13 billion; whose horse owners spend over $7 billion annually; and whose Federal, State, and local revenues from racing and related industries approach $1 billion annually cry out for accurate horse data? The time has come to move forward and pass the horse census bill of 1977.

I urge the support of all interested citizens and Members in promoting the purposes and provisions incorporated in this piece of legislation.

The revised bill follows:

H.R. 6937

A bill to direct the Secretary of Agriculture to take an enumeration of horses in 1978 and in every year thereafter

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture, through the Statistical Reporting Service of the Department of Agriculture, shall in 1978 and in every year thereafter, take an enumeration of horses in the United States.

(b) The data collected in each enumeration taken under this Act shall relate to the year immediately preceding the year in which such enumeration is taken.

(c) The Secretary shall publish the data collected in each enumeration taken under this Act. The annual publication shall include national totals of all horses and detailed data for one-third of the States, each year, on a rotating 3 year cycle.

(d) The Secretary shall, if he or she considers it feasible, authorize the use of the statistical method known as "sampling" in taking an enumeration under this Act.

(e) As used in this Act, the term "United States" means the several States and the District of Columbia.

Sec. 2. There are authorized to be appropriated to carry out the provisions of the first section of this Act $1,250,000 for the fiscal year ending on September 30, 1978, and $1,250,000 for each fiscal year ending after such date. Funds appropriated under this Act shall remain available until expended.

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100 MILLION JOBS: CAPITALIZING FULL EMPLOYMENT

HON. DOUG BARNARD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BARNARD. Mr. Speaker, on Friday, March 25, James W. Davant, chairman of the board, Paine Webber Inc., delivered a speech to the Minneapolis Rotary Club which merits our attention. In "100 Million Jobs: Capitalizing Full Employment," Mr. Davant exhorts the business community to:

> Begin now a sustained effort to regain the initiative in the development of a national employment policy . . ., to identify the (unemployment) problem sensibly and accurately . . ., to correct the false impression the official unemployment figures create . . ., to sort out the highly dissimilar groups of unemployed people, and then propose careful public and private solutions for each group.
>
> We need broader public understanding of the vital link between capital and jobs. We have to acknowledge that our national unemployment policies are something worse than a failure, that they have themselves become a principal cause of unemployment.

Mr. Davant concludes:

> The success of the system is being judged and found wanting on the basis of an obsolete and mistaken statistic. It would be a special kind of tragedy if the free enterprise system were abandoned because it seemed to fail at what it really does best

The entire text follows:

100 Million Jobs: Capitalizing Full Employment

(By James W. Davant)

A colleague suggested to me the other day that I'm unqualified to talk to you about unemployment, since I've never been out of a job. That's like saying that priests aren't qualified to talk about sex—or politicians about ethics. But to keep my friend happy, I agreed to change the subject from unemployment to employment—hence the title, "100 Million Jobs."

As qualifications for the task, I offer the fact that I have spent my entire working life as a stockbroker and investment banker. My business is capital formation, and the vital connection between capital and employment is one of the things I want to touch on today.

Our perception of the performance of the economy has been dominated in recent years by two crucial statistics—the rate of inflation and the unemployment rate. Management tends to worry about inflation. Labor tends to focus on unemployment. Economic policymakers in Washington and elsewhere have occupied an uneasy middle ground. They were all told in Economics I about something called the Phillips curve, which teaches that policy prescriptions for inflation are likely to aggravate unemployment, and vice versa. When confronted by this Hobson's choice, they have increasingly come down on the side of unemployment.

So economic policy has more and more centered on unemployment. This is not necessarily wrong. Yet because our approaches to unemployment tend to be governed by a kind of tribal memory of what unemployment used to be, because the emotions and the politics surrounding the issue tend to be so highly charged, because our understanding of the basic statistic which measures the problem tends to be so incomplete, our public policy toward unemployment has been largely misdirected and ineffective.

I believe that this failure goes a long way toward explaining the hostility which business has confronted in ever increasing doses in recent years. I believe that if we continue to perpetuate this failure we will be nurturing a major threat to the survival of the free enterprise system.

I probably don't have to tell you that more and more Americans seem to be losing confidence in the market economy. Even businessmen are beginning to wonder whether free enterprise has a future. A few months ago, three fourths of a sample of executives told the Harvard Business Review they didn't expect the free enterprise idea to prevail in America in 1985. In another survey, fewer than 14% of American students said they felt they were part of the free enterprise system.

More and more people are coming to see their personal interests and the interests of business as separate and incompatible. Ten years ago, according to the Harris Poll, 55% of the people expressed "great confidence" in major companies. Now only 16% feel that way. A major advertising firm found that, in spite of all the talk about the urgent need for deregulation, 56% of the people favor not less but more regulation of business.

While the free enterprise system has done more to increase the living standards of working people than any other, and while working people are likely to lose the most if the system is compromised or abandoned, more and more of them—blue collar and white collar workers alike—are beginning to doubt that free enterprise is in the public interest.

The question is why.

There is, of course, no single answer. People form their attitudes about the system in many ways.

In part, these attitudes are built on perceptions of how businesses behave, how they advertise, how they perform, how they deal with employees, how they respond to community issues and, of course, how business is reported by the media.

But I believe people's attitudes toward the free enterprise system are influenced primarily by the overall performance of the economy. And one measure seems to be more important than all the rest: Does the system provide enough jobs? There is an abiding fear that the free enterprise system, without radical alterations, cannot provide a reliable flow of job opportunities for all who want or need them. I believe this is the central popular reservation about the free economic system and thus about business as well.

The roots of this concern run very deep. In the earliest stages of the industrial revolution, factory wages only supplemented what families produced on their farms. Continuity of employment was a lesser consideration. But as more and more people abandoned farming for full-time factory work, many because wholly dependent on wages.

If the system faltered and work opportunities dried up, they had no farms to fall back on. In the 1907 recession, it was proposed nostalgically that the unemployed be permitted to farm vacant lots in the cities.

So, losing one's job became an elemental catastrophe akin to plague or drought. Shakespeare had written, "You take my life when you take the means whereby I live." Willing workers, through no fault of their own, found they could lose their livelihood. Thus, deep in the collective consciousness of working people everywhere was bred a special dread of unemployment and a suspicion of the system which could impersonally and arbitrarily deprive them of work.

As one result, wage earners have often reacted ferociously to innovations they thought would take their work away. When the first machines for spinning and weaving appeared in England in the 1760's, mobs of workers who called themselves Luddites smashed the new machines and burned down the houses of the men who owned them. In Florence during the Renaissance, cloth workers rioted against technological changes they thought threatened their jobs. That superstition survives today in the popular notion that opportunities for work are disappearing because we are reaching the outer limits of economic growth.

There are, of course, dozens of other indictments of capitalism, but none has nearly as much force or popular support as the suspicion that the system cannot consistently and reliably provide enough work to go around. Employment is central to a person's self-esteem. For most people, it is the measure of their lives. Any system which fails to guarantee it is bound to be seriously questioned.

Employment is central in another sense. A fully employed population can more easily take care of a much larger share of its needs—without the intervention of government—than a partly-employed population.

Charles Shultze, now Chairman of the Council of Economic Advisors, has listed the problems he believes a high level of employment would alleviate or eliminate: deteriorating inner cities, inequality among the races and between the sexes, rising rates of crime, poverty and insecurity. Government programs aimed at correcting these problems must be paid for by those who are employed. The resulting tax burden deepens public disaffection with the system which seems to make such programs necessary—particularly when people are already inclined to agree with Peter Drucker that government is clearly effective at only two things—waging war and inflating the currency.

Experience has shown that periods of brimful employment, such as World War II, are periods of greatly reduced demand for social services.

In December 1940, 1,239,000 Americans were receiving what was then called general assistance—welfare. By June 1943, the number had fallen to 354,000—a drop of more than 72%. A landmark sociological study of Seneca, Illinois revealed the same picture in miscrocosm. In 1942, twenty Seneca families were receiving county assistance. By 1943, that figure had fallen to four. In 1944, there was only one.

An end to unemployment would not eliminate the need for social services, but it would reduce that need sharply—and in a way that nearly everyone would prefer—by giving people the means to care for themselves.

The perennial fear of unemployment has still another effect. The fact that people are practically and psychologically dependent on a system they feel may let them down at any time must color their attitudes about business. People tend to see businessmen as adversaries, a privileged and protected elite, a kind of arrogant and insensitive modern-day aristocracy. This may be one source of the constant undercurrent of hostility to business which gives extra momentum to legislation and other public proposals to punish business.

All this gives a special urgency to our search for ways to reduce or eliminate unemployment. It is an issue that we must see clearly and understand fully.

In the first place, we should acknowledge the system's almost staggering success at creating jobs in the last twenty-five years. In 1950, about 64 million Americans were employed. As of this January, that number had increased to more than 88 million. The system had create, on average, almost a million new jobs a year for more than a quarter of a century.

Employment opportunities have grown even faster than the population, and a higher proportion of the population is working than ever before. This is a crucial distinction. We are not only increasing the absolute number of jobs; we are increasing the percentage of people employed.

But the issue, of course, is not what the system has done, but what, according to some, it has failed to do—not how many people are employed, but how many are not. From time to time, according to the official measurement, unemployment reaches unacceptably high levels. And at such times, a whole arsenal of federal weaponry is rolled out and aimed at that number. The resulting stimulation can slow capital investment by re-awakening inflationary fears, and less capital investment means less jobs.

Whether they work or not, the resulting social programs seem to acquire immortality. One writer contends that only two peacetime federal programs have ever been discontinued. The government has stopped distilling rum in the Virgin Islands and no longer stables stallions for breeding cavalry horses.

From the beginning of the industrial era, public policies to eliminate or minimize unemployment or insulate working people from its impact have had the highest peace-time priority.

For example, unemployment was the principal issue in last year's Presidential campaign, and could alone have determined the result. The rate of unemployment had been so high so long that a potentially disastrous prescription for head-long federal intervention called the Humphrey-Hawkins bill won (and still enjoys) wide support. Seven-and-a-half million Americans were, at least technically, unemployed.

But this army of the unemployed was quite different from the one which shivered in bread lines or sold apples in the street and molded national attitudes about unemployment in the Thirties. Of the 7½ million whose plight was at the top of the national agenda last year, 7 million were receiving unemployment insurance. Another 15 million Americans were on welfare and 19 million were receiving food stamps.

I don't want to minimize the problem. To be out of a job can be a deeply demoralizing, soul-shattering experience. Unemployment remains an urgent concern; but it is an altogether different problem than the one that shaped our present national policies and attitudes. In the years since Congress passed the Employment Act of 1946, the war on unemployment has become something of a looking-glass war on a partly imaginary enemy.

Only a generation ago, unemployment was a near-final catastrophe. Today, for millions of Americans, generous levels of unemployment compensation have made it a desirable, sought-after condition. Thousands upon thousands of the unemployed have their checks sent to Florida.

There is little semblance between the kind of employment which has historically given the issue its overwhelming emotional power and the unemployment we are experiencing today. Alan Greenspan put the matter with a nice succinctness: The Humphrey-Hawkins bill, he said, "goes after a kind of unemployment we don't have."

By failing to perceive that the problem has outgrown its original definition, we have erected a serious barrier to a more sensible public policy. We are measuring the job-creating capacity of our system with a yardstick that has lost most of its meaning.

The unemployment figure doesn't mean what it used to mean, it certainly doesn't mean what most people think it means, and many experts think it doesn't mean much at all. You may have heard of the boy who, forced to try asparagus for the first time, said sadly that he found it raw at one end and rotten at the other. The unemployment figure, too, is deficient at both its extremities. It is no longer an index of human hardship. It mixes hardship, inconvenience and simple opportunism together in unknown proportions. It is not even a very good index of economic health. It can go up when the economy is improving, and down when the economy is weakening.

A high unemployment figure is still political dynamite, but the people behind today's figure are a very different breed than the down-and-out job seekers of the Thirties whom the figure was originally intended to identify.

Last December's official unemployment rate was 7.8%. By one estimate that figure broke down this way: 1% were looking for work for the first time, 2% were re-entrants, 9/10 of a percent had quit, 1.6% were on temporary lay-off, and 2.3% had been fired. Only about half the total—these on lay-off and those who were fired—conformed to the stereotype of the Thirties, and two-fifths of these were simply waiting to be re-called. The others would, on average, find new jobs in six to seven weeks.

Guided (or misguided) by the aggregate statistic, and failing to look closely at its component parts, we are, increasingly, trying to solve the problem of unemployment with programs which have themselves become a principal cause of unemployment.

Economists identify several different types of unemployment: frictional, structural, and cyclical. But the largest single component of the problem may be one that has no name—something we might call policy-induced unemployment. It could constitute as much as a third of the official total.

Our unemployment compensation programs, for example, often fail the most needy while artificially enlarging and extending the pool of unemployed. In recent years, the unemployment benefit period has been extended to 65 weeks. Unemployment compensation often exceeds 70% of former earnings. The reward for going back to work is frequently as little as 50 cents an hour. Some labor market specialists believe hundreds of thousands of people work long enough to qualify as members of the labor force solely to draw unemployment benefits. No wonder economists figure the present system may be stretching spells of unemployment as much as 30%.

There are other forms of policy-induced unemployment. A large and growing group of unemployed are teenagers. The most serious barrier to their finding jobs, according to economists of almost every persuasion, is the federally-mandated minimum wage law. Yet, Congress is now considering increasing the minimum wage to $2.85 an hour from its present level of $2.30—a measure the New York Times believes could increase policy-induced unemployment by as much as a million.

Possibly the most serious barrier to sound public policy is the failure to recognize the central place capital plays in creating jobs. As George Will wrote in a Newsweek column last year, "Capital formation is job creation." The most direct way to create productive new jobs is to assemble and employ capital.

I have been able to observe this process from a front-row seat. As an investment banker and broker my firm is part of the system which facilitates the flow of capital to the private enterprises which are most likely to use it most productively. We are involved every day in the formation and utilization of capital—the steady improvement and extension of the vital capacity of the system. One result, when that process works well, is an expanding flow of goods and services. Another is growing supply of jobs.

Today, the system is employing about 88 million people. By 1980, we must be providing about 100 million jobs. To do that, we must assemble the capital to create about 10,000 new jobs every day, seven days a week. Each of these jobs, on the average, requires $35,000 of capital. The consequences of failing to provide them are unthinkable.

But as things stand we must assemble this capital against the grain of a public policy that penalizes job-creating capital formation. We don't need some intricate finely-tuned new program to stimulate capital formation. We just need to stop punishing it. We need to reduce corporate and personal income taxes. We need to eliminate the double taxation of dividends. We need to reduce the tax on capital gains and allow greater deductions for losses. We need, in short, to roll back the disincentives to capital formation.

And no program aimed at unemployment can possibly succeed if we continue to mis-define, mis-state and mis-interpret the problem.

I think business should begin—now—a sustained effort to regain the initiative in the development of national employment policy, but I don't have any pat ten-point program in my pocket. We need first to identify the problem sensibly and accurately. We need to do some consciousness raising about unemployment in the business community. Perhaps we need a "truth squad" approach to correcting the false impression the official unemployment figures create. We need to sort out the highly dissimilar groups of unemployed people, and then propose careful public and private solutions for each group. We need broader public understanding of the vital link between capital and jobs. We have to acknowledge that our national unemployment policies are something worse than a failure, that they have themselves become a principal cause of unemployment.

The success of the system is being judged and found wanting on the basis of an obsolete and mistaken statistic. It would be a special kind of tragedy if the free enterprise system were abandoned because it seemed to fail at what it really does best.

COMDR. DONALD ARTHUR GARY

HON. JERRY M. PATTERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1977

Mr. PATTERSON of California. Mr. Speaker, it is my sad duty to call to the attention of the House the recent passing of a Congressional Medal of Honor hero from World War II who resided in Orange County, Calif.

Comdr. Donald Arthur Gary enlisted in the U.S. Navy in 1919. He was commissioned a lieutenant in 1943 and served on the aircraft carrier U.S.S. *Franklin*. In March of 1945 then Lieutenant Gary risked his life to save 287 crewmen who were trapped below deck. The story told in the attached Congressional Medal of Honor citation is one of inspiring heroism and self-sacrifice. I know that every Member of Congress joins me in paying tribute to Commander Gary and in sympathy to his widow and son. The citation follows:

DONALD ARTHUR GARY

Rank and organization: Lieutenant, Junior Grade, United States Navy, U.S.S. *Franklin*. *Place and date:* Japanese Home Islands near Kobe, Japan, 19 March 1945. *Entered service at:* Mississippi. *Birth:* Findlay, Ohio. *Citation:* For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty as an engineering officer attached to the U.S.S. *Franklin* when that vessel was fiercely attacked by enemy aircraft during the operations against the Japanese Home Islands near Kobe, Japan, 19 March 1945. Stationed on the third deck when the ship was rocked by a series of violent explosions set off in her own ready bombs, rockets, and ammunition by the hostile attack, Lieutenant Gary unhesitatingly risked his life to assist several hundred men trapped in a messing compartment filled with smoke and with no apparent egress. As the imperiled men below decks became increasingly panic stricken under the raging fury of incessant explosions, he confidently assured them he would find a means of affecting their release and, groping through the dark, debris-filled corridors ultimately discovered an escapeway. Stanchly determined, he struggled back to the messing compartment three times despite menacing flames, flooding water, and the ominous threat of sudden additional explosions, on each occasion calmly leading his men through the blanketing pall of smoke until the last one had been saved. Selfless in his concern for his ship and his fellows, he constantly rallied others about him, repeatedly organized and led firefighting parties into the blazing inferno on the flight deck and, when firerooms 1 and 2 were found to be inoperable, entered the No. 3 fireroom and directed the raising of steam in one boiler in the face of extreme difficulty and hazard. An inspiring and courageous leader, Lieutenant Gary rendered self-sacrificing service under the most perilous conditions and, by his heroic initiative, fortitude, and valor, was responsible for the saving of several hundred lives. His conduct throughout reflects the highest credit upon himself and upon the United States naval service.

A STATE VISIT TO THE UNITED STATES BY POPE SHENOUDA III

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Ms. OAKAR. Mr. Speaker, Cleveland, Ohio, under auspices of Saint Mark Coptic Orthodox Church is now honored to be host to Pope Shenouda III of the Coptic Orthodox Church during his current State visit to the United States, the first ever for a Pope in the history of the church. Tomorrow, it will be my privilege to have an audience with the Pope, and to attend a banquet in his honor.

The Coptic Orthodox Church is the largest Christian church in the Middle East, the Copts being direct descendants of the ancient Egyptians. Saint Mark, the apostle, who was the author of the first canonical gospel, established the church in Egypt when he began his ministry in Alexandria around the year A.D. 43. The church was founded in the crypt where Jesus had taken refuge.

Saint Mark was the first apostle to formulate a liturgy as a regular church ritual to be strictly followed in the celebration of the Eucharist. Today, the liturgy of the Coptic Church hardly differs in content from the original which was written in Greek by Saint Mark, memorized by his successors, and later written in A.D. 330 in the coptic language, a development of the pharaonic language, which is today used in a great part of the liturgy.

Pope Shenouda III was born in 1923 and is the 117th successor of Saint Mark. He was elected in October 1971, and was enthroned as Pope on November 14, 1971, in the New Coptic Saint Mark's Cathedral in Cairo, Egypt.

He was graduated from Cairo University with a B.A. degree in history in 1947, after which he taught social sciences and English in one of the high schools in Cairo. Meanwhile, he attended evening classes at the Coptic Seminary in Cairo, from which he graduated in 1949. Because of his achievements, he was appointed faculty member at the seminary. He also attended graduate courses in archeology and classics at Cairo University.

In 1954, he abandoned the field of education and retired to monastic life. He was ordained bishop in 1962 and was assigned the presidential chair of the Coptic Theological Seminary.

Since Pope Shenouda III's consecration in 1971, more and more monasteries and churches have been established not only in Egypt, but also in the rest of Africa, in Europe, in the United States, in Canada, and Australia. In the United States and Canada alone, there are 16 parishes with 16 priests serving the entire area.

Pope Shenouda III preserves the teaching handed down from his predecessors. His great ecumenical insights and asceticism have made him a charismatic personality with strong spiritual influence and an undefeatable ability as a leader. He is a great student of languages, a great writer and poet, and an excellent spokesman on religious subjects.

Mr. Speaker, I join with the people of Cleveland in welcoming His Holiness to our city, and I know his visit will be a blessed one.

WE SHOULD TRY HARDER TO MAINTAIN A VOUNTEER MILITARY

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. STEIGER. Mr. Speaker, as you know, I am firmly convinced that the all-volunteer military is a success and that it is the only means of maintaining a national defense force that is in keeping with the American tradition of freedom of the individual.

Congress ended the draft, which existed for only a small fraction of the Nation's history, because of our realization that it discriminated unfairly against a small segment of our total population. The Selective Service System was inequitable. Its onus fell primarily on young men less well-off and less educated than their peers.

The volunteer concept has changed that. Today's Army is, as study after study has shown, remarkably representative of the Nation as a whole in nearly every respect. Furthermore, its quality and professionalism levels are considered by most military experts to be the best in our history.

Still, there are problems and there has been criticism. Constructive criticism is needed and beneficial, and it is equally important that the Pentagon work constantly to improve the quality of its management and to review its manpower policies to see where improvements and initiatives can be made.

Senator RICHARD LUGAR of Indiana has written a timely and impressive analysis of what must be done in terms of the Volunteer Army. It appeared in the April 28 Chicago Tribune. His article, "We Should Try Harder to Maintain a Volunteer Military," gets to the heart of what both Congress and the Defense Department should be doing. As he said:

> We have a special need, presently, to focus on making the voluntary enlistment method work and to stop the suggestion that we should return to the military draft under any circumstances other than international conflict involving our country.

The article is a superb one, and it shows great insight into what the focus of any debate on the status of the volunteer military should be. It is instructive to all of us in Congress. I hope it gets the careful attention it merits. The article follows:

WE SHOULD TRY HARDER TO MAINTAIN A VOLUNTEER MILITARY

(BY RICHARD LUGAR)

WASHINGTON.—No Americans have been drafted for military service in the past four years. An overwhelming majority of our citizens approved the adoption of an all-volunteer concept as opposed to military conscription, and renewed discussion about return of the draft has caused considerable uneasiness.

Sen. John Stennis [D., Miss.] has indicated he is concerned about the high cost of the volunteer programs. Sen. Sam Nunn [D., Ga.] is concerned about declining trends in voluntary enlistments. On March 2 he chaired a Senate Armed Services Subcommittee meeting which heard testimony that fewer volunteers are high school graduates, an increasing number of volunteers are black, and many young Americans do not feel a sense of obligation to serve in the military.

I have great respect for Senators Stennis and Nunn, and the overview they have provided is timely. But I am convinced that starting up the military draft again would be a great mistake except in the event that the United States becomes involved in war.

In fact, voluntary enlistments have been meeting the quotas set by each of the service branches for each of the four years after an uncertain start in the first year. Some senators are concerned that increasing prosperity in the country will dry up enthusiasm for the voluntary way, and slight failures to meet quotas in the last quarter has fed these fears. Furthermore, in coming years fewer young men and women will be reaching the age of 18.

But a necessary answer may well be that the armed services will need to employ fewer men and women in uniform and hire more civilians to do jobs which could just as well be done by civilians.

Clearly, the case has not been made that each job requires a man or woman with a high school diploma, and there is no case whatever to be made that a 24 per cent enlistment of black men and women poses a dilemma for the military. The armed services have offered substantial new opportunities to black youth who have suffered unemployment rates of up to 40 per cent in some urban environments.

At the heart of the controversy is the problem of the military budget. In the past, draftees were inexpensive. The salaries now offered to young Americans which are competitive enough to offer incentives to volunteer are higher, and personnel costs are now 58 per cent of the defense budget as opposed to 47 per cent in fiscal 1964. The current 58 per cent in fiscal 1977 is down from 61 per cent in fiscal 1976.

The fastest growing segment of personnel expenses is not the voluntary active duty personnel but the growth of military pensions.

I remain convinced that most Americans of any age are prepared to fight if we are required to defend this country. Many young Americans are now volunteering to serve their country in the armed services during peacetime, and I applaud their constructive patriotism and sense of purpose. The military budget is high because most of us believe that those who are now serving ought to be paid a reasonably competitive wage for that service as opposed to the old system of paying draftees very little so the rest of the defense budget could be subsidized.

In the meantime, the military services will need to think through more carefully their needs for uniformed personnel and to increase the success of recruiting, training and retention efforts. We must continue to attract men and women in public service who are dedicated and able. This is especially important in military service.

We have a special need, presently, to focus on making the voluntary enlistment method work and to stop the suggestion that we should return to the military draft under any circumstances other than international conflict involving our country.

CONGRESSMAN ROBERT McCLORY REPORTS ON 13TH ILLINOIS CONGRESSIONAL DISTRICT QUESTIONNAIRE RESULTS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. McCLORY. Mr. Speaker, I am today reporting to the Members of the House the results of my biennial questionnaire survey directed to every household in the 13th Illinois Congressional District comprising major parts of Kane, Lake, and McHenry Counties. Nearly 156,000 cards, designed for constituent convenience and for swift computer counts and analysis, were mailed. Responses were received from 11.5 percent of those polled which is described by experts as very good. Because each card had separate spaces for "his" or "her" responses, the result is that more than 30,500 individuals actually took part.

Mr. Speaker, I am grateful to those constituents who took time to fill out the questionnaire and to affix a 13-cent stamp to return it. It should be explained that a card small enough to use only a 9-cent stamp would not have been large enough for the 11 basic questions nor adaptable to the convenient and efficient computer process.

Mr. Speaker, the most dramatic and the largest response—30,488 persons—came to a question asking if my constituents approve of unionization of our military forces. By a resounding 94 percent, they said, "No." Also, an impressive and unequivocal 83 percent made it clear that they want Members of Congress to disclose publicly all income, investments, and holdings.

Mr. Speaker, the Members of the House should take careful note of the following responses relating to energy conservation and energy independence: First, more than 70 percent favor Federal tax credits or loan guarantees to encourage corporations in the development of new energy sources; second, more than 75 percent support relaxed restrictions to permit increased burning of coal to conserve oil and gas resources; and third, more than 80 percent favor tax breaks to homeowners and companies investing in energy saving devices and installations. The answers to these three energy-related questions tell me that the American people are ready and willing to support economic incentives and conservation measures which they find realistic.

Mr. Speaker, the survey further revealed that by 62 percent those residents of the 13th Congressional District who responded are opposed to a constitutional amendment aimed at reversing the U.S. Supreme Court abortion decisions. They also favor by 70 percent the idea of a Federal ban on cheap handguns as a crime control measure.

Mr. Speaker, the smallest number of responses—21,922—came to the question relating to Federal funds for education. A seemingly uncertain and scant majority—51 percent—indicated that they are opposed to increased Federal spending on education.

Mr. Speaker, in response to a sensitive subject involving our foreign relations, a slim 52-percent support a continued presence of U.S. troops and armaments in South Korea.

Mr. Speaker, another set of figures is of interest to residents of the 13th Congressional District. Questionnaire cards were returned from 16.5 percent of the households in McHenry County, 11 percent from Lake County, and 9.7 percent from Kane County.

Mr. Speaker, constituent communications are what enable us to do the best job possible. Therefore, I am pleased to share these results with my colleagues in this House and within a few days to communicate these results to all of my constituents whose guidance, views, and advice are invaluable.

Mr. Speaker, the completed survey results follows:

	VOTING		Percent yes
	Yes	No	
1. Do you favor a constitutional amendment reversing the Supreme Court abortion decisions?	10, 857	17, 989	38
2. Do you advocate a Federal ban on cheap handguns as a crime control measure?	21, 176	9, 235	70
3. Should Members of Congress be required to disclose publicly all income, investments, and holdings?	25, 292	5, 093	83
4. Did President Carter do the right thing in pardoning all draft evaders?	9, 174	21, 018	30
5. Do you favor spending more Federal dollars on education?	10, 843	11, 079	49
6. Would you favor tax breaks to homeowners and companies investing in energy saving devices and installations?	24, 633	5, 699	81
7. Do you approve of tax credits or Federal loan guarantees to encourage corporations to develop new energy sources?	21, 418	8, 459	72
8. Should we relax restrictions on burning coal to help conserve oil and gas?	22, 719	7, 346	76
9. Should the U.S. help establish worldwide grain reserves to guard against shortages elsewhere on the globe?	15, 297	14, 197	52
10. Should members of the Armed Forces be permitted to organize a union?	1, 861	28, 627	6
11. Would you advise withdrawal of U.S. troops and armaments from South Korea?	14, 100	15, 277	48

ISRAEL INDEPENDENCE DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. FARY. Mr. Speaker, the declaration of the establishment of the State of Israel is, without question, one of the most impressive declarations of modern times. It is equally inspiring that the high ideals proposed by this young, yet ancient, nation have been fulfilled and that they serve not only Israel, but the cause of free men throughout the world.

For more than a quarter of a century, Israel has exemplified the enduring spirit of the Jewish people and their ability to translate their religious and cultural heritage into practical achievements. In the face of the constant opposition of their Arab neighbors and the obstacles of a harsh climate, the Israelis have never turned from their goal. They have fully realized the prophecy that the desert shall blossom as the rose.

Mr. Speaker, it was on May 15, 1948, that the Jewish people attained independence for their ancient fatherland. The will to preserve and protect the hard-won freedom of Israel has inspired the efforts of great minds in every field. The outstanding contributions the people of Israel are daily making to the world's scientific, technical, and literary expertise is a reflection of their dedication to the betterment of man—a tradition which has characterized the Jewish people throughout the centuries. Even if little more than the spirit of their greeting—Shalom—had been given the world we would have gained, but they have given us much more.

It is fitting that the United States of America was the first country to recognize the new State of Israel. Through 20 centuries of the Diaspora, the Jewish people had preserved their identity, their heritage, and their unity. Their contribution to our own country from the early arrival of the first band of 23 Jewish settlers via Brazil in 1654 has been truly outstanding. There were nine Jews among the signers of the Nonimportation Resolutions of 1765—the first real step toward our own independence. They took this determined action although it meant potential financial suicide since most Jewish trade had been carried on with England.

There were 24 Jews as officers in our Colonial Army. David Salisbury Franks acted as paymaster of the Colonial troops at Montreal in 1776 and was sent by Robert Morris in 1781 with secret messages to John Jay in Madrid. He was appointed in 1785 vice consul at Marseilles, and in the following year played a crucial role in negotiating the treaty between the Colonies and Morocco. Isaac Franks, after serving as aide-de-camp to General Washington during the war, was appointed lieutenant colonel in 1794. In the South, Mordecal Sheftall of Savannah, deputy commissioner general of issues to the Continental troops in Georgia during the British occupation, and commissioner general of purchases and issues to the militia, put his entire salary at the disposal of American physicians to purchase much needed medicines; he was seriously wounded at the siege of Savannah. Manual Mordecai of South Carolina served on Washington's staff, as well as with General Marion, and gave up a fortune to bolster the cause of independence.

So very much depends not upon others, but upon ourselves. If all of us will do what we can do there is no obstacle that we cannot overcome together.

At a time when tensions continue to torment the entire Middle East, at a time when Israel once again gives thanks for the miracle of renewed birth, it is my earnest hope that we shall, with God's help, accomplish the tasks we began together 29 years ago.

A strong mazzel tov to the people of Israel for a prosperous and peace-filled future.

AMBASSADOR ANDY YOUNG

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. LEHMAN. Mr. Speaker, our good friend and former colleague, Andy Young, now represents our Nation as President Carter's Cabinet-level Ambassador to the United Nations.

Ambassador Young has the mission of restoring the confidence of our own people and those abroad in the morality of American foreign policy.

It is a tough job, and it requires a man who is not afraid to speak out for necessary change.

Under the leadership of President Carter and Andy Young, our foreign policy is catching up to the realities of the 1970's and is looking ahead to the 1980's. If we fail to be flexible and make necessary changes in our foreign policy, the world will pass us by and our ability to play a constructive role in world affairs will be diminished.

Andy Young is widely criticized in circles wedded to the past and to the status quo. We should view this as a measure of his effectiveness in promoting change in our foreign policy. If we heard no criticism, we should have to conclude that Ambassador Young was failing to do his job.

I am proud that our former colleague, Andy Young, represents our Nation before the world. He is a forceful, effective, and outspoken advocate of an American foreign policy which is returning to the traditional American values of justice and tolerance.

Don Shoemaker, the editor of the Miami Herald, has also been impressed by Ambassador Young's openness, sincerity, and frankness. I would like to include in the RECORD a May 2, 1977, column by Mr. Shoemaker entitled "Carry On, Mr. Ambassador":

CARRY ON, MR. AMBASSADOR

(By Don Shoemaker)

An ambassador has been defined as "an honest man sent abroad to lie for the commonwealth."

Also, as "a politician who is given a job abroad in order to get him out of the country."

Andy Young does not seem to fit either of these definitions. He is accused of being too frank, which hasn't much happened since Cordell Hull blew the Japanese out of the State Department on Pearl Harbor day and later tied one or two on Charles de Gaulle.

Administration spokesmen trail Young around with the tenacity of people who follow elephants in a circus parade. They may set the record straight, but not Andy Young. Those of us who find him fresh yet refreshing are sustained by an audience the other day which stood and applauded him for his openness and sincerity.

His critics say he is guilty of "open mouth" diplomacy. The charge can be documented. Quote:

Cuban troops in Angola are a force for "stability."

I can't understand why the Russians should be interested in the mineral wealth of southern Africa.

The administration will seek (speaking prematurely) to normalize relations with Vietnam.

Henry Kissinger burdened and then abandoned the British in Rhodesia.

"Integrated" U.S. troop involvement is necessary in Rhodesia because no one has any confidence in the British.

I can get along better with conservatives—hard-liners—in South Africa than with paternal liberals like so and so.

These declarations and others by the first black U.S. ambassador to the United Nations have led a private intelligence agency to declare that "the foreign policy of Andy Young does not appear to be the foreign policy of the United States."

On at least one of these pronouncements, however, he can claim press entrapment. Asked whether he had a certain uncomplimentary view of the legitimacy of the South African government, he simply said, "Yes."

Cavour, the great Italian statesman who invented *risorgimento* and united Italy under Victor Emmanuel II, once said, "I have discovered the art of deceiving diplomats. I speak the truth, and they never believe me." Some people thought that he didn't really speak it: after all, he was also a newspaper editor.

If Andy Young is the Walter Mitty of diplomacy he must have a sense of duty. He is no dummy. Members of the Congress in which he served thought highly of him and hoped he would stay on Capitol Hill rather than go out and get in the hair of the State Department.

I do not believe in baiting State. But it is an enormous bureaucracy where many things are done out of the sunshine and by rote. Get out of line or get a little bit ahead of Established Thought and your head rolls down C Street NW. It is no place for any kind of unorthodoxy, and it has been known to censure Presidents.

But it does do a job, and I would hope that an Andy Young, who by the way serves by direct presidential appointment and not by advice and consent, would be allowed to fit in. We need the fresh air of frankness rather than the speaking of tongues which turns off ordinary citizens and discourages their interest in foreign affairs.

UNITED STATES BETRAYAL OF THE KURDS: THE CARTER ADMINISTRATION SHOULD REDRESS THAT CRIME COMMITTED BY THE PREVIOUS ADMINISTRATION

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. KOCH. Mr. Speaker, there are many examples of the way in which the cynical and amoral foreign policy of the previous administration resulted in disaster. Our covert intervention in Chile fostered the conditions which led to a coup d'etat and a repressive military dictatorship. Our secret and illegal imbroglio in Cambodia has resulted in a Communist takeover there whose regime can be described as the most totalitarian on earth. Our uncritical support of dictatorial regimes in Greece, Uruguay, Brazil, and South Korea, to name but a few, gave momentum to the tyrants in their drive for power. Perhaps the saddest example of this policy is the little-known story of U.S. covert support of the Kurdish minority in Iraq which was fighting for selfdetermination. The Village Voice published what purports to be the Pike Committee Report on the CIA. Let me read what was reported about the role of the United States in the betrayal of the Kurds. I am now quoting from the Pike committee report:

[At this point in the committee report one manuscript page was missing. It is clear from the context that the missing material opened a discussion of a U.S. scheme, involving the Shah of Iran, to channel secret aid to the Kurds in their rebellion against the government of Iraq.]

The program, ultimately to involve some $16-million, was apparently endorsed by the

President after a private meeting with the foreign head of state and Dr. Kissinger.

There was no Forty Committee meeting at which a formal proposal paper containing both pros and cons could be discussed and voted on. Instead, members were simply directed to acknowledge receipt of a sparse, one-paragraph description of the operation. In a setting of almost unprecedented secrecy within the U.S. government, John B. Connally, the former Treasury Secretary, about to assume a major role in the President's reelection campaign, personally advised the head of state that the U.S. would cooperate.

The recipients of U.S. arms and cash were an insurgent ethnic group fighting for autonomy in a country bordering our ally. The bordering country and our ally had long been bitter enemies. They differed substantially in ideological orientation and in their relations with the U.S.

Evidence collected by the Committee suggests that the project was initiated primarily as a favor to our ally, who had cooperated with U.S. intelligence agencies, and who had came to feel menaced by his neighbor.

As our ally's aid dwarfed the U.S. aid package, our assistance can be seen as largely symbolic. Documents made available to the Committee indicate that the U.S. acted in effect as a guarantor that the insurgent group would not be summarily dropped by the foreign head of state. Notwithstanding these implicit assurances, the insurgents were abruptly cut off by our ally, three years, thousands of deaths, and 16 million U.S. dollars later.

It appears that, had the U.S. not reinforced our ally's prodding, the insurgents may have reached an accommodation with the central government, thus gaining at least a measure of autonomy while avoiding further bloodshed. Instead, our clients fought on sustaining thousands of casualties and 200,000 refugees.

There is little doubt that the highly unusual security precautions and the circumvention of the Forty Committee were the product of fears by the President and Dr. Kissinger that details of the project would otherwise leak—a result which by all accounts would have mightily displeased our ally. It is also clear that the secrecy was motivated by a desire that the Department of State, which had consistently opposed such ventures in the region, be kept in the dark.

Perhaps more than the President's disregard of the Forty Committee, the apparent "no win" policy of the U.S. and its ally deeply disturbed this Committee. Documents in the Committee's possession clearly show that the President, Dr. Kissinger and the foreign head of state hoped that our clients would not prevail. They preferred instead that the insurgents simply continue a level of hostilities sufficient to sap the resources of our ally's neighboring country. This policy was not imparted to our clients, who were encouraged to continue fighting. Even in the context of covert action, ours was a cynical enterprise.

It is particularly ironic that, despite President Nixon's and Dr. Kissinger's encouragement of hostilities to keep the target country off-balance, the United States personally restrained the insurgents from an all-out offensive on one occasion when such an attack might have been successful because other events were occupying the neighboring country.

All U.S. aid was channeled through our collaborator, without whose logistical help direct assistance would have been impossible. Our national interest had thus become effectively meshed with his. Accordingly, when our ally reached an agreement with the target country and abruptly ended his own aid to the insurgents, the U.S. had no choice but to acquiesce. The extent of our ally's leverage over U.S. policy was such that he apparently made no effort to notify his junior American partners that the program's end was near.

The insurgents were clearly taken by surprise as well. Their adversaries, knowing of the impending aid cut-off, launched an all-out search-and-destroy campaign the day after the agreement was signed. The autonomy movement was over and our former clients scattered before the central government's superior forces.

The cynicism of the U.S. and its ally had not yet completely run its course, however. Despite direct pleas from the insurgent leader and the CIA station chief in the area to the President and Dr. Kissinger, the U.S. refused to extend humanitarian assistance to the thousands of refugees created by the abrupt termination of military aid. As the Committee staff was reminded by a high U.S. official, "covert action should not be confused with missionary work."

The crucial element in this report is that the Kurds would probably not have initiated and continued an armed revolt against the Iraqi Government if the Kurdish leader, Gen. Mustaffa Barzani, had not been assured of U.S. support. Barzani did not trust Iran's pledge of support because he correctly believed that such support would be withdrawn at any time convenient to the Shah. Barzani, instead, placed his faith in the United States. Sadly, the United States betrayed him and his people.

There are thousands of Kurdish refugees in Iran, and many thousands more who are crowded into camps in Iraq. No one raises a voice of concern for the plight of these people. It is a cynical silence which is supposedly dictated by the needs for "stability" in the Midle East. Just as President Carter does not fear to speak out in defense of human rights in the Soviet Union or Chile, he should speak up for the Kurds.

The United States has a moral responsibility to the Kurdish people, an obligation akin to that we have to Cuban exiles whom we led into the Bay of Pigs invasion and to the South Vietnamese, who identified with the United States and were placed in danger when we left. The United States should pursue diplomatic efforts to insure that the rights of Kurds are not being violated, whether those rights are the basic ones of life and liberty, or the right to some guarantee of autonomy. An investigation into the condition of Kurdish human rights both in Iran and Iraq should be undertaken by the U.N. Human Rights Commission. In addition, the United States should take the lead in an international effort to help Kurdish refugees.

It is reported that when former Secretary of State Henry Kissinger was asked about this whole episode, he replied; "Covert action is not missionary work." It may not be, but the word of the United States will mean little if we so easily forget those whom we have placed in danger. Abandonment of the Kurds to the convenience of Iran and Iraq is a crime, and we must do what we can to redress it.

It is my hope those in the House and Senate who feel as I do will join me in urging President Carter to intercede diplomatically in behalf of the Kurds. I will be circulating a letter very shortly, and hope that my colleagues will join me.

NO STIMULUS NEEDED

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. FRENZEL. Mr. Speaker, the Republican Research Committee has prepared a paper on the economic recovery which offers additional evidence that this country does not need extra spending for stimulus.

These facts stand for themselves. Inflation is a far worse danger than the risk that the recovery will not continue. The Wholesale Price Index is up more than 1 percent again this month.

This Congress is causing inflation and uncertainty in our economy. The best way to remedy both is to reduce unnecessary expenses.

The paper follows:

ECONOMIC FACTSHEET ON THE BUDGET RESOLUTION

I. THE CURRENT RECOVERY IS THE STRONGEST IN 25 YEARS

After seven quarters of sustained recovery from the recession low-point in early 1975, it is now clear that the current recovery is the strongest business cycle upturn since 1950 in terms of basic employment and output growth. The table below compares the average seven-quarter recovery rate in real GNP and employment for the four recession-recovery cycles since 1950 with gains during the 1975–77 recovery. The fact that real GNP and employment have both grown significantly faster than previous recoveries raises serious question as to the need for the massive stimulus contained in the committee budget resolution. These figures also refute the notion that the current recovery has been unusually weak and hesitant.

7-QUARTER RECOVERY TREND: 1975–77 VERSUS PREVIOUS RECOVERY PERIODS

[Increase, in percent]

Indicator	Average of 4 previous recoveries [1]	1975–77 recovery
Real GNP growth	9.4	10.2
Total employment growth	4.4	6.9

[1] Includes following 7-quarter recovery periods: (1) 1954:3–1956:2; (2) 1958:2–1960:1; (3) 1961:2–1963:1; (4) 1971:1–1972:4.

II. CONSUMER SPENDING IS STRONG

The basic argument for the massive deficit proposed by the majority is that the recovery is allegedly lagging due to inadequate demand and consumer spending. Trends over the last 18 months and figures for the first quarter of 1977 completely refute this notion.

Consumer spending has been steadily gaining strength, and the first quarter (1977) performance of the basic consumer spending indicators can only be described as buoyant. The table below underscores this point. The especially pronounced improvement in consumer installment borrowing indicates strong consumer confidence, and suggests that the consumer spending variables will remain strong in the months ahead even without artificial budget stimulus.

PERFORMANCE OF BASIC CONSUMER SPENDING VARIABLES

Indicator[1]	Real rate of change over previous period (percent) 1975	1976	1977 (1st quarter)[2]
Personal consumption expenditures	1.5	5.6	5.8
Durable goods	−.4	12.4	15.6
Retail sales	−.8	6.1	7.2
Installment credit net change	−6.5	8.4	12.4

[1] All figures calculated in constant 1972 dollars.
[2] Annualized first-quarter rate.

These trends toward steadily accelerating consumer spending are especially pronounced in specific consumer spending categories:

Auto sales

March auto sales reached a 12.6 million annual rate, nearly an all-time record high. The March figure is 42 percent higher than the 1975 rate (8.9 million cars) and 25 percent above even last year's healthy rate of 10.1 million cars.

New housing

In March, the annual rate of new Housing starts was 2.1 million, a dramatic increase from the 1976 rate of 1.5 million, and the depressed 1975 rate of 1.1 million. The near doubling of the housing start rate means strong improvement in construction industry employment and output. It also implies that the consumer will continue to spend heavily in the months ahead for household furnishings, consumer durables and other housing-related supplies.

III. THE COST OF LAGGING INVESTMENT AND INVENTORY SPENDING—ONE MILLION JOBS

While the economy as a whole has made a strong recovery, and consumer spending has been especially buoyant, the same has not been true for business sector spending—investment in outlays for new plant and equipment and for inventory accumulation. For example, whereas real personal consumption expenditures are now *11 percent* above the previous peak in 1974, business investment in new plant and equipment is only *.02 percent* above its 1974 high.

Similarly, businesses are building inventories at a far slower rate than is normal for this point in the recovery. During 1976 the real increase in manufacturing and trade inventory was only $9 billion, when the normal gain would have been $16-$20 billion. Slow rates of inventory building means reduced current production and employment.

As a result of this slow growth in investment and inventory accumulation, GNP is significantly lower than would be the case if these components of the economy were recovering in tandem with consumer spending. The trends reflect a lack of confidence in the business sector that the recovery will be sustained, and that there will be need for additional production capacity and inventories in the near future.

The massive deficits contemplated for FY 78 will only further undermine business confidence and retard the recovery of business investment and inventory spending, and therefore growth of output and employment.

The table below translates the lagging recovery of business spending into "lost" GNP and jobs. As is clear from the bottom line, if the business spending sector were recovering normally GNP would be nearly $20 billion higher than it is today, and there would be nearly one million more jobs in the private sector.

IMPACT OF LAGGING BUSINESS SPENDING RECOVERY ON OUTPUT AND EMPLOYMENT

Component	Normal ratio or rate	Current ratio or rate	Loss in— GNP (billions)	Jobs
Inventory-to-sales ratio	[1] 1.52	1.46	−$8.6	−441,280
Increase in plant and equipment outlays	[2] [3] 13.2	[3] 6.6	−10.6	−543,720
Total			−19.2	−985,000

[1] 7-quarter average inventory-to-sales ratio for 4 previous recoveries.
[2] Average 7-quarter real growth rate for previous recoveries.
[3] Percent.

IV. IMPLICATIONS FOR THE FUTURE

The proposed $66 billion deficit contained in the Budget Committee resolution will not have its full impact on the economy for another 18 months. Yet on the basis of the committee's own projections, it is highly doubtful that by the fall of 1978 the economy will be in a position to absorb this much fiscal stimulus.

Specifically, the econometric projections used by the committee reveal that by the fall of 1978, the adult male unemployment rate will be 3.9 percent and manufacturing capacity utilization rate will be nearly 97 percent. These numbers indicate that the economy will clearly be running out of production capacity, with both plant and the prime category of workers nearly full utilized. Massive fiscal stimulation in these circumstances will only unleash strong excess-demand pressures and the onset of a new round of double-digit inflation.

SENIOR SERVICES REGISTRY TACKLES DRAWBACKS OF AGE

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. COCHRAN of Mississippi. Mr. Speaker, one of the many areas of concern being studied by our Select Committee on Aging is retirement income and employment of older Americans. There is no doubt a special need for responsive and helpful assistance to elderly citizens who suffer severe hardship becasue of age discrimination in employment.

In Jackson, Miss., real progress is being made in finding jobs for the elderly through a free employment service initiated by my friend, Mrs. Marie Everett. Because of her determination and the hard work of Mrs. Clarice Beauchamp, the director of the Jackson Senior Services Registry, many people are earning their own way and living more enjoyable lives.

For the benefit of my colleagues, I include herewith an article from the Jackson Daily News edition of April 25, 1977, describing this unique public service:

SENIOR SERVICES REGISTRY TACKLES DRAWBACKS OF AGE

(By Barbara Rose)

Fifty-six-year-old Mrs. Willow Dickson had been working as a part-time bookkeeper with the Mississippi Postal Service for approximately two years when she was asked to cut her hours, she says.

Because business was slow, she was told that 10 hours a week was enough, she says.

Realizing she needed another job to help meet family expenses but faced with the drawback of age, Mrs. Dickson says, she went to the Jackson Senior Services Registry for help.

The same afternoon that she visited the registry she was hired as part-time bookkeeper with the Jackson Typewriter Company, she says.

Sixty-year-old Mrs. Mary Ann Greco had been an active woman all her life, she says.

For many years she and her husband operated a small grocery store on North State Street. After his death in 1963, she became a teller at a Jackson bank until she retired in January. But, she says, retirement time hung heavy on her hands.

"I wanted to keep busy," she says. "I can't be idle. When you're just by yourself, you're bored. Your days seem 48 hours long instead of 24 hours. You need some sort of diversion."

For. Mrs. Greco, the diversion would be another job. But, she says, who would hire an older woman? Tipped off by an alert relative, she applied with the Senior Services Registry and "within a week," she says, she got what she wanted—a job as an accounting clerk at Equitable Life Insurance in Jackson.

A spin off of the Senior Aides Program of Allied Services of Jackson, the registry operates at 1355 U.S. 80 W as a free employment referral service for persons 55 years and older.

Mrs. Clarice Beauchamp, director, says many older persons—retired, widowed or single—desperately need jobs to supplement meager Social Security checks, but many employers are hostile.

"People just won't hire older workers unless they're convinced they can do the job," she says. "They think they lose their memories or they can't retain as much knowledge. They view them as people who've had their lives so they should move aside and sit in a rocking chair."

As a result, Mrs. Beauchamp says, the older person feels hopeless, frustrated and lonely. "They've been turned down so many times that they just go home and get older."

The registry tries to remedy all that, she says. The brainstorm of a petite, silver-haired woman named Marie Everett, who canvasses Jackson looking for jobs for older persons, the registry was six months in planning before it opened in January, according to officials.

Mrs. Everett says she read an article last year about an older persons' employment service in New Mexico which inspired her to start one in Jackson.

Not a woman to waste any time, she says, she went straight to the top, calling on Gov. Cliff Finch a half dozen times last spring to drum up support for the idea.

"I went the sixth time to his (Finch's) office with a blanket and thermos," says Mrs. Everett, who describes herself as "68 years young." "He asked me what I was going to do, and I told him I was going to spend the night so I could see him first thing in the morning."

Her persistance paid off.

The governor told her to return the next day. Through his support, Mrs. Everett says, a $4,000 grant from the Mississippi Council on Aging was obtained and the registry was born.

Now with a staff of six, the registry has placed 55 persons in clerical, telephone sales, store clerk and sitter jobs in Jackson hospitals, offices and department stores, according to officials.

"We've got former nurses, teachers, secretaries, printers and cab drivers," Mrs. Everett says. "You name it—they've done everything in their lives."

The registry's success stories, officials say, include a 57-year-old woman who had worked briefly for the state Department of Health. She was hired as a clerk with Doctors Hospital.

"She went to apply for the job on a Friday, passed the typing test with flying colors and was hired on Monday," Mrs. Beauchamp says.

A retired 67-year-old painter and paperhanger who, officials say, needed money desperately now does carpentry work and other chores on a spot basis. When people need weather stripping installed or electrical switches repaired, the registry calls him for the job.

Their oldest applicant was an 80-year-old woman who had been a nurse's aid all her life, they say. She wanted a job as a live-in housekeeper and cook.

The registry sent her to an elderly couple in Jackson and they apparently hit it off.

"They're happy with her and she's happy with them," Mrs. Beauchamp says. "They had almost given up hope in finding someone."

But, officials say, applicants occasionally have too high expectations. "One lady wanted to do typing for not less than $5 an hour," Mrs. Sandra Loftin, the registry's assistant director, says. "We told her we'd do our best, but we didn't think we could help."

But in general, their older workers are willing to do almost anything, she says, adding that they are more reliable, showing less absenteeism than younger workers.

"They're like the mailman," Mrs. Everett says, referring to their reliability. "They'll get there."

One employer who agrees is Jim Smith, personnel director of Jackson's Day Detectives. He says he will hire as many older workers as the registry can provide.

He's already hired one 72-year-old man for part-time security work, he says, and wants three more workers from the registry.

"You really can't count on the young ones," Smith says. "But nine times out of 10 the older person will come through."

Mrs. Everett is quick to elaborate.

"You can't really put a price tag on the older adult's experience," she says. "You might have a college degree but you don't have my experience. It takes living to do that."

REGISTRY REVIVES RETIREES

Many of the applicants of the Jackson Senior Services Registry say they are retired persons living on $150 to $200 a month in Social Security benefits.

This often is too meager to pay for medicine, rent and food despite cost of living increases during the past two years, according to Mrs. Marie Everett, a field worker for the registry.

Financial problems abound, and many older persons make do by going without, she said.

"Years ago the salaries weren't that big and then children had to be put through college.

"A a result, people couldn't put savings aside. Or if they did, any major medical expense could wipe them out."

Mrs. Everett said medicine, costing up to $80 a month for a reasonably healthy older person, makes the biggest dent in budgets.

And more will be spent for the person suffering from a chronic illness such as diabetes or hypertension.

Mrs. Everett said many are unwilling to move from large, difficult-to-heat family homes or apartments and so avoid ballooning utility bills by turning off the gas in winter and piling on sweaters and coats. Or they'll go to bed before dark to avoid burning lights.

Money for food often takes a back seat to paying for utilities and rent she said. A potato, a half-pound of hamburger and a little milk may be their only nourishment for several days.

Even medicine takes its cut, Mrs. Everett said.

"I know an elderly lady who asks the pharmacist to reduce the number of pills in each prescription because she doesn't have the $20 for the full amount. What good will eight or 10 pills do? But she can't afford it any other way."

For most of the older people, nursing homes are literally the last resort, she said.

"That's when they die.

"You're telling them this is the end of their lives. If you go and see people in these homes, they'll ask you, 'When are you going to take me home?' "

The solution to many of the problems, Mrs. Everett said, is simple: Let them work.

Mrs. Clarice Beauchamp, the registry's director, said paychecks, no matter how small, help pay for the necessities, and being busy keeps the elderly out of nursing homes.

That's where the registry has come in. Even highly educated applicants will take any work, the registry's staff has discovered.

"If they have jobs, they acquire new interests and friends," Mrs. Beauchamp said. "Otherwise, they sit home and worry. It's been known to happen that many older people die from sheer loneliness. Work keeps them young and opens up new worlds to them again."

MEDICAL FREEDOM OF CHOICE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. SYMMS. Mr. Speaker, as most of the Members of the House are now aware, I have introduced the Medical Freedom of Choice bill, H.R. 54, in an attempt to correct many of the problems of the FDA.

Our country is currently experiencing a very severe "drug lag"—American citizens are being denied new, lifesaving drugs for years because of the Food and Drug Administration's redtape and overregulation. The primary cause of this situation is the "effectiveness" provisions of the 1962 Amendments to the Food, Drug and Cosmetic Act. The Medical Freedom of Choice bill corrects the problems by repealing those "effectiveness" provisions.

I submit to my colleagues the following article, "Drug Discovery and Introduction: Regulation and Over-Regulations," by Dr. Louis Lasagna, that appeared in the November 1976 issue of Clinical Pharmacology and Therapeutics. The article is an excellent analysis of the problems created by overregulation.

I urge my colleagues to read Dr. Lasagna's article and then to support the Medical Freedom of Choice bill by joining the 97 members of Congress who have already cosponsored the legislation.

The article follows.

DRUG DISCOVERY AND INTRODUCTION: REGULATION AND OVERREGULATION

(By Louis Lasagna, M.D.)

Ralph Waldo Emerson, one of America's wisest philosophers, wrote the following well over a century ago: "The teaching of politics is that the government, which was set for protection and comfort of all good citizens, becomes the principal obstruction and nuisance with which we have to contend. The cheat and bully and malefactor we meet everywhere is the government."

Forty years ago Walter Lippman, a keen observer of the world scene, echoed these sentiments in his classic *The Good Society*:

"For more than two generations, an increasingly coercive organization of society has coincided with an increasing disorder. It is time to inquire why, with so much more authority, there is so much less stability; . . .

"The attempt to regulate deliberately the transactions of a people multiplies the number of separate, self-conscious appetites and resistances. To establish order among these highly energized fragments, which are like atoms set in violent motion by being heated, a still more elaborate organization is required—but this more elaborate organization can be operated only if there is more intelligence, more insight, more discipline, more disinterestedness, than exists in any ordinary company of men. This is the sickness of an over-governed society, and at this point the people must seek relief through greater freedom if they are not to suffer greater disasters. . ."

The United States, in the years since Lippman's book appeared, has done nothing to reverse the lugubrious process which he so presciently described. During the last decade and a half, over-regulation has become a way of life. The impetus in the area of drugs came from the thalidomide tragedy and the Kefauver-Harris Amendments of 1962, but the main sources of mischief lie in a public atmosphere that has encouraged the growing regulation of therapeutics and in the actions of federal bureaucrats interpreting the law as they see the law.

We in America have thus increasingly become a nation of men rather than a nation of laws. Life is dictated less by legal restraints than by the verdicts of individual officials and jurists, who in effect create laws by *ex cathedra* opinion.

Regulation must, of course, affect innovation and discovery adversely. As Dr. J. Richard Crout, Director of the Bureau of Drugs of the FDA, said in December of last year: ". . . The issue isn't whether . . . regulation cuts down on innovation. Indeed it does. It must. There's hardly any way that regulation can stimulate innovation."

Let me review for you the results of our recent (and ongoing) survey of 27 U.S.-owned pharmaceutical companies. Since 1965, there has been a drop in the number of new chemical entities (NCE's) put into man somewhere on the globe by these U.S. pharmaceutical firms. Many more NCE's are now being sent abroad for initial testing, a trend that began in 1970 and which has been accelerating ever since. There is a continuing decline in the number of NCE's that are being returned to the U.S. for study, and those that do return take longer to do so than used to be the case.

The overall success rate for NCE's is low—about 5% of all investigational new drugs (IND's) filed since 1963 have reached the market. It seems clear that most of the weeding out is done by the companies *prior* to submission of a new drug application (NDA); only a small percentage of drugs fail *after* such submission. This suggests that the current mean of seven years required for FDA processing of a drug (IND plus NDA phases) could be shortened, since it is unlikely that the ultimate definition of a drug's indications, contraindications, dosage regimen, etc. is changed impressively by these prolonged negotiations.

One special worry about the decline in the number of NCE's entering human investigation is the fact that some important therapeutic effects cannot be predicted at the time a drug is taken into man. Hence the fewer compounds studied in humans, the less potential there is for innovation and discovery. An extension of this postulate is that the earlier in the evaluative process a drug is dropped, the less is known about what the drugs' ultimate value might be. To quote my colleague, Dr. William Wardell: "Regulatory effects have come to influence progressively earlier and more crucial points in the development process. Therefore the real impact of a censoring process such as regulation, that deletes products from ultimate evaluatability, can *never* be known."

Consider, for example, the following list of drugs and uses for them that were not discovered except by serendipity after their clinical introduction for other purposes:

Drug and use or entity treated:
phenytoin—anti-arrhythmic
lidocaine—anti-arrhythmic
probenecid—uricosuric
imipramine—anti-depressant
acetazolamide—glaucoma, epilepsy
thiazides—diabetes insipidus; diabetes mellitus
diazepam—status epilepticus
propranolol—antihypertensive
vitamin D—hypoparathyroidism
trimethoprim—pneumocystis infections
strogens; progestins—contraception
phenobarbital—epilepsy
iproniazid—melancholia
chlorpromazine—anti-schizophrenic
amphetamine—hyperkinesis
amantadine—anti-parkinsonian
metronidazole—rosacea

How many of these uses would have been discovered if the compounds had been scrapped prior to human usage?

There is, in my opinion, clear evidence of a decrease in innovation—but must we necessarily blame this decline on over-regulation? There are a number of reasons for accepting a cause and effect relationship. To begin with, it is only common sense that if any human process is made much more difficult to carry out, it is less likely that success will be achieved. Second, the amount of research possible for a given research budget will inevitably decrease when there is either general inflation or the specific inflation that occurs when the process of drug development becomes disproportionately more expensive. Third, there is evidence that a change in recent years in FDA regulatory policy (as the result of academic professional and industrial complaints) has coincided with at least a partial closing of the U.K.-U.S. "drug gap." Finally, there is no other really satisfactory alternative explanation. The proposition that we have exhausted our stock of biological knowledge as the result of therapeutic discovery in recent decades and that a lot of new information is a prerequisite to further progress, flies in the face of the exponential rate of increase in our basic knowledge about both disease and drugs.

There are other factors that have contributed to this present dilemma. One is, quite clearly, the mistaken notion that government can solve any problem that frustrates society. The trouble is that highly technical matters are poorly handled by representative processes. As W. Allen Wallis, Chancellor of the University of Rochester, said recently: "A democratic government cannot design efficient automobiles, it cannot design a sound energy policy, it cannot eliminate prejudice and discrimination, it cannot manage transportation, it cannot assure the soundness of investments or the accuracy of information about them, it cannot guarantee the effectiveness and safety of medicines, it cannot accrue standards of professional practice, it cannot eliminate risk from health care—it cannot, in short, do most of the things that our government undertakes to do."

Nor is it reassuring to see society succumbing to the temptation to settle scientific and medical issues in the courts. Americans are just beginning to appreciate that excessive and spiralling damages awarded to plaintiffs in malpractice suits can put the whole health care system in jeopardy. The national program to vaccinate our population against swine influenza is hanging fire because of fears over possible litigation.

Science and medicine are not fields in which courts are particularly competent. To quote Mr. Wallis again: "The deference to authority and precedent, the respect for continuity and tradition, the rules of evidence, the adversary procedures, and concepts such as res judicata, collateral estoppel, fiduciary duties, advocacy and summary judgment, that quite properly characterize the law, are all antithetical to science."

There is, also, difficulty arising from the desire of people to simplify and to equate. Most persons prefer simple falsehood to complicated truth, and a pathological evenhandedness to sensible inequity. A former FDA Commission, e.g., once foolishly opined that there should be only one standard for judging all drugs, new or old, prescription or over-the-counter. A moment's reflection suffices to convince the intelligent person that drugs intended for self-diagnosis and self-treatment differ in important ways from those not so intended, and that one might well have to assess these classes differently.

Similarly, it does not require brilliant insight to accept the effects of digitalis—good and bad—on the basis of two centuries of experience without insisting on modern double-blind, randomized, controlled trials.

But such sophistication offends the purist liberal, who is shocked to learn (if he ever does) that equality and freedom are difficult to reconcile, since one freedom is the right to recognize (and even reward) inequality of all sorts. It is also easy for such a person to worship so devoutly at the shrine of egalitarianism as to forget that equality of medical care is not the same as high quality medical care. The two are not mutually exclusive—at least in theory—but they are hardly isomorphic. Everyone wants good doctoring, good surgery, good drugs. It is little satisfaction, except to the perverse zealot, to know that the poor in their hovels are getting just as bad medical care as the millionaire on his baronial estate.

There can also be seen, in some quarters of society, an anti-scientific, anti-intellectual, anti-research bias masquerading as humanitarianism. The British have long had their fervent anti-vivisectionists; America now has their counterparts, who oppose all human experimentation. How else to interpret a bill introduced into the California legislature—and still not dead, I am told—that bans, despite the setting up of stringent informed consent procedures, all research on hospitalized patients? What better way to halt therapeutic progress?

It would be ostrich-like, too, not to admit to the hostility felt in some quarters towards industry in general and pharmaceutical firms in particular. Drug companies are characterized by many as too wealthy, too influential, too aggressive (and successful) in their promotional activities, unconcerned about drugs for rare diseases or for ailments that afflict the poor and under-developed countries, and overly intent on making "me too" drugs that represent little or no medical advance over older congeners.

It is not so much that industry is culpable as that it has not told its legitimate story convincingly. The public little appreciates the decreasing rate of return on capital invested in a search for new drugs (and the increasing attractiveness of other, less risky ways of investing). Few understand the remarkable advances that molecular modification can provide, or the importance of small steps forward in the search for better drugs. Consider the penicillin story: phenoxymethylpenicillin, ampicillin, penicillinase-resistant penicillins, and carbenicillin might be looked on as trivial chemical modifications of the original benzylpenicillin. But out of this chemical manipulation have come orally effective penicillins as well as antibiotics effective against resistant staphylococci and gram negative organisms—hardly a trivial accomplishment!

An extremely troubling side issue has now surfaced in the U.S. because of the role played by drug companies in their support of so-called "throw-away" journals. It is being alleged that such journals publish "slanted" articles and editorials, and that their pages carry irresponsible, unfactual stories. Further, it is suggested that physicians showing exhibits at conferences are also guilty of collusion with drug companies in painting excessively rosy pictures. The proposed solution? Censorship of both the press and the individual. You may find that difficult to believe, and I suspect that Dr. Crout and Senator Nelson would deny that this is what they have in mind, but Lysenkoism is what they in fact espouse.

Were all of the above simply the expected excesses of what is after all a relatively young neo-colonial country, there might be less cause for alarm. But the U.S. is still the pace setter for much of the world in drug regulatory matters, and other countries are beginning to resent FDA boasts about the "toughness" of the U.S. regulatory system. Jingoism and chauvinism are never very deep beneath man's skin, and we see these primal urges demanding the senseless repetition of animal and human tests in several countries, and a concomitant "tightening up" of regulatory processes. The Australians have even managed to act *more* slowly than the U.S.: it takes usually about a month to receive FDA permission to start human studies; in Australia it takes two years! (One has visions of a Dickensian clerk, sitting on a high stool, using a quill pen to write in a crabbed hand.)

If we proceed to set up the scientific equivalent of trade tariffs and economic protectionism, we can abandon all hope of speeding up the process of drug development. In a recent manifesto,[1] Binns, Gross, Nicolis and I called for a moratorium on studies that merely validate existing data rather than acquiring truly new information. "Naturalistic" experience, as I have said elsewhere,[2] is fine in the local setting, to make sure that the drug seems to perform as expected in one's own country, but the senseless and automatic request for repetition of controlled trials impeccably performed elsewhere is irrational and unethical.

Can we change the social ambience? It will not be easy. The public needs better information than it is getting about the merits of drugs, as opposed to their dangers, which are constantly trumpeted. The public must appreciate the need for medicaments better than the ones we now have. The public must understand that drug regulation that goes beyond the dictates of prudence and scientific reason can harm. The drug regulator must be given a positive mandate rather than a negative one—to optimize the development and introduction and use of new drugs, rather than to delay their availability as long as possible.

Such efforts will, I fear, fail miserably if the only voices heard are those from industry. Industry is suspect, and has little credibility in the eyes of many. This means a mobilization of other sections of society—the medical profession, academia, and—least suspect of all—the sick and their families, with whom most of us readily empathize.

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[1] International Requirements for Drug Approval. Lancet 1: 947, 1973.

[2] Lasagna, L. A plea for the "naturalistic" study of medicine. (Editorial) Europ. J. Clin. Pharm. 7 No. 3: 153, 1974.

Another, more specific approach, would be to aim for simultaneous introduction of new chemicals in several countries. Theoretically, the evidence required to market a drug in one country should not be substantially different from the requirements in another. A few countries seem willing to register a drug on the basis of foreign data alone. Convincing trials by competent investigators anywhere should constitute pharmacologic "coin of the realm," and when combined with modest additional local experience should suffice to register a drug. The effect of such simultaneous approval in three or four countries known to have competent regulatory advice should have a tremendous impact on other lands. This might be more realistic a goal than a "global NDA," given the pragmatic difficulties in achieving a WHO type of terrestial agreement.

Let me now return to the starting point by quoting Senator Edward Kennedy: "The market place cannot adequately protect or police itself, because the public cannot possibly judge the quality and safety of the products in its midst." (In the same speech, one might note, he argued that for the airlines, "we should rely on the discipline of the free market and antitrust policy.")

Like many others, the Senator mistrusts both the public and its surrogates, the medical practitioners. Yet the practice of medicine cannot possibly be controlled centrally—not by the FDA, or the Committee on Safety of Medicines, or the BMA or the AMA—except in the most general and coarse way. The central agency can, to be sure, deny a drug access to the market, or (in some countries) refuse to reimburse patients who purchase it, but the choice of using a drug or not, making risk-benefit judgments, etc., remains a highly personal matter, something between a patient and his doctor. This process can work well or poorly, and is highly dependent on the information and wisdom of both physician and patient for its optimal implementation, but there is, ultimately, no substitute for it.

To quote Chancellor Wallis one last time: "The remedy . . . is obvious and simple, but implausible. Return the power to the people. Give each doctor and each patient the right and responsibility for making his own decisions freely in the light of his own best knowledge (or ignorance) and judgment (or folly). Inevitably, some doctors and some patients will make some unwise decisions, perhaps even some that harm other people. But there is no possibility that the greatest harm these errors could do would even approximate the least harm that the government can do . . ."

CARTER'S INTERNATIONAL ECONOMIC POLICY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. LAFALCE. Mr. Speaker, it is too easy for us to look at our economic policy from a purely domestic point of view. However, such a course is a very unwise one to pursue for our world is an interdependent one, and we must recognize that domestic and international economic issues are inextricably linked. This perspective is the main thrust of the speech which C. Fred Bergsten, Assistant Secretary of the Treasury, made to the Chicago Council on Foreign Relations on April 22, 1977, and I would like to take this opportunity to share those remarks with you. Mr. Bergsten has described clearly the fundamental economic and monetary policies which must be developed in order for us to maintain a stable world order.

THE INTERNATIONAL ECONOMIC POLICY OF THE CARTER ADMINISTRATION

(Remarks by C. Fred Bergsten)

THE SETTING

When the Carter Administration came into office three months ago, it faced a difficult and complex set of economic problems both at home and abroad.

Unemployment was far too high. Over seven million Americans were out of work. Another seven or eight million workers were unemployed in the other industrialized countries. Countless millions more were unemployed and underemployed in the developing world.

At the same time, inflation remained a major threat. The rate of price increases in the United States had dropped sharply, to five or six percent, but was still far too high. A few countries—including Switzerland, Germany, India and Taiwan—had done better than we. But many others had not, and some still faced price rises in the double-digit range. In some, inflation was still rising or had begun to rise once more.

The energy problem remained unresolved. High and still rising oil prices intensified both inflation and unemployment. We in the United States had not made sufficient efforts to cut back on our own profligate consumption of energy. The continuing current account surplus of several OPEC countries forced a sizable deficit upon the rest of the world, which had to be distributed and financed in ways which would support international economic and financial stability. The sharp increase in international lending activities of private banks in both the United States and Europe, which was occasioned by the necessity of financing these large imbalances, raised questions in the minds of some observers.

Threats to an open international trading system were widespread. Several important industries here in the United States sought the imposition of significant impediments to imports. Pressures to adopt such impediments were widespread in other countries, in both the industrialized and developing world, and some had already taken steps in response to those pressures.

The overall relationship between industrialized and developing countries was at an impasse. There was major discord on commodity issues. The ministerial meeting which was to have concluded the "North-South dialogue"—the Conference on International Economic Cooperation (CIEC)—had been postponed due to its lack of progress. Both developing and industrialized countries awaited the arrival of the new Administration with keen interest.

Finally, and encompassing all of these issues, was the widespread expectation that a new summit meeting was needed to discuss the whole range of international economic issues of concern to the major countries. The advent of a new Administration in the United States added to the interest of other countries in holding such a session at the level of heads of governments.

A full menu of issues thus confronted President Carter and all of his economic officials. We have begun to respond to each of them in these first three months. Before turning to the specific topics, however, I would like to first discuss a much more fundamental issue—the basic attitude and approach of this Administration toward the world economy.

THE FUNDAMENTAL PHILOSOPHY

The basic philosophy of the Administration is that *"domestic" and "international" economic issues are inextricably linked.* Our own high energy consumption strengthens the ability of OPEC countries to raise world oil prices, which in turn creates balance of payments difficulties for other countries. Our maintenance of an open trading market provides essential support for jobs abroad and jobs here, both directly and through its resultant effects on the trade policies of others. A well functioning monetary system, reasonably stable commodity prices, and healthy international competition are essential components of our fight against inflation and unemployment. Indeed, each issue to which I have referred has critical dimensions both here and abroad.

There is a similarly intense relationship between internal and external economic concerns in other countries as well. Moreover, the actions of many of these countries, like the actions of the United States, can have major effects on their trading partners, including the United States—and indeed, on the entire world economy. Hence, it is essential that we and they work ever more closely together. At a minimum, *this requires that each of our countries resist the perennial temptation to export its internal problems*—the result of which can only be emulation and retaliation by others, with consequent costs for all. This is a second fundamental principle underlying the approach of the Carter Administration to international economic policy.

But such collaboration must go beyond the avoidance of beggar-thy-neighbor measures. *The world's major economic powers must, in a positive sense, exercise collective responsibility for the stability and progress of the world economy.* They must consult constantly on their individual goals, and on the means to carry out these goals. They must monitor each others' performances in achieving agreed goals. They must take explicit account of conditions and policies elsewhere in formulating their own national policies. The search for effective exercise of collective international economic responsibility is a third fundamental element of the philosophy of the Carter Administration.

The United States is fully prepared to participate in such an exercise of collective economic responsibility because the economy of the United States has become inextricably intertwined with the world economy of which it is a part:

One out of every six manufacturing jobs in this country produces for the export market.

One out of every three acres of American farm land produces for the export market.

Almost one out of every three dollars of U.S. corporate profits now derives from the international activities of the firms, including their foreign investments as well as their exports.

It was external forces (oil price rises, crop failures, and the exchange rate adjustment to previous levels of domestic inflation) which propelled our rate of inflation into double digits in 1973–1974.

We depend on imports for more than one-fourth of our consumption of twelve of the fifteen key industrial raw materials.

The share of trade in our Gross National Product has doubled over the last decade or so; when investment is included, our engagement in the world economy is probably at least as great as that of Japan or of the European Common Market, taken as a group.

It is thus immediately clear that the economic interests of the United States can be served only through effective integration of our "domestic" and "international" economic policies. Our foreign policy also requires such integration, because of the central importance of economic issues to overall relations between the United States and other countries.

THE FIRST BASIC STEPS

International economic policy, like all foreign policy, begins at home. Hence our first steps were to create the domestic base for an effective international economic policy.

Even before the Administration took office, President Carter was hard at work developing what became his economic stimulus program to accelerate the reduction of unemployment—a program which, even without the tax rebate, exceeds $20 billion in 1977–1978. As that program developed, during the month of December, international considerations came to loom large in the final decision.

High unemployment in Europe and Canada threatened the political stability which was a crucial underpinning of NATO and the entire Atlantic Alliance. Yet some key countries in Europe needed to restrain domestic consumption, because of continuing high inflation and large balance of payments deficits. They clearly needed an opportunity for export-led growth—which could only be provided by the stronger economies. Such an expansion of trade would also reduce the payments imbalances between the stronger and weaker countries, thereby enhancing international monetary stability. Hence more vigorous expansion was needed in the United States, both for its direct effects on other countries and because leadership by the United States could help bring about a commitment by other strong countries to pursue similar policies strengthening the prospects for a sustained worldwide recovery.

More rapidly growing markets in the industrial countries were also a matter of central importance to the developing countries. Many of these countries, particularly our neighbors in Latin America, rely heavily on our market and had experienced large external deficits due to higher oil prices and the world recession of 1974–1975. Successful pursuit of their long-run development strategies depended in large part on their being able to maintain a rapid growth of their exports. Indeed, there was no policy step which the United States could take which was of greater importance to the developing countries than achieving more vigorous and sustained expansion of our own economy.

In addition, the threats to an open world trading system were magnified by continuing high rates of unemployment. More rapid progress in expanding job opportunities in both America and in other major trading countries, was necessary to enable governments everywhere to maintain policies which would continue to bring the advantages of freer international trade to their societies.

At the same time, reasonable price stability in the United States remained of central importance to the world economy. The onset of rapid inflation in the United States in the late 1960s was a major cause of the breakdown of the old international economic order in the early 1970s. In an interdependent world in which the United States remains the largest single economy and trading nation, and whose monetary system still relies heavily on the dollar, price stability in America promotes price stability in the rest of the world as well.

Hence U.S. economic policy had to achieve more vigorous growth, while retaining reasonably stable prices, for a series of key international reasons as well as for domestic reasons. These considerations played a central role in the development of what emerged as the Administration's first approach to economic policy. They reveal both the importance of international considerations to U.S. economic policy, and the recognition of that importance by the Carter Administration.

A second step followed logically. When President Carter asked Vice President Mondale to visit Europe and Japan within the first hours of his Administration, he instructed the Vice President to place economic issues at the very top of the agenda. There was no crisis which compelled such action. We were not forced to accord such priority to these issues. We chose to do so, because of their importance—to the U.S. economy, and to the overall international relations of the United States. Building on the measures already proposed by the Administration at home, the Vice President thus urged the economically stronger countries which we visited to expand more rapidly; the weaker countries to maintain their stabilization efforts; and all countries to avoid steps which would impair our mutual gains from an open international trading system.

Beyond these substantive policies, President Carter took a series of institutional steps in an effort to implement effectively the heavy emphasis which his Administration would place on international economic issues. In recent years, international economic policy had been hampered by major institutional problems:

Rancor, and often open hostility, between the key departments of Government with responsibilities in this area (notably, State and Treasury):

Mistrust and non-cooperation between the Administration and Congress;

A general failure to effectively integrate "domestic" and "international" economic policy.

The Administration took three immediate steps to avoid such difficulties. In choosing his top officials, at both the Cabinet and sub-Cabinet levels, President Carter did not follow the traditional approach of staffing each agency vertically. Instead he chose "clusters" of officials in the several related agencies who would be working closely together on particular issues, such as defense or international economics. As a result, when asked by a member of the Commission of the European Community during the Mondale trip what we had accomplished in our first two days in office, I was able to reply: "total détente between the State and Treasury Departments." That détente, and indeed the closest possible working relationship among the many agencies involved in these issues, has held up for three months. We believe that it will continue to produce a cohesive and effective approach to international economic policy throughout the Administration.

In addition, we went to work immediately to repair relations with Congress. The President has personally led the way, and insisted that all of us consult actively and consistently with the committees and members who bear responsibility for issues in our respective areas of responsibility.

Because of the budget and general legislative cycle, foreign assistance was the first international economic issue to require Congressional action. Hence an immediate and intensive round of formal hearings, and informal discussions, was begun in that area. These consultations have been exceptionally productive. For example, we have adopted a number of new policies toward the international development lending institutions (the World Bank, International Development Association, Inter-American Development Bank, Asian Development Bank, African Development Fund) which were originally proposed by the Congress.

When I led the U.S. delegation to conclude the negotiations for a fifth replenishment of the International Development Association in Vienna in mid-March, I was accompanied by two key members of the House of Representatives. We have indicated that we will invite members to join us at all such sessions in the future, to emulate a practice which has been carried out in the trade field for many years. We hope through such steps to forge a strong working partnership between the Administration and the Congress, so that our policy efforts abroad will be fully sustainable at home.

Finally on the institutional front, the President created a single decision-making body for all economic issues, "domestic" and "international"—the Economic Policy Group. He decided to abolish the old Council on International Economic Policy, on the grounds that international economic policy was too important to be fashioned separately. Rather, it must be integrally related to all economic policy—just as all "domestic" economic policy steps must take into account their international ramifications. Hence the Department of State sits as a full member of the EPG, in its consideration of all issues, and the "domestic" agencies are engaged in the discussion of all "international" economic issues. The results to date, in terms of assuring a unified Administration position that takes the whole range of "domestic" and "international" factors into account, have been heartening.

SPECIFIC POLICIES

Principles, priorities and institutional arrangements are of great importance. They are particularly important during the early days of an Administration, when basic attitudes and perceptions—both inside and outside the Administration—are being shaped. Ultimately, however, they are only as important as the policies which they produce.

Some of these policies are still in the process of formulation. Yet some have already emerged clearly, in response to the series of issues which I have outlined. I would like to close by summarizing briefly the steps we have already taken, and the results as we see them to date.

To promote more rapid expansion of the world economy, we have proposed a stimulus program and our economy is moving briskly ahead. The underlying growth rate is at least six percent, our target for the year. Indeed, the economy is moving so briskly that the President felt that the income tax rebate was no longer needed. This expansion, by enhancing the opportunity for other countries to expand their exports, has contributed to a sizable shift in the U.S. current account position—which, in turn, makes for a better balance in the world payments pattern and reduces strains on the international monetary system. President Carter has also adopted a multi-pronged anti-inflation program for this country, which includes a number of specific international measures as well as aggregate fiscal restraint and rationalization of numerous Government programs.

The other strongest economies, notably Japan and Germany, have strengthened their economic programs in the past few months. Perhaps, more importantly, they have committed themselves to assure that their growth projections actually materialize. Japan has also recently contributed greatly toward improved balance in the world economy by permitting, and indeed welcoming, a sizable appreciation of the yen.

These steps help the weaker countries to reap the benefits of the stabilization programs which they have now implemented. Britain, Italy, and Mexico have reached standby agreements with the International Monetary Fund, on the basis of such programs. The Barre Plan in France is achieving marked success. These steps, by both stronger and currently weaker countries, represent essential contributions to an effective exercise of the collective responsibility for a healthy world economy which rests on the shoulders of the major countries, without which a resumption of sustained worldwide economic growth will not be possible.

Several steps are underway to reinforce international monetary stability. In reducing U.S. (and world) dependence on imported oil, the President's energy program will, over time, cut the OPEC surpluses which lie at the heart of the present monetary imbalance. The macroeconomic and exchange rate policies of other key countries, already mentioned, should provide a better balance outside OPEC by trimming both excessive surpluses and excessive deficits. To assure that there are adequate official funds to finance the imbalances which will unavoidably remain, in a way that will promote needed adjustment, we support the initiative of the International Monetary Fund in seeking to borrow directly from surplus OPEC countries and from the stronger industrial countries to augment the resources available to the Fund over the next few years.

In the trade area, President Carter has taken actions which will avoid disruption of the international trading system and preserve the benefits of trade to American consumers, while providing effective help to those at home who have been hard hit in particular industries:

In the shoe case, he has directed the development of a major new program of direct assistance to the industry and, to provide a bridge until that program can take effect, the negotiation of orderly marketing agreements with the two countries whose increased exports equaled the entire increase in U.S. imports from 1974 through 1976.

In color television, we are negotiating an orderly marketing agreement with the country which accounts for eighty percent of U.S. imports and whose sales grew by 150 percent in 1976 alone; at the same time, the Administration is appealing the Customs Court ruling in the Zenith case which, if sustained, would disrupt billions of dollars of international trade.

In sugar, negotiations have begun on an international agreement whose objective is to avoid the massive price fluctuations of recent years, which have brought heavy costs to producers and consumers alike.

On automobiles, the President's energy proposals seek to reduce the U.S. addiction to gas guzzlers, and hence serve the objectives of all oil-importing countries, with minimum disruption to international trade.

And we have indicated our intentions, now that Ambassador Robert Strauss has been confirmed as the President's Special Representative for Trade Negotiations, to push hard for a major substantive outcome to the Multilateral Trade Negotiations with as much progress as possible in 1977, to enhance further to all countries the benefits of an open trading system.

In North-South affairs, we have taken several major steps. As already noted, the brisk expansion of our own economy is expanding the world's biggest market for the commodities and manufactured exports of the developing countries. The accelerated expansion of other countries reinforces that effort. Our determination to avoid widespread import restrictions has been of great value to the poorer countries. Our support for an expansion of the lending facilities of the International Monetary Fund helps the prospects of making more balance of payments finance available to these countries, under proper conditions.

We have also undertaken a number of steps which relate more directly to the developing countries. As President Carter indicated in his anti-inflation message of April 15, international commodity agreements undertaken for purposes of price stabilization around market trends can promote U.S. economic objectives. This can occur for two reasons: the price ceilings of effective commodity agreements will restrain sharp runups in commodity prices, as occurred particularly in 1973–1974, and their price floors will encourage continued flows of new investment so that temporary declines in returns will not deter the creation of capacity needed to meet demand when stronger markets return.

Such agreements have long been sought by the developing countries. There remain some differences in our specific approaches, but we foresee a series of cooperative endeavors in that area. As far as funding goes, we are open minded concerning U.S. contributions to the buffer stocks of such agreements, and to the possibility of pooling the financial resources of each in some sort of common funding mechanism for those commodity agreements that can be negotiated.

Another primary area of the North-South relationship is foreign assistance. We believe that direct assistance is far superior to indirct types of resource transfer which are often proposed, such as generalized debt relief or efforts to prop commodity prices beyond levels which reflect market forces, because it can focus directly on those countries which most need help and can best assure effective use of the resources transferred. Indeed, our support of economically sensible policies, such as adequate levels of foreign assistance and price stabilizing commodity agreements, is necessary in enabling us to resist proposals for such less desirable approaches.

A particular focus of the new Administration is on contributions to the international development lending institutions, where the need to fulfill a backlog of past pledges leads us to seek over $5 billion of Congressional authorizations and $2.6 billion in appropriations in fiscal year 1978. In this area, every $1 contributed by the United States is matched by $3 from other donor countries. Our average share in the current replenishment of these institutions is only 25 percent, although our share of the total Gross National Product of all donor countries is about 38 percent.

The House of Representatives and the Senate Foreign Relations Committee have already voted to support the full authorization request, and both Budget Committees have supported virtually our full request for appropriations. In addition, in the supplemental appropriations for fiscal year 1977, both Houses voted to make good in full on past U.S. pledges to the International Development Association and the Asian Development Fund, as well as the bulk of our past pledges in the Inter-American Development Bank.

It is our hope, and belief, that these steps by the United States—in partnership with the other industrialized countries—will promote greater progress in the developing world and an era of close cooperation between North and South. In that relationship, we would look to the developing countries to exercise economic responsibilities as well as to enjoy economic rights. We will seek to help develop a framework in which they all find it in their interests to do so.

All of these issues will be discussed in the forthcoming "seven nation summit." President Carter is eager to attend that meeting, so that the heads of government can provide a powerful political impulse to actions that can then be taken in other forums—to concert domestic policies, expand international financing, move ahead with the multilateral trade negotiations, reduce energy consumption and help meet the needs of the developing countries.

The objective in all these areas is to strengthen the international procedures and institutions through which the problems of the industrialized and developing countries, alike, must be addressed. We are confident that the summit will represent a further, important step forging the sense of collective responsibility for the world economy which must lie at the heart of our own policies, and those of all other countries, in the months and years ahead.

TESTIMONY OF JOHN M. MURPHY BEFORE THE SUBCOMMITTEE ON MINES AND MINING OF THE HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BREAUX. Mr. Speaker, the Subcommittee on Oceanography of the Merchant Marine and Fisheries Committee is currently preparing to report a highly controversial piece of legislation on deep seabed mining. There have been several bills introduced on this issue reflecting various points of view. H.R. 1037, however, has one unique characteristic—it has the best interests of the United States as its basic goal. Other legislation takes a more international approach, deferring to the Third World nations and the Communist-block countries who would be delighted to see American technology tied up for years in the Law of the Sea Conference, thus preventing the United States from becoming self-sufficient in strategic minerals. We now depend on sources of supply for minerals like cobalt, copper, and manganese, from countries that are unstable or that are working toward developing international cartels much like the OPEC countries with the aim of extorting the United States much in the manner of the oil-producing emirates.

The bill H.R. 1037, however, will guarantee that this country can mine the deep seabed for trillions of dollars worth of mineral-containing nodules. It will do so without jeopardizing any future treaty in this area acceptable to the United States, and it will do so without the United States losing the valuable technology and skilled personnel which we have developed thus far. The bill has been referred jointly to the Merchant Marine and Fisheries Committee and the Committee on Interior and Insular Affairs. At a recent hearing on the legislation before the Subcommittee on Mines and Mining of the Committee on Interior, the chairman of the full Merchant Marine Committee, Congressman JOHN M. MURPHY, gave a detailed analysis of the need for this legislation, the benefits that would accrue from it to the United States and to the world, and he answers some of the myths, canards, and shibboleths that have arisen around this subject. The statement deserves careful study by every Member before a decision is made on this legislation which is most vital to the future national security and welfare of the United States. I commend this statement to Members and urge that they study it well:

DEEP SEABED MINING LEGISLATION

(Statement by the Honorable JOHN M. MURPHY, Chairman, Merchant Marine and Fisheries Committee, Before the House of Representatives on Interior and Insular Affairs, Subcommittee on Mines and Mining)

I. INTRODUCTORY REMARKS: DEEP SEABED MINING

Mr. Chairman, I appreciate this opportunity to testify before your subcommittee on one of the most important issues to confront the 95th Congress.

The exploitation of manganese nodules from the deep seabed has been the most divisive issue at the Third United Nations Law of the Sea Conference and it will be one of the most complex and significant policy decisions which we in the Congress will make this session.

First, I would like to look at the progress which the American mining industry has made in recent years.

Several United States companies, together with their foreign and domestic partners, have already spent well in excess of $100 million to develop ocean mining technology.

The advances which they have made are impressive. The companies have identified nodule deposits which could provide satisfactory mine sites. They have largely settled the metallurgical problems of processing metals from nodules.

They have developed mining systems which have progressed from the drawing board, computer, and laboratory stages to large scale at-sea experimentation.

The fact is that most good nodule deposits are found in the deepest parts of the ocean—in 15,000 feet of water and well beyond the continental shelves of any country. Although ocean mining has not been tested on a full commercial scale to date, the experiments that have been conducted indicate no technological impediment to mining—even at depths of 15,000 to 20,000 feet.

Clearly, Mr. Chairman, there is no longer any doubt about the technical and economic feasibility of ocean mining.

The next issue which must be addressed, then, is whether the pursuit of these mineral nodules is in the national interest of the United States.

II. DEEP SEABED MINING AND THE AMERICAN NATIONAL INTEREST

The mineral nodules lying on the ocean floor contain quantities of nickel, copper, cobalt and manganese. In determining whether the exploitation of these resources is important to the United States, we must look at four factors.

First, we should examine whether the minerals have strategic or commercial value in our economic system.

Second, we must look at the amount of such materials which we import from other nations.

Third, it is important to analyze the political stability of those countries from which we import.

Finally, the potential likelihood of cartels to control production and raise prices is an important feature today of international trade.

Cobalt is of strategic and commercial importance and has its primary application in high temperature alloys and tool steels. Copper is a major raw material of great commercial importance. Over half of it consumed in the United States is used in electrical applications with other uses in construction, industrial machinery, transportation and military supplies.

Nickel is important to the economic welfare and security of the United States, and is used most extensively as an alloy. Manganese is a vital commercial and strategic ore which is essential to the manufacture of steel.

With respect to the second factor, last year we depended on other nations for over 50% of our use of 23 essential non-fuel minerals. In reference to the four minerals under discussion, we imported 71 percent of the nickel we used in 1976 with a dollar value of $500 million; 15 percent of our consumption of copper at a value of $700 million; and 98 percent each of our consumption of cobalt and manganese at a dollar value of $50 million and $130 million respectively. These data should give us some clue as to our vulnerability to the whims of other nations.

The sources of our foreign supplies cannot give us much comfort either. Our manganese imports come primarily from Gabon, Brazil, South Africa, Australia and India.

Cobalt comes primarily from Zaire which is virtually a monopoly producer of cobalt in the world. Three-fourths of our cobalt imports come from this African nation which, as we all know, has been in the headlines lately.

Nickel is supplied mainly by Canada and the French territory of New Caledonia, although high quality Canadian nickel deposits are on the decline. United States nickel imports from developing countries have been increasing, and future world supplies will be substantially derived from such third world countries as Indonesia, the Philippines, Colombia, the Dominican Republic and Cuba.

The world's largest producers of copper are the United States, Chile, the Soviet Union, Canada, and Zambia, in that order. Over recent years, while the United States has maintained relative self-sufficiency in copper, the ore grades available domestically are declining and our import dependency has increased, reaching the 15 percent level last year.

One need only read the daily newspapers to be aware of the uncertain stability of some of these nations—an uncertainty that can not give us much faith in predicting future stability.

I noted, with great interest, that United States prices for copper rose 3 cents per pound last week—the third price increase this year. Our copper prices have climbed nearly 14 percent this year. One of the primary reasons for this latest rise, according to business analysts, was the invasion of Zaire's copper-producing region by Angolan rebels.

Copper consumers are anticipating a potentially serious interruption in production there. Consequently, demand has picked up considerably as consumers, fearing this interruption in supply, are building their inventories.

This uncertainty about the future stability of Zaire must give us concern about our future cobalt imports. Zaire supplies over one-half of the world's and 75 percent of the United States' cobalt supply. Cobalt is chiefly produced as a Bi-product of copper production and few copper producers have ores which result in significant cobalt production except Zaire. In effect, then, there is no viable alternative to cobalt from Zaire at this moment.

Additionally, no matter how close our relationship is with Canada, there are clear indications that economic nationalism is an emerging factor in that country's international trade. Recent restrictions on the supply of natural gas to the United States is but one example which must lead us to conclude that the pursuit of our own domestic sources of minerals is in our National interest.

How long, for example, can we depend on Brazil to supply us so much of our essential requirements for manganese to manufacture steel? Brazil is bordering on the status of being a developed country. Clearly, her own needs for this important mineral will increase in the years ahead.

From this evidence, then, it should be clear that the National interest of our Nation will be well served by the development and commercial recovery of deep seabed mineral nodules.

Support for this position now comes to us from the prestigious national research council which has just published the results of a study on "managanese recovery technology." *

The panel which worked on this effort pointed out that although manganese is indispensible in the steelmaking process, the United States has no domestic resources from which the manganese products suitable for steelmaking can be recovered economically.

Additionally, no facilities exist, or are planned, for recovering manganese from the low-grade deposits that do exist. The panel went on to state that:

> "Serious consequences for the national economy could arise if a prolonged curtailment of overesas manganese ore and ferromanganese lead to a critical shortage of manganese materials vital to our steel industry."

Among its numerous recommendations, this study panel encouraged the development of commercial operations of Pacific Ocean nodules to produce manganese as well as nickel, copper and cobalt. It noted that the amount of manganese in the nodules processed by a significant commercial operation would meet a substantial part of the Nation's needs. In fact, even if manganese is not intially extracted from the nodules, the panel suggested that the tailings which resulted from the processing for nickel, copper and cobalt would be considerably higher in manganese content than any significant domestic resources. It was recommended that such tailings be stored to permit easy subsequent reclamation and shipping to a manganese recovery plant.

Finally, we must recognize that the likelihood of the emergence of cartels to control the supply of these resources is subject to a great variety of opinions among economic theorists. Yet, it was these same theorists who did not predict the 1973 OPEC embargo, and they continue to argue about a proper specification of the conditions under which a cartel could emerge. In the absence of a consensus, I respectfully suggest that the assumption of cartelization would be a rational and reasonable basis on which to structure future resource policy for the United States.

The fact is that predicting the future stability of individual producing nations is an inexact and dubious science. In this regard it would be regrettable if this Nation did not learn a valuable lesson from the OPEC embargo.

Mr. Chairman, having established the economic and technical feasibility of deep seabed mining and the national interest premise on which congressional action must be based, it is imperative that we now turn our attention to an assessment of this national interest in light of the international obligations which the United States has toward the rest of the world.

III. RELATIONSHIP BETWEEN INTERNATIONAL NEGOTIATIONS AND UNILATERAL LEGISLATION

First, I want to make it clear to this subcommittee that I am fully aware of the complexity of the relationship between an international agreement on the exploitation of the resources of the oceans and domestic legislation to establish a rational framework within which American industry can operate.

The nuances of international negotiations are extremely delicate, and I am hopeful that our new negotiating team at the Law of the Sea Conference, led by Ambassador Elliot Richardson, will be able to balance the American national interest and the interests of 160 disparate nations.

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*Manganese Recovery Technology (NMAB–323. Panel on Manganese Recovery Technology, Committee on Technical Aspects of Critical and Strategic Materials; National Materials Advisory Board; Commission on Sociotechnical Systems, National Research Council, 1972, 92 p.

But I would like to point out that it has now been 10 years since Ambassador Arvid Pardo, of Malta, introduced a resolution in the United Nations General Assembly declaring that seabed resources should be developed for the benefit of the international community. Although the United States was not a party to this resolution and did not sign it, let us look at the record.

After 5 years of preparatory meetings and 3 years of formal L.O.S. sessions, resolution of this theory into a workable reality seems to be as far away as ever.

Last week, this committee was briefed by the State Department on the events which occurred in Geneva at the Evensen Intersessional meetings held on the issue of ocean mining. Regardless of the perceptions of our American delegation in Geneva, I think it should be clear to all of us that no substantial progress was made there and that the prospects for the next session to be convened in New York must be categorized as something less than optimistic.

The fact remains that, whatever the good intentions of the United States and certain other nations, the cleavages between the group of 77 nations, the land-based producers, the industrialized countries and the landlocked nations, make the establishment of an international seabed authority extremely uncertain. We must face the fact that the Law of the Sea Conference may produce no acceptable treaty.

Approximately 2 weeks ago, Senator Lee Metcalfe appeared before our Oceanography Subcommittee and indicated that, in his judgment, the revised single negotiating text (RSNT)—which is the only official document before the conference—contains provisions which are simply unacceptable to the United States Senate. In other words, much work needs to be done to bring many divergent nations together. If, on the other hand, no substantial changes are made in the existing RSNT, ratification by the United States Senate would be practically impossible.

Let us assume, for the moment, that a successful treaty can be negotiated. There are few observers of the Law of the Sea Conference who believe that a treaty could be so negotiated and signed in much less than 2 years.

If a treaty were signed in 1980, it would, more likely than not, take approximately 2 years to obtain sufficient ratifications for even a provisional agreement. After that, it would take at least 2 years to draft the necessary rules and regulations to organize a new seabed authority which could issue contracts. Consequently, under the most favorable of conditions, the initial contract for ocean mining would probably not be issued until 1985.

With this highly optimistic time frame in mind, we now need to turn our attention to the essential question which brings us together today: Do we need unilateral deep seabed mining legislation at the same time that an international agreement may be promulgated and, if so, what type of legislation is necessary?

The answer to the first part of this question is categorically yes. The United States Congress must move forward this year with comprehensive deep seabed mining legislation for two critically important reasons.

First, a legal framework must be established by legislation—a framework in which the industry can operate and the Government can administer.

With respect to the American mining industry, it is imperative that some degree of predictability about its future rights in the ocean be established. Between now and the beginning of commercial recovery on the first few mine sites which will be located in the North Pacific Ocean between Hawaii and the West Coast, the companies must acquire and commit more than $2.5 billion. To the extent that an L.O.S. treaty could terminate industry's rights under existing international law, prohibit mining activities, limit production, fix prices, require transference to a new mining site, or raise costs prohibitively, lending institutions will not loan any substantial part of the risk capital needed to move toward commercial operations. The political risks involved in an international agreement must be addressed in legislation so that a reasonable secure investment climate will be created. Only within that climate, will investment companies be willing to loan and mining companies be able to obtain the enormous amounts of capital required for deep ocean operations.

Conversely, the Government has virtually no control over the present exploratory and development activity of ocean mining companies. The State Department has confirmed the fact that the companies may continue to operate under customary international law within the concept of the freedom of the high seas. Consequently, there is no regulatory framework by which the United States may exercise any type of administrative or environmental control over high seas operations.

Therefore, it is imperative that a strong legal framework be established—a framework within which the industry may enjoy some degree of investment security and the Government may exercise its normal functions of regulations and administration. The second reason that we need unilateral legislation—a reason which flows naturally from the creation of a strong legal framework—is to provide the United States negotiating team at the law of the sea conference with a strong hand in which to bargain with the rest of the world to establish a reasonable and equitable international system of resource exploitation.

The time has come for the Third World countries to either bargain in good faith in Committee I or else end the pretense that they are seriously interested in negotiating an international treaty.

Having been a congressional observer of L.O.S. proceedings in recent years—both in Geneva and in New York—I can assure the members of this subcommittee that our negotiating team must bargain from a position of strength, not a position of weakness. As soon as the United States begins to capitulate on any particular point, the Third World group immediately begins to push for further concessions.

As many of you know, I have been an outspoken critic of the incredible positions taken by former Secretary of State Kissinger in New York last spring. He was willing to bargain away many vital interests of this Nation in Committee I in order to reach agreement on other aspects of the international treaty. Yet, the underdeveloped nations failed to display any sign of acceptance of the Secretary's overly-generous concessions.

There is some reason to think that they were waiting for a new American administration which, in their view, would provide even further concessions.

As the President and Ambassador Richardson begin to formulate a position for the administration, it is important that the Congress send a message to the entire world, including our own executive branch—a message that we have made a studied assessment of the risks involved in waiting for a treaty and have concluded that the American national interests requires no further delay in allowing our industry to move toward commercial recovery.

For at least six years, legislation to assist American mining companies and to reduce our dependence on the foreign import of essential minerals has stagnated because of pressures from the White House. I think six years is long enough to wait, and I am convinced that only through strong unilateral legislation will we persuade the other nations at the conference to bargain in good faith with our delegation. As long as the United States continues to inhibit its own industry from proceeding with deep seabed mining activities, the other nations have nothing to lose by continuing their delaying tactics.

In contrast, then, to those who claim that unilateral legislation will damage our negotiations at Law of the Sea Conference, it is clear to me that a certain type of legislation will, in fact, help expedite those international proceedings.

It should not come as a surprise to anyone here that the type of legislation to which I am referring is reflected in the provisions of H.R. 3350. The details of that bill will be addressed by the chairman of our Subcommittee on Oceanography, Congressman John Breaux. For a moment, however, I would like to discuss the thrust of that bill and the reasons why it is the only legislation introduced to date which will accomplish the essential goals which I have outlined to you this morning.

Any legislation must involve an entire program, including not only exploratory activities but the commercial recovery stage. Legislation which only goes halfway toward full commercial operations, will simply not provide the investment security which I have indicated is essential. Providing for a system of commercial recovery through the issuance of a license and permit requires that a certain specified site be established for clarity, predictability, environmental control and administrative regulation. The controversy which has emerged on the issue of site specificity is a shallow one. Rather than focusing on that issue, we should ask ourselves whether legislation should provide for commercial recovery. In my judgment, it is imperative that legislation include recovery. If you agree with this premise, then a rational licensing and regulatory system will, by sound principles of management, provide for a specified area to be licensed.

And it is important that this premise be examined closely because it is one of the keys to H.R. 3350.

If we passed a bill today, our companies could not begin commercial production until 1983. To be in commercial operations by then, they would have to begin construction of commercial-scale facilities not later than 1980. Before they could begin the construction phase, they would need three years to locate and obligate the necessary capital as well as complete the prototype testing phase.

In other words, if companies are technically capable of reaching commercial production in 1983, they must borrow the funds to do so in 1978, and they cannot borrow those funds unless they know in advance that they will obtain a permit for commercial recovery when they are ready. Each year they wait for authorization to engage in commercial recovery delays such recovery for an additional year.

The longer they are asked to wait, the more likely they are to lose their technological lead to other nations. As that danger grows, free marketing economics dictate that the probability of selling ocean mining technology to foreign nations will increase. This we must avoid—this we can avoid by passing strong legislation which contains the opportunity for a commercial recovery permit.

V. CONCLUSION

Mr. Chairman, I would like to close by noting the premises on which H.R. 3350 is built and the goals it is designed to achieve.

The technological feasibility of deep seabed mining is not a matter of dispute. Nor, in my judgment, is the issue of whether such mining is in our national interest.

It seems to me that we are entering a diplomatic phase in which international negotiations are being tempered by what I call the "politics of a security of supply." As each nation moves to become exporters—rather than importers—of the world's essential resources, the international arena will take on a new and uncertain dimension. Until and unless this uncertainty is clarified, we must not allow our nation to be placed in a position of weakness with respect to the international community.

If the United States is not prepared to face this reality, our national interest will be severely damaged.

But, if we pass strong legislation in this area:

We will establish a rational legal framework within which the mining industry can obtain risk capital and begin operations;

We will structure a regulatory system in which the government can exercise proper administrative and environmental control;

We will create a favorable climate for good faith negotiations at the Law of the Sea Conference;

We will assist our American delegation in fashioning a treaty which can be ratified by the Senate; and

We will protect our national interest during the interim period before an international agreement is negotiated and, for the long-term future, if a satisfactory treaty is not achieved.

I urge your expeditious consideration of this important and complex issue and your support for the only legislation which will achieve these critical goals—H.R. 3350.

SUGAR INDUSTRY CRISIS

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. AKAKA. Mr. Speaker, on May 4, 1977, President Carter announced his plan to help the sugar industry. This is the first time time the President has publicly recognized the crisis in the sugar industry and has offered assistance. Although I have advocated a 15-cents-per-pound price support, I believe the 13.5-cent-per-pound ceiling will enable many sugar producers to reach the break-even point.

I hope the President decides to include the entire 1977 crop year in his program. Otherwise, those farmers in Hawaii who harvested earlier this year would not be eligible for price supports until their next harvest. In Hawaii, this would be a 2-year wait.

I believe, however, that the measures the President has proposed must go further in providing relief for our sugar industry. It must be remembered that the President's proposal is merely an interim measure until an agreement is reached at the International Sugar Conference in Geneva. Moreover, the question of import quotas has not been realistically dealt with by the administration, and I am disappointed that the President has not fully addressed himself to the problems that many industries are facing due to cheap foreign imports.

I will continue to work with the President and with Congress to establish a permanent solution to the sugar problem. I am hopeful that a final agreement can be reached among the representatives at the International Sugar Conference by the time they adjourn at the end of this month. Having spoken with representatives to the Conference, I believe that such a solution is indeed realistic at this time.

The President's plan which offers temporary relief to one of our vital industries without increasing consumer prices is indeed one to be commended.

FOOD AND POPULATION: IX

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. RICHMOND. Mr. Speaker, three excellent publications have appeared recently detailing the deleterious effects of population growth on our water and food supply. The May 1, 1977, issue of the Washington Spectator, an editorial in the May 19, 1977, issue of American Forests and the April 1977, issue of the Other Side, published by the Environmental Fund, are sober reading.

Dr. Mohammed Kassas tells us that the manmade portion of the Earth's deserts is almost equivalent to the world's land devoted to agriculture. Population growth has forced more and more people to turn to arid and semiarid lands for a living. "All over the world," says Dr. Kassas, "when you go out into the desert and use modern intensive agriculture, the system fails." Traditional agriculture, using natural ecological cycles, is what works in these areas. And that means, of necessity, small populations which do not place intolerable stress upon these lands.

The Washington Spectator, in a quote from Eckholm's "Losing Ground," warns us that the United States may be doing similar harm to its land:

> From both economic and ecological viewpoints, most of the Great Plains is better suited to grazing than farming. Yet several times over the last century, prolonged periods of good rainfall have encouraged counterfeit optimism.

Dr. Robert Miewald of the University of Nebraska points out that "Development pursued in good times demands more water than such regions can supply when the weather turns dry. The real threat of drought," he explains, "is not empty reservoirs or crop failures this year or next. It is the long term disruption it will eventually cause if arid lands continue to be developed beyond the carrying capacity of the climate."

Our short-sightedness results in our trying to solve a population and environmental problem by increasing food production, or water development. In the last 3 years, as the Washington Spectator points out, 125,000 acres of sandy, semiarid land in east Colorado, classed as untillable by the Soil Conservation Service, has been put under the plow. But, as Dr. Miewald warns, "Instead of talking about too little water, we should talk about too many people, too much development."

Two generations after John Steinbeck etched into our memory the fate awaiting those who ignore these lessons—

> The live oaks got a crusty look and the cattle listlessly nibbled dry twigs. Then the farmers and the ranchers would be filled with disgust for the Salinas Valley. The cows would grow thin and sometimes starve to death. People would have to haul in barrels to their farms just for drinking. Some families would sell out for nearly nothing and move away.

The Wall Street Journal writes:

> Farm ponds in the West are muddy brown or dry. Rivers and streams look like thin lines of ink on parchment. There are no signs of rain, just a few wisps of clouds, a pale blue sky . . . The soil feels like powder, and when the wind blows hard enough and low enough, the ground takes right off.

In other parts of the world, warns a recent report of the Council on Environmental Quality, "the drive to produce enough food for more and more people, is reducing the land's agricultural potential." Mr. James Craig, in an editorial in American Forests, writer:

> Degradation of food and forest producing lands has become especially widespread in the last 15 years when the world population was expanding from three to four billion people.

Who is to blame, says the report? Too many people. The editorial concludes:

> Inference is we are eating ourselves out of house and home with no relief in sight in too many cases. Implied is the conclusion that countries like the United States, in their efforts to feed the hungry, could suffer serious soil attrition, too.

Fortunately we are lucky that our Secretary of Agriculture understands this. In the Other Side, Secretary Bergland's interview with Goody Solomon of the Washington Star is reprinted:

> Q: Do you think the United States has the responsibility to feed the world, and do you think we should do that?
>
> A: Well, we can't feed the world . . . the world's population has doubled in my lifetime. It's growing at the rate of more than 200,000 a day. If the trend continues, the world's population will double again in the next 35 years. The pressures are enormous. On top of that, we have lost about a million acres of cropland each year for the last 30 years or so in the United States alone . . . We don't have the money or the capability to feed a world growing at the rate of 200,000 a day. It would deplete our resources, our treasury. There's no way that we could do that or establish that as a national "policy objective."

Unless we can courageously face the population problem, the world's population will continue to grow until, even in the United States, we will have exhausted our oil and gas, our minerals and soil, paved over our wilderness, wildlife and forests, and become even poorer than the poorest nation today. After squandering not only our own wealth but that of many other nations, who will we then turn to for the assistance that overpopulated nations now ask for us?

Following is the editorial from the American Forests which I would like to share with my colleagues:

[From American Forests, May 19, 1977]

EATING OURSELVES OUT OF HOUSE AND HOME

The President's Council on Environmental Quality, on March 14, released a disturbing report on the reduction of the land's capacity to produce food and fiber in 69 developing countries in particular, and the world in general. Overcropping and overgrazing were given as the chief culprits in 43 countries and loss of forests in 24. The survey was conducted by CEQ for the State Department as a background paper at the United Nations Conference on Water and Decertification which opened March 14 at Mar del Plata, Argentina.

While the United States has its share of problems, the deteriorating situation in many developing countries would seem to dwarf

U.S. problems by comparison—not that there isn't uneasiness among agricultural and forestry people in this country, too. AFA President Wilfred Woods reports that snow storage in mountains serving the Columbia River Basin is 83 percent below normal, the lightest snowpack in recorded history. Rain is badly needed in many eastern and western states alike. Meanwhile, wheat crops are being boosted to help hungry people abroad and improve the balance of payments situation. This is resulting in increased erosion, according to the CEQ report, which quotes the Department of Agriculture to the effect that 64 percent of the nation's cropland needs better treatment to safeguard soil erosion, with 179 million acres subjected to serious erosion from water and 55 million acres from wind. As regards this year's crops, rain needed right now could make all the difference, Secretary of Agriculture Bergland recently reported. The same is true of forests and forest protection. Some forests are tinder dry.

But it was those 69 developing countries abroad, not the United States, that got the headlines in Argentina, although the CEQ report does not confine itself to developing countries. In fact, in the first paragraph it states, "In most countries of the world, rich and poor alike, the drive to provide enough food for more and more people is reducing the land's agricultural potential." That includes the United States.

Why is this so? CEQ says: "Improper farming practices—including over-intensification, too heavy a reliance on marginally productive semi-arid lands, and inadequate conservation measures—are increasing the erosion and depleting the nutrients of topsoils. The result is a reduction of the fertility of the land lowering its capacity for food production. In many parts of the world, hillsides are being deforested to make way for more farms and to provide fuel for cooking food. The rains no longer soak into the ground but run off in the form of uncontrollable torrents which tear away the soil under cultivation, flood the lower-lying croplands, and clog reservoirs and irrigation canals with silt. Left behind are barren, abandoned slopes."

The basic problem, the report says, is population growth. Remedial efforts launched up to now—for example, the Green Revolution—are merely "buying time" to solve the population growth problem. In this connection, the report is bolstered by quotations from Norman Borlaug, wheat geneticist, forester and Nobel Prize winner; Erik Eckholm, author of Losing Ground; David Pimental, co-author of World Environmental Report; and others.

Who's to blame? Too many people, the report says. Degradation of food and forest producing lands has become especially widespread in the last 15 years when the world population was expanding from three to four billion people. This may be exceeded considerably during the lifetime of our own children. In developing countries, people "slash and burn" forests to raise enough food to eat and the fuel with which to cook it. When the nutrients in the cleared patch are gone, the tenants move on and the process is repeated.

Aren't there any good things happening? Yes, but not enough, the report says. Among the good things are ambitious reforestation programs in Mexico and Pakistan. India is gearing up to plant trees in an effort to arrest the spread of the Rajasthan Desert. Other projects are either underway or on the drawing board. And the tools and techniques to improve the situation are readily available if only they could be applied.

Admittedly, the overall global picture is grim. Inference is we are eating ourselves out of house and home with no relief in sight in too many cases. Implied is the conclusion that countries like the United States, in their efforts to feed the hungry, could suffer serious soil attrition too. The United States had its own Dust Bowl in the thirties. The report suggests it could happen again.

CARTER PLAN HITS US HARDEST

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following excellent editorial by Mr. Edwin Lukas, editor and publisher of the Carpinteria Herald.

Ed sets forth the feeling of many of us from the West that the administration's energy proposals have what is termed an "eastward tilt."

CARTER PLAN HITS US HARDEST

Only a few good things can be said for President Carter's daring fuel and energy plan but what stands out which makes it bad on balance is its eastward tilt.

While you might argue why give subsidies for saving money, the home insulation, and solar energy do serve to save vital fuel and the end of preferential pricing for large users is long overdue.

But the $1.42 cent ceiling on natural gas, accent on coal production, the gas tax plan and tax rebates all favor the East over the West and Southwest.

To begin with those prodigious amounts of coal do not lie in the depleted fields of West Virginia and Pennsylvania but in Wyoming, Utah, Montana and Colorado and worse yet on the arid eastern slopes of the Rockies devoid of large quantities of water necessary to process the material and also to satisfy the environmentalists in healing land scars caused by strip mining. It will mean further tapping of the already overdrafted streams feeding the Colorado River system which will have an adverse chain reaction effect on all of California.

Another drawback involves the fact that we in the West have never used coal so we can't reconvert like they can in the east where their boilers converted to oil back in the 40's. Also coal doesn't lend itself to a take the chill off use and it is dirtier in a state that has tougher anti-pollution regulations made necessary by our natural inversion phenomenon.

Our tougher automobile standards will also serve us adversely in getting our share of rebates even if we become economical users. Tougher emission control standards result in our getting three miles per gallon less on the same model gas guzzler traversing the avenues in the East. We also don't have public transportation systems to beat the stiff tax. So, we will pay more and get back less.

Those are the provincial arguments against the plan. There are two other drawbacks of more national significance. They involve the rebate feature and confiscatory taxation.

For years politicans have denied that taxes are or can ever be confiscatory. Adoption of the annual increase gas tax system is a dangerous admission that taxes are just that. You are levying stiff taxes to dissuade the public from over-using a product and that is definitely confiscatory.

The rebate system is a benefit for some but certainly not for the middle income westerners who are forced to drive cars. It will be a tax ripoff for others. Last Saturday's LA Times banner story "How to Play Your Cars Right" was a ripoff blueprint.

If the money were used for new energy research or to offset the staggering budget deficit, it would have the redeeming virtue of being a benefit for all instead of a profit for some.

The system also lends itself to asking the same question as applied to revenue sharing, why send it back and forth in the first place—as makework for paper shufflers?

It was too bad that Mr. Carter's plan which we feel has little chance of getting through Congress in its present form didn't resort to a double trauma to both public and government by taking controls off everything. Competition among oil companies is a better leveller than unrealistic government controls. You can tax excess profits but how do you tax the expense of handcuffing government controls? You can get industry legally on restraint of trade, price fixing and antitrust, etc., but what can you do about government but support it or gripe about it?

We think the public realizes the days of cheap fuel are over and governmental tinkering hasn't helped the situation any as attested to by California's gasoline consumption figures in 1974 when the gas shortage first hit the public hard. In February of '74 698,749,929 gallons were used. In February of 1977 we consumed 821,445,772 gallons and that is not progress. We've been going to the same well too often. We wish the president hadn't also.

CHICAGO HIGH SCHOOL BASKETBALL CHAMPS

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. MURPHY of Illinois. Mr. Speaker, I would like to bring to the attention of my colleagues the outstanding record of the girls' basketball team of Fenger High School in my district. Out of 46 games, the Titans have amassed an impressive 45-1 record.

This champion team not only won the Chicago's Mayor Bilandic Tournament but went on to capture the city basketball championship title on March 24 in a tough game with Chicago Vocational School. The girls competed in the Illinois State Tournament on April 1. This game broke their 45-game winning streak. The Fenger Titans lost to Sterling, Ill., in a close game that went into overtime.

The girls, nevertheless, are all champions and can be heralded as Chicago's finest.

My congratulations go to Sue Franklin, the head coach who recently received the Coach of the Year Award: Gretchen Koeneman, the assistant coach of the Fenger High School basketball team; and to team manager Pam White. As a result of their outstanding direction leadership the team was able to achieve this outstanding record.

The members of this all-star team are Kathy Edwards, Fredina Adair, Connie Gilbert, Barbara Davis, Kimberly Williams, Arnetta Payne, Tangie Berge, Veda Sargent, Deneise Jones, and Mary Styles.

I congratulate all of them for a season well played. Their school and community are certainly proud of the Titans' many achievements.

TAX CREDITS FOR HIGHER EDUCATION

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. ARMSTRONG. Mr. Speaker, unless the current policies of Congress toward higher education are changed, a college education will become the right of the poor and the privilege of the well-to-do. But middle American families will find that the dream of a college education for the children is just that—a dream.

Last year the cost of an average year at a State university or junior college was almost $2,000. A year at more expensive schools exceeds $6,000. For a working American family of four to raise even $16,000 over 4 years—and that is what it would take to send two children to the "average" public college—would require earning an additional $3,200 just to pay the taxes on the money being saved to pay the tuition. In other words, somehow this family will have to save an additional $5,000 a year for 4 years to have enough left after taxes to send two children to college. Or, they could save an additional thousand dollars a year—before inflation—for 20 years.

So while Government and private scholarships are available for the very poor, the middle American family is left to struggle.

I think this is wrong. The very people who support this Government, and the $16 billion that goes to higher education in Federal funds every year, should not be priced out of higher education.

That is why I am cosponsoring legislation to provide a tax credit for college education expenses. The College Tuition Tax Relief Act of 1977 would allow tax credits for educational expenses paid by an individual for himself, his spouse, or his dependents.

The amount of the credit will be phased in generally: $250 in 1977; $300 in 1978; $400 in 1979; and $500 in 1980 and afterwards. Credits would apply to tuition, books, fees, and supplies—but only full-time students above the secondary education level would be eligible for the credit.

Tax credits of this type will be a great assistance to families trying to meet rising costs in both public and private colleges. But cost increases in private schools are a particularly urgent concern. These private institutions, which are so essential to the vitality and diversity of the Nation's academic life, do not receive taxpayer financing. Therefore, inflationary costs must be almost totally passed through to students in the form of higher tuition and fees. The result is astronomical student cost. In 1976, the average cost of a college education at a private institution exceeded $3,800. At "Ivy League" and other prestige institutions costs exceed $6,000 annually.

True, tuition at private institutions has always been high, but inflation has added another crushing burden to the middle class in the form of tax inflation. In 1977. the average family of four will pay $4,000 in all Federal taxes. While average family income has doubled in the 12 years since 1965, the total of Federal taxes on that family has virtually quadrupled.

The family that earned $7,000 in 1965 paid about $1,000 in all Federal taxes. But with median family income at around $14,000 this year, the total Federal tax bite will be $4,000. In effect, "average" income families are virtually priced out of the market for private higher education.

The need for a tax credit for higher education is, I believe, obvious. But there is still another reason why it is particularly fitting for Congress to give some relief to hard-pressed, tuition-paying families: Much of the increase in tuition costs actually has been created by the Federal Government itself.

One college recently estimated the costs of complying with Federal regulations at between $4.6 million and $8.3 million. The American Council on Education reported in 1975 that the overall impact of Federal regulations was an increase in the cost of running the Nation's colleges by the equivalent of from 5 to 18 percent of total tuition revenues. And Change magazine estimates that Federal regulations cost as much as the total of all voluntary giving to the Nation's private schools—about $2 billion a year.

Under these circumstances, I am particularly pleased to lend my support to the College Tuition Tax Relief Act of 1977.

CINCO DE MAYO

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. DANIELSON. Mr. Speaker, Cinco de Mayo, the 5th of May, is a revered holiday for Mexico and those of Mexican heritage throughout the world, in our country and in the 30th Congressional District which I am privileged to represent.

It was 115 years ago, on May 5, 1862, that greatly outnumbered Mexican patriots struck a blow for freedom and dignity by repulsing the Napoleonic army in the town of Puebla. On that inspiring day, Gen. Ignacio Zaragoza and his dedicated troops were ill equipped with antiquated weapons and were far fewer in number than the invading French soldiers.

But the love and spirit of freedom was so great that it surpassed the overwhelming odds, resulting in a spectacular victory by General Zaragoza and his patriots which, to this day, stands as a historic milestone in the never-ending struggle of nations against foreign domination.

Mr. Speaker and my colleagues, the rich cultural heritage and traditions of Mexico, the bravery and pride of its people, are all embodied in our observance of this great day in history. I ask that you join me in this tribute and to share in the celebration of Cinco de Mayo.

EQUITABLE FLOOD PLAIN MANAGEMENT

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. MAGUIRE. Mr. Speaker, I have introduced legislation today which will amend the Flood Disaster Protection Act of 1972.

I believe that the concept of the program established by this act, the national flood insurance program, is praiseworthy. The intent of this program was to insure that responsible land-use practices were adhered to in the flood plain and that the people of this country have adequate protection against the consequences of major floods.

Specifically, the program is designed to give homeowners who could not otherwise afford flood insurance low-cost policies which would cover them for losses should a flood occur.

The program is in its early stages of implementation, and, as so often occurs in the application of many new programs, unanticipated problems have developed. I believe that there are numerous inequities in the program as it now exists.

For example, a homeowner can only obtain a maximum of $70,000 of insurance on his house even though the house may be worth $100,000. If the house is destroyed, the homeowner is left with a $30,000 loss on his investment. Second, if his home is destroyed 50 percent or more and he wishes to rebuild, he must also absorb the entire cost of bringing the house into compliance with the elevation regulations, or in some States, like New Jersey, he is not permitted to rebuild at all and loses his total investment. This puts an incredible burden on the homeowner.

And what of those people who reside in the floodway who are constantly flooded and are unable to sell their homes? The Federal Government is constantly paying through the insurance program, for their losses. This property probably should never have been developed in the first place. As a result of its development, however, the homeowner has become an innocent victim of poor flood plain management. We have authorization under the Flood Disaster Protection Act to purchase such floodway lands, but, unfortunately, no appropriations have ever been made.

A further problem is the element of doubt with respect to the accuracy of the maps delineating the flood plain. Though a homeowner has never experienced flooding, he may be included in the map. The burden of proof rests solely with the homeowner and he must bear all costs involved in his appeal.

As a result of these several inequities, there has been a public outcry in my home district against the program. The real estate market has been shaken, confidence has been lost, and there have been fears that the value of property located in the flood plain would be adversely affected.

To rescind the act, as some in frustration have proposed, or to remove the provisions for the mandatory purchase of insurance, provide no true answers. Such steps would only insure that flood problems, and difficulties with adequate insurance coverage in case of flood, would worsen.

What we can and should do which will help is the following: For private homes, my bill will increase the ceiling of insurance coverage on the structure to $150,000 and on the contents to $50,000. Virtually all homes will, therefore, be covered fully. For any homes valued above this level, actuarial rates would be available for any remaining insurance coverage desired.

Second, I propose to strengthen and fund the negotiated purchase section of the bill to include homeowners who have suffered repeated losses and wish to move to a safer location. If a homeowner's property has sustained damage from flooding on three or more occasions, if his home is substantially beyond repair as a result of a casualty, or if he is precluded from restoring his home by statute, the Secretary will be authorized to enter into negotiated purchase of the property.

The Secretary is further authorized to offer to pay the difference between the amount of any insurance proceeds available by reason of the most recent damage and the projected fair market value of the property based on its value prior to its inclusion in the floodway.

For those people whose homes are damaged 50 percent or more who wish to rebuild, but cannot afford the cost of elevating their property, I propose that a low interest loan be made available to assist them. The interest rate would not exceed 2 percent per annum, repayable over a 10-year period.

Finally, my amendment will deal with the appeal process associated with the accuracy of the maps. Drawing maps of areas subjected to flooding cannot be an exact science. Final maps will be based on updated information and actual elevations, but there still could be errors.

As the law now stands the individual homeowner or the town—if it agrees to cooperate—must bear the engineering and surveying costs of proving that the map is inaccurate. This is unfair. My bill would provide for reimbursement for successful appeals. The homeowner, of course, still faces a risk if he is unsuccessful, but if he has a good case he should be fully reimbursed. And this approach will discourage frivolous appeals.

I believe that these amendments will help restore and maintain property values and revive confidence in the real estate market through ensuring that each homeowner's investment will be fully protected. If every homeowner is protected fully from any eventuality of financial loss from flood or fire, I believe we can anticipate that property in the floodplain will be resorted to its true value.

I want to reiterate my support for the basic concept of the national flood insurance program. It is the problems in the operation of the program that this legislation is intended to correct.

I believe that my bill restores equity in the program without damaging the integrity and purposes of the act: The protection of citizens who live in flood hazard areas, and flood plain management.

I hope that my colleagues will join me in supporting the passage of this important legislation.

LEGISLATION TO PROVIDE INTERNSHIPS FOR SENIOR CITIZENS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BOB WILSON. Mr. Speaker, it is apparent that our Nation's elderly are very interested, and justly so, in any present or possible future congressional actions being considered to resolve some of the problems they face on a day-to-day basis. I have received numerous requests from elderly constituents in my district, expressing a deep desire to become involved in the legislative process, thus learning firsthand, how Congress is attempting to meet their many needs.

Today, I am introducing a resolution which will provide funds for Members of the House to bring senior citizens to Washington, D.C. to serve in their congressional offices.

In the past, senior citizen interns have attended committee meetings and then reported directly to the Member, their observation and impression of pending legislation and its possible effect on the senior citizen population.

Upon their return home, senior interns can report to their peers exactly how the Government is endeavoring to resolve some of the problems. They can also encourage feed-back from the local citizens to the Congressman. Thus establishing a meaningful link between the senior citizens and their elected representatives.

Because so many of our retired senior citizens live on a fixed income, my resolution calls for a small compensation of $100 weekly, per intern, to help defray any other expenses they may incur. Every Congressman who desires to participate in the internship program, will receive a $400 allotment, to use specifically for the senior citizens' compensation. Congressmen will not be required to use their clerk-hire allowance for this remuneration. With this allotment, two interns may be hired for 2 weeks, or one intern may be hired for a period of 4 weeks.

To insure that all senior citizens have an equal opportunity to participate in this program, a round-trip travel allotment will also be offered. The maximum cost for the program, if every representative participates, will be $176,000 in stipends and $67,000 in travel allotments, for a total cost of $241,000, which will cover the entire program with full participation on an annual basis.

The senior citizen internship program was strongly endorsed by the members of the Select Committee on Aging. If enacted, the program will:

First. Focus special attention on the elderly;

Second. Promote the free exchange of ideas to meet the needs of the senior citizens;

Third. Communicate existing programs and policies to the local constituents; and

Fourth. Generate new legislative proposals.

The student and teacher internship programs, initiated by former President Lyndon Johnson, have made great strides in establishing a two-way communication between the Government and the governed. We can further strengthen these communications by permitting the senior citizens to participate. We can make this segment of our population feel like a more integral part of the society they worked so diligently to build.

PRESIDENT CARTER'S DECISION ON SUGAR PAYMENTS

HON. CECIL "CEC" HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. HEFTEL. Mr. Speaker, as a representative of one of the largest sugar-producing States in the Nation—a State where the commodity was once called "King Sugar" and is still one of the three major pillars of our economy—I applaud President Carter's decision to enact a system of price support payments to growers of sugar cane and sugar beets.

Sugar producers have taken a beating. The abnormally high sugar prices of 2 years ago that affected nearly every consumer have fallen to levels below the cost of production. In Hawaii, hundreds of independent growers are on the verge of being driven out of business, and some major growers are experiencing annual losses of millions of dollars. Literally thousands of jobs have been threatened.

Clearly, something needed to be done this year to arrest the alarming threat to America's sugar industry. The International Trade Commission recognized that threat when it ruled in March that foreign imports were damaging the industry. The Commission recommended a reduction in the import quota as a remedy.

After weighing that recommendation and those of the Department of Agriculture and other executive departments, the President chose not to limit imports, which would have driven up the price of sugar for consumers, but instead decided to implement a program of price support payments for our growers—a plan that will not affect the consumer price.

The major sugar producers in Hawaii believe the target price of 13.5 cents per pound will generally allow the industry to break even. Many independent growers will still not recover their costs at this price but will be able to stay in business until other, long-term solutions are found to the pricing problem. A new international sugar agreement will play a role in that solution.

No one in Hawaii will get rich from this price support program, but it will allow the industry to survive. It also will allow Hawaii's economy to survive, for if the sugar industry were allowed to die, our State's economy would suffer a crushing blow from which it would be nearly impossible to recover. There is no alternative to sugar as a major land use—and a major employer—in Hawaii at this time.

Thankfully, President Carter's decision to implement the price support program has given Hawaii an alternative to economic chaos.

ENERGY—FOOD FOR THOUGHT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. TEAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the full page advertisement of Allied Chemical Co. which appeared on Friday, April 29, in the Washington Post:

CAN WE DISCARD AN ENERGY SOURCE EQUAL TO 300 MILLION BARRELS OF OIL?

(The following is excerpted from the remarks of Chairman John T. Connor at the Annual Meeting of Stockholders of Allied Chemical in Morris Township, New Jersey, on April 25, 1977.)

I want to say that I agree basically (with President Carter) that we must make a major effort to conserve energy and to improve energy use efficiency.

But we can't save enough through conservation to make up for the expected shortfall in oil and gas production in the years ahead. . . . I think we must increase our use of coal, we must drill offshore for gas and oil, we must encourage new methods of recovering a greater percentage of oil and gas from old reserves, we must develop solar power, we must expand our nuclear power industry.

Unfortunately, the President made a policy announcement, two weeks before he unveiled his energy recommendations, that reduces the potential energy output of our nuclear power industry. The decision, revealed as part of a program intended to discourage the proliferation of nuclear weapons throughout the world, postpones indefinitely the commercial reprocessing of nuclear fuel in the U.S. Subsequently, in his message to Congress last week, President Carter said the United States will defer indefinitely commercial reprocessing and recycling of spent fuels produced in U.S. civilian nuclear power plants.

That, of course, affects America's proposed energy policy in an important way. It also affects Allied Chemical very directly. For the last seven years we have been building, in partnership with the General Atomic Company, which is jointly owned by Royal Dutch Shell and Gulf Oil, a plant at Barnwell, South Carolina, to reprocess and recycle spent nuclear fuel.

Let me tell you how we got involved in the reprocessing business.

Our first participation in the nuclear fuel cycle dates back to 1955, at the time of the beginning of America's program which President Eisenhower called Atoms for Peace. The Atomic Energy Commission asked for bids to convert its supplies of uranium ore concentrate into uranium hexafluoride, a process which is a necessary step in the manufacture of nuclear fuel. Allied Chemical made the successful bid and subsequently built a plant at Metropolis, Illinois, to do the conversion work. We are operating that plant today, producing UF6 that goes into the manufacture of fuel rods for the nation's nuclear generating stations. It's a profitable operation.

Because of the experience gained in uranium and florine technology at Metropolis, Allied Chemical responded when the government began to encourage private industry to enter the fuel reprocessing field. It was a logical move for Allied Chemical, since reprocessing of nuclear fuel is basically a chemical operation. In 1966 Allied Chemical, in partnership with Aerojet General Corporation, entered into a contract to manage and operate the A.E.C.'s nuclear test reactors and chemical reprocessing facilities at the National Reactor Testing Station near Idaho Falls, Idaho. Of course we gained valuable experience in nuclear technology from this operation. Incidentally, Allied Chemical is today the sole operator of this facility, now called the Idaho National Engineering Laboratory, under contract to the Energy Research and Development Administration.

In the meantime, the A.E.C. continued to encourage private industry to enter this field with its own plants. It did so in various ways—through public statements, by making reprocessing technology available and by adoption of a formal policy statement. As early as 1962, during the Kennedy Administration, the A.E.C. testified before the Joint Committee on Atomic Energy that it considered privately owned nuclear fuel reprocessing facilities an important factor for a self-sufficient nuclear power industry. In 1967, during the Johnson administration, the A.E.C. issued a policy statement which said, "the A.E.C. expects chemical reprocessing services to be contracted for between reactor operators and commercial fuel reprocessors without involvement of the A.E.C."

It was in this atmosphere, and in the belief that reprocessing offered a good business opportunity, that Allied Chemical applied for a permit, on November 7, 1968, to build a reprocessing facility. Two years later, on December 18, 1970, we were granted a construction permit by the A.E.C. to build a reprocessing plant, and work got under way at Barnwell the following month.

We and our partners worked closely with government nuclear safety experts, revising our plans many times to incorporate new and more elaborate safeguards required by the government at great cost. At all times we cooperated closely with the government, whose position continued to be clearly in favor of the development of a privately operated nuclear industry.

Despite the increasing anti-nuclear propaganda mounted by special-interest groups in the last couple of years, we have continued our financial support to permit completion of the Barnwell facilities as originally planned. In 1977, Allied Chemical's share of capital expenditures and current expenses will be about $11 million, and our total investment in facilities to date is $105 million.

Today, portions of the plant are complete and almost ready for use. But we do not have an operating license because of unduly protracted licensing hearings, continuing shifts in government policy and a court decision which has barred interim licensing until a generic environmental hearing, also greatly delayed, is completed. The matter of interim licensing is before the United States Supreme Court for review. But, with the President's recent statement on proliferation, the administration has taken a position that is the exact opposite of the government's long-standing position on reprocessing. Whereas the government once actively sought to induce companies to enter the reprocessing field, the administration is now publicly discouraging the idea of permittng the utilities to have their fuel recycled.

Allied Chemical and its stockholders are paying a heavy price for the government's failure to support a program it induced. We may have to pay an even heavier price, but we are working hard to try to make clear to the government's energy policy formulators the unique asset that Barnwell represents.

Reprocessing is important to our energy supply because it enables the utilities to get 50 percent more electricity out of every pound of uranium. In full operation, Barnwell would recover and recycle the energy equivalent to one million barrels of oil every operating day—some 300 million barrels a year. Even at the modest price of $10 a barrel, that would be the equivalent of $3 billion a year in imported oil. In light of President Carter's call for a strong, mandatory energy conservation program and the elimination of wasteful practices in the use of all forms of energy it is inconceivable to me that the government will direct this country to throw away the productive use of the energy equivalent of 300 million barrels of oil a year. Is that a sound conservation policy?

This huge contribution to energy supply is the reason other countries, especially those which don't have our domestic energy resources, will resist a U.S. attempt to discourage reprocessing of spent nuclear fuel in the existing and future light water nuclear reactors. Fourteen other nations already have some reprocessing capability and most have indicated their determination to use it for light water nuclear reactor fuel. Some of them can and apparently will go on to use the extracted plutonium in breeder reactors when they are developed, but that is a separate issue for future determination.

We believe the best way to prevent weapons proliferation is to discourage the growth of numerous small national recycling plans by concentrating reprocessing in a few large, secure centers operated under international control, perhaps under the International Atomic Energy Agency. The fact is that the United States cannot wish plutonium out of existence. Plutonium is now being produced every day in the existing light water nuclear reactors in many countries all over the world. The real question is, what do the public utilities do with the plutonium and unburned uranium in their spent fuel rods?

Barnwell offers a sound opportunity to work out safe controls in the use of plutonium. We have proposed that the government put it to work as a demonstration or evaluation center.

If Barnwell goes unused, our government will lose the opportunity it now has to persuade other nations that the number of reprocessing plants in the world should be limited and controlled. In short, the United States may lose forever the chance to participate in establishing effective international safeguards. And the United States may also lose forever an opportunity to lead the world toward safe handling and disposal of radioactive wastes from commercial nuclear reactors.

ALLIED CHEMICAL.

LESTER L. MOORE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. APPLEGATE. Mr. Speaker, 1977 marks 50 years of dedicated and loyal service by Lester L. Moore, of Lisbon, Ohio, to the Lisbon Volunteer Fire Department. At age 72, Mr. Moore still remains active; rarely, if ever, missing a fire call.

In a day and age when we hear so much about the uselessness of our senior citizens, it is good to discover that there are those like Mr. Moore, who have chosen to remain active and to fill a vital community need.

In the past, Mr. Moore, has helped to fight raging fires for up to 36 straight hours, and over the years has saved countless thousands of dollars worth of property and many, many lives, despite his many injuries in the line of duty.

Mr. Speaker, it is indeed a pleasure for me to recognize Mr. Moore and to thank him for his vital service on behalf of the people of the Lisbon, Ohio, area.

A GOLDEN JUBILEE FOR ARCHBISHOP COUSINS

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. REUSS. Mr. Speaker, I want to bring to the attention of my colleagues an important anniversary that was recently celebrated in Milwaukee, my home district.

The anniversary was the Golden Jubilee of the Most Reverend William E. Cousins, D.D., Archbishop of Milwaukee. It marked the 50th anniversary of Archbishop Cousins's ordination to the Catholic priesthood.

Archbishop Cousins has presided over the Milwaukee Archdiocese now for 18 years. These years, and his 50 years as a priest, have seen sweeping changes come over America, and over the American Catholic Church. In these years, His Excellency the archbishop has been a steady leader in the church and in Milwaukee, a calming influence in times of turmoil.

For those of you who do not know Milwaukee, it is a clean city and a good city. Its people believe in each other and believe stubbornly in the importance of a healthy family life and strong family neighborhoods.

During the turmoil that hit Milwaukee in the middle 1960's, the Archbishop was a gentle voice in a torn city. He begged his flock for an end to civil disturbances, and at the same time helped found independent social organizations to deal directly with the problems that triggered the trouble.

In 1966, he called together a group of inner-city pastors and started what later became the Council on Urban Life—an activist group of men and women determined to improve the quality of life in the city. The same year, he committed the archdiocese to a large part of the financial support of the Greater Milwaukee Conference on Religion and Race. Since those years he has been preaching constantly the teachings of the Catholic Church on brotherhood and peace—both in his role as archbishop and on the pages of his archdiocese's excellent newspaper, the Catholic Herald Citizen.

Now the priests and sisters of his archdiocese are working in the parishes and the neighborhoods that surround them to keep the community strong. They—and through them, Archbishop Cousins—are at the center of the strong neighborhood preservation movement that is gaining strength in Milwaukee. Truly, Archbishop Cousins has touched the lives of all Milwaukeeans—not just Catholics.

His Excellency is also a devout man. In a recent interview in the Catholic Herald Citizen he said he keeps both an English and a Latin breviary next to his chair in his office—so he can pray in quiet moments.

He has been called a priest's priest. He says he finds the administrative duties of an archbishop sometimes boresome. But in appointments, there's a chance for pastoral work, because that's still a person-to-person relationship.

Still, he is an excellent administrator. Under his direction, the changes of the Vatican Council, which he attended, have been successfully instituted in Milwaukee parishes. And the church in Milwaukee is now stronger and more vigorous for those changes—as is the dialog between members of all faiths.

I am proud to have known Archbishop Cousins for these past 18 years. I hope all my colleagues will join me in congratulating him for the 50 excellent years of his ministry.

SHORTAGE OF HEALTH MANPOWER

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. PREYER. Mr. Speaker, as a member of the Health and Environment Subcommittee of the Interstate and Foreign Commerce Committee, I am familiar with the acute problems regarding shortage of health manpower. Congress took a positive step last year by passing the Health Professions Educational Assistance Act of 1976. This legislation offers a solution for the problems of geographic and specialty distribution by encouraging incentives to correct these imbalances.

Another approach is the use of physician extenders, the health care professionals who, though accountable to a physician, need not always be working under direct supervision. Currently, medicare and medicaid regulations prohibit physician extenders from being directly reimbursed as independent providers, which results in an enormous underutilization of valuable medical attention. This is especially true in rural areas, where there is often a dearth of physicians and no mechanism for reimbursable treatment by physician extenders.

Last month, the North Carolina General Assembly passed a resolution urging the Congress to initiate a program utilizing physician extenders. I enthusiastically support this resolution, and urge my colleagues to carefully consider it:

GENERAL ASSEMBLY OF NORTH CAROLINA
HOUSE JOINT RESOLUTION 485

A joint resolution urging the United States Congress to provide reimbursement for services rendered by duly certified and supervised physician extenders

Whereas, the State of North Carolina is predominantly a rural State with fifty-five percent (55%) of its residents living in small towns or rural areas; and

Whereas, both the State with its tax revenue and certain federal programs have increased access for these rural residents to quality primary medical care through the careful use of physician extenders; and

Whereas, the functions of the extenders are carefully defined and reviewed in their supervising physician's applications to the North Carolina Board of Medical Examiners; and

Whereas, all physicians to whom such extenders are certified by action of that board review and sign all records of patient care within the time prescribed by the board; and

Whereas, Medicare is currently denying reimbursement to these primary care clinics due to legislation which requires the physical presence of the physician; and

Whereas, continued denial of such just reimbursement on behalf of its enrollees will cause the failure of some 30 primary care units in our State serving 80,000 rural residents with quality primary medical care;

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

Section 1. That the Congress of the United States is hereby urged to initiate immediately a program to provide reimbursement for services rendered by duly certified and supervised physician extenders, even though their supervising physician is not physically present.

Sec. 2. That a certified copy of this resolution be sent to each member of the United States Senate from North Carolina and to each member of the United States Congress from North Carolina.

Sec. 3. This resolution shall become effective upon ratification.

REV. DEL HAGIN, A SPECIAL KIND OF PERSON

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mrs. SPELLMAN. Mr. Speaker, the Reverend Del Hagin is that special kind of person who has spent his life enriching the lives of other people. As a pastor, a counselor, and a citizen par excellence of Prince Georges County, Md., Reverend Hagin has been the proverbial pebble in the pool from which ever-widening circles of goodness, kindness, and love have spread.

So many social advancements in our community during the 1970's bear the imprint of his efforts. He has used his pastoral education and training to help his fellow citizens and he has enlisted a whole army of volunteers for the various programs he has initiated or, in some way, helped.

In addition to his earlier work with the Upper Prince Georges County Clergy Association and the Chillum Citizens

Association, Del serves on the citizen advisory board which mediates disputes between sheriff's deputies and prisoners. He is a member of both the county task force on battered wives and the mental health review board.

He founded and chaired a group called Area Congregations in Service Together, ACIST, which united seven churches in a much-needed afterschool program for local children. He is a member of the youth drug abuse task force by appointment of the county's superintendent of schools.

As a consultant in the person-to-person nursing home visitation program, Reverend Hagin conducted seminars on death, dying, and grief. He enlisted and trained more than 60 volunteers who now serve in 15 nursing homes throughout the county, helping the terminally ill and their loved ones deal with the stark fact of death.

After organizing a food stamp outreach program, Del again went in search of volunteers and to date he has trained more than 200 of them to bring together people in need and a program that will help them. In the process, he forged a strong chain of cooperation between the county department of social services and the community ministry—and he is himself a vital link in what has become a cooperative effort to solve the problems of the needy.

Del is a builder of bridges, but a Joshua when it comes to walls. He has never needed a trumpet—just his voice and his witness and his determination.

It was not enough that he established a food stamp grant assistance program for the county; he then raised more than $11,000 for the county religious community to help finance it.

Del was the moving force in the expansion of the emergency shelter program for homeless people, and he was the organizer of the Criminal Justice Convocation which developed a counseling and visitation program for prisoners and their families.

His many friends will honor Del Hagin Saturday night, May 7, on the occasion of the completion of his work for a doctor's degree in pastoral theology from Wesley Theological Seminary. It will be a time for congratulations, but mostly it will be a tribute to a gentleman who never ducks the "tough ones."

I hope my colleagues in the Congress will join me in saluting the Reverend Doctor Del Hagin. How much better this world would be if there were more like him.

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL FINAL REPORTS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BROWN of Ohio. Mr. Speaker, on Thursday, April 7, the Seventh District Congressional Youth Advisory Council members for the school year 1976–77 met in Urbana, Ohio, to present their final reports and recommendation on legislation they had studied during the current year. The third of four reports follows:

MARION-UNION COUNTIES—NUCLEAR POWER SAFETY—THIRD REPORT

Chairman, Matt Finnegan; Vice Chairman, Kevin Shipp; Co-Secretary, Chris Ward; Co-Secretary, Nancy Robbins.

Committee members: Joanna Rampal, Mike Wissler, Jay Beers, Todd Hoffman, Brent Imbody, Carol Moury, Gwen Wisler, Marlies Bumgarner, Kim Barnes, Mike Coldwell, Mike McCord.

NUCLEAR POWER PLANT SITINGS

Utilities follow a selection procedure that has been developed from many years of siting experience with all types of plants, including 20 years of selecting locations for nuclear plants. Technical, economic, legal, environmental, and public opinion factors are included. Specific site characteristics are evaluated through environmental, engineering, and scientific studies, including ecology, water quality, geology, meterology, archeology, and oceanography. Topography, asthetics, zoning, water supply, and transportation are also considered.

Dispersed siting of nuclear plants, as is now the practice, is considered the most feasible and practical way to locate nuclear facilities. However, at some time in the future a nuclear power system might accommodate both dispersed sites and nuclear energy centers. Depending on location, such centers—combining up to 20 nuclear power reactors on a single site—could offer advantages. At present, as a recent study shows, there is neither great advantage nor compelling need for such centers.

The sites of nuclear power plants are carefully chosen after much study to avoid areas of high earthquake likelihood and active faults. Each nuclear plant is required by Federal regulations to be designed to withstand the maximum earthquake motion that could be expected at its site and then be able to shut down. This must be done without risk to the public.

The chances of surface faulting under a nuclear power plant are almost negligible. Nuclear power plants are not knowingly sited in fault zones. Federal regulations specify minimum distance of power plant sites from fault lines of various lengths. Fault lines are sometimes uncovered during exacavation for the foundations of nuclear power plants. They are carefully examined to assure that they are inactive before construction is allowed to proceed. Because of active faulting some sites are not suitable for nuclear power plants.

The contribution from presently operating and future nuclear power plants is, and will be, an insignificant part of the total exposure. Another way to look at it is that if nuclear power plants were completely eliminated as radiation sources, the drop in average radiation exposure would not be detectable. No member of the public has ever been exposed by a commercial nuclear power plant to radiation levels above the annual dose limits for the general public. The record in commercial power production has been outstanding, with few over exposures.

A comparison has been made (by Federal standards) for radiation with air quality standards for nitrogen and sulfur oxides, two major air pollutants from combustion of natural gas, fuel oil, gasoline, and coal relative to their biological or medical effects and natural background levels. Natural background is the level present in the natural environment in the absence of human activities. Only in the case of radiation is the standard below natural background (by a factor of about 100). Also, only in the case of radiation are the actual levels far below both the standard and natural background.

Dr. John Gofman and Dr. Arthur Tamplin made the alarming statement that 32,000 extra cancer deaths per year will result from radioactivity released from nuclear power plants. Their estimates however, were made by improper use of existing data and on the assumption that every person in the U.S. received 170 mrem/year from nuclear power plants for 30 years—a physical imponsibility. Hence, nuclear power plants will continue to be built.

The 5 CAPCO utilities plan 13 additional reactors to be constructed between 1985 and 1992. These utilities also plan to recycle the plutonium produced in their reactors for use as fuel. Our country appears headed towards an irreversible plutonium economy without adequate public information or debate.

POSSIBILITY OF SABOTAGE TO A NUCLEAR POWERPLANT

The difficulty of causing serious trouble with nuclear plants, fuel, or waste make the likelihood of successful misuse to harm the public quite remote. Nuclear fuel is quite safe when stored in a reactor. While it is radioactive, the fuel is surrounded by a thick pressure vessel that requires special tools to open and is surrounded by many feet of concrete in the sealed and locked containment building. In addition to the innaccessibility of the nuclear fuel, reactors have extensive security systems that make access virtually impossible.

Like any industrial facility, a nuclear power plant could be damaged by sabotage, but the danger to the public would be quite minute. To damage the plant would require a team of trained people to overpower the guards, disable or destroy all the plants' safety features, and blow up the reactor pressure vessel (14 inches of steel) and containment building to release any fission products. Even if these tasks could be completed before help arrived, the danger to the public would be very small. The Rasmussen Report showed that if this happened, the release of radioactivity would be no greater than those calculated for accidents with similar failures.

It would again be possible for a foreign country to sabotage a nuclear power plant, possibly in the form of bombs, but again the radioactivity released would be very small. It would be more profitable for the country to drop the bomb on a civilized area than on a plant, so the chance of this happening is small.

Terrorists could attack a shipment of waste, but it is doubtful that they could penetrate the fuel cask. Even if they did, they would be exposed to lethal radiation while doing so, so this is not likely to occur. However, if it did, only a small area would be contaminated and it could be cleaned up.

Precautions have already been started to insure public safety in this area. The NRC now has the option to request background investigations of, or clearances for, individuals who have access to nuclear materials. The NRC is also studying a proposal to create a Federal security force to protect plants handling vital fuel materials and shipments.

Although there are always risks in any venture, the risks concerning nuclear plants, fuel, or wastes are much smaller than the risks we routinely accept as part of our daily lives.

EFFECTS OF HUMAN ERROR

Very few accidents reported have been related to human error. The damages in these few cases were very minimal. Some accidents could have been prevented if better safety checks had taken place. Human error is seldom the reason for accidents because the energy plant is operated by a computerized system. Terrorists sabotaging for the purpose of publicity and anti-nuclear demonstration have caused extensive damage to the plants. Due to severe damages many plants have closed down but yet the public safety was not endangered.

EMPLOYEE SAFETY

Nuclear energy plants offer a substantial employee safety program although many restrictions need to be reevaluated. Since nuclear energy is a fairly new project, employees should obtain the right to view their opinions and ideas without jeopardizing their jobs. It has been proven that the Nuclear Energy Employee Safety Program represents less risk to the workers than oil-fired plants and far less risk than coal-fired plants.

NUCLEAR WASTE DISPOSAL

The issue of nuclear waste is one of the first ones raised by opponents of nuclear power.

It is claimed that wastes present a hazard to health. This is true of some of the methods used in the past, such as the burial of low level wastes in shallow dirt. Also, storage of liquid wastes above ground leaves the danger of leakage into the soil and water table.

The best solution to the problem appears to be burial of the waste products, which would be stored in sealed containers and then buried in subterranean salt mines. The heat emitted by the wastes would melt the salt into a stable container and would seal the salt container. This salt-mine container would be able to withstand the shock of an earthquake.

The wastes of nuclear power are comparatively small. The yearly waste from a 1000 mw plant which is coal-powered is 230,000 tons, while the waste from a nuclear plant would only be 11.6 tons. Another way of putting it is that the nuclear waste generated in providing all the electricity used by an individual in his entire lifetime is about the same size as 100 aspirin tablets.

The volume of nuclear wastes can be cut by fuel reprocessing. Only two-thirds of the fissionable uranium in a fuel element is consumed before the fuel is removed from the reactor for economic reasons. Recovery of the uranium will reduce the cost of power production by about 2.5%.

NUCLEAR REACTOR DESIGN

Since the beginning of nuclear reactor design, scientists and engineers have been designing reactors on the basis of the worst possible accident. The designers consider all improbable events or a collection of accidents until a point is reached at which it is agreed by designers and reviewers that the situation assumed is impossible or incredible. Thus the DBA (there may be more than one for a plant) becomes a basis for the design of safety systems for the plant.

Light water reactors, which are currently the main type in use, set their DBA at a loss of coolant accident. This highly unlikely accident would occur if a coolant pipe leading into the reactor would completely rupture resulting in a total loss of reactor cooling. It is from this accident that most safety systems are designed.

The design of a plant is considered in depth when a utility applies for a construction permit and once again when a operating license is under consideration. Such things as technical qualifications, safety analysis, environmental impact, and an overall description of the plant are studied.

Safety design may differ from plant to plant but all incorporate seven basic physical barriers.

They are:

1. Ceramic fuel pellets—allows only a fraction of gaseous and volatile fission products to be released.
2. Metal fuel cladding—contain fission products from pellets (less than 0.5% may develop pinhole leaks.)
3. Reactor vessel and piping—8–10 in. steel vessel and 4 in. steel piping contain cooling water.
4. Concrete shield—7–10 feet thick; protects operators and equipment.
5. Domed containment—prevents release of radioactive material in case of coolant leak.
6. Exclusion area—separates plant from the public; entrance is restricted.
7. Plant separation—plants are located away from population centers.

Nuclear power plants are designed on the basis that everything will go wrong. It is this view that has led to the plants' safety record. No licensed nuclear plant in the U.S. has ever caused property damage or injury to the public or operating personnel as a result of the radioactive process in more than 200 reactor years of operation.

HOUSE OF REPRESENTATIVES BILL, APRIL 7, 1977

Mr. Brent Imbody, Mr. Mike McCord, Mr. Kevin Shipp, Miss Chris Ward, Miss Joanna Rampal, Miss Carol Moury, Miss Gwen Wisler, Miss Nancy Robbins, Mr. Jay Beers, Miss Kim Barnes, Mr. Todd Hoffman, Mr. Matt Finnegan, Mr. Mike Wissler, introduced the following bill:

A bill to provide that the duties of the Nuclear Regulatory Commission be expanded and reformed by deadlining the period of consideration of applications for new nuclear power plant sites, forming a safety committee to re-evaluate existing nuclear power plants, and requiring a referendum vote on proposed plant sites by all involved counties

Whereas the Nuclear Regulatory Commission's average "consideration" time of an application for a nuclear power plant operating license is approximately 4 years, be it resolved that a 2 year deadline be placed on the said application in which time the Nuclear Regulatory Commission is to decide for or against the request. Within this 2 year deadline, all site evaluatory studies deemed necessary, including geological environmental studies, must be conducted and completed by the Nuclear Regulatory Commission to aid in their decision.

The Nuclear Regulatory Commission is hereby directed to form a safety committee deemed the "Re-evaluation and Safety Committee" with the express duty of inspecting, testing, and re-evaluating all existing power plants as to safety standards. These inspections will be on an unannounced, irregular basis but no less than twice each year. Any safety infractions discovered will automatically produce the issuance of a "correction order" by the Re-evaluation and Safety Committee in which a period of time, decided by the Re-evaluation and Safety Committee according to the nature of the problem, will be allowed for correction. If all problems are not corrected to the standards of the NRC in the allotted time, the plant's license will automatically be revoked and a fine not to exceed $500,000 (five hundred thousand) dollars placed on the plant's owners. Amendment No. 2 (below). The amount of the fine will be decided by the NRC by consideration of each case. If corrections are then made to meet standards, the plant's license will be reinstated.

The NRC expansion program including the increased manpower needed to speed up the processing of applications and the creation of the Re-evaluation and Safety Committee will be funded by an increased appropriation from Congress, based on the nuclear power's merit as a power source. Amendment No. 3 (below)

Amendment No. 2—For a nuclear plant to receive a license they must first provide an acceptable non-nuclear back up system for the purpose of providing the customer with a continuous power supply despite the nuclear reactors being deemed unsafe and therefore unoperable.

Amendment No. 3—Number of members, salary, et cetera, of the Re-evaluation and Safety Committee will be decided by the NRC.

THE ENERGY PROBLEM

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. STEERS. Mr. Speaker, the President's message on April 20 accurately described the problems we face because we consume more energy than the available supply. There is little question, in my mind, that we need to conserve our energy resources, in particular oil and natural gas. How can that be done? My thoughts as a member of the House Ad Hoc Select Committee on Energy are as follows:

SOLAR ENERGY

I am a sponsor of H.R. 6555, a bill to provide tax credits to homeowners who convert to solar energy. In addition, I have introduced H.R. 2534, a bill to provide low-interest loans to homeowners who convert to solar energy. I fully support the President's goal of using solar energy in over 2½ million homes.

INEFFICIENT CARS

For too long, we have produced cars that perform in an inefficient manner, returning few miles per gallon per passenger. In response to this problem the President has proposed a tax on newly manufactured "gas guzzlers." While I do see the need for this measure, I would favor an exemption or some form of relief for those people who, due to physical disability, a large family, or other basis need a larger automobile. I do not agree with the President's request for standby authority for a tax on the purchase of gasoline by the consumer. I feel that this is an inequitable tax that would hurt those people who drive to work and cannot afford a further increase in the cost of gasoline.

MASS TRANSIT

During my campaign for this congressional seat, I favored the use of surplus highway trust fund money to be used to further the use of mass transit systems. The President has requested that the trust fund now be diverted to the States to aid in State highway maintenance due to a lack of State tax revenues from the decreased consumption of gasoline. I feel that the concept of conservation would be assisted if we allocated more money to mass transit, such as the Washington, D.C., Metro system.

UTILITY REFORM

During my service in the Maryland State Senate, I introduced a bill that would force the utilities to charge all users their "fair share" of the costs of power they use. That is there would not be a lower rate available for big users unless the cost of supplying big users was lower. My bill passed the Senate, but failed to become law. In the 95th Congress, I am a sponsor of H.R. 4176, a bill to restructure the utilities' rate practices, in a manner similar to my bill in the Maryland State legislature.

PRIVATE INDUSTRY

As in the past, the Federal Government will be controlling the price of oil for the immediate future. The President is also proposing a control over windfall profits. While I strongly support the mechanisms of the free enterprise system, I feel this control is essential to remind all citizens that no one will profit from the problems we are experiencing in the energy field, over those legitimate profits necessary for a fair return on equity and for research and development of energy resources. I do think that one of the best incentives that can be provided to private industry is the decontrol of new oil and natural gas. By new oil and gas I mean those oil and gas fields where drilling takes place after the effective date of proposed legislation. This would encourage fuller development of domestic and offshore energy resources.

NUCLEAR POWER

I was formerly involved in the atomic energy field, first as an official of the U.S. Atomic Energy Commission, later in private development of atomic discoveries. I am aware of both the promise and the problems of the atom. It is important that we obtain the benefits of pollution-free nuclear power. Perhaps even more important is the need to develop truly safe procedures for the disposal of nuclear waste, protection from terrorists who might steal atomic bomb material, and "fail safe" procedures to guard against nuclear plant accidents.

INSULATION

One of the benefits of representing a district so close to the Capitol, is the immediate feedback I can get from my constituents. Many of them have expressed an interest in the possibility of a "retroactive" tax credit, particularly for home insulation. It is really only the inaction of the Congress that has deprived these citizens who acted on their own, of the same benefits that many other citizens will now receive, if the President's ideas are enacted. I think it would be only fair if the Congress considered a measure of retroactivity.

As a member of the Ad Hoc Select Committee on Energy, I am deeply concerned with the complex issues which the energy crisis involves. I will do all I can to assure that Congress fashions an effective and equitable package of energy laws.

"TRANSPORTATION AND ENERGY: THE GAS GUZZLER TAX AS A VIABLE ALTERNATIVE TO A GAS TAX HIKE"

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. SHUSTER. Mr. Speaker, President Carter has recommended that a maximum tax of $450 be imposed on the purchase of new gas-guzzler cars next year; that is, cars rated by EPA at 12 miles per gallon or less. This proposal would also reward those who purchased fuel-efficient autos, up to a $400 rebate, for those with the best fuel ratings.

I support this approach to encouraging energy consciousness, Mr. Speaker. Indeed, I recommended a similar plan several years ago when energy conservation became a visible national issue. I believe it is a fair and equitable method to encourage the production and purchase of more fuel-efficient autos, and is a better alternative to increasing the gasoline tax, which would have questionable conservation value and be unfair to rural Americans as well as those in our society who are poor and disadvantaged.

In the interest of promoting a full and impartial debate on this subject, I commend to my colleagues an article I came across in the April 25, 1977, edition of the Wall Street Journal, which deals with the impact a gas-guzzler tax would have on achieving national energy goals.

I believe our national energy posture is so important that every argument should have a full and impartial hearing. Therefore, despite my strong conviction to support a gas-guzzler tax, I hope the following article contributes to the national energy debate:

YOU WANT TO AVOID GAS-GUZZLER TAX? TRY FULL-SIZE BUICK

(By Charles B. Camp)

DETROIT.—Suppose you're in the market for a new car. And suppose President Carter's scheme to tax the sale of so-called gas guzzlers and give rebates on economical models were already in effect. What should you do?

You could stuff yourself, your spouse, two kids and dog into a Chevrolet Chevette minicar and pocket a $400 rebate. Or you could be a bit less patriotic, splurge on a larger Ford Granada compact and still get $225 back. Then again, you could just buy a full-sized Buick LeSabre sedan and take the consequence. What would that be? A $90 *rebate*.

If you're surprised that even a big Buick could qualify for a rebate instead of a stiff tax, you've probably got lots of company. For in the swirl of publicity and discussion surrounding President Carter's proposed crackdown on energy-wasting autos, an important fact has been largely obscured: The classic American "gas guzzler" is already on the way out.

President Carter is urging a maximum tax of $450 next year on the sale of new cars rated at 12 miles per gallon or less, for example, but such new cars probably will be hard to find. Only a few 1977 models are that bad. And there certainly won't be any around in 1985 to suffer the ultimate $2,500 gas-guzzler tax reserved for them. It is unlikely there will even be any 15 m.p.g. jobs in 1985, and you might even have to search to find a 1985 model car with mileage as low as 20 miles per gallon.

BIG IMPROVEMENTS

The reason is that auto makers are already well into a major program to sharply improve the fuel economy of their cars. By law, each company's 1985 new-car lineup is supposed to average out to 27.5 m.p.g., compared with around 17 m.p.g. now. And while auto men have avoided flatly saying so, it is becoming increasingly clear they are going to make it.

They are trimming the size and slashing the weight of future models, dropping overpowered engines (General Motors hints all its V-8s might disappear by 1983) and developing an array of technological improvements to increase mileage. In the works are new or modified engines, better transmissions, more slippery oil and grease to cut friction and tires that would let cars roll down the highway more easily.

What's more, despite some dire warnings to the contrary, Detroit aims to maintain a wide choice of models, including cars that will qualify as practical "full-sized" family automobiles although smaller than today's.

It isn't that auto makers are unconcerned about President Carter's proposed gas-guzzler tax scheme. Instead Henry Ford II, chairman of Ford Motor Co., sees it as an affront. "We are already fully committed to meeting the law on the books right now," and Ford is investing "billions" to achieve the required 27.5 m.p.g. new-car average by 1985, Mr. Ford says. President Carter's proposal "seems to challenge the industry's intent and ability to meet the law," Mr. Ford complains. Other auto men claim that the existing law alone will reduce gasoline consumption by 17%, when President Carter has asked only a 10% cut.

MODEL-BY-MODEL RULES

But it is still a source of anguish for Detroit that even if it consistently improves its new-car mileage year after year between now and 1985 as the current law demands, some of its cars would probably still be taxed under the new proposal. That's because in a given year a company's overall fuel-economy average may be within the legal limits but still include some models that are worse than the prescribed norm. Under the President's "gas guzzler" penalty plan, any models that are worse would be taxed in hopes of discouraging their sales. (Any above would be given rebates to encourage their sales.)

Thus, when auto makers hit the required 20-m.p.g. overall average in 1980, any individual car that is rated at 19 m.p.g. or less would face taxation starting at about $50. And in 1985, any car one mile per gallon or more below the 27.5-m.p.g. standard would be taxed at about $65 and up.

But because auto makers are improving their cars' economy, the actual incidence and severity of such penalties, particularly in later years, may be limited. Not only would a base-model 1977 big Buick qualify for a rebate under the tax-and-rebate schedule proposed for next year, for example, but the same model without any further improvement would theoretically be eligible for sale penalty-free in 1980, because it is already rated at 20 m.p.g. With improvements—and some are likely—the same model would be sold without a tax even longer.

Auto makers aren't saying how bad the worst cars in their company-wide averages might be over the next few years. Admittedly, a company could achieve its overall average by relying on a few very economical cars to offset some very inefficient ones, and if it did the tax scheme would come more into play. But by 1985, that ploy probably wouldn't work, so the inefficient cars will have to be pretty good by today's measures. "We're working to get the bottom cars as close to 27.5 m.p.g. as we can," says GM's chairman, Thomas A. Murphy.

Some sources say that the least-efficient cars by then might be rated as high as 25 m.p.g. That would put them in line for a $220 tax. If the worst cars were to be rated at 20 m.p.g., the tax would be a stiffer $735, but still far below the punitive $2,500 maximum. When applied against full-sized cars that are already priced upwards of $6,000, taxes of a few hundred dollars might be of limited value in discouraging regular buyers of these kinds of cars, some sources suggest. That's especially true, says auto critic Ralph Nader, if the tax is "spread out month after month in car payments."

Federal officials simply don't believe Detroit really intends to improve its least-efficient cars as much as indicated. "I'd be happy to see a 20 m.p.g. Cadillac; I'd even be happier to see a 25 m.p.g. Cadillac," says John O'Leary, federal energy administrator. But he says he doubts the worst offenders will be eliminated "unless Congress adopts this tax to keep the pressure on." Mr. O'Leary declares, "Without the tax, we think we'll have a lot of gas guzzlers in 1985."

Auto makers are officially mum on details of how they hope to achieve their sweeping mileage gains because they regard such information as competitive. Only recently have they abandoned the position that meeting the 1985 rules is impossible; they have resorted to lamenting the risks and difficulties involved. Yet some major steps and innovations are clearly contemplated.

UP WITH "DOWN-SIZING"

The best-known and most obvious will be an acceleration of the "down-sizing" process begun by GM this year on its big cars, to remove hundreds of pounds of weight. Generally, auto makers say for every 400 pounds of weight removed, a car's mileage will rise about one m.p.g. if everything else is left unchanged. Such changes as less-powerful engines usually are made at the same time, however, yielding bigger gains.

GM cut an average of 700 pounds off its 1977 big cars, and this fall it will introduce a new line of equally lightened intermediate-sized models. Ford this fall will come out with a redesigned line of compacts it says will have "outstanding" mileage. By 1981, both companies will have overhauled, at sizable cost, every type of car they produce. Chrysler Corp. will have replaced its four model lines completely by 1985, cutting an average of 900 pounds a car.

But there are some surprises coming in this "down-sizing" game, too. For one thing, according to a "hypothetical scenario" contained in one GM document, the giant auto maker could begin a second round of weight and size reductions in 1983, cutting another 700 pounds off its big cars that year, followed by another 500-pound cut a year later on its intermediates. In 1985, the GM full-sized model could weigh less than today's GM compacts.

Moreover, the GM document casts doubt on the claim of some auto industry men that by then even Detroit's shrunken big cars will have to be sold in restricted numbers (and consumers will have to be forced into the littlest models) to keep a company's mileage average on target—because the average will be weighted according to sales of individual models. The GM 1985 "scenario" shows the smallest cars taking 33% of projected sales, up only modestly from a current 26%. The vast majority will still be classed as intermediate and large, albeit smaller than now. "We are trying to produce the types of cars that America and Americans need," GM's Mr. Murphy explains. "Not just small cars, but cars that have the performance and comfort of today's full-size along with better fuel economy."

DIESELS IN CADILLACS

Engines may also change significantly. GM plans to begin installing diesel engines in some Oldsmobiles and, though it hasn't yet announced it, in the Cadillac Seville in 1978. The diesels are intended for limited volume at first, but they could be in up to 25 percent of 1985 models, by some estimates. Diesels, which burn heavier fuel than gasoline and operate on a slightly different principle from conventional auto engines, hold the potential for 25 percent mileage gains.

On the other hand, Ford professes little interest in diesels. It is planning to produce, a system for conventional engines that could help mileage by at least 10 percent by simply shutting off some of the cylinders in the engine when they aren't needed, as when slowing down or cruising at a steady speed. Ford also is developing a "stratified charge" engine in which gasoline is burned in dense and thin layers for greater efficiency.

Many of today's auto engines will just disappear. Chrysler plans to drop its two biggest V–8s. GM could end up producing only six-cylinder and four-cylinder engines after 1983. That would mean its largest 1985 full-sized car engine could be the size of its smallest one today. To keep pep and performance up, a power-adding device called a "turbocharger" will be used on some cars. This gadget, popular on race cars, will be put into limited production next year on some full-sized GM sedans.

OTHER NEW TECHNOLOGY

Plans abound for other technological developments that over time could add up to a 15 percent mileage gain, sources say. Among them are more efficient transmissions that cut the amount of power wasted between a car's engine and its wheels, and in the case of Ford, some automatic transmissions that will have gas-saving overdrive gears that allow engines to run very slowly while a car cruises along at highway speeds. That feature is limited now largely to cars with less-popular manual gearshifts.

Indeed, almost nothing is being overlooked. GM, for example, has even figured out how to reduce by 35 percent the weight of an air-bag passive-restraint system—a device that inflates automatically to protect passengers in a crash. The irony is that GM, like other auto makers, has consistently opposed government efforts to require the installation of such systems in future cars.

Of course, any of these developments could fail to live up to expectation. There's also a possibility that the federal government could raise the mileage ante on auto makers at any time. There has been talk in Washington of overhauling the way the government measures auto mileage, establishing a more stringent test that would have the same effect as raising all the targets now on the books by about two miles per gallon. That prospect has auto makers crying foul already ("changing rules in the middle of the game," complains GM's Mr. Murphy). And it's entirely possible that after 1985 a new set of even tougher goals could be set. Investigation of that is among President Carter's proposals.

CARTER HUMAN RIGHTS POLICY INCONSISTENT

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. BURKE of Florida. Mr. Speaker, I would like to share with my colleagues a column written by Marilyn Guardabassi giving a woman's view respecting the Carter human rights policy as it appeared in her column in the Fort Lauderdale News on Monday, April 25, 1977.

Mrs. Guardabassi has stated the skepticism of many people in our country about the evenhandedness of the Carter administration's approach to human rights. While reducing aid to our South American neighbors for human rights violations, President Carter is lifting travel restrictions to Cuba, North Korea, Vietnam, and Cambodia. The clandestine meetings which certain officials of his administration have had with Fidel Castro respecting trade negotiations certainly should raise the eyebrows of many of my colleagues here in the House. Certainly countries which he has recently lifted travel restriction to are an indication of his uneven application of his human rights policy since the atrocities which have occurred in these countries are documented and well known.

I commend Mrs. Guardabassi for her statement in question of the Carter policy and offer it to my colleagues as food for thought:

CARTER HUMAN RIGHTS POLICY INCONSISTENT

In view of President Carter's determination to make human rights a condition of American foreign policy, it is difficult to reconcile his words with his deeds.

In March, the administration lifted travel restrictions to four countries—Cuba, North Korea, Vietnam and Cambodia—the forerunner of eventually normalizing relations and sending them aid. It is a strange beginning for human rights.

Washington Report, published by the American Security Council, recently reviewed *Murder of a Gentle Land* by John Barrows, a book compiled from the testimony of more than 25,000 Cambodians who managed to escape to Thailand following the Communist takeover of their country. It is a story the world cannot afford to ignore.

When the United States Congress cut off all funds for military aid to Cambodia in 1973, and in 1975 refused even financial aid, we abandoned a defenseless people to the most heinous takeover in history.

On April 17, 1975, Communist forces (all Cambodians) entered Phnom Penh, the capital of Cambodia and embarked upon a massive "purifying" campaign to eliminate "corrupt" elements. Those elements comprised anyone with a formal education, including teachers and those who owned or operated a business. The most "corrupt" were government workers.

The process of "purification" was simply to tie up all members of a "corrupt" family and force them to watch as Communist soldiers systematically bayoneted the father, cut the throat of the mother and then the throats of the older children, one by one. Tiny babies were saved for last when soldiers took their hands and feet and ripped them apart as other bound, screaming terrified families watched the fate that was in store for them. City after city fell as family after "corrupt" family was "purified." Surviving families were forced to separate, change their names, never to find each other again, and left to wander the ravished countryside, many to die of starvation or exposure. Well over a million died. Then the soldiers destroyed the cities.

The United Nations has not condemned Cambodia. Not one spokesman for the administration has ever mentioned the plight of the Cambodians.

Why does the administration rush to dignify and aid those who seized power from legitimate governments through butchery and brutality? Cambodia, Cuba (with an estimated 50,000 "political" prisoners still rotting in jail), North Korea and Vietnam, all where the vicious suppression of human rights is the only form of rule.

Why are we reducing foreign aid to our South American neighbors for "suspected" violations of human rights when their only crime is trying to prevent a Communist Cambodia type takeover? Why are we continuing and increasing our aid to Iran and the Philippines when their violations of human rights are well known and thoroughly documented?

The emerging pattern is entirely inconsistent with the desired goals. It would be helpful if Mr. Carter would explain his standards for judging violators because it is beginning to look like a giant humbug.

THE "TRIS" CONTROVERSY: ONE SOLUTION

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. MARTIN. Mr. Speaker, the controversy over the chemical, "Tris" is an especially difficult one. The quick answer is the right one: exposure to the chemical poses a significant risk of cancer and, therefore, its use must be eliminated and garments—mainly sleepware for children—impregnated with it must be removed from the market.

So much for the easy question. Now, who is going to be stuck with the bill for all that clothing?

If this were a case of manufacturers simply adding a product of their own free will, as if they were using a new and attractive dye, it should be on their heads. They should, in such a case, bear the financial burden of their acts. If the retailers bought the goods on the cheap from disreputable sources, or if they were cutting corners, as if selling possibly flammable fabrics, it should be on their heads.

In the case of "Tris," however, everyone was acting in good faith complying with a Federal edict, doing what they thought was right, paying the cost, and relying on Washington's opinions. Should they—the law-abiding manufacturers, distributors, and retailers—be stuck with the cost? Some would go bankrupt as a consequence of having complied with Federal requirements. Others will suffer disastrous setbacks. The morally acceptable answer to that last question is "no": the law-abiding textile businesses should be indemnified on direct costs by the Government.

The lead editorial from the Charlotte Observer of April 28, 1977, makes the case for a Federal indemnity very well. I would like to share it with our colleagues:

THE TRIS DEBACLE—HOW NOT TO SAVE CHILDREN

Welcome to the zany world of modern interdependence, where today's solution is often tomorrow's problem.

Problem: 1,500 Americans die and another 100,000 are injured each year when their clothing catches fire. Most of them are very old or very young. Solution: Require the textile industry to make fireproof clothing, at least for youngsters to wear in bed.

Problem: The fireproofing agent causes cancer. Solutions: Wash your child's new pajamas at least three times, thus removing some of the fireproofing agent, before using them; ban the sale of any more of the garments and make the industry buy back the garments still on retail shelves.

What happened? The government blew it. Congressmen and bureaucrats, enchanted by the televised possibilities of taking credit for showing cute little kiddy garments that would not burst into flame, forced the textile industry to do something it said it couldn't do.

The push of the last few years toward fireproofing fabrics can probably be dated from early one January morning in 1970.

Flames nourished by carpeting marched through an Ohio nursing home. When the coroners finished their work they found most of the 32 old men and women who died had been killed by fumes from blazing carpets. From the ensuing outcry came, first, flameproofing requirements for carpets and, second, flameproofing requirements for children's sleepwear.

Industry spokesmen testified they would be unable to meet the new standards as quickly as the government wanted; they were given a two-year grace period. The new standards took effect in July 1973. Under pressure, the industry had come up with a flame-proofing chemical, Tris. Many of the new pajamas smelled funny and felt harsh, but they were flameproof.

But in 1976, a California scientist named Bruce Ames dropped a bomb at a meeting of the American Cancer Society: A new test showed that a chemical known as Tris 2,3-dibromopropyl phosphate, heavily used as a flame retardant in children's pajamas, causes genetic mutations and cancer.

He said the chemical rubs off on the children's skin as they turn and twist during the night and may even be swallowed if they chew on their clothing. As for himself, he said, he had bought thermal underwear for his own children to wear to bed. Tris, it seems, had not been tested for cancer before it was placed on the market.

A good many people may simply roll their eyes at this and figure that everything causes cancer. The truth seems a little more complicated. Dr. Ames' new test worked like this: He took 178 chemicals we know cause cancer in humans. He exposed a certain kind of bacteria to these chemicals he knew would give cancer to humans and found genetic changes in most of the bacteria. He took a fresh batch of bacteria, exposed them to Tris, and found genetic changes. Conclusion: The Tris protecting your child now may produce cancer in 20 or 30 years.

"Benzidine," said Dr. Arlene Blum, another California scientist, "caused liver cancer in virtually all the workers who were exposed to it. Tris is a stronger carcinogen."

The Consumer Products Safety Commission has ordered Tris-treated garments off the market. That's fine; we'd rather take a chance on a fire than on cancer. But two questions remain: Who pays? What happens now to efforts to produce fire-retardant clothing?

We think the government should pay. A lot of manufacturers of children's sleepwear are being forced to buy back from retailers the Tris-treated garments. Some of them will go broke because they followed the government's wishes—before the government reversed itself. The government should take the rap.

Efforts to produce a nonhazardous fire-retardant fabric should continue. But let's not rush into the marketplace with something that will create yet another problem for tomorrow.

DEBATE IS WIDENING ON ENERGY PROPOSAL

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. GRASSLEY. Mr. Speaker, the activities or antics, whichever you prefer, of certain public interest groups and/or individual consumer advocates never cease to amaze me. A case in point would be the reaction of Mr. David Cohen, president of the self-proclaimed citizens lobby by the name of Common Cause, to President Carter's energy plan.

At the outset I would like to make it clear that I am neither condemning nor endorsing the administration's 283-page proposal. It contains what appear to be both good and bad features; nonetheless, I am reserving final judgment until I have the chance to do some more homework and study the particular provisions. After all, the bill was introduced only Monday.

President Carter outlined his proposals to the American people on April 18 and addressed a joint session of Congress on the 20th. The truth of the old maxim that fools rush in where angels fear to tread was confirmed by Mr. Cohen. Portions of a most interesting article which appeared in the April 23, 1977, New York Times, follows:

DEBATE IS WIDENING ON ENERGY PROPOSAL

(Liberals, G.O.P. and Labor Speak Up—Common Cause Asks Support

(By Adam Clymer)

WASHINGTON, April 23.—The public debate over President Carter's energy program is expanding dramatically, with the voices of oil companies and individual Congressmen being joined by those of liberals arguing for the urban poor, Republicans denouncing big government and environmentalists trying to ward off industry pressures.

Today, Common Cause, one of the largest of the public-affairs lobbying groups, asked its 253,000 members to support Mr. Carter's call for a joint Congressional resolution setting energy goals for the nation, seeing it as a tool to establish public commitment before special interests can carve up the program.

David Cohen, the president of Common Cause, said: "We see this support for President Carter's goals as the first priority in rallying the country behind an overall energy policy that is fair, and the only way that it can compete with the various special interests that are zeroing in and picking it apart. We're up against a bunch of sharks."

A number of questions come to mind immediately. First, did Mr. Cohen consult with chapters and the membership at large of Common Cause prior to the blanket endorsement. How many of the 253,000 Common Causers had direct input into the decisionmaking process of that group. Common Cause has pushed for what it calls "lobbying reform" and accountability in Government. This latest pronouncement from Olympus, as it were, calls into question the credibility of Common Cause as a truly representative citizens' lobby.

Finally, Mr. Cohen states that those opposed to a portion of the administration's energy plan, for example the gasoline tax, are nothing more than, and I quote, "a bunch of sharks." Apparently Mr. Cohen would prefer that the American people uncritically embrace a proposal which will have numerous and far-reaching implications. It would seem that some individuals would like to see the American people be more like sheep following the shepherds at the headquarters of Common Cause wherever they might lead. I disagree.

FORCED BUSING DOESN'T WORK

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Forced busing is one of the most divisive issues in American life. An overwhelming proportion of Americans fail to support this massive and inflationary social experiment which is being mandated on innocent children under the guise of equal educational opportunity. It is particularly disturbing that influential Federal officials have been neither forthright nor accurate in reporting basic busing facts. For example, the U.S. Civil Rights Commission concluded its 1976 report, which cost $2.3 million, with a thumping endorsement of accelerated forced desegregation. However, in a nationally televised debate with representatives of the National Association for Neighborhood Schools in November 1976, Commission members were unable to establish any evidence that children derive benefits from forced busing.

In an effort to enhance our factual understanding of this complex and emotional problem, I should like to insert into the CONGRESSIONAL RECORD the following press release concerning the special Black Journal issue "Does Busing Work?" which was recently aired over WNET–TV, New York:

EFFECTIVENESS OF BUSING INTEGRATION CHALLENGED

(By "Black Journal")

On "Does Busing Work?" Week of March 13; Poll: Both Whites *and* Blacks Against Busing

NEW YORK.—Buses were bombed, rocks hurled, children taunted—in some places. Busing has taken place peacefully, for the most part, although in many cities there has been violence. But almost everywhere in the country where busing has been ordered to achieve integration in the schools, there has been resentment and questioning among both Blacks and Whites. The debate has boiled down to a single question, "Does Busing Work?"

That's the issue Black Journal has examined. Produced by WNET/13, New York, Black Journal was distributed nationally by the Public Broadcasting Service to its member station on Monday, March 14, 1977. Hosted by executive producer Tony Brown, Black Journal is produced with the assistance of a grant from Pepsi-Cola Company.

Tony Brown believes that "there is a significant silent Black majority view on busing that is virtually never heard. Because Black leaders are the only members of the Black community who get media exposure, the public only hears their perceptions of busing for integration purposes, and Black leaders are overwhelmingly in favor of busing. This program will depart in that respect."

There is mounting evidence questioning the effectiveness of busing. The United States Civil Rights Commission in a report costing more than a million dollars, cannot substantiate the success of busing for desegregation purposes. Scholars who once supported busing after extensive research have now according to Brown, "documented its failure and point instead to a deterioration of educational achievement and race relations . . . Everyone agrees that the findings to support the success of busing for desegregation purposes are inconclusive. This is really a polite way of saying that it does not work."

Black Journal examines the work of two social psychologists—Dr. Normal Miller of the University of Southern California and Dr. Harold Gerard of the University of California, at Los Angeles, authors of the book *School Desegregation*, a ten-year study of a large scale busing program in Riverside, California. The two scientists conclude that busing caused no real change in achievement, motivation or personality for the Black and Chicano children who participate in the program, and that it was "arrogant" to assume that minority children would assume the values of the middle-class White children with whom they sat in class.

The "Does Busing Work?" edition of Black Journal also presented excerpts from a debate on busing produced last November by public television stations WETA, Washington, D.C., and WGBH, Boston, Mass. Arthur Fleming, chairman of the United States Commission on Civil Rights, and Ms. Frankie Freeman, a member of the commission, argue in favor of busing. Dr. Lino Graglia, a professor of law at the University of Texas, and Dr. Herbert Walberg, of the University of Illinois at Chicago, argue against. They are both representatives of the National Association for Neighborhood Schools, a Denver-based anti-busing group.

Opinions on busing were sharply divided in the Black Journal poll, which consists of two samples—*Ebony Magazine's* 100 Most Influential Black Americans and another 100 Black leaders selected by Black Journal. Although the Ebony sample responded affirmatively by 93% to the question, "Should children be bused to schools outside their neighborhoods to achieve desegregations?" 58% of the Black Journal sample does not want busing. A Louis Harris poll shows that 81% of the American public is opposed to busing—85–9 among Whites, 51–38 among Blacks.

However, although there is disagreement about busing, both samples agreed that since busing is the law it should be followed—94% of the *Ebony* sample, 77% of the Black Journal sample. Likewise, the Lou Harris poll found that by 52–41% the public is prepared to live with the rationalization that busing is the law and should be obeyed.

Asked whether or not busing will improve the quality of education for all students, 66% of the *Ebony* sample responded, "Yes", while 74% of the Black Journal group said, "No". Both samples, however, believe that busing gives students a chance to get to know other students with different backgrounds.

"Equality—not integration—should be our national objective," Black Journal concludes. "Integration cannot lead to equality, but equality can lead to integration.

". . . Whites who oppose busing must lose their fear of being called racists and Blacks must stop the automatic adoption of integration as a cure-all for the problems of Black children. Both must embrace a higher principal of truth: It is not necessarily good or bad because it is Black or White. It is good or bad because it does or does not work."

AMENDING CLEAN AIR ACT

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mrs. SMITH of Nebraska. Mr. Speaker, H.R. 6161, amending the Clean Air Act, will be before the House of Representatives in the near future.

When that bill reaches the floor, I plan to introduce an amendment to correct a situation which has resulted in discrimination against small gasoline refineries throughout the country.

The Environmental Protection Agency has decreed that all petroleum refiners must reduce their total usage of lead in gasoline to 0.5 grams per gallon by October 1, 1979.

Because of many complaints, however, the EPA is reconsidering that deadline for small refiners, but no consideration has been given to the hardships this regulation will cause small refineries.

There is a difference. A small refinery may be operated by a company that is not considered under the rules to be a small refiner. In that case, the refinery—no matter what its size—will be forced to produce gasoline with a 0.5 gram per gallon lead content.

Because the cost of complying with the EPA regulations will be prohibitive, many of the small refineries might be closed as an alternative to modifying the equipment and making other necessary changes.

Since most of these small refineries are located in relatively isolated areas, their closings would have a significant, negative impact on the economies of the areas they serve. This would include the loss of jobs at the refinery, the increase in the cost of gasoline to consumers who would have to turn to other sources of supply in distant communities and the overall reduction in the gasoline production capability of the petroleum industry.

Since gasoline production is important to this country, the elimination of rural-oriented refineries because of regulations which were obviously drafted with urban areas in mind should not be allowed to occur.

The amendment I intend to offer recognizes the special problems of the small refinery, yet does not alter the environmental goals of the EPA.

Briefly, it provides a formula to allow lead content in gasoline produced by refineries with a capacity of less than 50,000 barrels per day to be above 0.5 grams per gallon. Gasoline production figures can also be taken into account in the formula.

The formula allows the smaller refineries to produce gasoline which contains higher lead content. Most of the customers of the small refineries are in agriculture and mainly used leaded, regular gasoline for their trucks and farm equipment. In addition, studies have shown that lead has minimal effect on plant or animal life. Thus, the health factor is not a consideration.

Compared to the larger refineries, small plants have limited equipment, limited capital, rural locations, unique markets, different demands and other unusual circumstances involved in their operations. According to government figures, there are 76 refineries throughout the country that would be affected by this amendment.

Any refinery producing more than 50,000 barrels per day would be required to meet the current EPA standard of 0.5 grams per gallon of lead.

I believe, therefore, that it is in the national interest to treat the small refinery separately and fairly with respect to the scheduled lead phasedown regulations.

A copy of my proposed amendment follows:

AMENDMENT TO H.R. 6161, AS REPORTED OFFERED BY MRS. SMITH OF NEBRASKA

(New Provision to be Added to Section 220 of H.R. 6161)

Add the following new subsection to Section 220:

"(g) (1) For purposes of this subsection—

"(A) The terms 'gasoline' and 'refinery' have the meaning provided under regulations of the Administrator promulgated under this section.

"(B) The term 'small refinery' means a refinery of gasoline which—

"(i) was in operation on October 1, 1976, and

"(ii) has a crude oil or bona fide feed stock capacity (as determined by the Administrator) of less than 50,000 barrels per day.

"(2) No regulations of the Administrator under this section (or any amendment or revision thereof) respecting the control or prohibition of lead additives in gasoline shall require a small refinery to reduce the average lead content per gallon of gasoline refined at such refinery below the lower of the applicable amount specified in table A or table B below:

TABLE A

If the refinery capacity in barrels per day is____	The applicable amount (in grams per gallon) is—
2,000 and under______	3.0
2,001–4,000 ____________	2.9
4,001–6,000 __________	2.8
6,001–8,000 ___________	2.7
8,001–10,000 __________	2.6
10,001–12,000 __________	2.5
12,001–14,000 _________	2.4
14,001–16,000 __________	2.3
16,001–18,000 _________	2.2
18,001–20,000 _________	2.1
20,001–22,000 _________	2.0
22,001–24,000 _________	1.9
24,001–26,000 _________	1.8
26,001–28,000 ________	1.7
28,001–30,000 _________	1.6
30,001–32,000 _________	1.5
32,001–34,000 _________	1.4
34,001–36,000 _________	1.3
36,001–38,000 _________	1.2
38,001–40,000 _________	1.1
40,001–42,000 _________	1.0
42,001–44,000 _________	0.9
44,001–46,000 _________	0.8
46,001–48,000 _________	0.7
48,001–50,000 _________	0.6

TABLE B

If the average gasoline production of the refinery (in barrels per day) for the immediately preceding calendar year was—	The applicable amount (in grams per gallon) is—
1,000 or under________	3.0
1,001 to 2,000__________	2.9
2,001 to 3,000__________	2.8
3,001 to 4,000__________	2.7
4,001 to 5,000__________	2.6
5,001 to 6,000__________	2.5
6,001 to 7,000__________	2.4
7,001 to 8,000__________	2.3
8,001 to 9,000__________	2.2
9,001 to 10,000_________	2.1
10,001 to 11,000________	2.0
11,001 to 12,000________	1.9
12,001 to 13,000________	1.8
13,001 to 14,000________	1.7
14,001 to 15,000________	1.6
15,001 to 16,000________	1.5
16,001 to 17,000________	1.4
17,001 to 18,000________	1.3
18,001 to 19,000________	1.2
19,001 to 20,000________	1.1
20,001 to 21,000________	1.0
21,001 to 22,000________	0.9
22,001 to 23,000________	0.8
23,001 to 24,000________	0.7
24,001 to 25,000________	0.6

"(3) Effective on the date of the enactment of this subsection, the regulations of the Administrator under this section respecting fuel additives (40 C.F.R. Part 80) shall be deemed amended to comply with the requirement contained in paragraph (2)."

THE CARTER ADMINISTRATION'S REASONS FOR OPPOSING THE CREATION OF A NATIONAL CONSUMER COOPERATIVE BANK AT THIS TIME

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. LAFALCE. Mr. Speaker, last year the Ford administration expressed complete and uncompromising opposition to the concept of a National Consumer Cooperative Bank.

The Carter administration's approach differs markedly from that of the past administration. I believe that this administration does care greatly about people and their problems, and I think that there have already been innumerable examples demonstrating this to any objective observer.

There are those, Mr. Speaker, who equate fiscal prudence with heartlessness. I am not among those who think that way.

There are those, Mr. Speaker, who feel that an honest disagreement on an issue, and a recommendation to go in a direction different from their preconceptions, think that way.

There are those, Mr. Speaker, who say that the Carter administration's proposals with respect to consumer cooperatives are equivalent to an effort to kill the bill. I disagree, and I think that anyone who looks at the record objectively will conclude, as I have, that the administration's proposals are sincere and positive in their intent.

The problem, of course, is that information in the House of Representatives flows by word of mouth, and sometimes the facts do not get all of the attention they ought to get. A quick catch-phrase, such as "The administration is trying to kill the program," replaces reasoned discourse. This problem can never be totally overcome, but we can try from time to time to bring all of the facts out. That, frankly, is what I am trying to do today.

Accordingly, Mr. Speaker, I submit for publication in the RECORD the text of the testimony which was presented by the administration on the Consumer Cooperative Bank proposal. The administration's recommendations were presented by Roger Altman, Assistant Secretary of the Treasury-Designate. I urge all of my colleagues to read Mr. Altman's testimony carefully:

STATEMENT BY THE HONORABLE ROGER C. ALTMAN

It is a privilege to be here today to discuss with you legislation to assist consumer cooperatives.

We have noted the success of cooperatives in this country in broadening competition. The self-help nature of these enterprises has been popular, and we now have 50 million user-owners.

We also recognize the useful role which cooperatives can play in the further development of our private sector. We believe that Federal assistance to encourage them, particularly in under-developed or depressed areas, probably is preferable to government grants or other direct intervention in those areas. Furthermore, we support government efforts to assist the cooperative movement and we are open-minded concerning new methods of providing this assistance in a more effective way.

Yet, before this Administration can support H.R. 2777, we must have more evidence concerning the need for, and cost effectiveness of, creating a Consumer Cooperative Bank and the related entities proposed here. It seems to us that much remains to be learned about (1) the specific unsatisfied financial and nonfinancial needs of cooperatives which the Government should address, (2) the type of capital which cooperatives most require, (3) the existing government programs which might be expanded or better coordinated to help cooperatives and (4) whether an existing government entity, rather than a new one, is best suited to handle cooperative issues.

An answer these questions, the Administration proposes to establish an interagency task force on consumer cooperatives, chaired by the Treasury Department. It will be a balanced group and, in particular, will include Esther Peterson, the President's recently appointed Assistant for Consumer Affairs.

One of the principal tasks of this interagency group will be to establish, in an existing agency, a pilot project lending facility for consumer cooperatives. Such a facility will make a small amount of loans to consumer cooperatives and provide technical financial assistance to them. In addition, it will be specifically charged with collecting evidence concerning the financing needs of cooperatives. The results of this pilot project will be presented to Congress, of course, after a specified period.

We believe such a study and pilot project are needed because, today, there simply is not sufficient evidence to support a comprehensive commitment of the size and structure envisioned in this Bill. There is insufficient data concerning the unmet financing needs of consumer cooperatives, what form of financing assistance would be most effective, and how much of it is truly required.

As you know, Mr. Chairman, the President is committed to simplifying government and making it work more effectively. In this spirit, I believe that compelling evidence should be available before any broad new programs, major budgetary commitments, or new federal bodies are established. We do not yet have such evidence supporting this legislation and thus think that the first step should be to develop it. Pending that development, we proposed that the major commitment embodied in H.R. 2777 be postponed.

On a more positive note, Mr. Chairman, let me discuss now the agenda of this interagency study group we have proposed. First, it will address the aggregate demand for financial assistance by all consumer cooperatives and how this demand is now being met by conventional, private financing sources. In particular, it will address the extent to which cooperatives have difficulty borrowing because they are cooperatives or for reasons which would make it difficult for any organization to borrow—small volume of business, little track record, etc. Second, it will develop data concerning the specific needs of cooperatives on an industry-by-industry basis and the availability of private financing to meet these specific needs. Third, it will determine the type of financing assistance which cooperatives need most—short- or long-term loans, equity capital, etc. A critical benefit in making these assessments, of course, will be the experiences gained through the pilot project loans.

Fourth, in a different vein, we will address which of their financing needs government could particularly help satisfy and whether this Bank is the best form of government assistance. In the past, government often has hurriedly created a new program and dispensed funds without sufficient regard to the most cost effective means of meeting the needs in question. We hope to avoid that here.

Fifth, the study would try to identify and better coordinate existing Federal programs under which cooperatives can already receive assistance. These loan programs, including housing and health maintenance programs, already exist to accomplish certain economic and social goals, and we shouldn't duplicate them. In particular, we shouldn't unnecessarily create a new housing finance entity, rather than expanding and/or improving those we now have.

Finally, as I have said, we will be making loans, on an experimental basis, to consumer cooperatives. For the first time, we will have first-hand information and experience on the types of cooperatives who seek loans, the size of their demand, the procedures for making loans, the coordination of loans with other federal programs, and the degree of technical assistance required.

We have not yet determined, Mr. Chairman, which agency would be best suited for carrying out this pilot project, but selecting that agency will be a first priority of our interagency task force. Essentially, this group's first job will be to set up the pilot project and the method of collecting the needed data. In addition, the group will determine how to include a technical assistance capability in the pilot loan program.

We suggest that the pilot project extend over two years. This should permit sufficient time to make a series of loans, assess their success, and collect the requisite data. Loans carrying maturities of more than two years, of course, probably will be made. If it is later determined that a Consumer Cooperative Bank should not be established, these loans than can be either sold to private lenders or maintained by the goevrnment until they mature.

We do not believe, Mr. Chairman, that this experimental facility should make the type of investment proposed for the Self-Help Development Fund. Doing so would be particularly premature until the results of the interagency study and pilot lending program have been evaluated. The government's risks in this activity particularly argue for developing more information concerning the capital needs of consumer cooperatives before providing capital of that type.

Concerning funding of the pilot project, the Administration proposes that $20 million be appropriated to cover the experimental loans, technical assistance and data collection. Obviously, this is a vastly lower amount than is contained in this legislation, but we think it is realistic for a pilot project approach and consistent with budgetary considerations.

I should emphasize, Mr. Chairman that this pilot project does not imply that a larger facility will be, or should be, forthcoming. The task force will evaluate the results of this project with a completely open mind. Those will be reported to Congress at the conclusion of the two-year period. At that time, Congress should have sufficient data with which to design an effective program for consumer cooperatives, if it wishes to do so.

The creation of the study group and pilot project as envisioned above will, of course, require substantial modifications to H.R. 2777. We will be happy to work with the Committee staff on these modifications.

Other than adopting this Bill to establish a pilot project, Mr. Chairman, there are a series of changes which we believe are appropriate for virtually every federal credit program, whether on a pilot basis or a full-pledged Consumer Cooperative Bank. I would like to discuss a few of them now.

First, we strongly believe that the proposed program should only be directed to creditworthy cooperatives who are unable to obtain loans from conventional, private sources. Those cooperatives which already receive credit from private lenders, or are able to do so, should not be accommodated through this facility. Confining Bank credit to those who are unable to receive assistance elsewhere will not only assure that credit is directed to where it is needed, but ensure that these loans complement, rather than replace the resources of the private sector.

Second, there may be cooperatives in certain regulated industries which should be excluded from the loans of this facility. Otherwise, they might receive an unfair advantage over other members of that industry who would not have such access. Specifically, we suggest that financial cooperatives (e.g., credit unions) not be considered eligible for these loans since they are part of a distinct and separately regulated industry. Legislation has already been introduced to facilitate the operation of these entities, and we do not believe that they should be considered in this context.

Thirdly, we do not believe that this loan program should involve interest subsidies to cooperatives. We think it should make loans only at market interest rates. The legislation intends that these loans be to creditworthy cooperatives and that a profit be earned on them. Interest subsidies would be inconsistent with efforts to make a consumer cooperative bank self-supporting.

In addition, providing federal credit at below-market rates might place those businesses which compete with the cooperatives at a disadvantage. Many of these competitors would be small businesses which are not eligible for similar financial assistance. Moreover, cooperatives already possess some advantages over investor-owned businesses in their treatment in the tax code and under the anti-trust laws.

We would propose certain other technical changes to H.R. 2777, beyond those I have just mentioned. Some of these changes apply to sections of the Bill which are not pertinent to our pilot lending program. If our task force later recommends to Congress that a Consumer Cooperative Bank is advisable, we then would be pleased to work with the Committee on these technical amendments—many of which are standard in Federal programs.

We have not had sufficient time to develop all the amendments to this Bill which would be necessary to establish the pilot program. We look forward to working with the Committee staff, however, on those amendments.

CRIME RESISTANCE PROGRAM

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. RUSSO. Mr. Speaker, on April 21, the Honorable Clarence M. Kelley, Director of the Federal Bureau of Investigation, appeared before the Subcommittee on Special Small Business Problems. Mr. Kelley was gracious enough to be the first witness in our series of hearings on crime and its effect on small business.

In the course of his remarks, the Director, a self-proclaimed "pitch-man," discussed the Bureau's crime resistance program. The purpose of the program is to alert Americans to the fact that they must join law enforcement in combating our serious crime problem and to assist citizens in developing and implementing measures to reduce their vulnerability to crime.

Small business is especially vulnerable to the growing onslaught of crime. The small businessman or woman just does not have the economic power to combat various forms of crime, nor to purchase needed sophisticated security. In light of this, I would like to share with my colleagues some of the Bureau's thoughts on a crime resistance program for business and industry:

"TURNING INWARD"—A CRIME RESISTANCE APPROACH FOR BUSINESS AND INDUSTRY

Concern about crime exists in communities throughout the country. This concern is certainly justifiable in view of the staggering number of serious crimes being committed and, more importantly, the physical, psychological and financial effects that crime has on its victims.

Crime is eroding the quality of life in this Nation and citizens are looking for a solution to the problem. Surely law enforcement must play its traditional role in the quest to control crime, but law enforcement's efforts can generally do little more than keep the crime situation from becoming even worse.

To reduce crime, we must have citizen action to complement the work of our law enforcement agencies. Citizens must adopt an attitude of resistance to crime—an attitude that manifests itself when citizens take preventive measures to reduce their vulnerability to crime and when they work responsible with their police to create an effective law enforcement team. Through crime resistance, Americans can make things tougher for criminals and safer for law-abiding citizens.

Certainly those of us in law enforcement must play a vital role in fostering crime resistance by stimulating and supporting community crime resistance programs. But other elements of our society must also endeavor to generate crime resistance action among Americans. In this regard, business and industry can play a key role, and there is no better way for a business to begin to foster crime resistance than to do something for its employees—the men and women who are members of its "family." Because they are members of the "family," there is a natural concern for their welfare. By engendering the practice of crime safety among employees, a company can help employees and their families render themselves safer from crime and its consequences at home, on the street and on the job.

The benefits of crime resistance accrue not only to the employee but to his employer. An employee's productivity can be increased when he has taken crime safety precautions because he need be less concerned about the danger posed by crime to he and his family. Moreover, as a result of the practice of such measures, an employee is less likely to be absent from work because of injury resulting from crime.

By "turning inward"—seeing what they can do to encourgae their employees to practice crime resistance measures—businesses not only provide a valuable service to employees but also benefit themselves. Stated another way, "turning inward" to help employees resist crime is not only good employee relations, it's good business as well.

Listed below are a number of ways in which a business might foster crime resistance among its employees:

(1) Presentations by law enforcement personnel to provide employees with crime safety information and guidance as to how they can work with law enforcement. These

presentations can include films and displays of target hardening devices.

(2) Development of a library of crime resistance films that can be shown to employees.

(3) Distribution of crime resistance literature to employees. This literature can be obtained from law enforcement agencies or produced by an employer in cooperation with local law enforcement agencies.

(4) Display of crime resistance reminders in work areas.

(5) Regular crime resistance features in employee publications. Resource material for such features can be obtained from law enforcement agencies or citizen groups.

(6) Purchase and loaning of etchers to employees so that they can participate in local property identification projects. Instructions obtained from local police should be distributed with the etchers. Decals (perhaps paid for by the company), which indicate participation in the project and which can be displayed on the doors or windows of the employee's home, can also be distributed.

(7) Locks, "Charlie" bars, door viewers and other crime safety devices can be purchased in quantity at wholesale prices and then sold to employees at cost to help them secure themselves and their families against crime at home.

(8) Distribution of inventory sheets so that employees can record descriptions and serial numbers of their property in order to have this information on hand in the event the property is stolen.

(9) Organization of "Install a Lock" programs using volunteer employees to install locks at homes of fellow employees.

(10) Informing employees as to how they can conduct a family council—an informal forum during which family members can discuss the crimes to which they are vulnerable as individuals and as a family, as well as the crime safety measures that can be practiced to protect them against these crimes.

(11) Lectures by security unit personnel to inform employees as to how they can conduct security surveys of their homes (where such information is not provided by law enforcement personnel).

(12) Direct mail deposit checks for retired employees (or for current employees who might desire such a service).

(13) Establishment of a system whereby employees can quickly report suspicious persons, sneak thieves and others who might victimize employees while on the job.

(14) Installation of better lighting in parking areas and other similar security measures designed to protect employees and their cars in and around the business.

(15) Posting of signs that indicate that there is no cash in a vehicle or on certain premises so that employees are protected from holdups.

This list of suggestions does not exhaust all of the possibilities a firm can pursue in helping its employees. Other companies, law enforcement agencies and citizen crime resistance groups can undoubtedly suggest additional avenues to be pursued. Ideally, a company's own personnel, using their initiative and imagination, can conceive and implement still other crime resistance services for employees.

As is indicated above, a company should work with local law enforcement agencies and citizen crime resistance groups in planning and implementing a "turn inward" program. These agencies and groups can act as valuable sources of information. In addition, a company would certainly desire to mesh its crime resistance efforts with existing programs in the communities in which it has facilities.

Director Clarence M. Kelley and the FBI strongly support the adoption of "turn inward" crime resistance programs by business and industry. Because of its commitment to this concept, the FBI will provide all possible support to companies that desire assistance in instituting such programs.

If a business undertakes a "turn inward" program, it can set a valuable example for others in its community, as well as for others in business. As the cumulative effects of all of the efforts to foster crime resistance bring about a reduction in crime, all Americans will realize the benefits of the prosperity that will result when freedom from fear of crime is restored throughout this Nation.

"COMMUNICATION AND INTERACTION OF TODDLERS": WINNING PROJECT IN PRINCE GEORGES COUNTY SCIENCE FAIR BY ANGELA M. DOWNES

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mrs. SPELLMAN. Mr. Speaker, recently, the Prince Georges County area of Maryland held its annual science fair. I had the pleasure of attending this most important event and I was extremely impressed by the wide array of outstanding projects entered in the fair. Indeed, if these efforts by school-age children in the Washington metropolitan area are indicative of the abilities of America's youth, they foretell great scientific advancements in our near future.

The individual judged to have submitted the best project this year was 12-year-old Angela M. Downes of 25–G Riverview Village, Indian Head, Md. The title of her winning project was "Communication and Interaction of Toddlers" and its purpose was "to explore the speech ability and social behavior of young children."

During the course of the day's events, including the ceremonies honoring Angela and the other youngsters who had finished high in the competition, I had the opportunity to chat with her. She is, by the way, a disarming individual; as charming as she is intelligent. And, though we had only a few moments to talk, I did have the time to ask Angela to send me a summary of her winning entry, which is reprinted below for the benefit of my distinguished colleagues.

It will give you some idea of just how far we have come since we dabbled with microscopes and periodic charts, and just how limitless our vision can be.

The material follows:

COMMUNICATION AND INTERACTION OF TODDLERS

(A Research Project in the Behavioral Sciences, Angela M. Downes, grade 7, age 12, Star of the Sea School, Charles County, Maryland. 1st place, Behavioral Sciences, Prince Georges Area Science Fair. Recipient of a Congressional Award of Recognition presented by the Honorable Gladys Noon Spellman, Member of Congress, 5th District on 17 April 1977.)

PURPOSE

To explore the speech ability and social behavior of young children.

PROCEDURES

I chose three toddlers as subjects: a 2½ year old, a 3 year old, and a 3½ year old. I researched all I could find on children of these age groups in order to better understand how the social behavior of the subjects should be progressing. I taped conversations between each subject and myself using a predetermined set of questions. I then compared the conversations of the subjects and the findings of my research. From these comparisons I arrived at my overall views of these age groups.

I next interviewed the mothers of the subjects to see if they agree with my overall views. My next step was the taping of an interaction session with the subjects to see how well they got along and how well they understood each other.

I prepared bar-graphs of the parts of speech used and length of sentence spoken. I researched the parts of the brain that control speech. In consultations with a Pediatrician, a Speech Pathologist, and a Psychologist it was agreed my overall views were valid. Finally, I prepared my results and conclusions.

RESULTS

Speech Development: Language depends on mental and physical maturation (proper development of the brain and the control of the mouth and tongue.)

Interacting: I found that interacting is a form of communication. Sometimes words are not necessary; e.g., when one child took another's blocks, the offended child got the message to the offender by merely taking them back. Only actions and facial expression was required. Most importantly, I learned that if by the age of 2½ a child cannot make his speech understood, he or she should have a hearing and speech evaluation.

CONCLUSION

On the authority of the professionals who advised me on the results of this project, I am happy to be able to say that a normal trend of speech ability and social behavior is evident in these children. I would also like to say that these children are fortunate enough to have parents who take the time to listen, and try to understand their needs. Wouldn't it be wonderful if all children were as lucky as these three?

A MATTER OF SAFETY FIRST

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. LONG of Maryland. Mr. Speaker, Judge Joseph H. H. Kaplan, associate judge of the Supreme Bench of Baltimore City, recently addressed the Safety First Club of Maryland, a citizens' nonprofit organization which has received two National Safety Council Awards and is dedicated to traffic safety. Judge Kaplan discusses the problem posed by the gasoline tank. His remarks merit close attention.

The remarks follow:

A MATTER OF SAFETY FIRST

(Remarks by Judge Joseph H. H. Kaplan, associate judge, Supreme Bench of Baltimore City)

The Safety First Club of Maryland—that is more than a name. Safety is goal Number 1 for this Organization. Be that the case, then I am sure you will be interested in knowing of a very serious problem in our automobiles where safety is not first, and where the results of not placing safety first are horrendous. What I am going to say to you is not a discovery of mine, but it is one that has deeply impressed me. I feel confident that it will have the same effect on you.

Most American and some foreign automobile manufacturers, for many years, have been locating the gasoline tanks in their products immediately in front of the rear bumper. Many models have also had the filler tubes terminating either in the rear bumper or immediately above the rear bumper. Some models have used the top of the gasoline tank as the floor of the trunk, and others have had nuts and bolts in the bumper area projecting directly at the gas tank, and it is a rare manufacturer who puts impact absorbent liners in fuel tanks. The result—serious burns and burn deaths from fire and explosion upon rear end collisions and rollovers. If safety first were the consideration, the gas tank would have been located above the rear axle or immediately in front of the rear axle and would have been lined with an impact resistant liner.

But safety first has not been the goal. The auto manufacturers, as far as this problem is concerned, have said to the American public, economics first, safety far down the line. But what are we talking about in terms of economics? In 1973, one of the manufacturers, in complaining to the Administrator of the National Highway Traffice Safety Commission about Standard 301, which would have, to a large extent, rectified the problem which I am discussing with you tonight, said that the information which it had at hand, for a one year period of time, showed that there were 180 burn deaths, 180 serious burn injuries and 2,100 burned vehicles resulting from the spillage of fuel after impact. They estimated the unit cost of $200,000.00 per death, $67,000.00 per injury and $700.00 per vehicle, for a total cost of 49.5 million dollars. On the other hand, they compared this 49.5 million dollar cost of seriously injured and dead human beings to sales of eleven million cars and 1.5 million light trucks at a unit cost for the modification which I have been talking about of $11.00 per car and $11.00 per truck, for a total cost of One Hundred Thirty-Seven Million Dollars.

When you just talk in terms of dollars, obviously One Hundred Thirty-Seven Million Dollars is approximately Eleven Million Dollars less than three times 49.5 million dollars. But, even from an economic standpoint, the cost they are talking about is not one which the auto manufacturer is ultimately going to bear. That cost is passed on to the consumer. For the safety of your family, your friends and your associates, wouldn't you pay an additional $11.00 for a car or, even with inflation, $35.00 extra for a car? What auto purchaser, if given this option, would say—I am not going to buy a car this year because the cost is $5,035.00 instead of $5,000.00. That same auto manufacturer has no hesitancy in asking you to pay $27.00 extra for wheel covers vs. hubcaps or hundreds of dollars extra for options which the American driving public now considers necessities. Since the same requirement would be placed on all auto manufacturers, no one manufacturer would, by eliminating this cost, have a competitive edge on any other.

If there are those of you out there who are feeling smug at this point because you are the proud owners of a Cadillac Seville, an auto which is lovely to look at and a pleasure to drive and which costs more than twice the $5,000.00 previously referred to, when you leave this meeting, take a peek underneath the rear of your car. I think you will find the fuel tank right in front of the rear bumper, and if you want to get a little sicker, open up the trunk and you might find underneath that fancy carpeting, the trunk is little more than the top of the gasoline tank.

Americans deserve safety first, and the auto manufacturers should be told in no uncertain terms that we expect no less.

CONSERVING ENERGY

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mrs. MEYNER. Mr. Speaker, in the wake of President Carter's address to the Nation on energy conservation and development, we have all been subjected to more observations, comments, news articles, and editorials than we care to mention. But one editorial, published in the April 24, Suburban Trends and its sister newspaper in northern New Jersey, is worth mentioning. It quite correctly calls upon all sectors of American society to recognize that "the days of the Sunday drive are over," and points out, with an eloquence seldom seen in the brevity of an editorial that—

> The average man has neither the power nor the money nor the technical skills to address the problem. But there are many who do, and it is to those people we must turn and entrust the task of developing sensible and accessible means of energy.

Since the editorial speaks to us, Mr. Speaker, I think we have an obligation to listen and, of course, to read:

STILL CONSERVING

This was the week that was about energy. About how we all are wasting it. About how we all are witnesses to the demise shortly of some energy resources and uses as we now know them. And about the pressing need to search out alternatives to keeping our homes lighted and warm and our society mobile.

The facts and warnings about energy are real. We are running out. But far too many of us, including the leaders of major industries tied critically to energy development and use, seem to be ignoring these facts for the time being.

It is as though someone will suddenly come up with a new reserve or discovery which will end all this talk of energy crisis and put us back on the comfortable road of overuse and waste again. It will not be that way.

Eighteen-year-olds bathing in the rumble of their hopped-up internal combustion engines under the glistening facade of their $6,000 car will by the time they are 40 years old no longer have such a vehicle to cherish, its petroleum nourishment to guzzle.

We will join them, no doubt, in a society without gasoline products to any degree. Possibly in a society of enlightened mass transit (wishful thinking?) or one that maintains the individual preference for individual transit but at a much, much more expensive and limited level.

By the start of the 21st century, we will be near the end of the era, experts say, which may be best known for its ignorance and waste with regard to energy.

The conservation we talk of today is but a holding action. It is to arrest the downhill slide and give us more time to find answers and solutions. Conservation may be ignored by the general public if the value of taking such steps now is not made perfectly clear. People must understand the inevitability of the oil crisis. But they must comprehend as well that conservation will afford valuable time to develop alternative energy sources and sophisticate them to the point that they can be readily available and usable by the general public.

If we continue to waste and disregard the guidelines of conservation, we cheat ourselves and the generations ahead. We commit an act of ignorance and self-indulgence which our children and grandchildren inherit. We force upon them the burden of our waste and failure to react responsibly to a problem of international proportions. We hold convenience and material values against the future and choose now instead of tomorrow. How tragic a legacy that would be.

The issue has been put before the American people. Conserve and thereby allow more time for solutions, or waste and continue with the attitude that energy resources cannot be depleted and see all dwindle and the crisis reach proportions which stagger the imagination.

Short of a miracle, the oil will disappear. Mother Earth has just about given all she has in the framework of time, and we must look other places.

The average man has neither the power nor the money nor the technical skills to address the problem. But there are many who do, and it is to those people we must turn and entrust the task of developing sensible and accessible means of energy.

It is shocking when you assess current research in such fields and see how little has been accomplished so far when compared to the enormity and presence of the energy crisis.

One can accept the general public being taken aback suddenly by the "energy crisis," but what of the experts, the people in the field, the ones who are supposed to be planning for such shortages and eventual depletions?

People must conserve and accept the inevitability of the matter, yes. But industry and government regulating it must take on a new commitment toward alternative energy and power sources. Industries which for decades have sold us all their cars and oil and petroleum products of every kind and use are responsible as much as anyone for our dependability now. Gas and electric companies which a decade ago sold us on gas heat and all-electric homes now must pass the excessive costs of such advantages on to consumers. Those people have a commitment, a responsibility for their past acts of business enterprise as much as we do for our waste of energy on an individual level.

No, the days of the Sunday drive are over.

PURPOSE AND NEED FOR A BILL TO AMEND THE MARINE MAMMAL PROTECTION ACT OF 1972 WITH RESPECT TO THE TAKING OF MARINE MAMMALS INCIDENTAL TO THE COURSE OF COMMERCIAL FISHING OPERATIONS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. MURPHY of New York. Mr Speaker, today I introduce a bill designed to remedy the tragic tuna-porpoise problem. The bill is designed to amend the Marine Mammal Protection Act of 1972 in a way that will provide for continued conservation of marine mammals taken in the course of commercial fishing operations, accelerate research concerning reduction of incidental mortality and injury rates of such marine mammals, assist the conservation and development of the yellowfin tuna resources, preserve a healthy U.S. tuna industry, and promote other important policies.

A significant percentage of the U.S. tuna catch is done by fishing in association with porpoise by encircling schools of porpoise with purse seines. This process, pioneered by the U.S. tuna fleet, takes advantage of the little understood relationship between yellowfin tuna and various species of porpoises. This sophisticated fishing method has led to a substantial increase in the yearly harvest of yellowfin tuna. Unfortunately, purse seining also results in the incidental mortality of porpoises encircled in the net along with the tuna.

We are currently in the midst of an extraordinarily counterproductive crisis. The U.S. tuna fleet has been tied to the dock for months, cannery workers in California and Puerto Rico have been thrown out of work, and the void is being filled by the foreign fleet, whose kill rate far exceeds that of our domestic fleet.

Further, there is a real danger that a significant portion of the U.S. fleet will transfer to foreign flag if the current deadlock is not broken. In fact, I have been informed that the Maritime Administration will shortly approve a portion of the pending applications for transfer to foreign flag.

The bill will, I hope, provide the relief needed to tide the fleet over through 1978 and put the cannery workers back on their jobs while at the same time protecting marine mammals and promoting research.

The current permit and regulations prescribe quotas for the various species of porpoise that are so restrictive that the tuna fleet maintains that the quotas preclude any economically sound fishing in association with porpoise. For example the designation for the eastern spinner as technically "depleted" means that the fleet is totally prohibited from intentionally setting on any mixed school of porpoises including that stock. At March oversight hearings by my committee on the 1977 regulations, the testimony presented indicated that although the eastern spinner is technically "depleted" as that term is defined by the Marine Mammal Protection Act, an incidental mortality of 6,587 could be permitted this year and still allow a virtual certain increase in the population.

In early March, Dr. Robert M. White, Administrator of the National Oceanic and Atmospheric Administration, appeared before the House Subcommittee on Fisheries and Wildlife Conservation and the Environment and described the bitter irony of this situation. He said:

> I have expressed my views that given the court interpretations of the Act as now written that the course we are now following is going to be disastrous, both for the tuna industry and for the porpoises.

I agree. I believe that everyone, including responsible environmental organizations, view the present situation as unsatisfactory and counterproductive.

The reduction of the presence of the United States in the yellowfin tuna purse seine fishery will drastically reduce the ability of the United States to control the tuna-porpoise problem. In addition, the absence of the U.S. fleet in this fishery poses a substantial tuna conservation problem as fishing patterns are disrupted. Finally, our most viable fishing fleet and jobs of cannery workers are being destroyed.

Over the last several weeks the tuna industry and environmentalists have been discussing ways to reach a solution to the crisis. Unfortunately these discussions were not successful. In view of that I am introducing legislation which I believe to be a reasonable short-term solution to the problem. The bill provides as follows:

First. It calls for a 100-percent observer program for tuna vessels of 400 net tons or more to observe the incidental take by the U.S. fleet and to conduct research. The observer program would be implemental as soon as possible but in no event later than October 1, 1977. The full observer program shall last through 1978.

Second. The bill requires the industry to provide a tuna vessel dedicated to research for reduction of marine mammal mortalities.

Third. In order to keep the U.S. fleet viable and to keep cannery workers employed while at the same time protecting the porpoises, the 1977 general permit is to be deemed amended to allow a quota of 78,900 incidental mortalities during that period. The quota shall be comprised of 50,400 offshore spotted porpoises, 6,500 eastern skinner porpoises, 17,000 whitebelly spinner porpoises, and 5,000 for the remaining miscellaneous management stock units of marine mammals involved in commercial fishing operations in the eastern tropical Pacific. Among other things, the quotas would allow a reasonable taking of the eastern spinner at a level that will guarantee that the eastern spinner population will increase. In 1978, the quotas would be the same unless the Secretary finds that technological advances will permit lower quotas or unless new information on the population's size or health demands a lower quota. These quota levels represent a substantial reduction in mortalities in comparison with comparable periods in the past. They are also consistent with levels that will assure the protection of the marine mammal stocks.

In sum, I believe this bill represents a solution to the immediate problem of allowing the tuna fleet to fish on a reasonable economic basis and preserve jobs in the fleet and in the tuna canneries. At the same time it provides for a meaningful reduction of marine mammal mortalities and protection of the stocks. Finally it provides for a stringent, feasible Federal observer program. I hope that this reasonable bill—which represents give and take on all sides—will be considered and enacted with dispatch.

THE LMFBR: A TOUGH ENERGY DECISION

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mr. COUGHLIN. Mr. Speaker, the decision of President Jimmy Carter and his energy chief, James R. Schlesinger, Jr., to terminate funding for the liquid metal fast breeder reactor—LMFBR—was difficult but, in my judgment, correct.

Even at a time of desperate need for new energy sources, this multibillion dollar project is of dubious merit. The breeder reactor functions as any conventional reactor to produce electricity; however, in the process the breeder reactor transforms uranium into plutonium and over a period of time produces more fuel than it consumes. Primarily because of this ability to extend our national uranium supplies from a matter of decades to one of centuries, the LMFBR was accorded the dominant position in our total energy scheme.

As my colleagues are aware, I have long been critical of the U.S., commitment to the problem-ridden and controversial LMFBR program as our top energy priority. Even beyond the controversy over the danger of toxic plutonium, I have for a number of years, and despite heavy pressure, been calling attention to the huge cost overruns, doubtful cost benefits, and disproportionate share of energy research and development funds involved in the project.

My struggle with the LMFBR dates back to 1970 when as an outgrowth of interest in environmental legislation, I asked a young researcher and author named George Thayer to look into environmentally acceptable alternative energy sources. This led me to join with others in establishing the initial task force on energy of the House Science and Technology Committee in 1971. I served on that task force which, incidently, pinpointed the energy crisis long before the Arab oil embargo and has since evolved into the Subcommittee on Fossil and Nuclear Research, Development, and Demonstration, and also the Subcommittee on Advanced Energy Technologies and Energy Conservation, Research, Development, and Demonstration.

As a result of the work with the task force in 1972, we began to call attention to the disproportionate share of our energy R. & D. dollars involved in nuclear energy in general and the breeder reactor in particular. In fact, during testimony before the Government Operations Committee on November 11, 1973, I cautioned against overcommitment of research funds to any single energy source which would neglect energy alternatives to meet the diverse regional needs of the United States.

After the unfortunate death of George Thayer, the research was carried on by my legislative assistant, Eileen Smith, who over the years has become a leading expert in the economics of the breeder reactor. Over these same years the costs of the breeder continued to escalate while schedule delays became more prolonged.

The LMFBR project was designed as a joint private industry-Federal Government enterprise. The original 1969 price tag of $3.9 billion for development of a commercial breeder reactor, including test and demonstration phases, has more than tripled to a conservatively estimated $11.8 billion in 1976.

While the costs of the program have skyrocketed, the share borne by the private utilities has declined markedly. Between 1972 and 1976 the industry contributions have dwindled from 39 to 13 percent of the costs involved in the demonstration phase of the LMFBR program.

The cost of constructing the fast flux test facility, FFTF, in Hanford, Wash., which is the main testing site for fuels and materials for the LMFBR, was projected in 1967 to cost $87.5 million. That cost has now soared to $420 million. When coupled with the additional $505 million for FFTF equipment, research and development, and supporting costs, the total figure is closer to $1 billion.

The FFTF is the forerunner of the Clinch River Breeder Reactor, CRBR, demonstration plant in Oak Ridge, Tenn. The Energy Research and Development Administration has adjusted the 1972 estimate of $700 million for this facility to a whopping $1.7 billion and a 1975 General Accounting Office report indicates that the figure might more realistically reach $2.1 billion.

Although inflation does account for an estimated 81-percent increase over the original cost estimates and Government projections, the Clinch River breeder reactor costs have increased by more than 179 percent over the original estimates. The LMFBR is now the single most expensive energy project in the history of the United States.

The escalating costs and delayed commercialization date of the breeder, appalling enough on their own merits, also put into question the cost-benefits of the program. The extremely high capital and development costs of the breeder mean a favorable cost-benefit must rely on a more rapid growth in electrical demand and a more limited supply of uranium than currently predicted.

Schedule slippages moving the date for commercial production of electricity by the breeder reactor into the 1995 timeframe also compress the payoff period before the breeder is made obsolete by other means of power generation currently under study. The possibility of moving directly from light water reactors to fusion power, skipping the breeder generation, becomes more realistic as each day passes.

Finally, the breeder, indeed, consumes a disproportionate share of our Federal energy R. & D. budget. It is the single largest item gobbling 26 percent of our total energy research and development funds and 63 percent of nuclear fission research funds. It represents twice the amount devoted to nuclear fusion research and more than the combined funding for research in coal conversion, solar energy and geothermal power.

A recent privately commissioned study of the controversial LMFBR, conducted by the national energy project of the American Enterprise Institute and chaired by the Honorable Melvin Laird, concluded that the Atomic Energy Commission's projections lead to unreasonably large benefits from the breeder reactor. The LMFBR's high efficiency in uranium utilization is not sufficient to compensate for its higher capital and program costs, and the probability that it will be either displaced or replaced by fusion reactors.

Said the AEI study:

> Serious doubts are raised about the assumptions and projections employed in the AEC's cost-benefit analyses on the Liquid Metal Fast Breeder Reactor Program. Many of the AEC's projections lead to an unrealistically large benefit from the LMFBR: Uranium resources are underestimated. The high-temperature gas reactor is artificially restricted to a low level of participation in the future electric power system. Future energy demand is overestimated. The plant capital cost of the LMFBR is decreased too rapidly to fit any reasonable learning curve. And finally, schedule slippages and cost overruns are not adequately reflected in the analyses.

This was further confirmed by the recent Ford Foundation funded study by the MITRE Corp. The study concluded that breeders would not compete with current reactors or coal in this century or have a significant economic advantage for the United States in the early decades of the next century.

Alarmed by the open-ended approach to breeder reactor development and the lack of firm cost figures, I offered an amendment on April 30, 1974, to the energy research appropriations bill to suspend the development of the LMFBR until the Atomic Energy Commission had submitted a breakdown of the total planned costs to Congress. This amendment was struck down on a point of order which was subsequently sustained.

In 1975, despite further cost escalation and schedule slippage, the AEC asked for authorization for an entirely new phase of the project—a demonstration breeder reactor plant on the Clinch River.

This request was notwithstanding a report of the General Accounting Office that cost overruns were directly attributable to a management system that was both "complex" and "represents a potential risk to the project"; design changes in the plant; increased material and labor costs; inadequate initial estimates, and schedule slippages.

The LMFBR program, as originally conceived, would have allowed sequential design from the test reactor, the fast flux test facility, to the Clinch River demonstration phase. Now, both projects would be proceeding concurrently, thus magnifying waste, error and cost factors because of simultaneous planning in design, technology development and construction.

Because of my concerns, on June 20, 1975, I offered an amendment to the ERDA authorization bill for fiscal year 1976 to delete the $92 million in funding for the long leadtime purchases for the Clinch River project. This amendment which would have allowed adequate time for an objective study of the breeder reactor program was defeated.

I continued to call attention to the steadily declining cost effectiveness of the project and in July 1975, the GAO concluded that the LMFBR program had not demonstrated that commercial-sized breeder reactors such as Clinch River could be operated economically, reliably, or safely. In addition, studies by the Holifield National Laboratories indicated that the AEC overstated the probable rate of electrical demand growth in the United States and revised ERDA figures indicated that U.S. uranium supplies may have been underestimated or at best very conservatively estimated in AEC projections.

These findings further erode the ultimate cost benefit of the LMFBR, since the huge capital investments negate the possibility of it being economically competitive with the light water reactors when commercial operations begin in the mid-1990's.

In testimony before the Joint Committee on Atomic Energy on April 14, 1976, I again stated my opposition to the contractural arrangement between the consortium of 740 private utilities and ERDA which showed too little financial participation by the private sector in comparison to its management role.

I am convinced that the private sector relies on hard analysis, and the declining private sector participation in the breeder program supports the contention that industry questions the return on investment in the breeder reactor.

To test this thesis, on May 20, 1976, Congressman WILLIAM S. MOORHEAD and I offered an amendment to the fiscal year 1977 ERDA authorization bill to require private participants to contribute a gradually increased share of all cost overruns beyond $2 billion. Including this language would have encouraged fiscal responsibility in controlling CRBR costs and would have provided a clear demonstration of private utilities' commitment to the project as a cost-effective means of generating electricity. This amendment was also defeated, but by a much narrower margin than previous efforts to restrain the breeder.

Now the decision of President Carter vindicates our efforts. Although I do not fully agree with the President's position regarding the plutonium controversy, I strongly believe that his decision to terminate program funds for the Clinch River breeder reactor is both well considered and courageous.

The fast breeder reactor has not been terminated as a possible future energy source nor been eliminated from a future energy arrangement. We have, however, shifted our energy priorities to regard the LMFBR as a possible long-term energy option rather than a short-term energy necessity.

President Carter's decision provides us with an opportunity for further study and allows us to follow a responsible approach in pursuing our energy options. This frees vital research funds for other purposes.

After years of effort by a small group of dedicated people, often subject to intense pressure and ridicule, it is gratifying that these efforts have been justified.

CONGRESSWOMAN SHIRLEY CHISHOLM SALUTES WCBS-TV's BESS MYERSON SERIES "A WOMAN IS . . ."

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1977

Mrs. CHISHOLM. Mr. Speaker, I am sure my colleagues will share in my appreciation of an outstanding public affairs series, "A Woman is * * * with Bess Myerson," that is currently being broadcast by the CBS flagship station, WCBS-TV, serving New York, New Jersey, and Connecticut.

Shakespeare spoke of the seven ages of man. "A Woman is * * * with Bess Myerson," focuses on a woman's six most crucial ages: adolescence, the twenties, the thirties, the forties, the fifties, and the later years. In six film broadcasts that air evenings in prime time and 30 studio discussions that run weekday mornings at 9:30, this half-hour series takes a comprehensive, searching look at what it means to be a woman in the 1970's.

"A Woman is * * *," examines contemporary American woman in all her complexities by looking at individual American women, discovering the uncommon facts out of which the common denominator may emerge. The women who took part in this unique series ranged in age from a 13-year-old high school student looking expectantly to the future to a 90-year-old woman looking back on a life well-lived and, yes, who is also looking ahead. Their backgrounds, interests, lifestyles, and occupations mirror the spectrum of American life.

At the center of these programs is a woman who has herself experienced much of what a woman is—delineates. Bess Myerson is perhaps best known to many of us as a consumer champion. As New York City's Commissioner of Consumer Affairs from 1969 to 1974, Ms. Myerson organized and actively led a department which gained national attention for innovative consumer protection and information programs. Under her guidance, the Nation's most comprehensive Consumer Protection Act was passed, which has since become a working model for many cities throughout the country. In addition to being a strong, clear voice in the field of consumer protection, Ms. Myerson is also a syndicated columnist, lecturer, author, and ardent supporter of human rights.

She has brought that same dedication and particular brand of intelligence to her role as host and moderator of this series. Lending her own special insights to "A Woman is * * *," Ms. Myerson displays a rare skill as a cogent and effective interviewer, asking probing, sometimes painful, questions as she leads women throughout New York, New Jersey, and Connecticut on a journey of self-exploration.

It should be noted, too, that "A woman Is * * *" marks the first time women filmmakers have been actively involved in, and responsible for, the shaping of a local television project. A team of eight talented women produced, wrote, and directed the content and intent of the evening and daily broadcasts, assisted by women who edited and researched individual segments. Under the direction of executive producer Philip Burton, Jr., these women have fashioned a series that present women coming to grips with the changes and challenges that they face in the critical periods of their lives.

The first of the six prime time evening programs, "Adolescence: Coming of Age," profiled two Montclair, N.J. teenagers who openly discuss their attempts to achieve a sense of self-identity amid an awakening sexuality. Producer Deborah Dickson captured basic symptoms of adolescence, the same basic symptoms that we find in our own teenagers or that we once found in our own adolescence—growing up, reaching out, still shy but boldly curious, independent but vulnerable, no longer a child but not quite standing alone.

Two sisters from Hoboken, N.J.—one married and the other single and living with her mother—are the subjects of the film on "The Twenties." Here, too, there is evidence of a sensitive, insightful approach to two women as producer Fern McBride draws out their thoughts and innermost feelings on love, marriage, the family, and work.

"Two Women at 31," focuses on Karen Johnson and Gail Koff, who are pursuing successful careers while engaging in meaningful personal relationships. Mrs. Johnson, married to an urban planner and mother of a 3-year-old child, maintains a delicate "balancing act" as an archetypal working woman—running her management consultant firm, adjusting to the pressures of two careers in one household and raising a child. Ms. Koff, who is single and a lawyer, has found her life taking a new direction after she fell in love for the first time when she turned 30. Producer Elisabeth Lawrence finds that, at 31, Gail Koff is "beginning to have a sense of coming home to herself."

A 43-year-old happily married, suburban housewife who has entered "The Forties: A Crossroad," is profiled in the fourth episode of "A Woman Is * * * With Bess Myerson." With two children away at school and two other children about to leave the nest, Pat Reilly has erased "that sense of being out of phase" felt by some women in their forties by finding new activities to fill the void in her life. She has become active in volunteer work and, with her husband, has adopted a handicapped child.

Hope Ryden, who produced the program on the woman in her forties, "completes" the story of a woman in her middle years with a look at Rue Drew, a divorced, ex-suburban housewife who is "Beginning Again at 50." Like many divorced women in this country, Rue is adjusting to a new life, having moved to New York City when she found her suburban community had no niche for a divorcee. But when she tried to find meaningful employment in the city she came up against a problem many before her have faced: prospective employers were not interested in a woman who had not worked for 25 years and whose last occupation was homemaker.

To close the cycle of evening programs, Elisabeth Lawrence filmed portraits of two women in their "Amazing Eighties" whose spirit and vitality belie their years. Stella Sivori, 84, and Theresa Belcher, 83, are two Brooklyn, N.Y. widows who share a determination to live independent, constructive lives.

Mrs. Sivori organized and leads a senior citizens group at her local church, delivering fiery speeches advocating social activism and rights for the elderly. Though she lives on a fixed income, Mrs. Sivori defends her right to live alone and not with her family because, as she says, "I enjoy my freedom. I'm my own boss." In the poignant second segment of "The Amazing Eighties," Theresa Belcher is seen coping with the recent death of her husband, with whom she had shared an especially loving relationship for 53 years.

Offering new perspectives on the issues raised in these evening episodes of "A Woman Is * * * With Bess Myerson," is a 5-week series of daily followup programs produced by Miskit Airth which feature indepth discussions keyed to a wide range of issues, from parent-teenager relationships, to how some women in their seventies and eighties continue to grow while growing old. Ms. Myerson's guests for these programs include professionals and housewives, students, and secretaries, and authorities in the fields of medicine, psychology, sociology, and the arts.

On Monday, May 9, Ms. Myerson begins a week-long look at adolescent women and the relationships they share with their parents, peers and teachers. In succeeding weeks "Alternate Lifestyles in Marriage," "The Working Woman," "Stresses in Marriage," "Remarriage—The Second Time Around," "Approaches to Aging," and "Widows" will be discussed as Ms. Myerson and her guests redefine and elucidate the values and experiences that mark a woman's existence.

The overall aim of these WCBS-TV special presentations is one of communal involvement. For it is not the on-screen subject who is the only participant. As the women in the film and studio broadcasts are viewed in everyday situations and group interaction, these women become an extension of the viewer. The teenager watching at home learns what may be in store for her when she reaches her twenties; the woman in her forties gets a better understanding of what she will have to cope with as the years go by; and the woman who is over 60 gets a chance to reflect and perhaps better comprehend what it has all been about.

"A Woman Is * * * With Bess Myerson," has reaped the unanimous critical acclaim accorded few locally produced public affairs series. The New York Times' television critic John O'Connor, who hailed "A Woman Is * * *," in several articles, wrote:

> Showing some encouraging local responsibility, WCBS-TV Channel 2 has a new project called "A Woman Is . . . With Bess Myerson."

> It is admirable in both its ambition and its execution, quietly and effectively going beyond stereotypes to tap the fascinating resources of real people . . . the closeups prove fascinating and the subsequent talk is informative.

Kay Gardella of the New York Daily News found Ms. Myerson—

> A splendid on-camera performer, and the women she chooses as subjects are articulate and capable of pinpointing their needs, emotions and problems—it is an excellent series.

Writing in the New York Post, Bob Williams praised Ms. Myerson's approach to the women on the evening and daily broadcasts of "A Woman Is . . .," which "makes her all that more effective on the home screen."

Elaine Bissell of the Westchester Rockland newspapers added that the series "delivered a stunning discussion probing (women's) innermost feelings and thoughts."

Viewer reaction has similarly extolled the "honest and sympathetic" film portraits and the "brilliant" studio discussions that followed each evening special.

"A Woman Is * * * With Bess Myerson," is but one example of WCBS-TV's exemplary news and public affairs programing geared to the special needs of women in the tri-State area. Channel 2 "Eye On," which this year won a New York area Emmy award for "outstanding documentary series," each week focuses on a critical issue or newsmaking personality affecting residents of New York, New Jersey, and Connecticut. Whether it be an investigative report on women ex-offenders caught in the revolving door of criminal justice or a profile of my colleague Congresswoman LIZ HOLTZMAN, "Eye On" maintains the high standards of electronic journalism pioneered by Edward R. Murrow.

"Channel 2 The People," WCBS-TV's other weekly public affairs series, has presented a number of reports dealing with the issues and concerns affecting women, with an emphasis on the problems of minority women. Past programs have dealt with how the women's movement has affected the lives of Italian-American women; the sterotyping and discrimination faced by an American Indian woman in New York City; and the struggles of young black fashion designers to carve out successful careers for themselves within New York's garment industry.

Weekday mornings, WCBS-TV's provocative interview program with Jeanne Parr sparks lively discussions on topics of particular interest to women. Ms. Parr, who was one of this country's first women news correspondents, has tackled such controversial themes as the right of women to enter the priesthood, alcoholism among women, menopause, and women in sports and journalism.

This kind of enlightened broadcasting philosophy is a reflection of WCBS-TV's continuing commitment and responsibility to produce quality and significant programing for tri-State area residents. The designer of this and other laudatory efforts undertaken by WCBS-TV is Mr. Thomas F. Leahy, vice president and general manager for WCBS-TV. His has been a job well done and he should be commended. I wish to call it to the special attention of the FCC, the House Subcommittee on Communications, the Senate Subcommittee on Communications, the Governors of New York, New Jersey, and Connecticut and the President's National Commission of Observance of International Women's Year.

HOUSE OF REPRESENTATIVES—*Friday, May 6, 1977*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

If any of you lacks wisdom, let him ask God who gives to all men generously and without reproaching, and it will be given him.—James 1: 5.

O Lord, our God, in whom we live and move and have our being, at the beginning of a new day and faced with important decisions, we turn to Thee seeking insight to see our way, inspiration to walk in that way, and industry to keep on walking until our work is done. When burdens are heavy, decisions difficult, and problems persistent, grant unto us strength and wisdom to carry our burdens, to make our decisions, and to solve our problems with clear consciences and clean hands.

God bless America and so shed Thy grace on her that every flaw may be mended, all gold refined, and our good be crowned with brotherhood from sea to shining sea. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the gentleman from Maryland just wants the Speaker to know that the gentleman from Maryland also approves the Journal.

The SPEAKER. The gentleman is very gracious.

Is there objection to the approval of the Journal?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 6655, THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 541 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 541

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(b) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6655) to amend certain Federal laws pertaining to community development, housing, and related programs, and all points of order against said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE PROGRAM

Mr. MOAKLEY. Mr. Speaker, I yield at this time to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for yielding. I do so for the purpose of inquiring of the distinguished majority leader if the distinguished gentleman can inform us as to the program for the week of May 9.

Mr. WRIGHT. Yes; if the gentleman from Massachusetts will yield so that I can respond to the gentleman from Illinois.

Mr. MOAKLEY. I am happy to yield.

Mr. WRIGHT. Mr. Speaker, the plan is that we should adopt this rule today on the Housing and Community Development Act and complete general debate on the Housing Act today.

Upon completion of general debate today, the Committee would rise, and we would hope to complete consideration of the Housing and Community Development Act next Tuesday, the 10th.

On Monday next, the House would meet at noon. There are no District bills, but there are four bills on suspension which we would hope to present. They are as follows:

H.R. 5562, relating to Val-Kill National Historic Site in New York State;

H.R. 6692, Extension of Education to Handicapped Act;

H.R. 6668, to amend the Age Discrimination Act of 1977; and

H.R. 6774, technical amendments to the Higher Education Act.

Following that, we would consider House Resolution 334, a funding resolution for legal intervention in A.T. & T. cases.

Following that, on Monday the House is scheduled to consider four resolutions on contested House seats. They are as follows:

House Resolution 525, ***Saunders*** v. ***Kelly*** (Fifth District, Florida);

House Resolution 526, ***Paul*** v. ***Gammage*** (22d District, Texas);

House Resolution 527, ***Young*** v. ***Mikva*** (10th District, Illinois); and

House Resolution 528, *Pierce* v. *Pursell* (Second District, Michigan).

Then on Tuesday, the House would meet at noon. There are three bills presently scheduled for suspension, and we would hope to complete consideration of H.R. 6655, the Housing and Community Development Act.

The suspensions are:

H.R. 2817, Tinicum National Environmental Center;

H.R. 6205, Atlantic Tuna Convention Act authorization;

H.R. 6206, commercial fisheries R. & D. authorization.

On Wednesday, we would meet at 3 p.m. and take up H.R. 6714, the International Economic Development Assistance Act, subject to a rule being granted.

On Thursday and the balance of the week, the House would meet at 11 a.m. We would first take up H.R. 6810, countercyclical-antirecession assistance to State and local governments, subject to a rule being granted.

We would then take up the conference report on H.R. 3477, the Tax Reduction and Simplification Act of 1977. Thereafter, we would consider H.R. 5659, the Renegotiation Reform Act of 1977, subject to a rule being granted.

The House would adjourn at the regular time, 3 p.m., on Friday and 5:30 p.m., on all other days except on Wednesday, when we go until we conclude the business of the day.

Conference reports, of course, may be brought up at any time, and any further program would be announced later.

Mr. ANDERSON of Illinois. I wonder if the distinguished majority leader could tell us, in view of the program that he has announced for Thursday, and the matters he has set forth that will be considered on Thursday, would Members be well advised to plan on a Friday session of the House next week?

Mr. WRIGHT. I think it might be well to plan for that likelihood. Certainly there is a possibility, perhaps a probability, of a Friday session. It would be the purpose of the leadership to continue until we had concluded the business of the week. If we are unable to conclude those three matters on Thursday—and it might be difficult, indeed, to complete all three on Thursday—we would expect to have a Friday session.

Mr. ANDERSON of Illinois. I thank the gentleman from Texas.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to dispense with the business in order under the Calendar Wednesday rule on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 9, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday, May 9, 1977.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution makes in order consideration of the bill (H.R. 6655) to amend certain Federal laws pertaining to community development, housing, and related programs.

It is a 2-hour open rule and waives two points of order.

Section 401(b) of the Congressional Budget Act of 1974 prohibits consideration of bills containing entitlement authority which would take effect before the first day of the fiscal year which begins during the calendar year in which the bill is reported. Section 303 of the bill extends the HUD flood insurance program from June 30, 1977, to September 30, 1978. While the program is considered an entitlement, it has existed for some time and funding is assumed in the third concurrent resolution on the budget for fiscal year 1977. In supporting a waiver, the chairman of the Committee on the Budget (Mr. GIAIMO) notes that the bill will shift the expiration date to the end of the fiscal year making any future waiver unnecessary.

In addition, numerous sections of the bill are in technical violation of clause 5, rule XXI, which prohibits appropriations in bills reported from committees other than the Committee on Appropriations. The violations are technical and the Committee on Appropriations has indicated no opposition to the waiver.

In addition, the rule provides for the bill to be read for amendment by title and makes in order a motion to recommit which may include instructions if the instructions are in order under the normal rules and practice of the House.

Mr. Speaker, this is the major housing bill for fiscal year 1978. It extends and authorizes the community development block grant program for 3 years. It contains the funding authorization for virtually all Federal housing programs. While there will always be controversy over a bill of this scope, I believe that the rule establishes a fair procedure for its consideration and enables the House to work its will.

The short title of the bill (H.R. 6655) is the Housing and Community Development Act of 1977. Title I extends the community development block grant program through fiscal year 1980. It makes a number of technical revisions in the program including an improved funding formula for identifying the needs of urban areas.

Title II extends most of the major housing programs administered by the Department of Housing and Urban Development. Title III extends the HUD flood insurance program. Title IV modifies loan authority of federally chartered savings and loan associations, including establishment of a "line of credit" home-building loan.

Title V is a policy statement on urban growth and title VI extends rural housing programs administered by the Farmers Home Administration.

Mr. Speaker, numerous amendments are expected but there is no question about passage of a housing bill. It has the support of almost all housing agencies, business, labor, and local governments. I do not believe there is any real controversy over the rule and I urge its adoption.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 541 is a 2-hour open rule providing for the consideration of H.R. 6655, the Housing and Community Development Act of 1977. This rule waives section 401(b) of the Budget Act because the flood insurance section is a new entitlement. It also waives clause 5 of rule 21 which prohibits appropriations on an authorization, and there are some 12 to 18 sections of this bill which violate that rule. With respect to the waiver of clause 5, rule 21, our Rules Committee had received the following explanation from Chairman REUSS in his letter requesting a rule on April 28, 1977, and I quote:

> H.R. 6655 would make numerous changes to, and extensions of, existing HUD programs, which would result in technical violations of clause 5, rule XXI. We have identified at least twelve sections and possibly as many as eighteen sections of H.R. 6655 which could be deemed in violation of clause 5, rule XXI.

With respect to the Budget Act waiver in this rule, Chairman REUSS had written, and again I quote:

> Section 303(a) of H.R. 6655 extends the HUD Flood Insurance Program from June 30, 1977, until September 30, 1978. In H.R. 6655 we have changed the June 30 cycle of this program to a September 30 cycle, thus facilitating compliance with Section 401(b)(1) (of the Budget Act) in the future.

In this regard, our Rules Committee received a letter from Budget Committee Chairman GIAIMO, dated May 2, 1977, explaining that while section 401(b)(1) of the Budget Act prohibits consideration of bills authorizing new entitlements which would become effective before the first day of the fiscal year which begins in the calendar year in which the bill is reported, in his words, "extension of the flood insurance program was assumed in the third budget resolution for fiscal year 1977." Chairman GIAIMO went on to say, and again I quote:

> Since the Budget Committee has authorized me to support Budget Act waivers where necessary to permit consideration of matters assumed in the Third Budget Resolution, I would not object to a waiver of section 401(b)(1) at this time.

And Chairman GIAIMO concluded his letter as follows:

> It should be noted that the Committee on Banking, Finance and Urban Affairs has changed the effective date of the program in order to facilitate full compliance with section 401(b)(1) in the future.

And so, Mr. Speaker, I think the waivers contained in this rule are justified and necessary and I therefore urge adoption of this rule so that we can proceed to the consideration of H.R. 6655.

Mr. BAUMAN. Mr. Speaker, the gentleman from Illinois (Mr. ANDERSON) has mentioned the numerous instances in which H.R. 6655 departs from the requirements of the Rules of the House and the Budget Control Act. At least 13 sections of the bill violate the rule against appropriations in an authorization bill. The flood insurance section violates the much-touted Budget Act.

Mr. Speaker, this session of the Congress has seen repeated instances in which the majority has disregarded the rules with little or no justification except their use of power for their own convenience. This provides no protection for the minority or the American people.

As a protest against this continued highhanded abuse of the legislative process, I must oppose this resolution, regardless of the merits of the bill it makes in order.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LAGOMARSINO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 280, nays 4, not voting 148, as follows:

[Roll No. 205]

YEAS—280

Akaka
Allen
Ambro
Ammerman
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashley
AuCoin
Badham
Badillo
Bafalis
Baldus
Barnard
Baucus
Bedell
Beilenson
Benjamin
Bennett
Bevill
Blanchard
Blouin
Boggs
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Caputo
Carr
Cavanaugh
Cederberg
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Tex.
Conte
Conyers
Corcoran
Cornell
Cornwell
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Findley
Fisher
Flood
Flowers
Flynt
Foley
Fowler
Frenzel
Gephardt
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hannaford
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Hyde
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kildee
Kindness
Kostmayer
Krebs
Lagomarsino
Le Fante
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKinney
Madigan
Mahon
Mann
Marks
Marlenee
Martin
Mathis
Mattox
Meyner
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Myers, Gary
Myers, Ind.
Natcher
Nedzi
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pattison
Pease
Perkins
Pettis
Poage
Pressler
Preyer
Pritchard
Quayle
Rahall
Regula
Reuss
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Rooney
Rosenthal
Roybal
Ruppe
Satterfield
Scheuer
Schroeder
Sebelius
Sharp
Simon
Sisk
Skubitz
Slack
Smith, Nebr.
Spellman
Spence
Stangeland
Stanton
Stark
Steed
Steers
Stockman
Stratton
Studds
Taylor
Thompson
Thone
Treen
Trible
Tsongas
Tucker
Ullman
Van Deerlin
Vento
Volkmer
Waggonner
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
Whalen
Whitehurst
Whitley
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Yates
Yatron
Young, Mo.
Young, Tex.
Zablocki

NAYS—4

Bauman
McDonald
Steiger
Symms

NOT VOTING—148

Abdnor
Addabbo
Alexander
Ashbrook
Aspin
Beard, R.I.
Beard, Tenn.
Biaggi
Bingham
Boland
Burgener
Burke, Calif.
Burton, John
Burton, Phillip
Byron
Carney
Carter
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Collins, Ill.
Conable
Corman
Cotter
Coughlin
Delaney
Dent
Dodd
Dornan
Drinan
Early
Eilberg
Evans, Colo.
Evans, Ind.
Fish
Fithian
Flippo
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fuqua
Gammage
Gaydos
Giaimo
Gibbons
Gilman
Gradison
Hanley
Harrington
Hawkins
Hillis
Holland
Huckaby
Hughes
Ireland
Jones, Tenn.
Kelly
Koch
Krueger
LaFalce
Latta
Leach
Lederer
Long, La.
Long, Md.
Lujan
Luken
McKay
Maguire
Markey
Marriott
Mazzoli
Meeds
Metcalfe
Michel
Mikulski
Mikva
Milford
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Michael
Neal
Nichols
Nix
Nolan
Nowak
Patterson
Pepper
Pickle
Pike
Price
Pursell
Quie
Quillen
Railsback
Rangel
Rhodes
Richmond
Roe
Roncalio
Rose
Rostenkowski
Rousselot
Rudd
Runnels
Russo
Ryan
Santini
Sarasin
Sawyer
Schulze
Seiberling
Shipley
Shuster
Sikes
Skelton
Smith, Iowa
Snyder
Solarz
St Germain
Staggers
Stokes
Stump
Teague
Thornton
Traxler
Udall
Vander Jagt
Vanik
Walsh
Watkins
White
Wiggins
Wilson, C. H.
Wydler
Wylie
Young, Alaska
Young, Fla.
Zeferetti

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Hawkins.
Mr. Rangel with Mr. Sikes.
Mr. Florio with Mr. Pike.
Mr. Rostenkowski with Mr. Huckaby.
Mr. Staggers with Mr. Maguire.
Mr. Moss with Mr. Murphy of Pennsylvania.
Mr. Nix with Mr. Seiberling.
Mr. Flippo with Mr. Abdnor.
Mr. Shipley with Mr. Latta.
Mr. Udall with Mr. Conable.
Mr. Delaney with Mr. Kelly.
Mr. Boland with Mr. Carter.
Mr. Addabbo with Mr. Dornan.
Mr. Giaimo with Mr. Ashbrook.
Mr. Harrington with Mr. Shuster.
Mr. Metcalfe with Mr. Skelton.
Mr. Fountain with Mr. Snyder.
Mr. Gaydos with Mr. Burgener.
Mr. Gibbons with Mr. Stokes.
Mr. Meeds with Mr. Beard of Tennessee.
Mr. McKay with Mr. Wiggins.
Mr. St Germain with Mr. Wylie.
Mr. Don H. Clausen with Mr. Alexander.
Mr. Coughlin with Mr. Chappell.
Mr. Fish with Mr. Carney.
Mr. Gilman with Mr. Beard of Rhode Island.
Mr. Michel with Mr. Corman.
Mr. Railsback with Mr. Byron.
Mr. Rhodes with Mr. Dent.
Mr. Sarasin with Mr. Aspin.
Mr. Rudd with Mr. Drinan.
Mr. Vander Jagt with Mr. Cotter.
Mr. Walsh with Mr. Evans of Colorado.
Mr. Young of Florida with Mr. Dodd.
Mr. Wydler with Mr. Fuqua.
Mr. Young of Alaska with Mr. Early.
Mr. Biaggi with Mr. Del Clawson.
Mr. Fithian with Mr. Fraser.
Mr. Gammage with Mr. Ireland.
Mrs. Burke of California with Mr. Eilberg.
Mr. Gradison with Mr. Holland.
Mr. Krueger with Mr. Thornton.
Mr. Bingham with Mrs. Collins of Illinois.
Mr. Solarz with Mr. White.
Mr. Koch with Mr. Frey.
Mr. Murtha with Mr. Nolan.
Mr. Hanley with Mr. Zeferetti.
Mr. Boland with Mr. LaFalce.
Mr. Hillis with Mr. Luken.
Mr. Phillip Burton with Mr. Evans of Indiana.
Mr. Pepper with Mr. Leach.
Mr. Long of Louisiana with Mr. Markey.
Mrs. Chisholm with Mr. Ford of Michigan.
Mr. Santini with Mr. Marriott.
Mr. Charles H. Wilson of California with Mr. Long of Maryland.
Mr. John Burton with Mr. Ford of Tennessee.
Mr. Hughes with Mr. Lederer.
Mr. Roncalio with Mr. Mottl.
Mr. Mazzoli with Mr. Nowak.
Mr. Murphy of New York with Mr. Watkins.
Mr. Richmond with Mr. Traxler.
Mr. Milford with Mr. Stump.
Mr. Neal with Mr. Ryan.
Mr. Murphy of Illinois with Mr. Quie.
Mr. Pickle with Mr. Lujan.
Mr. Pursell with Mr. Smith of Iowa.
Mr. Sawyer with Mr. Teague.
Mr. Vanik with Mr. Runnels.
Mr. Schulze with Mr. Nichols.
Mr. Mikva with Mr. Patterson.
Mr. Russo with Ms. Mikulski.
Mr. Michael O. Myers with Mr. Rose.
Mr. Price with Mr. Rousselot.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SEVERE STORM TRAGEDY

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I would like to take a few moments to impress upon my colleagues the sheer devastation that natural weather phenomena can bring to bear upon a community. This last Wednesday a storm cell developed in the Kansas City area which wreaked havoc with a multitude of people. The Washington Post portrayed some of this havoc this morning with a picture of the rubble of the Pleasant Hill, Mo., High School. The thing the article failed to state was that there were 650 children in the school at that time. Miraculously, there were no fatalities.

Damage estimates for Johnson and Douglas Counties, Kans., are $2.8 million. The area hit the hardest was in the Sedalia, Mo., area with damage estimates at $15 million. Cass County, Mo., where Pleasant Hill is located, estimates their damage at $5 to $10 million. The total estimate for Missouri is nearly $25 million. Fatalities from the storm stands at three.

This Nation has at its disposal some of the greatest technical minds in the world. Minds that could make dramatic contributions to explaining and quantifying this severe storm weather phenomena. With more understanding of this phenomena it would be possible to increase warning times with improved forecasting, construct safe homes and buildings to withstand the storms, and maybe even develop methods to lessen the severity of the storm.

The House Committee on Science and Technology agreed with this point of view and has encouraged the National Aeronautics and Space Administration to increase their research work in weather and climate. This encouragement was in the form of a $5 million increase in their authorization request.

Unfortunately, my colleagues on the House Appropriations Committee did not agree with this view because they failed to appropriate these funds. This expenditure of $5 million can be returned to the American taxpayer manifold if it can lessen the severity of these natural weather phenomena. This one storm has resulted in damages of nearly $30 million. Kansas alone averages 46 tornadoes per year; Missouri averages 27 per year. Yet this expenditure of $5 million is not considered worthwhile.

HEARING SCHEDULE OF THE SUBCOMMITTEE ON ENERGY AND POWER

(Mr. DINGELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I am today announcing the schedule of hearings of the Subcommittee on Energy and Power on the provisions of the President's National Energy Act, H.R. 6831, which fall within the jurisdiction of the Commerce Committee.

We are going to do our utmost to adhere to this schedule and to report out legislation in a manner consistent with the wishes of the leadership.

There are a great number of bills pending before the subcommittee which deal with aspects of the President's program. We will try to consider these in the context of the President's proposal but such may not be possible in all cases.

For the benefit of the Members and all interested individuals, the subcommittee's present plan is to hold hearings as follows:

May 9 and 10: 10 a.m. and afternoon, room 2123, Rayburn House Office Building on May 9, room 2322, Rayburn House Office Building on May 10—Utility program (title I, part A—Energy conservation program for existing residential buildings—Subpart 1).

May 11: 10 a.m. and afternoon, room 2123, Rayburn House Office Building—Energy efficiency standards for consumer products other than automobiles (title I, part B—Energy efficiency of consumer products—Subpart 1).

May 12, 13, 17 and 18: 10 a.m. and afternoon, room 2322, Rayburn House Office Building on May 12, 13, and 18, room 2123, Rayburn House Office Building on May 17—Natural gas (title I, part D).

May 16: 10 a.m., room 2322, Rayburn House Office Building—Energy conservation program for schools and hospitals (title I, part C).

May 19, 20, 23, and 24: 10 a.m., and afternoon, rooms to be announced—Public utility regulatory policies (title I, part E, subparts 1 through 4).

May 25, 26, 27, and June 1: 10 a.m. and afternoon, rooms to be announced—Amendments to the Energy Supply and Environmental Coordination Act (title I, part F).

On that, Mr. Speaker, I wish to again reiterate to my colleagues that I have assured all that they will have a full opportunity to present all amendments that are appropriate and proper under the rule.

THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977

Mr. ASHLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6655) to amend certain Federal laws pertaining to community development, housing, and related programs.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. Ashley).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6655, with Mr. Studds in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Ohio (Mr. Ashley) will be recognized for 1 hour, and the gentleman from Michigan (Mr. Brown) will be recognized for 1 hour.

The Chair recognizes the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. Reuss), the distinguished chairman of the full committee.

Mr. REUSS. Mr. Chairman, I rise in strong support of the bill, H.R. 6655, the Housing and Community Development Act of 1977. I commend the distinguished chairman of our Subcommittee on Housing and Community Development, our colleague Lud Ashley of Ohio, for the splendid effort he demonstrated in putting together this bipartisan approach that will serve our urban communities, both large and small, well in the next 3 years. I would also like to commend the distinguished ranking minority member of the subcommittee, our colleague from Michigan, Garry Brown, for his fine role in the work that has gone into H.R. 6655.

H.R. 6655 would reauthorize the community development block grant program for an additional 3 years providing authorizations of $4 billion, $4.15 billion and $4.3 billion for the next 3 fiscal years. This increased funding total reflects the creation of a second formula, an urban development action grant program, and a continuation of the categorical financial settlement fund to assist communities in rapidly closing out their urban renewal projects. The new second formula would more accurately reflect the needs of many of our older and declining urban communities. It would enable such comunities, which in the past have been funded at relatively high levels under the old categorical grant programs to continue receiving an adequate basic level of assistance to the degree that they are distressed.

I would emphasize that this new second formula, while it does seek to assist the older, declining communities, does not mean that communities in other parts of our Nation will be forced to lesser amounts of community development funds. A community will be able to choose between the higher of its entitlement figures either in the old formula or this new second formula proposal.

I would also strongly support and commend the Carter administration and HUD secretary Patricia Harris for the proposal embodied in the urban development action grant program, which is to be funded at a $400 million level each for the next 3 fiscal years. The primary emphasis of this action grant program would be on the revitalization and conservation of viable residential neighborhoods and the stimulation of commercial and industrial development essential to the vitality of central cities and their residential neighborhoods.

I would like to commend our distinguished junior members of the Banking Committee, our colleague from New York, Mr. Lundine, and our colleague from Oregon, Mr. AuCoin, for the input that they had in developing the provision of the bill guaranteeing the communities of under 50,000 multiyear community development funding.

The other provisions of this bill would reauthorize the HUD-assisted housing programs, increase the FHA mortgage insurance limits for single family homes, increase the home improvement loans insured under the National Housing Act, and extend the various authorities of the

Secretary of HUD under the provisions of the National Housing Act. The bill also mandates an annual Presidential report on urban policy which, I hope, can lead to the formulation of a much-needed national urban policy.

The bill would also increase maximum mortgage amounts permitted to be made by federally insured savings and loan associations, and would extend the various rural housing assistance programs administered by the Farmers Home Administration.

I urge the prompt approval of this bill.

Mr. BROWN of Michigan. Mr. Chairman, at this time I yield such time as he may consume to the gentleman from Ohio (Mr. Stanton), the distinguished and respected ranking member of the full committee.

Mr. STANTON. Mr. Chairman, I would like to commend our distinguished chaircan, Mr. Reuss, our subcommittee chairman, my colleague from Ohio, Mr. Ashley, and our ranking member from Michigan, Mr. Brown, for their most excellent and effective work in bringing forth this bill. Consistent with the past, the chairman of the subcommittee has been extremely fair and considerate of the minority's wishes on marking up this legislation. As Mr. Ashley knows, we have all worked hard on the community development block grant program, and we are pleased to see it reauthorized for 3 more years.

I consider this to be a good bill and it is my hope that by the end of the amending process, it will be better.

For example, it is important to note that smaller communities must be adequately provided for under the bill. As hold-harmless phases out for these cities and towns of under 50,000 population, a number will be left with uncompleted projects.

While the bill does provide for HUD to make multiyear commitments, it does not necessarily provide a system to protect smaller communities which may be in the midst of a major project but will still experience reduced funding. Some special consideration should be given to these situations.

Also, there still are a number of questions with respect to the urban development action grants, and I would have preferred to see the committee wait until the task forces, Chairman Ashley has announced, have had an opportunity to study the best way to assist large-scale community development projects. After all, a major thrust of this new program is for economic development and there are other Federal programs which address the same problem.

Speaking of action grants, I would like to draw the attention of the House to an article appearing in the Wall Street Journal of May 4, 1977. It raises serious questions of whether the clean air standards will block any meaningful activity under the action grants. I would ask unanimous consent to include in the Record a copy of the article by Douglas Martin, immediately after my remarks.

In this article, Mr. Martin points out over half the country is covered by EPA rules which will restrict plant construction, unless it can first be shown that air pollution levels have been reduced by an amount in excess of what the new plant will emit.

Since, almost by definition, these action grants are to be used in the older declining core cities of the Northeast and Midwest, there will undoubtedly be a conflict with such EPA rulings. The problem may become even more acute, if, as suggested in the article, there is an effort to write these regulations into law.

What I am getting at, is that not enough consideration has been given to the broader picture in authorizing this new action grant program. It is my understanding that HUD is just now beginning to focus some attention on this possible problem. As we pointed out in the minority views, problems like the one I just mentioned make it "difficult to conclude that the level of funding asked for will be, in fact, fully committed or well utilized if it is."

It makes more sense to me to have a more thorough review of the ramifications and interrelationships of new programs before they are authorized rather than after they fail. I say this more as a warning to the older, urban areas. Do not get your hopes up too high. Uncle Sam may appear to be riding to the rescue, but he seems to be clumsily wielding a two-edged sword.

As for other provisions in the bill—such as raising the FHA mortgage limits to $60,000, and increasing the FNMA and FHLMC mortgage purchase limits—they are certainly necessary. The changes regarding savings and loan lending powers were also necessary and worthwhile. Freeing up capital for housing is a vital concern for us all, and as the demand for capital increases during our economic upswing, these changes will have a salutory effect.

The changes, with respect to rural housing, are also sorely needed. Too often, the committee has proceeded with legislation without giving adequate consideration to the needs of rural housing. While there are some problems with the rural housing changes, they tend to be minor and do not go to the question of whether or not there should be such a program.

In conclusion, Mr. Chairman, I support H.R. 6655 and I hope our colleagues will give serious study to the improvements we will be offering during the deliberations on Monday.

[From the Wall Street Journal, May 4, 1977]

Curb on Construction Where Air Is Dirty Rankles Businessmen—Projects Held Up by Need To Cut More Pollution Than the New Plant Adds

(By Douglas Martin)

Environmentalists and industrialists are pitted in what could become one of their most bitter battles yet.

The issue is the tight federal restriction on plant construction in areas where the air is already so dirty the government considers it unhealthful. In such areas—well over half the country—the Environmental Protection Agency lets a company build only if the concern first eliminates more existing air pollution than its new plant will emit. The intended effect is indisputably clever, a net reduction in pollution as a result of the new construction.

The rule has many corporate executives chafting about big projects being blocked, delayed or made more costly. Others worry about overall effects on industrial growth. The EPA policy "will ensure the continued economic decay of the developed areas of the country," declares Gary Knight, an official of the U.S. Chamber of Commerce. A General Motors executive calls it "brutal."

But many environmentalists believe the pollution-offset rule is working. Some say it is one of the best ways anyone has thought of to get industry to clean up. There is agreement, though, that the conflict between the needs for industrial growth and for healthful air to breathe isn't easy to resolve.

"We're going to have to choose," says Diana Dutton, a lawyer for the EPA, "and it's getting to the point where it's really a hard choice."

CONGRESS INVOLVED TOO

The controversy has spilled onto the floors of Congress, where efforts are under way to write the EPA policy or something like it into law. The impetus is expressed by Sen. Gary Hart, Democrat from Colorado: "A lot of people in my state are fed up with seeing the air they breathe," he says. "I don't think we can continue to capitulate to business every time they get upset."

And the issue is a touchy one for the Carter administration. "It's the most explosive environmental issue Jimmy Carter is going to have to face," says Robert Rauch, a lawyer for the Environmental Defense Fund. "It's just dynamite."

The problem has been building since mid-1975, the original deadline for cleaning up the country's air, when 156 of the 247 air-quality districts missed their goal for at least one of the six pollutants measured. A few regions got two-year extensions, but for the rest a strict reading of the 1970 Clean Air Act would bar any industrial expansion. But that was "politically impossible," an EPA official notes.

So late last year the agency adopted its compromise "offset" rule. It permitted plant expansions or new factories that would emit less than 100 tons of pollutants a year. To build a facility that would spew out more than 100 tons (or more than 1,000 tons of certain pollutants), a company would have to clean up a greater amount of existing air pollution in the same air-quality district. If it didn't have enough of its own facilities to clean up or close, it could try to persuade other polluters in the same district to eliminate some emissions.

FORD'S SOLUTION

The requirement poses the least problems for corporations with ample facilities in the area where they hope to build. Ford Motor Co., for example, wants to double production from an auto plant in Louisville, Ky., an area that doesn't meet federal air-quality standards. By changing the spray painting process at the plant and at another in the same district, Ford expects to eliminate more hydrocarbon emissions than its expansion will add, thus meeting the EPA's requirement.

The rule is "something you might be able to live with if you have existing facilities and lots of them," says Victor Sussman, a Ford pollution expert.

The EPA's conditions also can be met if a community wants a plant badly enough. That was the case when General Motors Corp. announced plans for a new car assembly plant in Oklahoma City. Because the area hadn't met federal standards for photochemical oxidants, which irritate the eyes and can cause breathing difficulty, it would have to eliminate 3,240 tons of annual hydrocarbon emissions before the GM plant could be built.

Most of Oklahoma City's air pollution

comes from cars, while only that from stationary sources can be used to offset a new plant's emissions. "It looked for a while as if there wasn't a chance in Hades of getting this thing built," says Edward Cote, a GM executive.

WANTED: 5,000 JOBS

But Oklahoma City's Chamber of Commerce and the state's politicians wanted the 5,000 jobs the big assembly plant would provide. So officials visited 14 oil companies with facilities in the air-quality district, trying to persuade them to install pollution controls with the argument that the controls would cut costs by reducing evaporation.

Some oil companies wanted to be given the pollution-control equipment and be paid for reducing emissions. Others just weren't interested. But four agreed to install emission controls on crude-oil storage tanks, and the result was a reduction in hydrocarbons sufficient to enable GM to proceed with its new plant.

A tougher case arises when a company that wants to build in a dirty-air district has neither facilities of its own to clean up nor eager local-sponsors. Standard Oil Co. of Ohio has been sparring for months with California's Air Resources Board, which administers the EPA pollution-tradeoff rule in that state, over Schio's plan to build a $500 million landing and storage facility in Long Beach for Alaskan crude oil. Sohio proposes to offset its expected emissions by paving some dusty Long Beach streets and installing pollution controls on local dry-cleaning shops, among other things.

But so far Sohio and the California agency can't even agree on the amount of air pollution that needs to be offset, not to mention the means of offsetting it. Alan Goodley, an air board official, suggests that Sohio isn't really trying. "There's more money to be made by selling oil to Japan than the U.S.," he remarks.

Sohio says that suggestion is ridiculous, considering that the company has already spent $25 million on the project. As one Sohio spokesman sees it, "It's a matter of (California's) making us chase our tail."

Another project being held up by the pollution tradeoff requirement is a $540 million Virginia refinery planned by Hampton Roads Energy Co., a subsidiary of Cox Enterprises Inc., of Atlanta. Hampton Roads, says federal environmental officials have suggested that it allocate 10% of the plant's cost to cleaning up a nearby Amoco refinery. But as a Hampton Roads spokesman comments, "It's difficult to obtain $54 million to clean up a competitor's plant. It isn't the sort of thing that banks like to do."

Similarly, Du Pont Co. wants to build a billion-dollar chemical complex on the Texas coast but is having trouble finding companies to reduce pollution enough. The main reason, a spokesman says, is that most of the corporations Du Pont could ask are competitors, and it fears that dealing with them might create "all kinds of antitrust problems." Environmental Protection Agency officials concede that antitrust could be a problem with the offset rule.

The pollution tradeoff policy presumably also could give some companies in dirty-air regions power to help keep out potential competitors, by refusing to cooperate in reducing emissions. It's a problem a lot of executives say they worry about.

Harry Birdwell, an official of the Oklahoma City Chamber of Commerce, thinks that if the EPA policy remains in effect "you're going to get to the point where it's bought and sold like a commodity." The Oklahoma City chamber and General Motors say they considered paying companies to cut emissions so that GM could build its auto plant, although ultimately they didn't.

Companies planning to build in Oklahoma in the future may face a tougher situation, however. The EPA plans to ask the state to adopt a stiffened antipollution program under which emissions from oil-storage tanks, for example, would have to be curbed. Because such pollution reductions would be required anyway; they couldn't be used to offset the emissions of a proposed new plant.

This has happened in state after state. "Tradeoffs that originally appeared to be available now have been taken away," says W. J. Coppoc, vice president of Texaco Inc.

TAPPING INDUSTRY'S TECHNOLOGY

Environmentalists say that's precisely the idea. They note that a lot of old facilities are continually being closed anyway; if a company could get credit for closing them, the pollution-offset policy would do little or nothing to improve air quality. The goal, environmentalists say, is to implement the tradeoff policy so strictly that big industry, with its armies of scientists and technologists, has an economic interest in finding new ways to reduce pollution.

"The biggest problem," says Carl Pope, air-quality specialist for the Sierra Club, "is that the people who know the most about cleaning up a plant are those with the least incentive to tell you."

But in some ways the EPA rule itself can tend to discourage pollution abatement. A company that someday may want to build in a dirty-air district has an obvious incentive to delay cleaning up its existing facilities there until it needs a pollution offset. The EPA, recognizing the problem, is considering allowing companies to "bank" pollution reductions for future plant expansions.

The EPA also finds that a lot of businesses are trying to avoid the offset rule by keeping their projects small. "It's amazing how many of them are suddenly coming in at less than 100 tons of emissions a year," the point at which the pollution offset requirement takes effect, says Oscar Cabra, a technical officer in the Dallas EPA office. So the agency is thinking of making the rule apply to any project that adds 50 tons of pollutants a year to air that is aready too dirty.

CLEAN AIR RULES, TOO

Nor can companies escape simply by building where the air is clean. The EPA bars construction causing significant deterioration in air that meets federal standards. This policy is being challenged before the Supreme Court.

Meanwhile, some regions meet federal air-quality standards for one pollutant but miss them for another, subjecting any business planning an expansion to a bewildering interplay of two tough antipollution rules. "A lot of companies will be caught" in this squeeze, an EPA lawyer concedes.

Nevertheless, officials of the environmental agency believes its rules can be met by most companies, including Sohio and Hampton Roads. The EPA is optimistic about negotiating offsets for two other huge projects, Volkswagen's proposed plant in New Stanton, Pa., and Seadock, a Gulf Coast supertanker port planned by eight oil companies.

But currently, the issue is most sharply focused in Congress. The House Commerce Committee has specifically voted to continue the tradeoff policy but has provided a waiver for states determined to avoid it. It's a tough waiver: States must prove to EPA that they are pursuing a plan to achieve standards by 1987.

Similarly, the Senate Environment and Public Works Committee has voted a waiver for states making "reasonable progress" toward attainment. Sen. Lloyd Bentsen, Democrat of Texas and sponsor of the amendment, calls it "a victory for common sense," adding that "I don't know anybody who thinks some of these areas can meet the oxidant standard." But even this amendment is far from settled: Today, opponents hope to stiffen its effect, when they meet to pin down what "reasonable progress" means.

Regardless of the final version of the clean air amendments which emerge from Congress, it's expected the bill, or at least part of it, will be acted on quickly. The reason is that the legislation is now linked to an extension of the deadline for auto companies to meet emission standards, and "nobody wants to be remembered for shutting down Detroit," a Senate staffer says.

Mr. ASHLEY. First, Mr. Chairman, let me express my appreciation for the very kind and cordial remarks of my very good friend from Ohio, Mr. Stanton. I will say that our Subcommittee on Housing and Community Development does indeed seek to legislate in a bipartisan spirit, and the product that we have before us today is a product which reflects that effort. It is an effort that reflects the spirit that we have on the subcommittee, which is to say that we seek to legislate on the basis of inclusion, rather than exclusion. This product reflects that fact also, because much of the substance of H.R. 6655 can be attributed to the insights and the specific contributions in the way of amendments from the gentleman from Michigan and others.

Mr. Chairman, H.R. 6655, the Housing and Community Development Act of 1977, is the product of nearly 3 years of effort by the Committee on Banking, Finance and Urban Affairs to improve upon the landmark community development block grant program enacted in 1974. The bill also contains many significant amendments to, and dollar authorizations for, the housing programs administered by HUD and the Farmers Home Administration. It represents a major effort by the committee to draw up basic housing and community development legislation which will be acceptable to the Members of the House by providing, in a fair and equitable manner, lasting benefits to our Nation's communities and to citizens in need of decent housing.

In addition to oversight hearings over the past few years, mandated studies and reports from the Department of HUD, and special staff studies, the Subcommittee on Housing and Community Development held 10 days of extensive hearings on this legislation. During the 13 days it took to mark up this legislation in both subcommittee and in the full Banking Committee, the issues involved were extensively debated. H.R. 6655, the product finally agreed upon, was reported by the committee to the House by a vote of 31 ayes to 4 nays.

I would like to compliment the chairman of the full Banking Committee (Mr. Reuss) for his cooperation in expediting the proceedings on this bill. I would also like to commend my distinguished colleagues on the Subcommittee on Housing and Community Development, especially Mr. AuCoin of Oregon and Mr. Lundine of New York, for the very substantial efforts they exerted to make this a solid and workable bill.

It is always a pleasure to work with the ranking minority members of the full committee and the Housing and Community Development Subcommittee, the distinguished Member from Ohio, Mr. Stanton, without whose fine cooperation we would probably not have such a bipartisan bill before us today and, as always, Mr. Brown of Michigan whose nonpartisan and constructive work on any piece of housing legislation is invaluable.

As I have indicated, Mr. Chairman, most of the major changes from existing law and programs are contained in title I of the bill relating to the community development block grant program.

In 1974, when the community development block grant program was first enacted, we recognized that further study of the complex mechanics of grant allocation to the various recipients would be needed. In section 10(e) of the 1974 act we directed the Secretary of HUD to report back to the Congress this year on this matter. Title I of the bill substantially incorporates the recommendations which were made by the Secretary. These recommendations, by the way, are buttressed by independent studies done by the Brookings Institution and other research organizations.

Title I would authorize continuation of the basic block grant program for the next 3 fiscal years at funding levels of $3.5 billion, $3.65 billion, and $3.8 billion, respectively. To assist in the financial close out of prior categorical projects now consolidated into the block grant program, primarily urban renewal projects, an additional $100 million for fiscal years 1978, 1979, and 1980 would be authorized. Finally the bill authorizes an appropriation of $400 million a year over 3 years for a new urban development action grant program designed to provide an opportunity for our most severely distressed cities, both large and small, to take advantage of major housing and economic development opportunities which require heavy front end investments. This program is essential if we are to "turn around" many of our most economically depressed and deteriorated communities. It should be emphasized that this urban action grant program is not a rehash of the old urban renewal program. It is a program designed to take advantage of unique development or redevelopment opportunities that may occur for severely distressed cities, both large and small, for which significant and timely front-end funding may be required which the regular block grant program is not structured to supply. It would be chiefly distinguishable from the old urban renewal program in its emphasis on a commitment to the project of other public and private financial assistance.

Title I would also change the present single statutory formula for distributing community development block grant funds to a dual formula. It is this aspect of the title which I think merits a rather detailed explanation.

Under the provisions which we enacted in 1974, 80 percent of the funds available each year would be allocated for use in metropolitan areas, 20 percent for use in nonmetropolitan areas. In metropolitan areas, funds would be distributed first, to metropolitan cities and urban counties pursuant to a 3-part formula—based on population, housing overcrowding, and poverty counted twice; and second, to meet the "hold harmless" needs of metropolitan cities and urban counties—where those needs exceeded their formula entitlements—and other units of general local government which qualify for hold harmless treatment. Funds remaining in the metropolitan area allocation would be distributed among the metropolitan areas for use by States and units of local government in those areas.

In nonmetropolitan areas, funds would be used to meet the hold harmless needs of units of general local government which qualify for hold harmless treatment, with the remaining funds to be allocated among the States and units of general local government in each State.

Realizing that this fund distribution mechanism was far from perfect, the Congress limited funding for this new program to 3 years and made provision for full reconsideration of the basic formula at the end of that time. As a result of this reconsideration, the committee came to a number of important conclusions. First, because of extreme variations in funding among hold harmless communities, the hold harmless distribution of funds has a weak relationship to actual community development needs. Second, the existing formula is very responsive to population factors but is not responsive to the physical community development needs of cities and other communities throughout the country in greatest distress. Third, communities with stagnant or losing populations exhibit higher levels of community development need than faster growing communities, and finally a formula alternative that includes pre-1940 housing as a factor correlates most highly with what would be commonly agreed upon as indicators of community development need.

With these considerations in mind, the committee decided that a dual formula approach would be most responsive to the policy of distributing funds in accordance with need while maintaining the level of funding of those new cities receiving block grants who are now being phased into full formula under the 1974 act.

The second or alternative formula measures statistically the relative amounts of old housing, the comparative rate of decline or stagnation of population growth, and poverty, and weighs them at 50 percent, 20 percent, and 30 percent respectively, as factors typically associated with urban economic distress. Without this new formula and, if existing law remains unchanged, many older communities, despite their relatively greater needs, will experience sharp reductions in assistance because they will lose a guarantee of pre-1974 funding levels—hold harmless—and be shifted to the formula in existing law.

With respect to small communities, title I provides for a growth of discretionary funds for smaller communities in metropolitan areas from an estimated $100 million in fiscal 1977 to $308 million in fiscal 1980. For nonmetropolitan areas the estimated amounts are from $323 million in fiscal 1977 to $689 million in fiscal 1980. These discretionary funds would be allocated to metropolitan areas and to nonmetropolitan areas within States using the similar dual formula employed for allocating funds to entitlement communities. With respect to smaller rural communities wishing to apply for single purpose grants, the Secretary would have authority to waive many of the application requirements which communities carrying out more comprehensive programs must meet.

In addition to amending the community development block grant program, title I would also authorize appropriations for 1978 of $60 million for HUD's section 312 rehabilitation loan program and not to exceed $80 million for the section 701 comprehensive planning assistance program.

Title II of the bill relates to housing authorizations and provides additional annual contributions contract authority for fiscal year 1978 of approximately $1.2 billion for the public housing and section 8 housing assistance payments programs. This additional authority should enable HUD to provide for 400,000 units of housing for lower-income Americans in fiscal year 1978. In addition, $665 million would be authorized of public operating subsidies.

Other provisions would raise the mortgage limits and lower the down payments required in FHA's basic home mortgage insurance programs, provide for an extended operating subsidy under the section 236 rental assistance program and authorize appropriations of $15 million for the urban homesteading demonstration program, $108 million to carry out flood insurance studies, and $65 million for HUD research for fiscal year 1978.

Title III of the bill extends to October 1, 1978, the FHA mortgage insurance programs, the flood insurance program and the Emergency Home Purchase Assistance Act of 1974.

Title IV contains amendments relating to the lending powers of Federal savings and loan associations.

Title V would reorient the reporting and policy development requirements of the Urban Growth and New Community Development Act of 1970 toward the development of a national urban policy.

Title VI of the bill contains rural housing amendments, one of which would direct the Secretary of Agriculture to begin implementation of the rural rent subsidy program authorized in 1974.

Mr. Chairman, this legislation has been very carefully worked out. Its enactment will benefit all of us. It is balanced legislation designed to assist communities and lower-income families throughout the entire Nation. I strongly urge its enactment.

Mr. BROWN of Michigan. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I take this time to engage in a colloquy with the manager of the bill, the gentleman from Ohio (Mr. Ashley).

Mr. Chairman, I have been advised that Ventura County, Calif., which is my district, and which is currently participating as an urban county in the community development program will lose its eligibility as an urban county in fiscal 1978 because it will fall below the 200,000 population—exclusive of metropolitan cities within it—necessary for urban county qualification. This will happen because the Department of Housing and Urban Development will use 1975 Census Bureau estimates of population for fiscal 1978. Under these new estimates the city of Thousand Oaks in Ventura County, will become a metropolitan city because its estimated population will exceed 50,000 requiring such population to be excluded from that of Ventura County. The county, therefore, will fall below the 200,000 population needed for continued eligibility.

I understand that the bill under consideration, in section 106(e), page 17, directs the Secretary of HUD, in making grants from the discretionary fund to consider past participation in the block grant program as one of several criteria to be considered in making multiyear grant commitments. Is that not correct?

Mr. ASHLEY. If the gentleman will yield, that is absolutely correct, I would say to the gentleman.

Mr. LAGOMARSINO. Is the Ventura County experience, then, the very kind of situation wherein the committee intends that the Secretary provide for program continuation through a multiyear grant commitment from the discretionary fund?

Mr. ASHLEY. Again the gentleman is absolutely correct, and I am pleased to have this opportunity to advise him that this very type of situation has been discussed with Department officials at the highest level, with the Secretary and with the appropriate Assistant Secretary. Therefore, I am pleased to be able to say that the type of situation which we treated hypothetically, as to which the gentleman seeks direction, is a reality and is one that has been discussed thoroughly.

I am pleased to respond to the gentleman, Mr. Chairman, in this fashion.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for his comments and for his answers.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Lundine), who has made a truly remarkable contribution to this legislation.

Mr. LUNDINE. Mr. Chairman, the bill we are considering makes important and needed changes in our housing and community development programs. As the newest member of the subcommittee, I wish to commend the efforts of my fellow subcommittee members and to express my admiration for the patience and skill of the distinguished chairman of that subcommittee in guiding this bill through 10 days of comprehensive hearings and 13 long days of intensive markup.

H.R. 6655 represents a significant step forward toward our ultimate goal of decent affordable housing for all Americans and improving the quality of life in communities across the Nation. The bill includes language which recognizes that economic development and community development are inextricably linked. If a community is not a good place in which to live, business will not invest there, jobs will be lost, and people who can afford to will move away. Economic development has to be an integral part of our housing and community development policy.

In addition to this new emphasis, H.R. 6655 provides for higher levels of funding for community development and improved allocation of those funds, targeted to need. It also authorizes a major new urban initiative—an urban development action grant program which focuses on revitalization of neighborhoods and stimulation of economic development; it lowers the requirements for downpayments and increases maximum mortgages obtainable under FHA financing for prospective homeowners, and includes a title devoted to extending and improving rural housing programs under the Farmers Home Administration.

In the past, housing and community development legislation has tended to be big city oriented. The bill before us today, however, provides a balanced approach to housing and community development needs—both urban and rural.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, it is my understanding that the gentleman from Missouri (Mr. Taylor) has an amendment which would permit a bank or a savings and loan company to lend money to a person who might wish to build a house or a business in a flood plain area.

As the gentleman from New York well knows, under the present law and regulations that have been established, savings and loan companies and banks are prohibited from making loans to such individuals. The gentleman from New York was talking about the improvement of communities. Will the gentleman from New York support an amendment such as the gentleman from Missouri (Mr. Taylor) may offer?

Mr. LUNDINE. I do not think I would. But I do not think it is addressed to the point that I was trying to make about the bill representing a balanced approach between urban and rural concerns.

Mr. ICHORD. The point I want to make to the gentleman from New York—and I might add that I did not rise on my feet when the gentleman said this was a balanced approach to housing—what I cannot understand is that this Nation operates under the free enterprise system. I am not an absolute laissez faire proponent but I am a proponent of the free enterprise system.

What are we trying to do in this Nation? If I am a banker and I want to make a loan in a flood plain area and you want to build a house and you build in a flood plain area, why should that not be permitted?

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I certainly would yield.

Mr. ASHLEY. The gentleman from Missouri is referring to an FHA loan? The taxpayers then are on the hook to pick up the mortgage in case a flood comes along.

Mr. ICHORD. I am not talking about an FHA loan, I am talking about a bank loan itself, without any Government guarantee. The gentleman from Ohio well knows that under the present law the bank cannot make such a loan.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I yield to the gentleman from Missouri.

Mr. TAYLOR. Mr. Chairman, I think what my colleague, the gentleman from Missouri (Mr. Ichord) is alluding to are the regulations now in place in many communities which say that a savings and loan company or a bank, or a federally insured institution, are precluded from making loans in their general community with their own money from their own depositors because they have been told that this particular piece of legislation precludes them from doing so.

We have had instances in Missouri where this is a very serious situation, where a community has been designated and defined as a flood plain. There is one city in my community, Aurora, Mo., which is located in a part of the Ozarks some 2,000 feet above sea level with no body of water within 5 miles and yet they have been designated as a flood plain, and the bankers say they cannot loan money because this is a flood plain. That is tommyrot.

Mr. PATTISON of New York. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I yield to my colleague, the gentleman from New York.

Mr. PATTISON of New York. Mr. Chairman, as a matter of fact, the law is not quite as stated. The requirements on flood plains refers to the fact that a town may adopt a flood plain ordinance that requires that you have to get a permit before you build on a flood plain. Obviously if you are going to build on a flood plain it has to be something that either will not float away or will not be affected by a flood.

The reason that we do that is because our history has been that people have built in the flood plains year after year.

Mr. TAYLOR of Missouri. Mr. Chairman, if the gentleman will yield, I understand that. I served on the Water Resources Committee. I understand the purpose of this legislation. I am in agreement with some of it. But I am not in agreement with legislation that will go into a community and tell local private lending facilities and institutions that they cannot use their own money here.

Here is a bank which has been in the community for 100 years. It never has suffered a loss as an institution because of flooding. Yet, because the city council refuses to accept the mandated flood plain that some bureaucrat came and said was a flood plain and said to the city council: "Just because you say there has never been a flood does not mean there will not be a flood," and it is a matter of record there has never been a flood, I do not agree with that.

Mr. PATTISON of New York. Mr. Chairman, if we could get those same people to sign a statement saying they will never ask to be bailed out if they are flooded out perhaps we could go along.

Mr. TAYLOR of Missouri. I would be glad to make it a part of my amendment that no flood relief would be requested.

Mr. ICHORD. If the gentleman will yield, I do not think they should receive any disaster relief whatsoever under those circumstances.

Mr. LUNDINE. Mr. Chairman, having engaged in this interesting colloquy regarding the flood insurance portion of the bill, I would like to continue with my remarks on the bill.

DUAL FORMULA: A CORRECTION OF REGIONAL IMBALANCE

H.R. 6655 establishes a choice of formula in the allocation and distribution of community development funds to major cities which measures need more accurately than did the single, old formula. The new alternative formula recognizes that overcrowding of housing can sometimes be a symptom of a dynamic, growing city and that allowance must be made, as well, for loss of population, for aging and deteriorating housing stock, and for resultant urban blight.

SMALL CITIES

The bill also recognizes that the needs of cities do not change when their population falls below 50,000. As a former small city mayor, I particularly endorse those provisions in title I which attend to the community development needs of small cities and towns.

The small cities provisions in title I essentially apply the dual formula approach to allocation of community development block grant funds from the discretionary balance to both metropolitan and nonmetropolitan areas within States. That means that each State has a choice of formula for its metropolitan and nonmetropolitan areas. The second formula in the new small cities provisions takes into account aging and deteriorating housing stock.

In addition the small cities provisions authorize multiyear funding of community development programs for small cities with comprehensive plans. This permits small cities to plan and to meet their housing and community development needs in the same way that larger entitlement cities now can.

The small cities provisions also instruct the Secretary in determining both eligibility and level of funding for community development grants to small cities, towns and rural communities to take into consideration such factors as the unit's engaging in economic redevelopment activities, past performance of the unit in such activities, the function of the unit as a regional center of economic development and activity, the potential for having increased employment within such a unit as a result of community development activity and the physical and economic deterioration within the unit.

The small cities provisions do not preclude the Secretary from continuing to approve grants, without multiyear funding, for communities that wish to carry out less than comprehensive programs which do not require or need a multiyear funding commitment.

DUAL FORMULA APPROACH NEEDED TO CORRECT REGIONAL IMBALANCE

Let me review, briefly, for those of my colleagues who are unfamiliar with the program's history, how the "dual" formula for cities over 50,000 came into being. The community development block grant concept was initiated during the Nixon administration to consolidate categorical programs and to fashion programs known as "special revenue sharing." The community development program which emerged from that initiative represented a compromise between the wish of the Congress to concentrate resources in areas of greatest need and the desire of the administration to spread moneys more evenly throughout the Nation, including the more affluent areas. The formula devised for the original community development legislation—the so-called "old" formula—is one which counts poverty twice in the calculation for distributing money, substandard, or overcrowded housing once in the calculation, and population once—or a 50, 25, 25 percent weighting. This sounds like a good formula, but what has its effect been on the Northeast and Midwest portions of the Nation?

For one thing, the basis for calculating poverty is national average data: That means unadjusted or cost of living. Areas like New York, Philadelphia, Chicago, and other severely impacted cities, therefore, do not get any appreciable benefit from having poverty counted as 50 percent of the old formula. Those areas of the country which have a low standard of living get a disproportionate benefit from the calculation in the old formula which supposedly measures relative poverty.

Similarly, the portion of the old formula which measures the quality of housing does so by calculating the degree to which housing units are overcrowded—not whether they are habitable units as measured by a city housing code or any other realistic measure of the quality of the housing stock. Cities experiencing net population loss—like Detroit or St. Louis, for example—have severe housing problems which are not reflected in the "old" community development formula. Likewise, the housing and community development needs of cities like Baltimore and Pittsburgh, which have old, deteriorating housing and concomitant social problems, are not represented accurately in a formula which uses overcrowding as a measure. This element of the old formula has discriminated very much against the Northeast and Midwest cities and regions of the country.

Because the old formula was so blatantly unfair to the older central cities of the Northeast and Midwest, Congress adopted a hold-harmless provision in the original community development legislation. This provision, which guaranteed each city roughly the same level of funding that it had been receiving prior to passage of the legislation, in effect masked the inequities of the "old" formula for the first 3 years of the community development legislation.

Studies by HUD demonstrated both the flaws in the original formula and the lack of correlation between levels of hold-harmless funding and community development needs. The decision was consequently made to phase out the hold-harmless provisions of the legislation and to alter the formula for distributing community development funds to correct the inequity which had resulted for the Northeast and Midwest portions of the country.

Under the committee bill, cities over 50,000 have a "dual" formula approach to determining entitlements. A city may use either the old formula or a second, new formula to calculate its entitlement. The second formula was designed expressly to favor the demographic characteristics which best measured need in the Northeast and Midwest central cities and was expressly designed to compensate those cities for the bias inherent in the old community development formula.

DUAL FORMULA APPROACH FOR SMALL CITIES

H.R. 6655 applies a similar dual formula principle to allocation of funds to the discretionary balances of both metropolitan and nonmetropolitan areas of States. The second formula in this instance counts age of housing stock 2½ times, poverty 1½ times, and population once—a 50, 30, and 20 percent weighting of these factors. The only difference between this formula and the second formula for cities over 50,,000 is that straight population is used instead of growth lag because figures on population lag are not available for smaller communities.

The small cities provisions in title I do not take money away from the South and West. What they do is to halt a shift of resources—presently in Northeast and Midwest cities because of hold-harmless funding—to the South and the West over the next 3 years.

Let me give you an example. In my own State of New York, in 1977 there is $17.676 million allocated to nonmetro discretionary funding, and an additional $6.646 million committed via hold harmless to nonmetro cities in the State. This adds up to a total of $24.322 million going to the nonmetro portions of New York State in 1977. By 1980, if the small cities dual formula is not adopted, all of the hold-harmless moneys would be phased out and the cities in the nonmetropolitan portion of New York State would have to compete with each other for $16 million. In other words, $8.3 million would be drained away from New York State between fiscal year 1977 and fiscal year 1980 if the small cities dual formula is not adopted. With the dual formula for small cities, those communities in the nonmetro portion of New York State would have $22.2 million for which to compete among themselves. This still represents a $2.1 million loss from what is flowing into the State in 1977. However, it is a distinct improvement over the larger drain that would occur without the dual formula approach. The same trend can be illustrated for many States in the Northeast and Midwest. I include in the RECORD at this point figures showing the estimated distributional effects of the dual formula approach to the allocation of community development nonmetro discretionary balance funds in fiscal year 1980:

ESTIMATED DISTRIBUTIONAL EFFECTS OF LUNDINE AMENDMENT ON CDBG NON-METRO DISCRETIONARY BALANCE FUNDS IN FISCAL YEAR 1980—Continued

[Dollar amounts in thousands; fiscal years]

Stat	1977, hold harmless plus discretionary balance	1980, without amendment	1980, with amendment
Alabama	$21,121	$20,960	$18,325
Alaska	4,625	2,506	2,192
Arizona	4,301	7,308	6,392
Arkansas	15,991	18,931	16,559
California	11,320	14,686	12,846
Colorado	4,793	5,081	4,992
Connecticut	3,789	2,366	2,922
Delaware	869	1,670	1,461
Florida	9,458	14,824	12,967
Georgia	26,387	29,719	25,995
Hawaii	1,509	1,740	1,522
Idaho	4,567	6,125	5,540
Illinois	15,031	18,444	24,108
Indiana	10,696	14,969	17,959
Iowa	16,147	14,864	21,673
Kansas	15,412	11,762	15,403
Kentucky	22,944	26,726	23,377
Louisiana	13,467	24,151	21,125
Maine	6,047	7,261	8,850
Maryland	5,128	5,682	5,991
Massachusetts	5,539	5,363	7,062
Michigan	10,934	14,150	15,691
Minnesota	11,104	13,788	15,716
Mississippi	25,814	31,936	27,934
Missouri	15,527	19,597	20,109
Montana	7,079	5,455	5,616
Nebraska	5,741	8,000	10,698
Nevada	499	2,340	2,047
New Hampshire	4,513	3,779	5,156
New Jersey	2,279	3,188	3,068
New Mexico	12,718	10,551	9,229
New York	24,322	16,057	22,221
North Carolina	31,889	37,925	33,173
North Dakota	6,860	5,693	5,862
Ohio	15,320	18,117	22,398
Oklahoma	13,731	14,414	13,783
Oregon	4,930	7,523	6,952
Pennsylvania	24,629	19,530	25,734
Puerto Rico	19,366	43,766	38,282
Rhode Island	1,490	657	720
South Carolina	15,275	20,794	18,189
South Dakota	5,858	6,569	6,896
Tennessee	20,458	20,594	18,014
Texas	26,224	36,813	32,200
Utah	1,329	4,913	4,297
Vermont	3,795	3,764	5,013
Virginia	12,974	19,905	17,411
Washington	4,981	8,092	8,632
West Virginia	9,481	15,011	13,751
Wisconsin	12,514	14,986	18,876
Wyoming	3,622	10,755	9,407
Total	574,067	696,000	696,000

EQUITY OF THE DUAL FORMULA APPROACH FOR SMALL CITIES

Inclusion of a second formula for nonmetro and SMSA balances is a logical extension of the concept of a dual formula as it applies to cities over 50,000. Existence of a bias in the old formula has been generally acknowledged, and consequently there has been recognition of the need to accept a second formula for large cities. The same arguments hold true for cities under 50,000.

Small cities have much the same needs and problems as larger communities, and those needs and problems should be addressed as nearly as possible in the same way as they are for larger cities.

No funding is being taken away from either larger cities or rural communities under this approach. On the other hand, application of the dual formula, plus the provision for multiyear funding of comprehensive community development plans, remedies present inequities and provides for small cities the same access to comprehensive redevelopment funds, based on need, as large cities will enjoy under the provisions of the committee bill.

A NATIONAL, NOT A REGIONAL BILL

Mr. Chairman, I would like to stress that every area of the country does better under this bill than without it. The bill is balanced. It meets the needs of the East and the West, of the Midwest and the South. I would like to point out that States such as North Carolina and Louisiana are not presently underfunded. They currently receive $31.9 million and $13.5 million a year in nonmetro community development funds, respectively, compared to $24.3 million for New York, $24.6 for Pennsylvania, and $10.9 for Michigan.

Under the new dual formula approach to allocation of the discretionary balance for small cities, towns, and rural communities, these States will not lose their discretionary allowances, but actually gain considerably. North Carolina and Louisiana will receive $33.2 million and $27.9 million in fiscal year 1980—increases of $1.3 million and $7.7 million, respectively.

I repeat this is a balanced bill, which makes a real effort to treat all regions fairly and to meet the needs of small cities and rural communities as well as those of our larger cities.

RURAL HOUSING PROVISIONS

I would like now, Mr. Chairman, to describe briefly the major provisions of title VI which, together, address some of the important reforms that are needed in the programs of the Farmers Home Administration. It is not every day, nor unfortunately, even every year that a significant piece of rural housing legislation comes to the floor for the attention of all the Members. I would like to commend my distinguished colleagues, Mr. REUSS and Mr. ASHLEY, for their efforts to make certain, despite severe time restrictions, that these rural housing provisions were included in the bill. I wish also to commend my colleague from Oregon (Mr. AUCOIN) for his leadership in introducing these provisions during the committee markup.

Some of the provisions are technical and perfecting amendments which will make present programs operated by the Farmers Home Administration work more effectively. Others clarify and insure that the intent of the Congress will, indeed, be carried out. And finally, there are some modest extensions of rural housing programs which bring rural housing assistance into line with the kind of housing assistance opportunities that have been available in urban programs for some years.

Section 601 extends all present authorizations for an additional year with a very modest increase of $5 million each in the Farm Labor Rental Housing program and in the home repair and rehabilitation grant and loan program.

Section 602 deals with a new type of program for Farmers Home, and one which gives me some pause. It is a guarantee loan program designed for home borrowers of moderate and above moderate income. The program was initially authorized by the Rural Development Act of 1972, and this provision was adopted at the administration's urging, "to make it more workable." I voted for the provision in committee and I shall vote for it here, but I want to make it very clear that I believe the guarantee program should be restricted to above moderate income families. It is not appropriate for low- or moderate-income families, and if there is an attempt to coerce such families into a guarantee program, it will change the entire nature and philosophy of the FmHA "Supervised Credit" program, and consequently, the rural housing programs. Section 602 makes it clear that the guarantee program and the insured program are to be operated separately, and that the funds designated for one program may not be transferred to the other.

Section 603 deals with the prepayment of taxes and insurance by home borrowers. At the present time, FmHA is by far the largest lender in the Nation which does not permit borrowers to pay a pro rata share of their annual tax and insurance bill along with the monthly payment for principal and interest. The result is an annual tax and insurance bill which drives some homeowners into default. I cannot speak for my colleagues, but I might find myself in serious difficulties if I were personally faced with that kind of a payment. This provision will permit FmHA to collect in advance and pay out on behalf of the borrower, such taxes and insurance as may become due.

Section 604 is a new program for Farmers Home, but it has been the HUD program for some years. It authorizes the Agency to pay for the repair of defects in new housing financed and inspected by Farmers Home, which diligent inspection by the Government would have disclosed at the time the loan was made. The period for which claims may be made is 18 months from the time of purchase. FmHA may, of course, proceed against the builder/contractor for recovery of any moneys expended if the facts warrant such action. This provision will strengthen the hand of both the borrower and FmHA in dealing with the builder, and I believe it will tend to make the occasional careless builder a bit more responsible.

Section 605 simply extends provisions of the farm labor housing program to legal residents of Puerto Rico and the Virgin Islands. Section 606 is a technical change permitting payment of the taxes and insurance I discussed earlier.

Sections 607 and 608 give FmHA the authority to extend the benefits of their programs to the elderly and handicapped, and expressly authorizes congregate housing for them.

Section 609 legislatively enacts what has been the practice of the Appropriations Committee over the past several years. It specifies that at least 60 percent of the homeownership and rural rental loans shall be made for the benefit of low-income persons.

Section 610 addresses a longstanding problem faced by those attempting to deal with the problems of housing in rural areas—a serious lack of information about alternative methods of providing for rural housing needs. FmHA, with a loan portfolio approaching $20 billion, has no research office or division, and indeed virtually no research capacity. It must rely upon housing research done by HUD. Bluntly stated, HUD simply does not engage in research into problems peculiar to rural areas. Hence none is done. This provision directs the Secretary of Agriculture to establish a research capacity within FmHA. The authorization to fund this effort is but $1 million for fiscal year 1978, compared to HUD's authorization for $65 million. As with other sections of title VI, it is a good start.

Finally, section 611 directs the Secretary to operate the rural rent supplement program enacted by the Congress in 1974. A comparable program has been in operation in HUD's urban program for some years, but past administrations have not seen fit to offer this separate program to rural tenants. It has resulted in a gross inequity. Although the present administration has expressed support for this program, I do not believe legislative enactments should be implemented, or not implemented, at the caprice of any given administration.

Mr. Chairman, the rural areas of this Nation have about one-third of the total population, but nearly 60 percent of its substandard housing. By almost any objective measure, the housing problems of rural people are worse than those of urbanites. For example, according to the 1974 annual housing survey, 63 percent of all of the units in the country lacking plumbing facilities were in communities of 2,500 or less. Fifty-nine percent of all housing units lacking kitchens, and 34 percent of all overcrowded units were in those same small communities and open country.

I do not intend in any way to minimize the housing problems of our cities, particularly our central cities, for they are, indeed, serious. But I do not believe that we can afford to ignore the problems of rural housing simply because the television camera and the metropolitan dailies focus on the fields of waving grain, to the exclusion of the misery and human degradation which exist just beyond the view from the interstate. We must address the problems of rural peoples just as surely as we are addressing those of low-income families in the cities.

While I have said that this is a good bill with sound rural housing provisions, I should not like to be understood as saying that these measures will solve the housing crisis in rural America. That will require a commitment of resources and a reordering of priorities beyond anything contemplated in this bill. But I certainly consider title VI of H.R. 6655 an important beginning in the direction of solving rural housing problems.

The Housing and Community Development Act of 1977 is the product of many, many hours and weeks of deliberation, incorporating the best judgments and expertise of housing professionals throughout the country. It represents a successful effort toward accomplishing our shared goals of providing each of our citizens with the opportunity to obtain safe, adequate, and affordable housing. It strengthens the capacity of communities to achieve their own development goals. I ask not only for your support of the provisions I have just described, but for your vote for this important and comprehensive housing package.

Mr. BROWN of Michigan. Mr. Chairman, I yield such time as he may consume to the gentleman from Delaware (Mr. Evans).

Mr. EVANS of Delaware. Mr. Chairman, as a cosponsor of H.R. 6655, the Housing and Community Development Act of 1977, I rise in its strong support and urge my colleagues to pass this most important measure.

Before commenting on some of the provisions of this measure, I want to make a few observations about the process used in developing this act. I am privileged to be the only freshman member of either party on the Housing and Community Development Subcommittee. Thus, I came to the committee with little experience in the housing field, yet with a desire to at least make some small contribution to those deliberations. Beginning in late February, the subcommittee, under the guidance of Chairman Ashley and the distinguished gentleman from Michigan, Mr. Brown, began an exhaustive series of hearings and markups which culminated in the development of H.R. 6655.

In my brief experience in this House, I have yet to see another bill which has received the close consideration and careful scrutiny that this legislation has received. The committee heard from witnesses which reflected the entire housing spectrum, and, as a result, were able to move into the markup phase of our deliberations with a broad base of information on community development and housing programs.

I want to commend my chairman, the gentleman from Ohio, for his reasoned and fair leadership during this, at times trying, but important process. And I also want to salute my ranking minority member, the gentleman from Michigan, for his help and for the many constructive suggestions which he made throughout this process.

Together, their thoughtful approach to housing and community development problems are reflected in this bill, and the many improvements that this legislation represents, as well as the bipartisan support which it received in committee, is a tribute to their leadership.

Mr. Chairman, the community development block grant program, over the past 3 years, has provided a simplified block grant approach to local officials, giving them greater flexibility to deal with the pressing needs of community development in ways which best meet the requirements of the individual localities. The legislation before the House today does not make substantial changes in the block grant approach. Rather, it refines and improves that approach so they can more adequately meet the community development needs as they now exist in the United States.

A key feature of the new bill is its dual allocation formula. Under this approach, a metropolitan city or urban county would receive the higher amount computed under one of two formulas: the existing formula, which counts population once, housing overcrowding once, and poverty twice, or the new formula in which age of housing is counted 2½ times, poverty counted 1½ times and growth lag counted once. The effect of this second formula is to direct additional funds into areas, such as Wilmington, Del., which have suffered severe economic dislocation and decline in growth over recent decades.

Some of my friends on the committee objected to this dual formula, because it ostensibly takes money away from the West and South, and gives it to the Northeast and Midwest sections of the country. I must point out two things in response to this argument. First, the bill substantially increases funding, so that no city or urban county is particularly penalized. Second, the bill allows the communities to pick the formula which best meets their needs, thus adding flexibility to our community development program.

The purpose of any social program, whether it be in housing or other human resources, is to direct assistance to areas most in need. This bill recognizes that need and directs funds toward it. It is not a revenue-sharing bill, based solely on population, nor should it be. It is a community development bill, designed to fight the growth of urban blight and economic decline which has afflicted so many of our cities and communities throughout the country. The dual formula significantly improves the ability of the community development program to meet real community needs and thus forms a basic cornerstone of the act.

The committee also took action, which I strongly supported, to reduce the redtape burdens on small communities. The committee adopted an amendment offered by the distinguished gentleman from Oregon, (Mr. AuCoin), which will reduce significantly the paperwork requirements of communities which seek single-shot community development grants. Very few small communities in this country can afford the high costs of the "grantsmen" which are often required in order to meet the standards imposed by Washington in receiving Federal assistance. As a result, many communities literally throw up their hands in disgust and walk away from Federal grants which are supposed to meet their community needs. The changes made in this act will remove some of those barriers and enable towns which do not have expert help to receive their fair-share of community development assistance.

Third, the measure establishes a major new initiative for the distressed urban areas in our Nation. The bill authorizes an appropriations of $400 million each year for the next 3 years for an urban development action grant program.

I am extremely pleased that the administration requested this program. It will enable communities with special needs to receive funding outside the normal community development grant program. I'm also pleased that the program will emphasize economic development opportunities, which are so important if cities throughout the country are going to develop tax bases which will support economic prosperity.

However, I must emphasize that it is certainly not my intention as a member of the Housing and Community Development Subcommittee to see the urban development action grant program take the place of, or receive a higher priority than, the community development block grant program. In a sense, the urban development action grant program is a categorical grant controlled solely by the Secretary. We have seen the many problems that categorical grant programs have, not only in housing, but in other areas as well. For that reason, the Congress, and I think wisely, has moved in the direction of the block grant program. Thus, I would certainly not like to see the administration use the urban development action grant program as an excuse not to fully fund the community development block grant program. It is my hope that both can be funded adequately. But I would certainly not look with favor on any efforts by the administration to take funding away from the community development grant program in order to fund the new action grant program.

Finally, the bill makes several major changes in our national housing program.

Of particular importance, is the new maximum insurable mortgage amount for FHA insured mortgages. The committee has increased this amount to $60,000, both to reflect the increases in the prices of homes and mortgage amounts since 1974 and anticipate likely increases for at least the near future.

One of the growing crises in this country is the inability of most American families, particularly young families, to afford homes. Studies by groups, such as the Joint Economic Committee of Congress, have indicated that somewhere in the neighborhood of 85 percent of all American families cannot afford to buy a new home. The FHA program is designed to help people buy homes, yet the insurable amounts have been far below existing marketing practices. For instance, as the committee report points out, last year, only about 12 percent of all new homes were sold for less than $30,000. This year, it is likely that less than 8 percent will be similarly priced and probably three-fourths of those lower priced homes will be located in the southern region of the country. It was clear to the committee that in order to make units available under these programs to a reasonably broad geographic distribution of income eligible families, the mortgage limits had to be increased. Additionally, the committee increased insurable limits in rural areas from the very low $16,200 now in existence to 75 percent of the FHA limit, thus effectively increasing the insurability level to $45,000.

Mr. Chairman, this is a reasoned and well-balanced bill. It has received close consideration of the Housing Subcommittee and the full Banking Committee, and I urge its overwhelming approval.

Mr. Chairman, I could go on and on, but I would just like to say, finally, that it has been a great pleasure being on the subcommittee under the chairmanship of the gentleman from Ohio (Mr. Ashley) and it has been a great pleasure working with the gentleman from Michigan (Mr. Brown). I look forward to making many more contributions than I have been able to make as a new member of this committee.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Hannaford).

Mr. HANNAFORD. Mr. Chairman, first I would like to express my gratitude and appreciation for the very hard work that the chairman of the subcommittee has done, the subcommittee itself and the full committee. There are few people that I respect as much as the gentleman from Ohio (Mr. Ashley), and I certainly would not want at this time to cause him any grief, because he is taking a position and assuming a most important role in this Congress in the time ahead. But I have to oppose this legislation as it stands, and I would like to explain a few points as to why.

In our State of California, the city of Los Angeles receives less than $19 per capita in title I of this bill. The city of San Francisco, as fair a city as adorns the face of this Earth, receives $38 per capita. A marvelous city, with good public transit downtown, beautifully developed, Los Angeles is in greater need, and receives less than one-half as much money. Under the old formula, Los Angeles received in the neighborhood of $18 per capita and Detroit received in the neighborhood of $20 per capita, an acceptable inequity. Under the new formula, Los Angeles now goes up to $18.80 per capita. Detroit goes to $43 per capita, an unacceptable inequity. In terms of per capita income, as related to benefits, a small city in my district receives $16 per capita, and their per capita income is $2,600 per year. Washington, D.C., receives $44 per capita, and it has a per capita income of $7,500, almost three times as much per capita income.

I know how hard the Department and the committee worked on this faulted formula. I know that they tried 18 formulas of different varieties, and this is the one, they said, that worked best. The chairman of the committee said this is the best formula.

It is my view that if this is the one that works best, the block grant program is a failure. It is a failure if we cannot allow for these inequities.

We are not talking about a few people when we speak of Los Angeles and San Francisco; we are talking about millions of dollars taken away from people who are in greater need than those to whom the money is being given.

This new formula does not even mention people; it talks about buildings. I think we need a formula that considers people and their levels of poverty instead of buildings. People are not even included in the new formula.

The formula talks about the age of buildings—specifically, pre-1939 housing. Most of the cities in my district in southern California were not even discovered in 1939. The formula is sectionally titled, to be sure, and even within the State of California it is tilted, as is dramatically demonstrated by these figures I gave.

Mr. Chairman, I thank the subcommittee chairman for his hard work and for granting me this time, but I will be in opposition to this new allocation formula when we consideer amendments on the floor work next week.

Mr. BROWN of Michigan. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. Grassley).

Mr. GRASSLEY. Mr. Chairman, the previous speaker mentioned the fact that this bill is a bill concerned with buildings and not with people. There is one group of people who are for the first time better recognized in this bill, and I want to thank the chairman of the subcommittee, the gentleman from Ohio (Mr. Ashley), for his assistance in helping us give adequate recognition to the needs of the American Indian in this bill.

That has now been done for the first time. It may have to be a subject of future consideration, but at least this is a pleasant start.

However, I am disappointed that this bill does not fully recognize the need of smaller communities in both urban and rural areas. Their needs are just as great as the needs of the major urban centers. To my mind, the committee has not adequately recognized the needs of over 100 million people who live in these communities with populations under 50,000. Their needs include better housing, better community facilities, better sewer systems, and better water systems.

A General Accounting Office report of December 1976, points out that if community development block grant funds were allocated consistently with the actual distribution of poverty, population, and overcrowded housing, smaller communities outside the SMSA's would receive 34 percent of all funds. Yet they are now receiving only a meager 20 percent.

Smaller communities within the SMSA's are, of course, suffering also. Due to the elimination of hold-harmless funding over the next 3 years, due to excessive drains of discretionary moneys by urban communities, small communities in SMSA's may not be receiving their fair share of funding.

Given these clear indications of need—and I emphasize the word, "need"—I am shocked that the administration should propose the creation of what they call the "urban development action grant" program without providing a guarantee of at least a minimal amount of funding for small communities.

I intend next week to offer an amendment which would insure that at least 25 percent of the $400 million proposed for the action grant program would go to communities of under 50,000 population.

I am very pleased, incidentally, that the gentleman from Oklahoma (Mr. WATKINS), a member of this committee, is joining me in offering this amendment.

We, the sponsors of this amendment, arrived at the figure of 25 percent by noting that under current law and in current programs 20 percent of the community development funds is guaranteed to go to communities outside the SMSA's, and that about 5 percent is guaranteed to go to smaller communities within SMSA's. I should make clear, too, that my amendment would make this 25 percent funding available to smaller communities within urban counties, counties which would be eligible to apply for a piece of the $300 million which would be available to such counties and cities should my amendment be adopted.

Mr. Chairman, my amendment will in no way restrict the ability of the Secretary to decide precisely which communities should receive action grant money. It would simply insure that no circumvention of the distribution of funds established under current law will take place. About 25 percent of all block grant funds now go to small communities. If we do not provide that 25 percent of the action grant funds go to such communities, we will, in effect, be saying that small communities should receive a lower percentage of the overall funding.

Mr. Chairman, the vast majority of the Members of this Chamber represent communities of under 50,000 persons. I ask these Members, "Can you honestly go to these small communities and say: 'You do not have the needs of the larger urban centers and, therefore, you should not be able to get any part of the action grant money?' "—money intended to fight housing abandonment, population outmigration, and physical deterioration.

Mr. Chairman, I do not think that my colleagues could answer that question in the affirmative.

My amendment will certainly not provide smaller communities with the 34 percent of funding that they ought to be getting and which the General Accounting Office study indicates that they ought to get, but it would at least prevent a sizable cut in the portion of funds they are now receiving.

Mr. Chairman, the name of the game is equity for small communities. I am saying "Do not force the small towns of America to compete for action grant money with the Detroits, with the New York Citys, or with the Newarks." In such a competition, we all know who will come out on top. The cards will be stacked against the small communities.

Mr. Chairman, a more fair way and the alternative that I will be offering to this House is to let the small communities compete against each other for a very small piece of the pie and let the Detroits and New York Citys compete against each other for the largest piece of the pie. Equity and fairness ought to be our goal.

Mr. ASHLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. AuCOIN), our colleague on the subcommittee who has been nothing less than outstanding in aiding us on this committee this year and in previous years as well.

Mr. AuCOIN. Mr. Chairman, I thank the chairman of the subcommittee for yielding.

Let me say—even though this morning we are running the risk of having a "love-in" by throwing bouquets at each other—that I compliment the leaders of this subcommittee on both sides of the aisle for the absolutely outstanding work that was done and the leadership they exhibited. It has been a rare privilege to serve with the gentleman from Ohio (Mr. ASHLEY) and I say, in all sincerity, that I have never known a finer chairman, a fairer chairman, a more diligent and harder working chairman than the gentleman from Ohio (Mr. ASHLEY).

Mr. Chairman, I must also say that the gentleman from Michigan (Mr. BROWN), the ranking minority member, with whom I have had many disagreements, is a man who has made an outstanding contribution to this subcommittee and has proved it again and again by the constructive, meaningful changes he has made in the legislation before us. I salute him on the floor today.

Mr. Chairman, what we have before us is a bill that was passed by the full Committee on Banking, Finance and Urban Affairs by a vote of 31 to 3.

This bill is supported by organizations which include, among others, the U.S. Conference of Mayors, the National League of Cities, the National Governors Conference, the National Association of Homebuilders, the National Housing Conference, the AFL-CIO Building Construction Trades Union, the Mortgage Bankers Association, and the U.S. League of Savings and Loan Associations, and the National Rural Housing Alliance.

Mr. Chairman, I am from the West. This is one of the regions of the country from which it is alleged this bill takes money.

I want to say that while I have a very high regard and a very deep respect for my colleague, the gentleman from California, who preceded me, I disagree with him in his interpretation of this bill.

I believe there comes a time in this body when one is called upon to look at the national interest and rise above the selfish personal interest of a region of a country. We have that challenge before us today.

The chairman of the committee, the gentleman from Ohio, (Mr. ASHLEY) has pointed out that the original formula for distribution of these funds was not considered perfect at the time the program was first enacted. It was for that reason that Congress statutorily mandated a review of the formula so that corrections and perfections could be made. I believe that there are perfections that have been made in the bill.

I want to say to my colleague, the gentleman from California, if he is still in the Chamber, and to all of the other Members who are on the floor that the West does not lost funds under this bill and that the South does not lose funds under this bill. That what we have is a bill that increases funding for all regions of the country.

I believe, even though I vigorously debated bits and pieces of this in the subcommittee and in the full committee, that we have forged a formula that gives us a chance to better tailor limited funds—and these funds are, in fact, limited—to areas of the greatest need while not taking away funds from any one region of the country. I believe the committee can be proud of that fact.

I am particularly pleased, as well, that the bill addresses the urban problems of housing. It does this by adopting the dual formula that has been described, but it also does it by adopting an innovation called urban development action grants.

Until the Federal Government, working in cooperation with State governments and local governments can stop the rot that is eating away at every major urban center in this country, this Nation is going to be picking up the pieces for years to come. The problems of energy consumption that stem from transportation patterns caused by suburban sprawl, the loss of agricultural land that comes from that same sprawl, the incredible financial loss to taxpayers when they have to subsidize and pay for new municipal services resulting from the exodus from the decaying center city—these problems have to be stopped. I believe this bill makes a genuine step forward in doing that.

My district has both an urban center and suburbs surrounding that urban center. It has small towns and rural areas across the length and breadth of northwest Oregon.

I can say to my colleagues that this bill contributes significantly to the housing and community development needs of every one of those parts of my district. If my district is not a microcosm of this country, then I do not know whose district is.

We have urban provisions that have been described.

But we have also done a lot to cut the paperwork requirements that have shut out small towns from this program. It makes no sense for a small town to have to develop a 3-year master plan when that small community may have only a single community need, with a need for a one-shot, 1-year funding. To correct this, we have reduced the paperwork by enabling the Secretary to waive requirements for all such master plans, in those instances.

We have also addressed rural housing needs by adding new provisions to revitalize the Farmers Home Administration. The National Rural Housing Alliance says this is one of the few times, one of the landmark instances, in which both rural housing needs and small town housing needs have been met in what is basically an urban housing bill.

I think the committee can be pleased with that accomplishment as well and I compliment the chairman and appreciate his cooperation in the adoption of the FmHA amendments I introduced in committee and worked on with the gentleman from New York (Mr. LUNDINE).

Mr. Chairman, what it really comes down to is that this is a national bill that hurts no one and benefits every region of the country.

It is a national bill that ought to be passed and supported by every Member of the House who is concerned about the human habitat in large cities as well as in small cities and rural areas across this land.

The only thing that could jeopardize this bill is an attitude which says the funding increases in one region are not large enough—that they must have even more.

I suggest to my colleagues we have a responsibility which transcends that, and that is to look at the Nation's need. We are national legislators as well as Representatives of our own districts and even though I myself in committee have disagreed with some parts of the legislation at certain steps along the way, I have reached the conclusion that the national interest is best served by this bill.

It is inaccurate to say the bill's funding formula is based on buildings instead of people. The fact is that the Department tried any number of criteria based on what appeared to be more "human statistics" and found that none of them came as close to meeting bonafide human community needs as this bill's dual formula does.

I want every Member of this House to know that this formula is not perfect. But neither is our world. And if we must wait until the "perfect" formula is found, then I say to you that we will wait forever, we will never act.

Instead, let us do what this bill suggests. Let us attack the problems blighting our communities with the best ideas available to us. Let us then carefully review the experience we have with the new formula and, as the bill mandates, let us perfect it further at the time of the next 3-year extension, if evidence suggests this is necessary.

As a Member from the West and as a Representative who has that diversity of constituency, I stand before my colleagues today and I say this piece of legislation is carefully crafted. It enjoys strong bipartisan support and I think it deserves the support of this House.

I thank the chairman for yielding.

Mr. BROWN of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset I would like to join the others who have commended the gentleman from Ohio (Mr. ASHLEY) for the fine way in which he conducted the hearings and markup sessions on this legislation. This year as in the past he indicated his tremendous ability, cooperation, and cordiality with respect to all of the activities of the committee. It has been a pleasure to be with him on prior occasions legislatively speaking in developing housing and community development legislation.

I look forward to working with him in his new capacity, which is even greater, that of chairman of the Energy Committee. It is interesting that once again we find ourselves working on another problem that is very immediate and important to this Nation. I trust that we will be able to have the same kind or at least same degree of unanimity and consensus of the energy legislation that we have been able to achieve on housing.

I say that somewhat with tongue in cheek, recognizing that the problems are a little different.

Mr. Chairman, I rise in support of this bill.

Mr. Chairman, H.R. 6655 received overwhelming bipartisan support in committee.

We were pleased to see the committee take a number of steps to perfect the 1974 Housing and Community Development Act and make the CDBG program more useful to the participants in it. A number of minority amendments were accepted including ones to make the loan program workable, to prevent the pirating of industry through the use of the new urban development action grant, and to recognize a role for State government. Other minority supported amendments, to preserve a reasonable proportion of discretionary funds for one-shot grants and to broaden the Secretary's authority to waive redtape for the grant applications of smaller communities were also adopted.

There are, however, a number of provisions which need some corrective action. Briefly, I would just note that this legislation needs a specific funding priority as between the original community development block grant program, the closeout of ongoing urban renewal projects and the new categorical urban development action grant program.

If, for any reason, the full $4 billion is not made available for community development, it is incumbent upon us to set the specific funding priorities, and I plan to offer an amendment to do just that. In this way, all communities receiving funding under the basic block grant program would be assured of receiving their grant amounts before any new program would be funded.

Since most larger hold-harmless communities benefit directly from the change to the dual formula for distribution of CDBG funds, I intend to offer another amendment which would require that the Secretary give "special consideration" to those smaller hold-harmless communities, which will lose all of their hold-harmless funding over the next 3 years and which have serious pressing problems.

While I do not intend to offer an amendment to the Urban Development Action Grants, I would note that it is questionable whether the full $400 million for UDAG can be put to good use in the next fiscal year. HUD will need additional central office staff to start up the new program. Communities would have to undertake full environmental impact statements for many of the projects. Private front-end funding commitments would also be necessary. All this makes it difficult to conclude that the new program will be fully committed or well utilized if it is.

While I am pleased to see that the administration plans to retain the section 8 housing program as the major vehicle for housing needy families, the changes that continue to be made to the program are cause for concern. The President has just signed the 1977 Supplemental Authorization Act. In that act, we added a provision which was designed to prefer conventional projects over FHA projects. Now, we have included a provision in this bill for the purpose of according FHA "the same treatment as conventionally financed projects."

I am also pleased to see the increase in the FHA mortgage limits and lowering the downpayment requirements. Both of these proposals, plus the expansion of the graduated payment mortgage program, were originally introduced by myself and Congressmen BOB MICHEL and DON H. CLAUSEN. These changes should assist young married couples who are entering the housing market for the first time.

I was not pleased, however, to see the committee approve a provision which mandates the payment of operating subsidies for section 236 rental assistance housing. In effect, this provision tells the Federal Government that it must go beyond providing the 236 interest rate subsidies on State or local projects and also pay for the deficit cost of utilities, property taxes, and operating and maintenance expenses.

Mr. Chairman, the true test of this bill will come when it is acted upon by the Federal administrators and local communities. The initial congressional intent, which led to the enactment of the community development block grant program in 1974, is retained in this bill. Within certain national objectives and through certain eligible activities, local community residents, and their locally elected officials are provided considerable flexibility to carry out a program that is locally designed to meet local perceptions of need. The application process has not been added to by this bill, nor have any of the certifications been changed. The Secretary still must approve within 75 days, or specifically reject an application on the grounds that the community's application, is plainly inconsistent with generally known facts and data in its recitation of needs, or that the community's application is plainly inappropriate in what it plans to do to meet those needs.

Two days ago, the Wall Street Journal published an article entitled "Redtape Is

Hobbling Federal Benefit Programs and Raising Costs, State and Local Officials Say." I would like to say that the community development block grant program is an exception to that rule. But, unfortunately, I cannot. Three weeks ago, while the committee was considering and rejecting efforts to further restrict the discretion of local recipients, and while the committee was accepting changes to relieve small communities of redtape requirements, the Department of Housing and Urban Development was sending an 11-page memorandum to its field offices calling for further Federal judgments on locally selected projects, and for more justification on paper from local appplicants even where the statute provides for a local certification of compliance. The field offices of HUD are also given considerable leeway to approve applications within the 75-day period called for by law, but to condition the use of funds until further documentation and review has taken place. In effect, HUD is heading back into the same categorical approach typified by the old workable program review requirements that have tied up fund reservations for urban renewal projects in the past, with all the problems of Federal to local communications, misunderstandings, delays, and disruptions that Congress attempted to avoid in the 1974 act.

The Wall Street Journal article cites President Carter's determination to cut redtape and excess regulations, and his desire to involve local and State officials in the policymaking process based on his own frustrations in dealing with Federal agencies as Governor of Georgia. An official of the White House Office of Intergovernmental Relations is quoted as saying that there will be a "vigorous effort to involve State and local people in the writing of regulations from the earliest process." I would recommend that effort with HUD, since the April 15 policy memorandum, which applies to this year's grants, even though most applicants are already through their planning process, was never made available for the White House, OMB, or the Congress to comment on, let alone State or local officials. Since I understand that HUD has been criticized on this same memorandum by members of the other body from both sides of the aisle, I would hope that this is a startup problem for the new team at HUD, that will not be repeated again, and that the tendency of Federal officials to search for ways of directing local actions will be studiously avoided in order to reflect the expectations of Congress toward this program.

Despite this setback, there is at least some hope that the future of the program is not totally bleak.

In an effort to cut down on excess paperwork and redtape, I asked the Department of Housing and Urban Development to consider two changes relating to environmental review of housing and community development projects. As it stands now, even if a community satisfies the environmental review requirements of the law with respect to the use of land purchased for federally assisted housing development, HUD still has to redo the environmental clearance when it considers the housing project itself. And, if a city complies with State law for environmental review, it still has to go through a separate review process for Federal purposes.

I have received a letter dated April 5, 1977, from HUD Assistant Secretary Robert C. Embry, Jr., in which he agrees that a local environmental review for a housing site under the community development act should trigger a finding of adequate prior review for subsequent projects. HUD has promised to carry this out by regulation.

In the same letter, however, Mr. Emory notes that the Council on Environmental Quality remains opposed to any effort to substitute a single State review, even with the protection of a requirement that CEQ find the State law adequate for the purposes of the National Environmental Policy Act. Since this particular duplication is limited to a few States, and since it has implications beyond the community development program, I am reluctant to offer any corrective amendments. But, it would be my hope that HUD and CEQ could begin to explore ways in which this type of duplication could be decreased or eliminated.

In conclusion, Mr. Chairman, while I strongly support the legislation and commend Chairman ASHLEY on his handling of this important bill, there still are improvements which can be made. When we begin to consider amendments on Tuesday, we will have the chance to make those improvements. I am sure Mr. ASHLEY and I will be in agreement on a number of the amendments. On the other amendments, I am sure the persuasiveness of the arguments will carry the day.

Mr. ASHLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise in support of this legislation, and I too would like to commend the chairman of the subcommittee, the gentleman from Ohio (Mr. ASHLEY) and the ranking minority member, the gentleman from Michigan (Mr. BROWN). As the Members know, I just transferred to this committee, and I am particularly grateful to Mr. ASHLEY for having put up with all the many amendments that I made as a member of the full committee, and for having accepted so many of them. I also want to thank the staff of the subcommittee for their cooperation.

I am particularly interested in this legislation because it makes some fundamental and, I believe, necessary changes in the Housing and Community Development Act of 1974, so that it is strengthened and becomes more meaningful to our Nation. The adoption of the alternative formula, I think, is a very wise precedent that we might use in other legislation in order to see to it that we provide meaningful assistance to areas that need it, in this case older American cities that have pre-1939 housing, without at the same time taking away from some of the areas which are satisfield with the existing formula.

I think that the Urban Development Action Grant program is a particularly important one, and I want to commend the chairman of the subcommittee for including a provision that will require that, before any grants can be made, the cooperation of private enterprise will be enlisted to assure that only those programs which can succeed may be approved.

Mr. Chairman, one of the very important amendments which was accepted by the committee was the one requiring that there be citizen participation programs at times and places during which the people could participate. I pointed out to the committee that in my own city of New York the hearings were held at central police headquarters. Of course, this program is addressed to low-income people, and it takes a very bold group of low-income people to storm police headquarters to demonstrate their dissatisfaction with the program. I think if we really want to know what the people of the communities think about the programs, we have to let them know in the areas where they are and see to it that we can enlist their support. The amendment that was accepted does precisely that.

In addition, there were amendments that specified that in developing the community action program local areas spell out the particular programs that they may propose, but also the housing needs of the communities. That is important, because in some areas the technical requirements of the law are complied with, but no housing programs have been provided for at all. It is for this reason, also, that a provision was included to provide for a limitation on the amount of debt service or insurance that may be used for housing in order to see to it that, where housing is built, it is built in the areas of the municipality that most need it.

Mr. Chairman, having said that, and having thanked the chairman of the subcommittee for his persistence, I hope to prevail upon him to accept one other amendment which I will be proposing to this bill, and that is one that will require that where moneys are used for public service programs, they be not used as a substitute for existing programs.

The present law provides that it is permissible for a local area to provide for public service where "they are not otherwise available in areas assisted under this title where programs are being carried out in a concentrated manner."

We all agree with that. But we want to be sure that, where public services are provided, they are not merely a substitute for existing programs which have been cut back just prior to the preparation of the proposal.

Mr. Chairman, that is why I drafted an amendment, with the help of the staff of the subcommittee, which will insure that we really carry out the intent of this provision by seeing to it that we are not financing the budget of the local municipalities, but where public services are being provided that are new and different and necessary public services.

Mr. Chairman, I hope that that amendment will be accepted. Its text follows:

AMENDMENT TO H.R. 6655, AS REPORTED, OFFERED BY MR. BADILLO

Page 10, line 12, insert "(1)" after "(b)".

Page 10, after line 13, insert the following:

(2) Section 105(a)(8) of such Act is amended by inserting the following before the semicolon at the end thereof: ", and if such services have not been provided by the unit of local government (through funds raised by such unit, or received by such unit from the State in which it is located) during the 12-month period immediately preceding the fiscal year during which funds made available under this title are to be utilized for such services".

Mr. MINISH. Mr. Chairman, at this time, I would like to urge my colleagues to pass, without delay, H.R. 6655, the Housing and Community Development Act of 1977. As most of us are aware, the bill will provide funds to continue and improve upon the community development block grants program which has been of such great benefit to cities and towns in each of our districts.

As a member of the Committee on Banking, Finance and Urban Affairs, I have been privileged to participate closely in the growth of this important legislation. I feel that it represents a marked improvement over its predecessor, passed by this body in 1974.

One of the major changes in the bill we consider today involves a new formula for determining the amount of money available to municipalities. Unlike the Community Development Act of 1974 this measure considers the age of housing stock as a measure of communities' need, along with the extent of poverty and falloff in the locality's population growth. It is my feeling that the new formula increases the responsiveness of this act to the true needs of our cities.

Of particular import to areas such as my own northern New Jersey, and other sections which have been hardest hit by our economic ills, the Community Development Act of 1977 will serve as a stimulus to continued growth and economic recovery. For example, section 202 of the act increases the maximum amount of mortgages that can be insured by the Federal Housing Administration.

And, of course, this bill will provide that the many municipalities eligible for aid will be able to begin or continue important projects to improve the living conditions of the American people.

I need not emphasize the importance of the housing industry to the entire economy. Passage of this act will spur housing and, as a result, will help employment and industry.

Mr. CAVANAUGH. Mr. Chairman, I want to commend the gentleman from Ohio for working so diligently in both the subcommittee and the full Banking Committee to produce what can be considered a rather well balanced piece of legislation. As a member of the Banking Committee I know the desire of the floor manager to satisfy the interests of all regions and all Members. I look forward to supporting this bill with my vote next Tuesday.

I am particularly pleased that the full committee approved the addition of title IV to this bill which will conform the lending limits of Federal savings and loans to other changes made in the bill. Section 403 will also broaden the flexibility of the S. & L.'s so-called spillover category real estate loans by allowing such loans to be made with respect to real estate used primarily for farm purposes. The present law restricts such loans only to real estate used primarily for residential purposes. The addition of the words "or farm" to section 5(c) of the Home Owners' Loan Act of 1933 will enable Federal S. & L.'s to better serve loan demand for farm properties and structures in agricultural America. As many of my colleagues are being made aware, there is a real danger of a credit crunch in the Midwest this growing season. These two additional words—"or farms" will help to forestall a crisis.

Nonconforming or "spillover" category provides that loans in this category can be made up to a maximum amount equal to 5 percent of an individual association's assets. This is a closely regulated special category which confers discretion upon the Board to permit flexibility from the present multiple restrictions found in section 5(c) of the Home Owners Loan Act to permit:

First, FHA loans originated out-of-State;

Second, conventional out-of-State home loans;

Third, loans on combinations of residential and business properties;

Fourth, multifamily projects that do not specifically meet the dollar per room limits of section 207(c)(3) of the National Housing Act;

Fifth, nonconforming real estate trade-in loans where the loan-to-value ratio is above 80 percent, or where repayment would be in more than 18 months; and

Sixth, loans on housing for the aging.

The bill adds the words "or farm" after residential, to permit the types of farm loans commonly made in the upper Midwest which includes my State of Nebraska and the States of North and South Dakota, Montana, and Iowa.

This addition is very simple, but its impact is significant for States such as Nebraska. It clarifies the legislative intent first articulated in section 704 of Public Law 93-383 which amended the Home Owner's Loan Act of 1933.

Specifically, this amendment will allow individual savings and loan associations to make farm loans from the 5-percent "spillover" loan category incorporated in the 1933 act. This is not a new power. Rather it is required to further state the intent of Congress.

Present interpretation by the FHLBB prevents savings and loans from using excess capital in rural States for badly needed loans for farm land and buildings. As a consequence, a number of these associations have had to export capital from their respective States of deposits, seeking investment opportunities. This clarifying amendment will allow these associations to keep a greater percent of depositors' funds in the States of origin, providing badly needed farm building credit.

Mr. GONZALEZ. Mr. Chairman, while I did not express any additional or dissenting views in the committee report on the housing and community development bill of 1977, I have a number of reservations as to whether or not we are truly striving toward the goals laid out in the 1949 Housing Act which, for the first time, stated a national goal for housing.

One of the concerns I have about this bill before us, and I expressed this in the full committee markup, is whether or not the community development block grant funds are really being spent on those who need them the most, the low- and moderate-income people. I offered an amendment in committee markup, which I intend to offer at the appropriate time on the House floor, that will require a minimum amount of CD funds to be spent on these persons depending on the formula used by a community to obtain these funds. Thus Congress will be assured that a certain portion of CD moneys will be used to alleviate the serious problems for which the program was originally intended.

Another area of concern is the dual formula that has been incorporated into this bill for the distribution of the community development programs. The Department of Housing and Urban Development has assured us that this is the fairest and most equitable method of redistributing the block grant funds, but the major effect seems to be providing a large increase in funds for the old cities in the East and Midwest while the cities in the South and West must settle for merely an inflationary increase over last year's funds.

I strongly believe that the general welfare and security of our Nation depend upon keeping our cities and urban areas decent, attractive and safe places to live and that the Federal Government certainly has a strong role to play in achieving these goals. But I don't feel that we should be concentrating an increasingly large portion of our CD funds into the older cities at the possible expense of future problems for those cities in the South and West that are presently economically sound.

The dual formula approach in the bill will be used for 3 years and I would favor a more cautious approach that would require HUD to study the problem further and consider other possible alternatives that will not, in effect, be penalizing certain sections of our country and their residents because they are still financially viable.

A third concern I have is in the area of low-rent public housing. I do not feel that we are providing enough funds for this program. Of the $1.2 billion in the bill, which is expected to provide 400,000 additional housing units, only 56,000 of these will be public housing. While there has been much criticism of public housing programs, and I will not deny that some has been valid, there are also many cities, my own city of San Antonio being one, that have had tremendous success with their program and I feel that we should not ignore this very viable method of providing housing for our citizens.

As I review the housing bill before us I wonder if we really are moving forward in trying to meet the goals of the 1949 Housing Act, or are we merely shuffling programs around, giving them new names and formulas, but standing still in terms of providing the actions that our low- and moderate-income citizens need and deserve?

Mr. ANNUNZIO. Mr. Chairman, I rise in support of the bill H.R. 6655, the Housing and Community Development Act of 1977, which was approved by the Committee on Banking, Finance and Urban Affairs, on which I serve, by a vote of 31 ayes and 3 nays. Mr. Chairman, I would like to compliment the distinguished chairman of the Subcommittee on Housing and Community Development, and my good friend from Ohio (Mr. ASHLEY) for the exemplary way he put together this product with bipartisan support in the subcommittee and the full committee.

Mr. Chairman, the committee-approved bill represents an important reauthorization of a program that means a great deal to almost 3,000 urban communities of this Nation. It is particularly most important to my city of Chicago. Chicago has been in the forefront in the previous years in the use of the old HUD categorical programs such as urban renewal and model cities, and more importantly has been in the forefront of developing a citywide approach to its community development needs. The community development block grant program has been important to Chicago and it has been well used because of the community development strategy that our late great Mayor Richard Daley and the Chicago City Council has developed over the past 3 years.

H.R. 6655 reauthorizes for an additional 3 fiscal years the community development block grant program. The bill also proposed a new dual formula upon which to allocate the CD funds to the very urgent needs of many of our both large and small urban communities. This second formula approach proposed by the Carter administration as well as by the Ford administration, would use criteria that truly reflects the great needs of cities such as Chicago. The criteria of this new formula would be the age of the existing housing stock pre-1940 weighted 50 percent, poverty weighted 30 percent, and a new factor called population growth lag weighted 20 percent. With the introduction of this new formula the amount of funds that the city of Chicago would be eligible to receive almost doubles. While this increase is dramatic, it really only reflects what the formula meant to reflect, that is the urgent developmental needs for the city.

Mr. Chairman, title I also proposes the creation of a new urban development action grant program to be funded at a level of $400 million for the next 3 fiscal years. This new action grant program was warmly welcomed by our distinguished new mayor, Michael Bilandic, of Chicago in a recent visit here to Washington. This new program would operate outside the formula or entitlement community development program, since the basic CD block grants cannot be used to target assistance to specifically distressed communities which have physical and economic deterioration and, just as importantly, a high degree of commitment and performance in dealing with these problems. The primary emphasis and direction in this action grant program would be the revitalization and conservation of residential neighborhoods and the stimulation of commercial and industrial development essential to the vitality of our central cities and their residential neighborhoods.

Mr. Chairman, far too often in legislating programs for our urban communities both past administrations and the Congress have forgotten that the most important element in preserving our cities is the preservation of our residential neighborhoods.

Mr. Chairman, I applaud the direction that the urban development action grant program is taking and particularly am pleased to see the strong support the Carter administration is pledging in this area.

H.R. 6655 would also reauthorize HUD housing assistance programs and make basic extensions in the authorities and programs for which the Secretary of HUD has responsibility. I would also applaud my distinguished colleague from Rhode Island (Mr. ST GERMAIN) for his efforts to get title IV of this bill included which would increase the mortgage amounts that federally insured savings and loan institutions may make and would also increase the amounts of loans for home improvements and construction loans.

Before concluding, Mr. Chairman, I would again like to commend the distinguished gentleman from Ohio (Mr. ASHLEY) and the distinguished gentleman from Michigan (Mr. BROWN) for their work in putting together this important bill. Mr. Chairman, I urge the adoption of this bill.

Mr. ASHLEY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BROWN of Michigan. Mr. Chairman, I yield myself such time as I may consume, for the purpose of participating in a short colloquy with the gentleman from Ohio (Mr. ASHLEY).

Mr. Chairman, it is our understanding, and I assume the gentleman has cleared it with the leadership, that the amendatory process, the reading of the bill for amendments, will not begin until Tuesday.

Mr. ASHLEY. If the gentleman will yield, that is correct.

Mr. BROWN of Michigan. Mr. Chairman, there is one further thing, which I think the gentleman will agree with me on, and that is that we will see printouts from time to time during the course of the consideration of this bill, indicating the amount of funds that the different recipients will receive under the new formula or under the new program with the dual formula.

The gentleman does agree, does he not, that those figures should be viewed in the context of the phenomenon that exists; that is, that due to the nature of the dual formula, there will probably be a pro rata reduction in those figures even if the Committee on Appropriations funds the basic program at the level we are authorizing? Is that not true?

Mr. ASHLEY. The gentleman is absolutely right.

Mr. BROWN of Michigan. Mr. Chairman, I only say that so there will not be some problem that might arise between what some printout shows and what a community actually receives when the program is implemented.

Mr. ASHLEY. Mr. Chairman, I thank the gentleman. I think it is very responsible on his part to bring that out. I do agree with him.

Mr. BROWN of Michigan. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Housing and Community Development Act of 1977".

Mr. ASHLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. STUDDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6655) to amend certain Federal laws pertaining to community development, housing, and related programs, had come to no resolution thereon.

GENERAL LEAVE

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 6655, the bill just under consideration.

The SPEAKER. Is there objection to the gentleman from Ohio?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4491. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes; and

H.R. 5840. An act to amend the Export Administration Act of 1969 in order to extend the authorities of that Act and improve the administration of export controls under that Act, and to strengthen the antiboycott provisions of that Act.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4991) entitled "An act to authorize appropriations for activities of the National Science Foundation, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Kennedy, Mr. Pell, Mr. Nelson, Mr. Hathaway, Mr. Schweiker, Mr. Javits, and Mr. Chafee to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 773. An act authorizing the Wichita Indian Tribes of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes; and

S. 1435. An act to authorize appropriations for the Federal Election Commission for fiscal year 1978.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE REPORT ON H.R. 6205

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight tonight to file a report on H.R. 6205, to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Atlantic Tunas Convention Act of 1975.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO FILE REPORTS ON H.R. 6692, H.R. 6668, AND H.R. 6774

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight tonight to file reports on H.R. 6692, to extend certain programs under the Education of the Handicapped Act; H.R. 6668, to amend the Age Dsicrimination Act of 1975 to extend the date upon which the U.S. Commission on Civil Rights is required to file its report under such act, and for other purposes; and H.R. 6774, to make certain technical and miscellaneous amendments to provisions relating to higher education contained in the Education Amendments of 1976.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3477, TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 3477 to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Conference Report (H. Rept. No. 95–263)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 13, 14, 15, 17, 33, 35, 44, 45, 46, 47, 48, 51, 69, 70, 75, 77, 79, and 83.

That the House recede from its disagreement to the amendments of the Senate numbered 1A, 2, 3, 6, 7, 8, 9, 10, 11, 12, 16, 18, 19, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 36, 37, 39, 40, 41, 42, 43, 49, 50, 52, 53, 54, 55, 56, 57, 59, 60, 61, 62, 63, 64, and 66; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

TITLE I—REDUCTION AND SIMPLIFICATION OF INDIVIDUAL INCOME TAXES

Sec. 101. Change in tax rates and tax tables to reflect permanent increase in standard deduction.
Sec. 102. Change in definition of taxable income to reflect change in tax rates and tables.
Sec. 103. Extension of individual income tax reductions.
Sec. 104. Change in filing requirements.
Sec. 105. Withholding tax.
Sec. 106. Effective dates.

TITLE II—REDUCTION IN BUSINESS TAXES

Sec. 201. Extension of certain corporate income tax reductions.
Sec. 202. New jobs credit.

TITLE III—PROVISIONS RELATING TO EFFECTIVE DATES AND OTHER PROVISIONS OF THE TAX REFORM ACT OF 1976

Sec. 301. Effective date of changes in the exclusion for sick pay.
Sec. 302. Changes in treatment of income earned abroad by United States citizens living or residing abroad.
Sec. 303. Underpayments of estimated tax.
Sec. 304. Underwithholding.
Sec. 305. Interest on underpayments of tax.
Sec. 306. Use of residence as day care facility.
Sec. 307. State legislators' travel expenses away from home.
Sec. 308. Treatment of intangible drilling costs for purposes of the minimum tax.
Sec. 309. Transfers of partial interests in property for conservation purposes.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Authorization of additional appropriations for the work incentive program.
Sec. 402. Rapid amortization of child care facilities.
Sec. 403. Election of former retirement income credit provisions for 1976.
Sec. 404. Postponement of effective date of changes made by the Tax Reform Act of 1976 in the method of accounting for certain corporations engaged in farming.
Sec. 405. Withholding tax on certain gambling winnings.
Sec. 406. Termination of 1975 special payments to certain individuals.
Sec. 407. Payments to the governments of American Samoa, Guam, and the Virgin Islands.
Sec. 408. Withholding of county income tax on Federal employees.

TITLE V—CERTAIN SOCIAL SECURITY ACT AMENDMENTS

Sec. 501. Clarification of garnishment provisions.
Sec. 502. Bonding of certain State or local employees; handling of cash receipts.
Sec. 503. Incentive payments to States and localities.
Sec. 504 Annual report of the Secretary.
Sec. 505. Certain AFDC payments.

And the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Section 1. Tax Imposed.

"(a) Married Individuals Filing Joint Returns and Surviving Spouses.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	14% of the excess over $3,200.
Over $4,200 but not over $5,200	$140, plus 15% of excess over $4,200.
Over $5,200 but not over $6,200	$290, plus 16% of excess over $5,200.
Over $6,200 but not over $7,200	$450, plus 17% of excess over $6,200.
Over $7,200 but not over $11,200	$620, plus 19% of excess over $7,200.
Over $11,200 but not over $15,200	$1,380, plus 22% of excess over $11,200.
Over $15,200 but not over $19,200	$2,260, plus 25% of excess over $15,200.
Over $19,200 but not over $23,200	$3,260, plus 28% of excess over $19,200.
Over $23,200 but not over $27,200	$4,380, plus 32% of excess over $23,200.

"If the taxable income is:	The tax is:
Over $27,200 but not over $31,200	$5,660, plus 36% of excess over $27,200.
Over $31,200 but not over $35,200	$7,100, plus 39% of excess over $31,200.
Over $35,200 but not over $39,200	$8,660, plus 42% of excess over $35,200.
Over $39,200 but not over $43,200	$10,340, plus 45% of excess over $39,200.
Over $43,200 but not over $47,200	$12,140, plus 43% of excess over $43,200.
Over $47,200 but not over $55,200	$14,060, plus 50% of excess over $47,200.
Over $55,200 but not over $67,200	$18,060, plus 53% of excess over $55,200.
Over $67,200 but not over $79,200	$24,420, plus 55% of excess over $67,200.
Over $79,200 but not over $91,200	$31,020, plus 58% of excess over $79,200.
Over $91,200 but not over $103,200	$37,980, plus 60% of excess over $91,200.
Over $103,200 but not over $123,200	$45,180, plus 62% of excess over $103,200.
Over $123,200 but not over $143,200	$57,580, plus 64% of excess over $123,200.
Over $143,200 but not over $163,200	$70,380, plus 66% of excess over $143,200.
Over $163,200 but not over $183,200	$83,580, plus 68% of excess over $163,200.
Over $183,200 but not over $203,200	$97,180, plus 69% of excess over $183,200.
Over $203,200	$110,980, plus 70% of excess over $203,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $3,200	14% of the excess over $2,200.
Over $3,200 but not over $4,200	$140, plus 16% of excess over $3,200.
Over $4,200 but not over $6,200	$300, plus 18% of excess over $4,200.
Over $6,200 but not over $8,200	$660, plus 19% of excess over $6,200.
Over $8,200 but not over $10,200	$1,040, plus 22% of excess over $8,200.
Over $10,200 but not over $12,200	$1,480, plus 23% of excess over $10,200.
Over $12,200 but not over $14,200	$1,940, plus 25% of excess over $12,200.
Over $14,200 but not over $16,200	$2,440, plus 27% of excess over $14,200.
Over $16,200 but not over $18,200	$2,980, plus 28% of excess over $16,200.
Over $18,200 but not over $20,200	$3,540, plus 31% of excess over $18,200.
Over $20,200 but not over $22,200	$4,160, plus 32% of excess over $20,200.
Over $22,200 but not over $24,200	$4,800, plus 35% of excess over $22,200.
Over $24,200 but not over $26,200	$5,500, plus 36% of excess over $24,200.
Over $26,200 but not over $28,200	$6,220, plus 38% of excess over $26,200.
Over $28,200 but not over $30,200	$6,980, plus 41% of excess over $28,200.
Over $30,200 but not over $34,200	$7,800, plus 42% of excess over $30,200.
Over $34,200 but not over $38,200	$9,480, plus 45% of excess over $34,200.
Over $38,200 but not over $40,200	$11,280, plus 48% of excess over $38,200.
Over $40,200 but not over $42,200	$12,240, plus 51% of excess over $40,200.
Over $42,200 but not over $46,200	$13,260, plus 52% of excess over $42,200.
Over $46,200 but not over $52,200	$15,340, plus 55% of excess over $46,200.
Over $52,200 but not over $54,200	$18,640, plus 56% of excess over $52,200.
Over $54,200 but not over $66,200	$19,760, plus 58% of excess over $54,200.
Over $66,200 but not over $72,200	$26,720, plus 59% of excess over $66,200.
Over $72,200 but not over $78,200	$30,260, plus 61% of excess over $72,200.
Over $78,200 but not over $82,200	$33,920, plus 62% of excess over $78,200.
Over $82,200 but not over $90,200	$36,400, plus 63% of excess over $82,200.
Over $90,200 but not over $102,200	$41,440, plus 64% of excess over $90,200.
Over $102,200 but not over $122,200	$49,120, plus 66% of excess over $102,200.
Over $122,200 but not over $142,200	$62,320, plus 67% of excess over $122,200.
Over $142,200 but not over $162,200	$75,720, plus 68% of excess over $142,200.
Over $162,200 but not over $182,200	$89,320, plus 69% of excess over $162,200
Over $182,200	$103,120, plus 70% of excess over $182,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	14% of the excess over $2,200.
Over $2,700 but not over $3,200	$70 plus 15% of excess over $2,700.
Over $3,200 but not over $3,700	$145, plus 16% of excess over $3,200.
Over $3,700 but not over $4,200	$225, plus 17% of excess over $3,700.
Over $4,200 but not over $6,200	$310, plus 19% of excess over $4,200.
Over $6,200 but not over $8,200	$690, plus 21% of excess over $6,200.
Over $8,200 but not over $10,200	$1,110, plus 24% of excess over $8,200.
Over $10,200 but not over $12,200	$1,590, plus 25% of excess over $10,200.
Over $12,200 but not over $14,200	$2,000, plus 27% of excess over $12,200.
Over $14,200 but not over $16,200	$2,630, plus 29% of excess over $14,200.
Over $16,200 but not over $18,200	$3,210, plus 31% of excess over $16,200.
Over $18,200 but not over $20,200	$3,830, plus 34% of excess over $18,200.
Over $20,200 but not over $22,200	$4,510, plus 36% of excess over $20,200.
Over $22,200 but not over $24,200	$5,230, plus 38% of excess over $22,200.
Over $24,200 but not over $28,200	$5,990, plus 40% of excess over $24,200.
Over $28,200 but not over $34,200	$7,590, plus 45% of excess over $28,200.
Over $34,200 but not over $40,200	$10,290, plus 50% of excess over $34,200.
Over $40,200 but not over $46,200	$13,290, plus 55% of excess over $40,200.

"If the taxable income is:	The tax is:
Over $46,200 but not over $52,200	$16,590, plus 60% of excess over $46,200.
Over $52,200 but not over $62,200	$20,190, plus 62% of excess over $52,200.
Over $62,200 but not over $72,200	$26,390, plus 64% of excess over $62,200.
Over $72,200 but not over $82,200	$32,790, plus 66% of excess over $72,200.
Over $82,200 but not over $92,200	$39,390, plus 68% of excess over $82,200.
Over $92,200 but not over $102,200	$46,190, plus 69% of excess over $92,200.
Over $102,200	$53,090, plus 70% of excess over $102,200.

"(b) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	14% of the excess over $1,600.
Over $2,100 but not over $2,600	$70, plus 15% of excess over $2,100.
Over $2,600 but not over $3,100	$145, plus 16% of excess over $2,600.
Over $3,100 but not over $3,600	$225, plus 17% of excess over $3,100.
Over $3,600 but not over $5,600	$310, plus 19% of excess over $3,600.
Over $5,600 but not over $7,600	$690, plus 22% of excess over $5,600.
Over $7,600 but not over $9,600	$1,130, plus 25% of excess over $7,600.
Over $9,600 but not over $11,600	$1,630, plus 28% of excess over $9,600.
Over $11,600 but not over $13,600	$2,190, plus 32% of excess over $11,600.
Over $13,600 but not over $15,600	$2,830, plus 36% of excess over $13,600.
Over $15,600 but not over $17,600	$3,550, plus 39% of excess over $15,600.
Over $17,600 but not over $19,600	$4,330, plus 42% of excess over $17,600.
Over $19,600 but not over $21,600	$5,170, plus 45% of excess over $19,600.
Over $21,600 but not over $23,600	$6,070, plus 48% of excess over $21,600.
Over $23,600 but not over $27,600	$7,030, plus 50% of excess over $23,600.
Over $27,600 but not over $33,600	$9,030, plus 53% of excess over $27,600.
Over $33,600 but not over $39,600	$12,210, plus 55% of excess over $33,600.
Over $39,600 but not over $45,600	$15,510, plus 58% of excess over $39,600.
Over $45,600 but not over $51,600	$18,990, plus 60% of excess over $45,600.
Over $51,600 but not over $61,600	$22,590, plus 62% of excess over $51,600.
Over $61,600 but not over $71,600	$28,790, plus 64% of excess over $61,600.
Over $71,600 but not over $81,600	$35,190, plus 66% of excess over $71,600.
Over $81,600 but not over $91,600	$41,790, plus 68% of excess over $81,600.
Over $91,600 but not over $101,600	$48,590, plus 69% of excess over $91,600.
Over $101,600	$55,490, plus 70% of excess over $101,600.

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments:

Strike out the matter proposed to be stricken by the Senate amendment; insert the matter proposed to be inserted by the Senate amendment; and on page 29, after line 17, of the House engrossed bill, insert the following:

(4) The first sentence of subsection (b) of section 42 is amended by striking out "by this chapter" and inserting in lieu thereof the following: "by section 1, or the amount of the tax imposed in lieu of the tax imposed by section 1,"

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"(3) CERTAIN INDIVIDUALS TREATED AS ELECTING TO ITEMIZE.—An individual who has an unused zero bracket amount (as determined under subsection (e)(2)) shall be treated as having made an election under this subsection for the taxable year.

And the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: For purposes of subsection (c)—

"(A) the deduction provided by the preceding sentence shall be in lieu of any itemized deductions of the taxpayer, and

"(B) such sentence shall not apply to an individual who elects to itemize deductions.".

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of inserting the matter proposed to be inserted by the Senate amendment, on page 47 of the House engrossed bill strike out lines 12 and 13 and insert:

"(iv) an individual who has income (other than earned income) of $750 or more and who is described in section 63(e)(1)(D); or

And the Senate agree to the same.

Amendment numbered 58: That the House recede from it disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 202. NEW JOBS CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"SEC. 44B. CREDIT FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter the amount determined under subpart D of this part.

"(b) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section and subpart D."

(b) RULES FOR COMPUTING CREDIT.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end thereof the following new subpart:

"Subpart D—Rules for Computing Credit for Employment of Certain New Employees

"Sec. 51. Amount of credit.

"Sec. 52. Special rules.

"Sec. 53. Limitation based on amount of tax.

"SEC. 51. AMOUNT OF CREDIT.

"(a) DETERMINATION OF AMOUNT.—The amount of the credit allowable by section 44B shall be—

"(1) for a taxable year beginning in 1977, an amount equal to 50 percent of the excess of the aggregate unemployment insurance wages paid during 1977 over 102 percent of the aggregate unemployment insurance wages paid during 1976, and

"(2) for a taxable year beginning in 1978, an amount equal to 50 percent of the excess of the aggregate unemployment insurance wages paid during 1978 over 102 percent of the aggregate unemployment insurance wages paid during 1977.

"(b) MINIMUM PRECEDING YEAR WAGES.—For purposes of determining the amount of the credit under subsection (a) with respect to 1977 or 1978, 102 percent of the amount of the aggregate unemployment insurance wages paid during the preceding calendar year shall be deemed to be not less than 50 percent of the amount of such wages paid during 1977 or 1978, as the case may be.

"(c) TOTAL WAGES MUST INCREASE.—The amount of the credit allowable by section 44B for any taxable year shall not exceed the amount which would be determined for such year under subsection (a) (without regard to subsection (b)) if—

"(1) the aggregate amounts taken into account as unemployment insurance wages were determined without any dollar limitation, and

"(2) '105 percent' were substituted for '102 percent' in the appropriate paragraph of subsection (a).

"(d) $100,000 Per Year Limitation on Credit.—Except as provided in subsection (e), the amount of the credit determined under this subpart for any employer (and the amount of the credit allowable by section 44B to any taxpayer) with respect to any calendar year shall not exceed $100,000.

"(e) Additional 10 Percent Credit for Vocational Rehabilitation Referrals.—

"(1) In general.—The amount of the credit allowable by section 44B for any taxable year beginning in 1977 or 1978 (determined without regard to this subsection) shall be increased by an amount equal to 10 percent of the unemployment insurance wages paid by the employer to vocational rehabilitation referrals during the calendar year in which such taxable year begins.

"(2) Only first year taken into account.—For purposes of this subsection, unemployment insurance wages may be taken into account with respect to any individual—

"(A) only to the extent attributable to services rendered during the 1-year period beginning with his first payment of wages by the employer after the beginning of such individual's rehabilitation plan, and

"(B) only if such, first payment occurs after December 31, 1976.

"(3) Only first $4,200 of wages taken into account for any individual.—For purposes of this subsection, the unemployment insurance wages paid during 1978 which are taken into account with respect to any individual shall not exceed $4,200 reduced by the amount of unemployment insurance wages paid by the employer to such individual during 1977.

"(4) 20-percent limitation.—The amount of the credit allowable by reason of this subsection for any taxable year shall not exceed one-fifth of the credit determined for such year under this section without regard to this subsection and subsection (d).

"(f) Definitions.—For purposes of this subpart—

"(1) Unemployment insurance wages.—Except as otherwise provided, in this subpart, the term 'unemployment insurance wages' has the meaning given to the term 'wages' by section 3306(b), except that, in the case of amounts paid during 1978, '$4,200' shall be substituted for '$6,000' each place it appears in section 3306(b).

"(2) Agricultural labor.—If the services performed by any employee for an employer during more than one-half of any pay period (within the meaning of section 3306(d)) taken into account with respect to any calendar year constitute agricultural labor (within the meaning of section 3306(k)), the term 'unemployment insurance wages' means, with respect to the remuneration paid by the employer to such employee for such year, an amount equal to so much of such remuneration as constitutes 'wages' within the meaning of section 3121(a), except that the contribution and benefit base for each calendar year shall be deemed to be $4,200.

"(3) Railway labor.—If more than one-half of the remuneration paid by an employer to an employee during the calendar year is remuneration for service described in section 3306(c)(9), the term 'unemployment insurance wages' means, with respect to such employee for such year, an amount equal to $\frac{7}{8}$ of so much of the remuneration paid to such employee during such year as is subject to contributions under section 8 (a) of the Railroad Unemployment Insurance Act (45 U.S.C. 358(a)).

"(4) Vocational rehabilitation referral.—The term 'vocational rehabilitation referral' means any individual who—

"(A) has a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment, and

"(B) has been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to—

"(i) an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973, or

"(ii) a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code.

"(g) Rules for Application of Section.—For purposes of this subpart—

"(1) Remuneration must be for trade or business employment within United States.—Remuneration paid by an employer to an employee during any calendar year shall be taken into account only if more than one-half of the remuneration so paid is for services performed in the United States in a trade or business of the employer.

"(2) Special rule for certain determinations.—Any determination as to whether paragraph (1) of this subsection, or paragraph (2) or (3) of subsection (f), applies with respect to any employee for any calendar year shall be made without regard to subsections (a) and (b) of section 52.

"Sec. 52. Special Rules.

"(a) Controlled Group of Corporations.—For purposes of this subpart, all employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit (if any) allowable by section 44B to each such member shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit. For purposes of this subsection, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(1) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(2) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(b) Employees of Partnerships, Proprietorships, Etc., Which Are Under Common Control.—For purposes of this subpart, under regulations prescribed by the Secretary—

"(1) all employees of trades or business (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

"(2) the credit (if any) allowable by section 44B with respect to each trade or business shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit.

The regulations prescribed under this subsection shall be based on principles similar to the principles which apply in the case of subsection (a).

"(c) Adjustments for Certain Acquisitions, Etc.—Under regulations prescribed by the Secretary—

"(1) Acquisitions.—If, after December 31, 1975, an employer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this subpart for any calendar year ending after such acquisition, the amount of unemployment insurance wages deemed paid by the employer during periods before such acquisition shall be increased by so much of such wages paid by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the employer.

"(2) Dispositions.—If, after December 31, 1975—

"(A) an employer disposes of the major portion of any trade or business of the employer or the major portion of a separate unit of a trade or business of the employer in a transaction to which paragraph (1) applies, and

"(B) the employer furnishes the acquiring person such information as is necessary for the application of paragraph (1),

then, for purposes of applying this subpart for any calendar year ending after such disposition, the amount of unemployment insurance wages deemed paid by the employer during periods before such disposition shall be decreased by so much of such wages as is attributable to such trade or business or separate unit.

"(d) Tax-Exempt Organizations.—No credit shall be allowed under section 44B to any organization (other than a cooperative described in section 521) which is exempt from income tax under this chapter.

"(e) Change in Status From Self-Employed to Employee.—If—

"(1) during 1976 or 1977 an individual has net earnings from self-employment (as defined in section 1402(a)) which are attributable to a trade or business, and

"(2) for any portion of the succeeding calendar year such individual is an employee of such trade or business,

then, for purposes of determining the credit allowable for a taxable year beginning in such succeeding calendar year, the employer's aggregate unemployment insurance wages for 1976 or 1977, as the case may be, shall be increased by an amount equal to so much of the net earnings referred to in paragraph (1) as does not exceed $4,200.

"(f) Subchapter S Corporations.—In the case of an electing small business corporation (as defined in section 1371)—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of such taxable year, and

"(2) any person to whom an amount is apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount.

"(g) Estates and Trusts.—In the case of an estate or trust—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each,

"(2) any beneficiary to whom any amount has been apportioned under paragraph (1) shall be allowed subject to section 53, a credit under section 44B for such amount, and

"(3) the $100,000 amount specified in section 51(d) applicable to such estate or trust shall be reduced to an amount which bears the same ratio to $100,000 as the portion of the credit allocable to the estate or trust under paragraph (1) bears to the entire amount of such credit.

"(h) Limitations With Respect to Certain Persons.—Under regulations prescribed by the Secretary, in the case of—

"(1) an organization to which section 593 (relating to reserves for losses on loans) applies,

"(2) a regulated investment company or a real estate investment trust subject to taxation under subchapter M (section 851 and following), and

"(3) a cooperative organization described in section 1381(a),

rules similar to the rules provided in section 46(e) shall apply in determining the amount of the credit under this subpart.

"(i) $50,000 Limitation in the Case of Married Individuals Filing Separate Returns.—In the case of a husband or wife who files a separate return, the limitation under section 51(d) shall be $50,000 in lieu of $100,000. This subsection shall not apply if the spouse of the taxpayer has no interest in a trade or business for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

"(j) CERTAIN SHORT TAXABLE YEARS.—If the employer has more than one taxable year beginning in 1977 or 1978, the credit under this subpart shall be determined for the employer's last taxable year beginning in 1977 or 1978, as the case may be.

"SEC. 53. LIMITATION BASED ON AMOUNT OF TAX.

"(a) GENERAL RULE.—Notwithstanding section 51, the amount of the credit allowed by section 44B for the taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment in certain depreciable property),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to general tax credit), and

"(7) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

For purposes of this subsection, any tax imposed for the taxable year by section 56 (relating to minimum tax for tax preferences), section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), section 408(f) (relating to additional tax on income from certain retirement accounts), section 402(e) (relating to tax on lump-sum distributions), section 531 (relating to accumulated earnings tax), section 541 (relating to personal holding company tax), or section 1378 (relating to tax on certain capital gains of subchapter S corporations), and any additional tax imposed for the taxable year by section 1351 (d)(1) (relating to recoveries of foreign expropriation losses), shall not be considered tax imposed by this chapter for such year.

"(b) SPECIAL RULE FOR PASS-THROUGH OF CREDIT.—In the case of a partner in a partnership, a beneficiary of an estate or trust, and a shareholder in a subchapter S corporation, the limitation provided by subsection (a) for the taxable year shall not exceed a limitation separately computed with respect to such person's interest in such entity by taking an amount which bears the same relationship to such limitation as—

"(1) that portion of the person's taxable income which is allocable or apportionable to the person's interest in such entity, bears to

"(2) the person's taxable income for such year reduced by his zero bracket amount (determined under section 63(d)), if any.

"(c) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under section 51 for any taxable year exceeds the limitation provided by subsection (a) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be—

"(A) a new employee credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a new employee credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by section 44B for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1977, section 44B shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under such section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (a) for such taxable year exceeds the sum of—

"(A) the credit allowable under section 44B for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

(c) DEDUCTION FOR WAGES PAID REDUCED BY AMOUNT OF CREDIT.—

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280C. PORTION OF WAGES FOR WHICH CREDIT IS CLAIMED UNDER SECTION 44B.

"No deduction shall be allowed for that portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under section 44B (relating to credit for employment of certain new employees) determined without regard to the provisions of section 53 (relating to limitation based on amount of tax). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this section shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.".

(2) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new item.

"Sec. 280C. Portion of wages for which credit is claimed under section 44B."

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44A the following new item:

"Sec. 44B. Credit for employment of certain new employees."

(B) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Subpart D. Rules for computing credit for employment of certain new employees."

(2) MINIMUM TAX.—

(A) Section 56(c) (defining regular tax deduction) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(9) section 44B (relating to credit for employment of certain new employees)."

(B) Subparagraph (A) of section 56(e)(1) (relating to tax carryover for timber) is amended—

(i) by striking out "and" at the end of clause (ii),

(ii) by striking out "exceed" at the end of clause (iii) and inserting in lieu thereof "and", and

(iii) by inserting after clause (iii) the following new clause:

"(iv) section 44B (relating to credit for employment of certain new employees), exceed".

(3) CORPORATE REORGANIZATIONS.—

(A) Subsection (c) of section 381 (relating to items of the distributor or transfer corporation) is amended by adding at the end thereof the following new paragraph:

"(26) CREDIT UNDER SECTION 44B FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 4B, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44B in respect of the distributor or transferor corporation."

(B) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1978, as amended—

(i) by inserting "to any unused new employee credit of the corporation under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(C) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused new employee credit of the corporation which could otherwise be carried forward under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(D) The table of sections for part V of subchapter C of chapter 1 is amended by striking out "work incentive program credits," in the item relating to section 383 and inserting in lieu thereof "work incentive program credits, new employee credits,".

(4) STATUTES OF LIMITATION AND INTEREST RELATING TO NEW EMPLOYEE CREDIT CARRYBACK.—

(A) ASSESSMENT AND COLLECTION.—Section 6501 (relating to limitations on assessment and collection) is amended by adding at the end thereof the following new subsection:

"(p) NEW EMPLOYEE CREDIT CARRYBACKS.—In the case of a deficiency attributable to the application to the taxpayer of a new employee credit carryback (including deficiencies which may be assessed pursuant to the provisions of section 6213(b)(3)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the unused new employee credit which results in such deficiencies which may be assessed pursuant to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, at any time before the expiration of the period within which a deficiency for such subsequent taxable year may be assessed."

(B) CREDIT OR REFUND.—Section 6511(d) (relating to limitations on credit or refund) is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NEW EMPLOYEE CREDIT CARRYBACKS.—

"(A) PERIOD OF LIMITATIONS.—If the claim for credit or refund relates to an overpayment attributable to a new employee credit carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the unused new employee credit which results in such carryback (or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, the period shall be that period which ends with the expiration of the 15th day of the 40th month, or 39th month, in the case of a corporation, following the end of such taxable year) or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback.

"(B) APPLICABLE RULES.—If the allowance of a credit or refund of an overpayment of tax attributable to a new employee credit carryback is otherwise prevented by the operation of any law or rule of law other than section 7122, relating to compromises, such credit or refund may be allowed or made, if claim therefor is filed within the period provided in subparagraph (A) of this paragraph. In the case of any such claim for credit or refund, the determination by any court, including the Tax Court, in any proceeding in which the decision of the court has become final shall not be conclusive with respect to the new employee credit, and the effect of such credit, to the extent that such credit is affected by a carryback which was not in issue in such proceeding."

(C) INTEREST ON UNDERPAYMENTS.—Section 6601(d) (relating to income tax reduced by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—If the credit allowed by section 44B for any taxable year is increased by reason of a new employee credit carryback, such increase shall not affect the computation of interest under this section for the period ending with the last day of the taxable year in which the new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the last day of such subsequent taxable year."

(D) INTEREST ON OVERPAYMENTS.—Section 6611(f) (relating to refund of income tax caused by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—For purposes of subsection (a), if any overpayment of tax imposed by subtitle A results from a new employee credit carryback, such overpayment shall be deemed not to have been made before the close of the taxable year in which such new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, such overpayment shall be deemed not to have been made before the close of such subsequent taxable year."

(5) TENTATIVE CARRYBACK ADJUSTMENTS.—

(A) APPLICATION FOR ADJUSTMENT.—Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(i) by striking out "or unused work incentive program credit" each place it appears in such section and inserting in lieu thereof "unused work incentive program credit, or unused new employee credit",

(ii) by inserting after "section 50A(b)" in the first sentence of subsection (a) "by a new employee credit carryback provided in section 53(c),",

(iii) by striking out "or a work incentive program carryback from" in the second sentence of subsection (a) and inserting in lieu thereof ", a work incentive program carryback, or a new employee credit carryback from", and

(iv) by striking out "investment credit carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "investment credit carryback, or, in the case of a new employee credit carryback, to an investment credit carryback or a work incentive program carryback)".

(B) TENTATIVE CARRYBACK ADJUSTMENT ASSESSMENT PERIOD.—Section 6501(m) (relating to tentative carryback adjustment assessment period) is amended—

(i) by striking out "or a work incentive program carryback" and inserting in lieu thereof "a work incentive program carryback, or a new employee credit carryback", and

(ii) by striking out "(j), or (o)" each place it appears and inserting in lieu thereof "(j), (o), or (p)".

(6) DESIGNATION OF INCOME TAX PAYMENT.—Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A and 44B".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1976, and to credit carrybacks from such years.

And the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 306. USE OF RESIDENCE AS DAY CARE FACILITY.

(a) IN GENERAL.—Subsection (c) of section 280A (relating to exceptions for certain business or rental use; limitation on deductions for such use) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) USE IN PROVIDING DAY CARE SERVICES.—

"(A) IN GENERAL.—Subsection (a) shall not apply to any item to the extent that such item is allocable to the use of any portion of the dwelling unit on a regular basis in the taxpayer's trade or business of providing day care for children, for individuals who have attained age 65, or for individuals who are physically or mentally incapable of caring for themselves.

"(B) LICENSING, ETC., REQUIREMENT.—Subparagraph (A) shall apply to items accruing for a period only if the owner or operator of the trade or business referred to in subparagraph (A)—

"(i) has applied for (and such application has not been rejected),

"(ii) has been granted (and such granting has not been revoked), or

"(iii) is exempt from having,

a license, certification, registration, or approval as a day care center or as a family or group day care home under the provisions of any applicable State law. This subparagraph shall apply only to items accruing in periods beginning on or after the first day of the first month which begins more than 90 days after the date of the enactment of the Tax Reduction and Simplification Act of 1977.

"(C) ALLOCATION FORMULA.—If a portion of the taxpayer's dwelling unit used for the purposes described in subparagraph (A) is not used exclusively for those purposes, the amount of the expenses attributable to that portion shall not exceed an amount which bears the same ratio to the total amount of the items allocable to such portion as the number of hours the portion is used for such purposes bears to the number of hours the portion is available for use."

(b) CONFORMING AMENDMENT.—Paragraph (5) of section 280A(c) of such Code (as redesignated by subsection (a)) is amended by striking out "paragraph (1) or (2)" and inserting in lieu thereof "paragraph (1), (2), or (4)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1975.

And the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 308. TREATMENT OF INTANGIBLE DRILLING COSTS FOR PURPOSES OF THE MINIMUM TAX.

(a) IN GENERAL.—Paragraph (11) of section 57(a) (relating to minimum tax) is amended to read as follows:

"(11) INTANGIBLE DRILLING COSTS.—

"(A) IN GENERAL.—With respect to all oil and gas properties of the taxpayer, the amount (if any) by which the amount of the excess intangible drilling costs arising in the taxable year is greater than the amount of the net income of the taxpayer from oil and gas properties for the taxable year.

"(B) EXCESS INTANGIBLE DRILLING COSTS.—For purposes of subparagraph (A), the amount of the excess intangible drilling costs arising in the taxable year is the excess of—

"(i) the intangible drilling and development costs described in section 263(c) paid or incurred in connection with oil and gas wells (other than costs incurred in drilling a nonproductive well) allowable under this chapter for the taxable year, over

"(ii) the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in subsection (d)) had been used with respect to such costs.

"(C) NET INCOME FROM OIL AND GAS PROPERTIES.—For purposes of subparagraph (A), the amount of the net income of the taxpayer from oil and gas properties for the taxable year is the excess of—

"(i) the aggregate amount of gross income (within the meaning of section 613(a)) from all oil and gas properties of the taxpayer received or accrued by the taxpayer during the taxable year, over

"(ii) the amount of any deductions allocable to such properties reduced by the excess described in subparagraph (B) for such taxable year."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1976, and before January 1, 1978.

And the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 309. TRANSFERS OF PARTIAL INTERESTS IN PROPERTY FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Clause (iii) of section 170(f)(3)(B) (relating to exceptions from denial of deduction in case of certain contributions of partial interests in property) is amended to read as follows:

"(iii) a lease on, option to purchase, or easement with respect to real property granted in perpetuity to an organization described in subsection (b)(1)(A) exclusively for conservation purposes, or".

(b) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply with respect to contributions or transfers made after June 13, 1977, and before June 14, 1981.

(2) Paragraph (4) of section 2124(e) of the Tax Reform Act of 1976 is amended by striking out "June 14, 1977" and inserting in lieu thereof "June 14, 1981".

And the Senate agree to the same.

Amendment numbered 71: That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

"TITLE IV—MISCELLANEOUS PROVISIONS"

And the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: On page 53, line 7, of the Senate engrossed amendments strike out "SEC 501" and insert the following: "SEC 401";

And the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 402. RAPID AMORTIZATION OF CHILD CARE FACILITIES.

(a) RAPID AMORTIZATION OF CHILD CARE FACILITIES.—

(1) Subsection (c) of section 188 (relating to application of section 188) is amended by striking out "January 1, 1977" and inserting in lieu thereof "January 1, 1982".

(2) Subsection (b) of section 188 (relating to definition of section 188 property) is amended by striking out "as a facility for on-the-job training of employees (or prospective employees) of the taxpayer, or".

(3) The caption of section 188 is amended by striking out "ON-THE-JOB TRAINING AND."

(4) The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 188 and inserting in lieu thereof the following new item:

"Sec. 188. Amortization of certain expenditures for child care facilities."

(5) The caption of paragraph (10) of section 57(a) (relating to items of tax preference) is amended by striking out "on-the-job training and".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to expenditures made after December 31, 1976.

And the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 403. ELECTION OF FORMER RETIREMENT INCOME CREDIT PROVISIONS FOR 1976.

A taxpayer may elect (at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe) to determine the amount of his credit under section 37 of the Internal Revenue Code of 1954 for his first taxable year beginning in 1976 under the provisions of such section as they existed before the amendment made by section 503 of the Tax Reform Act of 1976.

And the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: On page 57, line 16, of the Senate engrossed amendments, strike out "SEC. 505" and insert the following: "SEC. 404"; And the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: On page 62, line 22, of the Senate engrossed amendments, strike out "SEC. 507" and insert the following: "SEC. 405"; And the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: On page 64, line 18, of the Senate engrossed amendments, strike out "SEC. 509" and insert the following: "SEC. 406"; and the Senate agree to the same.

Amendment numbered 81: That the House recede from its disagreement to the amendment of the Senate numbered 81, and agree to the same with an amendment as follows: On page 65, line 2, of the Senate engrossed amendments, strike out "SEC. 510" and insert the following: "SEC. 407"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: On page 65, line 21, of the Senate engrossed amendments, strike out "SEC. 511" and insert the following: "SEC. 408"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with amendments as follows:

On page 67, line 14, of the Senate engrossed amendments, strike out "TITLE VI" and insert the following: "TITLE V".

On page 67, line 16 of the Senate engrossed amendments, strike out "SEC. 601" and insert the following: "SEC. 501."

On page 71, line 24, of the Senate engrossed amendments, insert after "brought," the following: "and".

On page 72, line 3, of the Senate engrossed amendments, strike out "that".

On page 72, line 10, of the Senate engrossed amendments, strike out "Government, or" and insert the following: "Government.".

On page 75 of the Senate engrossed amendments, beginning in line 3, strike out ", when used in the context of section 459,".

On page 76, line 5, of the Senate engrossed amendments, strike out "benefits (as defined" and insert the following: "benefits (including a periodic benefit as defined".

On page 77 of the Senate engrossed amendments, strike out the period at the end of line 23 and insert a comma.

On page 78, line 3, of the Senate engrossed amendments, strike out "and" and insert the following: "or".

On page 79, line 1, of the Senate engrossed amendments, strike out "disposal" and insert the following: "disposable".

On page 79, line 23, of the Senate engrossed amendments, insert after "and" the following: "which".

On page 80, line 9, of the Senate engrossed amendments, strike out "SEC. 602," and insert the following: "SEC. 502".

On page 81, line 11, of the Senate engrossed amendments, strike out "SEC. 603" and insert the following: "SEC. 503".

On page 82, line 1, of the Senate engrossed amendments, strike out "SEC. 604" and insert the following: "SEC. 504".

On page 82 of the Senate engrossed amendments, strike out lines 19 through 22 and insert the following:

"(C) the number of child support cases in each State during each quarter of the fiscal year last ending before the report is submitted and during each quarter of the preceding fiscal year (including the transitional period beginning July 1, 1976, and ending September 30, 1976, in the case of the first report to which this subparagraph applies), and the disposition of such cases:"

On page 88, line 15, of the Senate engrossed amendments, strike out "(26)(B)(ii); and" and insert the following: "(26)(B)(ii);".

On page 84, line 22, of the Senate engrossed amendments, strike out "SEC. 605" and insert the following: "SEC. 505".

On page 85, line 12, of the Senate engrossed amendments, before the period insert the following: "of such Act".

And the Senate agreed to the same.

Amendment numbered 85: That the amendment of the Senate numbered 85 is reported in disagreement.

That the House recede from its disagreement to the amendment of the Senate to the title, and agree to the same.

AL ULLMAN,
JAMES A. BURKE,
DAN ROSTENKOWSKI,
CHARLES A. VANIK,
OMAR BURLESON,
BARBER B. CONABLE,
JOHN J. DUNCAN,
Managers on the Part of the House.
RUSSELL LONG,
HERMAN TALMADGE,
ABRAHAM RIBICOFF,
HARRY F. BYRD, JR.,
LLOYD BENTSEN,
FLOYD K. HASKELL,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H.R. 3477) to amend the Internal Revenue Code of 1954 to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, to provide tax simplification and reform, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action (other than action of a merely technical, clerical, or conforming nature) agreed upon by the managers and recommended in the accompanying conference report:

REFUND OF 1976 INDIVIDUAL INCOME TAXES

(Senate amendment numbered 1A)

House bill.—The House bill provides a refund of 1976 individual income taxes equal to $50 for each taxpayer and dependent, phased out between income levels of $25,000 and $30,000. The refund is limited to tax liability, except in the case of recipients of the earned income credit and certain others who would be eligible for that credit but for the income phaseout of that credit.

Senate amendment.—The Senate amendment deletes the House provision.

Conference agreement.—The conference agreement omits this provision of the House bill.

SPECIAL PAYMENTS

(Senate amendment numbered 1A)

House bill.—The House bill provides $50 payments to recipients of benefits under social security, supplemental security income (SSI), railroad retirement, black lung programs, State-supplemented SSI, aid to families with dependent children (AFDC), and Veterans' Administration pensions and compensation. It prohibits double payments to beneficiaries of more than one of these programs and payments to beneficiaries of the programs other than AFDC who also receive a tax refund.

Senate amendment.—The Senate amendment deletes the House provision.

Conference agreement.—The conference agreement omits this provision of the House bill.

STANDARD DEDUCTION AND CHANGES IN TAX RATES, TAX TABLES AND TAXABLE INCOME

(Senate amendments numbered 4, 5, 12, 15, 16, 17, 18, and 24)

House bill.—Under present law, the standard deduction is 16 percent of adjusted gross income with a minimum of $1,700 for single returns and $2,100 for joint returns, and a maximum of $2,400 for single returns and $2,800 for joint returns. The House bill increases the present standard deduction to a flat amount of $2,400 for single persons and $3,000 for joint returns and simplifies the tax return forms. It adopts a tax table based on tax table income and the number of exemptions and builds the general tax credit, the standard deduction and the personal exemption into the table. For people who do not itemize their deductions, "tax table" income equals adjusted gross income, as currently defined. Itemizers must subtract itemized deductions in excess of the new standard deduction to obtain "tax table" income. Conforming changes are made to the Code references to taxable income. The bill also changes the tax rates to apply above a "zero bracket amount" equal to the new standard deduction amount. The $35 per capita tax credit is made available for the extra age and blindness exemptions, and married individuals filing separately are limited to the $35 per capital credit. These changes apply to taxable years beginning after December 31, 1976.

Senate amendment.—Senate amendments numbered 12, 16, 18, and 24 set the standard deduction at $2,200 for single persons and $3,200 for joint returns ($1,600 for married individuals filing separate returns). Senate amendments numbered 15 and 17 extend the $3,200 standard deduction for joint returns to heads of households. (Under present law, heads of households have the same standard deduction as single taxpayers.) Senate amendment numbered 5 changes the general tax credit to apply only against the section 1 tax (and other taxes in lieu of section 1 taxes), rather than against all the taxes imposed by Chapter 1 of the Internal Revenue Code. Senate amendment numbered 4 substitutes tax rate tables to reflect the Senate amendments.[1] The effective date is the same as the House bill.

Conference agreement.—The conference agreement is the same as the Senate amendment except that the joint return standard deduction is not extended to heads of households and conforming changes are made. The effective date is the same as in the House bill and the Senate amendment.

EXTENSION OF INDIVIDUAL TAX REDUCTIONS

(Senate amendments numbered 30 and 31)

House bill.—The House bill extends the general tax credit and the earned income credit through 1978. Under present law, the general tax credit equals the greater of $35 per taxpayer and dependent or 2 percent of the first $9,000 of taxable income. The earned income credit equals 10 percent of the first $4,000 of earned income and is phased out as income rises from $4,000 to $8,000. It is available only to people who maintain a household for a child who is either under 19, a student or an adult disabled dependent. The earned income credit (but not the general tax credit) may exceed tax liability. In addition to extending the general tax credit and the earned income credit through 1978, the House bill authorizes an appropriation for refunds of the earned income credit in excess of tax liability. It also modifies the definition of "maintaining a household" so that AFDC payments would be disregarded in determining whether a person provides enough support for the household to qualify for the earned income credit.

Senate amendment.—The Senate amendments retain the basic extension of the tax cuts. Senate amendment numbered 30 deletes the authorization for refunds of the earned income credit in excess of tax liability because the refunds now do not require such authorization. Senate amendment numbered 31 deletes the provision in the House bill modifying the definition of "maintaining a household" for purposes of determining eligibility for the earned income credit.

Conference agreement.—The conference agreement follows the Senate amendments.

FILING REQUIREMENTS

(Senate amendments numbered 34, 35, 36, 37 and 38)

House bill.—The House bill increases the income level for filing tax returns to $3,150 for a single person and a head of household and to $4,500 for a joint return. The changes apply to taxable years beginning after December 31, 1976.

Senate amendment.—Senate amendment numbered 34 changes the filing requirement to $2,950 for a single person. Amendments 35 and 36 make the requirement $3,950 for a head of household. Amendment 37 makes the requirement $4,700 for a joint return. Senate amendment numbered 38 establishes that individuals with unearned income who are claimed as dependents on other individuals' tax returns (and who thus have an unused zero bracket amount) are subject to the special, stricter filing requirements only if their unearned income exceeds $750, because only in that case can they possibly have any tax liability at income levels below the normal filing requirements. The effective date is the same as the House bill.

Conference agreement.—The conference agreement sets the filing requirement at $2,950 for single persons and heads of households and $4,700 for joint returns. These increased levels in the filing requirements conform to the increases in the standard deduction. The effective date is the same as the House bill and the Senate amendment.

WITHHOLDING CHANGES

(Senate amendments numbered 41, 42, 43, and 44)

House bill.—The House bill requires the Secretary of the Treasury to modify the withholding rates after April 30, 1977, to reflect the changes in the "standard deduction" and to modify them further after December 31, 1978, to reflect the expiration of the general tax credit.

Senate amendment.—The Senate amendment is the same as the House bill except that amendment numbered 44 permits heads of households to claim an additional exemption to reflect most of the higher "standard deduction" and amendment numbered 41 makes the first withholding changes apply after May 31, 1977.

Conference agreement.—The conference agreement is the same as the Senate amendment except that the additional exemption for heads of households is not provided.

EXTENSION OF CORPORATE TAX REDUCTIONS

(Senate amendments numbered 56 and 57)

House bill.—The House bill extends through 1978 the tax reductions for small business enacted in 1975 and subsequently extended through 1977. These tax cuts reduce the tax rate on the initial $25,000 of corporate taxable income from 22 percent to 20 percent and reduce the rate on the next $25,000 of corporate taxable income from 48 percent to 22 percent.

Senate amendment.—Senate amendments numbered 56 and 57 are clerical amendments to the House provision.

Conference agreement.—The conference agreement follows the House bill as modified by the clerical Senate amendments.

NEW JOBS TAX CREDIT

(Senate amendment numbered 58)

House bill.—The House bill provides a new jobs tax credit. The maximum credit for each net new employee hired by an employer in 1977 or 1978 is $1,680 (40 percent of the first $4,200 of wages paid to net new employees).

The credit generally is based on FUTA (Federal Unemployment Tax Act) wages (the first $4,200 of an employee's wages) paid by an employer during the year in excess of 103 percent of FUTA wages paid during the preceding year. Wages on which the credit is based are limited to total wages paid during the year in excess of 103 percent of total wages paid during the previous year.

The bill provides that any employer dismissing an employee in order to secure the credit loses an amount of credit equal to twice the amount that otherwise would have been gained by the dismissal.

For any year, the credit for a taxpayer or employer is limited to $40,000.

The bill allows an additional 10-percent credit for increased employment of handicapped workers who receive vocational rehabilitation training over the number employed in the previous year. The $40,000 limit does not apply to the additional credit for the handicapped.

Senate amendment.—The Senate amendment increases the investment credit by 2 percent (to 12 percent plus the extra 1½ percent ESOP credit) through 1980. For 1977 and 1978, the additional credit is allowed only if the new jobs tax credit is not elected.

The Senate amendment provides a jobs credit which is the same as the House bill, except that the maximum credit for each net new employee is $2,100 (50 percent of the first $4,200 of wages paid to net new employees). In addition, the deduction for wages must be reduced by the amount of the credit claimed.

Further, the total wage limitation requires an increase over 105 percent of total wages paid during the previous year. The dismissal provision in the House bill is deleted. The 103-percent FUTA wage limitation and the 105-percent total wage limitation are each reduced to 101 percent for a year for States with unemployment rates of 7½ percent or more for the previous year.

The amendment raises the $40,000 limitation on the amount of the credit that any employer or taxpayer may receive under the House bill to $100,000.

An additional 10-percent nonincremental credit is provided for all new employees hired (without regard to the number employed in the previous year) in the following categories: (1) handicapped individuals (including handicapped veterans) who have received vocational rehabilitation, (2) Vietnam-era veterans under age 27 and certain disabled veterans, and (3) low-income persons who are unemployed 15 or more weeks or who are AFDC recipents. The special 10-percent credit is limited to one-fifth of the 50-percent credit which would have been allowed before applying the $100,000 limitation.

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[1] Technical Amendment numbered 20, relating to changes in the new tax tables, treats dependents with an unused zero bracket amount equal to their earned income (among others) as having elected to itemize deductions. In cases where these individuals have earned income in excess of their itemized deductions, it is intended that the amount of the excess earned income be treated as if it were an itemized deduction.

To limit the credit available to a new or rapidly expanding business, the Senate amendment provides that wages on which the credit is based are limited to 50 percent of FUTA wages for the year. The Senate amendment does not provide a penalty for dismissing employees.

Conference agreement.—The conference agreement omits the elective 2-percent increase in the investment credit and adopts the new jobs tax credit contained in the Senate amendment with the following changes: (1) the 103-percent FUTA limitation is reduced to 102 percent, (2) the special FUTA and total wage 101-percent limitations for high unemployment States are eliminated, and (3) the additional 10-percent credit is limited to handicapped individuals (including handicapped veterans) who have received vocational rehabilitation.

Under the conference agreement, the 105-percent total wage limitation is applied independently of the rule for new and rapidly expanding businesses. For example, even though the new business rule limits the amount taken into account as an increase in FUTA wages for the year, the new business rule would not limit the amount taken into account as an increase in total wages paid during the year. Also, under the conference agreement, for 1978 the credit for a handicapped individual (including a handicapped veteran) is computed, subject to the one-fifth limitation, on the basis of the FUTA wages paid during 1978, reduced by FUTA wages paid to that individual during 1977.

SICK PAY

(Senate amendment numbered 60)

House bill.—No provision.

Senate amendment.—The Senate amendment generally postpones for one year the effective date of the revisions in the tax treatment of sick pay made by the Tax Reform Act of 1976. The amendment makes the changes applicable to taxable years beginning after December 31, 1976. However, taxpayers preferring the revisions made by the Tax Reform Act of 1976, may elect to file their 1976 returns under the new law.

Conference agreement.—The conference agreement follows the Senate amendment.

EXCLUSION OF INCOME EARNED ABROAD

(Senate amendment numbered 61)

House bill.—No provision.

Senate amendment.—Senate amendment numbered 61 postpones until taxable years beginning after December 31, 1976, the effective date for the changes made by the Tax Reform Act of 1976 (sec. 1011) with respect to the section 911 earned income exclusion and with respect to the foreign tax credit for taxpayers electing the standard deduction. For taxable years beginning after December 31, 1975, the 1976 Act modified the section 911 earned income exclusion by (1) reducing the limit to $15,000 ($20,000 for charitable employees) from $20,000 ($25,000 if resident overseas for more than 3 years), (2) taking the excluded income from the lowest rate brackets (additional income is taxed at the rates which would apply if the excluded income were also taxed), (3) disallowing the foreign tax credit for taxes attributable to the excluded amount, and (4) denying the exclusion for income received outside the country in which earned in order to avoid tax in that country. The 1976 Act also repealed, effective for taxable years beginning after 1975, the provision in prior law which prohibited taxpayers electing the standard deduction from also claiming the foreign tax credit.

Conference agreement.—The conference agreement is the same as the Senate amendment.

RELIEF FROM INTEREST, ADDITIONS TO TAX, AND PENALTIES FOR UNDERWITHHOLDING OR UNDERPAYMENT ATTRIBUTABLE TO APPLICATION TO 1976 OF PROVISIONS OF THE TAX REFORM ACT OF 1976

(Senate amendments numbered 62, 63 and 64)

House bill.—No provision.

Senate amendment.—Senate amendment numbered 62 relieves individual taxpayers for periods prior to April 16, 1977, and corporations for periods prior to March 16, 1977, from additions to tax for underpayments of estimated tax attributable to changes in the law made applicable to 1976 by the Tax Reform Act of 1976. For the same periods, Senate amendment numbered 64 relieves individuals and corporations from interest charged against underpayments after the last date for filing returns and paying tax if the interest is attributable to the 1976 Act changes. Senate amendment numbered 63 relieves employers of liability for failures to withhold on income paid before January 1, 1977, which was made taxable by the 1976 Act.

Conference agreement.—The conference agreement follows the Senate amendments.

BUSINESS USE OF RESIDENCE FOR DAY CARE SERVICES

(Senate amendment numbered 65)

House bill.—No provision.

Senate amendment.—The Senate amendment provides that for taxable years beginning after December 31, 1975, the exclusive use requirement for deducting business expenses attributable to the business use of a personal residence is not to apply in the case of a residence used to provide day care services to children, handicapped individuals, and the elderly. The deductible business expenses are to be limited to the excess of the gross income from providing day care services over the allocable portion of property taxes, mortgage interest, etc., which are deductible in any event. The expenses allocable to the business activity are to be determined on the basis of the space used to furnish the day care services and on the basis of the time that space is used to provide the services as compared to the total time that space is available for all uses.

Conference agreement.—The conference agreement is in substance the same as the Senate amendment except that, after the first day of the first month beginning more than 90 days after enactment, the exception to the exclusive use test will apply only if the day care services comply with any applicable State licensing, certification, or approval requirement. (The licensing requirement is identical to the requirement provided under H.R. 3340, which was passed by the House on April 18, 1977.)

STATE LEGISLATORS' TRAVEL EXPENSES

(Senate amendment numbered 66)

House bill.—No provision.

Senate amendment.—The Senate amendment extends to 1976 the election to treat a State legislator's place of residence within the legislative district he represents as his tax home. If an election is made, the legislator is treated as having expended for living expenses an amount equal to the daily per diem allowed U.S. Government employees multiplied by the number of days the State legislature was in session or the legislator was formally recorded at a committee meeting when the legislature was not in session.

Conference agreement.—The conference agreement is the same as the Senate amendment.

MINIMUM TAX ON INTANGIBLE DRILLING COSTS

(Senate amendment numbered 67)

House bill.—No provision.

Senate amendment.—Senate amendment numbered 67 reduces an individual's minimum tax preference for intangible drilling costs provided under the Tax Reform Act of 1976 by the amount of his net income from oil and gas properties. This amendment is effective for taxable years beginning after December 31, 1976.

Conference agreement.—The conference agreement follows the Senate amendment, effective, however, only for taxable years which begin in 1977.

The conference agreement restates the Senate amendment to clarify and simplify the computation of the preference. Under the conference agreement, the preference is to be computed by reducing the amount of intangible drilling costs paid or incurred during the taxable year, first, by the amount of those costs (i.e., the costs paid or incurred in that taxable year) which could have been deducted in that year had those costs been capitalized and amortized and, second, by the taxpayer's net income from all oil and gas properties. Income from oil and gas properties is to be determined in accordance with the rules for determining gross income from oil and gas properties for purposes of percentage depletion (sec. 613(a) of the Code, without regard to the limitations under sec. 613A). Net income is gross income from oil and gas properties reduced by the amount of deductions properly allowable thereto (including percentage depletion).[2]

CHARITABLE CONTRIBUTIONS OF CONSERVATION EASEMENTS

(Senate amendment numbered 68)

House bill.—No provision.

Senate amendment.—Senate amendment numbered 68 extends through June 13, 1981, the period during which deductions are allowable for charitable contributions of remainder interests in real property and perpetual or permanent leases on, options to purchase, or easements with respect to real property. Under provisions added by the Tax Reform Act of 1976, deductions are allowable for contributions to public charities and governmental units exclusively for conservation purposes of leases on, options to purchase, or easements with respect to real property of at least 30 years' duration, and remainder interests in rent property, only if contributed before June 14, 1977.

Conference agreement.—The conference agreement generally follows the Senate amendment. It extends through June 13, 1981, the period during which deductions are allowable for charitable contributions of remainder interests in real property. It also extends through June 13, 1981, the period during which deductions are allowable for charitable contributions exclusively for conservation purposes of leases on, options to purchase, and easements with respect to real property, but only if the lease, option, or easement is perpetual. However, the conference agreement does not allow a deduction for contributions for conservation purposes after June 13, 1977, of leases, options, and easements which are not perpetual.

While it is intended that the term "conservation purposes" be liberally construed with regard to the types of property with respect to which deductible conservation easements or remainder interests may be granted, it is also intended that contributions of perpetual easements and remainder interests qualify for the deduction only in situations where the conservation purposes of protecting or preserving the property will in practice be carried out. Thus, it is intended that a contribution of a conservation easement or remainder interest qualify for a deduction only if the holding of the easement (or, in the case of a remainder interest, the property) is related to the purpose or function constituting the donee's purpose for exemption (organizations such as nature conservancies, environmental, and historic trusts, State and local governments, etc.) and the donee is able to enforce its rights as holder of the easement or remainder interest and protect the conservation purposes which the contribution is intended to advance. The requirement that the contribution be exclusively for conservation purposes is also intended to limit deductible contributions to those transfers which require that the donee hold the easement (or, in the case of a remainder interest, the property) exclusively for conservation purposes (i.e., that they not be transferable by the donee in exchange for money, other property, or services).

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[2] The provision in the Senate amendment requiring that net income be reduced by the amount of taxes allocable to that income is omitted because, except in an extremely unusual case, no chapter one tax is allocable to income from oil and gas properties for individuals whose intangible deductions exceed net income before tax.

STUDIES OF IMPACT OF BILL BY GOVERNMENT AGENCIES

(Senate amendments numbered 69 and 70)

House bill.—No provision.

Senate amendment.—The Senate amendment directs four government agencies—the Treasury Department, the Council of Economic Advisers, the Federal Reserve Board and the Congressional Budget Office—to study the economic effects of the principal tax changes in the bill and submit periodic reports to Congress.

Conference agreement.—The conference agreement omits the Senate amendment.

INCREASED AUTHORIZATION FOR WORK INCENTIVE (WIN) PROGRAM

(Senate amendment numbered 72)

House bill.—No provision.

Senate amendment.—The Senate amendment authorizes an appropriation of an additional $435 million in each of fiscal years 1978 and 1979 for employment and supportive services for welfare recipients, with no requirement for State matching funds.

Conference agreement.—The conference agreement is the same as the Senate amendment.

FIVE-YEAR AMORTIZATION FOR CHILD CARE FACILITIES

(Senate amendment numbered 73)

House bill.—No provision.

Senate amendment.—The Senate amendment extends for 5 years, from January 1, 1977, through December 31, 1981, the provisions of section 188 which allow an employer to elect to amortize capital expenditures for child care facilities over a five-year period instead of using other depreciation methods. This provision expired at the end of 1976.

Conference agreement.—The conference agreement is the same as the Senate amendment.

RETIREMENT INCOME CREDIT ELECTION

(Senate amendment numbered 74)

House bill.—No provision.

Senate amendment.—The Senate amendment allows taxpayers to file amended returns in order to elect to claim the retirement income credit for their first taxable year beginning in 1976 either under the revised provision enacted in the Tax Reform Act of 1976 or under prior law. If a married couple files a joint return, both spouses must make the same election under this provision. The Tax Reform Act of 1976 generally increased and simplified the 15-percent retirement income credit for taxable years beginning after December 31, 1975, for taxpayers age 65 and over. The maximum amount of the credit base was increased from $1,524 to $2,500 for single persons and from $2,286 to $3,750 for married persons. These maximums are reduced by certain exempt income. The credit is phased out by $1 for every $2 of adjusted gross income in excess of $7,500 for a single person and $10,000 for a joint return. (The AGI phaseout does not apply to public retirees under age 65.)

Conference agreement.—The conference agreement follows the Senate amendment.

TAX CREDIT FOR PROVIDING HOME FOR AGED DEPENDENTS

(Senate amendment numbered 75)

House bill.—No provision.

Senate amendment.—Senate amendment numbered 75 provides a nonrefundable $250 income tax credit each year for individual taxpayers who maintain a household which includes one or more dependents 65 years of age or older. This amendment is effective for taxable years beginning after December 31, 1976.

Conference agreement.—The conference agreement deletes the Senate amendment.

ACCRUAL ACCOUNTING FOR FARM CORPORATIONS

(Senate amendment numbered 76)

House bill.—No provision.

Senate amendment.—The Senate amendment postpones until taxable years beginning after December 31, 1977, the effective date for requiring accrual accounting by any farm corporation if either (a) two families own at least 65 percent of the stock, or (b) three families own at least 50 percent of the stock and substantially all (for example, 90 percent) of the remaining stock is owned by employees, their families, or exempt retirement trusts established for the benefit of the employees. The Tax Reform Act of 1976 had required certain corporations engaged in farming to use the accrual method of accounting and to capitalize preproductive period expenses for taxable years beginning after December 31, 1976.

Conference agreement.—The conference agreement follows the Senate amendment.

TAX LIENS ON RESIDENCES

(Senate amendment numbered 77)

House bill.—No provision.

Senate amendment.—The Senate amendment repeals the requirement added under the Tax Reform Act of 1976 that a notice of a tax lien is not treated as filed unless the filing is recorded in a public index at the appropriate district office of the Internal Revenue Service. However, a filed Federal tax lien on a residence (containing not more than 4 dwelling units) would be discharged against an individual purchaser if the lien was not properly recorded at the appropriate office where the notice of lien is filed when the individual purchased the property. Administrative and judicial remedies would be provided to obtain a discharge of an unrecorded tax lien against a purchased residence. A suit would have to be started within 6 years after the notice of lien is filed.

The provision would apply generally to any lien imposed under the 1954 Code. The 6-year statute of limitations on discharge suits would not apply to suits started before December 31, 1977.

Conference agreement.—The conference agreement omits the Senate amendment.

WITHHOLDING ON CERTAIN GAMBLING WINNINGS

(Senate amendment numbered 78)

House bill.—No provision.

Senate amendment.—The Senate amendment modifies the requirement for withholding on gambling winnings to provide that withholding is required on proceeds of more than $1,000 from wagers placed in parimutuel pools involving horses, dogs or jai alai, but only if the amount of the proceeds is at least 300 times as large as the amount wagered. The provision applies to payments made after April 30, 1977.

Conference agreement.—The conference agreement is the same as the Senate amendment.

In addition, the conferees understand that there has been some question as to the interpretation of section 3402(q)(3)(B), which requires withholding on proceeds of more than $5,000 from wagers placed in State-conducted lotteries. The conferees intend that this provision be interpreted to include State-conducted lotteries in which the amount of the proceeds is determined by a parimutuel system. The conferees understand that the Treasury Department and the Internal Revenue Service agree with this interpretation.

CANADIAN TAX IMPACT ON UNITED STATES BROADCASTERS

(Senate amendment numbered 79)

House bill.—No provision.

Senate amendment.—The Senate amendment expresses the sense of the Senate that in view of the special relationship between the United States and Canada, the President should discuss with the Canadian Government the impact of recent Canadian Tax Code provisions on the United States broadcasting industry in order to adjust differences.

Conference agreement.—The conference agreement omits the Senate amendment.

TERMINATION OF 1975 PAYMENTS TO SOCIAL SECURITY RECIPIENTS

(Senate amendment numbered 80)

House bill.—No provision.

Senate amendment.—The Tax Reduction Act of 1975 included a $50 payment to social security, SSI and railroad retirement recipients. In certain cases, these payments are still being made. The Senate amendment terminates the 1975 payments, effective on the date of enactment.

Conference agreement.—The conference agreement follows the Senate amendment.

PAYMENTS TO GOVERNMENTS OF VIRGIN ISLANDS, AMERICAN SAMOA AND GUAM

(Senate amendment numbered 81)

House bill.—The House bill authorizes an appropriation for a payment to the governments of the Virgin Islands, Guam and American Samoa to compensate them for the reduction in their tax receipts for 1976 and 1977 resulting from the refund of 1976 taxes, the increase in the standard deduction and the modifications of the general tax credit in the House bill. (These possessions experience an automatic tax reduction whenever the United States enacts a tax cut.)

Senate amendment.—Senate amendment numbered 1A deletes the payment in the House bill, but Senate amendment numbered 81 authorizes a similar payment to these governments for 1977 which applies only to the reduction in tax receipts for 1977 because of the changes in the standard deduction and the modification of the general tax credit.

Conference agreement.—The conference agreement follows the Senate amendments.

WITHHOLDING OF COUNTY INCOME OR EMPLOYMENT TAXES FROM FEDERAL EMPLOYEES

(Senate amendment numbered 82)

House bill.—No provision.

Senate amendment.—The Senate amendment requires that the Federal Government withhold county income or employment taxes from Federal employees if (1) the compensation is earned in the county, (2) the Federal employees regularly work in the county and live in the State, (3) 500 or more Federal employees are regularly employed in the county, and (4) the county requests such withholding.

The Secretary of the Treasury must enter a withholding agreement within 120 days of the request by a county.

Conference agreement.—The conference agreement is the same as the Senate amendment.

INVESTMENT ANNUITIES

(Senate amendment numbered 83)

House bill.—No provision.

Senate amendment.—The Senate amendment postpones the effective date of Internal

Revenue Service Revenue Ruling 77-85 (relating to investment annuity contracts) from March 9, 1977, to March 9, 1978.

Conference agreement.—The conference agreement omits the Senate amendment.

CERTAIN SOCIAL SECURITY ACT AMENDMENTS

(Senate amendment numbered 84)

House bill.—No provision.

Senate amendment.—The first section of the amendment clarifies the law which provides for the garnishment of Federal payment for purposes of child support and alimony. This section: (1) specifically authorizes the issuance of regulations by the three branches of Government charged with administering the garnishment law; (2) specifically includes the District of Columbia under the garnishment provisions; (3) provides specific conditions and procedures to be followed under the garnishment provisions relating to service of legal processes; (4) defines the terms used in the garnishment provisions; and (5) sets a limit of 50 percent on the amount of wages subject to garnishment for child support and alimony for a person supporting a second family and 60 percent for a person who is not (plus an additional 5 percent in each situation if there are outstanding arrearages under 12 weeks old).

The second section of the amendment: (1) requires bonding of all State and local employees, or employees of contractors used by agencies, who handle the collection of child support payments, and (2) provides that persons handling cash be separated from those in the accounting function.

The third section of the amendment sets at 15 percent the proportion of child support payments retained by the State in which the recipient family lives which will be paid as an incentive to the political subdivision within the State, or to another State, which makes the collections.

The fourth section of the amendment relates to the annual report on the child support program which must be submitted to the Congress by the Secretary of Health, Education, and Welfare. The section: (1) lists the specific kinds of information to be included in the annual report; (2) requires that an annual report be submitted to the Congress within 3 months of the end of each fiscal year; and (3) requires a special supplemental report on fiscal year 1976 and the transitional quarter by June 30, 1977.

The fifth section: validates a letter of exception by the Department of Health, Education, and Welfare to Georgia dated January 22, 1976, permitting that State until the end of calendar year 1976 to work out a problem of interpretation concerning the treatment of child support collections for purposes of reimbursement.

Conference agreement.—The conference agreement follows the Senate amendment.

EXTENSION OF COUNTERCYCLICAL REVENUE SHARING

(Senate amendment numbered 85)

House bill.—No provision.

Senate amendment.—The Senate amendment extends and makes some minor technical revisions in the current countercyclical revenue sharing legislation which expires September 30, 1977. The ceiling on the aggregate authorization under current law occurred in April 1977 with a distribution of $60 million to eligible State and local governments. Accordingly, no more payments can be made under current law. Under the Senate amendment, up to $1 billion in additional funding is authorized for fiscal year 1977, and up to $2.25 billion is authorized for fiscal year 1978. The aggregate amount to be provided is amended to depend on tenths of unemployment percentages rather than half percentage points. Currently, each half percentage point by which the national unemployment rate exceeds 6 percent, generates $62.5 million.

The amendment provides that each tenth of a percentage point generate $30 million for allocation in addition to the basic $125 million. The amendment further provides that payments be made to Puerto Rico and the Virgin Islands on a formula basis. The amount to be distributed equals 1 percent of the national aggregate amount and is in addition to the national amount. Allocation between Puerto Rico and the Virgin Islands is based on their relative population size, as determined by the Bureau of the Census.

The Senate amendment updates the data to be used in the formula. Currently, the formula uses the unemployment rate in excess of 4.5 percent and the fiscal year 1976 revenue sharing entitlement payments. The amendment provides that more up to date entitlement payment data be utilized.

Conference agreement.—This amendment was reported in technical disagreement.

AL ULLMAN,
JAMES A. BURKE,
DAN ROSTENKOWSKI,
CHARLES A. VANIK,
OMAR BURLESON,
BARBER B. CONABLE,
JOHN J. DUNCAN,
Managers on the Part of the House.
RUSSELL LONG,
HERMAN TALMADGE,
ABRAHAM RIBICOFF,
HARRY F. BYRD, Jr.,
LLOYD BENTSEN,
FLOYD K. HASKELL,
Managers on the Part of the Senate.

AMBASSADOR YOUNG PICKS PRO-COMMUNIST AS HIS LATIN AMERICAN ADVISER

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 15 minutes.

Mr. BAUMAN. Mr. Speaker, last Wednesday, May 4, I offered an amendment to the State Department authorization bill which would have prevented $90,000 in annual funding for five additional special staff members to be appointed by United Nations Ambassador Andrew Young. That amendment was defeated by a vote of 91 to 318. Perhaps the Members who opposed the amendment should know what they endorsed.

At the time, I made plain my reason for the amendment was to prevent the appointment by Mr. Young of radical leftists and others who would propagandize the Ambassador's radical views at the taxpayers' expense.

During the debate I pointed out one of Mr. Young's more infamous appointments as follows:

> Mr. Chairman, I add an additional factor to support this position. Aside from the pronouncements Mr. Young has made since he assumed this post, I would refer to the CONGRESSIONAL RECORD of March 10 in which I detailed in a rather specific manner the history of one of Mr. Young's personal appointments, that is, as a delegate to the United Nations Human Rights Commission, Mr. Brady Tyson. Mr. Tyson is apparently an avowed Marxist and a member of at least two front groups dominated by Marxists and Communists. This is the same person that apologized to the Commission on Human Rights for what he said was the terrible past policy of the U.S. Government regarding Chile.
>
> I have written to President Carter and received a response from his assistant, Mr. Moore, saying the President will in time respond to my objections to Mr. Tyson and my suggestion that he should be removed from his position. If more Government personnel are to be placed at the disposal of Mr. Young for his appointment they may well be of this same radical character. If he continues to make statements that embarrass the United States then we in the U.S. Congress ought not to grant any additional staff to be used to propagandize his views.

Mr. Speaker, on the heels of that vote, this morning's edition of the Washington Post includes a column by Messers. Evans and Novak which further details the rising career of Mr. Brady Tyson under the patronage of Ambassador Young. The column spells out in detail Mr. Tyson's support for Communist governments in Latin America and incredibly, reveals that Tyson has been picked to formulate policy for the U.N. Ambassador in this very area.

I include the column at this point:

BRADY TYSON—CHAPTER II

(By Rowland Evans and Robert Novak)

The only remarkable aspect of Ambassador Andrew Young's speech to the Latin American economic conference in Guatemala City Tuesday was its principal author: the Rev. Dr. Brady Tyson, last seen in Geneva two months ago, declaring U.S. responsibility for subverting the former government of Chile.

After apologizing for that historically inaccurate admission of national guilt, Tyson dropped from sight. White House aides hinted that his Geneva performance was the beginning and end of his government service. In fact, Tyson has joined the United Nations mission as Young's Latin American adviser To old hands in this region familiar with Tyson's well-established pro-Castro position, this is puzzling and disturbing.

Tyson actually is quite compatible with Young's world view. Apart from inexperience and indiscretion, the ambassador to the United Nations represents the vanguard of leftist critics of the past generation's U.S. foreign policy who are slipping under the governmental tent into the Carter administration. While overall policy from the White House and the State Department maintains a basic anti-Communism posture, the erstwhile critics are taking over at lower levels—particularly in Latin American affairs.

Tyson maintains associations unprecedented at a high level in the foreign-policy bureaucracy. Identified in the invitations as a State Department representative, Tyson will address a fund-raising dinner of the Fund for New Priorities in America in New York May 19. That organization for seven years has fought the level of defense spending that President Carter now seeks to maintain.

But Tyson's past, not his present, causes all the wonderment that he is now inside the governmental tent. As a founder of the pro-Castro North American Congress on Latin America (NACLA), Tyson openly supported the hemisphere's radical left rather than democratic left—for example, Salvador Allende's Socialists in Chile rather than the Christian Democrats.

Tyson was expelled for subversive political activity in 1966 by the right-wing government of Brazil after four years there as a Methodist missionary. Since then, on the American University faculty, he has been an activist on Latin American questions—for example, seeking to organize a 1970 student march on the Inter-American Defense College in Washington. So, when Tyson told acquaintances in 1976 that he had close contacts with candidate Jimmy Carter, the reaction was incredulity.

In naming Tyson to represent the United States at the U.N. Human Rights Commission meeting in Geneva this March, did Young know that Tyson had been expelled by our Brazilian allies? "That would recommend him to me," Young told us. After Tyson's groundless accusation of U.S. complicity in the Chilean coup, Young did not grasp the opportunity to get rid of him but placed him at the U.N. mission in New York as a political officer.

Young's speech to retired Foreign Service officers April 22 shows affinity for the line long preached by Tyson: "There has been a tremendous amount of guilt and strain on American citizens to know that for years their tax dollars have been used not to develop, not to feed the hungry, but essentially as part of an apparatus of repression in many places on the face of the earth."

Young's theme of national guilt is totally consistent with Tyson's performance at Geneva. What's more, kindred souls are quietly, without announcement, joining them in the government.

And in prospect is the transfer of economist Richard Feinberg from the Treasury to the State Department as a Latin American specialist for policy and planning. Papers found in the briefcase of Orlando Letelier, the murdered Chilean Socialist leader, list Feinberg as the prospective secret coauthor of a report by NACLA, Tyson's old organization (though, in fact, Feinberg decided against going through with it because of conflict with his Treasury job).

Will this transformation at low levels seep upward into policy formation? The Young-Tyson collaboration at Guatemala City has a little mild self-flagellation ("too often, it seems to me, the United States has tried to take or preempt leadership in the hemisphere") but concentrates on declarations in behalf of human rights. Left unanswered is which rights they are talking about.

A recent interview in Cuba's Bohemia magazine with Sen. George McGovern reveals how admirers of Fidel Castro define "human rights." Radio Havana reported that McGovern praised the Cuban revolution for "guaranteeing the people fundamental human rights such as the right to eat, to work, to housing and education" and "stressed that the American people need to understand that human rights are not limited to freedom of expression."

That is precisely the position taken over a decade of writing and speaking by Brady Tyson. He and less-publicized newcomers to the foreign-policy bureaucracy may soon apply a definition of "human rights"—popular in Havana but not in Buenos Aires, Santiago or Brasilia—more narrow and materialistic than Jimmy Carter ever intended.

Mr. Speaker, I believe that some elaboration is in order regarding the extraordinary background of Mr. Tyson. For example, in my remarks before the House on March 10, I pointed out:

> I firmly believe that the Members of the Congress as well as the President himself should take a much closer look at the life and times of Mr. Brady Tyson. Mr. Tyson is an ordained Methodist minister, who received his B.A. degree from Rice University in Houston, and a divinity degree from Southern Methodist University. He has taught at and is presently on leave from the School of International Service at American University in Washington, where he has been a professor of Latin American studies. I have had occasion to talk to people who have heard Mr. Tyson's lectures as well as had discussion with him, and they describe him as an "avowed Marxist."

Examination of Mr. Tyson's background shows that in 1966 he was teaching at the Escola de Sociologia e Politica in São Paulo, Brazil. He was expelled by the Government of Brazil, because he had "offended the dignity of the country," and "disturbed the social and political order," according to government officials. Mr. Tyson had publically called the Brazilian Government "a front" for United States' foreign policy, which he obviously opposed.

When he returned to the United States, Mr. Tyson became active in the North American Congress on Latin America—NACLA—and was one of several incorporators of that organization. The House Committee on Internal Security in its annual report of 1971 described NACLA as "off shoot for the Students For A Democratic Society—SDS." NACLA has specialized in the preparation of reports, from a Marxist perspective, on Latin American affairs. It has been in the forefront of both leftist and Communist groups supporting Communist guerrilla activities operating in the Southern Hemisphere. NACLA's draft statement on ideology published in May of 1967 said that the organization was trying to finance and support those who "favor a revolutionary change in Latin America, but also take a revolutionary position toward their own society."

It is interesting to note that virtually all of NACLA's publications bear the union printing label No. 209, which belongs to Prompt Press, the same press which prints almost all of the literature of the American Communist Party and its various fronts.

Mr. Speaker, at the time NACLA was founded in November of 1966, Brady Tyson, giving his address as Southhampton, N.Y., was one of five original incorporators of the organization. The other incorporators who founded the organization have all participated in a number of Communist or leftist front organizations or groups in the United States.

Mr. Tyson has also been associated with the U.S. Committee for Justice for Latin American Political Prisoners—USLA. In hearings held before the Subcommittee on Internal Security of the Committee of the Judiciary of the U.S. Senate on July 24, 1975, at page 67, a letterhead of the organization USLA appears listing Rev. Brady Tyson as one of the sponsors of the organization. His name appears alongside such other sponsors as Herbert Aptheker, one of the chief theoreticians of the U.S. Communist Party, radical attorney, William Kunstler, and Herbert Marcuse, one of the radical philosophers of the far left. One of the cochairmen of USLA to which Mr. Tyson lends his name is Dave Dellinger, associated with almost every Communist organization of major importance in recent years, including the Committee to Abolish the House Committee on Internal Security, which was successful in doing so a few years ago.

Also associated with Mr. Tyson and USLA was one Michael Locker, also a member of NACLA, as well as one of the original incorporators of the radical education project. Mr. Locker is also a member of the first staff of the National Mobilization Committee which had a large part in disrupting the 1967 Democratic Convention. Mr. Dellinger, himself, was one of the defendants at the so-called Chicago Seven.

Mr. Tyson's recently stated views on Chile have caused quite a stir, but no one should be surprised. In 1968, Mr. Tyson told a gathering of the National Council of Churches:

> We are living in a pre-fascist pre-totalitarian world. If we fail to prevent such a world from developing, it will not be just the failure of millions of comfortable Christians but our failure to help hundreds of millions of non-comfortable persons in the world.

As recently as 1972, a coalition of some national political figures, left-wing radical activists and even some Communists, began a drive for relaxing tensions with Fidel Castro's Cuba. In a 2-day seminar held in the new Senate Office Building, which was coordinated by Michael Myerson, secretary of the New York State Communist Party's Peace Commission, one of the militant panelists was Rev. Tyson. At that time he called for the mobilization of American public opinion to persuade the U.S. Government to ease relations and restrictions on trade and visits with Castro's Communist regime.

Mr. Speaker, I believe that any objective observer would have to conclude that the usefulness of Mr. Brady Tyson as an official of the U.S. Government is absolutely nil. In fact, in the post to which Ambassador Young has named him he can do great positive harm, perhaps even greater than the Ambassador himself has done.

I have asked President Carter to respond to these facts and have received only a routine acknoweldgement from his assistant, Mr. Frank Moore.

I call on President Carter publicly to state whether or not he approves of Mr. Tyson's continued presence in the Federal Government, and if so, whether that constitutes any less than an endorsement of Mr. Tyson's avowedly pro-Communist views. I believe the Congress and the American people would like to know the answer.

SPECIAL ORDER BY THE HONORABLE JONATHAN BINGHAM OF NEW YORK, MAY 6, 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

Mr. BINGHAM. Mr. Speaker, I am introducing legislation on Monday, May 9, which would require the Federal Government to assume a new responsibility for the effects of abrupt changes in Government procurement policies.

For many years, Senator MCGOVERN and I have been urging the Congress to consider legislation which would direct all agencies of the Federal Government which have large impacts on the economic life of cities and towns across the country to help those communities adjust to termination of Government programs or facilities in their areas. We have been troubled by the impact of such cutoffs of Federal funds on business firms and their payrolls, as well as the often major blow such cutoffs deal to the entire local community. Our bill would require Federal agencies to develop plans for adjusting to funding cutoffs in cooperation with contracting agencies and local communities well in advance of any significant change in the Government's procurement or spending patterns. Planning and advance notification of cutbacks would allow time for businesses and their employees to convert to other productive economic activities. In addition, our legislation, commonly referred to as the Economic Conversion Act, would provide direct benefits to workers who were abruptly thrown out of work because of cancellation of a Government contract and their employer could not immediately find alternative production contracts.

This sensible, but admittedly sweeping, proposal has not yet been enacted into law, perhaps because the costs it implies to the Federal Treasury would clearly be significant. I have nonetheless continued to reintroduce this bill and I am still hopeful that the Congress will soon recognize how sensible and fair a proposal it is.

The bill I am introducing Monday is a more limited application of the Economic Conversion Act's essential principles. It would authorize smaller scale programs designed to retrain and provide financial benefits to employees seriously affected by the early termination of a major Government procurement program. Titled the "Conversion Adjustment Assistance Act," this bill would apply ideally to such contracts as the one for the B-1 bomber. Tens of thousands of people working either for Rockwell or its many subcontractors will be thrown out of work if President Carter decides, as I have urged him to do, to terminate the production of this gold-plated and cost-ineffective airplane. The legislation I am introducing would insure that the Federal Government does everything possible to minimize the personal hardship such a decision would force on these employees and bring them back into the productive mainstream of the economy as quickly as possible.

Mr. Speaker, I would like to include a section-by-section analysis of this legislation at this point in my remarks:

SECTION BY SECTION ANALYSIS, SHORT TITLE: CONVERSION WORKER ADJUSTMENT ASSISTANCE ACT

TITLE I—PETITIONS AND DETERMINATIONS

Section 101. Notifications. Any Department or agency of the United States which terminates a major government procurement program must inform all contractors and subcontractors providing goods and services under such program of the terms and provisions of this Act. Such contractors and subcontractors shall be responsible for informing their employees or their union that they may be eligible for assistance under this Act.

Section 102. Petitions for certification of eligibility for assistance must be filed with the Secretary of Labor by a group of workers or by their certified union.

Section 103. Five or more workers in a firm or subdivision of a firm must have been or are about to be totally or partially separated in order to be eligible for assistance under this Act. Cancellation of a major government procurement contract must have contributed importantly to such separations.

Section 104. The Secretary of Labor must decide within 60 days of receiving a petition on the applicants' eligibility.

TITLE II—PROGRAM BENEFITS

Part 1—Readjustment Allowances.

Section 201. Qualifying requirements for workers. A worker must have had, in the 52 weeks immediately preceding separation, at least 26 weeks of employment at wages of $30 or more a week in adversely affected employment with a single firm or subdivision of a firm.

Section 202. Weekly Amounts. (a) Readjustment allowance shall be equal to (1) an amount equal to the sum of (A) 90 percent of so much of a worker's average weekly wage as does not exceed $385, plus (B) 50 percent of so much of an individual's average weekly wage as exceeds $385 but does not exceed $480, over (2) 50 percent of the amount of the remuneration for services performed during such week. (b) If a worker is involved in retraining, including on-the-job training, he receives a readjustment allowance in an amount equal to the amount computed under subsection (a) above or the amount of any weekly allowance for such training to which he would be entitled under any other Federal law. (c) through (f) The amount of readjustment allowance paid to any worker under subsection (a) shall be taxable and shall be reduced by any amount of earned income or unemployment insurance which he receives after total or partial separation.

Section 203. Time Limitations on Readjustment Allowances. Payments to eligible workers shall not be made for a total of more than 52 weeks. However, individuals undergoing retraining are entitled to an additional 26 weeks of benefits. In no case shall a worker receive payments for more than 78 weeks or more than 2 years after the date of total or partial separation.

Section 204. Application of State Unemployment Insurance Laws.

Part II—Training and Related Services

Section 211. Establishes in the Department of Labor a Job and Retraining Information Service to coordinate Federal, State and local employment services; provide workers with special counseling, testing, retraining and placement services in conjunction with providing employment not related to defense or military production; and prepare a Job Skill Conversion Handbook. The Handbook shall outline the basic requirements for personnel retraining and reorientation programs. State agencies and training institutions will be provided copies of the Handbook.

Section 212.—Approval of Training. The Secretary may approve retraining program for a period not longer than 18 months, provided that the re-training provides a worker with non-military employment. The Secretary may enter into cooperative agreements with local colleges and universities which will develop and provide retraining programs. The Secretary shall determine reimbursement rates for such programs including costs of transportation, tuition and books.

Part III—Job Search and Relocation Allowances.

Section 221. Authorizes job search allowances which may not exceed $500 for any worker.

Section 222. Authorizes relocation allowances of up to $1500 for workers who have a bona fide job offer and an expectation of long term duration in the area in which he wishes to relocate.

Part IV—Continuation of Certain Employee Benefits.

Section 231. The Secretary shall provide pension credit under any applicable pension plan maintained by the employee at the time of his separation during the 52 weeks he receives compensation under this legislation, and maintenance of any medical and life insurance coverage.

TITLE III—GENERAL PROVISIONS

Section 301. Agreements with States. The Secretary shall enter into agreements with States or state agencies to act as agents of the United States and receive applications for compensation and provide payments to eligible workers. States shall require employers whose employees may be eligible for benefits under this Act to provide workers with information necessary to obtain both compensation and retraining programs.

Section 302. Payments to States. The Secretary of the Treasury shall make such payments as may be necessary to States or state agencies to carry out the programs authorized in this act.

Section 303. Recovery of Overpayments. Sets conditions by which an unjust payment shall be repaid to the Federal government.

Section 304. Authorization of such sums as may be necessary to carry out the purposes of this Act.

Section 305. Definitions.

Section 306. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

TITLE IV—TAX CREDIT FOR EMPLOYING CERTAIN RETRAINED WORKERS

Section 401. Provides a tax credit of 10 percent of the employment expense for employers who hire workers eligible for benefits under this Act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. JONES of Tennessee (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of official committee business.

Mr. FISH (at the request of Mr. ANDERSON of Illinois), for after 5 p.m. on May 5 and the balance of the week, on account of illness in the family.

Mr. YOUNG of Alaska (at the request of Mr. ANDERSON of Illinois), for today, on account of illness.

Mr. MARRIOTT (at the request of Mr. BAUMAN), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CAPUTO) to revise and extend their remarks and include extraneous material:)

Mr. BAUMAN, for 15 minutes, today.

(The following Members (at the request of Mr. PEASE) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. KOCH, for 10 minutes, today.

Mr. BINGHAM, for 15 minutes, today.

Mr. CAVANAUGH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BAUMAN to revise and extend his remarks prior to vote on House Resolution 541.

(The following Members (at the request of Mr. CAPUTO) and to include extraneous matter:)

Mr. STEERS in two instances.

Mr. GRASSLEY.

Mr. DORNAN.

(The following Members (at the request of Mr. PEASE) and to include extraneous material:)

Mr. JACOBS in two instances.

Mr. SOLARZ.

Mr. KOCH in two instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. GINN.

Mr. STEED.

Mr. ASHLEY.

Mr. FARY.

Mr. BRADEMAS in 10 instances.

Mr. PATTEN.

Mr. LONG of Louisiana.

Mr. ROGERS in five instances.

Mr. YOUNG of Missouri.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 773. An act authorizing the Wichita Indian Tribes of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. PEASE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Monday, May 9, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1428. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority and the supplementary report revising a previously reported deferral contained in the message from the President dated April 4, 1977 (House Document No. 95-118), pursuant to section 1014(b) and (c) of Public Law 93-344 (H. Doc. No. 95-147); to the Committee on Appropriations and ordered to be printed.

1429. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting the third annual report on the Defense Industrial Reserve, covering calendar year 1976, pursuant to section 809 of Public Law 93-155; to the Committee on Armed Services.

1430. A letter from the Chief of Staff, Defense Mapping Agency, transmiting notice of plans to study the feasibility of combining the Defense Mapping Agency (DMA) Hydrographic Center and the DMA Topographic Center; to the Committee on Armed Services.

1431. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 37, United States Code, to autholze family separation allowance for members in the pay grade of E-4 and below with dependents; to the Committee on Armed Services.

1432. A letter from the Acting Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1433. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of significant combat equipment sold commercially to Iran (Transmittal No. MC-40-77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1434. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of defense articles sold commercially to Morocco (Transmittal No. MC-43-77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1435. A letter from the President, National Railroad Passenger Corporation, transmitting a request for a fiscal year 1978 budget amendment to finance the purchase of Northeast corridor properties, pursuant to section 601 (b) of the Rail Passenger Service Act; to the Committee on Interstate and Foreign Commerce.

1436. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Federal Rules of Criminal Procedure to provide for appellate review of sentences; to the Committee on the Judiciary.

1437. A letter from the Chairman, U.S. Water Resources Council, transmitting the fifth annual report of the Council, pursuant to section 209(b) of Public Law 92-500; to the Committee on Public Works and Transportation.

1438. A letter from the General Counsel, Department of Transportation, transmitting the Department's position on a variety of legislative proposals submitted by the previous administration; jointly, to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, Post Office and Civil Service, Public Works and Transportation, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 2817. A bill to provide for certain additions to the Tinicum National Environmental Center (Rept. No. 95-253). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H. R. 6206. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Commercial Fisheries Research and Development Act of 1964; with amendment (Rept. No. 95-254). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee of conference. Conference report on H.R. 3477 (Rept. No. 95-263). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5562. A bill to authorize the establishment of the Eleanor Roosevelt National Historic site in the State of New York, and for other purposes; with amendment (Rept. No. 95-264). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6205. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the Atlantic Tunas Convention Act of 1975 (Rept. No. 95-265). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 6669. A bill to establish a national climate program, and for other purposes; with amendment (Rept. No. 95-266). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 6668. A bill to amend the Age Discrimination Act of 1975 to extend the date upon which the U.S. Commission on Civil Rights is required to file its report under such act, and for other purposes; with amendment (Rept. No. 95-267). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 6692. A bill to extend certain programs under the Education of the Handicapped Act; with amendment (Rept. No. 95-268). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 6774. A bill to make certain technical and miscellaneous amendments to provisions relating to higher education contained in the Education Amendments of 1976; with amendment (Rept. No. 95-269). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EVANS of Georgia: Committee on the Judiciary. H.R. 1428. A bill for the relief of Mrs. Angelita Short; with amendment (Rept. No. 95-255). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 1750. A bill for the relief of Abdelah Ahmed Chrayah; with amendment (Rept. No. 95-256). Referred to the Committee of the Whole House.

Mr. SAWYER: Committee on the Judiciary. H.R. 1936. A bill for the relief of Joseph Lee Soryung; with amendment (Rept. No. 95-257). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 2253. A bill for the relief of Ruben P. Din (Rept. No. 95-258). Referred to the Committee of the Whole House.

Mr. EVANS of Georgia: Committee on the Judiciary. H.R. 2553. A bill for the relief of Young Gun Kim (Rept. No. 95-259). Referred to the Committee of the Whole House.

Mr. EVANS of Georgia: Committee on the Judiciary. H.R. 3217. A bill for the relief of Meeja Sa Foster (Rept. No. 95-260). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 3313. A bill for the relief of Mark Charles Mieir and Liane Maria Mieir (Rept. No. 95-2651). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 4246. A bill for the relief of Hee Kyung Yoo, with amendment (Rept. No. 95-262). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 6979. A bill to amend the Federal Food, Drug and Cosmetic Act to modify the definition of "food additive"; to the Committee on Interstate and Foreign Commerce.

By Mr. AuCOIN (for himself and Mr. DUNCAN of Oregon):

H.R. 6980. A bill to provide for addition to the Fort Clatsop National Memorial of the site of the salt cairn utilized by the Lewis and Clark Expedition, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROOKS (for himself and Mrs. SCHROEDER):

H.R. 6981. A bill to amend chapter 53 of title 5, United States Code, to increase the salaries of the Chairman and members of the Federal Reserve Board; to the Committee on Post Office and Civil Service.

By Mr. CONTE (for himself, Mrs. Heckler, Mr. Jeffords, and Mr. McHugh):

H.R. 6982. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. CRANE (for himself, Mr. Dornan, Mr. Young of Alaska, and Mr. Whitehurst):

H.R. 6983. A bill to declare the public policy of the United States and to remove all legal obstacles to the use of gold clauses; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CRANE (for himself, Mr. Duncan of Tennessee, Mr. Wirth, Mr. Robinson, and Mrs. Heckler):

H.R. 6984. A bill to provide for the confidentialty of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE (for himself, Mr. Edwards of Oklahoma, Mr. Collins of Texas, Mr. Rousselot, and Mr. Bafalis):

H.R. 6985. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. CRANE (for himself, Mr. Edwards of Oklahoma, Mr. Luken, and Mrs. Heckler):

H.R. 6986. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, and Rules.

By Mr. DERWINSKI:

H.R. 6987. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 6988. A bill to amend title XIX of the Social Security Act to permit the Secretary of Health, Education, and Welfare to waive the freedom of choice requirement of a State medicaid plan; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN:

H.R. 6989. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation certain associations providing reserve funds for and insuring the deposits in savings and loan associations and credit unions; to the Committee on Ways and Means.

By Mr. NEDZI (for himself and Mr. Whitehurst):

H.R. 6990. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. RAHALL (for himself, Mr. Bevill, and Mr. Long of Louisiana):

H.R. 6991. A bill to amend the Small Business Act to reduce the rate of interest on disaster relief loans under such act, to apply special provisions of such act to such loans made in connection with major disasters occurring after April 1, 1977, and before June 6, 1977; to the Committee on Small Business.

By Mr. ROYBAL:

H.R. 6992. A bill to establish the Federal Protective Service Police force within the General Services Administration, provide minimum training, pay, and other benefits for such police force, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. SHARP:

H.R. 6993. A bill to amend title 13, United States Code, to require that population census records be transferred to the National Archives within 50 years after a census, and that such records be made available after 75 years to persons conducting research for genealogical, historical, or medical purposes; to the Committee on Post Office and Civil Service.

By Mr. STEERS:

H.R. 6994. A bill to amend title II of the Social Security Act to increase to $5,040 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. STEERS (for himself, Mr. Badillo, Mr. Baucus, Mr. Bedell, Mr. Clay, Mr. Cohen, Mr. Corman, Mr. Duncan of Tennessee, Mr. Edwards of California, Mr. Emery, Mr. Fisher, Mr. Fascell, Mrs. Keys, Mr. Lehman, Mr. Mitchell of New York, Mr. Rinaldo, Mr. Rodino, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Thompson, and Mr. Wirth):

H.R. 6995. A bill to amend the Federal employee health insurance provisions of title 5, United States Code, to require that notice and hearing be provided before the effective date of any reduction of health benefits or any exclusion of any type of provider of health services; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Alaska:

H.R. 6996. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

H.R. 6997. A bill to authorize the Secretary of the Interior to convey all right, title, and interest of the United States in and to a tract of land located in the Fairbanks Recording District, State of Alaska, to the Fairbanks North Star Borough, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CEDERBERG (for himself and Mr. Lagomarsino):

H.J. Res. 444. Joint resolution designating the square dance as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. CEDERBERG (for himself, Mr. Evans of Delaware, Mr. Rhodes, and Mr. McEwen):

H.J. Res. 445. Joint resolution to provide for the establishment of a Joint Committee on Intelligence; to the Committee on Rules.

By Mrs. COLLINS of Illinois (for herself, Mr. Fascell, Mr. Conyers, Mr. Mitchell of Maryland, Mr. Cavanaugh, Mr. Pepper, Mr. Price, Mr. Harrington, Mr. Dellums, Mr. Clay, Mr. Fary, Mrs. Burke of California, Mr. Patterson of California, Ms. Holtzman, Mr. McCloskey, Mr. Studds, Mr. Reuss, Mr. Roybal, Mr. Tsongas, Mr. Mineta, Mr. Rangel, Mr. Nix, Mr. Hawkins, Mr. Badillo, and Mr. Simon):

H.J. Res. 446. Joint resolution to require a review of U.S. practices with respect to the embargo on arms shipments to the Republic of South Africa in order to insure that such embargo is effective; to the Committee on International Relations.

By Mr. JACOBS (for himself, Mr. Abdnor, Mr. Armstrong, Mr. Badham, Mr. Baucus, Mr. Blouin, Mr. Broyhill, Mr. Burgener, Mr. Corcoran of Illinois, Mr. Cornwell, Mr. Duncan of Tennessee, Mr. Evans of Indiana, Mr. Fithian, Mr. Flowers, Mr. Fountain, Mr. Gilman, Mr. Goodling, Mr. Gudger, Mr. Hansen, Mr. Kelly, Mr. Kostmayer, Mr. Leggett, Mr. Lent, Mr. Levitas, and Mrs. Lloyd of Tennessee);

H.J. Res. 447. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. JACOBS (for himself, Mr. Lujan, Mr. McCloskey, Mr. Marriott, Mr. Montgomery, Mr. Nolan, Mrs. Schroeder, Mr. Snyder, Mr. Symms, and Mr. Waggonner):

H.J. Res. 448. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. CEDERBERG:

H. Res. 547. Resolution that Congress move expeditiously to resolve pending issues regarding national telecommunications policy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CONTE (for himself and Mr. Early):

H. Res. 548. Resolution directing the Committee on International Relations to conduct hearings to determine the nature and extent of any U.S. involvement in the hostilities in Northern Ireland; to the Committee on Rules.

By Mr. STEIGER (for himself, Mr. Wydler, and Mr. Wirth):

H. Res. 549. Resolution to require that the Congressional Record contain a verbatim account of remarks actually delivered on the floor, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

138. By the SPEAKER: Memorial of the Legislature of the State of Alabama, relative to labeling beef as to origin; to the Committee on Agriculture.

139. Also, memorial of the Legislature of the State of Hawaii, relative to reparations to Hawaiians for damages suffered at the time of annexation; to the Committee on Interior and Insular Affairs.

140. Also, memorial of the Legislature of of the State of Arizona, relative to diplomatic relations with the Republic of China; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Ms. OAKAR:

H.R. 6998. A bill for the relief of Maria Sroka; to the Committee on the Judiciary.

By Mr. STEED:

H.R. 6999. A bill for the relief of Ronald Ellis Leath; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

NOISE IS ONE OF THE MAJOR HEALTH HAZARDS FACING THE AMERICAN PEOPLE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. SOLARZ. Mr. Speaker, the New York Times recently ran an article on the health hazards of noise which contains fresh information about the special hazards of noise.

I think the American people welcome action to lower noise levels, whether it be from an airport or whether it comes from noise at the workplace.

The Congress enacted a Noise Control Act thanks largely to the pressure from citizens enraged by airport noise. But this law also was intended to protect citizens generally.

Many corporations with a vested interest in noise have been able to postpone the day of reckoning to lower the noise levels which beset us everywhere. It is my hope that the Carter administration in both the Environmental Protection Agency and in the Occupational Safety and Health Administration will embark on actions which will lessen the noise levels. We will all live longer if they do. Certainly we will live better.

I ask that the article "Noise: Physical Harm Is Only Part of It," which appeared in the Sunday, April 24th, 1977 issue of the New York Times be placed in the RECORD:

NOISE: PHYSICAL HARM IS ONLY PART OF IT

(By Evan Jenkins)

A rhesus monkey named Mars recently spent 12 hours a day for 30 days being buffeted by the sounds any passerby might hear at noon outside Jackson Memorial Hospital in Miami.

Her experience is part of a research project on "acoustical physiology" now being conducted at the University of Miami Medical School with financial help from the Office of Noise Abatement and Control of the Environmental Protection Agency. The experiments reflect sharply rising concern that noise may be a serious general health hazard, though an insidious one often unrecognized even by its victims. Noise, experts say, not only damages hearing but may create psychological troubles and contribute to such diverse physical ailments as heart disease and cancer.

In industry, an ancient battle over noise in the workplace is still going on. While no one denies that excessive noise over long periods causes hearing loss, there is wide disagreement over what is excessive, given variations in individual susceptibility. But using 85 decibles, which many authorities consider too high for hearing safety, as an upper limit, it is estimated that more than 12 million American workers are "overexposed" to noise.

Permissible exposure under the current Labor Department standard is 90 decibels, roughly equivalent to the low range of jet-plane noise, over an eight-hour day. (Mars the monkey was hearing about 75 decibels, comparable to the sound a subcompact car makes at 60 miles an hour and quieter than some portable hair dryers.) Labor unions want enforcement of the standard, now spotty at best, and then a reduction to 85 decibels.

Because the decibel scale is logrithmic, the difference between 85 and 90 represents a doubling in loudness. One estimate is that full enforcement of the 90-decibel standard would prevent a hearing loss of 25 decibels or more for 770,000 workers, and that an enforced standard of 85 would prevent the same loss for almost double that number.

Dr. Nicholas A. Ashford of the Center for Policy Alternatives at the Massachusetts Institute of Technology thinks the greatest danger in occupational noise may stem from an impairment of the body's ability to handle toxic material.

"There are 13,000 toxins in use in American industry and business," he says. "Ozone from office copying machines, to name one. Under stress, the body's intake of toxins is accelerated. It's been shown that amphetamines are 10 times more toxic under stress. What do you think the noise in a metal stamping plant is doing to a worker taking pep pills to keep up with the work? Noise is the most pervasive health hazard in the workplace, and noise as a stressor in combination with toxins may turn out to be the most serious health hazard workers face."

When noise assaults the body, the heart rate increases and blood pressure rises. Blood is diverted from the digestive system to muscles, the brain and other organs. Production of adrenaline and other hormones is steeped up, increasing the flow of fatty acids and glucose into the blood. The body's reaction to infection is changed.

All those involuntary reactions, vestiges of man's primeval "fight or flight" response to a threat, are part of the reason noise is thought of as an insidious danger. In addition, the ear, unlike other sense organs, cannot adjust to excessive stimulation, even in sleep. Finally, people tend to accommodate to noise and even enjoy it—witness rock musicians and their fans.

"You adjust to maladjustment, but the biological effects are the same," says Dr. Samuel Rosen, emeritus professor of otology (the science of hearing) at the Mount Sinai School of Medicine in New York. "You may forgive the noise, but your system won't forgive you."

What's to forgive? Because it acts as a long-range stressor, noise is suspected of contributing to cardiovascular disease, diabetes, arthritis, fetal damage and even cancer. Research has offered tantalizing clues in all those areas, but no conclusive proof.

Preliminary findings in the Miami research, designed to determine whether there is a direct, provable link between noise and cardiovascular damage, are typically provocative.

"It was like the original white-knuckle flight," Dr. Ernest A. Peterson, a psychologist, says of the experiments with Mars. "For the first three or four days, the poor animal just gripped the arms of her chair, refusing to look away from the noise source. Her blood pressure and heart rate shot up to about 30 percent above normal and stayed there, during the noise periods, for the whole 30 days. For the first two weeks or so, the rates stayed high even at night with the noise off." But Dr. Peterson and his colleague Dr. Jeffrey Augenstein, a physician, do not yet know whether or not Mars has been permanently harmed.

Dr. Jack Westman, a professor of psychiatry at the University of Wisconsin, is satisfied that noise contributes to mental troubles. He notes that schoolchildren have been shown to develop learning and emotional difficulties in noisy environments, and is particularly concerned about an almost universal trouble: noise in the home.

"My work with families has convinced me that excessive sound does affect the emotional tone of the individual, and that the harm often occurs without awareness of the source," Dr. Westman says. "You fly off at your wife and children presumably because of their behavior, when it's really the noise in the house that's getting to you."

Richard Marco, president of Local 588 of the United Automobile Workers, shares the concern over psychological damage. "People prefer to work the midnight shift just to get away from the noise a bit," Mr. Marco says. "And workers and supervisors on the late shift get along, play golf and bowl together. On the day shift, any kind of social interaction is stifled. They can't hear each other, and they shout, and pretty soon they're angry."

Against the background of such concerns, campaigners against noise find hope in a number of developments.

The Concorde still can't land in New York. New jetliners (Concorde, perhaps, aside) are quieter than earlier ones. New York City's Transit Authority, prodded by a sister agency, the Environmental Protection Administration, is beginning work to cut down the screech and roar and howl of the subway system, which in spots can reach 110 decibels, the noise level of a fairly loud jet.

Through enforcement of recent regulations at both the Federal and local levels, truck and railroad noise is being reduced. In New York and many other cities, construction equipment is quieter than it used to be.

Is America getting quieter? Most authorities seem doubtful or pessimistic. As Charles L. Elkins, director of the E.P.A. Office of Noise Abatement and Control, puts it:

"A lot of technology that could reduce noise isn't being used. The population of vehicles is going up, new machines keep coming out. A quieter country? We'll have a better fix on that in about a year."

THE LEGISLATIVE PRIORITIES OF THE NEW YORK HISPANIC COMMUNITY: II

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. BADILLO. Mr. Speaker, last week, I placed in the RECORD the first of what will be a series of reports on the first congressional conference on the problems of the Puerto Rican and Hispanic community in New York. These reports when put together, form a comprehensive picture of the problems and legislative priorities of the Hispanic community in New York.

This week, I would like to present a paper prepared by the Task Force on Higher Education, under the leadership of Victor Alicea, the president of Boricua College, the first private Hispanic bilingual university on the mainland, which is located in New York. The paper discusses the fact that open enrollment and all the various types of Federal and State financial aid programs fall short of truly helping the low-income student because they do not take into account the full range of living expenses a college student incurs even after the tuition has been paid, and suggests solutions through both the public and private sector that will increase opportunities for low income students to complete their education:

The Legislative Priorities of the New York Hispanic Community: II

I. INTRODUCTION

For the past several years my colleagues and I have been working on the problem of the low rate of participation, and high rate of failure, of mainland Puerto Ricans in higher education. Some of the roots of that problem, such as unfamiliarity with the English language, are unique to newly immigrated, or culturally isolated populations. But one problem which affects Puerto Ricans in particular but which is common to *all* low income students and which may pose the greatest single barrier to their participation in the higher education enterprise, is that of the cost of education.

There appears to be a growing belief, at least in private education circles, that with the massive increase in governmental support to higher educational institutions and their students which occurred during the past decade, the battle of access to higher education for low income students has been won. On that assumption educational administrators are justifying a diversion of attention, and of funds, towards a situation in which private colleges, at least, end up serving only the very rich and the very poor.

While I am syympathetic with the problem of middle income parents trying to meet skyrocketing college bills, it is important, I think, to deny the assumption that we have solved the problem of low income access to the higher education enterprise. Quite the opposite seems to be true, especially if we include adults among the population of potential low income students to be served.

Rather than juggling available financial aid funds between low and middle income populations, then, I will argue that we need a structural solution to the problem of access which will meet the needs of both groups.

II. THE PROBLEM OF FOREGONE WAGES

While foregone wages have long been recognized to be a part of the costs of higher education for most students, little effort is made to pin down the magnitude of those costs for various types of students or to deal realistically with the financial problems they present.

For purposes of this discussion I will not deal with the economists' notion of "opportunity cost" (or what the student might most profitably do with his time and money if he weren't in school) but, rather, with the narrower notion of how much various types of low income students must earn each year to live and to meet necessary family obligations. In doing so I am assuming that the typical low income student can secure enough state or federal support to cover the direct cost of his tuition at a public or private institution, but that grants are rarely available to support the living costs of the student or his dependents.

A quick calculation, then, comes up with these rough estimates for four types of low income students whom I frequently encounter:

INCOME NEED AND POTENTIAL: TRADITIONAL EDUCATION MODEL

Type of student	Needed income	Possible Income: Good student (20 hr p.w. plus summer)	Possible Income: Avg. student (8 hr p.w. plus summer)	Gap: Good student	Gap: Average student
No dependents; housing provided by others	$2,500	$2,750	$1,750	0	$750 times 4 yr equals $3,000.
Wholly independent	4,000	2,750	1,750	$1,250 times 4 yr equals $5,000	$2,250 times 4 yr equals $9,000.
2 dependents	7,000	3,500	2,250	$3,500 times 4 yr equals $14,000	$4,750 times 4 yr equals $19,000.
4 dependents	9,000	4,000	2,500	$5,000 times 4 yr equals $20,000	$6,500 times 4 yr equals $26,000.

Several comments may be helpful:

1. Throughout the little table I am referring to net take-home pay.

2. In the first category, "no dependents; housing supplied by others," there are probably fewer low income students, even of traditional college age, than is generally assumed. Although parents may be willing, and even anxious, for the student to continue to live at home, quarters are often so cramped and noisy as to provide no suitable place for rest, recreation, or study.

3. Although the typical low income student of my acquaintance attempts to work at least 20 hours per week during the school year when employment is available, I believe it is unrealistic to believe that the average student can do so without risking academic failure, or sharply reduced benefits from his educational experience in a traditional institution. Such a schedule simply leaves too few hours for the classroom preparation required. So long as financial aid officers underestimate the amount of employment low income students can handle, then, they set such students up for the academic failure or discouragement which so often occurs.

III. POSSIBLE SOLUTIONS

A. Evening or Weekend Classes:

While schedule conflicts between classroom and working hours are often a problem which evening and weekend classes can avoid, the deeper problem is class *preparation* time, especially for average or poorly-prepared students. Unless class progress is to be slowed to a high school pace, preparation time is the key restraint on student employment during the academic year.

B. Lighter Academic Loads with Stretch-Out of Undergraduate Program to Six of Eight Years:

Although this is a common pattern for adult students in public institutions, it is followed at a high price to student morale and to any possible coherence in educational experiences which are already too disjointed in most undergraduate programs. Should be a solution of last resort.

C. Increase in Federal and State Financial Aid Grants to Cover Living Costs of Students and Dependents:

We see no likelihood of the massive increase in governmental appropriations which would be required. We will be fortunate if BEOG funds simply catch up, and keep up, with rising tuition costs. Short of large tuition increases in public institutions (which do not appear to be likely) states are not expected to appropriate large amounts of new financial aid funds for low income students.

D. Closing the Gap with Federally Guaranteed Loans:

Within the $7,500 ceiling which applies in most states this is a possible solution for low income students without dependents. High rates of default are already imperiling the loan system, however. And the more conscientious the low income student is, the greater his fear of indebtedness. His experience has taught him that borrowing is the irresponsible living beyond one's means rather than the prudent investment in future earning capacity.

If educational loans are to form part of the solution to the problem, some change in their structure may be required, as will be discussed hereafter.

IV. AN ALTERNATIVE APPROACH TO THE PROBLEM

A. Work Study: Using the Job Site as a Central Learning Resource:

We believe that the best, and perhaps the only feasible, solution to the problem of foregone wages for low income students lies in the concept of work/study, one of the oldest and soundest notions to emerge from the nontraditional education movement. But by work/study we mean more than brief exposures to work experiences interspersed within a predominately campus-based educational program. We mean, rather, a program which converts the student's job site into a central learning resource, with more traditional instruction being viewed as a supplement to the core of job-related learning.

1. The financial advantage

If such programs can be made educationally viable, their financial advantages are clear; for within such a context the able student could work and earn a full-time salary without diminishing the educational force of his four-year undergraduate program. Average or poorly-prepared students should, by our calculations, be able to work half-time earning a proportionate salary, again without overload or dilution of the educational strength of their programs.

The net financial effect, then, of such an arrangement should be as follows:

INCOME NEED AND POTENTIAL: WORK/STUDY MODEL

Type of student	Needed income	Possible Income: Good student (4 hr p.w.)	Possible Income: Avg. student (20 hr p.w plus summer)	Gap: Good student	Gap: Average student
No dependents; housing provided by others	$2,500	$5,000	$2,750	0	0.
Wholly independent	4,000	5,000	2,750	0	$1,250 times 4 yr equals $5,000.
2 dependents	7,000	7,000	3,500	0	$3,500 times 4 yr equals $14,000.
4 dependents	9,000	8,000	4,000	$1,000 times 4 yr equals $4,000	$5,000 times 4 yr equals $20,000.

While the problem of foregone wages does not disappear entirely, save for able students, it is brought within manageable bounds for all but the adult with multiple dependents to support.

2. The educational advantage

It seems clear that a work/study educational model, properly conceived and implemented, has special advantages for low income students. Assuming that most of their educational goals are job related (as we have found them to be in the typical case) clinical training encourages involvement and attention by being palpably related to the student's immediate objectives. It socializes the students directly to productive roles rather than assuming, as campus-based models must, that theoretical information relevant to work situations can shape work behavior even in the absence of the role models and the wealth of related cultural conditioning available to middle or high income students. At the same time successful internship experiences should bolster the confidence and self-esteem of low income students whose deprivations in those regards often pose formidable barriers to educational growth.

3. The basic notion

What we conceive, then, is a form of higher education to which a student could be admitted only if he were located (with necessary institutional help) in a work situation offering:

(a) The possibility of educational growth up to professional or managerial levels and;

(b) The cooperation of the employer in forming a partnership with the educational institution to promote the student's development to the fullest extent possible.

Out of that partnership should emerge a three-part educational agenda reflecting:

(a) The employer's specification of the knowledge and skills needed by the student to be qualified for a professional or managerial role in the firm;

(b) The educational institution's objective to stretch the student's understanding and to sharpen his critical faculties by placing job-related issues in ever broader contextual frameworks; and

(c) The student's personal learning objectives which go beyond either job related or liberal arts goals.

4. Problems to be overcome

The central question, of course, is whether the work/study model can be made to work in an educationally effective manner for low income students of widely varied ages and aptitudes. Although the idea is now more than fifty years old, its ability to sustain the weight we propose is subject to fair question on at least the following grounds:

(a) Ability and Willingness of Faculty to Perform the Special Roles Involved:

Even the colleges and universities with longest experience in work/study or "cooperative" education report continuing difficulty in developing faculty and willing to (i) coordinate an educational process significant parts of which occur at distant sites outside their complete control and (ii) manage a learning agenda which proceeds inductively from a "mine run" of job related problems and issues to a broader, more theoretical understanding of self and world, rather than the other way round.

From the long history of clinically-based medical training and the case oriented training in other fields such as business and law there would appear to be no doubt that clinically-based education need not threaten the theoretical integrity of an educational program, whether at the undergraduate or professional level. It seems equally clear, however, that traditionally trained educators cannot be expected to function in clinical settings without comprehensive and continuing training in the skills and procedures involved. Indeed, a facility in dealing with work situations beyond college walls may be beyond the capacity of some educators drawn to their profession precisely out of a distaste for that work-a-day world. By the same token, professionals, managers, and other persons trained outside of graduate schools who retain a taste for theoretical integration and critical examination may be the most promising candidates for the faculty roles required in clinically based programs.

(b) Willingness of Employers and Firms to Cooperate in the Education of Staff:

With the high priority which the American culture has placed on formal, pre-service education, and the willingness of families and the public to support the enormous costs of that enterprise, business firms and other working organizations have been able to avoid most of the costs of career preparation for their labor force. Predictably, employers have over-utilized the free (to them) service of manpower development by escalating beyond reason the educational prerequisites for employment positions, erecting, in the process, massive barriers to the integration of low income persons into the economic life of the nation.

The capacity of employers and their firms to educate workers has never been in doubt, however. At least large business organizations provide highly sophisticated training, sometimes in cooperation with educational institutions, for employees in managerial and professional positions. High technology industries train an even broader segment of their labor forces for highly skilled, albeit narrow functions. The question, then, is whether employers can be brought to assume cooperative responsibility for forms and levels of employee training which have traditionally been performed at a pre-service stage of life by other agencies.

Although there are aspects of a sound undergraduate education which offer no benefit to the employer of a person so trained, it is believed that a model can be developed in which job related benefits are sufficiently responsive, and the costs of employer cooperation so modest as to make a cost-benefit analysis of employer cooperation clearly persuasive on the point. To that most natural incentive can be added, at least in the case of minority student/workers, affirmative action pressures from the federal government.

If the combination of these factors is not sufficient to elicit the required employer cooperation, however, special tax or other economic incentives, to be explored hereafter in this memorandum, may be necessary.

(c) Availability of Suitable Training Jobs:

The current economic recession raises the question as to whether the American economy could usefully absorb into its labor force the large number of worker/students which the widespread adoption of work/study programs would involve. The question is akin to the one heard more frequently on university campus as to the ability of such institutions to place students in positions for which they are qualified once their preservice training is complete.

There is no doubt that an economy deeply and chronically troubled by high rates of unemployment would adversely affect career-oriented education, whether of a preservice or in service nature. So long as higher education has the economic benefits in which Americans so devoutly believe, however, workers-in-training should be able to compete on favorable terms with others for such jobs as our economy provides.

d. Financing and Balance of Foregone Wages: A Cost-Sharing Scheme:

As Table B reveals, even the successful implementation of work/study education for low income students would leave persons with multiple dependents with an unmanageable burden of foregone wages as the price of access to a higher education. While that result may strike some as neither surprising nor distressing, we are unwilling to commit even as much as one-third of the American population of potential learners to the fate of having missed all opportunity for further formal training, especially when the lives of so many others depend upon the fortunes of precisely these individuals.

For the able student with even as many as four dependents an earnings gap estimated at $4,000 over the course of an undergraduate career could be financed without undue strain under the federally guaranteed student loan system. The estimated gap of $14,000 for an average student with two dependents, or of $20,000 for an average student with four dependents, however, exceed present federal loan limits by far and involve indebtedness which no adult could be expected to undertake.

Two alternatives are suggested for consideration as methods of opening the doors of higher education to such individuals:

(1) Cost Sharing Through Payroll Deductions and Taxes:

Through special provisions of the Federal Direct Student Loan Program, students of the kind described might borrow the $14,000 to $20,000 required with repayment to be made over the 15-year period following graduation, one-half of monthly payments to be withheld from the employee's wages (as Social Security Taxes are), the other half to be paid by employers as a payroll tax (again on analogy to the Social Security System). The federal government would subsidize interest at 3%, and no debt service would be payable during any month in which the former student was unemployed.

(2) Stretching Length of Undergraduate Career with Senior Sabbatical Year:

A special 6-year undergraduate program would be designed for the described category of student. During the first five years the student would carry no heavier educational load than was consistent with full-time employment (in a work/study mode) and family obligations. No wages would be foregone during that period. During the last year of the program the student would take an educational sabbatical for full-time, 12-month study at the educational institution. The student's personal living expenses for the year—perhaps $3,000—would be borrowed, and subsequently repaid, through the federally guaranteed student loan system. Support of the student's dependents for the sabbatical year would be provided through the Social Security System, as if the student were unable to work by reason of physical disability. As in the case of wage earner's disability, such funds would constitute an outright grant to the dependents involved.

RAISE THE SOCIAL SECURITY EARNINGS CEILING

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. STEERS. Mr. Speaker, I am today introducing a measure to raise the annual amount which can be earned as outside income by social security retirees, people who have earned their retirement, from $3,000 to $5,040. This would increase the average monthly figure to $420 from $250. My distinguished colleague from Maryland, Senator CHARLES "MAC" MATHIAS, has introduced a measure to similarly raise the penalty level of earned income to $5,040.

Under present law, each beneficiary under 72 may earn as much as $3,000 without reduction in OASDI benefits. However, if an individual's earnings exceed this limit, benefits will be reduced by $1 for every $2 of earnings.

In practical terms, I am introducing this measure because social security benefits are simply not sufficient to live on. The average payout is $52 a week; the maximum is $100.

Large numbers of social security beneficiaries—through no fault of their own—do not have other retirement moneys to draw on. Perhaps their life savings were wiped out by a single catastrophic illness. Perhaps their earnings were not sufficient to put aside enough to accumulate a "nest egg" or to invest in income-earning stocks and bonds. Or perhaps, pension rights were lost in a company failure after many years of payments into a plan.

It is not surprising, then, that social security beneficiaries living on no more than $250 a month look for other ways to supplement this meager income—work or welfare. Should beneficiaries choose to work, they soon find themselves in a position where they begin to lose the benefits they worked to earn for 20, 30, 40 years or more.

This situation not only holds the social security recipient to a poverty level existence, but also deprives him or her of his or her right to work without penalty, deprives him or her of the right to continue to make a valuable contribution to society and receive an equitable remuneration for that contribution.

In short, the $3,000 limit is too confining both economically and in human terms.

While I believe that the philosophy of the earnings test is not wholly acceptable, I also realize that eliminating the test immediately would be costly and further exacerbate the grave situation we currently face with respect to funding the cash benefits program.

It is in this vein of taking one more practical step toward equity for the social security recipient that I propose raising the work clause to $5,040, or $420 a month.

I hope that the House Ways and Means Committee and the Senate Finance Committee will see the urgent need to act on this matter.

CONGRESSIONAL PAY RAISE

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. LONG of Louisiana. Mr. Speaker, in all the furor over the recent congressional pay raise, very little has been said about the ratio of the value of work versus the amount of pay of Members. One article, in the Kansas City Times of May 2, 1977, by Henry Clay Gold gives a vivid example of 1 day's scheduled activities of Representative RICHARD BOLLING.

Following is the article:

CAPITOL HILL

(By Henry Clay Gold)

WASHINGTON.—No one, absolutely no one, should be paid $57,500 a year, a Washington cab driver was saying when—fortunately for his passenger—the end of the trip ended the harangue.

Unlike their chatty New York counterparts, cabbies in the capital are disposed to sulk silently, but the subject of new congressional salaries unleashes a tirade of bitter words from even the most closed-mouth drivers.

However, a look at the schedule of Rep. Richard Bolling of Missouri makes it seem possible that at least a few members of Congress may come as close to earning the $57,500 as anyone can.

Tuesday, a day only slightly busier than usual for Bolling, the Kansas City Democrat began by sitting as chairman of the House-Senate Joint Economic Committee, the British chancellor of the exchequer was on hand to talk about international trade and monetary policies.

An hour later Bolling was sitting as the ranking Democrat on the House Rules Committee to clear strip-mining legislation for floor debate. At noon he was on the House floor handling a rule on the first budget recommendations for fiscal 1978.

His afternoon began with a session of the House Democratic Steering Committee where strategy was planned for the strip-mining debate. In midafternoon Bolling was meeting with the House Ethics Committee to draw the line on gifts representatives may receive.

At 4 p.m. the new House Energy Committee held its first meeting to prepare for the President's massive energy proposal. For the fourth time that day Bolling was sitting as the ranking Democrat on a committee—first in line behind the chairman.

As the day stretched into late afternoon, Bolling canceled an appearance at a dinner where honored guests included the Rev. Maurice Van Ackeren, president of Rockhurst College in Kansas City. Pacing himself turned out to be the right decision—the House session Wednesday was to run past 1 a.m.

Bolling's schedule is the penalty he pays for hanging around a seniority-conscious Congress 30 years. At the end of a legislative day he has little enthusiasm for social events preferring to stay at home, where a room was enlarged recently for leisure activities.

Along with his assignments come the privileges of power. On Bolling's schedule this week are two White House sessions with the President, one today on an unannounced subject and another Wednesday with the House Energy Committee.

Is the veteran lawmaker earning his $57,500? Or half of it? After all, Missouri's 5th district gets two for the price of one. Bolling's wife, Jim, makes the daily trip to the capital from Maryland with her husband and as an unpaid aide keeps substantially the same hours.

MANDATORY AUTOMOTIVE FUEL ECONOMY ACT

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. JACOBS. Mr. Speaker, on Tuesday, April 26, 1977 Representative MARTHA KEYS and I introduced H.R. 6627, the Mandatory Automotive Fuel Economy Act of 1977. This legislation prohibits the sale or distribution of any passenger automobile in the United States which does not meet the following minimum fuel economy standards: 1982, 19 miles per gallon; 1983, 21 miles per gallon; 1984, 23 miles per gallon; and 1985, 25 miles per gallon.

The bill authorizes the Attorney General to bring actions for injunctive relief when violations occur and confers jurisdiction on U.S. district courts to restrain violations.

On June 12, 1975, during the consideration of the energy conservation bill reported by the House Ways and Means Committee, I offered an amendment almost identical to H.R. 6627. With only minimal preparation and little debate the proposal received 79 votes.

This proposal is a realistic one both politically and technologically. Studies from the Federal Energy Administration show that automobile manufacturers can meet the requirements imposed by this legislation.

We agree with those who say that the American people are probably facing the stiffest domestic challenge during our lifetime. And that the failure to develop a comprehensive national energy plan will be disastrous. However, we cannot endorse the most recent proposal which would tax gas guzzlers while providing rebates on automobiles that are fuel efficient. Such a program would not only be an administrative nightmare, but also would undermine public support for the conservation effort. A system which imposes excise taxes on fuel inefficient cars allows the more affluent to purchase an exemption from patriotism.

We believe that our national purpose of energy conservation requires a program that is easily understood but more importantly one that applies equally to all Americans.

THE ST. LOUIS AIRPORT CONTROVERSY

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. YOUNG of Missouri. Mr. Speaker, Secretary of Transportation Brock Adams ended years of controversy recently with his announcement that Lambert Field would remain as the St. Louis area's chief airport for at least the next several decades. The decision reversed an earlier Department of Transportation plan to construct a new airport at a distant site in southern Illinois.

Secretary Adams' decision reflected weeks of intensive study that followed meetings with the Missouri and Illinois congressional delegations. It was a thoughtful and reasonable statement that, above all, pinpointed one crucial reason for keeping Lambert: public support for the facility. This is a tribute not only to the thousands of eastern Missourians who fought to save Lambert, but also to the news media that shaped public opinion. Several news outlets played active roles in informing the public of the advantages of retaining Lambert; I believe that two outlets, KMOX Radio, the CBS station in St. Louis, and the Journal Newspapers have not received sufficient credit for their efforts.

In editorials broadcast by Robert Hyland, regional vice president of CBS, KMOX outlined the case for Lambert in a cogent and comprehensive manner. The North County Journal, St. Charles Journal, and sister publications championed the Lambert cause for nearly a decade. Following are excerpts from their editorials and news stories over the last several years:

EDITORIALS

KMOX Radio Editorials—November 12, 1975. "We should . . . take note of the fact that many cities are now rethinking their positions in regard to plans for super-airports such as the one proposed at Columbia-Waterloo (Illinois). San Francisco, Cleveland, Seattle, Philadelphia, and Atlanta are all giving serious consideration to abandoning plans for superports in favor of expansion of existing facilities. . . ."

January 12, 1976. "As this station has stated in many previous editorials, we believe Lambert Field is the right choice for our airport for many reasons. To name a few, Lambert is a more convenient location for most St. Louis area residents who travel by air. And surveys show that present facilities can be modified to serve the area's needs until the year 2000 or beyond . . ."

September 10, 1976. "Greater St. Louis is one metropolitan area, stretching out on both sides of the Mississippi. Growth and progress in any part of that area helps the entire region.

"We do not oppose the Illinois site because we are against progress in Illinois. We oppose it because we are against decay in Missouri. And decay and economic hardship would surely result in a large portion of St. Louis County, if the airport were moved.

"No final decision regarding the airport site will please everyone. But we hope any final decision will be made on the basis of the most benefit for the greatest number."

March 31, 1977. "After years of tension and contention, the long battle over the St. Louis airport is over. Transportation Secretary Brock Adams has decided in favor of Lambert Field. This choice reverses the decision of his predecessor, William Coleman, who favored the Illinois site.

"For many years KMOX radio has editorialized on behalf of the Missouri site. We are gratified, of course, that Secretary Adams agrees with our position. It not only makes sense, but it saves over a billion dollars for the taxpayers."

NEWS STORIES

Journal Newspapers—May 27, 1970. "The Journal questions selection of the (Columbia-Waterloo, Ill.) area as site for the St. Louis area's . . . major airport. . . .

"The population explosion, together with industrial growth, is overflowing into this section, particularly along the Interstate 70 corridor. Growth and progress is moving west, not east. That is with the exception of plans for Metropolitan St. Louis' second major airport. . . . Why should $350 million be spent for an East Side airport, in opposite direction from where growth and progress is taking place in leaps and bounds?"

June 3, 1970. "Statistics, logic and just plain commonsense tend to disprove any wisdom in building Greater St. Louis' . . . major airport on the Illinois side of the Mississippi.

"An impartial feasibility study on usage and site, conducted on the entire St. Louis metropolitan area, would probably eliminate all . . . Illinois potentials. The East Side may need and warrant a top airport, but it does not appear to be most logical or practical site for St. Louis' airport of tomorrow."

June 10, 1970. "Millions of dollars in payrolls for Missourians, new jobs and a huge amount of valuable tax money for the state, local counties, cities and school districts are, in a real sense, at stake."

June 17, 1970. "The East-West Gateway Coordinating Council's Executive Advisory Committee recommended that the agency become involved in planning a second major airport but declined to become involved in picking an airport site. Darby Tally, editor of the St. Charles Journal, urged that the advisory committee push for a Missouri airport site."

FUTURE ROLE OF MILITARY

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. STEED. Mr. Speaker, recently I had the distinct privilege to hear the address delivered by Lt. Gen. William G. Moore, Jr., at the 68th annual banquet of the Altus, Okla., Chamber of Commerce.

As Commander in Chief of the Military Airlift Command, General Moore provided a realistic insight to the future role of the military in our ever changing society.

I am pleased to present his comments for the consideration of my colleagues.

REMARKS BY GEN. WILLIAM G. MOORE, JR.

I'm delighted to be here this evening. Your city and chamber of commerce have organized a marvelous tribute to the Air Force. We appreciate your efforts.

Altus AFB enjoys an outstanding relationship with the local community. This is not a fleeting romance: It's a marriage spanning 35 years that began with the Army Air Corps—and today we need your support more than ever.

And some of the support your military will need in the future you, as concerned citizens, provide. You're good neighbors—that's important. And even more important, your concern shows the military that you care—that you're interested—and this is vital. More than your tax dollars, more than this marvelous Air Force appreciation month, we need your informal day-to-day dealings with our base people. The military is not a separate society. We are comforted and inspired by a genuine appreciation for our efforts.

Altus is a fine base—and we're making it better. Fifty new duplex houses costing almost 3 million are nearly finished. We've just broken ground for a new 7.5 million dollar hospital. A 981 thousand dollar base operations building is nearly completed, as is a 432 thousand dollar cockpit procedures building.

A fine base and a great mission are still not enough. The key ingredient of military effectiveness is morale, and that depends importantly on the support and understanding of the American people. Our military forces are citizen-soldiers, part of—and responsible to—the society they serve. The founding fathers carefully avoided any semblance of a traditional military elite. This was a novel idea in the late 1700s—so was the idea of a United States—and for 201 years they've worked. However, when the American people tended to treat the military as a separate society—or downgraded the profession of arms—morale and capability have suffered.

You help to sustain this key ingredient of morale in our Altus people. This is a vital contribution. Although it's difficult to measure—it's here, it's important, and I salute your concern.

Your active Chamber of Commerce and service clubs show that you think as a community, you talk to each other. This discussion is important—a prime responsibility of citizenship is participation through informed opinion. And we're expected to inform ourselves; the founding fathers made sure we'd have sources of information to make decisions—that's why we have a free press.

Thomas Jefferson thought of this when he wrote (quote) "If a Nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be." (Unquote)

Your greatest contribution is a genuine interest in our affairs. I am honored you've asked me to share some thoughts with you tonight. I know you're familiar with the MAC mission, so tonight I'll share some thoughts from a different perspective.

I've just come from an assignment in Washington, D.C. I don't need to remind you that a key topic in Washington for some months now is "change," "transition." In the Air Force the subject is the same—almost identical words—"change," "transition"—the impact of it all.

Contrary to a popular perception . . . the military is not staid, conservative, and traditionalist. We're dynamic—always in a state of transition. We have to be. The society that supports us is changing. The threat we face is changing. The technology we rely on is changing. Running through the web of transition are common threads of purpose. These time tested principles weave the traditions, or—better said—the points of reference of a competent military force.

Briefly stated, they are—know your enemy—be ready to engage him—be professionally and technically able to defeat him. In this sense, the military man is indeed a traditionalist—history vindicates this kind of conservatism.

Our society is rightfully concerned about the welfare of all. We try to balance our resources between the needs of national defense and the needs of the individual. The military does not, and should not, decide its share of resources. Priorities are decided, and resources are allocated, by our elected leaders.

Our elected officials also decide national policy. The military does have a very special responsibility. We provide our best judgment—our advice, if you will—as to what resources—manpower, equipment, and technological development—we need to provide national security in the future.

Inherent in this relationship is the hazard of delay—of too little too late. Perhaps this delay is caused by disbelief of military assessments (both threat and need)—perhaps by the perception of some that the military is self serving—perhaps our society lacks an appreciation of the magnitude of the threat. We solve problems by public debate and it takes time to reach a consensus. Whatever the reasons, too frequently in the past we have entered conflict ill-prepared—and suffered more casualties than would otherwise have been necessary. Sometimes we almost lost before the enormous power of the nation could be focused. This is a problem for a democracy that Sir Winston Churchill described: his commentaries concerning England during the 1930s have a contemporary ring.

Now I do not suggest that we change our democratic processes—to the contrary—our processes are a major source of national strength. I do suggest that considering our abhorrence of war, our preference for individual pursuit, and the demands of domestic causes upon our treasury, that the allocation of resources to national defense will likely always—in peacetime—be nearer the lower end, rather than the higher end, of the prudence scale.

We have to allocate our resources wisely. Congressman Melvin Price (democrat, Illinois, Chairman of the House Armed Services Committee) has noted: "National defense is not in competition with social programs.

"There is no and/or conjunction in the U.S. Constitution.

"The constitution says we shall 'promote the general welfare and provide for the common defense.' It does not say we should do one or the other."

This, of course, places a high premium on judgments concerning national security and on what the military does with the resources it is allocated. Any future conflict will probably come suddenly—there will be no time to divert resources to a military buildup such as we saw in World War II. We'll have to fight with what we have. Under these conditions, there is very little margin for judgmental error.

With that in mind, let's review Soviet and United States capabilities and how the U.S. has responded. We see important changes in the Soviet threat and the relative position of the U.S. Perhaps the most fundamental change lies in America's strength vis-a-vis the Russians. We no longer have the nuclear monopoly we enjoyed in the 50s—that's changed. We no longer have the nuclear superiority we enjoyed in the 60s: That likewise is a change. Today, we seek to maintain nuclear parity—essential equivalence—whichever term you prefer—and of course that is a change.

Historically, the Russian military was primarily a defense force—their defeats of Napoleon and Hitler were defensive victories. For a time after WW II, the Soviet force structure supported that logic. That is not the case today.

One does not have to see Soviets lurking behind every bush to take note of their extraordinary military buildup—steadily, over the last several years, they've developed a new family of fourth generation ballistic missiles. Today we see the result—four new missiles, the SS–16, 17, 18 and 19. Now they're working on fifth generation missiles; they think ahead. Likewise, they've developed a very long range submarine launched ballistic missile—it's already in service, and has a range of over 4,000 nautical miles. At least two kinds of large nuclear submarines carry them. In addition, they are testing two entirely new ballistic missiles for their growing submarine fleet. They have two supersonic bombers (one, the Backfire, is new) and they have several new high performance fighter aircraft. They continuously re-equip their large armies with all the latest equipment and at the same time, they continue to develop even newer equipment. The Soviet Navy has developed—in the last twenty years—from a defensive coastal patrol force to a technically and operationally competent blue water navy. We now see the Soviets in large exercises and global manuevers, developing tactics and command and control and training their forces.

So, not only is there a change in the size of the threat—there is a change in its dimension. No longer are aircraft and ships designed for a purely home defensive oriented role—the Soviets now have great offensive capabilities and the mobility to project their power far from their homeland.

I don't claim to know how the Soviets plan to use their enormous military power. Trend lines indicate they intend to have the most powerful military force in the world. They understand fully the use of the military to project national power and influence other nations. And they can pose very serious problems to any who choose to confront them.

And permit me to point out one more change in the threat—a change in strategic thinking about nuclear war. According to some analysts, there is some evidence that the Soviets now believe—and may have for some time—that nuclear war is both thinkable and survivable—even capable of producing a victor. A major factor in this belief is the wide gulf between Soviet civil defense preparations and our own. We calculate the USSR is spending more than a billion dollars a year on just this one facet of their military preparations. They disperse population and manufacturing centers, stockpile food, build bomb-resistant facilities, and their people undergo realistic disaster training that begins in grade school.

This is an international, high stakes poker game. The other players have some pretty good cards—and they don't mind backing them up with the blue chips. They don't mind reaching into the family food money to stay in the game; they believe that the ultimate pot will make it all worthwhile.

These changes in the threat have got to be a concern to the American people and to the military they expect to counter it. Yet—our response to the increased threat has been a decreased military budget—not in absolute dollars which we all know reaches a new record each year—but in the all important buying power which has declined some 40 percent since 1964. Yes, we're spending more dollars but, thanks to inflation, those dollars buy less.

Some important changes flow from that, as you might expect. Let me describe a few of them. First, numbers of people. In the early 1960s—before the southeast Asian war—the Air Force had some 856 thousand people on board. During the Vietnam era, we peaked at about 905 thousand. Today's peacetime Air Force numbers about 572 thousand—and we may reduce more. We have now the smallest Air Force since the Korean War days. Twenty years ago, we were operating out of 280 bases. Today, right at half that many. Twenty years ago we had 22,000 aircraft—today we have about a third of that. During the last several years, our procurement of new aircraft has been austere. The Air Force has been buying new aircraft at a rate of about 150 aircraft per year since 1971. This year we plan to buy 181 new aircraft. We are reversing this downward trend: In fiscal year 1977 the Air Force plans to buy 223 new aircraft followed by 335 in fiscal year 1978. So, we have seen downward quantitative changes. The Air Force has changed over the past decade—and, like transition operations anywhere—impact is always a concern.

The answer for the Air Force has been a close, hard look at ourselves. We found standard management options weren't the whole answer. I've told you we've cut people. For example, during fiscal year 1973 and 1974, the DOD was reduced by about 100 thousand people a year, but we found that the percent of our budget going to people remained the same.

Resource cutback produced the same phenomena. Since fuel costs were so high, we cut back flying hours. We used simulators and retired some 400 support aircraft. Although we cut our fuel consumption by 50 percent, we didn't save any money—our fuel costs doubled.

We have been challenged to economize in every area—trying to make the right reductions so that we minimize any harm to our effectiveness—in fact—to somehow improve our effectiveness to meet the changing challenge. We have reduced some headquarters, totally eliminating others, and sought greater efficiency through better organization. We've consolidated troop transport and cargo aircraft into one airlift force. We've sought increased productivity, reliability, and maintainability. We did well I think—because when you get to the bottom line—the result of changing times is the leanest, trimmest air force in history—but one that is combat capable—one that can do a big job, an air force second to none.

We have traded off people, research, development, and some modernization—traded the future for today and of course, sooner or later, you have to do something about that. Today's force is a ready force—we stress readiness—we are working hard to insure that we can counter aggression anywhere in the world, and thus maintain the peace. We test our operational readiness in a number of ways—from the most realistic "aggressor" training in the Nevada desert (some of our own people think and fight like the Soviets) to the cold of Alaska, to increased deployments to NATO bases in Europe. A good test was the Korean incident when those two good people were murdered in the DMZ. We demonstrated our resolve. The day it happened, we had an additional F–4 squadron on the ground in Korea—it came in from Okinawa. The next day, we had an F–11 fighter bomber squadron in place—the result of a non-stop trip from Idaho to Korea, and on alert immediately. And, of course, the B–52s from Guam were over South Korea quickly. Peace was maintained because we had the right kind of power where and when it was needed to keep the peace.

Command and control, industrial readiness, and modernization all have claimed our interest and time as we strive for an increased state of readiness—and we are achieving it. Two factors have been a key to the readiness picture—have helped offset the quantitative trends by making qualitative improvements: machinery and people.

We're developing and buying a number of outstanding new weapons. Each brings tremendous qualitative improvements for today and for years to come. Each brings increased readiness—increased capability at a lower cost for maintenance and support.

I am speaking about new aircraft like the F–15, the world's best air superiority fighter aircraft. I'm referring to the A–10—especially designed to attack and destroy enemy tanks and provide close in support for our troops who will be slugging it out on the ground. And we look forward to the lightweight, low cost air combat fighter—the F–16; to improvements in airlift through the advanced medium short takeoff and landing aircraft—the AMST—as well as the much needed advanced tanker-cargo aircraft—the ATCA. We are looking at stretching the C–141—making a good airplane even better.

The airborne warning and control system—the AWACS—will afford us the opportunity to locate and attack an enemy's Air Force before he is in a position to strike our forces and troops. This system is a technological breakthrough housed in a Boeing 707—and it has been described as the single greatest advance in command and control since warfare began.

And, of course, the B–1 Bomber, a thoroughly tested and capable aircraft.

If we can continue to acquire hardware of this type, aircraft that are far more capable as well as cheaper to operate and easier to maintain, we can continue to offset the Soviets' quantitative trends with our qualitative improvements.

We believe we are on the right course to readiness—whatever the composition of the force, it will be ready to fight with what it has.

The pace of our modernization program is dependent upon resources allocated by national policy makers. Recent signs have been encouraging. At long last—our society is supporting defense budgets that reverse the downward trends in real buying power we've seen for the last several years. We hope we are seeing a change which will abide at least through our modernization program.

With respect to change, our people have also been significant. The Air Force has benefitted from the all volunteer concept. We imposed stiff recruiting standards and these standards have produced measurable dividends—in terms of reduced attrition and fewer disciplinary problems. Today, over 95 percent of our enlisted people are high school graduates—not that a high school diploma makes for a better airman—but we do find people who have completed high school have a better record of completing whatever else they undertake.

However, we are now having to work harder to obtain the high quality recruit we want. Competition from other services and industry is getting tougher. Waiting lines which once characterized Air Force recruiting no longer exist. We have to work harder to convince young people that we represent a "way of life" that offers challenge and opportunity for growth.

Our nation benefits from a close affinity between the civilian and military sectors of our society.

The motivation of professional military men and women has not been remuneration, as much as has been a "calling" or dedication to the higher principles. I know of none who undertook a military existence because they expected large material benefit. On the other hand, military people are sensitive to their benefits. Benefits represent not just equity—but importantly also—a manifestation of society's empathy and interest. When our military was larger and practically every family had its own military representative—brothers, sons, sisters, nephews—the society also felt the "calling," albeit in a surrogated way. A fusion was present between the military and civilian sectors. We may now be seeing a change in this very basic part of being in the service—a subtle shift where the values of the "market place" are threatening to replace the values of the "calling."

We may now be entering an era in which our society, having "hired" a military force to handle its security—and with a less broadly based family connection—will lose interest and the fusion will diminish. As military people perceive their benefits eroding (and right now they do) and they perceive little appreciation of their situation, some will be tempted to turn to the unions waiting in the wings.

So far, several unions have shown interest in organizing military personnel—but most recent activities have been aimed at reservists. One major Federal employee union amended its constitution to permit military membership, and is currently conducting a referendum to determine rank and file support before an organizing drive is approved. Still, if there were an attempt to unionize the services in the sense most of us understand "unionize"; that is—strikes, collective bargaining, compulsory consultation rights, etc.,—it could obviously jeopardize our basic ability to fight and would undermine the readiness we have been talking about.

There are no easy answers. Too many economists work this problem from a short term perspective and without an understanding of deeper requirements of military service or the long term implications of their actions. The military must move forward with society, but not in the image or fact of "hired hands."

Our nation's military leaders will continue looking out for our people's welfare. We will continue working to maintain those aspects of service that separate the traditional American concept of the citizen-soldier from a mercenary force.

Let me wrap this up for you. Most change we welcome—one change we hope happens quickly is reversing the decreasing buying power trend that has cut into our research and development and new procurements. The present budget gives us a hope that it is changing. Some changes we don't want to see—like a change in the quality of our people.

In a world of change—the Air Force will stay very much involved—a veteran of transition—with a record of doing it smoothly, and with the support of our society we will not lose the ability to do our job—preserve the peace. In the past, we have offset the increased change in the threat and the downward changes in buying power by qualitative efforts in modernization, readiness and people. We try hard to serve our country well—and that won't ever change.

We need the help of the American people. The interest and understanding this community shows, as you have for 35 years, is our best insurance that this Nation will survive and prosper.

CONSUMER PROTECTION

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. GINN. Mr. Speaker, the Savannah Morning News earlier this year commented in an editorial on the proposal to create a Consumer Protection Agency. As a matter for information, I ask that this article be reprinted in the RECORD at this point:

CONSUMER PROTECTION

During the Ford administration both houses of Congress passed bills to create a Consumer Protection Agency, but the threat of a Ford veto prevented final action on this measure.

Now that President Carter is in office it seems likely that the agency will come into existence. Many people will no doubt applaud this development because being pro-consumer is almost like being pro-motherhood. Nevertheless, we are not convinced. Attaching a noble idea to a plan does not always insure the nobility of those who support and implement it.

What bothers us about many "consumer advocates" is that their dislike for business sometimes seems to exceed their concern for consumers. Rarely in their discussions does one hear how our market system has served the public with a rich abundance of goods. Instead they often give the impression that business is a consumer-swindling ogre that must be strictly controlled and regulated.

Such an outlook, we fear, would tend to guide policy-making at the proposed Consumer Protection Agency. The results would be of dubious value to the American people.

If consumer advocates really want to render a service we suggest that they broaden their range of indignation. Along with denouncing the sins of business, which certainly exist, they might also look to the hiring and work practices of labor unions which increase the cost of living for everyone.

They might also want to look at the growth of government. Were it not for excessive public spending consumers would have more hard-earned money to consume with. Other matters for their attention are the government agencies and regulations that inhibit competition. Here again, the effect is higher prices.

It is significant that even leading consumerist Ralph Nader has commented on this situation. Still his conviction is unshaken that more government is the solution to consumer problems.

This is a faith we cannot share. No human system will afford perfect protection for consumers, but the best hope is an informed buyer and a market system that functions effectively. The creation of a new agency is just one more step in the wrong direction.

PRECLEARANCE OF FOOD ADDITIVES

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. ASHLEY. Mr. Speaker, when the Federal Food, Drug and Cosmetic Act was amended by the Food Additives Amendment of 1958 to require preclearance of food additives, no one seriously believed that substances which presented essentially "no risk" would be subject to preclearance requirements. The bill that I am introducing today would establish, consistent with the public health, an objective standard for determining when preclearance requirements are truly necessary and appropriate to protect public health.

The practical importance of this bill cannot be emphasized too strongly; the uncertainty in the definition of a food additive fostered by the Food and Drug Administration generates an expensive, unjustified regulatory burden which must ultimately be paid for by the already overburdened consumer. Costly toxicological studies on substances which find their way into food in vanishingly small quantities and the inefficiency inherent in conducting business in an uncertain regulatory environment increase the cost of food packaging without contributing one iota to insuring its safety.

The type of direct financial impact that this uncertainty can cause to the average businessman is demonstrated by data recently sent to me by a manufacturer of polyvinyl chloride—PVC—packaging for food and drug products who employs over 200 people in my district. As a direct result of a 1975 FDA proposal—yet to be finalized by the Agency—to ban PVC packaging for certain food-contact applications based on what I believe was an erroneous interpretation of the phrase "may reasonably be expected," this manufacturer has suffered a loss of $1,400,000 of business, has only tenuously maintained another $2,000,000 and has been effectively precluded from expanding into new markets.

The number of jobs and amount of capital investment riding on FDA's day-to-day interpretation of this key jurisdictional phrase is enormous. Only by establishing an objective standard for defining an indirect additive can stable, efficient operation of this important segment of the food packaging industry be restored and the original intent of Congress reestablished.

In 1958 the minimum detectable quantity of a substance which migrates into food was generally several parts per million and it was reasonable for FDA to act on the basis that safety could be equated to detectability; however, state-of-the-art analytical techniques are now capable of detecting concentrations of substances well below the level at which there is any common sense question of safety. FDA's continued reliance on detectability as a shortcut to safety is now contrary to public policy; each improvement in the sensitivity of analytical techniques further impugns the validity of its approach. In addition, the problem of defining a food additive is complicated by the fact that FDA's concept of what constitutes a proper test for nondetectability is apparently subject to change without notice. What is urgently needed are workable criteria by which one can determine how the requirements of the act will be applied.

Mr. Speaker, fundamental fairness requires an objective standard for manufacturers of packaging materials to determine whether a given packaging material is a food additive or not; they cannot be required to chase a moving target. The strict standard for criminal liability under the act demands that a precise, reliable standard be established.

Once the need for such a standard is appreciated, it is imperative that it be set at a low enough level so that the risk to human health presented by these trace migrants from packaging materials can be safely dismissed as insignificant.

As far as I know, the concept of toxicological insignificance was first proposed by Dr. John P. Frawley in 1967. Since then, with some modifications, the concept has been endorsed by the Food Protection Committee of the Food and Nutrition Board of the National Research Council and, for a brief time, by FDA.

I am advised that, at present, with respect to PVC packaging of the type manufactured in many of my colleagues' districts, the residual amount of unreacted starting material, vinyl chloride, that might migrate from PVC packaging into food is not detectable with the most advanced analytical procedures at a level of 1 to 2 parts per billion. Assuming that 2 parts per billion of vinyl chloride were to get into food from PVC packaging, the risk associated with this level of migration should properly be ignored by FDA.

The dietary concentration of vinyl chloride which corresponds to the safe level established by FDA—one possible cancer in a population of one million—for animal drug residues is approximately 30 parts per billion. Even if one were to assume the gross exaggeration that 10 percent of the diet might someday be packaged in PVC, the risk of many developing a cancer from PVC packaging is roughly 1 in 10 billion. Not even a country as advanced as ours can afford to bother itself with such concerns. Surely, there are matters more deserving of FDA's attention than such "nonadditive" situations.

In a prepared statement to the Subcommittee on Health and the Environment of the House Committee on Interstate and Foreign Commerce presented by Sherwin Gardner, Acting Commissioner of FDA, on March 21, 1977, FDA stated its position that regardless of the insignificance of the risk to man, the Delaney clause would prohibit the possible presence of any substance known to cause cancer in animals to be present in food. Ignoring the fact that regulations to permit just such a result had been published for animal drug residues less than one month earlier, this statement fails to recognize that substances which are present at levels high enough to accomplish a technological objective, that is, direct additives, present an altogether different risk than substances which only incidentally become components of food in miniscule quantities, that is, indirect additives.

Analytical techniques are already sufficiently sensitive to confirm that substances migrate to food from every known packaging material. Although the concentration of these migrants may be as close to zero as man can determine with very sophisticated analytical techniques, the FDA position would require a ban of the material if a single carcinogenic molecule is found to migrate to food despite the fact that no real risk is associated with use of the substance at extremely low levels and without consideration of the relative safety of alternative materials. Without an objective level of insignificance, scientific progress could require that all packaging materials be banned for food contact applications since it is probably reasonable to assume that there is at least one carcinogenic molecule in every packaging material and that eventually it will be detectable.

The principal feature of the bill which I am proposing is the establishment of an objective level of insignificance. A standard of five-hundredths parts per million is proposed as a reasonable basis for further consideration and evaluation since it is one that FDA's staff proposed—but never followed through on, for what I am told was purely administrative inconvenience—as early as 1969; a proviso would permit the Secretary of Health, Education, and Welfare to establish exceptions to the presumptive level of toxicological insignificance ultimately adopted. Public health is fully protected since substances which do present a hazard at extremely low levels can still be subjected to all of the preclearance requirements of the act above whatever level is sensibly considered toxicologically insignificant for that substance.

The bill also emphasizes that a determination that a substance is reasonably expected to become a component of food at a level greater than five-hundredths parts per million must be based on intended conditions of use. The fact that, given sufficient time and temperature, a component may ultimately be extracted into some food simulating solvent in excess of five-hundredths ppm is irrelevant to the safety of such material under intended conditions of use. FDA has selectively chosen to ignore this principle in the past; the specific language of this bill should assure that the intent of Congress is faithfully administered.

Mr. Speaker, I feel very strongly that the time has come for a responsible Congress to come to grips with issues of this kind. For 20 years FDA has demonstrated its inability to deal responsibly with food-contact materials that may not reasonably be expected to migrate to food. The incredible overregulation of trace migrants from food packaging materials which has evolved can no longer be tolerated. I feel that we have a duty to restore the rule of reason to the regulation of indirect food additives. I intend to devote as much time and energy as is necessary to assure the passage of this bill and hope that my colleagues will work with me to put an end to this unnecessary regulation of safe packaging materials.

For the interest of the Members, the bill reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 201(s) of the Federal Food, Drug and Cosmetic Act, as amended, [21 U.S.C. 321(s)], is amended by striking out the period at the end thereof and adding as an additional exclusion from the definition of substances which are food additives the following:

"; or, (6) any substances used as a component of food-contact articles provided it is not reasonably expected to contribute more than 0.05 parts per million to the contacted food as determined by analysis of the food after storage under intended use conditions, or by appropriate extraction studies which properly simulate intended conditions of use (in terms of time, temperature and type of food contacted), or by calculation assuming 100 percent migration: *Provided,* That the Secretary may by regulation establish a lower limit for a substance where a determination is made that such action is required to protect the public health."

GAS SHORTAGES PREDICTED 17 YEARS AGO

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. ARCHER. Mr. Speaker, for many years knowledgeable people in the oil and gas industry forecast the kind of energy problems we are now experiencing. A good friend of mine, Lester Van Pelt, Jr., of Midland, Tex., recently brought to my attention some comments made in 1960 by John G. Winger, vice president, Chase Manhattan Bank, and I believe his accurate predictions are well worth reading by my colleagues in Congress:

[From the Dallas Morning News, Feb. 12, 1960]

ECONOMIST TELLS INSTITUTE GAS GROWTH POSES PERIL

"Serious setbacks" are in store for the petroleum industry if the expanding natural gas market isn't brought into proper perspective, the Southwestern Legal Foundation's oil and gas institute was told Thursday.

John G. Winger of New York, vice-president and petroleum economist for Chase Manhattan Bank, declared the price of gas is "much too low," and that most of the profits therefrom are winding up outside the oil industry.

"Most of what the consumer pays for gas," the New Yorker said, "goes to non-industry companies such as the transmission lines and distributers.

"This money is taken completely out of oil industry operations, removing revenue for future exploration. If this trend continues, the United States could eventually become deficient in oil and gas reserves."

Petroleum industry leaders, Winger observed, have failed for many years to "understand that gas is a serious competitor, even more serious than foreign oil."

The banker suggested removal of wellhead price regulation for gas as a solution, but added he saw little likelihood such happening in the near future.

"Eventually, however, action must be taken or the oil industry will suffer serious setbacks," Winger declared. "Cheaper gas power will continue to displace crude until the situation gets out of hand."

Winger said Southwest gas prices are low because producers still consider it a by-product and allocate discovery costs to oil. As gas displaces oil, the result is lower producing allowables, he added.

"This is frightening away capital that otherwise would have been put toward development of additional reserves," Winger stated. "Much of this capital is now going abroad."

Were it not for this "cheap natural gas," he noted, crude oil would have taken the markets lost in recent years by coal.

FEDERAL EMPLOYEE HEALTH SUNSHINE ACT

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. STEERS. Mr. Speaker, today I am introducing the Federal Employee Health Sunshine Act along with 22 cosponsors. I am especially pleased to note that Congresswoman SPELLMAN, chairman of the House Subcommittee on Compensation and Employee Benefits—which has jurisdiction over this matter—is sponsoring this measure with me.

Six years ago as Maryland State insurance commissioner, I opened up to the public previously closed rate-hike hearings. I took this action well before "sunshine" laws became the vogue, recognizing the senselessness of keeping Government decisionmaking processes from the very people they are meant to benefit.

I am dismayed to learn that despite the enactment of the "Government in sunshine" law by this distinguished body last Congress, the Civil Service Commission is still allowed to negotiate Federal employee heath benefit packages with major insurers in secret. As a result of such secrecy, substantial benefit cuts have been made in the past few years, and I suspect that more will be effected in the near future.

This is why I am introducing legislation to inject a little "sunshine" into this closed negotiating process. My bill, an identical version of which was sponsored by my predecessor Congressman Gilbert Gude with many other sponsors in the 94th Congress, requires that subscribers be made aware of the proposed benefit reductions and proposed exclusions of health providers. In addition, the Civil Service Commission would be required to provide a forum for subscribers to voice their concerns about such changes. This forum would not serve as a veto, but merely as a vehicle for consumer input.

I see no justification for keeping the civil servant in the dark when it comes to negotiations conducted in his behalf. From my experience as a State insurance commissioner, I can say unequivocally that private negotiations will more often than not work to the disadvantage of the consumer and that Federal employees and annuitants will be better served under an open process.

It is simply giving the subscribers who pay hundreds of millions of dollars for this insurance a rightful say in these plans which so crucially affect their health care.

Members sponsoring this measure with me are: Mr. BADILLO, Mr. BAUCUS, Mr. BEDELL, Mr. CLAY, Mr. COHEN, Mr. CORMAN, Mr. JOHN DUNCAN of Tennessee, Mr. DON EDWARDS of California, Mr. EMERY, Mr. FISHER, Mr. FASCELL, Mrs. KEYS, Mr. LEHMAN, Mr. DONALD MITCHELL of New York, Mr. RINALDO, Mr. RODINO, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, Mr. THOMPSON, and Mr. WIRTH.

IOWA'S ABILITY COUNTS WINNER

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. GRASSLEY. Mr. Speaker, equal opportunity is one of the great promises of the United States to its people. Unfortunately, the promise is not always kept. In the Third District of Iowa, however, a number of businesses have initiated training programs to provide equal opportunity to one disadvantaged class, the handicapped.

A young man from my district, 17-year-old Todd Ailts of Marshalltown, Iowa, won third place in the national "Ability Counts" writing contest, for describing handicapped hiring, training, and promotion programs in his home town. Todd, the son of Mr. and Mrs. Jack Ailts, is a student at Marshalltown Senior High School. I would like to share his prize-winning essay with my colleagues:

HANDICAPPED PEOPLE AND EMPLOYERS AFFIRMATIVE ACTION IN HIRING, TRAINING, AND PROMOTING QUALIFIED HANDICAPPED PEOPLE

Within the last few years, business and industry in my community have taken great strides in opening their doors to handicapped people, who comprise an estimated 18 percent of the total local population.[1] Affirmative Action policies and non-discriminatory regulations are fast becoming corporate policies in many of the leading companies in Marshalltown.

Spokesmen for Lennox Industries say that the company has nothing but total good will feelings toward handicapped people. "If a handicapped person is qualified for the job," says Doug Brewster, Industrial Relations Manager from Lennox, "there is no doubt about it; he'll get that job."

Fisher Controls of Marshalltown, which employs nearly 2,400 people in Central Iowa, claims that they are probably the only company in Iowa that currently has written guidelines concerning the employment of the handicapped, as required by the Rehabilitation Act of 1973. The law prohibits all types of discrimination in employing handicapped persons by requiring employers with Federal contracts of $2,500 or more to take affirmative action in hiring, training, and promoting qualified handicapped people.

The Rehabilitation Act, judging from its effects in Marshalltown, seems to be a giant step forward in employing disabled people. However, when first versions of the regulations gave exacting rules, hundreds of industry representatives complained bitterly about the amount of extra hours, paperwork, and money needed for compliance with the bill.

Because industries insisted upon developing their own programs in hiring the handicapped, the Federal Government has issued final regulations which represent a philosophical shift. These new regulations do not demand goals or timetables, nor do they require companies to submit a copy of their Affirmative Action Program with the government (a copy of the company's program must be on file in each plant).

Many groups that act in the interests of the handicapped favor the Rehabilitation Act in its original form. Mrs. Helen Settle, a member of the Governor's Committee on Employment of the Handicapped, claims the committee is not satisfied with the law as it is.

"The Rehabilitation Act is not as effective as we would like it to be," says Mrs. Settle, "because it doesn't mandate specific policies and rules as it should. We will be agitating in Iowa State Legislature for more teeth in the law."

Even with the present loopholes in the law, spokesmen for local agencies that deal with the handicapped have very few, if any, complaints concerning the total employment situation of handicapped people. Harry Lake, a specialist from the Marshalltown branch of the Job Service of Iowa, claims that he finds very few employers who will not do everything possible to hire qualified handicapped people. Jack Tompkins, President of United Auto Workers Local 893, reports that all of the eleven major industries the Local 893 serves have "real good attitudes" regarding handicapped employment.

My community is one of leaders in assisting the handicapped, not only in employment, but in helping them solve their day to day problems. The local committee for Employment of the Handicapped has, since its establishment in 1973, changed the city building code so that it now requires all buildings constructed for public use to be made accessible to handicapped persons. The committee has also established a "sticker policy" which allows handicapped people to park close to local businesses, and, as a result of the committee's action, the city has formed over 70 ramped curves in the downtown business district enabling handicapped persons, especially those in wheelchairs, to shop with much less difficulty.

Marshalltown is setting an excellent example for other cities to follow, for both civic achievement and public awareness are extremely high in my community. Affirmative Action programs with non-discriminatory policies and total good will feelings, such as Fisher Controls and Lennox Industries, respectively, are giving handicapped people a promising future in their quests for normal, productive lives.

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NOT ALWAYS BETTER THE SECOND TIME AROUND

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. DORNAN. Mr. Speaker, about House concurrent resolution 214, the first concurrent resolution on the budget.

The profligate spending habits of the Democrat members of the Budget Committee were again demonstrated in the legislation passed yesterday, May 5.

The second time around, it was still bad.

The projected spending levels set in that resolution are based upon the faulty notion that the Congress can, through larger Federal deficits, further stimulate the economy without fueling inflation.

Not only is this approach a discredited one, but the majority party's adherence to it in this body has proven costly to the American public in terms of reduced production, increased unemployment and higher rates of inflation.

Had President Ford's budget proposals for the past 2 years been accepted by the majority in Congress, we would now be within grasp of a balanced budget. The actual achievement of that goal might have been a reality by fiscal year 1979.

Instead, the new administration, with more than ample assistance from the majority cohort on the Budget Committee has decided that it would be "appropriate" for the country to increase deficit spending by 12 percent and run up a deficit of $66.2 billion in fiscal year 1978. This course of action—if accepted—would put a balanced budget completely out of reach for the foreseeable future.

In view of this fact, I cannot see how President Carter intends to keep his promise to the American public and balance the budget by the end of his term in office. It reminds me of the fat lady who promises to lose 20 pounds in between mouthfuls of chocolate cake.

Mr. Speaker, there are some clear-headed Members of Congress who know that one cannot promise a balanced budget in between mouthfuls of $60 billion deficits.

Some Members of Congress—including the minority members of the Budget Committee—have a more intellectually honest way of providing for a strong, healthy economy and balanced budget. They would:

First. Provide for an across-the-board individual tax rate deduction of 10 percent so that the crippling tax load borne by our citizens would be lightened.

Second. Cut the deficit by 20 percent so that the strain on the budget caused by back-breaking interest payments would be relieved.

Third. Control the growth of the money supply so that inflationary pressures would be eased.

Fourth. Business taxes—so that there would be money left for new jobs.

This approach would provide for a steady upward growth in the economy by increasing investment, expanding production, and opening up millions of new permanent private sector jobs. By limiting the growth of the money supply, inflationary pressures would be stabilized in an expanding economy.

In conclusion, Mr. Speaker, I must say that I am extremely disappointed and discouraged by the actions of the majority on the Budget Committee.

Real growth requires real solutions. Real solutions will not be found in the sheltered halls of committees and Congress or in pork-barrel programs. They will be found only within the framework of a market economy. The continued expansion of the deficit of the Federal Government, as contained in this resolution, means more economic uncertainty, increased inflationary pressures, and sustained long-term unemployment.

I voted against the budget measure, and I respect my colleagues of both parties who did likewise. The American taxpayers are screaming get off our backs, leave the market alone and cut Government spending. Why are we not listening?

1977 LEGISLATIVE QUESTIONNAIRE

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. PATTEN. Mr. Speaker, each year I mail a legislative questionnaire to my constituents, because their views on both domestic and foreign matters are important to me, as well as to them.

Four of the questions cover domestic issues, and two are related to foreign areas. The six questions follow:

1977 LEGISLATIVE QUESTIONNAIRE

Congressman Ed Patten Would Like Your Opinion On These Questions:

1. President Carter's energy plan would increase the gasoline tax by 5 cents a gallon a year until 1988 if people do not conserve. Would you be willing to cut your use of gasoline by about 25% to avoid such a tax increase? Yes; No; Undecided.

2. To help reduce unemployment, do you favor the following programs?

Yes; No; Increase public service jobs.

Yes; No; Put people to work on construction of public works projects.

Yes; No; Cut individual and business taxes to spur the economy.

3. Do you think that the minimum wage should be tied to the cost-of-living? Yes; No; Undecided.

4. Would you favor mandatory detention for those who are charged with committing crimes when they are out on bail in connection with an earlier crime? Yes; No; Undecided.

5. Do you think the U.S. should reduce its financial support of the United Nations (U.N.)? Yes; No; Undecided.

6. Do you approve of the Administration making Human Rights a primary factor in U.S. relations with foreign governments? Yes; No; Undecided.

COST EFFECTIVENESS AND QUALITY PATIENT CARE: AMENDMENT TO H.R. 3

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. KOCH. Mr. Speaker, the existence of widespread fraud, waste, and inefficiency in the medicaid program is a matter of public record. H.R. 3, the medicare-medicaid antifraud and abuse amendments, of which I am a cosponsor, will soon be before the House for consideration. The bill is a giant step toward insuring the financial integrity of the medicaid program, but, unfortunately, relies almost exclusively on expansion of Federal bureaucracy to protect the public treasury from shameless profiteering and bumbling administration. Escalating Government involvement in health delivery must mean more than creating new squadrons of medicaid auditors and reams of new regulations. We must remove from the legislation requirements that have precluded the effective administration of the billions of dollars that have been invested in the medicaid program over the past decade.

When H.R. 3 reaches the floor of the House, I will seek to correct one of the legislative provisions that was incorporated into the medicaid program at its inception—"freedom of choice." This provision permits a medicaid recipient to receive federally reimbursed health care at any time from any number of providers wishing to participate in the medicaid program. The motivation for the freedom of choice provision was laudable: it was designed to prevent the creation of a class-based medical care system in which poor people would be segregated to specific health care providers while the upper and middle class remained free to choose any desired treatment source.

In practice however, freedom of choice has not had the result intended by the original legislation. Indeed, quite the opposite: in New York City, 63.9 percent of all medicaid reimbursement payments to physicians in the second quarter of 1975 were made to 10 percent of the total number of physicians treating medicaid patients. Among dentists, 68.3 percent of the funds went to 10 percent of the practitioners involved. In clinical laboratories, 17 of the 253 clinical laboratories located in New York City accounted for more than 60 percent of the total medicaid billing. In addition, the requirement has grossly inflated the cost of the medical assistance program. As Governor Carey said in his state of the health address to the New York Legislature:

> Freedom of choice has not guaranteed to Medicaid recipients equal access to our finest health providers, what it has done has been to guarantee that all providers, even those who are incompetent or inefficient, have equal access to Medicaid dollars.

In order to insure that cost-effective quality care is offered to all medicaid patients, I will offer an amendment to H.R. 3 that will permit the Secretary of the Department of Health, Education, and Welfare to waive the freedom-of-choice requirement if a State can demonstrate that it can offer health services through an alternative method which is cost effective and of the same quality. Let me share with you some of the suggested alternatives.

A recent proposal outlined by Richard W. Nathan and James Posner, consultants to the New York City comptroller on health care issues, would require that medicaid patients select a licensed primary care physician in their borough of residence. The patient would be entitled to change the name of the selected doctor, but while enrolled with a particular physician, whose name would be recorded on the medicaid card, reimbursement for primary care would only be made to that doctor.

The chosen physician would provide all primary care and would be responsible for referring patients to secondary care sources as needed. Women could choose a gynecologist and families with children could choose a pediatrician. Reimbursement for emergency care would always be made to any provider.

This modification of the freedom-of-choice provision would help eliminate "doctor shopping," "ping ponging," and the use of more expensive hospital facilities for nonemergency care while at the same time insuring that quality care is being offered to medicaid recipients. One physician would be familiar with and responsible for a patient's care, encouraging a greater continuity of care and the development of a more stable relationship between doctor and patient. The estimated annual savings to the New York City medical assistance program in this area of primary care alone is $37 million.

Prescription drug provision is another facet of medical treatment where freedom of choice is unnecessary and costly. One alternative to the present system of permitting patients to go to the pharmacy of their choice would be to contract with a set number of pharmacies in each postal zone to fill prescriptions for medicaid patients. This modification would permit the contracting pharmacies to purchase drugs at bulk rates. The difference between wholesale and bulk purchases is significant. For example, for 100 tabs of 500 milligrams of Ampicillin there is a difference between the wholesale and bulk rates of 90.4 percent. Price differences on other standard drugs range from 13 to 305 percent.

By contracting with specific pharmacies, bulk purchasing rates could be used as the basis for determining reimbursement rates, insuring the realization of savings by the Government. Quality could also be more closely monitored if a fixed number of pharmacies were providing services.

My final example of an area where freedom of choice presently encourages excess cost and inferior service is that of clinical laboratory service. The principle here is even more meaningless than in the provision of primary care. Dr. Martin Paris, associate commissioner and director of the Bureau of Health Care Services of the New York City Department of Health, recently stated in testimony before the Subcommittee on Health and the Environment of the House Interstate and Foreign Commerce Committee that patients never choose the clinical lab at which their tests are done, and that, in fact, a patient has no basis on which to make such a choice. Dr. Paris aptly likened a patient's freedom of choice of a clinical lab to permitting the patient to choose his physician's stethoscope model.

Yet, freedom of choice is enforced in this area, preventing an attempt last year by the New York City Department of Health to implement a cost-saving quality enhancing program of centralized clinical lab services.

In 1975, the New York City Department of Health initiated a program to reduce its $12 million annual payments to independent clinical labs, by letting out a contract for lab services to one laboratory in each borough, selected on the basis of competitive bidding. The $12 million figure represents only a part of all medicaid lab costs—it does not include services performed by hospital outpatient departments, emergency rooms, or free standing clinics, nor the free services of the New York City Department of Laboratories. The contract price was to be set at the lowest of either fixed annual cost or a per test price, multiplied by the number of tests actually performed. All the tests were to be charged at the same unit price eliminating the impetus to order more complex procedures. The annual price ceiling would also discourage the performance of unnecessary tests.

The terms of the contract required the five participating labs to meet standards far higher than most present neighborhood labs meet; to maintain patient profiles to be provided to physicians by telephone; to keep records by physician of test ordered, and to participate in a blind specimen quality control program stricter than any in operation in the United States.

The bids on the contract were extraordinary, coming in at a maximum of $5.7 million for services which under the freedom of choice system were costing the city $12 million annually. Furthermore, the contract was to be renewable at the city's option for 2 additional years at the same price, preventing for 3 years a continuation of what had been an annual 31 percent increase in cost. Dr. Paris estimated that the savings over a 3-year contract period would be $30 million, 50 percent of which would have been Federal moneys. But because of the freedom of choice requirement, a suit filed in Federal Court by lab owners successfully prevented the implementation of this cost-saving program. Even the U.S. attorney appearing on behalf of HEW admitted that freedom of choice did not meaningfully exist in the provision of lab services.

A 2-year pilot in one borough of the city was authorized by the court, but has not been implemented. Instead, the city department of health cut the fees for clinical laboratory services by 50 to 60 percent, demonstrating the inflated level of the reimbursement schedules. The saving achieved by the lower reimbursement schedules, estimated at $3.75 million annually is welcome. Unfortunately, the savings will be achieved at the risk of lowered quality. The lower rates will encourage smaller labs, whose technology does not permit the efficiency needed to provide service at low rates, to cut costs by cutting corners, at the expense of the medicaid patient.

In conclusion, Mr. Speaker, because of the failure to employ good business practices, the cost of medicaid is like a millstone around our necks. We must use Federal dollars to restructure our health care system. The enormous leverage of public funds can actively prod our health care providers to deliver efficient and innovative care. As the Medicaid Task Force of the National Governor's Conference chaired by Governor Busbee recommended:

> States must be allowed in certain cases to determine which health service providers a recipient may use, if the same quality care can be purchased at a lower cost.

My amendment will give the States the flexibility they need to reduce costs while at the same time insuring adequate Federal monitoring to guarantee quality care. It is incredible that the States want to control prices and they are prevented from doing so by a Federal law.

I append the text of my amendment:

A bill to amend title XIX of the Social Security Act to permit the Secretary of Health, Education, and Welfare to waive the freedom of choice requirement of a State medicaid plan

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended by adding at the end thereof the following paragraph:

"The Secretary may waive the requirement of paragraph (23) if he determines that the State plan provides for a method of making medical assistance available to eligible individuals which is cost effective and which is of the same or better quality in comparison with the method under such paragraph.".

JUSTICE FOR THE HANDICAPPED AMERICANS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. BRADEMAS. Mr. Speaker, the promise of equality of opportunity for handicapped people has been long overdue, but with the signing last week of regulations to implement section 504 of the Rehabilitation Act of 1973, the first major Federal law guaranteeing the civil rights of disabled individuals has been put into action. A new era of opportunity has begun for millions of handicapped Americans, for section 504 insures the rights of disabled people to lead productive, useful lives.

As chairman of the Subcommittee on Select Education, with responsibility for section 504 and for Public Law 94–142, the Education for All Handicapped Children Act of 1975, guaranteeing the rights of handicapped children to an education, I have been privileged to participate in the formulation of this legislation that can help fulfill our country's promise to its disabled citizens.

I am pleased at this point, Mr. Speaker, to insert in the RECORD a thoughtful article by George F. Will on the section 504 regulations which appeared today in the Washington Post:

[From the Washington Post, May 5, 1977]

SYMPATHETIC JUSTICE

(By George F. Will)

Handicapped persons are acquainted with disappointment, and they have experienced much of it since 1973, when Congress grandly declared that "no otherwise qualified handicapped individual . . . shall solely by reason of his handicap" suffer discrimination under any program or activity receiving federal financial assistance. In this heavily subsidized society, that can have a broad reach.

But such broad sweeps of sentiment are law only in a hollow, technical sense. They require the executive branch to make regulations that "make" the law.

The Department of Health, Education and Welfare, which is not reluctant to write regulations, wrestled with the task of giving substance to Congress sentiments. Recently, after more than three years, it produced 48 dense pages of rules, plus 106 pages of related documents.

With feigned precision, HEW guesses that the new requirements will cost society (especially school systems) $2.4 billion. Actually, no one knows even how many people (it's probably more than 40 million) are "handicapped" in the sense of having "a physical or mental impairment that substantially limits one or more major life activities." But the significance of the regulations is that now the nation must stop rationing citizenship, must stop allocating to the handicapped only as much as is convenient.

The regulations require elimination of physical barriers to the handicapped wherever federal funding is involved. And they stipulate that handicapped children, regardless of the nature or severity of the handicap, are entitled to free public education appropriate to their needs.

Public education has been the distinctive American right. The extension of it, especially to the mentally handicapped, will generate legitimate controversy. Imagine, for example, the agonizing judgments required by the rule that the handicapped must be educated with the non-handicapped in regular classrooms "to the maximum extent appropriate."

The new rules require an endless exercise of sensitive discretion by public officials, especially at the local level. In this regard, they demonstrate the difficulty of much of what modern government does.

To be fully effective, the new HEW regulations really require a degree of social sensitivity that, if it existed, would make the regulations unnecessary. They are an attempt by the central government to improve society's treatment of the handicapped in face-to-face situations, and to manage this improvement by codifying standards of behavior that are better than prevailing standards.

Modern government has extended the citizen's claims of entitlement, and now the handicapped are moving toward full citizenship. This has been a long time in coming because the handicapped are a varied and often invisible minority, invisible in part because of discrimination. This discrimination often involves a natural human failure of "imaginative sympathy," a failure by the majority to imagine how life looks to persons less fortunate.

I collect comical examples of such failure. In the 1920's a Beacon Hill dowager, told that many Boston homes lacked indoor plumbing, exclaimed: "You would think the people who live in them would have found out before moving in!" In the 1930s an industrialist declared that it didn't pay to run radio advertising on Sunday because "everybody is playing polo." Gov. Nelson Rockefeller told an audience that the tax burden falls "on the average person like you and me." Charles Reich, a Yale professor trendy in the 1960s (he wrote "The Greening of America"), said he had attended prep school, an Ivy League college and law school, "like everyone else."

But failure of "imaginative sympathy" by government is common, and not comical.

A society deficient in "imaginative sympathy" surrounds the crippled with thoughtlessly designed facilities that provide no convenient access for wheelchairs, facilities that shout society's indifference. A society deficient in "imaginative sympathy" consigns the retarded to "education" programs that reinforce rather than ameliorate the cruel capriciousness of nature, and express through exclusions from basic rights the barbarous thought that weakness is akin to crime in the kingdom of the strong.

The new regulations announce the beginning of a costly but welcome era. Nothing the Carter administration will do in the next three years will touch so many lives that are ready for a touch of justice.

MR. PERSONALITY OF 1977

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. FARY. Mr. Speaker, I would like to pay a special tribute to a talented and skilled musician, Stan Lee (Wesoly Stas) Lyskawa of Chicago. Stan Lee, as he likes to be called, has the rare ability to use his musical skills and combine them with his special flair of humor that has lifted his audiences into merriment since he first began performing.

In attaining great success as a musician, bandleader, composer, vocalist, recording artist, and comic, it is easy to understand why Chicago is recognizing Stan as "Mr. Personality of 1977."

On Mother's Day he will be honored with a testimonial dinner and dance at the Personality Lodge. The Most Reverend L. Abramowicz, auxiliary bishop of Chicago and pastor of Five Holy Martyrs Church will give the invocation. Rev. Walter Szczytula, chaplain of the International Polka Association and associate pastor of St. Florians Church will be master of ceremonies. The posting of colors will be done by the Our Boys Post No. 4684 VFW.

During the testimonial Mr. Johnny Hyzny will present Stan Lee with the 1977 Mr. Personality Award. Every year the award is presented to someone who has been active and popular in the polka field for at least 25 years. Mr. Johnny Hyzny is the founder of the Personality Award and a popular Polka Deejay on Chicago's WTAQ radio. The great "Joe Pat" Paterek and his International Stars Orchestra will perform at the testimonial and the entire affair will be broadcast live over radio WTAQ.

Stan and his impressive band have been heard on local radio stations throughout the Chicago area—WLEY, WHEZ, WHFC, WGES, WOPA, and WTAQ—and the band appeared frequently on the Ron Terry TV Show, WGN–TV, the Zenon Kwaitkowski televised polka party, WCIU–TV, and on WGR–TV West Buffalo, N.Y.

Stan Lee and his orchestra also record for the Chicago Record Co. and Melodia Records. His recording of "Oj Dig A Dig" was one of the first recordings to bring him recognition in the polka field. Billboard magazine gave a four-star rating to his rendition of "Happy Birthday Polka," and most popular with those individuals and polka groups who follow Stan Lee regularly are his three "Sing Along With Stan" albums.

Stan resides on the South Side of Chicago with his wife Irene (Majewski) and and his three lovely children, Barbara, Loretta, and Stanley Steven. Stan was born in Chicago to Joseph and Stephanie Lyskawa.

His years of education were all achieved in Chicago starting with St. John of God School and later on to attend Kelly High School.

Stan recalls that his musical interest started at 9 when he received a one-row button accordion for Christmas. He received no formal music instruction but learned to play songs by ear.

While attending Kelly High School, he made the decision that changed his life, and the lives of thousands of his fans—he decided that the drums were meant for him. He then began drumming under the direction of Capt. Frank Borger, former bandmaster of Kelly High School. Later he studied under Al Vaitis (Al Carter); then with Barret Deems—world's fastest drummer; and finally with Max Mariash, the popular staff radio–TV drummer with the Art Van Damme Quintet.

Stan then began on the long road to fame, playing in lounges, at weddings, and at dances. He then moved up to rathskellers and fine ballrooms playing with various popular groups in Chicago.

Finally he organized his own band and began attracting large crowds with his jovial and humorous brand of entertainment and musical skill—it has been that way ever since.

Beyond his exceptional musical talent Stan has always had one attribute that has set him apart from other musicians and endeared him to his fans—his jovial personality. Chicago now recognizes Stan officially as "Mr. Personality"—a title well placed.

POSTAL REORGANIZATION ACT AMENDMENTS OF 1977

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. BUCHANAN. Mr. Speaker, problems of the U.S. Postal Service have increased greatly since its inception in 1970, and the public and the Congress have seen the necessity of correcting them. My experiences over the years have made me very aware of this need, if the American people are to attain the quality of postal service they need and deserve.

Last year, the Congress enacted legislation which was originally designed to correct some of these deficiencies. However, the final version of it, in my judgment, accomplished very little in the way of substantive reform within the Postal Service. Its main objective was twofold—to give the Postal Service an additional $1 billion subsidy and to establish the Commission on Postal Service. This Commission was to study the Postal Service and make recommendations on how it could be improved.

On April 18 of this year, the Commission's report was sent to the Congress and to President Carter. In it, the Commission indicates that according to its studies, the public would rather have delivery of mail only 5 days a week rather than 6 days, in order to keep down rate increases.

Since the creation of the Postal Service, complaints by postal patrons coming into my office have increased tremendously. Presently, they are about this very suggestion of the Commission to reduce the number of days of delivery.

The repercussions for such action would be extensive. Not only would people at home be inconvenienced by delayed delivery, but many businesses, which depend on Saturday deliveries in order to continue their work and enhance their profits, would suffer. Also, it is estimated that approximately 23,000 jobs within the Postal Service would be lost as a result.

While the Postal Service was created as an independent agency in 1970, it is not economically independent and never will be. Nor, in my judgment, should it be. Financial support for the Postal Service has continued to come from the Congress over the years and thus from the people whom the Service is mandated to serve. Since this is the case, I believe that the people are entitled to adequate and necessary service from it.

In the past, the problem has not been the fact of participation of the Government in the Postal Service, but that Congress would not appropriate adequate funds for modernization, improvements to facilities, or for proper handling of mail; nor would Congress agree to an increase in rates to make these changes possible. This shortage of necessary funds crippled the Post Office Department and caused it to lag far behind the times. Thus, while I am certainly not sympathetic with politices and actions of the present Postal Service, I do feel that it must have more money in order to do a proper job, and that job must be one of sufficient service to the people. This ought to be a Government service to the people like other public services, and substantially funded from the general Treasury rather than totally funded through postal rates.

I am therefore joining my colleague, Congressman WILSON of California, in sponsoring legislation which would provide substantive reform of the Postal Service, return a degree of accountability for decisions affecting it to the President and the Congress, and which would mandate a 6-day delivery of mail by the Postal Service. I urge my colleagues to join me in support of this legislation which would insure the continuance of the services now provided to the people by the Postal Service.

BUREAUCRATIC GROWTH CONTINUES

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. ARCHER. Mr. Speaker, the Houston Chronicle very wisely pointed out the continual growth of the Federal bureaucracy and the danger of adding another level to it. I thought all of my colleagues would benefit by reading this editorial:

BUREAUCRACY STILL AHEAD

During the presidential campaign and afterward, Jimmy Carter frequently talked of how he would streamline the federal bureaucracy.

"We must give top priority to a drastic and thorough revision and reorganization of the federal bureaucracy," he told the Democratic platform committee last year.

After taking office, Carter ordered the White House staff cut by 30 percent from the Ford days as a starter. He also asked Congress for—and this week was granted—authority to reorganize the bureaucracy to "make government more responsive, efficient and open."

But developments in Washington indicate Carter is having as tough a time as his predecessors with that tenacious creature, the federal bureaucracy.

The Carter White House staff, it turns out, is now about 30 percent larger than the Ford White House entourage, and Carter is aiming at a 10 to 12 percent overall cutback rather than the original 30 percent.

And just about the time the reorganization bill was completing its journey into law, Carter was asking Congress to create another independent agency that would still further bloat the bureaucracy.

The President, in endorsing the creation of an Agency for Consumer Advocacy, said the agency would not be "another regulatory agency" but instead would "improve the way rules, regulations and decisions are made and carried out."

No matter, the agency still would add another echelon of government bureaucracy that could, in the long run, hurt the consumer as much as it helps. Imagine one agency attempting to fulfill the broad injunction of representing the best interests of *all* American consumers.

The way things are going now in Washington, it appears the bureaucracy will manage to stay a few steps ahead in the numbers game.

THE NATIONAL ENERGY PROBLEM

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. JACOBS. Mr. Speaker, one of my constituents has written with precision on the subject of American energy. I believe our colleagues ought to peruse his views. The statement follows:

RECOMMENDED GOVERNMENT ACTION REGARDING THE NATIONAL ENERGY PROBLEM

(By Robert P. Atkinson, P.E.)

Our present energy problem is no doubt one of the most critical confronting the United States today. It has a major influence on so many other major national issues, such as, our national defense, our unemployment rate, inflation and our standard of living.

The Federal Government must take immediate action to direct our efforts to *conserve* fossil fuels and to *expand development programs* on other new energy sources, or we will suffer severe consequences. This corrective action may require individual sacrifices in addition to those penalties experienced this past heating season and during the oil embargo. These unfortunate situations are due to our past mistakes and delays.

The direction of our efforts should follow these guide lines.

1. Price increases. While this sounds distasteful both politically and economically, it is fortunate that a conservation program will reduce our fuel needs and will, in whole or in part, compensate for increases in home heating and automotive fuel rates.

2. Oil industry. Encourage industry to increase oil recovery from old wells and to search for new wells in the more difficult areas by providing additional profit incentives because of the increased risks and the need for development of new technologies.

3. Gasoline tax. Increase the consumer tax of automobile fuels on a prescribed schedule, such as 10 cents per gallon to be added each year for the next five years. The consumer can then plan his next car purchase in line with needs and capabilities.

4. Public transportation. Use part of the gas tax to develop public transportation, especially in the larger cities. This will result in the added benefit of reduced air pollution.

5. Decontrol of natural gas prices. This should be done on a progressive basis over a period of three to five years so that the consumer can make changes in existing homes to conserve fuel which will compensate for increased fuel rates. New construction should immediately incorporate fuel-saving changes. The government must provide technical help to show how heat losses can be reduced in existing homes, and in some cases provide financial help in the form of low interest loans. The consumer can recover his expense from fuel savings and repay such loans over a ten to twelve year period.

6. Solar energy. Provide technical information, develop new technologies and provide financial incentives to both manufacturers and consumers to incorporate solar heating equipment in homes.

7. The 1970 Clean Air Act. This act was ill conceived and most untimely, based on the emotions prevailing at that time. True, we need to reduce pollution but this was a sui-

cidal approach to the problem. The solution is not so simple as to "legislate it". This act has had the direct result of accelerating our energy shortage, our inflation and our unemployment problems due to resulting price increases for many products. Immediate changes must be made such as the following:

No power to be generated with natural gas, and convert to coal, at government expense, all power generating equipment that is now using natural gas as a result of the passage of this 1970 Act.

Finance a crash program to develop new technologies for the use of high-sulphur coal without excess air pollution.

Augment the programs to develop public transportation in certain critical large cities and encourage the in-city use of small cars to reduce pollution.

Of future automobile production, incorporate only the optimum anti-pollution devices and systems which will result in not more than a 10% loss in gasoline mileage, as compared to a state-of-the-art engine design having optimum fuel economy.

8. Atomic power. Exert a major effort to develop power generating equipment of the nuclear and breeder-reactor types and develop necessary safe-guards from waste materials and "nuclear blackmail" and any other associated problems. It requires at least 20 years to build effective systems of this type, so we must move promptly to meet future needs. If we do not—other countries will.

9. Conclusion. The availability of adequate energy is so critical to all aspects of the future well-being of these United States that this program must be given the attention that we gave to the "moon shot" program—even approaching that of our defense effort during World War II. We must be extremely cautious of those that would put the environmental problems ahead of our energy problems. The "environmentalist" movement is a good place for a subversive group to "hide". The FBI must know the constituents of such groups so as to know who they really are. The well-being of our country involves much more than our environment and no decision should be made on that basis alone.

EARLE C. CLEMENTS

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. PERKINS. Mr. Speaker, some of the Members of the House who have served a few terms probably know Earle C. Clements of Morganfield, Ky., and I am sure he is known in the Senate also. He served in the House from January 3, 1945, until he resigned on January 6, 1948, to become Governor of Kentucky. During his term as Governor he won election to the Senate to fill Alben Barkley's seat.

But to Kentucky political life, those bare-bone statistics about a little bit of Earle Clements' life do not begin to tell the story. By just about anybody's accounting, Earle Clements is Kentucky's superb political figure—a teacher to thousands of the practices of progressive Government and practical politics.

Mr. Speaker, he showed a lot of people, not excluding this Member from the Seventh Kentucky Congressional District, the avenue to governmental service. He knows it all when it comes to government, and I speak of every level.

He was the sheriff of Union County—the high sheriff they used to say—and he was the clerk of the county, and he was the judge of the county. He went to the State senate, and became majority leader, all before he came to the House as a prelude to his service as Governor.

His hallmark was progressiveness, and he left every office he ever got elected to with his record enhanced by a string of achievements. Presidents, as well as young students of the art of politics and Government, have continued to come to him for counsel, and sometimes for consolation.

Mr. Speaker, I make these remarks about Earle Clements because just last month, at the age of 80, he visited the Breckenridge Job Corps station in Muhlenberg County, to see Job Corps members being trained in strip mine reclamation, and he made some interesting comments in an interview there with the Louisville Courier-Journal. I think these comments have value, and I am inserting them in the RECORD:

EX-GOVERNOR TOURS JOB CORPS PROJECT

(By Bill Powell)

GREENVILLE, KY.—Earle C. Clements said he wished every member of Congress and "every person who makes decisions in the executive branch of government" would do what he did yesterday.

The 80-year-old former Kentucky governor and United States senator visited about 170 Job Corps members who are reclaiming old strip-mine "orphan banks" in Muhlenberg County while learning to operate heavy equipment.

"If they would come down here, and see and hear what I have, I don't think there would be any doubt but what they'd expand every Job Corps center in the nation that has a good record," Clements said.

He also said, in a luncheon speech during his visit, that Breckenridge Job Corps Center in Morganfield, which operates the reclamation-training center as a satellite program, is better managed than it ever has been.

"It is beautifully run (by the Singer Co. of New York). It is the only kind of thing that needs to be done (to provide jobs) in a country that has too many people unemployed," he said.

The Job Corps program, established in 1965, has faced many crises because of mixed feelings about it in the Nixon White House and in Congress. President Carter said in March that he advocated doubling the size of the program.

However, Clements said Congress and others have to be sold on it.

"I like what I have seen here. I like what I've heard. I am impressed, and I believe all the critics would be too, if they saw what is happening here and at the main center," he said.

Clements, wearing a dark business suit and using a light cane, walked over parts of the raw, rough earth where the corpsmen are erasing the old mining scars made before Kentucky's strip-mine reclamation laws were passed.

Some trainees, who were building an air strip for the state where ugly, shale-covered banks and acid lakes used to be, stopped their huge earth-moving machines to talk with Clements. David Lynn, 17, of Florida said with a big grin that he already had qualified to graduate from the center and would leave next week.

Walter Freeman of Gadsden, Ala., said he liked his work and was looking forward to qualifying for a job as a heavy-equipment driver.

Clements, a native of Morganfield who now is head of the Tobacco Institute in Washington, encouraged Freeman and many others, as he went from group to group, to "do your very best to learn this job. Once you learn it, you'll have no trouble getting a good job when you graduate."

Clifford Alston, a graduate of the center in 1973 and now a teacher at the project, stopped the big earth-mover he was on to meet Clements.

Clements also saw a football field built by the trainees, and he visited the spot where they'll soon start to dig a large lake to be filled with rain water from runoff.

He also saw trainees, closely supervised by teachers, clearing trees from the peaks of high spoil banks in preparation for leveling the land.

The project was started in 1972. The government spent $550,000 to construct the shells of barracks, a dining hall, gymnasium, administrative center and other buildings. The students, learning construction skills, have completed the buildings. About 150 trainees have completed the program as heavy-machine operators or mechanics.

"We have a million dollars worth of equipment, but have not bought a dime's worth," said Jim Smith, director of Satellite Center, the formal name of the satellite program.

All of the equipment is government surplus. Much of it has come to the center as junk; trainees restore worn-out machines to what Smith say is "first-class shape."

The Job Corps members started reclaiming 260 acres bought by the state at a token price from a coal company, which was not responsible for any orphan banks. The state has bought 305 acres adjoining the first tract, and the trainees now are working there.

The state will fertilize and seed the land after it is properly prepared. The state is considering using the land for a park, wildlife refuge, farmland "or something on that order," according to Gerald Oettle, director of Breckenridge Job Corps Center.

For Clements, the day was a homecoming. Although he maintains a legal residence in Morganfield, he lives in Washington.

Clements served as county clerk, sheriff and judge—and also was volunteer football coach at Morganfield—before entering state and national politics. He was elected state senator, congressman, governor and U.S. senator, before he suffered his only loss in 10 political races. That was for re-election to the Senate in 1956.

Yesterday, he spoke of the "old days."

"Why, when I started in public office, we had never heard of strip mining around here," he said.

He said "it is good to see these young men doing something for public land, but better to see them learning a trade."

He said that he saw no way of using such a program on private land, but that perhaps spoil banks can be eliminated some other way. Kentucky has thousands of acres of the orphan banks lying useless, covered with shale and meager growth.

Clements said he could think of no better way than the Job Corps to "take young men off the streets, young women from places they ought not to be, and teach them a skill. It will restore their dignity."

He said "people in Washington say Breckenridge Job Corps Center is the best one in the nation. (It is the largest.) Well they're saying that, I'm not. But I can tell you that if it isn't the best, it is damned close to it."

He said many people—he singled out Rep. Carl Perkins, D-7th District—had done a lot to keep the Breckenridge center alive. In 1973, the center faced a reduction to about

1,000 students, and uncertain financing. But the enrollment of more than 2,000 was restored in July 1973, and financing was made secure through this year.

As of yesterday, the center had an enrollment of 2,432. All students are from disadvantaged families.

Clements said he hoped the Carter administration and Congress, on the basis of such a record, would continue the Job Corps program on a larger scale "regardless of what they call it."

"Welfare may be a way of life with some people," he said. "But the more welfare you have the less dignity you have in man or woman. People are proud when they make their own way. . . . I have seen a lot of pride here today."

A COMMENT ON SOVIET SCIENCE POLICY FROM "SCIENCE & GOVERNMENT REPORT INTERNATIONAL ALMANAC—1977"

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. BRADEMAS. Mr. Speaker, one of the most frequent complaints voiced by American scientists is that a proliferation of bureaucratic regulations is impeding the conduct of their research. The extent of the problem is difficult to assess. But for the purpose of recognizing that it is at least a potentially serious one, I think it is useful to consider the example of what is undoubtedly the most overbureaucratized scientific system in the world, that of the Soviet Union, which subjects its scientists to a rigid and highly centralizing planning system.

A penetrating insight into the burdens that the Soviet system creates is to be found in a newly published and highly valuable booklength study of the science policies of over 30 nations: "Science & Government Report International Almanac—1977," published by Science & Government Report, of Washington, D.C.

The article on the Soviet Union, from which the following excerpt is taken, was written by Vera Rich, a noted English authority on Soviet scientific affairs:

SOVIET SCIENCE POLICY

Since science forms part of the State Plan, all requisitions for equipment are subject to bureaucratic procedures. All requisitions must, in theory, be made through official channels at the start of a given project, so that proper authorization is obtained before work begins. Since it is clearly impossible to know how much, say, copper wire will be required, the scientist will over-order. Half-way through his experiment, he finds that he has a sudden need for, maybe, platinum foil. Rather than fill out complicated forms, explaining why he needs this material, and why he failed to request it at the proper time, he will approach the local "fixer." This unofficial but highly important individual will know that Comrade B in a neighboring laboratory has the foil, and is willing to exchange it for high-grade photographic film, but needs precision ball-bearings. The research department of such and such factory has ball-bearings to spare, but needs the loan of five thermo-couples . . . and so on, through, maybe, another half-dozen stages, until at last someone is found who is in urgent need of copper wire. This unofficial supply system requires a good working "capital" of surplus equipment or materials. Over-ordering, already necessary to ensure a sufficiency for one's own experiment, becomes escalated to provide this expendable reserve. The strain upon the official supply system increases, and it becomes increasingly difficult to obtain necessary supplies through official channels. Inevitably, a certain equilibrium is reached, with shifts from time to time towards the official or towards the unofficial network.

There is always, however, considerable bureaucratic delay with the official requisition procedure, while, on the other hand, the unofficial system, although often quicker, still may suffer hold-ups while one or two important linkages in the chain are completed. Either way, experiments are held up, plans fall behind schedule, and the innovations required for expanding the economy may not be ready on time. Whether the difficulty is inherent in the system of state planning, or whether it is simply a matter of administrative inefficiency, it seems clear that difficulty with supplies is one of the greatest problems which besets Soviet experimental science. It is also clear that without the unofficial supply network, the situation would be considerably worse.

FOUNTAIN SUBCOMMITTEE CLEAN BILL TO AMEND AND EXTEND THE COUNTERCYCLICAL ASSISTANCE PROGRAM

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. FOUNTAIN. Mr. Speaker, I am including in the RECORD, for the information of my colleagues, the statement I made yesterday at the markup of H.R. 6810 by the Committee on Government Operations. H.R. 6810 is the clean bill reported by the Intergovernmental Relations and Human Resources Subcommittee, which I chair, for the purpose of amending and extending title II of the Public Works Employment Act of 1976.

My statement points out why the present title II program is a failure, and how the subcommittee bill would provide a much more effective and equitable alternative.

I regret to say that the committee approved, by a very close vote, to extend the present program, with a higher level of funding, through fiscal year 1978. The committee did not face up to the demonstrated need for reforming the title II program now to prevent the further waste of money and the grossly unfair treatment of thousands of local and State governments.

I urge my colleagues to read my statement in order to understand the facts in this important matter. It is my intention to introduce the subcommittee-sponsored bill (H.R. 6810) as a substitute for the committee bill (H.R. 6810, as amended) when this legislation is brought to the floor next week.

My statement follows:

STATEMENT BY HON. L. H. FOUNTAIN

I am pleased to present H.R. 6810, the clean bill approved by the Intergovernmental Relations and Human Resources Subcommittee for the purpose of amending and extending Title II of the Public Works Employment Act of 1976.

I think it very important that we understand the origin and nature of this program. Title II came before the House in a Conference Report last year as a Senate Floor amendment to the House-passed public works employment bill. No House hearings were held on this measure which authorized $1.25 billion of temporary, emergency assistance for the purpose of helping State and local governments impacted by the recession to maintain their basic services. Title II was accepted by the House as a 15-month program because our Conferees insisted that the public works bill could not be enacted without this concession to the Senate.

As part of his economic stimulus package, President Carter recommended extending the Title II program beyond its present expiration date of September 30, 1977, with substantially increased funding.

The Intergovernmental Relations and Human Resources Subcommittee has made an in-depth study of the Title II program, as well as of the problems that prompted the proposal of this type of assistance. Comprehensive hearings were held during March to obtain the essential information required for evaluating the Title II program and for designing an improved economic stimulus measure.

These hearings supplemented the very extensive and detailed hearings previously held by the subcommittee on the subject of fiscal relations in the American federal system. In addition, the subcommittee staff, in cooperation with the minority staff, has worked closely over the past several months with the most knowledgeable experts in both the Executive Branch and the GAO in the design of appropriate and equitable formulas for economic stimulus and antirecession assistance purposes. The bill before the Committee today represents a carefully thought-out approach for dealing with these matters.

Before explaining the subcommittee's clean bill, I want to take a few minutes to correct some myths, or misrepresentations, that have been circulated about the present Title II program.

First, Title II is not an antirecession or countercyclical program. This legislation was enacted more than two years after the 1974–75 recession had ended. While it is true that this last recession—the most severe one since the Great Depression—may have produced more lasting effects in certain communities, the fact is that the financial accounts of State and local governments as a whole had returned solidly into the black by the fourth quarter of 1976, with a surplus estimated at $5.8 billion (excluding social insurance accounts) at an annual rate. The primary factor responsible for this turnabout, according to testimony at our hearings, has been growth in the State and local sector's own revenue sources in response to the economy's recovery.

The economists who testified before the subcommittee were unanimous in emphasizing the unfortunate tendency to confuse the secular or long-term decline of certain communities and regions with the effects of recession.

As those who have followed the debate on the Snowbelt vs. the Sunbelt are aware, the older urban areas, and especially the large central cities of the Northeast and North-Central States, have been experiencing special financial problems in recent years. While the cause of their financial stress is in dispute, it is clear that they have been impacted for many years by the continuing loss of population and taxable wealth while their service costs have increased. I believe it is important that these long-term, secular problems be dealt with. However, an antirecession program is not the appropriate vehicle for that purpose.

Second, Title II is not a jobs program. Payments can be used for virtually any purposes the recipients choose. This is discretionary money. It is fungible, or substitutable for local money, just as in the general revenue sharing program. Indeed, the Congress has already created a variety of other programs designed specifically for increasing the number of jobs, including the public service employment titles under CETA and the Public Works Employment Act.

The GAO has informed the subcommittee, on the basis of its field study of the impact of Title II payments on State and local governments, that it has found relatively few instances in which these funds have actually been used to create new jobs or to maintain existing jobs. In other words, any connection between the Title II program and the reduction of unemployment is wholly speculative.

Third, as presently constituted, Title II is not an economic stimulus program. The only reliable information on the actual use or impact of Title II money is provided by the field investigation conducted by the General Accounting Office.

As of February 28, 1977, the GAO had visited 51 recipient governments constituting a good cross-section of the States, cities and counties participating in the program. For the first three quarters of Title II payments, these 51 governments had received $262 million, or more than 30 percent of the total paid to some 23,000 governments.

The GAO found that only 18 percent of the total amount available from the payments for July and October 1976, and January 1977, had been spent by those governments. The GAO also found that the governments with unemployment rates above 8 percent for the first three quarters were spending the funds only slightly faster than those with lower unemployment rates.

The GAO study disclosed that most recipients are putting their Title II money into bank accounts rather than spending it to stimulate the economy. You may have heard that a Senate subcommittee questionnaire found the Title II funds being used for a variety of program purposes. However, what you have not been told about that survey is that it asked recipients only how they planned to use the money—not how or whether the funds were spent.

The GAO findings are not unexpected, if we examine the provisions of Title II. Since these funds must be spent in accordance with the laws and procedures applicable to the expenditure of each government's own revenues, delays are inevitable until legislative bodies can meet to decide on their disposition. In addition, local and State governments cannot plan ahead to include Title II funds in their budgets, as they do revenue sharing, because payments are geared to fluctuating unemployment rates. In many instances, payments are turned on and off like a water faucet when unemployment rates fluctuate around the 4.5 percent level.

Another very serious deficiency of the Title II program is that the unemployment rates used to determine who receives money, and how much, are highly unreliable and of questionable appropriateness for an assistance program of this kind.

We simply do not have acceptable unemployment figures below the State level, and even the State figures are not reliable on a monthly basis. The Commissioner of Labor Statistics told the subcommittee that the unemployment rates assigned to communities of less than 50,000 population may be no better than "random numbers." Yet, it is these arbitrary, concocted numbers that determine which of our local communities receive Title II funds and the amount of that assistance. While BLS is now supplying unemployment rates for all counties at the direction of the Congress, we should bear in mind Commissioner Shiskin's warning that "Congress has legislated requirements for local area unemployment rates that are years ahead of the data base available." I hope this Committee will not be a party to this charade.

The limitations of existing unemployment rates relate not only to the poor quality of the data, but to their usefulness as well.

While unemployment figures are useful for some purposes, they are not a good indicator of the impact of economic recession on State and local governments. Because the estimated rates are not comparable between governmental units, their inclusion in formulas for distributing Federal assistance leads to serious distortions and inequities. In addition, focusing exclusively on unemployment and ignoring the present record level of employment throughout the Nation, creates a very misleading picture of the fiscal situation even in those State and local governments where unemployment remains high.

I could continue at length about the arbitrary and discriminatory effects of using unemployment rates to allocate funds in a program that is essentially another form of general revenue sharing. I am surprised that Members of Congress and other public officials from States such as Iowa, Kansas, Wyoming, South Dakota, North Dakota, and New Hampshire have not protested the exclusion of their State governments, as well as many local communities, from the Title II program. These States received no payments for some calendar quarters simply because they estimated unemployment rates were below the meaningless 4.5 percent cutoff. The fact that unemployment tends to be understated in rural States due to the way the rates are estimated is not taken into account. This is neither a sound nor an equitable way to allocate Federal funds.

I will now turn to an explanation of the clean bill approved by the subcommittee. H.R. 6810 consists of two parts: a transitional economic stimulus component, and an innovative antirecession measure.

Title I amends the Public Works Employment Act of 1976 by amending the present Title II program and extending it for two additional calendar quarters through March 31, 1978, for economic stimulus purposes. The bill accepts the funding level proposed by the President for the July quarter as well as the first two quarters of fiscal year 1978. The actual amount of funding for the July quarter will be $515 million, as compared with $312.5 million distributed for the current April quarter. The funding level for the two additional quarters will be determined by future national unemployment rates, as requested by the President.

In place of the faulty unemployment rates now assigned to State and local governments, the subcommittee bill bases the interstate and local distributions on two objective and readily available measures. The funds are to be distributed among State areas in proportion to the relative amount of taxes collected within each State, weighted by the relative tax efforts for those State areas. The allocation to each State area is then divided one-third for the State government and two-thirds for general purpose local governments. After allocating a share for Indian Tribes and Native Alaskan Villages (in relation to their populations), the remaining local share is divided among the general purpose governments in proportion to their adjusted taxes (that is, exclusive of school taxes) and relative tax effort. A special limitation is applied to prevent industrial enclaves and resort communities from gaining excessive payments.

Taxes collected and tax effort are two of the factors presently included in the general revenue sharing formula. The subcommittee selected these factors for the economic stimulus formula because they are the best available measures of the size of each jurisdiction's service responsibilities and the extent to which each government taxes its citizens for the support of public services.

While these measures are certainly not ideal, they are far more objective, equitable, and representative of local fiscal need than unemployment rates or other currently available data. As such, they are likely to target funds effectively to those governments that can absorb additional Federal assistance for current purposes, and therefore, help accomplish the President's economic stimulus objective.

I should point out that most of the older central cities that are suffering from secular decline rather than the effects of the business cycle, will receive more funds under the subcommittee bill than they would receive under the bill proposed by the President.

However, I want to state very frankly that the evidence from the present Title II program raises serious doubts that any program of this kind can serve as an effective instrument for stimulating the economy. It is most likely that the funds allocated for the July and any succeeding quarters will enter the economy long after they are paid, if they are spent at all for enlarged programs rather than substituted for State and local money. In this case, we may be fueling inflation rather than stimulating the economy.

The extension of the program for two calendar quarters in fiscal 1978 was a compromise between those members who favored terminating it when the current program expires next October, and those who favored a one-year or longer extension. The two additional quarters were thought to be justified because the Administration had raised expectations of an extended program, and, consequently, many local governments have built some funds from this source into their new budgets. The two quarters are intended to be a transitional bridge between the economic stimulus title and the proposed new antirecession program.

What we are seeing, I fear, is the development of an increasing dependency on the Federal Government for the general support of State and local governments. I do not view this as a healthy development in our federal system.

In addition to adopting a tax-based formula, the subcommittee made the following changes in the present program:

1. Restrictions were removed on the use of these funds, except for complying with State and local laws, because the Federal Government cannot realistically control the purposes for which they are spent unless we go to a strict categorical program.

2. The requirement that payments be appropriated within six months of receipt was also eliminated, since this is also an unenforceable restriction.

3. The nondiscrimination provisions were made to conform to the provisions adopted last year for the general revenue sharing program, and

4. The provision applicable to Davis-Bacon wage standards for construction projects was

also brought into line with the general revenue sharing act.

Title II of H.R. 6810 adds a new Title IV to the State and Local Fiscal Assistance Act for the purpose of providing fiscal assistance during periods of national recession. This is a logical and desirable addition to the basic general revenue sharing legislation.

This new program, authorized for 5 years beginning April 1, 1978, represents an innovative approach to helping offset the revenue losses State and local governments experience when the economy turns down and purchasing power falls off.

Payments would be activated by two consecutive quarterly declines of private sector real wages and salaries (i.e., dollars adjusted for inflation), provided that these declines follow, or occur simultaneously with, two consecutive quarterly declines in real gross national product (GNP). Two consecutive quarterly declines in real GNP is generally accepted as the definition of a recession.

The amount of funds authorized for national distribution would be determined by two steps: (1) calculating the dollar decline in real wages and salaries each quarter in relation to a base period (the average amount of real wages and salaries for the four quarters preceding the first quarter of decline), and (2) multiplying the resulting dollar decline by 3.5 percent to represent the potential tax loss experienced by State and local governments due to the recession. The 3.5 percent is an empirical figure, probably on the high side, to permit the Appropriations Committee sufficient leeway to conform payments to fiscal policy at the time. Antirecession payments would continue for all quarters in which real wages and salaries are less than in the base period. In other words, Federal assistance would be paid until the economy recovered to its previous state of health immediately before the recession. That is, payments would be continued for a number of quarters after the economy turned around.

We have distributed three exhibits to help illustrate how this new program would work. Exhibits I & II are charts illustrating how closely the trigger mechanism we have selected—private real wages and salaries—coincides with GNP changes, and how well both these measures outline periods of recession.

If you will look at Exhibit III, you will see how this program would have operated in the last recession.

The column to the right shows that real wages and salaries declined for 9 quarters, as measured against the base period, beginning in January 1974 through the first quarter of 1976.

The aggregate wage loss amounted to $130.3 billion. Had H.R. 6810 been operative during this period, it would have authorized 3.5% of this amount or $4.56 billion in payments for the 9 quarters involved.

You will note from column two that the economy had turned around by the third quarter of 1975, after six quarters. Our bill, however, would have continued payments for three additional quarters until wages and salaries recovered to the level of the 1973 base period which preceded the recession.

Once the amount of money for distribution has been determined, the interstate and local allocations would be made exactly as in the economic stimulus part of this bill previously described. In addition, all of the provisions concerning the use of funds would also apply here.

J. E. SIRRINE CO. CELEBRATES 75TH YEAR

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 6, 1977

Mr. MANN. Mr. Speaker. Greenville, S.C., is proud to celebrate the 75th anniversary of one of its corporate citizens, the J. E. Sirrine Co., which has contributed much to the progress of South Carolina and the U.S.A.

With headquarters in Greenville, S.C., J. E. Sirrine Co. has grown into the Nation's 19th largest architectural-engineering firm, with 1,300 employees in five divisions—pulp and paper, South Carolina, Architect-Engineer, North Carolina, and Texas Divisions.

I am certain that much of the success of J. E. Sirrine Co. is due to the fact that management and personnel recognize the value, both to the client and to the company, of a job well done. It is my information that the company experiences 85- to 95-percent repeat business, and this is a resounding endorsement for any type of business.

It is a privilege to have such a company and such people in the Fourth Congressional District, and I am proud to congratulate them on their diamond anniversary.